

Translation

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**Summary of Non-Consolidated Financial Results
for the Year Ended September 30, 2022
(Based on Japanese GAAP)**

November 14, 2022

Company name: Living Technologies Inc.
 Stock exchange listing: Tokyo
 Stock code: 4445 URL <https://www.lvn.co.jp/>
 Representative: President and Representative Director Daimu Kawai
 Administration General Manager and
 Director
 Inquiries: Hiroyuki Kaneki TEL 03-5847-8556
 Scheduled date of ordinary general meeting of shareholders: December 23, 2022
 Scheduled date to file Securities Report: December 26, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2022	3,029	(6.6)	379	172.5	380	156.9	235	165.3
Year ended September 30, 2021	3,242	32.7	139	308.1	148	1,474.5	88	1,546.7

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2022	175.34	174.97	23.2	19.7	12.5
Year ended September 30, 2021	66.19	65.97	10.4	8.0	4.3

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	2,008	1,143	56.4	851.48
As of September 30, 2021	1,848	900	48.5	668.55

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2022	308	11	(154)	1,261
Year ended September 30, 2021	97	(26)	(163)	1,096

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ended September 30, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ending September 30, 2023 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of non-consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,500	15.5	500	31.7	500	31.4	272	15.5	202.46

4. Notes

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

Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(2) Number of issued shares (common shares)

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

As of September 30, 2022	1,343,488 shares	As of September 30, 2021	1,342,244 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	22 shares	As of September 30, 2021	22 shares
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Average number of shares during the period

Year ended September 30, 2022	1,342,659 shares	Year ended September 30, 2021	1,340,738 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,128,341	1,279,834
Accounts receivable - trade	514,557	488,497
Securities	40,000	—
Prepaid expenses	64,201	91,948
Other	2,964	2,614
Allowance for doubtful accounts	(6,724)	(8,586)
Total current assets	1,743,339	1,854,308
Non-current assets		
Property, plant and equipment		
Buildings, net	7,372	6,540
Vehicles, net	0	483
Tools, furniture and fixtures, net	2,010	1,248
Total property, plant and equipment	9,382	8,272
Intangible assets		
Software	5,610	7,969
Trademark right	408	959
Total intangible assets	6,018	8,928
Investments and other assets		
Investment securities	9,000	19,579
Distressed receivables	1,501	1,501
Long-term prepaid expenses	33	33
Deferred tax assets	20,582	32,163
Other	60,475	85,151
Allowance for doubtful accounts	(1,501)	(1,501)
Total investments and other assets	90,091	136,928
Total non-current assets	105,492	154,128
Total assets	1,848,832	2,008,437

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	5,127	4,925
Current portion of long-term borrowings	155,052	150,842
Accounts payable - other	298,901	273,041
Accrued expenses	89,067	97,281
Income taxes payable	60,732	135,528
Accrued consumption taxes	31,698	37,976
Advances received	7,221	15,577
Deposits received	3,121	3,908
Total current liabilities	650,921	719,082
Non-current liabilities		
Long-term borrowings	296,946	146,104
Total non-current liabilities	296,946	146,104
Total liabilities	947,867	865,186
Net assets		
Shareholders' equity		
Share capital	193,829	194,260
Capital surplus		
Legal capital surplus	162,829	163,260
Total capital surplus	162,829	163,260
Retained earnings		
Other retained earnings		
Retained earnings brought forward	540,788	776,213
Total retained earnings	540,788	776,213
Treasury shares	(103)	(103)
Total shareholders' equity	897,344	1,133,631
Share acquisition rights	3,620	9,619
Total net assets	900,964	1,143,251
Total liabilities and net assets	1,848,832	2,008,437

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Operating revenue	3,242,983	3,029,520
Operating expenses	3,103,641	2,649,836
Operating profit	139,341	379,683
Non-operating income		
Interest income	46	14
Interest on securities	926	245
Reversal of allowance for doubtful accounts	553	84
Accounts payable	3,502	–
Miscellaneous income	4,092	2,863
Other	1,449	312
Total non-operating income	10,569	3,521
Non-operating expenses		
Interest expenses	1,839	1,300
Loss on investments in investment partnerships	–	1,420
Miscellaneous losses	–	109
Total non-operating expenses	1,839	2,829
Ordinary profit	148,071	380,375
Profit before income taxes	148,071	380,375
Income taxes - current	60,698	156,531
Income taxes - deferred	(1,368)	(11,581)
Total income taxes	59,330	144,950
Profit	88,741	235,425

Non-consolidated statements of changes in equity

Fiscal year ended September 30, 2021

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share 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 beginning of period	193,447	162,447	162,447	452,047	452,047	–	807,942	–	807,942
Changes during period									
Issuance of new shares	381	381	381				763		763
Profit				88,741	88,741		88,741		88,741
Purchase of treasury shares						(103)	(103)		(103)
Net changes in items other than shareholders' equity								3,620	3,620
Total changes during period	381	381	381	88,741	88,741	(103)	89,401	3,620	93,022
Balance at end of period	193,829	162,829	162,829	540,788	540,788	(103)	897,344	3,620	900,964

Fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share 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 beginning of period	193,829	162,829	162,829	540,788	540,788	(103)	897,344	3,620	900,964
Changes during period									
Issuance of new shares	431	431	431				862		862
Profit				235,425	235,425		235,425		235,425
Net changes in items other than shareholders' equity								5,998	5,998
Total changes during period	431	431	431	235,425	235,425	–	236,287	5,998	242,286
Balance at end of period	194,260	163,260	163,260	776,213	776,213	(103)	1,133,631	9,619	1,143,251

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	148,071	380,375
Depreciation	5,109	4,246
Amortization of guarantee deposits	150	601
Share-based payment expenses	3,499	5,998
Increase (decrease) in allowance for doubtful accounts	1,290	1,861
Interest income	(46)	(14)
Interest income on securities	(926)	(245)
Interest expenses	1,839	1,300
Loss on retirement of non-current assets	–	109
Loss (gain) on investments in investment partnerships	–	1,420
Decrease (increase) in trade receivables	(88,791)	26,059
Increase (decrease) in trade payables	(45)	(202)
Increase (decrease) in accounts payable - other	(56,257)	(25,859)
Increase (decrease) in accrued expenses	24,828	8,214
Increase (decrease) in accrued consumption taxes	26,962	6,278
Other, net	15,859	(15,421)
Subtotal	81,544	394,724
Interest received	969	510
Interest paid	(1,797)	(1,269)
Income taxes refund	26,571	–
Income taxes paid	(9,784)	(85,332)
Net cash provided by (used in) operating activities	97,502	308,631
Cash flows from investing activities		
Payments into time deposits	(6,001)	(6,001)
Purchase of property, plant and equipment	(1,762)	(527)
Purchase of intangible assets	–	(5,628)
Proceeds from redemption of investment securities	–	40,000
Purchase of investment securities	(9,000)	(12,000)
Purchase of insurance funds	(2,502)	(2,502)
Payments of guarantee deposits	(8,390)	(8,428)
Proceeds from refund of guarantee deposits	799	5,656
Other, net	288	484
Net cash provided by (used in) investing activities	(26,569)	11,052
Cash flows from financing activities		
Repayments of long-term borrowings	(164,235)	(155,052)
Proceeds from issuance of shares	763	862
Purchase of treasury shares	(103)	–
Proceeds from issuance of share acquisition rights	121	–
Net cash provided by (used in) financing activities	(163,453)	(154,189)
Net increase (decrease) in cash and cash equivalents	(92,520)	165,494
Cash and cash equivalents at beginning of period	1,188,856	1,096,336
Cash and cash equivalents at end of period	1,096,336	1,261,831