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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 15, 2024

Company name: Fuji Die Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 6167
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 Scheduled date of Annual General Meeting of Shareholders: June 25, 2024
 Scheduled date of filing annual securities report: June 25, 2024
 Scheduled date of commencing dividend payments: June 26, 2024
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2024	16,678	(2.9)	809	(29.7)	882	(28.0)	709	(45.1)
March 31, 2023	17,179	1.8	1,150	3.3	1,225	1.9	1,292	63.4

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥865 million [(42.4)%]
 Fiscal year ended March 31, 2023: ¥1,501 million [66.9%]

	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	%	%	%
Fiscal year ended					
March 31, 2024	35.72	–	3.5	3.4	4.9
March 31, 2023	65.19	–	6.5	4.7	6.7

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

Fiscal year ended March 31, 2024: ¥ – million

Fiscal year ended March 31, 2023: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	26,138	20,647	79.0	1,039.32
As of March 31, 2023	26,253	20,392	77.7	1,028.11

(Reference) Equity: As of March 31, 2024: ¥20,647 million

As of March 31, 2023: ¥20,392 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	2,050	(1,656)	(651)	6,983
March 31, 2023	775	(712)	(453)	7,193

2. Cash Dividends

	Annual dividends per share					Total cash dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	–	0.00	–	32.00	32.00	634	49.1	3.2
March 31, 2024	–	0.00	–	32.00	32.00	635	89.6	3.1
Fiscal year ending March 31, 2025 (Forecast)	–	0.00	–	40.00	40.00		95.7	

(Note) Details of year-end dividends for the fiscal year ended March 31, 2024: Ordinary dividend: ¥22.00
Commemorative dividend: ¥10.00

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	8,800	7.2	470	6.4	530	5.6	380	(0.0)	19.13
Full year	18,000	7.9	1,020	26.1	1,150	30.4	830	17.0	41.78

* Notes:

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: – () Excluded: – ()

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

1) Changes in accounting policies due to the revisions to accounting standards and other regulations: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

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

March 31, 2024: 20,000,000 shares

March 31, 2023: 20,000,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2024: 133,780 shares

March 31, 2023: 164,998 shares

3) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2024: 19,858,153 shares

Fiscal year ended March 31, 2023: 19,823,601 shares

(Reference) Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	14,809	(0.4)	672	(17.2)	859	(21.3)	711	(43.5)
March 31, 2023	14,868	1.0	811	10.6	1,092	22.3	1,258	111.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	35.81	–
March 31, 2023	63.50	–

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2024	24,334	19,015	78.1	957.20
March 31, 2023	24,410	18,938	77.6	954.80

(Reference) Equity: As of March 31, 2024: ¥19,015 million

As of March 31, 2023: ¥18,938 million

<Reason for the difference in non-consolidated financial results from the previous fiscal year>

The Company posted an increase in profit for the previous fiscal year due to the transfer of non-current assets (land), which resulted in a certain amount of difference.

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The financial results forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions that are deemed reasonable as of the date of publication of this document. Therefore, these statements do not constitute a guarantee that the Company will achieve these forecasts or other forward-looking statements. For the assumptions underlying the forecasts herein and cautionary notes on the use of these financial results forecasts, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 5.

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1. Overview of Operating Results, etc.

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

The Japanese economy during the fiscal year ended March 31, 2024 (hereinafter, the “fiscal year under review”) experienced further normalization of economic activities mainly due to the easing of movement restrictions related to COVID-19, and saw gradual recovery. However, the economic outlook remained uncertain due to factors such as a surge in resource and energy prices and a global rise in prices impacted by the situation in Ukraine, the conflict in the Middle East, the prolonged weakening of the Japanese yen, and a slowdown in the Chinese economy.

Amid this environment, the Group has laid out a fiscal year goal of “innovation (be brave and daring),” striving to achieve higher quality, lower cost, shorter delivery time, and excellent service.

The Group has formulated the medium-term management plan for three years from the fiscal year ended March 31, 2022, aiming at “converting to a robust corporate structure and building a foundation for medium- to long-term growth,” and, during the fiscal year ended March 31, 2024, the final year of the plan, has also been implementing various measures with the followings as priority measures:

1. Productivity improvement / Business efficiency improvement
2. Respond to next-generation vehicles / Sales expansion
3. Creation of new growth engines
4. Strengthening of overseas business

In addition to implementation of the four priority measures above, the Group worked on initiatives such as holding of a briefing session for institutional and individual investors, active information dissemination through various media and its website, enhancement of shareholder returns including dividend increases, and enhancement of communication with shareholders aiming at facilitating their understanding of the Company’s issues and future initiatives. As a result, it was confirmed that the Company complied with all the criteria for continued listing on the Prime Market of the Tokyo Stock Exchange as of December 31, 2023.

For the implementation of the four priority measures, in concrete terms, in the field of “1. Productivity improvement / Business efficiency improvement,” the Group set a cost-rate reduction target of 4.4%, compared to the second quarter of the fiscal year ended March 31, 2020, and has worked on initiatives such as the expansion of introduction of automated conveying equipment and automated robots, the renewal of the metallurgy building in the Kumamoto Manufacturing Plant and CIP equipment in the Okayama Manufacturing Plant, as well as optimization of processing conditions and facility layout in our production bases.

For “2. Respond to next-generation vehicles / Sales expansion,” the Group has focused on expanding sales of the new material of “VG48,” which was launched for trimming die for motor core of automotive application, and developing new materials for further expansion of our material lineup.

For “3. Creation of new growth engines,” the Group started a full-fledged effort on sales expansion of the high thermal expansion alloy “TR05/TR30,” which is suitable for molds forming high performance lenses, having been awarded the Grand Prize for Technical Achievement by the Japan Cutting & Wear-resistant Tool Association. The Group was also awarded the Monodzukuri Award of the “2023 The 66th Top 10 New Products Award (Nikkan Kogyo Shimibun).” Furthermore, the Group was awarded the Incentive Award of the “2023 Cho Monodzukuri Grand Award for Parts (Monodzukuri Nihon Conference / Nikkan Kogyo Shimibun)” for “ST60,” a new material for which a significantly reduced amount of tungsten and cobalt, main raw materials for cemented carbide, are used.

For “4. Strengthening of overseas business,” in July 2023, the Group established the Overseas Business Division and assigned an officer in charge of it to build a more agile structure to implement measures, and in March 2024, the Group established its second sales base in China located in Dongguan in South China.

As a result, net sales for the fiscal year under review totaled ¥16,678 million (down 2.9% year on year).

For carbide tools, sales of grooved rolls for overseas markets and some drawing tools for steel pipes were strong. As a result, net sales were ¥4,788 million (up 4.8% year on year).

For carbide molds, although sales of motor core molds were strong, sales of rechargeable battery molds significantly dropped due to customers’ relocation of manufacturing facilities, and sales of molds for automotive

parts were sluggish, impacted by inventory adjustment of the automotive parts manufacturers, and as a result, net sales were ¥3,920 million (down 7.1% year on year).

For other carbide products, sales of materials for China were lackluster due to a continued slowdown in the economy, although demand for semiconductor manufacturing equipment remained strong. As a result, net sales were ¥4,004 million (down 6.0% year on year).

In non-carbide products, as a result of sluggish sales of drawn steel pipes, net sales were ¥3,964 million (down 3.9% year on year), despite solid sales of some steel tools and molds for automotive parts.

On the profit front, there were impacts from a decrease in net sales as well as a temporary increase of expenses associated with construction of the metallurgy building in the Kumamoto Manufacturing Plant, although certain favorable results were accomplished primarily in the measure of Productivity improvement / Business efficiency improvement and in revising prices in accordance with the surging cost of raw materials, etc. As a result, operating profit was ¥809 million (down 29.7% year on year), ordinary profit was ¥882 million (down 28.0% year on year), and profit attributable to owners of parent was ¥709 million (down 45.1% year on year), due to a rebound from gain on the transfer of non-current assets (land) posted in the previous fiscal year.

Segment information has been omitted because the Group is comprised of a single business segment, the wear-resistant tool-related business.

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

(Assets)

Total assets at the end of the fiscal year under review decreased by ¥114 million to ¥26,138 million (¥26,253 million at the end of the previous fiscal year). Current assets decreased by ¥700 million to ¥15,024 million (¥15,724 million at the end of the previous fiscal year). This is primarily attributable to decreases of ¥191 million in cash and deposits, ¥209 million in notes receivable – trade, and ¥226 million in raw materials and supplies. Non-current assets increased by ¥585 million to ¥11,114 million (¥10,528 million at the end of the previous fiscal year). This is mainly attributable to increases of ¥1,413 million in buildings and structures, net and ¥198 million in machinery, equipment and vehicles, net, despite a decrease of ¥1,172 million in construction in progress.

(Liabilities)

Total liabilities at the end of the fiscal year under review decreased by ¥369 million to ¥5,491 million (¥5,860 million at the end of the previous fiscal year). Current liabilities decreased by ¥326 million to ¥3,871 million (¥4,197 million at the end of the previous fiscal year). This is mainly attributable to decreases of ¥116 million in notes and accounts payable – trade and ¥368 million in other current liabilities, despite an increase of ¥136 million in accounts payable – other. Non-current liabilities decreased by ¥42 million to ¥1,619 million (¥1,662 million at the end of the previous fiscal year).

(Net assets)

Total net assets at the end of the fiscal year under review increased by ¥254 million to ¥20,647 million (¥20,392 million at the end of the previous fiscal year). This is mainly attributable to an increase of ¥709 million in retained earnings due to the recording of profit attributable to owners of parent, offset by a decrease of ¥634 million in retained earnings due to dividends of surplus, and an increase of ¥124 million in foreign currency translation adjustment.

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

Cash and cash equivalents at the end of the fiscal year under review decreased by ¥209 million from the end of the previous fiscal year to ¥6,983 million.

The following is the status and factors of each of the cash flow categories for the fiscal year under review.

(Cash flows from operating activities)

Net cash provided by operating activities at the end of the fiscal year under review amounted to ¥2,050 million (¥775 million provided in the previous fiscal year) mainly due to the recording of ¥995 million in profit before income taxes, ¥988 million in depreciation, and ¥365 million in decrease in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities at the end of the fiscal year under review amounted to ¥1,656 million (¥712 million used in the previous fiscal year) mainly due to ¥1,718 million in purchase of property, plant and equipment, ¥125 million in purchase of intangible assets, and ¥131 million in proceeds from sale of investment securities. As a result, free cash flow was an inflow of ¥394 million (an inflow of ¥62 million for the previous fiscal year).

(Cash flows from financing activities)

Net cash used in financing activities at the end of the fiscal year under review amounted to ¥651 million (¥453 million used in the previous fiscal year) mainly due to dividends paid of ¥634 million.

(4) Future Outlook

The Japanese economy during the fiscal year ended March 31, 2024 experienced further normalization of economic activities mainly due to the easing of movement restrictions related to COVID-19, and saw gradual recovery. However, the economic outlook remained uncertain due to factors such as a surge in resource and energy prices and a global rise in prices impacted by the situation in Ukraine, the conflict in the Middle East, the prolonged weakening of the Japanese yen, and a slowdown in the Chinese economy.

In the medium to long term, the automotive industry, in which the Group's major customers are engaged, is steadily making a shift towards CASE (Connected, Autonomous, Shared, and Electric). The Group is adapting to these changes by setting "Respond to next-generation vehicles / Sales expansion" as a growth strategy.

It is also expected that the semiconductor and other related markets, to which the Group is related, will expand globally with the spread of generative AI and other AI technologies, as well as the progression of digital transformation (DX), among other factors.

As for the social environment, there is strong demand for the formation of a "decarbonized society" and a "circular society" in order to build a sustainable and resilient society. Companies are also urged to take responsible measures to realize such a society for their sustainable growth.

Many changes are predicted concerning the environment of Japan such as market contraction and intensifying competition for talents caused by Japan's low birthrate, demographic aging and falling population, changes in business structures and lifestyles as a result of the COVID-19 pandemic, and the further promotion of digitalization.

In order to respond to expectation of customers and society and continue growing amid this changing environment, the Company developed the "Medium-term Management Plan 2026" that spans three years from the fiscal year ending March 31, 2025, with the medium-term policy of "Transforming the company structure to adapt business resilience." Under this medium-term policy, the Company has set a direction where domestic business will serve as a foundation for growth (stable growth), overseas business will be a growth driver, and new businesses will be realized for building a foundation for future growth, and has designated the following as growth strategies to work on in a sustainable manner:

1. Strengthen the management foundation
2. Increasing productivity and Improving business efficiency
3. Leaping forward in overseas business
4. Contributing to a zero carbon / recycling-based society
5. Development of new business

For the full year, forecasts for consolidated operating results are predicted to be net sales of ¥18,000 million, operating profit of ¥1,020 million, ordinary profit of ¥1,150 million, and profit attributable to owners of parent of ¥830 million, taking into account factors that can be assumed at this time, such as results of the previous term, future trends in Japan and other countries and industries, and customer trends including customers' production plans and information obtained from them.

(5) Basic Policy for Distribution of Profit and Dividends for the Fiscal Year under Review and Next Fiscal Year

The Company considers the continued payment of stable dividends to shareholders an important management issue.

The Company's basic dividend policy is to realize appropriate profit distribution, upon comprehensive consideration of factors such as our profit situation and future business development.

Dividends for the fiscal year under review are intended to be ¥32 per share as described in "Notice Concerning Dividends of Surplus (Dividend Increase), Change to Dividend Policy and Dividend Forecast for the Fiscal Year Ending March 31, 2025" released today.

In addition, the Company newly released the "Medium-term Management Plan 2026" (from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027) today, aiming at realization of management conscious of capital cost and share prices, as well as improvement of medium- to long-term corporate value.

In this Medium-term Management Plan, the dividend policy has been revised in order to realize a PBR of 1x and from the perspective of pursuing both investment in growth and shareholder returns while maintaining financial soundness. After considering the financial position and operating results, the Company has set a dividend policy for the period of the "Medium-term Management Plan 2026" to provide profit returns with a baseline of the "dividend on equity (DOE) ratio of 4%" and by conducting active and agile acquisition of treasury shares.

Based on the policy above, the Company intends to pay for the fiscal year ending March 31, 2025 an annual dividend of ¥40 per share.

The Company's Articles of Incorporation also stipulate that "the Company may pay interim dividends to shareholders with the record date of September 30 each year upon resolution of the Board of Directors."

[Reference]

- Dividend on equity (DOE) ratio = (Total amount of annual dividends ÷ Shareholders' equity) × 100

2. Basic Policy on Selection of Accounting Standards

In order to ensure comparability with other domestic companies in the same industry, the Group applies Japanese GAAP for accounting standards.

As for the application of International Financial Reporting Standards (IFRS), the Group's policy is to take appropriate measures in consideration of various domestic and international circumstances.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,572	6,381
Notes receivable – trade	488	279
Accounts receivable – trade	2,621	2,520
Electronically recorded monetary claims – operating	1,387	1,349
Securities	1,000	1,000
Merchandise and finished goods	201	202
Work in process	1,741	1,772
Raw materials and supplies	1,521	1,294
Other	193	226
Allowance for doubtful accounts	(2)	(2)
Total current assets	15,724	15,024
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,598	5,012
Machinery, equipment and vehicles, net	2,013	2,211
Tools, furniture and fixtures, net	226	276
Land	2,713	2,726
Construction in progress	1,173	0
Other	-	18
Total property, plant and equipment	9,724	10,246
Intangible assets		
Other	85	235
Total intangible assets	85	235
Investments and other assets		
Investment securities	279	217
Long-term loans receivable	10	7
Deferred tax assets	382	366
Other	46	41
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	718	632
Total non-current assets	10,528	11,114
Total assets	26,253	26,138

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,013	1,896
Short-term borrowings	33	35
Lease liabilities	16	26
Accounts payable – other	586	723
Accrued expenses	667	662
Income taxes payable	132	166
Contract liabilities	14	13
Provision for bonuses	209	207
Provision for bonuses for directors (and other officers)	39	22
Other	484	116
Total current liabilities	4,197	3,871
Non-current liabilities		
Lease liabilities	38	38
Deferred tax liabilities	10	16
Provision for retirement benefits for directors (and other officers)	2	3
Retirement benefit liability	1,610	1,561
Other	0	-
Total non-current liabilities	1,662	1,619
Total liabilities	5,860	5,491
Net assets		
Shareholders' equity		
Share capital	164	164
Capital surplus	1	1
Retained earnings	19,821	19,896
Treasury shares	(107)	(83)
Total shareholders' equity	19,879	19,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120	105
Foreign currency translation adjustment	338	463
Remeasurements of defined benefit plans	53	100
Total accumulated other comprehensive income	513	669
Total net assets	20,392	20,647
Total liabilities and net assets	26,253	26,138

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	17,179	16,678
Cost of sales	12,717	12,440
Gross profit	4,461	4,238
Selling, general and administrative expenses	3,310	3,429
Operating profit	1,150	809
Non-operating income		
Interest income	9	13
Dividend income	11	10
Rental income	26	22
Foreign exchange gains	17	16
Subsidy income	10	11
Other	7	10
Total non-operating income	82	86
Non-operating expenses		
Interest expenses	3	4
Donations	2	3
Expense related restricted stock compensation	–	3
Other	1	1
Total non-operating expenses	7	13
Ordinary profit	1,225	882
Extraordinary income		
Gain on sale of non-current assets	632	41
Gain on sale of investment securities	0	76
Total extraordinary income	633	118
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	20	3
Impairment losses	1	0
Total extraordinary losses	23	5
Profit before income taxes	1,835	995
Income taxes – current	329	290
Income taxes – deferred	213	(3)
Total income taxes	543	286
Profit	1,292	709
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,292	709

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,292	709
Other comprehensive income		
Valuation difference on available-for-sale securities	18	(15)
Foreign currency translation adjustment	137	124
Remeasurements of defined benefit plans, net of tax	52	46
Total other comprehensive income	208	155
Comprehensive income	1,501	865
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,501	865
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	164	–	18,964	(129)	18,999
Changes during period					
Dividends of surplus			(435)		(435)
Profit attributable to owners of parent			1,292		1,292
Restricted stock compensation		1		22	23
Net changes in items other than shareholders' equity					
Total changes during period	–	1	856	22	879
Balance at end of period	164	1	19,821	(107)	19,879

	Accumulated other comprehensive income				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	102	201	0	304	19,303
Changes during period					
Dividends of surplus					(435)
Profit attributable to owners of parent					1,292
Restricted stock compensation					23
Net changes in items other than shareholders' equity	18	137	52	208	208
Total changes during period	18	137	52	208	1,088
Balance at end of period	120	338	53	513	20,392

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	164	1	19,821	(107)	19,879
Changes during period					
Dividends of surplus			(634)		(634)
Profit attributable to owners of parent			709		709
Restricted stock compensation		0		24	24
Net changes in items other than shareholders' equity					
Total changes during period	–	0	74	24	98
Balance at end of period	164	1	19,896	(83)	19,978

	Accumulated other comprehensive income				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	120	338	53	513	20,392
Changes during period					
Dividends of surplus					(634)
Profit attributable to owners of parent					709
Restricted stock compensation					24
Net changes in items other than shareholders' equity	(15)	124	46	155	155
Total changes during period	(15)	124	46	155	254
Balance at end of period	105	463	100	669	20,647

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,835	995
Depreciation	920	988
Impairment losses	1	0
Increase (decrease) in provision for bonuses	(144)	(1)
Increase (decrease) in provision for bonuses for directors (and other officers)	(36)	(16)
Increase (decrease) in retirement benefit liability	3	17
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	0
Interest and dividend income	(20)	(24)
Subsidy income	(10)	(11)
Interest expenses	3	4
Loss (gain) on sale of investment securities	(0)	(76)
Loss (gain) on sale of non-current assets	(631)	(40)
Loss on retirement of non-current assets	20	3
Decrease (increase) in trade receivables	(80)	365
Decrease (increase) in inventories	(468)	201
Increase (decrease) in trade payables	(176)	(128)
Increase (decrease) in accounts payable – other	42	(13)
Increase (decrease) in accrued expenses	(25)	(7)
Other, net	12	11
Subtotal	1,245	2,268
Interest and dividends received	20	23
Interest paid	(3)	(4)
Subsidies received	10	11
Income taxes paid	(498)	(271)
Income taxes refund	–	22
Net cash provided by (used in) operating activities	775	2,050
Cash flows from investing activities		
Payments into time deposits	(380)	(506)
Proceeds from withdrawal of time deposits	303	514
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	17	131
Purchase of property, plant and equipment	(1,329)	(1,718)
Proceeds from sale of property, plant and equipment	697	43
Purchase of intangible assets	(6)	(125)
Payments for retirement of non-current assets	(13)	–
Proceeds from collection of loans receivable	1	3
Other, net	(1)	2
Net cash provided by (used in) investing activities	(712)	(1,656)
Cash flows from financing activities		
Proceeds from short-term borrowings	34	35
Repayments of short-term borrowings	(34)	(35)
Repayments of lease liabilities	(17)	(17)
Dividends paid	(435)	(634)
Net cash provided by (used in) financing activities	(453)	(651)
Effect of exchange rate change on cash and cash equivalents	66	47
Net increase (decrease) in cash and cash equivalents	(324)	(209)
Cash and cash equivalents at beginning of period	7,518	7,193
Cash and cash equivalents at end of period	7,193	6,983

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Changes in Presentation)

(Consolidated statements of income)

“Gain on sale of investment securities,” which was included in “other” under “extraordinary income” in the previous fiscal year, exceeded 10% of the total amount of extraordinary income, and is separately presented from the fiscal year under review. To reflect this change in presentation, certain reclassifications have been made to the consolidated financial statements for the previous fiscal year.

As a result, ¥0 million that was presented as “other” under “extraordinary income” in the consolidated statement of income for the previous fiscal year has been reclassified as “gain on sale of investment securities” of ¥0 million.

(Consolidated statements of cash flows)

“Loss (gain) on sale of investment securities,” which was included in “other, net” under “cash flows from operating activities” in the previous fiscal year, became material in terms of amount, and is separately presented from the fiscal year under review. To reflect this change in presentation, certain reclassifications have been made to the consolidated financial statements for the previous fiscal year.

As a result, ¥12 million that was presented as “other, net” under “cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been reclassified as “loss (gain) on sale of investment securities” of ¥(0) million and “other, net” of ¥12 million.

(Segment Information, etc.)

(Segment Information)

Segment information has been omitted because the Group's reporting segment is comprised of a single business segment, the wear-resistant tool-related business, and of low importance.

(Related Information)

For the fiscal year ended March 31, 2023

1 Information by product and service

Information has been omitted, as the Group only has a single reporting segment.

2 Information by region

(1) Net sales

(Million yen)

Japan	Asia	Others	Total
13,783	2,989	406	17,179

(Note) Net sales are classified by country or region based on the customers' location.

(2) Property, plant and equipment

(Million yen)

Japan	Asia	Total
8,977	746	9,724

3 Information by major customer

Information by major customer is omitted, as there were no sales from a single external customer accounting for 10% or more of net sales on the consolidated statement of income.

For the fiscal year ended March 31, 2024

1 Information by product and service

Information has been omitted, as the Group only has a single reporting segment.

2 Information by region

(1) Net sales

(Million yen)

Japan	Asia	Others	Total
13,556	2,578	543	16,678

(Note) Net sales are classified by country or region based on the customers' location.

(2) Property, plant and equipment

(Million yen)

Japan	Asia	Total
9,416	830	10,246

3 Information by major customer

Information by major customer is omitted, as there were no sales from a single external customer accounting for 10% or more of net sales on the consolidated statement of income.

(Information regarding impairment loss of property, plant and equipment by reporting segment)
For the fiscal year ended March 31, 2023

Information has been omitted, as the Group only has a single reporting segment.

For the fiscal year ended March 31, 2024

Information has been omitted, as the Group only has a single reporting segment.

(Information regarding amortization of goodwill and unamortized balances by reporting segment)

There is no relevant information.

(Information regarding gain on bargain purchase by reporting segment)

There is no relevant information.

(Per Share Information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,028.11	¥1,039.32
Basic earnings per share	¥65.19	¥35.72

(Notes) 1. Diluted earnings per share is omitted, as there are no potential shares with a dilutive effect.

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

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit attributable to owners of parent (million yen)	1,292	709
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent relating to common shares (million yen)	1,292	709
Average number of common shares outstanding during the period	19,823,601	19,858,153

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

	As of March 31, 2023	As of March 31, 2024
Total net assets on balance sheet (million yen)	20,392	20,647
Amount of deduction from total net assets (million yen)	—	—
Net assets at the end of the period relating to common shares (million yen)	20,392	20,647
Number of common shares at the end of the period used for the calculation of net assets per share	19,835,002	19,866,220

(Significant Subsequent Events)

There is no relevant information.