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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)



May 14, 2024

Company name: Bunka Shutter Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5930
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Scheduled date of ordinary general meeting of shareholders: June 18, 2024
 Scheduled date to commence dividend payments: June 19, 2024
 Scheduled date to file annual securities report: June 18, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate 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	%
Fiscal year ended								
March 31, 2024	221,076	11.0	14,472	49.4	15,941	59.5	10,582	34.0
March 31, 2023	199,179	9.3	9,685	6.4	9,992	10.0	7,899	17.8

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥14,427 million [50.9%]
 For the fiscal year ended March 31, 2023: ¥9,560 million [50.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	157.11	–	11.4	8.3	6.5
March 31, 2023	121.66	105.25	9.6	5.8	4.9

Reference: Share of profit of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥448 million
 For the fiscal year ended March 31, 2023: ¥148 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	206,879	103,924	50.2	1,458.84
March 31, 2023	177,246	82,776	46.6	1,348.39

Reference: Equity

As of March 31, 2024: ¥103,769 million

As of March 31, 2023: ¥82,602 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	15,642	(16,894)	9,513	39,149
March 31, 2023	7,515	(1,569)	(10,964)	31,027

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	21.00	–	21.00	42.00	2,673	34.5	3.3
Fiscal year ended March 31, 2024	–	21.00	–	34.00	55.00	3,930	35.0	3.9
Fiscal year ending March 31, 2025 (Forecast)	–	32.00	–	32.00	64.00		39.9	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate 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
Six months ending September 30, 2024	103,000	4.4	4,700	8.2	4,400	(12.4)	2,450	(20.4)	34.44
Fiscal year ending March 31, 2025	230,000	4.0	15,000	3.6	15,400	(3.4)	11,400	7.7	160.27

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	72,196,487 shares
As of March 31, 2023	72,196,487 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	1,065,082 shares
As of March 31, 2023	10,936,697 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	67,355,566 shares
Fiscal year ended March 31, 2023	64,929,587 shares

Note: The number of treasury shares at the end of the period includes the number of shares of Bunka Shutter Co., Ltd. (the "Company") held by the Board Incentive Plan trust. The Company's shares held by the trust are included in the treasury shares deducted in calculating the average number of shares outstanding during the period.

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	141,603	10.3	6,489	70.4	9,917	3.1	7,223	(24.2)
March 31, 2023	128,366	7.5	3,808	(7.2)	9,618	43.4	9,532	62.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	107.21	—
March 31, 2023	146.76	126.97

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	155,748	82,189	52.8	1,155.08
March 31, 2023	134,546	66,247	49.2	1,081.00

Reference: Equity

As of March 31, 2024: ¥82,189 million

As of March 31, 2023: ¥66,247 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “1. Overview of operating results, etc., (4) Future outlook” on page 4 of the attached materials for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts, etc.

(How to obtain supplementary material on financial results)

The Company plans to hold a briefing for analysts and institutional investors on May 27, 2024 (Monday). The Company also plans to post the supplementary material on earnings that will be used at the briefing on the Company’s website in addition to disclosing it on TDnet.

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1. Overview of operating results, etc.

(1) Overview of operating results during the fiscal year under review

In the fiscal year ended March 31, 2024, the Japanese economy maintained a moderate recovery trend mainly owing to the normalization of economic activities and a recovery in inbound tourism demand after COVID-19 was downgraded to a Class 5 disease, as well as improvements in employment and income conditions buoyed by wage hikes and the like.

On the other hand, the future outlook remains uncertain, due to such factors as the prolonged war in Ukraine, instability in the Middle East, and supply constraints caused by elevated commodity prices and labor shortages.

In the construction and housing industries too, in which the Bunka Shutter Group operates, there have been signs of a recovery in private capital expenditure and construction demand remains firm, but the situation remains unclear mainly because of weak figures for new housing starts due to skyrocketing construction costs and other factors.

Under these circumstances, the Group posted net sales of 221,076 million yen (up 11.0% year on year) in the fiscal year ended March 31, 2024. With regard to profits, as a result of all Group segments making every effort to secure profits by generating stronger sales and cutting costs, among other measures, operating profit came to 14,472 million yen (up 49.4% year on year), ordinary profit was 15,941 million yen (up 59.5% year on year), and profit attributable to owners of parent totaled 10,582 million yen (up 34.0% year on year).

Operating results by segment are as follows:

1. Shutter Business

Heavy-duty shutters for large-scale distribution warehouses and large commercial complexes performed strongly, resulting in net sales for the fiscal year ended March 31, 2024 of 91,094 million yen (up 15.5% year on year), and operating profit of 8,718 million yen (up 39.9% year on year).

2. Construction-Related Materials Business

Due to the strong performance of steel doors, etc. for large commercial complexes, factories and warehouses, net sales for the fiscal year ended March 31, 2024 came to 87,870 million yen (up 9.2% year on year), and operating profit was 4,427 million yen (up 67.4% year on year).

3. Service Business

Due to the strong results mainly from emergency repairs and periodic maintenance services, centering on the firm performance of consolidated subsidiary Bunka Shutter Service Co., Ltd., net sales amounted to 29,115 million yen (up 8.7% year on year), and operating profit was 5,280 million yen (up 16.3% year on year).

4. Refurbishment Business

This segment focuses on the renewal business, which mainly engages in renovation of buildings, and the housing remodeling business. The housing remodeling business experienced a slowdown. As a result, centering on BX Yutoriform Co., Ltd., net sales amounted to 5,973 million yen (down 6.2% year on year), and operating loss was 17 million yen (compared to an operating profit of 62 million yen in the same period of the previous fiscal year).

5. Other

The other businesses, including the water-sealing business which handles water-sealing equipment for dealing with the social problems of torrential rain, etc., performed strongly. Accordingly, net sales amounted to 7,022 million yen (up 5.4% year on year) and operating profit was 1,095 million yen (up 16.5% year on year).

(2) Overview of financial position during the fiscal year under review

Assets, liabilities and net assets

Total assets as of March 31, 2024 amounted to 206,879 million yen, an increase of 29,633 million yen from the end of the previous fiscal year. Current assets amounted to 120,049 million yen, an increase of 12,419 million yen from the end of the previous fiscal year. This is attributed mainly to increases in cash and deposits (8,745 million yen), electronically recorded monetary claims - operating (2,363 million yen), and notes and accounts receivable - trade, and contract assets (1,645 million yen), which offset a decrease in "other" in current assets (1,000 million yen). Non-current assets amounted to 86,830 million yen, an increase of 17,213 million yen from the end of the previous fiscal year. This is attributed mainly to increases in goodwill (7,058 million yen), "other" in intangible assets (3,831 million yen), investment securities (3,822 million yen), machinery, equipment and vehicles (2,066 million yen), and right-of-use assets (1,605 million yen), which offset a decrease in construction in progress (1,077 million yen).

Liabilities as of March 31, 2024 amounted to 102,954 million yen, an increase of 8,484 million yen from the end of the previous fiscal year. Current liabilities amounted to 65,559 million yen, a decrease of 6,180 million yen. This is attributed mainly to a decrease owing to the conversion of the current portion of convertible-bond-type bonds with share acquisition rights (9,540 million yen) and a decrease in notes and accounts payable - trade (3,220 million yen), which offset increases in income taxes payable (2,675 million yen), accrued consumption taxes (1,472 million yen), current portion of long-term borrowings (802 million yen), and provision for bonuses (766 million yen). Non-current liabilities amounted to 37,395 million yen, an increase of 14,664 million yen. This is attributed mainly to an increase from the issuance of corporate bonds (10,000 million yen) and increases in long-term borrowings (3,184 million yen), lease liabilities (1,629 million yen), and deferred tax liabilities (1,164 million yen), which offset a decrease in retirement benefit liability (1,310 million yen).

Net assets as of March 31, 2024 amounted to 103,924 million yen, an increase of 21,148 million yen from the end of the previous fiscal year. This is attributed mainly to an increase from the booking of profit attributable to owners of the parent (10,582 million yen), a decrease in treasury shares owing mainly to the allotment of treasury shares associated with the conversion of the current portion of convertible-bond-type bonds with share acquisition rights (10,550 million yen), as well as increases in the valuation difference on available-for-sale securities (2,350 million yen) and remeasurements of defined benefit plans (1,112 million yen), which offset a decrease from dividends paid (2,793 million yen).

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as "funds") as of March 31, 2024 increased by 8,122 million yen from the end of the previous fiscal year to 39,149 million yen.

The statuses of cash flows by type of activities for the fiscal year ended March 31, 2024 and their factors are described below.

(Cash flows from operating activities)

Funds provided from operating activities in the fiscal year ended March 31, 2024 were 15,642 million yen (up 108.1% year on year).

The main inflows were profit before income taxes of 15,873 million yen, depreciation of 4,704 million yen, a 1,883 million yen increase in other liabilities, a 766 million yen increase in provision for bonuses, and amortization of goodwill of 737 million yen, while the main outflows were income taxes paid of 3,522 million yen, a 3,068 million yen decrease in trade payables, and a 2,985 million yen increase in accounts receivable - trade, and contract assets.

(Cash flows from investing activities)

Funds used for investing activities in the fiscal year ended March 31, 2024 were 16,894 million yen (up 976.3% year on year).

The main inflows were proceeds from cancellation of insurance funds of 342 million yen, while the main outflows were purchase of shares of subsidiaries resulting in changes in the scope of consolidation of 11,871 million yen, purchase of property, plant and equipment of 3,834 million yen, and purchase of intangible assets of 801 million yen.

(Cash flows from financing activities)

Funds provided from financing activities in the fiscal year ended March 31, 2024 were 9,513 million yen (compared to 10,964 million yen funds used in the previous fiscal year).

The main inflows were proceeds from the issuance of bonds of 9,943 million yen and proceeds from long-term borrowings of 4,000 million yen, while the main outflows were dividends paid of 2,792 million yen and repayments of lease liabilities of 1,327 million yen.

(Reference) Changes in cash flow-related financial indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity-to-asset ratio (%)	46.4	50.1	48.7	46.6	50.2
Market value-based equity-to-asset ratio (%)	33.9	44.9	39.1	38.2	59.8
Interest-bearing liabilities to cash flows (years)	0.6	0.3	0.7	0.8	1.4
Interest coverage ratio (times)	57.2	88.0	43.2	33.9	49.2

Notes: 1. Each indicator is calculated based on consolidated financial figures.

2. The respective indicators are calculated by the following formulae:

Equity-to-asset ratio Equity / Total assets

Market value-based equity-to-asset ratio Market capitalization / Total assets

Interest-bearing liabilities to cash flows Interest-bearing liabilities / Cash flows

Interest coverage ratio Cash flows / Interest payment

3. Market capitalization is calculated based on the number of issued shares, excluding treasury shares.

4. “Cash flows” refer to “cash flows from operating activities” as shown on the consolidated statement of cash flows.

5. “Interest-bearing liabilities” refer to all liabilities for which interest is paid, among the liabilities recorded on the consolidated balance sheet. “Interest payment” refers to “interest paid” as shown on the consolidated statement of cash flows.

(4) Future outlook

Despite firm domestic demand driven mainly by personal consumption and capital investment and expectations for a continued gradual recovery in business sentiment, the outlook for the future remains uncertain, especially given there is no clear end in sight to the Russo-Ukrainian War and the situation in the Middle East has become increasingly unstable. In addition, factors such as the so-called “2024 problem” in the logistics and construction industries and excessive yen depreciation driving higher prices pose downside risks to the economy.

Even in the construction and housing industries in which the Bunka Shutter Group operates, non-residential investment is expected to remain firm, but housing investment will likely weaken due to the continued surge in house prices. In addition, there is no eliminating the various downside risks to the economy, including skyrocketing energy prices and transportation costs, which means the future outlook will remain clouded for the time being.

In this operating environment, for consolidated earnings in the fiscal year ending March 31, 2025, we forecast net sales of 230.0 billion yen, operating profit of 15.0 billion yen, ordinary profit of 15.4 billion yen, and profit attributable to owners of the parent of 11.4 billion yen.

(5) Basic Policy on profit distribution and dividends for the fiscal year under review and next fiscal year

Our basic policy on profit distribution is to determine dividends in consideration of earnings while setting our mind to maintaining a stable financial foundation by retaining profit in a sustained manner and to continuing to pay stable dividends to shareholders. More specifically, we target a consolidated dividend payout ratio of 35% as a guideline for shareholder returns.

For the fiscal year ended March 31, 2024, we plan to pay a year-end dividend of 34 yen per share. Combined with the interim dividend of 21 yen per share, the annual dividend comes to 55 yen per share. For future shareholder dividends, we will endeavor to further improve shareholder returns by targeting a consolidated dividend payout ratio of 40%.

For the next fiscal year, we forecast an annual dividend per share of 64 yen (interim dividend of 32 yen and year-end dividend of 32 yen).

2. Basic approach to the selection of accounting standards

Taking into account the comparability of consolidated financial statements over the period and the comparability between companies, the Group intends, for the time being, to prepare consolidated financial statements based on Japanese accounting standards.

Regarding the application of IFRS, our policy is to respond appropriately, taking domestic and international conditions into consideration.

3. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	31,405	40,151
Notes and accounts receivable - trade, and contract assets	45,290	46,935
Electronically recorded monetary claims - operating	8,267	10,631
Merchandise and finished goods	9,768	9,818
Work in process	1,862	1,406
Raw materials and supplies	7,444	8,654
Other	3,753	2,752
Allowance for doubtful accounts	(162)	(302)
Total current assets	107,629	120,049
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,631	12,320
Machinery, equipment and vehicles, net	4,339	6,406
Tools, furniture and fixtures, net	847	877
Land	12,616	13,121
Leased assets, net	1,199	1,297
Right-of-use assets, net	2,423	4,028
Construction in progress	1,732	654
Total property, plant and equipment	34,791	38,707
Intangible assets		
Goodwill	4,259	11,318
Leased assets	64	57
Other	4,266	8,098
Total intangible assets	8,590	19,474
Investments and other assets		
Investment securities	16,117	19,940
Distressed receivables	155	178
Retirement benefit asset	1,751	1,397
Deferred tax assets	5,906	4,939
Other	2,544	2,447
Allowance for doubtful accounts	(241)	(254)
Total investments and other assets	26,234	28,648
Total non-current assets	69,616	86,830
Total assets	177,246	206,879

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,825	15,604
Electronically recorded obligations - operating	21,217	21,552
Current portion of convertible-bond-type bonds with share acquisition rights	9,540	–
Short-term borrowings	1,482	1,352
Current portion of long-term borrowings	15	817
Lease liabilities	918	1,090
Income taxes payable	1,659	4,334
Accrued consumption taxes	678	2,151
Accrued expenses	6,734	6,697
Contract liabilities	4,047	4,244
Provision for bonuses	4,043	4,809
Provision for bonuses for directors (and other officers)	136	182
Provision for loss on construction contracts	341	373
Notes payable - facilities	263	142
Other	1,835	2,204
Total current liabilities	71,739	65,559
Non-current liabilities		
Bonds payable	–	10,000
Long-term borrowings	24	3,209
Lease liabilities	3,278	4,907
Deferred tax liabilities	682	1,847
Provision for retirement benefits for directors (and other officers)	256	247
Provision for share awards for directors (and other officers)	34	69
Retirement benefit liability	17,744	16,433
Guarantee deposits received	586	565
Long-term unearned revenue	7	7
Asset retirement obligations	53	53
Other	60	53
Total non-current liabilities	22,730	37,395
Total liabilities	94,469	102,954
Net assets		
Shareholders' equity		
Share capital	15,051	15,051
Capital surplus	12,280	11,292
Retained earnings	62,699	70,476
Treasury shares	(11,654)	(1,103)
Total shareholders' equity	78,377	95,716
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,675	5,026
Revaluation reserve for land	(46)	(46)
Foreign currency translation adjustment	543	908
Remeasurements of defined benefit plans	1,051	2,163
Total accumulated other comprehensive income	4,224	8,052
Non-controlling interests	174	155
Total net assets	82,776	103,924
Total liabilities and net assets	177,246	206,879

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	199,179	221,076
Cost of sales	149,109	161,727
Gross profit	50,070	59,349
Selling, general and administrative expenses	40,385	44,876
Operating profit	9,685	14,472
Non-operating income		
Interest income	19	51
Dividend income	258	266
Rental income	71	76
Insurance claim income	17	25
Surrender value of insurance policies	98	136
Subsidy income	15	2
Share of profit of entities accounted for using equity method	148	448
Foreign exchange gains	–	791
Gain on sale of scraps	119	121
Other	187	130
Total non-operating income	936	2,051
Non-operating expenses		
Interest expenses	221	333
Bond issuance costs	–	56
Commitment fees	7	25
Foreign exchange losses	162	–
Commission for purchase of treasury shares	158	–
Other	77	167
Total non-operating expenses	629	583
Ordinary profit	9,992	15,941
Extraordinary income		
Gain on sale of non-current assets	1,463	8
Gain on sale of investment securities	413	15
Total extraordinary income	1,877	23
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	118	91
Loss on sale of investment securities	31	–
Impairment losses	164	–
Settlement payments	140	–
Total extraordinary losses	454	91
Profit before income taxes	11,414	15,873
Income taxes - current	3,663	5,899
Income taxes - deferred	(164)	(625)
Total income taxes	3,498	5,273
Profit	7,916	10,599
Profit attributable to non-controlling interests	16	17
Profit attributable to owners of parent	7,899	10,582

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	7,916	10,599
Other comprehensive income		
Valuation difference on available-for-sale securities	(331)	2,189
Foreign currency translation adjustment	680	213
Remeasurements of defined benefit plans, net of tax	806	1,098
Share of other comprehensive income of entities accounted for using equity method	489	326
Total other comprehensive income	1,644	3,827
Comprehensive income	9,560	14,427
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,543	14,409
Comprehensive income attributable to non-controlling interests	16	17

(3) Consolidated statement of changes in equity

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	15,051	12,323	57,555	(5,157)	79,773
Changes during period					
Dividends of surplus			(2,724)		(2,724)
Profit attributable to owners of parent			7,899		7,899
Purchase of treasury shares				(7,305)	(7,305)
Disposal of treasury shares		(43)		808	765
Reversal of revaluation reserve for land			(30)		(30)
Net changes in items other than shareholders' equity					
Total changes during period	–	(43)	5,144	(6,496)	(1,395)
Balance at end of period	15,051	12,280	62,699	(11,654)	78,377

	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 period	2,975	(76)	(515)	197	2,580	158	82,512
Changes during period							
Dividends of surplus							(2,724)
Profit attributable to owners of parent							7,899
Purchase of treasury shares							(7,305)
Disposal of treasury shares							765
Reversal of revaluation reserve for land							(30)
Net changes in items other than shareholders' equity	(299)	30	1,058	854	1,644	15	1,660
Total changes during period	(299)	30	1,058	854	1,644	15	264
Balance at end of period	2,675	(46)	543	1,051	4,224	174	82,776

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	15,051	12,280	62,699	(11,654)	78,377
Changes during period					
Dividends of surplus			(2,793)		(2,793)
Profit attributable to owners of parent			10,582		10,582
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1,010)		10,550	9,540
Change in ownership interest of parent due to transactions with non-controlling interests		22			22
Increase (decrease) due to changes in surplus of associates accounted for using equity method			(10)		(10)
Net changes in items other than shareholders' equity					
Total changes during period	–	(988)	7,777	10,550	17,339
Balance at end of period	15,051	11,292	70,476	(1,103)	95,716

	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 period	2,675	(46)	543	1,051	4,224	174	82,776
Changes during period							
Dividends of surplus							(2,793)
Profit attributable to owners of parent							10,582
Purchase of treasury shares							(0)
Disposal of treasury shares							9,540
Change in ownership interest of parent due to transactions with non-controlling interests							22
Increase (decrease) due to changes in surplus of associates accounted for using equity method							(10)
Net changes in items other than shareholders' equity	2,350	–	365	1,112	3,827	(19)	3,808
Total changes during period	2,350	–	365	1,112	3,827	(19)	21,148
Balance at end of period	5,026	(46)	908	2,163	8,052	155	103,924

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	11,414	15,873
Depreciation	4,106	4,704
Amortization of goodwill	317	737
Increase (decrease) in allowance for doubtful accounts	44	133
Increase (decrease) in provision for bonuses	233	766
Increase (decrease) in provision for bonuses for directors (and other officers)	(17)	45
Increase (decrease) in provision for share awards for directors (and other officers)	34	34
Increase (decrease) in retirement benefit liability	(204)	274
Interest and dividend income	(278)	(318)
Interest expenses	221	333
Bond issuance costs	–	56
Loss (gain) on sale of investment securities	(382)	(15)
Impairment losses	164	–
Loss (gain) on disposal of non-current assets	(1,344)	82
Share of loss (profit) of entities accounted for using equity method	(148)	(448)
Decrease (increase) in accounts receivable - trade, and contract assets	(6,748)	(2,985)
Decrease (increase) in inventories	(3,968)	188
Increase (decrease) in trade payables	6,626	(3,068)
Increase (decrease) in receipt guarantee deposits	9	(21)
Decrease (increase) in other assets	(773)	781
Increase (decrease) in other liabilities	1,647	1,883
Other, net	190	96
Subtotal	11,146	19,134
Interest and dividends received	308	348
Interest paid	(221)	(317)
Income taxes paid	(3,717)	(3,522)
Net cash provided by (used in) operating activities	7,515	15,642
Cash flows from investing activities		
Decrease (increase) in time deposits	110	(623)
Proceeds from sale of investment securities	480	86
Purchase of investment securities	(19)	(25)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(397)	(11,871)
Proceeds from sale of property, plant and equipment	1,731	23
Purchase of property, plant and equipment	(3,176)	(3,834)
Purchase of intangible assets	(331)	(801)
Proceeds from cancellation of insurance funds	123	342
Loan advances	(55)	(69)
Proceeds from collection of loans receivable	95	76
Other, net	(129)	(196)
Net cash provided by (used in) investing activities	(1,569)	(16,894)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(130)
Proceeds from long-term borrowings	52	4,000
Repayments of long-term borrowings	(33)	(13)
Proceeds from issuance of bonds	–	9,943
Repayments of lease liabilities	(1,103)	(1,327)
Purchase of treasury shares	(7,464)	(0)
Proceeds from sale of treasury shares	305	–
Purchase of treasury shares of subsidiaries	–	(15)
Dividends paid	(2,720)	(2,792)
Dividends paid to non-controlling interests	(0)	(130)
Other, net	–	(20)
Net cash provided by (used in) financing activities	(10,964)	9,513
Effect of exchange rate change on cash and cash equivalents	80	(139)
Net increase (decrease) in cash and cash equivalents	(4,938)	8,122
Cash and cash equivalents at beginning of period	35,966	31,027
Cash and cash equivalents at end of period	31,027	39,149

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Changes in presentation)

(Consolidated balance sheet)

“Current portion of long-term borrowings,” which were included in “short-term borrowings” in the previous fiscal year, is separately presented in the fiscal year under review due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 1,498 million yen presented as “short-term borrowings” in the consolidated balance sheet for the previous fiscal year has been reclassified as “short-term borrowings” of 1,482 million yen and “current portion of long-term borrowings” of 15 million yen.

(Segment information, etc.)

a. Segment information

1. Overview of reportable segments

The Group’s reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group has branches by area, makes an overall strategy by area of the products and services it handles and develops business activities. The Board of Directors makes management decisions based on reports of business performance by product and service category.

Therefore, the Group is composed of segments by product and service, and has four reportable segments: Shutter Business, Construction-Related Materials Business, Service Business, and Refurbishment Business.

Shutter Business manufactures and sells shutters for factories and warehouses and shutters for stores. Construction-Related Materials Business manufactures and sells doors for commercial and residential buildings, partitions for schools and doors and exteriors for houses. Service Business provides maintenance and repair services for existing shutters and building materials. Refurbishment Business offers services of alteration to and/or extension of houses and replacement and repair of household equipment.

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting method for reportable segments is generally the same as that used to prepare the consolidated financial statements.

Profits of reportable segments are based on operating profit.

Inter-segment profits and transfers are based on prevailing market prices.

3. Explanation of net sales, profit (loss), asset, and other items, and information on disaggregation of revenue for each reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Shutter Business	Construction -Related Materials Business	Service Business	Refurbish- ment Business	Total				
Net sales									
Revenue from contracts with customers	78,891	80,481	26,774	6,367	192,514	6,665	199,179	–	199,179
Other revenue	–	–	–	–	–	–	–	–	–
Net sales to external customers	78,891	80,481	26,774	6,367	192,514	6,665	199,179	–	199,179
Inter-segment sales and transfers	5,207	39	448	7	5,702	870	6,572	(6,572)	–
Total	84,099	80,520	27,222	6,374	198,216	7,535	205,752	(6,572)	199,179
Segment profit	6,233	2,645	4,539	62	13,479	940	14,419	(4,734)	9,685
Segment assets	66,111	60,555	18,723	1,360	146,750	4,285	151,036	26,210	177,246
Others									
Depreciation (Note 4)	1,891	1,024	119	12	3,048	77	3,126	990	4,116
Amortization of goodwill	303	14	–	–	317	–	317	–	317
Share of profit of entities accounted for using equity method	–	148	–	–	148	–	148	–	148
Investments in entities accounted for using equity method	–	8,626	–	–	8,626	–	8,626	–	8,626
Increase in property, plant and equipment and intangible assets (Note 4)	2,311	1,403	139	10	3,865	27	3,892	837	4,729

Notes: 1. The category “Other” is an operating segment which is not included in the reportable segments, and it includes water-sealing business, solar power system business, real estate leasing business, furniture manufacturing and sales business, insurance agency business and architecture design business.

2. Adjustments are as described below.

- (1) The adjustment to segment profit (loss) of (4,734) million yen consists of (4,734) million yen for corporate expenses not allocated to any reportable segment and (0) million yen for inter-segment elimination. Corporate expenses consist primarily of general and administrative expenses related to administrative departments that do not belong to any reportable segment.
 - (2) The adjustment to segment assets of 26,210 million yen consists of 27,490 million yen for corporate assets not allocated to any reportable segment and (1,280) million yen for inter-segment elimination. Corporate assets consist primarily of excess operating funds (cash and deposits), long-term investment funds (investment securities), and assets related to administrative departments that do not belong to any reportable segment.
 - (3) The adjustment to depreciation of 990 million yen in Others is depreciation for corporate assets not attributable to reportable segments. The adjustment of 837 million yen of increase in property, plant and equipment and intangible assets is the increase in corporate assets that are not allocated to each reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.
 4. Depreciation and increase in property, plant and equipment and intangible assets in Others include amounts related to long-term prepaid expenses.

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Shutter Business	Construction -Related Materials Business	Service Business	Refurbish- ment Business	Total				
Net sales									
Revenue from contracts with customers	91,094	87,870	29,115	5,973	214,054	7,022	221,076	–	221,076
Other revenue	–	–	–	–	–	–	–	–	–
Net sales to external customers	91,094	87,870	29,115	5,973	214,054	7,022	221,076	–	221,076
Inter-segment sales and transfers	5,397	42	484	9	5,934	866	6,800	(6,800)	–
Total	96,492	87,913	29,599	5,983	219,988	7,888	227,877	(6,800)	221,076
Segment profit (loss)	8,718	4,427	5,280	(17)	18,408	1,095	19,503	(5,031)	14,472
Segment assets	83,386	64,698	20,649	1,139	169,874	4,409	174,283	32,595	206,879
Others									
Depreciation (Note 4)	2,486	1,084	118	11	3,700	71	3,771	942	4,713
Amortization of goodwill	737	–	–	–	737	–	737	–	737
Share of profit of entities accounted for using equity method	–	448	–	–	448	–	448	–	448
Investments in entities accounted for using equity method	–	9,362	–	–	9,362	–	9,362	–	9,362
Increase in property, plant and equipment and intangible assets (Note 4)	2,082	1,481	349	5	3,918	7	3,925	900	4,826

Notes: 1. The category “Other” is an operating segment which is not included in the reportable segments, and it includes water-sealing business, solar power system business, real estate leasing business, insurance agency business and architecture design business.

2. Adjustments are as described below.

- (1) The adjustment to segment profit (loss) of (5,031) million yen consists of (5,030) million yen for corporate expenses not allocated to any reportable segment and (0) million yen for inter-segment elimination. Corporate expenses consist primarily of general and administrative expenses related to administrative departments that do not belong to any reportable segment.
 - (2) The adjustment to segment assets of 32,595 million yen consists of 33,987 million yen for corporate assets not allocated to any reportable segment and (1,391) million yen for inter-segment elimination. Corporate assets consist primarily of excess operating funds (cash and deposits), long-term investment funds (investment securities), and assets related to administrative departments that do not belong to any reportable segment.
 - (3) The adjustment to depreciation of 942 million yen in Others is depreciation for corporate assets not attributable to reportable segments. The adjustment of 900 million yen of increase in property, plant and equipment and intangible assets is the increase in corporate assets that are not allocated to each reportable segment.
3. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.
 4. Depreciation and increase in property, plant and equipment and intangible assets in Others include amounts related to long-term prepaid expenses.

b. Related information

For the fiscal year ended March 31, 2023

1. Information by product and service

This information is omitted, because the same information is provided in the Segment information section.

2. Information by region

(1) Net sales

This information is omitted, because net sales to outside customers within Japan account for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Australia	Asia	Total
31,030	3,594	166	34,791

3. Information by major customer

This information is omitted, because no individual customer accounts for at least 10% of the net sales recorded on the consolidated statement of income.

For the fiscal year ended March 31, 2024

1. Information by product and service

This information is omitted, because the same information is provided in the Segment information section.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Australia	Other	Total
196,634	20,602	3,839	221,076

Note: Net sales are classified based on customer locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	Australia	New Zealand	Asia	Total
31,604	5,689	1,246	167	38,707

3. Information by major customer

This information is omitted, because no individual customer accounts for at least 10% of the net sales recorded on the consolidated statement of income.

c. Information of impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shutter Business	Construction-Related Materials Business	Service Business	Refurbishment Business	Other	Company-wide or elimination	Total
Impairment losses	–	–	164	–	–	–	164

For the fiscal year ended March 31, 2024

Not applicable.

d. Information on amortization of goodwill and unamortized balance by reportable segment

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shutter Business	Construction-Related Materials Business	Service Business	Refurbishment Business	Other	Company-wide or elimination	Total
Amortization of goodwill for the fiscal year under review	303	14	–	–	–	–	317
Balance of goodwill for the fiscal year under review	4,259	–	–	–	–	–	4,259

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shutter Business	Construction-Related Materials Business	Service Business	Refurbishment Business	Other	Company-wide or elimination	Total
Amortization of goodwill for the fiscal year under review	737	–	–	–	–	–	737
Balance of goodwill for the fiscal year under review	11,318	–	–	–	–	–	11,318

e. Information on gain on negative goodwill by reportable segment

For the fiscal year ended March 31, 2023

Not applicable.

For the fiscal year ended March 31, 2024

Not applicable.

(Per share information)

(Yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	1,348.39	1,458.84
Basic earnings per share	121.66	157.11
Diluted earnings per share	105.25	—

- Notes: 1. Diluted earnings per share for the fiscal year ended March 31, 2024 are not indicated, due to the absence of dilutive shares.
2. Shares of the Company owned by the trust related to the performance-linked and share-based remuneration plan for Directors are included in the treasury shares deducted from the total number of shares outstanding at the end of the period for the purpose of calculating net assets per share (300,000 shares as of the end of the previous fiscal year; 300,000 shares as of the end of the fiscal year under review). In calculating basic earnings per share and diluted earnings per share, these are included in the treasury shares deducted when calculating the average number of shares during the fiscal year (184,000 shares in the previous fiscal year; 300,000 shares in the fiscal year under review).
3. Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	7,899	10,582
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	7,899	10,582
Average number of common shares during the period (Shares)	64,929,587	67,355,566
Diluted earnings per share		
Adjustment on profit attributable to owners of parent (Millions of yen)	—	—
Increase in common shares (Shares)	10,125,868	—
[of which, convertible-bond-type bonds with share acquisition rights (shares)]	(10,125,868)	(—)
Summary of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

(Significant subsequent events)

Not applicable.

4. Other

Changes in officers

(i) Changes in representative
Not applicable.

(ii) Changes in officers (scheduled to take effect on June 18, 2024)

Candidates for Director (excluding those who serve as Audit and Supervisory Committee Members) to be newly elected

Tadahito Ooka, Director-Senior Operating Officer and responsible for manufacturing, new business, and product development (Currently Managing Operating Officer and responsible for manufacturing, new business, and product development)

Nobuki Goto, Director (part-time)

Reiko Kusunose (Currently Outside Director of NIPPO CORPORATION)

(Note) Nobuki Goto and Reiko Kusunose are candidates for new Outside Directors.

Retiring Directors (excluding those who serve as Audit and Supervisory Committee Members)

Yoshinori Shimamura, Director (scheduled to be appointed as Executive Advisor of the Company)

Yoshinori Fujita, Director (scheduled to be appointed as Executive Advisor of the Company)

Hiroki Yamasaki, Director (scheduled to be appointed as Executive Advisor of the Company)