

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japan Standards] (Consolidated)

Company name: MAX Co., Ltd.	Stock listing: Tokyo Stock Exchange
Securities code: 6454	URL: https://www.max-ltd.co.jp/
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Date of annual shareholder meeting	June 26, 2024
Date of filing of financial statements	June 26, 2024
Date of commencement of dividend payment	June 27, 2024
Supplementary explanation document for the accounts is created.	Yes
Briefing for the accounts (for investment analysts and fund managers) is held.	Yes

(Millions of yen rounded down)

1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (Total)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parental Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2024	86,638	2.8	12,601	26.9	13,717	30.5	10,435	37.0
FY ended March 2023	84,316	14.0	9,926	32.4	10,510	26.9	7,619	25.1

(Note) Comprehensive income

FY ended March 31, 2024:	16,871 million yen (91.8%)
FY ended March 31, 2023:	8,797 million yen (17.1%)

	Net Income per Share	Net Income per Share after Dilution	ROE	ROA	Operating Margin
	Yen	Yen	%	%	%
FY ended March 2024	222.57	—	11.1	11.5	14.5
FY ended March 2023	161.07	—	8.9	9.3	11.8

(Reference) Equity in (earnings) losses of affiliates

FY ended March 31, 2024:	— million yen
FY ended March 31, 2023:	— million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	121,717	99,847	81.9	2,143.94
As of March 31, 2023	116,742	88,906	76.1	1,877.19

(Reference) Shareholders' equity

As of March 31, 2024:	99,730 million yen
As of March 31, 2023:	88,795 million yen

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financial Activities	Cash and Cash Equivalents at End of the Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 2024	12,120	(3,715)	(7,196)	29,579
FY ended March 2023	8,248	(1,085)	(3,332)	26,987

2. Dividends

	Dividends per Share					Total Dividends	Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 2023	—	—	—	78.00	78.00	3,689	48.4	4.3
FY ended March 2024	—	—	—	101.00	101.00	4,698	45.4	5.0
FY ending March 2025 (Forecast)	—	—	—	108.00	108.00		50.0	

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (Total)	44,430	3.5	6,650	0.0	6,650	(10.6)	5,280	(5.5)	113.49
Full year	89,800	3.6	13,000	3.2	13,000	(5.2)	10,000	(4.2)	216.10

* Notes

(1) Changes in material subsidiaries during the fiscal term under review (changes in specific subsidiaries affecting the scope of consolidation): None

New: — (Company name:) Excluded: — (Company name:)

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

1) Changes due to revisions to accounting standards, etc.: None

2) Changes other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at term-end (including treasury stock)

As of March 31, 2024: 47,537,426 shares

As of March 31, 2023: 47,537,426 shares

2) Amount of treasury stock at term-end

As of March 31, 2024: 1,020,076 shares

As of March 31, 2023: 235,275 shares

3) Amount of average stock during term

Twelve months ended March 31, 2024: 46,887,923 shares

Twelve months ended March 31, 2023: 47,302,336 shares

(Reference) Non-consolidated Operating Results

Non-consolidated Operating Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 2024	74,009	(1.4)	8,438	0.7	10,696	18.9	8,478	31.3
FY ended March 2023	75,063	15.4	8,378	76.9	8,997	65.2	6,459	64.7

	Net Income per Share	Net Income per Share after Dilution
	Yen	Yen
FY ended March 2024	180.82	—
FY ended March 2023	136.56	—

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	105,425	80,149	76.0	1,722.99
As of March 31, 2023	101,833	76,426	75.1	1,615.72

(Reference) Shareholders' equity

As of March 31, 2024: 80,149 million yen
As of March 31, 2023: 76,426 million yen

***This summary of financial results is not subject to audits of certified public accountants or auditing corporations.**

***Explanation and other special notes regarding the appropriate use of the earnings forecast**

Statements on the future of our business in these materials, including the earnings forecast, are based on information available at this moment and certain preconditions which we judge as rational and appropriate. Therefore, actual results and other achievements may differ from the above forecasts for various reasons.

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[Qualitative Information and Financial Statements]

1. Summary of Operating Results

(1) Summary of Operating Results for the Current Term

1) Business results of all companies during the consolidated fiscal year under review

(Millions of yen, %)

	FY 2023 (Ended March 2024)	FY 2022 (Ended March 2023)	Year-on-year Change	
			Increase (Decrease)	Rate of Increase (Decrease)
Net Sales	86,638	84,316	+2,322	+2.8
Operating Income	12,601	9,926	+2,675	+26.9
Ordinary Income	13,717	10,510	+3,206	+30.5
Net Income Attributable to Shareholders of Parental Company	10,435	7,619	+2,816	+37.0
Net Income per Share (yen)	222.57 yen	161.07 yen	+61.50 yen	—
Operating Margin	14.5	11.8	+2.7 points	
ROE	11.1	8.9	+2.2 points	

In regard to the global economy during the consolidated fiscal year under review (from April 1, 2023 to March 31, 2024), stagnation continued in Europe, but there continued to be signs of gradual recovery in Japan and the United States.

In Japan, the number of new housing construction starts, which is related to the Group's Industrial Equipment segment, decreased year-on-year with a focus on owner-occupied housing and unit sales. The construction floor area of non-residential structures in Japan was also sluggish. In the United States, construction investment trended firm for the non-housing construction market and there were signs of a recovery in housing starts. In Europe, concern cannot be dispelled regarding future trends. In particular, there was marked stagnation in housing market conditions in Germany and Northern Europe.

Furthermore, exchange rate fluctuations and high raw material prices continued to affect corporate earnings.

Under such circumstances, net sales increased 2.8% from the previous fiscal year to ¥86,638 million, and operating income increased 26.9% from the previous fiscal year to ¥12,601 million. Ordinary income increased 30.5% from the previous fiscal year to ¥13,717 million, and net income attributable to shareholders of parental company also increased 37.0% from the previous fiscal year to ¥10,435 million.

2) Business results by segment for the consolidated fiscal year under review

(Millions of yen, %)

Segment		FY 2023 (Ended March 2024)	FY 2022 (Ended March 2023)	Year-on-year Change	
				Increase (Decrease)	Rate of Increase (Decrease)
Office Equipment	Net Sales	21,006	21,482	(476)	(2.2)
	Segment Profit	3,965	4,287	(322)	(7.5)
	Segment Profit Rate	18.9	20.0	(1.1) points	
Industrial Equipment	Net Sales	62,392	59,719	+2,672	+4.5
	Segment Profit	12,691	9,433	+3,258	+34.5
	Segment Profit Rate	20.3	15.8	+4.5 points	
HCR Equipment	Net Sales	3,239	3,113	+125	+4.0
	Segment Profit	(7)	(201)	+193	—
	Segment Profit Rate	(0.2)	(6.5)	+6.3 points	
Adjustments	Segment Profit	(4,048)	(3,594)	(454)	—
Group-wide	Net Sales	86,638	84,316	+2,322	+2.8
	Operating Income	12,601	9,926	+2,675	+26.9
	Operating Margin	14.5	11.8	+2.7 points	

Office Equipment Segment

Business results for the Office Equipment segment were as follows: Net sales of ¥21,006 million (a decrease of 2.2% from the previous fiscal year), segment profit of ¥3,965 million (a decrease of 7.5% from the previous fiscal year), and segment profit rate of 18.9%.

In domestic office equipment product operations, net sales were ¥7,626 million (an increase of 2.4% from the previous fiscal year).

Due to the elimination of the shortage in electronic components which had occurred in the first half of the previous fiscal year, sales of LETATWIN tube markers trended firm and there were increased sales of consumables for BEPOP label-making machines.

In overseas office equipment product operations, net sales were ¥5,796 million (a decrease of 5.7% from the previous fiscal year).

Sales of stationery-related products decreased due to prolonged inventory adjustments by customers in Southeast Asia.

In auto-stapler product operations, net sales were ¥7,583 million (a decrease of 3.8% from the previous fiscal year).

In the first half, orders were sluggish due to inventory adjustments by customers. However, signs of recovery were observed in the second half.

Industrial Equipment Segment

Business results for the Industrial Equipment segment were as follows: Net sales of ¥62,392 million (an increase of 4.5% from the previous fiscal year), segment profit of ¥12,691 million (an increase of 34.5% from the previous fiscal year), and segment profit rate of 20.3%.

In domestic industrial equipment product operations, net sales were ¥21,536 million (an increase of 1.1% from the previous fiscal year).

Despite a tough external environment which included a decrease in the construction floor area of concrete structures, sales of tools trended firm thanks to growing sales of the new model RB-442T of rebar tying tools TWINTIER.

In overseas industrial equipment product operations, net sales were ¥29,304 million (an increase of 7.6% from the previous fiscal year).

In North America, sales of TWINTIER rebar tying tools and related consumables grew thanks to factors such as increased construction expenditures in the non-housing construction market and holding of sales promotions. On the other hand, in Europe, sales decreased mainly for tools in view of the uncertain economic outlook for the construction market.

In residential environmental equipment operations, net sales were ¥11,551 million (an increase of 3.5% from the previous fiscal year).

Sales of DRYFAN bathroom heaters, ventilators and dehumidifiers, which are the mainstay of the business, grew in the housing stock for renovation and replacement, which is a focus of the segment. Sales also trended firm in the new-built housing market.

HCR Equipment Segment

Business results for the HCR Equipment segment were as follows: Net sales of ¥3,239 million (an increase of 4.0% from the previous fiscal year) and a segment loss of ¥7 million.

Revenue increased thanks to strong sales of wheelchairs for hospitals and care facilities and to growing overseas sales, particularly to China.

(2) Summary of Financial Position for the Current Term

1) Analysis of the Consolidated Balance Sheets

(Millions of yen, %)

	FY 2023 (As of March 31, 2024)	FY 2022 (As of March 31, 2023)	Comparison with Position at End of Previous Consolidated Fiscal Year	
			Increase (Decrease)	Rate of Increase (Decrease)
Total Assets	121,717	116,742	+4,974	+4.3
Net Assets	99,847	88,906	+10,940	+12.3
Equity Ratio	81.9	76.1	+5.8 points	

Assets increased ¥4,974 million compared to the end of the previous consolidated fiscal year, to ¥121,717 million. Current assets increased ¥5,704 million mainly due to increases of ¥4,008 million in cash and deposits, ¥825 million in accounts receivable-trade. Non-current assets decreased ¥729 million mainly due to a fall of ¥1,949 million in deferred tax assets, despite an increase of ¥633 million in Construction in progress and ¥706 million in investment securities.

Liabilities decreased ¥5,966 million compared to the end of the previous consolidated fiscal year, to ¥21,870 million. Current liabilities decreased ¥1,363 million mainly due to a decrease of ¥1,389 million in income taxes payable. Non-current liabilities decreased ¥4,603 million due to factors such as a reduction of ¥4,534 million in net defined benefit liability.

Net assets increased ¥10,940 million compared to the end of the previous consolidated fiscal year, to ¥99,847 million. Shareholders' equity increased ¥4,507 million mainly due to net income attributable to shareholders of parental company of ¥10,435 million, despite dividends of surplus of ¥3,689 million and purchase of treasury shares of ¥2,433 million.

Accumulated other comprehensive income increased ¥6,427 million. This was due to factors including an increase in foreign currency translation adjustment of ¥2,533 million and in remeasurements of defined benefit plans of ¥2,720 million.

2) Analysis of Consolidated Cash Flows

Summary of Consolidated Cash Flows

(Millions of yen)

Category	FY 2023	FY 2022	Increase (Decrease)
Cash and cash equivalents at beginning of the year	26,987	22,435	+4,552
Funds provided by (used in) operating activities	12,120	8,248	+3,871
Funds provided by (used in) investment activities	(3,715)	(1,085)	(2,629)
Funds provided by (used in) financing activities	(7,196)	(3,332)	(3,863)
Effect of exchange rate change on cash and cash equivalents	1,383	721	+661
Net increase (decrease) in cash and cash equivalents	2,591	4,552	(1,960)
Cash and cash equivalents at end of the year	29,579	26,987	+2,591

Analysis of Consolidated Cash Flows

The balance of cash and cash equivalents (“funds”) at the end of the consolidated fiscal year under review was ¥29,579 million due to an increase of ¥2,591 million.

Factors in the status of each type of cash flow in the consolidated fiscal year under review were as follows.

Cash flows from operating activities

Funds provided by operating activities in the consolidated fiscal year under review amounted to ¥12,120 million. The key increases came from net income before income taxes of ¥13,699 million and depreciation of ¥3,054 million. On the other hand, the key decreases came from ¥4,298 million paid as income taxes.

Cash flows from investment activities

Funds used in investment activities in the consolidated fiscal year under review amounted to ¥3,715 million. The key decreases came from purchase of property, plant and equipment of ¥2,708 million and purchase of short-term and long-term investment securities of ¥5,907 million. The key increase came from proceeds of ¥6,484 million from sales and redemption of short-term and long-term investment securities.

Cash flows from financing activities

Funds used in financing activities in the consolidated fiscal year under review amounted to ¥7,196 million. The key decreases were ¥2,433 million in purchase of treasury shares and ¥3,687 million in cash dividends paid.

The trend of the Group’s cash flow indicators is as follows.

	FY 2020	FY 2021	FY 2022	FY 2023
Equity Ratio (%)	76.7	76.1	76.1	81.9
Market Value-Based Equity Ratio (%)	76.2	73.9	85.9	124.4
Cash Flow to Interest Bearing Debt Ratio (annual)	0.3	0.4	0.3	0.1
Interest Coverage Ratio (times)	199.6	89.8	204.0	371.1

- Equity Ratio: Shareholders’ Equity ÷ Total Assets
- Market Value-Based Equity Ratio: Market Value of Shares ÷ Total Assets
- Cash Flow to Interest Bearing Debt Ratio: Interest-Bearing Debt ÷ Operating Cash Flows
- Interest Coverage Ratio: Operating Cash Flows ÷ Interest Payments

(Note 1) In each case, indices are calculated based on consolidated financial figures.

(Note 2) Market Value of Shares is based on the number of outstanding shares excluding treasury stock.

(Note 3) For Cash Flow, operating cash flow is used.

(Note 4) Interest-Bearing Debt includes all debt on the consolidated balance sheets that incur interest.

(3) Future Prospects

When examining the business environment surrounding the Group, a gradual economic recovery is expected. However, conditions continue to be unpredictable due to factors such as rising global raw material prices, the prolonged Russia-Ukraine conflict, economic stagnation in Europe, and continued concern in regard to the Chinese economy.

For the fiscal year ending March 31, 2025, we plan to have net sales of ¥89,800 million (up 3.6% from the previous fiscal year), operating income of ¥13,000 million (up 3.2%), ordinary income of ¥13,000 million (down 5.2%), and net income attributable to shareholders of parental company of ¥10,000 million (down 4.2%).

Management Indices

(Millions of yen, %)

	Results in FY under Review		Plan for Next FY		Medium-term Management Plan	
	FY 2023		FY 2024		FY 2026	
	Results	Rate of Increase (Decrease)	Plan	Rate of Increase (Decrease)	Plan	Compound Annual Growth Rate (CAGR) for the Period FY 2024 – FY 2026
Net Sales	86,638	+2.8	89,800	+3.6	97,800	+4.1
Operating Income	12,601	+26.9	13,000	+3.2	15,300	+6.7
Ordinary Income	13,717	+30.5	13,000	(5.2)	15,300	+3.7
Net Income Attributable to Shareholders of Parental Company	10,435	+37.0	10,000	(4.2)	11,200	+2.4
Operating Margin	14.5		14.5		15.6	
ROE	11.1		10.0		10.7	

(4) Basic Policy Relating to Distribution of Profits and Dividends for the Current and Coming Term

The Company has positioned returning profits to shareholders as one of the highest priority management policies. The Company's basic policy on profit distribution is to "expand profits from business activities through sustainable growth and distribute profits in a stable manner over the long term."

We have set our dividend policy to "maintain a minimum of 3.5% ratio of dividends to net assets with a target payout ratio of 50%, as based on consolidated financial results."

Based on our dividend policy and the current situation, for the current fiscal year, we plan to pay an annual dividend of ¥101 per share, which is an increase of ¥23 from the previous fiscal year.

Furthermore, in consideration of factors such as the current financial situation, improved business profitability, and the level of the ratio of dividends to net assets, etc., we have revised our dividend policy as follows.

[Before revision] Maintain a minimum of 3.5% ratio of dividends to net assets with a target payout ratio of 50%, as based on consolidated financial results.

[After revision] Guideline of a ratio of dividends to net assets of 5.0% and a dividend payout ratio of 50%, as based on consolidated financial results.

For the next fiscal year, we plan to pay an annual dividend of ¥108 per share, as based on our revised dividend policy.

2. Basic Approach to Selection of Accounting Standards

For the time being, the Group will apply the Japanese standards to its consolidated financial statements, as we have no listing overseas scheduled and have only a limited number of operating locations overseas. However, considering the shift in foreign shareholders' percentage and trends of International Financial Reporting Standards (IFRS) adoption in other domestic companies, the Group is open to further consider the use of IFRS.

3. Consolidated Financial Statement and Main Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
ASSETS		
Current assets		
Cash and deposits	27,615	31,624
Notes receivable-trade	350	363
Electronically recorded monetary claims-operating	1,276	1,487
Accounts receivable-trade	13,094	13,919
Marketable securities	6,203	6,595
Merchandise and finished goods	11,070	10,839
Work in process	989	1,026
Raw materials	1,806	2,082
Other	1,287	1,456
Allowance for doubtful accounts	(4)	(3)
Total current assets	63,688	69,392
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,317	11,196
Machinery, equipment and vehicles, net	4,334	4,242
Land	7,191	7,211
Leased assets, net	670	619
Construction in progress	754	1,387
Other, net	1,749	1,699
Total property, plant and equipment	26,017	26,357
Intangible assets		
Other	454	514
Total intangible assets	454	514
Investments and other assets		
Investment securities	20,701	21,408
Long-term loans receivable	75	98
Deferred tax assets	4,721	2,772
Other	1,092	1,183
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	26,582	25,453
Total non-current assets	53,054	52,324
Total assets	116,742	121,717

(Millions of yen)

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
LIABILITIES		
Current liabilities		
Accounts payable-trade	4,204	3,671
Short-term loans payable	1,850	1,050
Lease obligations	247	243
Accounts payable	2,032	2,683
Income taxes payable	2,378	989
Accrued consumption taxes	110	416
Provision for bonuses	2,622	2,855
Provision for directors' bonuses	80	103
Provision for product warranties	154	189
Allowance for fixed asset removal costs	-	26
Other	1,979	2,068
Total current liabilities	15,660	14,297
Non-current liabilities		
Long-term loans payable	125	125
Lease obligations	426	348
Deferred tax liabilities	6	10
Deferred tax liabilities for land revaluation	474	474
Provision for product warranties	15	15
Net defined benefit liability	10,669	6,135
Asset retirement obligations	141	135
Other	318	330
Total non-current liabilities	12,176	7,573
Total liabilities	27,836	21,870
NET ASSETS		
Shareholders' equity		
Capital stock	12,367	12,367
Capital surplus	10,517	10,535
Retained earnings	63,521	70,267
Treasury stock	(414)	(2,670)
Total shareholders' equity	85,992	90,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,547	2,721
Revaluation reserve for land	(339)	(339)
Foreign currency translation adjustment	2,854	5,388
Remeasurements of defined benefit plans	(1,260)	1,460
Total accumulated other comprehensive income	2,802	9,230
Non-controlling interests	110	116
Total net assets	88,906	99,847
Total liabilities and net assets	116,742	121,717

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net sales	84,316	86,638
Cost of sales	48,187	46,781
Gross profit	36,129	39,857
Selling, general and administrative expenses	26,203	27,256
Operating income	9,926	12,601
Non-operating income		
Interest income	80	192
Dividend income	174	188
Rent income	20	19
Foreign exchange gains	244	673
Other	148	124
Total non-operating income	669	1,198
Non-operating expenses		
Interest expenses	41	35
Taxes and dues	5	3
Commission expenses	-	22
Other	37	21
Total non-operating expenses	84	82
Ordinary income	10,510	13,717
Extraordinary income		
Gain on sales of non-current assets	33	1
Gain on sales of investment securities	9	69
Total extraordinary income	42	70
Extraordinary loss		
Loss on sales of non-current assets	0	0
Loss on abandonment of non-current assets	48	46
Provision of allowance for fixed asset removal costs	-	26
Loss on valuation of investment securities	18	-
Loss on sales of investment securities	-	0
Impairment loss	185	15
Total extraordinary loss	253	88
Net income before income taxes	10,300	13,699
Income taxes-current	3,456	2,927
Income taxes-deferred	(780)	335
Total income taxes	2,675	3,262
Net income	7,624	10,437
Net income (loss) attributable to non-controlling interests	5	1
Net income attributable to shareholders of parental company	7,619	10,435

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net income	7,624	10,437
Other comprehensive income		
Valuation difference on available-for-sale securities	404	1,173
Foreign currency translation adjustment	1,084	2,539
Adjustments relating to retirement benefits	(316)	2,720
Total other comprehensive income	1,172	6,434
Comprehensive income	8,797	16,871
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	8,788	16,863
Comprehensive income attributable to non-controlling interest	9	7

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	12,367	10,517	58,929	(413)	81,401
Changes of items during the period					
Dividends of surplus			(3,027)		(3,027)
Net income attributable to shareholders of parental company			7,619		7,619
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	4,591	(0)	4,590
Balance at end of the year	12,367	10,517	63,521	(414)	85,992

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	1,143	(339)	1,773	(943)	1,633	100	83,136
Changes of items during the period							
Dividends of surplus							(3,027)
Net income attributable to shareholders of parental company							7,619
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	404	-	1,081	(316)	1,168	9	1,178
Total changes of items during the period	404	-	1,081	(316)	1,168	9	5,769
Balance at end of the year	1,547	(339)	2,854	(1,260)	2,802	110	88,906

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	12,367	10,517	63,521	(414)	85,992
Changes of items during the period					
Dividends of surplus			(3,689)		(3,689)
Net income attributable to shareholders of parental company			10,435		10,435
Purchase of treasury shares				(2,433)	(2,433)
Retirement of treasury shares		17		176	194
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	17	6,746	(2,256)	4,507
Balance at end of the year	12,367	10,535	70,267	(2,670)	90,500

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	1,547	(339)	2,854	(1,260)	2,802	110	88,906
Changes of items during the period							
Dividends of surplus							(3,689)
Net income attributable to shareholders of parental company							10,435
Purchase of treasury shares							(2,433)
Retirement of treasury shares							194
Net changes of items other than shareholders' equity	1,173	-	2,533	2,720	6,427	5	6,433
Total changes of items during the period	1,173	-	2,533	2,720	6,427	5	10,940
Balance at end of the year	2,721	(339)	5,388	1,460	9,230	116	99,847

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net income before income taxes	10,300	13,699
Depreciation	3,022	3,054
Impairment loss	185	15
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Increase (decrease) in provision for bonuses	787	222
Increase (decrease) in provision for directors' bonuses	30	23
Increase (decrease) in provision for product warranties	(55)	34
Increase (decrease) in allowance for fixed asset removal costs	-	26
Increase (decrease) in net defined benefit liability	(404)	(629)
Interest and dividend income	(255)	(381)
Interest expenses	41	35
Foreign exchange losses (gains)	(321)	(576)
Loss on abandonment of non-current assets	48	46
Loss (gain) on sales of non-current assets	(33)	(1)
Loss (gain) on sales of investment securities	(9)	(69)
Loss (gain) on valuation of investment securities	18	-
Increase (decrease) in deposits received from employees	0	86
Decrease (increase) in notes and accounts receivable-trade	(714)	(632)
Decrease (increase) in inventories	(2,329)	887
Increase (decrease) in notes and accounts payable-trade	(70)	(610)
Decrease (increase) in consumption taxes refund receivable	665	112
Increase (decrease) in accrued consumption taxes	(66)	318
Decrease (increase) in other assets	(115)	(129)
Increase (decrease) in other liabilities	199	536
Subtotal	10,924	16,069
Interest and dividend income received	280	381
Interest expenses paid	(40)	(32)
Income taxes (paid) refund	(2,915)	(4,298)
Cash flows from operating activities	8,248	12,120

(Millions of yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Cash flows from investment activities		
Payments into time deposits	(727)	(1,960)
Proceeds from withdrawal of time deposits	976	650
Purchase of short-term and long-term investment securities	(2,603)	(5,907)
Proceeds from sales and redemption of short-term and long-term investment securities	4,818	6,484
Purchase of property, plant and equipment	(3,387)	(2,708)
Payments for retirement of property, plant and equipment	(32)	(18)
Proceeds from sales of property, plant and equipment	39	2
Purchase of intangible assets	(186)	(236)
Payments of loans receivable	(1)	(41)
Collection of loans receivable	31	21
Payments for asset retirement obligations	(14)	(0)
Cash flows from investment activities	(1,085)	(3,715)
Cash flows from financing activities		
Proceeds from loans payable	125	750
Repayments of loans payable	(150)	(1,550)
Purchase of treasury shares	(0)	(2,433)
Proceeds from disposal of treasury shares	-	0
Cash dividends paid	(3,024)	(3,687)
Cash dividends paid to non-controlling shareholders	-	(1)
Repayments of lease obligations	(282)	(274)
Cash flows from financing activities	(3,332)	(7,196)
Effect of exchange rate change on cash and cash equivalents	721	1,383
Net increase (decrease) in cash and cash equivalents	4,552	2,591
Balance of cash and cash equivalents, beginning of the period	22,435	26,987
Balance of cash and cash equivalents, end of the period	26,987	29,579

(5) Notes Relating to the Consolidated Financial Statements
 (Notes Relating to the Assumption of Going Concern)
 None.

(Matter Related to the Consolidated Statement of Income)

The main expense items and amount from selling, general and administrative expenses are listed below.

	(Millions of yen)	
	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Salaries	6,055	6,231
Packing and delivery expenses	4,697	3,292
Promotion expenses	1,415	1,511
Provision of allowance for doubtful accounts	—	(0)
Depreciation	1,123	1,208
Provision for bonuses	1,590	1,716
Provision for directors' bonuses	80	103
Provision for product warranties	10	58
Retirement benefit expenses	667	807

(Segment Information)

1) Summary of reported segments

The reported segments of the Group are those of the constituent units of the Company for which separate financial statements are available and are subject to regular review by the board of directors for decisions on allocation of management resources and to assess business performance.

The Group has a manufacturing and sales organization with products and services and with respect to the products and services handled formulates comprehensive domestic and overseas strategies and engage in business activities.

Therefore, the Group is constituted by segments by products and services based on the manufacturing and sales organization and have 3 reported segments of "Office Equipment," "Industrial Equipment" and "HCR Equipment."

"Office Equipment" segment is engaged in the manufacture and sale of office equipment and stationery related products. "Industrial Equipment" segment is engaged in the manufacture and sale of construction machinery and tools as well as residential equipment. "HCR Equipment" is engaged in the manufacture and sale of welfare and nursing care products.

2) Method of calculating the amounts of segment sales, profit or loss, assets and other items

The method of accounts processing used for the reported business segments is generally consistent with the method used in creation of consolidated financial statement.

3) Information on the amounts of segment sales, profit or loss, assets and other items

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	21,482	59,719	3,113	—	84,316
Inter-segments sales or transfers	—	—	—	—	—
Total	21,482	59,719	3,113	—	84,316
Segment profit (loss)	4,287	9,433	(201)	(3,594)	9,926
Segment assets	22,728	45,469	2,732	45,811	116,742
Other items					
Depreciation	693	2,235	94	—	3,022
Impairment loss	0	184	—	—	185
Increase in property, plant and equipment and intangible assets	737	2,761	42	—	3,541

(Notes) 1. Segment profit is consistent with operating income in consolidated statement of income.

2. The adjustment amounts are as follows.

- (1) The segment profit adjustment of negative ¥3,594 million includes the negative ¥3,594 million of the Group-wide expenses, which are not allocated to the individual reported segments. Group-wide expenses are mainly comprised of general and administrative expenses not attributable to the reported segment.
- (2) The segment assets adjustment of ¥45,811 million includes the ¥45,811 million of the Group-wide assets, which are not allocated to the individual reported segments. Group-wide assets are mainly comprised of investment securities and cash and deposits not attributable to the reported segment.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reported segments			Adjustments	Total
	Office Equipment	Industrial Equipment	HCR Equipment		
Net sales					
Net sales to outside customers	21,006	62,392	3,239	–	86,638
Inter-segments sales or transfers	–	–	–	–	–
Total	21,006	62,392	3,239	–	86,638
Segment profit (loss)	3,965	12,691	(7)	(4,048)	12,601
Segment assets	25,225	47,883	2,794	45,814	121,717
Other items					
Depreciation	806	2,134	113	–	3,054
Impairment loss	–	15	–	–	15
Increase in property, plant and equipment and intangible assets	772	2,210	53	–	3,036

(Notes) 1. Segment profit is consistent with operating income in consolidated statement of income.

2. The adjustment amounts are as follows.

- (1) The segment profit adjustment of negative ¥4,048 million includes the negative ¥4,048 million of the Group-wide expenses, which are not allocated to the individual reported segments. Group-wide expenses are mainly comprised of general and administrative expenses not attributable to the reported segment.
- (2) The segment assets adjustment of ¥45,814 million includes the ¥45,814 million of the Group-wide assets, which are not allocated to the individual reported segments. Group-wide assets are mainly comprised of investment securities, cash and deposits, and marketable securities not attributable to the reported segment.

4) Information on impairment loss on non-current assets, goodwill, etc., by reported segment
(Significant impairment loss on non-current assets)

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

The Company groups assets based on management accounting classifications as the minimum units for generating cash flow. As a result, we reduced the book values of the Yoshii Factory, Suzhou Factory, and idle assets to their recoverable amounts, and recorded the reduced amounts as an impairment loss under extraordinary loss.

We measure the recoverable amounts of the Yoshii Factory and Suzhou Factory by the net selling price. We calculate the net selling price based on information such as the real estate appraisal value.

We measure the recoverable amount of idle assets by the net selling price. We set the net selling price to the amount calculated by reasonably adjusting the non-current asset tax assessment value, or we set the recoverable amount to zero.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

The Company groups assets based on management accounting classifications as the minimum units for generating cash flow. As a result, we reduced the book values of the Yoshii Factory to their recoverable amounts, and recorded the reduced amounts as an impairment loss under extraordinary loss.

We measure the recoverable amounts by the net selling price. We calculate the net selling price based on information such as the real estate appraisal value.

(Per Share Information)

(Yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net assets per share	1,877.19	2,143.94
Net income per share	161.07	222.57

(Notes) 1. With respect to the net income per share after dilution, as no latent shares exist, no inclusion has been made.

2. The basis for the calculation of the net income per share is as follows.

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net income attributable to shareholders of parental company (¥ million)	7,619	10,435
Amount not relating to common shares (¥ million)	—	—
Net income attributable to shareholders of parental company relating to common shares (¥ million)	7,619	10,435
Average number of common shares outstanding during the term (shares)	47,302,336	46,887,923

3. The basis for the calculation of net assets per share is as follows.

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
Total of net assets (¥ million)	88,906	99,847
Amount to be deducted from the total of net assets (¥ million)	110	116
(Of which non-controlling interests (¥ million))	(110)	(116)
Closing net assets relating to common shares (¥ million)	88,795	99,730
Number of common shares as of end of term used in the calculation of net assets per share (shares)	47,302,151	46,517,350

(Significant Subsequent Events)

None.