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May 11, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: Systema Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 2317
 URL: <https://www.systema.co.jp/>
 Representative: Kenji Miura, Representative Director and President
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 Telephone: +81-3-6367-3840
 Scheduled date of annual general meeting of shareholders: June 23, 2022
 Scheduled date to commence dividend payments: June 9, 2022
 Scheduled date to file annual securities report: June 23, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	65,272	7.2	9,106	13.7	8,578	14.3	5,992	20.5
March 31, 2021	60,871	(5.7)	8,006	(1.9)	7,507	(4.6)	4,974	(9.1)

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥6,089 million [21.3%]
 For the fiscal year ended March 31, 2021: ¥5,018 million [(8.9)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2022	15.47	—	21.6	20.8	14.0
March 31, 2021	12.84	—	20.6	20.1	13.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: ¥(144) million
 For the fiscal year ended March 31, 2021: ¥(748) million

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Basic earnings per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	43,477	30,173	68.5	76.83
March 31, 2021	38,886	25,996	65.9	66.17

Reference: Equity

As of March 31, 2022: ¥29,762 million

As of March 31, 2021: ¥25,632 million

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Net assets per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(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, 2022	5,544	(559)	(1,905)	21,964
March 31, 2021	7,205	(1,562)	(1,983)	18,875

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	10.00	–	10.00	20.00	1,945	38.9	8.0
Fiscal year ended March 31, 2022	–	10.00	–	3.50	–	2,334	38.8	8.4
Fiscal year ending March 31, 2023 (Forecast)	–	4.00	–	4.00	8.00		44.3	

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. The stated year-end dividend per share for the fiscal year ended March 31, 2022 takes the said stock split into account. The total annual dividend for the fiscal year ended March 31, 2022 is not shown because a simple total cannot be calculated due to the implementation of the stock split. The annual dividend per share for the fiscal year ended March 31, 2022 that does not take the stock split into account is 24 yen (the interim dividend of 10 yen per share and year-end dividend of 14 yen per share).

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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
Fiscal year ending March 31, 2023	71,450	9.5	10,280	12.9	10,280	19.8	7,000	16.8	18.07

* **Notes**

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

(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, 2022	450,880,000 shares
As of March 31, 2021	450,880,000 shares

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

As of March 31, 2022	63,483,788 shares
As of March 31, 2021	63,505,356 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	387,386,464 shares
Fiscal year ended March 31, 2021	387,371,768 shares

- Notes: 1. The Company has introduced a stock compensation plan, and in calculating the number of common treasury shares at the end of the period and the average number of shares outstanding during the period, the number of treasury shares includes shares of the Company held by Japan Custody Bank, Ltd. (the Trust Account) as trust assets for the “Trust for Granting Shares to Directors and Executive Officers” and the “Trust for Granting Shares to Executive Officers.” The number of treasury shares held by the Trust Account included in the number of treasury shares at the end of the fiscal years ended March 31, 2022 and March 31, 2021 was 1,612,300 shares and 1,634,000 shares, respectively, and the number of treasury shares held by the Trust Account excluded from the calculation of the average number of shares outstanding during the fiscal years ended March 31, 2022 and March 31, 2021 is as follows: the average number of common treasury shares held by the Trust Account for the years ended March 31, 2022 and March 31, 2021 were 1,622,086 shares and 1,636,938 shares, respectively.
2. The Company implemented a four-for-one common stock split effective December 1, 2021. Number of shares has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	58,110	6.1	8,500	13.6	8,455	9.7	5,566	23.4
March 31, 2021	54,794	(6.9)	7,483	(4.1)	7,705	(0.4)	4,510	(11.6)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	14.37	—
March 31, 2021	11.64	—

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Basic earnings per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	39,797	27,684	69.6	71.46
March 31, 2021	35,891	24,062	67.0	62.12

Reference: Equity

As of March 31, 2022: ¥27,684 million

As of March 31, 2021: ¥24,062 million

Note: The Company implemented a four-for-one common stock split effective December 1, 2021. Net assets per share has been calculated assuming the stock split was conducted at the beginning of the previous fiscal year.

* 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

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	19,037	21,657
Notes and accounts receivable - trade	12,826	–
Notes receivable - trade	–	766
Accounts receivable - trade	–	12,861
Contract assets	–	695
Merchandise	831	1,151
Work in process	3	–
Other	722	880
Allowance for doubtful accounts	(1)	(11)
Total current assets	33,420	38,002
Non-current assets		
Property, plant and equipment		
Buildings	614	741
Accumulated depreciation	(312)	(343)
Buildings, net	302	398
Vehicles	61	95
Accumulated depreciation	(33)	(26)
Vehicles, net	28	68
Tools, furniture and fixtures	1,669	1,898
Accumulated depreciation	(1,190)	(1,408)
Tools, furniture and fixtures, net	478	489
Land	97	97
Construction in progress	6	–
Other	11	11
Accumulated depreciation	(6)	(8)
Other, net	4	3
Total property, plant and equipment	917	1,058
Intangible assets		
Software	286	270
Software in progress	18	5
Other	2	2
Total intangible assets	307	278
Investments and other assets		
Investment securities	1,891	1,775
Long-term loans receivable from subsidiaries and associates	698	575
Leasehold and guarantee deposits	986	1,513
Deferred tax assets	710	817
Other	30	30
Allowance for doubtful accounts	(76)	(575)
Total investments and other assets	4,240	4,138
Total non-current assets	5,465	5,475
Total assets	38,886	43,477

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	5,257	5,696
Short-term borrowings	1,550	1,550
Accounts payable - other, and accrued expenses	1,872	2,076
Income taxes payable	1,681	1,525
Accrued consumption taxes	850	791
Provision for bonuses	1,227	1,348
Provision for loss on orders received	0	–
Other	305	186
Total current liabilities	12,746	13,175
Non-current liabilities		
Long-term accounts payable - other	61	16
Provision for share-based compensation	66	97
Other	15	14
Total non-current liabilities	143	128
Total liabilities	12,889	13,303
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus	6,010	6,025
Retained earnings	23,261	27,309
Treasury shares	(5,052)	(5,042)
Total shareholders' equity	25,734	29,806
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(16)	(25)
Foreign currency translation adjustment	(85)	(18)
Total accumulated other comprehensive income	(102)	(43)
Non-controlling interests	364	411
Total net assets	25,996	30,173
Total liabilities and net assets	38,886	43,477

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	60,871	65,272
Cost of sales	46,498	49,144
Gross profit	14,372	16,127
Selling, general and administrative expenses	6,365	7,020
Operating profit	8,006	9,106
Non-operating income		
Interest income	14	15
Dividend income	6	15
Gain on sale of investment securities	262	-
Compensation income for damage	0	-
Subsidy income	23	31
Commission income	1	1
Gain on investments in investment partnerships	-	58
Other	39	21
Total non-operating income	348	145
Non-operating expenses		
Interest expenses	7	7
Loss on sale of investment securities	-	47
Share of loss of entities accounted for using equity method	748	144
Provision of allowance for doubtful accounts	73	450
Foreign exchange losses	4	-
Other	14	23
Total non-operating expenses	847	673
Ordinary profit	7,507	8,578
Profit before income taxes	7,507	8,578
Income taxes - current	2,575	2,650
Income taxes - deferred	(106)	(103)
Total income taxes	2,468	2,547
Profit	5,038	6,030
Profit attributable to non-controlling interests	64	38
Profit attributable to owners of parent	4,974	5,992

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	5,038	6,030
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	(9)
Foreign currency translation adjustment	19	82
Share of other comprehensive income of entities accounted for using equity method	(20)	(15)
Total other comprehensive income	(20)	58
Comprehensive income	5,018	6,089
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,953	6,050
Comprehensive income attributable to non-controlling interests	64	38

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,513	6,045	20,232	(5,055)	22,736
Changes during period					
Dividends of surplus			(1,945)		(1,945)
Profit attributable to owners of parent			4,974		4,974
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Change in ownership interest of parent due to transactions with non-controlling interests		(35)			(35)
Net changes in items other than shareholders' equity					
Total changes during period	—	(35)	3,029	3	2,997
Balance at end of period	1,513	6,010	23,261	(5,052)	25,734

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2	(84)	(81)	300	22,955
Changes during period					
Dividends of surplus					(1,945)
Profit attributable to owners of parent					4,974
Purchase of treasury shares					(0)
Disposal of treasury shares					3
Change in ownership interest of parent due to transactions with non-controlling interests					(35)
Net changes in items other than shareholders' equity	(18)	(1)	(20)	64	43
Total changes during period	(18)	(1)	(20)	64	3,041
Balance at end of period	(16)	(85)	(102)	364	25,996

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,513	6,010	23,261	(5,052)	25,734
Changes during period					
Dividends of surplus			(1,945)		(1,945)
Profit attributable to owners of parent			5,992		5,992
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Sale of shares of consolidated subsidiaries		15			15
Net changes in items other than shareholders' equity					
Total changes during period	—	15	4,047	9	4,072
Balance at end of period	1,513	6,025	27,309	(5,042)	29,806

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(16)	(85)	(102)	364	25,996
Changes during period					
Dividends of surplus					(1,945)
Profit attributable to owners of parent					5,992
Purchase of treasury shares					(0)
Disposal of treasury shares					9
Sale of shares of consolidated subsidiaries					15
Net changes in items other than shareholders' equity	(9)	67	58	46	104
Total changes during period	(9)	67	58	46	4,176
Balance at end of period	(25)	(18)	(43)	411	30,173

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,507	8,578
Depreciation	356	429
Increase (decrease) in allowance for doubtful accounts	72	460
Increase (decrease) in provision for bonuses	(11)	120
Increase (decrease) in provision for share-based compensation	35	31
Increase (decrease) in long-term accounts payable - other	(4)	(44)
Interest and dividend income	(20)	(31)
Interest expenses	7	7
Loss (gain) on investments in investment partnerships	(12)	(58)
Loss (gain) on sale of investment securities	(262)	47
Share of loss (profit) of entities accounted for using equity method	748	144
Decrease (increase) in trade receivables	1,147	(1,494)
Decrease (increase) in inventories	292	(315)
Decrease (increase) in advance payments to suppliers	4	(22)
Increase (decrease) in trade payables	(606)	438
Increase (decrease) in accounts payable - other, and accrued expenses	72	141
Increase (decrease) in accrued consumption taxes	109	(58)
Increase (decrease) in advances received	89	(116)
Other, net	(1)	71
Subtotal	9,524	8,328
Interest and dividends received	27	39
Interest paid	(7)	(7)
Income taxes paid	(2,339)	(2,816)
Net cash provided by (used in) operating activities	7,205	5,544
Cash flows from investing activities		
Payments into time deposits	(323)	(0)
Proceeds from withdrawal of time deposits	-	374
Purchase of property, plant and equipment and intangible assets	(442)	(519)
Proceeds from sale of property, plant and equipment and intangible assets	9	26
Loan advances	(0)	(2)
Proceeds from collection of loans receivable	1	0
Purchase of investment securities	(20,839)	(17,158)
Proceeds from sale of investment securities	20,055	17,127
Payments of leasehold and guarantee deposits	(91)	(545)
Proceeds from refund of leasehold and guarantee deposits	45	18
Proceeds from distributions from investment partnerships	23	122
Other payments	(2)	(4)
Other proceeds	3	0
Net cash provided by (used in) investing activities	(1,562)	(559)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(35)	–
Proceeds from sale of shares of subsidiaries	–	22
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	3	9
Dividends paid	(1,951)	(1,938)
Net cash provided by (used in) financing activities	(1,983)	(1,905)
Effect of exchange rate change on cash and cash equivalents	(5)	11
Net increase (decrease) in cash and cash equivalents	3,653	3,089
Cash and cash equivalents at beginning of period	15,221	18,875
Cash and cash equivalents at end of period	18,875	21,964

Non-consolidated financial statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	16,482	18,553
Notes receivable - trade	576	765
Accounts receivable - trade	11,526	11,960
Contract assets	–	671
Merchandise	798	1,104
Advance payments to suppliers	0	4
Prepaid expenses	262	295
Short-term loans receivable	0	0
Short-term loans receivable from subsidiaries and associates	6	106
Other	323	438
Allowance for doubtful accounts	–	(9)
Total current assets	29,977	33,890
Non-current assets		
Property, plant and equipment		
Buildings	489	554
Accumulated depreciation	(261)	(283)
Buildings, net	227	271
Structures	0	0
Accumulated depreciation	(0)	(0)
Structures, net	0	0
Vehicles	52	85
Accumulated depreciation	(26)	(16)
Vehicles, net	26	68
Tools, furniture and fixtures	1,319	1,454
Accumulated depreciation	(958)	(1,112)
Tools, furniture and fixtures, net	361	342
Land	92	92
Total property, plant and equipment	707	774
Intangible assets		
Software	282	247
Software in progress	7	2
Other	0	0
Total intangible assets	291	250

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Investments and other assets		
Investment securities	1,470	1,318
Shares of subsidiaries and associates	1,925	1,369
Investments in capital	0	0
Long-term prepaid expenses	9	4
Long-term loans receivable	0	0
Long-term loans receivable from subsidiaries and associates	262	433
Leasehold and guarantee deposits	804	1,297
Deferred tax assets	621	713
Other	0	0
Allowance for doubtful accounts	(178)	(255)
Total investments and other assets	4,915	4,881
Total non-current assets	5,914	5,906
Total assets	35,891	39,797
Liabilities		
Current liabilities		
Accounts payable - trade	5,171	5,554
Short-term borrowings	1,550	1,550
Accounts payable - other	1,460	1,580
Income taxes payable	1,610	1,389
Accrued consumption taxes	677	636
Accrued expenses	24	27
Advances received	176	79
Deposits received	72	76
Provision for bonuses	1,000	1,100
Provision for loss on orders received	0	-
Other	4	8
Total current liabilities	11,750	12,003
Non-current liabilities		
Long-term lease and guarantee deposited	12	12
Provision for share-based compensation	66	97
Total non-current liabilities	78	110
Total liabilities	11,829	12,113

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,513	1,513
Capital surplus		
Legal capital surplus	1,428	1,428
Other capital surplus	4,623	4,623
Total capital surplus	6,051	6,051
Retained earnings		
Other retained earnings		
General reserve	0	0
Retained earnings brought forward	21,565	25,186
Total retained earnings	21,565	25,186
Treasury shares	(5,052)	(5,042)
Total shareholders' equity	24,078	27,709
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(16)	(25)
Total valuation and translation adjustments	(16)	(25)
Total net assets	24,062	27,684
Total liabilities and net assets	35,891	39,797

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Service sales	31,978	34,741
Net sales of goods	22,815	23,368
Total net sales	54,794	58,110
Cost of sales		
Cost of service sales	22,425	24,252
Cost of goods sold		
Beginning merchandise inventory	1,105	798
Cost of purchased goods	19,140	19,887
Total	20,246	20,686
Ending merchandise inventory	798	1,104
Cost of goods sold	19,447	19,582
Total cost of sales	41,873	43,835
Gross profit	12,920	14,275
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	230	308
Payroll and allowances	1,838	1,835
Provision for share-based compensation	39	41
Retirement benefit expenses	153	165
Bonuses	44	65
Provision for bonuses	99	92
Legal welfare expenses	347	360
Travel and transportation expenses	84	85
Recruiting expenses	140	185
Advertising expenses	304	301
Supplies expenses	43	55
Taxes and dues	349	369
Commission expenses	491	403
Rent expenses	605	785
Depreciation	287	325
Research and development expenses	11	1
Provision of allowance for doubtful accounts	–	9
Other	366	383
Total selling, general and administrative expenses	5,437	5,774
Operating profit	7,483	8,500
Non-operating income		
Interest income	2	3
Dividend income	12	24
Commission income	1	1
Gain on sale of investment securities	262	–
Gain on investments in investment partnerships	–	58
Gain on forfeiture of unclaimed dividends	12	4
Compensation income for damage	0	–
Other	20	13
Total non-operating income	313	105
Non-operating expenses		
Interest expenses	7	7
Loss on sale of investment securities	–	47
Provision of allowance for doubtful accounts	69	76
Other	13	19
Total non-operating expenses	90	150
Ordinary profit	7,705	8,455

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of shares of subsidiaries	–	22
Total extraordinary income	–	22
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	874	555
Total extraordinary losses	874	555
Profit before income taxes	6,831	7,922
Income taxes - current	2,427	2,444
Income taxes - deferred	(107)	(88)
Total income taxes	2,320	2,355
Profit	4,510	5,566

(3) Non-consolidated statement of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,513	1,428	4,623	6,051	0	18,999	18,999	(5,055)	21,509
Changes during period									
Dividends of surplus						(1,945)	(1,945)		(1,945)
Profit						4,510	4,510		4,510
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								3	3
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	2,565	2,565	3	2,569
Balance at end of period	1,513	1,428	4,623	6,051	0	21,565	21,565	(5,052)	24,078

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	2	2	21,512
Changes during period			
Dividends of surplus			(1,945)
Profit			4,510
Purchase of treasury shares			(0)
Disposal of treasury shares			3
Net changes in items other than shareholders' equity	(18)	(18)	(18)
Total changes during period	(18)	(18)	2,550
Balance at end of period	(16)	(16)	24,062

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,513	1,428	4,623	6,051	0	21,565	21,565	(5,052)	24,078
Changes during period									
Dividends of surplus						(1,945)	(1,945)		(1,945)
Profit						5,566	5,566		5,566
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								9	9
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	3,621	3,621	9	3,630
Balance at end of period	1,513	1,428	4,623	6,051	0	25,186	25,186	(5,042)	27,709

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(16)	(16)	24,062
Changes during period			
Dividends of surplus			(1,945)
Profit			5,566
Purchase of treasury shares			(0)
Disposal of treasury shares			9
Net changes in items other than shareholders' equity	(9)	(9)	(9)
Total changes during period	(9)	(9)	3,621
Balance at end of period	(25)	(25)	27,684