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

May 12, 2023

Company name: TOA CORPORATION

Stock exchange listing: Tokyo, Sapporo

Code number: 1885

URL: <https://www.toa-const.co.jp/eng/>

Representative: Takeshi Hayakawa

President and Chief Executive Officer

Contact: Tetsuya Kimura

General Manager, Administration Dept., Administration General
H/Q

Phone: +81-3-6757-3821

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(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, 2023	213,569	(2.8)	6,555	(33.6)	6,614	(34.8)	4,835	(34.5)
March 31, 2022	219,814	15.9	9,874	13.3	10,138	9.6	7,385	7.7

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 5,431 million [(26.6)%]
Fiscal year ended March 31, 2022: ¥ 7,398 million [(19.3)%]

	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, 2023	224.55	-	5.5	3.0	3.1
March 31, 2022	382.81	326.51	9.1	4.9	4.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - 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, 2023	226,928	89,361	39.1	4,071.84
March 31, 2022	212,916	86,725	40.4	3,939.69

(Reference) Equity: As of March 31, 2023: ¥ 88,629 million
As of March 31, 2022: ¥ 86,028 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, 2023	(13,947)	(2,578)	12,723	28,278
March 31, 2022	(2,671)	(2,391)	4,550	32,017

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	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	-	-	90.00	90.00	1,973	23.5	2.3
March 31, 2023	-	-	-	90.00	90.00	2,008	40.1	2.2
Fiscal year ending March 31, 2024 (Forecast)	-	-	-	100.00	100.00		32.8	

(Note) ¥8 million for Fiscal Year Ending March 2022 and ¥49 million for Fiscal Year Ending March 2023 of dividend payments for the shares acquired by the Board Benefit Trust (BBT) and the Japanese version of Employee Stock Ownership Plan (J-ESOP) are included.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% 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
Full year	253,000	18.5	9,700	48.0	9,500	43.6	6,600	36.5	304.97

* Explanatory 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: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: Yes

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, 2023: 22,494,629 shares

March 31, 2022: 22,494,629 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 728,167 shares

March 31, 2022: 658,371 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 21,531,991 shares

Fiscal Year ended March 31, 2022: 19,292,298 shares

(Note) Both the number of treasury stock at the end of the period and the number of treasury stock excluded for calculating the average number of shares during the period include the company's shares held by the Board Benefit Trust (BBT) and the Japanese version of Employee Stock Ownership Plan (J-ESOP).

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	203,236	(3.6)	5,772	(33.5)	5,857	(34.5)	4,424	(32.3)
March 31, 2022	210,721	16.6	8,683	19.1	8,948	14.5	6,537	7.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	205.49	-
March 31, 2022	338.87	289.03

(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, 2023	215,608	76,732	35.6	3,525.26
March 31, 2022	202,981	75,252	37.1	3,446.20

(Reference) Equity: As of March 31, 2023: ¥ 76,732 million
As of March 31, 2022: ¥ 75,252 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

Full year	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	243,000	19.6	8,800	52.5	8,600	46.8	6,000	35.6	277.25

* This document is not subject to review procedures by certified public accountants or audit firms.

* Disclaimer regarding appropriate use of the forecasts and other specific remarks:

The forecasts given above are based on information currently available and certain premises regarded as reasonable. The actual business results may be materially different from forecasts due to a variety of factors.

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	32,028	28,289
Notes receivable, accounts receivable from completed construction contracts and other	111,809	127,884
Securities	42	-
Costs on construction contracts in progress	3,597	4,427
Real estate for sale	1,558	1,315
Advances paid	8,211	7,935
Other	4,831	5,731
Allowance for doubtful accounts	(7)	(9)
Total current assets	162,072	175,573
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,689	15,758
Machinery, vehicles, tools, furniture and fixtures	20,923	22,326
Land	19,127	18,767
Leased assets	2,652	2,472
Construction in progress	6,015	6,682
Accumulated depreciation	(29,312)	(30,404)
Total property, plant and equipment	35,095	35,602
Intangible assets	975	808
Investments and other assets		
Investment securities	10,600	10,456
Long-term loans receivable	116	101
Retirement benefit asset	-	1,404
Deferred tax assets	2,994	2,002
Other	1,600	1,510
Allowance for doubtful accounts	(539)	(530)
Total investments and other assets	14,771	14,944
Total non-current assets	50,843	51,355
Total assets	212,916	226,928

(Million yen)

	As of March 31,2022	As of March 31,2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,601	37,250
Electronically recorded obligations - operating	7,897	7,616
Short-term borrowings	18,875	30,708
Commercial papers	-	6,000
Income taxes payable	1,737	1,620
Advances received on construction contracts in progress	15,785	10,650
Deposits received	18,255	20,917
Provision for warranties for completed construction	859	894
Provision for loss on construction contracts	1,809	1,321
Provision for bonuses for directors (and other officers)	63	28
Other	7,864	5,242
Total current liabilities	107,750	122,249
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,050	-
Long-term borrowings	10,937	10,335
Deferred tax liabilities for land revaluation	2,320	2,232
Retirement benefit liability	1,339	596
Provision for share awards for directors (and other officers)	106	111
Other	2,686	2,041
Total non-current liabilities	18,440	15,317
Total liabilities	126,190	137,567
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	19,042	18,965
Retained earnings	43,543	46,602
Treasury shares	(1,524)	(2,225)
Total shareholders' equity	80,037	82,319
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,235	2,048
Deferred gains or losses on hedges	5	(3)
Revaluation reserve for land	3,659	3,460
Remeasurements of defined benefit plans	89	804
Total accumulated other comprehensive income	5,990	6,310
Non-controlling interests	697	731
Total net assets	86,725	89,361
Total liabilities and net assets	212,916	226,928

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales	219,814	213,569
Cost of sales	198,437	195,539
Gross profit	21,376	18,030
Selling, general and administrative expenses	11,502	11,475
Operating profit	9,874	6,555
Non-operating income		
Interest income	19	23
Dividend income	270	329
Foreign exchange gains	372	134
Other	85	81
Total non-operating income	748	569
Non-operating expenses		
Interest expenses	251	303
Guarantee fee	143	138
Commission expenses	66	59
Other	23	9
Total non-operating expenses	484	510
Ordinary profit	10,138	6,614
Extraordinary income		
Gain on sale of non-current assets	10	36
Gain on sale of investment securities	221	489
Subsidy income	-	14
Other	5	0
Total extraordinary income	237	541
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	10	5
Loss on tax purpose reduction entry of non-current assets	-	14
Loss on valuation of stocks of subsidiaries and affiliates	-	10
Impairment losses	80	3
Other	2	3
Total extraordinary losses	93	36
Profit before income taxes	10,283	7,119
Income taxes - current	1,724	1,537
Income taxes - deferred	1,204	670
Total income taxes	2,929	2,207
Profit	7,354	4,912
Profit (loss) attributable to non-controlling interests	(31)	77
Profit attributable to owners of parent	7,385	4,835

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Profit	7,354	4,912
Other comprehensive income		
Valuation difference on available-for-sale securities	(465)	(186)
Deferred gains or losses on hedges	14	(9)
Remeasurements of defined benefit plans, net of tax	495	714
Total other comprehensive income	44	519
Comprehensive income	7,398	5,431
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,430	5,354
Comprehensive income attributable to non-controlling interests	(31)	77

Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	18,976	18,124	37,647	(5,247)	69,500		
Cumulative effects of changes in accounting policies			48		48		48
Restated balance	18,976	18,124	37,695	(5,247)	69,548		
Changes during period							
Dividends of surplus			(1,537)		(1,537)		(1,537)
Profit attributable to owners of parent			7,385		7,385		7,385
Purchase of treasury shares				(1,306)	(1,306)		(1,306)
Disposal of treasury shares				7	7		7
Conversion of convertible bond-type bonds with subscription rights to shares		917		5,022	5,940		5,940
Change in scope of consolidation							-
Net changes in items other than shareholders' equity							
Total changes during period	-	917	5,848	3,722	10,488		
Balance at end of period	18,976	19,042	43,543	(1,524)	80,037		
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,700	(8)	3,659	(405)	5,945	728	76,175
Cumulative effects of changes in accounting policies							48
Restated balance	2,700	(8)	3,659	(405)	5,945	728	76,223
Changes during period							
Dividends of surplus							(1,537)
Profit attributable to owners of parent							7,385
Purchase of treasury shares							(1,306)
Disposal of treasury shares							7
Conversion of convertible bond-type bonds with subscription rights to shares							5,940
Change in scope of consolidation							-
Net changes in items other than shareholders' equity	(465)	14	-	495	44	(31)	13
Total changes during period	(465)	14	-	495	44	(31)	10,502
Balance at end of period	2,235	5	3,659	89	5,990	697	86,725

For the fiscal year ended March 31,2023

(Million yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	18,976	19,042	43,543	(1,524)	80,037		
Cumulative effects of changes in accounting policies					-		
Restated balance	18,976	19,042	43,543	(1,524)	80,037		
Changes during period							
Dividends of surplus			(1,994)		(1,994)		
Profit attributable to owners of parent			4,835		4,835		
Purchase of treasury shares				(3,042)	(3,042)		
Disposal of treasury shares		152		1,063	1,216		
Revaluation reserve for land			199		199		
Conversion of convertible bond-type bonds with subscription rights to shares		(228)		1,278	1,050		
Change in scope of consolidation		(1)	19		18		
Net changes in items other than shareholders' equity							
Total changes during period	-	(76)	3,059	(700)	2,281		
Balance at end of period	18,976	18,965	46,602	(2,225)	82,319		
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,235	5	3,659	89	5,990	697	86,725
Cumulative effects of changes in accounting policies							-
Restated balance	2,235	5	3,659	89	5,990	697	86,725
Changes during period							
Dividends of surplus							(1,994)
Profit attributable to owners of parent							4,835
Purchase of treasury shares							(3,042)
Disposal of treasury shares							1,216
Revaluation reserve for land							199
Conversion of convertible bond-type bonds with subscription rights to shares							1,050
Change in scope of consolidation							18
Net changes in items other than shareholders' equity	(186)	(9)	(199)	714	319	34	353
Total changes during period	(186)	(9)	(199)	714	319	34	2,635
Balance at end of period	2,048	(3)	3,460	804	6,310	731	89,361

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from operating activities		
Profit before income taxes	10,283	7,119
Depreciation	2,225	2,712
Impairment losses	80	3
Increase (decrease) in allowance for doubtful accounts	(20)	(6)
Increase (decrease) in net retirement benefit asset and liability	(749)	(1,032)
Interest and dividend income	(290)	(353)
Interest expenses	251	303
Foreign exchange losses (gains)	(206)	(56)
Increase (decrease) in accrued consumption taxes	3,119	(2,990)
Loss (gain) on sale of short-term and long-term investment securities	(221)	(489)
Loss (gain) on sale of property, plant and equipment and intangible assets	(10)	(36)
Loss on retirement of property, plant and equipment and intangible assets	6	11
Decrease (increase) in trade receivables	(21,779)	(16,074)
Decrease (increase) in costs on construction contracts in progress	(541)	(829)
Decrease (increase) in real estate for sale	127	243
Decrease (increase) in advances paid	7,073	276
Increase (decrease) in trade payables	(1,435)	2,367
Increase (decrease) in advances received on construction contracts in progress	2,693	(5,135)
Increase (decrease) in deposits received	(5,282)	2,661
Other, net	4,188	(1,041)
Subtotal	(487)	(12,344)
Interest and dividends received	290	351
Interest paid	(298)	(300)
Income taxes paid	(2,175)	(1,654)
Net cash provided by (used in) operating activities	(2,671)	(13,947)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,418)	(3,398)
Proceeds from sale of property, plant and equipment	25	517
Purchase of intangible assets	(262)	(145)
Purchase of short-term and long-term investment securities	(51)	(350)
Proceeds from sale and redemption of short-term and long-term investment securities	292	784
Loan advances	(0)	(1)
Proceeds from collection of loans receivable	18	15
Other, net	4	(0)
Net cash provided by (used in) investing activities	(2,391)	(2,578)

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,801	12,221
Net increase (decrease) in commercial papers	-	6,000
Proceeds from long-term borrowings	4,010	3,960
Repayments of long-term borrowings	(5,749)	(4,958)
Proceeds from disposal of treasury shares	-	1,193
Purchase of treasury shares	(1,306)	(3,042)
Dividends paid	(1,531)	(1,964)
Dividends paid to non-controlling interests	-	(21)
Other, net	(672)	(665)
Net cash provided by (used in) financing activities	4,550	12,723
Effect of exchange rate change on cash and cash equivalents	219	63
Net increase (decrease) in cash and cash equivalents	(293)	(3,738)
Cash and cash equivalents at beginning of period	32,310	32,017
Cash and cash equivalents at end of period	32,017	28,278

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	29,004	26,148
Notes receivable - trade	2,634	1,014
Accounts receivable from completed construction contracts	103,712	120,490
Accounts receivable-side line business	2,925	2,652
Securities	42	-
Costs on construction contracts in progress	2,315	2,781
Costs on uncompleted side line business	102	61
Real estate for sale	1,513	1,270
Advances paid	8,181	7,904
Other	5,355	6,725
Allowance for doubtful accounts	(1)	(3)
Total current assets	155,788	169,046
Non-current assets		
Property, plant and equipment		
Buildings	7,536	7,560
Accumulated depreciation	(5,485)	(4,823)
Buildings, net	2,051	2,736
Structures	1,892	1,889
Accumulated depreciation	(1,456)	(1,450)
Structures, net	435	438
Machinery and equipment	3,336	4,069
Accumulated depreciation	(3,000)	(3,456)
Machinery and equipment, net	336	613
Vessels	9,486	10,011
Accumulated depreciation	(7,496)	(8,166)
Vessels, net	1,989	1,844
Vehicles	304	421
Accumulated depreciation	(218)	(263)
Vehicles, net	86	158
Tools, furniture and fixtures	2,598	2,627
Accumulated depreciation	(2,123)	(2,265)
Tools, furniture and fixtures, net	474	362
Land	15,589	15,229
Leased assets	2,854	2,668
Accumulated depreciation	(970)	(1,247)
Leased assets, net	1,883	1,421
Construction in progress	6,016	6,429
Total property, plant and equipment	28,862	29,234

(Million yen)

	As of March 31,2022	As of March 31,2023
Intangible assets	927	767
Investments and other assets		
Investment securities	9,852	9,655
Shares of subsidiaries and associates	2,396	2,366
Long-term loans receivable from subsidiaries and associates	1,485	1,357
Prepaid pension costs	-	244
Deferred tax assets	2,582	1,928
Other	1,625	1,537
Allowance for doubtful accounts	(539)	(531)
Total investments and other assets	17,403	16,559
Total non-current assets	47,193	46,561
Total assets	202,981	215,608
Liabilities		
Current liabilities		
Notes payable - trade	2,135	1,674
Electronically recorded obligations - operating	9,221	8,563
Accounts payable for construction contracts	29,618	31,538
Short-term borrowings	18,592	30,602
Commercial papers	-	6,000
Lease liabilities	515	514
Income taxes payable	1,478	1,494
Advances received on construction contracts in progress	15,395	10,313
Advances received on uncompleted side line business	125	310
Deposits received	22,000	24,917
Provision for warranties for completed construction	859	894
Provision for loss on construction contracts	1,804	1,321
Provision for bonuses for directors (and other officers)	63	28
Other	8,798	6,797
Total current liabilities	110,608	124,970
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,050	-
Long-term borrowings	10,917	10,321
Lease liabilities	1,560	1,050
Deferred tax liabilities for land revaluation	2,320	2,232
Provision for retirement benefits	911	-
Provision for share awards for directors (and other officers)	106	111
Other	255	189
Total non-current liabilities	17,120	13,905
Total liabilities	127,729	138,876

(Million yen)

	As of March 31,2022	As of March 31,2023
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus		
Legal capital surplus	4,744	4,744
Other capital surplus	14,349	14,274
Total capital surplus	19,094	19,018
Retained earnings		
Other retained earnings		
General reserve	14,000	14,000
Retained earnings brought forward	18,448	21,098
Total retained earnings	32,448	35,098
Treasury shares	(1,040)	(1,741)
Total shareholders' equity	69,478	71,352
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,108	1,922
Deferred gains or losses on hedges	5	(3)
Revaluation reserve for land	3,659	3,460
Total valuation and translation adjustments	5,774	5,379
Total net assets	75,252	76,732
Total liabilities and net assets	202,981	215,608

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Net sales		
Net sales of completed construction contracts	205,939	198,496
Net sales in development business and other	3,977	3,541
Net sales of real estate business and others	804	1,198
Total net sales	210,721	203,236
Cost of sales		
Cost of sales of completed construction contracts	187,771	183,583
Cost of sales in development business and other	3,261	2,712
Cost on sales on real estate business and other	392	622
Total cost of sales	191,425	186,918
Gross profit		
Gross profit on completed construction contracts	18,167	14,913
Gross profit on development business and other	715	828
Gross profit on real estate business and others	412	576
Total gross profit	19,295	16,318
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	259	263
Employees' salaries and allowances	4,632	4,323
Retirement benefit expenses	236	125
Legal welfare expenses	671	635
Welfare expenses	438	455
Stationery expenses	530	492
Communication and transportation expenses	287	382
Research study expenses	871	1,006
Advertising expenses	121	139
Provision of allowance for doubtful accounts	0	0
Bad debt expenses	-	0
Entertainment expenses	111	148
Donations	12	30
Rent expenses on land and buildings	692	717
Depreciation	370	395
Taxes and dues	567	483
Miscellaneous expenses	808	945
Total selling, general and administrative expenses	10,611	10,545
Operating profit	8,683	5,772

(Million yen)

	For the fiscal year ended March 31,2022	For the fiscal year ended March 31,2023
Non-operating income		
Interest income	42	40
Interest on securities	0	0
Dividend income	259	390
Gain on insurance adjustment	30	1
Foreign exchange gains	372	134
Other	40	34
Total non-operating income	745	601
Non-operating expenses		
Interest expenses	249	310
Guarantee fee	142	138
Commission expenses	66	59
Other	22	8
Total non-operating expenses	481	516
Ordinary profit	8,948	5,857
Extraordinary income		
Gain on sale of non-current assets	0	27
Gain on sale of investment securities	201	478
Subsidy income	-	14
Other	4	0
Total extraordinary income	205	521
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	6	4
Loss on tax purpose reduction entry of non-current assets	-	14
Loss on valuation of stocks of subsidiaries and affiliates	-	10
Impairment losses	80	3
Other	2	-
Total extraordinary losses	89	32
Profit before income taxes	9,064	6,347
Income taxes - current	1,311	1,281
Income taxes - deferred	1,215	640
Total income taxes	2,526	1,922
Profit	6,537	4,424

Non-consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	18,976	4,744	13,431	18,176	14,000	13,399	27,399	(4,763)	59,788
Cumulative effects of changes in accounting policies						48	48		48
Restated balance	18,976	4,744	13,431	18,176	14,000	13,447	27,447	(4,763)	59,836
Changes during period									
Dividends of surplus						(1,537)	(1,537)		(1,537)
Profit						6,537	6,537		6,537
Purchase of treasury shares								(1,306)	(1,306)
Disposal of treasury shares								7	7
Conversion of convertible bond-type bonds with subscription rights to shares			917	917				5,022	5,940
Net changes in items other than shareholders' equity									
Total changes during period	-	-	917	917	-	5,000	5,000	3,722	9,641
Balance at end of period	18,976	4,744	14,349	19,094	14,000	18,448	32,448	(1,040)	69,478
	Valuation and translation adjustments								
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	Total net assets				
Balance at beginning of period	2,596	(8)	3,659	6,247	66,036				
Cumulative effects of changes in accounting policies					48				
Restated balance	2,596	(8)	3,659	6,247	66,084				
Changes during period									
Dividends of surplus					(1,537)				
Profit					6,537				
Purchase of treasury shares					(1,306)				
Disposal of treasury shares					7				
Conversion of convertible bond-type bonds with subscription rights to shares					5,940				
Net changes in items other than shareholders' equity	(487)	14	-	(473)	(473)				
Total changes during period	(487)	14	-	(473)	9,167				
Balance at end of period	2,108	5	3,659	5,774	75,252				

For the fiscal year ended March 31,2023

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	18,976	4,744	14,349	19,094	14,000	18,448	32,448	(1,040)	69,478
Cumulative effects of changes in accounting policies									-
Restated balance	18,976	4,744	14,349	19,094	14,000	18,448	32,448	(1,040)	69,478
Changes during period									
Dividends of surplus						(1,973)	(1,973)		(1,973)
Profit						4,424	4,424		4,424
Purchase of treasury shares								(3,042)	(3,042)
Disposal of treasury shares			152	152				1,063	1,216
Revaluation reserve for land						199	199		199
Conversion of convertible bond-type bonds with subscription rights to shares			(228)	(228)				1,278	1,050
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(75)	(75)	-	2,650	2,650	(700)	1,874
Balance at end of period	18,976	4,744	14,274	19,018	14,000	21,098	35,098	(1,741)	71,352
	Valuation and translation adjustments								
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	Total net assets				
Balance at beginning of period	2,108	5	3,659	5,774	75,252				
Cumulative effects of changes in accounting policies					-				
Restated balance	2,108	5	3,659	5,774	75,252				
Changes during period									
Dividends of surplus					(1,973)				
Profit					4,424				
Purchase of treasury shares					(3,042)				
Disposal of treasury shares					1,216				
Revaluation reserve for land					199				
Conversion of convertible bond-type bonds with subscription rights to shares					1,050				
Net changes in items other than shareholders' equity	(185)	(9)	(199)	(394)	(394)				
Total changes during period	(185)	(9)	(199)	(394)	1,480				
Balance at end of period	1,922	(3)	3,460	5,379	76,732				