



Summary of Financial Results for the Fiscal Year Ended March 31, 2018 [Japan GAAP] (Non-Consolidated)

May 15, 2018

Listed Company:	internet infinity INC.	Stock Exchange Listing: Tokyo Stock Exchange
Code Number	6545 URL: http://iif.jp	
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Scheduled date of the ordinary general meeting of shareholders:	June 28, 2018	Scheduled date of securities report submission: June 29, 2018
Scheduled date for the commencement of dividend payments:	Yes	
Results briefing scheduled:	Yes (for institutional investors and analysts)	

(Numbers are rounded down to the nearest million yen)

1. Business Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Business results (Percentages indicate rates of change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2018	3,289	15.9	241	40.1	278	90.3	185	78.5
FY 2017	2,837	16.9	172	44.8	146	39.5	104	47.5

	Net income per share	Diluted net income per share	Ratio of net income to equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY 2018	37.04	33.15	32.1	17.4	7.4
FY 2017	24.49	21.12	32.3	12.0	6.1

Supplementary information: Equity in earnings FY03/2018 — million yen FY03/2017 — million yen

Notes: 1. In accordance with a resolution adopted by the board of directors meeting of the Company held on August 14, 2017, dated October 1, 2017, the Company instituted a stock split at the ratio of 4 shares for 1 share of common stock of the Company. Basic and diluted net income per share have been calculated assuming that the stock split was instituted at the start of FY03/2017.

2. Because the shares of the Company were listed on the Tokyo Stock Exchange Mothers market on March 21, 2017, diluted net income per share have been calculated assuming the average share price during the period from the listing date until March 31, 2017, to be the average share price during the fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY 2018	1,733	672	38.8	133.95
FY 2017	1,465	486	33.2	96.92

Supplementary information: Equity FY03/2018 672 million yen FY03/2017 486 million yen

Note: In accordance with a resolution adopted by the board of directors meeting of the Company held on August 14, 2017, dated October 1, 2017, the Company instituted a stock split at the ratio of 4 shares for 1 share of common stock of the Company. Net assets per share has been calculated assuming that the stock split was instituted at the start of FY03/2017.

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at the end of the period
	Million yen	Million yen	%	Yen
FY 2018	321	-248	-109	405
FY 2017	120	-65	230	441

2. Dividend payments

	Annual dividend					Total dividend amount (Total)	Payout ratio	Ratio of dividends to net assets
	End of 1Q	End of 2Q	End of 3Q	End of the fiscal year	Total			
FY 2017	—	0.00	—	0.00	0.00	—	—	—
FY 2018	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2019 (Projection)	—	0.00	—	0.00	0.00	—	—	—

3. Business Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentages indicate rates of change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,751	14.0	286	18.6	290	4.2	190	2.5	37.97

* Notes

(1) Changes in accounting policies, changes in accounting estimates, and corrections of errors and restatements

(i) Changes in accounting policies due to the revision of accounting standards, etc.: None

(ii) Changes in accounting policies due to reasons other than stated in (i): None

(iii) Changes of accounting estimates: None

(iv) Corrections of errors and restatements: None

(2) Number of shares in issue (shares of common stock)

(i) Number of shares in issue at the end of the period (including treasury shares)

FY 2018	5,017,600 shares	FY 2017	5,017,600 shares
FY 2018	20 shares	FY 2017	— shares
FY 2018	5,017,594 shares	FY 2017	4,251,266 shares

(ii) Treasury shares held at the end of the period

(iii) Average number of shares during the period

Note: In accordance with a resolution adopted by the board of directors meeting of the Company held on August 14, 2017, dated October 1, 2017, the Company instituted a stock split at the ratio of 4 shares for 1 share of common stock of the Company. The number of shares in issue (common shares) was calculated assuming that the stock splits were instituted at the start of the fiscal year ended March 31, 2017.

* Summaries of financial statements are not subject to audit by a CPA or CPA firm.

* Disclaimer regarding the appropriate use of business results forecasts and related points of note

(Disclaimer concerning forward looking statements)

Forward looking statements on future business results made in these materials are based on information available to the Company at the time the statements were made and certain assumptions judged reasonable by the Company. None thereof is meant to suggest a promise of the Company that the forecasts will be attained. Actual business results, etc., can materially differ from forecasts due to various factors. Information concerning the premises underlying the business results projections and disclaimers concerning the use of the business results projections is set out in the Appendix, page 3, 1. Summary of Business Results (4) Outlook.

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1. Summary of Business Results

(1) Business results in the fiscal year under review

The Japanese economy in the fiscal year under review proceeded on a moderate recovery track against the backdrop of the government's economic policies and the monetary policies of the Bank of Japan. The further outlook remains uncertain, however, mainly due to concerns over the effects on the global economy from the policy trends in Europe and the US as well as geopolitical risk in East Asia.

Markets relating to Japan's aging society relevant to the business of the Company have been on a growth trend year after year in step with growing numbers of seniors in the population, accompanied by steadily rising demand for health care services. As part of this development, extending healthy life expectancy and containing the rising cost of social security have been identified as urgent issues. To this end, in May 2017 the "Act on Partial Revision of the Long-Term Care Insurance Act, etc., for Integrated Community Care System Strengthening" was established, which among other measures raises from 20% to 30% the contributions payable by high-income eldercare service users with incomes comparable to current job holders and introduces a comprehensive remuneration percentage that imposes the long-term care insurance premium proportionately to income. Despite concerns over the effects from the reviews, etc., of remuneration unit pay rates pursuant to the revised eldercare remuneration starting in April 2018, expectations are for steadily rising demand for short-term rehabilitation type ambulant eldercare services (day care services) with the emphasis on maintaining and improving the health of seniors.

In this setting, at the Company we have made it our mission to resolve the problems of super-aged communities through creative innovation and proactive endeavor in accordance with our Healthful Future corporate slogan. To this end, the Company has been focused on expanding its "Record book" eldercare center network for short-term rehabilitation type ambulant eldercare services (day care service) and services based on the use of the Company's "Care Management Online" care manager network. Additionally, as a new effort, for seniors who do not use the long-term care insurance system, the Company is developing on a test basis the "SMART TIMES" health care and communication concept. As a result of the forgoing, sales marked 3,289,415 thousand yen (+15.9% compared with the previous fiscal year), with operating income of 241,913 thousand yen (+40.1%), ordinary income of 278,616 thousand yen (+90.3%), and net income of 185,832 thousand yen (+78.5%).

Business results by segment developed largely as follows.

(Healthcare Solution Business)

In the fiscal year under review, the Company opened two directly-operated and 44 franchisee-operated "Record book" care centers for short-term rehabilitation type ambulant eldercare services (day care services). Additionally, the Company transferred three of its directly operated care centers to franchisee operated centers and two to its joint venture company Meitetsu Life Support Co., Ltd., while receiving two franchisee operated centers. As a result, care centers of the Company comprised 27 directly operated and 73 franchisee-operated care centers.

Based on these developments, sales totaled 1,989,414 thousand yen (+27.8% compared with the previous fiscal year) with operating income of 375,987 thousand yen (+63.1%).

(Home-Centered Service Business)

Aiming to achieve business sites' stable operations, the division concentrated its sales and marketing activities on acquiring new customers and raising operating rates.

Based on these developments, sales totaled 1,300,000 thousand yen (+1.5% compared with the previous fiscal year) with operating income of 337,917 thousand yen (+1.4%).

(2) Financial position in the fiscal year under review

(Assets)

Current assets at the end of the fiscal year under review totaled 1,074,472 thousand yen, marking an increase of 43,222 thousand yen compared with the end of the previous fiscal year.

The main factor was an increase of 47,766 thousand yen in accounts receivable-trade.

Non-current assets totaled 658,602 thousand yen, reflecting an increase of 224,580 thousand yen compared with the end of the previous fiscal year. Main factors were an increase of 128,529 thousand yen (net) in buildings due to the expansion of the "Record book" care centers, an increase of 12,336 thousand yen in tools, furniture and fixtures, and an increase of 61,932 thousand yen in guarantee deposits.

As a result, total assets at the end of the fiscal year under review marked 1,733,075 thousand yen, reflecting an increase of 267,802 thousand yen compared with the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 710,990 thousand yen, marking a decrease of 96,551 thousand yen compared with the end of the previous fiscal year. Main factors were an increase of 76,735 thousand yen in deposits received, an increase of 70,732 thousand yen in the current portion of long-term debt, an increase of 37,871 thousand yen in provisions for bonuses, and a decrease of 310,000 thousand yen in short-term loans payable.

Non-current liabilities totaled 349,997 thousand yen, reflecting an increase of 178,585 thousand yen compared with the end of the previous fiscal year. The main factor was an increase of 184,704 thousand yen in long-term loans payable.

As a result, total liabilities at the end of the fiscal year under review marked 1,060,988 thousand yen, reflecting an increase of 82,033 thousand yen compared with the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review marked 672,086 thousand yen, reflecting an increase of 185,768 thousand yen compared with the end of the previous fiscal year. The main factor was an increase of 185,832 thousand yen in retained earnings, reflecting the accounting recognition of net income for the period.

(3) Cash flows in the fiscal year under review

Cash and cash equivalents ("Cash") at the end of the fiscal year under review totaled 405,257 thousand yen, which was 36,166 thousand yen lower than at the end of the previous fiscal year.

Cash flows in the fiscal year under review and their determining factors were as follows.

(Cash flows from operating activities)

Cash provided by operating activities in the fiscal year under review marked 321,044 thousand yen (compared with 120,870 thousand yen provided in the previous fiscal year). Main factors were 268,208 thousand yen in profit before income taxes, an increase of 76,735 thousand yen in deposits received, 64,385 thousand yen in depreciation, an increase of 34,840 thousand yen in accrued expenses, a decrease of 34,109 thousand yen in accounts receivable-trade, and 87,484 thousand yen in income taxes paid.

(Cash flows from investing activities)

Cash used in investing activities in the fiscal year under review marked 248,144 thousand yen (compared with 65,423 thousand yen used in the previous fiscal year). Main factors were 198,032 thousand yen in purchase of property, plant and equipment, 84,099 thousand yen in payments for guarantee deposits, and 32,442 thousand yen in payments for transfer business.

(Cash flows from financing activities)

Cash used in financing activities in the fiscal year under review marked 109,066 thousand yen (compared with 230,198 thousand yen provided by financing activities in the previous fiscal year). Main factors were 400,000 thousand yen in proceeds from long-term loans payable, a decrease of 310,000 thousand yen in short-term loans payable, 144,563 thousand yen in expenditure for the repayment of long-term loans payable, 24,121 thousand yen in expenditure for the repayment of installment payables, and 15,000 thousand yen in expenditure for the redemption of corporate bonds.

Supplementary information: Fluctuation in cash flow related indicators

	FY03/2016	FY03/2017	FY03/2018
Equity ratio (%)	16.3%	33.2%	38.8%
Ratio of interest-bearing debt (years)	5.9	4.7	1.5
Interest coverage ratio (multiple)	6.3	9.2	36.5

Equity ratio: Shareholders' equity / Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payable

Note 1: "Cash flow" uses operating cash flow.

Note 2: Interest-bearing debt comprises all debt that pays interest among the liabilities recorded on the balance sheet.

(4) Outlook

As to the outlook for the markets relating to Japan's aging society relevant to the business of the Company, with the percentage weighting of the high-age demographic rising year after year, demand for health care services is steadily increasing. In particular, given the attention being paid to efforts at extending healthy life expectancy and eliminating job resignations compelled by eldercare situations, expectations are for further increases in demand for the services of the Company's "Record book" operations and for services of support in reconciling employment duties and eldercare requirements.

In the time ahead, we will open new "Record book" care centers at a further accelerated pace, with the emphasis on franchise operated centers, and promote nationwide deployment. In addition, in response to the government's efforts at eliminating job resignations compelled by eldercare situations, we will continue to aggressively develop support services for reconciling employment duties and eldercare requirements, promote product development in new fields, and work to expand the earnings base of the Company. In addition, with a view to the future commercialization of the Company's "SMART TIMES" operations, we will conduct further tests and make additional investments.

As to expenses, we expect higher outlays centered on personnel expenses in the course of advancing forward looking investments aimed at the nationwide deployment of "Record book" operations and future business expansion. By establishing training centers to enhance training programs and by promoting employee work style reforms, we will strive to secure competent staff at an early stage and steadily accelerate business development.

Based on these measures, full-term results projections for the next fiscal year call for sales of 3,751 million yen (+14.0% compared with the previous fiscal year) with operating income of 286 million yen (+18.6%), ordinary income of 290 million yen (+4.2%), and net income of 190 million yen (+2.5%). Note that these business results projections were prepared on the basis of currently available information. Actual results may differ due to various factors.

2. Fundamental Considerations Concerning the Choice of Accounting Standards

It is the policy of the Company, for the foreseeable future, to prepare its financial statements in accordance with accounting principles generally acknowledged in Japan with a view to maintaining the comparability of financial statements between periods and companies. With regard to the adoption of International Financial Reporting Standards, it is the policy of the Company to take appropriate steps taking into consideration the circumstances in Japan and overseas.

3. Financial Statements and Major Notes

(1) Balance sheet

(Unit: thousand yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	442,984	405,257
Notes receivable-trade	13,970	—
Accounts receivable-trade	504,495	552,261
Raw materials and supplies	2,637	20,589
Prepaid expenses	48,120	57,096
Deferred tax assets	17,247	30,427
Other	3,220	9,477
Allowance for doubtful accounts	-1,426	-637
Total current assets	1,031,250	1,074,472
Non-current assets		
Property, plant and equipment		
Buildings	318,397	481,137
Accumulated depreciation and impairment loss	-83,623	-117,833
Buildings (net)	234,774	363,303
Structures	263	263
Accumulated depreciation and impairment loss	-210	-219
Structures (net)	52	43
Vehicles	6,083	5,228
Accumulated depreciation and impairment loss	-4,174	-3,910
Vehicles (net)	1,909	1,318
Tools, furniture and fixtures	40,176	59,680
Accumulated depreciation and impairment loss	-18,921	-26,088
Tools, furniture and fixtures (net)	21,255	33,591
Lease assets	49,116	49,116
Accumulated depreciation and impairment loss	-11,190	-15,931
Lease assets (net)	37,926	33,185
Total property, plant and equipment	295,916	431,443
Intangible assets		
Goodwill	2,672	3,388
Software	12,266	15,703
Software in progress	4,935	5,941
Total intangible assets	19,874	25,033
Investments and other assets		
Investments in capital	10	10
Investment securities	—	10,000
Long-term prepaid expenses	17,037	18,392
Guarantee deposits	92,043	153,976
Deferred tax assets	3,138	12,998
Other	6,001	6,748
Total investments and other assets	118,231	202,126
Total non-current assets	434,022	658,602
Total assets	1,465,272	1,733,075

(Unit: thousand yen)

	FY 2017 (As of March 31, 2017)	FY 2018 (As of March 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	11,267	10,332
Short-term loans payable	350,000	40,000
Current portion of long-term loans payable	91,747	162,480
Current portion of bonds	15,000	5,000
Lease obligations	5,123	5,228
Accounts payable-other	109,807	86,546
Accrued expenses	50,788	85,560
Income taxes payable	71,559	87,674
Accrued consumption taxes	3,890	11,236
Advances received	23,185	23,413
Deposits received	50,943	127,679
Unearned revenue	6,459	10,199
Provision for bonuses	17,770	55,641
Total current liabilities	807,542	710,990
Non-current liabilities		
Bonds payable	5,000	—
Long-term loans payable	66,121	250,825
Lease obligations	38,429	33,201
Long-term accounts payable-other	18,552	5,254
Asset retirement obligations	27,659	38,544
Long-term unearned revenue	15,649	22,172
Total non-current liabilities	171,411	349,997
Total liabilities	978,954	1,060,988
Net assets		
Shareholders' equity		
Capital	211,170	211,170
Capital surplus		
Legal capital surplus	196,170	196,170
Total capital surplus	196,170	196,170
Retained earnings		
Other retained earnings		
Retained earnings brought forward	78,977	264,809
Total retained earnings	78,977	264,809
Treasury shares	—	-63
Total shareholders' equity	486,318	672,086
Total net assets	486,318	672,086
Total liabilities and net assets	1,465,272	1,733,075

(2) Statement of income

(Unit: thousand yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Net sales	2,837,417	3,289,415
Cost of sales	2,012,330	2,229,593
Gross profit	825,086	1,059,821
Selling, general and administrative expenses		
Directors' compensations	44,075	51,425
Salaries, allowances and bonuses	287,875	340,207
Provision for bonuses	5,016	6,941
Legal welfare expenses	45,406	53,227
Welfare expenses	8,220	11,289
Advertising expenses	45,017	58,035
Hiring and training expenses	36,535	50,586
Depreciation	1,711	10,212
Provision of allowance for doubtful accounts	688	1,120
Other	177,872	234,863
Total selling, general and administrative expenses	652,419	817,908
Operating income	172,666	241,913
Non-operating income		
Interest income	3	3
Gain on transfer of business	—	44,616
Other	1,260	2,499
Total non-operating income	1,264	47,119
Non-operating expenses		
Interest expenses	12,448	8,712
Interest on bonds	697	95
Stock listing expenses	12,194	—
Commission fee	—	1,477
Other	2,151	131
Total non-operating expenses	27,492	10,416
Ordinary income	146,438	278,616
Extraordinary income		
Gain on sales of non-current assets	1,817	—
Gain on transfer of business	8,244	—
Penalty income	5,180	—
Gain on bargain purchase	—	6,798
Total extraordinary income	15,242	6,798
Extraordinary loss		
Loss on sales of non-current assets	813	—
Impairment loss	—	7,268
Head office transfer cost	—	9,938
Total extraordinary losses	813	17,207
Profit before income taxes	160,867	268,208
Income taxes - current	61,308	107,383
Income taxes - deferred	-4,557	-25,007
Total income taxes	56,750	82,376
Net income	104,116	185,832

Breakdown of cost of sales

Category	Note No.	FY 2017 (From April 1, 2016 to March 31, 2017)		FY 2018 (From April 1, 2017 to March 31, 2018)	
		Amount (thousand yen)	Composition ratio (%)	Amount (thousand yen)	Composition ratio (%)
I Material costs		159,111	7.9	196,476	8.8
II Labor costs		1,331,973	66.2	1,382,977	62.0
III Operating costs		521,245	25.9	650,139	29.2
Cost of sales for the period		2,012,330	100.0	2,229,593	100.0

Note: Major operating cost items are as follows.

Item	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Rents (thousand yen)	191,302	249,881
Lease rates (thousand yen)	50,340	60,594
Depreciation (thousand yen)	38,548	54,172

(3) Statement of changes in shareholders' equity
FY 2017 (From April 1, 2016, to March 31, 2017)

(Unit: thousand yen)

	Shareholders' equity						Total net assets
	Capital	Capital surplus		Retained earnings		Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at the beginning of current period	99,625	84,625	84,625	-25,139	-25,139	159,111	159,111
Changes of items during period							
Issuance of new shares	96,544	96,544	96,544			193,089	193,089
Conversion of convertible bond-type bonds with share acquisition rights	15,000	15,000	15,000			30,000	30,000
Net income				104,116	104,116	104,116	104,116
Purchase of treasury shares							
Total changes of items during period	111,544	111,544	111,544	104,116	104,116	327,206	327,206
Balance at the end of current period	211,170	196,170	196,170	78,977	78,977	486,318	486,318

FY 2018 (From April 1, 2017, to March 31, 2018)

(Unit: thousand yen)

	Shareholders' equity						Total net assets	
	Capital	Capital surplus		Retained earnings		Treasury shares		Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at the beginning of current period	211,170	196,170	196,170	78,977	78,977	—	486,318	486,318
Changes of items during period								
Net income				185,832	185,832	—	185,832	185,832
Purchase of treasury shares						-63	-63	-63
Total changes of items during period	—	—	—	185,832	185,832	-63	185,768	185,768
Balance at the end of current period	211,170	196,170	196,170	264,809	264,809	-63	672,086	672,086

(4) Statement of cash flows

(Unit: thousand yen)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	160,867	268,208
Depreciation	40,260	64,385
Impairment loss	—	7,268
Amortization of goodwill	1,101	1,081
Gain on bargain purchase	—	-6,798
Loss (gain) on transfer of business	-8,244	-44,616
Penalty income	-5,180	—
Increase (decrease) in allowance for doubtful accounts	688	-788
Increase (decrease) in provision for bonuses	3,005	37,871
Interest and dividend income	-3	-3
Commission fee	—	1,476
Interest expenses paid on loans and bonds	13,146	8,807
Stock listing expenses	12,194	—
Loss (gain) on sales of property, plant and equipment	-1,003	-162
Decrease (increase) in notes and accounts receivable-trade	-128,531	-34,109
Decrease (increase) in inventories	821	-17,951
Increase (decrease) in notes and accounts payable - trade	-399	-934
Increase (decrease) in deposits received	21,979	76,735
Increase (decrease) in accounts payable - other	20,475	8,984
Increase (decrease) in accrued expenses	-819	34,840
Increase (decrease) in advances received	7,822	3,252
Increase (decrease) in unearned revenue	1,728	10,262
Increase (decrease) in accrued consumption taxes	-1,634	19,538
Other	8,927	-20,232
Subtotal	147,204	417,112
Interest and dividend income received	3	3
Interest expenses paid	-13,094	-8,587
Income taxes paid	-13,242	-87,484
Cash flows from operating activities	120,870	321,044
Cash flows from investing activities		
Payments into time deposits	-24,601	—
Proceeds from withdrawal of time deposits	80,104	1,560
Collection of loans receivable	41	—
Proceeds from transfer of business	6,266	71,789
Payments for transfer of business	-28,817	-32,442
Purchase of property, plant and equipment	-73,700	-198,032
Proceeds from sales of property, plant and equipment	3,230	—
Purchase of intangible assets	-9,430	-13,086
Purchase of investment securities	—	-10,000
Collection of investments in capital	10	—
Payments for guarantee deposits	-19,272	-84,099
Proceeds from collection of guarantee deposits	746	23,167
Payments for asset retirement obligations	—	-6,999
Cash flows from investing activities	-65,423	-248,144
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	240,000	-310,000
Proceeds from long-term loans payable	—	400,000
Repayment of long-term loans payable	-145,863	-144,563
Redemption of bonds	-20,000	-15,000
Repayments of installment payables	-30,006	-24,121
Repayments of lease obligations	-5,021	-5,123
Proceeds from issuance of common shares	193,089	—
Cost of stock listing	-2,000	-10,194
Purchase of treasury shares	—	-63
Cash flows from financing activities	230,198	-109,066
Net increase (decrease) in cash and cash equivalents	285,645	-36,166
Balance of cash and cash equivalents at the beginning of the period	155,778	441,424
Balance of cash and cash equivalents at the end of the period	441,424	405,257

(5) Notes on financial statements

(Notes concerning the going concern assumption)

None

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

Reportable segments of the Company consist of structural units of the Company in respect of which stand-alone financial information is obtainable and which are the subject of periodic reviews by the board of directors in connection with decisions on the allocation of management resources and for the evaluation of business results.

The Company maintains its business headquarters at its head office, with individual business divisions devising comprehensive strategies, such as regarding the services to be provided, etc., and deploying business activities.

As a result, the Company structure consists of segments having distinct organizations based on individual business divisions, with the "Healthcare Solution Business" and the "Home-Centered Service Business" as the two reportable segments.

The "Healthcare Solution Business" operates short-term rehabilitation type ambulant eldercare services (day care services) with the aim of extending the healthy life expectancy of seniors and runs the "Care Management Online" service as a website dedicated to providing eldercare related information, as well as providing support for reconciling employment duties and eldercare requirements. The "Home-Centered Service Business" engages in in-home eldercare support services, visit based eldercare services, ambulant eldercare services (day care services), and short-term stay nursing care (short stay) services.

2. Calculation methods for sales, income or loss, assets, liabilities, and other accounting items by reportable segment

Accounting treatments applied to reportable business segments are largely consistent with the descriptions set forth in "Important accounting policies."

Reportable segment income is based on operating income numbers.

3. Information on sales, income or loss, assets, liabilities, and other accounting items by reportable segment

FY 2017 (from April 1, 2016, to March 31, 2017)

(Unit: thousand yen)

	Reportable segment			Adjustment amount Note 1	Amounts as stated in the quarterly statement of income and expenditure Note 3
	Healthcare Solution Business	Home-Centered Service Business	Total net sales		
Net sales					
Sales to external customers	1,556,931	1,280,485	2,837,417	—	2,837,417
Inter-segment internal sales or transfer amounts	—	—	—	—	—
Total	1,556,931	1,280,485	2,837,417	—	2,837,417
Segment income	230,468	333,207	563,675	-391,008	172,666
Other items					
Depreciation	33,457	6,191	39,649	611	40,260

Notes: 1. The amount of -391,008 thousand yen in "Adjustment amount" to segment income reflects company-level expenses not attributed to individual reportable segments consisting mostly of general and administrative expenses unrelated to reportable segments.

2. The adjustment amount to depreciation charges consists mostly of depreciation related to administrative functions unrelated to reportable segments.

3. Segment assets and liabilities have been omitted on grounds of their not being subject to determinations of management resource allocation and business performance assessments.

4. Segment income have been adjusted to operating income indicated in financial statements.

FY 2018 (From April 1, 2017, to March 31, 2018)

(Unit: thousand yen)

	Reportable segment			Adjustment amount Note 1	Amounts as stated in the quarterly statement of income and expenditure Note 3
	Healthcare Solution Business	Home-Centered Service Business	Total net sales		
Net sales					
Sales to external customers	1,989,414	1,300,000	3,289,415	—	3,289,415
Inter-segment internal sales or transfer amounts	—	—	—	—	—
Total	1,989,414	1,300,000	3,289,415	—	3,289,415
Segment income	375,987	337,917	713,904	-471,990	241,913
Other items					
Depreciation	48,986	5,984	54,971	9,413	64,385

Notes: 1. The amount of -471,990 thousand yen in "Adjustment amount" to segment income reflects company-level expenses not attributed to individual reportable segments consisting mostly of general and administrative expenses unrelated to reportable segments.

2. The adjustment amount to depreciation charges consists mostly of depreciation related to administrative functions unrelated to reportable segments.

3. Segment assets and liabilities have been omitted on grounds of their not being subject to determinations of management resource allocation and business performance assessments.

4. Segment income have been adjusted to operating income indicated in financial statements.

[Related information]

FY 2017 (From April 1, 2016, to March 31, 2017)

1. Information by product and service

Description omitted as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

Not applicable, as the Company has made no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable, as the Company owns no property, plant and equipment in locations outside Japan.

3. Information by major customer

Omitted, as no external customer of the Company accounts for 10% or more of net sales stated on the income statement.

FY 2018 (From April 1, 2017, to March 31, 2018)

1. Information by product and service

Description omitted as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

Not applicable, as the Company has made no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable, as the Company owns no property, plant and equipment in locations outside Japan.

3. Information by major customer

Omitted, as no external customer of the Company accounts for 10% or more of net sales stated on the income statement.

[Information by reportable segment concerning impairment losses on non-current assets]

FY 2017 (From April 1, 2016, to March 31, 2017)

None

FY 2018 (From April 1, 2017, to March 31, 2018)

(Unit: thousand yen)

	Healthcare Solution Business	Home-Centered Service Business	Company-level overhead and eliminations	Total
Impairment loss	7,268	—	—	7,268

[Information concerning goodwill amortization and unamortized balances by reportable segment]

FY 2017 (From April 1, 2016, to March 31, 2017)

(Unit: thousand yen)

	Healthcare Solution Business	Home-Centered Service Business	Company-level overhead and eliminations	Total
Amortization amount of current period	1,101	—	—	1,101
Balance at the end of current period	2,672	—	—	2,672

FY 2018 (From April 1, 2017, to March 31, 2018)

(Unit: thousand yen)

	Healthcare Solution Business	Home-Centered Service Business	Company-level overhead and eliminations	Total
Amortization amount of current period	1,081	—	—	1,081
Balance at the end of current period	3,388	—	—	3,388

[Information concerning gains from negative goodwill by reportable segment]

FY 2017 (From April 1, 2016, to March 31, 2017)

None

FY 2018 (From April 1, 2017, to March 31, 2018)

A gain of 6,798 thousand yen from negative goodwill was recognized in connection with the assignment of Healthcare Solution Business operations to the Company.

(Per-share information)

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Net assets per share	96.92 yen	133.95 yen
Net income per share	24.49 yen	37.04 yen
Diluted net income per share	21.12 yen	33.15 yen

- Notes: 1. Dated November 28, 2016, the Company instituted a stock split of common stock at the ratio of 200 shares for 1 share. Dated October 1, 2017, the Company instituted a stock split of common stock at the ratio of 4 shares for 1 share. Net assets per share, net income per share, and diluted net income per share have been calculated assuming that the stock split was instituted at the start of the previous fiscal year.
2. Because the shares of the Company were listed on the Tokyo Stock Exchange Mothers market on March 21, 2017, diluted net income per share for the previous fiscal year have been calculated assuming the average share price during the period from the listing date until the end of the previous fiscal year to be the average share price during the fiscal year.
3. The basis of calculation for net income per share and diluted net income per share for the fiscal year under review are as follows.

	FY 2017 (From April 1, 2016 to March 31, 2017)	FY 2018 (From April 1, 2017 to March 31, 2018)
Net income per share		
Net income amount (thousand yen)	104,116	185,832
Amount not attributable to common shareholders (thousand yen)	—	
Net income amount attributable to common shares (thousand yen)	104,116	185,832
Average number of shares outstanding during the fiscal year (share)	4,251,266	5,017,594
Diluted net income per share		
Adjustment amount to net income (thousand yen)	395	—
(thereof interest expenses (net of tax) (thousand yen))	395	—
Increase in the number of common shares (share)	696,314	587,884
(thereof convertible bonds (share))	152,658	—
(thereof convertible bonds (share))	543,656	587,884
Due to the absence of dilutive effects, the summary includes no calculation of diluted net income per share.	—	—

(Equity in earnings, etc.)

None

(Material subsequent events)

None