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May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6832
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 Scheduled date of annual meeting of shareholders: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Scheduled data to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

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

(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, 2024	33,941	(8.8)	(1,548)	–	(1,287)	–	(5,260)	–
March 31, 2023	37,231	(14.1)	158	(95.2)	501	(87.9)	14	(99.5)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥(4,769) million [–%]
 For the fiscal year ended March 31, 2023: ¥263 million [(90.4)%]

	Basic earnings per share	Diluted earnings per share	Return on Equity	Return on Assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	(439.81)	–	(11.2)	(2.4)	(4.6)
March 31, 2023	1.25	–	0.0	0.8	0.4

Reference: Equity in net income of affiliates

For the fiscal year ended March 31, 2024: ¥(9) million
 For the fiscal year ended March 31, 2023: ¥(3) million

(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, 2024	50,134	43,161	86.1	3,854.03
March 31, 2023	57,368	50,537	88.1	4,211.84

Reference: Equity As of March 31, 2024: ¥43,161 million
 As of March 31, 2023: ¥50,537 million

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at the end of the year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	2,705	(2,964)	(2,266)	23,056
March 31, 2023	3,588	(3,850)	(1,418)	25,561

2. Cash dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	–	27.00	–	29.00	56.00	671	4,480.0	1.3
March 31, 2024	–	25.00	–	29.00	54.00	624	–	1.3
March 31, 2025 (Forecast)	–	25.00	–	29.00	54.00		84.0	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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
Second quarter	17,800	4.2	450	–	450	–	280	–	25.00
Full year	36,500	7.5	1,050	–	1,050	–	720	–	64.29

*** 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: None
 - (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, 2024	12,000,000 shares
As of March 31, 2023	12,000,000 shares

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

As of March 31, 2024	800,975 shares
As of March 31, 2023	975 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	11,961,867 shares
Fiscal year ended March 31, 2023	11,999,069 shares

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

* Proper use of earnings forecasts, and other special matters

Although the financial results forecast was calculated based on information currently available as of the announcement date of these materials, a considerable number of uncertain factors are also included. Please understand that actual financial results may differ significantly from the forecasts presented in these materials due to changes to business conditions, etc.

Means of access to supplementary material on financial results

The supplementary material on financial results will be available on the Company's website.

Attached Materials

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1. Summary of operating results, etc.

(1) Operating results

1) Operating results during this fiscal year

During the fiscal year ended March 31, 2024, the Japanese economy maintained its track of recovery with increased services consumption and higher demand from inbound tourism resulting from the normalization of social and economic activities following the lifting of COVID-19 related activity restrictions. On the other hand, the economic outlook remains uncertain due to persistent high prices, concerns about a worsening global economy caused by geopolitical risks, and other factors. Overseas, although the U.S. economy has underlying strength mainly from the support of expanding personal consumption amid a strong employment environment, the economy in China lacked strength mainly due to a prolonged real estate recession, a rising youth unemployment rate, and weak consumer and business sentiments. In addition, the level of uncertainty for the global economy remains high, due to prolonged geopolitical risks in Eastern Europe and the Middle East, and other factors.

In the electronic components industry, to which the Group belongs, although some products appear to have found the bottom of a slump in demand, sluggish demand caused by rapidly worsening market conditions has led to the continuation of extremely severe conditions for components for mobile information devices and consumer devices which have experienced a slow pace of market recovery, thereby prolonging their inventory adjustment phase due to the stagnant Chinese economy in particular.

Amid these circumstances, for the fiscal year ended March 31, 2024, consolidated net sales totaled ¥33,941 million (decrease of ¥3,290 million (-8.8%) year on year), operating loss totaled ¥1,548 million (compared with operating profit of ¥158 million in the same period of the previous fiscal year) due to soaring raw material prices such as precious metals as well as the decrease in net sales, ordinary loss totaled ¥1,287 million (compared with ordinary profit of ¥501 million in the same period of the previous fiscal year) despite foreign exchange gains, and loss attributable to owners of parent totaled ¥5,260 million (compared with profit attributable to owners of parent of ¥14 million in the same period of the previous fiscal year) due to the recoding of impairment losses and reversal of deferred tax assets.

With regard to the Group's net sales by category, integrated circuits recorded ¥30,011 million (decrease of ¥2,409 million (-7.4%) year on year) due to a decline in demand for components for mobile information devices and consumer devices. Sales of functional components totaled ¥3,923 million (decrease of ¥852 million (-17.9%) year on year) due to the production termination of some products and a significant slump in orders for thermal print heads for overseas markets.

2) Outlook

The Company forecasts a continuation of uncertain conditions due to concerns about economic stagnation caused by global monetary tightening, the sluggish Chinese economy, and further increases in resource prices, and other factors. Further, in the electronic components industry, to which the Group belongs, although demand is expected to grow against the backdrop of rapid development of generation AI, etc., there are concerns that it will take time for the market to recover in earnest for components for mobile information devices and consumer devices, and that the inventory adjustment phase will be further prolonged, as well as the current slowdown in the shift to EVs. Under such circumstances, the Group will accurately grasp changes in the market environment, strengthen its efforts to improve productivity and efficiency and thoroughly reduce costs, and aggressively invest management resources in markets with high growth potential.

Based on these circumstances, for the fiscal year ending March 31, 2025, the Company forecasts consolidated net sales of ¥36,500 million (increase of ¥2,558 million (+7.5%) year-on-year), ordinary profit of ¥1,050 million (compared with ordinary loss of ¥1,287 million in the same period of the previous fiscal year), and profit attributable to owners of parent of ¥720 million (compared with loss attributable to owners of parent of ¥5,260 million in the same period of the previous fiscal year).

Forecasts are prepared based on the information currently available as of the announcement date of these materials. Actual performance may vary from forecasts based on various factors.

(2) Financial position

1) Assets, liabilities, and net assets

Assets as of March 31, 2024, decreased ¥7,234 million from the end of the previous fiscal year mainly due to decreases in cash and deposits, and property, plant and equipment. Liabilities increased ¥141 million from the end of the previous fiscal year mainly due to increases in long-term borrowings and deferred tax liabilities. As a result, net assets totaled ¥43,161 million (decrease of ¥7,376 million from the end of the previous fiscal year), and the equity-to-asset ratio decreased 2.0 percentage points to 86.1%.

2) Cash flow

For the fiscal year ended March 31, 2024, cash and cash equivalents (hereinafter “cash”) was ¥23,056 million, a decrease of ¥2,505 million (-9.8%) from the end of the previous fiscal year.

(Cash flow from operating activities)

As a result of operating activities, cash increased ¥2,705 million (cash increased ¥3,588 million the previous year). Major reasons for cash increases were ¥3,110 million in depreciation and ¥3,060 million in impairment losses. Major reasons for cash decreases were an increase of ¥108 million in retirement benefit asset and ¥50 million in gain on sale of non-current assets.

(Cash flow from investing activities)

As a result of investing activities, cash decreased ¥2,964 million (cash decreased ¥3,850 million the previous year). Major reasons for cash decreases were ¥2,943 million in purchase of property, plant and equipment and ¥137 million in payments for retirement of property, plant and equipment.

(Cash flow from financing activities)

As a result of financing activities, cash decreased ¥2,266 million (cash decreased ¥1,418 million the previous year). Major reason for cash increases was ¥1,770 million in proceeds from long-and short-term borrowings. Major reasons for cash decreases were ¥1,364 million in repayments of long-and short-term borrowings as well as ¥1,959 million in purchase of treasury shares.

(3) Basic policy regarding distribution of profits and dividends for current and next fiscal year

While preserving internal reserves for future business development and strengthening the company fortitude, the Company considers the stable return of profit to shareholders one priority. After making a comprehensive judgement of profit status and the payout ratio, the Company strives to continue making stable dividends.

Regarding the use of internal reserves, as the industry of the Company is equipment intensive, the Company aims to invest in development for new products with a long-term perspective, develop and improve on equipment to enhance efficiency and streamline, and strengthen the price competitiveness based on a basic policy of expanding overall company profit through reinvestment of profit to respond to the acceleration of changes to mass production lines corresponding with faster technological innovation and shorter product life cycles.

In consideration of the above policy and next year forecasts, the Company set the fiscal year-end dividend at ¥29 per share. Along with the interim dividend of ¥25, the annual dividend was ¥54 per share.

The interim dividend for the 56th fiscal year was approved by the Board of Directors held on October 27, 2023.

The Company plans for the dividend for next fiscal year to be ¥54 per share (¥25 for interim, ¥29 for fiscal year-end).

2. Basic thinking regarding selection of accounting standards

The Group applies the Japanese GAAP for accounting standards in order to compare results with other Japanese companies.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	22,561,943	20,056,678
Notes and accounts receivable - trade	6,247,175	6,520,586
Electronically recorded monetary claims - operating	2,113,781	1,683,421
Securities	3,000,000	3,000,000
Merchandise and finished goods	83,755	63,176
Work in process	1,118,635	905,065
Raw materials and supplies	2,225,637	1,954,610
Prepaid expenses	78,967	86,392
Other	785,646	678,473
Total current assets	38,215,541	34,948,405
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,166,342	22,578,392
Accumulated depreciation and impairment	(15,690,299)	(17,007,723)
Buildings and structures, net	5,476,042	5,570,669
Machinery, equipment and vehicles	46,225,613	45,463,641
Accumulated depreciation and impairment	(43,367,398)	(44,714,908)
Machinery, equipment and vehicles, net	2,858,214	748,732
Tools, furniture and fixtures	8,865,107	8,778,433
Accumulated depreciation and impairment	(8,349,649)	(8,686,858)
Tools, furniture and fixtures, net	515,457	91,575
Land	3,464,288	3,453,102
Leased assets	348,453	311,308
Accumulated depreciation and impairment	(196,798)	(208,047)
Leased assets, net	151,654	103,260
Construction in progress	1,577,451	541,684
Total property, plant and equipment	14,043,109	10,509,025
Intangible assets		
Goodwill	123,667	-
Other	154,630	117,174
Total intangible assets	278,297	117,174
Investments and other assets		
Investment securities	2,755,349	2,948,981
Retirement benefit asset	778,130	1,320,318
Deferred tax assets	937,957	47,428
Other	360,432	242,908
Total investments and other assets	4,831,870	4,559,637
Total non-current assets	19,153,278	15,185,837
Total assets	57,368,820	50,134,243

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,630,025	1,719,617
Electronically recorded obligations - operating	851,717	916,022
Short-term borrowings	190,000	190,000
Current portion of long-term borrowings	160,496	233,496
Lease liabilities	63,870	52,292
Accounts payable - other	2,074,116	1,694,444
Income taxes payable	51,533	62,151
Provision for bonuses	712,970	681,035
Other	594,581	535,235
Total current liabilities	6,329,312	6,084,296
Non-current liabilities		
Long-term borrowings	141,681	474,185
Lease liabilities	95,408	60,855
Deferred tax liabilities	2,121	230,681
Retirement benefit liability	175,496	37,430
Asset retirement obligations	27,742	27,890
Other	59,121	57,476
Total non-current liabilities	501,571	888,518
Total liabilities	6,830,884	6,972,815
Net assets		
Shareholders' equity		
Share capital	4,545,500	4,545,500
Capital surplus	5,790,950	5,790,950
Retained earnings	39,745,691	33,836,814
Treasury shares	(2,028)	(1,961,228)
Total shareholders' equity	50,080,112	42,212,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	232,553	310,676
Remeasurements of defined benefit plans	225,270	638,714
Total accumulated other comprehensive income	457,823	949,391
Total net assets	50,537,936	43,161,427
Total liabilities and net assets	57,368,820	50,134,243

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	37,231,391	33,941,324
Cost of sales	32,722,877	31,182,283
Gross profit	4,508,513	2,759,041
Selling, general and administrative expenses	4,350,367	4,308,028
Operating profit (loss)	158,146	(1,548,987)
Non-operating income		
Interest income	1,575	2,294
Dividend income	84,734	56,295
Foreign exchange gains	149,375	116,027
Rental income	33,014	31,397
Subsidy income	13,997	29,896
Compensation income	29,073	37,353
Technical support fee income	73,589	69,605
Other	60,330	65,508
Total non-operating income	445,690	408,379
Non-operating expenses		
Interest expenses	4,730	3,949
Compensation expenses	43,416	89,502
Depreciation of assets for rent	33,415	32,087
Share of loss of entities accounted for using equity method	3,602	9,982
Other	17,386	11,230
Total non-operating expenses	102,552	146,751
Ordinary profit (loss)	501,284	(1,287,359)
Extraordinary income		
Gain on sale of non-current assets	27,842	71,693
Gain on sale of investment securities	–	1,040
Total extraordinary income	27,842	72,733
Extraordinary losses		
Loss on sale of non-current assets	–	21,293
Loss on retirement of non-current assets	248,710	36,954
Impairment losses	15,016	3,060,024
Environmental expenses	51,467	19,590
Total extraordinary losses	315,193	3,137,862
Profit (loss) before income taxes	213,933	(4,352,488)
Income taxes - current	148,004	10,099
Income taxes - deferred	50,974	898,340
Total income taxes	198,979	908,440
Profit (loss)	14,954	(5,260,929)
Profit (loss) attributable to owners of parent	14,954	(5,260,929)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	14,954	(5,260,929)
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,439)	78,123
Remeasurements of defined benefit plans, net of tax	260,377	413,444
Total other comprehensive income	248,937	491,567
Comprehensive income	263,891	(4,769,361)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	263,891	(4,769,361)
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,545,500	5,790,950	40,402,686	(1,881)	50,737,255
Changes during period					
Dividends of surplus			(671,949)		(671,949)
Profit attributable to owners of parent			14,954		14,954
Purchase of treasury shares				(147)	(147)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(656,995)	(147)	(657,143)
Balance at end of period	4,545,500	5,790,950	39,745,691	(2,028)	50,080,112

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	243,992	(35,106)	208,886	50,946,141
Changes during period				
Dividends of surplus				(671,949)
Profit attributable to owners of parent				14,954
Purchase of treasury shares				(147)
Net changes in items other than shareholders' equity	(11,439)	260,377	248,937	248,937
Total changes during period	(11,439)	260,377	248,937	(408,205)
Balance at end of period	232,553	225,270	457,823	50,537,936

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,545,500	5,790,950	39,745,691	(2,028)	50,080,112
Changes during period					
Dividends of surplus			(647,947)		(647,947)
Profit (loss) attributable to owners of parent			(5,260,929)		(5,260,929)
Purchase of treasury shares				(1,959,200)	(1,959,200)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(5,908,876)	(1,959,200)	(7,868,076)
Balance at end of period	4,545,500	5,790,950	33,836,814	(1,961,228)	42,212,036

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	232,553	225,270	457,823	50,537,936
Changes during period				
Dividends of surplus				(647,947)
Profit (loss) attributable to owners of parent				(5,260,929)
Purchase of treasury shares				(1,959,200)
Net changes in items other than shareholders' equity	78,123	413,444	491,567	491,567
Total changes during period	78,123	413,444	491,567	(7,376,508)
Balance at end of period	310,676	638,714	949,391	43,161,427

(4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	213,933	(4,352,488)
Depreciation	3,307,537	3,110,340
Impairment losses	15,016	3,060,024
Amortization of goodwill	12,683	12,683
Loss on retirement of non-current assets	248,710	36,954
Loss (gain) on sale of non-current assets	(27,842)	(50,400)
Loss (gain) on sale of investment securities	-	(1,040)
Increase (decrease) in provision for bonuses	(8,691)	(31,935)
Decrease (increase) in retirement benefit asset	(23,743)	(108,037)
Increase (decrease) in retirement benefit liability	(43,889)	30,314
Interest and dividend income	(86,309)	(58,590)
Interest expenses	4,730	3,949
Foreign exchange losses (gains)	(128,483)	(20,494)
Share of loss (profit) of entities accounted for using equity method	3,602	9,982
Rental income	(33,014)	(31,397)
Subsidy income	(13,997)	(29,896)
Environmental expenses	51,467	19,590
Decrease (increase) in trade receivables	3,298,575	156,948
Decrease (increase) in inventories	(435,652)	505,175
Increase (decrease) in trade payables	(1,493,565)	153,896
Other, net	(95,895)	(195,927)
Subtotal	4,765,172	2,219,651
Interest and dividends received	92,428	63,392
Interest paid	(5,179)	(3,997)
Proceeds from rental income	32,690	31,397
Subsidies received	365,301	29,896
Environmental expenses paid	(33,987)	(102,772)
Income taxes refund (paid)	(1,628,164)	467,596
Net cash provided by (used in) operating activities	3,588,261	2,705,164
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,725,477)	(2,943,406)
Payments for retirement of property, plant and equipment	(47,657)	(137,999)
Proceeds from sale of property, plant and equipment	28,618	167,063
Purchase of intangible assets	(37,068)	(54,513)
Purchase of investment securities	(100,000)	(100,000)
Proceeds from sale of investment securities	-	2,310
Other, net	31,303	102,360
Net cash provided by (used in) investing activities	(3,850,281)	(2,964,185)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,140,000	1,140,000
Repayments of short-term borrowings	(1,140,000)	(1,140,000)
Proceeds from long-term borrowings	-	630,000
Repayments of long-term borrowings	(306,028)	(224,496)
Repayments of lease liabilities	(67,218)	(65,094)
Repayments of installment payables	(373,618)	-
Dividends paid	(671,949)	(647,947)
Purchase of treasury shares	(147)	(1,959,200)
Net cash provided by (used in) financing activities	(1,418,961)	(2,266,737)
Effect of exchange rate change on cash and cash equivalents	128,483	20,494
Net increase (decrease) in cash and cash equivalents	(1,552,498)	(2,505,264)
Cash and cash equivalents at beginning of period	27,114,441	25,561,943
Cash and cash equivalents at end of period	25,561,943	23,056,678

(5)Notes to consolidated financial statements

Notes on premise of going concern

Not applicable

Segment information

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

The Group consists of a single operating segment, of which business activities are manufacturing and selling electric and electronic components, and the entire Group formulates comprehensive business strategies and conducts business activities. Accordingly, segment information has been omitted.

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

The Group consists of a single operating segment, of which business activities are manufacturing and selling electric and electronic components, and the entire Group formulates comprehensive business strategies and conducts business activities. Accordingly, segment information has been omitted.

Information per share

Item	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Net assets per share (yen)	4,211.84	3,854.03
Basic earnings (loss) per share (yen)	1.25	(439.81)

Notes: 1. Diluted earnings per share are not included because there are no dilutive shares.
2. The basis used for calculating basic earnings per share and basic loss per share is as follows.

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit (loss) attributable to owners of parent (thousands of yen)	14,954	(5,260,929)
Amount not attributable to common shareholders (thousands of yen)	–	–
Profit (loss) attributable to owners of the parent pertaining to common shares (thousands of yen)	14,954	(5,260,929)
Average number of common shares outstanding during the period (thousands of shares)	11,999	11,961

Important subsequent events

Not applicable

4. Other

Changes in officers

(1) Change in representative
Not applicable

(2) Changes in other directors and officers (scheduled for June 25, 2024)

- Retiring Director
Koji Nakayama, Chairman
- Candidate for Director to be newly elected
Yoshiaki Aizawa, Director (currently Corporate Officer and General Manager of 1st Technical Division)