

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

Company name: DAIHO CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1822 URL <https://www.daiho.co.jp>
 Representative: CEO Kakue Morishita
 Deputy General Manager of Administration
 Inquiries: Division Headquarters; Yoshinori Umehara TEL 03-3297-7000
 General Manager of Accounting Division
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

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

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	163,222	4.6	466	(90.8)	1,259	(75.1)	(2,072)	–
Year ended March 31, 2023	156,050	(0.3)	5,064	(42.8)	5,054	(45.8)	2,914	(51.3)

Note: Comprehensive income For the fiscal year ended March 31, 2024 ¥51 million [(98.3)%]
 For the fiscal year ended March 31, 2023 ¥2,972 million [(44.4)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	(117.70)	–	(3.0)	0.8	0.3
Year ended March 31, 2023	165.52	163.53	4.0	3.0	3.2

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024 ¥– million
 For the fiscal year ended March 31, 2023 ¥– million

Note: Diluted earnings per share for the fiscal year ended March 31, 2024 are not described here because, although there are potentially dilutive shares, loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	165,081	68,919	40.9	3,838.84
As of March 31, 2023	170,359	73,179	42.3	4,083.36

Reference: Equity As of March 31, 2024 ¥67,534 million
 As of March 31, 2023 ¥71,986 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(11,536)	(996)	1,725	17,523
Year ended March 31, 2023	12,856	758	(5,431)	28,025

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	–	–	230.00	230.00	4,072	139.0	5.6
Year ended March 31, 2024	–	–	–	27.00	27.00	478	–	0.7
Year ending March 31, 2025 (Forecast)	–	–	–	114.00	114.00		50.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	69,000	(9.5)	400	(56.1)	500	(71.1)	400	–	22.74
Full year	145,000	(11.2)	5,900	–	5,900	368.4	4,000	–	227.37

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	18,083,163 shares	As of March 31, 2023	18,083,163 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	490,847 shares	As of March 31, 2023	453,885 shares
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Average number of shares during the period

Year ended March 31, 2024	17,605,564 shares	Year ended March 31, 2023	17,607,479 shares
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Note: The Company has introduced a share distribution trust system for delivering shares to the Company's Directors, etc. via a trust. The Company's shares that are owned by the trust (131,100 shares) are included in "number of treasury shares at the end of the period," and in calculating and presenting "average number of shares outstanding during the period," the Company has considered the shares owned by said trust to be included.

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	121,791	5.3	(1,572)	–	136	(94.5)	(2,163)	–
Fiscal year ended March 31, 2023	115,708	(2.3)	2,551	(56.8)	2,473	(80.2)	1,415	(86.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2024	(122.89)	–
Fiscal year ended March 31, 2023	80.40	79.44

Note: Diluted earnings per share for the fiscal year ended March 31, 2024 are not described here because, although there are potentially dilutive shares, loss per share was recorded.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	132,843	55,318	41.5	3,137.26
As of March 31, 2023	137,735	59,883	43.4	3,387.39

Reference: Equity As of March 31, 2024 ¥55,191 million

As of March 31, 2023 ¥59,717 million

2. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	48,000	(15.5)	100	(50.2)	800	(59.0)	900	48.5	51.16
Full year	102,000	(16.3)	4,100	–	4,800	–	3,700	–	210.32

* 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

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	28,074	17,533
Notes receivable, accounts receivable from completed construction contracts and other	99,018	100,024
Electronically recorded monetary claims - operating	315	5,779
Costs on construction contracts in progress	2,222	1,258
Short-term loans receivable	2	2
Advances paid	11,025	9,554
Income taxes refund receivable	51	541
Other	1,283	2,196
Allowance for doubtful accounts	(5)	(2,125)
Total current assets	141,988	134,764
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,813	12,016
Machinery, vehicles, tools, furniture and fixtures	7,557	7,744
Land	8,588	8,895
Leased assets	170	202
Construction in progress	1,075	4
Accumulated depreciation	(10,873)	(11,158)
Total property, plant and equipment	17,332	17,705
Intangible assets	601	603
Investments and other assets		
Investment securities	8,206	10,990
Long-term loans receivable	406	–
Deferred tax assets	1,039	274
Other	913	1,035
Allowance for doubtful accounts	(129)	(293)
Total investments and other assets	10,437	12,007
Total non-current assets	28,371	30,316
Total assets	170,359	165,081

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,599	32,556
Electronically recorded obligations - operating	10,652	12,122
Short-term borrowings	950	6,950
Income taxes payable	1,918	286
Accrued consumption taxes	2,576	407
Advances received on construction contracts in progress	9,322	5,144
Deposits received	19,586	18,670
Provision for warranties for completed construction	1,047	1,026
Provision for bonuses	808	810
Provision for loss on construction contracts	1,610	3,746
Other	752	1,042
Total current liabilities	83,826	82,762
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	26	23
Long-term borrowings	6,000	6,000
Deferred tax liabilities	–	9
Provision for share awards	191	193
Provision for retirement benefits for directors (and other officers)	35	19
Provision for retirement benefits for directors (and executive officers)	25	19
Retirement benefit liability	6,302	6,430
Other	772	703
Total non-current liabilities	13,354	13,398
Total liabilities	97,180	96,161
Net assets		
Shareholders' equity		
Share capital	30,736	10,000
Capital surplus	21,746	42,446
Retained earnings	20,843	14,698
Treasury shares	(1,959)	(2,116)
Total shareholders' equity	71,367	65,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	510	2,507
Foreign currency translation adjustment	(43)	(58)
Remeasurements of defined benefit plans	152	56
Total accumulated other comprehensive income	618	2,505
Share acquisition rights	166	126
Non-controlling interests	1,026	1,258
Total net assets	73,179	68,919
Total liabilities and net assets	170,359	165,081

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	156,050	163,222
Cost of sales	144,055	155,611
Gross profit	11,994	7,610
Selling, general and administrative expenses	6,929	7,144
Operating profit	5,064	466
Non-operating income		
Interest income	51	17
Dividend income	123	304
Foreign exchange gains	355	664
Other	99	129
Total non-operating income	631	1,116
Non-operating expenses		
Interest expenses	59	65
Guarantee commission	62	64
Provision of allowance for doubtful accounts	22	164
Other	497	29
Total non-operating expenses	642	324
Ordinary profit	5,054	1,259
Extraordinary income		
Gain on sale of non-current assets	46	56
Gain on sale of investment securities	258	110
Other	5	19
Total extraordinary income	311	185
Extraordinary losses		
Loss on sale and retirement of non-current assets	86	38
Provision of allowance for doubtful accounts	–	2,120
Loss on litigation	15	20
Impairment losses	45	36
Other	9	28
Total extraordinary losses	157	2,244
Profit (loss) before income taxes	5,207	(799)
Income taxes - current	2,206	1,130
Income taxes - deferred	(97)	(94)
Total income taxes	2,108	1,035
Profit (loss)	3,098	(1,835)
Profit attributable to non-controlling interests	184	236
Profit (loss) attributable to owners of parent	2,914	(2,072)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	3,098	(1,835)
Other comprehensive income		
Valuation difference on available-for-sale securities	(237)	1,997
Foreign currency translation adjustment	(11)	(14)
Remeasurements of defined benefit plans, net of tax	123	(95)
Total other comprehensive income	(126)	1,886
Comprehensive income	2,972	51
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,788	(185)
Comprehensive income attributable to non-controlling interests	184	236

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,549	9,059	56,753	(3,725)	72,636
Changes during period					
Dividends of surplus			(4,263)		(4,263)
Issuance of new shares	20,187	20,187			40,375
Profit (loss) attributable to owners of parent			2,914		2,914
Purchase of treasury shares				(41,870)	(41,870)
Disposal of treasury shares		(585)		2,162	1,576
Cancellation of treasury shares		(41,474)		41,474	–
Transfer of the negative balance of other capital surplus		34,560	(34,560)		–
Net changes in items other than shareholders' equity					–
Total changes during period	20,187	12,687	(35,909)	1,766	(1,268)
Balance at end of period	30,736	21,746	20,843	(1,959)	71,367

	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	747	(31)	28	744	266	845	74,493
Changes during period							
Dividends of surplus							(4,263)
Issuance of new shares							40,375
Profit (loss) attributable to owners of parent							2,914
Purchase of treasury shares							(41,870)
Disposal of treasury shares							1,576
Cancellation of treasury shares							–
Transfer of the negative balance of other capital surplus							–
Net changes in items other than shareholders' equity	(237)	(11)	123	(126)	(100)	180	(45)
Total changes during period	(237)	(11)	123	(126)	(100)	180	(1,313)
Balance at end of period	510	(43)	152	618	166	1,026	73,179

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,736	21,746	20,843	(1,959)	71,367
Changes during period					
Dividends of surplus			(4,072)		(4,072)
Capital reduction	(20,736)	20,736			–
Profit (loss) attributable to owners of parent			(2,072)		(2,072)
Purchase of treasury shares				(265)	(265)
Disposal of treasury shares		(37)		108	71
Net changes in items other than shareholders' equity					–
Total changes during period	(20,736)	20,699	(6,145)	(156)	(6,339)
Balance at end of period	10,000	42,446	14,698	(2,116)	65,028

	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	510	(43)	152	618	166	1,026	73,179
Changes during period							
Dividends of surplus							(4,072)
Capital reduction							–
Profit (loss) attributable to owners of parent							(2,072)
Purchase of treasury shares							(265)
Disposal of treasury shares							71
Net changes in items other than shareholders' equity	1,997	(14)	(95)	1,886	(39)	232	2,079
Total changes during period	1,997	(14)	(95)	1,886	(39)	232	(4,259)
Balance at end of period	2,507	(58)	56	2,505	126	1,258	68,919

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,207	(799)
Depreciation	1,007	831
Impairment losses	45	36
Loss on litigation	15	20
Increase (decrease) in allowance for doubtful accounts	21	2,285
Increase (decrease) in provision for warranties for completed construction	359	(21)
Increase (decrease) in provision for bonuses	(12)	2
Increase (decrease) in retirement benefit liability	157	30
Increase (decrease) in provision for retirement benefits for directors (and other officers)	–	(15)
Increase (decrease) in provision for retirement benefits for executive officer (and other officers)	–	(6)
Increase (decrease) in provision for loss on construction contracts	755	2,135
Increase (decrease) in provision for share awards	68	28
Loss (gain) on sale and retirement of non-current assets	40	(18)
Interest and dividend income	(175)	(322)
Interest expenses	59	65
Foreign exchange losses (gains)	(129)	(328)
Loss (gain) on sale of investment securities	(259)	(93)
Decrease (increase) in trade receivables	1,858	(6,467)
Decrease (increase) in inventories	151	967
Increase (decrease) in trade payables	(152)	(418)
Increase (decrease) in advances received on construction contracts in progress	(636)	(4,178)
Decrease (increase) in other assets	3,633	247
Increase (decrease) in other liabilities	758	(2,637)
Other loss (gain)	498	13
Subtotal	13,274	(8,641)
Interest and dividends received	187	327
Interest paid	(61)	(63)
Income taxes paid	(1,144)	(3,145)
Income taxes refund	614	2
Payments for loss on litigation	(14)	(16)
Net cash provided by (used in) operating activities	12,856	(11,536)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(10)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(1,038)	(1,579)
Proceeds from sale of property, plant and equipment	74	236
Payments for retirement of property, plant and equipment	(41)	(13)
Purchase of intangible assets	(287)	(188)
Purchase of investment securities	(764)	(210)
Proceeds from sale of investment securities	467	341
Proceeds from refund of investment securities	55	44
Decrease (increase) in short-term loans receivable	10	8
Proceeds from collection of long-term loans receivable	2,268	405
Payments of leasehold and guarantee deposits	–	(68)
Proceeds from refund of leasehold and guarantee deposits	–	26
Other, net	14	1
Net cash provided by (used in) investing activities	758	(996)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(2,000)	6,000
Proceeds from long-term borrowings	5,878	–
Repayments of long-term borrowings	(3,150)	–
Proceeds from issuance of shares	40,188	–
Purchase of treasury shares	(42,015)	(5)
Payments of money held in trust for purchase of treasury stock	–	(208)
Proceeds from disposal of treasury shares	–	0
Dividends paid	(4,256)	(4,071)
Dividends paid to non-controlling interests	(3)	(3)
Repayments of lease liabilities	(10)	(9)
Other, net	(61)	23
Net cash provided by (used in) financing activities	(5,431)	1,725
Effect of exchange rate change on cash and cash equivalents	90	307
Net increase (decrease) in cash and cash equivalents	8,273	(10,501)
Cash and cash equivalents at beginning of period	19,751	28,025
Cash and cash equivalents at end of period	28,025	17,523

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	22,880	12,150
Notes receivable - trade	504	59
Electronically recorded monetary claims - operating	315	5,776
Accounts receivable from completed construction contracts	71,226	71,995
Costs on construction contracts in progress	1,556	812
Short-term loans receivable	837	2,803
Advances paid	11,841	9,735
Income taxes refund receivable	–	471
Other	971	2,061
Allowance for doubtful accounts	(15)	(2,167)
Total current assets	110,119	103,700
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,694	10,805
Accumulated depreciation	(3,497)	(3,698)
Buildings and structures, net	6,197	7,106
Machinery and vehicles	5,639	5,554
Accumulated depreciation	(5,056)	(5,022)
Machinery and vehicles, net	583	531
Tools, furniture and fixtures	1,338	1,410
Accumulated depreciation	(1,174)	(1,239)
Tools, furniture and fixtures, net	163	171
Land	7,808	8,086
Leased assets	151	192
Accumulated depreciation	(136)	(145)
Leased assets, net	15	47
Construction in progress	1,135	4
Total property, plant and equipment	15,903	15,948
Intangible assets		
Software	154	323
Other	404	247
Total intangible assets	558	570
Investments and other assets		
Investment securities	7,173	9,831
Shares of subsidiaries and associates	2,138	2,138
Long-term loans receivable from subsidiaries and associates	758	353
Long-term prepaid expenses	17	24
Deferred tax assets	710	24
Other	734	795
Allowance for doubtful accounts	(379)	(544)
Total investments and other assets	11,154	12,623
Total non-current assets	27,616	29,142
Total assets	137,735	132,843

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	821	685
Electronically recorded obligations - operating	7,157	8,816
Accounts payable for construction contracts	26,708	24,971
Short-term borrowings	650	6,650
Lease liabilities	6	17
Income taxes payable	1,338	21
Accrued consumption taxes	1,704	144
Advances received on construction contracts in progress	7,283	2,704
Deposits received	17,479	16,915
Provision for warranties for completed construction	1,003	933
Provision for bonuses	556	540
Provision for loss on construction contracts	1,162	3,248
Other	840	674
Total current liabilities	66,713	66,324
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	26	23
Long-term borrowings	6,000	6,000
Lease liabilities	10	34
Provision for retirement benefits	4,644	4,684
Provision for share awards	191	193
Other	265	265
Total non-current liabilities	11,138	11,199
Total liabilities	77,851	77,524
Net assets		
Shareholders' equity		
Share capital	30,736	10,000
Capital surplus		
Legal capital surplus	21,746	10,000
Other capital surplus	–	32,446
Total capital surplus	21,746	42,446
Retained earnings		
Legal retained earnings	1,105	1,105
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	114	111
General reserve	6,915	2,915
Retained earnings brought forward	697	(1,535)
Total retained earnings	8,832	2,596
Treasury shares	(1,959)	(2,116)
Total shareholders' equity	59,357	52,927
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	359	2,264
Total valuation and translation adjustments	359	2,264
Share acquisition rights	166	126
Total net assets	59,883	55,318
Total liabilities and net assets	137,735	132,843

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	115,708	121,791
Total net sales	115,708	121,791
Cost of sales		
Cost of sales of completed construction contracts	108,523	118,577
Total cost of sales	108,523	118,577
Gross profit		
Gross profit on completed construction contracts	7,185	3,213
Total gross profit	7,185	3,213
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	160	172
Employees' salaries and allowances	1,892	1,995
Provision for bonuses	128	134
Retirement benefit expenses	123	114
Provision for share awards	68	28
Legal welfare expenses	318	341
Welfare expenses	56	71
Repair and maintenance expenses	20	25
Stationery expenses	56	70
Communication and transportation expenses	182	207
Power utilities expenses	30	26
Research study expenses	199	175
Advertising expenses	81	59
Entertainment expenses	75	101
Donations	7	9
Rent expenses on land and buildings	132	142
Depreciation	247	288
Taxes and dues	475	363
Insurance expenses	54	55
Miscellaneous expenses	319	400
Total selling, general and administrative expenses	4,633	4,785
Operating profit (loss)	2,551	(1,572)
Non-operating income		
Interest income	84	48
Dividend income	109	1,231
Foreign exchange gains	351	658
Other	73	115
Total non-operating income	618	2,053
Non-operating expenses		
Interest expenses	58	65
Guarantee commission	46	53
Commission expenses	486	17
Provision of allowance for doubtful accounts	95	196
Other	10	11
Total non-operating expenses	697	344
Ordinary profit	2,473	136

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	46	56
Gain on sale of investment securities	228	110
Other	–	1
Total extraordinary income	274	168
Extraordinary losses		
Loss on sale and retirement of non-current assets	82	38
Loss on litigation	11	13
Provision of allowance for doubtful accounts	–	2,120
Impairment losses	45	36
Other	4	16
Total extraordinary losses	144	2,225
Profit (loss) before income taxes	2,603	(1,920)
Income taxes - current	1,196	397
Income taxes - deferred	(7)	(154)
Total income taxes	1,188	243
Profit (loss)	1,415	(2,163)

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus		Other retained earnings				
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	10,549	9,059	–	1,105	118	6,915	38,102	(3,725)	62,124
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(3)		3		–
Dividends of surplus							(4,263)		(4,263)
Issuance of new shares	20,187	20,187							40,375
Transfer from legal capital surplus to other capital surplus		(7,500)	7,500						–
Profit (loss)							1,415		1,415
Purchase of treasury shares								(41,870)	(41,870)
Disposal of treasury shares			(585)					2,162	1,576
Cancellation of treasury shares			(41,474)					41,474	–
Transfer of the negative balance of other capital surplus			34,560				(34,560)		–
Net changes in items other than shareholders' equity									–
Total changes during period	20,187	12,687	–	–	(3)	–	(37,405)	1,766	(2,766)
Balance at end of period	30,736	21,746	–	1,105	114	6,915	697	(1,959)	59,357

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	622	622	266	63,013
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				–
Dividends of surplus				(4,263)
Issuance of new shares				40,375
Transfer from legal capital surplus to other capital surplus				–
Profit (loss)				1,415
Purchase of treasury shares				(41,870)
Disposal of treasury shares				1,576
Cancellation of treasury shares				–
Transfer of the negative balance of other capital surplus				–
Net changes in items other than shareholders' equity	(262)	(262)	(100)	(362)
Total changes during period	(262)	(262)	(100)	(3,129)
Balance at end of period	359	359	166	59,883

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus		Other retained earnings				
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	30,736	21,746	–	1,105	114	6,915	697	(1,959)	59,357
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(2)		2		–
Reversal of general reserve						(4,000)	4,000		–
Dividends of surplus							(4,072)		(4,072)
Capital reduction	(20,736)	(11,746)	32,483						–
Profit (loss)							(2,163)		(2,163)
Purchase of treasury shares								(265)	(265)
Disposal of treasury shares			(37)					108	71
Net changes in items other than shareholders' equity									–
Total changes during period	(20,736)	(11,746)	32,446	–	(2)	(4,000)	(2,233)	(156)	(6,430)
Balance at end of period	10,000	10,000	32,446	1,105	111	2,915	(1,535)	(2,116)	52,927

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	359	359	166	59,883
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				-
Reversal of general reserve				-
Dividends of surplus				(4,072)
Capital reduction				-
Profit (loss)				(2,163)
Purchase of treasury shares				(265)
Disposal of treasury shares				71
Net changes in items other than shareholders' equity	1,904	1,904	(39)	1,864
Total changes during period	1,904	1,904	(39)	(4,565)
Balance at end of period	2,264	2,264	126	55,318