

# Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023 [J-GAAP]

May 9, 2023

## NIPPON KANZAI Holdings Co., Ltd. (for NIPPON KANZAI Co., Ltd.)

Listed exchange: Tokyo Stock Exchange, Prime Market  
 Securities code: 9347 URL: <https://www.nkanzaihd.co.jp/en/>  
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 Date of annual general meeting of shareholders: June 27, 2023  
 Filing date of securities report: N/A  
 Date to start dividends distribution: June 28, 2023  
 Supplementary materials for results: Yes  
 Results briefing meeting held: Yes (for institutional investors and analysts)

\*Amounts below one million yen have been rounded down.

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

#### (1) Consolidated business results

(Percentage figures indicate the rate of change from the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	113,045	9.0	8,341	11.2	8,662	4.7
Fiscal year ended March 31, 2022	103,737	(0.4)	7,500	(0.6)	8,276	3.7

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥6,146 million [-11.8%]  
 Fiscal year ended March 31, 2022: ¥6,968 million [17.5%]

	Profit Attributable to Owners of Parent		Profit per Share	Diluted Profit per Share
	Millions of yen	%	Yen	Yen
Fiscal year ended March 31, 2023	5,658	(8.4)	151.37	—
Fiscal year ended March 31, 2022	6,177	20.0	165.24	—

	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	%	%	%
Fiscal year ended March 31, 2023	9.1	10.2	7.4
Fiscal year ended March 31, 2022	10.7	10.1	7.2

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

Fiscal year ended March 31, 2023: ¥(143) million  
 Fiscal year ended March 31, 2022: ¥439 million

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	87,175	65,479	73.8	1,721.13
As of March 31, 2022	82,141	61,652	73.5	1,614.97

(Reference) Equity: As of March 31, 2023: ¥64,341 million  
 As of March 31, 2022: ¥60,372 million

#### (3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	7,763	(4,511)	(3,717)	32,041
Fiscal year ended March 31, 2022	4,456	(1,840)	(3,074)	32,444

## 2. Dividends

	Annual dividends					Total Dividends Paid (full year)	Dividend Payout Ratio (consolidated)	Dividends to Net Assets (consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	27.00	—	27.00	54.00	2,018	32.7	3.5
Fiscal year ended March 31, 2023	—	27.00	—	27.00	54.00	2,018	35.7	3.2
Fiscal year ending March 31, 2024 (forecast)	—	27.00	—	27.00	54.00		33.6	

(Notes) 1. For the fiscal years ended March 31, 2022, and March 31, 2023, the annual dividends of NIPPON KANZAI Co., Ltd. are indicated.

2. For the fiscal year ending March 31, 2024 (forecast), the dividend forecast of NIPPON KANZAI Holdings Co., Ltd., the wholly owning parent company of NIPPON KANZAI Co., Ltd., is indicated.

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

(Percentage figures for the full year indicate the rate of change from the previous fiscal year.

Percentage figures for the first six months indicate the rate of change from the same period of the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	55,800	3.8	3,900	(7.1)	4,200	(11.5)	2,750	(10.4)	73.56
Full year	118,600	4.9	8,600	3.1	9,100	5.0	6,000	6.0	160.50

(Note) The consolidated earnings forecast of NIPPON KANZAI Holdings Co., Ltd., the wholly owning parent company of NIPPON KANZAI Co., Ltd., is indicated.

### \* Notes

(1) Changes of significant subsidiaries during the period (changes in specific subsidiaries associated with changes in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement of revisions

- |   |      |
|---|------|
| 1) Changes in accounting policies due to revisions of accounting standards, etc.: | Yes  |
| 2) Changes in accounting policies other than 1) above:                            | None |
| 3) Changes in accounting estimates:   | None |
| 4) Restatement of revisions:  | None |

(3) Number of shares issued and outstanding (common stock)

- Number of shares issued and outstanding (including treasury stock)
- Treasury stock (number of shares)
- Average number of shares issued and outstanding

1)	As of March 31, 2023	41,180,306 shares	As of March 31, 2022	41,180,306 shares
2)	As of March 31, 2023	3,797,106 shares	As of March 31, 2022	3,797,012 shares
3)	Fiscal year ended March 31, 2023	37,383,265 shares	Fiscal year ended March 31, 2022	37,383,416 shares

**(Reference) Summary of non-consolidated financial results****1. Non-consolidated results for the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)****(1) Non-consolidated business results**

(Percentage figures indicate the rate of change from the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	70,507	9.7	4,909	6.9	7,520	12.8
Fiscal year ended March 31, 2022	64,253	0.5	4,590	2.2	6,664	6.4

	Profit		Profit per Share	Diluted Profit per Share
	Millions of yen	%	Yen	Yen
Fiscal year ended March 31, 2023	5,810	2.8	155.43	—
Fiscal year ended March 31, 2022	5,651	15.1	151.19	—

**(2) Non-consolidated financial position**

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	64,435	51,289	79.6	1,371.99
As of March 31, 2022	59,622	47,787	80.2	1,278.32

(Reference) Equity: As of March 31, 2023: ¥51,289 million  
As of March 31, 2022: ¥47,787 million

**2. Non-consolidated business forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)**

No earnings forecast is indicated, as NIPPON KANZAI Co., Ltd. was delisted on March 30, 2023.

\* **This financial report is not subject to audit procedures by certified public accountants or audit corporations.**

**\* Explanation regarding the appropriate use of business forecasts and other notes**

(Notes to forward-looking statements)

On April 3, 2023, NIPPON KANZAI Co., Ltd. established NIPPON KANZAI Holdings Co., Ltd. as its wholly owning parent company via single stock transfer and became a wholly owned subsidiary. The business forecasts reported herein were prepared based on information NIPPON KANZAI Holdings Co., Ltd. had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. Actual results may differ significantly from forecasts due to various factors. Please refer to the disclaimers provided under “1. Overview of business results, etc.; (4) Future outlook” on page 3 of the Attached Document of this financial report regarding assumptions upon which forecasts are based and the use of forecasts.

(How to obtain supplementary materials on financial results)

NIPPON KANZAI Holdings Co., Ltd. plans to hold a financial results briefing of NIPPON KANZAI Co., Ltd. for institutional investors and analysts on Tuesday, May 30, 2023. The presentation materials for the financial results briefing will be posted on the Company’s website after the briefing is over.

(Filing of securities report)

No filing date of securities report is indicated, as NIPPON KANZAI Co., Ltd. was delisted on March 30, 2023, and no securities report will be filed.

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## 1. Overview of business results, etc.

### (1) Overview of business results for the period

During the current fiscal year (fiscal year ended March 31, 2023), the Japanese economy showed a pickup in economic activities as movement restrictions to prevent the spread of COVID-19 were eased in stages. The outlook still remains uncertain, however, under the impact of currency exchange fluctuation risks due to rapid depreciation of the yen on top of surging resource and raw material prices caused by the prolonged situation in Ukraine.

In the real estate services industry, vacancy rates for office buildings and retail facilities in urban areas remained high as a result of the advancement of teleworking and establishment of satellite offices as countermeasures against COVID-19. In addition, with surging resource and raw material prices and rising labor costs leading to client companies becoming more conscious of reducing costs, a severe business environment is expected to continue going forward.

In such a business environment, the Nippon Kanzai Group (hereinafter “the Group”) has continued to pursue “optimal building management” through its advanced technologies and responsiveness in order to continuously provide high-quality services that match customer needs, endeavoring to enhance the asset value of buildings.

The Group has also endeavored to further strengthen and improve Building Management and Operations, its core business, while proactively implementing operations in peripheral fields such as private finance initiatives (PFI) and public facilities management projects.

Consolidated net sales for the current fiscal year increased by 9.0% year on year to 113,045 million yen due to an increase in orders for construction-related services, on top of steady entrustment of new management projects and contract renewals.

In terms of profit, despite the increase in personnel and outsourcing expenses, efforts to revise fees and reduce costs resulted in an increase in operating income of 11.2% year on year to 8,341 million yen and an increase in ordinary income of 4.7% year on year to 8,662 million yen. Profit attributable to owners of parent decreased 8.4% year on year to 5,658 million yen due to an increase in tax expenses.

The following are business results by segment.

Segment income has been adjusted to operating income described in the consolidated statements of income.

#### Building Management and Operations

With regard to Building Management and Operations, the Group’s core business that focuses on building management and security services, steady entrustment of new management projects and contract renewals resulted in net sales for the segment for the current fiscal year increasing by 7.9% year on year to 77,691 million yen.

In terms of profit, despite an increase in personnel and outsourcing expenses, efforts to revise fees and reduce costs resulted in segment income increasing by 7.4% year on year to 10,649 million yen.

#### Residential Management and Operations

For Residential Management and Operations, which mainly consists of managing rental apartment buildings and condominiums as well as public housing, net sales for the current fiscal year was 18,130 million yen, up 6.8% year on year, due to an increase in repair work in the management of public housing.

In terms of profit, continuous efforts to reduce costs resulted in segment income of 1,825 million yen, a year-on-year increase of 7.8%.

#### Environmental Facilities Management

With regard to Environmental Facilities Management, which mainly consists of managing water treatment, sewage disposal and other public facilities related to the overall living environment, net sales for the current fiscal year increased by 12.0% year on year to 12,936 million yen due to steady renewal of existing management contracts and an increase in orders for construction-related work.

Looking at profit, despite the impact of surging resource prices and other factors, segment income increased by 7.4% year on year to 1,697 million yen as a result of the Group’s efforts in cost reduction with a focus on realignment of personnel assignments.

#### Real Estate Fund Management

For Real Estate Fund Management, which mainly consists of asset management (i.e. arrangement and asset management of real estate funds) and handling of investments in silent partnership, net sales for the current fiscal year increased by 27.5% year on year to 1,950 million yen due to an increase in income from the sale of assets under management and from sublease contracts.

As for profit, segment income increased by 39.6% year on year to 60 million yen as a result of the Group’s efforts to reduce costs with a focus on realignment of personnel assignments.

#### Other Businesses

In Other Businesses, which consist mainly of event planning and management, design and payroll accounting services, net sales for the current fiscal year increased by 32.7% to 2,647 million yen and segment income rose by 17.4% to 369 million yen, both on a year-on-year basis. This was due to an increase in orders for event services and contribution of business performance of NEOTRUST Co., Ltd., which became a consolidated subsidiary at the end of the second quarter of the fiscal period ended March 31, 2022.

**(2) Overview of financial position for the period**

Total assets at the end of the current fiscal year increased by 5,033 million yen, or 6.1%, from the previous fiscal year-end to 87,175 million yen.

Current assets increased by 929 million yen, or 1.8%, from the previous fiscal year-end to 52,779 million yen. Non-current assets increased by 4,104 million yen, or 13.6%, from the previous fiscal year-end to 34,396 million yen.

The increase was mainly due to an increase in investment securities (a year-on-year increase of 3,831 million yen) through purchase of shares of subsidiaries and associates, etc.

Total liabilities at the end of the current fiscal year increased by 1,206 million yen, or 5.9%, from the end of the previous fiscal year to 21,695 million yen due to an increase in income taxes payable (a year-on-year increase of 1,165 million yen).

Total net assets at the end of the current fiscal year increased by 3,827 million yen, or 6.2%, from the end of the previous fiscal year to 65,479 million yen.

The increase was mainly due to an increase in retained earnings as a result of recording profit attributable to owners of parent (a year-on-year increase of 3,639 million yen).

As a result, the equity ratio at the end of the current fiscal year increased by 0.3 percentage points from 73.5% at the end of the previous fiscal year to 73.8%.

The Group's financial policy is to secure the liquidity necessary for management and to maintain a sound balance sheet.

**(3) Overview of cash flows for the period**

Cash and cash equivalents (hereinafter "cash") at the end of the current fiscal year decreased by 402 million yen, or 1.2%, from the previous fiscal year-end to 32,041 million yen.

The status and main factors of cash flows for the current fiscal year were as follows:

**(Cash flows from operating activities)**

Net cash provided by operating activities for the current fiscal year was 7,763 million yen, up 3,307 million yen year on year. This was mainly due to an increase in notes and accounts payable – trade (a larger inflow by 2,297 million yen year on year) and a decrease in income taxes paid (a smaller outflow by 1,790 million yen year on year).

**(Cash flows from investing activities)**

Net cash used in investing activities for the current fiscal year was 4,511 million yen, a larger outflow by 2,671 million yen from the previous fiscal year. This was mainly due to purchase of investment securities (a larger outflow by 3,548 million yen year on year).

**(Cash flows from financing activities)**

Net cash used in financing activities for the current fiscal year was 3,717 million yen, a larger outflow by 643 million yen year on year.

This was mainly due to a decrease in the off-set amount of borrowings of long-term non-recourse loans payable and repayments of the same (a larger outflow of 449 million yen year on year) and repayments of investments in capital to non-controlling shareholders (a larger outflow of 169 million yen year on year).

**(4) Future outlook**

No earnings forecast is indicated, as NIPPON KANZAI Co., Ltd. was delisted on March 30, 2023.

NIPPON KANZAI Holdings Co., Ltd., the wholly-owning parent company of NIPPON KANZAI Co., Ltd., will specialize in the management functions of the Group as it transitions to a holding company structure and work to establish business strategies, optimize management resources and strengthen its functions. By delegating authority between operating companies and speeding up decision-making processes, it aims to achieve further growth of the Group. The Group will endeavor to enhance customer satisfaction and profitability by continuously improving its service quality as well as proactively making proposals that offer high added value while striving to raise wages in order to eliminate the shortage of human resources. Setting project proposal capabilities as the main focus, the Group will endeavor to further expand such business operations as PFI and public facility management as well as proactively pursue M&A projects of related businesses to the Company in Japan and abroad.

Looking ahead, amid rising energy costs and raw material prices caused by the situation in Ukraine and ongoing global monetary tightening, uncertainty is likely to persist due to factors such as bankruptcy of banks from concerns about the financial system in the U.S. and Europe.

The business forecasts of NIPPON KANZAI Holdings Co., Ltd. for the next fiscal year (April 1, 2023 to March 31, 2024) are as follows: consolidated net sales increasing by 4.9% year on year to 118,600 million yen; consolidated operating income increasing by 3.1% year on year to 8,600 million yen; consolidated ordinary income increasing by 5.0% year on year to 9,100 million yen; and profit attributable to owners of parent increasing by 6.0% year on year to 6,000 million yen.

**2. Basic policy regarding selection of accounting standard**

The Group has a policy to prepare financial statements based on Japanese GAAP for the time being, considering the comparability of consolidated financial statements over time and between Japanese companies.

As for International Financial Reporting Standards, the Group will appropriately consider them based on the overall situation in Japan and overseas in the future.

**3. Consolidated financial statements and key notes****(1) Consolidated balance sheets**

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
<b>ASSETS</b>		
Current assets		
Cash and deposits	32,789	32,386
Notes, accounts receivable—trade and contract assets	14,296	15,925
Investments in silent partnership for business purposes	74	64
Supplies	183	218
Real estate for sale	2,907	2,128
Income taxes receivable	141	11
Other	1,465	2,050
Allowance for doubtful accounts	(8)	(7)
<b>Total current assets</b>	<b>51,849</b>	<b>52,779</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,768	7,966
Accumulated depreciation	(3,922)	(3,977)
Buildings and structures, net	3,846	3,988
Machinery, equipment and vehicles	138	135
Accumulated depreciation	(98)	(108)
Machinery, equipment and vehicles, net	39	27
Tools, furniture and fixtures	1,628	1,730
Accumulated depreciation	(1,077)	(1,100)
Tools, furniture and fixtures, net	550	630
Land	1,226	1,211
Leased assets	1,252	1,602
Accumulated depreciation	(950)	(1,074)
Leased assets, net	302	527
Construction in progress	21	-
<b>Total property, plant and equipment</b>	<b>5,988</b>	<b>6,385</b>
Intangible assets		
Telephone subscription right	46	48
Software	405	372
Goodwill	1,825	1,807
Leased assets	9	7
Software in progress	70	164
<b>Total intangible assets</b>	<b>2,357</b>	<b>2,400</b>
Investments and other assets		
Investment securities	15,653	19,485
Long-term loans receivable	833	866
Long-term prepaid expenses	19	9
Lease and guarantee deposits	3,671	3,516
Membership	361	355
Net defined benefit asset	830	763
Deferred tax assets	245	301
Other	388	366
Allowance for doubtful accounts	(56)	(54)
<b>Total investments and other assets</b>	<b>21,946</b>	<b>25,610</b>
<b>Total non-current assets</b>	<b>30,291</b>	<b>34,396</b>
<b>TOTAL ASSETS</b>	<b>82,141</b>	<b>87,175</b>

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable—trade	6,143	7,146
Current portion of long-term loans payable	375	375
Current portion of long-term non-recourse loans payable	16	678
Lease obligations	107	156
Accrued expenses	2,659	2,520
Income taxes payable	561	1,726
Accrued consumption taxes	930	1,225
Deposits received	277	310
Contract liabilities	1,711	1,509
Provision for bonuses	768	811
Asset retirement obligations	21	-
Other	53	230
<b>Total current liabilities</b>	<b>13,626</b>	<b>16,691</b>
Non-current liabilities		
Long-term loans payable	375	-
Long-term non-recourse loans payable	1,871	291
Lease obligations	229	396
Deferred tax liabilities	731	690
Net defined benefit liability	166	234
Long-term guarantee deposited	2,475	2,255
Asset retirement obligations	284	458
Liabilities from application of equity method	22	20
Other	705	658
<b>Total non-current liabilities</b>	<b>6,862</b>	<b>5,004</b>
<b>TOTAL LIABILITIES</b>	<b>20,489</b>	<b>21,695</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus	3,785	3,785
Retained earnings	55,080	58,720
Treasury shares	(2,773)	(2,773)
<b>Total shareholders' equity</b>	<b>59,092</b>	<b>62,732</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,282	2,035
Foreign currency translation adjustment	(820)	(162)
Remeasurements of defined benefit plans	(181)	(264)
<b>Total accumulated other comprehensive income</b>	<b>1,280</b>	<b>1,608</b>
Non-controlling interests	1,279	1,138
<b>TOTAL NET ASSETS</b>	<b>61,652</b>	<b>65,479</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>82,141</b>	<b>87,175</b>

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.



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

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net sales	103,737	113,045
Cost of sales	80,535	88,269
Gross profit	23,201	24,776
Selling, general and administrative expenses		
Selling expenses	628	715
Personnel expenses	8,746	9,084
Provision for bonuses	361	370
Retirement benefit expenses	316	295
Transportation and communication expenses	997	1,092
Supplies expenses	585	608
Rent expenses	1,176	1,286
Insurance expenses	434	376
Depreciation	468	502
Taxes and dues	108	108
Enterprise tax	336	353
Provision of allowance for doubtful accounts	(0)	(1)
Amortization of goodwill	157	185
Other	1,382	1,456
Total selling, general and administrative expenses	15,701	16,435
Operating income	7,500	8,341
Non-operating income		
Interest and dividend income	222	236
Rent income	57	56
Share of profit of entities accounted for using equity method	439	-
Dividend income of insurance	41	42
Subsidy income	49	41
Foreign exchange gains	149	196
Other	63	86
Total non-operating income	1,024	659
Non-operating expenses		
Interest expenses	21	36
Rent expenses	47	50
Share of loss of entities accounted for using equity method	-	143
Loss on sales and retirement of non-current assets	113	72
Other	65	34
Total non-operating expenses	248	338
Ordinary income	8,276	8,662

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Extraordinary income		
Gain on sales of investment securities	100	-
Total extraordinary income	100	-
Profit before income taxes	8,376	8,662
Income taxes—current	1,983	2,767
Income taxes—deferred	108	78
Total income taxes	2,092	2,846
Profit	6,284	5,816
Profit attributable to non-controlling interests	106	157
Profit attributable to owners of parent	6,177	5,658

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

**Consolidated statements of comprehensive income**

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Profit	6,284	5,816
Other comprehensive income		
Valuation difference on available-for-sale securities	233	(241)
Foreign currency translation adjustment	(6)	16
Remeasurements of defined benefit plans, net of tax	45	(85)
Share of other comprehensive income of entities accounted for using equity method	411	641
Total other comprehensive income	684	330
Comprehensive income	6,968	6,146
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,865	5,987
Comprehensive income attributable to non-controlling interests	102	159

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

**(3) Consolidated statements of changes in equity**

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	3,000	3,785	50,809	(2,773)	54,821
Cumulative effects of changes in accounting policies			113		113
Restated balance at beginning of current period	3,000	3,785	50,922	(2,773)	54,934
Changes of items during period					
Dividends of surplus [year-end]			(1,009)		(1,009)
Dividends of surplus [interim]			(1,009)		(1,009)
Profit attributable to owners of parent			6,177		6,177
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	4,158	(0)	4,157
Balance at end of current period	3,000	3,785	55,080	(2,773)	59,092

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,050	(1,226)	(232)	591	1,281	56,694
Cumulative effects of changes in accounting policies						113
Restated balance at beginning of current period	2,050	(1,226)	(232)	591	1,281	56,807
Changes of items during period						
Dividends of surplus [year-end]						(1,009)
Dividends of surplus [interim]						(1,009)
Profit attributable to owners of parent						6,177
Purchase of treasury stock						(0)
Net changes of items other than shareholders' equity	231	405	50	688	(2)	686
Total changes of items during period	231	405	50	688	(2)	4,844
Balance at end of current period	2,282	(820)	(181)	1,280	1,279	61,652

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	3,000	3,785	55,080	(2,773)	59,092
Changes of items during period					
Dividends of surplus [year-end]			(1,009)		(1,009)
Dividends of surplus [interim]			(1,009)		(1,009)
Profit attributable to owners of parent			5,658		5,658
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	3,639	(0)	3,639
Balance at end of current period	3,000	3,785	58,720	(2,773)	62,732

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,282	(820)	(181)	1,280	1,279	61,652
Changes of items during period						
Dividends of surplus [year-end]						(1,009)
Dividends of surplus [interim]						(1,009)
Profit attributable to owners of parent						5,658
Purchase of treasury stock						(0)
Net changes of items other than shareholders' equity	(246)	657	(82)	328	(140)	187
Total changes of items during period	(246)	657	(82)	328	(140)	3,827
Balance at end of current period	2,035	(162)	(264)	1,608	1,138	65,479

**(4) Consolidated statements of cash flows**

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,376	8,662
Depreciation	620	695
Amortization of goodwill	157	185
Increase (decrease) in provision for bonuses	(48)	27
Increase (decrease) in net defined benefit (asset) liability	7	(65)
Increase (decrease) in allowance for doubtful accounts	(1)	(3)
Share of (profit) loss of entities accounted for using equity method	(439)	143
Interest and dividend income	(222)	(236)
Interest expenses	21	36
Foreign exchange losses (gains)	(127)	(127)
Loss (gain) on sales and retirement of non-current assets	110	71
Loss (gain) on sales of investment securities	(100)	-
Decrease (increase) in notes and accounts receivable – trade	979	(1,686)
Decrease (increase) in investments in silent partnership for business purposes	5	10
Decrease (increase) in inventories	575	744
Decrease (increase) in other assets	(114)	(503)
Increase (decrease) in notes and accounts payable – trade	(1,584)	713
Increase (decrease) in accrued consumption taxes	(504)	297
Increase (decrease) in other liabilities	(300)	(15)
Other, net	(99)	(60)
Subtotal	7,312	8,889
Interest and dividend income received	443	397
Interest expenses paid	(21)	(36)
Income taxes paid	(3,278)	(1,487)
Net cash provided by (used in) operating activities	4,456	7,763

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(445)	(345)
Proceeds from withdrawal of time deposits	345	345
Purchase of property, plant and equipment and intangible assets	(984)	(755)
Proceeds from sales of property, plant and equipment and intangible assets	2	29
Purchase of investment securities	(757)	(4,306)
Proceeds from sales of investment securities	105	370
Proceeds from redemption of investment securities	412	105
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(511)	(27)
Payments of loans receivable	(35)	-
Collection of loans receivable	46	37
Payments for lease and guarantee deposits	(457)	(267)
Proceeds from collection of lease and guarantee deposits	468	456
Proceeds from guarantee deposits received	378	147
Repayments of guarantee deposits received	(482)	(367)
Other, net	74	66
<b>Net cash provided by (used in) investing activities</b>	<b>(1,840)</b>	<b>(4,511)</b>
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	3,200	8,600
Decrease in short-term loans payable	(3,200)	(8,600)
Repayments of long-term loans payable	(375)	(375)
Proceeds from long-term non-recourse loans payable	-	294
Repayments of long-term non-recourse loans payable	(468)	(1,213)
Repayments of lease obligations	(111)	(141)
Purchase of treasury shares	(0)	(0)
Repayments of investments in capital to non-controlling shareholders	-	(169)
Cash dividends paid	(2,018)	(2,019)
Dividends paid to non-controlling interests	(99)	(94)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,074)</b>	<b>(3,717)</b>
Effect of exchange rate change on cash and cash equivalents	71	63
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(386)</b>	<b>(402)</b>
Cash and cash equivalents at beginning of period	32,830	32,444
<b>Cash and cash equivalents at end of period</b>	<b>32,444</b>	<b>32,041</b>

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

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

Not applicable.

**(Segment information, etc.)****[Segment information]**

## 1. Overview of reportable segments

The Company's reportable segments are organizational units for which separate financial statements can be gathered. These reportable segments are subject to periodical review by the Board of Directors to decide business resource allocation and to evaluate performance.

The Company has five reportable segments that are classified by the characteristics and similarity in services provided by the Group companies: Building Management and Operations, Residential Management and Operations, Environmental Facilities Management, Real Estate Fund Management and Other Businesses.

Building Management and Operations focuses on building management and security services. Residential Management and Operations mainly comprises the management of apartments and condominiums to own and public housing. Environmental Facilities Management mainly comprises the management of water treatment, sewage disposal, and other public facilities that support the living environment in general. Real Estate Fund Management mainly comprises asset management (i.e., arrangement and asset management of real estate funds) and handling investments in silent partnership. Other Businesses include mainly event planning and management, design and payroll accounting services.

## 2. Calculation methods of net sales, income or losses, assets, liabilities and other items for each reportable segment

The accounting methods used for reportable segments are basically the same as those used for consolidated financial statements.

## 3. Information on net sales, income or losses, assets, liabilities and other items for each reportable segment

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment						Adjustments (Note)	Amount recorded on consolidated financial statements
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real Estate Fund Management	Other Businesses	Total		
Net sales								
Net sales to external customers	71,977	16,980	11,554	1,530	1,694	103,737	—	103,737
Inter-segment net sales and transfer	—	—	—	—	300	300	(300)	—
Total	71,977	16,980	11,554	1,530	1,995	104,038	(300)	103,737
Segment income	9,912	1,693	1,580	43	314	13,544	(6,044)	7,500
Segment assets	25,732	12,245	4,298	4,228	1,057	47,563	34,578	82,141
Other items								
Depreciation	212	40	22	70	16	360	313	674
Investments in entities accounted for using equity method	1,358	6,313	64	25	—	7,761	—	7,761
Increase in property, plant and equipment and intangible assets	433	77	37	60	10	619	674	1,293

(Notes) 1. Adjustments are as follows:

- (1) Adjustments of -6,044 million yen for segment income are elimination of intersegment transactions and unallocated general administrative expenses.
- (2) Adjustments of 34,578 million yen for segment assets are corporate assets that are not allocated to any of the reportable segments. They are mainly cash, time deposits, investment securities and the assets of the administration departments of the Company.
- (3) Adjustments of 674 million yen for increase in property, plant and equipment and intangible assets are due to extension of training facilities and system construction, etc.

2. Segment income has been adjusted to operating income described in consolidated statements of income.



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

(Millions of yen)

	Reportable segment						Adjustments (Note)	Amount recorded on consolidated financial statements
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real Estate Fund Management	Other Businesses	Total		
Net sales								
Net sales to external customers	77,691	18,130	12,936	1,950	2,337	113,045	—	113,045
Inter-segment net sales and transfer	—	—	—	—	310	310	(310)	—
Total	77,691	18,130	12,936	1,950	2,647	113,355	(310)	113,045
Segment income	10,649	1,825	1,697	60	369	14,602	(6,261)	8,341
Segment assets	26,126	16,072	4,918	3,517	1,270	51,905	35,269	87,175
Other items								
Depreciation	228	46	34	55	29	394	331	725
Investments in entities accounted for using equity method	2,038	8,742	57	24	—	10,863	—	10,863
Increase in property, plant and equipment and intangible assets	463	119	117	82	46	829	414	1,243

(Notes) 1. Adjustments are as follows:

- (1) Adjustments of -6,261 million yen for segment income are elimination of intersegment transactions and unallocated general administrative expenses.
- (2) Adjustments of 35,269 million yen for segment assets are corporate assets that are not allocated to any of the reportable segments. They are mainly cash, time deposits, investment securities and the assets of the administration departments of the Company.
- (3) Adjustments of 414 million yen for increase in property, plant and equipment and intangible assets are due to renovation of systems and purchase of fixtures, etc.

2. Segment income has been adjusted to operating income described in consolidated statements of income.

**[Related information]**

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

## 1. Information related to product and service

Please refer to “Segment information.”

## 2. Information related to geographic region

## (1) Net sales

Not applicable because there are no net sales to external customers outside of Japan.

## (2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside of Japan.

## 3. Information related to major customer

There is nothing to report because there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

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

## 1. Information related to product and service

Please refer to “Segment information.”

## 2. Information related to geographic region

## (1) Net sales

Not applicable because there are no net sales to external customers outside of Japan.

## (2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside of Japan.

## 3. Information related to major customer

There is nothing to report because there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

**[Information on impairment loss on non-current assets by reportable segment]**

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Not applicable.

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

Not applicable.

**[Information on amortization of goodwill and unamortized balance of goodwill by reportable segment]**

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment						Elimination or Corporate	Total
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real Estate Fund Management	Other Businesses	Subtotal		
Amortization for the current period	16	119	—	—	21	157	—	157
Unamortized balance at the end of current year	73	1,342	—	—	409	1,825	—	1,825

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

(Millions of yen)

	Reportable segment						Elimination or Corporate	Total
	Building Management and Operations	Residential Management and Operations	Environmental Facilities Management	Real Estate Fund Management	Other Businesses	Subtotal		
Amortization for the current period	16	119	7	—	43	185	—	185
Unamortized balance at the end of current year	57	1,222	161	—	366	1,807	—	1,807

**[Information on gain on bargain purchase by reportable segment]**

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Not applicable.

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

Not applicable.

**(Per share information)**

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net assets per share	1,614.97 yen	1,721.13 yen
Profit per share	165.24 yen	151.37 yen

(Notes) 1. No diluted profit per share is presented as there were no potentially dilutive securities.

2. The basis of calculations of profit per share is as follows.

	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (millions of yen)	6,177	5,658
Amount not attributable to owners of common stock (millions of yen)	—	—
Profit attributable to owners of parent associated with common stock (millions of yen)	6,177	5,658
Average number of shares of common stock during period (shares)	37,383,416	37,383,265

## 3. The basis of calculations of net assets per share is as follows.

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
Total net assets (millions of yen)	61,652	65,479
Amount deducted from total net assets (millions of yen)	1,279	1,138
(Of which, non-controlling interests (millions of yen))	(1,279)	(1,138)
Net assets associated with common stock at the end of fiscal year (millions of yen)	60,372	64,341
Number of shares of common stock issued and outstanding (shares)	41,180,306	41,180,306
Number of shares of common stock as treasury stock (shares)	3,797,012	3,797,106
Number of shares of common stock at end of fiscal year used in the calculation of net assets per share	37,383,294	37,383,200

**(Significant subsequent events)**

(Establishment of a holding company through a single stock transfer)

On April 3, 2023, NIPPON KANZAI Co., Ltd. established a holding company, NIPPON KANZAI Holdings Co., Ltd., as its wholly owning parent company through a single stock transfer and became its wholly owned subsidiary.

In addition, at an extraordinary general meeting of shareholders held on April 26, 2023, NIPPON KANZAI Co., Ltd. resolved to distribute its subsidiary shares in kind to NIPPON KANZAI Holdings Co., Ltd. (eligible distribution in kind), and implemented the distribution on the same day. The distribution in kind of the relevant subsidiary shares will cause a change in the subsidiaries of NIPPON KANZAI Co., Ltd.

Furthermore, at the extraordinary general meeting of shareholders held on April 26, 2023, NIPPON KANZAI Co., Ltd. made a resolution on the distribution in kind of the shares of NIPPON KANZAI Holdings Co., Ltd. it owns to the latter, and implemented the distribution on the same day.

**4. Non-consolidated financial statements and key notes****(1) Non-consolidated balance sheets**

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
<b>ASSETS</b>		
Current assets		
Cash and deposits	21,732	21,388
Notes receivable—trade	55	89
Accounts receivable—trade	9,786	10,592
Contract assets	119	218
Supplies	64	83
Prepaid expenses	159	195
Accounts receivable—other	43	31
Short-term loans receivable	909	1,109
Advances paid	373	718
Income taxes receivable	116	-
Other	432	466
Allowance for doubtful accounts	(2)	(1)
Total current assets	33,790	34,894
Non-current assets		
Property, plant and equipment		
Buildings	5,866	5,957
Accumulated depreciation	(3,242)	(3,237)
Buildings, net	2,624	2,720
Structures	218	226
Accumulated depreciation	(118)	(124)
Structures, net	100	101
Machinery and equipment	6	6
Accumulated depreciation	(6)	(6)
Machinery and equipment, net	0	0
Vehicles	89	88
Accumulated depreciation	(54)	(65)
Vehicles, net	35	23
Tools, furniture and fixtures	1,223	1,328
Accumulated depreciation	(780)	(805)
Tools, furniture and fixtures, net	443	522
Land	971	954
Leased assets	697	728
Accumulated depreciation	(636)	(670)
Leased assets, net	60	57
Construction in progress	21	-
Total property, plant and equipment	4,256	4,381
Intangible assets		
Telephone subscription right	19	19
Software	374	356
Leased assets	0	0
Software in progress	70	164
Total intangible assets	464	540

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
<b>Investments and other assets</b>		
Investment securities	6,504	6,717
Shares of subsidiaries and associates	11,080	11,791
Long-term loans receivable	17	15
Long-term loans receivable from subsidiaries and associates	1,138	3,679
Prepaid pension cost	818	858
Lease and guarantee deposits	1,014	1,013
Membership	328	323
Claims provable in bankruptcy, claims provable in rehabilitation and other	24	24
Buildings for rent	107	107
Accumulated depreciation	(51)	(53)
Buildings for rent, net	55	53
Land for rent	53	53
Other	127	140
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	21,110	24,619
Total non-current assets	25,831	29,541
<b>TOTAL ASSETS</b>	<b>59,622</b>	<b>64,435</b>

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
<b>LIABILITIES</b>		
Current liabilities		
Notes payable—trade	29	24
Accounts payable—trade	4,722	5,318
Current portion of long-term loans payable	375	375
Lease obligations	36	31
Accounts payable—other	528	315
Income taxes payable	-	1,108
Accrued consumption taxes	506	709
Accrued salaries	673	703
Accrued social insurance	272	278
Deposits received	150	165
Deposits received from subsidiaries and associates	800	800
Contract liabilities	1,268	1,085
Provision for bonuses	386	376
Asset retirement obligations	7	-
Other	15	160
Total current liabilities	9,773	11,452
Non-current liabilities		
Long-term loans payable	375	-
Lease obligations	41	34
Deferred tax liabilities	586	528
Long-term guarantee deposited	310	311
Asset retirement obligations	122	198
Other	625	620
Total non-current liabilities	2,061	1,693
<b>TOTAL LIABILITIES</b>	<b>11,834</b>	<b>13,146</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	3,000	3,000
Capital surplus		
Legal capital surplus	498	498
Other capital surplus	3,257	3,257
Total capital surpluses	3,756	3,756
Retained earnings		
Legal retained earnings	251	251
Other retained earnings		
General reserve	12,310	12,310
Retained earnings brought forward	29,133	32,925
Total retained earnings	41,694	45,486
Treasury shares	(2,773)	(2,773)
Total shareholders' equity	45,677	49,469
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,110	1,819
Total valuation and translation adjustments	2,110	1,819
<b>TOTAL NET ASSETS</b>	<b>47,787</b>	<b>51,289</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>59,622</b>	<b>64,435</b>

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

**(2) Non-consolidated statements of income**

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Net sales		
Service revenue	63,869	70,025
Net sales of goods	383	481
Total net sales	64,253	70,507
Cost of sales		
Cost of service sales	50,054	55,446
Cost of goods sold	302	378
Total cost of sales	50,356	55,825
Gross profit	13,896	14,681
Selling, general and administrative expenses		
Promotion expenses	5	7
Advertising expenses	334	365
Directors' compensations	586	576
Salaries and allowances	3,079	3,256
Bonuses	469	506
Provision for bonuses	165	148
Retirement benefit expenses	150	153
Legal welfare expenses	622	645
Welfare expenses	107	57
Training expenses	21	18
Offering expenses	29	38
Entertainment expenses	331	391
Traveling and transportation expenses	256	320
Vehicle expenses	105	109
Communication expenses	163	171
Utilities expenses	45	56
Supplies expenses	61	54
Stationery expenses	302	328
Taxes and dues	73	77
Enterprise tax	276	291
Depreciation	381	404
Repair expenses	5	4
Insurance expenses	402	342
Rent expenses	648	727
Membership expenses	18	18
Commission fee	468	517
Contribution	30	16
Provision of allowance for doubtful accounts	0	(1)
Other	164	163
Total selling, general and administrative expenses	9,305	9,771
Operating income	4,590	4,909

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
Non-operating income		
Interest income	44	86
Dividend income	1,861	2,320
Rent income	57	56
Dividend income of insurance	28	28
Foreign exchange gains	149	196
Miscellaneous income	74	67
Total non-operating income	2,217	2,756
Non-operating expenses		
Interest expenses	18	29
Loss on valuation of investment securities	-	1
Rent expenses	47	50
Loss on sales and retirement of non-current assets	48	52
Miscellaneous loss	28	11
Total non-operating expenses	143	145
Ordinary income	6,664	7,520
Extraordinary losses		
Loss on extinguishment of tie-in shares	26	-
Total extraordinary losses	26	-
Profit before income taxes	6,638	7,520
Income taxes—current	880	1,638
Income taxes—deferred	105	71
Total income taxes	986	1,710
Profit	5,651	5,810

\*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.



**(3) Non-consolidated statements of changes in equity**

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	3,000	498	3,257	3,756	251	12,310	25,430	37,991
Cumulative effects of changes in accounting policies							70	70
Restated balance at beginning of current period	3,000	498	3,257	3,756	251	12,310	25,500	38,061
Changes of items during period								
Dividends of surplus [year-end]							(1,009)	(1,009)
Dividends of surplus [interim]							(1,009)	(1,009)
Profit							5,651	5,651
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	—	—	3,633	3,633
Balance at end of current period	3,000	498	3,257	3,756	251	12,310	29,133	41,694

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(2,773)	41,974	1,892	1,892	43,866
Cumulative effects of changes in accounting policies		70			70
Restated balance at beginning of current period	(2,773)	42,045	1,892	1,892	43,937
Changes of items during period					
Dividends of surplus [year-end]		(1,009)			(1,009)
Dividends of surplus [interim]		(1,009)			(1,009)
Profit		5,651			5,651
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than shareholders' equity			218	218	218
Total changes of items during period	(0)	3,632	218	218	3,850
Balance at end of current period	(2,773)	45,677	2,110	2,110	47,787

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

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	3,000	498	3,257	3,756	251	12,310	29,133	41,694
Changes of items during period								
Dividends of surplus [year-end]							(1,009)	(1,009)
Dividends of surplus [interim]							(1,009)	(1,009)
Profit							5,810	5,810
Purchase of treasury stock								
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	—	—	3,791	3,791
Balance at end of current period	3,000	498	3,257	3,756	251	12,310	32,925	45,486

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(2,773)	45,677	2,110	2,110	47,787
Changes of items during period					
Dividends of surplus [year-end]		(1,009)			(1,009)
Dividends of surplus [interim]		(1,009)			(1,009)
Profit		5,810			5,810
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(290)	(290)	(290)
Total changes of items during period	(0)	3,791	(290)	(290)	3,501
Balance at end of current period	(2,773)	49,469	1,819	1,819	51,289