

## Summary of Financial Statements for the Fiscal Year Ended March 31, 2023 [Japan GAAP]

May 12, 2023

Name of Listed Company:	SENKO Group Holdings Co., Ltd.	Stock Listed on:	Tokyo Stock Exchange
Code Number:	9069	URL	<a href="https://www.senkogrouphd.co.jp/en/">https://www.senkogrouphd.co.jp/en/</a>
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, 2023	Scheduled Date of Dividend Paid:	June 29, 2023
Scheduled Date of Issue of Financial Report:	June 28, 2023		
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, 2023 (From April 1, 2022 to March 31, 2023)

#### (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, 2023	696,288	11.7	25,535	3.1	26,151	0.2	15,341	0.7
Fiscal year ended March 31, 2022	623,139	8.9	24,771	15.1	26,103	17.4	15,233	6.9

(Note) Comprehensive income:

Fiscal year ended March 31, 2023: ¥20,036 million (13.9%)      Fiscal year ended March 31, 2022: ¥17,596 million (−1.4%)

	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, 2023	102.90	91.11	10.0	4.9	3.7
Fiscal year ended March 31, 2022	104.09	91.99	10.8	5.7	4.0

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

Fiscal year ended March 31, 2023: ¥370 million      Fiscal year ended March 31, 2022: ¥402 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	581,850	179,103	27.6	1,075.69
As of March 31, 2022	480,818	160,854	30.5	985.67

(Reference) Equity:

As of March 31, 2023: ¥160,510 million      As of March 31, 2022: ¥146,817 million

(Note) During the second quarter ended September 30, 2022, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2022 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, 2023	47,694	(52,319)	17,730	56,147
Fiscal year ended March 31, 2022	31,885	(46,141)	5,773	42,193

### 2. Dividends

	Annual dividend					Aggregate amount (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	June 30	September 30	December 31	March 31	Total			
Fiscal year ended March 31, 2022	–	17.00	–	17.00	34.00	5,020	32.7	3.6
Fiscal year ended March 31, 2023	–	17.00	–	17.00	34.00	5,184	33.0	3.3
Fiscal year ending March 31, 2024 (Forecast)	–	17.00	–	19.00	36.00		32.2	

### 3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

(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, 2023	385,000	15.0	13,200	1.2	13,000	(2.8)	7,600	(4.8)	50.93
Fiscal year ending March 31, 2024	790,000	13.5	29,000	13.6	29,000	10.9	16,700	8.9	111.92

#### Notes

(1) Changes in significant subsidiaries during the fiscal year (Changes in specified subsidiaries associated with change in scope of consolidation):  
Yes

Newly included: 1 company (Company name) CHUO KAGAKU CO., LTD.

(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, 2023: 157,070,496 shares As of March 31, 2022: 157,070,496 shares

(b) Treasury shares

As of March 31, 2023: 7,853,758 shares As of March 31, 2022: 8,117,957 shares

(c) Average number of shares

Fiscal year ended March 31, 2023: 149,091,281 shares Fiscal year ended March 31, 2022: 146,347,358 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, 2023: 334,566 shares; as of March 31, 2022: 338,276 shares) and Performance-linked Stock Compensation Plan for Directors (as of March 31, 2023: 316,723 shares; as of March 31, 2022: 338,607 shares). In addition, starting with the fourth quarter of the fiscal year ended March 31, 2023, the number of treasury shares at term-end includes Senko shares owned by the employee shareholding association support trust ESOP (as of March 31, 2023: 5,255,100 shares).

#### [Reference] Overview of Non-Consolidated Operating Results

Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(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, 2023	15,656	18.4	7,127	17.4	7,333	7.2	3,323	(44.1)
Fiscal year ended March 31, 2022	13,227	12.3	6,072	7.3	6,837	21.9	5,948	251.2

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended March 31, 2023	22.28	19.64
Fiscal year ended March 31, 2022	40.65	35.82

(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	320,672	71,058	22.0	473.76
As of March 31, 2022	277,316	72,625	26.0	484.64

(Reference) Equity:

As of March 31, 2023: ¥70,692 million

As of March 31, 2022: ¥72,236 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 .....	4
(3) Fundamental policy for distribution of earnings and dividends for the current and the next fiscal years .....	5
(4) Business risks .....	5
2. Basic Concept Regarding the Selection of Accounting Standards .....	6
3. Consolidated Financial Statements .....	7
(1) Consolidated balance sheets .....	7
(2) Consolidated statements of income and consolidated statements of comprehensive income .....	9
Consolidated statements of income .....	9
Consolidated statements of comprehensive income .....	11
(3) Consolidated statements of changes in equity .....	12
(4) Consolidated statements of cash flows .....	14

## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results and Others

#### (a) Overview of results of operations in the fiscal year ended March 31, 2023

In the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023), the economic environment continued to undergo gradual recovery as socioeconomic activities normalized following the COVID-19 pandemic. At the same time, a severe business environment continued due to factors including soaring energy and food prices worldwide and sharp fluctuations in exchange rates against a backdrop of monetary tightening in Europe and the United States.

Amid this environment, the Senko Group strived for growth in business performance during the first year of its five-year medium-term business plan.

The following provides an outline of our main activities in the fiscal year ended March 31, 2023.

In Logistics, the Company launched Saitama PD Center (Iwatsuki-ku, Saitama-shi) and Sendai North PD Center (Rifu-cho, Miyagi) in April, Kasai No. 2 PD Center (Edogawa-ku, Tokyo) in May, Sapporo Center of Across Transport (Kitahiroshima-shi, Hokkaido) in July, Ayase Logistics Center (Ayase-shi, Kanagawa) in August, and North Kobe PD Center (Nishi-ku, Kobe-shi) and Keiyo PD Center (Ichihara-shi, Chiba) in December.

In February, OHNAMI CORPORATION, which possesses an integrated sea and land transport system for large and heavy cargo, joined the Group.

In Trading & Commerce, in August the Company established ZERO BRANDS Inc., a company engaging in the reprocessing, resale, and recycling of products, to support efforts aimed at achieving zero disposal of apparel inventory.

In Life Support, COSPA Wellness Co., Ltd., which is engaged in the fitness business, joined the Group in July. ARS Co., Ltd., which offers on-site emergency response to troubles involving electricity, plumbing, locks, etc. joined the Group in January.

In Business Support, Kyoudou Project Co., Ltd., which specializes in dispatch of foreign workers, joined the Group in April, and Nissei Security Services, Co., Ltd., which provides transport and heavy machinery road guidance, stationed security services at universities, railway security, and other services joined the Group in February.

CHUO KAGAKU CO., LTD., a manufacturer of food packaging and containers listed on the Tokyo Stock Exchange, was added to the Group in December through a public tender offer.

In initiatives to reduce environment impact, SENKO Co., Ltd., Runtec Corporation, and Saitamaminami Senko Logi Co., Ltd. received a special award from Japan Association for Logistics and Transport at the 23rd Logistics Environment Award in June, and SENKO Co., Ltd. and Runtec Corporation received the 2022 Award for Excellent Business Entities Working on Modal Shift in December. Moreover, Runtec Corporation received the 2022 Minister's Commendation for Excellent Transportation-related Environmental Conservation from the Ministry of Land, Infrastructure, Transport and Tourism in December, and SENKO Co., Ltd. received the FY2022 Excellent Logistics Partnership Commendation Program Categorical Award in the Logistics Structural Reform Commendations category.

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

Full-year performance for the fiscal year was as follows.

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	%
Operating revenue	623,139	696,288	73,148	11.7%
Operating profit	24,771	25,535	764	3.1%
Ordinary profit	26,103	26,151	47	0.2%
Profit attributable to owners of parent	15,233	15,341	107	0.7%

Despite facing rising electricity tariffs, fuel prices, and purchase prices, along with dwindling demand for COVID-19-related products, owing to group-wide efforts to expand sales and revise tariffs and prices, along with the effect of promoting M&A, the Group achieved year-on-year increases in operating revenue, operating profit, ordinary profit and profit attributable to owners of parent.

Full-year operating revenue by segment was as follows.

Note that effective from the first quarter ended June 30, 2022, a newly changed classification and aggregation method for reportable segments has been applied, and the data used for comparison and analysis of the fiscal year ended March 31, 2023 is based on the newly changed classification.

With the addition of CHUO KAGAKU CO., LTD. into the scope of consolidation, we established the Manufacturing segment in the fourth quarter ended March 31, 2023.

## Logistics

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	%
Operating revenue	440,565	475,833	35,267	8.0%
Segment income	23,275	23,748	472	2.0%

Despite rising electricity tariffs and fuel prices as well as a sharp decline in cargo movements in the second half of the fiscal year, we strived to expand sales and revise pricing while reaping the contribution of revenue from M&A. As a result, operating revenue increased ¥35,267 million year on year to ¥475,833 million, and segment income rose ¥472 million year on year to ¥23,748 million.

## Trading & Commerce

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	%
Operating revenue	146,123	159,821	13,697	9.4%
Segment income	2,447	2,421	(26)	(1.1%)

In addition to the contribution from revenue from household paper wholesale distributor Cartas Co., Ltd., which was made a consolidated subsidiary in the previous fiscal year, we worked on revising prices and expanding sales, as well as improving cost efficiency. However, as a result of decreased demand for packaging used for takeaways and deliveries, and rising purchase prices, operating revenue increased by ¥13,697 million year on year to ¥159,821 million and segment income fell ¥26 million year on year to ¥2,421 million.

## Life Support

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	%
Operating revenue	28,812	38,985	10,172	35.3%
Segment income (loss)	(708)	186	894	—

As people's everyday lives have been normalizing, we saw a recovery in the number of users and the number of customers visiting stores, new stores were opened, and M&A also contributed to revenue. As a result, operating revenue increased ¥10,172 million year on year to ¥38,985 million, and segment income rose ¥894 million year on year to ¥186 million.

## Business Support

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	%
Operating revenue	7,626	10,733	3,107	40.7%
Segment income	1,099	1,252	152	13.9%

We strived to expand sales and improve cost efficiency while reaping the contribution of revenue from M&A. As a result, operating revenue increased ¥3,107 million year on year to ¥10,733 million, and segment income rose ¥152 million year on year to ¥1,252 million.

## Manufacturing

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change	%
Operating revenue	—	10,604	10,604	—
Segment loss	—	(180)	(180)	—

Results for CHUO KAGAKU CO., LTD., which was made a consolidated subsidiary during the fiscal year, were operating revenue of ¥10,604 million and operating loss of ¥180 million.

### (b) Forecasts

Despite concerns over the risk of a downturn in overseas economies, the economic environment is expected to show slow growth amid recovery from COVID-19 pandemic and improvement in the employment and income environments.

Amid this environment, the Group will continue its efforts to improve performance and achieve its five-year medium-term business plan.

For the next fiscal year, the Group forecasts consolidated operating revenue of ¥790,000 million, consolidated operating profit of

¥29,000 million, consolidated ordinary profit of ¥29,000 million, and profit attributable to owners of parent of ¥16,700 million.

(2) Financial condition

(a) Assets, liabilities and net assets

**Total assets**

Total assets as of March 31, 2023 were ¥581,850 million, ¥101,032 million higher than at the end of the previous fiscal year. Current assets amounted to ¥201,773 million, up ¥30,739 million from the end of the previous fiscal year. This was mainly due to increases of ¥13,490 million in cash and deposits, ¥5,303 million in trade notes and accounts receivable, and contract assets, ¥6,013 million in merchandise and finished goods, ¥2,290 million in raw materials and supplies, and ¥1,920 in other current assets. Non-current assets totaled ¥380,077 million, up ¥70,293 million from the end of the previous fiscal year. This was primarily due to increases of ¥58,973 million in property, plant and equipment, ¥1,226 million in intangible assets, and ¥10,093 million in investments and other assets.

**Liabilities**

Liabilities as of March 31, 2023 increased ¥82,783 million from the end of the previous fiscal year to ¥402,747 million. Current liabilities totaled ¥165,357 million, up ¥27,710 million from the end of the previous fiscal year. This was mainly due to increases of ¥5,383 million in trade notes and accounts payable, ¥2,015 million in electronically recorded obligations - operating, ¥4,208 million in short-term borrowings, ¥2,260 million in lease liabilities, and ¥13,100 million in other current liabilities. Non-current liabilities totaled ¥237,389 million, up ¥55,072 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥37,546 million in long-term borrowings, ¥9,052 million in long-term lease liabilities, ¥1,428 million in retirement benefit liability, ¥1,093 million in asset retirement obligations, ¥2,853 million in deferred tax liabilities, and ¥2,871 million in other non-current liabilities.

**Net assets**

Net assets as of March 31, 2023 were ¥179,103 million, ¥18,248 million higher than at the end of the previous fiscal year. This was primarily due to increases of ¥10,247 million in retained earnings, ¥2,327 million in foreign currency translation adjustment, and ¥4,578 million in non-controlling interests. The equity ratio as of March 31, 2023 decreased by 2.9 percentage points to 27.6% from the end of the previous fiscal year.

(b) Cash flows

Cash and cash equivalents as of March 31, 2023 increased by ¥13,953 million from the end of the previous fiscal year to ¥56,147 million.

Net cash provided by operating activities amounted to ¥47,694 million. This was mainly due to decrease in funds due to decrease in accrued liabilities of ¥3,243 million and income taxes paid of ¥9,223 million, despite profit before income taxes of ¥25,736 million, depreciation of ¥22,429 million, and increased funds due to decrease in trade receivables and contract assets of ¥9,704 million.

Net cash used in investing activities totaled ¥52,319 million. This was mainly due to purchase of property, plant and equipment of ¥34,578 million and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥15,500 million.

Net cash provided by financing activities totaled ¥17,730 million. This was mainly due to proceeds from long-term borrowings of ¥48,346 million, despite net decrease in short-term borrowings of ¥5,149 million, repayments of long-term borrowings of ¥13,424 million, repayments of finance lease liabilities of ¥6,603 million, and dividends paid of ¥5,089 million.

(c) Performance indicators associated with cash flows

Fiscal years ended March 31	2019	2020	2021	2022	2023
Equity ratio (%)	35.0	35.1	30.9	30.5	27.6
Market capitalization equity ratio (%)	41.0	35.7	35.6	27.8	24.2
Interest-bearing debt to Cash flow	4.2	3.6	5.2	5.8	4.8
Interest coverage ratio	26.2	28.3	27.7	25.5	28.6

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, 2023 is expected to be ¥17.00 per share.

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, 2024, based on the forecast of operating results, the Company plans to pay an annual dividend of ¥36.00 per share (interim dividend of ¥17.00, year-end dividend of ¥19.00).

(4) Business risks

From the most recent Securities Report (dated June 28, 2022), 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	45,093	58,583
Trade notes and accounts receivable, and contract assets	91,893	97,197
Electronically recorded monetary claims - operating	3,543	4,476
Merchandise and finished goods	14,183	20,197
Work in process	95	909
Raw materials and supplies	845	3,136
Other	15,411	17,332
Allowance for doubtful accounts	(34)	(59)
<b>Total current assets</b>	<b>171,033</b>	<b>201,773</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	187,259	215,311
Accumulated depreciation	(96,162)	(103,396)
Buildings and structures, net	91,096	111,914
Machinery, equipment and vehicles	101,063	100,872
Accumulated depreciation	(73,248)	(70,635)
Machinery, equipment and vehicles, net	27,815	30,236
Tools, furniture and fixtures	13,528	22,004
Accumulated depreciation	(10,611)	(18,454)
Tools, furniture and fixtures, net	2,917	3,549
Land	90,313	114,478
Leased assets	23,823	38,250
Accumulated depreciation	(8,890)	(13,425)
Leased assets, net	14,932	24,824
Construction in progress	4,562	5,608
<b>Total property, plant and equipment</b>	<b>231,639</b>	<b>290,612</b>
Intangible assets		
Goodwill	12,104	11,727
Other	11,949	13,553
<b>Total intangible assets</b>	<b>24,054</b>	<b>25,280</b>
Investments and other assets		
Investment securities	17,957	20,248
Long-term loans receivable	279	541
Retirement benefit asset	7,703	10,207
Guarantee deposits	14,388	17,034
Deferred tax assets	5,115	5,571
Other	9,066	11,360
Allowance for doubtful accounts	(418)	(780)
<b>Total investments and other assets</b>	<b>54,091</b>	<b>64,184</b>
<b>Total non-current assets</b>	<b>309,784</b>	<b>380,077</b>
Deferred assets		
Business commencement expenses	0	-
<b>Total deferred assets</b>	<b>0</b>	<b>-</b>
<b>Total assets</b>	<b>480,818</b>	<b>581,850</b>

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	50,675	56,058
Electronically recorded obligations - operating	9,076	11,091
Current portion of bonds payable	24	–
Short-term borrowings	36,335	40,543
Lease liabilities	4,632	6,892
Income taxes payable	5,052	5,113
Provision for bonuses	6,585	7,544
Provision for bonuses for directors (and other officers)	427	420
Provision for loss on disaster	416	170
Other	24,420	37,521
Total current liabilities	137,646	165,357
Non-current liabilities		
Bonds payable	40,000	40,000
Convertible-bond-type bonds with share acquisition rights	22,081	22,054
Long-term borrowings	86,746	124,292
Lease liabilities	15,970	25,022
Provision for retirement benefits for directors (and other officers)	573	608
Provision for special repairs	196	256
Provision for share awards	336	494
Retirement benefit liability	7,050	8,479
Asset retirement obligations	950	2,044
Deferred tax liabilities	5,120	7,973
Other	3,291	6,163
Total non-current liabilities	182,317	237,389
Total liabilities	319,963	402,747
<b>Net assets</b>		
Shareholders' equity		
Share capital	28,479	28,479
Capital surplus	31,545	31,318
Retained earnings	91,737	101,984
Treasury shares	(8,159)	(7,712)
Total shareholders' equity	143,602	154,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,472	1,668
Deferred gains or losses on hedges	70	(2)
Foreign currency translation adjustment	755	3,082
Remeasurements of defined benefit plans	916	1,690
Total accumulated other comprehensive income	3,215	6,439
Share acquisition rights	388	366
Non-controlling interests	13,648	18,226
Total net assets	160,854	179,103
Total liabilities and net assets	480,818	581,850

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

(Consolidated statements of income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Operating revenue	623,139	696,288
Operating costs	534,352	595,013
Operating gross profit	88,786	101,274
Selling, general and administrative expenses	64,015	75,738
Operating profit	24,771	25,535
Non-operating income		
Interest income	100	132
Dividend income	286	198
Share of profit of entities accounted for using equity method	402	370
Revenue from subsidiaries	531	244
Rental income from land and buildings	356	402
Other	1,670	1,925
Total non-operating income	3,349	3,273
Non-operating expenses		
Interest expenses	1,244	1,668
Other	772	989
Total non-operating expenses	2,016	2,658
Ordinary profit	26,103	26,151
Extraordinary income		
Gain on bargain purchase	-	1,469
Subsidy income	248	279
Gain on sale of non-current assets	111	253
Gain on sale of investment securities	-	40
Total extraordinary income	359	2,043
Extraordinary losses		
Impairment losses	31	1,540
Loss on tax purpose reduction entry of non-current assets	253	279
Loss on retirement of non-current assets	182	271
Loss on office withdrawal	-	184
Compensation expenses	298	132
Loss on cancellation of leases	202	50
Provision for loss on disaster	416	-
Loss on COVID-19 impact	211	-
Loss on sale of non-current assets	43	-
Loss on disaster	28	-
Provision of allowance for doubtful accounts for subsidiaries and associates	12	-
Provision of allowance for doubtful accounts	3	-
Total extraordinary losses	1,684	2,458

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Profit before income taxes	24,778	25,736
Income taxes - current	8,831	8,907
Income taxes - deferred	(230)	507
Total income taxes	8,601	9,415
Profit	16,177	16,320
Profit attributable to non-controlling interests	943	979
Profit attributable to owners of parent	15,233	15,341

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
Profit	16,177	16,320
Other comprehensive income		
Valuation difference on available-for-sale securities	(337)	207
Deferred gains or losses on hedges	47	(81)
Foreign currency translation adjustment	781	2,353
Remeasurements of defined benefit plans, net of tax	927	773
Share of other comprehensive income of entities accounted for using equity method	-	463
Total other comprehensive income	1,419	3,715
Comprehensive income	17,596	20,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,609	18,566
Comprehensive income attributable to non-controlling interests	987	1,469

**(3) Consolidated statements of changes in equity**

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

(Unit: Millions of Yen)

	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 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 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)	2,721	4,075
Total changes during period	(287)	38	697	927	1,375	(21)	2,721	14,734
Balance at end of period	1,472	70	755	916	3,215	388	13,648	160,854

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	28,479	31,545	91,737	(8,159)	143,602
Changes during period					
Issuance of new shares					–
Dividends of surplus			(5,093)		(5,093)
Profit attributable to owners of parent			15,341		15,341
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(230)		447	217
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes in items other than shareholders' equity					–
Total changes during period	–	(227)	10,247	447	10,467
Balance at end of period	28,479	31,318	101,984	(7,712)	154,070

	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	1,472	70	755	916	3,215	388	13,648	160,854
Changes during period								
Issuance of new shares					–			–
Dividends of surplus					–			(5,093)
Profit attributable to owners of parent					–			15,341
Purchase of treasury shares					–			(0)
Disposal of treasury shares					–			217
Change in ownership interest of parent due to transactions with non-controlling interests					–			3
Net changes in items other than shareholders' equity	196	(72)	2,327	773	3,224	(22)	4,578	7,781
Total changes during period	196	(72)	2,327	773	3,224	(22)	4,578	18,248
Balance at end of period	1,668	(2)	3,082	1,690	6,439	366	18,226	179,103

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

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	24,778	25,736
Depreciation	19,817	22,429
Amortization of goodwill	1,071	1,333
Increase (decrease) in allowance for doubtful accounts	2	158
Decrease (increase) in retirement benefit asset	(2,232)	(2,504)
Increase (decrease) in retirement benefit liability	874	583
Increase (decrease) in provision for bonuses	218	398
Increase (decrease) in provision for share awards	186	158
Increase (decrease) in provision for loss on disaster	416	(246)
Interest and dividend income	(386)	(330)
Foreign exchange losses (gains)	(251)	(167)
Interest expenses	1,244	1,668
Loss (gain) on sale of non-current assets	(68)	(253)
Loss on tax purpose reduction entry of non-current assets	253	279
Subsidy income	(248)	(279)
Gain on bargain purchase	-	(1,469)
Loss (gain) on sale of investment securities	-	(40)
Impairment losses	31	1,540
Loss on retirement of non-current assets	182	271
Loss on office withdrawal	-	184
Compensation expenses	298	132
Loss on cancellation of leases	202	50
Decrease (increase) in trade receivables and contract assets	(5,123)	9,704
Decrease (increase) in inventories	(592)	(1,050)
Increase (decrease) in accrued liabilities	3,654	(3,243)
Increase (decrease) in accrued consumption taxes	(1,685)	878
Decrease (increase) in consumption taxes refund receivable	22	(377)
Other	(837)	1,827
Subtotal	41,830	57,371
Subsidies received	248	279
Interest and dividends received	377	936
Interest paid	(1,249)	(1,669)
Income taxes paid	(9,321)	(9,223)
<b>Cash flows from operating activities</b>	<b>31,885</b>	<b>47,694</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(2,071)	(2,934)
Proceeds from withdrawal of time deposits	2,028	3,476
Purchase of property, plant and equipment	(30,311)	(34,578)
Proceeds from sale of property, plant and equipment	907	799
Purchase of intangible assets	(730)	(1,131)
Payments for investments in capital of subsidiaries and associates	(5,668)	-
Purchase of investment securities	(653)	(1,666)
Payments of guarantee deposits	(1,097)	(2,023)
Proceeds from refund of guarantee deposits	354	1,631
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,837)	(15,500)
Other	(60)	(391)
<b>Cash flows from investing activities</b>	<b>(46,141)</b>	<b>(52,319)</b>



	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	4,671	(5,149)
Proceeds from long-term borrowings	22,563	48,346
Repayments of long-term borrowings	(4,035)	(13,424)
Repayments of finance lease liabilities	(5,359)	(6,603)
Proceeds from issuance of bonds	10,000	–
Redemption of bonds	(13,288)	(24)
Purchase of treasury shares	(3,630)	(0)
Dividends paid	(4,704)	(5,089)
Dividends paid to non-controlling interests	(148)	(275)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(249)	(29)
Other	(45)	(18)
<b>Cash flows from financing activities</b>	<b>5,773</b>	<b>17,730</b>
Effect of exchange rate change on cash and cash equivalents	304	848
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(8,177)</b>	<b>13,953</b>
Cash and cash equivalents at beginning of period	50,371	42,193
<b>Cash and cash equivalents at end of period</b>	<b>42,193</b>	<b>56,147</b>