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

May 13, 2024

Company name: Restar Corporation
 Stock exchange listing: Tokyo
 Code number: 3156
 URL: <https://www.en.restargp.com/>
 Representative: Tomoharu Asaka Representative Director Vice President
 Contact: Atsuki Ishida Corporate Officer
 Phone: +81-3-3458-4618
 Scheduled date of Annual 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 briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

	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	512,484	5.2	15,930	10.5	9,690	(19.5)	7,004	(1.1)
March 31, 2023	487,129	21.9	14,423	90.1	12,043	79.4	7,085	18.9

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 8,254 million [16.7%]
 Fiscal year ended March 31, 2023: ¥ 7,075 million [16.6%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	232.95	231.91	8.5	3.4	3.1
March 31, 2023	235.64	234.73	8.9	4.7	3.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ 94 million
 Fiscal year ended March 31, 2023: ¥ 118 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	293,464	91,024	28.7	2,800.38
March 31, 2023	269,427	85,095	30.0	2,686.31

(Reference) Equity: As of March 31, 2024: ¥ 84,201 million
 As of March 31, 2023: ¥ 80,772 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 the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	15,460	(7,099)	(2,310)	39,771
March 31, 2023	(363)	(5,604)	3,713	31,984

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	40.00	-	75.00	115.00	3,457	48.8	4.4
March 31, 2024	-	55.00	-	60.00	115.00	3,457	49.4	4.2
Fiscal year ending								
March 31, 2025 (Forecast)	-	60.00	-	60.00	120.00		45.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	560,000	9.3	16,000	0.4	10,500	8.4	8,000	14.2	266.06

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: 1 (Company name: Restar WPG Corporation)

Exclusion: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 30,072,643 shares

March 31, 2023: 30,072,643 shares

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

March 31, 2024: 4,680 shares

March 31, 2023: 4,568 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 30,068,007 shares

Fiscal Year ended March 31, 2023: 30,068,248 shares

1. Overview of Operating Results

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

Forward-looking statements in the text are based on judgments made as of the end of the consolidated fiscal year under review.

During the consolidated fiscal year under review, the Japanese economy showed moderate improvement due to the further easing of restrictions on the economy and the recovery of inbound demand, with the COVID-19 reclassified as a class 5 infectious disease. Moreover, soaring energy and resource prices were also calming down. However, the outlook remained uncertain due to exchange rate trends, the economic slowdown in China, the prolonged conflict between Russia and Ukraine, and the increasingly tense situation in the Middle East.

Under these circumstances, AIT Japan Corporation, which was a subsidiary of WPG Holdings Limited (headquartered in Taipei, Taiwan), a world-class semiconductor trading company, became a consolidated subsidiary in July 2023, with the aim of accelerating global development to meet diversifying customer needs. In January 2024, four companies affiliated with TSUZUKI DENKI CO., LTD. became wholly owned subsidiaries: TSUZUKI EMBEDDED SOLUTIONS CO., LTD., TSUZUKI DENSAN TRADING (SHANGHAI) CO., LTD., TSUZUKI DENSAN HONG KONG CO., LTD., and TSUZUKI DENSAN SINGAPORE PTE.LTD. In addition, in February 2024, Restar HD has entered into a share transfer agreement and shareholders' agreement aimed at converting Dextrials Hong Kong Limited into a joint venture and made efforts to expand the strategic partnership.

We will continue to implement strategic measures for medium- and long-term growth to expand our business and further improve our business performance.

(Overview of Consolidated Operating Results)

(Million yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change (%)
Net sales	487,129	512,484	5.2%
Operating profit	14,423	15,930	10.5%
Ordinary profit	12,043	9,690	(19.5%)
Profit attributable to owners of parent	7,085	7,004	(1.1%)

• Performance Highlights

Net sales for the consolidated fiscal year under review reached a record high mainly due to the strong performance of the Procurement Business and the contribution of TSUZUKI EMBEDDED SOLUTIONS CO., LTD. (now Restar Embedded Solutions Corporation) as a consolidated subsidiary in the Semiconductor and Electronic Components Business. Operating profit reached a record high due to sales growth and the contribution of the Environmental Energy Business. On the other hand, ordinary profit fell due to an increase in borrowings and higher interest expenses resulting from higher interest rates. However, profit attributable to owners of parent remained almost unchanged, due in part to extraordinary income from the sale of non-current assets and cross-shareholdings.

As a result, net sales for the consolidated fiscal year under review were ¥512,484 million, up 5.2% year on year, operating profit was ¥15,930 million, down 10.5% year on year, ordinary profit was ¥9,690 million, down 19.5% year on year, and profit attributable to owners of parent was ¥7,004 million, down 1.1% year on year.

(Operating Results by Reportable Segment)

The Group has four reportable segments for the allocation of management resources and evaluation of business performance. These four segments are the Semiconductor and Electronic Components Business, the Procurement Business, the Electronic Equipment Business, and the Environmental Energy Business.

Effective from the consolidated fiscal year under review, the business segments to be included as reportable have been changed, and comparisons and analysis for the fiscal year under review are based on the new segments. The segment to which Vitec WPG Limited (located in Hong Kong) belongs has been changed from "Procurement Business" to "Semiconductor and Electronic Components Business."

1) Semiconductor and Electronic Components Business

Reportable Segment	Business	Business Description
Semiconductor and Electronic Components Business	Devices	Sales of semiconductors, electronic components, and related products in Japan and overseas; system proposals with a variety of line card combinations; provision of high-value-added solutions and technical support specializing in liquid crystal systems and overseas suppliers; design and manufacturing; LSI design development and support; and reliability test service
	EMS	Electronics manufacturing service for electronic components, modules, etc., with cutting-edge technology, procurement, production management and quality assurance at our factories

(Million yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change (%)
Net sales	343,637	347,629	1.2%
Devices	322,931	324,376	0.4%
EMS	20,705	23,253	12.3%
Segment profit	12,811	9,374	(26.8%)

• Performance Overview

In the devices business, sales slightly increased, due to strong sales for in-vehicle devices and the contribution of TSUZUKI EMBEDDED SOLUTIONS CO., LTD. as a consolidated subsidiary, although sales of industrial equipment, PCs and communication equipment weakened. In the EMS business, sales increased due to the expansion of the mainstay smartphone and in-vehicle displays to new customers. Segment profit decreased due to decline in gross profit caused by foreign exchange rate trends, the absence of special demand in the same period of the previous year, as well as inventory write-downs and allowance for doubtful accounts related to customers in sales in the devices business.

As a result, the Semiconductor and Electronic Components Business recorded net sales of ¥347,629 million, up 1.2% year on year, and segment profit of ¥9,374 million, down 26.8% year on year.

2) Procurement Business

Reportable Segment	Business	Business Description
Procurement Business	Procurement	Operation and proposal of optimal supply chain management through global procurement/trading for electronics and entrustment service for related operations

(Million yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change (%)
Net sales	104,538	124,270	18.9%
Segment profit	2,281	3,080	35.0%

• Performance Overview

Sales in the Procurement Business increased due to continued strong demand for in-vehicle products for major customers. Segment profit increased due to higher sales.

As a result, the Procurement Business recorded net sales of ¥124,270 million, up 18.9% year on year, and segment profit of ¥3,080 million, up 35.0% year on year.

3) Electronic Equipment Business

Reportable Segment	Business	Business Description
Electronic Equipment Business	Electronic equipment	Proposal, design, construction, and maintenance of solutions for video, audio, and communications in various fields such as broadcasting, business, education, medical care/life sciences, and public facilities
	System equipment	Development and manufacture of cashless payment terminals that combine our basic digital and communications technologies with near-field communication (NFC) technologies and sales of overseas made payment terminals; application development; development, manufacture, and sales of Individual Number authentication-related devices

(Million yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change (%)
Net sales	23,835	23,839	0.0%
Electronic equipment	18,997	20,411	7.4%
System equipment	4,837	3,427	(29.2%)
Segment profit	579	586	1.3%

- Performance Overview

In the electronic equipment business, sales increased mainly due to growth in medical and company-use products. In the system equipment business, sales decreased due to the absence of special demand for Individual Number authentication related devices in the same period of the previous year, despite increased sales of overseas-made payment terminals. Segment profit increased slightly, mainly due to an improved product mix.

As a result, the Electronic Equipment Business recorded net sales of ¥23,839 million, up 0.0% year on year, and segment profit of ¥586 million, up 1.3% year on year.

4) Environmental Energy Business

Reportable Segment	Business	Business Description
Environmental Energy Business	Energy	Community coexistence-based operation and management services for the introduction and popularization of renewable energy from our own solar power stations (in Japan and overseas) and wind power stations, etc.
	Power producer and supplier (PPS)	Electric power supply to public facilities and private-sector companies primarily using renewable energy, and electric power consulting including local production and consumption of the power for community revitalization
	Vegetable factory	Production and sale, as well as system consulting, of vegetables made in completely closed vegetable factories to commercial and retail markets including convenience stores, supermarkets, and food service chains

(Million yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change (%)
Net sales	15,117	16,744	10.8%
Energy	4,337	4,289	(1.1%)
Power producer and supplier (PPS)	9,437	10,763	14.0%
Vegetable factory	1,163	1,091	(6.2%)
Segment profit	397	4,757	-

- Performance Overview

In the energy business, sales remained strong owing partly to new operation of solar power generation in Japan and overseas, but decreased slightly due to lower sales of facilities and equipment. In the PPS business, sales increased owing mainly to the solid demand from the government sector. In the vegetable factory business, sales decreased slightly owing to lower sales to convenience

stores and the impact of the Noto Peninsula Earthquake on operations despite an expansion in sales mainly to major supermarkets. Segment profit increased significantly largely due to stable electricity purchase prices in the PPS business and the contribution of owned power sources.

As a result, the Environmental Energy Business recorded net sales of ¥16,744 million, up 10.8% year on year, and segment profit of ¥4,757 million, a 11.9-fold increase from the previous year.

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

Assets, Liabilities and Net Assets

Total assets at the end of the fiscal year under review increased by ¥24,037 million from the end of the previous fiscal year to ¥293,464 million. This was mainly due to an increase of ¥6,932 million in cash and deposits, ¥9,489 million in accounts receivable, ¥7,807 million in electronically recorded monetary claims - operating, and a decrease of ¥4,903 million in merchandise and finished goods.

Liabilities increased by ¥18,107 million from the end of the previous fiscal year to ¥202,439 million. This was mainly due to an increase of ¥11,584 million in short-term borrowings and ¥2,470 million in income taxes payable.

Net assets increased by ¥5,929 million from the end of the previous fiscal year to ¥91,024 million. This was mainly due to profit attributable to owners of parent of ¥7,004 million, dividends from capital surplus of ¥2,255 million, dividends from retained earnings of ¥1,653 million, a decrease of ¥2,489 million in non-controlling interests, and an increase of ¥541 million in foreign currency translation adjustment.

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

Cash flows and their main factors in the fiscal year under review are as follows.

(Cash flows from operating activities)

Cash and cash equivalents (“cash”) used in operating activities amounted to ¥15,522 million (¥363 million used in the previous fiscal year). This was mainly due to profit before income taxes of ¥12,000 million, and decreases of ¥12,943 million in inventories, ¥5,185 in accounts payable.

(Cash flows from investing activities)

Cash used in investing activities amounted to ¥7,099 million (¥5,604 million used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of ¥3,987 million, proceeds from sales of property, plant and equipment of ¥5,649 million, purchase of investments in subsidiaries resulting in change in scope of consolidation of ¥9,348 million.

(Cash flows from financing activities)

Cash provided by financing activities totaled ¥2,373 million (¥3,713 million provided in the previous fiscal year). This was mainly due to ¥5,788 million in net increase of short-term borrowings, ¥2,024 million in proceeds from long-term borrowings, ¥3,908 million in dividends paid, ¥4,063 million in repayments of long-term borrowings, and ¥1,512 million in repayments of lease obligations.

(Reference) Trends in Cash Flow Indicators

	11th Fiscal Period	12th Fiscal Period	13th Fiscal Period	14th Fiscal Period	15th Fiscal Period
	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
Capital Adequacy Ratio	35.7%	38.6%	32.1%	30.0%	28.7%
Capital Adequacy Ratio on a Market Value Basis	23.1%	32.2%	24.6%	24.3%	31.1%

Capital Adequacy Ratio: Shareholders' Equity/Total Assets

Capital Adequacy Ratio on a Market Value Basis: Gross Market Capitalization/Total Assets

(Notes) 1. All calculations are based on consolidated financial figures.

2. Gross market capitalization is calculated based on the total number of shares outstanding excluding treasury shares.
Gross market capitalization = Closing stock price at the end of the period × (total number of shares issued – number of treasury shares)

(4) Outlook for the Future

1) Forecast for the current fiscal year

The consolidated earnings forecast for the current financial year is shown in the table below.

(Million yen)	Year ended March 31, 2024	Year ending March 31, 2025	Full-year forecast YoY
Net sales	512,503,484	560,000	9.3 %
Operating profit	15,193,930	16,000	0.4 %
Ordinary profit	8,955,690	10,500	8.4 %
Profit attributable to owners of parent	6,481,004	8,000	14.2 %

2) Future initiatives

Based on its management philosophy of "We help society evolve by leveraging information and technology to create and deliver new value and services", the Group aims to be "the Electronics Value Platformer" and is promoting synergies between businesses, active co-creation with external partners, diverse business development, expansion in technological areas and sustainable scale expansion.

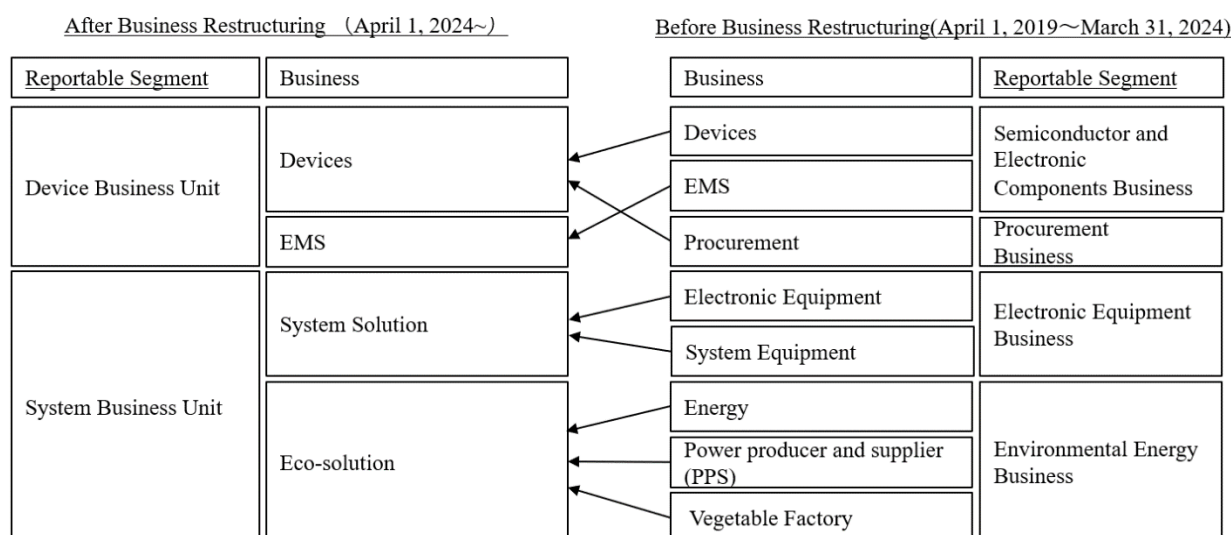
On April 1, 2024, the company carried out an absorption-type merger with Restar Electronics Corporation, Restar Communications Corporation, and Vitec Enesta Co., Ltd., in which the Company will be the surviving company, and started a new as "Restar Corporation". The Company had four reportable segments, "Semiconductor and Electronic Components Business," "Procurement Business," "Electronic Equipment Business," and "Environmental Energy Business," but as of April 1, 2024, the Company reorganized its group businesses and promote future initiatives in the following reportable segments and businesses.

Reportable Segment	Business	Initiatives
Devices business unit	Devices	<ul style="list-style-type: none"> • Further accelerate Group synergies and a cross-selling strategy • Promote initiatives to cultivate deeper customer relationships in the industrial equipment and in-vehicle markets, expand new businesses, and expand globally • Develop Group synergies based on supply chain management services • Expand business areas by providing value added
	EMS	<ul style="list-style-type: none"> • Rationalize of production lines • Selection through concentration and expand new businesses such as automotive
System business unit	System Solution	<ul style="list-style-type: none"> • Address challenge of new business model • Expand total solution provider functions • Develop new business areas utilizing payment terminals • Develop new markets through in-house development of authentication terminals and payment devices
	Eco-solution	<ul style="list-style-type: none"> • Expand Power Purchase Agreement (PPA) business • Build and provide energy management systems utilizing storage batteries • Secure stable power sources • Respond to power system reforms • Increase production efficiency and profitability

Comparison of each business unit and business forecast with the previous year's results

		Forecast	Fiscal year ended March 31, 2024	Change (%)
Net sales	Devices	493,800	448,752	110.0%
	EMS	23,100	23,269	99.3%
	Devices business unit	516,900	472,006	109.5%
	System Solution	25,700	24,165	106.4%
	Eco-solution	17,700	16,744	105.7%
	System business unit	43,400	40,909	106.1%
	Corporate and Adjustment	-300	-431	-
	Consolidated	560,000	512,484	109.3%
Operating profit	Devices	12,750	11,880	107.3%
	EMS	650	621	104.6%
	Devices business unit	13,400	12,501	107.2%
	System Solution	850	587	144.8%
	Eco-solution	1,750	4,757	36.8%
	System business unit	2,600	5,344	48.7%
	Corporate and Adjustment	0	-1,942	-
	Consolidated	16,000	15,930	100.3%

(Reference) Change of reportable segment and business name



(5) Basic Policy on Profit Distribution and Dividends for the Next Fiscal Year

The Company strives to improve returns to each of its shareholders by paying dividends and considering share buybacks while emphasizing financial stability based on the consolidated earnings forecast. In addition, along with aggressive strategic investments and investment in rationalization for future growth, we will continuously review the appropriate allocation of capital with the promotion of shareholder returns, and strive to increase corporate value through further profit growth and improvement of capital efficiency.

Under these policies, the Company will pay 60 yen per share, making an annual dividend of 115 yen per share, based on

comprehensive consideration of the aforementioned policies. The year-end dividend will be paid from capital surplus. The percentage of decrease in net assets is currently being calculated and will be disclosed at the time of the decision on the distribution of surplus.

For the fiscal year ending March 31, 2025, the Company plans to pay an interim dividend of 60 yen per share and a year-end dividend of 60 yen (both ordinary dividends), making an annual dividend of 120 yen.

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	32,987	39,919
Notes receivable - trade	387	417
Accounts receivable - trade	79,450	88,940
Electronically recorded monetary claims - operating	8,235	16,043
Contract assets	58	49
Merchandise and finished goods	73,062	68,158
Work in process	883	980
Raw materials and supplies	1,263	1,632
Other	14,791	19,806
Allowance for doubtful accounts	(303)	(124)
Total current assets	210,816	235,822
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,678	4,718
Accumulated depreciation	(3,448)	(2,475)
Buildings and structures, net	2,229	2,243
Machinery, equipment and vehicles	13,299	16,729
Accumulated depreciation	(3,962)	(4,917)
Machinery, equipment and vehicles, net	9,336	11,811
Tools, furniture and fixtures	2,834	3,264
Accumulated depreciation	(2,147)	(2,372)
Tools, furniture and fixtures, net	687	891
Leased assets	15,704	16,684
Accumulated depreciation	(7,426)	(8,202)
Leased assets, net	8,278	8,481
Land	2,712	1,217
Construction in progress	4,473	3,893
Total property, plant and equipment	27,717	28,538
Intangible assets		
Goodwill	6,165	5,460
Other	4,503	4,029
Total intangible assets	10,669	9,490
Investments and other assets		
Investment securities	5,779	4,062
Deferred tax assets	1,510	2,338
Bad debts	12,310	11,665
Long-term prepaid expenses	8,580	8,935
Other	4,023	4,438
Allowance for doubtful accounts	(11,979)	(11,827)
Total investments and other assets	20,224	19,614
Total non-current assets	58,611	57,642
Total assets	269,427	293,464

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	53,921	57,308
Short-term borrowings	85,409	96,993
Current portion of long-term borrowings	3,652	5,793
Lease liabilities	1,354	1,967
Income taxes payable	1,393	3,864
Contract liabilities	69	147
Provision for bonuses	1,281	1,334
Provision for bonuses for directors (and other officers)	40	120
Other	15,316	14,738
Total current liabilities	162,439	182,267
Non-current liabilities		
Long-term borrowings	9,036	6,688
Lease liabilities	7,314	6,845
Deferred tax liabilities	1,971	1,867
Retirement benefit liability	515	1,582
Other	3,054	3,187
Total non-current liabilities	21,892	20,172
Total liabilities	184,331	202,439
Net assets		
Shareholders' equity		
Share capital	4,383	4,383
Capital surplus	36,095	33,841
Retained earnings	37,976	43,461
Treasury shares	(8)	(9)
Total shareholders' equity	78,446	81,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	631	304
Deferred gains or losses on hedges	1	(1)
Foreign currency translation adjustment	1,721	2,263
Remeasurements of defined benefit plans	(28)	(42)
Total accumulated other comprehensive income	2,325	2,524
Share acquisition rights	113	123
Non-controlling interests	4,210	6,699
Total net assets	85,095	91,024
Total liabilities and net assets	269,427	293,464

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	487,129	512,484
Cost of sales	446,644	467,213
Gross profit	40,484	45,270
Selling, general and administrative expenses	26,061	29,340
Operating profit	14,423	15,930
Non-operating income		
Interest income	119	255
Dividend income	49	43
Insurance claim income	289	494
Gain on valuation of investment securities	294	-
Share of profit of entities accounted for using equity method	118	94
Gain on investments in silent partnerships	192	112
Other	460	217
Total non-operating income	1,523	1,217
Non-operating expenses		
Interest expenses	1,795	3,835
Loss on sale of receivables	476	1,366
Foreign exchange losses	1,129	617
Commission for syndicated loans	211	225
Other	290	1,412
Total non-operating expenses	3,903	7,458
Ordinary profit	12,043	9,690
Extraordinary income		
Surrender value of insurance policies	64	-
Gain on sale of non-current assets	-	1,882
Gain on sale of investment securities	194	883
Other	-	72
Total extraordinary income	258	2,838
Extraordinary losses		
Special survey costs, etc.	423	-
Loss on valuation of investment securities	370	34
Impairment losses	892	352
System failure response costs	-	86
Other	189	55
Total extraordinary losses	1,876	528
Profit before income taxes	10,425	12,000
Income taxes - current	3,208	4,945
Income taxes - deferred	(246)	(620)
Total income taxes	2,962	4,324
Profit	7,463	7,675
Profit attributable to non-controlling interests	377	671
Profit attributable to owners of parent	7,085	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	7,463	7,675
Other comprehensive income		
Valuation difference on available-for-sale securities	260	(326)
Deferred gains or losses on hedges	(198)	(6)
Foreign currency translation adjustment	(461)	931
Remeasurements of defined benefit plans, net of tax	11	(20)
Total other comprehensive income	(387)	578
Comprehensive income	7,075	8,254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,598	7,199
Comprehensive income attributable to non-controlling interests	476	1,054

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,383	36,651	33,747	(8)	74,773
Changes during period					
Dividends of surplus			(2,856)		(2,856)
Profit attributable to owners of parent			7,085		7,085
Purchase of treasury shares				(0)	(0)
Changes in ownership interest of subsidiaries		(555)			(555)
Change from newly consolidated subsidiary					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(555)	4,228	(0)	3,672
Balance at end of period	4,383	36,095	37,976	(8)	78,446

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	371	192	2,278	(30)	2,812	65	4,005	81,657
Changes during period								
Dividends of surplus								(2,856)
Profit attributable to owners of parent								7,085
Purchase of treasury shares								(0)
Changes in ownership interest of subsidiaries								(555)
Change from newly consolidated subsidiary								-
Net changes in items other than shareholders' equity	259	(190)	(557)	1	(486)	47	204	(233)
Total changes during period	259	(190)	(557)	1	(486)	47	204	3,438
Balance at end of period	631	1	1,721	(28)	2,325	113	4,210	85,095

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,383	36,095	37,976	(8)	78,446
Changes during period					
Dividends of surplus		(2,255)	(1,653)		(3,908)
Profit attributable to owners of parent			7,004		7,004
Purchase of treasury shares				(0)	(0)
Changes in ownership interest of subsidiaries					-
Change from newly consolidated subsidiary		1	134		135
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,253)	5,485	(0)	3,230
Balance at end of period	4,383	33,841	43,461	(9)	81,677

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	631	1	1,721	(28)	2,325	113	4,210	85,095
Changes during period								
Dividends of surplus								(3,908)
Profit attributable to owners of parent								7,004
Purchase of treasury shares								(0)
Changes in ownership interest of subsidiaries								-
Change from newly consolidated subsidiary								135
Net changes in items other than shareholders' equity	(326)	(2)	541	(13)	198	10	2,489	2,698
Total changes during period	(326)	(2)	541	(13)	198	10	2,489	5,929
Balance at end of period	304	(1)	2,263	(42)	2,524	123	6,699	91,024

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	10,425	12,000
Depreciation	2,854	2,981
Impairment losses	892	352
Amortization of goodwill	672	652
Intangible assets	585	587
Increase (decrease) in allowance for doubtful accounts	(1,580)	(1,868)
Increase (decrease) in retirement benefit liability	153	145
Interest and dividend income	(168)	(299)
Interest expenses	1,795	3,835
Foreign exchange losses (gains)	4,740	3,340
Share of loss (profit) of entities accounted for using equity method	(118)	(94)
Loss (gain) on sale of property, plant and equipment	(3)	(1,882)
Loss (gain) on investments in silent partnerships	(192)	(112)
Loss (gain) on sale of investment securities	(194)	(883)
Loss (gain) on valuation of investment securities	75	588
Decrease (increase) in accounts receivable - trade, and contract assets	(563)	(1,447)
Decrease (increase) in inventories	(19,209)	12,943
Increase (decrease) in trade payables	(385)	(5,185)
Decrease (increase) in accounts receivable - other	(260)	(3,617)
Increase (decrease) in accounts payable - other	6,221	81
Other, net	(864)	(1,035)
Subtotal	4,875	21,083
Interest and dividends received	141	292
Interest paid	(1,793)	(3,807)
Income taxes refund	77	404
Income taxes paid	(3,664)	(2,512)
Net cash provided by (used in) operating activities	(363)	15,460

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(2,311)	(252)
Proceeds from withdrawal of time deposits	1,329	1,196
Purchase of property, plant and equipment	(4,952)	(3,987)
Proceeds from sale of property, plant and equipment	2,776	5,649
Purchase of long-term prepaid expenses	(158)	(939)
Purchase of investment securities	(719)	(497)
Proceeds from sale of investment securities	275	1,649
Net decrease (increase) in short-term loans receivable	(268)	-
Proceeds from collection of long-term loans receivable	106	3
Payments of guarantee deposits	(1,316)	(526)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(200)	(9,348)
Other, net	(165)	(47)
Net cash provided by (used in) investing activities	(5,604)	(7,099)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,824	5,788
Repayments of lease liabilities	(993)	(1,512)
Payment for liquidation of debts	(328)	(328)
Proceeds from long-term borrowings	4,700	2,024
Repayments of long-term borrowings	(1,645)	(4,063)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,856)	(3,908)
Dividends paid to non-controlling interests	(151)	(44)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(835)	-
Other, net	-	(264)
Net cash provided by (used in) financing activities	3,713	(2,310)
Effect of exchange rate change on cash and cash equivalents	800	1,437
Net increase (decrease) in cash and cash equivalents	(1,453)	7,487
Cash and cash equivalents at beginning of period	33,438	31,984
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	298
Cash and cash equivalents at end of period	31,984	39,771