



Consolidated Financial Results for the Term Ended December 2019 (Based on J-GAAP)

February 13, 2020

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Stock code: 7048
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Scheduled date of the Ordinary General Meeting of Shareholders: March 25, 2020
Scheduled date to submit the Annual Securities Report: March 26, 2020
Scheduled date to commence dividend payments: —
Availability of supplementary briefing materials on financial results: Available
Financial Results Briefing Session: Scheduled (For institutional investors and analysts)

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(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Term Ended December 2019 (January 1, 2019 to December 31, 2019)

(1) Consolidated Results of Operations

(% indicates YoY changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------------|-------------------|------|------------------|-------|-----------------|-------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Term ended December 2019 | 4,351 | 29.0 | 844 | 102.5 | 768 | 140.8 | 521 | 67.6 |
| Term ended December 2018 | 3,371 | 19.3 | 417 | 365.7 | 319 | 795.1 | 311 | 789.1 |

(Note) Comprehensive income: Term ended December 2019: 536 million yen (75.4%)
Term ended December 2018: 305 million yen (614.8%)

| | Profit per share | Fully diluted profit per share | Return on equity | Return on assets | Operating profit margin |
|--------------------------|------------------|--------------------------------|------------------|------------------|-------------------------|
| | Yen | Yen | % | % | % |
| Term ended December 2019 | 18.26 | 17.51 | 30.1 | 13.3 | 19.4 |
| Term ended December 2018 | 11.68 | 11.21 | 32.5 | 7.3 | 12.4 |

(Reference) Equity in earnings of affiliates: Term ended December 2019: -million yen
Term ended December 2018: -million yen

- (Note) 1. Dated September 27, 2018, the Company instituted a stock split at the ratio of 100 shares for 1 share of common stock. Profit per share and fully diluted profit per share are calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.
2. Fully diluted profit per share for the previous fiscal year, given that the Company's shares were listed on the TSE Mothers exchange on December 25, 2018, was calculated deeming the average share price from the date of the initial listing until the end of the previous fiscal year to be the average share price during the period.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Term ended December 2019 | 6,424 | 2,125 | 32.5 | 72.86 |
| Term ended December 2018 | 5,111 | 1,374 | 26.9 | 48.88 |

(Reference) Shareholders' equity: Term ended December 2019: 2,085 million yen
Term ended December 2018: 1,374 million yen

(Note) Dated September 27, 2018, the Company instituted a stock split at the ratio of 100 shares for 1 share of common stock. Net assets per share are calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(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 |
|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Term ended December 2019 | 1,281 | (491) | 14 | 3,978 |
| Term ended December 2018 | 852 | (257) | 315 | 3,170 |

2. Dividends

| | Annual dividends | | | | | Dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|------------------|-----------|-----------|----------|--------|-------------------|-----------------------------|---|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | | % |
| Term ended December 2018 | — | 0.00 | — | 0.00 | 0.00 | — | — | — |
| Term ended December 2019 | — | 0.00 | — | 0.00 | 0.00 | — | — | — |
| Term ending December 2020 (forecasts) | — | 0.00 | — | 0.00 | 0.00 | | — | |

3. Consolidated Forecasts for the Term Ending December 2020 (from January 1, 2020 to December 31, 2020)

(% indicates changes from the previous term for full term and YoY changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share |
|-----------------------------|-------------------|------|------------------|--------|-----------------|--------|---|--------|------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Second quarter (cumulative) | 2,476 | 30.0 | 279 | (35.4) | 253 | (34.7) | 177 | (32.8) | 6.16 |
| Full year | 5,681 | 30.6 | 1,010 | 19.6 | 957 | 24.6 | 670 | 28.5 | 23.30 |

* Notes

(1) Significant changes of subsidiaries during the period (changes in specific subsidiaries involving changes in the scope of consolidation): Yes

New: VELTRA KOREA Inc.; Excluded: —

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to the revision of accounting standards: Not applicable

2) Changes in accounting policies other than 1): Not applicable

3) Changes in accounting estimates: Not applicable

4) Restatements: Not applicable

(3) Total number of issued shares (common stock)

| | | | | |
|---|--------------------------|-------------------|--------------------------|-------------------|
| 1) Total number of issued shares at the end of the period (including treasury shares) | Term ended December 2019 | 28,621,000 shares | Term ended December 2018 | 28,110,000 shares |
| 2) Total number of treasury shares at the end of the period | Term ended December 2019 | 20 shares | Term ended December 2018 | — shares |
| 3) Average number of shares during the period (cumulative) | Term ended December 2019 | 28,562,056 shares | Term ended December 2018 | 26,642,877 shares |

(Note) Dated September 27, 2018, the Company instituted a stock split at the ratio of 100 shares for 1 share of common stock. The total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period are calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(Reference) Summary of non-consolidated results

Non-consolidated results for the term ended December 2019 (January 1, 2019 to December 31, 2019)

(1) Non-consolidated Results of Operations

(% indicates YoY changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit | |
|--------------------------|-------------------|------|------------------|-------|-----------------|-------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Term ended December 2019 | 4,267 | 31.6 | 893 | 111.0 | 828 | 142.1 | 484 | 27.3 |
| Term ended December 2018 | 3,242 | 32.0 | 423 | 451.6 | 342 | — | 380 | — |

| | Profit per share | Fully diluted profit per share |
|--------------------------|------------------|--------------------------------|
| | Yen | Yen |
| Term ended December 2019 | 16.96 | 16.27 |
| Term ended December 2018 | 14.28 | 13.70 |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Term ended December 2019 | 6,031 | 1,919 | 31.8 | 67.08 |
| Term ended December 2018 | 4,942 | 1,263 | 25.6 | 44.94 |

(Reference) Shareholders' equity: Term ended December 2019: 1,919 million yen
Term ended December 2018: 1,263 million yen

* The summary of financial results is not subject to audit by a certified public accountant or an audit corporation.

* Explanation for the appropriate use of performance forecasts and other special notes

(Cautionary note on forward-looking statements)

The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ significantly from forecast values. For conditions regarding assumptions used in projecting financial results and instructions to use projected financial results, please refer to "1. Summary of Results of Operations (4) Outlook" on page 3 of the appendix to this report.

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1. Summary of Results of Operations

(1) Summary of Results of Operations for the Period Under Review

The operating environment in the period under review was in the international situation beset by risks to the global economy from the effects of trade friction and shifts in financial and capital markets. Even so, the Japanese economy proceeded on a moderate recovery backed by improved conditions for employment and household incomes as well as support from various public policy measures.

Against this economic backdrop, conditions in the travel industry remained strong, with the number of outbound Japanese travelers in 2019 reaching 20.08 million persons, up 5.9% compared with the previous year. Also, travelers visiting Japan reached 31.88 million persons, up 2.2% from the same period of the previous year, showing high growth continuously (source: Japan National Tourism Organization (JNTO)). Additionally, travelers across the world in 2019 reached 1.46 billion persons, up 4.0% compared with the same period of the previous year, and increasing trends of travelers in the future are expected (source: World Tourism Organization (UNWTO)).

In this business environment, Our Group, as an online travel agency (OTA) specialized in local experience tours, consists of (1) the "Overseas section" providing overseas travel services mainly for Japanese, (2) the "Inbound section" providing services for travelers visiting Japan, and (3) the "Global section" providing local services all over the world for global travelers, and each section of Our Group offered local experience tours for the target travelers of each section.

As a result, operating revenue in the period under review posted 4,351,002 thousand yen (up 29.0% compared with the same period of the previous fiscal year). Operating revenue breaks down into 4,091,835 thousand yen at the Overseas section (+31.5% compared with the same period of the previous fiscal year), 82,408 thousand yen at the Inbound section (+34.1%), and 176,757 thousand yen at the Global section (-11.1%).

Earnings marked operating profit of 844,801 thousand yen (+102.5% compared with the same period of the previous fiscal year) with ordinary profit of 768,789 thousand yen (+140.8%) and with 521,510 thousand yen in profit attributable to owners of parent (+67.6%). These results were shaped on the one hand by higher advertising expenses to acquire operating revenue, personnel expenses for business expansion, and office relocation expenses in preparation for future personnel growth.

However, these higher operating expenses were fully covered thanks to a favorable business environment brought mainly by the protracted Golden Week holiday, with rising operating revenue from steady growth in the number of reservations during the summer vacation.

A segment breakdown has been omitted as travel-related businesses constitute the Group's sole business segment.

(2) Summary of Financial Position for the Period Under Review

The Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting," etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) from beginning of the first quarter of the current fiscal year. Regarding the financial position, comparison is made with previous year-end figures after retrospective application of the previous year-end figures regarding financial results.

(Current assets)

Consolidated current assets at the end of the period under review totaled 5,491,383 thousand yen, reflecting an increase of 1,179,195 thousand yen compared with the end of the previous fiscal year. This is mainly because of an increase of 806,146 thousand yen in cash and deposits and an increase of 261,295 thousand yen in trade accounts receivable.

(Non-current assets)

Consolidated non-current assets at the end of the period under review totaled 933,226 thousand yen, reflecting an increase of 134,090 thousand yen compared with the end of the previous fiscal year. This is mainly because an increase of 123,895 thousand yen in software and an increase of 93,378 yen in buildings.

(Current liabilities)

Consolidated current liabilities at the end of the period under review totaled 4,148,901 thousand yen, reflecting an increase of 759,443 thousand yen compared with the end of the previous fiscal year. This is mainly because of an increase of 460,593 thousand yen in trade accounts payable and an increase of 264,852 thousand yen in advances received.

(Non-current liabilities)

Consolidated non-current liabilities at the end of the period under review totaled 149,714 thousand yen, reflecting a decrease of 198,081 thousand yen compared with the end of the previous fiscal year. This is mainly because of a decrease of 197,996 thousand yen in long-term borrowings.

(Net assets)

Consolidated net assets at the end of the period under review totaled 2,125,994 thousand yen, reflecting an increase of 751,924 thousand yen compared with the end of the previous fiscal year. This is mainly because of an increase of 84,344 thousand yen in share capital and an increase of 84,344 yen in capital surplus due to new share issues by over-allotment, and an increase of retained earnings by reporting 521,510 thousand yen in profit attributable to owners of parent.

(3) Summary of Cash Flows for the Period Under Review

Cash and cash equivalents ("Cash") at the end of the period under review totaled 3,978,040 thousand yen, which is 807,151 thousand yen more than at the end of the previous fiscal year.

Cash flows in the period under review and their underlying factors developed as follows.

(Cash flows from operating activities)

Consolidated net cash provided by operating activities in the period under review was 1,281,998 thousand yen (852,592 thousand yen in the previous fiscal year). Cash provided by operating activities comprised mainly an increase in profit before income taxes of 650,498 thousand yen, an increase in trade payables of 460,602 thousand yen, and an increase in advances received of 265,109 thousand yen. Cash used in operating activities consisted of an increase in trade receivables of 261,014 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities in the period under review was 491,950 thousand yen (257,467 thousand yen in the previous fiscal year). Main factors included 490,655 thousand yen in expenditure for the acquisition of non-current assets.

(Cash flows from financing activities)

Net cash provided by financing activities in the period under review was 14,517 thousand yen (315,292 thousand yen in the previous fiscal year). Cash provided by financing activities comprised mainly 168,689 thousand yen in proceeds from issuance of shares and 43,850 thousand yen in proceeds from share issuance to non-controlling shareholders. Cash used in financing activities comprised mainly 197,996 thousand yen in expenditure for the repayment of long-term borrowings.

(4) Outlook

In the term ending December 2020, we will continue to search for attractive experience-centric activities, continue to strengthen the name recognition promotion measures implemented last year on a trial basis, proactively work to take off-line markets online by strengthening post-arrival service offering at the location, and strive to reinforce existing businesses and expand our market share. In addition, with the Japanese inbound market remaining buoyant, at LINKTIVITY, which operates a platform business centered on railway-related products in Japan, we will increase agreements with Japanese railway-related companies that are originators of product providing while raising the speed of growth and expanding the inbound business. Moreover, while strengthening the business management system and aggressively hiring personnel, we will strive to improve operational efficiency through technology and work to build an efficient earnings structure.

Based on the foregoing, consolidated forecasts for the term ending December 2020 call for operating revenue of 5,681 million yen (+30.6% YoY), operating profit of 1,010 million yen (+19.6%), ordinary profit of 957 million yen (+24.6%), and profit attributable to owners of parent of 670 million yen (+28.5%).

Business forecasts are based on information currently available to the Company and certain assumptions deemed reasonable. The Company does not guarantee the achievement of the forecasts. Actual results may differ significantly due to various factors.

2. Fundamental Approach to the Selection of Accounting Standards

It has been a current policy of the Group to prepare consolidated financial statements in accordance with Japanese GAAP so as to enable comparability between different accounting periods and companies.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

| | Previous consolidated fiscal year (December 31, 2018) | Current consolidated fiscal year (December 31, 2019) |
|-------------------------------------|--|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,171,894 | 3,978,040 |
| Trade accounts receivable | 1,031,051 | 1,292,347 |
| Other | 109,241 | 220,995 |
| Total current assets | 4,312,187 | 5,491,383 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 22,946 | 116,324 |
| Tools, furniture and fixtures | 47,877 | 86,699 |
| Accumulated depreciation | (38,516) | (54,556) |
| Total property, plant and equipment | 32,307 | 148,467 |
| Intangible assets | | |
| Software | 409,018 | 532,913 |
| Software in progress | 69,938 | 27,810 |
| Other | 216 | 216 |
| Total intangible assets | 479,172 | 560,940 |
| Investments and other assets | | |
| Deferred tax assets | 236,601 | 158,961 |
| Other | 51,055 | 64,857 |
| Total investments and other assets | 287,656 | 223,819 |
| Total non-current assets | 799,136 | 933,226 |
| Total assets | 5,111,324 | 6,424,610 |

(Thousands of yen)

| | Previous consolidated fiscal year (December 31, 2018) | Current consolidated fiscal year (December 31, 2019) |
|--|--|---|
| Liabilities | | |
| Current liabilities | | |
| Trade accounts payable | 1,299,676 | 1,760,270 |
| Current portion of long-term borrowings | 197,996 | 197,996 |
| Accounts payable - other | 232,200 | 339,984 |
| Income taxes payable | 121,500 | 8,723 |
| Advances received | 1,304,392 | 1,569,244 |
| Provision for point card certificates | 142,996 | 176,728 |
| Other | 90,695 | 95,954 |
| Total current liabilities | 3,389,457 | 4,148,901 |
| Non-current liabilities | | |
| Long-term borrowings | 347,511 | 149,515 |
| Deferred tax liabilities | 285 | 199 |
| Total non-current liabilities | 347,796 | 149,714 |
| Total liabilities | 3,737,254 | 4,298,616 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 441,030 | 525,374 |
| Capital surplus | 551,421 | 635,765 |
| Retained earnings | 404,975 | 926,486 |
| Treasury shares | - | (25) |
| Total shareholders' equity | 1,397,426 | 2,087,600 |
| Accumulated other comprehensive income | | |
| Deferred gains or losses on hedges | (2,939) | 580 |
| Foreign currency translation adjustment | (20,416) | (2,722) |
| Total accumulated other comprehensive income | (23,356) | (2,141) |
| Non-controlling interests | - | 40,535 |
| Total net assets | 1,374,070 | 2,125,994 |
| Total liabilities and net assets | 5,111,324 | 6,424,610 |

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

(Thousands of yen)

| | Previous consolidated fiscal year (From January 1, 2018 to December 31, 2018) | Current consolidated fiscal year (From January 1, 2019 to December 31, 2019) |
|--|---|--|
| Operating revenue | 3,371,970 | 4,351,002 |
| Operating expenses | 2,954,779 | 3,506,200 |
| Operating profit | 417,190 | 844,801 |
| Non-operating income | | |
| Interest income | 139 | 264 |
| Other | 3,138 | 2,245 |
| Total non-operating income | 3,278 | 2,509 |
| Non-operating expenses | | |
| Interest expenses | 4,252 | 2,973 |
| Foreign exchange losses | 76,688 | 70,804 |
| Going public expenses | 16,631 | - |
| Other | 3,613 | 4,744 |
| Total non-operating expenses | 101,187 | 78,521 |
| Ordinary profit | 319,281 | 768,789 |
| Extraordinary losses | | |
| Impairment loss | - | 118,290 |
| Loss on liquidation of affiliate | 74,484 | - |
| Total extraordinary losses | 74,484 | 118,290 |
| Profit before income taxes | 244,797 | 650,498 |
| Income taxes - current | 120,380 | 59,451 |
| Income taxes - deferred | (186,769) | 76,053 |
| Total income taxes | (66,389) | 135,504 |
| Profit | 311,187 | 514,993 |
| Loss attributable to non-controlling interests | - | (6,516) |
| Profit attributable to owners of parent | 311,187 | 521,510 |

(Consolidated statement of comprehensive income)

(Thousands of yen)

| | Previous consolidated fiscal year (From January 1, 2018 to December 31, 2018) | Current consolidated fiscal year (From January 1, 2019 to December 31, 2019) |
|---|---|--|
| Profit | 311,187 | 514,993 |
| Other comprehensive income | | |
| Deferred gains or losses on hedges | (2,792) | 3,520 |
| Foreign currency translation adjustment | (2,685) | 17,694 |
| Total other comprehensive income | (5,478) | 21,214 |
| Comprehensive income | 305,708 | 536,208 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | 305,708 | 542,725 |
| Comprehensive income attributable to non-controlling interests | - | (6,516) |

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous consolidated fiscal year (From January 1, 2018 to December 31, 2018)

(Thousands of yen)

| | Shareholders' equity | | | |
|--|----------------------|-----------------|-------------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Total shareholders' equity |
| Balance at beginning of the period | 176,070 | 286,461 | 93,788 | 556,319 |
| Changes in items during the period | | | | |
| Issuance of new shares | 264,960 | 264,960 | | 529,920 |
| Profit attributable to owners of parent | | | 311,187 | 311,187 |
| Net changes in items other than shareholders' equity | | | | |
| Total changes in items during the period | 264,960 | 264,960 | 311,187 | 841,107 |
| Balance at end of the period | 441,030 | 551,421 | 404,975 | 1,397,426 |

| | Accumulated other comprehensive income | | | Total net assets |
|--|--|---|--|------------------|
| | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | |
| Balance at beginning of the period | (147) | (17,731) | (17,878) | 538,441 |
| Changes in items during the period | | | | |
| Issuance of new shares | | | | 529,920 |
| Profit attributable to owners of parent | | | | 311,187 |
| Net changes in items other than shareholders' equity | (2,792) | (2,685) | (5,478) | (5,478) |
| Total changes in items during the period | (2,792) | (2,685) | (5,478) | 835,628 |
| Balance at end of the period | (2,939) | (20,416) | (23,356) | 1,374,070 |

Current consolidated fiscal year (From January 1, 2019 to December 31, 2019)

(Thousands of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of the period | 441,030 | 551,421 | 404,975 | - | 1,397,426 |
| Changes in items during the period | | | | | |
| Issuance of new shares | 82,667 | 82,667 | | | 165,335 |
| Issuance of new shares - Exercise of share acquisition rights | 1,677 | 1,677 | | | 3,354 |
| Profit attributable to owners of parent | | | 521,510 | | 521,510 |
| Purchase of treasury shares | | | | (25) | (25) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes in items during the period | 84,344 | 84,344 | 521,510 | (25) | 690,173 |
| Balance at end of the period | 525,374 | 635,765 | 926,486 | (25) | 2,087,600 |

| | Accumulated other comprehensive income | | | Non-controlling interests | Total net assets |
|---|--|---|--|---------------------------|------------------|
| | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | |
| Balance at beginning of the period | (2,939) | (20,416) | (23,356) | - | 1,374,070 |
| Changes in items during the period | | | | | |
| Issuance of new shares | | | | | 165,335 |
| Issuance of new shares - Exercise of share acquisition rights | | | | | 3,354 |
| Profit attributable to owners of parent | | | | | 521,510 |
| Purchase of treasury shares | | | | | (25) |
| Net changes in items other than shareholders' equity | 3,520 | 17,694 | 21,214 | 40,535 | 61,750 |
| Total changes in items during the period | 3,520 | 17,694 | 21,214 | 40,535 | 751,924 |
| Balance at end of the period | 580 | (2,722) | (2,141) | 40,535 | 2,125,994 |

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

| | Previous consolidated fiscal year (From January 1, 2018 to December 31, 2018) | Current consolidated fiscal year (From January 1, 2019 to December 31, 2019) |
|--|---|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 244,797 | 650,498 |
| Depreciation | 103,711 | 172,487 |
| Impairment loss | - | 118,290 |
| Increase (decrease) in provision for point card certificates | 31,498 | 33,815 |
| Interest income | (139) | (264) |
| Interest expenses | 4,252 | 2,973 |
| Foreign exchange losses (gains) | 25,694 | 321 |
| Going public expenses | 16,631 | - |
| Decrease (increase) in trade receivables | (246,916) | (261,014) |
| Decrease (increase) in other assets | 20,753 | (117,839) |
| Increase (decrease) in trade payables | 226,071 | 460,602 |
| Increase (decrease) in accounts payable - other | 93,870 | 107,020 |
| Increase (decrease) in advances received | 348,636 | 265,109 |
| Increase (decrease) in other liabilities | 1,299 | 20,671 |
| Other | 13,353 | 3,685 |
| Subtotal | 883,514 | 1,456,358 |
| Interest received | 139 | 264 |
| Interest paid | (4,064) | (2,763) |
| Income taxes (paid) or refunded | (26,997) | (171,860) |
| Cash flows from operating activities | 852,592 | 1,281,998 |
| Cash flows from investing activities | | |
| Proceeds from withdrawal of time deposits | - | 1,005 |
| Expenditure for purchase of non-current assets | (257,467) | (490,655) |
| Expenditure for payment of leasehold deposits | - | (46,640) |
| Proceeds from refund of leasehold deposits | - | 44,339 |
| Cash flows from investing activities | (257,467) | (491,950) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (197,996) | (197,996) |
| Proceeds from issuance of shares | 513,288 | 168,689 |
| Purchase of treasury shares | - | (25) |
| Proceeds from share issuance to non-controlling shareholders | - | 43,850 |
| Cash flows from financing activities | 315,292 | 14,517 |
| Effect of exchange rate change on cash and cash equivalents | (16,645) | 2,586 |
| Net increase (decrease) in cash and cash equivalents | 893,772 | 807,151 |
| Cash and cash equivalents at beginning of period | 2,277,116 | 3,170,888 |
| Cash and cash equivalents at end of period | 3,170,888 | 3,978,040 |

(5) Notes on the Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Segment Information)

As Our Group is the single segment of travel-related businesses, the Company has omitted statement of segment information.

(Per Share Information)

| | Previous consolidated fiscal year (From January 1, 2018 to December 31, 2018) | Current consolidated fiscal year (From January 1, 2019 to December 31, 2019) |
|--------------------------------|---|--|
| Net assets per share | 48.88 yen | 72.86 yen |
| Profit per share | 11.68 yen | 18.26 yen |
| Fully diluted profit per share | 11.21 yen | 17.51 yen |

(Note) 1. Dated September 27, 2018, the Company instituted a stock split at the ratio of 100 shares for 1 share of common stock. Net assets per share, profit per share, and fully diluted profit per share are calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

2. Fully diluted profit per share for the previous fiscal year, given that the Company's shares were listed on the TSE Mothers exchange on December 25, 2018, was calculated deeming the average share price from the date of the initial listing until the end of the previous fiscal year to be the average share price during the period.

3. The basis for calculating profit per share and fully diluted profit per share is as follows.

| | Previous consolidated fiscal year (From January 1, 2018 to December 31, 2018) | Current consolidated fiscal year (From January 1, 2019 to December 31, 2019) |
|---|---|--|
| Profit per share | | |
| Profit attributable to owners of parent (thousand yen) | 311,187 | 521,510 |
| Amount not attributable to common shareholders (thousand yen) | — | — |
| Profit attributable to owners of parent related to common stock (thousand yen) | 311,187 | 521,510 |
| Average number of common shares during the period (shares) | 26,642,877 | 28,562,056 |
| Fully diluted profit per share | | |
| Profit adjustment attributable to owners of parent (thousand yen) | — | — |
| Increase in the number of common shares (shares) | 1,122,166 | 1,218,091 |
| (Share acquisition rights) | 1,122,166 | 1,218,091 |
| Summary of dilutive shares not included in the calculation of fully diluted profit per share due to the absence of dilutive effects | — | — |

(Significant Subsequent Events)

Not applicable.