

Summary of Financial Statements for the Fiscal Year Ended March 31, 2022
[Japan GAAP]

May 13, 2022

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: Satoru Kokubo Tel. (03) 6862-8842

Scheduled Date of Annual Meeting of Shareholders: June 28, 2022 Scheduled Date of Dividend Paid: June 29, 2022
 Scheduled Date of Issue of Financial Report: June 28, 2022
 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, 2022 (From April 1, 2021 to March 31, 2022)

(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, 2022	623,139	8.9	24,771	15.1	26,103	17.4	15,233	6.9
Fiscal year ended March 31, 2021	572,405	0.4	21,516	4.2	22,227	7.1	14,249	17.9

(Note) Comprehensive income

Fiscal year ended March 31, 2022: ¥17,596 million (-1.4%) Fiscal year ended March 31, 2021: ¥17,841 million (67.1%)

	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, 2022	104.09	91.99	10.8	5.7	4.0
Fiscal year ended March 31, 2021	93.87	78.44	11.0	5.6	3.8

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

Fiscal year ended March 31, 2022: ¥402 million Fiscal year ended March 31, 2021: ¥400 million

(Note) During the second quarter ended September 30, 2021, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2021 reflect the finalization of the provisional accounting treatment.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	480,487	160,657	30.6	985.67
As of March 31, 2021	436,066	146,120	30.9	909.55

(Reference) Equity:

As of March 31, 2022: ¥146,817 million As of March 31, 2021: ¥134,783 million

(Note) During the second quarter ended September 30, 2021, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2021 reflect the finalization of the provisional accounting treatment.

(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, 2022	31,885	(46,141)	5,773	42,193
Fiscal year ended March 31, 2021	31,858	(46,309)	36,757	50,371

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, 2021	-	13.00	-	15.00	28.00	4,219	29.8	3.2
Fiscal year ended March 31, 2022	-	17.00	-	17.00	34.00	5,020	32.7	3.6
Fiscal year ending March 31, 2023 (Forecast)	-	17.00	-	17.00	34.00		31.7	

(Note) During the second quarter ended September 30, 2021, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2021 reflect the finalization of the provisional accounting treatment.

3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(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, 2022	337,000	12.0	12,500	6.8	12,600	5.3	7,500	7.8	50.35
Fiscal year ending March 31, 2023	700,000	12.3	26,700	7.8	27,000	3.4	16,000	5.0	107.41

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: Yes

(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, 2022: 157,070,496 shares As of March 31, 2021: 152,952,221 shares

(b) Treasury shares

As of March 31, 2022: 8,117,957 shares As of March 31, 2021: 4,764,111 shares

(c) Average number of shares

Fiscal year ended March 31, 2022: 146,347,358 shares Fiscal year ended March 31, 2021: 151,799,390 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, 2022: 338,276 shares; as of March 31, 2021: 341,740 shares) and Performance-linked Stock Compensation Plan for Directors (as of March 31, 2022: 338,607 shares; as of March 31, 2021: 348,873 shares).

[Reference] Overview of Non-Consolidated Operating Results

Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(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, 2022	13,227	12.3	6,072	7.3	6,837	21.9	5,948	251.2
Fiscal year ended March 31, 2021	11,781	13.9	5,661	26.0	5,607	20.0	1,693	(57.6)

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended March 31, 2022	40.65	35.82
Fiscal year ended March 31, 2021	11.16	9.29

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	277,316	72,625	26.0	484.64
As of March 31, 2021	260,559	71,131	27.1	477.24

(Reference) Equity:

As of March 31, 2022: ¥72,236 million

As of March 31, 2021: ¥70,721 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.

Index to accompanying materials

1. Overview of Operating Results and Others	2
(1) Overview of operating results and others	2
(2) Financial condition	3
(3) Fundamental policy for distribution of earnings and dividends for the current and the next fiscal years	4
(4) Business risk	4
2. Basic Concept Regarding the Selection of Accounting Standards	5
3. Consolidated Financial Statements	6
(1) Consolidated balance sheets	6
(2) Consolidated statements of (comprehensive) income	8
Consolidated statements of income	8
Consolidated statements of comprehensive income	10
(3) Consolidated statements of changes in equity	11
(4) Consolidated statements of cash flows	13

1. Overview of Operating Results and Others

(1) Overview of Operating Results and Others

(a) Overview of results of operations in the fiscal year ending March 31, 2022

In the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022), the economic environment has transitioned under a difficult business environment due to the continued effects of the novel coronavirus disease (COVID-19), and with the added factor of soaring fuel prices.

In this environment, the Senko Group has strived for growth in business performance as the last year of the five-year medium-term business plan, "Senko Innovation Plan 2021 (SIP21)".

The following provides an outline of our main activities in the fiscal year ended March 31, 2022.

In the Domestic Logistics, we opened "Gifu Hashima PD Center" (Hashima City, Gifu Prefecture) in May, "Inzai No.2 Logistics Center" (Inzai City, Chiba Prefecture) in November, and "Sennan PD Center" (Sennan City, Osaka Prefecture) in March.

In the International Logistics, we welcomed AIRROAD PTY LIMITED in April, which operates freight car transportation business in Australia, and AIR PLANNERS (S) PTE. LTD. in January, which operates international air and sea shipping based in Singapore, to the group.

In the Marine Shipping, Nippon Marine Co., Ltd. and Senko Line Co., Ltd. constructed and commissioned a concentrated sulfuric acid ship "Shoryu" in August.

In the Trading & Commerce, we welcomed Cartas Co., Ltd. a household paper wholesale distributor to the group in January, and in the same month, participated in the investment in the TOMI Group, a Chinese trading company who handles materials and parts for LCD panels and organic EL products with an aim to expanding commercial rights in electronic material transactions.

In Others, we welcomed SELF GROW Inc., which dispatches foreign residents as workers and has a training business for technical intern trainees based in Aichi Prefecture in October, and DIA Cleaning Co., Ltd., which operates dry cleaning for clothing and laundromat business centered in the Chugoku and Shikoku areas in November, to the group.

In regard to initiatives to reduce environment impact, from Japan Association for Logistics and Transport, SENKO Co., Ltd. and Runtec Corporation received 1 special award and 2 category awards for the "22nd Logistics Environment Award," respectively, in June; and SENKO Co., Ltd. received one award each in the "Improvements" category and the "Effective Utilization" category, and Runtec Corporation received one award in the "Effective Utilization" category for the "2021 Award for Excellent Business Entities Working on Modal Shift" in November. Furthermore, in November, Runtec Corporation received "2021 Director of Kyushu District Transport Bureau Award for Automobile/Tourism/Transportation Policy-related Distinguished Service" from the Kyushu District Transport Bureau, Ministry of Land, Infrastructure and Transport.

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

The full-year performance for this fiscal year was as follows.

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	%
Operating revenue	572,405	623,139	50,733	8.9%
Operating profit	21,516	24,771	3,254	15.1%
Ordinary profit	22,227	26,103	3,876	17.4%
Profit attributable to owners of parent	14,249	15,233	984	6.9%

Despite the fact that we were affected primarily by the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations in terms of operating revenue, and also affected primarily by soaring fuel prices in terms of profit, we made group-wide efforts to expand sales, improve cost efficiency and enhance productivity, as well as promote M&A, and as a result, consolidated operating revenue, consolidated operating profit, consolidated ordinary profit, and profit attributable to owners of parent all increased year on year.

The full-year operating revenue by segment was as follows.

Logistics

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	%
Operating revenue	387,350	432,538	45,188	11.7%
Segment income	19,398	23,013	3,615	18.6%

Despite the effect of soaring fuel prices, we strived to expand sales, improve cost efficiency and enhance productivity amid recovery in cargo volumes, which declined drastically due to the impact of the spread of COVID-19 in the previous fiscal year, while reaping the contribution of revenue from M&A. As a result, operating revenue increased ¥45,188 million year on year to ¥432,538 million, and segment income rose ¥3,615 million year on year to ¥23,013 million.

Trading & commerce

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	%
Operating revenue	161,820	153,049	(8,770)	(5.4%)
Segment income	3,035	2,905	(130)	(4.3%)

In addition to making household paper wholesale distributor AZFIT CO., Ltd. a consolidated subsidiary in April, we worked on expanding sales, improving cost efficiency among other initiatives. However, in part as a result of applying the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, and in part due to rising purchase prices in fuel sales, among other factors, operating revenue decreased by ¥8,770 million year on year to ¥153,049 million and segment income fell ¥130 million year on year to ¥2,905 million.

Others

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	%
Operating revenue	23,235	37,550	14,315	61.6%
Segment income (loss)	(61)	99	161	—

In addition to making membership-based general wholesale and retail business operator TERAUCHI CO., LTD. a consolidated subsidiary in January 2021, and working on expanding sales and improving cost efficiency, operating revenue increased by ¥14,315 million year on year to ¥37,550 million and segment income rose ¥161 million year on year to ¥99 million.

(b) Forecasts

There are concerns about the situation in Ukraine, rising cost of resources and monetary policy trends in the United States, but the future economic environment is expected to recover gradually.

In this kind of environment, the Group has formulated a new five-year medium-term business plan, starting in fiscal year 2022.

In line with our basic policy of "We deliver new value to people and society and aim for sustainable growth through the deepening and creation of businesses," we will work on the following five priority issues:

1. Expansion and deepening of existing businesses
2. Creation and development of growing businesses
3. Initiatives for ESG+H (health) management
4. Upgrading group management
5. Achievement of job satisfaction and personal growth

For the first year of the medium-term business plan, the Group forecasts consolidated operating revenue of ¥700,000 million, consolidated operating profit of ¥26,700 million, consolidated ordinary profit of ¥27,000 million, and profit attributable to owners of parent of ¥16,000 million.

(2) Financial condition

(a) Assets, liabilities and net assets

Total assets

Total assets as of March 31, 2022 were ¥480,487 million, ¥44,421 million higher than at the end of the previous fiscal year.

Current assets amounted to ¥171,033 million, up ¥7,142 million from the end of the previous fiscal year. This was mainly due to increases of ¥9,204 million in trade notes and account receivable, and contract assets, ¥1,023 million in electronically recorded monetary claims - operating, ¥1,193 million in merchandise and finished goods and ¥3,190 million in other current assets, despite a decrease of ¥7,437 million in cash and deposits.

Non-current assets totaled ¥309,454 million, up ¥37,278 million from the end of the previous fiscal year. This was primarily due to increases of ¥22,084 million in property, plant and equipment, ¥5,709 million in intangible assets, and ¥9,484 million in investments and other assets.

Liabilities

Liabilities as of March 31, 2022 increased ¥29,884 million from the end of the previous fiscal year to ¥319,830 million.

Current liabilities totaled ¥137,646 million, up ¥3,931 million from the end of the previous fiscal year. This was mainly due to increases of ¥6,291 million in trade notes and accounts payable and ¥14,298 million in short-term borrowings, despite decreases of ¥7,094 million in current portion of bonds payable and ¥10,009 million in current portion of convertible bond-type bonds with share acquisition rights.

Non-current liabilities totaled ¥182,183 million, up ¥25,952 million from the end of the previous fiscal year. This was mainly attributable to

increases of ¥9,976 million in bonds payable, ¥11,858 million in long-term borrowings, ¥1,088 million in long-term lease obligations, ¥1,317 million in deferred tax liabilities, and ¥1,113 million in other non-current liabilities.

Net assets

Net assets as of March 31, 2022 were ¥160,657 million, ¥14,537 million higher than at the end of the previous fiscal year. This was mainly due to increases of ¥1,915 million in share capital and ¥1,739 million in capital surplus by conversion of convertible-bond-type bonds with share acquisition rights to shares, etc., as well as increases of ¥10,525 million in retained earnings and ¥2,524 million in non-controlling interests, despite a decrease of ¥3,521 million due to the purchase of treasury shares.

The equity ratio as of March 31, 2022 decreased by 0.3 percentage points to 30.6% from the end of the previous fiscal year.

(b) Cash flow

Cash and cash equivalents as of March 31, 2022 decreased by ¥8,177 million from the end of the previous fiscal year to ¥42,193 million.

Net cash provided by operating activities amounted to ¥31,885 million. This was mainly due to profit before income taxes of ¥24,778 million, depreciation of ¥19,817 million, increased funds due to increase in accrued liabilities of ¥3,654 million, despite a decrease in funds due to increase in trade receivables of ¥5,123 million, and income taxes paid of ¥9,321 million.

Net cash used in investing activities totaled ¥46,141 million. This was mainly due to purchase of property, plant and equipment of ¥30,311 million, investments in capital of subsidiaries and associates of ¥5,668 million, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥8,837 million.

Net cash provided by financing activities totaled ¥5,773 million. This was mainly due to net increase of short-term borrowings of ¥4,671 million, proceeds from long-term borrowings of ¥22,563 million, and proceeds from issuance of bonds of ¥10,000 million, despite repayments of long-term borrowings of ¥4,035 million, repayments of finance/lease liabilities of ¥5,359 million, proceeds from bonds payable of ¥13,288 million, purchase of treasury shares of ¥3,630 million, and dividends paid of ¥4,704 million.

(c) Performance indicators associated with cash flows

Fiscal year ended March 31	2018	2019	2020	2021	2022
Equity ratio (%)	33.7	35.0	35.1	30.9	30.6
Market capitalization equity ratio (%)	37.7	41.0	35.7	35.6	27.8
Interest-bearing debt to Cash flow	4.9	4.2	3.6	5.2	5.8
Interest coverage ratio	25.4	26.2	28.3	27.7	25.5

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 accordance with this policy, the year-end dividend for the fiscal year ended March 31, 2022 had been set at ¥15.00 per share, but considering the steady progress in earnings during the fiscal year, we intend to make this ¥17.00 per share, and combined with the already declared interim dividend of ¥17.00, the total annual dividend is expected to be ¥34.00.

Regarding the dividend forecast for the fiscal year ending March 31, 2023, based on the forecast of operating results, the Company plans to pay an annual dividend of ¥34.00 per share (interim dividend of ¥17.00, year-end dividend of ¥17.00).

(4) Business risks

From the most recent Securities Report (dated June 25, 2021), 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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	52,530	45,093
Trade notes and accounts receivable	82,689	–
Trade notes and accounts receivable, and contract assets	–	91,893
Electronically recorded monetary claims - operating	2,519	3,543
Merchandise and finished goods	12,990	14,183
Work in process	316	95
Raw materials and supplies	651	845
Others	12,221	15,411
Allowance for doubtful accounts	(28)	(34)
Total current assets	163,891	171,033
Non-current assets		
Property, plant and equipment		
Buildings and structures	169,354	187,259
Accumulated depreciation	(89,153)	(96,162)
Buildings and structures, net	80,201	91,096
Machinery, equipment and vehicles	77,660	101,063
Accumulated depreciation	(52,603)	(73,248)
Machinery, equipment and vehicles, net	25,056	27,815
Tools, furniture and fixtures	10,384	13,528
Accumulated depreciation	(7,995)	(10,611)
Tools, furniture and fixtures, net	2,388	2,917
Land	81,628	90,313
Leased assets	20,025	23,823
Accumulated depreciation	(6,231)	(8,890)
Leased assets, net	13,793	14,932
Construction in progress	6,484	4,562
Total property, plant and equipment	209,554	231,639
Intangible assets		
Goodwill	9,979	12,564
Other	8,034	11,159
Total intangible assets	18,014	23,723
Investments and other assets		
Investment securities	17,398	17,957
Long-term loans receivable	507	279
Retirement benefit asset	5,471	7,703
Guarantee deposits	13,086	14,388
Deferred tax assets	4,902	5,115
Other	3,647	9,066
Allowance for doubtful accounts	(407)	(418)
Total investments and other assets	44,606	54,091
Total non-current assets	272,175	309,454
Deferred assets		
Business commencement expenses	0	0
Total deferred assets	0	0
Total assets	436,066	480,487

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	44,383	50,675
Electronically recorded obligations - operating	8,586	9,076
Current portion of bonds payable	7,118	24
Current portion of convertible-bond-type bonds with share acquisition rights	10,009	—
Short-term borrowings	22,036	36,335
Lease obligations	4,253	4,632
Income taxes payable	5,377	5,052
Provision for bonuses	6,247	6,585
Provision for bonuses for directors (and other officers)	420	427
Provision for loss on disaster	68	416
Other	25,211	24,420
Total current liabilities	133,715	137,646
Non-current liabilities		
Bonds payable	30,024	40,000
Convertible-bond-type bonds with share acquisition rights	22,108	22,081
Long-term borrowings	74,887	86,746
Lease obligations	14,881	15,970
Provision for retirement benefits for directors (and other officers)	260	573
Provision for special repairs	98	196
Provision for share awards	149	336
Retirement benefit liability	7,103	7,050
Asset retirement obligations	869	950
Deferred tax liabilities	3,669	4,987
Other	2,178	3,291
Total non-current liabilities	156,230	182,183
Total liabilities	289,946	319,830
Net assets		
Shareholders' equity		
Share capital	26,564	28,479
Capital surplus	29,806	31,545
Retained earnings	81,211	91,737
Treasury shares	(4,638)	(8,159)
Total shareholders' equity	132,944	143,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,759	1,472
Deferred gains or losses on hedges	32	70
Foreign currency translation adjustment	57	755
Remeasurements of defined benefit plans	(10)	916
Total accumulated other comprehensive income	1,839	3,215
Share acquisition rights	410	388
Non-controlling interests	10,926	13,451
Total net assets	146,120	160,657
Total liabilities and net assets	436,066	480,487

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Operating revenue	572,405	623,139
Operating costs	500,653	534,352
Operating gross profit	71,751	88,786
Selling, general and administrative expenses	50,235	64,015
Operating profit	21,516	24,771
Non-operating income		
Interest income	71	100
Dividend income	148	286
Share of profit of entities accounted for using equity method	400	402
Revenue from subsidies	506	531
Rental income from land and buildings	333	356
Other	1,472	1,670
Total non-operating income	2,934	3,349
Non-operating expenses		
Interest expenses	1,171	1,244
Other	1,052	772
Total non-operating expenses	2,223	2,016
Ordinary profit	22,227	26,103
Extraordinary income		
Subsidy income	312	248
Gain on sale of non-current assets	488	111
Gain on bargain purchase	4,483	-
Gain on reversal of asset retirement obligations	348	-
Gain on sale of investment securities	38	-
Total extraordinary income	5,671	359
Extraordinary losses		
Provision for loss on disaster	68	416
Compensation expenses	-	298
Loss on tax purpose reduction entry of non-current assets	337	253
Loss on COVID-19 impact	494	211
Loss on cancellation of leases	-	202
Loss on retirement of non-current assets	310	182
Loss on sale of non-current assets	56	43
Impairment losses	3,053	31
Loss on disaster	15	28
Provision of allowance for doubtful accounts for subsidiaries and associates	29	12
Provision of allowance for doubtful accounts	36	3
Amortization of business commencement expenses	560	-
Loss on valuation of investment securities	277	-
Loss on office withdrawal	60	-
Total extraordinary losses	5,299	1,684

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Profit before income taxes	22,598	24,778
Income taxes - current	8,195	8,831
Income taxes - deferred	(320)	(230)
Total income taxes	7,874	8,601
Profit	14,724	16,177
Profit attributable to non-controlling interests	475	943
Profit attributable to owners of parent	14,249	15,233

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Profit	14,724	16,177
Other comprehensive income		
Valuation difference on available-for-sale securities	1,025	(337)
Deferred gains or losses on hedges	17	47
Foreign currency translation adjustment	(354)	781
Remeasurements of defined benefit plans, net of tax	2,429	927
Total other comprehensive income	3,117	1,419
Comprehensive income	17,841	17,596
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,484	16,609
Comprehensive income attributable to non-controlling interests	357	987

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Unit: Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,528	29,770	70,901	(652)	126,548
Changes during period					
Issuance of new shares	36	35			71
Dividends of surplus			(3,971)		(3,971)
Profit attributable to owners of parent			14,249		14,249
Purchase of treasury shares				(4,312)	(4,312)
Disposal of treasury shares		(0)		326	325
Change in scope of consolidation			32		32
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					–
Total changes during period	36	36	10,309	(3,986)	6,395
Balance at end of period	26,564	29,806	81,211	(4,638)	132,944

	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	779	14	256	(2,439)	(1,390)	432	8,590	134,181
Changes during period								
Issuance of new shares					–			71
Dividends of surplus					–			(3,971)
Profit attributable to owners of parent					–			14,249
Purchase of treasury shares					–			(4,312)
Disposal of treasury shares					–			325
Change in scope of consolidation					–			32
Change in ownership interest of parent due to transactions with non-controlling interests					–			0
Net changes in items other than shareholders' equity	980	18	(198)	2,429	3,229	(21)	2,336	5,543
Total changes during period	980	18	(198)	2,429	3,229	(21)	2,336	11,939
Balance at end of period	1,759	32	57	(10)	1,839	410	10,926	146,120

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,564	29,806	81,211	(4,638)	132,944
Changes during period					
Issuance of new shares	1,915	1,915			3,830
Dividends of surplus			(4,708)		(4,708)
Profit attributable to owners of parent			15,233		15,233
Purchase of treasury shares				(3,661)	(3,661)
Disposal of treasury shares		(39)		139	100
Change in scope of consolidation					–
Change in ownership interest of parent due to transactions with non-controlling interests		(136)			(136)
Net changes in items other than shareholders' equity					–
Total changes during period	1,915	1,739	10,525	(3,521)	10,658
Balance at end of period	28,479	31,545	91,737	(8,159)	143,602

	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	1,759	32	57	(10)	1,839	410	10,926	146,120
Changes during period								
Issuance of new shares					–			3,830
Dividends of surplus					–			(4,708)
Profit attributable to owners of parent					–			15,233
Purchase of treasury shares					–			(3,661)
Disposal of treasury shares					–			100
Change in scope of consolidation					–			–
Change in ownership interest of parent due to transactions with non-controlling interests					–			(136)
Net changes in items other than shareholders' equity	(287)	38	697	927	1,375	(21)	2,524	3,878
Total changes during period	(287)	38	697	927	1,375	(21)	2,524	14,537
Balance at end of period	1,472	70	755	916	3,215	388	13,451	160,657

(4) Consolidated statements of cash flows

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	22,598	24,778
Depreciation	17,441	19,817
Amortization of goodwill	779	1,071
Increase (decrease) in allowance for doubtful accounts	(78)	2
Decrease (increase) in retirement benefit asset	(3,376)	(2,232)
Increase (decrease) in retirement benefit liability	2,472	874
Increase (decrease) in provision for bonuses	570	218
Increase (decrease) in provision for share awards	(121)	186
Increase (decrease) in provision for loss on disaster	68	416
Interest and dividend income	(220)	(386)
Foreign exchange losses (gains)	(109)	(251)
Interest expenses	1,171	1,244
Loss (gain) on sale of non-current assets	(431)	(68)
Loss on tax purpose reduction entry of non-current assets	337	253
Subsidy income	(312)	(248)
Loss on retirement of non-current assets	310	182
Impairment losses	3,053	31
Gain on bargain purchase	(4,483)	-
Gain on reversal of asset retirement obligations	(348)	-
Amortization of business commencement expenses	560	-
Decrease (increase) in trade receivables	(1,539)	(5,123)
Decrease (increase) in inventories	(682)	(592)
Increase (decrease) in accrued liabilities	1,947	3,654
Increase (decrease) in accrued consumption taxes	551	(1,685)
Decrease (increase) in consumption taxes refund receivable	(1,773)	22
Other	509	(335)
Subtotal	38,895	41,830
Subsidies received	312	248
Interest and dividends received	622	377
Interest paid	(1,150)	(1,249)
Income taxes paid	(6,822)	(9,321)
Net cash provided by (used in) operating activities	31,858	31,885
Cash flows from investing activities		
Payments into time deposits	(2,069)	(2,071)
Proceeds from withdrawal of time deposits	1,803	2,028
Purchase of property, plant and equipment	(33,618)	(30,311)
Proceeds from sale of property, plant and equipment	1,455	907
Payments for investments in capital of subsidiaries and associates	-	(5,668)
Payments of guarantee deposits	(987)	(1,097)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(11,386)	(8,837)
Other	(1,505)	(1,091)
Net cash provided by (used in) investing activities	(46,309)	(46,141)

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	334	4,671
Proceeds from long-term borrowings	21,566	22,563
Repayments of long-term borrowings	(14,510)	(4,035)
Repayments of finance lease obligations	(4,465)	(5,359)
Proceeds from issuance of bonds	42,110	10,000
Redemption of bonds	(48)	(13,288)
Purchase of treasury shares	(4,312)	(3,630)
Proceeds from sale of treasury shares	106	6
Dividends paid	(3,967)	(4,704)
Dividends paid to non-controlling interests	(169)	(148)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(249)
Other	113	(51)
Net cash provided by (used in) financing activities	36,757	5,773
Effect of exchange rate change on cash and cash equivalents	(157)	304
Net increase (decrease) in cash and cash equivalents	22,149	(8,177)
Cash and cash equivalents at beginning of period	27,142	50,371
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,078	–
Cash and cash equivalents at end of period	50,371	42,193