

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

Company name: BeNext-Yumeshin Group Co.
 Stock exchange listing: Tokyo
 Stock code: 2154 URL <https://www.yumeshin-benext.co.jp>
 Representative: Chairman and Representative Director Nishida Yutaka
 Inquiries: Board Director Sato Hiroshi TEL 03-6672-4181
 Scheduled date to file Quarterly Securities Report: May 14, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended March 31, 2021 (from July 1, 2020 to March 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended March 31, 2021	59,453	(5.0)	3,409	(18.5)	4,426	6.9	2,872	171.6
Nine months ended March 31, 2020	62,605	1.9	4,183	(5.6)	4,142	(5.5)	1,057	(63.5)

Note: Comprehensive income
 Nine months ended March 31, 2021 ¥2,870 million [170.7%]
 Nine months ended March 31, 2020 ¥1,060 million [(60.6)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended March 31, 2021	66.96		66.72	
Nine months ended March 31, 2020	24.86		24.71	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2021	31,124	15,917	50.9
As of June 30, 2020	31,730	14,765	46.2

Reference: Equity
 As of March 31, 2021: ¥15,840 million
 As of June 30, 2020: ¥14,649 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2020	–	15.00	–	25.00	40.00
Year ending June 30, 2021	–	17.00	–		
Year ending June 30, 2021 (Forecast)				27.00	44.00

Notes: 1. Revision of cash dividend forecast most recently announced: No

2. The breakdown of the year-end dividend for the year ending June 30, 2021 is an ordinary dividend of 25.00 yen and a commemorative dividend of 2.00 yen (absorption-type merger commemorative dividend).

3. Forecast of consolidated financial results for the year ending June 30, 2021 (from July 1, 2020 to June 30, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	94,800	16.0	3,200	(31.4)	4,400	(7.8)	2,700	102.2	29.30

Notes: 1. Revision of consolidated financial results forecast most recently announced: Yes

2. The impact of the integration with Yumeshin Holdings Co., Ltd. has been factored in to the extent that it is foreseeable at this point in time.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended March 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	42,934,100 shares	As of June 30, 2020	42,851,700 shares
----------------------	-------------------	---------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	1,569 shares	As of June 30, 2020	1,569 shares
----------------------	--------------	---------------------	--------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2021	42,895,430 shares	Nine months ended March 31, 2020	42,551,865 shares
----------------------------------	-------------------	----------------------------------	-------------------

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of the appropriate use of earnings forecasts and other special notes

Earnings forecasts and other forward-looking statements stated in this document are based on information available to the Company and certain assumptions that the Company considers to be reasonable. The actual results may differ materially from the forecasts due to various factors.

(Method of accessing financial results meeting material)

Financial results meeting for institutional investors and analysts will be held on Friday, May 14, 2021. Materials for the meeting will be provided on the Company's website as soon as possible after the meeting.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	11,158	5,875
Notes and accounts receivable - trade	10,089	12,068
Other	1,706	3,209
Allowance for doubtful accounts	(0)	–
Total current assets	22,952	21,153
Non-current assets		
Property, plant and equipment	943	984
Intangible assets		
Goodwill	4,501	4,890
Other	688	1,517
Total intangible assets	5,189	6,408
Investments and other assets	2,644	2,578
Total non-current assets	8,777	9,971
Total assets	31,730	31,124
Liabilities		
Current liabilities		
Short-term borrowings	2,615	1,875
Current portion of bonds payable	196	196
Accounts payable - other	1,926	1,360
Accrued expenses	4,575	3,687
Income taxes payable	1,361	602
Accrued consumption taxes	2,651	3,041
Provision for bonuses	1,420	2,232
Other	767	899
Total current liabilities	15,515	13,894
Non-current liabilities		
Bonds payable	518	322
Retirement benefit liability	71	638
Other	859	351
Total non-current liabilities	1,449	1,312
Total liabilities	16,964	15,207
Net assets		
Shareholders' equity		
Share capital	4,372	4,418
Capital surplus	2,768	2,441
Retained earnings	7,693	9,182
Treasury shares	(1)	(1)
Total shareholders' equity	14,832	16,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(2)
Foreign currency translation adjustment	(182)	(197)
Total accumulated other comprehensive income	(182)	(200)
Share acquisition rights	1	1
Non-controlling interests	114	75
Total net assets	14,765	15,917
Total liabilities and net assets	31,730	31,124

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2020	Nine months ended March 31, 2021
Net sales	62,605	59,453
Cost of sales	49,846	48,096
Gross profit	12,759	11,356
Selling, general and administrative expenses	8,575	7,947
Operating profit	4,183	3,409
Non-operating income		
Interest income	4	0
Subsidy income	43	885
Compensation income	–	105
Foreign exchange gains	5	77
Share of profit of entities accounted for using equity method	–	41
Other	20	15
Total non-operating income	73	1,125
Non-operating expenses		
Interest expenses	91	52
Share of loss of entities accounted for using equity method	15	–
Valuation loss on sold put options debt pertain to non-controlling interests	–	49
Other	7	6
Total non-operating expenses	114	108
Ordinary profit	4,142	4,426
Extraordinary income		
Gain on sales of non-current assets	0	–
Gain on bargain purchase	2	–
Total extraordinary income	2	–
Extraordinary losses		
Loss on retirement of non-current assets	1	10
Loss on valuation of investment securities	301	–
Impairment loss	1,162	–
Other	0	0
Total extraordinary losses	1,465	10
Profit before income taxes	2,678	4,416
Income taxes - current	1,391	1,350
Income taxes - deferred	126	179
Total income taxes	1,517	1,529
Profit	1,161	2,886
Profit attributable to non-controlling interests	103	13
Profit attributable to owners of parent	1,057	2,872

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2020	Nine months ended March 31, 2021
Profit	1,161	2,886
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(2)
Foreign currency translation adjustment	(60)	(42)
Share of other comprehensive income of entities accounted for using equity method	(40)	29
Total other comprehensive income	(100)	(15)
Comprehensive income	1,060	2,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	956	2,854
Comprehensive income attributable to non-controlling interests	103	15