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MEMBERSHIP

April 28, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: ALPS LOGISTICS CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 9055
 URL: <https://www.alps-logistics.com/en/ir/>
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 Scheduled date of annual general meeting of shareholders: June 22, 2022
 Scheduled date to commence dividend payments: June 23, 2022
 Scheduled date to file annual securities report: June 22, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	113,814	13.2	6,021	27.4	6,166	25.2	3,598	24.1
March 31, 2021	100,562	(0.2)	4,725	14.7	4,926	26.8	2,900	21.4

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥5,832 million [27.9%]
 For the fiscal year ended March 31, 2021: ¥4,561 million [153.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	101.66	101.42	7.0	7.0	5.3
March 31, 2021	81.99	81.80	6.1	6.0	4.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: ¥— million
 For the fiscal year ended March 31, 2021: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	92,020	59,709	57.7	1,500.21
March 31, 2021	84,699	55,224	58.2	1,394.23

Reference: Equity
 As of March 31, 2022: ¥53,109 million
 As of March 31, 2021: ¥49,329 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	7,525	(3,100)	(3,042)	22,132
March 31, 2021	6,698	(2,505)	(1,833)	19,609

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year- end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	10.00	–	15.00	25.00	884	30.5	1.9
Fiscal year ended March 31, 2022	–	13.00	–	17.00	30.00	1,062	29.5	2.1
Fiscal year ending March 31, 2023 (Forecast)	–	16.00	–	16.00	32.00		34.9	

Note: Breakdown of year-end dividend for the fiscal year ended March 31, 2021:

Ordinary dividend: ¥10.00

Memorial dividend: ¥5.00

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	56,500	0.7	2,550	(20.3)	2,400	(18.9)	1,350	(21.1)	38.13
Fiscal year ending March 31, 2023	115,000	1.0	5,800	(3.7)	5,550	(10.0)	3,250	(9.7)	91.80

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For more details, please refer to the section of “(5) Notes to the consolidated financial statements, Change in accounting policies” of “4. Consolidated financial statements and significant notes thereto” on page 15 of the attached material.

- (3) Number of issued shares (common stock)

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

As of March 31, 2022	35,474,400 shares
As of March 31, 2021	35,474,400 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	72,988 shares
As of March 31, 2021	93,256 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	35,395,522 shares
Fiscal year ended March 31, 2021	35,374,261 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	48,955	7.3	2,478	40.0	3,929	57.8	2,860	61.8
March 31, 2021	45,622	(7.3)	1,770	(19.8)	2,489	(4.5)	1,768	(12.3)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	80.83	80.64
March 31, 2021	50.00	49.88

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	53,609	39,290	73.2	1,108.34
March 31, 2021	52,227	37,386	71.5	1,055.16

Reference: Equity

As of March 31, 2022: ¥39,236 million
As of March 31, 2021: ¥37,332 million

* 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

Caution regarding forward-looking statements and others

The forward-looking statements, including the earnings forecasts shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to the section of “(1) Analysis of Operating Results” of “1. Overview of operating results, etc.” on page 2 of the attached material.

Method of accessing supplementary material on financial results and details of financial results briefing

The Company plans to hold a financial results briefing for securities analysts on Wednesday, May 11, 2022. The Company plans to post the documents used at the briefing on its website on the day of the briefing.

Attached Material**Index**

1. Overview of operating results, etc.	2
(1) Analysis of operating results	2
(2) Analysis of financial position	4
(3) Basic policy on return of profits and dividends for the current and next fiscal years	4
(4) Business risks	5
2. Business policy	6
(1) Basic business policy of the Company	6
(2) Medium- to long-term business strategies, target management indexes and issues to be addressed..	6
3. Basic approach to the selection of accounting standards	8
4. Consolidated financial statements and significant notes thereto.....	9
(1) Consolidated balance sheet.....	9
(2) Consolidated statement of income and comprehensive income	11
(3) Consolidated statement of changes in equity.....	12
(4) Consolidated statement of cash flows.....	14
(5) Notes to the consolidated financial statements	15
Notes on premise of going concern	15
Change in accounting policies.....	15
Consolidated statement of income and comprehensive income	16
(Consolidated statement of changes in equity).....	17
(Consolidated statement of cash flows).....	19
(Segment information).....	20
(Per share information).....	24
(Significant subsequent events)	24
5. Non-consolidated financial statements and significant notes thereto.....	25
(1) Non-consolidated balance sheet.....	25
(2) Non-consolidated statement of income	27
(3) Non-consolidated statement of changes in equity.....	28
6. Other	30
(1) Changes in Directors (Scheduled date of retirement: June 22, 2022)	30
(2) Changes in Vice Presidents (Scheduled date of retirement: June 22, 2022).....	30

1. Overview of operating results, etc.

(1) Analysis of operating results

During the consolidated fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022), while the global economy continued to experience a significant impact from the novel coronavirus (COVID-19), each country conducted economic activities with a close eye on the state of infections. In the United States, the economy remained solid, supported by personal consumption and investment, and in Europe, restrictions on economic activities were gradually eased and the economy moved toward recovery. In the ASEAN region, although factory operation restrictions occurred due to the spread of infection, the situation has gradually recovered. In China, the economy showed an upward trend due to solid personal consumption, but there were concerns about lockdowns and company shutdowns in some regions. In Japan, the service industry stagnated as the impact of COVID-19 continued despite a temporary decrease in the infections since fall, but the manufacturing industry performed solidly, primarily in exports.

In the electronic components and automotive electrical components industries, which are the main customers of the Company, despite a strong demand, disruptions in logistics and supply chains and semiconductor shortages forced production adjustments, constraining the recovery. In the logistics industry, as container shortages and space shortages strained ocean and air transportation, freight rates continued to soar.

In this business environment, the Company developed adequate countermeasures to prevent the spread of COVID-19, and worked to improve services in order to respond to changes in customers' supply chains while complying with different regulations in each country around the world.

During the fiscal year ended March 31, 2022, which is the third and final year of the Fourth Medium-Term Business Plan, despite the delay caused by COVID-19, the Company has been steadily promoting the following strategies and measures, aiming to "return to a growth trajectory."

- (i) GTB (Get The Business / Expansion of markets and products):
Enhance hub functions and network. Expand business for components of automobile and industrial machinery. Strengthen service competitiveness aligned to target markets and regions.
- (ii) GTP (Get The Profit / Improvement of direct and indirect productivity):
Upgrade IT/automation/TIE system and expand their adoption. Make strategic investments focusing on capital efficiency. Upgrade improvement activities.
- (iii) GTC (Get The Confidence / The company of choice):
Improve levels of employee skill and satisfaction. Improve QC mindset and establish a quality assurance system. Strengthen ESG initiatives.

Financial results for the consolidated fiscal year ended March 31, 2022 showed ¥113,814 million in net sales (up 13.2% year on year), ¥6,021 million in operating profit (up 27.4%), ¥6,166 million in ordinary profit (up 25.2%) and ¥3,598 million in profit attributable to owners of parent (up 24.1%). Both net sales and profits at each stage reached record highs.

Overview of segments

(i) Electronic components logistics business

In the electronic components industry, which is the main customer of this business, there is increasing demand for telecommunication and IT devices, amid trends in IoT, 5G, and DX. In the automobile related business also, a trend towards adopting electronic systems and electric vehicles (EVs) has driven an increase in demand for electronic components. Meanwhile, there were production adjustments by manufacturers in conjunction with the present shortage of semiconductors, etc., which intermittently made it difficult to produce enough products.

The Company continued from the previous fiscal year to expand its business by focusing on the two aspects of region (area) and market/customer. The area strategy is to set up satellite hubs in existing areas of operations such as Japan and China, while setting up hubs and a network in India, Eastern Europe, and so forth. The market/customer strategy is to focus on expanding customers among the mainstay electronic components manufacturers and trading companies, as well as customers in the automotive and industrial machinery-related industries.

Looking at the financial results for the consolidated fiscal year ended March 31, 2022, net sales increased across all businesses: warehousing, transportation, and forwarding, both in Japan and overseas. Furthermore, the Company implemented initiatives to increase productivity, such as reorganizing the main line network in

Japan, promoting the use of IT in warehousing business, and streamlining its loading and unloading operations, resulting in growth in sales and profits.

Financial results for this segment showed ¥64,090 million in net sales (up 21.5% year on year) and ¥4,030 million in operating profit (up 30.9%).

(ii) Material sales business

In the material sales business, the Company sells electronic component-related packaging materials, molding materials, and electronic devices. The Company specializes in proposals for electronic device procurement agency services with integrated procurement and logistics, as well as proposal of packing materials aimed at improving logistics.

During the consolidated fiscal year ended March 31, 2022, although the production of automotive components stagnated due to semiconductor shortages since fall, sales of molding materials for telecommunications and IT equipment increased mainly in China, partly as a rebound in demand in the previous fiscal year. Also, sales and profits of packaging materials both increased as we strengthened our sales force and expanded sales, mainly to external customers.

Financial results for this segment showed ¥22,489 million in net sales (up 6.2% year on year) and ¥743 million in operating profit (up 61.1%).

(iii) Consumer products logistics business

In the consumer products logistics field, demand is expanding in conjunction with growth in delivery services and mail order businesses provided by retail companies, while the industry overall faces challenges in securing and developing human resources, such as drivers.

In this business environment, Ryutsu Service Co., Ltd., which handles the Group's consumer logistics, is working to incorporate intercompany logistics, which corresponds to the upstream area of the consumer logistics sector, and to expand the product center operations, such as medical and cosmetics, as well as expand the consumer cooperative delivery business.

In the consolidated fiscal year ended March 31, 2022, there was the contribution of the newly started medical-related services, and the demand for mail-order sales and delivery services has remained at a high level due to the establishment of a home-based lifestyle associated with the prolongation of the COVID-19 situation. Also, notwithstanding the increasing costs, such as depreciation, repair expenses, and fuel expenses, efforts to increase efficiency through automation and to reduce personnel expenses resulted in an increase in both sales and profit.

Financial results for this segment showed ¥27,234 million in net sales (up 2.2% year on year) and ¥1,247million in operating profit (up 5.3%).

Financial forecast for the next fiscal year

The global economy is expected to continue on a recovery trend, centered mainly on the manufacturing industry. However, there are uncertain factors such as the impact of COVID-19, geopolitical risks, and global inflation concerns. In the electronic components industry, which is the main customer of this business, demand for electronic components is expected to grow in the automobile related business, where smartphones and EVs are increasingly being used, while at the same time, we anticipate some constraining factors such as a shortage of semiconductors. In this environment, we will continue to expand our business domain and enhance our global network. In addition, we will work to improve productivity by developing automation equipment and systems tailored to the characteristics of cargo, and by reducing manpower.

As for the current financial forecast for the fiscal year ending March 31, 2023, we expect a slight increase in sales and a decrease in profit as follows, due to an expected decrease in forwarding related air transportation that occurred on a spot basis in the current fiscal year and an expected increase in activity expenses for business expansion.

Net sales	¥115,000 million	(up 1.0% year on year)
Operating profit	¥5,800 million	(down 3.7% year on year)
Ordinary profit	¥5,550 million	(down 10.0% year on year)
Profit attributable to owners of parent	¥3,250 million	(down 9.7% year on year)

(2) Analysis of financial position

(i) Assets, liabilities and net assets

Compared with the end of the previous fiscal year, assets, liabilities and net assets at the end of the fiscal year ended March 31, 2022 are as follows:

For assets, current assets increased by ¥2,515 million, mainly due to increases of cash and deposits and merchandise. Non-current assets increased by ¥4,806 million, mainly due to an increase of property, plant and equipment. As a result, total assets were ¥92,020 million, an increase of ¥7,321 million compared with the end of the previous fiscal year.

For liabilities, current liabilities increased by ¥859 million, mainly due to increases of lease liabilities and income taxes payable. Non-current liabilities increased by ¥1,977 million, due to increases of lease liabilities and retirement benefit liability. As a result, total liabilities were ¥32,311 million, an increase of ¥2,836 million compared with the end of the previous fiscal year.

Net assets increased by ¥4,485 million from the end of the previous fiscal year to ¥59,709 million, mainly reflecting an increase due to securing profits, partially offset by the payment of dividends and other factors.

Equity-to-asset ratio was 57.7%, a decrease of 0.5 percentage points compared with the end of the previous fiscal year.

(ii) Cash flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2022 amounted to ¥22,132 million, an increase of ¥2,523 million compared with the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥7,525 million (increase of ¥826 million in net cash provided compared with the previous fiscal year), mainly due to an increase in funds due to ¥6,123 million in profit before income taxes and ¥3,757 million in depreciation, while there was a decrease in funds due to a ¥435 million increase in inventories and ¥1,693 million in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥3,100 million (increase of ¥594 million in net cash used compared with the previous fiscal year). Major uses of cash were ¥2,555 million in purchases of property, plant and equipment including the construction of a new warehouse, and ¥830 million in purchases of intangible assets including software.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥3,042 million (increase of ¥1,208 million in net cash used compared with the previous fiscal year). Major uses of cash were ¥990 million in dividends paid and ¥1,540 million in repayments of lease liabilities.

(3) Basic policy on return of profits and dividends for the current and next fiscal years

The Company will continue to strive to raise the levels of return of profits to shareholders with priority on stable dividends. The level of dividends is determined by taking into account the balance among i) return of profits to shareholders, ii) investment for future growth, and iii) internal reserve, as well as a comprehensive range of factors including performance trends, financial structure, and shareholders' expectations regarding

dividends. We will continue our efforts to enhance the return to shareholders, aiming at a dividend payout ratio of approximately 30% to 40%.

The Company plans to submit a proposal to the 58th Annual General Meeting of Shareholders to pay a year-end dividend of ¥17 per share for the current fiscal year, as planned. The annual dividend will be ¥30 (increase of ¥5 compared with the previous fiscal year).

For the next fiscal year, the Company plans to pay a full-year dividend of ¥32 per share (¥16 each for the interim and year-end).

(4) Business risks

There are no risks that have newly emerged since the description in the Annual Securities Report submitted on June 23, 2021 that should be promptly disclosed, and therefore, the description is omitted.

2. Business policy

(1) Basic business policy of the Company

The Group consists of the Company and 24 domestic and overseas subsidiaries mainly engaged in electronic component logistics, and a domestic subsidiary, Ryutsu Service Co., Ltd., mainly engaged in consumer logistics, each concentrating its management resources in specialized fields to develop an integrated logistics business.

The Company and domestic and overseas subsidiaries related to electronic components have a corporate philosophy: “We contribute to the enrichment of society by developing optimal logistics solutions for *monozukuri*,” and have defined our business domain as “Integrated logistics solutions specializing in electronic components.” Ryutsu Service Co., Ltd., which is related to consumer logistics, has established a corporate philosophy: “We aim to become an integrated logistics company specializing in consumer logistics that can contribute to the lives of consumers in the local community.” Each company of the Group will work together under the corporate philosophy to promote medium- and short-term business plans to expand business and maximize corporate value.

ALPS ALPINE CO., LTD. is currently the parent company of the Company based on the effective control criteria*.

At the meeting held on April 28, 2022, the Company’s Board of Directors approved the proposal to change the number of Directors to a majority of independent Outside Directors in order to strengthen the Board’s supervisory function and improve governance. As a result, the percentage of Directors from ALPS ALPINE CO., LTD. on the Board of Directors is expected to be less than half upon approval of the proposed change in Directors at the Annual General Meeting of Shareholders scheduled for June 22, 2022. Therefore, the effective control criteria* is not met, and as of June 30, 2022, ALPS ALPINE CO., LTD. will no longer be a parent company of the Company, and the Company will become an equity method affiliate of ALPS ALPINE CO., LTD.

While maintaining management independence and belonging to the ALPS ALPINE group, we will continue to expand our operations, including our external sales business, based on the “optimal logistics” that we have cultivated to meet the needs of the electronic components industry. There is no change in the business relationship between the Company and ALPS ALPINE CO., LTD., and the two companies will continue to work together as the Group companies to enhance corporate value.

*The majority of the voting rights are held by a person who holds 40% or more but less than 50% of the voting rights, and the majority of the members of the Company’s Board of Directors are from ALPS ALPINE CO., LTD.

(2) Medium- to long-term business strategies, target management indexes and issues to be addressed

Electronic components logistics business and material sales business

In the electronic components related business, the electronic components industry, to which our major customers belong, is expected to continue to grow due to increased demand for electronics products, such as the spread of 5G related devices in telecommunications, the increasing computerization of automobiles, and the practical application of AI, IoT, and DX. At the same time, customers’ logistics reform needs are becoming increasingly sophisticated and diverse, as production sites change in response to changes in products and markets, and supply chains are becoming stronger and more efficient.

In this business environment, the Company and its domestic and overseas subsidiaries, whose domain is electronic components related businesses, have started the three-year Fifth Medium-Term Business Plan from the fiscal year 2022. We have set our medium-term basic policy as “Earth and society friendly, pursuit and evolution of optimal logistics” and will promote the following strategies and policies to expand our business on a global scale.

(i) GTB (Get The Business / Expansion of markets and products):

Expand business domains, enhance global network, and expand cooperative creation and alliance systems.

(ii) GTP (Get The Profit / Improvement of direct and indirect productivity):

Promote labor saving and automation, expand strategic investment and reap the rewards, and take on the challenge of DX.

(iii) GTC (Get The Confidence / Driving Sustainability):

Strengthen ESG compliance, ensure safety and high quality, and maintain and strengthen non-financial capital

As target management indexes, we set profit and loss targets such as sales and operating profit by business segment in our medium-term and short-term business plans, and strive to achieve the plans through the PDCA cycle. As indexes to measure the degree of global growth, we use “external sales ratio (sales composition ratio outside the ALPS ALPINE Group)” and “overseas sales ratio” as KPIs. In addition, we will work to improve ROE (return on equity) as an index of capital efficiency.

Consumer products logistics business

In the consumer products logistics field, changes in people’s lifestyles, combined with the impact of COVID-19, have further increased demand for personal delivery and mail-order services for food and daily necessities. On the other hand, the accompanying increase in cargo volume and the spread of same-day delivery services have resulted in a serious increase in the burden on the logistics infrastructure, particularly in terms of labor shortages and higher costs for drivers and warehouse workers.

In this business environment, Ryutsu Service Co., Ltd. has also started the three-year Medium-Term Business Plan beginning in the fiscal year 2022. We will strengthen our business operation system and sales structure to further expand business and increase market share for our main customer, co-ops, while expanding and strengthening sales of “EC mail order/online-shopping logistics.” We will also continue to develop markets in new domains such as pharmaceutical transportation and delivery.

In addition, to address the labor shortage, which is an industry issue, we will work to improve the retention rate by promoting automation and work style reforms to secure and develop human resources.

The Group will steadily implement the above strategies and priority policies in the electronic components and consumer related fields, while contributing to solving social issues in a sustainable manner, aiming for further global growth and enhancing corporate value.

3. Basic approach to the selection of accounting standards

For the time being, the Company and the Group intend to prepare consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among enterprises.

The Company and the Group intend to appropriately respond to the application of IFRS while considering the domestic and international situation and implementing the system environment improvement.

4. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	20,562	22,745
Notes and accounts receivable	17,970	17,691
Merchandise	1,607	2,152
Supplies	48	59
Other	2,411	2,471
Allowance for doubtful accounts	(14)	(18)
Total current assets	42,586	45,101
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,602	32,647
Accumulated depreciation and impairment	(19,540)	(20,887)
Buildings and structures, net	12,062	11,760
Machinery, equipment and vehicles	7,319	7,243
Accumulated depreciation and impairment	(5,754)	(5,775)
Machinery, equipment and vehicles, net	1,564	1,467
Tools, furniture and fixtures	3,197	3,319
Accumulated depreciation and impairment	(2,667)	(2,825)
Tools, furniture and fixtures, net	529	493
Land	16,781	17,966
Leased assets	8,064	10,370
Accumulated depreciation and impairment	(3,390)	(3,348)
Leased assets, net	4,673	7,021
Construction in progress	264	1,497
Total property, plant and equipment	35,875	40,208
Intangible assets		
Other	3,769	3,871
Total intangible assets	3,769	3,871
Investments and other assets		
Investment securities	102	122
Deferred tax assets	1,142	1,192
Other	1,222	1,525
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	2,466	2,839
Total non-current assets	42,112	46,919
Total assets	84,699	92,020

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade accounts payable	12,082	11,525
Short-term borrowings	2,050	2,056
Lease liabilities	1,305	1,903
Income taxes payable	1,006	1,183
Provision for bonuses	1,812	1,777
Accrued expenses	2,055	2,141
Other	1,772	2,355
Total current liabilities	22,084	22,943
Non-current liabilities		
Long-term borrowings	1,121	988
Lease liabilities	4,033	5,856
Provision for retirement benefits for directors	27	33
Retirement benefit liability	1,517	1,767
Other	689	721
Total non-current liabilities	7,389	9,367
Total liabilities	29,474	32,311
Net assets		
Shareholders' equity		
Share capital	2,349	2,349
Capital surplus	1,993	1,999
Retained earnings	44,484	47,092
Treasury shares	(65)	(50)
Total shareholders' equity	48,762	51,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6)	7
Foreign currency translation adjustment	672	1,862
Remeasurements of defined benefit plans	(98)	(150)
Total accumulated other comprehensive income	567	1,719
Share acquisition rights	53	53
Non-controlling interests	5,842	6,547
Total net assets	55,224	59,709
Total liabilities and net assets	84,699	92,020

(2) Consolidated statement of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	100,562	113,814
Cost of sales	*1 88,731	*1 100,421
Gross profit	11,830	13,393
Selling, general and administrative expenses	*2 7,104	*2 7,372
Operating profit	4,725	6,021
Non-operating income		
Interest income	60	61
Dividend income	3	4
Foreign exchange gains	45	175
Subsidy income	236	55
Other	173	163
Total non-operating income	518	461
Non-operating expenses		
Interest expenses	270	241
Other	47	75
Total non-operating expenses	318	316
Ordinary profit	4,926	6,166
Extraordinary income		
Gain on sale of non-current assets	*3 8	*3 9
Gain on cancellation of leases	13	—
Total extraordinary income	21	9
Extraordinary losses		
Loss on sale and retirement of non-current assets	*4 53	*4 53
Total extraordinary losses	53	53
Profit before income taxes	4,894	6,123
Income taxes - current	1,438	1,914
Income taxes - deferred	2	(36)
Total income taxes	1,441	1,878
Profit	3,453	4,245
Profit attributable to		
Profit attributable to owners of parent	2,900	3,598
Profit attributable to non-controlling interests	552	646
Other comprehensive income		
Valuation difference on available-for-sale securities	15	13
Foreign currency translation adjustment	1,013	1,634
Remeasurements of defined benefit plans, net of tax	79	(59)
Total other comprehensive income	*5 1,108	*5 1,587
Comprehensive income	4,561	5,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,744	4,750
Comprehensive income attributable to non-controlling interests	816	1,082

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,349	1,945	42,291	(81)	46,504
Changes during period					
Dividends of surplus			(707)		(707)
Profit attributable to owners of parent			2,900		2,900
Change in ownership interest of parent due to transactions with non-controlling interests		46			46
Disposal of treasury shares		1		16	17
Net changes in items other than shareholders' equity					
Total changes during period	—	48	2,193	16	2,257
Balance at end of period	2,349	1,993	44,484	(65)	48,762

	Accumulated other comprehensive income				Share acquisition rights	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	(21)	(66)	(188)	(276)	53	5,283	51,565
Changes during period							
Dividends of surplus						(176)	(884)
Profit attributable to owners of parent							2,900
Change in ownership interest of parent due to transactions with non-controlling interests							46
Disposal of treasury shares							17
Net changes in items other than shareholders' equity	15	738	89	843	—	734	1,578
Total changes during period	15	738	89	843	—	558	3,659
Balance at end of period	(6)	672	(98)	567	53	5,842	55,224

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,349	1,993	44,484	(65)	48,762
Changes during period					
Dividends of surplus			(990)		(990)
Profit attributable to owners of parent			3,598		3,598
Payment from non-controlling shareholders					
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		6		14	20
Net changes in items other than shareholders' equity					
Total changes during period	—	6	2,607	14	2,627
Balance at end of period	2,349	1,999	47,092	(50)	51,389

	Accumulated other comprehensive income				Share acquisition rights	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	(6)	672	(98)	567	53	5,842	55,224
Changes during period							
Dividends of surplus						(457)	(1,448)
Profit attributable to owners of parent							3,598
Payment from non-controlling shareholders						80	80
Purchase of treasury shares							(0)
Disposal of treasury shares							20
Net changes in items other than shareholders' equity	13	1,189	(51)	1,152	—	1,082	2,234
Total changes during period	13	1,189	(51)	1,152	—	705	4,485
Balance at end of period	7	1,862	(150)	1,719	53	6,547	59,709

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,894	6,123
Depreciation	3,491	3,757
Increase (decrease) in allowance for doubtful accounts	(10)	2
Increase (decrease) in provision for bonuses	147	(56)
Increase (decrease) in retirement benefit liability	(915)	249
Increase (decrease) in provision for retirement benefits for directors	(34)	6
Interest and dividend income	(63)	(65)
Interest expenses	270	241
Gain on cancellation of leases	(13)	–
Gain on maturity of insurance contract	(55)	(28)
Loss on sales and retirement of noncurrent assets	53	53
Decrease (increase) in trade receivables	(2,280)	872
Decrease (increase) in inventories	155	(435)
Increase (decrease) in trade payables	1,788	(942)
Increase (decrease) in other current liabilities	288	68
Other, net	103	(453)
Subtotal	7,820	9,390
Interest and dividends received	64	66
Interest paid	(268)	(247)
Income taxes paid	(991)	(1,693)
Proceeds from gain on maturity of insurance contract	55	5
Other, net	18	3
Net cash provided by (used in) operating activities	6,698	7,525
Cash flows from investing activities		
Net decrease (increase) in time deposits	40	342
Purchase of property, plant and equipment	(1,737)	(2,555)
Proceeds from sale of property, plant and equipment	17	9
Purchase of intangible assets	(890)	(830)
Proceeds from cancellation of insurance funds	54	23
Other proceeds by investing activities	176	140
Other payments by investing activities	(167)	(229)
Net cash provided by (used in) investing activities	(2,505)	(3,100)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	0	–
Proceeds from long-term borrowings	1,300	–
Repayments of long-term borrowings	(944)	(133)
Repayments of lease liabilities	(1,269)	(1,540)
Proceeds from share issuance to non-controlling shareholders	–	80
Purchase of treasury shares	–	(0)
Purchase of treasury shares of subsidiaries	(35)	–
Dividends paid	(707)	(990)
Dividends paid to non-controlling interests	(176)	(457)
Net cash provided by (used in) financing activities	(1,833)	(3,042)
Effect of exchange rate change on cash and cash equivalents	603	1,140
Net increase (decrease) in cash and cash equivalents	2,962	2,523
Cash and cash equivalents at beginning of period	16,646	19,609
Cash and cash equivalents at end of period	*1 19,609	*1 22,132

(5) Notes to the consolidated financial statements**Notes on premise of going concern**

Not applicable.

Change in accounting policies

Application of accounting standard for revenue recognition, etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the fiscal year ended March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

As a result, in subcontract processing with supply of materials for value, the revenue related to transfer of supplied goods is not recognized, and in cases where the Company has a performance obligation to arrange the supply of a promised good or service to the customer by another provider as an agent, revenue is recognized in the net amount.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year ended March 31, 2022, was added to or deducted from the opening balance of retained earnings of the fiscal year ended March 31, 2022, and thus the new accounting policy was applied from such opening balance. There is no effect on the opening balance of retained earnings.

For the fiscal year ended December 31, 2022, as a result of this change, and compared with the figures obtained by the previous accounting treatment, net sales and cost of sales each decreased by ¥212 million.

Application of accounting standard for fair value measurement, etc.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional treatments provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no effect on the consolidated financial statements.

Consolidated statement of income and comprehensive income

- *1 The ending inventory is the amount after devaluation of the book value due to decreased profitability, and the following loss (gain) on valuation of inventories is included in cost of sales.

(Millions of yen)

For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
0	22

- *2 Major items and amounts of selling, general and administrative expenses are as follows:

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Wages, salaries, allowances, etc.	3,283	3,591
Depreciation	733	782
Retirement benefit expenses	104	98
Provision for retirement benefits for directors	4	6
Provision for bonuses	385	373
Commission expenses	753	654

- *3 Details of gain on sale of fixed assets are as follows:

(Millions of yen)

	For the fiscal year ended March 31, 2021		For the fiscal year ended March 31, 2022
Machinery and vehicles	7	Machinery and vehicles	9
Other	0	Other	0
Total	8	Total	9

- *4 Details of loss on sale of fixed assets are as follows:

(Millions of yen)

For the fiscal year ended March 31, 2021					For the fiscal year ended March 31, 2022				
		Retirement	Sale	Total			Retirement	Sale	Total
Buildings	and	4	0	4	Buildings	and	40	—	40
structures					structures				
Machinery	and	40	3	44	Machinery	and	4	0	4
vehicles					vehicles				
Other		3	0	3	Other		7	0	8
Total		49	3	53	Total		52	0	53

*5 Reclassification adjustments and tax effects related to other comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Valuation difference on available-for-sale securities:		
Amount accrued in the current fiscal year	8	19
Reclassification adjustments	—	—
Before tax effect adjustment	8	19
Tax effect amount	6	(5)
Valuation difference on available-for-sale securities	15	13
Foreign currency translation adjustment:		
Amount accrued in the current fiscal year	1,013	1,634
Remeasurements of defined benefit plans, net of tax:		
Amount accrued in the current fiscal year	67	(128)
Reclassification adjustments	47	42
Before tax effect adjustment	114	(85)
Tax effect amount	(35)	26
Remeasurements of defined benefit plans, net of tax	79	(59)
Total other comprehensive income	1,108	1,587

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

1. Class and number of issued shares and class and number of treasury shares

	Number of shares at beginning of consolidated fiscal year under review (thousand shares)	Increase in number of shares during consolidated fiscal year under review (thousand shares)	Decrease in number of shares during consolidated fiscal year under review (thousand shares)	Number of shares at end of consolidated fiscal year under review (thousand shares)
Issued shares				
Common shares	35,474	—	—	35,474
Total	35,474	—	—	35,474
Treasury shares				
Common shares (Note)	116	—	23	93
Total	116	—	23	93

(Note) The decrease of 23 thousand shares in the number of treasury shares of common shares is due to the disposal of treasury shares as restricted stock compensation.

2. Matters related to share acquisition rights

Classification	Breakdown of share acquisition rights	Class of shares underlying share acquisition rights	Number of shares underlying share acquisition rights				Amount at end of fiscal year under review (millions of yen)
			Beginning of fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	End of fiscal year under review	
Reporting company (parent company)	Share acquisition rights as stock options	—	—	—	—	—	53
Total		—	—	—	—	—	53

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 19, 2020	Common shares	353	10.00	March 31, 2020	June 22, 2020	Retained earnings
Board of Directors meeting on October 30, 2020	Common shares	353	10.00	September 30, 2020	November 30, 2020	Retained earnings

(2) Of dividends whose record date is in the consolidated fiscal year under review, those whose effective date in the next consolidated fiscal year

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 23, 2021	Common shares	530	15.00	March 31, 2021	June 24, 2021	Retained earnings

(Note) The dividend per share includes a commemorative dividend of ¥5.00 for the listing on the First Section of the Tokyo Stock Exchange.

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

1. Class and number of issued shares and class and number of treasury shares

	Number of shares at beginning of consolidated fiscal year under review (thousand shares)	Increase in number of shares during consolidated fiscal year under review (thousand shares)	Decrease in number of shares during consolidated fiscal year under review (thousand shares)	Number of shares at end of consolidated fiscal year under review (thousand shares)
Issued shares				
Common shares	35,474	—	—	35,474
Total	35,474	—	—	35,474
Treasury shares				
Common shares (Note)	93	0	20	72
Total	93	0	20	72

(Notes) 1. The increase of 0 thousand shares in the number of treasury shares of common shares is due to the purchase of odd lot shares.

2. The decrease of 20 thousand shares in the number of treasury shares of common shares is due to the disposal of treasury shares as restricted stock compensation.

2. Matters related to share acquisition rights

Classification	Breakdown of share acquisition rights	Class of shares underlying share acquisition rights	Number of shares underlying share acquisition rights				Amount at end of fiscal year under review (millions of yen)
			Beginning of fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	End of fiscal year under review	
Reporting company (parent company)	Share acquisition rights as stock options	—	—	—	—	—	53
Total		—	—	—	—	—	53

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 23, 2021	Common shares	530	15.00	March 31, 2021	June 24, 2021	Retained earnings
Board of Directors meeting on October 28, 2021	Common shares	460	13.00	September 30, 2021	November 30, 2021	Retained earnings

(Note) The dividend per share as per the Annual General Meeting of Shareholders held on June 23, 2021 includes a commemorative dividend of ¥5.00 for the listing on the First Section of the Tokyo Stock Exchange.

(2) Of dividends whose record date is in the consolidated fiscal year under review, those whose effective date is in the next consolidated fiscal year

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 22, 2022	Common shares	601	17.00	March 31, 2022	June 23, 2022	Retained earnings

(Consolidated statement of cash flows)

*1 Cash and cash equivalents at the end of the fiscal year and their relationships with items in the consolidated balance sheets

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Cash and deposit account	20,562	22,745
Time deposits whose deposit period is more than three months	(953)	(613)
Cash and cash equivalents	19,609	22,132

2 Major non-cash transactions

	(Millions of yen)	
	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Increase in assets and liabilities due to new finance lease transactions	2,225	3,649

(Segment information)

a. Segment information

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Company formulates comprehensive global integrated logistics strategies and operates logistics and material sales businesses for electronic component related companies in Japan and overseas, as well as for consumers in Japan.

Accordingly, the Company has three reportable segments: "electronic components logistics business," "material sales business," and "consumer products logistics business."

The electronic components logistics business is engaged in the transport, warehousing, and forwarding of electronic components cargo in Japan and overseas. The material sales business is engaged in the sale of packaging materials, molding materials, and electronic devices. The consumer products logistics business is engaged in the transport, warehousing, and distribution processing of consumer products in Japan.

2. Calculation methodology for net sales, profits or losses, assets and liabilities and other items for each reportable segment

The accounting treatment of each operating segment reported is in line with the treatment used in the preparation of the consolidated financial statements.

Segment profit as reported in this section is based on operating profit.

Corporate assets are not allocated to each operating segment. Depreciation of corporate assets is allocated to each operating segment based on the sales ratio and other factors.

3. Information on net sales, profits or losses, assets and liabilities and other items for each reportable segment

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segment				Adjustment (Notes) 1	Per consolidated financial statements (Notes) 2
	Electronic components logistics business	Material sales business	Consumer products logistics business	Total		
Net sales						
Net sales from external customers	52,729	21,180	26,652	100,562	—	100,562
Transactions with other segments	—	—	—	—	—	—
Total	52,729	21,180	26,652	100,562	—	100,562
Segment profit	3,079	461	1,184	4,725	—	4,725
Segment assets	49,159	8,406	17,203	74,769	9,929	84,699
Other items						
Depreciation	2,608	86	797	3,491	—	3,491
Increase in property, plant and equipment, and intangible assets	2,064	4	1,394	3,462	596	4,058

(Notes) 1 Adjustments are as follows:

- (1) The adjustment of ¥9,929 million for segment assets represents corporate assets that are not allocated to each reportable segment.
- (2) The adjustment of ¥596 million for increase in property, plant and equipment and intangible assets represents increase in corporate assets.

2 Segment profit is the same as operating profit in the consolidated financial statements.

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

(Millions of yen)

	Reportable segment				Adjustment (Notes) 1	Per consolidated financial statements (Notes) 2
	Electronic components logistics business	Material sales business	Consumer products logistics business	Total		
Net sales						
Net sales from external customers	64,090	22,489	27,234	113,814	—	113,814
Transactions with other segments	—	—	—	—	—	—
Total	64,090	22,489	27,234	113,814	—	113,814
Segment profit	4,030	743	1,247	6,021	—	6,021
Segment assets	56,719	7,996	18,111	82,826	9,193	92,020
Other items						
Depreciation	2,774	87	895	3,757	—	3,757
Increase in property, plant and equipment, and intangible assets	5,277	3	764	6,045	684	6,730

(Notes) 1 Adjustments are as follows:

- (1) The adjustment of ¥9,193 million for segment assets represents corporate assets that are not allocated to each reportable segment.
- (2) The adjustment of ¥684 million for increase in property, plant and equipment and intangible assets represents increase in corporate assets.

2 Segment profit is the same as operating profit in the consolidated financial statements.

3 As described in “Change in accounting policies,” the Company has applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of operating segments. For the fiscal year ended March 31, 2022, as a result of this change, and compared with the figures obtained by the previous method, net sales of the material sales business decreased by ¥212 million.

b. Related information

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

1. Information by product or service

Information is omitted since it is described in the segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	North America	Other	Total
64,397	18,872	8,901	8,390	100,562

(Notes) 1 Net sales are classified based on the location of customers.

2 Major areas included in the "Other" category

Asia (excluding Japan and China), Europe

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
29,279	6,596	35,875

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
ALPS ALPINE CO., LTD.	10,185	Electronic components logistics business and material sales business

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

1. Information by product or service

Information is omitted since it is described in the segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	North America	Other	Total
69,533	24,679	9,081	10,520	113,814

(Notes) 1 Net sales are classified based on the location of customers.

2 Major areas included in the "Other" category
Asia (excluding Japan and China), Europe

(2) Property, plant and equipment

(Millions of yen)

Japan	Other	Total
31,301	8,906	40,208

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
ALPS ALPINE CO., LTD.	11,883	Electronic components logistics business and material sales business

c. Information on impairment loss in fixed assets by reportable segment

Not applicable.

d. Information on amortization of goodwill and unamortized balance by reportable segment

Not applicable.

e. Information on gain on bargain purchase by reportable segment

Not applicable.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Net assets per share	1,394.23	1,500.21
Basic earnings per share	81.99	101.66
Diluted earnings per share	81.80	101.42

(Notes) 1 Basis for calculation of net assets per share is as follows:

	As of March 31, 2021	As of March 31, 2022
Total net assets (millions of yen)	55,224	59,709
Amounts subtracted from total net assets: (millions of yen)	5,895	6,600
(Share acquisition rights (millions of yen))	(53)	(53)
(Non-controlling interests (millions of yen))	(5,842)	(6,547)
Net assets related to common shares at the end of period (millions of yen)	49,329	53,109
Number of common shares at the end of period used for calculating the amounts of net assets per share (thousands of shares)	35,381	35,401

2 Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	2,900	3,598
Amount not attributable to owners of common shares (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	2,900	3,598
Average number of common shares during the period (thousands of shares)	35,374	35,395
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (millions of yen)	—	—
Increase in the number of common shares	83	83
(Share acquisition rights (shares))	(83)	(83)
Outline of potential shares that are not included in the calculation of the diluted earnings per share because they do not have any diluting effects	—	—

(Significant subsequent events)

Not applicable.

5. Non-consolidated financial statements and significant notes thereto**(1) Non-consolidated balance sheet**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	7,194	6,665
Notes receivable - trade	675	683
Operating receivable	8,903	8,075
Merchandise	955	1,137
Supplies	29	29
Prepaid expenses	236	224
Other	1,451	3,659
Allowance for doubtful accounts	(34)	(1)
Total current assets	19,413	20,474
Non-current assets		
Property, plant and equipment		
Buildings	6,419	6,182
Structures	229	258
Machinery and equipment	598	573
Vehicles	163	206
Tools, furniture and fixtures	199	172
Land	14,474	15,629
Leased assets	8	—
Construction in progress	263	1,453
Total property, plant and equipment	22,357	24,476
Intangible assets		
Software	3,130	3,216
Other	29	29
Total intangible assets	3,159	3,246
Investments and other assets		
Investment securities	102	122
Shares of subsidiaries and associates	2,602	2,722
Investments in capital of subsidiaries and associates	1,382	1,382
Long-term loans receivable from subsidiaries and associates	2,296	269
Deferred tax assets	543	528
Other	369	386
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	7,296	5,411
Total non-current assets	32,814	33,134
Total assets	52,227	53,609

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade accounts payable	8,697	7,307
Short-term borrowings	1,850	1,850
Accounts payable - other	911	1,685
Accrued expenses	583	571
Income taxes payable	612	656
Deposits received	160	206
Provision for bonuses	875	809
Other	7	85
Total current liabilities	13,698	13,172
Non-current liabilities		
Long-term borrowings	900	900
Provision for retirement benefits	169	172
Asset retirement obligations	65	66
Other	8	8
Total non-current liabilities	1,143	1,147
Total liabilities	14,841	14,319
Net assets		
Shareholders' equity		
Share capital	2,349	2,349
Capital surplus		
Legal capital surplus	2,029	2,029
Other capital surplus	2	8
Total capital surplus	2,032	2,038
Retained earnings		
Legal retained earnings	307	307
Other retained earnings		
General reserve	14,350	14,350
Retained earnings brought forward	18,365	20,235
Total retained earnings	33,023	34,893
Treasury shares	(65)	(50)
Total shareholders' equity	37,338	39,229
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(6)	7
Total valuation and translation adjustments	(6)	7
Share acquisition rights	53	53
Total net assets	37,386	39,290
Total liabilities and net assets	52,227	53,609

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	45,622	48,955
Cost of sales	39,443	41,938
Gross profit	6,179	7,017
Selling, general and administrative expenses	4,409	4,538
Operating profit	1,770	2,478
Non-operating income		
Interest income	69	61
Dividend income	335	944
Foreign exchange gains	172	313
Commission income	85	92
Miscellaneous income	80	55
Total non-operating income	743	1,468
Non-operating expenses		
Interest expenses	11	11
Miscellaneous expenses	12	6
Total non-operating expenses	24	17
Ordinary profit	2,489	3,929
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	43
Total extraordinary losses	3	43
Profit before income taxes	2,486	3,887
Income taxes - current	747	1,018
Income taxes - deferred	(29)	8
Total income taxes	717	1,026
Profit	1,768	2,860

(3) Non-consolidated statement of changes in equity**Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)**

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	2,349	2,029	0	2,030	307	14,350	17,304	31,961
Changes during period								
Dividends of surplus							(707)	(707)
Profit							1,768	1,768
Disposal of treasury shares			1	1				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	1	1	—	—	1,061	1,061
Balance at end of period	2,349	2,029	2	2,032	307	14,350	18,365	33,023

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(81)	36,259	(21)	(21)	53	36,291
Changes during period						
Dividends of surplus		(707)				(707)
Profit		1,768				1,768
Disposal of treasury shares	16	17				17
Net changes in items other than shareholders' equity			15	15		15
Total changes during period	16	1,079	15	15	—	1,094
Balance at end of period	(65)	37,338	(6)	(6)	53	37,386

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

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at beginning of period	2,349	2,029	2	2,032	307	14,350	18,365	33,023
Changes during period								
Dividends of surplus							(990)	(990)
Profit							2,860	2,860
Purchase of treasury shares								
Disposal of treasury shares			6	6				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	6	6	—	—	1,870	1,870
Balance at end of period	2,349	2,029	8	2,038	307	14,350	20,235	34,893

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(65)	37,338	(6)	(6)	53	37,386
Changes during period						
Dividends of surplus		(990)				(990)
Profit		2,860				2,860
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	14	20				20
Net changes in items other than shareholders' equity			13	13		13
Total changes during period	14	1,890	13	13	—	1,903
Balance at end of period	(50)	39,229	7	7	53	39,290

6. Other

(1) Changes in Directors (Scheduled date of retirement: June 22, 2022)

- 1) Directors scheduled to retire (excluding Directors who are Members of Audit and Supervisory Committee)

Director	Koji Fukiyama (Continues as Senior Vice President)
Director	Yoichiro Kega
- 2) Candidate for New Director who is a Member of Audit and Supervisory Committee

Outside Director	Yoshihiro Ueda
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- 3) Director who is a Member of Audit and Supervisory Committee to be retired

Outside Director	Takashi Ohyama
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(2) Changes in Vice Presidents (Scheduled date of retirement: June 22, 2022)

- 1) Newly Appointed Vice President

Vice President	Tomofumi Kameda (present Associate Director, Deputy, Administration (Accounting & Finance))
Vice President	Hideki Oba (present Managing Director, Ryutsu Service Co., Ltd.)
- 2) Retired Vice President

Vice President	Yoichiro Kega
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