

Summary of Financial Statements for the Fiscal Year Ended March 31, 2024 [Japan GAAP]

May 13, 2024

Name of Listed Company: SENKO Group Holdings Co., Ltd. Stock Listed on: Tokyo Stock Exchange
 Code Number: 9069 URL <https://www.senkogrouphd.co.jp/en/>
 Representative: Title: President and Representative Director Name: Yasuhisa Fukuda
 Inquiries: Title: Executive Officer, Responsible for PR & IR Name: Shinzo Yoshimura Tel. (03) 6862-8842

Scheduled Date of Annual Meeting of Shareholders: June 26, 2024 Scheduled Date of Dividend Paid: June 27, 2024
 Scheduled Date of Issue of Financial Report: June 26, 2024
 Supplemental Information Materials: Yes
 Information Meeting for Financial Results: Yes (for analysts)

(Amounts less than ¥1 million have been rounded down)

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

(1) Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	778,370	11.8	29,906	17.1	30,503	16.6	15,944	3.9
Fiscal year ended March 31, 2023	696,288	11.7	25,535	3.1	26,151	0.2	15,341	0.7

(Note) Comprehensive income:

Fiscal year ended March 31, 2024 ¥26,273 million (31.1%) Fiscal year ended March 31, 2023: ¥20,036 million (13.9%)

	Profit per share	Diluted profit per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	106.25	94.08	9.4	4.8	3.8
Fiscal year ended March 31, 2023	102.90	91.11	10.0	4.9	3.7

(Reference) Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2024: ¥377 million Fiscal year ended March 31, 2023: ¥370 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	685,120	204,186	26.2	1,197.13
As of March 31, 2023	581,850	179,103	27.6	1,075.69

(Reference) Equity:

As of March 31, 2024: ¥179,208 million As of March 31, 2023: ¥160,510 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	51,214	(62,492)	33,157	79,284
Fiscal year ended March 31, 2023	47,694	(52,319)	17,730	56,147

2. Dividends

	Annual dividend					Aggregate amount (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	June 30	September 30	December 31	March 31	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	17.00	–	17.00	34.00	5,184	33.0	3.3
Fiscal year ended March 31, 2024	–	19.00	–	19.00	38.00	5,926	35.8	3.3
Fiscal year ending March 31, 2025 (Forecast)	–	21.00	–	21.00	42.00		34.9	

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

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half ending September 30, 2024	412,000	8.5	15,300	3.6	15,300	2.3	8,900	0.5	59.45
Fiscal year ending March 31, 2025	850,000	9.2	34,000	13.7	33,400	9.5	18,000	12.9	120.24

Notes

(1) Changes in significant subsidiaries during the fiscal year (Changes in specified subsidiaries associated with change in scope of consolidation):
None

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(3) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury shares)

As of March 31, 2024: 157,070,496 shares As of March 31, 2023: 157,070,496 shares

(b) Treasury shares

As of March 31, 2024: 7,372,422 shares As of March 31, 2023: 7,853,758 shares

(c) Average number of shares

Fiscal year ended March 31, 2024: 150,070,489 shares Fiscal year ended March 31, 2023: 149,091,281 shares

(Note) Starting with the third quarter of the fiscal year ended March 31, 2018, the number of treasury shares at term-end includes Senko shares owned by the trust accounts of Performance-linked Stock Compensation Plan for Employees (as of March 31, 2024: 805,545 shares; as of March 31, 2023: 334,566 shares) and Performance-linked Stock Compensation Plan for Directors (as of March 31, 2024: 788,972 shares; as of March 31, 2023: 316,723 shares). In addition, starting with the fourth quarter of the fiscal year ended March 31, 2023, the number of treasury shares at term-end includes Senko shares owned by the employee shareholding association support trust ESOP (as of March 31, 2024: 4,055,700 shares; as of March 31, 2023: 5,255,100 shares).

[Reference] Overview of Non-Consolidated Operating Results

Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	16,447	5.1	6,252	(12.3)	6,788	(7.4)	6,127	84.4
Fiscal year ended March 31, 2023	15,656	18.4	7,127	17.4	7,333	7.2	3,323	(44.1)

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended March 31, 2024	40.83	36.09
Fiscal year ended March 31, 2023	22.28	19.64

(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	371,591	72,569	19.4	482.42
As of March 31, 2023	320,672	71,058	22.0	473.76

(Reference) Equity:

As of March 31, 2024: ¥72,217 million

As of March 31, 2023: ¥70,692 million

This financial report is exempt from audit conducted by certified public accountants or an audit corporation.

Cautionary statement regarding forecasts of operating results and special notes

- Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the assumptions used for forecasts and precautions concerning the use of forecasts, please see "Forecasts" on page 3.
- The supplementary material on financial results will be available on the Company's website.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results and Others

(a) Overview of results of operations in the fiscal year ended March 31, 2024

In the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024), although economic activities have been normalizing after the reclassification of COVID-19 to Class 5, the outlook for the economic environment overall remained unclear with the worsening situation in the Middle East and the protraction of the Ukraine situation, concerns about the future of the Chinese economy, and an increasingly frugal mindset due to the rising price of goods.

Amid this environment, the Senko Group strived for growth in business performance during the second year of its five-year medium-term business plan.

The following provides an outline of our main activities in the fiscal year ended March 31, 2024.

In Logistics, the Company launched Wangan Yatomi PD Center (Yatomi-shi, Aichi) and Hyuga No. 2 PD Center (Hyuga-shi, Miyazaki) in April, Hanyu PD Center (Kazo-shi, Saitama) and Kanazawa No. 2 PD Center (Hakusan-shi, Ishikawa) in June, Noda No. 3 PD Center (Noda-shi, Chiba) in September, Joso PD Center (Joso-shi, Ibaraki) in December, and Hyogo Tojo PD Center (Kato-shi, Hyogo) in January.

In July, NAGASAKI UNSOU CO., LTD. was added to the Group to expand the logistics and heavy machinery business and strengthen the transportation capabilities of its nationwide network, and Simon Transport Pty. Ltd., a local Australian company with strengths in heavy cargo transport, joined the Group in March.

In Life Support, SERIO HOLDINGS CO., LTD., which was listed on the Tokyo Stock Exchange and operates businesses including a childcare business, after-school care business, and employment support business, was added to the Group in December through a public tender offer.

In Business Support, Ams Security Co., Ltd. and its subsidiary, Human Security Co., Ltd., were added to the Group in July to strengthen the security business, followed in February by the addition of INFOLOG PTE. LTD., an IT company that is developing logistics software in Singapore.

In initiatives to reduce environmental impact, SENKO Co., Ltd. and TOKYO NOHIN DAIKO Co. LTD. received a special award from Japan Association for Logistics and Transport at the 24th Logistics Environment Award in June. Moreover, SENKO Co., Ltd. received the 2023 Minister's Commendation for Excellent Transportation-related Environmental Conservation from the Ministry of Land, Infrastructure, Transport and Tourism in December.

The Group will continue to support and contribute to developing a sustainable society that supports people in their daily lives.

Full-year performance for the fiscal year was as follows.

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	%
Operating revenue	696,288	778,370	82,082	11.8
Operating profit	25,535	29,906	4,370	17.1
Ordinary profit	26,151	30,503	4,352	16.6
Profit attributable to owners of parent	15,341	15,944	603	3.9

Despite facing the impact of declining cargo movements in logistics, along with rising purchase prices and the like, owing to group-wide efforts to expand sales and revise tariffs and prices, along with the effect of promoting M&A, the Group achieved year-on-year increases in operating revenue, operating profit, ordinary profit and profit attributable to owners of parent.

Full-year operating revenue by segment was as follows.

Logistics

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	%
Operating revenue	475,833	495,626	19,793	4.2
Segment income	23,748	26,664	2,916	12.3

Notwithstanding the impact of declining cargo movements, a focus on sales expansion and initiatives to address tariff revisions, together with the effect of promoting M&A, caused operating revenue to increase by ¥19,793 million year on year to ¥495,626 million, and segment income rose by ¥2,916 million year on year to ¥26,664 million.

Trading & Commerce

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	%
Operating revenue	159,821	171,386	11,564	7.2
Segment income	2,421	2,359	(62)	(2.6)

Although we strived to revise prices and expand sales, we faced rising purchase prices and a decline in sales volume. As a result, operating revenue increased by ¥11,564 million year on year to ¥171,386 million, and segment income declined by ¥62 million year on year to ¥2,359 million.

Life Support

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	%
Operating revenue	38,985	50,237	11,252	28.9
Segment income	186	1,178	992	533.6

Owing to the contribution of revenue from M&A and initiatives such as price revisions, operating revenue increased by ¥11,252 million year on year to ¥50,237 million, and segment income rose by ¥992 million year on year to ¥1,178 million.

Business Support

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	%
Operating revenue	10,733	13,637	2,903	27.1
Segment income	1,252	1,932	680	54.3

We strived to expand sales and achieve recovery in the hotel business among other initiatives. As a result, operating revenue increased by ¥2,903 million year on year to ¥13,637 million, and segment income rose by ¥680 million year on year to ¥1,932 million.

Manufacturing

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	%
Operating revenue	10,604	47,101	36,497	344.2
Segment income (loss)	(180)	364	545	—

Owing to the contribution of revenue from CHUO KAGAKU CO., LTD., which is a manufacturer of food packaging and containers and was made a consolidated subsidiary during the previous fiscal year, operating revenue increased by ¥36,497 million year on year to ¥47,101 million, and segment income rose by ¥545 million year on year to ¥364 million.

(b) Forecasts

Despite concerns over uncertainties such as the risk of a downturn in overseas economies and price trends, the economy is expected to continue to recover gradually due to factors such as improvement in the income environment and the achievement of economic growth led by private-sector demand.

Amid this environment, the Group will continue its efforts to improve performance and achieve its five-year medium-term business plan.

For the next fiscal year, the Group forecasts consolidated operating revenue of ¥850,000 million, consolidated operating profit of ¥34,000 million, consolidated ordinary profit of ¥33,400 million, and profit attributable to owners of parent of ¥18,000 million.

(2) Financial condition

(a) Assets, liabilities and net assets

Total assets

Total assets as of March 31, 2024 were ¥685,120 million, ¥103,270 million higher than at the end of the previous fiscal year.

Current assets amounted to ¥239,866 million, up ¥38,093 million from the end of the previous fiscal year. This was mainly due to increases of ¥23,053 million in cash and deposits and ¥13,545 million in trade notes and accounts receivable, and contract assets.

Non-current assets totaled ¥445,254 million, up ¥65,176 million from the end of the previous fiscal year. This was primarily due to increases of ¥40,182 million in property, plant and equipment, ¥13,129 million in intangible assets, and ¥11,863 million in investments and other assets.

Liabilities

Liabilities as of March 31, 2024 increased by ¥78,187 million from the end of the previous fiscal year to ¥480,934 million.

Current liabilities totaled ¥216,183 million, up ¥50,826 million from the end of the previous fiscal year. This was mainly due to increases of ¥4,420 million in trade notes and accounts payable, ¥22,026 million in current portion of convertible-bond-type bonds with share acquisition rights, ¥12,905 million in short-term borrowings and ¥4,339 million in other current liabilities.

Non-current liabilities totaled ¥264,750 million, up ¥27,360 million from the end of the previous fiscal year. This was mainly due to increases of ¥37,423 million in long-term borrowings, ¥8,793 million in long-term lease liabilities and ¥2,703 million in deferred tax liabilities, despite a decrease of ¥22,054 million in convertible-bond-type bonds with share acquisition rights.

Net assets

Net assets as of March 31, 2024 rose by ¥25,083 million from the end of the previous fiscal year to ¥204,186 million. This was primarily due to increases of ¥10,332 million in retained earnings, ¥2,174 million in foreign currency translation adjustment, ¥4,517 million in remeasurements of defined benefit plans and ¥6,400 million in non-controlling interests. The equity ratio as of March 31, 2024 decreased by 1.4 percentage points to 26.2% from the end of the previous fiscal year.

(b) Cash flows

Cash and cash equivalents as of March 31, 2024 increased by ¥23,137 million from the end of the previous fiscal year to ¥79,284 million.

Net cash provided by operating activities amounted to ¥51,214 million. This was mainly due to a decrease in funds due to an increase in accounts receivable - trade, and contract assets of ¥10,432 million and income taxes paid of ¥9,504 million, despite profit before income taxes of ¥28,796 million, depreciation of ¥26,440 million, and increased funds due to an increase in accrued liabilities of ¥5,936 million.

Net cash used in investing activities totaled ¥62,492 million. This was mainly due to purchase of property, plant and equipment of ¥48,703 million and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥12,177 million.

Net cash provided by financing activities totaled ¥33,157 million. This was mainly due to net increase in short-term borrowings of ¥13,606 million, and proceeds from long-term borrowings of ¥50,674 million, despite repayments of long-term borrowings of ¥14,859 million, repayments of finance lease liabilities of ¥8,875 million, and dividends paid of ¥5,608 million.

(c) Performance indicators associated with cash flows

Fiscal years ended March 31	2020	2021	2022	2023	2024
Equity ratio (%)	35.1	30.9	30.5	27.6	26.2
Market capitalization equity ratio (%)	35.7	35.6	27.8	24.2	25.1
Interest-bearing debt to Cash flow	3.6	5.2	5.8	4.8	5.4
Interest coverage ratio	28.3	27.7	25.5	28.6	22.7

Notes: Equity ratio: Equity / Total assets

Market capitalization equity ratio: Market capitalization / Total assets

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

Interest coverage ratio: Operating cash flows / Interest expenses

- All figures are based on the consolidated financial statements.
- Market capitalization is calculated by multiplying the fiscal year-end stock price and the number of shares issued at the end of the fiscal year (after deducting treasury shares).
- Operating cash flows are the figure shown in the consolidated statement of cash flows. Interest-bearing debt is the sum of all liabilities on the consolidated balance sheet on which interest is paid. Interest expenses are the figure shown in the consolidated statement of cash flows.

(3) Fundamental policy for distribution of earnings and dividends for the current and the next fiscal years

While securing internal reserves necessary for future business development and management structure reinforcement, the basic policy of the Company is to return profits to shareholders by implementing stable dividends and dividends that are linked to business results with the aim of enhancing the return to its shareholders. In addition, under this policy, the Company aims to pay dividends with a payout ratio of 40% by the final fiscal year of the medium-term business plan (April 2022 to March 2027).

In accordance with this policy, the year-end dividend for the fiscal year ended March 31, 2024 is expected to be ¥19.00 per share.

Combined with the already declared interim dividend of ¥19.00, the total annual dividend is expected to be ¥38.00.

Regarding the dividend forecast for the fiscal year ending March 31, 2025, based on the forecast of operating results, the Company plans to pay an annual dividend of ¥42.00 per share (interim dividend of ¥21.00, year-end dividend of ¥21.00).

(4) Business risks

From the most recent Securities Report (dated June 28, 2023), which includes a section about business and other risks, there were no significant changes so disclosure will be omitted.

2. Basic Concept Regarding the Selection of Accounting Standards

To facilitate comparisons of its consolidated financial statements across time periods and with other companies, the Senko Group intends to prepare its consolidated financial statements based on Japanese generally accepted accounting principles (JGAAP) for the time being.

With regard to the adoption of International Financial Reporting Standards (IFRS), the Company intends to respond to this issue appropriately while giving consideration to various circumstances in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Unit: Millions of Yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	58,583	81,637
Trade notes and accounts receivable, and contract assets	97,197	110,742
Electronically recorded monetary claims - operating	4,476	5,417
Merchandise and finished goods	20,197	19,231
Work in process	909	780
Raw materials and supplies	3,136	3,060
Other	17,332	19,081
Allowance for doubtful accounts	(59)	(83)
Total current assets	201,773	239,866
Non-current assets		
Property, plant and equipment		
Buildings and structures	215,311	237,663
Accumulated depreciation	(103,396)	(118,716)
Buildings and structures, net	111,914	118,947
Machinery, equipment and vehicles	100,872	109,656
Accumulated depreciation	(70,635)	(76,694)
Machinery, equipment and vehicles, net	30,236	32,961
Tools, furniture and fixtures	22,004	23,703
Accumulated depreciation	(18,454)	(19,874)
Tools, furniture and fixtures, net	3,549	3,828
Land	114,478	124,096
Leased assets	38,250	56,655
Accumulated depreciation	(13,425)	(23,218)
Leased assets, net	24,824	33,436
Construction in progress	5,608	17,523
Total property, plant and equipment	290,612	330,795
Intangible assets		
Goodwill	11,727	24,079
Other	13,553	14,330
Total intangible assets	25,280	38,409
Investments and other assets		
Investment securities	20,248	22,276
Long-term loans receivable	541	669
Retirement benefit asset	10,207	17,907
Guarantee deposits	17,034	18,566
Deferred tax assets	5,571	5,914
Other	11,360	11,613
Allowance for doubtful accounts	(780)	(899)
Total investments and other assets	64,184	76,048
Total non-current assets	380,077	445,254
Total assets	581,850	685,120

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	56,058	60,478
Electronically recorded obligations - operating	11,091	11,650
Current portion of convertible-bond-type bonds with share acquisition rights	–	22,026
Short-term borrowings	40,543	53,448
Lease liabilities	6,892	9,907
Income taxes payable	5,113	7,733
Provision for bonuses	7,544	8,605
Provision for bonuses for directors (and other officers)	420	423
Provision for loss on disaster	170	48
Other	37,521	41,860
Total current liabilities	165,357	216,183
Non-current liabilities		
Bonds payable	40,000	40,000
Convertible-bond-type bonds with share acquisition rights	22,054	–
Long-term borrowings	124,292	161,716
Lease liabilities	25,022	33,815
Provision for retirement benefits for directors (and other officers)	608	480
Provision for special repairs	256	255
Provision for share awards	494	363
Retirement benefit liability	8,479	8,741
Asset retirement obligations	2,044	2,987
Deferred tax liabilities	7,973	10,677
Other	6,163	5,714
Total non-current liabilities	237,389	264,750
Total liabilities	402,747	480,934
Net assets		
Shareholders' equity		
Share capital	28,479	28,479
Capital surplus	31,318	31,283
Retained earnings	101,984	112,317
Treasury shares	(7,712)	(7,421)
Total shareholders' equity	154,070	164,659
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,668	2,995
Deferred gains or losses on hedges	(2)	88
Foreign currency translation adjustment	3,082	5,256
Remeasurements of defined benefit plans	1,690	6,207
Total accumulated other comprehensive income	6,439	14,548
Share acquisition rights	366	351
Non-controlling interests	18,226	24,627
Total net assets	179,103	204,186
Total liabilities and net assets	581,850	685,120

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Operating revenue	696,288	778,370
Operating costs	595,013	658,975
Operating gross profit	101,274	119,395
Selling, general and administrative expenses	75,738	89,488
Operating profit	25,535	29,906
Non-operating income		
Interest income	132	246
Dividend income	198	250
Share of profit of entities accounted for using equity method	370	377
Subsidy income	244	-
Rental income from land and buildings	402	486
Foreign exchange gains	167	452
Other	1,757	1,954
Total non-operating income	3,273	3,768
Non-operating expenses		
Interest expenses	1,668	2,287
Other	989	883
Total non-operating expenses	2,658	3,170
Ordinary profit	26,151	30,503
Extraordinary income		
Subsidy income	279	504
Gain on sale of investment securities	40	351
Gain on sale of non-current assets	253	305
Compensation income	-	246
Surrender value of insurance policies	-	113
Gain on bargain purchase	1,469	-
Total extraordinary income	2,043	1,520
Extraordinary losses		
Compensation expenses	132	640
Loss on tax purpose reduction entry of non-current assets	279	553
Loss on valuation of investment securities	-	515
Impairment losses	1,540	491
Loss on withdrawal from business	-	340
Loss on retirement of non-current assets	271	174
Loss on sale of non-current assets	-	174
Loss on sale of shares of subsidiaries and associates	-	151
Expenses related to commemoration for entity establishment	-	75
Loss on office withdrawal	184	-
Loss on cancellation of leases	50	-
Other	-	110
Total extraordinary losses	2,458	3,228
Profit before income taxes	25,736	28,796
Income taxes - current	8,907	11,497
Income taxes - deferred	507	(77)
Total income taxes	9,415	11,420
Profit	16,320	17,375
Profit attributable to non-controlling interests	979	1,431
Profit attributable to owners of parent	15,341	15,944

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Profit	16,320	17,375
Other comprehensive income		
Valuation difference on available-for-sale securities	207	1,387
Deferred gains or losses on hedges	(81)	103
Foreign currency translation adjustment	2,353	2,517
Remeasurements of defined benefit plans, net of tax	773	4,518
Share of other comprehensive income of entities accounted for using equity method	463	371
Total other comprehensive income	3,715	8,897
Comprehensive income	20,036	26,273
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,566	24,053
Comprehensive income attributable to non- controlling interests	1,469	2,219

(3) Consolidated statements of changes in equity

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

(Unit: Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,479	31,545	91,737	(8,159)	143,602
Changes during period					
Issuance of new shares					–
Dividends of surplus			(5,093)		(5,093)
Profit attributable to owners of parent			15,341		15,341
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(230)		447	217
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes in items other than shareholders' equity					–
Total changes during period	–	(227)	10,247	447	10,467
Balance at end of period	28,479	31,318	101,984	(7,712)	154,070

	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	1,472	70	755	916	3,215	388	13,648	160,854
Changes during period								
Issuance of new shares					–			–
Dividends of surplus					–			(5,093)
Profit attributable to owners of parent					–			15,341
Purchase of treasury shares					–			(0)
Disposal of treasury shares					–			217
Change in ownership interest of parent due to transactions with non-controlling interests					–			3
Net changes in items other than shareholders' equity	196	(72)	2,327	773	3,224	(22)	4,578	7,781
Total changes during period	196	(72)	2,327	773	3,224	(22)	4,578	18,248
Balance at end of period	1,668	(2)	3,082	1,690	6,439	366	18,226	179,103

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,479	31,318	101,984	(7,712)	154,070
Changes during period					
Issuance of new shares					–
Dividends of surplus			(5,611)		(5,611)
Profit attributable to owners of parent			15,944		15,944
Purchase of treasury shares				(1,431)	(1,431)
Disposal of treasury shares		(24)		1,722	1,697
Change in ownership interest of parent due to transactions with non-controlling interests		(9)			(9)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(34)	10,332	290	10,588
Balance at end of period	28,479	31,283	112,317	(7,421)	164,659

	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	1,668	(2)	3,082	1,690	6,439	366	18,226	179,103
Changes during period								
Issuance of new shares					–			–
Dividends of surplus					–			(5,611)
Profit attributable to owners of parent					–			15,944
Purchase of treasury shares					–			(1,431)
Disposal of treasury shares					–			1,697
Change in ownership interest of parent due to transactions with non-controlling interests					–			(9)
Net changes in items other than shareholders' equity	1,326	90	2,174	4,517	8,109	(15)	6,400	14,494
Total changes during period	1,326	90	2,174	4,517	8,109	(15)	6,400	25,083
Balance at end of period	2,995	88	5,256	6,207	14,548	351	24,627	204,186

(4) Consolidated statements of cash flows

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	25,736	28,796
Depreciation	22,429	26,440
Amortization of goodwill	1,333	1,567
Increase (decrease) in allowance for doubtful accounts	158	112
Decrease (increase) in retirement benefit asset	(2,504)	(7,700)
Increase (decrease) in retirement benefit liability	583	4,555
Increase (decrease) in provision for bonuses	398	898
Increase (decrease) in provision for share awards	158	(131)
Interest and dividend income	(330)	(497)
Interest expenses	1,668	2,287
Loss (gain) on sale of non-current assets	(253)	(130)
Loss on tax purpose reduction entry of non-current assets	279	553
Subsidy income	(279)	(504)
Compensation income	-	(246)
Loss (gain) on sale of investment securities	(40)	(351)
Surrender value of insurance policies	-	(113)
Gain on bargain purchase	(1,469)	-
Compensation expenses	132	640
Loss on valuation of investment securities	-	515
Impairment losses	1,540	491
Loss on withdrawal from business	-	340
Loss on retirement of non-current assets	271	174
Loss on sale of shares of subsidiaries and associates	-	151
Expenses related to commemoration for entity establishment	-	75
Loss on office withdrawal	184	-
Loss on cancellation of leases	50	-
Decrease (increase) in accounts receivable - trade, and contract assets	9,704	(10,432)
Decrease (increase) in inventories	(1,050)	1,177
Increase (decrease) in accrued liabilities	(3,243)	5,936
Other	1,913	7,021
Subtotal	57,371	61,629
Subsidies received	279	504
Interest and dividends received	936	842
Interest paid	(1,669)	(2,257)
Income taxes paid	(9,223)	(9,504)
Cash flows from operating activities	47,694	51,214
Cash flows from investing activities		
Payments into time deposits	(2,934)	(3,024)
Proceeds from withdrawal of time deposits	3,476	3,264
Purchase of property, plant and equipment	(34,578)	(48,703)
Proceeds from sale of property, plant and equipment	799	1,309
Purchase of intangible assets	(1,131)	(1,504)
Purchase of investment securities	(1,666)	(721)
Payments of guarantee deposits	(2,023)	(1,838)
Proceeds from refund of guarantee deposits	1,631	558
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(15,500)	(12,177)
Other	(391)	344
Cash flows from investing activities	(52,319)	(62,492)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,149)	13,606
Proceeds from long-term borrowings	48,346	50,674
Repayments of long-term borrowings	(13,424)	(14,859)
Repayments of finance lease liabilities	(6,603)	(8,875)
Purchase of treasury shares	(0)	(1,383)
Dividends paid	(5,089)	(5,608)
Dividends paid to non-controlling interests	(275)	(440)
Other	(72)	43
Cash flows from financing activities	17,730	33,157
Effect of exchange rate change on cash and cash equivalents	848	1,258
Net increase (decrease) in cash and cash equivalents	13,953	23,137
Cash and cash equivalents at beginning of period	42,193	56,147
Cash and cash equivalents at end of period	56,147	79,284