



Consolidated Basis Results of the Fiscal 2023 (April 1, 2023 – March 31, 2024)

May 10, 2024

Registered Company name: TOPY INDUSTRIES, LIMITED Stock listing: Tokyo, Nagoya stock exchanges
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Scheduled date for holding of ordinary general meeting of shareholders: June 21, 2024
Scheduled date for dividend payment: June 4, 2024
Scheduled date for submission of securities report: June 21, 2024
Preparation of supplementary explanatory materials: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

(Figures of less than ¥1 million have been omitted)

1. Consolidated Operating Results and Financial Position of the Fiscal 2023 (April 1, 2023 - March 31, 2024)

(1) Consolidated Operating Results (Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2023	333,992	(0.2)	10,440	45.5	10,462	30.1	4,676	(26.0)
Fiscal 2022	334,496	23.3	7,175	-	8,043	-	6,321	-

(Note) Comprehensive income: Fiscal 2023 ¥21,886 million (145.0%) Fiscal 2022 ¥8,932 million (48.3%)

	Profit per share		Profit per share after full dilution		Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	%	Yen	%			
Fiscal 2023	204.88	-	-	-	3.6	3.5	3.1
Fiscal 2022	276.51	-	-	-	5.4	2.8	2.1

(For reference) Share of profit or loss of entities accounted for using equity method: Fiscal 2023 ¥(797) million
Fiscal 2022 ¥452 million

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	Net assets per share
	Million yen	%	Million yen	%	%	Yen
Fiscal 2023	298,291	46.8	140,988	46.8	46.8	6,119.46
Fiscal 2022	292,322	41.1	121,425	41.1	41.1	5,268.92

(For reference) Shareholders' equity: Fiscal 2023 ¥139,682 million Fiscal 2022 ¥120,265 million

(3) Consolidated Cash Flows

	Cash flow from operating activities		Cash flow from investing activities		Cash flow from financing activities		Cash and cash equivalents at end of period
	Million yen	%	Million yen	%	Million yen	%	Million yen
Fiscal 2023	22,318	(9,403)	(12,578)	(4,677)	(12,578)	(4,677)	23,208
Fiscal 2022	15,058	(8,360)	(8,360)	(4,677)	(4,677)	(4,677)	22,588

2. Dividends

	Dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends/net assets (consolidated)
	1Q-end	2Q-end	3Q-end	End of FY	Full fiscal year			
Fiscal 2022	Yen —	Yen 20.00	Yen -	Yen 68.00	Yen 88.00	Million yen 2,012	% 31.8	% 1.7
Fiscal 2023	—	30.00	-	73.00	103.00	2,355	50.3	1.8
Fiscal 2024 (Forecasts)	—	30.00	—	73.00	103.00		32.7	

3. Consolidated Financial Forecasts for Fiscal 2024 (April 1, 2024- March 31, 2025)

(Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	154,000	△7.2	1,800	△54.8	1,900	△61.1	1,900	△43.8	83.24
Full year	317,000	△5.1	8,600	△17.6	9,000	△14.0	7,200	54.0	315.43

(1) Changes in the State of Material Subsidiaries during the Period: None

Newly included: – (Name) – Excluded: – (Name) –

(2) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements

(a) Changes in accounting principles accompanying the amendment of accounting standards: None

(b) Changes other than those in (a) above: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(3) Number of Shares Issued (Common shares)

(a) Number of shares issued at the end of the period (including treasury shares)

Fiscal 2023 24,077,510 shares Fiscal 2022 24,077,510 shares

(b) Number of treasury shares at the end of the period

Fiscal 2023 1,251,586 shares Fiscal 2022 1,252,026 shares

(c) Average number of shares issued during the period

Fiscal 2023 22,825,951 shares Fiscal 2022 22,860,777 shares

(For reference) Non-Consolidated Results

1. Non-Consolidated Operating Results and Financial Position of the Fiscal 2023 (April 1, 2023 - March 31, 2024)

(1) Non-Consolidated Operating Results (Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2023	197,038	(3.5)	5,178	32.9	7,928	22.9	684	(88.8)
Fiscal 2022	204,103	21.9	3,896	—	6,453	—	6,089	80.7

	Profit per share	Profit per share after full dilution
	Yen	Yen
Fiscal 2023	29.98	—
Fiscal 2022	266.35	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2023	226,613	88,455	39.0	3,874.63
Fiscal 2022	221,596	79,420	35.8	3,478.92

(For reference) Shareholders' equity: Fiscal 2023 ¥88,455 million Fiscal 2022 ¥79,420 million

2. Non-Consolidated Financial Forecasts for Fiscal 2024 (April 1, 2024 - March 31, 2025)

(Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	203,000	3.0	3,600	△30.5	5,300	△33.2	5,600	718.3	245.30

* These Consolidated Basic Results are not included in the scope of audits by certified public accountants or audit corporations.

* Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

(Caution concerning future descriptions etc.)

All future descriptions in this disclosure has been compiled based on information currently available. For assumed conditions underlying the earnings forecast, please refer to "1. Overview of Operating Results" on page 2. These descriptions may differ from actual results and effects on earnings is not limited to this.

(Obtaining supplementary documents of financial results)

Supplementary documents will be posted on the Company's website.

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Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail.
The original disclosure in Japanese was released on May 10, 2024 at 13:30 (GMT+9).
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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

Operating Results for the Consolidated Fiscal Year under Review

During the fiscal year under review, the global economy experienced an overall recovery, despite geopolitical risks such as the situation in Ukraine and in the Middle East, unstable market conditions caused by monetary tightening around the world, and the impact of the stagnant real estate market in China. The Japanese economy gradually recovered due to the improvement of personal consumption amid the normalization of economic activities, but this recovery appeared to be at a standstill from the second half of the fiscal year due to rising prices and the production halts in automobile manufacturing caused by quality issues. Regarding the business environment surrounding our Group, the monitoring of the impact of the slowdown of the Chinese economy and the fluctuations of energy and logistics costs remained necessary. In the Japanese automotive industry, the impact of supply shortages of semiconductors and other components was almost eliminated and production recovered, but the second half of the fiscal year saw production halts caused by quality issues.

Under this business environment, we have set four key areas—promote segment management, strengthen overseas profitability, strengthen domestic business base, and contribute to decarbonization—for our Group Basic Strategy, and we are steadily implementing the Medium-term Management Plan “TOPY Active & Challenge 2025”. As part of this approach, in order to optimize the business portfolio from the perspective of capital productivity, we ceased operations in the Power Generation Business on March 31, 2024, due to the degradation of its profitability and growth potential.

The financial results for the fiscal year under review include consolidated net sales of ¥333,992 million, which slightly decreased (down 0.2% year on year). However, operating profit was ¥10,440 million (up 45.5% year on year) and ordinary profit was ¥10,462 million (up 30.1% year on year), showing significant improvements due to the increase in sales volume of aluminum wheels for passenger vehicles in line with the recovery trend in domestic automobile production, the expansion of the price gap between steel scrap prices and selling prices, and efforts to optimize selling prices. Profit attributable to owners of parent was ¥4,676 million (down 26.0% year on year), due to the booking of impairment loss caused by a decline in profitability in an American subsidiary in the Automotive & Industrial Machinery Components Segment and in the Power Generation Segment.

Performance by Segment

(Steel Business)

In the steel industry, demand for steel products from the manufacturing industry recovered, but domestic crude steel production decreased year on year, as demand from the construction industry stagnated. Moreover, steel scrap prices did not change significantly, while electricity prices remained high.

Given these circumstances, the Group worked to optimize steel sales prices and continued to optimize the product mix with a focus on profit. These initiatives led to the widening of the price gap between steel sales prices and purchase prices of steel scrap, the main raw material for such products. As a result, net sales increased to ¥110,822 million (up 2.6% year on year), and operating profit increased to ¥9,638 million (up 19.9% year on year).

(Automotive & Industrial Machinery Components Business)

In the automotive industry, the impact of supply shortages of semiconductors and other components was almost eliminated which led to a recovery of Japanese automotive production, but the second half of the fiscal year saw production halts caused by quality issues. With respect to units by model, the production of passenger vehicles increased year on year while the production of passenger vehicles, including trucks, decreased. In the construction machinery industry, while demand for hydraulic excavators was strong in North America, it declined significantly in China and slowed down in other regions. Demand for mining machinery remained strong, but stagnated in some regions.

Under these circumstances, the sales volume of wheels for passenger aluminum vehicles increased and the Group worked to optimize sales pricing. As a result, net sales increased to ¥201,632 million (up 1.8% year on year), and operating profit increased to ¥5,426 million (up 35.1% year on year).

(Power Business)

Net sales decreased ¥14,100 million (down 35.8% year on year) due to a decrease in electricity sold due to planned shutdowns for inspections and maintenance for statutory periodic inspections and lower electricity demand this summer than in the same period of the previous fiscal year. However, operating loss improved and reached ¥190 million (compared to an operating loss of ¥566 million in the previous year) due to the decrease of the cost of coal, the fuel used to generate electricity.

(Leasing Business)

In the leasing business, operating profit was ¥700 million (down 1.6% year on year).

(Others)

The Group is involved in the manufacture and sale of synthetic mica, and operates a civil engineering and construction business, sports club OSSO, and other businesses. Net sales came to ¥7,436 million (up 15.9% year on year) and operating profit was ¥717 million (up 10.8% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

Asset, liabilities and net assets

Total assets at the end of the fiscal year under review stood at ¥298,291 million, an increase of ¥5,969 million from the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥15,316 million in investment securities, a decrease of ¥8,104 million in property, plant and equipment and a decrease of ¥2,441 million in raw materials and supplies.

Total liabilities were ¥157,303 million, a decrease of ¥13,594 million compared with the end of the previous consolidated fiscal year. This was mainly due to a decrease of ¥10,900 million in long-term borrowings and a decrease of ¥5,696 million in retirement benefit liability.

Total net assets came to ¥140,988 million, an increase of ¥19,563 million from the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥10,852 million in valuation difference on available-for-sale securities, an increase of ¥3,866 million in remeasurements of defined benefit plans, and an increase of ¥2,435 million in retained earnings. As a result, net assets per share stood at ¥6,119.46, resulting in an equity ratio of 46.8%.

Cash flows

Cash and cash equivalents (hereinafter "funds") in the fiscal year under review increased by ¥620 million from the end of the previous consolidated fiscal year to ¥23,208 million at the end of the consolidated fiscal year under review.

(Cash flows from operating activities)

Funds obtained from operating activities stood at ¥22,318 million, an increase of ¥7,259 million from the previous consolidated fiscal year. This was mainly attributable to depreciation at ¥12,787 million, impairment losses at ¥5,762 million, and profit before income taxes at ¥3,517 million.

(Cash flows from investment activities)

Funds used in investment activities stood at ¥1,042 million, an increase of ¥9,403 million from the previous consolidated fiscal year. This was mainly attributable to purchase of property, plant and equipment at ¥8,561 million, purchase of intangible assets at ¥777 million and net increase in time deposits at ¥599 million.

(Cash flows from financing activities)

Funds used in financing activities stood at ¥12,578 million, an increase of ¥7,901 million from the previous consolidated fiscal year. This mainly reflected repayments of long-term borrowings of ¥11,911 million.

(Reference) Cash flow-related indicators

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Equity ratio (%)	40.3	40.6	39.9	41.1	46.8
Equity ratio based on market value (%)	12.7	12.3	8.6	15.4	20.7
The ratio of interest-bearing debt to operating cash flow (years)	4.7	14.1	(15.6)	5.6	3.3
Interest coverage ratio (times)	25.9	11.1	(11.0)	19.6	28.4

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

The ratio of interest-bearing debt to operating cash flow: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

(Note 1) All amounts are on a consolidated basis.

(Note 2) Total market value for shares is calculated on the basis of the number of outstanding shares, excluding treasury shares.

(Note 3) Cash flows are cash flows from operating activities.

(Note 4) Interest-bearing debt is all the debt with interest on the consolidated balance sheet.

(3) Future Outlook

Despite continuing expectations of recovery, the outlook for the global economy remains uncertain due to the downside risk of the global monetary tightening, the economic slowdown in China and price increases, as well as the situation in the Middle East.

Although the business environment surrounding the Group is expected to be challenging due to price trends in ferrous scrap, energy, and other commodities, trends in overseas automobile production, a further decline in demand for hydraulic excavators overseas, and rising labor and logistics costs, the Group will continue to optimize selling prices sustainably in order to build a sustainable business foundation that is less vulnerable to the effects of the business environment. In addition, the Group will continue to review its global business bases and consider the course of actions with respect to low-profit businesses to optimize the business portfolio, and will speedily implement the various measures in the Medium-term Management Plan "TOPY Active & Challenge 2025."

The consolidated forecasts for fiscal 2024 include consolidated net sales of ¥317,000 million, operating profit of ¥8,600 million, ordinary profit of ¥9,000 million, and profit attributable to owners of parent of ¥7,200 million.

(4) Basic Profit Allocation Policy, and Dividends for the Current and New Fiscal Year

The Company's basic policy for profit distribution is to return profits to shareholders based on the consolidated business results, while at the same time increasing retained earnings for the development of future business and the strengthening of corporate structure. The Company will allocate retained earnings to investment in new business and the development of new technologies and products that will contribute to long-term, stable business development, thereby enabling it to strengthen its corporate structure and global competitiveness. It will determine the indicators for returning profits to shareholders in accordance with the consolidated business performance, with a target payout ratio of "30-35% of profit attributable to owners of the parent company, excluding one-time gains or losses that do not involve changes in cash and deposits," while giving due consideration to the continuation of stable dividend payments. Regarding the number of dividends, the Company's basic policy is to pay dividends of surplus twice a year, comprising an interim dividend and a year-end dividend.

The Company plans to pay a year-end dividend of ¥73 per share for the current fiscal year, with the dividend source being profit attributable to owners of the parent company, excluding impairment losses and income tax adjustments, which are one-time gains or losses that do not involve an increase or decrease in cash and deposits. The interim dividend was ¥30 per share, resulting in an annual dividend of ¥103 per share.

Regarding the dividends for the next fiscal year, we plan to pay an annual dividend of ¥103 per share.

2. Basic Policy for the Selection of Accounting Standards

The Group adopts the Japanese accounting standards, taking into account the possibility of comparing terms of consolidated financial statements and performances between the companies.

It will work to adopt the International Financial Reporting Standards as appropriate, considering the situation in both Japan and other countries.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	23,740	25,014
Notes and accounts receivable - trade, and contract assets	71,671	70,408
Merchandise and finished goods	27,229	27,117
Work in process	7,849	8,005
Raw materials and supplies	22,156	19,715
Other	5,966	6,991
Allowance for doubtful accounts	(41)	(40)
Total current assets	158,573	157,212
Non-current assets		
Property, plant and equipment		
Buildings and structures	96,988	97,745
Accumulated depreciation	(69,639)	(72,354)
Buildings and structures, net	27,349	25,391
Machinery, equipment and vehicles	226,532	229,588
Accumulated depreciation	(182,494)	(190,739)
Machinery, equipment and vehicles, net	44,037	38,848
Land	15,538	15,684
Leased assets	1,314	1,613
Accumulated depreciation	(767)	(850)
Leased assets, net	547	762
Construction in progress	3,114	1,957
Other	43,084	43,421
Accumulated depreciation	(41,008)	(41,509)
Other, net	2,076	1,912
Total property, plant and equipment	92,662	84,558
Intangible assets		
Other	3,014	3,400
Total intangible assets	3,014	3,400
Investments and other assets		
Investment securities	27,263	42,580
Long-term loans receivable	201	204
Deferred tax assets	643	613
Retirement benefit asset	382	529
Other	9,661	9,274
Allowance for doubtful accounts	(81)	(81)
Total investments and other assets	38,071	53,119
Total non-current assets	133,748	141,079
Total assets	292,322	298,291

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,097	31,494
Electronically recorded obligations - operating	18,372	20,889
Short-term borrowings	17,305	21,059
Current portion of bonds payable	7,000	5,000
Lease liabilities	122	162
Income taxes payable	871	2,152
Other	15,525	15,465
Total current liabilities	95,295	96,223
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	29,282	18,381
Lease liabilities	213	379
Deferred tax liabilities	3,890	5,932
Provision for corporate officers' retirement benefits	150	197
Provision for share awards for directors (and other officers)	11	51
Provision for retirement benefits for directors (and other officers)	11	15
Reserve for repairs	441	225
Retirement benefit liability	9,894	4,198
Asset retirement obligations	267	268
Other	1,438	1,428
Total non-current liabilities	75,602	61,079
Total liabilities	170,897	157,303
Net assets		
Shareholders' equity		
Share capital	20,983	20,983
Capital surplus	18,606	18,606
Retained earnings	67,518	69,953
Treasury shares	(2,503)	(2,503)
Total shareholders' equity	104,604	107,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,693	20,545
Deferred gains or losses on hedges	(4)	1
Foreign currency translation adjustment	5,064	7,319
Remeasurements of defined benefit plans	908	4,774
Total accumulated other comprehensive income	15,661	32,641
Non-controlling interests	1,159	1,306
Total net assets	121,425	140,988
Total liabilities and net assets	292,322	298,291

(2) 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	334,496	333,992
Cost of sales	289,880	288,114
Gross profit	44,616	45,878
Selling, general and administrative expenses	37,440	35,438
Operating profit	7,175	10,440
Non-operating income		
Interest income	134	139
Dividend income	701	784
Foreign exchange gains	215	726
Share of profit of entities accounted for using equity method	452	—
Other	652	505
Total non-operating income	2,155	2,156
Non-operating expenses		
Interest expenses	768	833
Share of loss of entities accounted for using equity method	—	797
Other	519	503
Total non-operating expenses	1,288	2,134
Ordinary profit	8,043	10,462
Extraordinary income		
Gain on sale of non-current assets	13	178
Gain on sale of investment securities	72	20
Gain on reversal of foreign currency translation adjustment	—	270
Total extraordinary income	85	468
Extraordinary losses		
Loss on sale of non-current assets	4	30
Loss on retirement of non-current assets	330	279
Impairment losses	280	5,762
Loss on withdrawal from business	—	1,076
Loss on business restructuring	—	265
Business structural reform expenses	75	—
Other	15	—
Total extraordinary losses	707	7,413
Profit before income taxes	7,421	3,517
Income taxes - current	1,759	2,839
Income taxes - deferred	(775)	(4,140)
Total income taxes	983	(1,301)
Profit	6,437	4,818
Profit attributable to non-controlling interests	116	142
Profit attributable to owners of parent	6,321	4,676

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,437	4,818
Other comprehensive income		
Valuation difference on available-for-sale securities	(343)	10,731
Deferred gains or losses on hedges	(24)	6
Foreign currency translation adjustment	3,101	2,006
Remeasurements of defined benefit plans, net of tax	(636)	3,838
Share of other comprehensive income of entities accounted for using equity method	396	484
Total other comprehensive income	2,494	17,067
Comprehensive income	8,932	21,886
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,741	21,657
Comprehensive income attributable to non-controlling interests	190	229

(3) Consolidated Statements of Changes in Net Assets

Previous consolidated fiscal year (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,983	18,606	62,114	(2,287)	99,417
Changes during period					
Dividends of surplus			(917)		(917)
Profit attributable to owners of parent			6,321		6,321
Purchase of treasury shares				(228)	(228)
Disposal of treasury shares				11	11
Net changes in items other than shareholders' equity					
Total changes during period	—	—	5,403	(216)	5,187
Balance at end of period	20,983	18,606	67,518	(2,503)	104,604

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,990	19	1,692	1,537	13,240	1,045	113,703
Changes during period							
Dividends of surplus							(917)
Profit attributable to owners of parent							6,321
Purchase of treasury shares							(228)
Disposal of treasury shares							11
Net changes in items other than shareholders' equity	(296)	(24)	3,371	(629)	2,420	113	2,534
Total changes during period	(296)	(24)	3,371	(629)	2,420	113	7,721
Balance at end of period	9,693	(4)	5,064	908	15,661	1,159	121,425

Consolidated fiscal year under review (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,983	18,606	67,518	(2,503)	104,604
Changes during period					
Dividends of surplus			(2,240)		(2,240)
Profit attributable to owners of parent			4,676		4,676
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				4	4
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,435	0	2,436
Balance at end of period	20,983	18,606	69,953	(2,503)	107,040

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,693	(4)	5,064	908	15,661	1,159	121,425
Changes during period							
Dividends of surplus							(2,240)
Profit attributable to owners of parent							4,676
Purchase of treasury shares							(3)
Disposal of treasury shares							4
Net changes in items other than shareholders' equity	10,852	6	2,255	3,866	16,980	147	17,127
Total changes during period	10,852	6	2,255	3,866	16,980	147	19,563
Balance at end of period	20,545	1	7,319	4,774	32,641	1,306	140,988

(4) Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,421	3,517
Depreciation	13,295	12,787
Impairment losses	280	5,762
Amortization of goodwill	124	124
Loss on withdrawal from business	—	1,076
Loss on business restructuring	—	265
Gain on reversal of foreign currency translation adjustment	—	(270)
Insurance claim income	(79)	(28)
Business structural reform expenses	75	—
Increase (decrease) in allowance for doubtful accounts	(60)	(0)
Increase (decrease) in provision for corporate officers' retirement benefits	(12)	47
Increase (decrease) in provision for scheduled repairs	116	(216)
Increase (decrease) in retirement benefit liability	(152)	(273)
Interest and dividend income	(835)	(923)
Interest expenses	768	833
Share of loss (profit) of entities accounted for using equity method	(452)	797
Loss (gain) on sale of short-term and long-term investment securities	(72)	(20)
Gain(loss)on sales and disposal of property,plant and equipment,net	321	131
Decrease (increase) in trade receivables	(10,351)	1,863
Decrease (increase) in inventories	(240)	3,621
Increase (decrease) in trade payables	4,679	(2,482)
other	2,253	(3,049)
Subtotal	17,082	23,562
Interest and dividends received	875	1,039
Interest paid	(767)	(785)
Payments for loss on withdrawal from business	—	(10)
Proceeds from insurance income	286	28
Payments business structural reform expenses	(489)	—
Income taxes paid	(1,928)	(1,517)
Net cash provided by (used in) operating activities	15,058	22,318

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Net decrease (increase) in time deposits	95	(599)
Purchase of property, plant and equipment	(8,130)	(8,561)
Proceeds from sale of property, plant and equipment	9	453
Purchase of investment securities	(13)	(14)
Proceeds from sale of investment securities	208	100
Loan advances	(12)	(18)
Proceeds from collection of loans receivable	13	17
Purchase of intangible assets	(456)	(777)
Other, net	(75)	(4)
Net cash provided by (used in) investing activities	(8,360)	(9,403)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,079)	3,154
Proceeds from long-term borrowings	9,900	700
Repayments of long-term borrowings	(7,067)	(11,911)
Proceeds from issuance of bonds	—	4,963
Redemption of bonds	—	(7,000)
Increase (decrease) in deposit payable in cash	30	30
Repayments of lease liabilities	(235)	(195)
Purchase of treasury shares	(228)	(3)
Dividends paid	(920)	(2,233)
Dividends paid to non-controlling interests	(76)	(82)
Net cash provided by (used in) financing activities	(4,677)	(12,578)
Effect of exchange rate change on cash and cash equivalents	717	284
Net increase (decrease) in cash and cash equivalents	2,737	620
Cash and cash equivalents at beginning of period	19,850	22,588
Cash and cash equivalents at end of period	22,588	23,208

(5) Notes Regarding the Consolidated Financial Statements

(Note related to going-concern assumption)

Not applicable.

(Segment information)

1. Summary of reportable segments

The reportable segments of the Company are units constituting the Company that are to be regularly examined by the Board of Directors to determine the allocation of management resources and evaluate the business results, as their financial information is available separately from that of others.

The Company has business divisions by product and service, and each business division develops a comprehensive domestic and overseas strategy for the products and services it offers in conducting its business activities.

Accordingly, the Company consists of segments by product and service based on business divisions. These four reportable segments are: Steel, Automotive & Industrial Machinery Components, Power and Leasing.

The Steel Business produces general section steel, deformed section steel, deformed bar steel and other steel products. The Automotive & Industrial Machinery Component Business produces various wheels for automobiles, industrial vehicles and construction machinery, pressing products, components for construction machinery, industrial fasteners, etc. The Power Business engages in the wholesale of electricity. The Leasing Business leases real estate.

2. Method of calculating amounts of net sales, profits or losses, assets and other items by reportable segment

The accounting method for the business segments reported is the same as that stated in "Important basic matters for preparation of the consolidated financial statements." In addition, the profits of the reportable segments show operating profits. The internal revenue and transfer between segments are based on the actual market price.

(Changes in reportable segments)

Effective from the fiscal year under review, the reportable segment previously listed as "Business Development" is now included in "Others" due to its decreased quantitative importance.

The segment information for the previous fiscal year is presented based on the reportable segment classification after the change.

3. Information regarding amounts of net sales, profits or losses, assets and other items by reportable segment

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment					Others (Note) 1	Full fiscal year	Amount of adjustment (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Steel	Automotive & Industrial Machinery Components	Power	Leasing	Total				
Net sales									
Net sales to outside customers	107,971	198,147	21,957	—	328,077	6,418	334,496	—	334,496
Internal sales or transfer between segments	24,820	—	—	1,138	25,959	—	25,959	(25,959)	—
Total	132,792	198,147	21,957	1,138	354,036	6,418	360,455	(25,959)	334,496
Profits of segment	8,038	4,016	(566)	712	12,201	648	12,849	(5,673)	7,175

(Notes)

1. The category "Others" includes the business segment not included in the reportable segments and includes synthetic mica, indoor and outdoor sign systems, civil engineering and construction, and operation of sports club.
2. Profits of segment in an amount of a loss of ¥5,673 million are common corporate expenses, etc. not allocated to the respective reportable segments. The common corporate expenses are mainly the expenses related to the administrative divisions of the Company that are not attributable to the reportable segments.
3. Profit of segment is adjusted with operating profit recorded under the consolidated financial statements.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Others (Note) 1	Full fiscal year	Amount of adjustment (Note) 2	Amount recorded in the consolidated financial statements (Note) 3
	Steel	Automotive & Industrial Machinery Components	Power	Leasing	Total				
Net sales									
Net sales to outside customers	110,822	201,632	14,100	—	326,555	7,436	333,992	—	333,992
Internal sales or transfer between segments	21,753	—	—	1,138	22,892	—	22,892	(22,892)	—
Total	132,576	201,632	14,100	1,138	349,448	7,436	356,885	(22,892)	333,992
Profits of segment	9,638	5,426	(190)	700	15,575	717	16,293	(5,853)	10,440

(Notes)

1. The category "Others" includes the business segment not included in the reportable segments and includes synthetic mica, indoor and outdoor sign systems, civil engineering and construction, and operation of sports club.
2. Profits of segment in an amount of a loss of ¥5,853 million are common corporate expenses, etc. not allocated to the respective reportable segments. The common corporate expenses are mainly the expenses related to the administrative divisions of the Company that are not attributable to the reportable segments.
3. Profit of segment is adjusted with operating profit recorded under the consolidated financial statements.

(Information per share)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Net assets per share	5,268.92 yen	6,119.46 yen
Profit per share	276.51 yen	204.88 yen

(Notes)

1. Profit per share after full dilution is not stated because there are no dilutive shares.
2. In the calculation of net assets per share, the shares of the Company that are held by the trust related to the stock compensation plan for directors, etc. are included in the treasury shares that are deducted from the total number of shares issued and outstanding at the end of the fiscal year (36 thousand shares for the previous consolidated fiscal year and 34 thousand shares for the consolidated fiscal year under review).

In addition, also in the calculation of profit (loss) per share, the said shares above are included in the treasury shares that are deducted in the calculation of the average number of shares during the fiscal year (38 thousand shares for the previous consolidated fiscal year and 35 thousand shares for the consolidated fiscal year under review).

3. The bases for the calculation of profit (loss) per share are as shown below.

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (million yen)	6,321	4,676
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent in relation to common shares (million yen)	6,321	4,676
Average number of shares during the fiscal year (thousand shares)	22,860	22,825

(Important events after the reporting period)

Not applicable.