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MEMBERSHIP

April 28, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: ALPS LOGISTICS CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 9055
 URL: <https://www.alps-logistics.com/jp/ir/>
 Representative: Masaru Usui, Representative Director, President
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 Scheduled date of annual general meeting of shareholders: June 21, 2023
 Scheduled date to commence dividend payments: June 22, 2023
 Scheduled date to file annual securities report: June 21, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	121,165	6.5	8,043	33.6	8,790	42.6	5,032	39.9
March 31, 2022	113,814	13.2	6,021	27.4	6,166	25.2	3,598	24.1

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥6,474 million [11.0%]
 For the fiscal year ended March 31, 2022: ¥5,832 million [27.9%]

	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, 2023	142.08	141.75	9.1	9.3	6.6
March 31, 2022	101.66	101.42	7.0	7.0	5.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: ¥- million
 For the fiscal year ended March 31, 2022: ¥- 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, 2023	97,283	62,257	58.9	1,618.10
March 31, 2022	92,020	59,709	57.7	1,500.21

Reference: Equity
 As of March 31, 2023: ¥57,324 million
 As of March 31, 2022: ¥53,109 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, 2023	10,947	(4,846)	(1,857)	26,650
March 31, 2022	7,525	(3,100)	(3,042)	22,132

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, 2022	–	13.00	–	17.00	30.00	1,062	29.5	2.1
Fiscal year ended March 31, 2023	–	16.00	–	28.00	44.00	1,558	31.0	2.8
Fiscal year ending March 31, 2024 (Forecast)	–	22.00	–	22.00	44.00		41.0	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2023	60,000	(3.8)	2,950	(29.8)	2,550	(49.9)	1,600	(46.2)	45.16
Fiscal year ending March 31, 2024	123,000	1.5	6,700	(16.7)	6,200	(29.5)	3,800	(24.5)	107.26

*** 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: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(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, 2023	35,474,400 shares
As of March 31, 2022	35,474,400 shares

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

As of March 31, 2023	47,488 shares
As of March 31, 2022	72,988 shares

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

Fiscal year ended March 31, 2023	35,419,475 shares
Fiscal year ended March 31, 2022	35,395,522 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	51,261	4.7	2,614	5.5	3,859	(1.8)	2,700	(5.6)
March 31, 2022	48,955	7.3	2,478	40.0	3,929	57.8	2,860	61.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	76.23	76.05
March 31, 2022	80.83	80.64

(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, 2023	59,007	40,888	69.2	1,152.66
March 31, 2022	53,609	39,290	73.2	1,108.34

Reference: Equity

As of March 31, 2023: ¥40,835 million
As of March 31, 2022: ¥39,236 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 Monday, May 22, 2023. The Company plans to post the documents used at the briefing on its website on the day of the briefing.

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1. Overview of operating results, etc.

(1) Analysis of operating results

In the global economy during the fiscal year under review, employment and consumption remained firm in the U.S.; however, uncertainty about the economic outlook increased due to the impact of monetary tightening. The economy was generally weak also in Europe due to the impact of high inflation. In China, normalization of economic activities progressed after the turmoil associated with the zero-COVID policy; however, both domestic and external demand lacked strength, and growth slowed. In the Japanese economy, consumption of services turned to recovery; however, sales of goods were sluggish due to high prices and the economy remained weak in general.

In this business environment, the Company responded to regulations on countermeasures against the novel coronavirus that are different according to each region around the world, and took steps to improve services and extend sales to new customers in order to respond to changes in customer supply chains in each country.

The Company has started the three-year Fifth Medium-Term Business Plan from the fiscal year ended March 2023. We have set our basic policy as “Earth and society friendly, pursuit and evolution of optimal logistics,” with the aim of contributing to solving social issues through the logistics business, while continuing to facilitate pursuit of optimal logistics for each customer in line with our corporate philosophy.

Beginning in the fiscal year ended March 2023, which serves as the initial fiscal year of the medium-term business plan, we have been making efforts to expand our business on a global scale by promoting the following strategies and measures.

- (i) GTB (Get The Business / Expansion of markets and products):
Expand business domains, enhance the global network, and expand structures for cooperative creation and alliances.
- (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.

Financial results for the fiscal year under review showed ¥121,165 million in net sales (up 6.5% year on year), ¥8,043 million in operating profit (up 33.6%), ¥8,790 million in ordinary profit (up 42.6%), a significant increase due partly to the impact of the depreciation of the yen, and ¥5,032 million in profit attributable to the owners of the parent company (up 39.9%).

Overview of segments

(i) Electronic components logistics business

In the electronic components industry, which is the main customer of this business, although there was a continuation of firm demand for use in the automotive components industry, for which shortages of semiconductors and electronic components among others are easing, demand for use in consumer equipment and telecommunications and IT equipment was at a standstill due to a decrease in sales of computers and smartphones.

During the fiscal year under review, supply and demand balance in air and marine transportation, which had been tight for space, eased and net sales increased due to reasons such as solid shipments of international freight, especially in the first half of the fiscal year under review, as well as the effects of expanding sales to new customers. Despite the effects of deteriorating efficiency associated with lower freight-handling volume in Japan and other factors, the impact of the increase in net sales, our steps to improve productivity, and the effects of yen depreciation, resulted in higher profit.

Financial results for this segment showed ¥69,392 million in net sales (up 8.3% year on year) and ¥5,728 million in operating profit (up 42.1%).

(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 proposals of packing materials aimed at improving logistics.

During the fiscal year under review, net sales increased due to an increase in sales of molding materials in the business of telecommunications and IT equipment for China and other factors. Meanwhile, profits increased due to the impact of the increase in revenue and improvement in the cost of sales ratio combined with the effects of yen depreciation.

Financial results for this segment showed ¥24,016 million in net sales (up 6.8% year on year) and ¥1,038 million in operating profit (up 39.6%).

(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 further expand the consumer cooperative delivery business.

During the fiscal year under review, the stay-at-home demand that arose following the spread of COVID-19 faded and there was a small decline in the handling volume of the consumer cooperative delivery business. However, net sales increased mainly due to an expansion of EC-related services through efforts to extend sales to new customers. Despite an increase in expenses due mainly to warehouse rents for a new hub and depreciation, increased sales and improved productivity resulted in higher profit.

Financial results for this segment showed ¥27,756 million in net sales (up 1.9% year on year) and ¥1,277 million in operating profit (up 2.4%).

Financial forecast for the next fiscal year

In the global economy, there are growing concerns about an economic slowdown since the recovery of consumption and investment is sluggish due to the effects of monetary tightening implemented to address inflation. Additionally, there are many uncertainties about the future, such as geopolitical risks. In the electronic components industry, which is the main customer of this business, demand for electronic components is expected to grow in the IoT- and 5G-related businesses as well as the automobile-related business, where more EVs are introduced, in the medium to long term. However, in the fiscal year ending March 2024, especially in the first half of the year, shipments of semiconductors, electronic components, etc. are expected to remain stagnant due to delays in the recovery of demands for consumer and digital equipment. Under this situation, the Company intends to expand its business areas, including new markets and new businesses, and expand its global network in order to make up for stagnant shipments of electronic components and other related items for consumer and digital equipment. In addition, we will work to improve productivity by expanding our logistics platform tailored to the characteristics of cargo and developing automation equipment and systems, and by reducing manpower.

As a result of these efforts, the Company currently expects a slight increase in net sales for the fiscal year ending March 2024, due to factors such as the acquisition of new business through sales expansion activities. Meanwhile, it currently anticipates a lower profit for the fiscal year ending March 2024, due to the intensified competition in air and marine transportation resulting from eased supply and demand balance and due to expected higher costs resulting from expenses for business expansion activities and inflation.

Net sales	¥123,000 million	(up 1.5% year on year)
Operating profit	¥6,700 million	(down 16.7% year on year)
Ordinary profit	¥6,200 million	(down 29.5% year on year)
Profit attributable to owners of parent	¥3,800 million	(down 24.5% 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, 2023 are as follows:

For assets, current assets increased by ¥4,432 million, mainly due to increases of cash and deposits. Non-current assets increased by ¥830 million, mainly due to the purchase of property, plant and equipment and posting of deferred tax assets. As a result, total assets were ¥97,283 million, an increase of ¥5,262 million compared with the end of the previous fiscal year.

For liabilities, current liabilities increased by ¥523 million, mainly due to an increase in short-term borrowings resulting from reclassification of long- and short-term borrowings, despite a decrease of trade accounts payable. Non-current liabilities increased by ¥2,191 million, mainly due to an increase of long-term borrowings, despite a decrease of lease liabilities. As a result, total liabilities were ¥35,026 million, an increase of ¥2,715 million compared with the end of the previous fiscal year.

Net assets increased by ¥2,547 million from the end of the previous fiscal year to ¥62,257 million, mainly reflecting an increase due to securing profits, despite decreases due to a decrease in non-controlling interests resulting from the additional purchase of shares of subsidiaries and to the payment of dividends.

Equity-to-asset ratio was 58.9%, an increase of 1.2 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, 2023 amounted to ¥26,650 million, an increase of ¥4,517 million compared with the end of the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥10,947 million (increase of ¥3,422 million in net cash provided compared with the previous fiscal year). The main reason was an increase in funds due to ¥8,671 million in profit before income taxes and ¥4,418 million in depreciation, while there was a decrease in funds mainly due to ¥2,528 million in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥4,846 million (increase of ¥1,746 million in net cash used compared with the previous fiscal year). Major uses of cash were ¥3,688 million in purchases of property, plant and equipment including the construction of a new warehouse, and ¥777 million in purchases of intangible assets including software.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,857 million (decrease of ¥1,184 million in net cash used compared with the previous fiscal year). This resulted mainly from an expenditure of ¥2,400 million through the purchase of shares of subsidiaries, the repayments of lease liabilities of ¥1,968 million, and payment of dividends of ¥1,168 million, while funds increased by ¥4,200 million through long-term borrowings.

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

The Company's basic policy is to determine profit distribution based on stable dividends by taking into account the balance between (i) return of profits to shareholders and (ii) investment for future growth. We will continue our efforts to enhance the return to shareholders, aiming at a dividend payout ratio of approximately 30% to 50% to ensure that funds can be flexibly allocated to growth investment and shareholder returns.

Comprehensively considering developments in business performance, shareholder expectations for dividends, and other factors, the Company plans to submit a proposal to the 59th Annual General Meeting of Shareholders to pay a year-end dividend of ¥28 per share for the current fiscal year, as planned. The annual dividend will be ¥44 (increase of ¥14 compared with the previous fiscal year).

For the next fiscal year, the Company plans to pay a full-year dividend of ¥44 per share (¥22 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 22, 2022 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.

(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 arising from such factors 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 more efficient and stronger. In addition, logistics operators are required to carry out so-called economic security risk management amid increasing uncertainty in the economic environment, including geopolitical and infection risks.

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 the global network, and expand structures for cooperative creation and alliances.

(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 are working 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 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. also started the three-year Medium-Term Business Plan 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 strengthening sales activities for “EC mail-order/online-shopping logistics.” We are also developing new fields such as the pharmaceutical market.

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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	22,745	27,264
Trade notes and accounts receivable	17,691	17,578
Merchandise	2,152	1,968
Supplies	59	44
Other	2,471	2,695
Allowance for doubtful accounts	(18)	(17)
Total current assets	45,101	49,534
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,647	33,951
Accumulated depreciation and impairment	(20,887)	(21,341)
Buildings and structures, net	11,760	12,609
Machinery, equipment and vehicles	7,243	7,228
Accumulated depreciation and impairment	(5,775)	(5,778)
Machinery, equipment and vehicles, net	1,467	1,450
Tools, furniture and fixtures	3,319	3,481
Accumulated depreciation and impairment	(2,825)	(2,880)
Tools, furniture and fixtures, net	493	600
Land	17,966	18,008
Leased assets	10,370	11,323
Accumulated depreciation and impairment	(3,348)	(5,453)
Leased assets, net	7,021	5,870
Construction in progress	1,497	2,141
Total property, plant and equipment	40,208	40,680
Intangible assets		
Other	3,871	3,862
Total intangible assets	3,871	3,862
Investments and other assets		
Investment securities	122	177
Deferred tax assets	1,192	1,314
Other	1,525	1,715
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	2,839	3,206
Total non-current assets	46,919	47,749
Total assets	92,020	97,283

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade accounts payable	11,525	11,147
Short-term borrowings	1,923	1,930
Current portion of long-term borrowings	133	988
Lease liabilities	1,903	2,063
Income taxes payable	1,183	1,262
Provision for bonuses	1,777	1,972
Accrued expenses	2,141	2,220
Other	2,355	1,882
Total current liabilities	22,943	23,467
Non-current liabilities		
Long-term borrowings	988	4,200
Lease liabilities	5,856	4,585
Provision for retirement benefits for directors	33	37
Retirement benefit liability	1,767	1,938
Other	721	797
Total non-current liabilities	9,367	11,558
Total liabilities	32,311	35,026
Net assets		
Shareholders' equity		
Share capital	2,349	2,349
Capital surplus	1,999	2,030
Retained earnings	47,092	50,956
Treasury shares	(50)	(33)
Total shareholders' equity	51,389	55,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	46
Foreign currency translation adjustment	1,862	2,165
Remeasurements of defined benefit plans	(150)	(189)
Total accumulated other comprehensive income	1,719	2,022
Share acquisition rights	53	53
Non-controlling interests	6,547	4,879
Total net assets	59,709	62,257
Total liabilities and net assets	92,020	97,283

(2) Consolidated statement of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	113,814	121,165
Cost of sales	*1 100,421	*1 105,255
Gross profit	13,393	15,909
Selling, general and administrative expenses	*2 7,372	*2 7,866
Operating profit	6,021	8,043
Non-operating income		
Interest income	61	88
Dividend income	4	6
Foreign exchange gains	175	544
Subsidy income	55	180
Other	163	221
Total non-operating income	461	1,041
Non-operating expenses		
Interest expenses	241	265
Other	75	29
Total non-operating expenses	316	294
Ordinary profit	6,166	8,790
Extraordinary income		
Gain on sale of non-current assets	*3 9	*3 5
Gain on sale of investment securities	—	0
Subsidy income	—	0
Total extraordinary income	9	6
Extraordinary losses		
Loss on sale and retirement of non-current assets	*4 53	*4 39
Loss on disaster	—	85
Loss on tax purpose reduction entry of non-current assets	—	0
Total extraordinary losses	53	125
Profit before income taxes	6,123	8,671
Income taxes - current	1,914	2,589
Income taxes - deferred	(36)	(44)
Total income taxes	1,878	2,544
Profit	4,245	6,127
Profit attributable to		
Profit attributable to owners of parent	3,598	5,032
Profit attributable to non-controlling interests	646	1,094
Other comprehensive income		
Valuation difference on available-for-sale securities	13	38
Foreign currency translation adjustment	1,634	326
Remeasurements of defined benefit plans, net of tax	(59)	(18)
Total other comprehensive income	*5 1,587	*5 347
Comprehensive income	5,832	6,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,750	5,335
Comprehensive income attributable to non-controlling interests	1,082	1,138

(3) Consolidated statement of changes in equity**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

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,349	1,999	47,092	(50)	51,389
Changes during period					
Dividends of surplus			(1,168)		(1,168)
Profit attributable to owners of parent			5,032		5,032
Change in ownership interest of parent due to transactions with non-controlling interests		19			19
Disposal of treasury shares		10		17	28
Net changes in items other than shareholders' equity					
Total changes during period	—	30	3,863	17	3,912
Balance at end of period	2,349	2,030	50,956	(33)	55,301

	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	7	1,862	(150)	1,719	53	6,547	59,709
Changes during period							
Dividends of surplus						(386)	(1,555)
Profit attributable to owners of parent							5,032
Change in ownership interest of parent due to transactions with non-controlling interests						(2,419)	(2,400)
Disposal of treasury shares							28
Net changes in items other than shareholders' equity	38	303	(39)	302	—	1,138	1,441
Total changes during period	38	303	(39)	302	—	(1,667)	2,547
Balance at end of period	46	2,165	(189)	2,022	53	4,879	62,257

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	6,123	8,671
Depreciation	3,757	4,418
Increase (decrease) in allowance for doubtful accounts	2	(0)
Increase (decrease) in provision for bonuses	(56)	189
Increase (decrease) in retirement benefit liability	249	171
Increase (decrease) in provision for retirement benefits for directors	6	3
Interest and dividend income	(65)	(94)
Interest expenses	241	265
Loss (gain) on sale of investment securities	—	(0)
Gain on maturity of insurance contract	(28)	(0)
Loss on sales and retirement of noncurrent assets	53	39
Decrease (increase) in trade receivables	872	397
Decrease (increase) in inventories	(435)	212
Increase (decrease) in trade payables	(942)	(494)
Increase (decrease) in other current liabilities	68	(8)
Other, net	(453)	(137)
Subtotal	9,390	13,633
Interest and dividends received	66	92
Interest paid	(247)	(262)
Income taxes paid	(1,693)	(2,528)
Proceeds from gain on maturity of insurance contract	5	0
Other, net	3	12
Net cash provided by (used in) operating activities	7,525	10,947
Cash flows from investing activities		
Net decrease (increase) in time deposits	342	(0)
Proceeds from sale of investment securities	—	0
Purchase of property, plant and equipment	(2,555)	(3,688)
Proceeds from sale of property, plant and equipment	9	13
Purchase of intangible assets	(830)	(777)
Proceeds from cancellation of insurance funds	23	0
Other proceeds by investing activities	140	125
Other payments by investing activities	(229)	(519)
Net cash provided by (used in) investing activities	(3,100)	(4,846)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(1)
Proceeds from long-term borrowings	—	4,200
Repayments of long-term borrowings	(133)	(133)
Repayments of lease liabilities	(1,540)	(1,968)
Proceeds from share issuance to non-controlling shareholders	80	—
Purchase of treasury shares	(0)	—
Dividends paid	(990)	(1,168)
Dividends paid to non-controlling interests	(457)	(386)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(2,400)
Net cash provided by (used in) financing activities	(3,042)	(1,857)
Effect of exchange rate change on cash and cash equivalents	1,140	274
Net increase (decrease) in cash and cash equivalents	2,523	4,517
Cash and cash equivalents at beginning of period	19,609	22,132
Cash and cash equivalents at end of period	*1 22,132	*1 26,650

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

Not applicable.

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)

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
22	16

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

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Wages, salaries, allowances, etc.	3,591	3,797
Depreciation	782	830
Retirement benefit expenses	98	106
Provision for retirement benefits for directors	6	3
Provision for bonuses	373	436
Commission expenses	654	585

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

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)		Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Machinery and vehicles	9	Machinery and vehicles	5
Other	0	Other	0
Total	9	Total	5

- *4 Details of loss on sale and retirement of non-current assets are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)				Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)		
	Retirement	Sale	Total		Retirement	Sale	Total
Buildings and structures	40	—	40	Buildings and structures	14	—	14
Machinery and vehicles	4	0	4	Machinery and vehicles	4	0	5
Other	7	0	8	Other	19	0	19
Total	52	0	53	Total	38	1	39

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

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Valuation difference on available-for-sale securities:		
Amount accrued in the current fiscal year	19	55
Reclassification adjustments	—	—
Before tax effect adjustment	19	55
Tax effect amount	(5)	(16)
Valuation difference on available-for-sale securities	13	38
Foreign currency translation adjustment:		
Amount accrued in the current fiscal year	1,634	326
Remeasurements of defined benefit plans, net of tax:		
Amount accrued in the current fiscal year	(128)	(79)
Reclassification adjustments	42	53
Before tax effect adjustment	(85)	(26)
Tax effect amount	26	8
Remeasurements of defined benefit plans, net of tax	(59)	(18)
Total other comprehensive income	1,587	347

(Consolidated statement of changes in equity)

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 the fiscal year under review (thousand shares)	Increase in number of shares during the fiscal year under review (thousand shares)	Decrease in number of shares during the fiscal year under review (thousand shares)	Number of shares at end of the fiscal year under review (thousand shares)
Issued shares				
Common shares	35,474	—	—	35,474
Total	35,474	—	—	35,474
Treasury shares				
Common shares (Notes)	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 the fiscal year under review (millions of yen)
			Beginning of the fiscal year under review	Increase during the fiscal year under review	Decrease during the fiscal year under review	End of the 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 fiscal year under review, those whose effective date in the next 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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

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

	Number of shares at beginning of the fiscal year under review (thousand shares)	Increase in number of shares during the fiscal year under review (thousand shares)	Decrease in number of shares during the fiscal year under review (thousand shares)	Number of shares at end of the fiscal year under review (thousand shares)
Issued shares				
Common shares	35,474	—	—	35,474
Total	35,474	—	—	35,474
Treasury shares				
Common shares (Note)	72	—	25	47
Total	72	—	25	47

(Note) The decrease of 25 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 the fiscal year under review (millions of yen)
			Beginning of the fiscal year under review	Increase during fiscal year under review	Decrease during fiscal year under review	End of the 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 22, 2022	Common shares	601	17.00	March 31, 2022	June 23, 2022	Retained earnings
Board of Directors meeting on October 28, 2022	Common shares	566	16.00	September 30, 2022	November 30, 2022	Retained earnings

(2) Of dividends whose record date is in the fiscal year under review, those whose effective date in the next 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 21, 2023	Common shares	991	28.00	March 31, 2023	June 22, 2023	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, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Cash and deposit account	22,745	27,264
Time deposits whose deposit period is more than three months	(613)	(614)
Cash and cash equivalents	22,132	26,650

2 Major non-cash transactions

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Increase in assets and liabilities due to new finance lease transactions	3,649	535

(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 the logistics business 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, 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.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	69,392	24,016	27,756	121,165	—	121,165
Transactions with other segments	—	—	—	—	—	—
Total	69,392	24,016	27,756	121,165	—	121,165
Segment profit	5,728	1,038	1,277	8,043	—	8,043
Segment assets	59,752	8,344	18,482	86,579	10,704	97,283
Other items						
Depreciation	3,386	104	927	4,418	—	4,418
Increase in property, plant and equipment, and intangible assets	3,223	10	498	3,731	694	4,426

(Notes) 1 Adjustments are as follows:

- (1) The adjustment of ¥10,704 million for segment assets represents corporate assets that are not allocated to each reportable segment.
- (2) The adjustment of ¥694 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.

b. Related information

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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
69,355	27,259	11,614	12,936	121,165

(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
32,846	7,834	40,680

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
ALPS ALPINE CO., LTD.	10,343	Electronic components logistics business and material sales business

c. Information on impairment loss in non-current 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, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net assets per share	1,500.21	1,618.10
Basic earnings per share	101.66	142.08
Diluted earnings per share	101.42	141.75

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

	Fiscal year ended March 31, 2022 (March 31, 2022)	Fiscal year ended March 31, 2023 (March 31, 2023)
Total net assets (millions of yen)	59,709	62,257
Amounts subtracted from total net assets: (millions of yen)	6,600	4,933
(Share acquisition rights (millions of yen))	(53)	(53)
(Non-controlling interests (millions of yen))	(6,547)	(4,879)
Net assets related to common shares at the end of period (millions of yen)	53,109	57,324
Number of common shares at the end of period used for calculating the amounts of net assets per share (thousands of shares)	35,401	35,426

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

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	3,598	5,032
Amount not attributable to owners of common shares (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	3,598	5,032
Average number of common shares during the period (thousands of shares)	35,395	35,419
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Millions of yen)	—	—
Increase in the number of common shares (thousands of shares)	83	83
(Share acquisition rights (thousands of 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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,665	7,528
Notes receivable - trade	683	710
Operating receivable	8,075	8,219
Merchandise	1,137	1,056
Supplies	29	29
Prepaid expenses	224	233
Other	3,659	1,939
Allowance for doubtful accounts	(1)	(1)
Total current assets	20,474	19,716
Non-current assets		
Property, plant and equipment		
Buildings	6,182	7,326
Structures	258	273
Machinery and equipment	573	640
Vehicles	206	209
Tools, furniture and fixtures	172	237
Land	15,629	15,630
Construction in progress	1,453	2,141
Total property, plant and equipment	24,476	26,460
Intangible assets		
Software	3,216	3,215
Other	29	31
Total intangible assets	3,246	3,247
Investments and other assets		
Investment securities	122	177
Shares of subsidiaries and associates	2,722	5,122
Investments in capital of subsidiaries and associates	1,382	1,572
Long-term loans receivable from subsidiaries and associates	269	1,671
Deferred tax assets	528	571
Other	386	468
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	5,411	9,583
Total non-current assets	33,134	39,291
Total assets	53,609	59,007

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade accounts payable	7,307	7,503
Short-term borrowings	1,850	1,850
Current portion of long-term borrowings	—	900
Accounts payable - other	1,685	988
Accrued expenses	571	587
Income taxes payable	656	653
Deposits received	206	195
Provision for bonuses	809	978
Other	85	14
Total current liabilities	13,172	13,671
Non-current liabilities		
Long-term borrowings	900	4,200
Provision for retirement benefits	172	171
Asset retirement obligations	66	66
Other	8	8
Total non-current liabilities	1,147	4,447
Total liabilities	14,319	18,119
Net assets		
Shareholders' equity		
Share capital	2,349	2,349
Capital surplus		
Legal capital surplus	2,029	2,029
Other capital surplus	8	18
Total capital surplus	2,038	2,048
Retained earnings		
Legal retained earnings	307	307
Other retained earnings		
General reserve	14,350	14,350
Retained earnings brought forward	20,235	21,767
Total retained earnings	34,893	36,424
Treasury shares	(50)	(33)
Total shareholders' equity	39,229	40,788
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7	46
Total valuation and translation adjustments	7	46
Share acquisition rights	53	53
Total net assets	39,290	40,888
Total liabilities and net assets	53,609	59,007

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	48,955	51,261
Cost of sales	41,938	43,851
Gross profit	7,017	7,409
Selling, general and administrative expenses	4,538	4,795
Operating profit	2,478	2,614
Non-operating income		
Interest income	61	72
Dividend income	944	697
Foreign exchange gains	313	366
Commission income	92	95
Miscellaneous income	55	35
Total non-operating income	1,468	1,268
Non-operating expenses		
Interest expenses	11	20
Miscellaneous expenses	6	2
Total non-operating expenses	17	22
Ordinary profit	3,929	3,859
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	—	0
Subsidy income	—	0
Total extraordinary income	0	3
Extraordinary losses		
Loss on sale and retirement of non-current assets	43	30
Loss on disaster	—	85
Loss on tax purpose reduction entry of non-current assets	—	0
Total extraordinary losses	43	116
Profit before income taxes	3,887	3,746
Income taxes – current	1,018	1,105
Income taxes – deferred	8	(59)
Total income taxes	1,026	1,046
Profit	2,860	2,700

(3) Non-consolidated statement of changes in equity**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

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(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	8	2,038	307	14,350	20,235	34,893
Changes during period								
Dividends of surplus							(1,168)	(1,168)
Profit							2,700	2,700
Disposal of treasury shares			10	10				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	10	10	—	—	1,531	1,531
Balance at end of period	2,349	2,029	18	2,048	307	14,350	21,767	36,424

	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	(50)	39,229	7	7	53	39,290
Changes during period						
Dividends of surplus		(1,168)				(1,168)
Profit		2,700				2,700
Disposal of treasury shares	17	28				28
Net changes in items other than shareholders' equity			38	38		38
Total changes during period	17	1,559	38	38	—	1,598
Balance at end of period	(33)	40,788	46	46	53	40,888

6. Other

(1) Changes in Directors (Scheduled date of appointment/retirement: June 21, 2023)

- 1) Candidates for new Directors

Director	Hideaki Terasaki (present Vice President, Business Division, Japan, Europe and North America and Quality & Environment Assurance)
Outside Director	Takeshi Nakajima
- 2) Retiring Directors (excluding Directors who are Members of Audit and Supervisory Committee)

Director	Katsuhiko Shimohiro
Outside Director	Susumu Ohashi
- 3) Candidate for New Director who is a Member of Audit and Supervisory Committee

Director	Katsuhiko Shimohiro (present Director and Executive Vice President, General Manager, Administration and Information Systems)
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- 4) Retiring Director who is a Member of Audit and Supervisory Committee

Director	Kunihiko Nakamura
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(2) Changes in Vice Presidents (Scheduled date of appointment/retirement: June 21, 2023)

- 1) Newly promoted Vice President

Executive Vice President	Koji Fukiyama (present Senior Vice President, General Manager, Business Division)
Senior Vice President	Toshiyuki Mushiake (present Vice President, General Manager, Sales Division)
Senior Vice President	Hideaki Terasaki (present Vice President, Business Division, Japan, Europe and North America and Quality & Environment Assurance)
- 2) Newly Appointed Vice President

Vice President	Masaaki Ishiguro (present Associate Director, Deputy, Sales Division)
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- 3) Retiring Vice President

Executive Vice President	Katsuhiko Shimohiro
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