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



May 15, 2024

Company name: Totech Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 9960
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 Scheduled date of general shareholders' meeting: June 26, 2024
 Scheduled date of commencing dividend payments: June 27, 2024
 Scheduled date of filing securities report: June 26, 2024
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual 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	140,732	11.1	9,905	28.1	10,585	29.5	7,004	33.9
March 31, 2023	126,696	15.1	7,730	22.8	8,172	14.8	5,230	10.7

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥10,273 million [68.0%]

Fiscal year ended March 31, 2023: ¥6,115 million [44.6%]

	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	170.36	–	14.2	11.0	7.0
March 31, 2023	127.43	–	12.0	9.2	6.1

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

Fiscal year ended March 31, 2024: ¥ – million

Fiscal year ended March 31, 2023: ¥ – million

(Note) The Company conducted a 3-for-1 stock split on April 1, 2024. “Basic earnings per share” was calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	100,479	53,437	53.2	1,299.26
As of March 31, 2023	92,058	45,492	49.4	1,107.88

(Reference) Equity: As of March 31, 2024: ¥53,434 million

As of March 31, 2023: ¥45,492 million

(Note) The Company conducted a 3-for-1 stock split on April 1, 2024. “Net assets per share” was calculated assuming that the stock split was conducted 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 year-end
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	9,939	(437)	(6,016)	8,524
March 31, 2023	4,758	(5,032)	(2,649)	4,938

2. Dividends

	Annual dividends per share					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			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	49.00	–	113.00	162.00	2,229	42.4	5.1
Fiscal year ended March 31, 2024	–	61.00	–	144.00	205.00	2,822	40.1	6.3
Fiscal year ending March 31, 2025 (Forecast)	–	24.00	–	49.00	73.00		40.0	

(Note) The Company conducted a 3-for-1 stock split on April 1, 2024. Figures for the fiscal years ended March 31, 2023 and 2024 are actual dividends before the stock split. Figures for the fiscal year ending March 31, 2025 (forecast) are based on figures after the stock split. The annual dividend for the fiscal year ending March 31, 2025 (forecast) without taking into account the stock split would be 219 yen.

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
Full year	146,000	3.7	10,500	6.0	11,000	3.9	7,500	7.1	182.36

(Note) The Company conducted a 3-for-1 stock split on April 1, 2024. “Basic earnings per share” in the forecast is calculated based on the number of shares outstanding after the stock split (excluding treasury shares).

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Future Outlook	4
2. Basic Policy on Selection of Accounting Standards	4
3. Consolidated Financial Statements and Principal Notes	5
(1) Consolidated Balance Sheets	5
(2) Consolidated Statements of Income and Comprehensive Income	7
Consolidated Statements of Income	7
Consolidated Statements of Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	9
(4) Consolidated Statements of Cash Flows	11
(5) Notes to Consolidated Financial Statements	12
(Notes on going concern assumption)	12
(Segment information, etc.)	13
(Per share information)	16
(Significant subsequent events)	16

1. Overview of Operating Results, etc.

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

With regard to the Japanese economy in the fiscal year under review, while rising domestic prices and the unstable international situation did have an impact, there was a trend toward recovery amidst improvements to employment and wage conditions.

Turning to the construction industry in which the Totech Group operates, despite a strong order intake owing to steady level of investment by both public and private sectors, the operating environment remains severe due to many supply issues such as the sustained high construction material prices and a chronic shortage of engineers. Under these circumstances, the Totech Group's operating results in the period under review were as follows.

Net sales amounted to ¥140,732 million (up 11.1% year on year) owing to new construction demand for redevelopment, primarily in major cities, in addition to capturing demand such as that for renewal with a view toward carbon neutrality, as well as data center demand. On the profit front, despite an increase in selling, general and administrative expenses due to a hike in salary levels (base-pay increases), gross profit rose steadily in proportion to the rise in net sales, leading to substantially higher profit, with operating profit amounting to ¥9,905 million (up 28.1% year on year), ordinary profit of ¥10,585 million (up 29.5%), and profit attributable to owners of parent totaled ¥7,004 million (up 33.9% year on year).

<Product sales business>

The product sales business primarily purchases and sells facilities equipment with a focus on air conditioners, controllers, and energy efficient equipment, and provides related installation and after-sales services, etc. In the fiscal year under review, owing to strong orders particularly due to the brisk demand associated with redevelopment projects in urban areas, net sales were ¥86,214 million (up 6.3% year on year). On the profit front, gross profit was ¥17,810 million (up 6.6% year on year) thanks to the expansion of air conditioner maintenance projects with relatively high profit margins.

<Construction business>

The construction business engages in instrumentation work, design and execution of a variety of construction, and maintenance. In the fiscal year under review, owing to worldwide efforts to achieve carbon neutrality moving forward and capturing large-scale facilities demand, such as for data centers, net sales came to ¥56,874 million (up 18.9% year on year) and gross profit was ¥16,715 million (up 12.2% year on year).

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

(Assets)

Total assets as of March 31, 2024 amounted to ¥100,479 million, an increase of ¥8,421 million from the end of the previous fiscal year. This was primarily attributable to a net increase of ¥3,178 million in trade receivables and inventories, an increase of ¥2,864 million in investment securities due to rising market value for investment securities, an increase of ¥2,635 million cash and deposits, and furthermore, an increase of ¥813 million in retirement benefit asset, despite a decrease of ¥1,008 million in intangible assets due to the amortization of goodwill and software.

(Liabilities)

Total liabilities as of March 31, 2024 amounted to ¥47,041 million, an increase of ¥476 million from the end of the previous fiscal year. This was primarily attributable to an increase of ¥1,378 million in notes and accounts payable - trade and electronically recorded obligations - operating, an increase of ¥1,215 million in other current liabilities due to an increase in accrued consumption taxes, as well as an increase of ¥1,292 million in deferred tax liabilities, despite a decrease of ¥3,325 million in interest-bearing liabilities.

(Net assets)

Total net assets as of March 31, 2024 amounted to ¥53,437 million, an increase of ¥7,945 million from the end of the previous fiscal year. This was primarily attributable to a net increase of ¥4,605 million in retained earnings in which dividends paid and other items were deducted from the recording of profit attributable to owners of parent, an increase of ¥2,083 million in valuation difference on available-for-sale securities resulting from a rise in the market value of held securities, an increase of ¥753 million in remeasurements of defined benefit plans on account of an increase in pension assets, and an increase of ¥433 million in foreign currency translation adjustment due to exchange rate fluctuations.

As a result, the equity ratio for the fiscal year under review stood at 53.2%, a 3.8% increase from the end of the previous fiscal year.

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

Cash and cash equivalents (hereinafter “Funds”) at the end of the fiscal year under review amounted to ¥8,524 million, an increase of ¥3,586 million from the end of the previous fiscal year.

The cash flows at the end of the fiscal year under review and their contributing factors are as follows.

(Cash flows from operating activities)

Funds provided from operating activities at the end of the fiscal year under review amounted to ¥9,939 million (the previous fiscal year saw income of ¥4,758 million). This was primarily attributable to an increase in Funds due to recording ¥10,560 million in profit before income taxes against the backdrop of strong business performance, a depreciation of ¥1,444 million, an increase of ¥1,326 million in trade payables, an increase of ¥893 million in accrued consumption taxes, a decrease of ¥759 million in accounts receivable – other, and ¥626 million gain on sale of non-current assets, although there was a decrease in Funds due to an increase of ¥3,223 million in trade receivables, in addition to ¥3,267 million in income taxes paid.

(Cash flows from investing activities)

Funds used in investing activities at the end of the fiscal year under review amounted to ¥437 million (the previous fiscal year saw expenditures of ¥5,032 million). This was primarily due to ¥1,410 million in purchase of property, plant and equipment, despite a net decrease of ¥1,010 million in time deposits.

(Cash flows from financing activities)

Funds used in financing activities at the end of the fiscal year under review amounted to ¥6,016 million (the previous fiscal year saw expenditures of ¥2,649 million). This was primarily due to a net decrease of ¥3,325 million in long-term and short-term borrowings and ¥2,393 million in dividends paid.

(4) Future Outlook

With respect to the future business environment, redevelopment projects, mainly in urban areas, and private-sector capital investments are expected to continue in the construction industry, although soaring energy and raw material prices, constraints on the supply of materials, aging of skilled workers, and a decline in the number of workers at construction sites are anticipated, and the operating environment which surrounds the Totech Group is expected to remain uncertain and difficult.

In order to respond to this situation, the Totech Group will aim to be a corporate group that is Good for people as set out in the Medium-term Management Plan (FY2023-2025), while promoting its future business centered on the framework of the following four strategies.

1. Investment in human resources

Human resources constitute an important foundation that supports the creation of social and economic values, and we will strengthen and invest in them across the Group.

2. ESG-focused management

We will promote concrete action plans from the perspectives of the environment, society, and governance for the benefit of all stakeholders.

3. Strengthen core business

We will further strengthen the comprehensive strengths of the Totech Group, which can provide a wide range of solutions in an integrated package, and enhance our profitability and growth potential.

4. Expand overseas business

We will expand our overseas business by broadening our solutions, customer base, and areas while strengthening our human resources and structure.

Through these growth strategies, the Company aims to achieve consolidated net sales of ¥155,000 million and consolidated ordinary profit of ¥12,000 million in the fiscal year ending March 31, 2026, the final year of the Medium-term Management Plan.

Regarding the full-year consolidated financial results forecast for the fiscal year ending March 31, 2025, the Company expects net sales of ¥146,000 million (up 3.7% compared to the fiscal year under review), operating profit of ¥10,500 million (up 6.0%), ordinary profit of ¥11,000 million (up 3.9%), and profit attributable to owners of parent of ¥7,500 million (up 7.1%).

2. Basic Policy on Selection of Accounting Standards

The stakeholders of the Totech Group consist mainly of shareholders, creditors, and business partners in Japan. Because the group has little need for financing from outside Japan, it applies Japanese GAAP for accounting standards.

In regard to the application of IFRS, the Company's policy is to apply the standards upon consideration of circumstances within and outside Japan.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,052	8,688
Notes and accounts receivable - trade, and contract assets	29,412	31,894
Electronically recorded monetary claims - operating	7,976	8,849
Inventories	4,424	4,248
Accounts receivable - other	1,917	1,811
Other	371	579
Allowance for doubtful accounts	(51)	(93)
Total current assets	50,103	55,978
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,489	13,922
Land	8,755	8,175
Leased assets	1,125	1,217
Construction in progress	1,948	16
Other	1,058	1,168
Accumulated depreciation	(4,738)	(4,230)
Total property, plant and equipment	20,639	20,269
Intangible assets		
Goodwill	1,633	1,171
Software	1,462	1,048
Software in progress	69	38
Other	1,153	1,051
Total intangible assets	4,318	3,310
Investments and other assets		
Investment securities	12,655	15,519
Deferred tax assets	449	447
Retirement benefit asset	277	1,091
Other	3,690	3,939
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	16,996	20,921
Total non-current assets	41,955	44,501
Total assets	92,058	100,479

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,480	14,388
Electronically recorded obligations - operating	9,030	9,501
Short-term borrowings	6,790	5,313
Income taxes payable	1,973	2,295
Provision for bonuses	2,956	2,919
Provision for bonuses for directors (and other officers)	13	14
Other	3,535	4,750
Total current liabilities	37,779	39,184
Non-current liabilities		
Long-term borrowings	5,537	3,688
Deferred tax liabilities	1,113	2,406
Provision for retirement benefits for directors (and other officers)	162	149
Retirement benefit liability	534	108
Other	1,436	1,504
Total non-current liabilities	8,785	7,857
Total liabilities	46,565	47,041
Net assets		
Shareholders' equity		
Share capital	1,857	1,857
Capital surplus	2,259	2,286
Retained earnings	35,833	40,439
Treasury shares	(261)	(222)
Total shareholders' equity	39,688	44,360
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,376	7,459
Foreign currency translation adjustment	412	846
Remeasurements of defined benefit plans	14	767
Total accumulated other comprehensive income	5,803	9,074
Non-controlling interests	–	3
Total net assets	45,492	53,437
Total liabilities and net assets	92,058	100,479

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	126,696	140,732
Cost of sales	95,086	106,181
Gross profit	31,610	34,550
Selling, general and administrative expenses	23,879	24,645
Operating profit	7,730	9,905
Non-operating income		
Interest income	17	42
Dividend income	236	283
Purchase discounts	393	414
Miscellaneous income	227	259
Total non-operating income	875	1,000
Non-operating expenses		
Interest expenses	87	100
Provision of allowance for doubtful accounts	–	62
Guarantee commission	74	85
Compensation expenses	72	–
Foreign exchange losses	4	5
Fraud-related losses	156	–
Miscellaneous losses	36	67
Total non-operating expenses	432	320
Ordinary profit	8,172	10,585
Extraordinary income		
Gain on sale of non-current assets	15	63
Gain on sale of investment securities	–	656
Total extraordinary income	15	720
Extraordinary losses		
Loss on sale of non-current assets	–	689
Impairment losses	56	–
Loss on valuation of investments in capital of subsidiaries and associates	–	55
Total extraordinary losses	56	745
Profit before income taxes	8,130	10,560
Income taxes - current	2,845	3,542
Income taxes for prior periods	202	–
Income taxes - deferred	(148)	14
Total income taxes	2,900	3,556
Profit	5,230	7,003
Loss attributable to non-controlling interests	–	(0)
Profit attributable to owners of parent	5,230	7,004

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	5,230	7,003
Other comprehensive income		
Valuation difference on available-for-sale securities	451	2,083
Foreign currency translation adjustment	653	433
Remeasurements of defined benefit plans, net of tax	(220)	753
Total other comprehensive income	884	3,270
Comprehensive income	6,115	10,273
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,115	10,275
Comprehensive income attributable to non-controlling interests	—	(1)

(3) Consolidated Statements of Changes in Equity

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,857	2,081	32,946	(134)	36,750
Changes of items during period					
Dividends of surplus			(2,342)		(2,342)
Profit attributable to owners of parent			5,230		5,230
Purchase of treasury shares				(159)	(159)
Disposal of treasury shares		178		31	210
Other					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	178	2,887	(127)	2,938
Balance at end of current period	1,857	2,259	35,833	(261)	39,688

	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 current period	4,924	(240)	234	4,919	-	41,669
Changes of items during period						
Dividends of surplus						(2,342)
Profit attributable to owners of parent						5,230
Purchase of treasury shares						(159)
Disposal of treasury shares						210
Other						
Net changes of items other than shareholders' equity	451	653	(220)	884		884
Total changes of items during period	451	653	(220)	884		3,823
Balance at end of current period	5,376	412	14	5,803	-	45,492

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,857	2,259	35,833	(261)	39,688
Changes of items during period					
Dividends of surplus			(2,394)		(2,394)
Profit attributable to owners of parent			7,004		7,004
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		26		39	65
Other			(3)		(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	26	4,605	38	4,671
Balance at end of current period	1,857	2,286	40,439	(222)	44,360

	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 current period	5,376	412	14	5,803	-	45,492
Changes of items during period						
Dividends of surplus						(2,394)
Profit attributable to owners of parent						7,004
Purchase of treasury shares						(0)
Disposal of treasury shares						65
Other						(3)
Net changes of items other than shareholders' equity	2,083	433	753	3,270	3	3,273
Total changes of items during period	2,083	433	753	3,270	3	7,945
Balance at end of current period	7,459	846	767	9,074	3	53,437

(4) Consolidated Statements of Cash Flows

(Million 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	8,130	10,560
Depreciation	1,335	1,444
Loss (gain) on sale of non-current assets	(15)	626
Impairment losses	56	–
Amortization of goodwill	550	567
Loss (gain) on sale of short-term and long-term investment securities	–	(656)
Loss on valuation of investments in capital	–	55
Interest and dividend income	(254)	(326)
Interest expenses	56	61
Foreign exchange losses (gains)	(5)	(4)
Fraud-related losses	156	–
Compensation expenses	72	–
Increase (decrease) in allowance for doubtful accounts	(10)	41
Increase (decrease) in provision for bonuses	289	(37)
Increase (decrease) in retirement benefit liability	(241)	684
Decrease (increase) in trade receivables	(5,756)	(3,223)
Decrease (increase) in inventories	(672)	186
Decrease (increase) in accounts receivable - other	793	759
Increase (decrease) in trade payables	2,843	1,326
Increase (decrease) in accrued consumption taxes	(153)	893
Other, net	(108)	(17)
Subtotal	7,066	12,942
Interest and dividend income received	254	326
Interest expenses paid	(57)	(61)
Fraud-related expenses paid	(103)	–
Compensation expenses paid	(72)	–
Income taxes paid	(2,329)	(3,267)
Net cash provided by (used in) operating activities	4,758	9,939
Cash flows from investing activities		
Payments into time deposits	(1,070)	(145)
Proceeds from withdrawal of time deposits	134	1,156
Purchase of property, plant and equipment	(4,304)	(1,410)
Proceeds from sales of property, plant and equipment	36	281
Purchase of intangible assets	(40)	(124)
Purchase of investment securities	(241)	(35)
Proceeds from sale and redemption of investment securities	23	208
Payments of leasehold and guarantee deposits	(51)	(202)
Other, net	483	(165)
Net cash provided by (used in) investing activities	(5,032)	(437)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	980	(1,500)
Proceeds from long-term borrowings	4,290	3,954
Repayments of long-term borrowings	(5,196)	(5,779)
Redemption of bonds	(32)	–
Dividends paid	(2,340)	(2,393)
Other, net	(349)	(297)
Net cash provided by (used in) financing activities	(2,649)	(6,016)
Effect of exchange rate change on cash and cash equivalents	200	100
Net increase (decrease) in cash and cash equivalents	(2,722)	3,586
Cash and cash equivalents at beginning of period	7,660	4,938
Cash and cash equivalents at end of period	4,938	8,524

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation method)

(Consolidated statements of income)

“Payments of leasehold and guarantee deposits,” which was included in “other, net” under “cash flows from investing activities” in the previous fiscal year, have been presented separately from the fiscal year under review due to their increased financial significance. The consolidated financial statements for the previous fiscal year have been reclassified in order to reflect this change in presentation.

As a result, “payments of leasehold and guarantee deposits” of ¥(51) million under “cash flows from investing activities” in the consolidated statement of cash flows for the previous fiscal year is presented separately, and “other, net” of ¥431 million is changed to ¥483 million.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The Totech Group's reportable segments are the units of the group for which financial information is separately available, and are regularly reviewed by the Board of Directors to make decisions on the allocation of managerial resources and assess financial results.

The Totech Group determines its operating segments taking into overall consideration mainly the market and the characteristics of the products and services. The group has two reportable segments: Product Sales Business and Construction Business. The main products and services included in each reportable segment are as follows.

(1) Product Sales Business: air conditioners, controllers, energy efficient equipment, and after-sales service

(2) Construction Business: instrumentation work, plumbing, electrical equipment work, and equipment installation work

2. Method for calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting treatment for reportable segments is in principle based on the method described in "Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements," and accounting treatment for certain inter-segment transactions is based on the Group's administrative accounting standards.

The profit of reportable segments is based on gross profit. Inter-segment income and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, liabilities and other items by reportable segment

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

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements
	Product Sales Business	Construction Business	Total				
Net sales							
Net sales to outside customers	78,897	47,766	126,663	32	126,696	-	126,696
Inter-segment net sales or transfers	2,187	70	2,258	-	2,258	(2,258)	-
Total	81,084	47,837	128,922	32	128,954	(2,258)	126,696
Segment profit (Note 3)	16,704	14,896	31,600	11	31,612	(2)	31,610
Segment assets	54,080	35,715	89,795	175	89,971	2,087	92,058
Other items							
Depreciation	-	3	3	15	18	(1)	17
Impairment losses	35	21	56	0	56	-	56
Changes in property, plant and equipment and intangible assets	981	1,528	2,509	0	2,509	-	2,509

(Notes) 1. The category of “Others” represents an operating segment not included in reportable segments, which operates a solar power business.

2. (1) The adjustment of segment profit of ¥(2) million mainly represents elimination related to inter-segment transactions.

(2) The adjustment of segment assets of ¥2,087 million includes ¥2,225 million of corporate assets not allocated to reportable segments and ¥(138) million of elimination of receivables and payables between reportable segments. Corporate assets mainly represent surplus operating funds and long-term investment funds.

3. Segment profit is adjusted against gross profit in consolidated statements of income.

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

(Million yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements
	Product Sales Business	Construction Business	Total				
Net sales							
Net sales to outside customers	83,880	56,808	140,689	43	140,732	-	140,732
Inter-segment net sales or transfers	2,334	65	2,400	-	2,400	(2,400)	-
Total	86,214	56,874	143,089	43	143,133	(2,400)	140,732
Segment profit (Note 3)	17,810	16,715	34,525	25	34,551	(0)	34,550
Segment assets	57,747	41,422	99,169	165	99,334	1,144	100,479
Other items							
Depreciation	-	5	5	13	18	(0)	17
Impairment losses	-	-	-	-	-	-	-
Changes in property, plant and equipment and intangible assets	2,808	1,945	4,754	1	4,756	-	4,756

(Notes) 1. The category of “Others” represents an operating segment not included in reportable segments, which operates a solar power business.

2. (1) The adjustment of segment profit of ¥(0) million mainly represents elimination related to inter-segment transactions.

(2) The adjustment of segment assets of ¥1,144 million includes ¥1,302 million of corporate assets not allocated to reportable segments and ¥(157) million of elimination of receivables and payables between reportable segments. Corporate assets mainly represent surplus operating funds and long-term investment funds.

3. Segment profit is adjusted against gross profit in consolidated statements of income.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,107.88	¥1,299.26
Basic earnings per share	¥127.43	¥170.36

- (Notes)
1. Diluted earnings per share are not presented because the Company has no dilutive shares.
 2. On April 1, 2024, the Company conducted a three-for-one stock split of shares of common stock. Net assets per share and basic earnings per share are calculated on the premise that the stock split was conducted at the beginning of the previous fiscal year.
 3. The basis for calculating basic 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 (Million yen)	5,230	7,004
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	5,230	7,004
Average number of common shares outstanding during the period (Shares)	41,046,384	41,114,122

(Significant subsequent events)

(Stock split and partial amendment to Articles of Incorporation)

The Company resolved, at a meeting of the Board of Directors held on January 31, 2024, to undertake a stock split and a partial amendment to its Articles of Incorporation following the stock split, effective April 1, 2024.

1. Purpose of the stock split

The purpose of the stock split was to lower the stock price per investment unit, thereby making it easier for investors to invest, increasing the liquidity of the Company's stock, and expanding its investor base.

2. Overview of the stock split

(1) Method of the stock split

Each share of Totech Corporation common shares owned by shareholders listed or recorded in the closing register of shareholders on the record date of Sunday, March 31, 2024, was split into three shares. Since this day fell on a non-business day of the shareholder registry administrator, the substantial record date is Friday, March 29, 2024.

(2) Number of shares to be increased by the stock split

1) Total number of issued shares prior to the stock split	13,988,000 shares
2) Number of shares to be increased by the stock split	27,976,000 shares
3) Total number of issued shares following the stock split	41,964,000 shares
4) Total number of shares authorized to be issued following the stock split	138,924,000 shares

(3) Schedule for the stock split

1) Public notice of record date (scheduled)	Friday, March 15, 2024
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2) Record date	Sunday, March 31, 2024
3) Effective date	Monday, April 1, 2024

(4) Impact on per share information

The effect on per share information is stated in (Per share information).

3. Partial amendment to Articles of Incorporation

(1) Reason for the amendment

In conjunction with the above stock split, pursuant to the provisions of Article 184, paragraph (2) of the Companies Act, the total number of authorized shares described in Article 5 of the Company's Articles of Incorporation was amended, effective April 1, 2024.

(2) Description of change

The description of change is as follows.

(Underlined part denotes a change.)

Current Articles of Incorporation	Proposed amendment
(Total number of shares authorized to be issued) Article 5. The total number of shares authorized to be issued by the Company shall be <u>46,308,000 shares.</u>	(Total number of shares authorized to be issued) Article 5. The total number of shares authorized to be issued by the Company shall be <u>138,924,000 shares.</u>

(3) Schedule of the amendment

Effective date of the partial amendment to the Articles of Incorporation Monday, April 1, 2024

5. Others

(1) Change in the amount of stated capital

The stock split will not result in a change in the amount of stated capital.

(2) Dividends

As the stock split took effect on April 1, 2024, the year-end dividend for the fiscal year ended March 31, 2024 with a record date of March 31, 2024 will be paid based on the number of shares before the stock split.