

# Non-Consolidated Financial Results for the Fiscal Year Ended April 30, 2023 [Japanese GAAP]



June 9, 2023

Company name: Asukanet Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2438

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

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Scheduled date of Annual General Meeting of Shareholders: July 26, 2023

Scheduled date of commencing dividend payments: July 27, 2023

Scheduled date of filing annual securities report: July 27, 2023

Availability of supplementary briefing material on annual financial results: Available

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

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

## 1. Non-Consolidated Financial Results for the Fiscal Year Ended April 30, 2023

(May 1, 2022 to April 30, 2023)

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
April 30, 2023	6,976	10.2	585	33.0	618	36.5	482	45.0
April 30, 2022	6,331	9.7	439	58.6	452	36.8	332	47.6

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
April 30, 2023	28.94	-	7.9	8.8	8.4
April 30, 2022	19.76	-	5.6	6.8	6.9

(Reference) Equity in earnings of affiliated companies: Fiscal year ended April 30, 2023: ¥- million

Fiscal year ended April 30, 2022: ¥- million

(Note) Diluted earnings per share is not presented as there were no potential shares.

## (2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2023	7,134	6,203	86.9	373.19
As of April 30, 2022	6,896	6,020	87.3	358.24

(Reference) Equity: As of April 30, 2023: ¥6,203 million

As of April 30, 2022: ¥6,020 million

## (3) Non-Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
April 30, 2023	695	(331)	(315)	2,044
April 30, 2022	827	(91)	(157)	1,994

## 2. Dividends

	Annual dividends					Total dividends (Annual)	Dividend payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended April 30, 2022	-	0.00	-	7.00	7.00	117	35.4	2.0
Fiscal year ended April 30, 2023	-	0.00	-	9.00	9.00	149	31.1	2.5
Fiscal year ending April 30, 2024 (Forecast)	-	0.00	-	7.00	7.00		32.9	

## 3. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending April 30, 2024 (May 1, 2023 to April 30, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	7,330	5.1	495	(15.4)	505	(18.3)	353	(26.7)	21.28

As the Company manages its financial results at an annual base, the financial results forecast for the first half is not disclosed.

### \* Notes:

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

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

April 30, 2023: 17,464,000 shares  
April 30, 2022: 17,464,000 shares

2) Total number of treasury shares at the end of the period:

April 30, 2023: 842,257 shares  
April 30, 2022: 657,657 shares

3) Average number of shares during the period:

Fiscal year ended April 30, 2023: 16,672,047 shares  
Fiscal year ended April 30, 2022: 16,841,606 shares

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

### \* 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 that the Company believes are reasonable, and actual results may differ significantly from these forecasts due to a wide range of factors.

## 4. Overview of Business Results

### (1) Overview of Business Results for the Fiscal Year

Asukanet operates three business areas, each with different positioning and characteristics. They are (1) the funeral business, which adds digital processing and remote output services for photos of the deceased to a funeral business that is largely unaffected by economic trends, (2) the photo book business, which provides ideas for new photo output methods that allow users to create complete photo collections beginning from just a single book, and (3) the aerial display business, which is utilizing unique, recently-developed technologies aiming to create a new market and achieve dreams.

In December 2022, we concluded a capital and business partnership with REXIT Co., Ltd., a start-up company operating “Tokihana”, which offers DX services for the wedding market.

Following is an overview of the business results for each segment. The result figures for each segment include internal inter-segment sales.

#### (Funeral business)

In this business, although the effects of the coronavirus pandemic have lessened and the holding of funerals is returning to normal, funerals continue to generally be smaller in size. There was strong growth in income from processing photos of the deceased, our primary business area, due to a steady increase in the numbers of new contracts, as well as to an increase in the numbers of funerals held nationwide. As a result, there was also strong growth in sales of frames, paper, and other supplies, as well as sales of hardware devices.

Programs in this area involved a review of the operating methods and layout of our “tsunagoo” DX service for the funeral industry, and we adopted a new design that is easier to use. We also worked to expand and improve the provision of useful information to funeral companies, and conducted online seminars.

In terms of income, the larger-than-expected numbers of orders for processing photos of the deceased that occurred in the previous fiscal year resulted in a continuing high operating rate at the image processing operation center during the peak season. For this reason, we actively added personnel, resulting in higher personnel expenses. In addition, the rising purchase prices of supplies also contributed to reducing the gross profit margin on products. However the effects of growing sales resulted in an increase in segment income.

As a result, sales were 3,152,168 thousand yen (113.7% year-on-year), and segment income was 751,673 thousand yen (105.4% year-on-year).

#### (Photo book business)

This business operates *AsukaBook* for the professional photography market, and *MyBook* for the general consumer market. We are also engaged in OEM supply of photo albums and photo prints based on photos that were taken with smartphones.

In the professional photographers market in Japan, as our primary product of wedding photo albums recovered from the coronavirus pandemic, the number of weddings held increased, and sales also recovered. There was strong growth in sales of photo albums for family photos, photos of children, and other studio photography, which were boosted by the introduction of new products. In addition to strengthening the GLAMPiC data delivery service, we also simultaneously held three photo awards, including A Baby Photo Award, to commemorate the 20<sup>th</sup> anniversary of *AsukaBook*.

In the general consumer market in Japan, while the effects of the coronavirus pandemic are gradually receding, the return to overseas travel has been slow, and there continue to be reduced opportunities for taking photographs as a result of mask-wearing becoming normalized, and these conditions inevitably reduced sales for both our own brand “My Book” and for OEM supply. Under these difficult conditions, we took steps such as conducting a variety of campaigns and introducing new products. We also released “My Book New Year Greeting” as a new service.

In terms of income, although there were increases in costs due to higher material costs, personnel expenses, and rising prices of utilities, segment income increased as a result of efficient operation of our production system and a recovery in the operating rate.

As a result, sales were 3,640,854 thousand yen (106.8% year-on-year), and segment income was 772,112 thousand yen (119.9% year-on-year).

(Aerial display business)

This business is aiming to create a market through new image and video expressions utilizing aerial imaging technologies. We are developing, manufacturing, and selling both glass and plastic “ASKA3D plates” that utilize our original technologies to project images in mid-air.

In the area of marketing, we are carrying out sales centered on our Marketing Division in Japan, and centered on our agents overseas. In Japan and overseas, we expanded our record of successful installations at locations including Shuri Castle Information Center, local governments, and amusement facilities and a hospital facility in Turkey. However, some large signage orders from the Middle East were not received due to problems with the installation environment. In January of this year, we exhibited jointly with our North American agent at CES2023, one of the largest IT exhibitions in the world. The near futuristic feel and entertainment possibilities of aerial displays using ASKA3D plates were highly rated by the visitors. We also rolled out new promotion movies.

In production and development areas, we are working to stabilize production and increase sizes through outside production of both glass and plastic plates, and we have achieved results. At our technical development center, we are focusing our development themes on production of medium-sized glass plates, and are working to resolve production issues to sell prototype products.

In terms of sales, due to sales of the dies necessary for sale and manufacture of glass ASKA3D plates used primarily for signage purposes, sales were higher than the previous fiscal year.

In terms of profit and loss, although there was an increase in advertising expenses due to the larger number of exhibitions both in Japan and overseas, and an increase in travel expenses due to sales activities, segment loss was smaller than the previous fiscal year as a result of controlling R&D costs by focusing R&D on key areas.

As a result, sales were 189,303 thousand yen (127.8% year-on-year), and segment loss was 300,889 thousand yen (compared to a loss of 352,037 thousand yen in the same period of the previous fiscal year).

As results of the above, sales were 6,976,226 thousand yen (110.2% compared to the same period of the previous fiscal year). In terms of income, the increase in segment income in the funeral business and the photo book business resulted in ordinary income of 618,028 thousand yen (136.5% compared to the same period of the previous fiscal year) and net income was 482,498 thousand yen (145.0% compared to the same period of the previous fiscal year).

## (2) Overview of the Financial Status during this Fiscal Year

(Overall situation)

Total assets at the end of this fiscal year increased by 238,624 thousand yen to reach 7,134,859 thousand yen. This increase was primarily due to an increase in cash and deposits of 49,848 thousand yen, an increase in accounts receivable of 50,024 thousand yen, and an increase in inventory of 194,292 thousand yen. The equity ratio also decreased by 0.4 points from the end of the previous fiscal year to reach 86.9%.

(Current assets)

Current assets at the end of this fiscal year increased by 312,084 thousand yen from the end of the previous fiscal year to reach 3,745,622 thousand yen. This increase was primarily due to an increase in cash and deposits of 49,848 thousand yen, an increase in accounts receivable of 50,024 thousand yen, and an increase in inventory of 194,292 thousand yen.

(Fixed assets)

Fixed assets at the end of this fiscal year decreased by 73,460 thousand yen to reach 3,389,237 thousand yen. This decrease was primarily due to a decrease in buildings of 33,581 thousand yen and a decrease in machine and equipment of 107,467 thousand yen. This decrease occurred despite an increase in investment securities of 46,972 thousand yen.

(Current liabilities)

Current liabilities at the end of this fiscal year increased by 57,749 thousand yen from the end of the previous fiscal year to reach 922,337 thousand yen. This increase was primarily due to an increase in bonus allowance of 32,180 thousand yen.

(Fixed liabilities)

Fixed liabilities at the end of this fiscal year decreased by 1,437 thousand yen from the end of the previous fiscal year to reach 9,424 thousand yen.

(Net assets)

Net assets at the end of this fiscal year increased by 182,311 thousand yen from the end of the previous fiscal year to reach 6,203,097 thousand yen. This increase was primarily due to an increase in retained earnings of 364,854 thousand yen, despite an increase in treasury stock of 189,465 thousand yen.

### (3) Overview of cash flows in this fiscal year

Cash and cash equivalents (hereafter referred to as “Funds”) at the end of this fiscal year increased by 49,848 thousand yen from the end of the previous fiscal year to reach 2,044,027 thousand yen mainly due to an increase in net income.

(Cash flows from operating activities)

Net Funds acquired as a result of operating activities during this fiscal year were 695,453 thousand yen (compared to 827,132 thousand yen acquired during the previous fiscal year). The primary factors affecting this result were pre-tax net income of 617,815 thousand yen and depreciation expenses of 417,492 thousand yen.

(Cash flows from investing activities)

Net Funds expended as a result of investment activities during this fiscal year were 331,554 thousand yen (compared to 91,260 thousand yen expended during the previous fiscal year). This was primarily due to the acquisition of 246,150 thousand yen in investment securities, the acquisition of 181,682 thousand yen in tangible assets, and the acquisition of 97,608 thousand yen in intangible assets, while there was also a return on investment securities of 200,000 thousand yen.

(Cash flows from financing activities)

Net Funds expended as a result of financing activities during this fiscal year were 315,639 thousand yen (compared to 157,761 thousand yen expended during the previous fiscal year). This was primarily due to a dividend payment of 117,780 thousand yen in dividends and payment of 196,421 thousand yen for acquisition of treasury stock.

### (4) Future Outlook

Information about the future outlook and about the risks associated with the coronavirus pandemic is provided below. Regarding the economic outlook for the coming fiscal year, the effects of the coronavirus pandemic are fading and there are signs that economic activity in general is returning to normal. However uncertainty resulting from the situation in Ukraine and other factors is growing, and unstable conditions are expected in which there is a clear division between the sectors which experience a steady recovery and the sectors where recovery is markedly slower.

Our company is operating a business that is consistent with the current times in which services are customized to meet individual needs even for minimum lot sizes, and aims to capture stable demand. We have constructed strong business models in both the funeral business and photo book business, and despite the effects of the coronavirus pandemic, we are experiencing an ongoing recovery in sales. In the aerial display business where we are challenging ourselves and working to create a new market, more time has been required to achieve profitability than we initially expected. However there has been strong interest in the use of aerial imaging operations, and we will make use of this opportunity to expand this business. We will also continue to challenge ourselves in the development of new business and services.

The coronavirus pandemic has had a large effect on society, and there is the possibility that customer needs in our areas of business may undergo large permanent changes. We recognize that it is important to develop products and services that can respond quickly to such changes in customer needs.

The following constitute the basis for the expected effects of the coronavirus pandemic on each business area and the results forecast for the fiscal year ending April 30, 2024.

In the funeral business, funerals tend to be smaller in size especially due to coronavirus pandemic and sales of funeral production tools and related products have declined. We are anticipating that funeral market will be weak and slow in recovery. Though the number of funerals taking place during these two years have increased, a reactionary fall will occur during the fiscal year ending April 30, 2024. In the photo book business, orders for the wedding albums that are our main product in the professional photographer market seem to have started recovering. The environment in the consumer market will be negative with fewer opportunities for photography as people refrain from traveling overseas and continue to wear masks. In the aerial display business, although our marketing activities were restricted, particularly business activities by overseas agents, we will become active again starting from the fiscal year ending April 30, 2024.

Based on these difficult conditions, we will be taking the following actions in each business area.

In the funeral business, we will prominently promote the superiority that comes from our strength in image processing technologies and the application of focus correction tools utilizing the latest technologies in order to develop new customers and increase unit prices for existing customers. At the same time, as a result of the overload on the operations center that is responsible for image processing, we will increase the number of personnel. We will also expand the dedicated sales team to increase clients and revenue while we make our “tsunagoo” DX service for the funeral industry more attractive.

In the photo book business, we will continue to challenge ourselves in new markets to launch new products and conduct online seminars for the professional photographer market, aiming to deepen our connections with customers in the studio photo and wedding photo markets. In the consumer market, we will release casual products and expand “My Book New Year Greeting” as a new service.

In the aerial display business, we will work to expand sales in Japan and overseas of both the glass plates intended primarily for signage applications, and the plastic plates intended for incorporation into products. As restrictions on marketing activities by our overseas agents will be lifted, we will expand our agent support system, and are expecting growth in overseas sales. We will also exhibit at four events in Japan and overseas, working to further increase recognition and develop new customers. In production areas, we will work to stabilize production and develop large-size plates for outsourced production of ASKA3D plates. At our technical development center, we will work to establish bonding technologies and aim for rapid marketing of plates up to medium size.

In addition, we will conduct collaborations with the start-up businesses that we have invested in, and will focus on the start of full-scale operations in our new project “Kaede Laboratory”.

Based on the above, in the forecast for the year ending April 30, 2024, while we expect sales of each segment to increase, an increase in operators in the funeral business, higher R&D expenses at the technical development center in the aerial display business, and increases in material costs etc. need to be taken into account. Therefore, we are forecasting sales of 7,330 million yen (105.1% compared to the previous year), operating income of 495 million yen (84.6%), ordinary income of 505 million yen (81.7%), and net income of 353 million yen (73.3%).

Although we have incorporated the above assumptions regarding changes and effects on demand resulting from the coronavirus pandemic, there are many uncertain elements, and any change in these assumed conditions potentially may also affect the business forecast. The aerial display business and other new business areas also involve technological research and marketing that we have not engaged in before, and many uncertain elements are involved in their commercialization.

Note: The above forecast was created based on information available at the time this material was released, and actual results may differ from the forecast values due to a variety of factors.

## 5. Financial Statements for the Fiscal Year

### (1) Balance sheet

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2022)	Current fiscal year (Ended April 30, 2023)
<b>Asset</b>		
Current assets		
Cash and deposits	1,999,178	2,049,027
Notes receivable	—	489
Accounts receivable-trade	836,041	886,065
Merchandise and products	304,090	477,047
Work in progress	169,022	185,485
Raw materials and supplies	84,426	89,298
Pay in advance	40,156	57,103
Advance payment	1,411	—
Others	2,021	2,899
Allowance for doubtful accounts	(2,810)	(1,793)
<b>Total current assets</b>	<b>3,433,537</b>	<b>3,745,622</b>
Fixed assets		
Tangible fixed assets		
Building	1,483,173	1,507,917
Accumulated depreciation	(576,543)	(634,868)
<b>Buildings, net</b>	<b>906,630</b>	<b>873,048</b>
Structures	26,606	26,606
Accumulated depreciation	(15,207)	(16,116)
<b>Structures, net</b>	<b>11,399</b>	<b>10,489</b>
Machinery and equipment	1,852,725	1,870,803
Accumulated depreciation	(1,330,132)	(1,455,679)
<b>Machinery and equipment, net</b>	<b>522,592</b>	<b>415,124</b>
Vehicles	9,369	9,369
Accumulated depreciation	(2,267)	(4,151)
<b>Vehicles, net</b>	<b>7,102</b>	<b>5,217</b>
Tools, equipment, and fixtures	481,776	548,132
Accumulated depreciation	(339,202)	(379,171)
<b>Tools, equipment, and fixtures, net</b>	<b>142,574</b>	<b>168,961</b>
Land	844,060	844,060
Construction in progress	22,691	—
<b>Total tangible fixed assets</b>	<b>2,457,050</b>	<b>2,316,903</b>
Intangible fixed assets		
Patent application right	6,686	3,206
Software	198,404	205,750
Others	3,350	10,353
<b>Total intangible fixed assets</b>	<b>208,440</b>	<b>219,310</b>
Investments and other assets		
Investment securities	587,437	634,410
Capital	10	10
Long term advanced payments	10,302	8,089
Deferred tax assets	120,907	127,067
Others	78,548	83,446
<b>Total investments and other assets</b>	<b>797,206</b>	<b>853,023</b>
<b>Total fixed assets</b>	<b>3,462,698</b>	<b>3,389,237</b>
<b>Total assets</b>	<b>6,896,235</b>	<b>7,134,859</b>

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2022)	Current fiscal year (Ended April 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	182,892	187,109
Accounts payable-other	197,458	208,545
Accrued expenses	84,215	96,444
Income taxes payable	131,400	87,200
Advance payments	12,360	23,898
Deposits	26,347	33,619
Provision for bonuses	161,620	193,800
Others	68,292	91,719
Total current liabilities	864,587	922,337
Fixed liabilities		
Provision for retirement benefits	5,351	5,351
Others	5,510	4,072
Total fixed liabilities	10,862	9,424
Total liabilities	875,449	931,761
<b>Net assets</b>		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus		
Capital reserves	606,585	606,585
Other capital surplus	12,971	17,901
Total Capital surplus	619,556	624,486
Retained earnings		
Legal retained earnings	1,693	1,693
Other retained earnings		
Retained earnings	5,194,731	5,559,585
Total retained earnings	5,196,424	5,561,278
Treasury stock	(298,392)	(487,857)
Total shareholders' equity	6,007,889	6,188,207
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,896	14,890
Total valuation and translation adjustments	12,896	14,890
Total net assets	6,020,785	6,203,097
Total liabilities and net assets	6,896,235	7,134,859



## (2) Profit and loss statement for the fiscal year

(Units:1000s yen)

	Previous fiscal year (May 1, 2021-April 30, 2022)	Current fiscal year (May 1, 2022-April 30, 2023)
Net Sales		
Sales from service	1,883,658	2,071,040
Product sales	3,570,511	3,835,068
Sales of finished goods	877,161	1,070,116
Total sales	6,331,332	6,976,226
Cost of sales		
Cost of service	938,723	1,083,539
Cost of product sales		
Stock of products at beginning of the year	143,020	235,893
Cost of product sales during year	1,888,085	2,055,425
Total	2,031,106	2,291,318
Transfer to other accounts	19,305	20,624
Stock of products at year end	235,893	393,016
Cost of production sales	1,775,907	1,877,677
Cost of goods sales		
Stock of goods at beginning of the year	77,008	68,197
Cost of goods sales during year	614,212	779,689
Total	691,220	847,887
Transfer to other accounts	21,833	24,630
Stock of goods at year end	68,197	84,031
Cost of goods sales	601,189	739,225
Total cost of sales	3,315,820	3,700,442
Gross profit	3,015,511	3,275,784
Selling, general, and administrative expenses	2,575,552	2,690,424
Operating income	439,959	585,359
Non-operating income		
Interest received	83	496
Interest from invested securities	487	2,526
Dividends received	1,200	1,275
Commissions received	312	312
Exchange gain	8,383	1,951
Grant income	—	20,599
Others	2,406	7,337
Total non-operating income	12,873	34,499
Non-operating expenses		
Operating expense for investment partnership	—	1,243
Acquisition cost for treasury stocks	116	587
Total non-operating expenses	116	1,830
Ordinary income	452,715	618,028
Extraordinary income		
Profit from sales of fixed asset	352	—
Total extraordinary income	352	—
Extraordinary losses		
Loss on sales of fixed assets	708	—
Loss on retirement of fixed assets	316	213
Total extraordinary losses	1,024	213
Net income before taxes	452,043	617,815
Current income taxes etc.	143,070	141,714
Income tax adjustment	(23,837)	(6,397)
Income taxes	119,232	135,316
Net income	332,810	482,498

## (3) Statement of cash flows

(Units: 1,000s yen)

	Previous fiscal year (May 1, 2021-April 30, 2022)	Current fiscal year (May 1, 2022-April 30, 2023)
<b>Cash flows resulting from operating activities</b>		
Net income before taxes	452,043	617,815
Depreciation expenses	468,455	417,492
Increase (decrease) in allowance for doubtful accounts	(29)	(197)
Increase (decrease) in provision for bonuses	7,970	32,180
Interest and dividends received	(1,283)	(1,771)
Interest from invested securities	(487)	(2,526)
Foreign exchange losses (gains)	(5,979)	(1,590)
Revenue from investment partnership (gains)	—	1,243
Grant income	—	(20,599)
Profit on sales of fixed asset	355	—
Loss on disposal of fixed assets	316	213
Decrease (increase) in notes and accounts receivable-trade	(61,559)	(51,416)
Decrease (increase) in inventory assets	(150,940)	(194,292)
Increase (decrease) in accounts payable-trade	19,549	4,217
Increase (decrease) in accrued consumption taxes	30,529	23,426
Others	58,655	31,311
Subtotal	817,596	855,506
Interest and dividends received	2,173	3,877
Subsidy received	—	20,599
Income taxes paid	7,361	(184,530)
Cash flows due to operating activities	827,132	695,453
<b>Cash flows due to investing activities</b>		
Purchase of property, plant, and equipment	(370,085)	(181,682)
Sales of tangible fixed assets	1,283	—
Purchase of intangible fixed assets	(65,510)	(97,608)
Purchase of investment securities	(47,492)	(246,150)
Revenue from redemption of invested securities	—	200,000
Withdrawal of loans	(882)	—
Collection of loans receivable	292	295
Payments into time deposits	(5,000)	(5,000)
Proceeds from withdrawal of time deposits	405,000	5,000
Others	(8,864)	(6,408)
Cash flows due to investing activities	(91,260)	(331,554)
<b>Cash flows due to financing activities</b>		
Cash dividends paid	(118,502)	(117,780)
Purchase of treasury stock	(39,019)	(196,421)
Others	(239)	(1,437)
Cash flows due to financing activities	(157,761)	(315,639)
Effect of exchange rate on cash and cash equivalents	5,979	1,590
Net increase (decrease) in cash and cash equivalents	584,089	49,848
Balance of cash and cash equivalents at beginning of year	1,410,088	1,994,178
Balance of cash and cash equivalents at end of year	1,994,178	2,044,027

#### (4) Notes Regarding the Financial Statements

(Segment information etc.)

Information related to the amounts of sales, income or loss, assets, liabilities, and other items for each reporting segment.

Previous fiscal year (May 1, 2021 – April 30, 2022)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Funeral business	Photo book business	Aerial display business	Total		
Sales						
Sales to outside customers	2,773,460	3,410,229	147,642	6,331,332	—	6,331,332
Inter-segment internal sales and transfers	—	—	474	474	(474)	—
Total	2,773,460	3,410,229	148,116	6,331,806	(474)	6,331,332
Segment income (loss)	713,054	644,083	(352,037)	1,005,100	(565,141)	439,959
Other items						
Depreciation	36,534	311,968	92,680	441,183	27,272	468,455

Current fiscal year (May 1, 2022 – April 30, 2023)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Funeral business	Photo book business	Aerial display business	Total		
Sales						
Sales to outside customers	3,152,168	3,634,755	189,303	6,976,226	—	6,976,226
Inter-segment internal sales and transfers	—	6,099	—	6,099	(6,099)	—
Total	3,152,168	3,640,854	189,303	6,982,326	(6,099)	6,976,226
Segment income (loss)	751,673	772,112	(300,889)	1,222,897	(637,537)	585,359
Other items						
Depreciation	40,644	292,970	55,166	388,781	28,710	417,492

This is the summarized translation of released report for your reference.  
Please refer to the original Japanese financial document.