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May 14, 2021

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (Under Japanese GAAP)

Company name: internet infinity INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6545
 URL: <https://iif.jp>
 Representative: Keiichi Beck, Representative director
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 Scheduled date of annual general meeting of shareholders: June 24, 2021
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: June 25, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	3,468	(3.0)	165	(23.6)	249	15.5	150	22.7
March 31, 2020	3,575	6.3	216	134.0	216	108.6	122	89.5

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	28.08	27.29	16.1	10.4	4.8
March 31, 2020	22.96	22.21	14.7	9.9	6.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2021: ¥ - million

For the fiscal year ended March 31, 2020: ¥ - million

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	2,346	1,017	43.4	190.07
March 31, 2020	2,458	852	34.7	160.09

Reference: Equity

As of March 31, 2021 : ¥1,017 million

As of March 31, 2020: ¥852 million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	361	(104)	(342)	845
March 31, 2020	395	(170)	275	930

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	-	0.00	-	0.00	0.00	-	-	
Fiscal year ended March 31, 2021	-	0.00	-	0.00	0.00	-	-	
Fiscal year ending March 31, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to Owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	4,135	-	189	-	283	-	184	-	34.39

* Internet infinity INC. will change its financial statements from a non-consolidated to consolidated basis starting in the first quarter of the fiscal year ending March 31, 2022.

* Year-on-year changes are not presented because there is no consolidated financial information for the fiscal year ended March 31, 2021.

*** Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

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

As of March 31, 2021	5,427,771 shares
As of March 31, 2020	5,427,771 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2021	74,306 shares
As of March 31, 2020	101,686 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2021	5,345,733 shares
Fiscal year ended March 31, 2020	5,327,899 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements such as the earnings forecasts included here are based on currently available information and on certain assumptions we believe to be reasonable, and we make no assurance that they will be met. Actual performance and other results may differ significantly due to a variety of factors.

4. Financial statements

(1) Balance sheet

(Unit: thousand yen)

	Previous fiscal year (March 31, 2020)	Current fiscal year (March 31, 2021)
Assets		
Current assets		
Cash and deposits	930,176	845,183
Accounts receivable - trade	578,006	592,254
Supplies	25,732	11,337
Prepaid expenses	86,141	79,786
Other	9,677	5,120
Allowance for doubtful accounts	(1,440)	(497)
Total current assets	1,628,294	1,533,184
Non-current assets		
Property, plant and equipment		
Buildings	739,905	776,733
Accumulated depreciation and impairment loss	(289,648)	(380,255)
Buildings, net	450,257	396,477
Structures	263	263
Accumulated depreciation and impairment loss	(236)	(245)
Structures, net	26	17
Vehicles	1,289	884
Accumulated depreciation and impairment loss	(1,124)	(827)
Vehicles, net	165	57
Tools, furniture and fixtures	64,577	68,976
Accumulated depreciation and impairment loss	(35,996)	(45,528)
Tools, furniture and fixtures, net	28,581	23,448
Leased assets	49,116	49,116
Accumulated depreciation and impairment loss	(25,412)	(30,153)
Leased assets, net	23,703	18,963
Total property, plant and equipment	502,733	438,964
Intangible assets		
Goodwill	213	12,723
Software	23,449	24,635
Total intangible assets	23,662	37,359
Investments and other assets		
Investment securities	10,000	10,000
Long-term prepaid expenses	18,294	15,152
Guarantee deposits	183,018	184,755
Deferred tax assets	87,179	122,110
Other	5,761	5,100
Total investments and other assets	304,254	337,119
Total non-current assets	830,650	813,442
Total assets	2,458,944	2,346,627

(Unit: thousand yen)

	Previous fiscal year (March 31, 2020)	Current fiscal year (March 31, 2021)
Liabilities		
Current liabilities		
Accounts payable - trade	9,325	11,235
Short-term borrowings	490,000	110,000
Current portion of long-term borrowings	148,295	120,760
Lease obligations	5,554	5,666
Accounts payable - other	66,566	85,510
Accrued expenses	63,144	60,480
Income taxes payable	86,483	71,921
Accrued consumption taxes	14,071	19,697
Advances received	17,935	13,986
Deposits received	314,240	364,002
Unearned revenue	12,742	12,247
Provision for bonuses	81,385	81,319
Asset retirement obligations	667	400
Other	—	231
Total current liabilities	1,310,413	957,458
Non-current liabilities		
Long-term borrowings	187,152	261,748
Lease obligations	22,357	16,691
Asset retirement obligations	42,347	45,760
Long-term deposits received	20,021	29,420
Long-term unearned revenue	23,898	18,031
Other	87	8
Total non-current liabilities	295,864	371,660
Total liabilities	1,606,277	1,329,118
Net assets		
Shareholders' equity		
Capital	252,302	252,302
Capital surplus		
Legal capital surplus	237,302	237,302
Total capital surplus	237,302	237,302
Retained earnings		
Other retained earnings		
Retained earnings brought forward	450,803	592,010
Total retained earnings	450,803	592,010
Treasury shares	(87,741)	(64,107)
Total shareholders' equity	852,666	1,017,508
Total net assets	852,666	1,017,508
Total liabilities and net assets	2,458,944	2,346,627

(2) Statement of income

(Unit: thousand yen)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Current fiscal year (From April 1, 2020 to March 31, 2021)
Net sales	3,575,830	3,468,651
Cost of sales	2,361,470	2,347,628
Gross profit	1,214,359	1,121,022
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	62,424	79,698
Salaries, allowances, and bonuses	450,096	450,060
Provision for bonuses	28,278	13,295
Legal welfare expenses	76,527	77,441
Welfare expenses	2,905	2,307
Retirement benefit expenses	—	6,925
Advertising expenses	62,599	22,600
Recruitment and training expenses	19,107	9,018
Depreciation	6,518	5,904
Provision of allowance for doubtful accounts	719	69
Other	288,602	288,334
Total selling, general and administrative expenses	997,780	955,656
Operating income	216,579	165,366
Non-operating income		
Gain on sale of businesses	5,658	6,921
Gain on sales of non-current assets	1,404	—
Outsourcing service income	1,339	1,309
Subsidy income	2,477	89,804
Other	1,152	2,008
Total non-operating income	12,032	100,044
Non-operating expenses		
Interest expenses	10,750	11,893
Commission expenses	300	2,736
Other	1,143	787
Total non-operating expenses	12,194	15,417
Ordinary profit	216,417	249,992
Extraordinary income		
Subsidy income	—	76,110
Total extraordinary	—	76,110
Extraordinary loss		
Impairment loss	25,581	11,094
Loss on tax purpose reduction entry of non-current assets	—	14,783
Loss on COVID-19	—	74,557
Total extraordinary loss	25,581	100,435
Profit before income taxes	190,835	225,666
Income taxes – current	94,561	103,614
Income taxes – deferred	(26,076)	(28,058)
Total income taxes	68,485	75,556
Profit	122,350	150,110

(3) Statement of changes in equity

Previous fiscal year (April 1, 2019 to March 31, 2020)

(Unit: thousand yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
					Retained earnings carried forward				
Balance at beginning of period	250,992	235,992	—	235,992	329,360	329,360	(63)	816,281	816,281
Changes during period									
Issuance of new shares (Exercise of share acquisition rights)	1,310	1,310		1,310				2,620	2,620
Net income					122,350	122,350		122,350	122,350
Acquisition of treasury shares							(99,960)	(99,960)	(99,960)
Disposal of treasury shares			(907)	(907)			12,282	11,374	11,374
Transfer of loss on disposal of treasury shares			907	907	(907)	(907)		—	—
Total changes during period	1,310	1,310	—	1,310	121,442	121,442	(87,678)	36,385	36,385
Balance at the end of period	252,302	237,302	—	237,302	450,803	450,803	(87,741)	852,666	852,666

Current fiscal year (April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
					Retained earnings carried forward				
Balance at beginning of period	252,302	237,302	—	237,302	450,803	450,803	(87,741)	852,666	852,666
Changes during period									
Net income					150,110	150,110		150,110	150,110
Acquisition of treasury shares							(18)	(18)	(18)
Disposal of treasury shares			(8,903)	(8,903)			23,653	14,749	14,749
Transfer of loss on disposal of treasury shares			8,903	8,903	(8,903)	(8,903)		—	—
Total changes during period	—	—	—	—	141,207	141,207	23,634	164,841	164,841
Balance at the end of period	252,302	237,302	—	237,302	592,010	592,010	(64,107)	1,017,508	1,017,508

(4) Statement of cash flows

(Unit: thousand yen)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Current fiscal year (April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	190,835	225,666
Depreciation	122,304	138,581
Amortization of goodwill	8,456	3,062
Impairment loss	25,581	11,094
Loss on tax purpose reduction entry of non-current assets	—	14,783
Increase (decrease) in allowance for doubtful accounts	186	(942)
Increase (decrease) in provision for bonuses	8,630	(65)
Loss (gain) on sale of businesses	(5,658)	(6,921)
Loss (gain) on sales of property, plant and equipment	(1,347)	35
Subsidy income	(2,477)	(165,915)
Interest expenses	10,750	11,893
Commission expenses	—	2,736
Loss on COVID-19	—	74,557
Decrease (increase) in trade receivables	3,797	(14,247)
Decrease (increase) in inventories	(10,156)	14,295
Increase (decrease) in trade payables	(590)	1,909
Increase (decrease) in deposits received	96,637	27,741
Increase (decrease) in accounts payable - other	6,754	7,742
Increase (decrease) in accrued expenses	(22,312)	(2,664)
Increase (decrease) in advances received	(9,028)	(3,949)
Increase (decrease) in unearned revenue	(3,762)	(6,362)
Increase (decrease) in accrued consumption taxes	3,146	5,625
Other	(1,818)	25,588
Sub-total	419,928	364,247
Interest paid	(10,782)	(11,838)
Proceeds from subsidy income	2,477	197,333
Payments associated with COVID-19 loss	—	(74,557)
Income taxes paid	(16,177)	(113,594)
Net cash provided by (used in) operating activities	395,446	361,591
Cash flows from investing activities		
Proceeds from sale of businesses	9,820	17,550
Payments for acquisition of businesses	—	(22,918)
Purchase of property, plant and equipment	(158,001)	(85,014)
Proceeds from sales of property, plant and equipment	1,151	17
Purchase of intangible assets	(7,556)	(9,108)
Payments for guarantee deposits	(12,708)	(9,318)
Proceeds from refund of guarantee deposits	4,317	7,332
Payments for asset retirement obligations	(7,455)	—
Other	—	(2,572)
Net cash provided by (used in) investing activities	(170,433)	(104,032)

(Unit: thousand yen)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Current fiscal year (April 1, 2020 to March 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	360,000	(380,000)
Proceeds from long-term borrowings	200,000	240,000
Repayments of long-term borrowings	(178,289)	(192,939)
Repayments of installment payables	(3,864)	(1,303)
Repayments of lease obligations	(5,288)	(5,554)
Proceeds from issuance of shares	2,620	—
Purchase of treasury shares	(99,960)	(18)
Other	—	(2,736)
Net cash provided by (used in) financing activities	275,218	(342,552)
Net increase (decrease) in cash and cash equivalents	500,231	(84,993)
Cash and cash equivalents at beginning of period	429,944	930,176
Cash and cash equivalents at end of period	930,176	845,183