

Summary of Financial Statements for the Fiscal Year Ended March 31, 2024



May 13, 2024

Listed company name	SEIKOH GIKEN Co., Ltd.		Listed Standard Market
Code number	6834	URL	https://www.seikoh-giken.co.jp
Representative	(Title) President & CEO	(Name)	Masatoshi Ueno
Inquiries	(Title) Executive Officer & Department Manager	(Name)	Yuji Saitoh
Date of general shareholders' meeting	June 21, 2024	Date of dividend payment	June 24, 2024
Date of securities report submission	June 21, 2024		

(All amounts rounded down to the nearest million yen.)

1. Consolidated business results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated business performance

(Percentage figures show the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2024	15,785	(3.1)	1,052	(24.3)	1,269	(21.0)	761	(29.7)
Year ended March 31, 2023	16,282	0.6	1,390	(8.8)	1,606	(2.1)	1,082	(5.9)

	Net profit per share	Fully diluted net profit per share	Net profit ratio per shareholders' equity	Ordinary profit ratio to total assets	Operating profit ratio to sales amount
	Yen	Yen	%	%	%
Year ended March 31, 2024	83.42	–	2.8	4.0	6.7
Year ended March 31, 2023	118.64	–	4.2	5.2	8.5

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2024	32,226	27,186	84.3	2,976.87
Year ended March 31, 2023	31,342	26,475	84.4	2,898.91

(Reference) Shareholders' equity Year ended March 31, 2024 27,158 million yen Year ended March 31, 2023 26,447 million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2024	1,797	(1,533)	(507)	5,065
Year ended March 31, 2023	2,299	(950)	(513)	5,193

2. Dividend status

	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the year	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2023	–	0.00	–	50.00	50.00	461	42.1	1.8
Year ended March 31, 2024	–	0.00	–	55.00	55.00	508	65.9	1.9
Year ending March 31, 2025 (Forecast)	–	30.00	–	30.00	60.00		54.7	

3. Forecast of consolidated business performance for the year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage figures for "Full year" show the changes from the previous year, and percentage figures for "Half year" show the changes from the previous interim period.)

	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	8,030	2.1	450	39.4	500	5.5	320	6.0	35.08
Full year	17,300	9.6	1,450	37.8	1,550	22.1	1,000	31.4	109.61

1. Summary of business results, etc.

(1) Business results in the fiscal year under review

During the fiscal year under review, the global economy continued to lack momentum towards recovery due to heightened geopolitical risks in Eastern Europe and the Middle East as well as the heavy burden of monetary policy and such factors from each country. In the US economy, although employment and household incomes have improved, prolonged monetary tightening has placed downward pressure on corporate activities mainly in the manufacturing industry. In Europe, inflation pressure is easing and consumer spending is starting to recover. However, domestic demand continued to stagnate because there is no improvement to the Ukraine situation. In China, although exports of mainly electric vehicles has been improving, the decrease of investment in China by foreign countries has caused a slowdown in corporate activities and real estate sales. Conversely, corporate earnings in both the manufacturing and non-manufacturing industries have improved in Japan, helped by the weakening yen. This has led to an improvement in household incomes and consumer spending has started to recover. However, the future remains uncertain because of factors that include stagnating overseas economies and the impact of departing from a zero interest rate policy.

In the information and telecommunications-related markets and electronics-related markets relevant to the Group, capital investment in optical communications networks has continued to slow after transitioning from the period in which people lived with COVID-19 to the post-COVID period. Against this background, we have begun to see practical applications of generative AI as typified by ChatGPT. This has created an increase in the establishment of new data centers and corporate IT investment. In the automotive-related market, shortages in the supply of semiconductors have eased and production has recovered. Japanese automobile manufacturers have also performed well, helped by the weakening yen. Amid the shift from gasoline cars to electric vehicles and hybrid vehicles, there have been some changes that have drawn the attention of the market such as an innovation in production technology referred to as "Gigacasting," which enables the integration of multiple parts and significantly improves production efficiency, and also the market launch of low-priced electric vehicles by Chinese automobile manufacturers.

In these circumstances, the Group has worked to implement the measures mandated under the "Master Plan 2022" five-year medium-term management plan inaugurated in FY2022, which calls for "Rejuvenating contact points with customers," "Accelerating development of new products and new technologies," "Improving manufacturing capabilities," and "Reinforcing the management base."

As to rejuvenating contact points with customers, both the Precision Machinery Business (with main products in molded products, molds, and precision metal processed parts) and the Optical Products Business (with main products in optical communications components, related equipment, optical transmission equipment, optical electric field sensors, and lenses) focused on creating numerous opportunities to encounter new customers through our website and by exhibiting at trade shows in Japan and overseas, and on increasing the number of business negotiations.

With regard to accelerating development of new products and new technologies, we have continued to hone our technological capabilities in order to become a business group capable of contributing to the progress of society in a wider range of areas. "In-mold coating technology," which improves production efficiency and achieves reductions in greenhouse gas emissions by performing the coating process inside the mold, is a breakthrough technology that could potentially transform the future for resin molding. We are currently carrying out verification tests toward its practical application in 2025.

To improve manufacturing capabilities, we are making every effort to strengthen relationships with our business partners to ensure that stable purchasing activity can always continue even under unstable procurement environments such as rising material costs and the outbreak of a disaster. A subsidiary of Dalian, China reduced its employees in November 2023 to respond to the changing market environment, and is working hard to establish a production system with a greater competitive edge.

To reinforce our management base, in addition to working on activities to reduce emissions of greenhouse gases centered on the Sustainability Promotion Office that was established in May 2022, we are striving to enhance our operational efficiency and construct systems that allow us to continue our business activities in the event of an emergency through such measures as transitioning to paperless business practices and moving to the cloud. We have also been focusing on health management by installing equipment within the Company to promote the health of employees and hold walking events for employees. In March 2024, we were certified as an "Excellent Health Company 2024 (Small and Medium Enterprise Category)" under the Health & Productivity Management Outstanding Organizations Recognition Program operated by the Ministry of Economy, Trade and Industry, and the Nippon Kenko Kaigi (Japan Health Council).

As a result of these measures, consolidated net sales for the period under review posted 15,785,742 thousand yen (down 3.1% compared with the previous fiscal year). In terms of profit and loss, the cost of sales ratio increased with a decline in sales of high-added value products and the inability to absorb fixed costs due to decreased net sales. Despite efforts to reduce selling, general and administrative expenses, operating income was 1,052,374 thousand yen (down 24.3% compared with the previous fiscal year). Ordinary income after recognition of non-operating income such as foreign exchange gains and rental income from investment property was 1,269,183 thousand yen (down 21.0% compared with the previous fiscal year). Net income attributable to shareholders of the parent company after recognition of loss on business restructuring such as severance pay as part of the employee reductions conducted by the subsidiary of Dalian, China, as extraordinary loss was 761,012 thousand yen (down 29.7% compared with the previous fiscal year).

Segment business results developed as follows.

(1) Precision Machinery Business

The Precision Machinery Business provides customers with precision molded products that utilize technologies such as insert molding for shaping objects consisting of combinations of resin and metals and press molding of metallic materials, high-quality molds for efficient mass production of molded products, and metal parts that require high dimensional accuracy. In the fiscal year under review, sales for car air conditioner compressor parts and inverter parts for electric vehicles as well as sales for molds to form these parts increased amidst the expanding electric vehicle market. Sales of metal pressed molded products used in smartphones declined, owing to a global reduction in smartphone demand caused largely by rising device prices associated with inflation and the lengthening of product repurchase cycles. In terms of development, we have applied precision mold technology, injection compression technology, and micro-transfer technology, which we have cultivated since our founding, to solve technical problems for mass production of new precision molded products together with customers in automotive, medical, biotechnology, and other industrial fields.

As a result, net sales at the Precision Machinery Business in the period under review marked 8,716,169 thousand yen (up 5.0% compared with the previous fiscal year).

(2) Optical Products Business

The Optical Products Business provides customers with products such as optical connectors and other optical communications parts, as well as equipment and devices used for their manufacture and inspection, and optical electric field sensors that measure the distribution of electric field strength, optical transmission equipment for the live transmission of radio waves for TVs and cell phones, and micro resin lenses that can be applied in sensors and other devices. Generative AI has begun to spread and the establishment of data centers is on the increase. However, capital investment in optical communications infrastructure such as undersea cables, intercontinental communication and FTTH has continued to stagnate. Therefore, sales for optical communications parts such as optical connectors, manufacturing and inspection equipment for optical communications parts have fallen from the previous fiscal year. Furthermore, SEIKOH GIKEN (THAILAND) Co., Ltd., which was established in Thailand

last year, is making preparations to start mass production in FY2025. Joining our existing optical communication components factories in Japan and China, this new facility will enable us to develop an even more stable supply network for our customers.

As a result, net sales at the Optical Products Business in the period under review marked 7,069,572 thousand yen (down 11.4% compared with the previous fiscal year).

(2) Financial status in the fiscal year under review

Total consolidated assets at the end of the period under review were 32,226,273 thousand yen, which was 883,423 thousand yen higher than at the end of the previous fiscal year. Status of assets and liabilities at the end of the period under review and underlying factors developed as follows.

[Current assets]

Consolidated current assets at the end of the period under review totaled 22,738,442 thousand yen, which was 979,786 thousand yen higher than at the end of the previous fiscal year. This was mainly due to an increase in cash and deposits and accounts receivable - trade.

[Non-current assets]

Consolidated non-current assets at the end of the period under review marked 9,487,831 thousand yen, which was 96,362 thousand yen lower than at the end of the previous fiscal year. This was mainly due to progressing depreciation of buildings and machinery and amortization of goodwill.

[Current liabilities]

Consolidated current liabilities at the end of the period under review totaled 3,425,616 thousand yen, which was 114,334 thousand yen higher than at the end of the previous fiscal year. This was mainly due to an increase in accrued consumption taxes.

[Non-current liabilities]

Consolidated non-current liabilities at the end of the period under review totaled 1,614,571 thousand yen, which was 58,723 thousand yen higher than at the end of the previous fiscal year. This was mainly due to increases in retirement benefit liability and provision for share awards for directors (and other officers).

[Net assets]

Consolidated net assets at the end of the period under review totaled 27,186,085 thousand yen, which was 710,365 thousand yen higher than at the end of the previous fiscal year. This was mainly due to increases in retained earnings and foreign currency translation adjustment.

(3) Cash flows in the period under review

Consolidated cash and cash equivalents at the end of the fiscal year under review totaled 5,065,708 thousand yen, which was 127,990 thousand yen lower than at the end of the previous fiscal year. Status of cash flows and underlying factors developed as follows.

[Cash flows from operating activities]

Net cash provided by operating activities totaled 1,797,852 thousand yen (compared with 2,299,773 thousand yen provided in the previous fiscal year). Main factors providing cash were 1,177,128 thousand yen in net income before

income taxes, 873,363 thousand yen in depreciation charges, and a decrease of 310,872 thousand yen in inventories. Main factors using cash were 455,804 thousand yen in income taxes paid, and a 396,513 thousand yen increase in accounts receivable - trade.

[Cash flows from investing activities]

Net cash used in investing activities was 1,533,931 thousand yen (compared with 950,305 thousand yen used in the previous fiscal year). Cash used in investing activities comprised mainly 495,530 thousand yen in the purchase of property, plant and equipment and 267,931 thousand yen in the purchase of investment securities.

[Cash flows from financing activities]

Net cash used in financing activities was 507,631 thousand yen (compared with 513,381 thousand yen used in the previous fiscal year). The main factor using cash was 461,727 thousand yen in dividends paid.

(4) Outlook

In the information and telecommunications-related markets relevant to the Group, construction is underway around the world of large-scale data centers that process and store big data. Investment in optical communications networks has now stagnated. However, in the mid-term, we must strengthen optical communication networks for such as undersea cables, intercontinental communication and FTTH in order to respond to the increasing digital data traffic. In the automotive-related market, the shift to electric vehicles and hybrid vehicles is expected to continue. In terms of technology, it is expected that electric vehicles will be made lighter, battery performance will improve, the number of parts will decrease, productivity will improve through automation, and the technological development will advance for self-driving vehicles to achieve a more comfortable and safer driving environment.

The fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025) will mark the third year of the five-year medium-term management plan "Master Plan 2022." Under the plan, the Group will utilize the three base technologies of precision processing, precision molding, and optical technology developed since it was founded to provide products and services that contribute to maintaining and advancing society aimed at growth markets such as information and telecommunications, automobiles, and medical and biotechnology. Efforts will be made to create a foundation to be a Group that continues to grow through the execution of growth strategies and sustainable strategies based on the four fundamental strategies of "rejuvenating contact points with customers," "accelerating development of new products and new technologies," "improving manufacturing capabilities" and "reinforcing the management base."

Consolidated results projections for the Group for the next fiscal year call for net sales of 17,300 million yen, with operating income of 1,450 million yen, ordinary income of 1,550 million yen, and 1,000 million yen in net income attributable to shareholders of the parent company.

2. Fundamental concepts concerning the selection of accounting standards

With consideration of the inter-periodic comparability and inter-company comparability of consolidated financial statements, for the time being, it remains the fundamental policy of the Company to prepare its consolidated financial statements in accordance with Japan-GAAP.

With respect to the application of IFRS, it is the policy of the Company that appropriate action will be taken with consideration of the situations in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2023)	Current Consolidated Accounting Year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	13,445,178	14,079,125
Notes receivable - trade	38,858	12,936
Accounts receivable - trade	3,620,820	4,169,602
Electronically recorded monetary claims - operating	580,006	568,521
Merchandise and finished goods	890,247	725,143
Work in process	1,447,017	1,478,015
Raw materials and supplies	1,387,173	1,346,664
Income taxes receivable	18,678	70,929
Other	333,003	289,855
Allowance for doubtful accounts	(2,326)	(2,352)
Total current assets	21,758,656	22,738,442
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	7,545,201	7,694,282
Accumulated depreciation	(4,798,833)	(5,034,882)
Buildings and structures, net	2,746,367	2,659,399
Machinery, equipment and vehicles	7,352,398	7,393,245
Accumulated depreciation	(5,589,430)	(5,761,689)
Machinery, equipment and vehicles, net	1,762,967	1,631,556
Land	2,670,031	2,670,343
Construction in progress	130,477	45,861
Other	4,124,068	4,149,184
Accumulated depreciation	(3,282,395)	(3,353,652)
Other, net	841,672	795,532
Total property, plant and equipment	8,151,517	7,802,693
Intangible assets		
Goodwill	163,870	67,437
Customer related assets	11,204	-
Other	29,854	17,594
Total intangible assets	204,930	85,032
Investments and other assets		
Investment securities	76,191	365,422
Real estate for investment, net	873,209	868,340
Other	278,344	366,342
Total investments and other assets	1,227,746	1,600,105
Total noncurrent assets	9,584,194	9,487,831
Total assets	31,342,850	32,226,273

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2023)	Current Consolidated Accounting Year (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	1,663,291	1,554,403
Income taxes payable	220,107	215,299
Contract liabilities	16,519	74,099
Reserve for bonuses	105,254	114,050
Other	1,306,108	1,467,764
Total current liabilities	3,311,281	3,425,616
Noncurrent liabilities		
Pension liabilities	1,020,474	1,053,570
Provision for stock awards for corporate officers	163,937	188,588
Long-term accounts payable-other	144,870	144,870
Long-term lease deposited	19,037	19,037
Deferred tax liability	51,438	64,744
Other	156,091	143,761
Total noncurrent liabilities	1,555,848	1,614,571
Total liabilities	4,867,130	5,040,188
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,607,500	10,607,500
Retained earnings	8,482,991	8,782,006
Treasury stock	(538,872)	(538,872)
Total Shareholders' equity	25,343,302	25,642,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,396	29,193
Foreign currency translation adjustment	1,114,378	1,489,946
Cumulative pension adjustment amount	(25,865)	(3,006)
Total accumulated other comprehensive income	1,103,910	1,516,134
Equity of non-controlling shareholders	28,507	27,632
Total net assets	26,475,719	27,186,085
Total liabilities and net assets	31,342,850	32,226,273

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (from April 1, 2023 to March 31, 2024)
Sales amount	16,282,975	15,785,742
Cost of sales	11,109,739	11,210,825
Gross profit	5,173,236	4,574,916
Selling, general and administrative expenses	3,782,376	3,522,542
Operating income	1,390,860	1,052,374
Non-operating income		
Interest income	7,822	28,597
Dividends income	1,541	1,469
Foreign exchange gains	127,139	92,306
Income from subsidiaries	15,404	17,625
Subsidy income	1,506	700
Rent of real estate for investment	67,642	67,373
Equity in earnings of affiliates	427	547
Other	22,994	25,242
Total non-operating income	244,478	233,862
Non-operating expenses		
Cost of real estate rent	15,110	14,492
Compensation expenses	10,080	-
Other	3,360	2,560
Total non-operating expenses	28,550	17,053
Ordinary income	1,606,788	1,269,183
Extraordinary income		
Gain on sales of noncurrent assets	2,298	10,719
Gain on sale of investment securities	-	1,747
Gain on reversal of share acquisition rights	55,865	-
Total extraordinary income	58,163	12,467
Extraordinary loss		
Loss on disposition of non-current assets	2,369	41
Loss on business restructuring	26,628	104,481
Impairment losses	119,577	-
Total extraordinary losses	148,575	104,523
Net income before income taxes and minority interests	1,516,377	1,177,128
Income taxes-current	472,858	391,212
Income taxes-deferred	(46,859)	22,810
Total income taxes	425,998	414,022
Net income for the period	1,090,378	763,105
Net income for the period attributable to non-controlling shareholders	8,051	2,093
Net income for the period attributable to shareholders of the parent company	1,082,326	761,012

(Statement of Consolidated Comprehensive Income)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (from April 1, 2023 to March 31, 2024)
Net income for the quarter	1,090,378	763,105
Other comprehensive income		
Net unrealized holding gains on securities	1,416	13,797
Foreign currency translation adjustments	392,010	375,568
Cumulative adjustment of retirement benefits	17,565	22,859
Total other comprehensive income	410,992	412,224
Comprehensive income	1,501,370	1,175,330
(Items)		
Comprehensive income attributable to owners of the parent	1,491,639	1,170,665
Comprehensive income attributable to non-controlling shareholders	9,731	4,665

3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (from April 1, 2022 to March 31, 2023)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,624,196	7,861,661	(555,531)	24,722,008
Changes of items during the period					
Distribution of surplus			(460,997)		(460,997)
Net income for the period attributable to shareholders of the parent company			1,082,326		1,082,326
Purchase of treasury stock				(36)	(36)
Disposal of treasury share		(16,696)		16,696	—
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	(16,696)	621,329	16,659	621,293
Balance at the end of current period	6,791,682	10,607,500	8,482,991	(538,872)	25,343,302

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	13,980	722,368	(43,430)	692,917	55,865	23,567	25,494,360
Changes of items during the period							
Distribution of surplus							(460,997)
Net income for the period attributable to shareholders of the parent company							1,082,326
Purchase of treasury stock							(36)
Disposal of treasury share							—
Net change during the period in items other than shareholders' equity	1,416	392,010	17,565	410,992	(55,865)	4,939	360,066
Total changes of items during the period	1,416	392,010	17,565	410,992	(55,865)	4,939	981,359
Balance at the end of current period	15,396	1,114,378	(25,865)	1,103,910	—	28,507	26,475,719

Current Consolidated Accounting Year (April 1, 2023 to March 31, 2024)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,607,500	8,482,991	(538,872)	25,343,302
Changes of items during the period					
Distribution of surplus			(461,996)		(461,996)
Net income for the period attributable to shareholders of the parent company			761,012		761,012
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	—	299,015	—	299,015
Balance at the end of current period	6,791,682	10,607,500	8,782,006	(538,872)	25,642,317

	Accumulated other comprehensive income				Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income		
Balance at the end of previous period	15,396	1,114,378	(25,865)	1,103,910	28,507	26,475,719
Changes of items during the period						
Distribution of surplus						(461,996)
Net income for the period attributable to shareholders of the parent company						761,012
Net change during the period in items other than shareholders' equity	13,797	375,568	22,859	412,224	(874)	411,349
Total changes of items during the period	13,797	375,568	22,859	412,224	(874)	710,365
Balance at the end of current period	29,193	1,489,946	(3,006)	1,516,134	27,632	27,186,085

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (from April 1, 2023 to March 31, 2024)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	1,516,377	1,177,128
Depreciation and amortization	938,985	873,363
Amortization of goodwill	312,784	109,869
Interest and dividends income	(9,364)	(30,066)
Investment loss (gain) on equity method	(427)	(547)
Property rents received	(67,642)	(67,373)
Loss (gain) on sales of noncurrent assets	(15,404)	(17,625)
Subsidy income	(1,506)	(700)
Compensation expenses	10,080	-
Increase (decrease) in allowance for doubtful accounts	71	(10,678)
Loss (gain) on sale of investment securities	-	(1,747)
Gain on reversal of share acquisition rights	(55,865)	-
Impairment losses	119,577	-
Loss on business restructuring	26,628	104,481
Increase (decrease) in provisioning for bonuses	16	(166)
Increase (decrease) in provision for retirement benefits	(5,802)	8,796
Increase (decrease) in pension liabilities	44,535	55,955
Increase (decrease) in provisions for stock awards to corporate officers	44,371	24,651
Foreign exchange losses (gains)	3,408	(6,414)
Decrease (increase) in notes and accounts receivable-trade	729,020	(396,513)
Decrease (increase) in inventories	(613,042)	310,872
Decrease (increase) in other current assets	51,883	45,018
Increase (decrease) in notes and accounts payable-trade	(226,365)	(173,908)
Increase (decrease) in accounts payable	(55,197)	(9,880)
Increase (decrease) in other current liabilities	(48,832)	211,499
Subtotal	2,698,289	2,206,012
Interest and dividends income received	5,785	24,580
Income taxes refund	21,847	4,737
Subsidies received	15,404	17,625
Proceeds from subsidy income	1,506	700
Income taxes paid	(443,058)	(455,804)
Net cash provided by (used in) operating activities	2,299,773	1,797,852
Net cash provided by (used in) investing activities		
Payments into time deposits	(7,986,099)	(8,816,789)
Proceeds from withdrawal of time deposits	7,916,907	7,969,494
Purchase of property, plant and equipment	(945,623)	(495,530)
Proceeds from sales of property, plant and equipment	2,815	11,909
Purchase of intangible assets	(1,115)	(4,090)
Proceeds from sale of investment securities	-	1,747
Purchase of investment securities	(559)	(267,931)
Proceeds from rental of real estate for investment	67,642	67,373
Other	(4,271)	(116)
Net cash provided by (used in) investing activities	(950,305)	(1,533,931)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2022 to March 31, 2023)	Current Consolidated Accounting Year (from April 1, 2023 to March 31, 2024)
Net cash provided by (used in) financing activities		
Expenditure for the settlement of lease obligations	(47,708)	(40,364)
Purchase of treasury shares	(36)	-
Dividend payment amount	(460,845)	(461,727)
Dividends paid to non-controlling interests	(4,811)	(5,539)
Income from the exercise of stock options	20	-
Net cash provided by (used in) financing activities	(513,381)	(507,631)
Effect of exchange rate change on cash and cash equivalents	159,196	115,720
Net increase (decrease) in cash and cash equivalents	95,283	(127,990)
Cash and cash equivalents at beginning of period	4,198,415	5,193,698
Cash and cash equivalents at end of period	5,193,698	5,065,708