

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 11, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Systema Corporation  
 Listing: Tokyo Stock Exchange  
 Securities code: 2317  
 URL: <https://www.systema.co.jp/>  
 Representative: Kenji Miura, Representative Director and President  
 Inquiries: Hiroshi Kotani, Director  
 Telephone: +81-3-6367-3840  
 Scheduled date of annual general meeting of shareholders: June 21, 2023  
 Scheduled date to commence dividend payments: June 7, 2023  
 Scheduled date to file annual securities report: June 21, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	74,526	14.2	9,844	8.1	9,955	16.1	7,317	22.1
March 31, 2022	65,272	7.2	9,106	13.7	8,578	14.3	5,992	20.5

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥7,340 million [20.5%]  
 For the fiscal year ended March 31, 2022: ¥6,089 million [21.3%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2023	18.89	—	22.9	21.6	13.2
March 31, 2022	15.47	—	21.6	20.8	14.0

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2023: ¥35 million  
 For the fiscal year ended March 31, 2022: ¥(144) million

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Basic earnings per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	48,879	34,650	69.9	88.19
March 31, 2022	43,477	30,173	68.5	76.83

Reference: Equity

As of March 31, 2023: ¥34,168 million

As of March 31, 2022: ¥29,762 million

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Net assets per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	7,648	(2,016)	(2,854)	24,792
March 31, 2022	5,544	(559)	(1,905)	21,964

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	10.00	–	3.50	–	2,334	38.8	8.4
Fiscal year ended March 31, 2023	–	4.00	–	4.00	8.00	3,112	42.4	9.7
Fiscal year ending March 31, 2024 (Forecast)	–	5.00	–	5.00	10.00		53.6	

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. The stated year-end dividend per share for the fiscal year ended March 31, 2022 takes the said stock split into account. The total annual dividend for the fiscal year ended March 31, 2022 is not shown because a simple total cannot be calculated due to the implementation of the stock split. The annual dividend per share for the fiscal year ended March 31, 2022 that does not take the stock split into account is 24 yen (the interim dividend of 10 yen per share and year-end dividend of 14 yen per share).

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	80,386	7.9	10,610	7.8	10,644	6.9	7,233	(1.1)	18.67

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	450,880,000 shares
As of March 31, 2022	450,880,000 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	63,439,188 shares
As of March 31, 2022	63,483,788 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	387,422,095 shares
Fiscal year ended March 31, 2022	387,386,464 shares

- Notes: 1. The Company has introduced a stock compensation plan, and in calculating the number of common treasury shares at the end of the period and the average number of shares outstanding during the period, the number of treasury shares includes shares of the Company held by Japan Custody Bank, Ltd. (the Trust Account) as trust assets for the “Trust for Granting Shares to Directors and Executive Officers” and the “Trust for Granting Shares to Executive Officers.” The number of treasury shares held by the Trust Account included in the number of treasury shares at the end of the fiscal years ended March 31, 2023 and March 31, 2022 was 1,567,700 shares and 1,612,300 shares, respectively, and the number of treasury shares held by the Trust Account excluded from the calculation of the average number of shares outstanding during the fiscal years ended March 31, 2023 and March 31, 2022 is as follows: the average number of common treasury shares held by the Trust Account for the years ended March 31, 2023 and March 31, 2022 were 1,586,417 shares and 1,622,086 shares, respectively.
2. The Company implemented a four-for-one common stock split effective December 1, 2021. Number of shares has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	65,855	13.3	8,936	5.1	8,979	6.2	6,641	19.3
March 31, 2022	58,110	6.1	8,500	13.6	8,455	9.7	5,566	23.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	17.14	—
March 31, 2022	14.37	—

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Basic earnings per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	44,130	31,362	71.1	80.95
March 31, 2022	39,797	27,684	69.6	71.46

Reference: Equity

As of March 31, 2023: ¥31,362 million

As of March 31, 2022: ¥27,684 million

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Net assets per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors.

## Consolidated financial statements

### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	21,657	25,033
Notes receivable - trade	766	799
Accounts receivable - trade	12,861	13,600
Contract assets	695	599
Merchandise	1,151	1,501
Other	880	743
Allowance for doubtful accounts	(11)	(2)
<b>Total current assets</b>	<b>38,002</b>	<b>42,275</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	741	1,143
Accumulated depreciation	(343)	(399)
Buildings, net	398	743
Vehicles	95	67
Accumulated depreciation	(26)	(33)
Vehicles, net	68	33
Tools, furniture and fixtures	1,898	2,416
Accumulated depreciation	(1,408)	(1,671)
Tools, furniture and fixtures, net	489	745
Land	97	97
Other	11	11
Accumulated depreciation	(8)	(9)
Other, net	3	1
<b>Total property, plant and equipment</b>	<b>1,058</b>	<b>1,622</b>
<b>Intangible assets</b>		
Software	270	310
Software in progress	5	4
Other	2	3
<b>Total intangible assets</b>	<b>278</b>	<b>317</b>
<b>Investments and other assets</b>		
Investment securities	1,775	2,136
Long-term loans receivable from subsidiaries and associates	575	538
Leasehold and guarantee deposits	1,513	1,588
Deferred tax assets	817	905
Other	30	33
Allowance for doubtful accounts	(575)	(538)
<b>Total investments and other assets</b>	<b>4,138</b>	<b>4,663</b>
<b>Total non-current assets</b>	<b>5,475</b>	<b>6,603</b>
<b>Total assets</b>	<b>43,477</b>	<b>48,879</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,696	6,096
Short-term borrowings	1,550	1,550
Accounts payable - other, and accrued expenses	2,076	2,459
Income taxes payable	1,525	1,524
Accrued consumption taxes	791	794
Provision for bonuses	1,348	1,460
Other	186	203
Total current liabilities	13,175	14,088
Non-current liabilities		
Long-term accounts payable - other	16	16
Provision for share-based payments	97	114
Other	14	10
Total non-current liabilities	128	140
Total liabilities	13,303	14,228
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus	6,025	6,023
Retained earnings	27,309	31,709
Treasury shares	(5,042)	(5,022)
Total shareholders' equity	29,806	34,223
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(91)
Foreign currency translation adjustment	(18)	36
Total accumulated other comprehensive income	(43)	(54)
Non-controlling interests	411	481
Total net assets	30,173	34,650
Total liabilities and net assets	43,477	48,879

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	65,272	74,526
Cost of sales	49,144	56,132
Gross profit	16,127	18,393
Selling, general and administrative expenses	7,020	8,549
Operating profit	9,106	9,844
Non-operating income		
Interest income	15	28
Dividend income	15	5
Gain on sale of investment securities	–	31
Share of profit of entities accounted for using equity method	–	35
Subsidy income	31	35
Gain on investments in investment partnerships	58	–
Other	23	54
Total non-operating income	145	190
Non-operating expenses		
Interest expenses	7	7
Loss on sale of investment securities	47	–
Share of loss of entities accounted for using equity method	144	–
Provision of allowance for doubtful accounts	450	–
Loss on investments in investment partnerships	–	28
Office relocation expenses	–	17
Other	23	27
Total non-operating expenses	673	80
Ordinary profit	8,578	9,955
Profit before income taxes	8,578	9,955
Income taxes - current	2,650	2,661
Income taxes - deferred	(103)	(58)
Total income taxes	2,547	2,603
Profit	6,030	7,351
Profit attributable to non-controlling interests	38	34
Profit attributable to owners of parent	5,992	7,317

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	6,030	7,351
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	(66)
Foreign currency translation adjustment	82	72
Share of other comprehensive income of entities accounted for using equity method	(15)	(16)
Total other comprehensive income	58	(11)
Comprehensive income	6,089	7,340
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,050	7,306
Comprehensive income attributable to non-controlling interests	38	34



### (3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,513	6,010	23,261	(5,052)	25,734
Changes during period					
Dividends of surplus			(1,945)		(1,945)
Profit attributable to owners of parent			5,992		5,992
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Sale of shares of consolidated subsidiaries		15			15
Net changes in items other than shareholders' equity					
Total changes during period	–	15	4,047	9	4,072
Balance at end of period	1,513	6,025	27,309	(5,042)	29,806

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(16)	(85)	(102)	364	25,996
Changes during period					
Dividends of surplus					(1,945)
Profit attributable to owners of parent					5,992
Purchase of treasury shares					(0)
Disposal of treasury shares					9
Sale of shares of consolidated subsidiaries					15
Net changes in items other than shareholders' equity	(9)	67	58	46	104
Total changes during period	(9)	67	58	46	4,176
Balance at end of period	(25)	(18)	(43)	411	30,173

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,513	6,025	27,309	(5,042)	29,806
Changes during period					
Dividends of surplus			(2,917)		(2,917)
Profit attributable to owners of parent			7,317		7,317
Disposal of treasury shares				20	20
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	–	(2)	4,399	20	4,417
Balance at end of period	1,513	6,023	31,709	(5,022)	34,223

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(25)	(18)	(43)	411	30,173
Changes during period					
Dividends of surplus					(2,917)
Profit attributable to owners of parent					7,317
Disposal of treasury shares					20
Change in ownership interest of parent due to transactions with non-controlling interests					(2)
Net changes in items other than shareholders' equity	(66)	55	(11)	70	59
Total changes during period	(66)	55	(11)	70	4,476
Balance at end of period	(91)	36	(54)	481	34,650

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,578	9,955
Depreciation	429	478
Increase (decrease) in allowance for doubtful accounts	460	(9)
Increase (decrease) in provision for bonuses	120	112
Increase (decrease) in provision for share-based payments	31	16
Increase (decrease) in long-term accounts payable - other	(44)	(0)
Interest and dividend income	(31)	(33)
Interest expenses	7	7
Loss (gain) on investments in investment partnerships	(58)	28
Loss (gain) on sale of investment securities	47	(31)
Share of loss (profit) of entities accounted for using equity method	144	(35)
Decrease (increase) in trade receivables	(1,494)	(672)
Decrease (increase) in inventories	(315)	(349)
Decrease (increase) in advance payments to suppliers	(22)	25
Increase (decrease) in trade payables	438	398
Increase (decrease) in accounts payable - other, and accrued expenses	141	418
Increase (decrease) in accrued consumption taxes	(58)	2
Increase (decrease) in advances received	(116)	1
Other, net	71	(14)
Subtotal	8,328	10,297
Interest and dividends received	39	41
Interest paid	(7)	(7)
Income taxes paid	(2,816)	(2,683)
Net cash provided by (used in) operating activities	5,544	7,648
<b>Cash flows from investing activities</b>		
Payments into time deposits	(0)	(386)
Proceeds from withdrawal of time deposits	374	-
Purchase of property, plant and equipment and intangible assets	(519)	(1,158)
Proceeds from sale of property, plant and equipment and intangible assets	26	27
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	0	1
Purchase of investment securities	(17,158)	(19,745)
Proceeds from sale of investment securities	17,127	19,300
Payments of leasehold and guarantee deposits	(545)	(81)
Proceeds from refund of leasehold and guarantee deposits	18	6
Proceeds from distributions from investment partnerships	122	27
Other payments	(4)	(5)
Other proceeds	0	0
Net cash provided by (used in) investing activities	(559)	(2,016)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from sale of shares of subsidiaries	22	–
Proceeds from share issuance to non-controlling shareholders	–	40
Purchase of treasury shares of subsidiaries	–	(5)
Purchase of treasury shares	(0)	–
Proceeds from sale of treasury shares	9	20
Dividends paid	(1,938)	(2,908)
Net cash provided by (used in) financing activities	(1,905)	(2,854)
Effect of exchange rate change on cash and cash equivalents	11	49
Net increase (decrease) in cash and cash equivalents	3,089	2,827
Cash and cash equivalents at beginning of period	18,875	21,964
Cash and cash equivalents at end of period	21,964	24,792

## Non-consolidated financial statements

### (1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	18,553	21,361
Notes receivable - trade	765	798
Accounts receivable - trade	11,960	12,619
Contract assets	671	572
Merchandise	1,104	1,438
Advance payments to suppliers	4	1
Prepaid expenses	295	321
Short-term loans receivable	0	0
Short-term loans receivable from subsidiaries and associates	106	0
Other	438	281
Allowance for doubtful accounts	(9)	–
Total current assets	33,890	37,396
Non-current assets		
Property, plant and equipment		
Buildings	554	872
Accumulated depreciation	(283)	(326)
Buildings, net	271	545
Structures	0	0
Accumulated depreciation	(0)	(0)
Structures, net	0	0
Vehicles	85	60
Accumulated depreciation	(16)	(27)
Vehicles, net	68	33
Tools, furniture and fixtures	1,454	1,884
Accumulated depreciation	(1,112)	(1,314)
Tools, furniture and fixtures, net	342	569
Land	92	92
Total property, plant and equipment	774	1,240
Intangible assets		
Software	247	256
Software in progress	2	4
Other	0	1
Total intangible assets	250	262

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Investments and other assets</b>		
Investment securities	1,318	1,535
Shares of subsidiaries and associates	1,369	1,429
Investments in capital	0	0
Long-term prepaid expenses	4	2
Long-term loans receivable	0	0
Long-term loans receivable from subsidiaries and associates	433	432
Leasehold and guarantee deposits	1,297	1,323
Deferred tax assets	713	766
Other	0	0
Allowance for doubtful accounts	(255)	(259)
Total investments and other assets	4,881	5,231
Total non-current assets	5,906	6,733
Total assets	39,797	44,130
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	5,554	5,974
Short-term borrowings	1,550	1,550
Accounts payable - other	1,580	1,824
Income taxes payable	1,389	1,326
Accrued consumption taxes	636	619
Accrued expenses	27	32
Advances received	79	52
Deposits received	76	80
Provision for bonuses	1,100	1,169
Other	8	15
Total current liabilities	12,003	12,644
<b>Non-current liabilities</b>		
Long-term lease and guarantee deposited	12	9
Provision for share-based payments	97	114
Total non-current liabilities	110	123
Total liabilities	12,113	12,768

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus		
Legal capital surplus	1,428	1,428
Other capital surplus	4,623	4,623
Total capital surplus	6,051	6,051
Retained earnings		
Other retained earnings		
General reserve	0	0
Retained earnings brought forward	25,186	28,910
Total retained earnings	25,186	28,910
Treasury shares	(5,042)	(5,022)
Total shareholders' equity	27,709	31,454
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(25)	(91)
Total valuation and translation adjustments	(25)	(91)
Total net assets	27,684	31,362
Total liabilities and net assets	39,797	44,130

**(2) Non-consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Service sales	34,741	38,518
Net sales of goods	23,368	27,336
Total net sales	58,110	65,855
Cost of sales		
Cost of service sales	24,252	26,844
Cost of goods sold		
Beginning merchandise inventory	798	1,104
Cost of purchased goods	19,887	23,450
Total	20,686	24,554
Ending merchandise inventory	1,104	1,438
Cost of goods sold	19,582	23,115
Total cost of sales	43,835	49,959
Gross profit	14,275	15,895
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	308	323
Payroll and allowances	1,835	2,158
Provision for share-based payments	41	36
Retirement benefit expenses	165	196
Bonuses	65	56
Provision for bonuses	92	124
Legal welfare expenses	360	389
Travel and transportation expenses	85	107
Recruiting expenses	185	150
Advertising expenses	301	266
Supplies expenses	55	35
Taxes and dues	369	399
Commission expenses	403	870
Rent expenses	785	1,057
Depreciation	325	361
Research and development expenses	1	22
Provision of allowance for doubtful accounts	9	(9)
Other	383	413
Total selling, general and administrative expenses	5,774	6,959
Operating profit	8,500	8,936



(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Non-operating income</b>		
Interest income	3	4
Dividend income	24	13
Gain on sale of investment securities	–	31
Gain on investments in investment partnerships	58	–
Compensation income for damage	–	16
Other	19	31
<b>Total non-operating income</b>	<b>105</b>	<b>96</b>
<b>Non-operating expenses</b>		
Interest expenses	7	7
Loss on sale of investment securities	47	–
Loss on investments in investment partnerships	–	16
Provision of allowance for doubtful accounts	76	4
Consumption tax difference	7	8
Office relocation expenses	–	11
Other	11	6
<b>Total non-operating expenses</b>	<b>150</b>	<b>53</b>
<b>Ordinary profit</b>	<b>8,455</b>	<b>8,979</b>
<b>Extraordinary income</b>		
Gain on sale of shares of subsidiaries	22	–
<b>Total extraordinary income</b>	<b>22</b>	<b>–</b>
<b>Extraordinary losses</b>		
Loss on valuation of shares of subsidiaries and associates	555	–
<b>Total extraordinary losses</b>	<b>555</b>	<b>–</b>
<b>Profit before income taxes</b>	<b>7,922</b>	<b>8,979</b>
Income taxes - current	2,444	2,361
Income taxes - deferred	(88)	(23)
<b>Total income taxes</b>	<b>2,355</b>	<b>2,337</b>
<b>Profit</b>	<b>5,566</b>	<b>6,641</b>

**(3) Non-consolidated statement of changes in equity**

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,513	1,428	4,623	6,051	0	21,565	21,565	(5,052)	24,078
Changes during period									
Dividends of surplus						(1,945)	(1,945)		(1,945)
Profit						5,566	5,566		5,566
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								9	9
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	3,621	3,621	9	3,630
Balance at end of period	1,513	1,428	4,623	6,051	0	25,186	25,186	(5,042)	27,709

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(16)	(16)	24,062
Changes during period			
Dividends of surplus			(1,945)
Profit			5,566
Purchase of treasury shares			(0)
Disposal of treasury shares			9
Net changes in items other than shareholders' equity	(9)	(9)	(9)
Total changes during period	(9)	(9)	3,621
Balance at end of period	(25)	(25)	27,684

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,513	1,428	4,623	6,051	0	25,186	25,186	(5,042)	27,709
Changes during period									
Dividends of surplus						(2,917)	(2,917)		(2,917)
Profit						6,641	6,641		6,641
Disposal of treasury shares								20	20
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	3,724	3,724	20	3,744
Balance at end of period	1,513	1,428	4,623	6,051	0	28,910	28,910	(5,022)	31,454

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(25)	(25)	27,684
Changes during period			
Dividends of surplus			(2,917)
Profit			6,641
Disposal of treasury shares			20
Net changes in items other than shareholders' equity	(66)	(66)	(66)
Total changes during period	(66)	(66)	3,678
Balance at end of period	(91)	(91)	31,362