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May 11, 2023

## Consolidated Financial Results for the Year Ended March 31, 2023 (under Japanese GAAP)

Company name: **TAKARA STANDARD CO., LTD.**  
 Stock listing: Tokyo Stock Exchange  
 Stock code: 7981  
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Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date to commence dividend payments: June 30, 2023

Scheduled date to file annual securities report: June 29, 2023

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: None

(Million yen with fractional amounts discarded, 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.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	227,423	7.5	10,940	(24.2)	11,490	(22.7)	8,417	(22.8)
March 31, 2022	211,587	10.6	14,428	31.6	14,856	30.4	10,905	43.7

Note: Comprehensive income  
 Fiscal year ended March 31, 2023: ¥7,955 million [(9.7)%]  
 Fiscal year ended March 31, 2022: ¥8,811 million [(20.3)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
March 31, 2023	117.79	–	4.6	4.1	4.8
March 31, 2022	149.11	–	6.1	5.5	6.8

Reference: Equity in earnings (losses) of associates  
 Fiscal year ended March 31, 2023: ¥– million      Fiscal year ended March 31, 2022: ¥– million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2023	279,878	181,516	64.9	2,579.88
March 31, 2022	276,838	181,415	65.5	2,480.47

Reference: Equity  
 As of March 31, 2023: ¥181,516 million      As of March 31, 2022: ¥181,415 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	Million yen	Million yen	Million yen	Million yen
March 31, 2023	6,604	(5,386)	(9,448)	80,376
March 31, 2022	19,683	(3,089)	(2,706)	88,607

## 2. Dividends

	Annual dividends					Total dividend payments	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	–	20.00	–	32.00	52.00	3,803	34.9	2.1
Fiscal year ended March 31, 2023	–	26.00	–	26.00	52.00	3,674	44.1	2.1
Fiscal year ending March 31, 2024 (Forecasts)	–	27.00	–	27.00	54.00		40.0	

Breakdown of year-end dividend for the fiscal year ended March 31, 2022: Ordinary dividend of ¥26.00, and commemorative dividend of ¥6.00 (110th anniversary commemorative dividend)

### 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2023	113,700	3.3	6,600	8.4	6,800	6.4	4,500	8.4	63.96
Full year	235,300	3.5	14,100	28.9	14,500	26.2	9,500	12.9	135.02

#### \* 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 of prior period financial statements after error corrections

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

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

As of March 31, 2023	70,368,194 shares
As of March 31, 2022	73,937,194 shares

- Number of treasury shares at the end of the period

As of March 31, 2023	9,747 shares
As of March 31, 2022	799,457 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2023	71,459,796 shares
Fiscal year ended March 31, 2022	73,137,792 shares

\* **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 provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual business and other results may differ materially from the forecasts depending on various factors. For the assumptions underlying the earnings forecasts and notes on their use, etc., please refer to “1. Overview of Operating Results, etc., (4) Future outlook” on page 4 of the accompanying materials.

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year ended March 31, 2023

During the fiscal year ended March 31, 2023, there were signs of recovery with the Japanese economy centering on personal consumption. At the same time, the outlook remains uncertain due to factors such as the prolonged rise in resource and energy prices and slowdowns in economies outside Japan as a result of interest rate hikes by central banks around the world.

With the housing market, new housing construction remained firm mainly with houses for rental and sale despite soaring material prices and supply shortages. The remodeling market was also strong as a result of stay-at-home demand and other factors.

Based on this business environment, TAKARA STANDARD CO., LTD. (the “Company”) and its group companies (the “Group”) revised product prices in April 2022 and promoted productivity improvements to strengthen profitability as measures to protect against rising material and energy prices.

As for merchandise, for mid-range and high-end system bath series were integrated and a mid- to high-end series System Bathroom called “GRANSPA” was released that allows customers to more freely choose a combination of bathtub, washing area, and colored ceiling. Customers have responded well to the greater freedom to customize their ideal bathroom space according to their lifestyle, and sales are growing steadily. The Group also further advanced development of the enamel exterior material called “Emawall Exterior Type” that is based on our high-quality enamel, including enabling highly detailed designs through the use of inkjet printing technology.

As for showroom development, effort was made to increase remodeling demand by completely renovating the “Sumida Showroom” (Tokyo) into a showroom just for condominium remodeling, and by relocating and renewing the “Sapporo Chuo Showroom.”

New uniforms for showroom advisors were also unveiled at the Company’s 110th anniversary in May 2022. The Group has been working with designer Tomoe Shinohara to introduce new styles of pants and a maternity line that is eco-friendly, using fabrics made of renewable materials. Updating the uniforms will allow for diverse work styles and contribute to society.

As a result of the above, net sales for the fiscal year ended March 31, 2023 reached a record high of ¥227,423 million (up 7.5% year-on-year). Soaring material and energy prices had a significant impact on profits, resulting in an operating profit of ¥10,940 million (down 24.2% year-on-year) and ordinary profit of ¥11,490 million (down 22.7% year-on-year), and profit attributable to owners of parent was ¥8,417 million (down 22.8% year on year).

The following shows the results for each segment.

#### 1) Housing equipment business

Net sales in this segment were ¥227,158 million (up 7.5% year-on-year), and operating profit was ¥10,711 million (down 24.5% year-on-year).

The following shows a breakdown by product category in this segment.

##### a Kitchen

Sales grew steadily in both the new construction and remodeling markets. In the new construction market, sales of wooden system kitchens were up, and in the remodeling market, sales of the “LEMURE” and “Treasia” mid- to high-end series enamel system kitchens grew, resulting in net sales of ¥136,893 million (up 6.7% year-on-year).

##### b Bathroom

Sales grew steadily in both the new construction and remodeling markets. In the new construction market, sales of system baths for new condominiums grew, and in the remodeling market, sales of the new “GRANSPA” mid- to high-end series system bathroom increased smoothly, resulting in net sales of ¥52,419 million (up 10.5% year-on-year).

c Washstand

Sales grew steadily in both the new construction and remodeling markets. In the new construction market, sales of wooden washstands were up, and in the remodeling market, sales of the “Eleena” and “Famile” mid- to high-end series enamel washstands increased, resulting in net sales of ¥26,404 million (up 9.8% year-on-year).

2) Other businesses (warehouse business, real estate rental business, etc.)

Net sales were ¥418 million (down 6.1% year-on-year), and operating profit was ¥228 million (down 6.8% year-on-year).

**(2) Overview of financial position for the fiscal year ended March 31, 2023**

(Assets)

Total assets at the end of the fiscal year ended March 31, 2023 were ¥279,878 million, which was an increase of ¥3,040 million compared to the end of the fiscal year ended March 31, 2022. Main increases were ¥5,986 million in inventories, ¥3,334 million in electronically recorded monetary claims, and ¥2,984 million in accounts receivable. Main decreases were ¥8,230 million in cash and deposits and ¥1,354 million in investment securities.

(Liabilities)

Liabilities at the end of the fiscal year ended March 31, 2023 were ¥98,361 million, which was an increase of ¥2,939 million compared to the end of the fiscal year ended March 31, 2022. Main increases were electronically recorded obligations of ¥4,253 million and notes and accounts payable of 1,759 million. Main decreases were short-term borrowings of ¥1,600 million and income taxes payable of ¥1,233 million.

(Net assets)

Net assets at the end of the fiscal year ended March 31, 2023 were ¥181,516 million, which was an increase of ¥100 million compared to the end of the fiscal year ended March 31, 2022. The main increase was profit attributable to owners of parent of ¥8,417 million. Main decreases were ¥4,185 million in dividends of surplus, ¥3,669 million in purchase of treasury shares, and ¥446 million in valuation difference on available-for-sale securities.

This resulted in an equity ratio of 64.9% (65.5% at the end of the fiscal year ended March 31, 2022).

**(3) Overview of cash flows for the fiscal year ended March 31, 2023**

Consolidated cash and cash equivalents (hereinafter referred to as “funds”) for the fiscal year ended March 31, 2023 decreased by ¥8,230 million compared to the fiscal year ended March 31, 2022, and was ¥80,376 million (down 9.3% year-on-year) at the end of the fiscal year ended March 31, 2023.

(Cash flows from operating activities)

Funds provided by operating activities in the fiscal year ended March 31, 2023 were ¥6,604 million (¥19,683 million in the fiscal year ended March 31, 2023). Main factors were increased funds due to the recording of profit before income taxes and an increase in trade payables, and a decrease in funds caused by an increase in inventories and trade receivables.

(Cash flows from investing activities)

Expenditure of funds related to investing activities during the fiscal year ended March 31, 2023 was ¥5,386 million (¥3,089 million in the fiscal year ended March 31, 2022). Main factors were the purchase of property, plant and equipment and proceeds from sale of investment securities and property, plant and equipment.

(Cash flows from financing activities)

Expenditure of funds related to financing activities during the fiscal year ended March 31, 2023 was ¥9,448 million (¥2,706 million in the fiscal year ended March 31, 2022). Main factors were dividends paid and purchase of treasury shares.

(Reference) Changes in cash flow-related indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Capital adequacy ratio (%)	65.0	67.8	65.5	64.9
Capital adequacy ratio based on market value (%)	47.3	47.1	33.5	36.9
Cash flow to interest-bearing debt ratio (Year)	0.6	1.2	0.5	1.2
Interest coverage ratio (times)	267.4	124.5	341.9	143.3

Notes: Capital adequacy ratio: Owned capital / Total assets

Capital adequacy ratio based on market value: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payment

- \* All indicators have been calculated using financial figures on a consolidated basis.
- \* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares at the end of the period (after deducting treasury shares).
- \* Cash flow is the cash flow from operating activities in the consolidated cash flow statement.
- \* Interest-bearing debt includes all debt for which interest is paid among debt recorded on the consolidated balance sheet. Interest payment is the amount of interest paid in the consolidated statement of cash flows.

#### (4) Future outlook

Although the Japanese economy is moving toward normalization of socioeconomic activities after COVID-19 was downgraded to “Class 5,” the outlook remains uncertain due to rising prices and slowdown in overseas economies.

In the housing market, there are concerns related to soaring housing prices and rising mortgage interest rates in the new construction market. Demand for remodeling is also expected to slow as the stay-at-home demand cycle comes to an end, and due to a prolonged rise in material prices.

Based on such circumstances, the Group once again revised product prices starting with orders received in April 2023 as a measure against prolonged price hikes with materials and energy. We will continue making effort to increase profitability by improving productivity through rationalization investment and by using digital technology in sales departments.

In harmony with the management philosophy, “Helping make everyone’s lives more comfortable,” the Group will further promote basic strategies such as “Strengthening product capabilities,” “Promoting sales of enamel products,” “Making efforts in the remodeling market,” and “Showroom development,” while also focusing on growing new businesses, the “enamel panel business” and “overseas business.”

As for consolidated earnings for the next fiscal year ending March 31, 2024, forecasts include net sales of ¥235,300 million (up 3.5% year-on-year), operating profit of ¥14,100 million (up 28.9% year-on-year), ordinary profit of ¥14,500 million (up 26.2% year-on-year), and profit attributable to owners of parent of ¥9,500 million (up 12.9% year-on-year).

## **(5) Basic policy on profit sharing**

The Company aims to improve earnings capability by strengthening its management base, while maintaining stable and substantial dividends to shareholders over the long term, and implementing dividend increases based on performance and financial condition as a basic policy for profit distribution.

The Group is preparing internal reserves for capital investment in sales offices, factories, and distribution bases for business expansion and rationalization, enamel technology research, new product development, capital investment needs such as for showrooms and training centers, as well as for the continuity of the Group during emergencies.

The Group will also consider the purchase of treasury shares when appropriate in order to improve corporate value, and will work to improve capital efficiency and further enhance shareholder returns.

### 1) Dividends of surplus

The Group is planning to pay an annual dividend of ¥52 per share (consolidated dividend payout ratio of 44.1%) for the fiscal year ended March 31, 2023. After deducting the interim dividend of ¥26, the year-end dividend will be ¥26.

Based on the above basic policy on profit sharing, the annual dividend for the next fiscal year is expected to be ¥54, which is an increase of ¥2 compared to the annual dividend for the fiscal year ended March 31, 2023 (interim dividend of ¥27 and year-end dividend of ¥27). The consolidated dividend payout ratio will be 40.0% of the full-year earnings forecast.

### 2) Purchase of treasury shares

In the fiscal year ended March 31, 2023, the Group purchased treasury shares totaling ¥3,669 million. This will result in a consolidated total return ratio of 87.2%.

Also, at today's Board of Directors meeting, the decision was made to purchase up to ¥3,800 million of treasury shares during the purchase period from May 12, 2023 to February 22, 2024. For more information, please refer to "3. Consolidated Financial Statements and Important Notes (5) Notes on consolidated financial statements (Significant subsequent events)" on page 14 of the attachment.

## **2. Basic Approach for Selecting Accounting Standards**

Since the Group's main operations are in Japan, consolidated financial statements are prepared according to Japanese accounting standards.



### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	88,607	80,376
Notes receivable - trade	5,366	4,545
Accounts receivable - trade	30,392	33,376
Electronically recorded monetary claims - operating	27,490	30,824
Merchandise and finished goods	10,574	13,602
Work in process	3,045	4,245
Raw materials and supplies	4,642	6,400
Other	357	410
Allowance for doubtful accounts	(18)	(5)
Total current assets	170,456	173,775
Non-current assets		
Property, plant and equipment		
Buildings and structures	92,024	91,278
Accumulated depreciation	(66,920)	(66,787)
Buildings and structures, net	25,104	24,490
Machinery, equipment and vehicles	46,867	49,374
Accumulated depreciation	(36,998)	(38,397)
Machinery, equipment and vehicles, net	9,869	10,976
Tools, furniture and fixtures	29,824	31,454
Accumulated depreciation	(21,764)	(22,789)
Tools, furniture and fixtures, net	8,060	8,664
Land	37,389	36,765
Construction in progress	2,027	2,472
Total property, plant and equipment	82,451	83,369
Intangible assets	1,700	1,651
Investments and other assets		
Investment securities	13,411	12,057
Long-term loans receivable	208	91
Deferred tax assets	6,211	6,412
Other	2,408	2,529
Allowance for doubtful accounts	(8)	(9)
Total investments and other assets	22,230	21,081
Total non-current assets	106,382	106,102
Total assets	276,838	279,878

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,194	19,953
Electronically recorded obligations - operating	27,683	31,937
Short-term borrowings	9,700	8,100
Income taxes payable	3,204	1,970
Other	14,811	14,140
Total current liabilities	73,593	76,102
Non-current liabilities		
Deferred tax liabilities for land revaluation	2,759	2,758
Retirement benefit liability	18,362	18,767
Other	707	734
Total non-current liabilities	21,829	22,259
Total liabilities	95,422	98,361
<b>Net assets</b>		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,734
Retained earnings	120,753	120,322
Treasury shares	(934)	(12)
Total shareholders' equity	176,912	177,402
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,231	4,784
Revaluation reserve for land	1,897	1,969
Remeasurements of defined benefit plans	(2,624)	(2,639)
Total accumulated other comprehensive income	4,503	4,114
Total net assets	181,415	181,516
Total liabilities and net assets	276,838	279,878

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**(Consolidated statement of income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	211,587	227,423
Cost of sales	135,462	151,395
Gross profit	76,125	76,027
Selling, general and administrative expenses	61,696	65,087
Operating profit	14,428	10,940
Non-operating income		
Interest income	4	5
Dividend income	445	461
Other	102	186
Total non-operating income	552	653
Non-operating expenses		
Interest expenses	57	48
Product safety costs	43	23
Other	23	31
Total non-operating expenses	124	103
Ordinary profit	14,856	11,490
Extraordinary income		
Gain on sale of non-current assets	598	180
Gain on sale of investment securities	1,157	1,479
Total extraordinary income	1,755	1,659
Extraordinary losses		
Loss on retirement of non-current assets	349	435
Loss on sale of non-current assets	382	177
Loss on valuation of investment securities	3	7
Impairment losses	133	61
110th anniversary expenses	-	251
Total extraordinary losses	867	933
Profit before income taxes	15,743	12,216
Income taxes - current	4,452	3,798
Income taxes - deferred	385	0
Total income taxes	4,838	3,798
Profit	10,905	8,417
Profit attributable to owners of parent	10,905	8,417

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	10,905	8,417
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,942)	(446)
Deferred gains or losses on hedges	3	–
Revaluation reserve for land	(458)	–
Remeasurements of defined benefit plans, net of tax	303	(14)
Total other comprehensive income	(2,093)	(461)
Comprehensive income	8,811	7,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,811	7,955
Comprehensive income attributable to non-controlling interests	–	–

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,356	30,736	114,296	(934)	170,455
Changes during period					
Dividends of surplus			(2,706)		(2,706)
Profit attributable to owners of parent			10,905		10,905
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			(1,742)		(1,742)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,457	(0)	6,457
Balance at end of period	26,356	30,736	120,753	(934)	176,912

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	7,173	(3)	613	(2,928)	4,854	175,310
Changes during period						
Dividends of surplus						(2,706)
Profit attributable to owners of parent						10,905
Purchase of treasury shares						(0)
Reversal of revaluation reserve for land						(1,742)
Net changes in items other than shareholders' equity	(1,942)	3	1,283	303	(351)	(351)
Total changes during period	(1,942)	3	1,283	303	(351)	6,105
Balance at end of period	5,231	–	1,897	(2,624)	4,503	181,415

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	26,356	30,736	120,753	(934)	176,912
Changes during period					
Dividends of surplus			(4,185)		(4,185)
Profit attributable to owners of parent			8,417		8,417
Purchase of treasury shares				(3,669)	(3,669)
Cancellation of treasury shares		(1)	(4,590)	4,591	-
Reversal of revaluation reserve for land			(72)		(72)
Net changes in items other than shareholders' equity					
Total changes during period	-	(1)	(430)	922	489
Balance at end of period	26,356	30,734	120,322	(12)	177,402

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,231	1,897	(2,624)	4,503	181,415
Changes during period					
Dividends of surplus					(4,185)
Profit attributable to owners of parent					8,417
Purchase of treasury shares					(3,669)
Cancellation of treasury shares					-
Reversal of revaluation reserve for land					(72)
Net changes in items other than shareholders' equity	(446)	72	(14)	(388)	(388)
Total changes during period	(446)	72	(14)	(388)	100
Balance at end of period	4,784	1,969	(2,639)	4,114	181,516

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	15,743	12,216
Depreciation	6,467	6,729
Impairment losses	133	61
Increase (decrease) in allowance for doubtful accounts	(8)	(11)
Increase (decrease) in retirement benefit liability	275	383
Interest and dividend income	(449)	(466)
Interest expenses	57	48
Loss (gain) on sale of investment securities	(1,157)	(1,477)
Loss (gain) on valuation of investment securities	3	7
Loss (gain) on sale of property, plant and equipment	(217)	(3)
Loss on retirement of property, plant and equipment	349	435
Decrease (increase) in trade receivables	(4,521)	(5,481)
Decrease (increase) in inventories	(3,155)	(5,986)
Increase (decrease) in trade payables	7,651	5,803
Other, net	960	(1,042)
Subtotal	22,132	11,214
Interest and dividends received	449	466
Interest paid	(57)	(46)
Income taxes paid	(2,840)	(5,030)
Net cash provided by (used in) operating activities	19,683	6,604
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(24)	(24)
Proceeds from sale of investment securities	1,783	2,205
Purchase of property, plant and equipment	(7,168)	(8,239)
Proceeds from sale of property, plant and equipment	2,747	1,140
Purchase of intangible assets	(478)	(385)
Proceeds from collection of loans receivable	104	116
Other, net	(53)	(200)
Net cash provided by (used in) investing activities	(3,089)	(5,386)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	-	(1,600)
Purchase of treasury shares	(0)	(3,669)
Dividends paid	(2,706)	(4,179)
Net cash provided by (used in) financing activities	(2,706)	(9,448)
Net increase (decrease) in cash and cash equivalents	13,887	(8,230)
Cash and cash equivalents at beginning of period	74,719	88,607
Cash and cash equivalents at end of period	88,607	80,376

**(5) Notes on consolidated financial statements**

**(Notes on going concern assumption)**

Not applicable.

**(Segment information)**

1. Information on net sales, profit or loss, assets, liabilities and other items by reportable segment, and information on breakdown of earnings

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments	Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statement (Note 2)
	Housing equipment				
Net sales					
Merchandise and finished goods	185,361	–	185,361	–	–
Installation	25,929	–	25,929	–	–
Other net sales	–	36	36	–	–
Revenue from contracts with customers	211,290	36	211,327	–	–
Other revenue	–	259	259	–	–
Net sales to external customers	211,290	296	211,587	–	211,587
Internal net sales or transfers between segments	–	149	149	(149)	–
Total	211,290	445	211,736	(149)	211,587
Segment profit	14,183	244	14,428	–	14,428

- Notes: 1. The category “Other” includes business segments that are not included in reportable segments such as warehousing business and real estate leasing business.  
2. Total segment profit is consistent with operating profit in consolidated financial statements.  
3. Information is omitted since assets are not allocated to business segments.

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments	Other (Note 1)	Total	Adjustments	Amount recorded in consolidated financial statement (Note 2)
	Housing equipment				
Net sales					
Merchandise and finished goods	199,431	–	199,431	–	–
Installation	27,727	–	27,727	–	–
Other net sales	–	26	26	–	–
Revenue from contracts with customers	227,158	26	227,185	–	–
Other revenue	–	237	237	–	–
Net sales to external customers	227,158	264	227,423	–	227,423
Internal net sales or transfers between segments	–	154	154	(154)	–
Total	227,158	418	227,577	(154)	227,423
Segment profit	10,711	228	10,940	–	10,940

- Notes: 1. The category “Other” includes business segments that are not included in reportable segments such as warehousing business and real estate leasing business.  
2. Total segment profit is consistent with operating profit in consolidated financial statements.  
3. Information is omitted since assets are not allocated to business segments.



**(Information per share)**

(Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	2,480.47	2,579.88
Basic earnings per share	149.11	117.79

Notes: 1. Since there are no potential shares, diluted earnings per share is not stated.

2. The following shows the basis for calculating basic earnings per share.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent (million yen)	10,905	8,417
Amount not attributable to ordinary shareholders (million yen)	-	-
Profit attributable to owners of parent related to common stock (million yen)	10,905	8,417
Average number of shares of common stock during the period (thousand shares)	73,137	71,459

**(Significant subsequent events)**

**(Purchase and retirement of treasury shares)**

The Company resolved at the Board of Directors meeting held on May 11, 2023, on matters relating to the purchase of its treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, paragraph (3) of the same Act, and the retirement of treasury shares pursuant to the provisions of Article 178 of the Companies Act. Details are as follows.

1. Reasons for purchase and retirement of treasury shares

In the “Medium Term Management Plan 2023,” the Company set “improvement of capital efficiency and further enhancement of shareholder return by using ROIC, etc.” as one of its priority issues of management. After comprehensively considering the Company’s financial position and the trends of the stock market, etc., the Company will conduct a purchase and retirement of treasury shares to further promote initiatives for the said issues of management.

2. Details of matters relating to purchase

- |  |   |
|--|---|
| (1) Class of shares to be purchased        | Common stock of the Company   |
| (2) Total number of shares to be purchased | 2,375,000 shares (maximum)<br>(3.38% of total number of issued shares excluding treasury shares)                |
| (3) Total amount for share purchase        | ¥3,800 million (maximum)  |
| (4) Purchase period                        | From May 12, 2023 to February 22, 2024  |
| (5) Method of purchase                     | Open market purchase on the Tokyo Stock Exchange including Off-Auction Own Share Repurchase Trading (ToSTNeT-3) |

3. Details of matters relating to retirement

- |                                   |                             |
|-----------------------------------|-----------------------------|
| (1) Class of shares to be retired | Common stock of the Company |
|-----------------------------------|-----------------------------|

- (2) Total number of shares to be retired      All of the treasury shares purchased as stated above in 2.  
(3) Scheduled date of retirement              March 15, 2024

(Reference)

Total number of shares issued and number of treasury shares as of March 31, 2023

Total number of shares issued (excluding treasury shares)    70,358,447 shares

Number of treasury shares    9,747 shares