

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



May 12, 2023

Company name: DAIICHI JITSUGYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 8059

URL: <https://www.djk.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 22, 2023

Scheduled date of commencing dividend payments: June 23, 2023

Scheduled date of filing annual securities report: June 22, 2023

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	153,674	3.8	6,717	(2.2)	7,108	(8.8)	6,316	17.8
March 31, 2022	148,075	–	6,866	19.8	7,792	20.5	5,363	12.8

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥7,237 million [21.7%]

Fiscal year ended March 31, 2022: ¥5,944 million [(12.1)%]

	Basic earnings per share	Diluted earnings per share	Ratio of return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	591.91	589.58	10.3	5.0	4.4
March 31, 2022	501.02	498.97	9.6	6.2	4.6

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2023: ¥31 million

Fiscal year ended March 31, 2022: ¥25 million

* The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. Accordingly, the percentage change in net sales from the period in which the said accounting standard, etc. had not been adopted is not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	152,535	63,658	41.6	6,013.95
As of March 31, 2022	132,235	58,722	44.3	5,470.86

(Reference) Equity: As of March 31, 2023: ¥63,499 million

As of March 31, 2022: ¥58,587 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	8,940	660	(4,569)	32,309
March 31, 2022	(3,426)	(409)	(1,742)	26,782

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of 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	–	60.00	–	85.00	145.00	1,552	28.9	2.8
March 31, 2023	–	64.00	–	114.00	178.00	1,889	30.1	3.1
March 31, 2024 (Forecast)	–	78.00	–	100.00	178.00		34.8	

* Dividends for the second quarter-end of the fiscal year ending March 31, 2024 (forecast) include a commemorative dividend of ¥15.00 for the 75th anniversary of the foundation.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	180,000	17.1	7,500	11.6	8,000	12.5	5,400	(14.5)	511.42

(Note) The Company discloses a full year business forecast, as it changed to manage its business performance on an annual basis.

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (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: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common shares)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

March 31, 2023:	11,086,400 shares
March 31, 2022:	11,086,400 shares
 - 2) Total number of treasury shares at the end of the period:

March 31, 2023:	527,625 shares
March 31, 2022:	377,294 shares
 - 3) Average number of shares during the period:

Fiscal year ended March 31, 2023:	10,671,214 shares
Fiscal year ended March 31, 2022:	10,704,424 shares

(Reference) Summary of Non-consolidated Financial Results

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

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

	Net sales		Operating income		Ordinary income		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	122,212	0.4	3,406	(14.9)	5,244	7.5	5,029	39.3
March 31, 2022	121,701	(3.7)	4,003	(0.7)	4,879	7.8	3,610	8.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	471.33	469.47
March 31, 2022	337.29	335.91

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	115,307	44,074	38.1	4,165.12
As of March 31, 2022	101,168	40,866	40.3	3,807.09

(Reference) Equity: As of March 31, 2023: ¥43,978 million
As of March 31, 2022: ¥40,770 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary income		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Yen
	150,000	22.7	4,800	(8.5)	3,400	(32.4)	322.01

(Note) The Company discloses a full year business forecast, as it changed to manage its business performance on an annual basis.

* These consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not promise the achievement of these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

The Company plans to hold a financial results briefing for institutional investors and analysts on Friday, May 26, 2023. The presentation materials to be distributed at the meeting will be posted on the Company's corporate website immediately after the meeting.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	28,422	34,518
Notes and accounts receivable - trade, and contract assets	—	38,101
Notes and accounts receivable - trade	35,184	—
Electronically recorded monetary claims	9,486	7,141
Securities	—	9
Merchandise and finished goods	19,402	21,408
Work in process	1,392	1,401
Raw materials and supplies	550	777
Advance payments to suppliers	15,938	25,434
Accounts receivable - other	2,727	4,387
Other	2,025	2,221
Allowance for doubtful accounts	(109)	(125)
Total current assets	115,021	135,278
Fixed assets		
Tangible fixed assets		
Buildings	2,195	2,833
Accumulated depreciation	(1,297)	(1,691)
Buildings, net	898	1,142
Machinery, equipment and vehicles	607	861
Accumulated depreciation	(351)	(459)
Machinery, equipment and vehicles, net	256	402
Tools, furniture and fixtures	1,454	1,422
Accumulated depreciation	(1,051)	(1,030)
Tools, furniture and fixtures, net	402	392
Land	527	527
ESCO business assets	132	132
Accumulated depreciation	(116)	(119)
ESCO business assets, net	16	13
Solar photovoltaics business assets	763	768
Accumulated depreciation	(328)	(366)
Solar photovoltaics business assets, net	435	401
Assets leased to others	909	729
Accumulated depreciation	(461)	(456)
Assets leased to others, net	448	272
Construction in progress	88	47
Total tangible fixed assets	3,073	3,200
Intangible fixed assets		
Software	111	1,356
Other	1,539	57
Total intangible fixed assets	1,651	1,413

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Investment and other assets		
Investment securities	9,858	10,041
Long-term loans receivable	3	5
Retirement benefit asset	1,270	1,209
Deferred tax assets	484	543
Other	1,014	1,002
Allowance for doubtful accounts	(142)	(159)
Total investment and other assets	12,488	12,643
Total fixed assets	17,213	17,256
Total assets	132,235	152,535
Liabilities		
Current liabilities		
Notes and accounts payable	28,682	33,724
Short-term bank loans	6,962	5,023
Current portion of long-term borrowings	120	120
Accounts payable- other	2,965	3,487
Income taxes payable	1,375	1,439
Advances received	27,362	38,219
Provision for product warranties	241	114
Provision for bonuses	964	1,005
Provision for bonuses for directors (and other officers)	152	185
Provision for loss on orders received	66	269
Other	2,399	2,922
Total current liabilities	71,292	86,511
Long-term liabilities		
Long-term loans	360	240
Deferred tax liabilities	974	1,123
Provision for retirement benefits for directors (and other officers)	20	24
Retirement benefit liability	463	492
Other	402	485
Total long-term liabilities	2,220	2,365
Total liabilities	73,512	88,877
Net assets		
Shareholders' equity		
Common stock	5,105	5,105
Capital surplus	3,812	3,826
Retained earnings	46,683	51,319
Treasury stock	(858)	(1,546)
Total shareholders' equity	54,742	58,704
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	2,737	2,991
Deferred gain or loss on derivatives under hedge accounting	(414)	(217)
Foreign currency translation adjustments	1,274	1,800
Remeasurements of defined benefit plans	248	220
Total accumulated other comprehensive income	3,845	4,795
Stock acquisition rights	96	96
Non-controlling interests	38	62
Total net assets	58,722	63,658
Total liabilities and net assets	132,235	152,535

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	148,075	153,674
Cost of sales	123,936	127,003
Gross profit	24,138	26,671
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	6,841	7,808
Bonuses	1,882	1,867
Provision for bonuses	776	817
Provision for bonuses for directors (and other officers)	149	182
Provision for retirement benefits for directors (and other officers)	6	5
Retirement benefit expenses	378	378
Welfare expenses	1,464	1,594
Travel expenses	564	923
Communication expenses	179	184
Rent expenses	1,369	1,429
Entertainment expenses	149	261
Business taxes and establishment taxes	207	228
Depreciation	474	818
Automobile expenses	284	329
Other	2,543	3,124
Total selling, general and administrative expenses	17,271	19,953
Operating income	6,866	6,717
Non-operating income		
Interest received	94	126
Dividend income	233	280
Purchase discounts	273	199
Foreign exchange gains	222	—
Share of profit of entities accounted for using equity method	25	31
Subsidy income	173	202
Penalty income	—	133
Other	116	100
Total non-operating income	1,138	1,074
Non-operating expenses		
Loss on investments in silent partnerships	29	2
Interest expenses	30	45
Commission expenses	80	97
Commitment fees	14	14
Foreign exchange losses	—	463
Accident related loss	21	—
Other	36	60
Total non-operating expenses	212	683
Ordinary income	7,792	7,108

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Extraordinary profit		
Gain on sale of investment securities	243	1,948
Total extraordinary profit	243	1,948
Extraordinary loss		
Loss on sale of investment securities	5	1
Loss on valuation of investment securities	—	15
Total extraordinary loss	5	16
Income before income taxes	8,030	9,040
Income taxes	2,440	2,814
Deferred taxes	215	(47)
Total income taxes	2,656	2,767
Profit	5,374	6,273
Profit (loss) attributable to non-controlling interests	11	(43)
Profit attributable to owners of parent	5,363	6,316

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	5,374	6,273
Other comprehensive income		
Unrealized gain or loss on available-for-sale securities	(361)	253
Deferred gain or loss on derivatives under hedge accounting	(273)	197
Foreign currency translation adjustments	1,193	540
Remeasurements of defined benefit plans	11	(27)
Total other comprehensive income	570	964
Comprehensive income	5,944	7,237
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,932	7,265
Comprehensive income attributable to non-controlling interests	12	(28)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	5,105	3,788	42,436	(895)	50,434
Cumulative effects of changes in accounting policies			274		274
Restated balance	5,105	3,788	42,711	(895)	50,709
Changes during period					
Dividends of surplus			(1,390)		(1,390)
Profit attributable to owners of parent			5,363		5,363
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		23		42	66
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					
Total changes during period	—	23	3,972	37	4,032
Balance at end of period	5,105	3,812	46,683	(858)	54,742

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain or loss on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,099	(141)	81	237	3,276	107	26	53,845
Cumulative effects of changes in accounting policies								274
Restated balance	3,099	(141)	81	237	3,276	107	26	54,120
Changes during period								
Dividends of surplus								(1,390)
Profit attributable to owners of parent								5,363
Purchase of treasury stock								(5)
Disposal of treasury stock								66
Change in scope of consolidation								—
Net changes in items other than shareholders' equity	(361)	(273)	1,192	11	569	(11)	12	569
Total changes during period	(361)	(273)	1,192	11	569	(11)	12	4,602
Balance at end of period	2,737	(414)	1,274	248	3,845	96	38	58,722

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

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	5,105	3,812	46,683	(858)	54,742
Cumulative effects of changes in accounting policies					—
Restated balance	5,105	3,812	46,683	(858)	54,742
Changes during period					
Dividends of surplus			(1,596)		(1,596)
Profit attributable to owners of parent			6,316		6,316
Purchase of treasury stock				(720)	(720)
Disposal of treasury stock		14		31	46
Change in scope of consolidation			(83)		(83)
Net changes in items other than shareholders' equity					
Total changes during period	—	14	4,636	(688)	3,962
Balance at end of period	5,105	3,826	51,319	(1,546)	58,704

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain or loss on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,737	(414)	1,274	248	3,845	96	38	58,722
Cumulative effects of changes in accounting policies								—
Restated balance	2,737	(414)	1,274	248	3,845	96	38	58,722
Changes during period								
Dividends of surplus								(1,596)
Profit attributable to owners of parent								6,316
Purchase of treasury stock								(720)
Disposal of treasury stock								46
Change in scope of consolidation								(83)
Net changes in items other than shareholders' equity	253	197	525	(27)	949	—	23	972
Total changes during period	253	197	525	(27)	949	—	23	4,935
Balance at end of period	2,991	(217)	1,800	220	4,795	96	62	63,658

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Income before income taxes	8,030	9,040
Depreciation and amortization	774	1,033
Share-based payment expenses	42	47
Increase (decrease) in allowance for doubtful accounts	10	29
Increase (decrease) in provision for bonuses	11	38
Increase (decrease) in provision for bonuses for directors (and other officers)	1	32
Increase (decrease) in provision for loss on orders received	56	202
Increase (decrease) in provision for product warranties	216	(126)
Increase (decrease) in provision for after-service	(542)	—
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(12)	4
Decrease (increase) in retirement benefit asset	13	61
Increase (decrease) in retirement benefit liability	43	28
Interest and dividend income	(327)	(406)
Interest expenses	30	45
Foreign exchange losses (gains)	34	3
Share of loss (profit) of entities accounted for using equity method	(25)	(31)
Loss (gain) on sale and retirement of fixed assets	5	8
Loss (gain) on sale of investment securities	(237)	(1,947)
Loss on valuation of investment securities	—	15
Loss (gain) on investments in silent partnerships	29	2
Decrease (increase) in notes and accounts receivable-trade	(9,303)	(99)
Decrease (increase) in advance payments to suppliers	(1,477)	(9,014)
Decrease (increase) in inventories	(6,009)	(2,028)
Decrease (increase) in other current assets	1,400	(2,006)
Increase (decrease) in notes and accounts payable-trade	(2,573)	4,694
Increase (decrease) in advances from customers	5,087	10,058
Increase (decrease) in other current liabilities	2,753	1,738
Purchase of assets for lease	(145)	—
Other, net	563	(230)
Subtotal	(1,547)	11,193
Interest and dividends received	343	394
Interest paid	(32)	(45)
Income-taxes paid	(2,190)	(2,601)
Net cash (used in) provided by operating activities	(3,426)	8,940

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from investing activities		
Net decrease (increase) in time deposits	475	(458)
Purchase of property, plant and equipment	(215)	(498)
Proceeds from sale of property, plant and equipment	0	53
Purchase of intangible assets	(359)	(338)
Purchase of investment securities	(779)	(227)
Proceeds from sale of investment securities	536	2,239
Payments for investments in capital	(52)	(79)
Loan advances	(1)	(2)
Proceeds from collection of loans receivable	5	0
Payments of guarantee deposits	(38)	(41)
Other, net	20	12
Net cash (used in) provided by investing activities	(409)	660
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	35	(1,907)
Repayments of long-term borrowings	(195)	(120)
Repayments of finance lease liabilities	(186)	(211)
Purchase of treasury stock	(5)	(720)
Dividends paid	(1,391)	(1,595)
Other, net	0	(14)
Net cash (used in) provided by financing activities	(1,742)	(4,569)
Foreign currency translation adjustments on cash and cash equivalents	1,093	301
Net increase (decrease) in cash and cash equivalents	(4,484)	5,333
Cash and cash equivalents at beginning of year	31,267	26,782
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	193
Cash and cash equivalents at end of period	26,782	32,309

4. Non-Consolidated Financial Statements and Primary Notes

(1) Non-Consolidated Balance Sheet

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	9,686	15,784
Notes receivable - trade	1,626	549
Electronically recorded monetary claims	9,371	6,938
Accounts receivable - trade	30,075	31,519
Securities	—	9
Merchandise and finished goods	15,125	15,962
Advance payments to suppliers	12,869	20,822
Prepaid expenses	240	303
Short-term loans receivable	300	235
Accounts receivable - other	2,624	4,372
Other	1,251	1,192
Allowance for doubtful accounts	(10)	(17)
Total current assets	83,160	97,676
Fixed assets		
Tangible fixed assets		
Buildings	1,386	1,391
Accumulated depreciation	(891)	(926)
Buildings, net	495	464
Machinery, equipment and vehicles	62	68
Accumulated depreciation	(37)	(44)
Machinery, equipment and vehicles, net	24	24
Tools, furniture and fixtures	973	893
Accumulated depreciation	(696)	(622)
Tools, furniture and fixtures, net	277	271
Land	527	527
ESCO business assets	132	132
Accumulated depreciation	(116)	(119)
ESCO business assets, net	16	13
Solar photovoltaics business assets	763	768
Accumulated depreciation	(328)	(366)
Solar photovoltaics business assets, net	435	401
Assets leased to others	827	782
Accumulated depreciation	(418)	(505)
Assets leased to others, net	409	277
Construction in progress	48	20
Total tangible fixed assets	2,234	2,001

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Intangible fixed assets		
Manufacturing and sales right	45	22
Software	48	1,291
Software in progress	1,487	0
Total intangible fixed assets	1,581	1,314
Investment and other assets		
Investment securities	7,742	8,076
Shares of subsidiaries and associates	5,050	4,896
Long-term loans receivable from employees	3	5
Bad debts	12	27
Long-term prepaid expenses	1	0
Guarantee deposits	602	570
Prepaid pension costs	723	702
Other	197	194
Allowance for doubtful accounts	(141)	(158)
Total investment and other assets	14,192	14,315
Total fixed assets	18,008	17,631
Total assets	101,168	115,307
Liabilities		
Current liabilities		
Accounts payable - trade	26,344	31,000
Short-term bank loans	6,900	3,100
Current portion of long-term loans	120	120
Accrued expenses	515	681
Accounts payable- other	2,956	3,466
Income taxes payable	870	1,086
Advances received	19,745	28,954
Deposits received	164	172
Asset retirement obligations	—	59
Provision for bonuses	670	700
Provision for bonuses for directors (and other officers)	114	143
Provision for loss on orders received	66	269
Provision for product warranties	213	84
Other	523	309
Total current liabilities	59,205	70,147
Long-term liabilities		
Long-term borrowings	360	240
Deferred tax liabilities	442	684
Other	293	160
Total long-term liabilities	1,096	1,085
Total liabilities	60,301	71,232

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Common stock	5,105	5,105
Capital surplus		
Legal capital surplus	3,786	3,786
Other capital surplus	26	40
Total capital surplus	3,812	3,826
Retained earnings		
Legal retained earnings	970	970
Other retained earnings		
Reserve for tax purpose reduction entry of buildings	23	22
General reserve	4,442	4,442
Retained earnings brought forward	24,952	28,386
Total retained earnings	30,388	33,821
Treasury stock	(858)	(1,546)
Total shareholders' equity	38,447	41,206
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	2,740	2,986
Deferred gain or loss on derivatives under hedge accounting	(417)	(214)
Total valuation and translation adjustments	2,323	2,772
Stock acquisition rights	96	96
Total net assets	40,866	44,074
Total liabilities and net assets	101,168	115,307

(2) Non-Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	121,701	122,212
Cost of sales		
Beginning merchandise inventory	11,375	15,125
Cost of purchased goods	110,908	107,971
Total	122,283	123,096
Ending merchandise inventory	15,125	15,962
Cost of goods sold	107,158	107,133
Total cost of sales	107,158	107,133
Gross profit	14,542	15,078
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	284	284
Salaries	3,346	3,538
Bonuses	1,433	1,373
Provision for bonuses	670	700
Provision for bonuses for directors (and other officers)	114	143
Retirement benefit expenses	298	299
Welfare expenses	1,076	1,125
Travel expenses	335	551
Communication expenses	90	91
Office supplies expenses	6	7
Book and printing expenses	29	35
Rent expenses	924	936
Entertainment expenses	102	179
Advertising expenses	116	177
Insurance expenses	42	43
Taxes and dues	19	23
Business taxes and establishment taxes	186	205
Depreciation	166	429
Utilities expenses	14	18
Investigation expenses	20	25
Automobile expenses	121	132
Provision of allowance for doubtful accounts	—	20
Miscellaneous expenses	1,137	1,329
Total selling, general and administrative expenses	10,538	11,672
Operating income	4,003	3,406

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Non-operating income		
Interest received	5	8
Interest on securities	0	0
Dividend income	705	1,698
Purchase discounts	273	199
Commission income	26	30
Reversal of allowance for doubtful accounts	24	—
Other	11	97
Total non-operating income	1,047	2,034
Non-operating expenses		
Interest expenses	16	14
Commission expenses	55	67
Commitment fees	14	14
Foreign exchange losses	34	59
Loss on investments in silent partnerships	29	2
Other	21	38
Total non-operating expenses	171	196
Ordinary income	4,879	5,244
Extraordinary profit		
Gain on sale of investment securities	243	1,948
Total extraordinary profit	243	1,948
Extraordinary loss		
Loss on sale of investment securities	5	1
Loss on valuation of investment securities	—	15
Loss on valuation of shares of subsidiaries and associates	—	141
Total extraordinary loss	5	157
Income before income taxes	5,117	7,035
Income taxes	1,445	1,962
Deferred taxes	62	43
Total income taxes	1,507	2,005
Profit	3,610	5,029

(3) Non-Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	5,105	3,786	2	3,788
Cumulative effects of changes in accounting policies				
Restated balance	5,105	3,786	2	3,788
Changes during period				
Dividends of surplus				
Reversal of reserve for tax purpose reduction entry of buildings				
Profit				
Purchase of treasury stock				
Disposal of treasury stock			23	23
Net changes in items other than shareholders' equity				
Total changes during period	—	—	23	23
Balance at end of period	5,105	3,786	26	3,812

	Shareholders' equity					
	Retained earnings					Treasury stock
	Legal retained earnings	Other retained earnings			Total retained earnings	
		Reserve for tax purpose reduction entry of buildings	General reserve	Retained earnings brought forward		
Balance at beginning of period	970	24	4,442	22,456	27,894	(895)
Cumulative effects of changes in accounting policies				274	274	
Restated balance	970	24	4,442	22,731	28,168	(895)
Changes during period						
Dividends of surplus				(1,390)	(1,390)	
Reversal of reserve for tax purpose reduction entry of buildings		(1)		1		
Profit				3,610	3,610	
Purchase of treasury stock						(5)
Disposal of treasury stock						42
Net changes in items other than shareholders' equity						
Total changes during period	—	(1)	—	2,220	2,219	37
Balance at end of period	970	23	4,442	24,952	30,388	(858)

	Shareholders' equity	Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain or loss on derivatives under hedge accounting	Total valuation and translation adjustments		
Balance at beginning of period	35,892	3,107	(145)	2,962	107	38,961
Cumulative effects of changes in accounting policies	274					274
Restated balance	36,167	3,107	(145)	2,962	107	39,236
Changes during period						
Dividends of surplus	(1,390)					(1,390)
Reversal of reserve for tax purpose reduction entry of buildings	—					—
Profit	3,610					3,610
Purchase of treasury stock	(5)					(5)
Disposal of treasury stock	66					66
Net changes in items other than shareholders' equity		(367)	(271)	(638)	(11)	(650)
Total changes during period	2,280	(367)	(271)	(638)	(11)	1,629
Balance at end of period	38,447	2,740	(417)	2,323	96	40,866

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

(Million yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	5,105	3,786	26	3,812
Cumulative effects of changes in accounting policies				
Restated balance	5,105	3,786	26	3,812
Changes during period				
Dividends of surplus				
Reversal of reserve for tax purpose reduction entry of buildings				
Profit				
Purchase of treasury stock				
Disposal of treasury stock			14	14
Net changes in items other than shareholders' equity				
Total changes during period	—	—	14	14
Balance at end of period	5,105	3,786	40	3,826

	Shareholders' equity					
	Retained earnings					Treasury stock
	Legal retained earnings	Other retained earnings			Total retained earnings	
Reserve for tax purpose reduction entry of buildings		General reserve	Retained earnings brought forward			
Balance at beginning of period	970	23	4,442	24,952	30,388	(858)
Cumulative effects of changes in accounting policies						
Restated balance	970	23	4,442	24,952	30,388	(858)
Changes during period						
Dividends of surplus				(1,596)	(1,596)	
Reversal of reserve for tax purpose reduction entry of buildings		(1)		1		
Profit				5,029	5,029	
Purchase of treasury stock						(720)
Disposal of treasury stock						31
Net changes in items other than shareholders' equity						
Total changes during period	—	(1)	—	3,434	3,433	(688)
Balance at end of period	970	22	4,442	28,386	33,821	(1,546)

	Shareholders' equity	Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Total shareholders' equity	Unrealized gain on available-for-sale securities	Deferred gain or loss on derivatives under hedge accounting	Total valuation and translation adjustments		
Balance at beginning of period	38,447	2,740	(417)	2,323	96	40,866
Cumulative effects of changes in accounting policies	—					—
Restated balance	38,447	2,740	(417)	2,323	96	40,866
Changes during period						
Dividends of surplus	(1,596)					(1,596)
Reversal of reserve for tax purpose reduction entry of buildings	—					—
Profit	5,029					5,029
Purchase of treasury stock	(720)					(720)
Disposal of treasury stock	46					46
Net changes in items other than shareholders' equity		245	202	448	—	448
Total changes during period	2,759	245	202	448	—	3,208
Balance at end of period	41,206	2,986	(214)	2,772	96	44,074