

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 10, 2024

## Summary of Consolidated Financial Results For the Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: LEC, Inc.  
 Stock exchange listing: Tokyo Stock Exchange, Prime Market  
 Stock code: 7874  
 URL: <https://www.lecinc.co.jp/en>  
 Representative: Takaki Nagamori, President  
 Inquiries: Hideo Masuda, Director, Managing Executive Officer  
 Telephone: +81-3-3527-2150  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024  
 Scheduled date for commencement of dividend payments: June 6, 2024  
 Scheduled date for filing securities report: June 26, 2024  
 Supplementary information for the financial statements to be prepared: None  
 Meeting to explain the financial statements to be held: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated Results of Operations

(Percentage figures denote change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year Ended March 31, 2024	60,783	9.6	1,628	78.7	1,687	55.9	796	(15.5)
Year Ended March 31, 2023	55,461	7.9	911	(71.6)	1,082	(67.3)	942	(58.7)

Note: Comprehensive income Year Ended March 31, 2024: ¥1,864 million [43.5%]  
 Year Ended March 31, 2023: ¥1,298 million [(48.1)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year Ended March 31, 2024	22.87	22.66	2.3	1.9	2.7
Year Ended March 31, 2023	27.24	26.98	2.8	1.4	1.6

Reference: Share of profit (loss) of entities accounted for using equity method Year Ended March 31, 2024: ¥(56) million  
 Year Ended March 31, 2023: ¥(74) million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	89,244	37,593	39.8	1,019.74
As of March 31, 2023	84,316	36,279	40.8	993.22

Reference: Shareholders' Equity As of March 31, 2024: ¥35,559 million  
 As of March 31, 2023: ¥34,432 million

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year Ended March 31, 2024	5,941	(2,254)	2,252	20,394
Year Ended March 31, 2023	3,370	(7,420)	6,850	14,405

**2. Dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year Ended March 31, 2023	—	10.00	—	10.00	20.00	712	73.4	2.0
Year Ended March 31, 2024	—	10.00	—	10.00	20.00	715	87.4	2.0
Year Ending March 31, 2025 (Estimate)	—	10.00	—	10.00	20.00		139.5	

**3. Forecast for the Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)**

(Percentage figures denote change from the same period in the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	30,600	3.1	500	(46.6)	500	(51.9)	280	(41.0)	8.02
Full Year	63,000	3.6	1,000	(38.6)	1,000	(40.7)	500	(37.2)	14.33

**\* Notes**

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in changes in the scope of consolidation): None

New : 0

Excluded : 0

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions of accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

Year Ended March 31, 2024	38,165,340 shares
Year Ended March 31, 2023	38,165,340 shares

(ii) Number of treasury stock at the end of the period

Year Ended March 31, 2024	3,294,292 shares
Year Ended March 31, 2023	3,497,492 shares

(iii) Average number of shares outstanding during the period

Year Ended March 31, 2024	34,791,753 shares
Year Ended March 31, 2023	34,590,102 shares

Reference: Summary of Non-consolidated Results

**1. Non-consolidated Financial Results for the Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)**

**(1) Non-consolidated Results of Operations**

(Percentage figures denote change from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year Ended March 31, 2024	54,835	10.4	2,073	139.1	2,129	73.4	911	117.5
Year Ended March 31, 2023	49,679	5.8	867	(72.7)	1,228	(65.2)	418	(85.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year Ended March 31, 2024	26.18	25.94
Year Ended March 31, 2023	12.11	11.99

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	82,624	33,994	40.9	968.95
As of March 31, 2023	77,929	32,833	41.9	941.12

Reference: Shareholders' Equity As of March 31, 2024: ¥33,788 million

As of March 31, 2023: ¥32,626 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Explanation of the appropriate use of business forecasts and other remarks

Business forecasts contained in this report are based on information available to the Company and on a certain assumption the Company considers reasonable on the date of this report's announcement, and it does not constitute the Company's intention to promise the accomplishment of the forecasts. Actual results may differ significantly from such forecasts due to various risks and uncertainties. For more information regarding assumptions made when formulating earnings projections and matters to note when using these projections, please see "(4) Future Outlook" on page three of the accompanying materials.

In addition, the Company has introduced ESOP, and the Company shares owned by ESOP are included in treasury stock.

## Accompanying Materials — Contents

1. Overview of Operating Results, etc.....	2
(1) Overview of Operating Results for the Fiscal Year under Review .....	2
(2) Overview of Financial Position for the Fiscal Year under Review .....	2
(3) Overview of Cash Flows for the Fiscal Year under Review .....	2
(4) Future Outlook .....	3
2. Basic Policy on Selection of Accounting Standards .....	4
3. Consolidated Financial Statements and Primary Notes.....	5
(1) Consolidated Balance Sheet .....	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	7
Consolidated Statement of Income.....	7
Consolidated Statement of Comprehensive Income.....	8
(3) Consolidated Statement of Changes in Equity .....	9
(4) Consolidated Statements of Cash Flows .....	11
(5) Notes to Financial Statements .....	12
(Notes to going concern assumptions).....	12
(Segment information, etc.) .....	12
(Per share information) .....	12
(Significant subsequent events) .....	13
4. Others .....	13
Changes in Officers.....	13

## 1. Overview of Operating Results, etc.

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

During the fiscal year under review, the Japanese economy has been on a moderate recovery trend due to progress in the normalization of economic activities following the removal of restrictions on movement caused by the COVID-19 pandemic. On the other hand, future prospects remain uncertain due to factors such as the prolonged invasion of Ukraine, the deterioration of the situation in the Middle East region, sustained high prices for energy and raw materials, and the acceleration of the yen's depreciation associated with tightening monetary policy amid global inflationary pressure.

In the Household Products Business, the industry LEC Group belongs to, the business environment remained severe as consumers continued to be budget-minded due to real wages remaining in negative territory because of rising prices, despite an increase in nominal wages.

In this environment, the LEC Group focused on initiatives such as the development of character goods of choice that are tailored to the tastes of consumers and the stable supply of products that respond to consumers' desire to save money, and expanded its business by holding promotional events including new product announcements. We also focused on improving productivity by updating products and revamping operational processes and made company-wide efforts to reduce costs to cope with higher procurement costs due to the depreciation of the yen and soaring raw material prices, as well as gradually rising domestic transportation costs.

As a result of the above, net sales during the fiscal year under review amounted to 60,783 million yen, (up 9.6% year on year) due to increased sales of new products and other factors. Operating profit was 1,628 million yen (up 78.7% year on year) and ordinary profit was 1,687 million yen (up 55.9% year on year) due to the effect of increased revenue and cost reduction, etc., despite increases in various costs including raw materials and import expenses. Profit attributable to owners of parent was 796 million yen (down 15.5% year on year).

Results by product category are as follows.

(Millions of yen)

Product Category	Previous period Apr.1, 2022-Mar.31, 2023	Current period Apr.1, 2023-Mar.31, 2024	Year-over-year
Household products	24,349	25,247	3.7%
Cleaning/Sanitary consumables	21,494	24,425	13.6%
Others	9,618	11,111	15.5%
Total	55,461	60,783	9.6%

Notes: Representative products of each product category are as follows:

Household products...Plastic products, Chemical synthetic products, Metal products, Textile products, etc.

Cleaning · Sanitary consumables...Paper/Water/Urethane cleaning consumables, Nonwoven fabric sanitary consumables, Detergents, etc.

Others...Anti-insect/virus products, Cosmetics, Home appliances, Food, etc.

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

As of March 31, 2024, total assets increased 4,927 million yen from the end of the previous fiscal year to 89,244 million yen.

Current assets increased 5,269 million yen from the end of the previous fiscal year to 57,455 million yen, mainly due to an increase of 6,490 million yen in cash and deposits, and a decrease of 1,332 million yen in securities.

Non-current assets decreased 342 million yen from the end of the previous fiscal year to 31,788 million yen, mainly due to a 1,501 million yen increase in investments and other assets, and a 1,625 million yen decrease in property, plant and equipment.

Liabilities increased 3,613 million yen from the end of the previous fiscal year to 51,650 million yen.

Current liabilities increased 632 million yen from the end of the previous fiscal year to 12,111 million yen. This was mainly due to an increase of 639 million yen in income taxes payable.

Non-current liabilities increased 2,980 million yen from the end of the previous fiscal year to 39,539 million yen, mainly due to a 2,974 million yen increase in long-term borrowings.

Net assets increased 1,314 million yen from the end of the previous fiscal year to 37,593 million yen. This was mainly due to an 880 million yen increase in accumulated other comprehensive income.

### (3) Overview of Cash Flows for the Fiscal Year under Review

As of March 31, 2024, cash and cash equivalents (hereinafter "cash") increased 5,988 million yen from the end of the previous fiscal year to 20,394 million yen.

The details of cash flows from each activity and the major components of changes are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 5,941 million yen (compared with 3,370 million yen provided in the previous fiscal year). The main increasing factors were 4,364 million yen in depreciation and 1,681 million yen in profit before income taxes, while the major decreasing factor was a 959 million yen increase in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities was 2,254 million yen (compared with 7,420 million yen used in the previous fiscal year). The main increasing factor was 1,800 million yen in proceeds from sale and redemption of securities, while the major decreasing factors were 2,736 million yen for purchase of property, plant and equipment, and 800 million yen for purchase of short-term and long-term investment securities.

(Cash flows from financing activities)

Net cash provided by financing activities was 2,252 million yen (compared with 6,850 million yen provided in the previous fiscal year). The main increasing factor was 8,523 million yen in proceeds from long-term borrowings, while the major decreasing factors were 5,643 million yen for repayments of long-term borrowings and 713 million yen for dividends paid.

Reference: Trends in cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Equity-to-asset ratio (%)	46.1	47.4	45.5	40.8	39.8
Equity-to-asset ratio on mark-to-market basis (%)	58.5	63.0	40.7	33.1	43.6
Ratio of interest-bearing debt to cash flow (years)	4.0	4.9	9.7	12.3	7.5
Interest coverage ratio (times)	89.4	64.2	35.4	21.7	29.7

Notes: 1. Each indicator is calculated using consolidated financial figures and the following formulas:

Equity-to-asset ratio:  $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio on mark-to-market basis:  $\text{Market capitalization} / \text{Total assets}$

Ratio of interest-bearing debt to cash flow:  $\text{Interest-bearing debt} / \text{Cash flows from operating activities}$

Interest coverage ratio:  $\text{Cash flows from operating activities} / \text{Interest payment}$

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares at the end of the period (excluding treasury shares).
3. Interest-bearing debt refers to all liabilities recorded in the consolidated balance sheet at the end of the period that are subject to interest payments.
4. Cash flows from operating activities and interest payment are taken from "Cash flows from operating activities" and "Interest paid" in the consolidated statements of cash flows.

#### (4) Future Outlook

In the next fiscal year, the outlook for the Japanese economy is expected to remain uncertain due to factors such as fluctuations in exchange rates and rising prices of energy and raw materials, driven by the prolonged situation in Ukraine and the Middle East, as well as concerns about the future of the Chinese economy.

In the Household Products Business, consumer sentiment remains stagnant due to rising prices, while various costs such as energy, raw material, and transportation-related expenses continue to remain high. As a result, the business environment is expected to be challenging.

Under these circumstances, the LEC Group will focus on developing products that cater to diversifying tastes and preferences, with an emphasis on functionality, quality, and design. We will also strive to expand our business by entering new business areas, and we will make efforts to reduce costs through thorough business efficiency and productivity improvements.

Based on these conditions, for the full-year consolidated financial results, we forecast net sales of 63,000 million yen (up 3.6% year on year), operating profit of 1,000 million yen (down 38.6% year on year), ordinary profit of 1,000 million yen (down 40.7% year on year), and profit attributable to owners of parent of 500 million yen (down 37.2% year on year). Although we will focus on improving profitability through the launch of new products, renewal of existing

products, and improvement of factory productivity, an increase in costs due to the progress of yen depreciation is inevitable.

LEC positions the return of profits to shareholders as an important management issue. Our basic policy is to continue appropriate profit distribution backed by business performance, after considering the enhancement of internal reserves necessary for capital investment to expand our business and develop new businesses. Regarding dividends, our policy is to pay dividends from surplus with a target consolidated dividend payout ratio of 20%.

Based on the above policy, the year-end dividend for the fiscal year under review was set at 10.00 yen per share, deeply regrettable as that decision was, considering the performance for the fiscal year. Together with the interim dividend (10.00 yen per share) already paid, the annual dividend came to 20 yen.

For the next fiscal year, we plan to pay a dividend of 20 yen per share (including an interim dividend of 10.00 yen), based on the earnings forecast and other factors.

## **2. Basic Policy on Selection of Accounting Standards**

The LEC Group plans to prepare its consolidated financial statements using the Japanese GAAP for the time being, taking into consideration the comparability of consolidated financial statements across periods and among companies.

We plan to appropriately address the adoption of the International Financial Reporting Standards upon considering various circumstances in Japan and overseas.



### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheet

	(Millions of yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	26,510	33,001
Notes and accounts receivable - trade	9,713	10,686
Securities	1,802	470
Merchandise and finished goods	9,162	9,457
Work in process	657	619
Raw materials and supplies	2,665	2,317
Other	1,680	907
Allowance for doubtful accounts	(6)	(4)
Total current assets	52,185	57,455
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,675	16,056
Accumulated depreciation	(7,591)	(8,225)
Buildings and structures, net	8,083	7,831
Machinery, equipment and vehicles	15,745	15,664
Accumulated depreciation	(8,594)	(9,912)
Machinery, equipment and vehicles, net	7,151	5,752
Land	4,920	5,242
Leased assets	1,912	1,934
Accumulated depreciation	(479)	(589)
Leased assets, net	1,433	1,344
Construction in progress	1,994	2,036
Other	16,935	18,101
Accumulated depreciation	(15,595)	(17,012)
Other, net	1,339	1,088
Total property, plant and equipment	24,922	23,296
Intangible assets		
Goodwill	117	4
Other	566	461
Total intangible assets	683	465
Investments and other assets		
Investment securities	5,031	6,645
Deferred tax assets	329	295
Other	1,163	1,085
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	6,524	8,026
Total non-current assets	32,130	31,788
Total assets	84,316	89,244

(Millions of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,288	2,242
Short-term borrowings	200	400
Current portion of long-term borrowings	5,398	5,303
Lease liabilities	113	108
Income taxes payable	150	790
Provision for product warranties	8	34
Provision for bonuses	386	404
Provision for loss on disaster	35	35
Other	2,899	2,792
Total current liabilities	11,479	12,111
Non-current liabilities		
Long-term borrowings	34,055	37,030
Lease liabilities	1,524	1,439
Provision for share awards	273	269
Retirement benefit liability	361	312
Asset retirement obligations	27	27
Deferred tax liabilities	—	121
Other	314	338
Total non-current liabilities	36,558	39,539
Total liabilities	48,037	51,650
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,491	5,491
Capital surplus	7,211	7,236
Retained earnings	21,573	21,655
Treasury shares	(2,107)	(1,967)
Total shareholders' equity	32,169	32,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,372	2,425
Deferred gains or losses on hedges	252	2
Foreign currency translation adjustment	681	759
Remeasurements of defined benefit plans	(43)	(43)
Total accumulated other comprehensive income	2,263	3,143
Share acquisition rights	206	206
Non-controlling interests	1,640	1,828
Total net assets	36,279	37,593
Total liabilities and net assets	84,316	89,244

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated Statement of Income

(Millions of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	55,461	60,783
Cost of sales	40,864	44,590
Gross profit	14,597	16,193
Selling, general and administrative expenses	13,686	14,564
Operating profit	911	1,628
Non-operating income		
Interest income	19	57
Dividend income	89	98
Foreign exchange gains	85	—
Outsourcing service income	23	59
Subsidy income	58	66
Other	141	147
Total non-operating income	417	429
Non-operating expenses		
Interest expenses	148	204
Share of loss of entities accounted for using equity method	74	56
Foreign exchange losses	—	74
Other	22	34
Total non-operating expenses	246	370
Ordinary profit	1,082	1,687
Extraordinary income		
Gain on sale of investment securities	—	60
Subsidy income	564	—
Corporate attracting subsidy	—	—
Gain on reversal of foreign currency translation adjustment	249	—
Total extraordinary income	813	60
Extraordinary losses		
Impairment losses	93	15
Loss on retirement of non-current assets	6	50
Total extraordinary losses	99	65
Profit before income taxes	1,796	1,681
Income taxes - current	257	811
Income taxes - deferred	454	(114)
Total income taxes	712	697
Profit	1,083	984
Profit attributable to non-controlling interests	141	188
Profit attributable to owners of parent	942	796

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Profit	1,083	984
Other comprehensive income		
Valuation difference on available-for-sale securities	295	1,052
Deferred gains or losses on hedges	30	(250)
Foreign currency translation adjustment	(102)	78
Remeasurements of defined benefit plans, net of tax	(7)	(0)
Total other comprehensive income	215	880
Comprehensive income	1,298	1,864
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,157	1,676
Comprehensive income attributable to non-controlling interests	140	187

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,491	7,232	21,445	(2,240)	31,929
Cumulative effects of changes in accounting policies					—
Restated balance	5,491	7,232	21,445	(2,240)	31,929
Changes during period					
Dividends of surplus			(816)		(816)
Profit attributable to owners of parent			942		942
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		133	134
Purchase of shares of consolidated subsidiaries		(22)			(22)
Other			1		1
Net changes in items other than shareholders' equity					
Total changes during period	—	(21)	127	133	239
Balance at end of period	5,491	7,211	21,573	(2,107)	32,169

	Accumulated other comprehensive income					Share acquisition rights	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	1,077	222	784	(35)	2,048	206	1,570	35,753
Cumulative effects of changes in accounting policies								—
Restated balance	1,077	222	784	(35)	2,048	206	1,570	35,753
Changes during period								
Dividends of surplus								(816)
Profit attributable to owners of parent								942
Purchase of treasury shares								(0)
Disposal of treasury shares								134
Purchase of shares of consolidated subsidiaries								(22)
Other								1
Net changes in items other than shareholders' equity	295	30	(102)	(7)	215	—	70	286
Total changes during period	295	30	(102)	(7)	215	—	70	525
Balance at end of period	1,372	252	681	(43)	2,263	206	1,640	36,279

Fiscal year ended March 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,491	7,211	21,573	(2,107)	32,169
Cumulative effects of changes in accounting policies					—
Restated balance	5,491	7,211	21,573	(2,107)	32,169
Changes during period					
Dividends of surplus			(713)		(713)
Profit attributable to owners of parent			796		796
Purchase of treasury shares				—	—
Disposal of treasury shares		24		139	164
Purchase of shares of consolidated subsidiaries		—			—
Other					—
Net changes in items other than shareholders' equity					
Total changes during period	—	24	82	139	246
Balance at end of period	5,491	7,236	21,655	(1,967)	32,415

	Accumulated other comprehensive income					Share acquisition rights	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	1,372	252	681	(43)	2,263	206	1,640	36,279
Cumulative effects of changes in accounting policies								—
Restated balance	1,372	252	681	(43)	2,263	206	1,640	36,279
Changes during period								
Dividends of surplus								(713)
Profit attributable to owners of parent								796
Purchase of treasury shares								—
Disposal of treasury shares								164
Purchase of shares of consolidated subsidiaries								—
Other								—
Net changes in items other than shareholders' equity	1,052	(250)	78	(0)	880	—	187	1,068
Total changes during period	1,052	(250)	78	(0)	880	—	187	1,314
Balance at end of period	2,425	2	759	(43)	3,143	206	1,828	37,593

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,796	1,681
Depreciation	4,713	4,364
Impairment losses	93	15
Amortization of goodwill	148	113
Share-based payment expenses	148	155
Increase (decrease) in allowance for doubtful accounts	(40)	(1)
Increase (decrease) in provision for bonuses	(0)	18
Increase (decrease) in provision for product warranties	8	26
Increase (decrease) in retirement benefit liability	(24)	(49)
Increase (decrease) in provision for share awards	(1)	(3)
Interest and dividend income	(108)	(155)
Interest expenses	148	204
Foreign exchange losses (gains)	(34)	(20)
Gain on reversal of foreign currency translation adjustment	(249)	—
Subsidy income	(564)	—
Decrease (increase) in trade receivables	(1,633)	(959)
Decrease (increase) in inventories	(1,939)	138
Decrease (increase) in other current assets	523	150
Increase (decrease) in trade payables	(238)	(64)
Increase (decrease) in other current liabilities	588	52
Other, net	59	42
Subtotal	3,393	5,708
Interest and dividends received	122	170
Interest paid	(155)	(200)
Income taxes paid	(829)	(260)
Income taxes refund	—	399
Subsidies received	564	—
Proceeds from corporate attracting subsidy	241	—
Other, net	33	124
Net cash provided by (used in) operating activities	3,370	5,941
<b>Cash flows from investing activities</b>		
Payments into time deposits	(16,096)	(12,928)
Proceeds from withdrawal of time deposits	13,712	12,443
Proceeds from sale and redemption of securities	—	1,800
Purchase of property, plant and equipment	(2,685)	(2,736)
Purchase of intangible assets	(31)	(42)
Purchase of short-term and long-term investment securities	(2,288)	(800)
Other, net	(30)	9
Net cash provided by (used in) investing activities	(7,420)	(2,254)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	3,800	2,400
Repayments of short-term borrowings	(3,800)	(2,200)
Proceeds from long-term borrowings	14,250	8,523
Repayments of long-term borrowings	(6,376)	(5,643)
Repayments of finance lease liabilities	(114)	(113)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(92)	—
Dividends paid	(815)	(713)
Other, net	(0)	—
Net cash provided by (used in) financing activities	6,850	2,252
Effect of exchange rate change on cash and cash equivalents	122	49
Net increase (decrease) in cash and cash equivalents	2,922	5,988
Cash and cash equivalents at beginning of period	11,483	14,405
Cash and cash equivalents at end of period	14,405	20,394

## (5) Notes to Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Segment information, etc.)

The Group is mainly engaged in the planning, manufacture, and sale of Household products. Accordingly, description of each segment is omitted because the Group has a single segment, the “Household products and Apparel Business.”

(Per share information)

Item	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	993.22 yen	1,019.74 yen
Basic earnings per share	27.24 yen	22.87 yen
Diluted earnings per share	26.98 yen	22.66 yen

Note: The bases of calculation are as follows:

(1) Net assets per share

Item	FY3/23 (Mar. 31, 2023)	FY3/24 (Mar. 31, 2024)
Total amount of net assets on the consolidated balance sheet (millions of yen)	36,279	37,593
Net assets associated with common shares (millions of yen)	34,432	35,559
Main breakdown of the difference (millions of yen)		
Share acquisition rights	206	206
Non-controlling interests	1,640	1,828
Number of common shares issued (thousand shares)	38,165	38,165
Number of common shares held as treasury shares (thousand shares)	3,497	3,294
Number of common shares used in the calculation of net assets per share (thousand shares)	34,667	34,871

(Note) The shares of the Company remaining in ESOP, which are recorded as treasury shares under shareholders' equity, are included in the number of treasury shares to be deducted from the total number of issued shares at the end of the period for the purpose of calculating net assets per share.

The number of said treasury shares at the end of the period deducted for the purpose of calculating net assets per share was 933,000 shares in the previous fiscal year and 920,000 shares in the fiscal year under review.



## (2) Basic earnings per share and diluted earnings per share

Item	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
1) Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	942	796
Amount not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (millions of yen)	942	796
Average number of common shares during the period (thousand shares)	34,590	34,791
2) Diluted earnings per share		
Adjustment to profit attributable to owners of parent (millions of yen)	—	—
Increase in common shares (thousands of shares)	330	330
[Of which share acquisition rights (thousands of shares)]	[330]	[330]
Overview of potential shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect	—	—

(Note) The shares of the Company remaining in ESOP, which are recorded as treasury shares under shareholders' equity, are included in the treasury shares to be deducted in the calculation of average number of shares outstanding during the period for the purpose of calculating basic earnings per share and diluted earnings per share.

The average number of said treasury shares during the period deducted for the purpose of calculating basic earnings per share and diluted earnings per share was 936,000 shares in the previous fiscal year and 924,000 shares in the fiscal year under review.

(Significant subsequent events)

None to be reported.

#### 4. Others

##### Changes in Officers

Please refer to the “Notice Regarding Changes of Representative Director and Officers” (in Japanese only) announced today for changes in officers.