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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 22, 2023

Company name: RHEON AUTOMATIC MACHINERY CO., LTD.

Stock exchange listing: Tokyo

Code number: 6272

URL: <https://www.rheon.com>

Representative: Mikio Kobayashi

President & C.E.O.

Contact: Tadao Fukuda

Managing Operating Officer

Phone: 028-665-1111

Scheduled date of Annual General Meeting of Shareholders: June 27, 2023

Scheduled date of commencing dividend payments: June 28, 2023

Scheduled date of filing annual securities report: June 30, 2023

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, 2023 (April 01, 2022 to March 31, 2023)

(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, 2023	35,269	32.7	3,007	173.5	3,209	118.6	2,737	84.1
March 31, 2022	26,585	19.3	1,099	(21.7)	1,468	(9.5)	1,486	(7.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 3,534 million [59.4%]
Fiscal year ended March 31, 2022: ¥ 2,217 million [(2.2)%]

	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, 2023	102.13	101.88	9.2	8.4	8.5
March 31, 2022	55.47	55.34	5.4	4.1	4.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - 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, 2023	40,212	31,384	77.9	1,167.80
March 31, 2022	36,651	28,377	77.2	1,055.92

(Reference) Equity: As of March 31, 2023: ¥ 31,305 million
As of March 31, 2022: ¥ 28,303 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, 2023	3,091	(1,113)	(677)	11,440
March 31, 2022	3,648	(748)	(565)	10,000

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, 2022	-	8.00	-	8.00	16.00	428	28.8	1.6
March 31, 2023	-	12.00	-	19.00	31.00	831	30.4	2.8
Fiscal year ending March 31, 2024 (Forecast)	-	15.00	-	16.00	31.00		30.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% 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
Six months ended September 30, 2023	16,600	(4.3)	1,550	81.7	1,610	62.2	1,270	54.7	47.38
Full year	34,800	(1.3)	3,450	14.7	3,540	10.3	2,700	(1.4)	100.72

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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, 2023: 28,392,000 shares

March 31, 2022: 28,392,000 shares

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

March 31, 2023: 1,584,469 shares

March 31, 2022: 1,587,157 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 26,807,365 shares

Fiscal Year ended March 31, 2022: 26,802,852 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	18,807	20.5	1,989	64.3	2,626	33.8	2,417	30.5
March 31, 2022	15,607	11.3	1,210	54.0	1,962	47.0	1,853	10.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	90.19	89.96
March 31, 2022	69.14	68.98

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2023	31,818	25,618	80.3	952.69
March 31, 2022	29,317	23,532	80.0	875.17

(Reference) Equity: As of March 31, 2023: ¥ 25,539 million
As of March 31, 2022: ¥ 23,458 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	10,000,186	11,440,477
Notes and accounts receivable - trade	2,330,771	3,234,012
Merchandise and finished goods	4,474,788	5,339,139
Work in process	1,675,657	1,632,710
Raw materials and supplies	431,829	401,263
Other	903,724	637,868
Allowance for doubtful accounts	(24,604)	(21,490)
Total current assets	19,792,353	22,663,980
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,340,529	16,073,737
Accumulated depreciation	(8,077,671)	(8,720,808)
Buildings and structures, net	7,262,857	7,352,928
Machinery, equipment and vehicles	8,516,409	9,366,488
Accumulated depreciation	(7,112,203)	(7,855,260)
Machinery, equipment and vehicles, net	1,404,205	1,511,228
Tools, furniture and fixtures	1,964,886	2,031,752
Accumulated depreciation	(1,819,455)	(1,874,688)
Tools, furniture and fixtures, net	145,431	157,064
Land	3,908,191	3,976,623
Leased assets	45,286	8,741
Accumulated depreciation	(44,203)	(2,331)
Leased assets, net	1,082	6,410
Construction in progress	241,252	482,361
Total property, plant and equipment	12,963,021	13,486,616
Intangible assets	1,237,879	1,176,670
Investments and other assets		
Investment securities	975,683	1,241,474
Retirement benefit asset	1,454,691	1,350,370
Other	233,886	297,672
Allowance for doubtful accounts	(5,581)	(4,109)
Total investments and other assets	2,658,680	2,885,407
Total non-current assets	16,859,580	17,548,694
Total assets	36,651,934	40,212,675

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,143,424	1,195,475
Short-term borrowings	703,678	794,722
Lease liabilities	583	1,999
Accrued expenses	594,887	610,501
Income taxes payable	422,950	381,540
Advances received	1,936,308	2,295,474
Provision for bonuses	600,348	762,834
Provision for bonuses for directors (and other officers)	2,500	16,800
Accounts payable - other	643,548	683,952
Other	226,682	205,561
Total current liabilities	6,274,914	6,948,863
Non-current liabilities		
Long-term borrowings	1,362,927	1,138,204
Lease liabilities	571	5,051
Deferred tax liabilities	204,669	341,304
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	36,266	36,294
Other	48,078	11,158
Total non-current liabilities	1,999,523	1,879,023
Total liabilities	8,274,437	8,827,886
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,075,427	7,078,397
Retained earnings	15,579,255	17,780,924
Treasury shares	(771,143)	(770,280)
Total shareholders' equity	29,235,289	31,440,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	349,537	544,701
Revaluation reserve for land	(1,692,816)	(1,692,816)
Foreign currency translation adjustment	245,826	943,612
Remeasurements of defined benefit plans	166,023	69,528
Total accumulated other comprehensive income	(931,429)	(134,974)
Share acquisition rights	73,636	78,971
Total net assets	28,377,496	31,384,788
Total liabilities and net assets	36,651,934	40,212,675

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales	26,585,005	35,269,281
Cost of sales	15,783,795	20,703,854
Gross profit	10,801,210	14,565,426
Selling, general and administrative expenses		
Advertising expenses	133,726	318,179
Packing and transportation costs	1,620,994	2,011,445
Provision of allowance for doubtful accounts	11,044	(7,942)
Sales commission	590,099	869,274
Salaries and allowances	3,147,559	3,414,578
Provision for bonuses	339,339	450,811
Provision for bonuses for directors (and other officers)	2,500	16,800
Retirement benefit expenses	152,213	149,560
Travel and transportation expenses	323,731	426,103
Depreciation	539,459	538,415
Research and development expenses	535,275	742,243
Other	2,305,840	2,628,556
Total selling, general and administrative expenses	9,701,784	11,558,026
Operating profit	1,099,426	3,007,400
Non-operating income		
Interest income	6,281	6,465
Dividend income	19,884	21,489
Gain on sale of goods	21,434	19,739
Foreign exchange gains	86,137	38,566
Insurance claim income	-	32,415
Subsidy income	102,400	45,833
Surrender value of insurance policies	7,090	4,814
Sold power	22,937	21,531
Other	142,349	49,464
Total non-operating income	408,515	240,319
Non-operating expenses		
Interest expenses	14,125	12,808
Sold power expenses	9,911	8,730
Loss on sale of non-current assets	7,321	1,055
Loss on retirement of non-current assets	5,293	1,854
Other	2,999	13,344
Total non-operating expenses	39,651	37,793
Ordinary profit	1,468,289	3,209,925
Extraordinary income		
Insurance claim income	50,409	-
Total extraordinary income	50,409	-
Extraordinary losses		
Special investigation expenses	80,258	-
Total extraordinary losses	80,258	-
Profit before income taxes	1,438,440	3,209,925

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Income taxes - current	403,984	442,899
Income taxes - deferred	(452,316)	29,224
Total income taxes	(48,332)	472,124
Profit	1,486,773	2,737,801
Profit attributable to owners of parent	1,486,773	2,737,801

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Profit	1,486,773	2,737,801
Other comprehensive income		
Valuation difference on available-for-sale securities	3,541	195,163
Foreign currency translation adjustment	712,745	697,785
Remeasurements of defined benefit plans, net of tax	14,025	(96,494)
Total other comprehensive income	730,312	796,455
Comprehensive income	2,217,085	3,534,256
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,217,085	3,534,256

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2022

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351,750	7,069,407	14,591,084	(773,996)	28,238,245
Changes during period					
Dividends of surplus			(482,422)		(482,422)
Profit attributable to owners of parent			1,486,773		1,486,773
Purchase of treasury shares				(498)	(498)
Reversal of revaluation reserve for land			(16,179)		(16,179)
Issuance of share acquisition rights					-
Exercise of share acquisition rights		6,020		3,351	9,371
Net changes in items other than shareholders' equity					
Total changes during period	-	6,020	988,171	2,853	997,044
Balance at end of period	7,351,750	7,075,427	15,579,255	(771,143)	29,235,289

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	345,996	(1,708,996)	(466,919)	151,997	(1,677,921)	72,268	26,632,592
Changes during period							
Dividends of surplus							(482,422)
Profit attributable to owners of parent							1,486,773
Purchase of treasury shares							(498)
Reversal of revaluation reserve for land		16,179			16,179		-
Issuance of share acquisition rights						10,732	10,732
Exercise of share acquisition rights						(9,364)	6
Net changes in items other than shareholders' equity	3,541	-	712,745	14,025	730,312	-	730,312
Total changes during period	3,541	16,179	712,745	14,025	746,491	1,367	1,744,903
Balance at end of period	349,537	(1,692,816)	245,826	166,023	(931,429)	73,636	28,377,496

For the fiscal year ended March 31,2023

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351,750	7,075,427	15,579,255	(771,143)	29,235,289
Changes during period					
Dividends of surplus			(536,132)		(536,132)
Profit attributable to owners of parent			2,737,801		2,737,801
Purchase of treasury shares				(740)	(740)
Reversal of revaluation reserve for land					-
Issuance of share acquisition rights					-
Exercise of share acquisition rights		2,970		1,603	4,573
Net changes in items other than shareholders' equity					
Total changes during period	-	2,970	2,201,668	862	2,205,501
Balance at end of period	7,351,750	7,078,397	17,780,924	(770,280)	31,440,791

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	349,537	(1,692,816)	245,826	166,023	(931,429)	73,636	28,377,496
Changes during period							
Dividends of surplus							(536,132)
Profit attributable to owners of parent							2,737,801
Purchase of treasury shares							(740)
Reversal of revaluation reserve for land							-
Issuance of share acquisition rights						9,905	9,905
Exercise of share acquisition rights						(4,570)	3
Net changes in items other than shareholders' equity	195,163	-	697,785	(96,494)	796,455	-	796,455
Total changes during period	195,163	-	697,785	(96,494)	796,455	5,335	3,007,291
Balance at end of period	544,701	(1,692,816)	943,612	69,528	(134,974)	78,971	31,384,788

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from operating activities		
Profit before income taxes	1,438,440	3,209,925
Share-based payment expenses	10,732	9,905
Depreciation	1,124,779	1,176,640
Increase (decrease) in allowance for doubtful accounts	7,288	(7,038)
Increase (decrease) in provision for bonuses	114,501	162,552
Increase (decrease) in provision for bonuses for directors (and other officers)	(9,100)	14,300
Interest and dividend income	(26,165)	(27,954)
Surrender value of insurance policies	(7,090)	(4,814)
Interest expenses	14,125	12,808
Loss (gain) on sale of non-current assets	(24,209)	222
Loss on retirement of non-current assets	5,293	1,854
Decrease (increase) in retirement benefit asset	(27,298)	(34,439)
Decrease (increase) in trade receivables	436,295	(815,083)
Decrease (increase) in inventories	(905,333)	(596,398)
Decrease (increase) in consumption taxes refund receivable	(76,164)	38,526
Decrease (increase) in other current assets	112,033	(75,052)
Increase (decrease) in accrued expenses	(5,088)	5,524
Increase (decrease) in trade payables	323,247	(33,258)
Increase (decrease) in accrued consumption taxes	125,505	(3,415)
Increase (decrease) in other current liabilities	884,150	217,023
Increase (decrease) in other non-current liabilities	(624)	(36,919)
Other, net	(34,769)	69,207
Subtotal	3,480,549	3,284,116
Interest and dividends received	26,165	27,954
Interest paid	(14,924)	(13,144)
Income taxes paid	(372,678)	(468,675)
Income taxes refund	529,564	261,488
Net cash provided by (used in) operating activities	3,648,677	3,091,739

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,014,586)	(766,511)
Proceeds from sale of property, plant and equipment	285,993	1,741
Purchase of intangible assets	(13,657)	(351,085)
Purchase of investment securities	(7,669)	(7,850)
Purchase of insurance funds	(6,299)	(5,697)
Proceeds from cancellation of insurance funds	8,861	16,296
Other, net	(935)	(852)
Net cash provided by (used in) investing activities	(748,293)	(1,113,957)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(108,180)	140,000
Proceeds from long-term borrowings	350,000	100,000
Repayments of long-term borrowings	(321,494)	(378,910)
Repayments of lease liabilities	(2,352)	(1,295)
Purchase of treasury shares	(498)	(740)
Dividends paid	(483,144)	(536,475)
Net cash provided by (used in) financing activities	(565,670)	(677,422)
Effect of exchange rate change on cash and cash equivalents	181,251	139,931
Net increase (decrease) in cash and cash equivalents	2,515,966	1,440,291
Cash and cash equivalents at beginning of period	7,484,219	10,000,186
Cash and cash equivalents at end of period	10,000,186	11,440,477

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	7,453,044	8,597,888
Notes receivable - trade	23,982	10,735
Accounts receivable - trade	1,972,516	2,285,239
Electronically recorded monetary claims - operating	33,773	242,493
Merchandise	83,067	121,878
Finished goods	1,213,486	1,158,601
Semi-finished goods	1,568,133	2,390,195
Raw materials	67,667	75,052
Work in process	1,627,896	1,603,154
Supplies	34,680	42,231
Prepaid expenses	186,099	212,123
Other	102,778	36,791
Allowance for doubtful accounts	(744)	(200)
Total current assets	14,366,381	16,776,185
Non-current assets		
Property, plant and equipment		
Buildings	8,725,207	8,792,695
Accumulated depreciation	(4,589,392)	(4,783,800)
Buildings, net	4,135,815	4,008,895
Structures	599,129	616,698
Accumulated depreciation	(420,173)	(441,915)
Structures, net	178,956	174,782
Machinery and equipment	3,174,137	3,187,847
Accumulated depreciation	(2,666,892)	(2,730,516)
Machinery and equipment, net	507,244	457,331
Vehicles	153,979	158,780
Accumulated depreciation	(147,680)	(149,737)
Vehicles, net	6,298	9,043
Tools, furniture and fixtures	1,508,192	1,521,805
Accumulated depreciation	(1,431,085)	(1,440,618)
Tools, furniture and fixtures, net	77,107	81,186
Land	3,034,348	3,034,348
Leased assets	43,332	5,457
Accumulated depreciation	(42,726)	(1,460)
Leased assets, net	605	3,996
Construction in progress	3,836	30,882
Total property, plant and equipment	7,944,212	7,800,467
Intangible assets		
Software	1,115,387	816,798
Other	88,233	328,705
Total intangible assets	1,203,620	1,145,504

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Investments and other assets		
Investment securities	975,683	1,241,474
Shares of subsidiaries and associates	3,447,120	3,447,120
Investments in capital	7,170	7,170
Investments in capital of subsidiaries and associates	56,877	56,877
Distressed receivables	797	797
Long-term prepaid expenses	9,481	7,044
Prepaid pension costs	1,215,947	1,250,386
Other	91,476	86,620
Allowance for doubtful accounts	(797)	(757)
Total investments and other assets	5,803,756	6,096,734
Total non-current assets	14,951,589	15,042,705
Total assets	29,317,970	31,818,891
Liabilities		
Current liabilities		
Accounts payable - trade	830,452	948,352
Electronically recorded obligations - operating	41,294	94,822
Short-term borrowings	340,000	480,000
Current portion of long-term borrowings	266,542	266,542
Lease liabilities	335	1,331
Accounts payable - other	342,288	403,748
Accrued expenses	453,756	477,097
Income taxes payable	268,129	223,331
Advances received	808,328	905,044
Deposits received	32,727	39,236
Provision for bonuses	572,838	691,524
Provision for bonuses for directors (and other officers)	2,500	16,800
Other	109,823	115,513
Total current liabilities	4,069,017	4,663,346
Non-current liabilities		
Long-term borrowings	1,202,007	1,025,464
Lease liabilities	303	3,069
Deferred tax liabilities	90,572	121,158
Deferred tax liabilities for land revaluation	347,009	347,009
Asset retirement obligations	29,955	29,955
Other	46,797	10,693
Total non-current liabilities	1,716,645	1,537,351
Total liabilities	5,785,663	6,200,698

(Thousand yen)

	As of March 31,2022	As of March 31,2023
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus		
Legal capital surplus	2,860,750	2,860,750
Other capital surplus	4,214,677	4,217,647
Total capital surplus	7,075,427	7,078,397
Retained earnings		
Legal retained earnings	409,094	409,094
Other retained earnings		
General reserve	8,680,000	9,870,000
Retained earnings brought forward	2,056,821	2,748,374
Total retained earnings	11,145,916	13,027,469
Treasury shares	(771,143)	(770,280)
Total shareholders' equity	24,801,950	26,687,336
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	349,537	544,701
Revaluation reserve for land	(1,692,816)	(1,692,816)
Total valuation and translation adjustments	(1,343,279)	(1,148,115)
Share acquisition rights	73,636	78,971
Total net assets	23,532,307	25,618,192
Total liabilities and net assets	29,317,970	31,818,891

Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales		
Net sales of finished goods	10,620,302	12,816,833
Net sales of goods	930,136	1,283,494
Other sales	4,056,659	4,707,249
Total net sales	15,607,097	18,807,577
Cost of sales		
Beginning finished goods inventory	1,172,431	1,213,486
Beginning merchandise inventory	69,502	83,067
Cost of products manufactured	6,480,040	7,686,794
Cost of purchased goods	481,356	807,639
Other costs	1,266,622	1,123,830
Total	9,469,954	10,914,818
Ending finished goods inventory	1,213,486	1,158,601
Ending merchandise inventory	83,067	121,878
Total cost of sales	8,173,400	9,634,338
Gross profit	7,433,697	9,173,238
Selling, general and administrative expenses		
Advertising expenses	77,517	175,517
Packing and transportation costs	517,787	670,479
Provision of allowance for doubtful accounts	(676)	(544)
Sales commission	54,509	48,509
Delivery examination expenses	22,051	27,905
Promotion expenses	8,815	12,309
Remuneration for directors (and other officers)	122,370	115,680
Salaries and allowances	2,242,729	2,368,907
Provision for bonuses	336,774	410,664
Provision for bonuses for directors (and other officers)	2,500	16,800
Retirement benefit expenses	142,746	136,756
Legal welfare expenses	360,321	401,970
Welfare expenses	73,534	85,062
Travel and transportation expenses	211,291	294,365
Entertainment expenses	2,543	6,102
Communication expenses	32,543	36,365
Rent expenses	166,820	173,528
Supplies expenses	35,680	42,195
Utilities expenses	38,012	57,742
Depreciation	488,490	478,285
Taxes and dues	247,884	237,927
Research and development expenses	535,275	742,243
Commission expenses	61,398	52,745
Other	441,895	592,411
Total selling, general and administrative expenses	6,222,816	7,183,929
Operating profit	1,210,880	1,989,308

(Thousand yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Non-operating income		
Interest income	1,949	2,660
Dividend income	544,174	431,699
Commission income	415	461
Gain on sale of goods	21,434	19,739
Foreign exchange gains	93,271	99,585
Sold power	22,937	21,531
Other	102,818	94,241
Total non-operating income	787,001	669,919
Non-operating expenses		
Interest expenses	11,477	11,747
Sold power expenses	9,911	8,730
Loss on sale of non-current assets	-	6,725
Loss on retirement of non-current assets	11,305	1,353
Other	2,273	4,096
Total non-operating expenses	34,967	32,653
Ordinary profit	1,962,914	2,626,574
Extraordinary income		
Insurance claim income	50,409	-
Total extraordinary income	50,409	-
Extraordinary losses		
Special investigation expenses	80,258	-
Total extraordinary losses	80,258	-
Profit before income taxes	1,933,065	2,626,574
Income taxes - current	183,975	241,078
Income taxes - deferred	(104,027)	(32,189)
Total income taxes	79,947	208,889
Profit	1,853,117	2,417,685

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2022

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,351,750	2,860,750	4,208,657	7,069,407
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Reversal of general reserve				
Purchase of treasury shares				
Reversal of revaluation reserve for land				
Issuance of share acquisition rights				
Exercise of share acquisition rights			6,020	6,020
Net changes in items other than shareholders' equity				
Total changes during period	-	-	6,020	6,020
Balance at end of period	7,351,750	2,860,750	4,214,677	7,075,427

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings			
		General reserve	Retained earnings brought forward				
Balance at beginning of period	409,094	9,940,000	(557,693)	9,791,401	(773,996)	23,438,562	
Changes during period							
Dividends of surplus			(482,422)	(482,422)		(482,422)	
Profit			1,853,117	1,853,117		1,853,117	
Provision of general reserve				-		-	
Reversal of general reserve		(1,260,000)	1,260,000			-	
Purchase of treasury shares					(498)	(498)	
Reversal of revaluation reserve for land			(16,179)	(16,179)		(16,179)	
Issuance of share acquisition rights						-	
Exercise of share acquisition rights					3,351	9,371	
Net changes in items other than shareholders' equity							
Total changes during period	-	(1,260,000)	2,614,515	1,354,515	2,853	1,363,388	

Balance at end of period	409,094	8,680,000	2,056,821	11,145,916	(771,143)	24,801,950
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(Thousand yen)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	345,996	(1,708,996)	(1,363,000)	72,268	22,147,830
Changes during period					
Dividends of surplus					(482,422)
Profit					1,853,117
Provision of general reserve					-
Reversal of general reserve					-
Purchase of treasury shares					(498)
Reversal of revaluation reserve for land		16,179	16,179		-
Issuance of share acquisition rights				10,732	10,732
Exercise of share acquisition rights				(9,364)	6
Net changes in items other than shareholders' equity	3,541	-	3,541	-	3,541
Total changes during period	3,541	16,179	19,720	1,367	1,384,477
Balance at end of period	349,537	(1,692,816)	(1,343,279)	73,636	23,532,307

For the fiscal year ended March 31,2023

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,351,750	2,860,750	4,214,677	7,075,427
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Reversal of general reserve				
Purchase of treasury shares				
Reversal of revaluation reserve for land				
Issuance of share acquisition rights				
Exercise of share acquisition rights			2,970	2,970
Net changes in items other than shareholders' equity				
Total changes during period	-	-	2,970	2,970
Balance at end of period	7,351,750	2,860,750	4,217,647	7,078,397

	Shareholders' equity					
	Retained earnings				Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance at beginning of period	409,094	8,680,000	2,056,821	11,145,916	(771,143)	24,801,950
Changes during period						
Dividends of surplus			(536,132)	(536,132)		(536,132)
Profit			2,417,685	2,417,685		2,417,685
Provision of general reserve		1,190,000	(1,190,000)	-		-
Reversal of general reserve				-		-
Purchase of treasury shares					(740)	(740)
Reversal of revaluation reserve for land						-
Issuance of share acquisition rights						-
Exercise of share acquisition rights					1,603	4,573
Net changes in items other than shareholders' equity						
Total changes during period	-	1,190,000	691,552	1,881,552	862	1,885,385
Balance at end of period	409,094	9,870,000	2,748,374	13,027,469	(770,280)	26,687,336

(Thousand yen)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	349,537	(1,692,816)	(1,343,279)	73,636	23,532,307
Changes during period					
Dividends of surplus					(536,132)
Profit					2,417,685
Provision of general reserve					-
Reversal of general reserve					-
Purchase of treasury shares					(740)
Reversal of revaluation reserve for land					-
Issuance of share acquisition rights				9,905	9,905
Exercise of share acquisition rights				(4,570)	3
Net changes in items other than shareholders' equity	195,163	-	195,163	-	195,163
Total changes during period	195,163	-	195,163	5,335	2,085,884
Balance at end of period	544,701	(1,692,816)	(1,148,115)	78,971	25,618,192