

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (IFRS)

May 10, 2019

Company name	Asteria Corporation	Tokyo Stock Exchange
Code number	3853	URL <a href="https://www.asteria.com/">https://www.asteria.com/</a>
Representative	Yoichiro Hirano	President & CEO
Contact person	Yasuhisa Saitoh	VP, Corporate Affairs
Scheduled date of general meeting of shareholders	June 22, 2019	Scheduled date of payment of cash dividends
Scheduled date of filing financial statements	June 24, 2019	June 7, 2019
Supplemental materials prepared for financial results	Yes	
Earnings announcement for financial results	Yes (for institutional and individual investors)	Phone: 81-3-5718-1655

(Figures are rounded to the nearest million yen)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

#### (1) Consolidated Financial Results

(% of change from previous year)

	Net sales		Operating income		Pre-tax income		Net income		Net income attributable to owners of parent		Comprehensive net income	
	Yen mn	%	Yen mn	%	Yen mn	%	Yen mn	%	Yen mn	%	Yen mn	%
Fiscal Year Ended March 31, 2019	3,478	11.9	389	-32.6	463	4.2	273	38.6	271	37.4	92	-78.4
Fiscal Year Ended March 31, 2018	3,110	91.8	577	91.8	444	46.4	197	-14.5	197	-14.5	424	51.8

	Basic net income per share	Diluted net income per share	Ratio of net income to equity attributable to owners of parent	Ratio of pre-tax income to total asset	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year Ended March 31, 2019	16.39	15.97	4.9	6.3	11.2
Fiscal Year Ended March 31, 2018	11.90	11.74	4.6	8.0	18.6

#### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Yen mn	Yen mn	Yen mn	%	Yen
Fiscal Year Ended March 31, 2019	7,117	5,389	5,382	75.6	321.19
Fiscal Year Ended March 31, 2018	7,560	5,634	5,634	74.5	332.64

#### (3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
	Yen mn	Yen mn	Yen mn	Yen mn
Fiscal Year Ended March 31, 2019	34	-475	-538	3,277
Fiscal Year Ended March 31, 2018	853	-324	1,914	4,219

## 2. Cash Dividends

	Annual cash dividends					Total amount of dividends	Consolidated dividend payout ratio	Consolidated ratio of dividends to equity attributable to owners of parent
	End-Q1	End-Q2	End-Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Yen mn	%	%
Fiscal Year Ended March 31, 2018	—	0.00	—	6.00	6.00	102	50.4	2.3
Fiscal Year Ended March 31, 2019	—	0.00	—	4.00	4.00	67	24.4	1.2
Fiscal Year Ending March 31, 2020 (Forecast)	—	0.00	—	—	—		—	

## 3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% of change from previous year)

	Net sales		Operating income		Pre-tax income		Net income attributable to owners of parent		Basic net income per share
	Yen mn	%	Yen mn	%	Yen mn	%	Yen mn	%	Yen
Full-year	4,100	17.9	600	54.3	600	29.7	400	47.8	24.23

※ Notes

(1) Changes in significant subsidiaries during the current fiscal year

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

Newly included: 1 company (name) -- Excluded: 1 company (name) --

(2) Changes in accounting policies, changes in accounting estimation

a) Changes in accounting policies due to IFRS requirements: Yes

b) Changes in accounting policies other than (2) a) above: None

c) Changes in accounting estimation: None

(3) Number of issued shares (Common Stock)

a) Total number of issued shares at the end of the period (including treasury stock)	Fiscal Year Ended March 31, 2019	17,491,265 shares	Fiscal Year Ended March 31, 2018	17,480,165 shares
b) Number of shares of treasury stock at the end of the period	Fiscal Year Ended March 31, 2019	735,756 shares	Fiscal Year Ended March 31, 2018	543,885 shares
c) Average number of shares during the period	Fiscal Year Ended March 31, 2019	16,507,678 shares	Fiscal Year Ended March 31, 2018	16,548,230 shares

※ These consolidated quarterly financial results are not subject to audit.

※ Cautionary statement on appropriate use of business results forecasts and other matters.

(Note on forward-looking statements)

This report contains forward-looking statements on future performance and other matters that are based on information currently available to the company and certain reasonable assumptions. These forward-looking statements are not guarantees of future performance. A variety of factors may cause actual performance to be materially different from that expressed or implied by these forward-looking statements. For notes on the assumptions used in business forecasts and use of these forecasts, please refer to "1. Overview of business results, (4) Outlook" in the supplementary materials.

(Change in company name) The company name was changed from Infoteria Corporation to Asteria Corporation on October 1, 2018 in accordance with a vote at the 20<sup>th</sup> Annual General Shareholders' Meeting held on June 23, 2018.

(Access to supplementary materials for results and content from the results briefing)

The company plans to hold an online results briefing from 11.00am to 12.00pm on Monday, May 13, 2019. The material used in the briefing will be posted on our official website, and the briefing video itself will also be available on our website at a later date.

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## 1. Overview of business results

### (1) Overview of business results in the fiscal year

Consolidated group results for the fiscal year ended March 31, 2019 (April 2018-March 2019, hereinafter FY2018) saw a YoY increase in sales and profit. Net sales reached a record-high level since listing, with solid new customer acquisitions for design services, particularly overseas, complimenting further strong growth in mainstay products ASTERIA Warp and Handbook. However, operating income declined, as higher earnout (performance related-acquisition costs) related to the acquisition of This Place added to strategic increase in personnel costs to strengthen human resources for future growth and in expenses for proactive sales promotional measures. Net income increased YoY owing to a lower burden of taxes from expansion in overseas business.

Consolidated results for FY2018 were as follows.

	FY2017	FY2018	YoY growth
Net sales	Yen 3,109.710mn	Yen 3,478.310mn	+11.9%
Operating income	Yen 577.195mn	Yen 388.956mn	-32.6%
Pre-tax income	Yen 443.849mn	Yen 462.552mn	+4.2%
Net income attributable to owners of parent	Yen 196.998mn	Yen 270.595mn	+37.4%

Sales by business unit were as follows.

Business unit	Net sales	Details
Enterprise	Yen 1,612.605mn (+5.4% YoY)	This business unit includes data integration middleware product ASTERIA Warp and AI-equipped IoT integration edgware Gravio. Sales for ASTERIA Warp are mostly comprised of license sales and support sales. They also include monthly usage fee sales (booked under "Subscriptions" in sales, the same hereinafter). Gravio sales are in the form of monthly service fees.
Internet services	Yen 288.476mn (+7.2% YoY)	This business unit includes mobile content management system Handbook and mobile app creation platform Platio. Sales for Handbook are mostly comprised of monthly service fees, with a small volume of support sales related to past licensed versions (on-premises). Platio sales are in the form of monthly service fees.
Design	Yen 1,565.499mn (+21.3% YoY)	This business unit provides clients with consulting services for branding strategy and consulting and development support services for web and mobile app design.
Other	Yen 11.730mn (-40.2% YoY)	This category includes products such as SnapCal, lino, and ExtenXLS. As SnapCal and lino are both global market analysis tools as well as products, they are mostly provided in free versions, with more than 70% of users being overseas. ExtenXLS is a product from a US company acquired in 2011, and sales were ended during FY2018.

A breakdown of business performance by sales category in the fiscal year is as follows.

Licenses	Net sales	Year-earlier	YoY growth
	Yen 637.424mn	Yen 646.214mn	-1.4%
	Qualitative information		
	<p>License sales are payments for the semi-permanent right to use of our software. As a consequence, they tend to be impacted by seasonality and changes in corporate IT investment, and are notable for being less stable than sales in other categories.</p> <p>In FY2018, we rolled out two software updates to increase linkage with widely-used applications like Excel and PDF programs, and also added a large number of flow templates that can be linked to via settings alone. We also began offering linkage adapters as options for ASTERIA Warp, including “Dynamics 365 for Finance and Operations”, a globally-compatible cloud-type ERP, and “MF Cloud Expenses”, a cloud-based expenses calculation service. In addition, as part of our “Adapter Development Program”, we started supplying adapters compatible with programs such as the SmarHR human resources management cloud service and the BOX cloud content management service, thereby responding to needs to connect with various systems. There has been a steady increase in the number of companies using ASTERIA Warp, and the cumulative user base was 7,783 companies as of end-March 2019.</p> <p>We also achieved the No. 1 market share for the 12th consecutive year (*1).</p> <p>Despite these efforts, net sales of licenses decreased by 1.4% YoY, and this owed to demand increasing for subscription-type formats as mentioned below.</p>		
Subscriptions	Net sales	Year-earlier	YoY growth
	Yen 380.093mn	Yen 320.407mn	+18.6%
	Qualitative information		
	<p>Subscription sales are sales for services related to software products provided on a monthly fee basis, and this currently includes the following four products:</p> <p>① Handbook: We were able to successfully tap into demand for the product’s strengths as a tool for on-site marketing and paperless meetings, and the cumulative number of contracts rose steadily to 1,507. We also conducted aggressive promotion in the sector of Sales Tech (which aims to boost marketing capabilities through the on-site use of technology), an area that has been attracting increasing media attention in the last few years. In the sales enablement tool market, one segment of this sector, we captured the No. 1 positions for cumulative company installations (the total number of installations from initial shipment to end-September 2018) and for share of sales value by vendor (turnover Yen 1-99bn) (*2). On the back of a rapid increase in presence in this area, we added new clients including KANAGAWA TOYOTA MOTOR SALES CO., Ltd. and Fuji Electric Co., Ltd.</p> <p>② ASTERIA Warp: Subscription sales for ASTERIA Warp include sales for ASTERIA Warp Core, which provides basically the same functionality as ASTERIA Warp through a stripped-down menu that makes it applicable to a variety of applications. The number of ASTERIA subscription partners dedicated to handling ASTERIA Warp Core increased steadily, bringing the total number to 37, enabling us to boost joint promotion with these partners. As a result of these activities, there was significant sales growth of 222.7% YoY.</p> <p>③ Gravio: We began shipping a new version of Gravio in October 2018. Sales promotion for the new version included groundbreaking initiatives such as the free lending of sensors, and there were more than 100 applications during the fiscal year. While sales are still small, we are partnering with affiliates with the aim of growing this into a major earnings pillar in the medium and long term.</p> <p>④ Platío: We began shipping the new version of Platío in March 2019. As well as featuring 100 different templates to facilitate immediate on-site usage, the new</p>		

	<p>version includes major advances such as innovative statistical functions and AI that can detect changes from on-site recorded information to enable operation improvements. This not only improves operational efficiency for on-site staff, but is also the start of a service providing workplace visibility to managers and other leaders. Examples of companies that introduced Platio during FY2018 were Kairikiya Co., Ltd, and Hotel Granvia Okayama Co., Ltd.</p> <p>As a result of these efforts, net sales of subscriptions increased 18.6% YoY.</p>
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Support	Net sales	Year-earlier	YoY growth
	Yen 877.405mn	Yen 831.119mn	+5.6%
	Qualitative information		
	<p>Support sales are payments from existing customers for product support (including technological assistance and product upgrades). As a consequence, they are relatively impervious to seasonality and have continued to grow solidly since the company's listing. In order to steadily expand support sales, we hold socializing events for the AUG (ASTERIA User Group) community, and also strive to boost satisfaction levels among contracted clients through continued development of initiatives like the ASTERIA Points system (formerly known as Infoteria Points), which can be used for our educational services.</p> <p>As a result of these efforts, net sales for support increased 5.6% YoY.</p>		
Services	Net sales	Year-earlier	YoY growth
	Yen 1,583.388mn	Yen 1,311.970mn	+20.7%
	Qualitative information		
	<p>Sales from services break down into design services and education services.</p> <p>We began providing design services following the acquisition of This Place in FY2017, and offer clients consulting services for branding strategy and consulting and development support services for web and mobile app design. In FY2018, we continued providing services to a major US mobile phone carrier and a major European supermarket chain, and also added a major US aerospace equipment manufacturer as a new client.</p> <p>Our education services offer training for use of our products.</p> <p>As a result of these activities, net sales for services increased 20.7% YoY.</p>		
Total	Net sales	Year-earlier	YoY growth
	Yen 3,478.310mn	Yen 3,109.710mn	+11.9%

\*1: According to the "2018 Software Marketing Overview: the EAI/ESB Market" by Techno Systems Research Co., Ltd.

\*2: According to the "ITR Market View: Unified Endpoint Management Market 2018" by ITR Corporation.

"Collaboration/Mobile Management Packaged Software Market Prospects" (2018 version) by MIC Research Institute Ltd.



## (2) Overview of financial situation in the fiscal year

### (Assets)

Total assets as of the end of FY2018 were Yen 7,116.710mn, down Yen 442.934mn from end-FY2017. Current assets declined Yen 533.950mn to Yen 4,109.849mn, and noncurrent assets increased Yen 91.016mn to Yen 3,006.861mn. This owed mainly to a Yen 413.375mn increase in operating receivables and other claims and a Yen 941.929mn decline in cash and cash equivalents within current assets, and increases of Yen 97.479mn for acquisition of tangible fixed assets and Yen 85.405mn in other financial assets against declines of Yen 36.047mn in goodwill and Yen 76.809mn in intangible assets within noncurrent assets.

### (Liabilities)

Total liabilities as of the end of FY2018 were Yen 1,727.257mn, down Yen 198.773mn from end-FY2017. Current liabilities declined Yen 35.222mn to Yen 1,093.401mn, and noncurrent liabilities declined Yen 163.552mn to Yen 633.855mn. This owed mainly to declines of Yen 53.598mn in operating payables and other payables and Yen 49.856mn in corporate income tax payable against a rise of Yen 68.232m in other current liabilities within current liabilities, and a Yen 147.175mn decline in other financial liabilities within noncurrent liabilities.

### (Capital)

Capital as of the end of FY2018 was Yen 5,389.453mn, down Yen 244.162mn from end-FY2017. This owed mainly to a decline of Yen 331.474mn from acquisition of the company's own stock.

## (3) Overview of cash flows in the fiscal year

The balance of cash and cash equivalents (hereinafter "cash") as of the end of FY2018 was Yen 3,277.348mn, down Yen 941.929mn from end-FY2017.

Change in each cash flow item and the reasons for the changes were as follows.

### (Cash flow from operating activities)

As a result of operating activities, cash of Yen 34.014mn was created (compared to cash created of Yen 853.312mn in FY2017). This owed mainly to a rise of Yen 417.821mn in operating receivables and other claims and decrease of Yen 174.917mn in corporate income tax payable against rises of Yen 462.552mn in pre-tax income and Yen 178.688mn in depreciation and amortization charges.

### (Cash flow from investment activities)

As a result of investment activities, cash of Yen 474.717mn was used (compared to cash used of Yen 324.363mn in FY2017). The main changes were Yen 148.172mn used for acquisition of tangible fixed assets, Yen 276.832mn used for investment acquisitions, and Yen 74.260mn used for acquisition of stock in subsidiaries.

### (Cash flow from financial activities)

As a result of financial activities, cash of Yen 537.771mn was used (compared to cash created of Yen 1,913.529mn in FY2017). The main factors were income of Yen 138.359mn from issue of new shares (exercise of share options) against use of Yen 596.435mn for acquisition of the company's own stock and Yen 100.899mn for dividend payments.

## (4) Outlook

At the present time, our full-year forecasts for FY2019 are as follows

Net sales	Yen 4,100mn	(+17.9% YoY)
Operating income	Yen 600mn	(+54.3% YoY)
Pre-tax income	Yen 600mn	(+29.7% YoY)
Net income attributable to owners of the parent	Yen 400mn	(+47.8% YoY)

### (Note on forward-looking statements)

These earnings forecasts are based on information currently available to the company and certain reasonable assumptions. They are not guarantees of future performance.

A variety of factors may cause actual performance to be materially different from that expressed or implied by these forecasts, including but not limited to economic conditions in the domestic and main overseas markets and foreign exchange fluctuation.

We will make timely notification of any material changes.

## 2. Basic rationale for selection of accounting standards

Asteria Group's business involves the supply of mainstay products such as ASTERIA Warp and Handbook in line with its vision of "developing and supplying software on a global scale to enable computing that transcends organizational boundaries." With the Group vision requiring activities on a "global scale", we strive to be compliant with global accounting standards with a view to improving international comparability and increasing convenience for our stakeholders. To that end, we implemented International Financial Reporting Standards (IFRS) beginning with our securities filings for FY2015.

### 3. Outline consolidated financial statements and main notes

#### (1) Outline consolidated financial statement

(Thousands of yen)

	End-FY2017 (March 31, 2018)	End-FY2018 (March 31, 2019)
Assets		
Current assets		
Cash and cash equivalents	4,219,277	3,277,348
Operating receivables and other claims	295,830	709,205
Inventory assets	78,952	33,690
Other current assets	49,740	89,606
Total current assets	<u>4,643,799</u>	<u>4,109,849</u>
Noncurrent assets		
Tangible fixed assets	93,551	191,030
Goodwill	1,383,073	1,347,026
Intangible assets	220,701	143,892
Investments treated as equity method investment	110,321	114,092
Other financial assets	998,640	1,084,045
Other noncurrent assets	109,560	126,776
Total noncurrent assets	<u>2,915,845</u>	<u>3,006,861</u>
Total assets	<u>7,559,644</u>	<u>7,116,710</u>

(Thousands of yen)

	End-FY2017 (March 31, 2018)	End-FY2018 (March 31, 2019)
Liabilities and capital		
Liabilities		
Current liabilities		
Borrowings	100,000	100,000
Operating payables and other payables	145,839	92,241
Corporate income tax payable	201,952	152,096
Other current liabilities	680,832	749,064
Total current liabilities	1,128,623	1,093,401
Noncurrent liabilities		
Provisions	19,337	19,365
Deferred income taxes	92,423	74,411
Other financial liabilities	685,450	538,275
Other noncurrent liabilities	196	1,805
Total noncurrent liabilities	797,407	633,855
Total liabilities	1,926,030	1,727,257
Capital		
Shareholders' equity	2,268,414	2,275,343
Capital surplus	2,492,725	2,577,710
Treasury stock	-247,084	-578,558
Other equity components	181,722	423
Retained earnings	937,838	1,106,763
Total equity attributable to owners of parent	5,633,615	5,381,681
Non-controlling interests	—	7,772
Total capital	5,633,615	5,389,453
Total liabilities and capital	7,559,644	7,116,710

## (2) Outline consolidated income statement

(Thousands of yen)

	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Net sales	3,109,710	3,478,310
Cost of goods sales	932,210	1,375,504
Gross income	2,177,500	2,102,806
Selling, general and administrative expenses	1,595,890	1,715,246
Other income	5,947	7,046
Other expenses	10,362	5,650
Operating income	577,195	388,956
Financial income	5,296	70,268
Financial expenses	133,788	822
Equity in earnings of affiliates (Figures in negative represent loss)	-4,855	4,150
Pre-tax net income	443,849	462,552
Provision for corporate income taxes	246,851	189,595
Net income	196,998	272,957
Attributable net income		
Attributable to owners of parent	196,998	270,595
Attributable to non-controlling interests	—	2,362
Net income	196,998	272,957
Net income per share		
Basic net income per share (Yen)	11.90	16.39
Diluted net income per share (Yen)	11.74	15.97

## (3) Outline consolidated comprehensive income statement

(Thousands of yen)

	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Net income	196,998	272,957
Other comprehensive income		
Items not transferrable to net income		
Financial assets assessed by fair value from other comprehensive income	73,944	-145,924
Total items not transferrable to net income	<u>73,944</u>	<u>-145,924</u>
Items transferrable to net income		
Translation difference for overseas business units	152,840	-35,375
Amount equivalent to equity in affiliates	-163	—
Total items transferrable to net income	<u>152,677</u>	<u>-35,375</u>
Total other comprehensive income	<u>226,620</u>	<u>-181,299</u>
Net comprehensive income	<u><u>423,618</u></u>	<u><u>91,659</u></u>
Attributable comprehensive net income		
Attributable to owners of parent	<u>423,618</u>	<u>89,297</u>
Attributable to non-controlling interests	<u>—</u>	<u>2,362</u>
Net comprehensive income	<u><u>423,618</u></u>	<u><u>91,659</u></u>

## (4) Outline quarterly consolidated statement of changes in equity

Attributable to owners of the parent

	Other equity components					Total
	Capital stock	Capital surplus	Treasury stock	Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	
As of April 1, 2017	1,138,467	1,047,486	-66,251	6,779	-22,163	-15,384
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	152,677	73,944	226,620
Total net comprehensive income	—	—	—	152,677	73,944	226,620
Issue of new shares (exercise of share options)	1,129,947	1,129,947	—	—	—	—
Treasury stock purchased	—	—	-211,391	—	—	—
Treasury stock sold	—	—	30,559	—	—	—
Change from treasury stock transactions	—	133,318	—	—	—	—
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	181,974	—	—	—	—
Change in the ownership interest of a subsidiary without loss of control	—	—	—	—	—	—
Transfer from other equity components to retained earnings	—	—	—	—	-29,515	-29,515
Change from transactions with owners	1,129,947	1,445,239	-180,832	—	-29,515	-29,515
As of March 31, 2018	2,268,414	2,492,725	-247,084	159,456	22,266	181,722
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	-35,375	-145,924	-181,299
Total net comprehensive income	—	—	—	-35,375	-145,924	-181,299
Issue of new shares (exercise of share options)	6,930	6,930	—	—	—	—
Treasury stock purchased	—	—	-590,637	—	—	—
Treasury stock sold	—	-204,314	259,162	—	—	—
Change from treasury stock transactions	—	133,390	—	—	—	—
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	137,758	—	—	—	—
Change in the ownership interest of a subsidiary without loss of control	—	11,221	—	—	—	—
Transfer from other equity components to retained earnings	—	—	—	—	—	—
Change from transactions with owners	6,930	84,985	-331,475	—	—	—
As of March 31, 2019	2,275,343	2,577,710	-578,558	124,081	-123,658	423

	Attributable to owners of the parent		Non-controlling interests	Total capital
	Retained earnings	Total		
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
As of April 1, 2017	769,236	2,873,553	—	2,873,553
Net income	196,998	196,998	—	196,998
Other comprehensive income	—	226,620	—	226,620
Total net comprehensive income	196,998	423,618	—	423,618
Issue of new shares (exercise of share options)	—	2,259,894	—	2,259,894
Treasury stock purchased	—	-211,391	—	-211,391
Treasury stock sold	—	30,559	—	30,559
Change from treasury stock transactions	—	133,318	—	133,318
Dividends paid	-57,911	-57,911	—	-57,911
Share-based payment transactions	—	181,974	—	181,974
Change in the ownership interest of a subsidiary without loss of control	—	—	—	—
Transfer from other equity components to retained earnings	29,515	—	—	—
Change from transactions with owners	-28,396	2,336,443	—	2,336,443
As of March 31, 2018	937,838	5,633,615	—	5,633,615
Net income	270,595	270,595	2,362	272,957
Other comprehensive income	—	-181,299	—	-181,299
Total net comprehensive income	270,595	89,297	2,362	91,659
Issue of new shares (exercise of share options)	—	13,859	—	13,859
Treasury stock purchased	—	-590,637	—	-590,637
Treasury stock sold	—	54,848	—	54,848
Change from treasury stock transactions	—	133,390	—	133,390
Dividends paid	-101,670	-101,670	—	-101,670
Share-based payment transactions	—	137,758	—	137,758
Change in the ownership interest of a subsidiary without loss of control	—	11,221	5,410	16,631
Transfer from other equity components to retained earnings	—	—	—	—
Change from transactions with owners	-101,670	-341,230	5,410	-335,820
As of March 31, 2019	1,106,763	5,381,681	7,772	5,389,453



## (5) Outline consolidated cash flow statement

(Thousands of yen)

	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Cash flow from operating activities		
Pre-tax net income	443,849	462,552
Depreciation and amortization	173,446	178,688
Financial income	-5,296	-56,493
Financial expenses	7,027	359
Earnings from equity in affiliates (Figures in negative represent profit)	4,855	-4,150
Change in operating receivables and other claims (Figures in negative represent an increase)	128,074	-417,821
Change in operating payables and other payables (Figures in negative represent a decrease)	14,320	-48,090
Other	276,132	43,597
Subtotal	1,042,406	158,642
Interest and dividends received	5,509	50,977
Interest paid	-2,379	-688
Corporate taxes paid	-192,224	-174,917
Cash flow for operating activities	853,312	34,014
Cash flow from investment activities		
Change in time deposits (Figures in negative represent a decrease)	600,000	—
Payments for tangible fixed asset purchases	-29,599	-148,172
Income from tangible fixed asset sales	1,688	749
Payments for intangible fixed asset purchases	-8,354	-2,134
Income from intangible fixed asset sales	—	821
Payments for investment purchases	-544,346	-276,832
Income from redemption of security investments	300,000	—
Income from investment returns	—	46,837
Payments for purchase of stock in subsidiaries	—	-74,260
Payments for purchase of stock in subsidiaries (less cash received on acquisition)	-722,283	—
Income from investment sales	40,786	—
Others	37,746	-21,725
Cash flow from investment activities	-324,363	-474,717
Cash flow from financial activities		
Payments of long-term debt	-66,672	—
Income from issue of new shares (exercise of share options)	2,250,100	138,359
Dividends paid	-57,389	-100,899
Payments for purchase of treasury stock	-212,509	-596,435
Income from issue of other financial liabilities	—	23,236
Payments for issue of other financial liabilities	—	-148
Payments for redemption of other financial liabilities	—	-1,884
Cash flow from financial activities	1,913,529	-537,771
Net change in cash and cash equivalents (Figures in negative represent a decrease)	2,442,479	-978,474
Cash and cash equivalents at beginning of period	1,740,175	4,219,277
Effect of exchange rate changes on cash and cash equivalents	36,623	36,545

Cash and cash equivalents at end of period

4,219,277

3,277,348

(6) Main notes to outline quarterly consolidated financial statements  
 (Going concern assumption)  
 No matters to report.

(Change in accounting policies)

The Asteria Group implemented the following accounting standard from this fiscal year.

IFRS		Summary of change
IFRS 15	Revenue from contracts with customers	Revision to accounting policy for recognition of revenue

The Group implemented IFRS 15 “Revenue from contracts with customers” (released in May 2014) and “Clarifications to IFRS 15 Revenue from Contracts with Customers” (released in April 2016, collectively IFRS 15 hereinafter) beginning in FY2018.

In line with the implementation of IFRS 15, we adopted a method that allows for a cumulative impact calculated under the basic standard to be recognized from the date of implementation, which is permitted as a transitional measure.

IFRS 15 requires the recognition of revenue by implementation of the following five-step approach (excluding interest and dividend revenue, which is recognized based on IFRS 9 “Financial Instruments”):

Step 1: identify the contract(s) with a customer

Step 2: identify the performance obligations in the contract

Step 3: determine the transaction price

Step 4: allocate the transaction price to each performance obligation

Step 5: recognise revenue when a performance obligation is satisfied (or as it is satisfied over time)

The Asteria Group main operations are developing and selling software that “links” corporate information systems, cloud services, and hardware devices, and also offering client companies consulting for their branding strategies and consulting and development support for web and mobile app designs.

It previously recognized payments received from customers before the satisfaction of contract performance obligations as sales deposits, but implementation of this new standard means these are now recognized as contract liabilities. The impact on the Group’s consolidated financial statements is minimal.

(Segment information)

Segment information is abbreviated as the Group’s software product planning, development, sales, support, education and related subsidiary operations are unified segments.

(Income per share)

	FY2017 (April 1, 2017- March 31, 2018)	FY2018 (April 1, 2018- March 31, 2019)
Net income attributable to owners of common stock in the parent (Thousands of yen)	196,998	270,595
Adjusted net income	—	—
Net income used in the calculation of diluted net income per share (Thousands of yen)	196,998	270,595
Average number of shares of common stock during the fiscal year	16,548,230	16,507,678
Rise in the number of shares of common stock (impact on dilution effect: earnout)	230,693	439,218
New share options	—	—
Average number of shares of common stock during the fiscal year after dilution	16,778,923	16,946,896

Basic net income per share (Yen)	11.90	16.39
Diluted net income per share (Yen)	11.74	15.97

(Subsequent events)  
None

#### 4. Others

(1) Change in directors

None

(2) Other matters

None