Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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

May 7, 2024

Company name: ST. COUSAIR Co., Ltd.
Stock exchange listing: Tokyo
Code number: 2937
URL: https://www.stcousair.co.jp/company
Representative: Ryota Kuze President/CEO
Contact: Seiichi Kawahara Director
Phone: +81-26-219-3902

Scheduled date of Annual General Meeting of Shareholders: June 21, 2024
Scheduled date of commencing dividend payments: June 24, 2024
Scheduled date of filing annual securities report: June 24, 2024
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

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		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	19,162	7.3	1,289	(19.4)	1,401	(13.5)	818	(22.7)
March 31, 2023	17,865	26.1	1,599	21.5	1,620	22.5	1,058	12.8

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 819 million [(27.9)%]
Fiscal year ended March 31, 2023: ¥ 1,136 million [13.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	89.42	87.26	18.3	15.1	6.7
March 31, 2023	132.70	124.50	38.0	20.7	9.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	9,422	4,742	50.3	513.43
March 31, 2023	9,174	4,226	46.0	465.73

(Reference) Equity: As of March 31, 2024: ¥ 4,739 million
As of March 31, 2023: ¥ 4,223 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	681	(778)	(605)	2,660
March 31, 2023	1,055	(243)	1,235	3,317

2. Dividends

	Annual dividends					Total dividends	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	Millions of yen	%	%
March 31, 2023	-	0.00	-	35.00	35.00	317	26.4	10.9
March 31, 2024	-	0.00	-	35.00	35.00	323	39.1	7.1
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	35.00	35.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend - yen

Special dividend - yen

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.)

	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
Full year	20,913	9.1	1,342	4.1	1,329	(5.2)	864	5.6	92.13

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (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: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

March 31, 2024: 9,230,200 shares

March 31, 2023: 9,068,200 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: - shares

March 31, 2023: - shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 9,148,849 shares

Fiscal Year ended March 31, 2023: 7,979,755 shares

(Reference) Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	18,362	5.5	1,434	(11.2)	1,572	(2.0)	983	(5.9)
March 31, 2023	17,412	24.2	1,615	29.8	1,604	28.1	1,045	19.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	107.49	104.89
March 31, 2023	130.96	122.87

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	9,345	4,687	50.2	507.89
March 31, 2023	8,723	3,999	45.9	441.10

(Reference) Equity: As of March 31, 2024: ¥ 4,687 million
As of March 31, 2023: ¥ 3,999 million

Explanation of Appropriate Use of Financial Results Forecasts, and Other Special Notes:
The descriptions regarding future performance forecasts and other matters contained in this document are based on certain assumptions that the company deems reasonable and on information currently available to us. However, these descriptions do not imply any commitment on the part of the company to guarantee their achievement. Additionally, actual performance and other related factors may vary significantly due to various factors.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,317,671	2,660,149
Accounts receivable - trade	1,728,233	2,206,610
Merchandise and finished goods	1,234,512	1,099,900
Work in process	90,517	89,985
Raw materials and supplies	310,701	333,822
Other	132,815	124,792
Allowance for doubtful accounts	(92)	(313)
Total current assets	6,814,358	6,514,945
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,148,275	2,323,750
Accumulated depreciation	(1,427,495)	(1,543,365)
Buildings and structures, net	720,780	780,385
Machinery, equipment and vehicles	588,955	629,504
Accumulated depreciation	(362,721)	(399,189)
Machinery, equipment and vehicles, net	226,233	230,315
Land	463,727	469,228
Leased assets	107,221	133,015
Accumulated depreciation	(55,922)	(56,233)
Leased assets, net	51,299	76,781
Construction in progress	23,174	75,061
Other	420,463	479,360
Accumulated depreciation	(335,239)	(359,827)
Other, net	85,223	119,532
Total property, plant and equipment	1,570,439	1,751,305
Intangible assets		
Goodwill	102,459	168,131
Other	32,187	378,854
Total intangible assets	134,647	546,986
Investments and other assets		
Investment securities	172,186	128,608
Deferred tax assets	158,490	166,777
Guarantee deposits	305,695	291,548
Other	19,795	22,385
Allowance for doubtful accounts	(1,176)	(21)
Total investments and other assets	654,992	609,297
Total non-current assets	2,360,079	2,907,589
Total assets	9,174,438	9,422,534

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,328,604	1,280,811
Electronically recorded obligations - operating	128,687	152,367
Short-term borrowings	662,591	460,000
Current portion of bonds payable	100,000	-
Current portion of long-term borrowings	160,297	211,415
Lease liabilities	14,388	20,211
Accrued expenses	506,106	627,107
Income taxes payable	464,428	295,505
Contract liabilities	5,231	7,192
Provision for bonuses	85,382	69,832
Provision for bonuses for directors	18,340	-
Asset retirement obligations	9,000	22,000
Other	160,005	192,504
Total current liabilities	3,643,064	3,338,949
Non-current liabilities		
Long-term borrowings	908,474	884,201
Lease liabilities	42,360	64,482
Retirement benefit liability	68,174	86,367
Asset retirement obligations	129,241	140,456
Other	157,109	166,000
Total non-current liabilities	1,305,361	1,341,507
Total liabilities	4,948,426	4,680,457
Net assets		
Shareholders' equity		
Share capital	1,127,115	1,134,150
Capital surplus	1,292,086	1,299,064
Retained earnings	1,694,538	2,195,239
Total shareholders' equity	4,113,740	4,628,454
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,949)	5,901
Foreign currency translation adjustment	111,550	104,734
Total accumulated other comprehensive income	109,600	110,635
Non-controlling interests	2,670	2,987
Total net assets	4,226,011	4,742,077
Total liabilities and net assets	9,174,438	9,422,534

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	17,865,650	19,162,919
Cost of sales	10,835,575	12,109,171
Gross profit	7,030,074	7,053,748
Selling, general and administrative expenses	5,430,285	5,764,556
Operating profit	1,599,789	1,289,191
Non-operating income		
Interest income	791	13,020
Dividend income	0	-
Gain on forgiveness of debts	37,073	-
Subsidy income	3,450	11,475
Foreign exchange gains	19,634	90,906
Other	27,495	25,068
Total non-operating income	88,446	140,470
Non-operating expenses		
Interest expenses	35,736	23,026
Share issuance costs	27,477	-
Other	4,409	4,999
Total non-operating expenses	67,623	28,026
Ordinary profit	1,620,612	1,401,636
Extraordinary income		
Gain on sale of non-current assets	104,711	8,308
Total extraordinary income	104,711	8,308
Extraordinary losses		
Loss on valuation of investment securities	76,874	63,949
Total extraordinary losses	76,874	63,949
Profit before income taxes	1,648,448	1,345,995
Income taxes - current	603,239	538,395
Income taxes - deferred	(13,762)	(10,805)
Total income taxes	589,477	527,589
Profit	1,058,970	818,405
Profit attributable to non-controlling interests	92	317
Profit attributable to owners of parent	1,058,878	818,088

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,058,970	818,405
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,338)	7,850
Foreign currency translation adjustment	87,392	(6,816)
Total other comprehensive income	77,054	1,034
Comprehensive income	1,136,025	819,440
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,135,932	819,122
Comprehensive income attributable to non-controlling interests	92	317

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	126,299	291,299	903,060	1,320,658
Changes during period				
Issuance of new shares	1,000,816	1,000,787	-	2,001,604
Dividends of surplus	-	-	(267,400)	(267,400)
Profit attributable to owners of parent	-	-	1,058,878	1,058,878
Net changes in items other than shareholders' equity	-	-	-	-
Total changes during period	1,000,816	1,000,787	791,478	2,793,082
Balance at end of period	1,127,115	1,292,086	1,694,538	4,113,740

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	8,388	24,157	32,546	2,577	1,355,782
Changes during period					
Issuance of new shares	-	-	-	-	2,001,604
Dividends of surplus	-	-	-	-	(267,400)
Profit attributable to owners of parent	-	-	-	-	1,058,878
Net changes in items other than shareholders' equity	(10,338)	87,392	77,054	92	77,146
Total changes during period	(10,338)	87,392	77,054	92	2,870,229
Balance at end of period	(1,949)	111,550	109,600	2,670	4,226,011

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	1,127,115	1,292,086	1,694,538	4,113,740
Changes during period				
Issuance of new shares	7,034	6,977	-	14,012
Dividends of surplus	-	-	(317,387)	(317,387)
Profit attributable to owners of parent	-	-	818,088	818,088
Net changes in items other than shareholders' equity	-	-	-	-
Total changes during period	7,034	6,977	500,701	514,713
Balance at end of period	1,134,150	1,299,064	2,195,239	4,628,454

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(1,949)	111,550	109,600	2,670	4,226,011
Changes during period					
Issuance of new shares	-	-	-	-	14,012
Dividends of surplus	-	-	-	-	(317,387)
Profit attributable to owners of parent	-	-	-	-	818,088
Net changes in items other than shareholders' equity	7,850	(6,816)	1,034	317	1,351
Total changes during period	7,850	(6,816)	1,034	317	516,065
Balance at end of period	5,901	104,734	110,635	2,987	4,742,077

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,648,448	1,345,995
Depreciation	245,347	274,834
Amortization of goodwill	23,452	30,219
Interest and dividend income	(792)	(13,020)
Interest expenses	35,736	23,026
Increase (decrease) in provision for bonuses	(3,677)	(15,550)
Decrease (increase) in trade receivables	(302,810)	(470,432)
Decrease (increase) in inventories	(221,696)	152,324
Increase (decrease) in trade payables	74,342	(32,151)
Increase (decrease) in retirement benefit liability	20,228	18,193
Decrease (increase) in other current assets	(27,974)	13,276
Increase (decrease) in other current liabilities	102,621	144,281
Other, net	(8,496)	(48,132)
Subtotal	1,584,728	1,422,864
Interest and dividends received	792	716
Interest paid	(34,505)	(24,132)
Income taxes paid	(495,703)	(717,525)
Net cash provided by (used in) operating activities	1,055,311	681,924
Cash flows from investing activities		
Purchase of property, plant and equipment	(239,679)	(318,842)
Purchase of intangible assets	(9,575)	(6,101)
Purchase of investment securities	(79,396)	(10,000)
Proceeds from refund of guarantee deposits	8,898	16,876
Payments for acquisition of businesses	-	(443,110)
Other, net	76,324	(16,976)
Net cash provided by (used in) investing activities	(243,430)	(778,154)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(131,620)	(190,670)
Proceeds from long-term borrowings	-	989,000
Repayments of long-term borrowings	(339,299)	(985,600)
Repayments of finance lease liabilities	(28,059)	(14,941)
Redemption of bonds	-	(100,000)
Proceeds from issuance of shares	2,001,604	14,012
Dividends paid	(267,400)	(317,387)
Net cash provided by (used in) financing activities	1,235,225	(605,586)
Effect of exchange rate change on cash and cash equivalents	21,194	44,294
Net increase (decrease) in cash and cash equivalents	2,068,300	(657,522)
Cash and cash equivalents at beginning of period	1,249,371	3,317,671
Cash and cash equivalents at end of period	3,317,671	2,660,149