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## Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: TSUBAKIMOTO CHAIN CO.

Stock exchange listing: Tokyo

Code number: 6371

URL: <https://www.tsubakimoto.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 28, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

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

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	266,812	6.1	21,262	12.0	23,450	11.9	18,551	35.0
March 31, 2023	251,574	16.5	18,985	6.4	20,958	4.6	13,742	(5.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 43,412 million [ 100.6%]  
Fiscal year ended March 31, 2023: ¥ 21,642 million [ (16.2)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	511.65	-	7.7	6.4	8.0
March 31, 2023	371.12	-	6.4	6.2	7.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ 17 million  
Fiscal year ended March 31, 2023: ¥ 122 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	391,298	260,559	66.0	7,207.24
March 31, 2023	345,878	226,582	64.9	6,059.46

(Reference) Equity: As of March 31, 2024: ¥ 258,400 million  
As of March 31, 2023: ¥ 224,398 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	38,580	(9,161)	(15,695)	74,655
March 31, 2023	21,352	(9,279)	(9,963)	56,978

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	60.00	-	70.00	130.00	4,814	35.0	2.2
March 31, 2024	-	60.00	-	100.00	160.00	5,759	31.3	2.4
Fiscal year ending								
March 31, 2025 (Forecast)	-	99.00	-	47.00	-		-	

(Note) Year-end dividend per share for the fiscal year ending March 31, 2025 (forecast)

We plan to conduct a 3-for-1 stock split of shares of common stock, effective October 1, 2024, and the year-end dividend per share for the fiscal year ending March 31, 2025 (forecast) reflects the effect of this stock split, and the total annual dividend per share is "-."

If the stock split is not taken into account, the year-end dividend per share forecast for the fiscal year ending March 31, 2025 is 141 yen, the annual dividend per share is 240 yen, and the dividend payout ratio is 38.3%.

For details, please refer to "Explanation of Appropriate Use of Earnings Forecast and Other Special Notes."

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	136,000	5.6	9,400	9.0	10,000	(3.5)	9,000	23.3	252.64
Full year	280,000	4.9	23,000	8.2	24,000	2.3	22,000	18.6	208.86

(Note) Net income per share in the full-year earnings forecast for the fiscal year ending March 31, 2025 takes into account the effect of the stock split. For details, please refer to "Explanation of Appropriate Use of Earnings Forecast and Other Special Notes."

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

1) Changes in accounting policies due to the 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

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

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

March 31, 2024: 37,081,393 shares

March 31, 2023: 38,281,393 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 1,228,449 shares

March 31, 2023: 1,248,696 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 36,258,282 shares

Fiscal Year ended March 31, 2023: 37,029,247 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	100,636	(1.5)	2,306	(51.4)	10,614	(21.1)	10,191	(13.9)
March 31, 2023	102,148	3.3	4,748	(15.9)	13,456	15.1	11,843	22.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	281.08	-
March 31, 2023	319.83	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	253,509	152,228	60.0	4,245.93
March 31, 2023	229,630	139,739	60.9	3,773.42

(Reference) Equity: As of March 31, 2024: ¥ 152,228 million  
As of March 31, 2023: ¥ 139,739 million

\*Financial results are not subject to audit by a certified public accountant or auditing firm.

\*Explanation of Appropriate Use of Earnings Forecast and Other Special Notes.

Please refer to "1. Summary of Business Results - (4) Outlook for the Current Fiscal Year" starting on page 4 of the attached materials for assumptions underlying the forecast of business results and other related matters.

(Dividends and earnings forecast after stock split)

At a meeting of the Board of Directors held on May 14, 2024, we resolved to conduct a stock split, whereby each share of common stock shall be divided into 3 shares effective October 1, 2024. As a result, the dividend forecast and consolidated earnings forecast for the fiscal year ending March 31, 2025, as converted before the stock split, shall be as follows.

1. Dividend forecast for the fiscal year ending March 31, 2025

Dividend per share at the end of the second quarter 99 yen (Note 1); Year-end 141 yen (Note 2)

Annual dividend per share for the fiscal year ending March 31, 2025 (before stock split) shall be 240 yen.

2. Consolidated net income forecast per share for the fiscal year ending March 31, 2025: 626.57 yen at the end of the fiscal year.

(Note 1) Dividends at the end of the second quarter shall be paid based on the number of shares before the stock split.

(Note 2) The dividend amount is calculated before the stock split.

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## 1. Summary of Business Results, Etc.

### (1) Summary of Business Results in the Fiscal Year under Review

In the consolidated fiscal year under review (from April 1, 2023 to March 31, 2024), the outlook for the global economy lacked momentum due to various factors including a prolonged economic downturn in Europe owing mainly to tightening monetary policy and delayed economic recovery in China due to a lingering slump in the real estate sector, although the U.S. economy remained strong against the backdrop of solid employment and income conditions.

In the Japanese economy, although there were signs of recovery in capital investment, the pace of economic recovery remained slow partly because of weakened external demand due to the stagnation of overseas economies as well as the extended sluggish growth of consumer spending resulting from higher prices.

In this environment, although partly impacted by economic stagnation in Japan and the sluggish Chinese economy, the business results of the Tsubaki Group benefited from several factors such as positive performance in Chain Operations, a pickup in Mobility Operations thanks to an easing semiconductor shortage, and the impact of the weaker yen. As a result, orders received in this consolidated fiscal year under review were up 2.0% year on year to ¥262,892 million, and net sales increased 6.1% year on year to ¥266,812 million.

Operating income increased 12.0% year on year to ¥21,262 million, ordinary income increased 11.9% year on year to ¥23,450 million, and net income attributable to parent company shareholders increased 35.0% year on year to ¥18,551 million.

With an eye on achieving “What we want to be in 2030” that we set forth in the Long- Term Vision 2030 and the goals of the Mid-Term Management Plan 2025 started in fiscal year 2021, the Tsubaki Group will aim for speedy management by accelerating decision-making process and focus on various measures conscious of capital costs. In addition, as a business group contributing to finding solutions to social issues, we will continue to strive for further advancing our sustainability activities including the achievement of carbon neutrality.

Segment results are summarized as follows:

#### [Chains]

In the Chains segment, net sales increased year on year due to factors such as a rise in sales in Japan, Europe, and the Indian Ocean Rim and the impact of the weaker yen.

Consequently, the segment recorded a year-on-year decrease of 1.1% in orders received to ¥88,033 million, a 4.6% increase in net sales over the same period to ¥92,208 million, and a year-on-year increase of 19.8% in operating income to ¥16,396 million.

#### [Motion Control]

In the Motion Control segment, although sales increased in the Americas and the Indian Ocean Rim, net sales decreased year on year partly due to a sales decrease in Japan and China.

Consequently, the segment recorded a year-on-year decrease of 10.9% in orders received to ¥21,265 million, a 2.7% decrease in net sales over the same period to ¥22,018 million, and a year-on-year decrease of 61.4% in operating income to ¥660 million.

#### [Mobility]

In the Mobility segment, net sales increased year on year due to factors such as an increase in the sales of timing chain systems for automobile engines and other items at bases in Japan, the Americas, Europe, South Korea, and other areas.

Consequently, the segment recorded a year-on-year increase of 8.9% in orders received to ¥84,571 million, a 9.5% increase in net sales over the same period to ¥84,604 million, and a year-on-year increase of 22.6% in operating income to ¥7,815 million.

#### [Materials Handling Systems]

In the Materials Handling Systems segment, net sales increased year on year partly because of sales increases in metalworking chips handling and coolant processing systems as well as systems for the automobile industry in the Americas.

Consequently, the segment recorded a year-on-year increase of 2.9% in orders received to ¥66,332 million, and a 7.1% increase in net sales over the same period to ¥65,240 million. However, the segment recorded an operating loss of ¥1,165 million (operating loss of ¥888 million in the same period of the previous fiscal year), due to factors such as a decrease in sales of systems for the logistics industry and the automobile industry in Japan, and delays in construction work on a project at a US subsidiary that was partly due to the impact of extremely hot weather in the southern part of the US.

[Other]

Other orders received increased 2.5% year on year to ¥2,688 million, and net sales increased 6.9% over the same period to ¥2,741 million. Even so, the Group recorded an operating loss of ¥944 million (operating loss of ¥534 million in the same period of the previous fiscal year).

## (2) Summary of Financial Position in the Fiscal Year under Review

(Assets)

Assets were ¥391,298 million, up ¥45,420 million from the end of the previous consolidated fiscal year. Although there was a ¥2,070 million decrease in securities due to a fall in negotiable certificates of deposit and other factors, and a ¥1,622 million decrease in notes and accounts receivable - trade, and contract assets, there was a ¥20,413 million increase in cash and deposits, a ¥16,588 million increase in investment securities due to a rise in the market value of shares held by the Company and other factors, a ¥5,764 million increase in electronically recorded monetary claims - operating, a ¥3,844 million increase in property, plant and equipment, a ¥2,275 million increase in inventories due to a rise in merchandise and finished goods and other factors.

(Liabilities)

Liabilities were ¥130,738 million, up ¥11,442 million from the end of the previous consolidated fiscal year. This was attributable to various factors such as a ¥5,414 million increase in deferred tax liabilities, a ¥4,866 million increase in electronically recorded obligations - operating, a ¥3,426 million increase in other current liabilities due to an increase in accrued expenses and other factors, a ¥1,733 million increase in electronically recorded obligations - non-operating, a ¥1,447 million increase in income taxes payable, a ¥680 million increase in provision for bonuses, all of which outweighed a ¥5,072 million decrease in borrowings and a ¥1,218 million decrease in notes and accounts payable - trade.

(Net assets)

Net assets were ¥260,559 million, up ¥33,977 million from the end of the previous consolidated fiscal year, and the equity ratio increased 1.1 percentage points to 66.0%. This was attributable to numerous factors, including an increase of ¥12,045 million in foreign currency translation adjustment due to exchange rate fluctuations, an increase of ¥11,725 million in valuation difference on available-for-sale securities, and an increase of ¥10,485 million in retained earnings.

## (3) Summary of Cash Flow in the Fiscal Year under Review

Cash and cash equivalents (hereafter referred to as "cash") at the end of the consolidated fiscal year under review amounted to ¥74,655 million, up ¥17,677 million from the end of the previous consolidated fiscal year.

Respective cash flows and their causes are as follows:

(Cash provided by operating activities)

Net cash provided by operating activities was ¥38,580 million. This was attributable to various factors such as profit before income taxes of ¥25,894 million, depreciation of ¥13,883 million, interest and dividends received of ¥2,339 million, and a ¥1,756 million increase in trade payables, which offset income taxes paid of ¥6,534 million and gain on sale of investment securities of ¥2,448 million.

(Cash used in investing activities)

Net cash used in investing activities was ¥9,161 million. This resulted from factors such as ¥10,844 million being used for the settlement of capital investment in production equipment for Chain products and Mobility products, etc., and ¥620 million being used for purchase of investment securities to strengthen capital and business alliances, despite proceeds from sale of investment securities of ¥2,775 million.

(Cash used in financing activities)

Net cash used in financing activities was ¥15,695 million. This resulted from a ¥5,505 million decrease in borrowings, ¥4,937 million used to pay for dividends, ¥4,554 million used for purchase of treasury shares, and other items.

#### (4) Outlook for the Current Fiscal Year

As for the outlook for current fiscal year, the global economy is projected to remain uncertain, although the US economy is expected to remain solid. This is because the recovery of domestic demand attributed to the easing of inflationary pressure in European economies is not expected to occur until after the second half of the year and there are other factors such as the delayed recovery of the Chinese economy and continued high geopolitical risks in the Middle East.

In such circumstances, the Tsubaki Group will continue to focus on bolstering manufacturing, strengthening the earning power of our existing businesses and developing new businesses and products that will lead to sustainable growth, as we keep capital costs in mind in our continued efforts to achieve the tasks outlined in the Mid-Term Management Plan 2025.

The consolidated results forecasts for the fiscal year ending March 31, 2025 are as follows.

Net sales	¥280,000 million (4.9% increase year on year)
Operating income	¥23,000 million (8.2% increase year on year)
Ordinary income	¥24,000 million (2.3% increase year on year)
Net income attributable to parent company shareholders	¥22,000 million (18.6% increase year on year)

The main exchange rates used for the fiscal year ending March 31, 2025 (fiscal 2024) are set at 1 USD=145 JPY, and 1 EUR=155 JPY.

In addition, as stated in the “Actions to Implement Management that is Conscious of Cost of Capital and Stock Price” and the “Notice Concerning Expected Extraordinary Profit from Sale of Policy Shareholdings” announced today, as one of the measures toward realizing management with an awareness of capital costs and share prices, the Company has resolved to sell off a portion of cross-shareholdings. The forecasts for the fiscal year ending March 31, 2025 includes an extraordinary gain from the said sale.

The forecasts above are based on information currently available and certain assumptions that the Company regards as reasonable. Actual results may differ from these results forecasts depending on changes in the business environment surrounding the Tsubaki Group, market trends, exchange rate fluctuations, and other factors. Furthermore, factors that may affect the results are not limited to those listed above.

#### (5) Policy on Profit Distribution and Dividends for the Fiscal Year under Review and the Current Fiscal Year

The Tsubaki Group views returning profits to its shareholders as one of the priorities of management.

Regarding profit distribution, our fundamental policy is to pay dividends that reflect our consolidated business results from the viewpoint of achieving management that prioritizes the interests of our shareholders. We aim to achieve this by comprehensively considering factors such as funding conditions and finances. As a criterion, we have been aiming to maintain a consolidated dividend payout ratio of 30%.

In accordance with the policy above, we plan to pay a year-end dividend of ¥100.00 per share. Accordingly, together with the interim dividend (of ¥60.00 per share), the full-year dividend will be ¥160.00 per share. We plan to utilize retained cash for strengthening our underlying financial standing, promoting future business expansion, and for other purposes.

As stated in the “Notice Regarding the Change of Dividend Policy” announced on May 14, 2024, the Company has decided to further improve the return of profits to shareholders through paying dividends with a consolidated dividend payout ratio of at least 35% as a criterion from the fiscal year ending March 31, 2025. Based on this policy, dividends for the current fiscal year will be as follows: an interim dividend of ¥99.00 per share, a year-end dividend of ¥47.00 per share.

Note: The Company plans to conduct a 3-for-1 stock split of its common stock effective on October 1, 2024. The forecast for dividend per share for the fiscal year ending March 31, 2025 is provided at the amount with consideration for the impact of the said stock split. Without considering the stock split, the forecast for dividend per share for the fiscal year ending March 31, 2025 is an interim dividend of ¥99.00 per share, a year-end dividend of ¥141.00 per share, resulting in a full-year dividend of ¥240.00 per share. For details, please refer to the “Proper Use of Earnings Forecasts and Other Special Matters.”

## 2. Basic Approach to the Selection of Accounting Standards

The Tsubaki Group applies Japanese standards and, for the time being, does not plan to adopt IFRS (International Financial Reporting Standards). However, we will respond to this issue taking into consideration future trends in accounting standards and other factors.



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	56,908	77,321
Notes and accounts receivable - trade, and contract assets	48,718	47,095
Electronically recorded monetary claims - operating	14,490	20,255
Securities	2,674	603
Merchandise and finished goods	23,948	26,217
Work in process	16,516	16,959
Raw materials and supplies	15,417	14,980
Other	4,203	3,359
Allowance for doubtful accounts	(821)	(938)
Total current assets	182,054	205,853
Non-current assets		
Property, plant and equipment		
Buildings and structures	84,213	89,387
Accumulated depreciation	(51,172)	(54,853)
Buildings and structures, net	33,041	34,534
Machinery, equipment and vehicles	151,420	161,640
Accumulated depreciation	(115,276)	(125,752)
Machinery, equipment and vehicles, net	36,144	35,888
Tools, furniture and fixtures	34,122	36,972
Accumulated depreciation	(30,271)	(32,599)
Tools, furniture and fixtures, net	3,851	4,373
Land	37,878	38,533
Construction in progress	4,183	5,612
Total property, plant and equipment	115,097	118,942
Intangible assets		
Goodwill	1,243	1,216
Other	7,837	7,688
Total intangible assets	9,081	8,904
Investments and other assets		
Investment securities	30,463	47,052
Long-term loans receivable	13	13
Deferred tax assets	3,283	4,120
Retirement benefit asset	31	298
Other	5,954	6,219
Allowance for doubtful accounts	(102)	(106)
Total investments and other assets	39,644	57,598
Total non-current assets	163,823	185,444
Total assets	345,878	391,298

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,810	18,592
Electronically recorded obligations - operating	9,832	14,699
Short-term borrowings	9,025	4,183
Current portion of long-term borrowings	303	5,801
Lease liabilities	674	758
Income taxes payable	1,458	2,906
Accrued consumption taxes	389	545
Provision for bonuses	5,452	6,133
Provision for loss on construction contracts	104	179
Provision for shareholder benefit program	42	46
Electronically recorded obligations - non-operating	1,075	2,809
Other	17,417	20,843
<b>Total current liabilities</b>	<b>65,588</b>	<b>77,499</b>
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term borrowings	9,457	3,728
Lease liabilities	1,162	1,392
Deferred tax liabilities	8,298	13,713
Deferred tax liabilities for land revaluation	5,001	5,001
Provision for retirement benefits for directors (and other officers)	151	144
Retirement benefit liability	13,064	12,497
Asset retirement obligations	456	600
Other	1,115	1,159
<b>Total non-current liabilities</b>	<b>53,707</b>	<b>53,238</b>
<b>Total liabilities</b>	<b>119,295</b>	<b>130,738</b>
Net assets		
Shareholders' equity		
Share capital	17,076	17,076
Capital surplus	13,573	12,582
Retained earnings	174,799	185,285
Treasury shares	(4,171)	(4,375)
<b>Total shareholders' equity</b>	<b>201,279</b>	<b>210,568</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,941	25,667
Deferred gains or losses on hedges	(59)	(61)
Revaluation reserve for land	(10,614)	(10,597)
Foreign currency translation adjustment	19,946	31,991
Remeasurements of defined benefit plans	(95)	831
<b>Total accumulated other comprehensive income</b>	<b>23,119</b>	<b>47,831</b>
Non-controlling interests	2,184	2,159
<b>Total net assets</b>	<b>226,582</b>	<b>260,559</b>
<b>Total liabilities and net assets</b>	<b>345,878</b>	<b>391,298</b>

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

## Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	251,574	266,812
Cost of sales	180,321	189,046
Gross profit	71,253	77,766
Selling, general and administrative expenses	52,267	56,503
Operating profit	18,985	21,262
Non-operating income		
Interest income	332	1,039
Dividend income	1,119	1,248
Share of profit of entities accounted for using equity method	122	17
Foreign exchange gains	-	308
Gain on valuation of derivatives	403	-
Other	955	1,157
Total non-operating income	2,933	3,770
Non-operating expenses		
Interest expenses	283	319
Loss on sale and retirement of non-current assets	88	215
Foreign exchange losses	109	-
Loss on valuation of derivatives	-	211
Restructuring expenses	-	279
Other	479	556
Total non-operating expenses	960	1,582
Ordinary profit	20,958	23,450
Extraordinary income		
Gain on liquidation of subsidiaries and associates	14	-
Settlement income	-	1,270
Gain on sale of investment securities	361	2,448
Total extraordinary income	376	3,719
Extraordinary losses		
Impairment losses	2,831	594
Loss on valuation of investment securities	211	502
Loss on valuation of shares of subsidiaries and associates	-	178
Total extraordinary losses	3,042	1,275
Profit before income taxes	18,292	25,894
Income taxes - current	5,558	8,040
Income taxes - deferred	(1,129)	(758)
Total income taxes	4,429	7,282
Profit	13,862	18,611
Profit attributable to non-controlling interests	120	60
Profit attributable to owners of parent	13,742	18,551

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	13,862	18,611
Other comprehensive income		
Valuation difference on available-for-sale securities	(774)	11,725
Deferred gains or losses on hedges	15	(2)
Foreign currency translation adjustment	8,414	12,128
Remeasurements of defined benefit plans, net of tax	101	927
Share of other comprehensive income of entities accounted for using equity method	22	22
Total other comprehensive income	7,779	24,801
Comprehensive income	21,642	43,412
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,408	43,246
Comprehensive income attributable to non-controlling interests	233	165

### (3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,076	13,569	165,878	(4,220)	192,304
Changes during period					
Dividends of surplus			(4,813)		(4,813)
Profit attributable to owners of parent			13,742		13,742
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(3)		53	49
Cancellation of treasury shares					-
Increase by share exchanges					-
Purchase of shares of consolidated subsidiaries					-
Transfer from retained earnings to capital surplus		7	(7)		-
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	4	8,921	49	8,974
Balance at end of period	17,076	13,573	174,799	(4,171)	201,279

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,716	(75)	(10,614)	11,622	(196)	15,452	2,000	209,757
Changes during period								
Dividends of surplus								(4,813)
Profit attributable to owners of parent								13,742
Purchase of treasury shares								(3)
Disposal of treasury shares								49
Cancellation of treasury shares								-
Increase by share exchanges								-
Purchase of shares of consolidated subsidiaries								-
Transfer from retained earnings to capital surplus								-
Reversal of revaluation reserve for land								-
Net changes in items other than shareholders' equity	(774)	15	-	8,323	101	7,666	183	7,850
Total changes during period	(774)	15	-	8,323	101	7,666	183	16,825
Balance at end of period	13,941	(59)	(10,614)	19,946	(95)	23,119	2,184	226,582

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,076	13,573	174,799	(4,171)	201,279
Changes during period					
Dividends of surplus			(4,767)		(4,767)
Profit attributable to owners of parent			18,551		18,551
Purchase of treasury shares				(4,554)	(4,554)
Disposal of treasury shares		4		52	56
Cancellation of treasury shares		(993)	(3,279)	4,273	-
Increase by share exchanges		(0)		23	23
Purchase of shares of consolidated subsidiaries		(3)			(3)
Transfer from retained earnings to capital surplus		1	(1)		-
Reversal of revaluation reserve for land			(17)		(17)
Net changes in items other than shareholders' equity					
Total changes during period	-	(991)	10,485	(203)	9,289
Balance at end of period	17,076	12,582	185,285	(4,375)	210,568

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,941	(59)	(10,614)	19,946	(95)	23,119	2,184	226,582
Changes during period								
Dividends of surplus								(4,767)
Profit attributable to owners of parent								18,551
Purchase of treasury shares								(4,554)
Disposal of treasury shares								56
Cancellation of treasury shares								-
Increase by share exchanges								23
Purchase of shares of consolidated subsidiaries								(3)
Transfer from retained earnings to capital surplus								-
Reversal of revaluation reserve for land								(17)
Net changes in items other than shareholders' equity	11,725	(2)	17	12,045	927	24,712	(25)	24,687
Total changes during period	11,725	(2)	17	12,045	927	24,712	(25)	33,977
Balance at end of period	25,667	(61)	(10,597)	31,991	831	47,831	2,159	260,559

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	18,292	25,894
Depreciation	13,299	13,883
Impairment losses	2,831	594
Amortization of goodwill	459	184
Loss (gain) on sale and retirement of non-current assets	36	184
Loss (gain) on valuation of investment securities	211	502
Loss (gain) on sale of investment securities	(361)	(2,448)
Loss on valuation of shares of subsidiaries and associates	60	178
Loss (gain) on liquidation of subsidiaries and associates	(14)	-
Subsidies for employment adjustment	(22)	(4)
Increase (decrease) in allowance for doubtful accounts	68	22
Increase (decrease) in retirement benefit liability	(1,081)	338
Decrease (increase) in trade receivables	(1,480)	(845)
Decrease (increase) in inventories	(4,234)	1,713
Increase (decrease) in trade payables	(137)	1,756
Other, net	(372)	1,114
Subtotal	27,551	43,070
Interest and dividends received	1,475	2,339
Interest paid	(293)	(298)
Proceeds from subsidies for employment adjustment	22	4
Income taxes paid	(7,403)	(6,534)
Net cash provided by (used in) operating activities	21,352	38,580
<b>Cash flows from investing activities</b>		
Payments into time deposits	(604)	(3,797)
Proceeds from withdrawal of time deposits	715	3,249
Purchase of investment securities	(24)	(620)
Proceeds from sale of investment securities	793	2,775
Purchase of shares of subsidiaries and associates	-	(70)
Proceeds from the liquidation of subsidiaries and associates	109	-
Net decrease (increase) in short-term loans receivable	(0)	(17)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,701)	-
Long-term loan advances	(17)	(20)
Proceeds from collection of long-term loans receivable	18	16
Purchase of non-current assets	(8,922)	(10,844)
Proceeds from sale of non-current assets	354	178
Payments for asset retirement obligations	-	(12)
Net cash provided by (used in) investing activities	(9,279)	(9,161)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	145	(5,226)
Proceeds from long-term borrowings	-	36
Repayments of long-term borrowings	(4,581)	(315)
Repayments of finance lease liabilities	(656)	(698)
Repayments of installment payables	(4)	-
Dividends paid	(4,813)	(4,767)
Dividends paid to non-controlling interests	(49)	(170)
Purchase of treasury shares	(3)	(4,554)
Net cash provided by (used in) financing activities	(9,963)	(15,695)
Effect of exchange rate change on cash and cash equivalents	1,980	3,952
Net increase (decrease) in cash and cash equivalents	4,089	17,677
Cash and cash equivalents at beginning of period	52,888	56,978
Cash and cash equivalents at end of period	56,978	74,655