

DATA BOOK

FY2024 (Year ended March 31,2024)

V-ACTION for sustainability



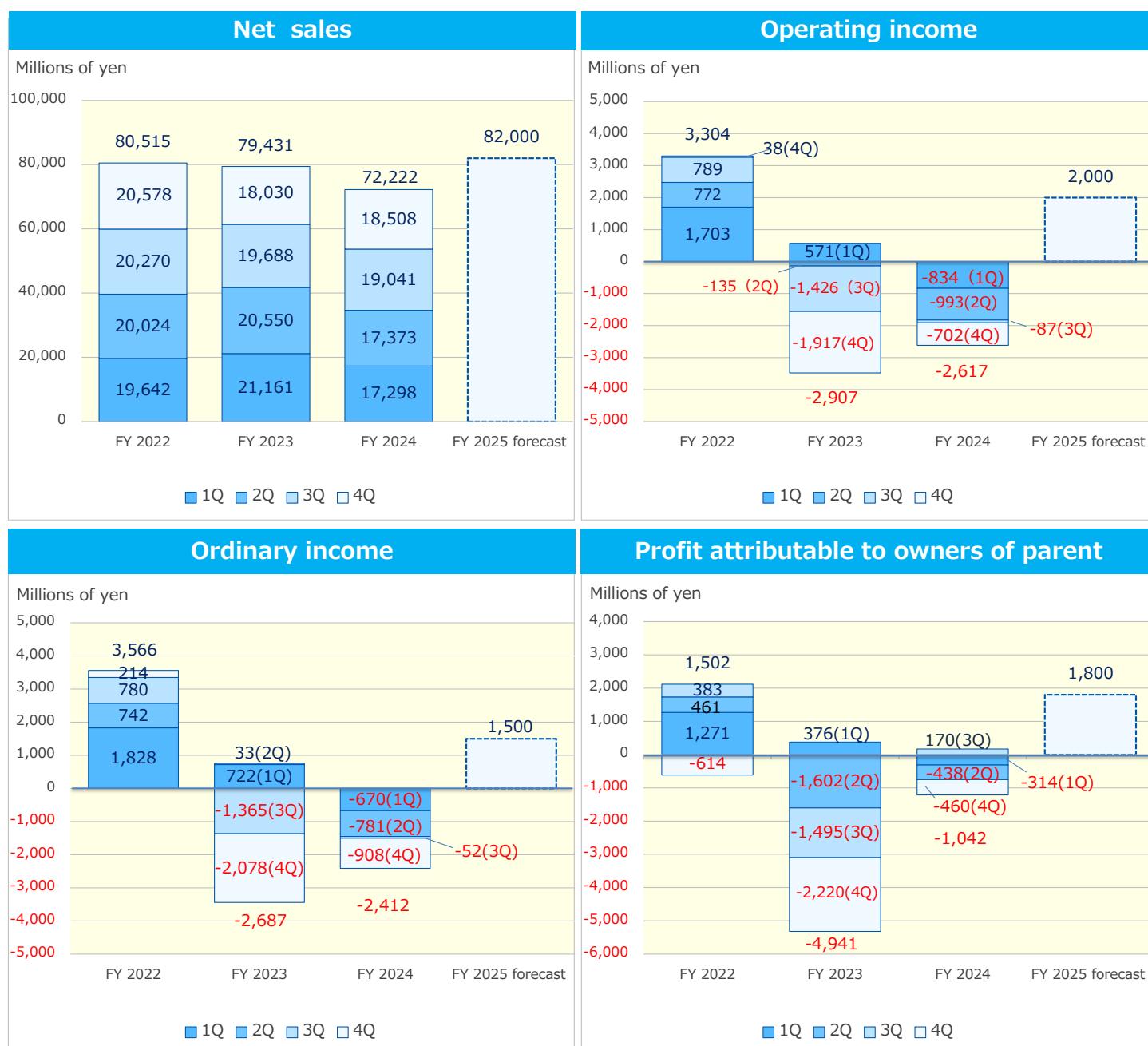
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May 14th,2024

ARAKAWA CHEMICAL INDUSTRIES, LTD.

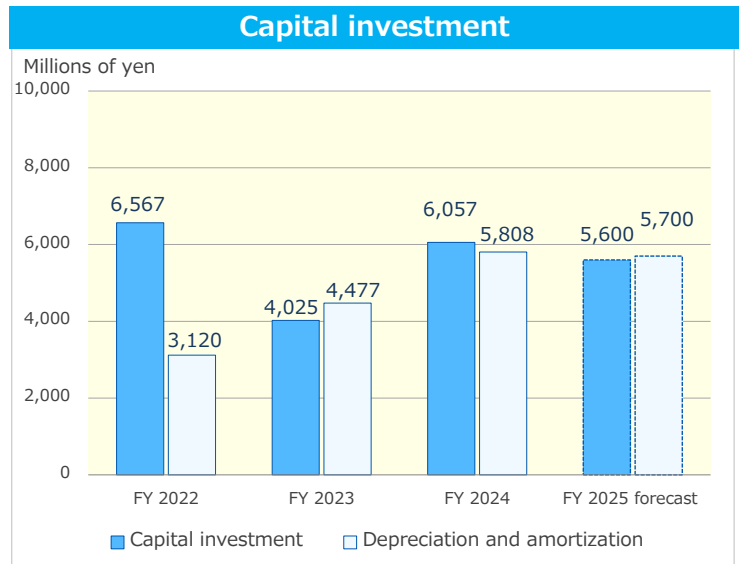
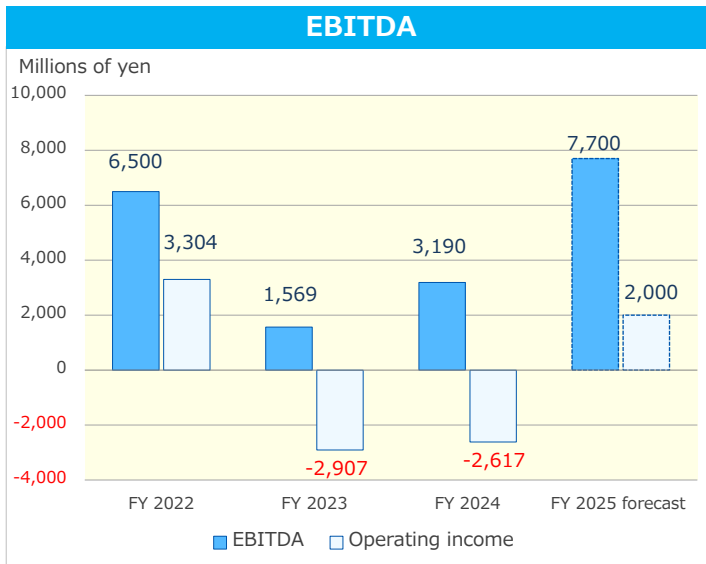
Performance (Consolidated)



Consolidated	FY 2021		FY 2022		FY 2023		FY 2024		FY 2025 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Net sales*	70,572	△ 3.3	80,515	14.1	79,431	△ 1.3	72,222	△ 9.1	82,000	13.5
Operating income	3,257	26.5	3,304	1.4	△ 2,907	-	△ 2,617	-	2,000	-
Ordinary income	3,652	24.8	3,566	△ 2.3	△ 2,687	-	△ 2,412	-	1,500	-
Profit attributable to owners of parent	2,169	25.3	1,502	△ 30.7	△ 4,941	-	△ 1,042	-	1,800	-

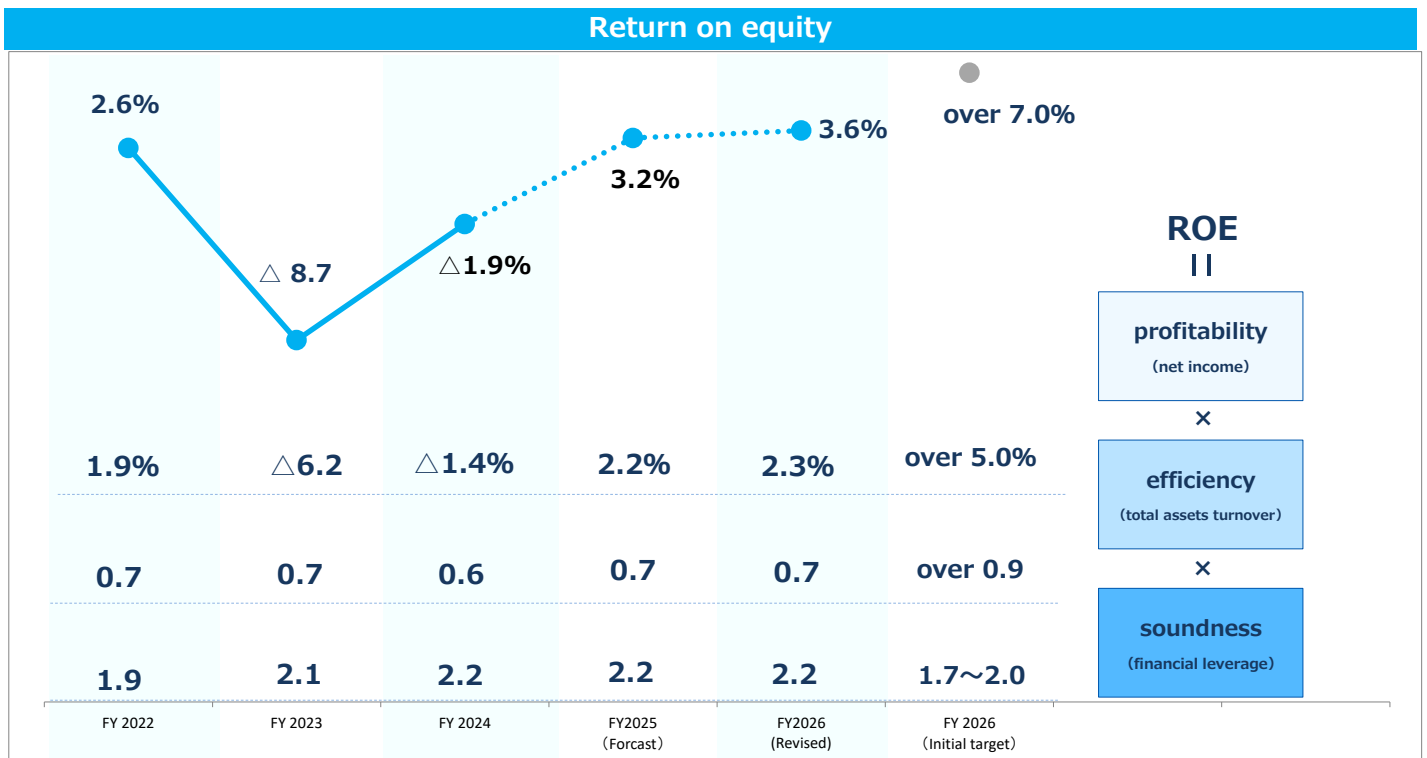
*As the Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022, the above net sales of FY2022 and FY2023 is prepared based on such accounting standards.

Management index Transition



Consolidated	FY 2021		FY 2022		FY 2023		FY 2024		FY 2025 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	18,559	14,626	6,567	△ 11,991	4,025	△ 2,541	6,057	2,031	5,600	△ 457
Depreciation	2,980	93	3,120	139	4,477	1,357	5,808	1,330	5,700	△ 108
R&D expenses	3,247	205	3,100	△ 147	3,024	△ 75	2,965	△ 59	3,300	334
Interest-bearing debt	21,789	2,743	26,680	4,891	35,052	8,371	42,388	7,335	40,500	△ 1,888
EBITDA	6,423	680	6,500	77	1,569	△ 4,931	3,190	1,621	7,700	4,509

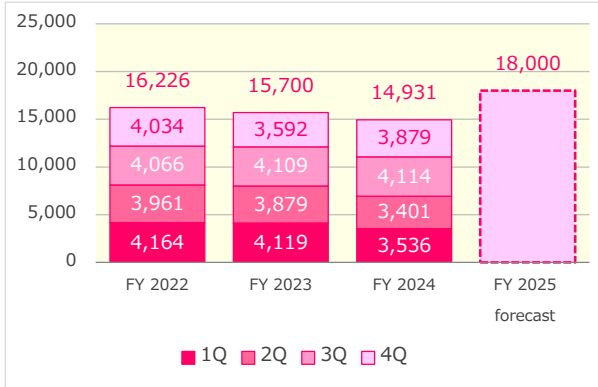
[EBITDA] Operating profit before amortization = Operating profit + Depreciation expense + Amortization of goodwill



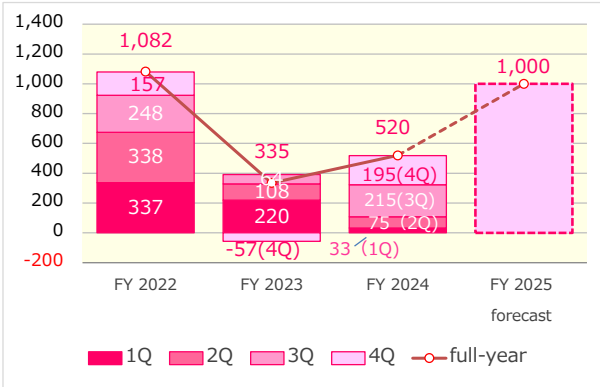
Segment Information (Consolidated)

Functional Coating Chemicals

Net sales (Millions of yen)

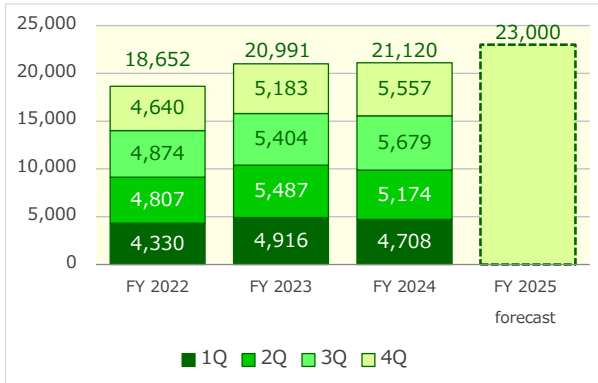


Segment income (Millions of yen)

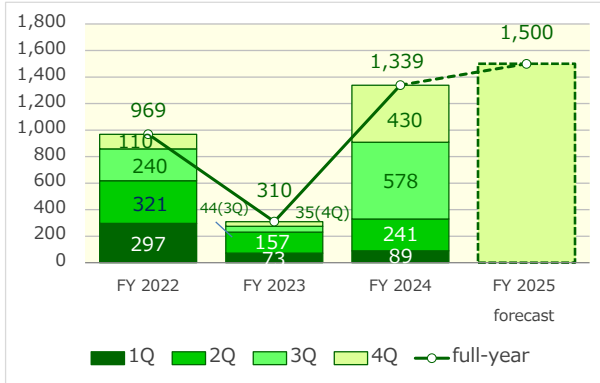


Paper Chemicals & Environmental Business

Net sales (Millions of yen)

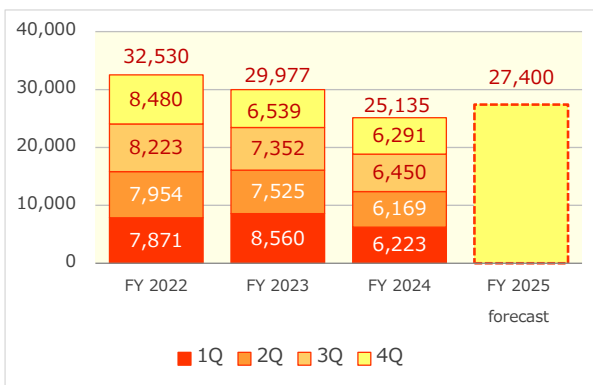


Segment income (Millions of yen)

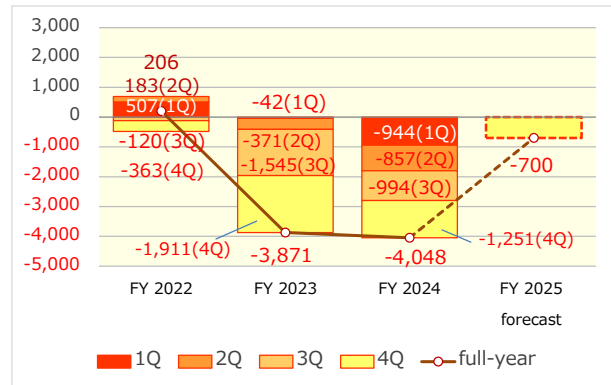


Adhesive & Biomass Materials

Net sales (Millions of yen)

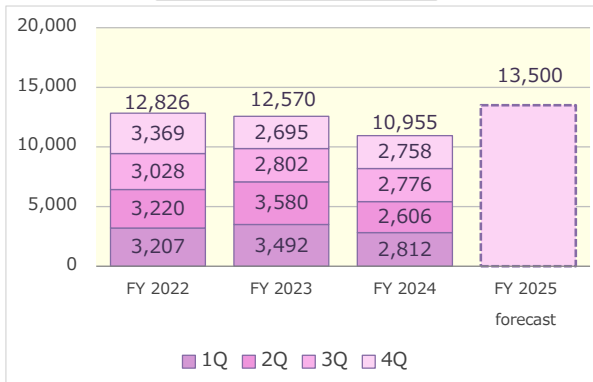


Segment income (Millions of yen)

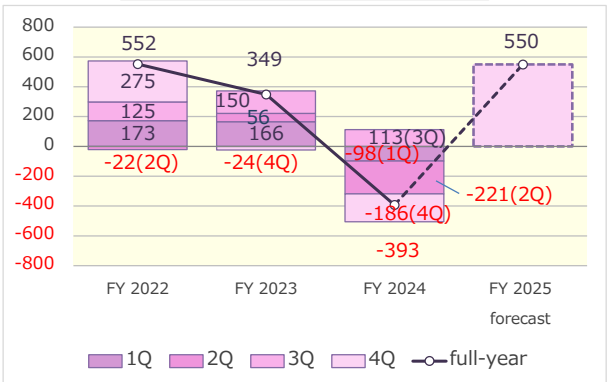


Fine Chemicals & Electronics

Net sales (Millions of yen)



Segment income (Millions of yen)



Segment Information (Consolidated)

Consolidated		FY 2022		FY 2023		FY 2024		FY 2025 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Functional Coating Chemicals	Net sales ※1	16,226	7.1	15,700	△ 3.2	14,931	△ 4.9	18,000	20.6
	Segment income	1,082	△ 2.9	335	△ 69.0	520	55.2	1,000	92.0
	Segment income/sales	6.7%		2.1%		3.5%		5.6%	
Paper Chemicals & Environmental Business	Net sales ※1	18,652	9.1	20,991	12.5	21,120	0.6	23,000	8.9
	Segment income	969	71.4	310	△ 67.9	1,339	330.9	1,500	12.0
	Segment income/sales	5.2%		1.5%		6.3%		6.5%	
Adhesive & Biomass Materials	Net sales ※1	32,530	26.1	29,977	△ 7.8	25,135	△ 16.2	27,400	9.0
	Segment income	206	△ 86.7	△ 3,871	—	△ 4,048	—	△ 700	—
	Segment income/sales	0.6%		△12.9%		△16.1%		△2.6%	
Fine Chemicals & Electronics	Net sales ※1	12,826	4.7	12,570	△ 2.0	10,955	△ 12.8	13,500	23.2
	Segment income	552	4.6	349	△ 36.7	△ 393	—	550	—
	Segment income/sales	4.3%		2.8%		△3.6%		4.1%	
Others	Net sales ※1	279	6.2	191	△ 31.4	80	△ 57.9	100	23.9
	Segment income	45	72.8	42	△ 7.3	38	△ 7.3	40	2.7
	Segment income/sales	16.2%		22.0%		48.3%		40.0%	
Subtotal	Net sales ※1	80,515	14.1	79,431	△ 1.3	72,222	△ 9.1	82,000	13.5
	Segment income	2,855	△ 24.6	△ 2,832	—	△ 2,542	—	2,390	—
	Segment income/sales	3.5%		△3.6%		△3.5%		2.9%	
Consolidated total	Development Investment ※2	△ 437	—	△ 406	—	△ 408	—	△ 500	—
	Segment income	2,418	△ 29.1	△ 3,239	—	△ 2,950	—	1,890	—
	Segment income/sales	3.0%		△4.1%		△4.1%		2.3%	

※1 The sales of business segmentation do not include intersegment sales.

The Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022.

※2 Applied research and development expense that will be the source of growth in the medium to long term.

[Functional Coating Chemicals]

UV/EB curable resin, Resins for paint and printing ink, etc.

[Paper chemicals & Environmental Business]

Paper strengthening agent, Sizing agent, New water-based polymer, etc.

[Adhesive & Biomass Materials]

Hydrogenated hydrocarbon resin, Adhesive resin, Colorless rosin derivative, Synthetic rubber polymerization emulsifier, etc.

[Fine Chemicals & Electronics]

Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

[Others]

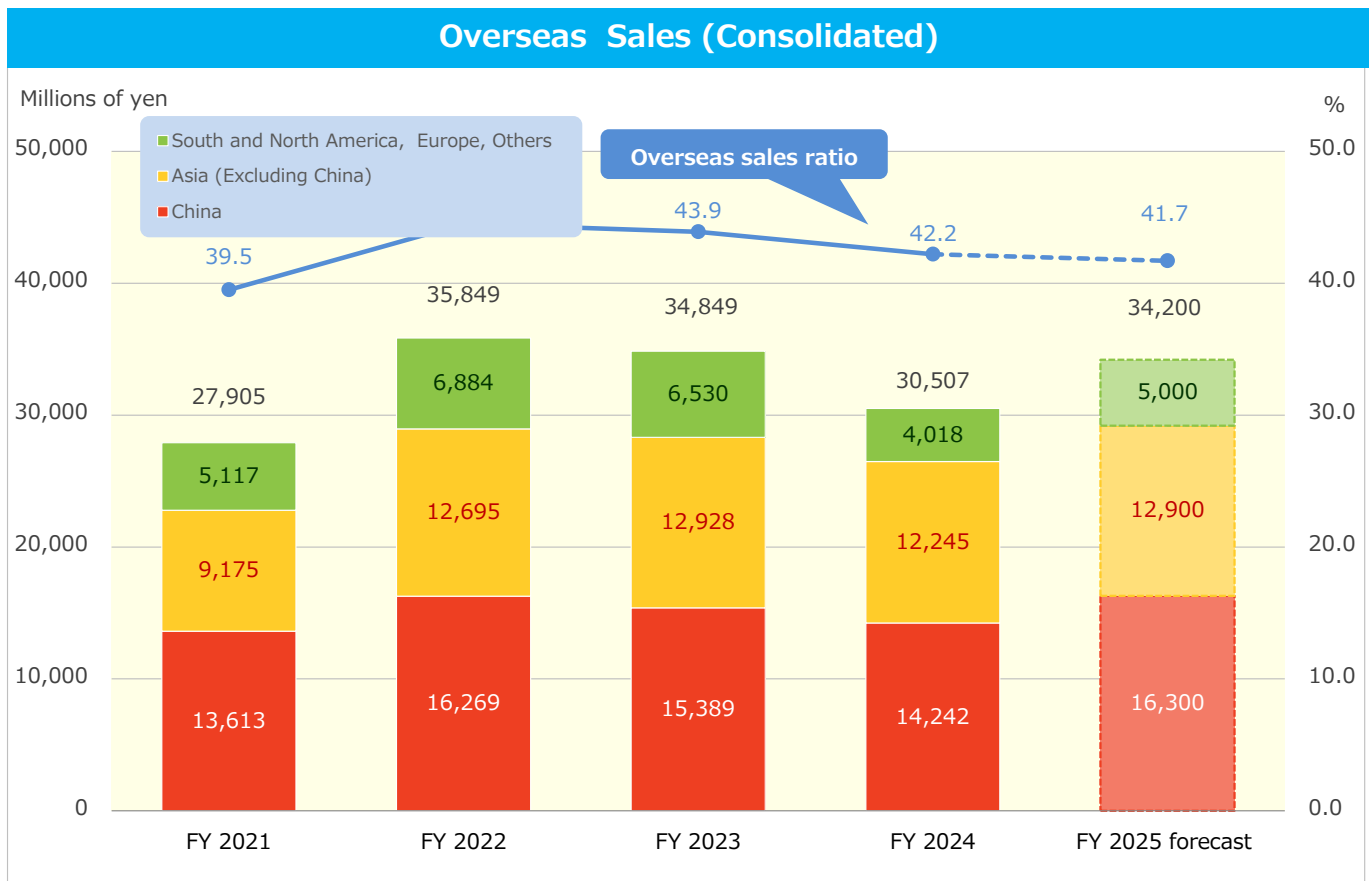
Insurance business, Real estate management, etc.

Depreciation expense of Chiba Arkon Production, Limited

(millions of yen)

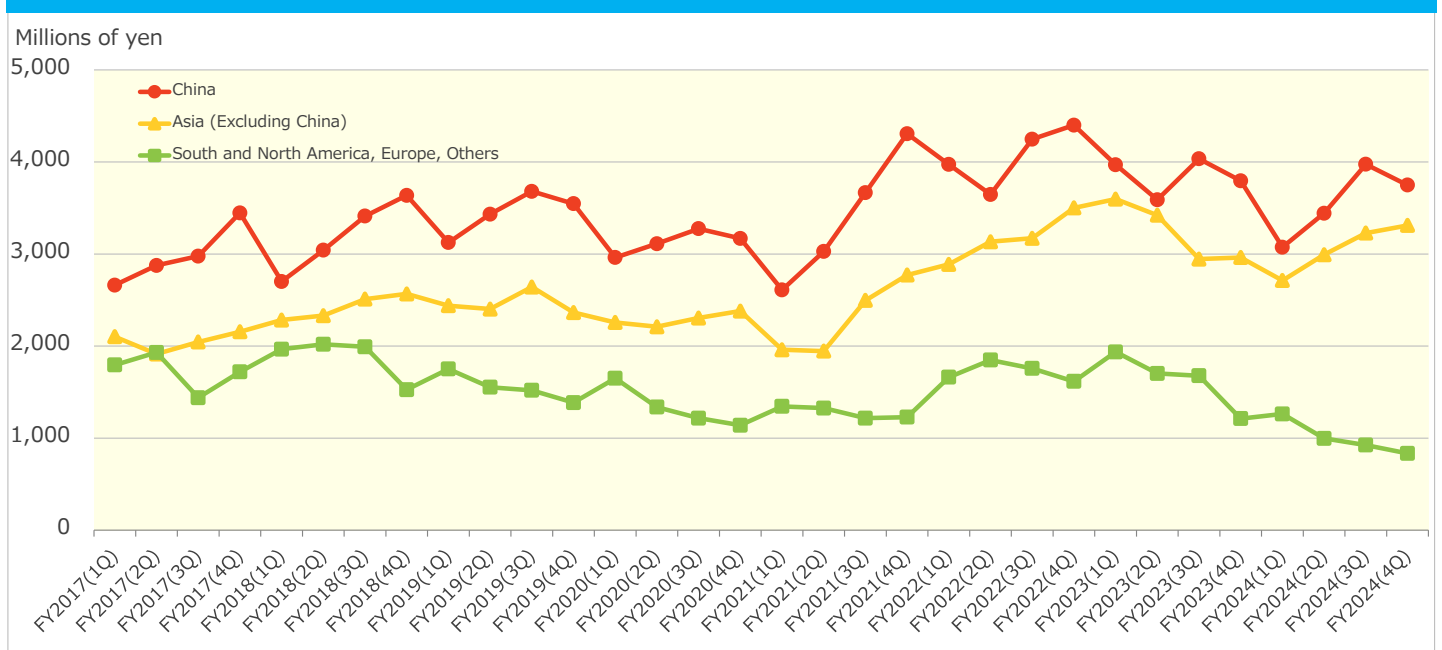
FY2023	FY2024	FY2025 Forecast	FY2026 Forecast
1,043	2,315	1,900	1,600

Overseas Sales (Consolidated)



Consolidated	FY 2021		FY 2022		FY 2023		FY 2024		FY 2025 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Overseas sales	27,905	3.3	35,849	28.5	34,849	△ 2.8	30,507	△ 12.5	34,200	12.1
Overseas sales in Asia	22,788	5.1	28,965	27.1	28,318	△ 2.2	26,488	△ 6.5	29,200	10.2
Overseas sales in China	13,613	8.7	16,269	19.5	15,389	△ 5.4	14,242	△ 7.5	16,300	14.4
Overseas sales ratio	39.5%		44.5%		43.9%		42.2%		41.7%	

Overseas sales by region (Consolidated)



Management Index(Consolidated)

	FY2020 (‘19/4-‘20/3)	FY2021 (‘20/4-‘21/3)	※FY2022 (‘21/4-‘22/3)	FY2023 (‘22/4-‘23/3)	FY2024 (‘23/4-‘24/3)	FY2025 (‘24/4-‘25/3)
Capital investment (Completion basis) (Millions of yen)	3,932	18,559	6,567	4,025	6,057	5,600
Capital investment (Cash flows basis) (Millions of yen)	9,151	6,029	6,423	6,116	6,857	3,900
Depreciation (Millions of yen)	2,887	2,980	3,120	4,477	5,808	5,700
Research and development expenses (Millions of yen)	3,041	3,247	3,100	3,024	2,965	3,300
Interest-bearing debt (Millions of yen)	19,045	21,789	26,680	35,052	42,388	40,500
Debt equity ratio (Times)	0.36	0.38	0.45	0.65	0.76	0.70
Total assets (Millions of yen)	90,600	105,757	117,739	119,035	125,418	126,000
Shareholders' equity and accumulated other comprehensive income (Millions of yen)	52,546	57,228	59,184	54,082	56,134	57,550
Shareholders' equity to total assets (%)	58.0	54.1	50.3	45.2	44.8	45.7
Return on equity (%)	3.2	4.0	2.6	△ 8.7	△ 1.9	3.2
Net profit to sales(%)	2.4	3.1	1.9	△ 6.2	△ 1.4	2.2
Total assets turnover (Times)	0.8	0.7	0.7	0.7	0.6	0.7
Financial Leverage (Times)	1.7	1.8	1.9	2.1	2.2	2.2
Operating profit to net sales (%)	3.5	4.6	4.1	△ 3.7	△ 3.6	2.4
Ordinary profit to net sales (%)	4.0	5.2	4.4	△ 3.4	△ 3.3	1.8
Earnings per share (Yen)	85.35	109.35	75.75	△ 249.08	△ 52.56	90.73
Book-value per share (Yen)	2,648.64	2,884.66	2,983.23	2,726.08	2,829.54	2,900.00
Price to earnings ratio (Times)	14.1	12.1	14.1	△ 4.0	△ 22.2	—
Annual dividends per share (Yen)	44.00	46.00	48.00	48.00	48.00	48.00
Payout ratio (%)	51.6	42.1	63.4	—	—	52.9
Number of employees	1,557	1,593	1,615	1,677	1,668	1,689

* As the Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022, the above net sales of FY2022 and FY2023 is prepared based on such accounting standards.

Balance Sheets (Consolidated)

(Unit : Millions of yen)

	FY2020 ('19/4-20/3)	FY2021 ('20/4-21/3)	FY2022 ('21/4-22/3)	FY2023 ('22/4-23/3)	FY2024 ('23/4-24/3)
Assets					
◇ Current assets	51,337	53,713	62,477	62,799	64,159
Cash and deposits	9,636	8,464	10,374	11,140	11,578
Notes and accounts receivable-trade	22,789	23,097	25,713	23,461	25,683
Electronically recorded monetary claims - operating	1,656	1,746	1,953	1,965	2,504
Inventories	16,114	17,866	22,159	24,213	23,294
Other	1,248	2,643	2,392	2,129	1,215
Allowance for doubtful accounts	△ 109	△ 107	△ 115	△ 110	△ 116
◇ Noncurrent assets	39,034	51,396	53,895	54,331	59,332
Property, plant and equipment	31,044	38,103	40,277	40,442	39,952
Buildings and structures	8,227	15,443	16,823	16,628	17,723
Machinery, equipment and vehicles	6,729	14,753	16,385	14,809	14,126
Land	5,147	4,993	4,994	4,993	4,996
Construction in progress	10,310	2,009	1,038	2,927	1,969
Other	630	902	1,035	1,083	1,136
Intangible assets	1,250	1,770	1,851	1,678	1,529
Investments and other assets	6,738	11,521	11,766	12,210	17,850
Investment securities	5,919	8,552	8,342	7,837	11,200
Net defined benefit asset	264	2,438	2,907	3,895	6,087
Deferred tax assets	268	277	267	231	286
Other	349	316	365	322	354
Allowance for doubtful accounts	△ 63	△ 63	△ 115	△ 75	△ 79
◇ Deferred assets	228	647	1,366	1,904	1,927
Business commencement expenses	228	647	1,366	1,904	1,927
Total assets	90,600	105,757	117,739	119,035	125,418
Liabilities					
◇ Current liabilities	21,011	33,773	36,474	42,113	43,406
Notes and accounts payable-trade	9,174	8,753	10,965	9,973	9,478
Electronically recorded obligations - operating	—	897	1,257	1,074	1,403
Short-term loans payable	5,100	7,976	12,965	19,645	18,512
Current portion of bonds	—	5,000	—	—	5,000
Income taxes payable	293	741	526	336	434
Accrued consumption taxes	212	91	54	67	100
Provision for bonuses	1,177	1,490	1,375	1,036	1,190
Provision for repairs	—	259	255	414	732
Notes payable-facilities	227	201	76	219	297
Other	4,825	8,361	8,996	9,346	6,256
◇ Noncurrent liabilities	15,560	13,393	18,686	20,412	25,093
Bonds payable	10,000	5,000	10,000	10,000	5,000
Long-term loans payable	3,945	3,813	3,715	5,407	13,875
Deferred tax liabilities	602	2,242	2,313	2,372	3,847
Provision for retirement benefits/Net defined benefit liability	322	301	300	298	299
Other	691	2,035	2,357	2,333	2,071
Total liabilities	36,572	47,166	55,160	62,526	68,500
Net assets					
◇ Shareholders' equity	50,665	51,961	52,512	46,618	44,623
Capital stock	3,343	3,343	3,343	3,343	3,343
Capital surplus	3,564	3,564	3,564	3,564	3,564
Retained earnings	44,969	46,265	46,816	40,922	38,927
Treasury stock	△ 1,210	△ 1,211	△ 1,211	△ 1,211	△ 1,211
◇ Accumulated other comprehensive income	1,881	5,267	6,671	7,464	11,511
Valuation difference on available-for-sale securities	1,886	3,576	3,334	2,933	5,173
Foreign currency translation adjustment	494	646	2,112	2,819	3,530
Remeasurements of defined benefit plans	△ 499	1,044	1,225	1,710	2,807
◇ Minority interests	1,480	1,361	3,394	2,426	783
Total net assets	54,027	58,590	62,578	56,509	56,918
Total liabilities and net assets	90,600	105,757	117,739	119,035	125,418

Statements of Income (Consolidated)

(Unit : Millions of yen)

	FY2020 ('19/4-'20/3)	FY2021 ('20/4-'21/3)	FY2022 ('21/4-'22/3)	FY2023 ('22/4-'23/3)	FY2024 ('23/4-'24/3)
◇ Net sales	72,967	70,572	80,515	79,431	72,222
◇ Cost of sales	57,014	53,884	62,544	67,859	60,540
Gross profit	15,953	16,688	17,971	11,571	11,681
Selling, general and administrative expenses	13,378	13,431	14,667	14,479	14,299
Operating profit	2,574	3,257	3,304	△ 2,907	△ 2,617
◇ Non-operating income	600	642	967	935	821
Interest income	33	41	30	32	97
Dividends income	210	193	227	248	226
Rental income from real estate	98	95	96	93	49
Foreign exchange gains	3	21	329	413	172
Insurance claim income	147	42	101	—	—
Other	107	247	182	148	274
◇ Non-operating expenses	247	247	704	715	615
Interest expenses	150	138	158	224	331
Bond issuance cost	25	—	27	—	—
Loss on investments in investment partnerships	—	27	11	0	67
Amortization of business commencement expenses	—	—	—	10	43
Provision for repairs	—	—	404	384	—
Other	71	80	102	93	173
Ordinary profit	2,927	3,652	3,566	△ 2,687	△ 2,412
◇ Extraordinary income	482	327	7	1,363	1,463
Gain on sales of noncurrent assets	0	5	4	1,059	5
Gain on sales of investment securities	473	321	3	303	511
Compensation income	—	—	—	—	431
Gain on reversal of foreign currency translation adjustment	7	—	—	—	—
Gain on reversal of asset retirement obligations	—	—	—	—	514
◇ Extraordinary loss	286	137	633	3,328	470
Loss on sales and retirement of noncurrent assets	153	135	283	284	462
Impairment losses	—	—	346	1,838	—
Loss on valuation of noncurrent assets	1	—	3	—	7
Loss on valuation of investment securities	26	—	0	0	—
Loss on sales of investments in capital	15	—	—	—	—
Loss on valuation of investments in capital of subsidiaries and associates	—	2	—	—	—
Loss on liquidation of subsidiaries and associates	—	—	—	1,205	—
Shutdown expenses	89	—	—	—	—
Profit before income taxes	3,122	3,842	2,941	△ 4,652	△ 1,418
Income taxes—current	846	1,264	1,022	828	996
Income taxes—deferred	158	196	110	54	△ 57
Profit attributable to non-controlling interests	385	212	305	△ 595	△ 1,314
Profit attributable to owners of parent	1,732	2,169	1,502	△ 4,941	△ 1,042

* As the Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022, the above net sales of FY2022 and FY2023 is prepared based on such accounting standards.

Statements of Cash Flows (Consolidated)

	(Unit : Millions of yen)				
	FY2020 (¹⁹ /4- ²⁰ /3)	FY2021 (²⁰ /4- ²¹ /3)	FY2022 (²¹ /4- ²² /3)	FY2023 (²² /4- ²³ /3)	FY2024 (²³ /4- ²⁴ /3)
I. Net cash provided by (used in) operating					
Profit before income taxes	3,122	3,842	2,941	△ 4,652	△ 1,418
Depreciation	2,887	2,980	3,120	4,477	5,808
Impairment losses	—	—	346	1,838	—
Amortization of business commencement expenses	—	—	—	10	43
Amortization of goodwill	281	185	76	—	—
Increase (decrease) in allowance for doubtful accounts	△ 4	△ 4	42	△ 54	2
Increase (decrease) in provision for bonuses	△ 43	311	△ 133	△ 348	144
Increase (decrease) in provision for directors' bonuses	△ 15	11	2	△ 58	—
Increase (decrease) in provision for retirement benefits	15	△ 20	△ 2	△ 3	△ 0
Decrease (increase) in net defined benefit asset	840	△ 2,174	△ 468	△ 988	△ 2,190
Increase (decrease) in provision for loss on business liquidation	—	—	—	1,155	△ 1,169
Loss (gain) on sales and retirement of non-current assets	153	129	279	△ 775	456
Loss on valuation of non-current assets	1	—	3	—	7
Loss (gain) on sales of investment securities	△ 473	△ 321	△ 3	△ 303	△ 511
Loss on valuation of investment securities	26	—	0	0	—
Loss (gain) on sales of investments in capital	15	—	—	—	—
Loss on valuation of investments in capital	—	2	—	—	—
Gain on reversal of foreign currency translation adjustment	△ 7	—	—	—	—
Shutdown expenses	89	—	—	—	—
Loss (gain) on investments in investment partnerships	—	27	11	0	67
Compensation income	—	—	—	—	△ 431
Gain on reversal of asset retirement obligations	—	—	—	—	△ 514
Interest and dividends income	△ 244	△ 234	△ 257	△ 280	△ 324
Interest expenses	176	138	186	224	331
Decrease (increase) in notes and accounts receivable-trade	4,452	△ 295	△ 1,958	2,863	△ 2,281
Decrease (increase) in inventories	1,559	△ 1,634	△ 3,665	△ 1,898	1,386
Increase (decrease) in notes and accounts payable-trade	△ 2,934	422	2,206	△ 1,603	△ 435
Increase (decrease) in accrued consumption taxes	201	△ 187	518	135	71
Other, net	△ 1,176	945	2,044	616	3,021
Sub-total	8,924	4,125	5,291	354	2,062
Interest and dividends income received	245	234	253	284	324
Interest expenses paid	△ 135	△ 135	△ 155	△ 218	△ 358
Income taxes (paid) refund	△ 1,500	△ 538	△ 1,399	△ 996	△ 871
Net cash provided by (used in) operating activities	7,534	3,685	3,989	△ 575	1,157
II. Net cash provided by (used in) investment activities					
Purchase of non-current assets	△ 9,151	△ 6,029	△ 6,423	△ 6,116	△ 6,857
Proceeds from sales of property, plant and equipment	11	160	8	1,231	14
Purchase of investment securities	△ 40	△ 234	△ 172	△ 247	△ 38
Proceeds from sales of investment securities	517	324	21	478	655
Purchase of shares of subsidiaries and associates	—	—	—	—	△ 305
Payments for deferred assets	△ 211	△ 411	△ 742	△ 542	△ 64
Other, net	△ 126	△ 1,106	△ 91	△ 850	△ 543
Net cash provided by (used in) investment activities	△ 9,001	△ 7,298	△ 7,401	△ 6,046	△ 7,140
III. Net cash provided by (used in) financing activities					
Net increase (decrease) in short-term loans payable	△ 338	2,974	4,647	1,506	309
Proceeds from long-term loans payable	200	—	—	7,109	12,162
Repayment of long-term loans payable	△ 78	△ 310	△ 132	△ 438	△ 5,503
Proceeds from issuance of bonds	4,974	—	4,972	—	—
Redemption of bonds	—	—	△ 5,000	—	—
Purchase of treasury shares	△ 1,197	△ 0	△ 0	△ 0	△ 0
Proceeds from share issuance to non-controlling shareholders	△ 170	—	1,940	—	—
Cash dividends paid	△ 901	△ 872	△ 952	△ 952	△ 952
Dividends paid to non-controlling interests	△ 317	△ 345	△ 425	△ 448	△ 460
Other, net	△ 86	△ 90	△ 121	△ 110	△ 71
Net cash provided by (used in) financing activities	2,084	1,354	4,927	6,666	5,484
IV. Effect of exchange rate change on cash and cash equivalents	△ 43	55	391	△ 7	376
V. Net increase (decrease) in cash and cash equivalents	574	△ 2,203	1,907	36	△ 121
VI. Cash and cash equivalents, beginning of term	8,970	9,545	7,342	9,250	9,286
VII. Cash and cash equivalents, end of term	9,545	7,342	9,250	9,286	9,164

Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2023 (As of March 31, 2023)		FY2024 (As of March 31, 2024)		Increase /Decrease
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
I Current assets					
1. Cash and deposits	11,140		11,578		437
2. Notes and accounts receivable - trade	23,461		25,683		2,221
3. Electronically recorded monetary claims - operating	1,965		2,504		539
4. Merchandise and finished goods	12,609		12,423		△ 186
5. Work in process	1,649		1,603		△ 45
6. Raw materials and supplies	9,954		9,267		△ 687
7. Other	2,129		1,215		△ 914
8. Allowance for doubtful accounts	△ 110		△ 116		△ 5
Total current assets	62,799	52.8	64,159	51.2	1,359
II Non-current assets					
1. Property, plant and equipment					
(1) Buildings and structures	16,628		17,723		1,094
(2) Machinery, equipment and vehicles	14,809		14,126		△ 682
(3) Land	4,993		4,996		3
(4) Construction in progress	2,927		1,969		△ 958
(5) Other	1,083		1,136		52
Total property, plant and equipment	40,442	34.0	39,952	31.9	△ 490
2. Intangible assets					
(1) Other	1,678		1,529		△ 148
Total intangible assets	1,678	1.4	1,529	1.2	△ 148
3. Investments and other assets					
(1) Investment securities	7,837		11,200		3,363
(2) Retirement benefit asset	3,895		6,087		2,192
(3) Deferred tax assets	231		286		54
(4) Other	322		354		32
(5) Allowance for doubtful accounts	△ 75		△ 79		△ 3
Total investments and other assets	12,210	10.2	17,850	14.2	5,639
Total non-current assets	54,331	45.6	59,332	47.3	5,000
III Deferred assets					
1. Business commencement expenses	1,904		1,927		22
Total deferred assets	1,904	1.6	1,927	1.5	22
Total assets	119,035	100.0	125,418	100.0	6,383

(Unit: Millions of yen)

Item	FY2023 (As of March 31, 2023)		FY2024 (As of March 31, 2024)		Increase /Decrease
	Amount	Composition ratio	Amount	Composition ratio	
		%		%	
(Liabilities)		%		%	
I Current liabilities					
1. Notes and accounts payable – trade	9,973		9,478		△ 495
2. Electronically recorded obligations – operating	1,074		1,403		329
3. Short-term borrowings	19,645		18,512		△ 1,132
4. Current portion of bonds payable	–		5,000		5,000
5. Income taxes payable	336		434		98
6. Accrued consumption taxes	67		100		33
7. Provision for bonuses	1,036		1,190		153
8. Provision for bonuses for directors (and other officers)	–		–		–
9. Provision for repairs	414		732		318
10. Provision for loss on business liquidation	1,179		110		△ 1,069
11. Notes payable – facilities	219		297		78
12. Other	8,167		6,146		△ 2,020
Total current liabilities	42,113	35.4	43,406	34.6	1,293
II Non-current liabilities					
1. Bonds payable	10,000		5,000		△ 5,000
2. Long-term borrowings	5,407		13,875		8,468
3. Deferred tax liabilities	2,372		3,847		1,474
4. Retirement benefit liability	298		299		0
5. Asset retirement obligations	2,161		1,919		△ 241
6. Other	172		151		△ 21
Total non-current liabilities	20,412	17.1	25,093	20.0	4,680
Total liabilities	62,526	52.5	68,500	54.6	5,974
(Net assets)					
I Shareholders' equity					
1. Share capital	3,343		3,343		–
2. Capital surplus	3,564		3,564		–
3. Retained earnings	40,922		38,927		△ 1,994
4. Treasury shares	△ 1,211		△ 1,211		△ 0
Total shareholders' equity	46,618	39.2	44,623	35.6	△ 1,995
II Accumulated other comprehensive income					
1. Valuation difference on available-for-sale securities	2,933		5,173		2,239
2. Foreign currency translation adjustment	2,819		3,530		710
3. Remeasurements of defined benefit plans	1,710		2,807		1,096
Total accumulated other comprehensive income	7,464	6.3	11,511	9.2	4,047
III Non-controlling interests	2,426	2.0	783	0.6	△ 1,642
Total net assets	56,509	47.5	56,918	45.4	409
Total liabilities and net assets	119,035	100.0	125,418	100.0	6,383

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2023 '22/4-'23/3		FY2024 '23/4-'24/3		Increase /Decrease	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
I Net sales	79,431	100.0	72,222	100.0	△ 7,209	△ 9.1
II Cost of sales	67,859	85.4	60,540	83.8	△ 7,318	△ 10.8
Gross profit	11,571	14.6	11,681	16.2	109	0.9
III Selling, general and administrative expenses	14,479	18.3	14,299	19.8	△ 180	△ 1.2
Operating profit (loss)	△ 2,907	△ 3.7	△ 2,617	△ 3.6	290	-
IV Non-operating income						
Interest income	32		97		65	
Dividend income	248		226		△ 21	
Rental income from real estate	93		49		△ 43	
Foreign exchange gains	413		172		△ 240	
Other	148		274		126	
Total non-operating income	935	1.2	821	1.1	△ 113	△ 12.2
V Non-operating expenses						
Interest expenses	224		331		106	
Loss on investments in investment partnerships	0		67		66	
Amortization of business commencement expenses	10		43		32	
Provision for repairs	384		-		△ 384	
Other	93		173		79	
Total non-operating expenses	715	0.9	615	0.8	△ 99	△ 13.9
Ordinary profit (loss)	△ 2,687	△ 3.4	△ 2,412	△ 3.3	275	-
VI Extraordinary income						
Gain on sale of non-current assets	1,059		5		△ 1,053	
Gain on sale of investment securities	303		511		208	
Compensation income	-		431		431	
Gain on reversal of asset retirement obligations	-		514		514	
Total extraordinary income	1,363	1.7	1,463	2.0	100	7.4
VII Extraordinary losses						
Loss on sale and retirement of non-current assets	284		462		177	
Impairment losses	1,838		-		△ 1,838	
Loss on valuation of non-current assets	-		7		7	
Loss on valuation of investment securities	0		-		△ 0	
Loss on liquidation of business	1,205		-		△ 1,205	
Total extraordinary losses	3,328	4.2	470	0.7	△ 2,858	△ 85.9
Profit(Loss) before income taxes	△ 4,652	△ 5.9	△ 1,418	△ 2.0	3,234	-
Income taxes - current	828	1.0	996	1.3	167	20.2
Income taxes - deferred	54	0.1	△ 57	△ 0.1	△ 112	-
Profit(Loss)	△ 5,536	△ 7.0	△ 2,356	△ 3.2	3,179	-
Profit(Loss) attributable to non-controlling interests	△ 595	△ 0.8	△ 1,314	△ 1.8	△ 719	-
Profit(Loss) attributable to owners of parent	△ 4,941	△ 6.2	△ 1,042	△ 1.4	3,898	-

<Reference> Statements of Comprehensive Income (Consolidated)

Profit(Loss)	△ 5,536		△ 2,356		3,179	-
Other comprehensive income						
Valuation difference on available-for-sale securities	△ 400		2,239		2,640	
Foreign currency translation adjustment	779		844		65	
Remeasurements of defined benefit plans, net of tax	489		1,094		605	
Total other comprehensive income	868		4,179		3,311	
Comprehensive income	△ 4,668		1,822		6,490	-

Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2023	FY2024	Increase /Decrease
	'22/4-'23/3	'23/4-'24/3	
	Amount	Amount	
I Cash flows from operating activities			
Profit (loss) before income taxes	△ 4,652	△ 1,418	3,234
Depreciation	4,477	5,808	1,330
Impairment losses	1,838	-	△ 1,838
Amortization of business commencement expenses	10	43	32
Increase (decrease) in allowance for doubtful accounts	△ 54	2	57
Increase (decrease) in provision for bonuses	△ 348	144	492
Increase (decrease) in provision for bonuses for directors (and other officers)	△ 58	-	58
Increase (decrease) in retirement benefit liability	△ 3	△ 0	3
Decrease (increase) in retirement benefit asset	△ 988	△ 2,190	△ 1,201
Increase (decrease) in provision for loss on business liquidation	1,155	△ 1,169	△ 2,325
Loss (gain) on sale and retirement of non-current assets	△ 775	456	1,231
Loss on valuation of non-current assets	-	7	7
Loss (gain) on sale of investment securities	△ 303	△ 511	△ 208
Loss on valuation of investment securities	0	-	△ 0
Loss (gain) on investments in investment partnerships	0	67	66
Compensation income	-	△ 431	△ 431
Gain on reversal of asset retirement obligations	-	△ 514	△ 514
Interest and dividend income	△ 280	△ 324	△ 43
Interest expenses	224	331	106
Decrease (increase) in trade receivables	2,863	△ 2,281	△ 5,144
Decrease (increase) in inventories	△ 1,898	1,386	3,284
Increase (decrease) in trade payables	△ 1,603	△ 435	1,168
Increase (decrease) in accrued consumption taxes	135	71	△ 63
Other	616	3,021	2,404
Subtotal	354	2,062	1,708
Interest and dividends received	284	324	39
Interest paid	△ 218	△ 358	△ 140
Income taxes refund (paid)	△ 996	△ 871	125
Net cash provided by (used in) operating activities	△ 575	1,157	1,732
II Cash flows from investing activities			
Decrease (increase) in time deposits	△ 701	△ 428	273
Purchase of property, plant and equipment	△ 6,046	△ 6,768	△ 722
Proceeds from sale of property, plant and equipment	1,231	14	△ 1,216
Purchase of investment securities	△ 247	△ 38	209
Proceeds from sale of investment securities	478	655	176
Purchase of intangible assets	△ 69	△ 89	△ 19
Purchase of shares of subsidiaries and associates	-	△ 305	△ 305
Payments for deferred assets	△ 542	△ 64	477
Decrease (increase) in investments and other assets	7	△ 1	△ 9
Other	△ 156	△ 113	43
Net cash provided by (used in) investing activities	△ 6,046	△ 7,140	△ 1,093
III Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	1,506	309	△ 1,196
Proceeds from long-term borrowings	7,109	12,162	5,053
Repayments of long-term borrowings	△ 438	△ 5,503	△ 5,065
Purchase of treasury shares	△ 0	△ 0	△ 0
Dividends paid	△ 952	△ 952	0
Dividends paid to non-controlling interests	△ 448	△ 460	△ 12
Other	△ 110	△ 71	38
Net cash provided by (used in) financing activities	6,666	5,484	△ 1,182
IV Effect of exchange rate change on cash and cash equivalents	△ 7	376	384
V Net increase (decrease) in cash and cash equivalents	36	△ 121	△ 158
VI Cash and cash equivalents at beginning of period	9,250	9,286	36
VII Cash and cash equivalents at end of period	9,286	9,164	△ 121