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

May 14, 2024

Company name: RHEON AUTOMATIC MACHINERY CO., LTD.

Stock exchange listing: Tokyo

Code number: 6272

URL: <https://www.rheon.com>

Representative: Mikio Kobayashi

President & C.E.O.

Contact: Tadao Fukuda

Managing Operating Officer

Phone: +81-28-665-1111

Scheduled date of Annual General Meeting of Shareholders: June 26, 2024

Scheduled date of commencing dividend payments: June 27, 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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	37,703	6.9	4,883	62.4	4,987	55.4	3,675	34.2
March 31, 2023	35,269	32.7	3,007	173.5	3,209	118.6	2,737	84.1

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 5,530 million [56.5%]
Fiscal year ended March 31, 2023: ¥ 3,534 million [59.4%]

Fiscal year ended	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	%	%	%
March 31, 2024	136.96	136.72	10.9	11.8	13.0
March 31, 2023	102.13	101.88	9.2	8.4	8.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - 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	44,574	35,884	80.4	1,334.77
March 31, 2023	40,212	31,384	77.9	1,167.80

(Reference) Equity: As of March 31, 2024: ¥ 35,836 million
As of March 31, 2023: ¥ 31,305 million

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	4,591	(1,456)	(1,372)	13,591
March 31, 2023	3,091	(1,113)	(677)	11,440

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	-	12.00	-	19.00	31.00	831	30.4	2.8
March 31, 2024	-	20.00	-	22.00	42.00	1,127	30.7	3.4
Fiscal year ending March 31, 2025 (Forecast)	-	21.00	-	21.00	42.00		30.1	

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	18,200	0.1	2,400	5.3	2,450	3.7	1,700	(9.6)	63.35
Full year	38,950	3.3	5,380	10.2	5,450	9.3	3,750	2.0	139.75

* 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: 28,392,000 shares

March 31, 2023: 28,392,000 shares

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

March 31, 2024: 1,543,459 shares

March 31, 2023: 1,584,469 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 26,834,160 shares

Fiscal Year ended March 31, 2023: 26,807,365 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	19,428	3.3	2,637	32.6	3,229	23.0	2,534	4.8
March 31, 2023	18,807	20.5	1,989	64.3	2,626	33.8	2,417	30.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	94.45	94.28
March 31, 2023	90.19	89.96

(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	33,471	27,379	81.7	1,017.98
March 31, 2023	31,818	25,618	80.3	952.69

(Reference) Equity: As of March 31, 2024: ¥ 27,331 million
As of March 31, 2023: ¥ 25,539 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	11,440,477	13,591,862
Notes and accounts receivable - trade	3,234,012	3,236,132
Merchandise and finished goods	5,339,139	5,997,307
Work in process	1,632,710	1,341,552
Raw materials and supplies	401,263	481,909
Other	637,868	783,038
Allowance for doubtful accounts	(21,490)	(27,470)
Total current assets	22,663,980	25,404,332
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,073,737	16,925,188
Accumulated depreciation	(8,720,808)	(9,449,270)
Buildings and structures, net	7,352,928	7,475,917
Machinery, equipment and vehicles	9,366,488	11,117,581
Accumulated depreciation	(7,855,260)	(8,686,306)
Machinery, equipment and vehicles, net	1,511,228	2,431,275
Tools, furniture and fixtures	2,031,752	2,127,046
Accumulated depreciation	(1,874,688)	(1,924,257)
Tools, furniture and fixtures, net	157,064	202,789
Land	3,976,623	4,088,572
Leased assets	8,741	27,262
Accumulated depreciation	(2,331)	(4,870)
Leased assets, net	6,410	22,391
Construction in progress	482,361	178,490
Total property, plant and equipment	13,486,616	14,399,436
Intangible assets	1,176,670	1,157,935
Investments and other assets		
Investment securities	1,241,474	1,583,569
Retirement benefit asset	1,350,370	1,813,279
Other	297,672	223,060
Allowance for doubtful accounts	(4,109)	(6,794)
Total investments and other assets	2,885,407	3,613,115
Total non-current assets	17,548,694	19,170,487
Total assets	40,212,675	44,574,820

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,195,475	1,285,250
Short-term borrowings	794,722	704,722
Lease liabilities	1,999	6,275
Accrued expenses	610,501	615,716
Income taxes payable	381,540	524,664
Advances received	2,295,474	1,981,695
Provision for bonuses	762,834	765,722
Provision for bonuses for directors (and other officers)	16,800	29,300
Accounts payable - other	683,952	727,957
Other	205,561	102,955
Total current liabilities	6,948,863	6,744,261
Non-current liabilities		
Long-term borrowings	1,138,204	903,481
Lease liabilities	5,051	18,653
Deferred tax liabilities	341,304	640,412
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	36,294	36,321
Other	11,158	213
Total non-current liabilities	1,879,023	1,946,093
Total liabilities	8,827,886	8,690,355
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,078,397	7,105,902
Retained earnings	17,780,924	20,409,779
Treasury shares	(770,280)	(750,865)
Total shareholders' equity	31,440,791	34,116,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	544,701	801,635
Revaluation reserve for land	(1,692,816)	(1,692,816)
Foreign currency translation adjustment	943,612	2,248,344
Remeasurements of defined benefit plans	69,528	362,825
Total accumulated other comprehensive income	(134,974)	1,719,987
Share acquisition rights	78,971	47,911
Total net assets	31,384,788	35,884,465
Total liabilities and net assets	40,212,675	44,574,820

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	35,269,281	37,703,437
Cost of sales	20,703,854	20,911,081
Gross profit	14,565,426	16,792,355
Selling, general and administrative expenses		
Advertising expenses	318,179	348,629
Packing and transportation costs	2,011,445	1,698,098
Provision of allowance for doubtful accounts	(7,942)	4,263
Sales commission	869,274	924,973
Salaries and allowances	3,414,578	3,541,738
Provision for bonuses	450,811	439,405
Provision for bonuses for directors (and other officers)	16,800	29,300
Retirement benefit expenses	149,560	144,241
Travel and transportation expenses	426,103	488,569
Depreciation	538,415	573,134
Research and development expenses	742,243	760,592
Other	2,628,556	2,955,897
Total selling, general and administrative expenses	11,558,026	11,908,843
Operating profit	3,007,400	4,883,512
Non-operating income		
Interest income	6,465	23,452
Dividend income	21,489	26,786
Gain on sale of goods	19,739	17,396
Foreign exchange gains	38,566	19,478
Insurance claim income	32,415	5,756
Subsidy income	45,833	1,966
Surrender value of insurance policies	4,814	5,171
Sold power	21,531	20,978
Other	49,464	37,812
Total non-operating income	240,319	158,800
Non-operating expenses		
Interest expenses	12,808	11,289
Sold power expenses	8,730	8,320
Loss on sale of non-current assets	1,055	-
Loss on retirement of non-current assets	1,854	25,406
Other	13,344	9,356
Total non-operating expenses	37,793	54,374
Ordinary profit	3,209,925	4,987,938
Profit before income taxes	3,209,925	4,987,938
Income taxes - current	442,899	1,194,235
Income taxes - deferred	29,224	118,530
Total income taxes	472,124	1,312,766
Profit	2,737,801	3,675,171
Profit attributable to owners of parent	2,737,801	3,675,171

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	2,737,801	3,675,171
Other comprehensive income		
Valuation difference on available-for-sale securities	195,163	256,933
Foreign currency translation adjustment	697,785	1,304,732
Remeasurements of defined benefit plans, net of tax	(96,494)	293,296
Total other comprehensive income	796,455	1,854,962
Comprehensive income	3,534,256	5,530,134
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,534,256	5,530,134

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351,750	7,075,427	15,579,255	(771,143)	29,235,289
Changes during period					
Dividends of surplus			(536,132)		(536,132)
Profit attributable to owners of parent			2,737,801		2,737,801
Purchase of treasury shares				(740)	(740)
Disposal of treasury shares					-
Issuance of share acquisition rights					-
Exercise of share acquisition rights		2,970		1,603	4,573
Net changes in items other than shareholders' equity					
Total changes during period	-	2,970	2,201,668	862	2,205,501
Balance at end of period	7,351,750	7,078,397	17,780,924	(770,280)	31,440,791

	Accumulated other comprehensive income					Share acquisition rights	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 period	349,537	(1,692,816)	245,826	166,023	(931,429)	73,636	28,377,496
Changes during period							
Dividends of surplus							(536,132)
Profit attributable to owners of parent							2,737,801
Purchase of treasury shares							(740)
Disposal of treasury shares							-
Issuance of share acquisition rights						9,905	9,905
Exercise of share acquisition rights						(4,570)	3
Net changes in items other than shareholders' equity	195,163	-	697,785	(96,494)	796,455	-	796,455
Total changes during period	195,163	-	697,785	(96,494)	796,455	5,335	3,007,291
Balance at end of period	544,701	(1,692,816)	943,612	69,528	(134,974)	78,971	31,384,788

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351,750	7,078,397	17,780,924	(770,280)	31,440,791
Changes during period					
Dividends of surplus			(1,046,317)		(1,046,317)
Profit attributable to owners of parent			3,675,171		3,675,171
Purchase of treasury shares				(804)	(804)
Disposal of treasury shares		10,857		5,777	16,634
Issuance of share acquisition rights					-
Exercise of share acquisition rights		16,648		14,441	31,089
Net changes in items other than shareholders' equity					
Total changes during period	-	27,505	2,628,854	19,414	2,675,774
Balance at end of period	7,351,750	7,105,902	20,409,779	(750,865)	34,116,565

	Accumulated other comprehensive income					Share acquisition rights	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 period	544,701	(1,692,816)	943,612	69,528	(134,974)	78,971	31,384,788
Changes during period							
Dividends of surplus							(1,046,317)
Profit attributable to owners of parent							3,675,171
Purchase of treasury shares							(804)
Disposal of treasury shares							16,634
Issuance of share acquisition rights							-
Exercise of share acquisition rights						(31,059)	29
Net changes in items other than shareholders' equity	256,933	-	1,304,732	293,296	1,854,962	-	1,854,962
Total changes during period	256,933	-	1,304,732	293,296	1,854,962	(31,059)	4,499,676
Balance at end of period	801,635	(1,692,816)	2,248,344	362,825	1,719,987	47,911	35,884,465

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,209,925	4,987,938
Share-based payment expenses	9,905	12,901
Depreciation	1,176,640	1,267,057
Increase (decrease) in allowance for doubtful accounts	(7,038)	5,217
Increase (decrease) in provision for bonuses	162,552	(2,174)
Increase (decrease) in provision for bonuses for directors (and other officers)	14,300	12,500
Interest and dividend income	(27,954)	(50,239)
Surrender value of insurance policies	(4,814)	(5,171)
Interest expenses	12,808	11,289
Loss (gain) on sale of non-current assets	222	(2,898)
Loss on retirement of non-current assets	1,854	25,406
Decrease (increase) in retirement benefit asset	(34,439)	(41,142)
Decrease (increase) in trade receivables	(815,083)	156,845
Decrease (increase) in inventories	(596,398)	(142,601)
Decrease (increase) in consumption taxes refund receivable	38,526	(9,220)
Decrease (increase) in other current assets	(75,052)	60,409
Increase (decrease) in accrued expenses	5,524	(11,017)
Increase (decrease) in trade payables	(33,258)	(5,154)
Increase (decrease) in accrued consumption taxes	(3,415)	(109,316)
Increase (decrease) in other current liabilities	217,023	(504,587)
Increase (decrease) in other non-current liabilities	(36,919)	(10,945)
Other, net	69,207	17,824
Subtotal	3,284,116	5,662,922
Interest and dividends received	27,954	50,239
Interest paid	(13,144)	(11,289)
Income taxes paid	(468,675)	(1,113,791)
Income taxes refund	261,488	3,064
Net cash provided by (used in) operating activities	3,091,739	4,591,144

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(766,511)	(1,080,699)
Proceeds from sale of property, plant and equipment	1,741	2,898
Purchase of intangible assets	(351,085)	(377,870)
Purchase of investment securities	(7,850)	(8,202)
Purchase of insurance funds	(5,697)	(5,403)
Proceeds from cancellation of insurance funds	16,296	14,836
Other, net	(852)	(2,028)
Net cash provided by (used in) investing activities	(1,113,957)	(1,456,469)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	140,000	(100,000)
Proceeds from long-term borrowings	100,000	100,000
Repayments of long-term borrowings	(378,910)	(324,722)
Repayments of lease liabilities	(1,295)	(3,019)
Purchase of treasury shares	(740)	(804)
Dividends paid	(536,475)	(1,044,404)
Net cash provided by (used in) financing activities	(677,422)	(1,372,950)
Effect of exchange rate change on cash and cash equivalents	139,931	389,661
Net increase (decrease) in cash and cash equivalents	1,440,291	2,151,385
Cash and cash equivalents at beginning of period	10,000,186	11,440,477
Cash and cash equivalents at end of period	11,440,477	13,591,862

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,597,888	9,575,794
Notes receivable - trade	10,735	2,850
Accounts receivable - trade	2,285,239	2,228,334
Electronically recorded monetary claims - operating	242,493	229,283
Merchandise	121,878	178,877
Finished goods	1,158,601	1,417,824
Semi-finished goods	2,390,195	2,681,597
Raw materials	75,052	75,957
Work in process	1,603,154	1,314,944
Supplies	42,231	76,616
Prepaid expenses	212,123	248,913
Other	36,791	13,432
Allowance for doubtful accounts	(200)	(200)
Total current assets	16,776,185	18,044,225
Non-current assets		
Property, plant and equipment		
Buildings	8,792,695	8,778,197
Accumulated depreciation	(4,783,800)	(4,897,050)
Buildings, net	4,008,895	3,881,147
Structures	616,698	623,968
Accumulated depreciation	(441,915)	(464,693)
Structures, net	174,782	159,274
Machinery and equipment	3,187,847	3,371,870
Accumulated depreciation	(2,730,516)	(2,762,623)
Machinery and equipment, net	457,331	609,246
Vehicles	158,780	156,850
Accumulated depreciation	(149,737)	(146,536)
Vehicles, net	9,043	10,313
Tools, furniture and fixtures	1,521,805	1,543,273
Accumulated depreciation	(1,440,618)	(1,428,273)
Tools, furniture and fixtures, net	81,186	114,999
Land	3,034,348	3,034,348
Leased assets	5,457	21,433
Accumulated depreciation	(1,460)	(3,092)
Leased assets, net	3,996	18,341
Construction in progress	30,882	3,590
Total property, plant and equipment	7,800,467	7,831,261
Intangible assets		
Software	816,798	858,738
Other	328,705	262,271
Total intangible assets	1,145,504	1,121,010

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	1,241,474	1,583,569
Shares of subsidiaries and associates	3,447,120	3,447,120
Investments in capital	7,170	7,170
Investments in capital of subsidiaries and associates	56,877	56,877
Distressed receivables	797	1,080
Long-term prepaid expenses	7,044	6,854
Prepaid pension costs	1,250,386	1,291,528
Other	86,620	82,377
Allowance for doubtful accounts	(757)	(1,080)
Total investments and other assets	6,096,734	6,475,497
Total non-current assets	15,042,705	15,427,769
Total assets	31,818,891	33,471,995
Liabilities		
Current liabilities		
Accounts payable - trade	948,352	1,059,588
Electronically recorded obligations - operating	94,822	65,868
Short-term borrowings	480,000	360,000
Current portion of long-term borrowings	266,542	276,542
Lease liabilities	1,331	5,181
Accounts payable - other	403,748	365,299
Accrued expenses	477,097	469,126
Income taxes payable	223,331	484,638
Advances received	905,044	626,078
Deposits received	39,236	30,120
Provision for bonuses	691,524	710,148
Provision for bonuses for directors (and other officers)	16,800	29,300
Other	115,513	10,625
Total current liabilities	4,663,346	4,492,518
Non-current liabilities		
Long-term borrowings	1,025,464	838,921
Lease liabilities	3,069	15,293
Deferred tax liabilities	121,158	369,198
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	29,955	29,955
Other	10,693	40
Total non-current liabilities	1,537,351	1,600,418
Total liabilities	6,200,698	6,092,936

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus		
Legal capital surplus	2,860,750	2,860,750
Other capital surplus	4,217,647	4,245,152
Total capital surplus	7,078,397	7,105,902
Retained earnings		
Legal retained earnings	409,094	409,094
Other retained earnings		
General reserve	9,870,000	11,270,000
Retained earnings brought forward	2,748,374	2,836,446
Total retained earnings	13,027,469	14,515,541
Treasury shares	(770,280)	(750,865)
Total shareholders' equity	26,687,336	28,222,327
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	544,701	801,635
Revaluation reserve for land	(1,692,816)	(1,692,816)
Total valuation and translation adjustments	(1,148,115)	(891,181)
Share acquisition rights	78,971	47,911
Total net assets	25,618,192	27,379,058
Total liabilities and net assets	31,818,891	33,471,995

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Net sales of finished goods	12,816,833	12,963,227
Net sales of goods	1,283,494	1,536,589
Other sales	4,707,249	4,929,133
Total net sales	18,807,577	19,428,950
Cost of sales		
Beginning finished goods inventory	1,213,486	1,158,601
Beginning merchandise inventory	83,067	121,878
Cost of products manufactured	7,686,794	7,744,240
Cost of purchased goods	807,639	991,799
Other costs	1,123,830	1,166,448
Total	10,914,818	11,182,968
Ending finished goods inventory	1,158,601	1,417,824
Ending merchandise inventory	121,878	178,877
Total cost of sales	9,634,338	9,586,266
Gross profit	9,173,238	9,842,684
Selling, general and administrative expenses		
Advertising expenses	175,517	188,187
Packing and transportation costs	670,479	473,442
Provision of allowance for doubtful accounts	(544)	323
Sales commission	48,509	33,637
Delivery examination expenses	27,905	33,920
Promotion expenses	12,309	12,992
Remuneration for directors (and other officers)	115,680	107,040
Salaries and allowances	2,368,907	2,360,913
Provision for bonuses	410,664	418,578
Provision for bonuses for directors (and other officers)	16,800	29,300
Retirement benefit expenses	136,756	130,134
Legal welfare expenses	401,970	433,409
Welfare expenses	85,062	66,037
Travel and transportation expenses	294,365	332,968
Entertainment expenses	6,102	7,046
Communication expenses	36,365	38,686
Rent expenses	173,528	174,609
Supplies expenses	42,195	37,365
Utilities expenses	57,742	50,449
Depreciation	478,285	505,921
Taxes and dues	237,927	243,511
Research and development expenses	742,243	760,592
Commission expenses	52,745	58,502
Other	592,411	707,233
Total selling, general and administrative expenses	7,183,929	7,204,805
Operating profit	1,989,308	2,637,878

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Non-operating income		
Interest income	2,660	2,207
Dividend income	431,699	480,976
Commission income	461	515
Gain on sale of goods	19,739	17,396
Foreign exchange gains	99,585	68,336
Sold power	21,531	20,978
Other	94,241	26,319
Total non-operating income	669,919	616,731
Non-operating expenses		
Interest expenses	11,747	11,164
Sold power expenses	8,730	8,320
Loss on sale of non-current assets	6,725	-
Loss on retirement of non-current assets	1,353	2,450
Other	4,096	3,147
Total non-operating expenses	32,653	25,082
Ordinary profit	2,626,574	3,229,527
Profit before income taxes	2,626,574	3,229,527
Income taxes - current	241,078	524,057
Income taxes - deferred	(32,189)	171,080
Total income taxes	208,889	695,137
Profit	2,417,685	2,534,389

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,351,750	2,860,750	4,214,677	7,075,427
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Issuance of share acquisition rights				
Exercise of share acquisition rights			2,970	2,970
Net changes in items other than shareholders' equity				
Total changes during period	-	-	2,970	2,970
Balance at end of period	7,351,750	2,860,750	4,217,647	7,078,397

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance at beginning of period	409,094	8,680,000	2,056,821	11,145,916	(771,143)	24,801,950
Changes during period						
Dividends of surplus			(536,132)	(536,132)		(536,132)
Profit			2,417,685	2,417,685		2,417,685
Provision of general reserve		1,190,000	(1,190,000)	-		-
Purchase of treasury shares					(740)	(740)
Disposal of treasury shares						-
Issuance of share acquisition rights						-
Exercise of share acquisition rights					1,603	4,573
Net changes in items other than shareholders' equity						
Total changes during period	-	1,190,000	691,552	1,881,552	862	1,885,385
Balance at end of period	409,094	9,870,000	2,748,374	13,027,469	(770,280)	26,687,336

(Thousands of yen)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	349,537	(1,692,816)	(1,343,279)	73,636	23,532,307
Changes during period					
Dividends of surplus					(536,132)
Profit					2,417,685
Provision of general reserve					-
Purchase of treasury shares					(740)
Disposal of treasury shares					-
Issuance of share acquisition rights				9,905	9,905
Exercise of share acquisition rights				(4,570)	3
Net changes in items other than shareholders' equity	195,163	-	195,163	-	195,163
Total changes during period	195,163	-	195,163	5,335	2,085,884
Balance at end of period	544,701	(1,692,816)	(1,148,115)	78,971	25,618,192

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,351,750	2,860,750	4,217,647	7,078,397
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Purchase of treasury shares				
Disposal of treasury shares			10,857	10,857
Issuance of share acquisition rights				
Exercise of share acquisition rights			16,648	16,648
Net changes in items other than shareholders' equity				
Total changes during period	-	-	27,505	27,505
Balance at end of period	7,351,750	2,860,750	4,245,152	7,105,902

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance at beginning of period	409,094	9,870,000	2,748,374	13,027,469	(770,280)	26,687,336
Changes during period						
Dividends of surplus			(1,046,317)	(1,046,317)		(1,046,317)
Profit			2,534,389	2,534,389		2,534,389
Provision of general reserve		1,400,000	(1,400,000)	-		-
Purchase of treasury shares					(804)	(804)
Disposal of treasury shares					5,777	16,634
Issuance of share acquisition rights						-
Exercise of share acquisition rights					14,441	31,089
Net changes in items other than shareholders' equity						
Total changes during period	-	1,400,000	88,071	1,488,071	19,414	1,534,991
Balance at end of period	409,094	11,270,000	2,836,446	14,515,541	(750,865)	28,222,327

(Thousands of yen)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	544,701	(1,692,816)	(1,148,115)	78,971	25,618,192
Changes during period					
Dividends of surplus					(1,046,317)
Profit					2,534,389
Provision of general reserve					-
Purchase of treasury shares					(804)
Disposal of treasury shares					16,634
Issuance of share acquisition rights					-
Exercise of share acquisition rights				(31,059)	29
Net changes in items other than shareholders' equity	256,933	-	256,933	-	256,933
Total changes during period	256,933	-	256,933	(31,059)	1,760,865
Balance at end of period	801,635	(1,692,816)	(891,181)	47,911	27,379,058