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



May 15, 2024

Company name: RIX CORPORATION

Stock exchange listing: Tokyo Stock Exchange and Fukuoka Stock Exchange

Code number: 7525

URL: <https://www.rix.co.jp/en/>

Representative: Takashi Yasui, Representative Director, President and Executive Officer

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Scheduled date of ordinary general meeting of shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

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

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(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–March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	49,752	10.0	3,544	6.6	3,934	5.0	2,779	0.6
March 31, 2023	45,223	13.1	3,326	28.9	3,748	25.5	2,763	34.7

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥3,615 million [16.2%]

Fiscal year ended March 31, 2023: ¥3,110 million [49.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	343.79	–	12.4	10.0	7.1
March 31, 2023	340.03	–	13.7	10.5	7.4

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2024: ¥29 million

Fiscal year ended March 31, 2023: ¥32 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	41,117	24,073	57.4	2,915.60
As of March 31, 2023	37,442	21,684	56.8	2,632.88

(Reference) Equity: As of March 31, 2024: ¥23,583 million

As of March 31, 2023: ¥21,277 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 year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	1,496	(1,253)	(1,236)	6,751
March 31, 2023	2,128	(1,569)	(1,083)	7,693

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of 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	Million yen	%	%
March 31, 2023	–	50.00	–	85.00	135.00	1,095	39.7	5.4
March 31, 2024	–	70.00	–	71.00	141.00	1,142	41.0	5.1
March 31, 2025 (Forecast)	–	53.00	–	60.00	113.00		39.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024–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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	25,300	6.9	1,600	(9.0)	1,650	(18.8)	1,080	(23.9)	133.50
Full year	51,000	2.5	3,300	(6.9)	3,400	(13.6)	2,300	(17.3)	284.20

* Notes:

- (1) Changes in significant subsidiaries during the period under review: Yes
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
Newly included: 1 (RIX INDIA MANUFACTURING PVT. LTD.); Excluded: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (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: 8,640,000 shares
March 31, 2023: 8,640,000 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2024: 551,303 shares
March 31, 2023: 558,451 shares
 - 3) Average number of shares outstanding during the period:
Fiscal year ended March 31, 2024: 8,086,256 shares
Fiscal year ended March 31, 2023: 8,128,527 shares

(Reference) Summary of Non-consolidated Financial Results

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

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	40,687	11.8	2,863	12.0	3,261	10.3	2,337	7.1
March 31, 2023	36,402	12.9	2,556	17.3	2,957	15.3	2,182	23.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	288.72	–
March 31, 2023	268.10	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	33,317	18,376	55.2	2,268.70
As of March 31, 2023	30,278	16,839	55.6	2,080.68

(Reference) Equity: As of March 31, 2024: ¥18,376 million

As of March 31, 2023: ¥16,839 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Cautionary statement regarding forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “1. Overview of Operating Results, Etc. (4) Future Outlook” on page 5 of the Attachments for the assumptions underlying the forecasts and precautions when using the forecasts.

(How to obtain supplementary explanatory materials on financial results and contents of the financial results briefing session)

The Company plans to hold a financial results briefing session for institutional investors and analysts on Thursday, May 30, 2024. The presentation materials to be used at the session will be posted on the Company’s website promptly after the session.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The world economy showed a continued slowdown during the fiscal year under review due to a continuing spike in inflation despite a sign of slowdown and partly due to a decrease in personal consumption in the service industry. The recovery trend in the manufacturing sector varied by demand sector and region.

The Japanese economy continued to see a recovery of inbound tourism demand, with the number of foreign visitors to Japan reaching a record high in a single month. A recovery in foreign economies contributed to a trend of rising capital investment in the manufacturing sector.

Under these economic circumstances, the Group implemented measures under its medium-term plan “GP2023.” As a result, as for the consolidated financial results for the fiscal year ended March 31, 2024, the Group recorded net sales totaling ¥49,752 million (up 10.0% year on year), operating profit totaling ¥3,544 million (up 6.6% year on year), ordinary profit totaling ¥3,934 million (up 5.0% year on year), and profit attributable to owners of parent totaling ¥2,779 million (up 0.6% year on year).

Operating results by reportable segment are as follows. The Group manages business performance by industry to which customers belong, and thus designates the following eight industries as reportable segments: “Steel and Iron,” “Automobile,” “Electronics and Semiconductor,” “Rubber and Tire,” “Machine Tools,” “High-performance Material,” “Environment,” and “Paper and Pulp.”

(Steel and Iron)

On the global level, the steel and iron industry saw an increase in crude steel production year on year, particularly in India, where investment was high, despite a drop in demand for steel products due to China's economic slowdown. In Japan, demand from the automobile industry continued to remain firm, but demand for steel products for industrial machinery was weak due to China's economic downturn.

The Group focused on sales activities not only for production materials and components but also in the maintenance sector. This contributed to an increase in net sales, primarily due to sales of rolling process equipment parts for overseas steel mills, as well as sales of carburizing materials and the conveying equipment for raw material processing.

As a result, net sales for the steel and iron industry totaled ¥13,983 million (up 14.3% year on year).

(Automobile)

On the global level, automobile production continued to be brisk, as production and export of new energy vehicles continued to grow in China. In Japan, the impact of the ongoing supply shortage of automotive semiconductors waned, but domestic production declined as automobile production was halted due to the 2024 Noto Peninsula Earthquake and certification fraud issues.

The Group focused on sales and proposal activities in the battery and motor sectors, which are attracting attention in the CASE market. Consequently, net sales increased mainly due to orders for battery manufacturing lines and motor line equipment in Japan and North America and sales of safety control equipment to development departments.

As a result, net sales for the automobile industry totaled ¥10,403 million (up 10.1% year on year).

(Electronics and Semiconductor)

Globally, the electronics and semiconductor industry saw an increase in semiconductor sales, compared to the same period in the previous fiscal year, which saw a decrease. In Japan, sales of semiconductor production equipment increased year on year, and the semiconductor-related sector, including automotive and power semiconductors showed signs of recovery.

The Group focused on sales activities in the frontline and facilities and maintenance sectors, in addition to the repair and recycling businesses. Consequently, increases in the sales of different semiconductor production equipment components, related equipment repair projects, and semiconductor plant facility recycling projects contributed to the sales. However, sales did not match the high level of the previous fiscal year.

As a result, net sales for the electronics and semiconductor industry totaled ¥6,739 million (down 2.0% year on year).

(Rubber and Tire)

In Japan, sales fell year on year, with new vehicle tire sales, which are related to automotive industry trends, being particularly affected.

The Group continued to follow up on development projects while focusing on sales activities related to new

projects and capital investment, as in the previous quarter. This resulted in continued strong sales of valves and tire-related equipment originally produced by Group companies, particularly overseas, as well as sales of products originally produced by the Company for vulcanizing facilities, contributing to the increase in overall net sales.

As a result, net sales for the rubber and tire industry totaled ¥3,959 million (up 16.6% year on year).

(Machine Tools)

In the machine tools industry, investment restraints caused by a slowdown of China's economy persisted, and orders for small general-purpose machines particularly declined both in Japan and overseas, although there were variations based on the demand sector.

The Group focused on the development of new uses and sales of equipment to cater to requests for five-axis machine tools and integration of machine tools. Consequently, the Company generated revenue partly through the sales of coolant treatment equipment for the machining process. However, the result was negatively affected by sluggish industries.

As a result, net sales for the machine tools industry totaled ¥2,441 million (up 0.2% year on year).

(High-performance Material)

In the high-performance material industry, production of ethylene, a basic product, continued to decrease due to lower domestic consumption amid rising prices and slow recovery of demand in China.

The Group focused on making further inroads into pharmaceutical and cosmetic industries, as well as driving the repair and recycling businesses. This led to an increase in net sales, owing primarily to robust sales of seals, sales of large plastic blowers, and sales of components to medical equipment-related manufacturers, etc.

As a result, net sales for the high-performance material industry totaled ¥2,136 million (up 8.3% year on year).

(Environment)

In the environment industry, orders of environment-related equipment increased year on year for the manufacturing industry, but decreased overall, including other industries.

The Group focused on increasing its presence in the environment and energy industries, which are regarded as important in recent years. This resulted in the sale of inverters for environmental equipment, hydraulic equipment for steam power plants, and pumps and filters for wastewater treatment plants, contributing to an increase in net sales.

As a result, net sales for the environmental industry totaled ¥2,334 million (up 11.5% year on year).

(Paper and Pulp)

In the paper and pulp industry, exports of paper products increased, though demand for paper products continued to decline particular in Japan as a result of the spread of digitalization.

The Group made inroads into biomass material and energy sectors, which other companies focused on. This resulted in increased sales of bioethanol-related equipment, maintenance and modification projects of existing facilities, and sales of pumps for the paper manufacturing process, contributing to an increase in net sales.

As a result, net sales for the paper and pulp industry totaled ¥965 million (up 22.2% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets increased 5.6% from the end of the previous fiscal year to ¥30,648 million. Primary factors for the increase include an increase of ¥2,179 million in trade receivables, an increase of ¥298 million in inventories, and a decrease of ¥894 million in cash and deposits.

Non-current assets increased 24.2% from the end of the previous fiscal year to ¥10,469 million. Primary factors for the increase include an increase of ¥580 million in construction in progress and an increase of ¥904 million in investment securities.

As a result, total assets increased 9.8% from the end of the previous fiscal year to ¥41,117 million.

(Liabilities)

Current liabilities increased 7.2% from the end of the previous fiscal year to ¥15,432 million. Primary factors for the increase include an increase of ¥745 million in trade payables and an increase of ¥221 million in other.

Non-current liabilities increased 18.5% from the end of the previous fiscal year to ¥1,612 million. Primary factors for the increase include an increase of ¥231 million in deferred tax liabilities.

As a result, total liabilities increased 8.2% from the end of the previous fiscal year to ¥17,044 million.

(Net Assets)

Net assets increased 11.0% from the end of the previous fiscal year to ¥24,073 million. Primary factors for the increase include an increase of ¥1,525 million in retained earnings, an increase of ¥585 million in valuation difference on available-for-sale securities, and an increase of ¥120 million in foreign currency translation adjustment.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review decreased by ¥941 million from the end of the previous fiscal year to ¥6,751 million. The status of each cash flow and their factors are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥1,496 million. The main cash inflow factors were profit before income taxes of ¥3,940 million, depreciation of ¥413 million, and an increase of ¥649 million in trade payables. The main cash outflow factors were an increase of ¥2,135 million in trade receivables, an increase of ¥271 million in inventories, and income taxes paid of ¥1,011 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to ¥1,253 million. The main cash inflows were proceeds from sale and redemption of securities of ¥100 million, and proceeds from sale and redemption of investment securities of ¥107 million, while the main cash outflows were purchase of property, plant and equipment of ¥968 million, purchase of intangible assets of ¥184 million, purchase of investment securities of ¥150 million, and loan advances of ¥127 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥1,236 million. The main cash outflow dividends paid of ¥1,252 million.

(Reference) Trends in Cash Flow Indicators

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity ratio (%)	53.1	58.1	56.0	56.8	57.4
Equity ratio based on market value (%)	42.4	42.0	39.4	54.2	81.8
Interest-bearing debt to cash flows ratio (years)	1.0	0.9	0.9	0.9	1.3
Interest coverage ratio (times)	210.4	177.7	725.0	406.3	324.2

Equity ratio: Equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payment

(Notes) 1. Each index has been calculated in accordance with financial indicators on a consolidated basis.

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

3. Operating cash flow is used for cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid. Interest payment is equal to the amount of interest paid in the consolidated statements of cash flows.

(4) Future Outlook

With regards to the outlook for the future economic environment, while a gradual economic recovery is expected to continue in Japan, the overall economic situation is expected to remain uncertain due to such factors as soaring raw material prices, rising interest rates, and the prolonged depreciation of the yen, as well as the unstable international situation overseas due to conflicts in various regions caused by geopolitical risks and the conflict between the United States and China, and the impact of the economic slowdown in China.

Under these circumstances, the Group has formulated its medium-term plan “GP2026” for the period from FY2024 to FY2026, and as a “Cooperative Manufacturing and Trading Company,” we will strengthen internal and external collaboration, enhance our problem-solving capabilities, supply new original products, and expand our business domain.

Based on the above, for the fiscal year ending March 31, 2025, the Company expects consolidated net sales of ¥51,000 million (up 2.5% year on year), operating profit of ¥3,300 million (down 6.9% year on year), ordinary profit of ¥3,400 million (down 13.6% year on year), and profit attributable to owners of parent of ¥2,300 million (down 17.3% year on year).

2. Basic Policy on Selection of Accounting Standards

The Group plans to prepare its consolidated financial statements based on the Japanese GAAP for the time being, taking into account both time-series and cross-sectional comparability of the consolidated financial statements.

The Group will consider adopting IFRS (International Financial Reporting Standards) as appropriate in view of various conditions in Japan and abroad.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,695,704	7,800,802
Notes receivable – trade	749,553	731,318
Electronically recorded monetary claims – operating	3,138,483	4,103,900
Accounts receivable – trade	12,864,241	14,096,182
Securities	100,000	100,000
Merchandise and finished goods	2,512,353	2,893,226
Work in process	330,072	272,114
Raw materials and supplies	268,223	244,287
Prepaid expenses	91,301	104,099
Other	259,811	302,400
Allowance for doubtful accounts	(502)	(142)
Total current assets	29,009,241	30,648,188
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,383,148	3,463,471
Accumulated depreciation	(2,035,578)	(2,150,069)
Buildings and structures, net	1,347,570	1,313,401
Machinery, equipment and vehicles	1,833,124	1,963,930
Accumulated depreciation	(1,294,439)	(1,370,778)
Machinery, equipment and vehicles, net	538,684	593,151
Tools, furniture and fixtures	1,351,577	1,525,696
Accumulated depreciation	(1,070,827)	(1,172,786)
Tools, furniture and fixtures, net	280,750	352,909
Land	722,446	725,084
Leased assets	307,208	336,017
Accumulated depreciation	(171,017)	(186,286)
Leased assets, net	136,190	149,731
Construction in progress	585,968	1,166,743
Total property, plant and equipment	3,611,611	4,301,022
Intangible assets		
Other	365,832	733,987
Total intangible assets	365,832	733,987
Investments and other assets		
Investment securities	3,232,657	4,136,941
Long-term loans receivable	432,762	527,446
Guarantee deposits	248,273	256,753
Insurance funds	65,090	72,023
Retirement benefit asset	143,031	239,002
Deferred tax assets	126,496	10,351
Other	222,414	207,367
Allowance for doubtful accounts	(15,170)	(15,164)
Total investments and other assets	4,455,555	5,434,722
Total non-current assets	8,432,998	10,469,732
Total assets	37,442,239	41,117,921

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable – trade	653,297	558,626
Electronically recorded obligations – operating	5,287,815	6,232,507
Accounts payable – trade	4,697,885	4,593,263
Short-term borrowings	1,403,428	1,439,978
Current portion of long-term borrowings	21,600	21,600
Lease liabilities	28,566	34,809
Accrued expenses	960,981	964,721
Income taxes payable	487,447	569,333
Accrued consumption taxes	117,529	125,195
Accrued directors bonus	101,378	104,716
Contract liabilities	134,733	63,749
Other	502,562	723,706
Total current liabilities	14,397,226	15,432,208
Non-current liabilities		
Long-term borrowings	248,800	237,192
Lease liabilities	134,535	142,327
Deferred tax liabilities	30,336	261,597
Provision for retirement benefits for directors (and other officers)	86,460	79,075
Retirement benefit liability	673,742	694,030
Asset retirement obligations	44,483	44,731
Other	142,039	153,575
Total non-current liabilities	1,360,397	1,612,529
Total liabilities	15,757,624	17,044,737
Net assets		
Shareholders' equity		
Share capital	827,900	827,900
Capital surplus	1,069,472	1,083,828
Retained earnings	19,015,440	20,540,474
Treasury shares	(609,731)	(601,895)
Total shareholders' equity	20,303,081	21,850,307
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	705,354	1,290,735
Foreign currency translation adjustment	266,495	386,869
Remeasurements of defined benefit plans	2,851	55,498
Total accumulated other comprehensive income	974,700	1,733,103
Non-controlling interests	406,832	489,772
Total net assets	21,684,615	24,073,183
Total liabilities and net assets	37,442,239	41,117,921

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

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	45,223,670	49,752,635
Cost of sales	33,735,054	37,339,469
Gross profit	11,488,615	12,413,166
Selling, general and administrative expenses	8,162,204	8,868,686
Operating profit	3,326,410	3,544,480
Non-operating income		
Interest income	22,032	25,101
Dividend income	80,940	94,381
Share of profit of entities accounted for using equity method	32,815	29,319
Rental income from real estate	20,014	20,324
Foreign exchange gains	190,567	164,198
Gain on investments in investment partnerships	16,732	–
Purchase discounts	28,897	17,204
Other	45,571	61,173
Total non-operating income	437,573	411,704
Non-operating expenses		
Interest expenses	5,232	4,660
Loss on investments in investment partnerships	–	6,371
Other	10,487	10,850
Total non-operating expenses	15,719	21,882
Ordinary profit	3,748,265	3,934,301
Extraordinary income		
Gain on sale of non-current assets	560	1,430
Gain on sale of investment securities	–	71,681
Surrender value of insurance policies	2,935	9,689
Total extraordinary income	3,496	82,801
Extraordinary losses		
Loss on retirement of non-current assets	3,228	2,978
Impairment losses	17,849	–
Loss on valuation of investment securities	–	73,451
Total extraordinary losses	21,078	76,429
Profit before income taxes	3,730,683	3,940,674
Income taxes – current	961,150	1,074,790
Income taxes – deferred	(28,265)	44,591
Total income taxes	932,885	1,119,382
Profit	2,797,798	2,821,292
Profit attributable to non-controlling interests	33,884	41,334
Profit attributable to owners of parent	2,763,913	2,779,957

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	2,797,798	2,821,292
Other comprehensive income		
Valuation difference on available-for-sale securities	215,762	607,218
Foreign currency translation adjustment	111,304	129,397
Remeasurements of defined benefit plans, net of tax	(17,549)	52,647
Share of other comprehensive income of entities accounted for using equity method	3,461	5,218
Total other comprehensive income	312,979	794,481
Comprehensive income	3,110,777	3,615,774
Comprehensive income attributable to:		
Owners of parent	3,058,991	3,538,360
Non-controlling interests	51,786	77,413

(3) Consolidated Statements of Changes in Equity

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

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	827,900	1,057,212	16,986,591	(407,624)	18,464,080
Changes during period					
Dividends of surplus			(735,064)		(735,064)
Profit attributable to owners of parent			2,763,913		2,763,913
Disposal of treasury shares		12,260		9,658	21,918
Purchase of treasury shares				(211,765)	(211,765)
Net changes in items other than shareholders' equity					–
Total changes during period	–	12,260	2,028,848	(202,106)	1,839,001
Balance at end of period	827,900	1,069,472	19,015,440	(609,731)	20,303,081

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	494,706	164,516	20,400	679,623	356,366	19,500,069
Changes during period						
Dividends of surplus						(735,064)
Profit attributable to owners of parent						2,763,913
Disposal of treasury shares						21,918
Purchase of treasury shares						(211,765)
Net changes in items other than shareholders' equity	210,647	101,979	(17,549)	295,077	50,466	345,544
Total changes during period	210,647	101,979	(17,549)	295,077	50,466	2,184,546
Balance at end of period	705,354	266,495	2,851	974,700	406,832	21,684,615

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

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	827,900	1,069,472	19,015,440	(609,731)	20,303,081
Changes during period					
Dividends of surplus			(1,254,922)		(1,254,922)
Profit attributable to owners of parent			2,779,957		2,779,957
Disposal of treasury shares		14,356		7,912	22,269
Purchase of treasury shares				(77)	(77)
Net changes in items other than shareholders' equity					–
Total changes during period	–	14,356	1,525,034	7,835	1,547,225
Balance at end of period	827,900	1,083,828	20,540,474	(601,895)	21,850,307

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	705,354	266,495	2,851	974,700	406,832	21,684,615
Changes during period						
Dividends of surplus						(1,254,922)
Profit attributable to owners of parent						2,779,957
Disposal of treasury shares						22,269
Purchase of treasury shares						(77)
Net changes in items other than shareholders' equity	585,381	120,373	52,647	758,402	82,939	841,342
Total changes during period	585,381	120,373	52,647	758,402	82,939	2,388,568
Balance at end of period	1,290,735	386,869	55,498	1,733,103	489,772	24,073,183

(4) Consolidated Statements of Cash Flows

(Thousand 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	3,730,683	3,940,674
Depreciation	383,095	413,499
Impairment losses	17,849	–
Increase (decrease) in accounts payable-bonus to directors and statutory auditors	(8,490)	3,338
Increase (decrease) in net defined benefit asset and liability	1,350	(354)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(207,950)	(7,385)
Increase (decrease) in allowance for doubtful accounts	257	(366)
Interest and dividend income	(102,973)	(119,482)
Interest expenses	5,232	4,660
Foreign exchange losses (gains)	1,053	(2,898)
Share of loss (profit) of entities accounted for using equity method	(32,815)	(29,319)
Loss (gain) on sale of property, plant and equipment	(560)	(1,430)
Loss on retirement of property, plant and equipment	3,228	2,978
Loss (gain) on sale of investment securities	–	(71,681)
Loss (gain) on valuation of investment securities	–	73,451
Loss (gain) on investments in investment partnerships	(16,732)	6,371
Decrease (increase) in trade receivables	(1,382,674)	(2,135,799)
Decrease (increase) in inventories	(711,149)	(271,160)
Decrease (increase) in other assets	(50,962)	(16,733)
Increase (decrease) in trade payables	1,058,469	649,202
Increase (decrease) in accrued consumption taxes	9	1,219
Increase (decrease) in other liabilities	525,712	(46,076)
Subtotal	3,212,633	2,392,707
Interest and dividends received	103,582	120,059
Interest paid	(5,238)	(4,616)
Income taxes paid	(1,182,523)	(1,011,315)
Net cash provided by (used in) operating activities	2,128,453	1,496,835
Cash flows from investing activities		
Payments into time deposits	(938,727)	(961,008)
Proceeds from withdrawal of time deposits	847,750	930,182
Proceeds from sale and redemption of securities	100,000	100,000
Purchase of property, plant and equipment	(944,469)	(968,442)
Proceeds from sale of property, plant and equipment	2,816	1,430
Purchase of intangible assets	(155,346)	(184,021)
Purchase of investment securities	(272,934)	(150,970)
Proceeds from sale and redemption of investment securities	19,396	107,950
Proceeds from liquidation of investment securities	11,584	–
Purchase of shares of subsidiaries and associates	(123,863)	(50,000)
Loan advances	(26,530)	(127,136)
Proceeds from collection of loans receivable	42,551	65,352
Other payments	(138,745)	(25,021)
Other proceeds	6,751	8,178
Net cash provided by (used in) investing activities	(1,569,766)	(1,253,508)

(Thousand yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	21,750,000	19,160,100
Repayments of short-term borrowings	(21,868,525)	(19,127,795)
Proceeds from long-term borrowings	–	20,000
Repayments of long-term borrowings	(21,600)	(31,608)
Repayments of lease liabilities	(20,428)	(25,751)
Purchase of treasury shares	(211,765)	(77)
Proceeds from sale of treasury shares	21,918	22,269
Dividends paid	(732,270)	(1,252,519)
Dividends paid to non-controlling interests	(1,320)	(1,320)
Net cash provided by (used in) financing activities	(1,083,990)	(1,236,702)
Effect of exchange rate change on cash and cash equivalents	23,329	51,644
Net increase (decrease) in cash and cash equivalents	(501,973)	(941,730)
Cash and cash equivalents at beginning of period	8,195,404	7,693,431
Cash and cash equivalents at end of period	7,693,431	6,751,700

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, Etc.)

(Segment Information)

1 Overview of Reportable Segments

(1) Method of Determining Reportable Segments

The Company's reportable segments are components of the Company for which separate financial statements are available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group sells primarily industrial machinery and parts to a wide array of customers. Although the business management organizations of the sales division are organized by region as required by sales activities, the Group's performance by customer industry is the primary management objective because trends in customer industries have a significant impact on the Group's performance.

Accordingly, the Group is composed of industry segments based on the sales structure of each customer industry, and thus designates the following eight industries as reportable segments: "Steel and Iron," "Automobile," "Electronics and Semiconductor," "Rubber and Tire," "Machine Tools," "High-performance Material," "Environment," and "Paper and Pulp."

(2) Type of Products and Services Belonging to Each Reportable Segment

The Group manufactures and sells high-pressure hydraulic equipment, precision measurement & inspection products and other merchandise and products, though there is no relationship between the reportable segments and the merchandise, products and services handled by the Group.

2 Calculation of Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting methods used for the reported business segments are generally the same as those used in the preparation of the consolidated financial statements.

3 Information on Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment
For the previous fiscal year (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Reportable segment							
	Steel and Iron	Automobile	Electronics and Semiconductor	Rubber and Tire	Machine Tools	High-performance Material	Environment	Paper and Pulp
Net sales								
Net sales to outside customers	12,232,894	9,446,661	6,877,223	3,394,419	2,436,701	1,973,398	2,094,574	789,449
Inter-segment net sales or transfers	–	–	–	–	–	–	–	–
Total	12,232,894	9,446,661	6,877,223	3,394,419	2,436,701	1,973,398	2,094,574	789,449
Segment profit (loss)	1,269,416	1,138,916	512,139	300,444	286,085	188,476	158,559	69,759

	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Total				
Net sales					
Net sales to outside customers	39,245,322	5,978,347	45,223,670	–	45,223,670
Inter-segment net sales or transfers	–	–	–	–	–
Total	39,245,322	5,978,347	45,223,670	–	45,223,670
Segment profit (loss)	3,923,797	474,806	4,398,604	(1,072,193)	3,326,410

- (Notes) 1. The “Other” category is a business segment which is not included in the reportable segments and includes businesses for the food industry and shipbuilding industry.
2. An adjustment of ¥(1,072,193) thousand in segment profit (loss) includes ¥1,197,013 thousand for internal profit, ¥622,437 thousand for consolidation elimination, and ¥(2,891,644) thousand for selling, general and administrative expenses which are not attributable to the reportable segments.
3. Segment profit (loss) is adjusted with operating profit on the Consolidated Statements of Income.
4. Segment assets are not disclosed because the Company does not allocate assets to reportable segments.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Reportable segment							
	Steel and Iron	Automobile	Electronics and Semiconductor	Rubber and Tire	Machine Tools	High-performance Material	Environment	Paper and Pulp
Net sales								
Net sales to outside customers	13,983,530	10,403,413	6,739,370	3,959,136	2,441,585	2,136,364	2,334,851	965,026
Inter-segment net sales or transfers	–	–	–	–	–	–	–	–
Total	13,983,530	10,403,413	6,739,370	3,959,136	2,441,585	2,136,364	2,334,851	965,026
Segment profit (loss)	1,626,198	1,349,202	406,797	375,517	216,513	245,687	237,063	102,572

	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Total				
Net sales					
Net sales to outside customers	42,963,279	6,789,356	49,752,635	–	49,752,635
Inter-segment net sales or transfers	–	–	–	–	–
Total	42,963,279	6,789,356	49,752,635	–	49,752,635
Segment profit (loss)	4,559,551	580,152	5,139,703	(1,595,223)	3,544,480

- (Notes) 1. The “Other” category is a business segment which is not included in the reportable segments and includes businesses for the food industry and shipbuilding industry.
2. An adjustment of ¥(1,595,223) thousand in segment profit (loss) includes ¥1,094,163 thousand for internal profit, ¥564,003 thousand for consolidation elimination, and ¥(3,253,390) thousand for selling, general and administrative expenses which are not attributable to the reportable segments.
3. Segment profit (loss) is adjusted with operating profit on the Consolidated Statements of Income.
4. Segment assets are not disclosed because the Company does not allocate assets to reportable segments.

(Related Information)

For the previous fiscal year (from April 1, 2022 to March 31, 2023)

1 Information by Product and Service

(Thousand yen)

	High-pressure hydraulic equipment		Precision measurement & inspection products	Other		Total
	(Merchandise)	(Finished goods)	(Merchandise)	(Merchandise)	(Finished goods)	
Net sales to outside customers	24,025,753	4,346,561	1,555,925	14,255,003	1,040,426	45,223,670

2 Information by Region

(1) Net Sales

(Thousand yen)

Japan	Asia excluding Japan	Europe	North America	Other	Total
40,100,161	3,596,055	564,346	937,460	25,647	45,223,670

(Note) Net sales are based on the location of customers and are classified by country or region.

(2) Property, Plant and Equipment

(Thousand yen)

Japan	Thailand	China	Germany	US	Total
3,269,615	67,123	218,745	954	55,171	3,611,611

3 Information by Major Customer

(Thousand yen)

Name of the customer	Net sales	Relevant segment
NIPPON STEEL CORPORATION	5,273,495	Steel and Iron

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

1 Information by Product and Service

(Thousand yen)

	High-pressure hydraulic equipment		Precision measurement & inspection products	Other		Total
	(Merchandise)	(Finished goods)	(Merchandise)	(Merchandise)	(Finished goods)	
Net sales to outside customers	26,323,243	4,141,197	1,989,227	16,466,598	832,368	49,752,635

2 Information by Region

(1) Net Sales

(Thousand yen)

Japan	Asia excluding Japan	Europe	North America	Other	Total
43,040,949	4,726,440	590,024	1,338,258	56,962	49,752,635

(Note) Net sales are based on the location of customers and are classified by country or region.

(2) Property, Plant and Equipment

(Thousand yen)

Japan	Thailand	China	Germany	US	Total
3,895,818	65,659	252,829	750	85,965	4,301,022

3 Information by Major Customer

(Thousand yen)

Name of the customer	Net sales	Relevant segment
NIPPON STEEL CORPORATION	5,994,508	Steel and Iron

(Information on Impairment Loss on Non-current Assets by Reportable Segment)

For the previous fiscal year (from April 1, 2022 to March 31, 2023)

The amount of impairment losses for the previous fiscal year was ¥17,849 thousand, which was attributable to leased assets.

As the Group is composed of industry segments based on the sales structure of each industry to which its customers belong, impairment losses cannot be related to specific segments.

For the fiscal year under review (from April 1, 2023 to March 31, 2024)

Not applicable.

(Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment)

For the previous fiscal year (from April 1, 2022 to March 31, 2023) and the fiscal year under review (from April 1, 2023 to March 31, 2024)

Not applicable.

(Information on Gain on Bargain Purchase by Reportable Segment)

For the previous fiscal year (from April 1, 2022 to March 31, 2023) and the fiscal year under review (from April 1, 2023 to March 31, 2024)

Not applicable.

(Per Share Information)

	For the previous fiscal year (from April 1, 2022 to March 31, 2023)	For the fiscal year under review (from April 1, 2023 to March 31, 2024)
Net assets per share	¥2,632.88	¥2,915.60
Basic earnings per share	¥340.03	¥343.79

(Notes) 1. Diluted earnings per share are not shown because there are no potential shares with dilutive effects.
2. Basis for calculation of basic earnings per share

	For the previous fiscal year (from April 1, 2022 to March 31, 2023)	For the fiscal year under review (from April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (thousand yen)	2,763,913	2,779,957
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common shares (thousand yen)	2,763,913	2,779,957
Average number of common shares during the period (shares)	8,128,527	8,086,256

(Significant Subsequent Events)

Not applicable.

4. Others

(1) Overview of Production, Orders Received and Sales

1) Production Performance

The table below shows production performance by segment in the fiscal year under review.

Segment name	Production performance (thousand yen)	Year-on-year change (%)
All segments	5,098,028	88.5

- (Notes) 1. As the Group's products are difficult to classify into specific segments, production performance is represented collectively.
2. Amounts are based on sales price.

2) Status of Orders Received

The table below shows orders received by segment in the fiscal year under review.

Segment name	Orders received (thousand yen)	Year-on-year change (%)	Order backlog (thousand yen)	Year-on-year change (%)
Steel and Iron	14,039,199	109.8	2,088,159	102.7
Automobile	10,691,679	111.8	1,594,621	122.1
Electronics and Semiconductor	6,754,591	91.9	713,535	102.2
Rubber and Tire	3,852,863	111.2	585,018	84.6
Machine Tools	2,355,067	93.7	121,736	58.5
High-performance Material	2,402,283	143.9	382,358	328.4
Environment	2,486,940	121.3	669,113	129.4
Paper and Pulp	1,004,259	123.2	76,727	204.6
Other	7,081,957	107.2	1,383,564	126.8
Total	50,668,842	108.2	7,614,834	113.7

- (Note) Amounts are based on sales price.

3) Sales Performance

The table below shows sales performance by segment in the fiscal year under review.

Segment name	Sales performance (thousand yen)	Year-on-year change (%)
Steel and Iron	13,983,530	114.3
Automobile	10,403,413	110.1
Electronics and Semiconductor	6,739,370	98.0
Rubber and Tire	3,959,136	116.6
Machine Tools	2,441,585	100.2
High-performance Material	2,136,364	108.3
Environment	2,334,851	111.5
Paper and Pulp	965,026	122.2
Other	6,789,356	113.6
Total	49,752,635	110.0

- (Notes) 1. Inter-segment transactions are offset and eliminated.
 2. Sales by major customer and ratio of such sales to total sales:

Customer	Previous fiscal year		Fiscal year under review	
	Sales performance (thousand yen)	Ratio (%)	Sales performance (thousand yen)	Ratio (%)
NIPPON STEEL CORPORATION	5,273,495	11.7	5,994,508	12.0