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May 8, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: S.T. CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4951
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 Scheduled date to annual general meeting of shareholders: June 20, 2023
 Scheduled date to commence dividend payments: June 5, 2023
 Scheduled date to file Securities Report: June 20, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	45,576	0.2	2,416	(25.7)	2,730	(21.6)	1,828	64.9
March 31, 2022	45,469	–	3,250	–	3,481	–	1,109	–

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥2,064 million [378.7%]
 For the fiscal year ended March 31, 2022: ¥431 million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	82.22	–	5.7	6.0	5.3
March 31, 2022	49.91	49.91	3.5	7.6	7.1

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

For the fiscal year ended March 31, 2023: ¥(11) million

For the fiscal year ended March 31, 2022: ¥(69) million

Notes: 1. Figures for the fiscal year ended March 31, 2022, are the figures after applying “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations. The percentage of year-on-year change is not shown.

2. Diluted earnings per share for the fiscal year ended March 31, 2023, are not given since there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	46,116	32,961	70.2	1,456.38
March 31, 2022	44,402	31,847	70.4	1,407.03

Reference: Equity

As of March 31, 2023: ¥32,390 million

As of March 31, 2022: ¥31,274 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	4,362	(1,242)	(983)	14,004
March 31, 2022	2,666	(1,669)	(1,075)	11,843

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	19.00	–	19.00	38.00	853	76.1	2.7
Fiscal year ended March 31, 2023	–	20.00	–	20.00	40.00	900	48.6	2.8
Fiscal year ending March 31, 2024 (Forecast)	–	21.00	–	21.00	42.00		49.2	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	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
Six months ending September 30, 2023	23,700	1.1	1,650	0.0	1,850	0.2	1,250	2.6	56.20
Fiscal year ending March 31, 2024	46,350	1.7	2,450	1.4	2,800	2.5	1,900	3.9	85.43

* **Notes**

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

Newly included: – companies

Excluded: – companies

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For more details, please refer to the section of “Changes in accounting policies” under “(5) Notes on consolidated financial statements” of “3. Consolidated financial statements and significant notes thereto” on page 17 of the attached material.

(3) Number of issued shares (common shares)

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

As of March 31, 2023	23,000,000 shares
As of March 31, 2022	23,000,000 shares

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

As of March 31, 2023	759,210 shares
As of March 31, 2022	772,820 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended March 31, 2023	22,240,825 shares
Fiscal year ended March 31, 2022	22,223,718 shares

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

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. Please refer to “(1) Outline of operating results for the current fiscal year” of “1. Outline of operating results, etc.” on pages 2 to 4 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

Change in presentation of amounts

Amounts given on the Company’s consolidated financial statements and other items were previously rounded down to thousands of yen, but starting from the fiscal year ended March 31, 2023, figures are rounded down to millions of yen.

To make comparisons easier, figures for the previous fiscal year have also been rounded down to millions of yen.

Method of obtaining the supplementary material on financial results

We intend to post the video explaining the financial results and the supplementary material on financial results on the Company’s website on Tuesday, May 9, 2023.

○ Attached Material Index

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1. Outline of operating results, etc.

(1) Outline of operating results for the current fiscal year

(i) Outline of overall results for the current fiscal year

(Millions of yen)

Indicators, etc.	Previous consolidated fiscal year	Current consolidated fiscal year	YoY percentage change (%)
Net sales	45,469	45,576	0.2
Operating profit	3,250	2,416	(25.7)
Ordinary profit	3,481	2,730	(21.6)
Profit attributable to owners of parent	1,109	1,828	64.9
Earnings per share (yen)	49.91	82.22	64.7

During the current consolidated fiscal year, the Japanese economy showed signs of recovery as restrictions on movement within Japan to limit the spread of the novel coronavirus disease (COVID-19) were relaxed and economic and social activities started to normalize. On the other hand, a sense of uncertainty about the future persists due to energy resource and raw material hikes from the continuing war in Ukraine and concerns surrounding the effects on personal consumption caused by a weak yen, etc. influencing risks to currency exchanges.

Under these circumstances, the Group has taken action to enable sustainable growth under its strategy of brand value management through initiatives that involve “drastic review of the existing business profit structure,” “concentrated resources in growth areas,” “clarification of business development systems,” and “formulation and disclosure of long-term ESG strategies.”

As a result, for the current consolidated fiscal year, net sales amounted to 45,576 million yen (up 0.2% year on year), even as sales of Air Care and Cloth Care, the main categories that saw reduced demand following the outbreak of COVID-19, declined. Proactive work in creating new business for Home Care and a shift towards product differentiation and high value added products for Thermal Care and Dehumidity Care increased sales for those categories.

As for profit, while working to limit selling, general and administrative expenses, the total of losses on the valuation of inventories of antibacterial coating agents, etc. from the reduced spread of COVID-19 combined with increases in the cost of sales due to inflated purchasing costs caused by higher prices for raw materials and a weak yen saw operating profit fall to 2,416 million yen (down 25.7% year on year) and ordinary profit settle at 2,730 million yen (down 21.6% year on year) because of reduced share of loss of entities accounted for using equity method, while the disappearance of impairment losses from the previous period saw profit attributable to owners of parent rise to 1,828 million yen (up 64.9% year on year).

(ii) Status by category of the current fiscal year

Given that the Group operates a single segment of the daily necessities business, operating results by business category are as follows.

<Net sales by category>

Category	Amount (Millions of yen)	Composition (%)	YoY percentage change (%)
Air Care (Air Fresheners and Deodorizers)	19,757	43.4	(1.1)
Cloth Care (Mothproofing Agents)	7,986	17.5	(2.8)
Thermal Care (Disposable Warmers)	4,712	10.4	8.0
Hand Care (Household Gloves)	5,844	12.8	0.2
Dehumidity Care (Dehumidifiers)	2,984	6.5	4.9
Home Care (Others)	4,290	9.4	1.5
Total	45,576	100.0	0.2

In the Air Care (Air Fresheners and Deodorizers) category, we engaged in efforts that involve striving for more consistent sales of our existing mainstay products and developing high value-added products. Digital promotion of Shoshu-Riki Natulief Reed Diffuser for entrances and living rooms to new users who emphasize environmentally-conscious products and prefer authentic aromas contributed to sales, and sales of products with a high unit price and high added value, such as Shoshu-Riki Premium Aroma for entrances and living rooms in the Premium Aroma series, were firm, although sales of Shoshu-Riki for entrances and living rooms, an existing core product, were stagnant and sales of Shoshu-Riki DEOX for Toilet declined. Therefore, net sales were 19,757 million yen (down 1.1% year on year).

In the Cloth Care (Mothproofing Agents) category, we strengthened the Mushuda series by updating the product lineup and are moving forward with efforts to expand sales of Mushuda mite repellent. However, sales activities targeting seasonal wardrobe updates of last spring were launched earlier than normal, and sales of existing core products, including Mushuda for Drawers and Clothes Cases and Mushuda for Wardrobes, declined, resulting in net sales of 7,986 million yen (down 2.8% year on year).

For the Thermal Care (Disposable Warmers) category, we focused on expanding awareness and strengthening product differentiation of the existing Onpax brand. In the fall of last year, we launched sales of the Haru-Onpax Airy (adhesive type) high value-added line, which achieves a new level of “lightness” and “thinness.” Thanks mainly to an increase in sales of adhesive-type disposable warmers and an increase in exports to overseas, net sales were 4,712 million yen (up 8.0% year on year).

In the Hand Care (Household Gloves) category, we worked to expand sales of Family gloves for home use. We lowered the selling price to reflect the reduced demands for hygiene, but sales from our overseas subsidiaries improved and net sales were 5,844 million yen (up 0.2% year on year).

In the Dehumidity Care (Dehumidifiers) category, we moved forward with a shift toward high value-added products by strengthening the Bincho-tan series and Dry Pet Clear products in order to prevent them from becoming mere commodities. Thanks mainly to expanding our Bincho-tan series, sales of standard tank-type dehumidifiers also rose, bringing net sales to 2,984 million yen (up 4.9% year on year).

In the Home Care (Others) category, we aggressively advanced efforts to enter new business fields, which included developing the Senjo-Riki and Kome-Touban brands. The firm sales of Kome-Touban, which prevents bugs in rice, through integrated deployment of TV commercials and social media campaigns and the launch of the new ST Pet brand to address odor problems into the growing pet care products market contributed to sales, resulting in net sales of 4,290 million yen (up 1.5% year on year).

(iii) Future outlook

In the Japanese economy for the following fiscal year, the outlook for the economy is expected to continue to be uncertain due to concerns about geopolitical risks such as the situation in Ukraine, soaring raw material prices and energy prices, the impact of currency exchange fluctuations, and more.

Under these conditions, the Group will concentrate on “focusing on existing core business to increase profits,” “countermeasures to soaring material costs,” “continuous investment towards domains for growth,” and “creating a base to survive periods of ESG” in order to enable sustainable growth under brand value management.

In the Air Care (Air Fresheners and Deodorizers) category, the Shoshu-Riki Premium Aroma series, which focuses on high-quality scents as an initiative for high-value-added products, has been supported by consumers and has driven the growth of the market, and we will continue to acquire a wide range of customers by renewing and strengthening the lineup. We will also appeal to younger age groups and strive towards growth by utilizing social media campaigns for the popular Shoshu-Riki Natulief Reed Diffuser for entrances and living rooms with high quality extracted fragrances and designs that target to users who value authenticity. We will realize this by steadily implementing sales promotion activities that are efficiently linked to advertising. We also expect sales to increase by actively engaging in overseas e-commerce businesses, strengthening our efforts in new markets, and responding to the diversifying range of values.

In the Cloth Care (Mothproofing Agents) category, we will use digital promotional campaigns to target new customers and grow sales of large size and multi-purpose products to adapt to changing storage patterns inside of homes, but considering the highly competitive nature of the market, net sales are expected to decrease.

In the Thermal Care (Disposable Warmers) category, we will review our strategy toward increased profits in Japan and overseas. We continue to build product awareness and expanded upon product differentiation for the

existing Onpax brand, but net sales are expected to decrease due to revised selling prices in response to the increased cost of raw materials.

In the Hand Care (Household Gloves) category, we will expand sales of our commercial work gloves, which are valued for their diverse range of applications, and will work to stabilize the supply of ultra-thin types in response to ongoing demand for hygiene measures. As such, net sales are expected to increase.

In the Dehumidity Care (Dehumidifiers) category, we are building on last year's successes and strengthening the growing sales of the high value added Bincho-tan Series and Dry Pet Clear products, but revisions to the selling price of tank types in response to the increased cost of raw materials has suppressed demand and so net sales are expected to decrease.

In the Home Care (Others) category, we believe that the demand for home-cooked meals and taking refuge at home that has become established due to the COVID-19 pandemic will continue, and we will work to grow the sales of Kome-Touban rice insect repellent and Shinsen-Ban which protects the freshness of food. We will promote brand recognition by effectively developing active promotion activities and advertising. We will also deploy in-store promotions of the Senjo-Riki brand and work to expand the customer base. We will use social media and the Internet to raise awareness of the new ST Pet brand in the growing pet care products market and grow sales of that brand, which is expected to increase net sales.

In addition to the above measures for each category, we will continue to actively invest and strengthen our business management system for developing new products and new sales channels for further growth, aiming to strengthen our structure to enable sales to increase continuously.

In terms of profits, as we are planning capital investment in main categories to respond to future cost reductions and production enhancements, as well as promoting research activities as investment in new businesses, strategic marketing investment for growth, and investment for DX and ESG promotion and human resource development, we expect a temporary increase in costs.

As a result, for the next fiscal year, we expect 46,350 million yen (up 1.7% year on year) for net sales, 2,450 million yen (up 1.4% year on year) for operating income, 2,800 million yen (up 2.5% year on year) for ordinary income and 1,900 million yen (up 3.9% year on year) for profit attributable to owners of parent.

(2) Outline of financial status for the current fiscal year

(i) Assets, Liabilities and Net Assets

Total assets at the end of the current fiscal year stood at 46,116 million yen, up 1,713 million yen from the end of the previous fiscal year. The increase is mainly attributable to factors that include an increase in cash and deposits of 2,261 million yen and a decrease in merchandise and finished goods of 660 million yen.

Liabilities were 13,155 million yen, an increase of 600 million yen from the end of the previous fiscal year. The increase is mainly attributable to factors that include an increase in notes and accounts payable - trade of 688 million yen, a decrease in accounts payable - other of 580 million yen, and an increase in electronically recorded obligations - operating of 315 million yen.

Net assets were 32,961 million yen, up 1,113 million yen from the end of the previous fiscal year. The increase is mainly attributable to factors that include an increase in retained earnings of 950 million yen, and an increase in valuation difference on available-for-sale securities of 108 million yen.

Consequently, equity amounted to 32,390 million yen and the equity ratio was 70.2%, down 0.2 percentage points from the end of the previous fiscal year.

(ii) Consolidated cash flows

(Millions of yen)

Item	Previous consolidated fiscal year	Current consolidated fiscal year	Net increase or decrease
Cash flows from operating activities	2,666	4,362	1,696
Cash flows from investing activities	(1,669)	(1,242)	426
Cash flows from financing activities	(1,075)	(983)	91
Effect of exchange rate change on cash and cash equivalents	90	25	(64)
Net increase (decrease) in cash and cash equivalents	11	2,161	2,150
Cash and cash equivalents at beginning of period	11,831	11,843	11
Cash and cash equivalents at end of period	11,843	14,004	2,161

Cash and cash equivalents as of March 31, 2023, stood at 14,004 million yen, up 2,161 million yen from the end of the previous fiscal year.

The main contributing factors affecting the respective cash flows during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 4,362 million yen (compared with 2,666 million yen provided in the same period of the previous fiscal year). The major inflows were profit before income taxes of 2,707 million yen, depreciation of 1,407 million yen, and an increase in trade payables of 999 million yen, while the major outflow was income taxes paid of 722 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,242 million yen (compared with 1,669 million yen used in the same period of the previous fiscal year). The major outflows were purchase of property, plant and equipment of 877 million yen, and purchase of intangible assets of 266 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 983 million yen (compared with 1,075 million yen used in the same period of the previous fiscal year). The major outflow was dividends paid of 877 million yen.

Trends in cash flow-related indicators of the Group are as follows:

Item	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio	68.2%	68.5%	68.5%	70.4%	70.2%
Market-based equity ratio	99.7%	82.0%	92.7%	76.4%	75.4%
Interest-bearing debt to cash flow ratio (annual)	0.2	0.2	0.1	0.2	0.1
Interest coverage ratio (times)	315.3	255.4	426.4	573.9	769.0

* Equity ratio: Equity/total assets

Market-based equity ratio: market capitalization/total assets

Interest-bearing debts to cash flow ratio: Interest-bearing debts/cash flows

Interest coverage ratio: cash flow/interest payment

1. All indicators are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of issued shares excluding treasury stock (including treasury stock remaining in the trust recorded as treasury stock in shareholders' equity).

3. For cash flow, we use cash flow from operating activities on the consolidated statement of cash flow. Interest-bearing debt covers all of the liabilities recorded on the consolidated balance sheet for which interest is paid. For interest payments, we use the amount of interest paid on the consolidated statement of cash flow.

(3) Basic policy on profit distribution and dividends for the current and next fiscal years

Our basic policy regarding profit distribution is as follows.

We will ensure retained earnings to perform strategic investment (product development, effective promotion, capital investment, human resource development, etc.) for sustainable growth and improvement of corporate value over the medium to long term, and as for dividends we will promote a dividend policy linked to business performance while maintaining a basic policy of continuous stable dividends.

With such a concept, regarding the dividend of surplus at the end of the current period, we will set the dividend per share at 20 yen (40 yen for the full year) in consideration of the situation of net income and the realization of shareholder interests.

Regarding the dividend of surplus for the next fiscal year, although the outlook for the Japanese economy is uncertain and the business environment remains severe, we plan to distribute 42 yen per share (21 yen out of this will be interim dividend).

2. Basic concept regarding the selection of accounting standards

The Group has applied Japanese standards in consideration of the period comparability of consolidated financial statements and the comparability between companies.

Regarding the application of IFRS, we will take appropriate measures in consideration of domestic and overseas situations.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022		As of March 31, 2023	
Assets				
Current assets				
Cash and deposits	*3	11,887	*3	14,149
Notes receivable - trade	*4	82		200
Accounts receivable - trade		5,720		5,879
Merchandise and finished goods		6,616		5,956
Work in process		187		200
Raw materials and supplies		989		1,109
Other		656		692
Allowance for doubtful accounts		(34)		(33)
Total current assets		26,105		28,154
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	*1	4,209	*1	4,050
Machinery, equipment and vehicles, net	*1	1,728	*1	1,611
Tools, furniture and fixtures, net	*1	229	*1	136
Land	*5	3,593	*5	3,599
Leased assets, net	*1	202	*1	180
Construction in progress		156		76
Total property, plant and equipment		10,120		9,655
Intangible assets				
Other		1,444		1,358
Total intangible assets		1,444		1,358
Investments and other assets				
Investment securities	*2	5,653	*2	5,795
Long-term loans receivable		5		4
Retirement benefit asset		7		6
Deferred tax assets		452		557
Other		613		585
Total investments and other assets		6,731		6,947
Total non-current assets		18,296		17,962
Total assets		44,402		46,116

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,195	2,883
Electronically recorded obligations - operating	2,835	3,151
Short-term borrowings	413	497
Lease liabilities	49	62
Accounts payable - other	1,802	1,222
Accrued expenses	685	619
Income taxes payable	423	646
Accrued consumption taxes	93	209
Electronically recorded obligations - non-operating	179	20
Other	2,023	2,082
Total current liabilities	10,700	11,394
Non-current liabilities		
Lease liabilities	94	79
Deferred tax liabilities for land revaluation	*5 262	*5 262
Provision for retirement benefits for directors (and other officers)	107	100
Provision for executive officer's incentive plan	81	86
Retirement benefit liability	1,301	1,216
Other	6	15
Total non-current liabilities	1,853	1,760
Total liabilities	12,554	13,155
Net assets		
Shareholders' equity		
Share capital	7,065	7,065
Capital surplus	7,047	7,047
Retained earnings	16,978	17,928
Treasury shares	(1,020)	(1,002)
Total shareholders' equity	30,070	31,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,866	1,974
Revaluation reserve for land	*5 (537)	*5 (537)
Foreign currency translation adjustment	(177)	(119)
Remeasurements of defined benefit plans	52	34
Total accumulated other comprehensive income	1,204	1,352
Non-controlling interests	573	570
Total net assets	31,847	32,961
Total liabilities and net assets	44,402	46,116

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	45,469	45,576
Cost of sales	*1, *3 27,664	*1, *3 28,621
Gross profit	17,804	16,954
Selling, general and administrative expenses	*2, *3 14,554	*2, *3 14,538
Operating profit	3,250	2,416
Non-operating income		
Interest income	5	7
Dividend income	113	113
Purchase discounts	126	119
Other	121	155
Total non-operating income	366	396
Non-operating expenses		
Interest expenses	4	5
Share of loss of entities accounted for using equity method	69	11
Foreign exchange losses	46	51
Other	16	13
Total non-operating expenses	135	81
Ordinary profit	3,481	2,730
Extraordinary income		
Gain on sale of non-current assets	*4 0	*4 0
Gain on sale of investment securities	43	17
Gain on redemption of investment securities	11	–
Gain on reversal of share acquisition rights	0	–
Total extraordinary income	55	17
Extraordinary losses		
Loss on sale and retirement of non-current assets	*5 26	*5 7
Impairment losses	*6 1,665	–
Loss on sale of shares of subsidiaries and associates	144	–
Loss on disaster	–	33
Total extraordinary losses	1,836	41
Profit before income taxes	1,700	2,707
Income taxes - current	837	947
Income taxes - deferred	(347)	(127)
Total income taxes	490	820
Profit	1,210	1,886
Profit attributable to non-controlling interests	100	58
Profit attributable to owners of parent	1,109	1,828

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,210	1,886
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,019)	107
Foreign currency translation adjustment	129	79
Remeasurements of defined benefit plans, net of tax	40	(17)
Share of other comprehensive income of entities accounted for using equity method	70	7
Total other comprehensive income	(778)	177
Comprehensive income	431	2,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	267	1,976
Comprehensive income attributable to non-controlling interests	164	87

(3) Consolidated statement of changes in shareholders' equity

Previous consolidated fiscal year (April 1, 2021-March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,065	7,036	16,982	(1,040)	30,043
Cumulative effects of changes in accounting policies			(256)		(256)
Restated balance	7,065	7,036	16,725	(1,040)	29,787
Changes during period					
Dividends of surplus			(851)		(851)
Profit attributable to owners of parent			1,109		1,109
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		10	(5)	19	25
Net changes in items other than shareholders' equity					
Total changes during period	-	10	252	19	282
Balance at end of period	7,065	7,047	16,978	(1,020)	30,070

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,886	(537)	(314)	11	2,046	2	540	32,632
Cumulative effects of changes in accounting policies					-			(256)
Restated balance	2,886	(537)	(314)	11	2,046	2	540	32,376
Changes during period								
Dividends of surplus								(851)
Profit attributable to owners of parent								1,109
Purchase of treasury shares								(0)
Disposal of treasury shares								25
Net changes in items other than shareholders' equity	(1,019)	-	136	40	(842)	(2)	32	(811)
Total changes during period	(1,019)	-	136	40	(842)	(2)	32	(528)
Balance at end of period	1,866	(537)	(177)	52	1,204	-	573	31,847

Current consolidated fiscal year (April 1, 2022-March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,065	7,047	16,978	(1,020)	30,070
Changes during period					
Dividends of surplus			(877)		(877)
Profit attributable to owners of parent			1,828		1,828
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				17	17
Net changes in items other than shareholders' equity					
Total changes during period	–	–	950	17	968
Balance at end of period	7,065	7,047	17,928	(1,002)	31,038

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,866	(537)	(177)	52	1,204	573	31,847
Changes during period							
Dividends of surplus							(877)
Profit attributable to owners of parent							1,828
Purchase of treasury shares							(0)
Disposal of treasury shares							17
Net changes in items other than shareholders' equity	108	–	57	(17)	148	(2)	145
Total changes during period	108	–	57	(17)	148	(2)	1,113
Balance at end of period	1,974	(537)	(119)	34	1,352	570	32,961

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,700	2,707
Depreciation	1,196	1,407
Amortization of goodwill	97	-
Impairment losses	1,665	-
Loss on disaster	-	33
Gain on reversal of share acquisition rights	(0)	-
Loss (gain) on sale and retirement of non-current assets	26	7
Loss (gain) on sale and valuation of investment securities	(43)	(17)
Loss (gain) on redemption of investment securities	(11)	-
Loss (gain) on sale of shares of subsidiaries and associates	144	-
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in net defined benefit asset and liability	(43)	(94)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(6)
Increase (decrease) in provision for executive officer's incentive plan	12	4
Interest and dividend income	(118)	(120)
Interest expenses	4	5
Foreign exchange losses (gains)	10	2
Share of loss (profit) of entities accounted for using equity method	69	11
Decrease (increase) in trade receivables	(312)	(237)
Decrease (increase) in inventories	640	574
Increase (decrease) in trade payables	(1,100)	999
Increase (decrease) in accrued consumption taxes	(304)	115
Decrease (increase) in leasehold and guarantee deposits	4	18
Other, net	98	(440)
Subtotal	3,735	4,970
Interest and dividends received	118	119
Interest paid	(4)	(5)
Income taxes paid	(1,183)	(722)
Net cash provided by (used in) operating activities	2,666	4,362
Cash flows from investing activities		
Payments into time deposits	(0)	(105)
Purchase of property, plant and equipment	(864)	(877)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(894)	(266)
Purchase of investment securities	(53)	(20)
Proceeds from sale of investment securities	61	25
Proceeds from redemption of investment securities	77	-
Proceeds from sale of shares of subsidiaries and associates	2	-
Other, net	0	1
Net cash provided by (used in) investing activities	(1,669)	(1,242)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	39
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	23	17
Dividends paid	(851)	(877)
Dividends paid to non-controlling interests	(131)	(90)
Other, net	(65)	(73)
Net cash provided by (used in) financing activities	(1,075)	(983)
Effect of exchange rate change on cash and cash equivalents	90	25
Net increase (decrease) in cash and cash equivalents	11	2,161
Cash and cash equivalents at beginning of period	11,831	11,843
Cash and cash equivalents at end of period	* 11,843	* 14,004

(5) Notes on consolidated financial statements**(Notes on going concern assumption)**

Not applicable.

(Notes on significant accounting policies for preparation of consolidated financial statements)

1. Disclosure of scope of consolidation

- (1) Number of consolidated subsidiaries 7 companies

Names of major consolidated subsidiaries

S.T. PRO Co., Ltd.
 S.T. Business Support Co., Ltd.
 S.T. MYCOAL CO., LTD.
 S.T. (Thailand) Co., Ltd.
 Family Glove Co., Ltd. (Taiwan)
 S.T. Korea Corporation (South Korea)
 Shaldan (Thailand) Co., Ltd.

- (2) Names of major non-consolidated subsidiaries and other related information

Major non-consolidated subsidiaries

Japan Aroma Laboratory Co., Ltd.

(Reasons for exclusion from scope of consolidation)

As the non-consolidated subsidiary is small, and none of its total assets, net sales, net income (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) have a significant impact on consolidated financial statements, it is excluded from the scope of consolidation.

2. Disclosure about application of equity method

- (1) Number of affiliated companies accounted for by the equity method 2 companies

Names of major companies

Aekyung S.T. Co., Ltd. (South Korea)

NS FaFa Japan Co., Ltd.

- (2) As for non-consolidated subsidiary Japan Aroma Laboratory Co., Ltd., which is not accounted for by the equity method, its net income (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) have a minor effect on the consolidated financial statements even if it is excluded from being a subject of the equity method, and is insignificant in general, so it is excluded from the scope of equity method application.

- (3) For affiliates accounted for by the equity-method whose closing date is different from the consolidated closing date, the financial statements for each company's business year are used.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Among consolidated subsidiaries, the closing date for S.T. (Thailand) Co., Ltd., Family Glove Co., Ltd. (Taiwan), S.T. Korea Corporation (South Korea) and Shaldan (Thailand) is December 31. In preparing the consolidated financial statements, the financial statements as of the relevant closing date are used. However, for important transactions that occurred during the period from January 1st to March 31st, the consolidated closing date, necessary adjustments have been made for consolidation.

4. Disclosure of accounting policies

- (1) Valuation methods and standards for important assets

a. Securities

Other securities

Items that are not stocks without a par-value

Uses the market valuation method (full amount of valuation difference is charged to net assets using the direct net asset method, and sales cost is calculated by the moving-average method).

Stocks without a par-value

Mainly uses the cost method based on the moving average method.

b. Inventory assets

The Company and our domestic consolidated subsidiaries mainly use the cost method based on the total average method (the balance sheet value is calculated by the method of devaluing the book value based

on the decline in profitability), and the overseas consolidated subsidiaries mainly use the low price method based on the total average method.

(2) Depreciation method for important depreciable assets

a. Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries use the declining balance method, and overseas consolidated subsidiaries mainly use the straight-line method based on the provisions of the accounting standards of the country concerned.

(However, the Company and its domestic consolidated subsidiaries use the straight-line method for buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and for facilities attached to buildings and structures acquired on or after April 1, 2016.)

The main useful lives are as follows.

Buildings and structures	3 - 50 years
Machinery, equipment and vehicles	2 - 17 years
Tools, furniture and fixtures	2 - 20 years

b. Intangible fixed assets (excluding leased assets)

The straight-line method is used.

The software used in-house is based on the usable period (mainly 5 years) in the company.

c. Leased assets

Leased assets relating to financial lease transactions without transfer of ownership

Amortized by the straight-line method based on the lease term as the useful life and residual value of zero.

(3) Accounting standards for major provisions

a. Allowance for doubtful accounts

In order to prepare for losses from bad debt such as trade receivables and loan receivables, the Company and its domestic consolidated subsidiaries provide for allowance for doubtful accounts at an uncollectable amount based on the historical percentage of credit losses for general credit, and at an amount that is estimated to be uncollectible individually considering the possibilities of collection for specific credit such as bad credit where there is a high probability of loss. In addition, overseas consolidated subsidiaries mainly provide for estimated uncollectible amounts.

b. Provision for retirement benefits for directors (and other officers)

The Company provides for the amount required to be paid at the end of the term based on internal regulations in order to prepare for the future payment of retirement benefits to officers.

c. Provision for executive officer's incentive plan

The Company provides for the estimated amount of stock benefit obligations at the end of the current consolidated fiscal year in order to prepare for the delivery of Company stock to Executive Officers based on internal regulations.

(4) Accounting method for retirement benefits

(i) Period attribution method for expected retirement benefits

In calculating the retirement benefits obligation, the attribution method for the expected retirement benefits amount to the period up to the end of the current consolidated fiscal year is based on the projected benefits method.

(ii) Method of amortization of actuarial differences

The actuarial differences are amortized by the straight-line method over a certain number of years (5 years), which is within the average period of the remaining years of service of eligible employees and are amortized from the following fiscal year in which the actuarial differences are recognized.

(iii) Adoption of a simplified method in small businesses, etc.

Some consolidated subsidiaries apply a simplified method to calculate retirement benefit liabilities and retirement benefit expenses, using a method in which the amount required for voluntary resignations at the end of the term relating to retirement benefits is used as the retirement benefit obligation.

(5) Standards for recording important income and expenses

The Company and its domestic consolidated subsidiaries recognize revenue based on the anticipated amount to be received in exchange for a promised asset or provided service at the time when said asset or service is transferred to the customer. The time when the customer gains control is determined to be the time when the

finished goods arrive at the customer for domestic sales and the time when the finished goods arrive at the point agreed with the customer for export sales.

These revenues are measured by deducting rebates and returns from the consideration promised in the contract with the customer. The agreed upon value shall be obtained within 2 months from the point at which the performance obligations have been satisfied, and significant financing components shall not be included in the amount to be considered.

(6) Standards for translation of significant foreign currency-denominated assets or liabilities into Japanese currency

Foreign currency-denominated monetary receivables and payables are translated into yen at the spot exchange rate on the consolidated closing date, and the translation difference is treated as profit or loss.

Assets and liabilities, and income and expenses of overseas subsidiaries, etc. are translated into yen at the spot exchange rate on the consolidated closing date, and the translation difference is included in the foreign exchange translation adjustment account and non-controlling interests in the net assets section.

(7) Important hedge accounting method

a. Hedge accounting method

We mainly use deferred hedging. As to forward exchange contracts eligible for allocation treatment, allocation treatment is applied, and in current consolidated fiscal year, all are processed with allocation treatment.

b. Hedging method and hedge target

Hedging method Forward exchange contracts

Hedge target Foreign currency denominated transactions

There is no remaining balance at the end of the current consolidated fiscal year.

c. Hedging policy

The Company mainly conducts forward exchange contracts to hedge the risk of short-term exchange fluctuations in transactions scheduled to be denominated in foreign currencies.

(8) Goodwill amortization method and amortization period

Goodwill is amortized on an individual basis and is amortized evenly over a reasonable number of years up to 20 years.

(9) Scope of funds in the consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments that are easily redeemable, and is due within 3 months from the date of acquisition, in which only tiny risk of fluctuations in value is assumed.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) (hereinafter, "Fair Value Measurement Accounting Standard Implementation Guidance") from the beginning of the current consolidated fiscal year, and decided to apply new accounting standards set forth in the Fair Value Measurement Accounting Standard Implementation Guidance prospectively in accordance with the transitional treatment provided for in paragraph 27-2 of the Fair Value Measurement Accounting Standard Implementation Guidance.

The application of the above guidance does not have any impact on the consolidated financial statement.

(Related to consolidated balance sheet)

*1 The accumulated depreciation of property, plant and equipment is as follows.

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
	14,072	15,199

*2 The items for non-consolidated subsidiaries and affiliated companies are as follows.

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
Investment securities (shares)	276	273

*3 Collateral assets

The assets pledged as collateral are as follows.

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
Deposits (note)	4	5

(Note) Deposits are used as collateral for transactions.

*4 Notes receivable (export bills) discount amount

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
Notes receivable (export bills) discount amount	6	-

*5 Under the Act on Revaluation of Land (Act No. 34 of March 31, 1998) and the Act on Partial Revision of the Act on Revaluation of Land (Act No. 19 of March 31, 2001), we reevaluated the land for business use, and for the valuation difference, recorded the tax equivalent amount related to the valuation difference in the liabilities section as deferred tax liabilities for land revaluation, and the amount after deduction of this amount is recorded in the net assets section as the revaluation reserve for land.

Method of revaluation: It is calculated by making reasonable adjustments based on the fixed asset tax valuation amount stipulated in Article 2, item 3 of the Order for Enforcement of Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998) and the land price tax law stipulated in Article 2, item 4 of the Order.

Date when revaluation is conducted: March 31, 2002

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
Difference between the end-of-term market value of the revalued land and the book value after revaluation	(197)	(177)

(Related to consolidated statement of income)

- *1 The year-end inventory is the amount after book value is devalued due to the decline in profitability, and the following loss on valuation of inventories is included in the cost of sales.

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
	477	743

- *2 The main items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
Transportation and storage costs	1,656	1,661
Sales promotion expenses	554	575
Advertising expenses	2,605	2,598
Salaries	2,486	2,487
Retirement benefit expenses	157	145
Provision for executive officer's incentive plan	12	22
Provision of allowance for doubtful accounts	-	(0)

- *3 The total amount of research and development expenses included in general and administrative expenses and manufacturing costs for the period is as follows.

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
	851	774

- *4 Contents of the gain on sale of non-current assets are as follows.

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
Machinery, equipment and vehicles	0	0
Tools, furniture and fixtures	0	0
Total	0	0

- *5 Contents of the loss on sale and retirement of non-current assets are as follows.

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
Buildings and structures	12	1
Machinery, equipment and vehicles	12	5
Tools, furniture and fixtures	0	0
Other	0	0
Total	26	7

*6 Impairment losses

Previous consolidated fiscal year (April 1, 2021-March 31, 2022)

In the current consolidated fiscal year, the Group recorded impairment losses for the following asset groups.

Location	Use	Class	Impairment losses (millions of yen)
Tokyo	Other	Goodwill	1,166
Tochigi City, Tochigi Prefecture	Business assets	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures; other items	407
Tochigi City, Tochigi Prefecture	Idle assets	Land	4
Chon Buri Province, Thailand	Business assets	Buildings and structures; machinery, equipment and vehicles; tools, furniture and fixtures	87

For business assets, the Group determines the asset group in consideration of the management accounting category, and for shared assets such as the head office, the entire business is the unit of grouping. In addition, idle assets that are not used for business are grouped by individual property.

As a result of reviewing the business plan of the Disposable Warmers business due to the decline in profitability, the excess profitability initially expected could no longer be expected. Therefore, the entire amount of the undepreciated balance of goodwill relating to the Disposable Warmers business and the carrying amount of business assets held by the Company and its subsidiary, S.T. Mycoal Co., Ltd., was reduced to the recoverable value, and the reduced amount was recorded as an impairment loss of 1,573 million yen under extraordinary losses.

For these assets, the recoverable value is measured by the net selling price, and the net selling price is calculated by the appraisal (movables and real estate) obtained from an external valuation company. The main assumptions of the appraisal value are the estimated sale price of machinery, the replacement cost of the building, and the vacant lot price of the land.

Since the profitability of the business assets held by the consolidated subsidiary Shaldan (Thailand) has declined, the carrying amount was reduced to the recoverable value and the reduced amount was recorded as an impairment loss under extraordinary losses.

The recoverable value is measured by the value in use and is calculated assuming that the value in use is zero.

For idle assets, the carrying amount was reduced to the recoverable value because the intended use was not currently determined, and the reduced amount was recorded as an impairment loss under extraordinary losses. For idle assets, the recoverable value is measured by the net selling price, and the net selling price is calculated by real estate appraisal by a real estate appraiser.

Current consolidated fiscal year (April 1, 2022-March 31, 2023)

Not applicable.

(Related to statement of changes in shareholders' equity)

Previous consolidated fiscal year (April 1, 2021-March 31, 2022)

1. Matters concerning the class and total number of issued shares and the class and number of treasury shares

	Number of shares at the beginning of the current consolidated fiscal year (Thousands of shares)	Number of shares increased during the current consolidated fiscal year (Thousands of shares)	Number of shares decreased during the current consolidated fiscal year (Thousands of shares)	Number of shares at the end of the current consolidated fiscal year (Thousands of shares)
Issued shares				
Ordinary shares	23,000	–	–	23,000
Total	23,000	–	–	23,000
Treasury shares				
Ordinary shares (note)	794	90	112	772
Total	794	90	112	772

(Notes) 1. The increase in the number of shares of treasury shares of ordinary shares of 90,000 shares consists of an increase of 0 thousand shares due to the purchase of shares of less than one unit and 90,000 shares acquired by Custody Bank of Japan, Ltd. (Trust E Account).

2. The decrease in the number of shares of treasury shares of ordinary shares of 112,000 shares consists of a decrease by exercising stock options for 22,000 shares, and the decrease of 90,000 shares consists of disposal of treasury shares by third party allotment (third party allotment to Custody Bank of Japan, Ltd. (Trust E Account)).

3. Treasury shares of ordinary shares includes shares owned by Custody Bank of Japan, Ltd. (Trust E Account) (194,000 shares at the beginning of the current consolidated fiscal year and 284,000 shares at the end of the current consolidated fiscal year).

2. Matters relating to dividends

(1) Amount of dividend payment

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Board of Directors Meeting on May 17, 2021	Ordinary shares	425	19	March 31, 2021	June 1, 2021
Board of Directors Meeting on October 27, 2021	Ordinary shares	426	19	September 30, 2021	December 3, 2021

(Notes) 1. The total amount of dividends decided by the resolution of the Board of Directors on May 17, 2021 includes dividends of 3 million yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

2. The total amount of dividends decided by the resolution of the Board of Directors on October 27, 2021 includes dividends of 3 million yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

(2) Out of dividends for which the record date falls in the current consolidated fiscal year, the effective date for the dividends falls in the following consolidated fiscal year

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Board of Directors Meeting on May 20, 2022	Ordinary shares	427	Retained earnings	19	March 31, 2022	June 6, 2022

(Note) The total amount of dividends decided by the resolution of the Board of Directors on May 20, 2022 includes dividends of 5 million yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

Current consolidated fiscal year (April 1, 2022-March 31, 2023)

1. Matters concerning the class and total number of issued shares and the class and number of treasury shares

	Number of shares at the beginning of the current consolidated fiscal year (Thousands of shares)	Number of shares increased during the current consolidated fiscal year (Thousands of shares)	Number of shares decreased during the current consolidated fiscal year (Thousands of shares)	Number of shares at the end of the current consolidated fiscal year (Thousands of shares)
Issued shares				
Ordinary shares	23,000	–	–	23,000
Total	23,000	–	–	23,000
Treasury shares				
Ordinary shares (note)	772	0	13	759
Total	772	0	13	759

(Notes) 1. The increase in the number of shares of treasury shares of ordinary shares of 0 thousand shares is due to the purchase of shares of less than one unit.

2. The decrease in the number of shares of treasury shares of ordinary shares of 13,000 shares is due to the delivery of treasury shares to the Board Benefit Trust (BBT).

3. Treasury shares of ordinary shares includes shares owned by Custody Bank of Japan, Ltd. (Trust E Account) (284,000 shares at the beginning of the current consolidated fiscal year and 270,000 shares at the end of the current consolidated fiscal year).

2. Matters relating to dividends

(1) Amount of dividend payment

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors Meeting on May 20, 2022	Ordinary shares	427	19	March 31, 2022	June 6, 2022
Board of Directors Meeting on November 8, 2022	Ordinary shares	450	20	September 30, 2022	December 9, 2022

(Notes) 1. The total amount of dividends decided by the resolution of the Board of Directors on May 20, 2022 includes dividends of 5 million yen for the shares of the Company owned by the Custody Bank of Japan, Ltd. (Trust E Account).

2. The total amount of dividends decided by the resolution of the Board of Directors on November 8, 2022 includes dividends of 5 million yen for the shares of the Company owned by the Custody Bank of Japan, Ltd. (Trust E Account).

(2) Out of dividends for which the record date falls in the current consolidated fiscal year, the effective date for the dividends falls in the following consolidated fiscal year

(Resolution)	Class of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Scheduled Board of Directors Meeting on May 19, 2023 (planned)	Ordinary shares	450	Retained earnings	20	March 31, 2023	June 5, 2023

(Note) The total amount of dividends decided by the resolution of the Board of Directors on May 19, 2023 includes dividends of 5 million yen for the shares of the Company owned by the Custody Bank of Japan, Ltd. (Trust E Account).

(Related to consolidated statement of cash flows)

* The relationship between the balance of cash and cash equivalents at the end of the period and the amount of items posted on the consolidated balance sheet

(Millions of yen)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
Cash and deposit accounts	11,887	14,149
Time deposits with a deposit period of more than 3 months	(67)	(176)
“Others” in current assets (note)	23	31
Cash and cash equivalents	11,843	14,004

(Note) This is bank account lending that belongs to the trust property of the trust established for the purpose of the “board benefit trust (BBT)” and “board benefit trust (J-ESOP)” schemes.

(Segment information)

Previous consolidated fiscal year (April 1, 2021-March 31, 2022) and current consolidated fiscal year (April 1, 2022-March 31, 2023)

This information is omitted as the Group operates the daily necessities segment as a single segment.

(Per share information)

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
Net assets per share (Yen)	1,407.03	1,456.38
Earnings per share (Yen)	49.91	82.22
Diluted earnings per share (Yen)	49.91	—

(Notes) 1. Diluted earnings per share for the current consolidated fiscal year are not given since there are no dilutive shares.

2. The basis for calculating profit per share and diluted earnings per share is as follows.

	Previous consolidated fiscal year (April 1, 2021-March 31, 2022)	Current consolidated fiscal year (April 1, 2022-March 31, 2023)
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,109	1,828
Amount not attributable to ordinary shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to ordinary shares (Millions of yen)	1,109	1,828
Average number of shares of ordinary shares during the period (Thousands of shares)	22,223	22,240
Diluted earnings per share		
Profit attributable to owners of parent (Millions of yen)	—	—
Increase in ordinary shares (Thousands of shares)	1	—
[Of which, stock acquisition rights (Thousands of shares)]	[1]	[—]
Overview of residual shares that were not included in the calculation of the amount of diluted earnings per share because they do not have a diluting effect	—	—

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

	End of previous consolidated fiscal year (March 31, 2022)	End of current consolidated fiscal year (March 31, 2023)
Total amount of net assets (Millions of yen)	31,847	32,961
Amount to be deducted from the total amount of net assets (Millions of yen)	573	570
[Of which, non-controlling interests (Millions of yen)]	[573]	[570]
Net assets at the end of the period for ordinary shares (Millions of yen)	31,274	32,390
Number of ordinary shares at the end of the period used to calculate net assets per share (Thousands of shares)	22,227	22,240

4. The shares of the company remaining in trust recorded as treasury shares in shareholders' equity are included in the treasury shares to be deducted from the total number of issued shares at the end of the period in the calculation of net assets per share. (284,000 shares in the previous consolidated fiscal year, 270,000 shares in the current consolidated fiscal year)

In addition, this is included in treasury shares to be deducted in the calculation of the average number of shares during the period in the calculation of earnings per share and diluted earnings per share.

(209,000 shares in the previous consolidated fiscal year, 270,000 shares in the current consolidated fiscal year)

(Significant post-balance sheet events)

Not applicable.