

Summary of Financial Results for the Fiscal Year Ended March 31, 2024 (FY2023) [Japanese GAAP]

Company name: Sanrio Company, Ltd. Listed Stock Exchange: Tokyo Stock Exchange
 Stock code: 8136 URL: <https://www.sanrio.co.jp/english/corporate/ir/>
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 Scheduled date of Annual General Meeting of Shareholders: June 27, 2024
 Scheduled date of filing of Annual Securities Report: June 28, 2024
 Starting date of dividend payment: June 11, 2024
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)
 (All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023	99,981	37.7	26,952	103.5	28,265	106.0	17,584	115.5
FY2022	72,624	37.6	13,247	422.0	13,724	313.6	8,158	138.3

Note: Comprehensive income (millions of yen) FY2023: 22,542 (up 59.6%) FY2022: 14,127 (up 98.7%)

	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity (ROE)	Return on Assets (ROA)	Operating Profit to Sales
	Yen	Yen	%	%	%
FY2023	73.08	71.83	29.2	22.0	27.0
FY2022	33.74	-	16.4	14.9	18.2

Reference: Equity in earnings of unconsolidated subsidiaries (millions of yen) FY2023: - FY2022: -

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Basic earnings per share and diluted earnings per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2024	156,062	64,897	41.4	273.57
As of Mar. 31, 2023	100,704	56,295	55.6	231.49

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2024: 64,608 As of Mar. 31, 2023: 56,005

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Net assets per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2023	22,173	(3,457)	15,704	67,935
FY2022	11,525	(2,079)	(2,718)	32,139

2. Dividends

	Dividend per Share					Total Dividends	Dividend Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2022	-	15.00	-	20.00	35.00	2,822	34.6	5.7
FY2023	-	22.50	-	43.50	66.00	5,239	30.1	8.7
FY2024 (forecast)	-	13.50	-	13.50	27.00		30.7	

Notes: 1. Breakdown of the year-end dividend for FY2023:

Ordinary dividend: 33.50 yen; commemorative dividend for celebrating Hello Kitty's 50th anniversary: 10.00 yen

2. The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Dividends per share for FY2022 and FY2023 are the actual amounts before the stock split. Dividends per share for FY2024 (forecast) have been adjusted to reflect the stock split.

3. Consolidated Forecast for FY2024 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	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
First half	52,200	18.8	12,600	(5.3)	13,100	(7.8)	8,700	(17.2)	36.84
Full year	110,300	10.3	30,000	11.3	30,400	7.6	20,800	18.3	88.07

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Basic Earnings per share for the consolidated forecast for FY2024 have been adjusted to reflect the stock split.

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury shares)

As of Mar. 31, 2024: 255,408,303 shares As of Mar. 31, 2023: 267,195,903 shares

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

As of Mar. 31, 2024: 19,244,124 shares As of Mar. 31, 2023: 25,267,947 shares

3) Average number of shares outstanding during the period

FY2023: 240,625,326 shares FY2022: 241,812,635 shares

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Number of outstanding shares at the end of the period (including treasury shares), number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Reference: Unconsolidated Financial Results

1. Unconsolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)

(1) Unconsolidated results of operations (Percentages represent year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023	68,160	36.2	14,994	114.5	38,057	349.9	32,708	538.3
FY2022	50,049	33.4	6,991	333.0	8,459	296.6	5,124	62.7

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
FY2023	135.93	133.80
FY2022	21.19	-

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Basic earnings per share and diluted earnings per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Unconsolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2024	115,085	48,488	42.1	205.32
As of Mar. 31, 2023	59,114	28,557	48.3	118.04

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2024: 48,488 As of Mar. 31, 2023: 28,557

Note: The Company conducted a 3-for-1 common stock split effective on April 1, 2024. Net assets per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Note 1: The current financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information currently available to the Company. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors.

Overview of Results of Operations, etc.**(1) Results of Operations**

(100 millions of yen)

	FY2023 Results	Vs. Plan			Y-O-Y		
		*Final plan	Increase/ decrease	Change (%)	FY2022 Results	Increase/ decrease	Change (%)
Net sales	999	974	25	2.7	726	273	37.7
Gross profit	721	706	15	2.1	499	221	44.3
Selling, general & administrative expenses	451	438	13	3.1	367	84	23.0
Operating profit	269	268	1	0.6	132	137	103.5
Non-operating income or expenses	13	16	(2)	(18.0)	4	8	175.2
Ordinary profit	282	284	(1)	(0.5)	137	145	106.0
Extraordinary income or losses	3	5	(1)	(26.2)	(4)	8	-
Profit before income taxes	286	289	(2)	(0.9)	132	153	115.5
Total income taxes	109	115	(5)	(5.0)	50	58	115.8
Profit attributable to owners of parent	175	174	1	1.1	81	94	115.5
Gross margin	72.1%	72.5%	(0.4)%	-	68.8%	3.3%	-
Operating margin	27.0%	27.5%	(0.5)%	-	18.2%	8.8%	-
Ordinary margin	28.3%	29.2%	(0.9)%	-	18.9%	9.4%	-

*Since the initial forecast has been revised, the table above shows comparisons with the final plan.

During the fiscal year under review, the Japanese economy continued to recover as economic activities normalized and the number of foreign tourists increased following the reclassification of COVID-19 as a category 5 infection. However, the outlook remains uncertain due to the impact of soaring raw material costs and global monetary tightening on the economy, as well as concerns about prolonged conflicts in Europe and growing tensions in the Middle East.

Amid these conditions, the Sanrio Group set the current fiscal year as the final year of the three-year medium-term management plan “Creating and Challenging for our Future” concluding in the fiscal year ending March 31, 2024, and we have steadily implemented various initiatives based on the three pillars of this plan: corporate culture reform, initiation and completion of domestic and overseas structural reforms, and planting the seeds for regrowth strategies and growth markets. In addition, we are celebrating the 50th anniversary year of the popular character Hello Kitty from November 2023 to December 2024. The celebration is receiving support from people of all ages through limited-edition products and various events.

At domestic shops and theme parks, the reclassification of COVID-19 and initiatives such as the 50th anniversary of Hello Kitty led to a sharp rise in the numbers of domestic customers and foreign tourists, driving growth in sales. In the licensing business in Japan and overseas, the strategy of featuring a wide range of Sanrio characters continued to be successful, and product development from existing licensees increased, contributing to the growth in sales.

Moreover, the membership of Sanrio+, an app for Sanrio fan members, reached around 1.87 million as of the end of March 2024.

As regards consolidated operating profit, the Company posted a substantial increase due to sales growth and improved profitability through structural reforms.

As a result of these factors, net sales rose by a substantial 37.7% year-on-year to 99.9 billion yen, operating profit increased 103.5% year-on-year to 26.9 billion yen, a record high for the first time in ten years since the fiscal year ended March 31, 2014. Ordinary profit rose 106.0% year-on-year to 28.2 billion yen, and profit attributable to owners of parent rose 115.5% year-on-year to 17.5 billion yen.

Since the accounting period for all overseas consolidated subsidiaries runs from January to December, the fiscal year under review for these subsidiaries covers the period from January to December 2023.

Reportable Segment

(100 millions of yen)

		Sales				Segment profit (operating profit)			
		FY2022	FY2023	Increase/ decrease	Change (%)	FY2022	FY2023	Increase/ decrease	Change (%)
Japan	Product sales/others	417	547	130	31.4	105	197	92	87.5
	Royalties	105	141	35	33.6				
	Total	523	689	166	31.8				
Europe	Product sales/others	(0)	0	0	-	(1)	2	4	-
	Royalties	18	24	5	32.6				
	Total	18	24	6	32.9				
North America	Product sales/others	20	22	1	8.4	7	28	21	290.5
	Royalties	44	101	57	131.4				
	Total	64	124	59	92.2				
Latin America	Product sales/others	0	0	0	60.7	0	2	2	783.5
	Royalties	4	10	5	104.8				
	Total	5	10	5	103.5				
Asia	Product sales/others	12	31	18	147.5	40	60	19	47.9
	Royalties	102	120	17	17.2				
	Total	115	151	36	31.5				
Adjustment		-	-	-	-	(19)	(21)	(2)	-
Consolidated	Product sales/others	450	601	151	33.6	132	269	137	103.5
	Royalties	275	398	122	44.4				
	Total	726	999	273	37.7				

Note: Regional subsidiaries overseas pay the amount of royalties commensurate as the cost of sales while the Japanese parent company (the copyright holder) calculates this income as sales. Because consolidated transactions are eliminated, however, these are not included in Japan's sales figures stated above (although included in segment profit (operating profit)).

Further, the above sales figures are "sales to customers," and the inter-segment sales, which are not limited to the above-mentioned royalties, are eliminated as internal transaction sales.

(2) Financial Position

(100 millions of yen)

	As of Mar. 31, 2023	As of Mar. 31, 2024	Increase/decrease	As of Sep. 30, 2023
Assets	1,007	1,560	553	1,216
Liabilities	444	911	467	537
(Interest-bearing debt)	199	506	307	244
Net assets	562	648	86	679
Equity ratio	55.6%	41.4%	(14.2)pt	55.5%

* Interest-bearing debt excludes lease obligations and includes 31.0 billion yen of convertible-bond-type bonds with share acquisition rights.

(3) Cash Flows

(100 millions of yen)

	FY2022	FY2023	Increase/decrease
Cash flows from operating activities	115	221	106
Cash flows from investing activities	(20)	(34)	(13)
Cash flows from financing activities	(27)	157	184
Effect of exchange rate changes on cash and cash equivalents	12	13	1
Increase (decrease) in cash and cash equivalents	80	357	277
Cash and cash equivalents at beginning of year	238	321	82
Cash and cash equivalents at end of year	321	679	357

(4) Outlook

The Company has drawn up a new three-year medium-term management plan ending March 31, 2027.

The new plan is intended to move beyond the “foothold” phase of the previous medium-term management plan and enter the “growth and investment” phase. In implementing the plan, the following key initiatives, known as the “Three Approaches,” have been set out.

1. Reform marketing and sales strategies to create global Evergreen IP
2. Develop a foundation for global growth
3. Expand IP portfolio and monetize in multiple layers

Through the implementation of these key measures, the Company aims to achieve sustainable business growth without volatility, with the target of achieving net sales of 135 billion yen and operating profit of 40 billion yen or more in the year ending March 31, 2027, the final year of the plan. For details of the medium-term management plan, please refer to the document published on our company website today (May 14, 2024).

For the year ending March 31, 2025, we forecast consolidated sales of 110.3 billion yen and operating profit of 30 billion yen, driven by continued demand growth in Japan and abroad as well as the implementation of various initiatives in line with the new medium-term management plan, including investments for growth.

We will continue to closely monitor the economic environment and market trends while striving to appropriately disclose our earnings forecasts.

Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

	(Millions of yen)	
	FY2022 (As of Mar. 31, 2023)	FY2023 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	52,008	90,442
Notes receivable-trade	313	303
Accounts receivable-trade	8,392	13,643
Merchandise and finished goods	3,894	6,094
Work in process	299	53
Raw materials and supplies	348	307
Other accounts receivable	441	633
Other	1,210	1,814
Allowance for doubtful accounts	(156)	(120)
Total current assets	66,752	113,173
Non-current assets		
Property and equipment		
Buildings and structures	49,676	50,387
Accumulated depreciation and impairment	(46,380)	(46,778)
Buildings and structures, net	3,296	3,609
Machinery and vehicles	12,910	12,582
Accumulated depreciation and impairment	(12,710)	(12,278)
Machinery and vehicles, net	199	304
Tools, furniture and fixtures	6,020	6,545
Accumulated depreciation and impairment	(5,524)	(5,692)
Tools, furniture and fixtures, net	496	852
Land	6,140	6,160
Leased assets	5,234	5,542
Accumulated depreciation and impairment	(2,048)	(1,846)
Leased assets, net	3,185	3,696
Construction in progress	31	224
Total property and equipment	13,350	14,847
Intangible assets	2,244	2,726
Investments and other assets		
Investment securities	9,720	10,405
Long-term loans receivable from employees	50	14
Guarantee deposits	1,802	1,836
Deferred tax assets	145	874
Retirement benefit asset	5,398	9,391
Other	1,564	2,978
Allowance for doubtful accounts	(332)	(187)
Total investments and other assets	18,350	25,313
Total non-current assets	33,946	42,886
Deferred assets		
Bond issuance costs	5	2
Total deferred assets	5	2
Total assets	100,704	156,062

	(Millions of yen)	
	FY2022 (As of Mar. 31, 2023)	FY2023 (As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,074	4,882
Short-term borrowings	9,086	9,154
Current portion of bonds payable	332	102
Lease liabilities	653	847
Income taxes payable	1,563	6,049
Contract liabilities	4,062	4,705
Provision for bonuses	638	952
Provision for shareholder benefit program	39	31
Provision for point card certificates	8	9
Other	7,287	11,256
Total current liabilities	27,746	37,990
Non-current liabilities		
Bonds payable	141	39
Convertible-bond-type bonds with share acquisition rights	-	31,047
Long-term borrowings	10,378	10,305
Lease liabilities	2,876	3,226
Long-term deposits received	692	700
Long-term accounts payable-other	496	411
Retirement benefit liability	1,020	1,015
Other	1,056	6,430
Total non-current liabilities	16,662	53,174
Total liabilities	44,408	91,165
Net assets		
Shareholders' equity		
Share capital	10,000	10,261
Capital surplus	3,468	2,764
Retained earnings	56,211	59,655
Treasury shares	(19,528)	(18,728)
Total shareholders' equity	50,152	53,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	383	1,390
Deferred gains or losses on hedges	2	-
Foreign currency translation adjustment	1,707	4,762
Remeasurements of defined benefit plans	3,758	4,502
Total accumulated other comprehensive income	5,853	10,655
Non-controlling interests	290	288
Total net assets	56,295	64,897
Total liabilities and net assets	100,704	156,062

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

(Millions of yen)

	FY2022 (Apr. 1, 2022 – Mar. 31, 2023)	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	72,624	99,981
Cost of sales	22,663	27,865
Gross profit	49,960	72,115
Selling, general and administrative expenses		
Sales promotion expenses	2,528	3,366
Provision for allowance for doubtful accounts	2	(141)
Directors' bonuses and salaries	8,157	9,111
Miscellaneous wages	2,833	3,291
Bonuses	1,494	2,270
Provision of bonuses	653	972
Provision for shareholder benefit program	(4)	(5)
Provision for point card certificates	(4)	0
Retirement benefit expenses	888	611
Freight and packing costs	1,537	1,564
Rent expenses	2,907	3,488
Depreciation	899	988
Other	14,820	19,643
Total selling, general and administrative expenses	36,713	45,162
Operating profit	13,247	26,952
Non-operating income		
Interest income	520	1,101
Dividend income	206	183
Foreign exchange gains	104	-
Gain on investments in investment partnerships	-	225
Other	441	434
Total non-operating income	1,273	1,944
Non-operating expenses		
Interest expenses	173	180
Loss on investments in investment partnerships	371	-
Foreign exchange losses	-	299
Commission expenses	116	128
Other	135	24
Total non-operating expenses	796	632
Ordinary profit	13,724	28,265
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	492	-
Gain on liquidation of subsidiaries and associates	-	581
Other	2	-
Total extraordinary income	496	581

	(Millions of yen)	
	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Extraordinary losses		
Loss on disposal of non-current assets	20	56
Impairment losses	123	37
Loss on sale of investment securities	505	12
Loss on valuation of investment securities	157	-
Business restructuring expenses	-	106
Loss on valuation of shares of subsidiaries and associates	122	-
Other	6	-
Total extraordinary losses	934	212
Profit before income taxes	13,286	28,634
Current income taxes	3,283	9,081
Current income taxes for prior years	1,297	-
Deferred income taxes	479	1,841
Total income taxes	5,060	10,922
Profit	8,225	17,711
Profit attributable to non-controlling interests	67	127
Profit attributable to owners of parent	8,158	17,584

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2022 (Apr. 1, 2022 – Mar. 31, 2023)	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)
Profit	8,225	17,711
Other comprehensive income		
Valuation difference on available-for-sale securities	351	1,006
Deferred gains or losses on hedges	2	(2)
Foreign currency translation adjustment	2,742	3,082
Remeasurements of defined benefit plans	2,805	744
Total other comprehensive income	5,901	4,830
Comprehensive income	14,127	22,542
Total comprehensive income attributable to:		
Owners of parent	14,025	22,386
Non-controlling interests	101	155

(3) Consolidated Statements of Changes in Net Assets

FY2022 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period (Balance, April 1, 2022)	10,000	3,403	49,968	(19,716)	43,656
Changes during period					
Dividends of surplus			(1,853)		(1,853)
Profit attributable to owners of parent			8,158		8,158
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		65		188	253
Increase (decrease) due to inclusion of subsidiaries in consolidation			(62)		(62)
Net changes in items other than shareholders' equity					
Total changes during period	-	65	6,242	187	6,495
Balance at end of period (Balance, March 31, 2023)	10,000	3,468	56,211	(19,528)	50,152

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period (Balance, April 1, 2022)	32	-	(999)	953	(14)	158	43,800
Changes during period							
Dividends of surplus							(1,853)
Profit attributable to owners of parent							8,158
Purchase of treasury shares							(0)
Disposal of treasury shares							253
Increase (decrease) due to inclusion of subsidiaries in consolidation							(62)
Net changes in items other than shareholders' equity	351	2	2,707	2,805	5,867	132	5,999
Total changes during period	351	2	2,707	2,805	5,867	132	12,495
Balance at end of period (Balance, March 31, 2023)	383	2	1,707	3,758	5,853	290	56,295

FY2023 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period (Balance, April 1, 2023)	10,000	3,468	56,211	(19,528)	50,152
Changes during period					
Issuance of new shares	261	261			523
Dividends of surplus			(3,427)		(3,427)
Profit attributable to owners of parent			17,584		17,584
Purchase of treasury shares				(10,878)	(10,878)
Cancellation of treasury shares		(965)	(10,712)	11,678	-
Net changes in items other than shareholders' equity					
Total changes during period	261	(703)	3,443	799	3,801
Balance at end of period (Balance, March 31, 2024)	10,261	2,764	59,655	(18,728)	53,953

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period (Balance, April 1, 2023)	383	2	1,707	3,758	5,853	290	56,295
Changes during period							
Issuance of new shares							523
Dividends of surplus							(3,427)
Profit attributable to owners of parent							17,584
Purchase of treasury shares							(10,878)
Cancellation of treasury shares							-
Net changes in items other than shareholders' equity	1,006	(2)	3,054	744	4,802	(1)	4,800
Total changes during period	1,006	(2)	3,054	744	4,802	(1)	8,601
Balance at end of period (Balance, March 31, 2024)	1,390	-	4,762	4,502	10,655	288	64,897

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 (Apr. 1, 2022 – Mar. 31, 2023)	FY2023 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	13,286	28,634
Depreciation	1,872	1,873
Amortization of long-term prepaid expenses	86	94
Increase (decrease) in allowance for doubtful accounts	(5)	(213)
Increase (decrease) in provision for bonuses	153	305
Decrease(increase) in retirement benefit asset	(518)	(1,557)
Increase (decrease) in retirement benefit liability	(499)	332
Increase (decrease) in provision for shareholder benefit program	(3)	(8)
Increase (decrease) in provision for point card certificates	(5)	0
Increase (decrease) in provision for founder meritorious bonus upon retirement	(300)	-
Interest and dividend income	(727)	(1,210)
Interest income on securities	-	(74)
Interest expenses	173	180
Loss (gain) on disposal of non-current assets	19	56
Impairment losses	123	37
Loss (gain) on sale of investment securities	12	12
Loss (gain) on valuation of investment securities	157	-
Loss on valuation of shares of subsidiaries and associates	122	-
Gain on liquidation of subsidiaries and associates	-	(581)
Decrease (increase) in trade receivables	(1,885)	(4,750)
Decrease (increase) in inventories	(957)	(1,876)
Decrease (increase) in other assets	(158)	470
Increase (decrease) in trade payables	177	767
Increase (decrease) in accrued consumption taxes	66	11
Increase (decrease) in contract liabilities	593	424
Increase (decrease) in other liabilities	1,993	3,037
Other, net	671	4
Subtotal	14,449	25,973
Interest and dividends received	703	1,157
Interest paid	(204)	(214)
Income taxes paid	(3,837)	(4,743)
Income taxes refund	414	-
Net cash provided by (used in) operating activities	11,525	22,173
Cash flows from investing activities		
Payments into time deposits	(23,228)	(28,462)
Proceeds from withdrawal of time deposits	20,316	27,270
Purchase of property and equipment	(658)	(1,685)
Proceeds from sale of property and equipment	74	5
Purchase of intangible assets	(347)	(654)
Purchase of investment securities	(786)	(3)
Proceeds from sale of investment securities	2,504	884
Proceeds from distributions from investment partnerships	18	8
Proceeds from collection of loans receivable	65	36
Payments of guarantee deposits	(174)	(178)
Proceeds from refund of guarantee deposits	125	59
Proceeds from liquidation of subsidiaries and associates	-	949
Other, net	11	(1,688)
Net cash provided by (used in) investing activities	(2,079)	(3,457)

	(Millions of yen)	
	FY2022	FY2023
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from financing activities		
Repayments of short-term borrowings	-	(300)
Proceeds from long-term borrowings	10,100	9,100
Repayments of long-term borrowings	(9,714)	(8,804)
Redemption of bonds	(462)	(332)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	-	31,121
Purchase of treasury shares	(0)	(10,878)
Dividends paid	(1,853)	(3,425)
Other, net	(787)	(776)
Net cash provided by (used in) financing activities	(2,718)	15,704
Effect of exchange rate change on cash and cash equivalents	1,275	1,375
Net increase (decrease) in cash and cash equivalents	8,003	35,796
Cash and cash equivalents at the beginning of the year	23,882	32,139
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	253	-
Cash and cash equivalents at the end of the year	32,139	67,935

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.