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April 26, 2024

[Summary] Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

Company name: TOENEC CORPORATION
 Stock exchange listing: Tokyo, Nagoya
 Code number: 1946
 URL: <https://www.toenec.co.jp/english/>
 Representative: Tsuguhisa Takimoto, President and Representative Director
 Contact: Toshihiko Ogura, Executive Officer General Manager Finance & Accounting Division
 Phone: +81-52-219-1916
 Scheduled date of Annual General Meeting of Shareholders: June 26, 2024
 Scheduled date of commencing dividend payments: June 27, 2024
 Scheduled date of filing annual securities report: June 27, 2024
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: No

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2024	252,863	9.0	15,910	54.7	12,679	41.1	9,345	—
March 31, 2023	232,053	5.7	10,287	(26.9)	8,983	(32.9)	(5,548)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥15,985 million [—%]
 Fiscal year ended March 31, 2023: ¥(6,897) million [—%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	499.80	—	7.5	4.2	6.3
March 31, 2023	(296.83)	—	(4.6)	3.0	4.4

(Reference) Equity in earnings (losses) of affiliated companies:
 Fiscal year ended March 31, 2024: ¥(2,142) million
 Fiscal year ended March 31, 2023: ¥75 million

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	304,931	131,140	43.0	7,010.78
March 31, 2023	300,172	117,193	39.0	6,267.16

(Reference) Equity:
 As of March 31, 2024: ¥131,097 million
 As of March 31, 2023: ¥117,159 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 the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	19,118	(2,060)	(9,903)	38,018
March 31, 2023	12,640	(2,119)	(8,358)	30,601

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended March 31, 2023	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	–	45.00	–	50.00	95.00	1,775	–	1.5
March 31, 2024	–	60.00	–	140.00	200.00	3,739	40.0	3.0
March 31, 2025 (Forecast)	–	100.00	–	100.00	200.00		44.5	

* The breakdown of dividends for the 2nd quarter-end of the fiscal year ending March 31, 2025 (forecast):

Ordinary dividend: ¥80.00 per share

Commemorative dividend: ¥20.00 per share (commemorative dividend on the 80th anniversary of the Company's founding)

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2024	125,000	3.7	6,200	(10.2)	6,000	(7.7)	4,200	3.1	224.61
Full year	263,000	4.0	13,000	(18.3)	12,000	(5.4)	8,400	(10.1)	449.21

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No

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

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

March 31, 2024	19,329,990 shares
March 31, 2023	19,329,990 shares

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

March 31, 2024	630,600 shares
March 31, 2023	635,825 shares

- 3) Average number of shares during the period:

Fiscal year ended March 31, 2024	18,697,757 shares
Fiscal year ended March 31, 2023	18,692,720 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	224,658	8.2	13,477	61.0	13,360	80.2	8,681	–
March 31, 2023	207,618	5.0	8,373	(31.4)	7,412	(32.9)	(6,502)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	464.32	–
March 31, 2023	(347.86)	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2024	275,165	103,878	37.8	5,555.17
March 31, 2023	268,781	95,637	35.6	5,115.88

(Reference) Equity

As of March 31, 2024: ¥103,878 million
As of March 31, 2023: ¥95,637 million

2. Non-consolidated financial results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2024	113,000	5.2	5,600	(3.9)	5,300	(8.9)	3,600	(5.4)	192.52
Full year	230,000	2.4	11,500	(14.7)	10,600	(20.7)	7,500	(13.6)	401.08

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

Consolidated Financial Statements
Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	30,101	38,282
Deposits paid	1,700	1,500
Notes receivable, accounts receivable from completed construction contracts and other	79,887	83,880
Costs on construction contracts in progress	6,787	5,649
Raw materials and supplies	3,505	3,270
Merchandise	117	115
Other	3,673	3,915
Allowance for doubtful accounts	(138)	(119)
Total current assets	125,633	136,494
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,171	57,556
Machinery, vehicles, tools, furniture and fixtures	116,256	117,290
Land	31,897	31,897
Construction in progress	401	3,240
Accumulated depreciation	(74,796)	(81,872)
Total property, plant and equipment	131,931	128,111
Intangible assets		
Goodwill	940	626
Other	3,121	2,772
Total intangible assets	4,061	3,399
Investments and other assets		
Investment securities	28,405	29,167
Deferred tax assets	6,871	4,350
Other	6,662	6,807
Allowance for doubtful accounts	(3,393)	(3,400)
Total investments and other assets	38,546	36,925
Total non-current assets	174,538	168,436
Total assets	300,172	304,931

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	45,485	44,199
Short-term borrowings	9,082	12,082
Lease liabilities	7,710	7,878
Accrued expenses	7,100	8,010
Income taxes payable	1,111	4,398
Advances received on construction contracts in progress	3,719	4,091
Provision for loss on construction contracts	292	79
Provision for loss on cancellation of leases	967	–
Other	2,467	3,045
Total current liabilities	77,937	83,785
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term borrowings	22,381	21,299
Lease liabilities	49,483	43,357
Retirement benefit liability	19,594	11,777
Asset retirement obligations	4,686	4,707
Other	495	462
Total non-current liabilities	105,041	90,004
Total liabilities	182,978	173,790
Net assets		
Shareholders' equity		
Share capital	7,680	7,680
Capital surplus	6,848	6,855
Retained earnings	97,310	104,598
Treasury shares	(1,537)	(1,525)
Total shareholders' equity	110,302	117,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,548	9,112
Foreign currency translation adjustment	388	735
Remeasurements of defined benefit plans	(1,079)	3,640
Total accumulated other comprehensive income	6,857	13,487
Non-controlling interests	34	42
Total net assets	117,193	131,140
Total liabilities and net assets	300,172	304,931

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	214,981	235,447
Sales in other businesses	17,071	17,416
Total net sales	232,053	252,863
Cost of sales		
Cost of sales of completed construction contracts	187,403	203,358
Cost of sales in other businesses	12,329	12,089
Total cost of sales	199,732	215,448
Gross profit		
Gross profit on completed construction contracts	27,578	32,088
Gross profit - other business	4,742	5,326
Total gross profit	32,320	37,415
Selling, general and administrative expenses	22,033	21,505
Operating profit	10,287	15,910
Non-operating income		
Interest income	51	35
Dividend income	441	392
Rental income from land and buildings	192	203
Foreign exchange gains	1	225
Share of profit of entities accounted for using equity method	75	–
Miscellaneous income	171	208
Total non-operating income	932	1,065
Non-operating expenses		
Interest expenses	2,131	1,952
Share of loss of entities accounted for using equity method	–	2,142
Miscellaneous expenses	104	201
Total non-operating expenses	2,236	4,296
Ordinary profit	8,983	12,679
Extraordinary income		
Gain on sale of non-current assets	12	0
Gain on sale of investment securities	106	2,605
Total extraordinary income	118	2,605
Extraordinary losses		
Loss on sale and retirement of non-current assets	139	166
Impairment losses	10,004	–
Provision of allowance for doubtful accounts	1,525	0
Loss on sale of investment securities	–	2
Loss on valuation of investment securities	0	129
Provision for loss on cancellation of leases	967	–
Compensation for damage	510	–
Total extraordinary losses	13,148	299
Profit (loss) before income taxes	(4,046)	14,985
Income taxes - current	2,824	5,787
Income taxes - deferred	(1,330)	(153)
Total income taxes	1,493	5,634
Profit (loss)	(5,539)	9,351
Profit attributable to non-controlling interests	8	6
Profit (loss) attributable to owners of parent	(5,548)	9,345

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss)	(5,539)	9,351
Other comprehensive income		
Valuation difference on available-for-sale securities	(147)	1,605
Foreign currency translation adjustment	105	237
Remeasurements of defined benefit plans, net of tax	(1,357)	4,608
Share of other comprehensive income of entities accounted for using equity method	41	182
Total other comprehensive income	(1,357)	6,633
Comprehensive income	(6,897)	15,985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,907)	15,975
Comprehensive income attributable to non-controlling interests	9	9

Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,680	6,840	105,381	(1,548)	118,354
Changes during period					
Dividends of surplus			(2,523)		(2,523)
Loss attributable to owners of parent			(5,548)		(5,548)
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		8		13	21
Net changes in items other than shareholders' equity					
Total changes during period	–	8	(8,071)	11	(8,052)
Balance at end of period	7,680	6,848	97,310	(1,537)	110,302

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,689	206	320	8,216	26	126,596
Changes during period						
Dividends of surplus						(2,523)
Loss attributable to owners of parent						(5,548)
Purchase of treasury shares						(2)
Disposal of treasury shares						21
Net changes in items other than shareholders' equity	(141)	182	(1,399)	(1,358)	8	(1,350)
Total changes during period	(141)	182	(1,399)	(1,358)	8	(9,402)
Balance at end of period	7,548	388	(1,079)	6,857	34	117,193

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,680	6,848	97,310	(1,537)	110,302
Changes during period					
Dividends of surplus			(2,056)		(2,056)
Profit attributable to owners of parent			9,345		9,345
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		7		13	21
Net changes in items other than shareholders' equity					
Total changes during period	–	7	7,288	11	7,307
Balance at end of period	7,680	6,855	104,598	(1,525)	117,609

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,548	388	(1,079)	6,857	34	117,193
Changes during period						
Dividends of surplus						(2,056)
Profit attributable to owners of parent						9,345
Purchase of treasury shares						(2)
Disposal of treasury shares						21
Net changes in items other than shareholders' equity	1,564	346	4,719	6,630	8	6,638
Total changes during period	1,564	346	4,719	6,630	8	13,946
Balance at end of period	9,112	735	3,640	13,487	42	131,140

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(4,046)	14,985
Depreciation	9,887	10,148
Impairment losses	10,004	–
Amortization of goodwill	313	313
Increase (decrease) in allowance for doubtful accounts	1,571	(12)
Increase (decrease) in provision for loss on cancellation of leases	967	(967)
Increase (decrease) in other provisions	45	(213)
Increase (decrease) in retirement benefit liability	(1,020)	(1,202)
Interest and dividend income	(492)	(427)
Interest expenses	2,131	1,952
Foreign exchange losses (gains)	14	(198)
Loss (gain) on valuation of investment securities	0	129
Loss (gain) on sale of investment securities	(106)	(2,603)
Share of loss (profit) of entities accounted for using equity method	(75)	2,142
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	127	165
Decrease (increase) in trade receivables	(10,339)	(3,803)
Decrease (increase) in costs on construction contracts in progress	(187)	1,159
Decrease (increase) in inventories	(335)	237
Increase (decrease) in trade payables	5,130	(1,447)
Increase (decrease) in advances received on construction contracts in progress	1,166	286
Increase (decrease) in accrued consumption taxes	1,404	286
Other, net	33	1,321
Subtotal	16,194	22,256
Compensation paid for damage	–	(510)
Income taxes paid	(3,553)	(2,626)
Net cash provided by (used in) operating activities	12,640	19,118
Cash flows from investing activities		
Payments into time deposits	(201)	(1,308)
Proceeds from withdrawal of time deposits	30	529
Net decrease (increase) in deposits paid	500	–
Purchase of investment securities	(25)	(19)
Proceeds from sale of investment securities	154	3,029
Purchase of shares of subsidiaries and associates	(176)	(1,063)
Proceeds from collection of loans receivable	12	5
Purchase of property, plant and equipment	(2,378)	(3,310)
Proceeds from sale of property, plant and equipment	51	0
Interest and dividends received	887	578
Other, net	(973)	(501)
Net cash provided by (used in) investing activities	(2,119)	(2,060)

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,900	3,000
Repayments of long-term borrowings	(1,082)	(1,082)
Purchase of treasury shares	(2)	(2)
Proceeds from sale of treasury shares	0	–
Repayments of lease liabilities	(7,526)	(7,814)
Proceeds from sale and leaseback transactions	7	4
Interest paid	(2,131)	(1,951)
Dividends paid	(2,518)	(2,054)
Dividends paid to non-controlling interests	(1)	(1)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(8,358)	(9,903)
Effect of exchange rate change on cash and cash equivalents	13	262
Net increase (decrease) in cash and cash equivalents	2,176	7,417
Cash and cash equivalents at beginning of period	28,424	30,601
Cash and cash equivalents at end of period	30,601	38,018

Non-consolidated Financial Statements
Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	21,646	29,333
Notes receivable - trade	765	241
Electronically recorded monetary claims - operating	5,131	4,935
Accounts receivable from completed construction contracts	62,498	67,226
Costs on construction contracts in progress	6,192	5,262
Raw materials and supplies	3,494	3,270
Merchandise	51	54
Accounts receivable - other	2,986	2,748
Other	3,240	3,304
Allowance for doubtful accounts	(119)	(102)
Total current assets	105,887	116,276
Non-current assets		
Property, plant and equipment		
Buildings	49,695	48,993
Accumulated depreciation	(34,324)	(34,615)
Buildings, net	15,370	14,378
Structures	6,860	6,898
Accumulated depreciation	(4,923)	(5,091)
Structures, net	1,936	1,807
Machinery and equipment	102,535	103,726
Accumulated depreciation	(24,138)	(30,424)
Machinery and equipment, net	78,396	73,301
Vehicles	1,533	1,328
Accumulated depreciation	(763)	(496)
Vehicles, net	770	832
Tools, furniture and fixtures	6,783	6,885
Accumulated depreciation	(5,955)	(6,230)
Tools, furniture and fixtures, net	827	655
Land	31,769	31,769
Construction in progress	398	3,229
Total property, plant and equipment	129,470	125,974
Intangible assets		
Software	1,735	1,480
Other	1,145	1,060
Total intangible assets	2,881	2,541

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Investments and other assets		
Investment securities	14,185	15,926
Shares of subsidiaries and associates	7,957	6,748
Investments in capital of subsidiaries and associates	138	138
Long-term loans receivable	30	24
Long-term loans receivable from subsidiaries and associates	424	8
Distressed receivables	152	158
Long-term prepaid expenses	1,554	1,459
Deferred tax assets	5,623	5,079
Other	4,279	4,229
Allowance for doubtful accounts	(3,805)	(3,400)
Total investments and other assets	30,541	30,373
Total non-current assets	162,893	158,889
Total assets	268,781	275,165
Liabilities		
Current liabilities		
Notes payable - trade	467	495
Electronically recorded obligations - operating	13,237	14,946
Accounts payable for construction contracts	24,295	22,407
Short-term borrowings	9,082	12,082
Lease liabilities	7,764	7,952
Accounts payable - other	2,952	2,607
Accrued expenses	6,172	6,961
Income taxes payable	755	4,050
Advances received on construction contracts in progress	2,579	3,092
Provision for loss on construction contracts	264	79
Provision for loss on cancellation of leases	967	–
Other	2,186	2,625
Total current liabilities	70,723	77,301
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term borrowings	22,381	21,299
Lease liabilities	49,843	43,682
Provision for retirement benefits	17,194	15,986
Asset retirement obligations	4,559	4,573
Other	43	44
Total non-current liabilities	102,421	93,986
Total liabilities	173,144	171,287

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	7,680	7,680
Capital surplus		
Legal capital surplus	6,831	6,831
Other capital surplus	16	23
Total capital surplus	6,848	6,855
Retained earnings		
Legal retained earnings	1,639	1,639
Other retained earnings		
Reserve for seeking an international market	100	100
Reserve for tax purpose reduction entry of non-current assets	1,220	1,208
General reserve	78,200	70,200
Retained earnings brought forward	(6,021)	8,614
Total retained earnings	75,138	81,763
Treasury shares	(1,537)	(1,525)
Total shareholders' equity	88,130	94,774
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,506	9,104
Total valuation and translation adjustments	7,506	9,104
Total net assets	95,637	103,878
Total liabilities and net assets	268,781	275,165

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	190,894	207,573
Net sales in sideline businesses	16,724	17,084
Total net sales	207,618	224,658
Cost of sales		
Cost of sales of completed construction contracts	167,832	180,628
Cost of sales in sideline businesses	12,128	11,909
Total cost of sales	179,960	192,538
Gross profit		
Gross profit on completed construction contracts	23,061	26,944
Gross profit on sideline businesses	4,595	5,174
Total gross profit	27,657	32,119
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	337	304
Employees' salaries and allowances	9,486	9,040
Retirement benefit expenses	658	373
Legal welfare expenses	1,519	1,470
Welfare expenses	722	823
Repair and maintenance expenses	135	152
Stationery expenses	140	118
Communication and transportation expenses	538	668
Power utilities expenses	225	174
Research study expenses	507	527
Advertising expenses	285	288
Provision of allowance for doubtful accounts	60	1
Entertainment expenses	195	222
Donations	7	11
Rent expenses on land and buildings	726	689
Depreciation	995	1,051
Taxes and dues	676	697
Insurance expenses	23	23
Miscellaneous expenses	2,041	2,002
Total selling, general and administrative expenses	19,284	18,642
Operating profit	8,373	13,477
Non-operating income		
Interest income	18	3
Dividend income	831	1,337
Rental income from land and buildings	285	296
Foreign exchange gains	–	217
Miscellaneous income	152	145
Total non-operating income	1,287	2,000
Non-operating expenses		
Interest expenses	2,105	1,926
Interest expenses on bonds	33	33
Miscellaneous expenses	109	156
Total non-operating expenses	2,248	2,117
Ordinary profit	7,412	13,360

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	6	0
Gain on sale of investment securities	106	2,605
Total extraordinary income	112	2,605
Extraordinary losses		
Loss on sale and retirement of non-current assets	113	145
Impairment losses	10,004	–
Provision of allowance for doubtful accounts	1,525	0
Loss on sale of investment securities	–	2
Loss on valuation of investment securities	0	129
Loss on valuation of shares of subsidiaries and associates	–	2,326
Provision for loss on cancellation of leases	967	–
Compensation for damage	510	–
Total extraordinary losses	13,121	2,605
Profit (loss) before income taxes	(5,596)	13,360
Income taxes - current	2,116	4,817
Income taxes - deferred	(1,210)	(138)
Total income taxes	905	4,678
Profit (loss)	(6,502)	8,681

Non-consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
					Reserve for seeking an international market	Reserve for tax purpose reduction entry of non-current assets	General reserve	
Balance at beginning of period	7,680	6,831	8	6,840	1,639	100	1,231	73,900
Changes during period								
Dividends of surplus								
Reversal of reserve for tax purpose reduction entry of non-current assets							(11)	
Provision of general reserve								4,300
Loss								
Purchase of treasury shares								
Disposal of treasury shares			8	8				
Net changes in items other than shareholders' equity								
Total changes during period	–	–	8	8	–	–	(11)	4,300
Balance at end of period	7,680	6,831	16	6,848	1,639	100	1,220	78,200

	Shareholders' equity				Valuation and translation adjustments		Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings	Total retained earnings					
Balance at beginning of period	7,292	84,163	(1,548)	97,136	7,652	7,652	104,789
Changes during period							
Dividends of surplus	(2,523)	(2,523)		(2,523)			(2,523)
Reversal of reserve for tax purpose reduction entry of non-current assets	11	–		–			–
Provision of general reserve	(4,300)	–		–			–
Loss	(6,502)	(6,502)		(6,502)			(6,502)
Purchase of treasury shares			(2)	(2)			(2)
Disposal of treasury shares			13	21			21
Net changes in items other than shareholders' equity					(145)	(145)	(145)
Total changes during period	(13,313)	(9,025)	11	(9,006)	(145)	(145)	(9,152)
Balance at end of period	(6,021)	75,138	(1,537)	88,130	7,506	7,506	95,637

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
						Reserve for seeking an international market	Reserve for tax purpose reduction entry of non-current assets	General reserve
Balance at beginning of period	7,680	6,831	16	6,848	1,639	100	1,220	78,200
Changes during period								
Dividends of surplus								
Reversal of reserve for tax purpose reduction entry of non-current assets							(11)	
Reversal of general reserve								(8,000)
Profit								
Purchase of treasury shares								
Disposal of treasury shares			7	7				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	7	7	-	-	(11)	(8,000)
Balance at end of period	7,680	6,831	23	6,855	1,639	100	1,208	70,200

	Shareholders' equity				Valuation and translation adjustments		Total net assets
	Retained earnings		Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings	Total retained earnings					
	Retained earnings brought forward						
Balance at beginning of period	(6,021)	75,138	(1,537)	88,130	7,506	7,506	95,637
Changes during period							
Dividends of surplus	(2,056)	(2,056)		(2,056)			(2,056)
Reversal of reserve for tax purpose reduction entry of non-current assets	11	-		-			-
Reversal of general reserve	8,000	-		-			-
Profit	8,681	8,681		8,681			8,681
Purchase of treasury shares			(2)	(2)			(2)
Disposal of treasury shares			13	21			21
Net changes in items other than shareholders' equity					1,597	1,597	1,597
Total changes during period	14,636	6,624	11	6,644	1,597	1,597	8,241
Balance at end of period	8,614	81,763	(1,525)	94,774	9,104	9,104	103,878