

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



May 14, 2024

Company name: A&D HOLON Holdings Company, Limited
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7745
 URL: <https://andholon.com/en>
 Representative: Yasunobu Morishima, President & CEO
 Contact: Koji Takahashi, Director and Senior Executive Officer
 Phone: +81-48-593-1590
 Scheduled date of Annual General Meeting of Shareholders: June 25, 2024
 Scheduled date of filing annual securities report: June 26, 2024
 Scheduled date of commencing dividend payments: June 26, 2024

Availability of supplementary briefing material on annual financial results: Available
 Holding of annual financial results briefing session: Yes (For Institutional Investors and Analysts)

(Amounts of less than one million yen are truncated.)

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

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

	Net sales		Operating profit		Ordinary profit		Net profit attributable to parent company shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	61,955	5.0	7,955	6.4	8,240	7.8	5,299	(4.1)
March 31, 2023	59,028	14.1	7,475	36.0	7,643	36.4	5,524	54.6

Note: Comprehensive income Fiscal year ended March 31, 2024: ¥6,153 million [(2.9)%]
 Fiscal year ended March 31, 2023: ¥6,335 million [41.0%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	192.91	192.73	15.1	11.7	12.8
March 31, 2023	201.33	201.14	19.5	11.9	12.7

Reference: Investment gains (losses) on equity method Fiscal year ended March 31, 2024: - million
 Fiscal year ended March 31, 2023: - million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	71,986	37,762	52.3	1,370.71
As of March 31, 2023	69,418	32,574	46.8	1,183.98

Reference: Equity As of March 31, 2024: ¥37,672 million
 As of March 31, 2023: ¥32,502 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	7,201	(2,007)	(5,674)	14,016
March 31, 2023	4,096	(1,364)	452	14,315

2. Dividends

	Annual dividends					Total dividends (sum)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	15.00	-	20.00	35.00	970	17.4	3.0
March 31, 2024	-	15.00	-	20.00	35.00	970	18.1	2.7
Fiscal year ending March 31, 2025 (forecast)	-	20.00	-	20.00	40.00		17.7	

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

(% indicates changes from the previous corresponding period, or corresponding quarter of previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to parent company shareholders		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	29,700	1.2	3,100	(2.0)	3,000	(12.1)	2,100	(2.3)	76.41
Full period	66,000	6.5	9,200	15.6	8,980	9.0	6,200	17.0	225.59

* Notes:

- (1) Changes in significant subsidiaries during the period under review: No
(Changes in specified subsidiaries accompanying changes to the scope of consolidation)
New: - companies (Company name) - ; Excluded: - companies (Company name) -
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No

Note: For details, please refer to “3. Consolidated Financial Statements and Primary Notes, (5) Notes to Consolidated Financial Statements, (Changes in accounting policies)” on page 14 of the Appendix.

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

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

March 31, 2024: 27,845,208 shares

March 31, 2023: 27,845,208 shares

- 2) Total number of treasury stock at the end of the period:

March 31, 2024: 361,167 shares

March 31, 2023: 393,687 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024: 27,473,210 shares

Fiscal year ended March 31, 2023: 27,441,265 shares

Note: The total number of treasury stock at the end of the period and the total number of treasury stock which has been eliminated when calculating the average number of shares during the period include the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account) as trust properties of the stock benefit trust system.

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

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

Forward-looking statements in this document, including financial results forecasts, are based on information available and certain assumptions deemed reasonable by the Company at present, and the Company does not guarantee their achievement. Actual business results, etc., may differ significantly due to various factors. For matters regarding financial results forecasts, please refer to "1. Overview of Business Results, etc., (4) Future Outlook" on page 4 of the Appendix.

Table of Contents

1. Overview of Business Results, etc.	2
(1) Overview of Business Results for the Period Under Review	2
(2) Overview of Financial Position for the Period Under Review	3
(3) Overview of Cash Flows for the Period Under Review	3
(4) Future Outlook	4
2. Basic Stance Concerning Choice of Accounting Standards	5
3. Consolidated Financial Statements and Primary Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Net Assets	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
(Notes on going concern assumption)	14
(Changes in accounting policies)	14
(Segment information, etc.)	14
(Per share information)	19
(Significant subsequent events)	20
4. Others	20
Changes in Officers and Directors	20

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Period Under Review

During the fiscal year ended March 31, 2024, the outlook for the global economy remained uncertain due to such factors as the prolonged situation in Ukraine, growing tensions in the Middle East, sluggish Chinese economy, monetary tightening primarily in Europe and the U.S., and the impact of exchange rate fluctuations.

Amid such circumstances, A&D HOLON Holdings Company, Limited (the “Company”), and its subsidiaries (collectively, the “Group”), under a medium-term management plan for fiscal 2022 to 2024, have been implementing measures to strengthen each business unit’s initiatives and to enhance group synergies to respond flexibly to changes in the external environment during the fiscal year under review.

Particularly in the Semiconductor-related Business, which is positioned as a growth driver, despite ongoing inventory adjustments and curbs to capital investment due to weakness in the semiconductor market, demand for the Group’s products remained robust throughout the year. The entire Group strove to meet the demands, resulting in significant year-on-year increases in both sales and profit.

Meanwhile, in the Medical and Healthcare Equipment Business, both sales and profit decreased year-on-year due to the significant impact of foreign exchange, particularly in Europe, despite an overall upward trend in demand by customer and region.

In the Measuring and Weighing Equipment Business, sales increased while profit decreased year-on-year due to the significant impact of stagnating demand for capital investment overseas, particularly in the U.S. and China, despite an increase in demand accompanying the resumption of capital investment in Japan, which had been postponed due to the COVID-19 pandemic.

As a result, net sales for the fiscal year ended March 31, 2024 were ¥61,955 million (up 5.0% year-on-year), operating profit was ¥7,955 million (up 6.4% year-on-year), ordinary profit was ¥8,240 million (up 7.8% year-on-year), and net profit attributable to parent company shareholders was ¥5,299 million (down 4.1% year-on-year).

Business results by segment are as follows.

1) Semiconductor-related Business

Sales increased significantly year-on-year due to robust orders throughout the year and our efforts to strengthen manufacturing and shipping systems to meet customer demands. In addition to existing efforts to boost profitability, improvements in productivity and continued cost reduction by Group-unit procurement also led to a substantial year-on-year increase in profit.

As a result, net sales in the Semiconductor-related Business were ¥10,329 million (up 49.3% year-on-year), growing to a business that generates ¥10 billion, exceeding those planned for the third-year (fiscal 2024) in the medium-term management plan. Operating profit was ¥3,785 million (up 61.8% year-on-year).

2) Medical and Healthcare Equipment Business

In Japan, demand for medical and home-use products was on a recovery trend in the fourth quarter, leading to both sales and profit remaining at the same level year-on-year.

In the Americas, sales increased, mainly for large projects, as favorable demand continued for home-use blood pressure monitors in the U.S. Profit also increased due to curbs to transportation costs and a good product mix.

In Europe, although sales were strong on a local currency basis due to being able to maintain local share, both yen-translated sales and profit decreased due to the significant impact of cost increases and exchange rate fluctuations.

As a result, net sales in the Medical and Healthcare Equipment Business were ¥23,563 million (down 3.9% year-on-year) and operating profit was ¥4,249 million (down 9.1% year-on-year).

3) Measuring and Weighing Equipment Business

In Japan, both sales and profit increased as shipments of measurement, control and simulation systems (DSP systems) remained strong, especially during the fourth quarter, due to an increase in capital investment

demand.

On the other hand, in the Americas, a continued reactionary decline from the special demand for mainstay weighing equipment in the previous fiscal year worked as a burden through to the end of the fiscal year under review, and sales of measurement, control and simulation systems (DSP systems) remained sluggish due to ongoing reduced capital investment, leading to a decrease in both sales and profit.

In Asia and Oceania, although sales increased on the back of an upward trend in demand in South Korea, India and other countries, profit decreased due to a heavy burden from various cost increases, including personnel costs.

As a result, net sales in the Measuring and Weighing Equipment Business were ¥28,062 million (up 1.7% year-on-year) and operating profit was ¥1,762 million (down 30.6% year-on-year).

(2) Overview of Financial Position for the Period Under Review

Total assets as of March 31, 2024 were ¥71,986 million, an increase of ¥2,568 million compared to the end of the previous fiscal year. This was due to an increase of ¥1,707 million in current assets, primarily in notes and accounts receivable and contract assets, along with an increase of ¥860 million in fixed assets, chiefly land.

Total liabilities as of March 31, 2024 were ¥34,223 million, a decrease of ¥2,619 million compared to the end of the previous fiscal year. This was primarily due to a decrease of ¥1,306 million in current liabilities resulting from a decrease in short-term borrowings, and a decrease of ¥1,313 million in fixed liabilities resulting from a decrease in long-term borrowings.

Net assets as of March 31, 2024 were ¥37,762 million, an increase of ¥5,187 million compared to the end of the previous fiscal year. This was primarily attributable to an increase of ¥4,339 million in shareholders' equity, resulting from net profit attributable to parent company shareholders.

(3) Overview of Cash Flows for the Period Under Review

Cash and cash equivalents (hereinafter referred to as "cash") as of March 31, 2024, amounted to ¥14,016 million (down 2.1% year-on-year), resulting from ¥7,201 million provided by operating activities, ¥2,007 million used in investing activities, ¥5,674 million used in financing activities, and ¥182 million in effect of exchange rate change on cash and cash equivalents.

Overview of Cash Flows for the fiscal year under review and the factors are as follows.

1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥7,201 million (up 75.8% year-on-year). This is mainly attributable to ¥2,470 million in corporate taxes paid and an increase of ¥2,119 million in trade receivables, while ¥7,952 million in net profit before taxes, ¥1,746 million in depreciation, and a decrease of ¥1,125 million in inventories.

2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥2,007 million (up 47.2% year-on-year). This is mainly attributable to ¥1,674 million in purchase of tangible fixed assets and ¥425 million in purchase of intangible fixed assets.

3) Cash flows from financing activities

Net cash used in financing activities amounted to ¥5,674 million (net cash provided by financing activities amount to ¥452 million in the previous fiscal year). This is mainly attributable to ¥1,787 million in net decrease in short-term borrowings, ¥2,231 million in repayments of long-term borrowings and ¥967 million in dividends paid.

(Reference) Cash flow indicators by year

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	34.9	38.4	40.8	46.8	52.3
Equity ratio based on fair value (%)	26.8	47.4	33.8	56.3	110.7
Ratio of interest-bearing debts to cash flow (year)	4.4	3.7	10.9	5.3	2.5
Interest coverage ratio (times)	18.5	30.8	12.4	14.5	17.4

Equity ratio:

Equity capital / Total assets

Equity ratio based on fair value:

Total market value of shares / Total assets

Ratio of interest-bearing debts to cash flow:

Interest-bearing debts / Cash flow

Interest coverage ratio:

Cash flow / Interest paid

(Note 1) The indicators were calculated using consolidated financial figures.

(Note 2) The total market value of shares was calculated based on total number of issued shares excluding treasury stock.

(Note 3) Cash flow is operating cash flow.

(Note 4) Interest-bearing debts include all debts recorded on the Consolidated Balance Sheets for which interest is paid. Interest paid is the interest expenses paid shown in the Consolidated Statements of Cash Flows.

(4) Future Outlook

The Group sees the outlook for its business environment remaining uncertain due to factors such as geopolitical risks becoming more complicated as a result of strained international relations around the world, economic stagnation caused by prolonged global inflation, and volatile exchange rates.

Amid such circumstances, in the next fiscal year, which marks the final year of the current medium-term management plan for fiscal 2022 to 2024, the Group will endeavor to achieve the targets in the plan by promoting each business unit's initiatives to respond flexibly to changes in the external environment and strengthening our system to further demonstrate Group-wide synergies.

1) Semiconductor-related Business

The Group believes that new demand will emerge as the semiconductor market continues to expand over the medium to long term. Given the status of back orders and inquiries, we expect performance for the next fiscal year to be at the same level as the fiscal year under review. Nevertheless, the Group will respond to future increases in demand by promoting the development of its new products including next-generation equipment and by strengthening relationships with existing customers, thereby steadily prepare for further growth.

2) Medical and Healthcare Equipment Business

While demand in the medical and healthcare segment looks set to continue rising for digitalization, infrastructure development, and personal health management, etc., the harsh business environment will likely to continue due to factors such as geopolitical risks and the impact of exchange rates. Going forward, the Group will strive to maintain and improve business results by expanding sales areas and distribution across various countries, developing new businesses, and reducing costs through further reevaluation of parts and materials procurement and efforts to improve productivity.

3) Measuring and Weighing Equipment Business

The Group believes that investments in new technology and production equipment will continue as the global shift toward a carbon-neutral society and a digitalized society continues to pick up steam. The Group will strive to improve business results by stepping up its response to electrification, in addition to business restructuring involving the reevaluation of its sales strategies, such as reviewing distribution routes and strengthening sales channels in the Americas, and business expansion in China and other Asian regions.

Amid such circumstances, the consolidated outlook for the next fiscal year is estimated to be ¥66,000 million in net sales, ¥9,200 million in operating profit, ¥8,980 million in ordinary profit, and ¥6,200 million in net profit attributable to parent company shareholders.

Please note that these outlooks assume an exchange rate of USD 1 = JPY 140 and RUB 1 = JPY 1.6.

2. Basic Stance Concerning Choice of Accounting Standards

Regarding the timing of application of International Financial Reporting Standards (IFRS), the Group continues discussions in consideration of the several situations.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Consolidated Fiscal Year Under Review (March 31, 2024)
Assets		
Current assets		
Cash and deposits	15,003	14,642
Notes and accounts receivable and contract assets	15,284	17,869
Products	8,941	9,027
Unfinished goods	5,047	5,107
Raw materials and supplies	6,278	5,977
Other	2,173	1,858
Allowance for doubtful accounts	(67)	(115)
Total current assets	52,660	54,368
Fixed assets		
Tangible fixed assets		
Buildings and structures	10,634	10,823
Accumulated depreciation	(6,069)	(6,407)
Buildings and structures, net	4,564	4,415
Machinery, equipment and vehicles	2,591	2,764
Accumulated depreciation	(2,091)	(2,217)
Machinery, equipment and vehicles, net	500	547
Tools, furniture and fixtures	7,304	7,856
Accumulated depreciation	(6,645)	(6,932)
Tools, furniture and fixtures, net	659	924
Land	5,099	5,912
Leased assets	471	476
Accumulated depreciation	(244)	(216)
Leased assets, net	226	259
Right-of-use assets	1,190	1,220
Accumulated depreciation	(265)	(491)
Right-of-use assets, net	925	728
Construction in progress	293	129
Total tangible fixed assets	12,267	12,918
Intangible fixed assets		
Goodwill	35	7
Trademark rights	1	0
Software	1,344	1,251
Other	87	85
Total intangible fixed assets	1,468	1,345
Investments, etc.		
Investment securities	175	204
Retirement benefit assets	—	172
Deferred tax assets	2,162	2,295
Other	684	684
Allowance for doubtful accounts	(2)	(2)
Total investments, etc.	3,021	3,354
Total fixed assets	16,757	17,618
Total assets	69,418	71,986

(Million yen)

	Previous Consolidated Fiscal Year (As of March 31, 2023)	Consolidated Fiscal Year Under Review (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable	4,971	5,265
Short-term borrowings	14,731	13,433
Current portion of bonds payable	500	—
Long-term borrowings to be repaid within one year	2,118	1,258
Lease obligations	384	426
Accrued corporate taxes, etc.	1,515	1,593
Contract liabilities	1,750	1,441
Provision for bonuses	1,398	1,388
Provision for product warranties	212	341
Other	3,618	4,747
Total current liabilities	31,202	29,896
Fixed liabilities		
Long-term borrowings	3,292	2,097
Lease obligations	795	628
Deferred tax liabilities	7	4
Provision for retirement benefits for directors (and other officers)	—	122
Provision for product warranties	54	25
Retirement benefit liabilities	1,064	1,010
Provision for share-based remuneration for directors (and other officers)	92	90
Asset retirement obligations	30	36
Other	302	311
Total fixed liabilities	5,640	4,327
Total liabilities	36,843	34,223
Net assets		
Shareholders' equity		
Share capital	6,388	6,388
Share capital surplus	8,319	8,319
Retained earnings	19,142	23,471
Treasury shares	(172)	(162)
Total shareholders' equity	33,677	38,017
Accumulated other comprehensive income		
Unrealized gains on other marketable securities	31	45
Foreign currency translation adjustments	(1,250)	(511)
Accumulated adjustment on retirement benefits	43	122
Total accumulated other comprehensive income	(1,175)	(344)
Non-controlling interests	72	89
Total net assets	32,574	37,762
Total liabilities and net assets	69,418	71,986

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

(Million yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Consolidated Fiscal Year Under Review (From April 1, 2023 to March 31, 2024)
Net sales	59,028	61,955
Cost of sales	32,725	34,335
Gross profit	26,303	27,619
Selling, general and administrative expenses	18,827	19,664
Operating profit	7,475	7,955
Non-operating income		
Interest income	189	259
Dividend income	24	26
Foreign exchange gains	117	338
Rental income from land and buildings	50	48
Other	117	95
Total non-operating income	499	768
Non-operating expenses		
Interest expenses	289	412
Other	42	71
Total non-operating expenses	331	483
Ordinary profit	7,643	8,240
Extraordinary income		
Gain on sales of fixed assets	1	1
Total extraordinary income	1	1
Extraordinary loss		
Loss on sales of fixed assets	0	1
Loss on retirement of fixed assets	69	29
Impairment loss	—	258
Loss on valuation of investment securities	4	—
Total extraordinary loss	74	289
Net profit before taxes	7,571	7,952
Corporate tax, resident income tax and business taxes	2,500	2,572
Income taxes for prior periods	—	196
Corporate tax adjustments	(467)	(136)
Total corporate taxes	2,032	2,632
Profit	5,538	5,320
Net profit attributable to non-controlling interests	13	20
Net profit attributable to parent company shareholders	5,524	5,299

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Consolidated Fiscal Year Under Review (From April 1, 2023 to March 31, 2024)
Profit	5,538	5,320
Other comprehensive income		
Unrealized gains on other marketable securities	5	13
Foreign currency translation adjustments	1,030	740
Adjustment related to retirement benefits	(238)	78
Total other comprehensive income	797	833
Comprehensive income	6,335	6,153
(Breakdown)		
Comprehensive income attributable to parent company shareholders	6,319	6,130
Comprehensive income attributable to non-controlling interests	16	22

(3) Consolidated Statements of Changes in Net Assets
For the previous fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Share capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period under review	6,388	6,413	14,367	(1,044)	26,125
Changes during period					
Dividends of surplus			(749)		(749)
Net profit attributable to parent company shareholders			5,524		5,524
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		10	10
Change in interests of parent due to transactions with non-controlling interests		0			0
Increase by share exchanges		1,905		863	2,768
Net changes in items other than shareholders' equity					
Total changes during period	—	1,905	4,775	871	7,552
Balance at end of period under review	6,388	8,319	19,142	(172)	33,677

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gains on other marketable securities	Foreign currency translation adjustments	Accumulated adjustment on retirement benefits	Total accumulated other comprehensive income		
Balance at beginning of period under review	26	(2,278)	282	(1,969)	2,885	27,041
Changes during period						
Dividends of surplus						(749)
Net profit attributable to parent company shareholders						5,524
Purchase of treasury shares						(2)
Disposal of treasury shares						10
Change in interests of parent due to transactions with non-controlling interests					(36)	(35)
Increase by share exchanges					(2,768)	—
Net changes in items other than shareholders' equity	5	1,027	(238)	793	(7)	786
Total changes during period	5	1,027	(238)	793	(2,812)	5,533
Balance at end of period under review	31	(1,250)	43	(1,175)	72	32,574

For the fiscal year under review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Share capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period under review	6,388	8,319	19,142	(172)	33,677
Changes during period					
Dividends of surplus			(970)		(970)
Net profit attributable to parent company shareholders			5,299		5,299
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		12	13
Change in interests of parent due to transactions with non-controlling interests					—
Increase by share exchanges					—
Net changes in items other than shareholders' equity					
Total changes during period	—	0	4,329	10	4,339
Balance at end of period under review	6,388	8,319	23,471	(162)	38,017

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gains on other marketable securities	Foreign currency translation adjustments	Accumulated adjustment on retirement benefits	Total accumulated other comprehensive income		
Balance at beginning of period under review	31	(1,250)	43	(1,175)	72	32,574
Changes during period						
Dividends of surplus						(970)
Net profit attributable to parent company shareholders						5,299
Purchase of treasury shares						(2)
Disposal of treasury shares						13
Change in interests of parent due to transactions with non-controlling interests						—
Increase by share exchanges						—
Net changes in items other than shareholders' equity	13	738	78	831	17	848
Total changes during period	13	738	78	831	17	5,187
Balance at end of period under review	45	(511)	122	(344)	89	37,762

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Consolidated Fiscal Year Under Review (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net profit before taxes	7,571	7,952
Depreciation	1,701	1,746
Impairment loss	—	258
Amortization of goodwill	89	28
Amortization of trademark rights	0	0
Increase (decrease) in allowance for doubtful accounts	(13)	45
Interest and dividend income	(213)	(286)
Interest expenses	289	412
Commission for syndicated loans	—	34
Loss (gain) on sales of fixed assets	(1)	(0)
Loss on retirement of fixed assets	69	29
Decrease (increase) in trade receivables	(823)	(2,119)
Decrease (increase) in inventories	(3,037)	1,125
Increase (decrease) in trade payables	(492)	(227)
Increase (decrease) in provision for bonuses	138	(9)
Increase (decrease) in provision for product warranties	18	93
Increase (decrease) in retirement benefit liabilities	(318)	8
Decrease (increase) in retirement benefit assets	101	(172)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	9	(2)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	122
Other	951	761
Subtotal	6,038	9,800
Interest and dividends received	213	284
Interest expenses paid	(282)	(413)
Corporate taxes paid	(1,871)	(2,470)
Net cash provided by (used in) operating activities	4,096	7,201
Cash flows from investing activities		
Payments into time deposits	(666)	(617)
Proceeds from withdrawal of time deposits	834	710
Purchase of tangible fixed assets	(885)	(1,674)
Proceeds from sales of tangible fixed assets	2	3
Purchase of intangible fixed assets	(639)	(425)
Purchase of investment securities	(1)	(1)
Collection of loans receivable	2	—
Other	(11)	(2)
Net cash provided by (used in) investing activities	(1,364)	(2,007)

(Million yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Consolidated Fiscal Year Under Review (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,498	(1,787)
Proceeds from long-term borrowings	1,750	90
Repayments of long-term borrowings	(2,713)	(2,231)
Payment of commission for syndicated loans	—	(34)
Redemption of corporate bonds	—	(500)
Repayments of lease obligations	(411)	(404)
Proceeds from sale and leaseback transactions	137	169
Dividends paid	(746)	(967)
Dividends paid to non-controlling shareholders	(24)	(6)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(35)	—
Other, net	(2)	(2)
Net cash provided by (used in) financing activities	452	(5,674)
Effect of exchange rate change on cash and cash equivalents	117	182
Increase (decrease) in cash and cash equivalents	3,302	(298)
Balance of cash and cash equivalents at beginning of period	11,012	14,315
Balance of cash and cash equivalents at end of period	14,315	14,016

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of IAS 12 Income Taxes)

For our overseas consolidated subsidiaries that have adopted the International Financial Reporting Standards (IFRS), the Group has applied the IAS 12 Income Taxes (amended in May 2021) from the beginning of the fiscal year ended March 31, 2024. With this application, the accounting treatment upon initial recognition for transactions that generate equal taxable temporary differences and deductible temporary differences at the time of the transaction has been clarified. Deferred tax liabilities and deferred tax assets are recognized for these taxable temporary differences and deductible temporary differences, respectively, in the Consolidated Balance Sheets.

The impact on the consolidated financial statements due to this change in accounting policy is minimal.

(Segment information, etc.)

1. Summary of reportable segments

Reportable segments of the Group are components of the Group about which separate financial statements are available, which are evaluated regularly at Board of Directors meetings to guide decisions in how to allocate the management resources and in assessing performance. The Group manufactures and distributes semiconductor-related equipment, medical and healthcare equipment as well as measuring and weighing equipment. In Japan, the Company and its domestic subsidiaries are in charge. Outside Japan, overseas subsidiaries in the Americas (the U.S. and Canada), Europe (the UK, Germany, and Russia), Asia and Oceania (China, South Korea, India, Australia, etc.) are in charge of each region. Each of the overseas subsidiaries is an independent management unit which guides each region's comprehensive strategies for the products handled and develops its business activities.

Accordingly, the Group consists of regional segments on a basis of production and sale of the products handled ("semiconductor-related equipment," "medical and healthcare equipment" and "measuring and weighing equipment"). These three product lines are sorted into reportable segments of "Japan," "the Americas," "Europe" and "Asia and Oceania." The main products under each product line are as below.

Product line	Main products
Semiconductor-related Business	A/D and D/A converters, electron guns, semiconductor electron beam measurement and inspection equipment
Medical and Healthcare Equipment Business	Digital blood pressure monitors for household use, blood pressure monitoring systems, fully automatic blood pressure monitors, precision health scales, ultrasonic nebulizers, etc.
Measuring and Weighing Equipment Business	Measurement, control and simulation systems, noise and vibration comparators, testing equipment, electronic balances, weight scales, bench scales, commercial scales, counting scales, weighing systems, indicators, load cells, checkweighers, metal detectors, industrial measuring equipment, hydraulic testing equipment, emission measuring equipment, etc.

2. Method of measurement for the amounts of net sales, profit (loss), assets and other items for each reportable segment

The accounting method used for reporting segments is generally the same as stated in "Notes – Significant accounting policies for preparation of consolidated financial statements."

Reporting segment profit (loss) figures are based on operating profits and losses.

Inter-segment sales and transfers are based on market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment
For the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Million yen)

	Semiconductor-related Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	6,916	—	—	—	6,916
Inter-segment net sales or transfers	—	—	—	—	—
Total	6,916	—	—	—	6,916
Segment profit	2,339	—	—	—	2,339
Segment assets	11,704	—	—	—	11,704
Other items					
Depreciation	151	—	—	—	151
Amortization of goodwill	76	—	—	—	76
Impairment loss	—	—	—	—	—
Increases in tangible and intangible fixed assets	130	—	—	—	130

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	5,429	9,286	9,390	405	24,511
Inter-segment net sales or transfers	11,649	3	5	8,668	20,326
Total	17,078	9,289	9,395	9,074	44,838
Segment profit	2,906	139	1,376	253	4,675
Segment assets	7,885	4,880	6,836	3,954	23,556
Other items					
Depreciation	163	57	86	200	508
Amortization of goodwill	—	3	—	—	3
Impairment loss	—	—	—	—	—
Increases in tangible and intangible fixed assets	255	156	324	455	1,193

	Measuring and Weighing Equipment Business					Adjustments (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	16,325	5,533	904	4,837	27,600	—	59,028
Inter-segment net sales or transfers	3,519	468	0	3,283	7,272	(27,598)	—
Total	19,844	6,001	905	8,120	34,872	(27,598)	59,028
Segment profit	1,232	702	101	503	2,539	(2,079)	7,475
Segment assets	32,237	3,834	622	6,950	43,645	(9,489)	69,418
Other items							
Depreciation	767	52	13	145	978	62	1,701
Amortization of goodwill	—	—	—	9	9	—	89
Impairment loss	—	—	—	—	—	—	—
Increases in tangible and intangible fixed assets	883	201	18	187	1,292	77	2,692

- Notes: 1. (1) The adjustment of ¥(2,079) million in segment profit includes corporate expenses of ¥(1,755) million not allocated to reportable segments and elimination of unrealized gains on inventories in inter-segment transactions of ¥(370) million. Corporate expenses are primarily general and administrative expenses for management departments.
- (2) The adjustment of ¥(9,489) million in segment assets includes eliminations of inter-segment transactions of ¥(15,229) million and corporate assets of ¥5,740 million not allocated to reportable segments.
- (3) The adjustment of ¥77 million in increases in tangible and intangible fixed assets is primarily capital expenditures for core systems.
- (4) Depreciation and increases in tangible and intangible fixed assets include amortization of long-term prepaid expenses and increases in these expenses.
2. Segment profit is adjusted with operating profit on the Consolidated Statements of Income.

For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Million yen)

	Semiconductor-related Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	10,329	—	—	—	10,329
Inter-segment net sales or transfers	—	—	—	—	—
Total	10,329	—	—	—	10,329
Segment profit (loss)	3,785	—	—	—	3,785
Segment assets	12,892	—	—	—	12,892
Other items					
Depreciation	194	—	—	—	194
Amortization of goodwill	19	—	—	—	19
Impairment loss	—	—	—	—	—
Increases in tangible and intangible fixed assets	1,040	—	—	—	1,040

	Medical and Healthcare Equipment Business				
	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
Net sales to outside customers	5,408	9,762	8,015	377	23,563
Inter-segment net sales or transfers	11,072	0	16	7,834	18,923
Total	16,480	9,763	8,032	8,211	42,487
Segment profit (loss)	2,878	609	425	335	4,249
Segment assets	9,474	5,154	7,456	4,226	26,312
Other items					
Depreciation	180	58	93	225	556
Amortization of goodwill	—	—	—	—	—
Impairment loss	—	—	—	—	—
Increases in tangible and intangible fixed assets	456	5	64	94	621

	Measuring and Weighing Equipment Business					Adjustments (Note 1)	Consolidation (Note 2)
	Japan	Americas	Europe	Asia and Oceania	Total		
Net sales							
Net sales to outside customers	18,331	4,222	601	4,906	28,062	—	61,955
Inter-segment net sales or transfers	2,600	595	—	2,585	5,781	(24,705)	—
Total	20,932	4,818	601	7,491	33,843	(24,705)	61,955
Segment profit (loss)	1,448	158	(104)	260	1,762	(1,842)	7,955
Segment assets	31,026	4,108	422	7,594	43,151	(10,369)	71,986
Other items							
Depreciation	714	59	9	146	929	66	1,746
Amortization of goodwill	—	—	—	9	9	—	28
Impairment loss	258	—	—	—	258	—	258
Increases in tangible and intangible fixed assets	520	45	2	144	712	45	2,419

- Notes: 1. (1) The adjustment of ¥(1,842) million in segment profit (loss) includes corporate expenses of ¥(1,576) million not allocated to reportable segments and elimination of unrealized gains on inventories in inter-segment transactions of ¥(386) million. Corporate expenses are primarily general and administrative expenses for management departments.
- (2) The adjustment of ¥(10,369) million in segment assets includes eliminations of inter-segment transactions of ¥(15,997) million and corporate assets of ¥5,628 million not allocated to reportable segments.
- (3) The adjustment of ¥45 million in increases in tangible and intangible fixed assets is primarily capital expenditures for core systems.
- (4) Depreciation and increases in tangible and intangible fixed assets include amortization of long-term prepaid expenses and increases in these expenses.
2. Segment profit (loss) is adjusted with operating profit on the Consolidated Statements of Income.

(Per share information)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Consolidated Fiscal Year Under Review (From April 1, 2023 to March 31, 2024)
Net assets per share	¥1,183.98	¥1,370.71
Basic earnings per share	¥201.33	¥192.91
Diluted earnings per share	¥201.14	¥192.73

(Notes)

1. The basis for the calculation of net assets per share is as follows.

	End of Previous Consolidated Fiscal Year (March 31, 2023)	End of Consolidated Fiscal Year Under Review (As of March 31, 2024)
Total net assets	¥32,574 million	¥37,762 million
Amounts deducted from total net assets	¥72 million	¥89 million
(Of which, non-controlling interests)	(¥72 million)	(¥89 million)
Net assets at end of period relating to common shares	¥32,502 million	¥37,672 million
Number of common shares at end of period used to calculate net assets per share	27,451 thousand	27,484 thousand

2. The basis for the calculation of basic earnings per share and diluted earnings per share is as follows.

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Consolidated Fiscal Year Under Review (From April 1, 2023 to March 31, 2024)
Basic earnings per share		
Net profit attributable to parent company shareholders	¥5,524 million	¥5,299 million
Amounts not attributable to common shareholders	¥— million	¥— million
Net profit attributable to parent company shareholders relating to common shares	¥5,524 million	¥5,299 million
Average number of shares during the period	27,441 thousand	27,473 thousand
Diluted earnings per share		
Adjusted net profit attributable to parent company shareholders	¥— million	¥— million
Increase in number of common shares	25 thousand	25 thousand
(Of which, share acquisition rights)	(25 thousand)	(25 thousand)
Overview of potential shares not included in calculation of diluted earnings per share due to lack of dilutive effect	—	—

3. The Company's own stock held in the Trust, which is included in "treasury shares" under shareholders' equity, is deducted from average number of shares of common stock when calculating basic earnings per share. It is also deducted from the total number of issued shares at the end of the period when calculating net assets per share.

In the calculation of basic earnings per share, the average number of the deducted treasury shares during the period is 286 thousand shares for the previous consolidated fiscal year and 252 thousand shares for the consolidated fiscal year under review. In the calculation of net assets per share, the number of deducted treasury shares at the end of the period is 275 thousand shares for the previous consolidated fiscal year and 241 thousand shares for the consolidated fiscal year under review.

(Significant subsequent events)

Not applicable.

4. Others

Changes in Officers and Directors

(1) Changes in Representatives

Not applicable.

(2) Changes in other officers

Once the content of the disclosure is determined, it will be disclosed separately.