

The original disclosure in Japanese was released on September 14, 2020.

Translation

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In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Non-consolidated Financial Results
for the Fiscal Year Ended July 31, 2020
[Japanese GAAP]**



September 14, 2020

Company name: PLANET, INC.

Stock exchange listing: Tokyo Stock Exchange (JASDAQ Standard)

Code number: 2391

URL: <https://www.planet-van.co.jp/english/>

Representative: Masakatsu Tagami, President and Chief Executive Officer

Contact: Wataru Kawamura, Executive Officer

Phone: +81-3-5962- 0811

Scheduled date of Annual General Meeting of Shareholders: October 20, 2020

Scheduled date of filing annual securities report: October 20, 2020

Scheduled date of commencing dividend payments: October 21, 2020

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Financial Results for the Fiscal Year Ended July 31, 2020 (August 1, 2019 to July 31, 2020)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
July 31, 2020	3,052	0.9	729	3.1	748	3.6	441	(10.0)
July 31, 2019	3,026	0.9	707	0.3	722	0.6	491	(8.5)

	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					
July 31, 2020	66.62	—	9.9	14.0	23.9
July 31, 2019	74.05	—	11.0	13.3	23.4

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended July 31, 2020: ¥(25) million
Fiscal year ended July 31, 2019: ¥0 million

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2020	5,314	4,421	83.2	666.87
As of July 31, 2019	5,389	4,459	82.7	672.53

(Reference) Equity: As of July 31, 2020: ¥4,421 million
As of July 31, 2019: ¥4,459 million

(3) 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
As of July 31, 2020	Millions of yen 721	Millions of yen (292)	Millions of yen (268)	Millions of yen 2,235
As of July 31, 2019	771	(195)	(265)	2,074

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2019	—	20.00	—	20.50	40.50	268	54.7	6.0
Fiscal year ended July 31, 2020	—	20.00	—	21.00	41.00	271	61.5	6.1
Fiscal year ending July 31, 2021 (Forecast)	—	20.50	—	21.00	41.50		61.2	

3. Financial Results Forecast for the Fiscal Year Ending July 31, 2021 (August 1, 2020 to July 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	1,520	0.3	310	(1.0)	315	(1.7)	215	0.3	32.42
Full year	3,070	0.6	645	(11.6)	660	(11.9)	450	1.9	67.86

* Notes:

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

- 1) Changes in accounting policies due to 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):

July 31, 2020: 6,632,800 shares

July 31, 2019: 6,632,800 shares

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

July 31, 2020: 1,912 shares

July 31, 2019: 1,912 shares

- 3) Average number of shares during the period:

Fiscal year ended July 31, 2020: 6,630,888 shares

Fiscal year ended July 31, 2019: 6,630,888 shares

* These financial results are outside the scope of audit by certified public accountants or an audit firm.

(Note on forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from these forecasts due to a wide range of factors.

5. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	Fiscal year ended July 31, 2019 (as of July 31, 2019)	Fiscal year ended July 31, 2020 (as of July 31, 2020)
Assets		
Current assets		
Cash and deposits	2,104,130	2,265,197
Accounts receivable - trade	447,074	480,826
Prepaid expenses	9,051	12,108
Other	15,392	19,093
Allowance for doubtful accounts	(100)	(100)
Total current assets	2,575,549	2,777,127
Non-current assets		
Property, plant and equipment		
Buildings	51,397	49,636
Accumulated depreciation	(38,989)	(39,455)
Buildings, net	12,407	10,181
Tools, furniture and fixtures	39,815	40,015
Accumulated depreciation	(20,836)	(24,690)
Tools, furniture and fixtures, net	18,979	15,325
Total property, plant and equipment	31,387	25,506
Intangible assets		
Software	560,964	481,583
Software in progress	8,040	26,482
Telephone subscription right	1,383	1,383
Total intangible assets	570,387	509,448
Investments and other assets		
Investment securities	1,280,049	928,336
Shares of subsidiaries and associates	698,502	768,099
Deferred tax assets	—	47,956
Leasehold and guarantee deposits	51,783	57,724
Insurance funds	142,582	160,255
Other	39,738	39,588
Total investments and other assets	2,212,655	2,001,960
Total non-current assets	2,814,430	2,536,915
Total assets	5,389,979	5,314,042

(Thousands of yen)

	Fiscal year ended July 31, 2019 (as of July 31, 2019)	Fiscal year ended July 31, 2020 (as of July 31, 2020)
Liabilities		
Current liabilities		
Accounts payable - trade	170,011	150,682
Accounts payable - other	44,311	56,514
Accrued expenses	22,023	22,257
Income taxes payable	122,433	139,627
Accrued consumption taxes	47,447	44,672
Provision for bonuses	24,876	24,941
Provision for bonuses for directors (and other officers)	34,000	34,000
Other	9,700	10,199
Total current liabilities	474,803	482,895
Non-current liabilities		
Deferred tax liabilities	91,406	—
Provision for retirement benefits	176,730	199,478
Provision for retirement benefits for directors (and other officers)	175,600	197,600
Asset retirement obligations	11,956	12,142
Total non-current liabilities	455,694	409,221
Total liabilities	930,498	892,116
Net assets		
Shareholders' equity		
Share capital	436,100	436,100
Capital surplus		
Legal capital surplus	127,240	127,240
Total capital surplus	127,240	127,240
Retained earnings		
Legal retained earnings	18,700	18,700
Other retained earnings		
General reserve	870,000	910,000
Retained earnings brought forward	2,479,205	2,612,377
Total retained earnings	3,367,905	3,541,077
Treasury shares	(1,788)	(1,788)
Total shareholders' equity	3,929,457	4,102,629
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	530,023	319,296
Total valuation and translation adjustments	530,023	319,296
Total net assets	4,459,481	4,421,926
Total liabilities and net assets	5,389,979	5,314,042

(2) Statement of Income

(Thousands of yen)

	Fiscal year ended July 31, 2019 (August 1, 2018 to July 31, 2019)	Fiscal year ended July 31, 2020 (August 1, 2019 to July 31, 2020)
Net sales		
Sales on edi business	2,729,244	2,776,287
Sales on database business	277,279	263,952
Sales in other businesses	19,596	12,396
Total net sales	3,026,120	3,052,636
Cost of sales		
Cost of sales on edi business	879,399	889,414
Cost of sales on database business	154,537	137,373
Cost of sales in other businesses	20,992	21,614
Total cost of sales	1,054,929	1,048,403
Gross profit	1,971,190	2,004,233
Selling, general and administrative expenses		
Salaries, allowances and bonuses	409,394	417,301
Provision for bonuses	24,876	24,941
Retirement benefit expenses	23,989	26,467
Remuneration for directors (and other officers)	169,368	169,968
Provision for bonuses for directors (and other officers)	34,000	34,000
Provision for retirement benefits for directors (and other officers)	20,775	23,175
Legal welfare expenses	69,013	69,878
Administrative outsourcing expenses	17,403	19,432
Rent expenses on real estate	66,790	69,483
Rent expenses	7,265	6,980
Communication expenses	6,741	6,773
Travel and transportation expenses	37,819	17,986
Advertising expenses	49,425	44,883
Depreciation	32,897	33,156
Outsourcing expenses	64,747	60,573
Other	229,004	249,563
Total selling, general and administrative expenses	1,263,511	1,274,566
Operating income	707,679	729,666
Non-operating income		
Interest income	20	22
Dividend income	4,606	5,562
Interest on securities	9,070	9,657
Miscellaneous income	1,528	3,843
Total non-operating income	15,226	19,086

(Thousands of yen)

	Fiscal year ended July 31, 2019 (August 1, 2018 to July 31, 2019)	Fiscal year ended July 31, 2020 (August 1, 2019 to July 31, 2020)
Ordinary income	722,905	748,753
Extraordinary losses		
Loss on retirement of non-current assets	—	1,301
Loss on valuation of investment securities	—	100,000
Total extraordinary losses	—	101,302
Income before income taxes	722,905	647,451
Income taxes - current	242,822	252,176
Income taxes - deferred	(10,924)	(46,448)
Total income taxes	231,898	205,727
Net income	491,007	441,723

(3) Statement of Changes in Equity

Fiscal year ended July 31, 2019 (August 1, 2018 to July 31, 2019)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	
Balance at beginning of period	436,100	127,240	127,240	18,700	830,000	2,293,433	3,142,133
Changes during period							
Dividends of surplus						(265,235)	(265,235)
Provision of general reserve					40,000	(40,000)	—
Net income						491,007	491,007
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	40,000	185,772	225,772
Balance at end of period	436,100	127,240	127,240	18,700	870,000	2,479,205	3,367,905

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,786)	3,703,686	739,142	739,142	4,442,829
Changes during period					
Dividends of surplus		(265,235)			(265,235)
Provision of general reserve					
Net income		491,007			491,007
Purchase of treasury shares	(1)	(1)			(1)
Net changes in items other than shareholders' equity			(209,118)	(209,118)	(209,118)
Total changes during period	(1)	225,770	(209,118)	(209,118)	16,652
Balance at end of period	(1,788)	3,929,457	530,023	530,023	4,459,481

Fiscal year ended July 31, 2020 (August 1, 2019 to July 31, 2020)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	
				General reserve			
Balance at beginning of period	436,100	127,240	127,240	18,700	870,000	2,479,205	3,367,905
Changes during period							
Dividends of surplus						(268,551)	(268,551)
Provision of general reserve					40,000	(40,000)	—
Net income						441,723	441,723
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	40,000	133,172	173,172
Balance at end of period	436,100	127,240	127,240	18,700	910,000	2,612,377	3,541,077

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,788)	3,929,457	530,023	530,023	4,459,481
Changes during period					
Dividends of surplus		(268,551)			(268,551)
Provision of general reserve					
Net income		441,723			441,723
Purchase of treasury shares	—	—			—
Net changes in items other than shareholders' equity			(210,727)	(210,727)	(210,727)
Total changes during period	—	173,172	(210,727)	(210,727)	(37,554)
Balance at end of period	(1,788)	4,102,629	319,296	319,296	4,421,926

(4) Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended July 31, 2019 (August 1, 2018 to July 31, 2019)	Fiscal year ended July 31, 2020 (August 1, 2019 to July 31, 2020)
Cash flows from operating activities		
Income before income taxes	722,905	647,451
Depreciation	229,574	225,304
Increase (decrease) in allowance for doubtful accounts	(6)	—
Loss (gain) on valuation of investment securities	—	100,000
Interest and dividend income	(4,627)	(5,585)
Decrease (increase) in trade receivables	(3,398)	(33,752)
Increase (decrease) in trade payables	22,956	(19,329)
Increase (decrease) in provision for bonuses	390	65
Increase (decrease) in provision for retirement benefits	20,289	22,748
Increase (decrease) in provision for bonuses for directors (and other officers)	2,000	—
Increase (decrease) in provision for retirement benefits for directors (and other officers)	20,000	22,000
Increase (decrease) in accounts payable - other	(5,732)	1,250
Increase (decrease) in accrued consumption taxes	32,902	(2,775)
Other, net	(1,234)	(15,948)
Subtotal	1,036,019	941,429
Interest and dividends received	13,837	15,309
Income taxes paid	(278,173)	(234,939)
Net cash provided by (used in) operating activities	771,683	721,800
Cash flows from investing activities		
Purchase of investment securities	(50,000)	(150,000)
Proceeds from redemption of investment securities	—	28,000
Purchase of software	(125,764)	(148,834)
Payments of guarantee deposits	—	(5,940)
Other, net	(20,089)	(15,274)
Net cash provided by (used in) investing activities	(195,853)	(292,049)
Cash flows from financing activities		
Dividends paid	(265,419)	(268,683)
Purchase of treasury shares	(1)	—
Net cash provided by (used in) financing activities	(265,421)	(268,683)
Net increase (decrease) in cash and cash equivalents	310,408	161,067
Cash and cash equivalents at beginning of period	1,763,722	2,074,130
Cash and cash equivalents at end of period	2,074,130	2,235,197