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# **Consolidated Financial Statements**

(Pursuant to Article 24, Paragraph 1 of the  
Japanese Financial Instruments and Exchange Act)

Business year:                      From April 1, 2023  
(95th term)                              to March 31, 2024

**RIKEN TECHNOS CORPORATION**

**2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, Japan**

## Consolidated Financial Statements and Others

### (1) Consolidated Financial Statements

#### a. Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	23,481,932	21,879,258
Notes receivable - trade	*2 1,306,391	*2 868,089
Accounts receivable - trade	22,180,311	23,761,066
Electronically recorded monetary claims - operating	*2 5,008,505	*2 5,300,359
Merchandise and finished goods	9,678,717	10,138,020
Work in process	961,462	1,008,173
Raw materials and supplies	8,094,251	8,230,160
Other	1,040,115	718,438
Allowance for doubtful accounts	(83,749)	(82,722)
Total current assets	71,667,937	71,820,844
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,065,624	30,030,463
Accumulated depreciation	(17,600,981)	(18,946,559)
Buildings and structures, net	10,464,642	11,083,903
Machinery, equipment and vehicles	57,404,576	60,598,392
Accumulated depreciation	(49,441,055)	(52,072,966)
Machinery, equipment and vehicles, net	7,963,520	8,525,426
Land	6,439,554	6,460,388
Leased assets	152,329	139,833
Accumulated depreciation	(95,309)	(84,143)
Leased assets, net	57,020	55,690
Construction in progress	1,512,427	1,585,065
Other	6,168,649	6,494,640
Accumulated depreciation	(5,528,108)	(5,729,985)
Other, net	640,541	764,655
Total property, plant and equipment	27,077,707	28,475,130
Intangible assets		
Goodwill	5,820	4,365
Leased assets	5,173	6,642
Other	2,275,719	2,236,103
Total intangible assets	2,286,713	2,247,110
Investments and other assets		
Investment securities	8,777,528	10,509,751
Long-term loans receivable	1,905	1,483
Retirement benefit asset	811,947	1,270,649
Deferred tax assets	441,121	468,292
Other	940,216	859,896
Allowance for doubtful accounts	(2,320)	(2,399)
Total investments and other assets	10,970,399	13,107,672
Total non-current assets	40,334,820	43,829,913
Total assets	112,002,757	115,650,757

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	*2 21,193,377	*2 21,666,723
Electronically recorded obligations - operating	467,511	*2 155,619
Short-term borrowings	*1 7,718,267	*1 7,749,221
Current portion of long-term borrowings	552,457	577,563
Lease liabilities	16,456	23,633
Income taxes payable	640,838	1,799,290
Provision for bonuses	807,030	1,083,302
Provision for bonuses for directors (and other officers)	92,721	116,592
Other	2,387,457	2,260,686
Total current liabilities	33,876,116	35,432,634
Non-current liabilities		
Long-term borrowings	2,260,070	1,768,768
Lease liabilities	30,639	32,936
Deferred tax liabilities	1,877,146	2,765,927
Provision for share awards for directors (and other officers)	200,788	246,935
Retirement benefit liability	1,157,941	948,199
Asset retirement obligations	335,742	340,682
Other	99,078	97,346
Total non-current liabilities	5,961,407	6,200,796
Total liabilities	39,837,524	41,633,430
Net assets		
Shareholders' equity		
Share capital	8,514,018	8,514,018
Capital surplus	6,597,580	6,597,580
Retained earnings	41,463,280	39,535,079
Treasury shares	(406,095)	(364,877)
Total shareholders' equity	56,168,784	54,281,800
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,904,961	6,526,875
Foreign currency translation adjustment	2,159,985	3,223,620
Remeasurements of defined benefit plans	(37,713)	407,855
Total accumulated other comprehensive income	7,027,233	10,158,350
Non-controlling interests	8,969,215	9,577,176
Total net assets	72,165,232	74,017,327
Total liabilities and net assets	112,002,757	115,650,757

**b. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**

(Thousands of yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Net sales		123,497,991		125,739,116
Cost of sales	*1, *3	103,146,236	*1, *3	103,856,870
Gross profit		20,351,754		21,882,246
Selling, general and administrative expenses	*2, *3	12,845,492	*2, *3	13,106,752
Operating profit		7,506,262		8,775,493
Non-operating income				
Interest income		38,474		68,579
Dividend income		228,727		306,635
Foreign exchange gains		228,486		485,843
Other		190,376		250,896
Total non-operating income		686,065		1,111,954
Non-operating expenses				
Interest expenses		169,759		268,429
Other		57,664		74,110
Total non-operating expenses		227,424		342,539
Ordinary profit		7,964,903		9,544,907
Extraordinary income				
Gain on sale of non-current assets	*4	2,066	*4	15,329
Gain on sale of investment securities		8,720		1,886,468
Total extraordinary income		10,786		1,901,798
Extraordinary losses				
Loss on sale of non-current assets	*5	32		–
Loss on retirement of non-current assets	*6	13,041	*6	24,376
Impairment losses		–	*7	120,371
Loss on sale of investment securities		–		1,182
Total extraordinary losses		13,074		145,930
Profit before income taxes		7,962,615		11,300,775
Income taxes - current		1,899,962		3,054,154
Income taxes - deferred		144,403		(94,240)
Total income taxes		2,044,365		2,959,913
Profit		5,918,249		8,340,861
Profit attributable to non-controlling interests		1,360,726		1,460,631
Profit attributable to owners of parent		4,557,523		6,880,230

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,918,249	8,340,861
Other comprehensive income		
Valuation difference on available-for-sale securities	649,165	1,624,981
Foreign currency translation adjustment	2,500,038	1,701,358
Remeasurements of defined benefit plans, net of tax	(135,045)	445,569
Total other comprehensive income	*1 3,014,159	*1 3,771,909
Comprehensive income	8,932,409	12,112,771
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,668,914	10,011,348
Comprehensive income attributable to non-controlling interests	2,263,495	2,101,422

**c. Consolidated Statements of Changes in Net Assets**

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

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,514,018	6,597,580	38,200,822	(466,193)	52,846,228
Changes during period					
Dividends of surplus			(1,282,272)		(1,282,272)
Profit attributable to owners of parent			4,557,523		4,557,523
Purchase of treasury shares				(94)	(94)
Disposal of treasury shares				60,193	60,193
Cancellation of treasury shares					–
Other			(12,794)		(12,794)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,262,457	60,098	3,322,555
Balance at end of period	8,514,018	6,597,580	41,463,280	(406,095)	56,168,784

	Accumulated other comprehensive income				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	4,255,441	563,069	97,331	4,915,842	7,686,429	65,448,500
Changes during period						
Dividends of surplus						(1,282,272)
Profit attributable to owners of parent						4,557,523
Purchase of treasury shares						(94)
Disposal of treasury shares						60,193
Cancellation of treasury shares						–
Other						(12,794)
Net changes in items other than shareholders' equity	649,520	1,596,915	(135,045)	2,111,390	1,282,786	3,394,176
Total changes during period	649,520	1,596,915	(135,045)	2,111,390	1,282,786	6,716,732
Balance at end of period	4,904,961	2,159,985	(37,713)	7,027,233	8,969,215	72,165,232

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,514,018	6,597,580	41,463,280	(406,095)	56,168,784
Changes during period					
Dividends of surplus			(1,795,173)		(1,795,173)
Profit attributable to owners of parent			6,880,230		6,880,230
Purchase of treasury shares				(7,000,249)	(7,000,249)
Disposal of treasury shares				41,053	41,053
Cancellation of treasury shares			(7,000,413)	7,000,413	–
Other			(12,844)		(12,844)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,928,200)	41,217	(1,886,983)
Balance at end of period	8,514,018	6,597,580	39,535,079	(364,877)	54,281,800

	Accumulated other comprehensive income				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	4,904,961	2,159,985	(37,713)	7,027,233	8,969,215	72,165,232
Changes during period						
Dividends of surplus						(1,795,173)
Profit attributable to owners of parent						6,880,230
Purchase of treasury shares						(7,000,249)
Disposal of treasury shares						41,053
Cancellation of treasury shares						–
Other						(12,844)
Net changes in items other than shareholders' equity	1,621,913	1,063,634	445,569	3,131,117	607,960	3,739,078
Total changes during period	1,621,913	1,063,634	445,569	3,131,117	607,960	1,852,094
Balance at end of period	6,526,875	3,223,620	407,855	10,158,350	9,577,176	74,017,327

#### d. Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,962,615	11,300,775
Depreciation	3,597,533	3,777,888
Impairment losses	–	120,371
Amortization of goodwill	1,455	1,455
Increase (decrease) in provision for bonuses	68,907	269,022
Increase (decrease) in provision for bonuses for directors (and other officers)	(5,053)	23,871
Increase (decrease) in allowance for doubtful accounts	1,119	(604)
Increase (decrease) in retirement benefit liability	(105,953)	(72,589)
Increase (decrease) in provision for share awards for directors (and other officers)	29,402	46,147
Interest and dividend income	(267,202)	(375,214)
Interest expenses	169,759	268,429
Loss (gain) on sale of investment securities	(8,720)	(1,885,286)
Loss (gain) on sale of property, plant and equipment	(2,033)	(15,329)
Loss on retirement of non-current assets	13,041	24,376
Decrease (increase) in trade receivables	(1,117,158)	(797,019)
Decrease (increase) in inventories	(128,164)	67,848
Increase (decrease) in trade payables	94,642	(381,609)
Increase (decrease) in accrued consumption taxes	75,836	217,697
Other, net	(266,112)	41,617
Subtotal	10,113,914	12,631,846
Interest and dividends received	267,547	375,222
Interest paid	(160,236)	(283,191)
Income taxes paid	(1,697,103)	(1,970,147)
Net cash provided by (used in) operating activities	8,524,122	10,753,729
<b>Cash flows from investing activities</b>		
Payments into time deposits	(25,699)	(24,156)
Proceeds from withdrawal of time deposits	24,156	24,156
Purchase of property, plant and equipment	(3,675,011)	(4,037,270)
Proceeds from sale of property, plant and equipment	3,199	22,659
Purchase of intangible assets	(311,637)	(211,490)
Purchase of investment securities	–	(11,559)
Proceeds from sale of investment securities	46,880	2,587,075
Proceeds from collection of loans receivable	518	521
Other, net	(17,512)	(18,731)
Net cash provided by (used in) investing activities	(3,955,106)	(1,668,795)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	557,663	(230,505)
Repayments of long-term borrowings	(617,552)	(584,329)
Repayments of lease liabilities	(18,924)	(23,936)
Purchase of treasury shares	(94)	(7,000,249)
Dividends paid	(1,281,184)	(1,793,165)
Dividends paid to non-controlling interests	(975,227)	(1,487,957)
Net cash provided by (used in) financing activities	(2,335,319)	(11,120,144)
Effect of exchange rate change on cash and cash equivalents	543,954	432,649
Net increase (decrease) in cash and cash equivalents	2,777,651	(1,602,560)
Cash and cash equivalents at beginning of period	20,677,303	23,454,955
Cash and cash equivalents at end of period	*1 23,454,955	*1 21,852,394

## Notes to Consolidated Financial Statements

### Significant Matters in Preparing Consolidated Financial Statements

#### 1. Basis of presentation of consolidated financial statements

The accompanying consolidated financial statements of RIKEN TECHNOS CORPORATION (the “Company”) and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”).

In addition, amounts are rounded down to the nearest thousand yen.

#### 2. Scope of consolidation

(1) Number of consolidated subsidiaries: 17 as of March 31, 2023

16 as of March 31, 2024

All the subsidiaries have been included in the scope of consolidation.

RIKEN TECHNOS INTERNATIONAL CORPORATION, which was a consolidated subsidiary in the the fiscal year ended March 31, 2023, has been removed from the scope of consolidation effective the fiscal year under review, as the consolidated subsidiary was dissolved due to an absorption-type merger with the Company, in which the Company was the surviving company.

Names of principal consolidated subsidiaries are as follows:

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

Company name
RIKEN CABLE TECHNOLOGY CO., LTD.
KYOEI PLASTIC MFG CO., LTD.
RIKEN TECHNOS INTERNATIONAL CORPORATION
RIKEN CHEMICAL PRODUCTS CORPORATION
I.M.I Co., Ltd.
RIKEN (THAILAND) CO., LTD.
RIKEN ELASTOMERS (THAILAND) CO., LTD.
PT. RIKEN INDONESIA
SHANGHAI RIKEN TECHNOS CORPORATION
RIKEN TECHNOS (JIANG SU) CORPORATION
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION
RIKEN VIETNAM CO., LTD.
RIKEN TECHNOS INDIA PVT. LTD.
RIKEN U.S.A. CORPORATION
RIKEN AMERICAS CORPORATION
RIMTEC CORPORATION
RIKEN ELASTOMERS CORPORATION

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Company name
RIKEN CABLE TECHNOLOGY CO., LTD.
KYOEI PLASTIC MFG CO., LTD.
RIKEN CHEMICAL PRODUCTS CORPORATION
I.M.I Co., Ltd.
RIKEN (THAILAND) CO., LTD.
RIKEN ELASTOMERS (THAILAND) CO., LTD.
PT. RIKEN INDONESIA
SHANGHAI RIKEN TECHNOS CORPORATION
RIKEN TECHNOS (JIANGSU) CORPORATION
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION
RIKEN VIETNAM CO., LTD.
RIKEN TECHNOS INDIA PVT. LTD.
RIKEN U.S.A. CORPORATION
RIKEN AMERICAS CORPORATION
RIMTEC CORPORATION
RIKEN ELASTOMERS CORPORATION

(2) The Company has no unconsolidated subsidiaries.

3. Application of equity method

The Company has no associates.

4. Fiscal year-end of consolidated subsidiaries

The consolidated subsidiaries whose balance sheet date is different from the consolidated balance sheet date are as follows:

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

Company name	Balance sheet date
RIKEN CABLE TECHNOLOGY CO., LTD.	December 31 *1
KYOEI PLASTIC MFG CO., LTD.	December 31 *1
RIKEN TECHNOS INTERNATIONAL CORPORATION	December 31 *1
RIKEN CHEMICAL PRODUCTS CORPORATION	December 31 *1
I.M.I Co., Ltd.	December 31 *1
RIKEN (THAILAND) CO., LTD.	December 31 *1
RIKEN ELASTOMERS (THAILAND) CO., LTD.	December 31 *1
PT. RIKEN INDONESIA	December 31 *1
SHANGHAI RIKEN TECHNOS CORPORATION	December 31 *1
RIKEN TECHNOS (JIANG SU) CORPORATION	December 31 *1
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	December 31 *1
RIKEN VIETNAM CO., LTD.	December 31 *1
RIKEN TECHNOS INDIA PVT. LTD.	December 31 *1
RIKEN U.S.A. CORPORATION	December 31 *1
RIKEN AMERICAS CORPORATION	December 31 *1
RIMTEC CORPORATION	December 31 *1
RIKEN ELASTOMERS CORPORATION	December 31 *1

\*1. The financial statements as of the balance sheet date of the consolidated subsidiaries are used. However, for major transactions that occurred between that date and the consolidated balance sheet date, the necessary adjustments are made in the consolidated financial statements.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Company name	Balance sheet date
RIKEN CABLE TECHNOLOGY CO., LTD.	December 31 *1
KYOEI PLASTIC MFG CO., LTD.	December 31 *1
RIKEN CHEMICAL PRODUCTS CORPORATION	December 31 *1
I.M.I Co., Ltd.	December 31 *1
RIKEN (THAILAND) CO., LTD.	December 31 *1
RIKEN ELASTOMERS (THAILAND) CO., LTD.	December 31 *1
PT. RIKEN INDONESIA	December 31 *1
SHANGHAI RIKEN TECHNOS CORPORATION	December 31 *1
RIKEN TECHNOS (JIANG SU) CORPORATION	December 31 *1
RIKEN TECHNOS INTERNATIONAL KOREA CORPORATION	December 31 *1
RIKEN VIETNAM CO., LTD.	December 31 *1
RIKEN TECHNOS INDIA PVT. LTD.	December 31 *1
RIKEN U.S.A. CORPORATION	December 31 *1
RIKEN AMERICAS CORPORATION	December 31 *1
RIMTEC CORPORATION	December 31 *1
RIKEN ELASTOMERS CORPORATION	December 31 *1

\*1. The financial statements as of the balance sheet date of the consolidated subsidiaries are used. However, for major transactions that occurred between that date and the consolidated balance sheet date, the necessary adjustments are made in the consolidated financial statements.

## 5. Accounting policies

### (1) Valuation methods for significant assets

#### i) Securities

##### a. Held-to-maturity bonds

Stated at amortized cost (straight-line method).

##### b. Available-for-sale securities

Securities other than shares, etc. without market prices

Stated at fair value.

(Unrealized gains and losses, net of applicable taxes, are reported in a separate component of net assets, and costs of securities sold are determined by the moving-average method.)

Shares, etc. without market prices

Stated at cost determined by the moving-average method.

#### ii) Inventories

Inventories of the Company and domestic consolidated subsidiaries are mainly stated at cost determined by the moving-average method (the carrying amounts in the consolidated balance sheets are written down due to a decline in profitability). Inventories of overseas consolidated subsidiaries are mainly stated at the lower of cost or market, determined by the average method.

#### iii) Derivatives

Stated at fair value.

### (2) Depreciation and amortization of significant assets

#### i) Property, plant and equipment (excluding leased assets)

The Company and domestic consolidated subsidiaries mainly apply the declining-balance method. However, buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated by the straight-line method. Overseas consolidated subsidiaries apply the straight-line method.

The estimated useful lives of major items are as follows:

Buildings and structures	3 to 47 years
Machinery, equipment and vehicles	4 to 10 years

#### ii) Intangible assets (excluding leased assets)

The Company and domestic consolidated subsidiaries apply the straight-line method.

Internal use software is amortized by the straight-line method over its estimated useful life as internally determined (five years).

iii) Leased assets

The Company and domestic consolidated subsidiaries apply the straight-line method assuming the lease periods as useful lives with no residual value.

(3) Significant allowances

i) Allowance for doubtful accounts

To cover losses from bad debts for notes and accounts receivable - trade, loans receivable and others, an allowance for doubtful accounts is provided based on historical experience of bad debts for general receivables. For specific receivables, such as highly doubtful receivables, the collectibility is individually considered and the estimated amount of uncollectible accounts is provided as the allowance.

ii) Provision for bonuses

To cover bonus payments to employees, a provision for bonuses is provided in the amount to be paid for services rendered by employees during the fiscal year based mainly on the estimated amount of future bonus payment.

iii) Provision for bonuses for directors (and other officers)

To cover bonus payments to Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers, the Company records a provision for bonuses for directors (and other officers) in the amount of the portion applicable to the fiscal year, based on the estimated amount of future bonus payment.

iv) Provision for share awards for directors (and other officers)

To cover provision of shares in the Company to Directors and Executive Officers, the Company records a provision for executive officer incentive plan trust based on the estimated amount of share provision obligations as of the end of the current fiscal year.

(4) Method of recognizing retirement benefits

i) Method of attributing estimated retirement benefits to periods

For the purpose of attributing estimated retirement benefits to periods up to the end of the current fiscal year in the calculation of retirement benefit obligations, the benefit formula method is applied.

ii) Method of amortizing actuarial differences and past service cost

Past service cost is amortized by the straight-line method over a certain term within the average remaining service period of the eligible employees (13 years).

With regard to actuarial differences, the amount is amortized by the straight-line method over a certain term within the average remaining service period of the eligible employees (13 years) for each applicable fiscal year, and expensed from the year following the year in which the gain or loss is recognized.

iii) Method of accounting for unrecognized actuarial differences and unrecognized past service cost

Unrecognized actuarial differences and unrecognized past service cost are recognized in remeasurements of defined benefit plans under accumulated other comprehensive income in net assets after adjusting for tax effects.

iv) Application of simplified accounting method at small companies

Some consolidated subsidiaries apply a simplified accounting method in which the retirement benefit liability and retirement benefit expenses are calculated by using a method in which the amount of retirement benefits to be paid in cases where all eligible employees retired at the fiscal year-end date is regarded as retirement benefit obligations.

(5) Significant standards for the recognition of revenue and expenses

Revenue from the sale of products and merchandise arises mainly from the manufacture and sale of compound products, film products and food wrapping film products, and the sale of merchandise. The Company or its consolidated subsidiary assumes performance obligations to deliver these products or merchandise in accordance with sales contracts with customers. The Company or its consolidated subsidiary considers that these performance obligations are fulfilled at the time of delivery, when the customer gains control over the product or merchandise, and revenue is recognized at this time. However, revenue from sales within Japan is recognized at the time of shipment. For export sales, the Company considers that its performance obligations are fulfilled when the products arrive at the place agreed upon with the customer, and revenue is recognized at that time.

Furthermore, with regard to transactions in which the Company or its consolidated subsidiary is considered to act in the capacity of an agent, the net amount receivable in exchange for merchandise provided by the third-party supplier, after deducting the amount payable to the third-party supplier, is recognized as revenue.

(6) Significant hedge accounting

i) Hedge accounting

For foreign currency-denominated monetary receivables and payables and others that have been hedged by forward exchange contracts, the allocation method is used. For interest rate swap contracts, the Company and its domestic consolidated subsidiaries apply the method in which the amount paid or received under the swap contract is added to or deducted from the interest on the hedged assets and liabilities (the exceptional accrual method), in cases where the requirements for the method are satisfied.

ii) Hedging instruments and hedged items

• Hedging instruments

Forward exchange contracts and interest rate swap contracts

• Hedged items

Foreign currency-denominated accounts receivable - trade and accounts payable - trade related to exports and imports of merchandise and finished goods, and interest on borrowings

iii) Hedging policy

Forward exchange contracts are only used within the scope of actual need in order to hedge the risk of fluctuations in foreign exchange rates. Interest rate swap contracts are used to hedge the interest rate fluctuation risk. Entering into derivative transactions for trading or speculative purposes is prohibited.

iv) Assessment of hedge effectiveness

An assessment of hedge effectiveness is omitted for forward exchange contracts to which the allocation method is applied and interest rate swap contracts that satisfy the requirements for the exceptional accrual method.

(7) Method and period for amortization of goodwill

Goodwill is amortized evenly over the period, not exceeding 20 years, during which the goodwill has an effect. However, when the amount of goodwill is insignificant, it is charged to income at the date of occurrence.

(8) Scope of cash and cash equivalents in consolidated statements of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, readily available deposits, and highly liquid short-term investments with original maturities of three months or less that are subject to an insignificant risk of changes in value.

## Additional Information

(Transactions of delivering the Company's own stock to employees etc. through trusts)

### (1) Board Benefit Trust (BBT)

In accordance with the resolution at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced a new stock-based compensation plan "Board Benefit Trust (BBT)" on September 14, 2016, for the purpose of raising awareness of Directors who execute business (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers toward their contributions to improving the mid- to long-term corporate performance and increasing the corporate value as well as making Directors who do not execute business (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members contribute to increasing the mid- to long-term corporate value through supervision or audit.

#### i) Overview of transactions

Based on the officers' stock benefit plan which was established in advance, the Company and its group companies (the "Group") grant points to Directors, etc. (Directors and Executive Officers). At the time of their retirement, the Group provides shares in the Company to the Directors, etc. who satisfy requirements for beneficiaries in proportion to the points which the Group has granted to them. With regard to the shares which will be provided to Directors etc. in the future, a trust bank acquires the Company's treasury shares through third-party allotment by using the money contributed by the Company. Such shares are managed as trust assets separately.

#### ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 270,072 thousand yen and 587 thousand shares, respectively, while those as of the end of the current fiscal year were 270,072 thousand yen and 587 thousand shares, respectively.

#### iii) Book value of borrowings recorded due to the application of the gross method

Not applicable.

### (2) Stock Benefit Trust (Employee Stockholding Association Purchase-type)

For the purpose of promoting welfare benefits for employees and giving incentives pertaining to the improvement of corporate value of the Company, the Company introduced "Stock Benefit Trust (Employee Stockholding Association Purchase-type)" (hereinafter referred to as the "Plan"), pursuant to the resolution at the Board of Directors meeting held on February 22, 2021.

#### i) Overview of transactions

The Plan is an incentive plan under which the benefits of a rise in the Company's stock price are passed along to all the employees who are members of the "RIKEN TECHNOS Employee Stockholding Association" (hereinafter referred to as the "Stockholding Association").

A trust bank as the trustee of the Plan acquires shares in the Company that are expected to be acquired by the Stockholding Association over the five years after the establishment of the trust, en bloc in advance, and sells those shares in the Company to the Stockholding Association as needed when it acquires the shares. If the amount equivalent to gain on sales of shares by the trust bank was accumulated in trust assets by the termination of this trust through the sale of shares to the Stockholding Association, the accumulated amount is distributed as residual assets to the members of the Company's employee Stockholding Association who satisfy eligibility requirements for beneficiaries. The Company has guaranteed loans that the trust bank received to acquire shares in the Company. Therefore, if there is remaining loan amount that is equivalent to loss on sales of shares in the Company due to a decline in the Company's stock price at the time of termination of the trust, the Company is required to pay the remaining loan amount under the guarantee agreement.

ii) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 135,858 thousand yen and 266 thousand shares, respectively, while those as of the end of the current fiscal year were 94,804 thousand yen and 185 thousand shares, respectively.

iii) Book value of borrowings recorded due to the application of the gross method

80,498 thousand yen as of the end of the current fiscal year

## Notes to Consolidated Balance Sheets

### \*1. Overdraft agreements and unused overdraft facility balance

To flexibly secure working capital, the Company and its domestic consolidated subsidiaries have entered into overdraft agreements with banks with which they do business.

The unused balance of these prescribed limit agreements at the fiscal year-end is as follows:

	(Thousands of yen)	
	As of March 31, 2023	As of March 31, 2024
Total overdraft facility limit	9,130,000	9,130,000
Outstanding borrowings within the limit	3,865,000	3,765,000
Unused balance	5,265,000	5,365,000

### \*2. Notes maturing on the balance sheet date

When the balance sheet date falls on a holiday of financial institutions, the notes maturing on the balance sheet date will be accounted for as if they were settled on the maturity date.

The amount of notes matured on the balance sheet date is as follows.

	(Thousands of yen)	
	As of March 31, 2023	As of March 31, 2024
Notes receivable - trade	45,384	118,715
Electronically recorded monetary claims - operating	19,349	574,997
Notes payable - trade	9,097	25,478
Electronically recorded obligations - operating	-	2,938

## Notes to Consolidated Statements of Income

\*1. The inventory balance at the fiscal year-end is presented after book values were written down due to a decline in profitability of assets and the following losses (gains) on valuation of inventories are included in cost of sales.

(Thousands of yen)	
Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
(126,543)	(24,083)

\*2. Main components of selling, general and administrative expenses are as follows:

(Thousands of yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Freightage expenses	3,961,369	3,600,533
Commission fees	1,175,573	1,188,551
Salaries and bonuses	2,712,543	2,763,403
Provision for bonuses	230,743	282,937
Retirement benefit expenses	110,058	150,784
Provision for bonuses for directors (and other officers)	84,843	116,592
Provision of allowance for doubtful accounts	119	(697)
Research and development expenses	1,255,142	1,445,214

\*3. Research and development expenses included in selling, general and administrative expenses and cost of sales are as follows:

(Thousands of yen)	
Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
1,631,232	1,893,235

\*4. The breakdown of gain on sale of non-current assets is as follows:

(Thousands of yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Machinery, equipment and vehicles	2,018	11,187
Other	47	4,142
Total	2,066	15,329

\*5. The breakdown of loss on sale of non-current assets is as follows:

(Thousands of yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Other	32	-

\*6. The breakdown of loss on retirement of non-current assets is as follows:

(Thousands of yen)		
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings and structures	4,678	5,904
Machinery, equipment and vehicles	5,231	16,273
Other	3,132	2,199
Total	13,041	24,376

\*7. Impairment loss

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

The Group recorded an impairment loss in the following asset groups:

(Thousands of yen)			
Location	Use	Type	Impairment loss
Yunoyama recreation facility (Komono-cho, Mie-gun, Mie)	Idle assets	Buildings, land, etc.	111,258
Echigo Yuzawa recreation facility (Yuzawa-machi, Minamiuonuma-gun, Niigata)	Idle assets	Buildings, land, etc.	9,113

The Group groups assets into the smallest units that generate cash flows that are generally independent from the cash flow of other assets or asset groups. (Idle assets are grouped individually.)

The Group decided not to use the Yunoyama recreation facility and the Echigo Yuzawa recreation facility as recreation facilities anymore. Seeing the facilities as shared assets, the Group had grouped them into a larger unit that included the head office of RIKEN TECHNOS CORPORATION.

Considering that, however, the change in the usage of the assets would cause a significant decrease in the recoverable amount, the Company judged that indications of impairment existed. As the total of undiscounted future cash flows arising from the asset groups of idle assets was less than the book value, the Company reduced the book value to the recoverable amount and recognized the associated impairment loss.

The impairment loss included 52,344 thousand yen for buildings and structures, 67,735 thousand yen for land, and 291 thousand yen for other.

The recoverable amount is measured with the net realizable value. The measurement is based on real estate appraisal values and other reasonably calculated valuations for major buildings and land. For other assets, taking into account the possibility of disposal, the net realizable value is considered to be zero for assets deemed to have no effective value.

## Notes to Consolidated Statements of Comprehensive Income

### \*1. Reclassification adjustments and tax effects related to other comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Valuation difference on available-for-sale securities:		
Amount arising during the period	936,736	4,307,210
Reclassification adjustments	(8,720)	(1,885,286)
Before tax effect adjustments	928,016	2,421,924
Tax effect amount	(278,850)	(796,942)
Valuation difference on available-for-sale securities	649,165	1,624,981
Foreign currency translation adjustment:		
Amount arising during the period	2,500,038	1,701,358
Reclassification adjustments	-	-
Before tax effect adjustments	2,500,038	1,701,358
Tax effect amount	-	-
Foreign currency translation adjustment	2,500,038	1,701,358
Remeasurements of defined benefit plans, net of tax:		
Amount arising during the period	(203,771)	623,327
Reclassification adjustments	9,125	18,888
Before tax effect adjustments	(194,645)	642,215
Tax effect amount	59,600	(196,646)
Remeasurements of defined benefit plans, net of tax	(135,045)	445,569
Total other comprehensive income	3,014,159	3,771,909

## Notes to Consolidated Statements of Changes in Net Assets

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

### 1. Type and total number of issued shares and type and number of treasury shares

(Thousands of shares)

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common stock	64,113	–	–	64,113
Total	64,113	–	–	64,113
Treasury shares				
Common stock	973	0	119	854
Total	973	0	119	854

- (Notes)
- The Company resolved at the Board of Directors meeting held on August 29, 2016 to introduce the “Board Benefit Trust (BBT)” and transferred 476 thousand shares of treasury shares to Trust Account E as of September 14, 2016, and 329 thousand shares of treasury shares as of March 12, 2020. The number of treasury shares at the beginning and the end of the current fiscal year includes 601 thousand shares and 587 thousand shares in the Company, respectively, held by Trust Account E.
  - The Company introduced the “Stock Benefit Trust (Employee Stockholding Association Purchase-type)” pursuant to the resolution at the Board of Directors meeting held on May 24, 2017. However, the said trust was abolished in the current fiscal year, and the Company resolved at the Board of Directors meeting held on February 22, 2021 to introduce again a similar plan, and transferred 266 thousand shares of treasury shares to Trust Account E as of March 11, 2021. The number of treasury shares at the beginning and the end of the current fiscal year includes 372 thousand shares and 266 thousand shares in the Company, respectively, held by Trust Account E.
  - The increase of 0 thousand shares of treasury shares of common stock is due to the purchase of shares less than one unit of 0 thousand shares.
  - The decrease of 119 thousand shares of treasury shares of common stock is due to the sale of 105 thousand shares from Trust Account E to the Company’s employee stockholding association and the payment of 13 thousand shares from Trust Account E in conjunction with the retirement of Directors and other officers.

### 2. Subscription rights to shares and treasury subscription rights to shares

Not applicable.

### 3. Dividends

#### (1) Dividends paid

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders held on June 17, 2022	Common stock	705,250	11	March 31, 2022	June 20, 2022

(Note) Total dividends include 10,710 thousand yen of dividends to the Company’s own shares held in Trust Account E.

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Board of Directors meeting held on October 31, 2022	Common stock	577,021	9	September 30, 2022	November 29, 2022

(Note) Total dividends include 8,136 thousand yen of dividends to the Company’s own shares held in Trust Account E.

(2) Dividends whose cut-off date is in the current fiscal year and whose effective date is in the following fiscal year

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Source of dividends	Dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders held on June 16, 2023	Common stock	1,025,815	Retained earnings	16	March 31, 2023	June 19, 2023

(Note) Total dividends include 13,668 thousand yen of dividends to the Company's own shares held in Trust Account E.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Type and total number of issued shares and type and number of treasury shares

(Thousands of shares)				
	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year
Issued shares				
Common stock	64,113	–	8,338	55,775
Total	64,113	–	8,338	55,775
Treasury shares				
Common stock	854	8,338	8,419	773
Total	854	8,338	8,419	773

- (Notes)
- The decrease of 8,338 thousand shares of issued shares of common stock is due to the cancellation of treasury shares, based on a resolution at a meeting of the Board of Directors held on January 31, 2024.
  - The Company resolved at the Board of Directors meeting held on August 29, 2016 to introduce the "Board Benefit Trust (BBT)" and transferred 476 thousand shares of treasury shares to Trust Account E as of September 14, 2016, and 329 thousand shares of treasury shares as of March 12, 2020. The number of treasury shares at the beginning and the end of the current fiscal year includes 587 thousand shares and 587 thousand shares in the Company, respectively, held by Trust Account E.
  - The Company introduced the "Stock Benefit Trust (Employee Stockholding Association Purchase-type)" pursuant to the resolution at the Board of Directors meeting held on May 24, 2017. However, the said trust was abolished in the previous fiscal year, and the Company resolved at the Board of Directors meeting held on February 22, 2021 to introduce again a similar plan, and transferred 266 thousand shares of treasury shares to Trust Account E as of March 11, 2021. The number of treasury shares at the beginning and the end of the current fiscal year includes 266 thousand shares and 185 thousand shares in the Company, respectively, held by Trust Account E.
  - The increase of 8,338 thousand shares of treasury shares of common stock is due to the purchase of treasury shares of 8,337 thousand shares, based on a resolution at a meeting of the Board of Directors held on October 30, 2023, and the purchase of shares less than one unit of 0 thousand shares.
  - The decrease of 8,419 thousand shares of treasury shares of common stock is due to the cancellation of treasury shares of 8,338 thousand shares and the sale of 80 thousand shares from Trust Account E to the Company's employee stockholding association.

2. Subscription rights to shares and treasury subscription rights to shares

Not applicable.

3. Dividends

(1) Dividends paid

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders held on June 16, 2023	Common stock	1,025,815	16	March 31, 2023	June 19, 2023

(Note) Total dividends include 13,668 thousand yen of dividends to the Company's own shares held in Trust Account E.

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date
Board of Directors meeting held on October 30, 2023	Common stock	769,357	12	September 30, 2023	November 29, 2023

(Note) Total dividends include 9,702 thousand yen of dividends to the Company's own shares held in Trust Account E.

(2) Dividends whose cut-off date is in the current fiscal year and whose effective date is in the following fiscal year

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Source of dividends	Dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders held on June 21, 2024	Common stock	1,115,502	Retained earnings	20	March 31, 2024	June 24, 2024

(Note) Total dividends include 15,476 thousand yen of dividends to the Company's own shares held in Trust Account E.

## Notes to Consolidated Statements of Cash Flows

\*1. Reconciliation between "Cash and cash equivalents at end of period" in the consolidated statements of cash flows and "Cash and deposits" in the consolidated balance sheets

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash and deposits	23,481,932	21,879,258
Time deposits with maturities over 3 months	(26,977)	(26,863)
Cash and cash equivalents	23,454,955	21,852,394

## Lease Transactions

(As Lessee)

### 1. Finance lease transactions

Finance lease transactions that do not transfer ownership

#### (1) Details of leased assets

##### i) Property, plant and equipment

Mainly, production equipment and others in the compound business

##### ii) Intangible assets

Software

#### (2) Depreciation method for leased assets

The depreciation method for leased assets is as stated in "5. Accounting policies (2) Depreciation and amortization of significant assets" under "Significant Matters in Preparing Consolidated Financial Statements."

### 2. Operating lease transactions

Future lease payments under non-cancelable operating leases

	(Thousands of yen)	
	As of March 31, 2023	As of March 31, 2024
Within 1 year	66,498	45,975
Over 1 year	73,772	33,040
Total	140,270	79,016

## Financial Instruments

### 1. Overview

#### (1) Policy for financial instruments

The Company and its group companies (the “Group”) procure necessary funds primarily through bank loans in light of its capital expenditure plan. The Group invests its excess funds in financial instruments with low risks, giving the highest priority to safety by reference to external ratings and others while considering liquidity. In addition, certain short-term operating funds are procured through bank loans. The Group, by policy, limits derivative transactions to hedging risks associated with substantial transactions and does not enter into them for speculative purposes.

#### (2) Description of financial instruments and related risks

Notes and accounts receivable - trade, etc., which are operating receivables, involve credit risk of each customer. Operating receivables denominated in foreign currencies are exposed to exchange rate fluctuation risk.

Investment securities are exposed to market price fluctuation risk.

Notes and accounts payable - trade, which are operating payables, are primarily due within three to five months. Borrowings and finance lease liabilities are primarily intended for raising funds for capital investment, and certain borrowings are for operating funds. These borrowings are exposed to interest rate fluctuation risk.

As for derivative transactions, the Group uses interest rate swap contracts to hedge interest rate fluctuation risk associated with borrowings. For hedging instruments and hedged items, hedging policy, assessment of hedge effectiveness and others related to hedge accounting, please refer to “5.

Accounting policies, (6) Significant hedge accounting” under “Significant Matters in Preparing Consolidated Financial Statements” described above.

#### (3) Risk management system related to financial instruments

##### i) Management of credit risk (default risk of business partners)

The Group reduces customer credit risk associated with notes and accounts receivable - trade, which are operating receivables, by monitoring customer credit in conformity with standards such as credit control regulations and by periodic review.

As for credit risk associated with issues involving transactions with repurchase/resale agreements, the Company invests in low-risk issues in conformity with its asset management regulations by reference to external ratings and others. The consolidated subsidiaries establish management systems pursuant to the system of the Company.

##### ii) Management of market risk (exchange rate and interest rate fluctuation risks)

The Group enters into derivative transactions to control interest rate fluctuation risk associated with borrowings.

As for investment securities, the Group holds listed stocks mainly for the purpose of holding them for the long term, and evaluates them on a fair value basis each quarterly period and obtains the financial information of the issuers (business partners). For those other than held-to-maturity bonds, the Group consistently reviews the holding status taking into account the market conditions and relationships with business partners.

##### iii) Management of liquidity risk associated with funds procurement (risk of failure to pay on due dates)

The departments in charge appropriately distribute funds by periodically collecting information about their account activity in an integrated manner and understanding the situation while holding some as funds on hand taking into account the necessary liquidity.

#### (4) Supplemental remarks on fair values of financial instruments

As the calculation of those values includes variable factors, the values may vary if different assumptions and others are applied. The contract amount related to derivative transactions in “Derivative Transactions” under “Notes to Consolidated Financial Statements” does not represent market risk associated with the derivative transactions.

## 2. Fair values of financial instruments

The carrying amounts in the consolidated balance sheets and the fair values, and difference between them are shown below.

As of March 31, 2023

(Thousands of yen)

	Carrying amount in consolidated balance sheets	Fair value	Difference
(1) Investment securities Available-for-sale securities	8,650,570	8,650,570	–
(2) Long-term loans receivable	1,905	1,905	0
<b>Total assets</b>	<b>8,652,476</b>	<b>8,652,476</b>	<b>0</b>
(1) Short-term borrowings	7,718,267	7,718,267	0
(2) Current portion of long-term borrowings	552,457	551,935	(522)
(3) Lease liabilities (Current liabilities)	16,456	16,456	0
(4) Long-term borrowings	2,260,070	2,189,460	(70,609)
(5) Lease liabilities (Non-current liabilities)	30,639	30,639	0
<b>Total liabilities</b>	<b>10,577,890</b>	<b>10,506,759</b>	<b>(71,131)</b>
Derivative transactions (*3)	–	–	–

(\*1) Cash and deposits, notes receivable - trade, accounts receivable - trade, electronically recorded monetary claims - operating, notes and accounts payable - trade, electronically recorded obligations - operating, and income taxes payable are omitted from the table above as they are cash-based, they are settled in a short period of time and their fair values therefore approximate their book values.

(\*2) Shares, etc. without market prices are not included in “(1) Investment securities.” The carrying amount of these financial instruments on the consolidated balance sheets is shown below.

(Thousands of yen)

Category	As of March 31, 2023
Unlisted stocks	126,958

(\*3) Please refer to “Derivative Transactions” under “Notes to Consolidated Financial Statements.”

As of March 31, 2024

(Thousands of yen)

	Carrying amount in consolidated balance sheets	Fair value	Difference
(1) Investment securities Available-for-sale securities	10,375,593	10,375,593	–
(2) Long-term loans receivable	1,483	1,483	0
Total assets	10,377,076	10,377,076	0
(1) Short-term borrowings	7,749,221	7,749,221	0
(2) Current portion of long-term borrowings	577,563	561,793	(15,770)
(3) Lease liabilities (Current liabilities)	23,633	23,633	0
(4) Long-term borrowings	1,768,768	1,750,098	(18,669)
(5) Lease liabilities (Non-current liabilities)	32,936	32,936	0
Total liabilities	10,152,123	10,117,683	(34,439)
Derivative transactions (*3)	–	–	–

(\*1) Cash and deposits, notes receivable - trade, accounts receivable - trade, electronically recorded monetary claims - operating, notes and accounts payable - trade, electronically recorded obligations - operating, and income taxes payable are omitted from the table above as they are cash-based, they are settled in a short period of time and their fair values therefore approximate their book values.

(\*2) Shares, etc. without market prices are not included in “(1) Investment securities.” The carrying amount of these financial instruments on the consolidated balance sheets is shown below.

(Thousands of yen)

Category	As of March 31, 2024
Unlisted stocks	134,158

(\*3) Please refer to “Derivative Transactions” under “Notes to Consolidated Financial Statements.”

- (Notes) 1. Expected redemption amounts of monetary receivables and securities with maturity dates subsequent to the consolidated balance sheet date

As of March 31, 2023

(Thousands of yen)				
	Within 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
(1) Cash and deposits	23,021,436	–	–	–
(2) Notes receivable - trade	1,306,391	–	–	–
(3) Accounts receivable - trade	22,180,311	–	–	–
(4) Electronically recorded monetary claims - operating	5,008,505	–	–	–
(5) Long-term loans receivable	–	1,188	626	90
Total	51,516,645	1,188	626	90

As of March 31, 2024

(Thousands of yen)				
	Within 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years
(1) Cash and deposits	21,332,376	–	–	–
(2) Notes receivable - trade	868,089	–	–	–
(3) Accounts receivable - trade	23,761,066	–	–	–
(4) Electronically recorded monetary claims - operating	5,300,359	–	–	–
(5) Long-term loans receivable	–	883	599	–
Total	51,261,892	883	599	–

2. Projected repayment amounts of borrowings, bonds payable and lease liabilities subsequent to the consolidated balance sheet date

As of March 31, 2023

(Thousands of yen)						
	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years
(1) Short-term borrowings	7,718,267	–	–	–	–	–
(2) Long-term borrowings	552,457	610,506	322,563	–	729,850	597,150
(3) Lease liabilities	16,456	18,986	9,276	1,811	564	–
Total	8,287,181	629,493	331,840	1,811	730,414	597,150

As of March 31, 2024

(Thousands of yen)						
	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years
(1) Short-term borrowings	7,749,221	–	–	–	–	–
(2) Long-term borrowings	577,563	310,318	40,249	780,010	–	638,190
(3) Lease liabilities	23,633	24,826	5,476	2,297	335	–
Total	8,350,419	335,145	45,725	782,307	335	638,190

### 3. Breakdown of financial instruments by level of fair value

The fair value of financial instruments is classified into the following three levels on the basis of the observability and significance of the inputs used to calculate fair value:

Level 1 fair value: Fair value calculated using observable inputs that are market prices formed in active markets for the assets or liabilities for which fair value is to be calculated

Level 2 fair value: Fair value calculated using observable inputs other than those used to calculate Level 1 fair value

Level 3 fair value: Fair value calculated using unobservable inputs

When multiple inputs that may have a material impact on the calculation of fair value are used, the calculated fair value is classified at the lowest level of the inputs used.

#### (1) Financial instruments carried on the consolidated balance sheets at fair value

As of March 31, 2023

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	8,650,570	–	–	8,650,570
Total assets	8,650,570	–	–	8,650,570

As of March 31, 2024

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	10,375,593	–	–	10,375,593
Total assets	10,375,593	–	–	10,375,593

#### (2) Financial instruments other than those carried on the consolidated balance sheets at fair value

As of March 31, 2023

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	–	1,905	–	1,905
Total assets	–	1,905	–	1,905
Short-term borrowings	–	7,718,267	–	7,718,267
Current portion of long-term borrowings	–	551,935	–	551,935
Lease liabilities (Current liabilities)	–	16,456	–	16,456
Long-term borrowings	–	2,189,460	–	2,189,460
Lease liabilities (Non-current liabilities)	–	30,639	–	30,639
Total liabilities	–	10,506,759	–	10,506,759

As of March 31, 2024

(Thousands of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	–	1,483	–	1,483
Total assets	–	1,483	–	1,483
Short-term borrowings	–	7,749,221	–	7,749,221
Current portion of long-term borrowings	–	561,793	–	561,793
Lease liabilities (Current liabilities)	–	23,633	–	23,633
Long-term borrowings	–	1,750,098	–	1,750,098
Lease liabilities (Non-current liabilities)	–	32,936	–	32,936
Total liabilities	–	10,117,683	–	10,117,683

(Note) Explanation of the valuation techniques and inputs used to calculate fair value

Investment securities

Listed shares are valued with quoted prices. Because listed shares are traded in active markets, their fair value is classified as Level 1 fair value.

Long-term loans receivable

The fair value of long-term loans receivable is calculated as the present value of the sum of principal and interest amounts, discounted using the estimated rates applicable for new loans, and is classified as Level 2 fair value.

Short-term borrowings and lease liabilities

Fair value is calculated as the present value of the sum of principal and interest amounts, discounted using the estimated rates applicable for similar new borrowings or lease transactions, and is classified as Level 2 fair value.

Long-term borrowings

The fair value of long-term borrowings is calculated as the present value of the sum of principal and interest amounts, discounted using an interest rate that reflects the remaining term of the liability and credit risk, and is classified as Level 2 fair value. Long-term borrowings using floating interest rates are subject to the special accounting treatment for interest rate swaps. Fair value is calculated as the present value of the sum of principal and interest amounts treated as a single item together with the relevant interest rate swap, discounted using an interest rate that reflects the remaining term of the liability and credit risk, and is classified as Level 2 fair value.

## Securities

### 1. Available-for-sale securities

As of March 31, 2023

(Thousands of yen)

	Carrying amount on the consolidated balance sheets	Acquisition cost	Unrealized gain (loss)
Securities whose carrying amount on the consolidated balance sheets exceeds their acquisition cost			
Stocks	8,397,812	1,540,154	6,857,657
Subtotal	8,397,812	1,540,154	6,857,657
Securities whose carrying amount on the consolidated balance sheets does not exceed their acquisition cost			
Stocks	252,758	279,512	(26,753)
Subtotal	252,758	279,512	(26,753)
Total	8,650,570	1,819,666	6,830,903

(Note) As unlisted stocks (126,958 thousand yen reported on the consolidated balance sheets) have no market prices, they are not included in the table above.

As of March 31, 2024

(Thousands of yen)

	Carrying amount on the consolidated balance sheets	Acquisition cost	Unrealized gain (loss)
Securities whose carrying amount on the consolidated balance sheets exceeds their acquisition cost			
Stocks	10,375,593	1,125,445	9,250,147
Subtotal	10,375,593	1,125,445	9,250,147
Securities whose carrying amount on the consolidated balance sheets does not exceed their acquisition cost			
Stocks	—	—	—
Subtotal	—	—	—
Total	10,375,593	1,125,445	9,250,147

(Note) As unlisted stocks (134,158 thousand yen reported on the consolidated balance sheets) have no market prices, they are not included in the table above.

### 2. Available-for-sale securities that were sold during the fiscal year

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

(Thousands of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Stocks	46,880	8,720	—

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

Type	Proceeds from sales	Total gain on sales	Total loss on sales
Stocks	2,587,075	1,886,468	1,182

3. Impairment loss on securities

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

Not applicable.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

**Derivative Transactions**

1. Derivative transactions to which hedge accounting is not applied

Not applicable.

2. Derivative transactions to which hedge accounting is applied

(1) Currency-related transactions

As of March 31, 2023

Not applicable.

As of March 31, 2024

Not applicable.

(2) Interest rate-related transactions

As of March 31, 2023

(Thousands of yen)

Hedge accounting method	Type of derivative transaction	Principal hedged item	Contract amount	Contract amount due after 1 year	Fair value
Exceptional accrual method for interest rate swaps	Interest rate swap contracts Receive floating / Pay fixed	Long-term borrowings	838,221	525,966	(Note)

(Note) Since items subject to the exceptional accrual method for interest rate swaps are accounted for together with the long-term borrowings that are the hedged items, the fair values thereof are included in the fair values of the corresponding long-term borrowings.

As of March 31, 2024

(Thousands of yen)

Hedge accounting method	Type of derivative transaction	Principal hedged item	Contract amount	Contract amount due after 1 year	Fair value
Exceptional accrual method for interest rate swaps	Interest rate swap contracts Receive floating / Pay fixed	Long-term borrowings	561,876	239,321	(Note)

(Note) Since items subject to the exceptional accrual method for interest rate swaps are accounted for together with the long-term borrowings that are the hedged items, the fair values thereof are included in the fair values of the corresponding long-term borrowings.

## Retirement Benefits

### 1. Summary of retirement benefit plans adopted

To cover retirement benefits to employees, the Company and its consolidated subsidiaries have adopted funded and unfunded defined-benefit plans.

Under the defined-benefit corporate pension plans, all of which are funded plans, lump-sum benefits or pensions are paid based on salary and service period.

Under the retirement lump-sum payment plans, all of which are unfunded plans, lump-sum benefits are paid as retirement benefits based on salary and service period. A retirement benefit trust has been established for the retirement lump-sum payment plans, all of which are unfunded plans, since May 2015.

For defined-benefit corporate pension plans and retirement lump-sum payment plans held by some consolidated subsidiaries, retirement benefit liability and retirement benefit expenses are calculated by a simplified method.

### 2. Defined-benefit plans

#### (1) Reconciliation between balance of retirement benefit obligations at the beginning of period and that at the end of period

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Retirement benefit obligations at the beginning of period	6,020,580	6,046,084
Service cost	249,207	343,337
Interest cost	29,170	37,981
Actuarial differences	90,528	(139,762)
Retirement benefits paid	(389,315)	(511,004)
Other	45,913	66,392
Retirement benefit obligations at the end of period	6,046,084	5,843,028

#### (2) Reconciliation between balance of plan assets at the beginning of period and that at the end of period

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Plan assets at the beginning of period	5,845,998	5,700,089
Expected return on plan assets	112,377	69,836
Actuarial differences	(178,099)	487,660
Contribution by employer	101,890	100,854
Retirement benefits paid	(182,077)	(192,962)
Other	-	-
Plan assets at the end of period	5,700,089	6,165,478

- (3) Reconciliation between balance of retirement benefit obligations and plan assets at the end of period and that of retirement benefit liability and retirement benefit asset recorded in the consolidated balance sheets

	(Thousands of yen)	
	As of March 31, 2023	As of March 31, 2024
Retirement benefit obligations from funded plans	2,853,410	2,738,093
Plan assets	(3,665,357)	(3,931,309)
	(811,947)	(1,193,215)
Retirement benefit obligations on unfunded plans	1,157,941	870,766
Net amount of liability and asset recorded in consolidated balance sheets	345,994	(322,449)
Retirement benefit asset	(811,947)	(1,270,649)
Retirement benefit liability	1,157,941	948,199
Net amount of liability and asset recorded in consolidated balance sheets	345,994	(322,449)

- (4) Retirement benefit expenses

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Service cost	249,207	343,337
Interest cost	29,170	37,981
Expected return on plan assets	(112,377)	(69,836)
Amortization of actuarial differences	73,982	14,792
Other	(18,454)	8,695
Retirement benefit expenses on defined-benefit plans	221,528	334,970

- (5) Remeasurements of defined benefit plans

The components of remeasurements of defined benefit plans (before deducting tax effect) are as follows:

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Actuarial differences	194,645	(642,215)

- (6) Remeasurements of defined benefit plans (Accumulated other comprehensive income)

The components of remeasurements of defined benefit plans (before deducting tax effect) are as follows:

	(Thousands of yen)	
	As of March 31, 2023	As of March 31, 2024
Unrecognized actuarial differences	54,634	(587,580)

(7) Plan assets

i) Main components of plan assets

The ratios of components to total plan assets by major category are as follows:

	As of March 31, 2023	As of March 31, 2024
Bonds	10.6%	10.1%
Stocks	18.5%	20.5%
Cash and deposits	5.1%	5.4%
Insurance assets (general accounts)	7.5%	7.0%
Investment trust	35.7%	36.2%
Shared operating assets	22.5%	20.9%
Total	100.0%	100.0%

(Note) Total plan assets includes the retirement benefit trust established for the retirement lump-sum payment plans, which accounts for 35.7% and 36.2% of the total amount as of March 31, 2023 and March 31, 2024, respectively.

ii) Method for establishing long-term expected rate of return on plan assets

To establish the long-term expected rate of return on plan assets, the current and forecasted allocation of plan assets and the current and expected future long-term rate of return from the various assets constituting the plan assets are taken into consideration.

(8) Calculation basis for actuarial assumptions

The main calculation basis for actuarial assumptions are as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Discount rate	0.33%	0.62%
Long-term expected rate of return	2.70%	1.60%
Expected rate of salary increase	7.20%	7.20%

## Income Taxes

### 1. Significant components of deferred tax assets and liabilities

	As of March 31, 2023	(Thousands of yen) As of March 31, 2024
Deferred tax assets		
Allowance for doubtful accounts	26,240	25,843
Retirement benefit liability	860,042	809,885
Impairment loss	328,987	303,814
Provision for bonuses	215,856	287,016
Loss on valuation of investment securities	176,471	101,637
Asset retirement obligations	100,231	101,744
Net operating losses carryforward (Note)	58,250	22,543
Other	633,091	736,035
Subtotal of deferred tax assets	2,399,172	2,388,521
Valuation allowance related to net operating losses carryforward (Note)	(58,250)	(22,543)
Valuation allowance related to total deductible temporary difference, etc.	(443,478)	(399,864)
Subtotal of valuation allowance	(501,729)	(422,407)
Total deferred tax assets	1,897,443	1,966,113
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(1,946,421)	(2,737,060)
Retirement benefit asset	(236,371)	(398,573)
Property, plant and equipment (asset retirement obligations)	(34,506)	(30,022)
Reserved profit of overseas consolidated subsidiaries	(547,410)	(586,553)
Other	(568,759)	(511,537)
Total deferred tax liabilities	(3,333,468)	(4,263,748)
Net deferred tax assets (liabilities)	(1,436,024)	(2,297,634)

(Note) Amounts of tax loss carryforward and related deferred tax assets by carryforward period  
As of March 31, 2023

	(Thousands of yen)						
	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforward (a)	25,158	17,532	5,760	5,553	2,553	1,691	58,250
Valuation allowance	(25,158)	(17,532)	(5,760)	(5,553)	(2,553)	(1,691)	(58,250)
Deferred tax assets	-	-	-	-	-	-	-

(a) Figures for tax loss carryforward are the amounts multiplied by effective statutory tax rate.

As of March 31, 2024

	(Thousands of yen)						
	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforward (a)	12,931	6,028	1,162	650	1,745	25	22,543
Valuation allowance	(12,931)	(6,028)	(1,162)	(650)	(1,745)	(25)	(22,543)
Deferred tax assets	-	-	-	-	-	-	-

(a) Figures for tax loss carryforward are the amounts multiplied by effective statutory tax rate.

## 2. Reconciliation between the effective statutory tax rate and the effective tax rate

	As of March 31, 2023	As of March 31, 2024
Effective statutory tax rate	30.6%	30.6%
Adjustments		
Expenses not deductible permanently such as entertainment expenses	0.5	0.4
Income not taxable permanently such as dividends income	(0.9)	(0.8)
Foreign withholding taxes	0.4	0.3
Change in valuation allowance	(1.1)	(0.7)
Tax rate differences from overseas consolidated subsidiaries	(4.2)	(2.7)
Other	0.3	(0.9)
Effective tax rate	25.7	26.2

### **Business combination, etc.**

This information has been omitted due to its insignificance.

### **Asset retirement obligations**

This information has been omitted due to its insignificance.

### **Rental properties and other real estate**

This information has been omitted due to its insignificance.

### **Revenue recognition**

1. Information on the breakdown of revenue generated from contracts with customers  
Information on the breakdown of revenue generated from contracts with customers is as stated in “Segment Information and Others.”
2. Information fundamental to an understanding of revenue generated from contracts with customers  
Information fundamental to an understanding of revenue generated from contracts with customers is as stated in “5. Accounting policies (5) Significant standards for the recognition of revenue and expenses” under “Significant Matters in Preparing Consolidated Financial Statements.”

## **Segment Information and Others**

### **Segment Information**

#### 1. Summary of reportable segments

##### (1) Method of determining reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and that are evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

The Company has business units primarily by market at the head office. Each business unit supervises and plans its own domestic and overseas strategies by market and conducts global business activities.

Accordingly, the Group has classified the reportable segments based on markets and has four reportable segments, "transportation," "daily life & healthcare," "electronics," and "building & construction."

##### (2) The name, abbreviation, and main markets of each respective reportable segment

The name, abbreviation, and main markets of each respective reportable segment are as follows:

Transportation (TR): automobile, railroad, and shipping markets, etc.

Daily Life & Healthcare (DH): healthcare, materials for daily life, and food wrapping film markets, etc.

Electronics (EL): energy, communications, and IT equipment markets, etc.

Building & Construction (BC): housing, buildings, construction materials, and civil engineering markets

(Note) The terms in parentheses are abbreviations for the reportable segments.

#### 2. Method for calculating net sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting policies of reported business segments are mostly consistent with those disclosed in "Significant Matters in Preparing Consolidated Financial Statements."

Segment profit is calculated on an operating profit basis.

Intersegment sales and transfers are based on actual market prices.

3. Information about net sales, profit or loss, assets, liabilities and other items by reportable segment, and revenue breakdown

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

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
Revenue generated from contracts with customers	38,090,253	33,492,275	24,626,546	27,186,503	123,395,578	102,412	123,497,991	—	123,497,991
Sales to external customers	38,090,253	33,492,275	24,626,546	27,186,503	123,395,578	102,412	123,497,991	—	123,497,991
Intersegment sales or transfers	—	—	1	1	2	384,290	384,293	(384,293)	—
Total	38,090,253	33,492,275	24,626,547	27,186,504	123,395,581	486,703	123,882,284	(384,293)	123,497,991
Segment profit	3,858,284	1,477,868	996,951	1,050,595	7,383,699	32,062	7,415,761	90,500	7,506,262
Segment assets	10,940,632	11,176,030	11,529,461	7,480,331	41,126,455	328,956	41,455,411	70,547,345	112,002,757
Others									
Depreciation	1,423,312	575,522	797,466	801,142	3,597,444	89	3,597,533	—	3,597,533
Amortization of goodwill	—	—	—	1,455	1,455	—	1,455	—	1,455
Impairment loss	—	—	—	—	—	—	—	—	—
Increase in property, plant and equipment and intangible assets	—	222,645	23,192	—	245,837	—	245,837	3,664,012	3,909,850

(Notes) 1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.

2. The adjustment to segment profit represents 90,500 thousand yen in inter-segment eliminations.

The adjustment to segment assets represents – thousand yen in inter-segment eliminations and 70,547,345 thousand yen in corporate assets. The corporate assets mainly include funds to manage surplus assets (cash and deposits), long-term investment funds (investment securities) and assets related to the administration division.

3. Segment profit is adjusted to operating profit in the consolidated statements of income.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
Revenue generated from contracts with customers	40,004,145	34,055,970	25,022,093	26,601,003	125,683,212	55,903	125,739,116	—	125,739,116
Sales to external customers	40,004,145	34,055,970	25,022,093	26,601,003	125,683,212	55,903	125,739,116	—	125,739,116
Intersegment sales or transfers	—	—	—	—	—	952,303	952,303	(952,303)	—
Total	40,004,145	34,055,970	25,022,093	26,601,003	125,683,212	1,008,207	126,691,420	(952,303)	125,739,116
Segment profit	3,647,389	2,735,531	1,262,681	1,055,320	8,700,922	77,765	8,778,688	(3,194)	8,775,493
Segment assets	11,218,375	11,199,667	12,327,577	8,109,657	42,855,277	450,227	43,305,505	72,345,252	115,650,757
Others									
Depreciation	1,473,536	645,943	825,242	832,454	3,777,177	710	3,777,888	—	3,777,888
Amortization of goodwill	—	—	—	1,455	1,455	—	1,455	—	1,455
Impairment loss	—	—	—	—	—	—	—	120,371	120,371
Increase in property, plant and equipment and intangible assets	—	271,495	34,632	—	306,127	—	306,127	3,826,271	4,132,399

- (Notes)
1. The “Other” category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.
  2. The adjustment to segment profit represents negative 3,194 thousand yen in inter-segment eliminations.  
The adjustment to segment assets represents – thousand yen in inter-segment eliminations and 72,345,252 thousand yen in corporate assets. The corporate assets mainly include funds to manage surplus assets (cash and deposits), long-term investment funds (investment securities) and assets related to the administration division.
  3. Segment profit is adjusted to operating profit in the consolidated statements of income.

## Related Information

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

### 1. Information by product and service

(Thousands of yen)

	TR	DH	EL	BC	Other	Total
Sales to external customers	38,090,253	33,492,275	24,626,546	27,186,503	102,412	123,497,991

### 2. Information by geographical area

#### (1) Net sales

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
60,072,003	15,022,522	18,271,013	9,080,816	219,229	20,832,405	123,497,991

(Note) Net sales are segmented by country or region based on customer location.

#### (2) Property, plant and equipment

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
13,570,450	3,668,063	5,389,996	1,512,409	–	2,936,788	27,077,707

### 3. Information by major customer

This information has been omitted as there is no major external customer that accounts for 10% or more of the net sales recorded on the consolidated statements of income.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

### 1. Information by product and service

(Thousands of yen)

	TR	DH	EL	BC	Other	Total
Sales to external customers	40,004,145	34,055,970	25,022,093	26,601,003	55,903	125,739,116

### 2. Information by geographical area

#### (1) Net sales

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
63,059,343	14,419,888	16,114,552	8,497,469	47,626	23,600,236	125,739,116

(Note) Net sales are segmented by country or region based on customer location.

#### (2) Property, plant and equipment

(Thousands of yen)

Japan	Thailand	U.S.	China	Europe	Other regions	Total
13,659,468	4,290,145	5,892,846	1,505,200	–	3,127,469	28,475,130

### 3. Information by major customer

This information has been omitted as there is no major external customer that accounts for 10% or more of the net sales recorded on the consolidated statements of income.

### Information about Impairment Loss on Non-current Assets by Reportable Segment

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

Not applicable.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

This information has been omitted as identical information is disclosed in segment information.

### Information about Amortization of Goodwill and Balance of Unamortized Goodwill by Reportable Segment

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

(Thousands of yen)

	Reportable segment					Other	Total	Adjustment	Amount recorded on the consolidated financial statements
	TR	DH	EL	BC	Total				
Balance as of March 31, 2023	-	-	-	5,820	5,820	-	5,820	-	5,820

(Note) Amortization of goodwill has been omitted, as identical information is disclosed in segment information.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segment					Other	Total	Adjustment	Amount recorded on the consolidated financial statements
	TR	DH	EL	BC	Total				
Balance as of March 31, 2024	-	-	-	4,365	4,365	-	4,365	-	4,365

(Note) Amortization of goodwill has been omitted, as identical information is disclosed in segment information.

### Information about Gain on Bargain Purchase by Reportable Segment

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

Not applicable.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

### Information on Related Parties

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

Not applicable.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

## Per Share Information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	999.00	1,171.61
Basic earnings per share	72.11	114.24

(Notes) 1. Diluted earnings per share is not presented because there are no potential shares.

2. The basis used for calculating basic earnings per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (Thousands of yen)	4,557,523	6,880,230
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent regarding common stock (Thousands of yen)	4,557,523	6,880,230
Average number of shares of common stock outstanding during the period (Shares)	63,204,889	60,227,620

(Note) Shares in the Company remaining at the trust that were recorded as treasury shares under shareholders' equity have been included in the treasury shares that should be deducted in calculating the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.

The average number of treasury shares during the period that were deducted for the purpose of calculating basic earnings per share was 908 thousand shares for the fiscal year ended March 31, 2023 and 2,603 thousand shares for the fiscal year ended March 31, 2024.

3. The basis used for calculating net assets per share is as follows.

	As of March 31, 2023	As of March 31, 2024
Total net assets (Thousands of yen)	72,165,232	74,017,327
Deduction from total net assets (Thousands of yen)	8,969,215	9,577,176
[Of the above, non-controlling interests (Thousands of yen)]	[8,969,215]	[9,577,176]
Net assets related to common stock (Thousands of yen)	63,196,017	64,440,151
Number of treasury shares of common stock (Shares)	854,648	773,800
Number of shares of common stock outstanding used for calculation of net assets per share (Shares)	63,259,171	55,001,307

(Note) Shares in the Company remaining at the trust that were recorded as treasury shares under shareholders' equity have been included in the treasury shares that should be deducted from the total number of shares outstanding at the fiscal year-end for the purpose of calculating net assets per share.

The number of treasury shares at the fiscal year-end that were deducted for the purpose of calculating net assets per share was 854 thousand shares for the fiscal year ended March 31, 2023, and 773 thousand shares for the fiscal year ended March 31, 2024.

## Significant Subsequent Events

Not applicable.

## e. Consolidated Supporting Schedules

### Detailed Statement of Bonds

Not applicable.

### Detailed Statement of Borrowings

Category	Balance as of March 31, 2023 (Thousands of yen)	Balance as of March 31, 2024 (Thousands of yen)	Average interest rate (%)	Repayment period
Short-term borrowings	7,718,267	7,749,221	2.4	–
Current portion of long-term borrowings	552,457	577,563	3.0	–
Current portion of lease liabilities	16,456	23,633	–	–
Long-term borrowings (excluding current portion)	2,260,070	1,768,768	2.8	2025 – 2033
Lease liabilities (excluding current portion)	30,639	32,936	–	2025 – 2028
Other interest-bearing debt	–	–	–	–
Total	10,577,890	10,152,123	–	–

(Notes) 1. Method of calculating average interest rates

Average interest rates are calculated using the average outstanding balance during the period.

2. The amount of lease liabilities in the consolidated balance sheets includes the interest equivalent.

3. Repayment of long-term borrowings and lease liabilities scheduled within five years after the balance sheet date are as follows:

(Thousands of yen)

Category	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years
Long-term borrowings	310,318	40,249	780,010	–
Lease liabilities	24,826	5,476	2,297	335

### Detailed Statement of Asset Retirement Obligations

As the amount of asset retirement obligations as of April 1, 2023 and March 31, 2024 is not more than 1% of the total amount of liabilities and net assets as of the same dates, this information is omitted pursuant to the provisions of Article 92-2 of the Ordinance on Consolidated Financial Statements.

## (2) Others

Quarterly information for the fiscal year ended March 31, 2024

(Year-to-date period)	1st quarter	2nd quarter	3rd quarter	Fiscal year ended March 31, 2024
Net sales (Thousands of yen)	31,068,365	61,397,364	94,271,596	125,739,116
Profit before income taxes (Thousands of yen)	2,221,232	4,192,486	8,886,331	11,300,775
Profit attributable to owners of parent (Thousands of yen)	1,368,488	2,507,063	5,569,191	6,880,230
Basic earnings per share (Yen)	21.63	39.62	90.12	114.24

(Three-month period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Basic earnings per share (Yen)	21.63	17.99	51.40	23.84