



Consolidated Financial Results for the Fiscal Year Ended March 31, 2022
(Under Japanese GAAP)

May 13, 2022

Listed company name: PARIS MIKI HOLDINGS Inc.
 Listing: Tokyo Stock Exchange
 Code number: 7455
 URL: <https://www.paris-miki.com/>
 Representative: President and Representative Director: Masahiro Sawada
 Contact person: Executive Officer, Finance & Accounting: Yuji Kayama (TEL) 03-6432-0732
 Scheduled date of the annual general meeting of Shareholders: June 28, 2022
 Scheduled date to file annual securities report: June 29, 2022
 Scheduled start date to commence dividend payments: June 9, 2022
 Preparation of supplementary materials on quarterly financial results: Yes
 Holding of quarterly financial results briefings: No (Video of the financial results presentation will be available on the Company's website)

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

1. Consolidated financial results for the 12 months ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(1) Consolidated financial results (cumulative)

(% is Year-on-year rate of increase / decrease)

Fiscal year ended	Net Sales		Operating Income		Ordinary income		Net income attributable to owners of parent quarterly	
	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2022	44,092	0.5	-500	—	175	-71.4	-1,108	—
March 31, 2021	43,873	-9.2	-180	—	613	37.4	-39	—

Note 1 Comprehensive income For the fiscal year ended, March 31, 2022 ¥-1,132 million yen (—%)

For the fiscal year ended, March 31, 2021 ¥-283 million yen (—%)

2 The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied from the beginning of the current fiscal year, and the figures for the fiscal year ended March 31, 2022 are after the application of these accounting standards.

Fiscal year ended	Net income per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
March 31, 2022	-21.82	—	-4.0	0.5	-1.1
March 31, 2021	-0.78	—	-0.1	1.5	-0.4

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

For the fiscal year ended March 31, 2022 ¥ - million

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

(2) Consolidated financial position

	Total Assets	Net Assets	Equity-to-asset ratio	Net assets per share
As of	million yen	million yen	%	Yen
March 31, 2022	35,784	27,446	75.3	530.24
March 31, 2021	39,931	28,993	71.6	562.65

Reference: Equity capital As of March 31, 2022 ¥26,939 million

As of March 31, 2021 ¥28,586 million

Note The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied from the beginning of the current fiscal year, and the figures for the fiscal year ended March 31, 2022 are after the application of these accounting standards.

(3) 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	million yen	million yen	%	Yen
March 31, 2022	1,512	330	-3,518	9,776
March 31, 2021	1,581	-803	-345	11,290

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	million yen	%	%
March 31, 2021	—	3.00	—	3.00	6.00	304	—	1.1
March 31, 2022	—	3.00	—	3.00	6.00	304	—	1.1
March 31, 2023 (Forecast)	—	3.00	—	3.00	6.00		80.0	

Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(% increase or decrease from the same period of previous year)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
		%		%		%		%	
Fiscal year ending									
March 31, 2023	46,750	6.0	740	—	1,100	526.5	380	—	7.50

Note: 1 The Company does not provide earnings forecasts for the first half of the fiscal year.

2 "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and others have been applied from the beginning of the current consolidated fiscal year, and the consolidated earnings forecast above is the figure after applying such accounting standards.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly added: - (Company name), Excluded: - (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and re-display of amendments

(i) Changes in accounting policies due to revisions to accounting standards: Yes

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

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(3) 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, 2022	56,057,474 shares
As of March 31, 2021	56,057,474 shares

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

As of March 31, 2022	5,251,248 shares
As of March 31, 2021	5,251,003 shares

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

Fiscal year ended March 31, 2022	50,806,326 shares
Fiscal year ended March 31, 2021	50,806,578 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the 12 months ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(1) Non-consolidated financial results (cumulative)

(% is Year-on-year rate of increase / decrease)

Fiscal year ended	Net Sales		Operating Income		Ordinary income		Net income attributable to owners of parent quarterly	
	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2022	1,476	14.4	111	372.0	89	23.3	16	-39.4
March 31, 2021	1,291	-18.3	23	—	72	—	28	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
March 31, 2022	0.33	—
March 31, 2021	0.55	—

(2) Non-consolidated financial position

As of	Total Assets	Net Assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
March 31, 2022	30,057	29,137	96.5	570.96
March 31, 2021	33,217	29,366	88.2	576.65

Reference: Equity capital As of March 31, 2022 ¥29,008 million
As of March 31, 2021 ¥29,297 million

* Financial results are not subject to audit by a certified public accountant or auditing firm.

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

The above forecasts are based on information available at the time of publication and are subject to a number of uncertainties. Actual results may differ significantly due to various factors. Please refer to "1. Overview of Business Results (4) Future outlook" on page 6 of the attached materials for further information on the above forecasts.

(How to obtain financial results presentation materials)

The Company plans to post financial results presentation materials and an explanatory video on the Company's website on or after May 20, 2022.

Table of Contents

1. Overview of Business Results.....	5
(1) Summary of Business Results for the Fiscal Year Ended March 31, 2022.....	5
(2) Summary of Financial Position for the Current Period.....	6
(3) Summary of cash flows for the period.....	6
(4) Future outlook.....	6
(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years	7
2. Basic approach to the selection of accounting standards	8
3. Consolidated Financial Statements and Key Notes	9
(1) Consolidated Balance Sheet	9
(2) Consolidated Statements of Income and Consolidated Comprehensive Income Statements	11
Consolidated Statement of Income	11
Consolidated statements of comprehensive income	13
(3) Consolidated Statement of Changes in Net Assets	14
(4) Consolidated Statements of Cash Flows	16
(5) Notes on consolidated financial statements	18
(Notes on Going Concern Assumption)	18
(Change in accounting policy)	18
(Information by Segment)	19
(Per Share Information)	21
(Significant subsequent events)	21

1. Overview of Business Results

(1) Summary of Business Results for the Fiscal Year Ended March 31, 2022

During the consolidated fiscal year under review, economic conditions in Japan were on a gradual recovery track after the spread of the new coronavirus settled down and the state of emergency declaration was lifted at the end of September. However, the following February, due to concerns about the spread of the highly contagious Omicron strain, the government once again forced the public to refrain from activities, which dampen the recovery process.

In the retail industry, there were signs of a gradual improvement, however, the customer traffic did not grow as expected and due to the global energy shortage, prices of goods steadily rose, dampening the upward trend which deflected rebound consumption.

The number of customers did not grow as expected due to concerns about another spread of the disease, and sales fell short of expectations. However, no matter what the situation, eyeglasses are indispensable in our daily lives, and we are committed to thorough implementation of "Visual Life Care (VLC)" so that our customers can always feel "peace of mind" and actively promoted store remodeling and other measures to ensure that customers always feel the "excitement" when they visit our stores. In addition, looking ahead to the Corona disaster and beyond, we have made investments in stores, including training employees, opening new stores, and relocating stores, so that we can meet customer needs. As a result, SG&A expenses exceeded expectations, resulting in an operating loss.

In overseas subsidiaries, although the impact of the spread of the new coronavirus varies from country to country, daily life is returning to normal in Europe and the United States, and both sales and customer numbers have exceeded those of the previous year. In the United States, Seattle and Hawaii in particular recorded higher profits than in the previous year. However, we have not yet returned to the pre-Corona level, and as a result, overseas subsidiaries posted an operating loss overall.

As a result of the above, net sales were 44,092 million yen (up 0.5% year-on-year), operating loss was 500 million yen (operating loss of 180 million yen in the previous year), ordinary income was 175 million yen (down 71.4% year-on-year) due to foreign exchange gains, and impairment loss of 801 million yen was recorded for unprofitable stores, etc. The Company recorded a net loss attributable to owners of the parent of 1,108 million yen (compared with a net loss attributable to owners of the parent of 39 million yen in the previous fiscal year).

Operating results by segment are as follows

[Japan]

PARIS MIKI Inc., a major subsidiary of PARIS MIKI HOLDINGS Inc. had been on a gradual recovery trend since October, when concerns about the spread of the Omicron strain settled, but since the beginning of the new year, the number of customers has slowed again in February and March due to the spread of the Omicron strain, leading to the revision of the forecast. Despite this situation, our suburban stores, which we have developed in accordance with local needs, have performed relatively well, and we have continued to invest in facilities, including the promotion of "VLC," a detailed vision measurement service tailored to different life situations, store remodeling, and fixtures, which we are particularly focusing on. Sales per store are improving as a result of consolidation into lodge-type stores and reconstruction and relocation to favorable locations.

Kinpo-Do Co., which mainly operates in department stores, saw a gradual return of customers, and both sales and profits exceeded the previous year's levels.

While working on the medical-related support business, Medishared Co., Ltd has secured a certain level of profit and is expected to continue to contribute to profits, including new initiatives such as collaborations with stores.

As a result, net sales in Japan amounted to 39,377 million yen (down 0.9% year on year), with a segment loss of 287 million yen (segment income of 212 million yen in the previous year).

[Overseas]

In overseas subsidiaries, although the recovery from the spread of infection differs from country to country, the situation is generally improving considering how severe the situation was in the previous year. In particular, Europe and the U.S. are improving, and the U.S. (Seattle and Hawaii) has turned positive. Southeast Asian subsidiaries, which used to contribute to profits, had fallen sharply due to repeated lockdowns and travel restrictions, but restrictions are gradually being eased and the customer traffic is recovering, and we expect further improvement in the future. However, our Chinese subsidiary, which once seemed to have escaped the state of coronavirus infection spread earlier than any

other country, is now unable to operate due to another severe city lockdown, which is a cause for concern for the rest of the year.

In addition, our German subsidiary, which has been supported by local customers for many years, had to relocate from its current location due to redevelopment, and after considering future growth potential and various other issues, we have decided to terminate its operations at the end of January, 2022.

As a result, overseas sales amounted to 4,924 million yen (up 11.8% year-on-year), with a segment loss of 213 million yen (segment loss of 393 million yen in the previous year).

(2) Summary of Financial Position for the Current Period

(Assets, Liabilities and Net Assets)

Total assets decreased 4,146 million yen from the end of the previous consolidated fiscal year to 35,784 million yen in the current consolidated fiscal year. This was mainly due to a 3,714 million yen decrease in cash and deposits and a 757 million yen decrease in merchandise and finished goods in current assets.

Liabilities amounted to 8,337 million yen, down 2,599 million yen from the end of the previous fiscal year. This was mainly due to a 3,012 million yen decrease in current portion of long-term loans payable in current liabilities.

Net assets decreased 1,546 million yen from the end of the previous fiscal year to 27,446 million yen. This was mainly due to a decrease of 1,583 million yen in retained earnings.

(3) Summary of cash flows for the period

Cash and cash equivalents (hereinafter referred to as "cash") decreased by 1,514 million yen to 9,776 million yen in the current fiscal year compared to the previous fiscal year.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities amounted to 1,512 million yen (compared with 1,581 million yen provided at the end of the previous fiscal year). This was mainly due to depreciation and amortization of 883 million yen and impairment loss of 801 million yen.

(Net cash provided by (used in) investing activities)

Net cash provided by investing activities amounted to 330 million yen (803 million yen was used at the end of the previous fiscal year). This was mainly due to proceeds from withdrawal of time deposits of 2,503 million yen, despite purchase of property, plant and equipment of 1,607 million yen and purchase of intangible assets of 359 million yen.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities amounted to 3,518 million yen (345 million yen used at the end of the previous fiscal year). This was mainly due to repayment of long-term loans payable of 3,012 million yen and cash dividends paid of 305 million yen.

(4) Future outlook

On April 1, 2022, we changed our company name from Miki Holdings Co. to PARIS MIKI HOLDINGS Inc. We will continue our efforts to make the "PARIS MIKI" brand known and to attract interest in our company's stock by matching the name of the stores used by our customers with the trade name that appears as the name of the stock listed on the stock exchange.

In addition, we have disclosed a medium-term management plan that is based on our management philosophy since our establishment: "First, for our customers and their future," "Second, for our employees and their future," and "Third, for the Company and its future," with the aim of further evolving into a company that provides "excitement" and "peace of mind."

In our mainstay eyeglasses business, we will continue to expand into related businesses and take on the challenge of entering new fields such as medical-related businesses by leveraging our experience and ambition as an optician, without being bound by the existing business model. For store development, we will continue to review unprofitable stores and promote consolidation and closure, and strengthen the system so that each and every store can build deeper relationships with customers. In addition, we are continuing to renovate stores based on store segments, changing product lineups and sales methods to create stores that offer "Tokimeki" (excitement) and that are suited to different regions and customer segments.

In addition, in April 2022, a new national certification system will be introduced for "ophthalmic technician" and the first certified ophthalmic technician in Japan will be born in November, 2022. We expect over 500 employees of our company to receive certificates and will continue to increase the number of certified employees to develop human resources who can respond to the "peace of mind" of our customers.

For the next fiscal year, we expect to open 17 new stores in Japan, mainly in shopping centers and independent suburban stores that are currently unoccupied properties, etc. We also plan to close 20 stores, mainly unprofitable stores through consolidation and closure.

In terms of products, we are expanding our lineup of Made in Japan PB eyeglass frames with excellent functionality and design. In the field of eyeglass lenses, we continue to develop and promote products with different functions for different purposes and superior products that take eye health into consideration. In addition, through a business alliance with Shamir, which has established a lens factory in Japan, we have become the first company in Japan to offer lenses that shorten the delivery time for bifocal lenses from the usual one week to less than 24 hours. We will continue to improve quality and services and develop new markets to meet new needs.

Create Three Co., Ltd., a group subsidiary as an eyeglass frame manufacturer, and O.P.T. make FUKUI Co., Ltd. which specializes in eyeglass repair, to develop superior PB products. By providing quality products that can be used for a long period of time while growing a sense of attachment, our goal is to contribute to the protection of our environment.

As for overseas subsidiaries, we plan to make new investments where there is potential.

In regions where the market is difficult, we will continue to reorganize unprofitable stores while rebuilding existing stores. In total, although the plan has been postponed due to the spread of coronavirus infection, we are to make our overseas subsidiaries more profitable by the fiscal year ending March 2024.

We are also working on expansion into new markets such as Southeast Asia with a view of medium- to long-term growth, including collaboration with the medical (ophthalmology) business, and following Vietnam and the Philippines, we have begun expansion into Cambodia.

While the effects of the new coronavirus infection have not yet ended, we believe that it is precisely at times like these that it is important to further enhance the trust of our customers while responding to their concerns. We will continue to focus on capital investment, including store renovation, and employee training to ensure that we have comfortable stores where customers can come with peace of mind with employees they can trust.

For consolidated financial results for the next fiscal year, the company expects that the new coronavirus infection will gradually end and condition will improve, and that the third round of vaccination will be administered to a certain extent in Japan in the future. Under this assumption, net sales of 46,750 million yen (up 6.0% year-on-year), operating income of 740 million yen (operating loss of 500 million yen in the previous year), ordinary income of 1,100 million yen (up 526.5% year-on-year), and net income attributable to owners of the parent of 380 million yen (net loss attributable to owners of the parent of 1,108 million yen in the previous year) are expected.

The future performance forecasts and other forward-looking statements are based solely on information available at this point in time, and actual results may differ significantly due to a variety of factors. Therefore, we will make another announcement if we anticipate significant changes in our forecasts.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The year-end dividend for the current fiscal year will be 3 yen per share, with a payment date of June 9, 2022, in accordance with the resolution of the Board of Directors meeting held on May 13, 2022. As a result, the annual dividend for the current consolidated fiscal year will be 6 yen per share (interim dividend: 3 yen, year-end dividend: 3 yen).

The basic policy of the capital policy is to maintain financial soundness, taking into consideration of internal reserves for medium- and long-term business investments and cash flow conditions, in order to enhance corporate value and achieve sustainable growth.

As for internal reserves, we expect the impact of the new coronavirus infection to continue for some time, but even under these circumstances, we plan to continue working to create attractive stores that customers can visit with peace of mind, and based on the favorable performance of stores that we have implemented capital investments in the previous consolidated fiscal year, we will continue to make aggressive capital investments to improve medium-

and long-term performance.

With regard to our dividend policy, we will pay continuous and stable dividends to our shareholders so that they can hold our shares for a long and stable period of time, and aim to realize a dividend policy that is commensurate with our business performance once we are able to generate stable earnings. For the fiscal year ending March 31, 2023, we continue to plan to pay an annual dividend of 6 yen per share (an interim dividend of 3 yen per share and a year-end dividend of 3 yen per share).

2. Basic approach to the selection of accounting standards

For the time being, the Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration periodic comparability of consolidated financial statements and inter-company comparability.

The Group's policy is to apply International Financial Reporting Standards (IFRSs) as appropriate, taking into consideration various conditions in Japan and overseas.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Unit: Million yen)

	Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (April 1, 2021 to March 31, 2022)
ASSETS		
Current assets		
Cash and deposits	15,664	11,949
Notes and accounts receivable	2,707	2,661
Merchandise and finished goods	8,236	7,479
Raw materials and stored products	980	1,044
Other	1,142	1,166
Provision for trade debts	-134	-115
Total current assets	28,595	24,185
Fixed assets		
Tangible fixed assets		
Buildings and structures	9,898	9,741
Machinery and equipment	111	123
Tools, furniture and fixtures	7,277	7,175
Land lot	595	653
Leased assets	65	127
Construction in progress	147	245
Other	78	80
Accumulated depreciation	-13,446	-13,307
Total Tangible Fixed Assets	4,728	4,840
Intangible fixed assets		
Other	439	608
Total intangible assets	439	608
Investments and other assets		
Investments in securities	783	768
Long-term loans	283	201
Lease and guarantee deposits	4,726	4,575
Construction cooperation funds	109	279
Deferred tax asset	92	17
Other	378	434
Allowance for doubtful accounts	-155	-70
Allowance for loss on investment in affiliates	-51	-57
Total investments and other assets	6,166	6,149
Total fixed assets	11,335	11,598
Total assets	39,931	35,784

	Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (April 1, 2021 to March 31, 2022)
LIABILITIES AND EQUITY		
Current liabilities		
Notes and accounts payable	1,338	1,219
Short-term loans payable	2,211	2,077
Current portion of long-term debt	3,012	—
Lease obligations	12	27
Accounts payable	1,792	1,710
Income taxes payable	194	176
Consumption taxes payable	230	195
Allowance for bonuses	32	220
Allowance for store closing losses	8	4
Other	1,163	1,535
Total current liabilities	9,996	7,167
Fixed liabilities		
Lease obligations	26	71
Allowance for retirement benefits to directors and corporate auditors	56	—
Liabilities for retirement benefits	30	34
Deferred tax liabilities	79	108
Asset retirement obligations	504	573
Other	244	382
Total fixed liabilities	941	1,170
Total liabilities	10,937	8,337
Equity		
Shareholders' equity		
Capital	5,901	5,901
Capital surplus	6,829	6,829
Retained earnings	24,217	22,634
Treasury stock	-8,692	-8,692
Total shareholders' equity	28,255	26,672
Accumulated other comprehensive income		
Other securities valuation differences	156	160
Exchange conversion adjustment account	174	106
Total other comprehensive income	330	266
Stock acquisition rights	69	129
Non-controlling interests	338	378
Total net assets	28,993	27,446
Total liabilities and net assets	39,931	35,784

(2) Consolidated Statements of Income and Consolidated Comprehensive Income Statements

Consolidated Statement of Income

(Unit: Million yen)

	Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (April 1, 2021 to March 31, 2022)
Sales	43,873	44,092
Cost of sales	14,115	13,775
Gross profit	29,757	30,316
Selling, general and administrative expenses		
Sales promotion expenses	2,060	2,126
Advertising expenses	1,175	1,148
Salaries, allowances and bonuses	12,654	12,922
Provision for bonuses	30	188
Provision for directors' retirement benefits	17	4
Welfare expense	2,017	2,147
Retirement benefit expenses	468	453
Depreciation and amortization	685	797
Rent	7,440	7,684
Allowance for doubtful accounts	-	16
Other	3,386	3,326
Total selling, general and administrative expenses	29,938	30,816
Operating income	-180	-500
Non-operating income		
Interest income	50	69
Rental income	46	-
Guarantee fees received	8	8
Profit on currency exchange	344	384
Commission received	10	10
Compensation received	10	5
Gain on sales of supplies	27	18
Sponsorship income	10	60
Subsidy income	267	77
Other	219	131
Total non-operating income	995	765
Non-operating expenses		
Interest expenses	20	11
Commission fee	34	5
Settlement money	47	-
Provision for loss on investment in affiliates	26	9
Allowance for doubtful accounts	14	2
Other	59	61
Total non-operating expenses	201	89
Ordinary income	613	175
Extraordinary gains		
Gain on sales of fixed assets	168	2
Gain on sales of investment securities	102	12
Total extraordinary gains	271	14

(Unit: Million yen)

	Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (April 1, 2021 to March 31, 2022)
Extraordinary loss		
Loss on sales and disposal of fixed assets	101	93
Impairment loss	484	801
Loss on store cancellation	1	—
Provision for loss on store closing	5	2
Total extraordinary loss	593	896
Net Income before taxes or net loss before adjustments to taxes, etc	291	-706
Corporate tax, municipal tax and business taxes	414	275
Adjustment to corporate taxes, etc	-104	107
Total corporate taxes, etc.	309	383
Net income or net loss	-17	-1,090
Net loss attributable to non-controlling shareholders	21	18
Net income attributable to owners of parent or net loss attributable to owners of parent	-39	-1,108

Consolidated statements of comprehensive income

(Unit: Million yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Net income	-17	-1,090
Other comprehensive income		
Other securities valuation difference	105	4
Exchange conversion adjustment account	-371	-46
Total other comprehensive income	-266	-41
Comprehensive income	-283	-1,132
(Breakdown)		
Comprehensive income for owners of parent	-307	-1,172
Comprehensive income for non-controlling shareholders	23	40

(3) Consolidated Statement of Changes in Net Assets

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

(Unit: Million yen)

	capital stock				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	5,901	6,829	24,663	-8,692	28,701
Cumulative effect of a change in accounting policy					-
Balance at beginning of current period reflecting change in accounting policy	5,901	6,829	24,663	-8,692	28,701
Changes of items during the period					
Dividends from surplus			-406		-406
Net loss attributable to owners of the parent (-)			-39		-39
Acquisition of treasury stock				-0	-0
Disposal of treasury stock		-0		0	0
Transfer of loss on disposal of treasury stock		0	-0		-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	-446	0	-446
Balance at the end of current period	5,901	6,829	24,217	-8,692	28,255

	Accumulated other comprehensive income			subscription warrant	Noncontrolling interest	Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at the beginning of current period	50	547	598	39	313	29,652
Cumulative effect of a change in accounting policy						-
Balance at beginning of current period reflecting change in accounting policy	50	547	598	39	313	29,652
Changes of items during the period						
Dividends from surplus						-406
Net loss attributable to owners of the parent (-)						-39
Acquisition of treasury stock						-0
Disposal of treasury stock						0
Transfer of loss on disposal of treasury stock						-
Net changes of items other than shareholders' equity	105	-373	-267	29	24	-213
Total changes of items during the period	105	-373	-267	29	24	-659
Balance at the end of current period	156	174	330	69	338	28,993

Current Consolidated Fiscal Year (April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	5,901	6,829	24,217	-8,692	28,255
Cumulative effect of a change in accounting policy			-169		-169
Balance at beginning of current period reflecting change in accounting policy	5,901	6,829	24,048	-8,692	28,086
Changes of items during the period					
Dividends from surplus			-304		-304
Net loss attributable to owners of the parent (-)			-1,108		-1,108
Acquisition of treasury stock				-0	-0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	-1,413	-0	-1,413
Balance at the end of current period	5,901	6,829	22,634	-8,692	26,672

	Accumulated other comprehensive income			Subscription warrant	Noncontrolling interest	Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at the beginning of current period	156	174	330	69	338	28,993
Cumulative effect of a change in accounting policy						-169
Balance at beginning of current period reflecting change in accounting policy	156	174	330	69	338	28,824
Changes of items during the period						
Dividends from surplus						-304
Net loss attributable to owners of the parent (-)						-1,108
Acquisition of treasury stock						-0
Net changes of items other than shareholders' equity	4	-68	-63	59	40	36
Total changes of items during the period	4	-68	-63	59	40	-1,377
Balance at the end of current period	160	106	266	129	378	27,446

(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Net income before tax adjustments	291	-706
Depreciation and amortization	787	883
Impairment loss	484	801
Increase (decrease) in allowance for doubtful accounts	21	-18
Increase (decrease) in allowance for loss on investment in affiliates	9	9
Increase (decrease) in accrued bonuses	-33	188
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	-4	-56
Loss on store closures	2	-3
Interest and dividend income	-54	-73
Interest expense	20	11
Foreign exchange losses (gains)	-337	-319
Loss on disposal of fixed assets	-67	91
Loss (gain) on sales of investment securities	-102	-12
Subsidy income	-267	-77
Other extraordinary loss (gain)	1	-
Decrease (increase) in trade receivables	-62	15
(Increase) decrease in inventories	840	790
(Increase) decrease in other assets	-86	-75
Increase (decrease) in notes and accounts payable-trade	-2	-159
Increase (decrease) in other liabilities	144	309
Other	29	33
Subtotal	1,615	1,630
Interest and dividends received	54	73
Interest payments	-20	-11
Income taxes paid or refunded	-335	-258
Amount of grants received	267	77
Cash flows from operating activities	1,581	1,512
Cash flows from investing activities		
Payments into time deposits	-47	-241
Proceeds from withdrawal of time deposits	272	2,503
Payments for acquisition of tangible fixed assets	-1,799	-1,607
Payments for acquisition of intangible fixed assets	-230	-359
Payments for purchase of investment securities	-7	-5
Proceeds from sales of investment securities	624	33
Payments for long-term loans receivable	-45	-4
Proceeds from collection of long-term loans receivable	54	9
Payments for lease and guarantee deposits	-190	-119
Proceeds from collection of lease and guarantee deposits	317	305
Proceeds from collection of construction cooperation funds	16	15

(Unit: Million yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Other	232	-199
Cash flows from investing activities	-803	330
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-2,913	-164
Repayment of long-term debt	-12	-3,012
Proceeds from long-term debt	3,000	-
Dividends paid	-408	-305
Other	-11	-36
Cash flows from financing activities	-345	-3,518
Effect of exchange rate changes on cash and cash equivalents	12	160
Net increase in cash and cash equivalents	444	-1,514
Cash and cash equivalents at beginning of year	10,846	11,290
Cash and cash equivalents at end of year	11,290	9,776

(5) Notes on consolidated financial statements

(Notes on Going Concern Assumption)

Nothing applicable.

(Change in accounting policy)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company and its subsidiaries adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the current fiscal year, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services has been transferred to the customer.

(1) Revenue recognition for agency transactions

For certain transactions, the Company previously recognized as revenue the gross amount of consideration received from the customer. However, for transactions in which the Group's role in providing goods or services to the customer is that of an agent, the Company now recognizes revenue as the net amount received from the customer less the amount paid to the counterparty.

(2) Revenue recognition for product warranty services

The Company previously recognized revenue for warranty services on merchandise sales at the time of delivery of the merchandise. The Company has changed its method of accounting for warranty services to identify such warranty services as a separate performance obligation and recognize revenue over the warranty period.

In accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the current fiscal year is added to or deducted from retained earnings at the beginning of the current fiscal year, and the new accounting policy is applied from such beginning balance. The new accounting policy is applied from the balance at the beginning of the current fiscal year.

As a result, net sales was 215 million yen, and selling, general and administrative expenses decreased 176 million yen. Operating income, ordinary income and income before income taxes and minority interests decreased 38 million yen, respectively, in the current consolidated fiscal year.

The consolidated statement of cash flows for the current fiscal year shows a decrease of 38 million yen in income before income taxes and minority interests.

The beginning balance of retained earnings in the consolidated statement of changes in net assets decreased by 169 million yen due to the cumulative effect reflected in net assets at the beginning of the current fiscal year.

(Application of Accounting Standards for Calculation of Fair Value, etc.)

The "Accounting Standard for Calculation of Fair Value" (ASBJ Statement No. 30, July 4, 2019). The new accounting policy prescribed by the Accounting Standard for Fair Value Calculation is applied from the beginning of the current fiscal year, in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Calculation and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). In accordance with the treatment, the new accounting policy stipulated by the fair value accounting standard will be applied prospectively. There is no impact on the consolidated financial statements.

(Information by Segment)

Segment Information

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to regular review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Group mainly sells eyeglasses, etc. and PARIS MIKI Inc. and Kimpo-Do Co, Ltd. operate in Japan, while local subsidiaries in each country are in charge of overseas operation. Each local subsidiary is an independent management unit that formulates comprehensive regional strategies for the products it handles and conducts business activities.

Therefore, the Group is composed of segments by region based on the sales structure, with "Japan" and "Overseas" as the two reporting segments.

2. Calculation of net sales, profit or loss, assets, and other items by reportable segment

The accounting method for reported business segments is generally the same as that described in "Basis of Presenting Consolidated Financial Statements.

Income of reportable segments is based on operating income.

Inter-segment revenues and transfers are based on prevailing market prices.

3. Information on sales, income (loss), assets, and other items by reportable segment

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

(Unit: Million yen)

	Reporting Segment			Adjustment (Note *1)	Consolidated Financial Statements Amount recorded on consolidated financial statements (Note *2)
	Japan	Overseas	Subtotal		
Sales					
Sales to external customers	39,608	4,264	43,873	—	43,873
Intersegment sales and transfers	135	140	276	-276	—
Subtotal	39,744	4,405	44,149	-276	43,873
Segment income or loss (-)	212	-393	-180	0	-180
Segment assets	37,704	6,116	43,821	-3,890	39,931
Other Items					
Depreciation and amortization	635	119	755	—	755
Increase in tangible assets and intangible assets	1,849	200	2,049	—	2,049

Note: *1 The details of adjustments are as follows;

(1) Adjustment of 0 million yen for segment income (loss) refers to elimination of intersegment transactions.

(2) Adjustment of -3,890 million yen for segment assets is elimination among segments.

*2 Segment income (loss) is adjusted with operating income (loss) in the consolidated financial statements.

Current fiscal year consolidated period (April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Reporting Segment			Adjustment (Note *1)	Consolidated Financial Statements Amount recorded on consolidated financial statements (Note *2)
	Japan	Overseas	Subtotal		
Sales					
Sales to external customers	39,252	4,839	44,092	—	44,092
Intersegment sales and transfers	124	85	209	-209	—
Subtotal	39,377	4,924	44,302	-209	44,092
Segment income or loss (-)	-287	-213	-500	0	-500
Segment assets	33,515	6,286	39,801	-4,017	35,784
Other Items					
Depreciation and amortization	742	116	858	—	858
Increase in tangible and intangible fixed assets	1,845	93	1,939	—	1,939

Note: *1 The details of adjustments are as follows;

(1) Adjustment of segment loss 0 million yen refers to elimination of intersegment transactions.

(2) Adjustment of segment assets of -4,017 million yen represents inter-segment eliminations.

*2 Segment loss is reconciled with operating income (loss) in the consolidated financial statements.

[Information on impairment loss on fixed assets by reportable segment]

Previous consecutive accounting year (from April 1, 2020 to March 31, 2021)

(Unit: Million yen)

	Reportable Segment			Corporate and elimination	Total
	Japan	Overseas	Subtotal		
Impairment loss	379	105	484	—	484

Current accounting year (from April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Reportable Segment			Corporate and elimination	Total
	Japan	Overseas	Subtotal		
Impairment loss	696	104	801	—	801

(Per Share Information)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net assets per share	562.65 yen	530.24 yen
Net loss per share (-)	-0.78 yen	-21.82 yen

Note: 1 Diluted net income per share is not shown in the above table, because net income per share is negative although there are residual shares.

2 The basis for calculating net loss per share is as follows;

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net loss per share		
Net loss attributable to owners of the parent (loss) (million yen)	-39	-1,108
Amount not attributable to common shareholders (million yen)	—	—
Net loss attributable to owners of the parent for common stock (million yen)	-39	-1,108
Average number of shares during the period (thousand shares)	50,806	50,806
Summary of potential shares not included in the calculation of diluted net income per share due to the absence of dilutive effects	<p>Fourth series of stock options in 2014 (4,800 stock options, 480 thousand shares to be issued upon exercise of the stock options)</p> <p>Fifth series of stock options in 2020 (5,700 stock options, 570 thousand shares thousand shares to be issued upon exercise of the stock options)</p> <p>Sixth series of stock option in 2020 (23,380 stock options, 2,338 thousand shares to be issued upon exercise of stock options)</p>	<p>Fourth series of stock options in 2014 (4,800 stock options, 480 thousand shares to be issued upon exercise of the stock options)</p> <p>Fifth series of stock options in 2020 (5,700 stock options, 570 thousand shares thousand shares to be issued upon exercise of the stock options)</p> <p>Sixth series of stock option in 2020 (23,380 stock options, 2,338 thousand shares to be issued upon exercise of stock options)</p>

(Significant subsequent events)

Not applicable.