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

May 14, 2024

Company name: Bunka Shutter Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 5930
URL: https://www.bunka-s.co.jp/
Representative: Hiroyuki Ogura, Representative Director and President
Inquiries: Koichi Nishimura, Operating Officer and Manager of Accounting Department
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Scheduled date of ordinary general meeting of shareholders: June 18, 2024
Scheduled date to commence dividend payments: June 19, 2024
Scheduled date to file annual securities report: June 18, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

(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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	221,076	11.0	14,472	49.4	15,941	59.5	10,582	34.0
March 31, 2023	199,179	9.3	9,685	6.4	9,992	10.0	7,899	17.8

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥14,427 million [50.9%]
For the fiscal year ended March 31, 2023: ¥9,560 million [50.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ total assets	Operating profit/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	157.11	–	11.4	8.3	6.5
March 31, 2023	121.66	105.25	9.6	5.8	4.9

Reference: Share of profit of entities accounted for using equity method
For the fiscal year ended March 31, 2024: ¥448 million
For the fiscal year ended March 31, 2023: ¥148 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	206,879	103,924	50.2	1,458.84
March 31, 2023	177,246	82,776	46.6	1,348.39

Reference: Equity
As of March 31, 2024: ¥103,769 million
As of March 31, 2023: ¥82,602 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	15,642	(16,894)	9,513	39,149
March 31, 2023	7,515	(1,569)	(10,964)	31,027

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	21.00	–	21.00	42.00	2,673	34.5	3.3
Fiscal year ended March 31, 2024	–	21.00	–	34.00	55.00	3,930	35.0	3.9
Fiscal year ending March 31, 2025 (Forecast)	–	32.00	–	32.00	64.00		39.9	

3. Consolidated earnings forecasts 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
Six months ending September 30, 2024	103,000	4.4	4,700	8.2	4,400	(12.4)	2,450	(20.4)	34.44
Fiscal year ending March 31, 2025	230,000	4.0	15,000	3.6	15,400	(3.4)	11,400	7.7	160.27

*** 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	72,196,487 shares
As of March 31, 2023	72,196,487 shares

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

As of March 31, 2024	1,065,082 shares
As of March 31, 2023	10,936,697 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	67,355,566 shares
Fiscal year ended March 31, 2023	64,929,587 shares

Note: The number of treasury shares at the end of the period includes the number of shares of Bunka Shutter Co., Ltd. (the "Company") held by the Board Incentive Plan trust. The Company's shares held by the trust are included in the treasury shares deducted in calculating the average number of shares outstanding during the period.

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	141,603	10.3	6,489	70.4	9,917	3.1	7,223	(24.2)
March 31, 2023	128,366	7.5	3,808	(7.2)	9,618	43.4	9,532	62.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	107.21	–
March 31, 2023	146.76	126.97

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	155,748	82,189	52.8	1,155.08
March 31, 2023	134,546	66,247	49.2	1,081.00

Reference: Equity

As of March 31, 2024: ¥82,189 million

As of March 31, 2023: ¥66,247 million

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

(How to obtain supplementary material on financial results)

The Company plans to hold a briefing for analysts and institutional investors on May 27, 2024 (Monday). The Company also plans to post the supplementary material on earnings that will be used at the briefing on the Company's website in addition to disclosing it on TDnet.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	31,405	40,151
Notes and accounts receivable - trade, and contract assets	45,290	46,935
Electronically recorded monetary claims - operating	8,267	10,631
Merchandise and finished goods	9,768	9,818
Work in process	1,862	1,406
Raw materials and supplies	7,444	8,654
Other	3,753	2,752
Allowance for doubtful accounts	(162)	(302)
Total current assets	107,629	120,049
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,631	12,320
Machinery, equipment and vehicles, net	4,339	6,406
Tools, furniture and fixtures, net	847	877
Land	12,616	13,121
Leased assets, net	1,199	1,297
Right-of-use assets, net	2,423	4,028
Construction in progress	1,732	654
Total property, plant and equipment	34,791	38,707
Intangible assets		
Goodwill	4,259	11,318
Leased assets	64	57
Other	4,266	8,098
Total intangible assets	8,590	19,474
Investments and other assets		
Investment securities	16,117	19,940
Distressed receivables	155	178
Retirement benefit asset	1,751	1,397
Deferred tax assets	5,906	4,939
Other	2,544	2,447
Allowance for doubtful accounts	(241)	(254)
Total investments and other assets	26,234	28,648
Total non-current assets	69,616	86,830
Total assets	177,246	206,879

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,825	15,604
Electronically recorded obligations - operating	21,217	21,552
Current portion of convertible-bond-type bonds with share acquisition rights	9,540	–
Short-term borrowings	1,482	1,352
Current portion of long-term borrowings	15	817
Lease liabilities	918	1,090
Income taxes payable	1,659	4,334
Accrued consumption taxes	678	2,151
Accrued expenses	6,734	6,697
Contract liabilities	4,047	4,244
Provision for bonuses	4,043	4,809
Provision for bonuses for directors (and other officers)	136	182
Provision for loss on construction contracts	341	373
Notes payable - facilities	263	142
Other	1,835	2,204
Total current liabilities	71,739	65,559
Non-current liabilities		
Bonds payable	–	10,000
Long-term borrowings	24	3,209
Lease liabilities	3,278	4,907
Deferred tax liabilities	682	1,847
Provision for retirement benefits for directors (and other officers)	256	247
Provision for share awards for directors (and other officers)	34	69
Retirement benefit liability	17,744	16,433
Guarantee deposits received	586	565
Long-term unearned revenue	7	7
Asset retirement obligations	53	53
Other	60	53
Total non-current liabilities	22,730	37,395
Total liabilities	94,469	102,954
Net assets		
Shareholders' equity		
Share capital	15,051	15,051
Capital surplus	12,280	11,292
Retained earnings	62,699	70,476
Treasury shares	(11,654)	(1,103)
Total shareholders' equity	78,377	95,716
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,675	5,026
Revaluation reserve for land	(46)	(46)
Foreign currency translation adjustment	543	908
Remeasurements of defined benefit plans	1,051	2,163
Total accumulated other comprehensive income	4,224	8,052
Non-controlling interests	174	155
Total net assets	82,776	103,924
Total liabilities and net assets	177,246	206,879

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	199,179	221,076
Cost of sales	149,109	161,727
Gross profit	50,070	59,349
Selling, general and administrative expenses	40,385	44,876
Operating profit	9,685	14,472
Non-operating income		
Interest income	19	51
Dividend income	258	266
Rental income	71	76
Insurance claim income	17	25
Surrender value of insurance policies	98	136
Subsidy income	15	2
Share of profit of entities accounted for using equity method	148	448
Foreign exchange gains	–	791
Gain on sale of scraps	119	121
Other	187	130
Total non-operating income	936	2,051
Non-operating expenses		
Interest expenses	221	333
Bond issuance costs	–	56
Commitment fees	7	25
Foreign exchange losses	162	–
Commission for purchase of treasury shares	158	–
Other	77	167
Total non-operating expenses	629	583
Ordinary profit	9,992	15,941
Extraordinary income		
Gain on sale of non-current assets	1,463	8
Gain on sale of investment securities	413	15
Total extraordinary income	1,877	23
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	118	91
Loss on sale of investment securities	31	–
Impairment losses	164	–
Settlement payments	140	–
Total extraordinary losses	454	91
Profit before income taxes	11,414	15,873
Income taxes - current	3,663	5,899
Income taxes - deferred	(164)	(625)
Total income taxes	3,498	5,273
Profit	7,916	10,599
Profit attributable to non-controlling interests	16	17
Profit attributable to owners of parent	7,899	10,582

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	7,916	10,599
Other comprehensive income		
Valuation difference on available-for-sale securities	(331)	2,189
Foreign currency translation adjustment	680	213
Remeasurements of defined benefit plans, net of tax	806	1,098
Share of other comprehensive income of entities accounted for using equity method	489	326
Total other comprehensive income	1,644	3,827
Comprehensive income	9,560	14,427
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,543	14,409
Comprehensive income attributable to non-controlling interests	16	17

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,051	12,323	57,555	(5,157)	79,773
Changes during period					
Dividends of surplus			(2,724)		(2,724)
Profit attributable to owners of parent			7,899		7,899
Purchase of treasury shares				(7,305)	(7,305)
Disposal of treasury shares		(43)		808	765
Reversal of revaluation reserve for land			(30)		(30)
Net changes in items other than shareholders' equity					
Total changes during period	–	(43)	5,144	(6,496)	(1,395)
Balance at end of period	15,051	12,280	62,699	(11,654)	78,377

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,975	(76)	(515)	197	2,580	158	82,512
Changes during period							
Dividends of surplus							(2,724)
Profit attributable to owners of parent							7,899
Purchase of treasury shares							(7,305)
Disposal of treasury shares							765
Reversal of revaluation reserve for land							(30)
Net changes in items other than shareholders' equity	(299)	30	1,058	854	1,644	15	1,660
Total changes during period	(299)	30	1,058	854	1,644	15	264
Balance at end of period	2,675	(46)	543	1,051	4,224	174	82,776

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,051	12,280	62,699	(11,654)	78,377
Changes during period					
Dividends of surplus			(2,793)		(2,793)
Profit attributable to owners of parent			10,582		10,582
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1,010)		10,550	9,540
Change in ownership interest of parent due to transactions with non-controlling interests		22			22
Increase (decrease) due to changes in surplus of associates accounted for using equity method			(10)		(10)
Net changes in items other than shareholders' equity					
Total changes during period	–	(988)	7,777	10,550	17,339
Balance at end of period	15,051	11,292	70,476	(1,103)	95,716

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,675	(46)	543	1,051	4,224	174	82,776
Changes during period							
Dividends of surplus							(2,793)
Profit attributable to owners of parent							10,582
Purchase of treasury shares							(0)
Disposal of treasury shares							9,540
Change in ownership interest of parent due to transactions with non-controlling interests							22
Increase (decrease) due to changes in surplus of associates accounted for using equity method							(10)
Net changes in items other than shareholders' equity	2,350	–	365	1,112	3,827	(19)	3,808
Total changes during period	2,350	–	365	1,112	3,827	(19)	21,148
Balance at end of period	5,026	(46)	908	2,163	8,052	155	103,924

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	11,414	15,873
Depreciation	4,106	4,704
Amortization of goodwill	317	737
Increase (decrease) in allowance for doubtful accounts	44	133
Increase (decrease) in provision for bonuses	233	766
Increase (decrease) in provision for bonuses for directors (and other officers)	(17)	45
Increase (decrease) in provision for share awards for directors (and other officers)	34	34
Increase (decrease) in retirement benefit liability	(204)	274
Interest and dividend income	(278)	(318)
Interest expenses	221	333
Bond issuance costs	–	56
Loss (gain) on sale of investment securities	(382)	(15)
Impairment losses	164	–
Loss (gain) on disposal of non-current assets	(1,344)	82
Share of loss (profit) of entities accounted for using equity method	(148)	(448)
Decrease (increase) in accounts receivable - trade, and contract assets	(6,748)	(2,985)
Decrease (increase) in inventories	(3,968)	188
Increase (decrease) in trade payables	6,626	(3,068)
Increase (decrease) in receipt guarantee deposits	9	(21)
Decrease (increase) in other assets	(773)	781
Increase (decrease) in other liabilities	1,647	1,883
Other, net	190	96
Subtotal	11,146	19,134
Interest and dividends received	308	348
Interest paid	(221)	(317)
Income taxes paid	(3,717)	(3,522)
Net cash provided by (used in) operating activities	7,515	15,642
Cash flows from investing activities		
Decrease (increase) in time deposits	110	(623)
Proceeds from sale of investment securities	480	86
Purchase of investment securities	(19)	(25)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(397)	(11,871)
Proceeds from sale of property, plant and equipment	1,731	23
Purchase of property, plant and equipment	(3,176)	(3,834)
Purchase of intangible assets	(331)	(801)
Proceeds from cancellation of insurance funds	123	342
Loan advances	(55)	(69)
Proceeds from collection of loans receivable	95	76
Other, net	(129)	(196)
Net cash provided by (used in) investing activities	(1,569)	(16,894)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(130)
Proceeds from long-term borrowings	52	4,000
Repayments of long-term borrowings	(33)	(13)
Proceeds from issuance of bonds	–	9,943
Repayments of lease liabilities	(1,103)	(1,327)
Purchase of treasury shares	(7,464)	(0)
Proceeds from sale of treasury shares	305	–
Purchase of treasury shares of subsidiaries	–	(15)
Dividends paid	(2,720)	(2,792)
Dividends paid to non-controlling interests	(0)	(130)
Other, net	–	(20)
Net cash provided by (used in) financing activities	(10,964)	9,513
Effect of exchange rate change on cash and cash equivalents	80	(139)
Net increase (decrease) in cash and cash equivalents	(4,938)	8,122
Cash and cash equivalents at beginning of period	35,966	31,027
Cash and cash equivalents at end of period	31,027	39,149