

Consolidated Financial Statements

Consolidated Balance Sheet

(¥ million)	As of March 31, 2023	As of March 31, 2022	(¥ million)	As of March 31, 2023	As of March 31, 2022
ASSETS			LIABILITIES		
I. Current assets:			I. Current liabilities:		
Cash and cash equivalents	37,039	30,108	Accounts payable	3,378	3,431
Notes receivable	6	6	Lease obligations	116	50
Accounts receivable	11,673	11,910	Accrued liabilities	4,127	4,589
Merchandise and products	5,999	5,518	Accrued income taxes	1,918	1,271
Raw materials and supplies	5,532	5,610	Contract liability	3,002	2,461
Others	1,801	2,553	Provision for bonuses	1,223	1,234
Allowance for doubtful accounts	(91)	(101)	Asset retirement obligations	—	2
Total current assets	61,962	55,605	Others	2,326	1,332
II. Fixed assets:			Total current liabilities	16,092	14,373
Tangible fixed assets			II. Long-term liabilities:		
Buildings and structures	34,216	34,715	Convertible bonds with stock acquisition rights	10,050	10,100
Accumulated depreciation and accumulated impairment loss	(19,695)	(19,103)	Lease obligations	135	35
Buildings and structures (net)	14,520	15,611	Provision for share awards for directors	259	108
Machinery and transport equipment	16,928	16,783	Retirement benefit liabilities	1,223	880
Accumulated depreciation and accumulated impairment loss	(11,815)	(10,326)	Asset retirement obligations	448	496
Machinery and transport equipment (net)	5,113	6,456	Others	72	54
Furniture, tools and fixtures	9,889	9,981	Total long-term liabilities	12,189	11,675
Accumulated depreciation and accumulated impairment loss	(8,677)	(8,435)	Total liabilities	28,282	26,048
Furniture, tools and fixtures (net)	1,211	1,546	NET ASSETS		
Land	13,914	14,214	Shareholders' equity:		
Leased assets	317	205	Common stock	10,795	10,795
Accumulated depreciation and accumulated impairment loss	(173)	(127)	Capital reserve	12,189	12,003
Leased assets (net)	144	78	Retained earnings	71,623	70,766
Other	124	—	Treasury stock	(19,479)	(20,003)
Accumulated depreciation and accumulated impairment loss	(34)	—	Total shareholders' equity	75,128	73,561
Other (net)	89	—	Other comprehensive income		
Construction in progress	219	34	Foreign currency translation adjustment	242	100
Total tangible fixed assets	35,213	37,941	Total adjustments related to retirement benefits	(312)	(228)
Intangible fixed assets			Total other comprehensive income	(70)	(128)
Other intangible fixed assets	2,485	2,587	Stock acquisition rights	603	640
Total intangible fixed assets	2,485	2,587	Total net assets	75,662	74,073
Investments and other assets			Total Liabilities and Net Assets	103,944	100,121
Investment securities	125	125			
Long-term loans	100	50			
Deferred tax assets	2,642	2,634			
Others	1,466	1,201			
Allowance for doubtful accounts	(51)	(24)			
Total investments and other assets	4,283	3,986			
Total fixed assets	41,982	44,516			
Total assets	103,944	100,121			

Consolidated Statement of Income

(¥ million)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Net sales	103,595	103,992
Cost of sales	34,382	34,876
Gross profit	69,213	69,116
Selling, general and administrative expenses		
Sales promotion expenses	6,887	7,645
Packing and transport expenses	5,478	5,448
Advertising expenses	14,868	12,577
Sales commission fee	3,111	2,933
Communications expenses	1,711	1,688
Directors' remuneration	415	426
Salaries and bonuses	11,016	11,075
Provision for accrued bonuses	1,027	1,006
Provision for share-based remuneration	156	108
Retirement benefit expenses	525	505
Compulsory welfare expenses	1,750	1,763
Welfare expenses	276	286
Depreciation	2,612	2,611
Research and development expenses	1,225	1,257
Rent expenses	1,172	1,216
Provisions for allowance for bad debt	28	43
Other	9,105	8,749
Total selling, general and administrative expenses	61,370	59,345
Operating income	7,843	9,771
Non-operating income		
Interest income	51	51
Dividend income	0	0
Foreign exchange gain (loss)	509	283
Rent income	119	130
Compensation payments received	17	17
Commissions earned	28	27
Other non-operating income	112	168
Total net operating income	839	680
Non-operating expenses		
Interest expenses	0	0
Rent expenses on fixed assets	8	11
Restricted stock-related expenses	24	—
Allowance for doubtful accounts	50	—
Miscellaneous losses	43	37
Total net operating expenses	126	49
Ordinary income	8,557	10,401
Extraordinary income		
Income from sale of fixed assets	0	0
Gain on sale of investment securities	—	31
Gain on reversal of share acquisition rights	7	—
Total extraordinary income	7	31
Extraordinary loss		
Loss on sale of fixed assets	—	0
Loss on disposal of fixed assets	70	25
Impairment loss	204	680
Loss on store closings	74	43
Other	—	108
Total extraordinary loss	350	858
Income before income taxes	8,214	9,575
Income and other taxes	3,186	2,643
Adjustments to income and other taxes	57	(489)
Total income before income taxes	3,244	2,153
Income before minority interests	4,970	7,421
Net income	4,970	7,421

Consolidated Statement of Comprehensive Income

(¥ million)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Income before minority interests	4,970	7,421
Other comprehensive income		
Foreign currency translation adjustment	141	119
Adjustments related to retirement benefits	(83)	22
Total other comprehensive income	58	142
Comprehensive income	5,029	7,563
(Breakdown)		
Comprehensive income attributable to owners of the parent company	5,029	7,563
Comprehensive income attributable to minor interests	—	—

Consolidated Financial Statements

Changes in Shareholders' Equity during the Period

(¥ million)	April 1, 2022 to March 31, 2023				
	Shareholders' equity				
	Common stock	Capital reserve	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	10,795	12,003	70,766	(20,003)	73,561
Changes of items during period					
Dividends of surplus	—	—	(4,114)	—	(4,114)
Net income attributable to owners of the parent company	—	—	4,970	—	4,970
Purchase of treasury shares	—	—	—	(0)	(0)
Disposal of treasury shares	—	186	—	525	712
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	186	856	524	1,567
Balance at end of current period	10,795	12,189	71,623	(19,479)	75,128

(¥ million)	Other comprehensive income				
	Foreign currency translation adjustment	Cumulative adjustments related to retirement benefits	Total other comprehensive income	Stock acquisition rights	Total net assets
	Balance at beginning of current period	100	(228)	(128)	640
Changes of items during period					
Dividends of surplus	—	—	—	—	(4,114)
Net income attributable to owners of the parent company	—	—	—	—	4,970
Purchase of treasury shares	—	—	—	—	(0)
Disposal of treasury shares	—	—	—	—	712
Net changes of items other than shareholders' equity	141	(83)	58	(36)	21
Total changes of items during period	141	(83)	58	(36)	1,589
Balance at end of current period	242	(312)	(70)	603	75,662

(¥ million)	April 1, 2021 to March 31, 2022				
	Shareholders' equity				
	Common stock	Capital reserve	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	10,795	11,706	68,050	(19,726)	70,825
Cumulative effects of changes in accounting policies	—	—	(602)	—	(602)
Restated balance	10,795	11,706	67,448	(19,726)	70,223
Changes of items during period					
Dividends of surplus	—	—	(4,102)	—	(4,102)
Net income attributable to owners of the parent company	—	—	7,421	—	7,421
Purchase of treasury shares	—	—	—	(734)	(734)
Disposal of treasury shares	—	296	—	457	754
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during period	—	296	3,318	(277)	3,337
Balance at end of current period	10,795	12,003	70,766	(20,003)	73,561

(¥ million)	Other comprehensive income				
	Foreign currency translation adjustment	Cumulative adjustments related to retirement benefits	Total other comprehensive income	Stock acquisition rights	Total net assets
	Balance at beginning of current period	(19)	(251)	(270)	660
Cumulative effects of changes in accounting policies	—	—	—	—	(602)
Restated balance	(19)	(251)	(270)	660	70,613
Changes of items during period					
Dividends of surplus	—	—	—	—	(4,102)
Net income attributable to owners of the parent company	—	—	—	—	7,421
Purchase of treasury shares	—	—	—	—	(734)
Disposal of treasury shares	—	—	—	—	754
Net changes of items other than shareholders' equity	119	22	142	(20)	121
Total changes of items during period	119	22	142	(20)	3,459
Balance at end of current period	100	(228)	(128)	640	74,073

Consolidated Statement of Cash Flows

(¥ million)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
I. Cash flows from operating activities		
Income before income taxes	8,214	9,575
Depreciation	4,377	4,563
Impairment loss	204	680
Increase (decrease) in allowance for doubtful accounts	(10)	(114)
Increase (decrease) in provision for bonuses	(11)	(59)
Increase (decrease) in provision for share awards for directors	156	108
Increase (decrease) in retirement benefit liabilities	222	129
Interest and dividend income	(51)	(51)
Interest expenses on borrowings and bonds	0	0
Loss (gain) on foreign exchange	(25)	(319)
Loss (gain) on sale of investment securities	—	(31)
Loss (gain) on sale of fixed assets	(0)	(0)
Loss on retirement of fixed assets	70	25
Loss on store closings	74	43
Subsidy income	—	(109)
Decrease (increase) in accounts receivable	303	1,779
Decrease (increase) in inventories	(354)	560
Decrease (increase) in other current assets	1,360	(964)
Decrease (increase) in other fixed assets	(415)	(4)
Increase (decrease) in accounts payable	(91)	639
Increase (decrease) in contract liability	540	27
Increase (decrease) in other current liabilities	457	3
Increase (decrease) in other fixed liabilities	18	(40)
Others	438	(150)
Sub-total	15,478	16,291
Interest and dividends received	1	1
Interest expenses	(0)	(0)
Income taxes paid	(2,527)	(3,304)
Subsidies received	—	109
Net cash provided by (used in) operating activities	12,952	13,097
II. Cash flows from investing activities		
Payment for acquisition of tangible fixed assets	(1,143)	(4,007)
Income from sale of tangible fixed assets	0	1
Payment for acquisition of intangible fixed assets	(882)	(1,081)
Proceeds on sale of investment securities	—	103
Other payments	(131)	(86)
Other proceeds	288	398
Net cash used in investing activities	(1,867)	(4,673)
III. Cash flows from financing activities		
Proceeds from disposal of treasury stock	0	733
Purchase of treasury stock	(0)	(734)
Cash dividends paid	(4,109)	(4,097)
Others	(137)	(56)
Net cash used in financing activities	(4,247)	(4,155)
IV. Effect of exchange rate changes on cash and cash equivalents	93	351
V. Net increase in cash and cash equivalents	6,931	4,620
VI. Cash and cash equivalents at the beginning of the period	30,108	25,487
VIII. Cash and cash equivalents at end of period	37,039	30,108