

**Non-Consolidated Financial Results
for the Fiscal Year Ended April 30, 2020
[Japanese GAAP]**



June 9, 2020

Company name: Asukanet Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2438
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 Scheduled date of Annual General Meeting of Shareholders: July 29, 2020
 Scheduled date of commencing dividend payments: July 30, 2020
 Scheduled date of filing annual securities report: July 30, 2020
 Availability of supplementary briefing material on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Non-Consolidated Financial Results for the Fiscal Year Ended April 30, 2020
(May 1, 2019 to April 30, 2020)**

(1) Non-Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
April 30, 2020	6,575	4.4	709	(18.4)	710	(18.6)	501	(16.2)
April 30, 2019	6,295	6.6	868	10.1	873	9.7	598	7.5

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
April 30, 2020	29.79	-	9.0	11.0	10.8
April 30, 2019	35.57	35.56	11.5	14.6	13.8

(Reference) Equity in earnings of affiliated companies: Fiscal year ended April 30, 2020: ¥- million
 Fiscal year ended April 30, 2019: ¥- million

(Note) Diluted earnings per share for the fiscal year ended April 30, 2020 is not presented as there were no potential shares.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2020	6,607	5,750	87.0	341.45
As of April 30, 2019	6,271	5,431	86.6	322.49

(Reference) Equity: As of April 30, 2020: ¥5,750 million
 As of April 30, 2019: ¥5,431 million

(3) Non-Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
April 30, 2020	849	(774)	(187)	1,555
April 30, 2019	919	(795)	(161)	1,669

2. Dividends

	Annual dividends					Total dividends (Annual)	Dividend payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended April 30, 2019	-	0.00	-	11.00	11.00	185	30.9	3.5
Fiscal year ended April 30, 2020	-	0.00	-	10.00	10.00	168	33.6	3.0
Fiscal year ending April 30, 2021 (Forecast)	-	0.00	-	7.00	7.00		36.2	

3. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending April 30, 2021 (May 1, 2020 to April 30, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	6,368	(3.2)	436	(38.5)	471	(33.7)	325	(35.7)	19.36

As the Company manages its financial results at an annual base, the financial results forecast for the first half is not disclosed.

* Notes:

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

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

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

April 30, 2020: 17,464,000 shares
April 30, 2019: 17,464,000 shares

2) Total number of treasury shares at the end of the period:

April 30, 2020: 623,057 shares
April 30, 2019: 622,941 shares

3) Average number of shares during the period:

Fiscal year ended April 30, 2020: 16,840,976 shares
Fiscal year ended April 30, 2019: 16,836,406 shares

* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and actual results may differ significantly from these forecasts due to a wide range of factors.

4. Overview of Business Results

(1) Overview of Business Results for this Fiscal Year

During this fiscal year, although there was continuing improvement in the employment and income environment, the economy of Japan faced growing uncertainty about the future due to the prolonged trade friction between the United States and China, and to concerns about the effects of the spreading corona virus outbreak on the global economy.

Asukanet operates three business areas, each with different positioning and characteristics. They are (1) the memorial design service business, which adds digital processing and remote output services for photos of the deceased to a funeral business that is largely unaffected by economic trends, (2) the personal publishing business, which provides ideas for new photo output methods that allow users to create complete photo collections beginning from just a single book, and (3) the aerial imaging business, which is utilizing unique, recently-developed technologies aiming to create a new market and achieve dreams.

During this fiscal year, we constructed and opened a new company building (Headquarters West Building) aimed primarily at expanding production space for the personal publishing business. We also conducted a capital and business partnership with AWL, Inc., a start-up company that develops, manufactures, and sells AI camera solutions. In preparation for the payment of retirement allowances to retiring directors, we recorded a 100,000 thousand yen provision for directors' retirement benefits as a SG&A expense.

Following is an overview of the business results for each segment. The results figures for each segment include internal inter-segment sales.

(1) Memorial design service business

In this business, in addition to slow growth in the numbers of processed photos during the second half of the year due to the warm winter, the COVID-19 outbreak also reduced the size of funeral services and we faced a difficult struggle for income from processing photos of the deceased and sales of funeral production tools. Our sales of frames and supplies were also below expectations. As a result, sales were only slightly higher than the same period in the previous year.

We also worked to expand the presence of the "tsunagoo" service which connects chief mourner and participants, as one type of our "funeral tech" that has brought extensive use of IT technologies to the funeral market. Aiming to improve the quality of processed photos of the deceased, we introduced a focus restoration tool that utilizes the latest technologies.

In terms of income, segment income was down slightly as a result of factors including an increase in personnel expenses resulting from hiring additional image processing operators as well as the deterioration of production efficiency and one-time cost caused by remote-work system due to covid-19.

As a result, sales were 2,557,535 thousand yen (100.7% year-on-year), and segment income was 660,219 thousand yen (92.1% year-on-year).

(2) Personal publishing service business

This business operates *AsukaBook* for the professional photography market in Japan, and *MyBook* for the general Japanese consumer market. We are also engaged in OEM supply of photo albums and photo prints based on photos that were taken with smartphones.

In the domestic professional photographer market, in addition to acquiring customers through our own marketing activities, we also conducted digital photo seminars and workshops across Japan. Our continued introduction of new products also had an effect and resulted in strong sales. However starting from the second half of the fourth quarter, the effects of the COVID-19 outbreak resulted in many weddings being postponed, and we faced difficult conditions in our primary business area of wedding photo albums. In areas other than photo albums, we worked to expand sales and develop improved functions for the GLAMPiC data delivery service.

In the general consumer market, we conducted a number of programs including efficient internet advertising and a variety of campaigns, as well as the use of SNS. We also conducted promotions for

calendars and graduation albums, which are seasonal products. We faced strong headwinds in this market, with reduced opportunities for photography due to self-imposed restraints on travel and events due to the COVID-19 outbreak, and the cancellation of exhibitions. Based on the keywords “organizing photos”, we shifted to promoting orders of photo albums among persons seeking to make use of their increased at-home time, and these efforts had some effect. In addition, sales of OEM products grew as the presence of our services expanded in the market,

In terms of income, as a result of constructing the new company building, expanding production equipment, and reinforcing personnel, our operations this year had settled down compared to the previous year in which they tended to be overloaded. As a result, the profit margin was lower. Due to relocation expenses involved with constructing the new plant and the hike in shipping prices, there was only a small increase in segment income.

As a result, sales were 3,910,014 thousand yen (108.0% year-on-year), and segment income was 924,152 thousand yen (100.8% year-on-year).

(3) Aerial imaging business

This business was launched in March 2011, aiming to create a market through new image and video expressions utilizing aerial imaging technologies. We are developing, manufacturing, and selling both glass and plastic “ASKA3D plates” that utilize our original technologies to project images in mid-air.

For glass ASKA3D plates, although sufficient cost reductions have not yet been achieved, we are providing large-size plates that are capable of high-quality aerial imaging. Although still in small lots, sales for signage and aerial development are increasing due to the participation of domestic and overseas several exhibitions. There were also cases of orders for installation of glass ASKA3D plates that were delayed due to the coronavirus outbreak. Because the current production system is unable to fully cover demand, we proceeded with preparations for reinforcing our technical development functions, including by hiring expert personnel and adding production equipment, in order to achieve higher quality and lower costs by bringing mass production technologies in-house.

For plastic ASKA3D plates, we worked to acquire mass production orders that fit our current production scale and price range based on the first-stage mass production system, however at the present time we are still limited to sample-scale sales. In November 2019, we exhibited and proposed an application of these plates for use in a sub monitor that allows aerial operations simply by connecting it with a PC.

In terms of marketing, sales were down from the same period in the previous year, partially due to our focus on sample sales of inexpensive plastic ASKA3D plates. As a result of the COVID-19 outbreak, there were delays in various projects, exhibitions were canceled, and we were unable to make visits to new potential customers. Although we faced many constraints, there has been growing interest in the use of aerial imaging for touchless operations and we received numerous inquiries from sources both in Japan and overseas.

In terms of expenses, although we were able to control advertising expenses due to cancellation of exhibitions, R&D for mass production of glass 3D plates and patent related expenses of ASKA3D plates were higher as well as personnel expenses. We also incurred advance expenses for reinforcing our technical development functions by increasing personnel and preparing to launch a new business site.

As a result, sales were 110,715 thousand yen (75.5% year-on-year), and segment loss was 236,097 thousand yen (compared to a loss of 241,608 thousand yen in the same quarter of the previous year).

As a result of the above, sales were 6,575,955 thousand yen (104.4% year-on-year). In terms of income, due to a decrease in segment income in the memorial design service business and a officer retirement benefit, ordinary income was 710,569 thousand yen (81.4% year-on-year) and net income was 501,638 thousand yen (83.8% year-on-year).

(2) Overview of the Financial Status during this Fiscal Year

(Assets)

Current assets at the end of this fiscal year decreased by 288,723 thousand yen from the end of the previous fiscal year to reach 3,121,774 thousand yen. This decrease was primarily due to a decrease in cash and cash deposit of 313,946 thousand yen resulting from a purchase of investment securities.

Fixed assets at the end of this fiscal year increased by 624,898 thousand yen from the end of the previous fiscal year to reach 3,485,914 thousand yen. Despite a decrease of 182,029 thousand yen due to the building construction in progress, this increase was primary due to the increase of 397,232 thousand yen in building and an increase of 294,834 thousand yen in an investment securities.

(Liabilities)

Current liabilities at the end of the current fiscal year increased by 18,720 thousand yen from the end of the previous fiscal year to reach 849,870 thousand yen. Despite a decrease of 100,800 thousand yen in corporate tax payable, this increase was primary due to the increase of 100,000 thousand yen in officer retirement benefit.

Fixed assets at the end of this fiscal year decreased by 1,897 thousand yen to 7,432 thousand yen.

(Net assets)

Net assets at the end of this fiscal year increased by 319,351 thousand yen to reach 5,750,385 thousand yen. The primary reason for the increase was an increase of 316,387 thousand yen in retained earnings.

(3) Overview of cash flows in this fiscal year

The balance of cash and cash equivalents (hereafter referred to as “cash”) at the end of this fiscal year declined by 113,946 thousand yen from the end of the previous fiscal year to reach 1,555,817 thousand yen. Despite acquiring steady cash from operating activities as a result of recording strong profits, this decline was due to payments related to buying land for the headquarters and constructing buildings.

(Cash flows from operating activities)

Net cash acquired as a result of operating activities during this fiscal year was 849,178 thousand yen (compared to 919,926 thousand yen during the previous fiscal year). The primary factors affecting this result were pre-tax net income of 695,787 thousand yen and depreciation expenses of 353,806 thousand yen on one hand, and the payment of 311,490 thousand yen in income taxes on the other.

(Cash flows from investing activities)

Net cash expended as a result of investment activities during this fiscal year was 774,047 thousand yen (compared to 795,405 thousand yen during the previous fiscal year). This was primarily due to the acquisition of 548,308 thousand yen in tangible fixed assets and 305,394 thousand yen in investment securities.

(Cash flows from financing activities)

Net cash expended as a result of financing activities during this fiscal year was 187,583 thousand yen (compared to 161,639 thousand yen during the previous fiscal year). This was primarily due to the payment of 185,501 thousand yen in dividends.

(4) Future Outlook

In the outlook for the next fiscal year, we expect extremely difficult conditions as a result of factors including the global economic slowdown caused by the COVID-19 outbreak and concerns about the intensifying trade dispute between the United States and China.

Our company is operating a business that is consistent with the current times in which services are customized from minimum lot sizes to meet individual needs, and aims to capture stable demand. In both the memorial design service business and personal publishing service business, we have constructed a solid business base and achieved a stable flow of income. However we recognize that there are issues from the perspective of further growth. We also understand that the effects of the coronavirus outbreak on the business environment represent a new business opportunity, and are carrying out programs aimed at business expansion. In the aerial imaging business where we are challenging ourselves and working to create a new

market, more time has been required to achieve profitability than we initially expected. However there has been strong interest in the use of aerial imaging for touchless operations, and we will make use of this opportunity to achieve a large leap forward. We will also continue to challenge ourselves in the development of new business and services.

The following constitute the basis for the expected effects of the COVID-19 outbreak on each business area and the results forecast for the fiscal ending April 30, 2021.

In the memorial design service business, funerals are currently small in size and sales of funeral production tools and related products have declined. As a result, the unit prices of sales are also declining. We are expecting that funeral formats will return to normal beginning from the second quarter of the fiscal year ending April 30, 2021. In the personal publishing business, orders for the wedding albums that are our main product in the professional photographer market declined as weddings were postponed. We are expecting that these conditions will continue through the second quarter of the coming fiscal year and that demand will begin to return starting from the third quarter. The environment in the consumer market is negative, with fewer opportunities for photography as people refrain from traveling and attending events. However we will proceed with identifying existing needs for organizing photos and expect demand to remain firm. In the aerial imaging business, our marketing activities will be limited, including in particular the elimination of overseas business travel. We expect the risk of delays in the progress of various projects, and of new marketing activities becoming stalled.

Based on these difficult conditions, we will be taking the following actions in each business area.

In the memorial design service business, we will prominently promote the superiority that comes from our strength in image processing technologies and the application of focus correction rules utilizing the latest technologies in order to develop new customers and increase unit prices for existing customers. We will also reinforce our inside sales functions and work to expand the presence of “tsunagoo” and other new services.

In the personal publishing service business, we will continue to launch new products, conduct online seminars, and reinforce our data delivery service for the professional photographer market, aiming to deepen our connections with customers and prepare for a recovery starting from the third quarter. In production areas, we will construct a production system that can adapt flexibly to the volume of orders, and will work for efficient operations. For the consumer market, we will work to stimulate demand through measures such as a 20th anniversary campaign for “MyBook”.

In the aerial imaging business, we will utilize the current opportunity presented by the attention on touchless operations to expand sample sales and work to obtain orders for medium-lot sales. As advance investment for the glass ASKA3D plates used in signage, we will establish a technical development center and aim to bring high-quality and efficient mass-production technologies in-house and to create our own production system.

Based on the above, in the forecast for the year ending April 30, 2021, with consideration for the effects of the COVID-19 pandemic and the advance investment required for establishment of a technical development center for the aerial imaging business, we are forecasting sales of 6,368 million yen (96.8% compared to the current year), operating income of 436 million yen (61.5%), ordinary income of 471 million yen (66.3%), and net income of 325 million yen (64.8%).

The timing of corona virus being resolved and demand recovery was based on the above explanation, therefore, the forecast may differ from the original one as assumption changes. The aerial imaging business and other new business areas also involve technological research and marketing that we have not engaged in before, and many uncertain elements are involved in its commercialization.

Note: The above forecast was created based on information available at the time this material was released, and actual results may differ from the forecast values due to a variety of factors.

5. Financial Statements for the Fiscal Year

(1) Balance sheet

(Units: 1,000s yen)

Asset	Previous fiscal year (Ended April 30, 2019)	Current fiscal year (Ended April 30, 2020)
Current assets		
Cash and deposits	2,274,763	1,960,817
Receivable notes	1,512	12,158
Accounts receivable-trade	825,727	785,875
Merchandise and products	172,942	190,796
Work in progress	23,551	49,083
Raw materials and supplies	78,072	98,238
Advanced payment	34,378	27,906
Others	2,464	1,248
Allowance for doubtful accounts	(2,914)	(4,351)
Total current assets	3,410,498	3,121,774
Fixed assets		
Tangible fixed assets		
Building	925,358	1,372,631
Accumulated depreciation	(416,721)	(466,762)
Buildings, net	508,636	905,868
Structures	19,245	26,606
Accumulated depreciation	(11,764)	(12,876)
Structures (net)	7,480	13,729
Machinery and equipment	1,506,666	1,562,081
Accumulated depreciation	(1,097,104)	(1,113,456)
Machinery and equipment, net	409,561	448,625
Vehicles	9,288	10,158
Accumulated depreciation	(4,241)	(6,160)
Vehicles (net)	5,046	3,997
Tools, equipments, and fixtures	381,142	413,315
Accumulated depreciation	(243,963)	(261,686)
Tools, equipments, and fixtures (net)	137,179	151,628
Land	844,060	844,060
Construction in progress	249,643	67,613
Total tangible fixed assets	2,161,609	2,435,524
Intangible fixed assets		
Patents etc.	17,123	13,644
Software	172,391	193,348
Others	12,855	14,580
Total intangible fixed assets	202,370	221,573
Total investments and other assets		
Investment securities	228,800	523,634
Capital	10	10
Long term advanced payment	2,819	8,743
Deferred tax assets	122,617	142,655
Others	142,788	153,773
Total investment and others	497,035	828,816
Total fixed assets	2,861,016	3,485,914
Total assets	6,271,514	6,607,688

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2019)	Current fiscal year (Ended April 30, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	169,180	167,630
Accounts payable-other	173,963	162,859
Accrued expense	73,881	81,281
Income taxes payable	187,900	87,100
Advance payment	16,704	41,704
Deposit	12,322	13,230
Provision for bonuses	144,200	150,900
Officer retirement benefit	—	100,000
Others	52,996	45,163
Total current liabilities	831,149	849,870
Fixed liabilities		
Provision for retirement benefits	6,009	6,009
Others	3,320	1,423
Total fixed liabilities	9,330	7,432
Total liabilities	840,479	857,303
Net assets		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus		
Capital reserves	606,585	606,585
Total capital surplus	606,585	606,585
Retained earnings		
Legal retained earnings	1,693	1,693
Other retained earnings		
Retained earnings	4,606,383	4,922,770
Total retained earnings	4,608,076	4,924,463
Treasury stock	(268,850)	(269,031)
Total shareholders' equity	5,436,110	5,752,316
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(5,076)	(1,930)
Total valuation and translation adjustments	(5,076)	(1,930)
Total net assets	5,431,034	5,750,385
Total liabilities and net assets	6,271,514	6,607,688

(2) Profit and loss statement

(unit:1000s yen)

	24th fiscal year (May 1, 2018-April 30, 2019)	25th fiscal year (May 1, 2019-April 30, 2020)
Net Sales		
Sales from service	1,700,512	1,696,939
Product sales	3,796,290	4,039,295
Sales of finished goods	799,189	839,720
Total sales	6,295,992	6,575,955
Cost of sales		
Cost of service	813,317	848,149
Cost of product sales		
Stock of product at beginning of the year	129,141	100,909
Cost of product sales during year	1,700,446	1,840,722
Total	1,829,587	1,941,632
Transfer to other accounts	15,740	28,184
Stock of product at year end	100,909	98,810
Cost of production sales	1,712,937	1,814,637
Cost of goods sales		
Stock of goods at beginning of the year	61,981	72,033
Cost of goods sales during year	562,879	600,091
Total	624,861	672,124
Transfer to other accounts	19,672	9,492
Stock of goods at year end	72,033	91,986
Cost of goods sales	533,155	570,646
Total cost of sales	3,059,410	3,233,434
Gross profit	3,236,581	3,342,521
Selling, general, and administrative expenses	2,367,900	2,633,408
Operating income	868,681	709,112
Non-operating income		
Interest received	549	597
Interest from invested securities	—	411
Dividends received	1,010	950
Commissions received	466	360
Revenue from insurance	960	—
Gain on forfeiture of unclaimed dividends	950	1,051
Others	554	375
Total non-operating income	4,492	3,746
Non-operating expenses		
Foreign exchange losses	53	2,289
Total non-operating expenses	53	2,289
Ordinary income	873,121	710,569
Extraordinary income		
Profit from sales of fixed asset	—	133
Total extraordinary income	—	133
Extraordinary losses		
Loss on retirement of fixed assets	8,852	166
Loss on valuation of investment securities	—	14,750
Total extraordinary losses	8,852	14,916
Net income before taxes	864,268	695,787
Current income taxes etc.	290,286	215,564
Income tax adjustment	(24,942)	(21,415)
Income taxes	265,343	194,148
Net income	598,924	501,638

(3) Statement of cash flows

(unit:1000s yen)

	24th fiscal year (May 1, 2018-April 30, 2019)	25th fiscal year (May 1, 2019-April 30, 2020)
Cash flows resulting from operating activities		
Net income before taxes	864,268	695,787
Depreciation expenses	295,005	353,806
Increase (decrease) in allowance for doubtful accounts	1,109	1,592
Increase (decrease) in provision for bonuses	7,700	6,700
Increase (decrease) in provision for retirement benefits	(472)	—
Increase(decrease) in officer retirement benefit	—	100,000
Interest and dividends received	(1,559)	(1,547)
Interest from invested securities	—	(411)
Foreign exchange losses (gains)	(101)	1,493
Increase(decrease) in value of investment securities	—	14,750
Profit on sales of fixed asset	—	(133)
Loss on disposal of fixed assets	8,852	166
Decrease (increase) in notes and accounts receivable-trade	(101,585)	29,036
Decrease (increase) in inventory assets	(6,911)	(63,551)
Increase (decrease) in accounts payable-trade	42,909	(1,550)
Increase (decrease) in accrued consumption taxes	12,719	(7,833)
Others	41,359	30,348
Subtotal	1,163,293	1,158,653
Interest and dividends received	1,560	2,014
Income taxes paid	(244,927)	(311,490)
Cash flows due to operating activities	919,926	849,178
Cash flows due to investing activities		
Purchase of property, plant, and equipment	(696,432)	(548,308)
Purchase of intangible fixed assets	(94,736)	(98,370)
Purchase of investment securities	—	(305,394)
Collection of loans receivable	400	—
Payments into time deposits	(605,000)	(405,000)
Proceeds from withdrawal of time deposits	605,000	605,000
Others	(4,636)	(21,974)
Cash flows due to investing activities	(795,405)	(774,047)
Cash flows due to financing activities		
Cash dividends paid	(168,058)	(185,501)
Purchase of treasury stock	—	(183)
Sales of treasury stock	8,316	—
Others	(1,897)	(1,897)
Cash flows due to financing activities	(161,639)	(187,583)
Effect of exchange rate on cash and cash equivalents	101	(1,493)
Net increase (decrease) in cash and cash equivalents	(37,017)	(113,946)
Balance of cash and cash equivalents at beginning of year	1,706,781	1,669,763
Balance of cash and cash equivalents at end of quarter	1,669,763	1,555,817

(4) Notes Regarding the Financial Statements

(Segment information etc.)

Information related to the amounts of sales, income or loss, assets, liabilities, and other items for each reporting segment.

Year 24 (May 1, 2018 – April 30, 2019)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Memorial design service business	Personal publishing service business	Aerial imaging business	Total		
Sales						
Sales to outside customers	2,538,699	3,619,794	137,498	6,295,992	—	6,295,992
Inter-segment internal sales and transfers	—	—	9,134	9,134	(9,134)	—
Total	2,538,699	3,619,794	146,632	6,305,126	(9,134)	6,295,992
Segment income (loss)	716,975	916,511	(241,608)	1,391,878	(523,196)	868,681
Other term						
Depreciation	29,886	215,197	16,470	261,555	33,450	295,005

Year 25 (May 1, 2019 – April 30, 2020)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Memorial design service business	Personal publishing service business	Aerial imaging business	Total		
Sales						
Sales to outside customers	2,557,535	3,910,014	108,405	6,575,955	—	6,575,955
Inter-segment internal sales and transfers	—	—	2,310	2,310	(2,310)	—
Total	2,557,535	3,910,014	110,715	6,578,265	(2,310)	6,575,955
Segment income (loss)	660,219	924,152	(236,097)	1,348,274	(639,161)	709,112
Other term						
Depreciation	30,046	274,179	15,688	319,914	33,891	353,806

This is the summarized translation of released report for your reference.
Please refer to the original Japanese financial document.