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November 10, 2022

## Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2022 (Under Japanese GAAP)

Company name: Needs Well Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3992  
 URL: <https://www.needswell.com/>  
 Representative: Kozo Funatsu, President and CEO  
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 Telephone: +81-3-6265-6763  
 Scheduled date of annual general meeting of shareholders: December 23, 2022  
 Scheduled date of commencing dividend payments: December 26, 2022  
 Scheduled date of filing annual securities report: December 23, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors, analysts, and the media)

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

### 1. Financial results for the fiscal year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

#### (1) Operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	6,730	17.0	690	19.0	724	24.5	499	18.5
September 30, 2021	5,752	7.2	580	17.7	582	13.2	421	21.0

Fiscal year ended	Profit per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales ratio
	Yen	Yen	%	%	%
September 30, 2022	49.86	49.82	14.1	16.2	10.3
September 30, 2021	46.64	45.99	14.7	15.8	10.1

Reference: Equity in earnings (losses) of affiliates

For the fiscal year ended September 30, 2022:  
 For the fiscal year ended September 30, 2021:

¥-1 million  
 ¥- million

#### (2) Financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2022	4,608	3,570	77.5	361.99
September 30, 2021	4,360	3,498	80.2	344.60

Reference: Equity

As of September 30, 2022: ¥3,570 million  
 As of September 30, 2021: ¥3,498 million

### (3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2022	437	-260	-433	2,491
September 30, 2021	331	-81	838	2,748

### 2. Dividends

	Annual dividends per share					Total dividends (total)	Payout ratio	Dividends to net assets ratio
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2021	–	0.00	–	23.00	23.00	233	49.3	7.6
September 30, 2022	–	0.00	–	20.00	20.00	197	40.1	5.7
Fiscal year ending September 30, 2023 (Forecast)	–	0.00	–	23.00	23.00		39.0	

Note: Breakdown of year-end dividends for the fiscal year ended September 30, 2021: Regular dividend: 18.00 yen  
Commemorative dividend: 5.00 yen

### 3. Financial results forecast for the fiscal year ending September 30, 2023 (October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	3,764	15.7	412	13.9	426	13.9	294	13.4	29.83
Full year	8,100	20.4	810	17.3	842	16.2	581	16.4	58.94

Note: The Company has transitioned to consolidated accounting from the fiscal year ending September 30, 2023 (October 1, 2022 to September 30, 2023). Please refer to the “Notice of Consolidated Financial Results Forecast with Commencement of Consolidated Accounting” announced on the same day for information on the consolidated financial results forecast for the fiscal year ending September 30, 2023.

\* **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: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (ordinary shares)

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

As of September 30, 2022	10,168,400 shares
As of September 30, 2021	10,153,200 shares

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

As of September 30, 2022	306,176 shares
As of September 30, 2021	232 shares

(iii) Average number of shares during the period

Fiscal year ended September 30, 2022	10,011,046 shares
Fiscal year ended September 30, 2021	9,028,786 shares

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

\* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors.

Please refer to “1. Overview of operating results, etc. (4) Future outlook” on page 4 of the attached materials of the Japanese version of this document for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

Information on financial results briefing to be held for institutional investors, analysts, and the media

The Company will hold a financial results briefing for institutional investors, analysts, and the media as described below.

Date and time:	From 14:00 to 15:00 on Tuesday, November 15, 2022
Format:	Zoom Webinars
Contents:	Performance report, growth strategy, Medium-Term Management Plan, Q&A session
Application method:	Please apply via “Minna no Setsumeikai” (everyone’s briefing), a website run by Minsetsu, Inc. <a href="https://app.msetsu.com/stocks/3992/briefings">https://app.msetsu.com/stocks/3992/briefings</a>

## 5. Financial statements and major notes

### (1) Balance sheet

(Unit: thousands of yen)

	Previous fiscal year (September 30, 2021)	Current fiscal year (September 30, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,868,659	2,609,360
Accounts receivable - trade	938,699	–
Accounts receivable - trade and contract assets	–	1,163,387
Work in process	10,289	–
Raw materials	1,742	1,742
Supplies	447	–
Prepaid expenses	25,662	72,259
Other	2,440	4,349
Allowance for doubtful accounts	-5,634	-6,980
Total current assets	3,842,307	3,844,118
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	36,845	36,440
Accumulated depreciation	-4,919	-7,306
Buildings, net	31,926	29,134
Furniture and fixtures	19,406	20,541
Accumulated depreciation	-15,799	-14,948
Furniture and fixtures, net	3,606	5,593
Total property, plant and equipment	35,532	34,727
<b>Intangible assets</b>		
Software	82,320	81,116
Software in progress	2,128	3,676
Other	242	231
Total intangible assets	84,691	85,024
<b>Investments and other assets</b>		
Investment securities	114,920	236,405
Shares of subsidiaries and associates	–	107,524
Deferred tax assets	118,698	136,486
Leasehold and guarantee deposits	83,687	83,727
Insurance funds	76,546	76,546
Other	3,663	3,663
Total investments and other assets	397,515	644,354
Total non-current assets	517,740	764,105
Total assets	4,360,047	4,608,224

(Unit: thousands of yen)

	Previous fiscal year (September 30, 2021)	Current fiscal year (September 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	143,008	213,989
Accounts payable - other	149,206	150,191
Income taxes payable	124,585	180,895
Accrued consumption taxes	91,906	90,256
Advances received	424	–
Contract liabilities	–	2,827
Deposits received	41,839	44,222
Provision for bonuses	302,483	343,503
Provision for bonuses for directors (and other officers)	7,850	12,300
Total current liabilities	861,304	1,038,186
Non-current liabilities		
Total non-current liabilities	–	–
Total liabilities	861,304	1,038,186
Net assets		
Shareholders' equity		
Share capital	907,517	908,171
Capital surplus		
Legal capital surplus	763,917	764,571
Total capital surplus	763,917	764,571
Retained earnings		
Legal retained earnings	783	783
Other retained earnings		
Retained earnings brought forward	1,806,285	2,071,920
Total retained earnings	1,807,068	2,072,703
Treasury shares	-177	-200,175
Total shareholders' equity	3,478,327	3,545,270
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	20,416	24,767
Total valuation and translation adjustments	20,416	24,767
Total net assets	3,498,743	3,570,038
Total liabilities and net assets	4,360,047	4,608,224

## (2) Statement of income

(Unit: thousands of yen)

	Previous fiscal year (from October 1, 2020 to September 30, 2021)	Current fiscal year (from October 1, 2021 to September 30, 2022)
Net sales		
Sales of information service	5,638,046	6,553,276
Net sales of goods, etc.	114,307	176,890
Total net sales	5,752,353	6,730,166
Cost of sales		
Cost of sales of information service	4,250,570	5,034,167
Cost of sales of goods, etc.	87,626	133,022
Total cost of sales	4,338,196	5,167,190
Gross profit	1,414,157	1,562,976
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	103,424	105,850
Salaries and allowances	215,483	232,291
Employees' bonuses	30,230	29,234
Provision for bonuses	24,225	29,312
Provision for bonuses for directors (and other officers)	7,850	12,300
Welfare expenses	71,609	74,957
Rent expenses on land and buildings	70,630	69,700
Depreciation	20,439	21,279
Commission expenses	97,459	103,058
Hiring expenses	29,218	24,405
Provision of allowance for doubtful accounts	1,491	1,346
Bad debt expenses	–	3,238
Other	161,720	165,212
Total selling, general and administrative expenses	833,782	872,185
Operating profit	580,374	690,790
Non-operating income		
Interest income	24	30
Dividend income	3,468	6,217
Subsidy income	7,639	25,971
Surrender value of insurance policies	1,003	291
Miscellaneous income	490	3,033
Total non-operating income	12,626	35,543
Non-operating expenses		
Share issuance costs	10,375	497
Commission for purchase of treasury shares	–	599
Miscellaneous losses	247	420
Total non-operating expenses	10,622	1,517
Ordinary profit	582,378	724,817
Profit before income taxes	582,378	724,817
Income taxes – current	181,729	245,372
Income taxes – deferred	-20,455	-19,708
Total income taxes	161,274	225,664
Profit	421,104	499,152

## (3) Statement of changes in equity

Previous fiscal year (from October 1, 2020 to September 30, 2021)

(Unit: thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Opening balance	415,279	271,679	271,679	783	1,521,260	1,522,043	-177	2,208,824
Changes during period								
Issuance of new shares	492,238	492,238	492,238					984,477
Dividends of surplus					-136,079	-136,079		-136,079
Profit					421,104	421,104		421,104
Net changes in items other than shareholders' equity								
Total changes during period	492,238	492,238	492,238	-	285,025	285,025	-	1,269,502
Ending balance	907,517	763,917	763,917	783	1,806,285	1,807,068	-177	3,478,327

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	22,983	22,983	2,231,808
Changes during period			
Issuance of new shares			984,477
Dividends of surplus			-136,079
Profit			421,104
Net changes in items other than shareholders' equity	-2,567	-2,567	-2,567
Total changes during period	-2,567	-2,567	1,266,935
Ending balance	20,416	20,416	3,498,743

Current fiscal year (from October 1, 2021 to September 30, 2022)

(Unit: thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Opening balance	907,517	763,917	763,917	783	1,806,285	1,807,068	-177	3,478,327
Changes during period								
Issuance of new shares	653	653	653					1,307
Dividends of surplus					-233,518	-233,518		-233,518
Profit					499,152	499,152		499,152
Purchase of treasury shares							-199,998	-199,998
Net changes in items other than shareholders' equity								
Total changes during period	653	653	653	-	265,634	265,634	-199,998	66,943
Ending balance	908,171	764,571	764,571	783	2,071,920	2,072,703	-200,175	3,545,270

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Opening balance	20,416	20,416	3,498,743
Changes during period			
Issuance of new shares			1,307
Dividends of surplus			-233,518
Profit			499,152
Purchase of treasury shares			-199,998
Net changes in items other than shareholders' equity	4,351	4,351	4,351
Total changes during period	4,351	4,351	71,294
Ending balance	24,767	24,767	3,570,038



## (4) Statement of cash flows

(Unit: thousands of yen)

	Previous fiscal year (from October 1, 2020 to September 30, 2021)	Current fiscal year (from October 1, 2021 to September 30, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	582,378	724,817
Depreciation	25,918	39,980
Amortization of guarantee deposits	1,846	1,554
Increase (decrease) in allowance for doubtful accounts	1,491	1,346
Increase (decrease) in provision for bonuses	37,185	41,020
Increase (decrease) in provision for bonuses for directors (and other officers)	2,100	4,450
Interest and dividend income	-3,492	-6,248
Subsidy income	-7,639	-25,971
Surrender value of insurance policies	-1,003	-291
Share issuance costs	10,375	497
Commission for purchase of treasury shares	–	599
Decrease (increase) in trade receivables	-248,736	–
Decrease (increase) in trade receivables and contract assets	–	-224,688
Decrease (increase) in inventories	31,396	10,236
Decrease (increase) in other current assets	8,512	-45,371
Increase (decrease) in trade payables	41,162	70,981
Increase (decrease) in accrued consumption taxes	-14,564	-1,649
Increase (decrease) in other current liabilities	18,710	4,813
Other, net	247	71
<b>Subtotal</b>	<b>485,887</b>	<b>596,150</b>
Interest and dividends received	3,492	6,248
Proceeds from surrender value of insurance policies	1,003	291
Subsidies received	14,387	26,159
Income taxes paid	-173,355	-191,844
<b>Net cash provided by (used in) operating activities</b>	<b>331,415</b>	<b>437,003</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	-35,000	-150,213
Purchase of shares of subsidiaries and associates	–	-72,524
Payments into time deposits	-10,187	-10,188
Proceeds from withdrawal of time deposits	10,186	10,187
Payments into installment savings	-264,000	-264,000
Proceeds from withdrawal of installment savings	264,000	264,000
Purchase of property, plant and equipment	-1,181	-3,949
Purchase of intangible assets	-44,850	-31,858
Payments of leasehold and guarantee deposits	–	-2,095
<b>Net cash provided by (used in) investing activities</b>	<b>-81,032</b>	<b>-260,641</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	968,313	809
Purchase of treasury shares	–	-200,598
Dividends paid	-136,057	-233,551
Proceeds from issuance of share acquisition rights	5,904	–
<b>Net cash provided by (used in) financing activities</b>	<b>838,159</b>	<b>-433,340</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,088,542</b>	<b>-256,978</b>
<b>Opening balance of cash and cash equivalents</b>	<b>1,659,931</b>	<b>2,748,473</b>
<b>Ending balance of cash and cash equivalents</b>	<b>2,748,473</b>	<b>2,491,494</b>