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Non-consolidated Financial Results for the Year Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: KeePer Technical Laboratory Co., Ltd.
Listing: Tokyo, Nagoya
Securities code: 6036
URL: http://keepergiken.co.jp
Representative: Toshiyuki Kaku Representative Director,President,and COO
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Telephone: +81-562-45-5777
Scheduled date of annual general meeting of shareholders: September 27, 2024
Scheduled date to commence dividend payments: September 9, 2024
Scheduled date to file annual securities report: September 30, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	20,574	20.7	6,101	11.4	6,075	11.0	4,421	11.7
June 30, 2023	17,042	18.7	5,475	26.5	5,470	26.5	3,957	27.9

	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	%	%	%
June 30, 2024	162.02	-	34.5	35.4	29.7
June 30, 2023	145.06	-	41.2	40.6	32.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended June 30, 2024: ¥ million
Fiscal year ended June 30, 2023: ¥ million

(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
June 30, 2024	19,284	14,466	75.0	530.08
June 30, 2023	15,079	11,151	73.9	408.77

(Reference) Equity: As of June 30, 2024: ¥ 14,466 million
As of June 30, 2023: ¥ 11,151 million

(3) Non-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
June 30, 2024	5,344	(2,561)	(1,221)	5,137
June 30, 2023	3,663	(1,586)	(1,226)	3,573

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
June 30, 2023	-	0.00	-	43.00	43.00	1,173	29.6	12.2
June 30, 2024	-	0.00	-	50.00	50.00	1,364	30.9	10.7
Fiscal year ending June 30, 2025 (Forecast)	-	0.00	-	53.00	53.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended June 30, 2024 :

Commemorative dividend - yen

Special dividend - yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2024	12,400	15.9	3,800	14.4	3,800	14.3	2,700	19.3	98.95
Full year	24,500	19.1	7,000	14.7	6,950	14.4	4,800	8.6	175.90

* Notes:

(1) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(2) Number of issued shares (common shares)

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

June 30, 2024: 28,280,840 shares

June 30, 2023: 28,280,840 shares

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

June 30, 2024: 989,024 shares

June 30, 2023: 1,000,660 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended June 30, 2024: 27,287,637 shares

Fiscal Year ended June 30, 2023: 27,280,251 shares

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

* Proper use of earnings forecasts, and other special matters

Financial Results for the Fiscal Year Ended June 2024

Explanation of Business Performance

During the fiscal year (July 1, 2023, to June 30, 2024), Japan's economy showed a gradual recovery trend due to the easing of restrictions related to COVID-19 and the recovery of inbound demand from the increase in foreign tourists. However, uncertainties remain due to rising energy prices, inflation caused by the depreciation of the yen, the prolonged Ukraine crisis, and the worsening situation in the Middle East.

In such an environment, we believe that maintaining and improving the quality of KeePer coatings is the most important factor in not only improving our performance but also in establishing the KeePer brand for future growth.

Performance for the Fiscal Year Ended June 2024

In the fiscal year (July 1, 2023, to June 30, 2024), we achieved record high profits with net sales of 20.574 billion yen (up 20.7% year on year), operating profit of 6,101 billion yen (up 11.4% year on year), and recurring profit of 6.075 billion yen (up 11.0% year on year).

KeePer LABO Operations

The sales of KeePer LABO operations were 11.181 billion yen (up 15.8% year on year), and operating profit was 2.272 billion yen (down 14.0% year on year).

The reason for the increase in sales but decrease in profits was due to proactive store expansion and staffing to meet the strong demand, which resulted in a temporary increase in personnel costs. We opened 15 stores (including 1 FC store) this fiscal year and plan to open more than 30 stores in the fiscal year Ended June 2025, with further expansion planned in the following years. This is a proactive investment for significant future growth.

Additionally, the capacity of KeePer LABO stores in the metropolitan area could not keep up with the demand, causing inconvenience to customers such as "unable to make a reservation." Therefore, we strategically opened new stores near existing stores in Tokyo, Saitama, and Chiba prefectures starting from the last fiscal year.

Tokyo **Saitama**

Existing Store	**Nearby New Store**	**Existing Store**	**Nearby New Store**
Setagaya	Yoga	Omiya	Higashi Omiya, Ageo
Akishima	Fussa	Urawa Misato	Koshigaya
Mitaka	Fuchu		
Kodaira	Murashi Murayama		
Matsudo Higashi	Yabashira		
Katsushika	Ichikawa		

This new store opening has enabled existing stores to appropriately meet customer demands, but there has been a temporary decline compared to the previous year. However, it is expected that existing stores will return to normal growth after a certain period.

Launch of TREX KeePer

We launched the new "TREX KeePer," a coating that ranks above our previous top-tier EX KeePer, in January 2024, and it was applied to 72 vehicles by the end of June. It took some time to increase the number of TREX application stores, but with the setup of "TREX KeePer exclusive booths" and the preparation of "TREX Meister technicians," 22 stores were able to apply it as of the end of June 2024.

Moreover, with the introduction of TREX KeePer, the previously highest-priced EX KeePer has become a more attractive and accessible product for customers, which is expected to increase its applications due to the Decoy Effect.

Number of KeePer Coatings Applied

The EX/TREX KeePer saw a 9.9% year-on-year increase (12,602 vehicles) despite the decrease in new vehicle registrations, while the Diamond KeePer series saw an increase in applications for used and existing vehicles, reaching 51,638 vehicles (up 15.9% year on year). Similarly, the total number of applications for the Fresh KeePer and Crystal KeePer, which are also often applied to existing vehicles, reached 84,204 vehicles (up 12.7% year on year). Maintenance of each KeePer coating also increased by 18.4% year on year, indicating a rise in demand for

keeping existing vehicles clean and comfortable. As a result, the total number of visits reached 670,350 (up 9.8% year on year), with an average unit price of 16,884 yen (up 5.7% year on year).

Passenger Car and Small Vehicle New Registration Numbers

	New Car Registration	YoY
FY2022/06	2,086,161	－
FY2023/06	2,450,526	+17%
FY2024/06	2,450,526	－13%

KeePer LABO New Store Development

In terms of new store development, 14 new stores were opened. Initially, we planned for 15 stores, but the opening of the Kobe Okaba store scheduled for June 2024 was delayed to August due to delays in obtaining necessary permits.

Store	**Location**	**Opening Date**	**Accumulated # of Store (direct store)**
Fuchu	Fuchu, Tokyo	Aug 9, 2023	120（107）
Hirano	Osaka, Osaka	Sep 29, 2023	121（108）
Okayama	Okayama, Okayama	Nov 22, 2023	122（109）
Nishiharu	Kita Nagoya, Aichi	Jan 19, 2024	123（110）
Sawara	Fukuoka, Fukuoka	Jan 20, 2024	124（111）
Koshigaya	Koshigaya, Saitama	Jan 24, 2024	125（112）
Yawara IC	Tsukuba Mirai, Ibaraki	Mar 20, 2024	126（113）
Utsunomiya	Utsunomiya, Tochigi	Mar 27, 2024	127（114）
Kobe Tamazu	Kobe, Hyogo	Apr 21, 2024	128（115）
Nara Daianji	Nara, Nara	Apr 24, 2024	129（116）
Kishiwada Kita	Kishiwada, Osaka	May 22, 2024	130（117）
Ichikawa	Ichikawa, Chiba	June 22, 2024	131（118）
Ageo	Ageo, Chiba	June 26, 2024	132（119）

Yabashira	Matsudo, Chiba	June 29, 2024	133（120）

Additionally, the KeePer LABO FC store "Aobadai Store" was relocated to "Kumamoto Nagamine Store" across the prefecture. The total number of FC stores remains at 13, with no change from the previous year. As of the end of June 2024, the total number of KeePer LABO stores is 133.

Renovation of Existing Stores

Store	**Location**	**Additional booths**	**Renovation of the washing and finishing area**	**Expansion of the washing and finishing area**	**# of days closed**
Fukui Owada	Fukui	4→9 units	4 units		15 days
Narumi	Aichi	4→8 units	4 units		9 days
Omiya	Saitama	4→7 units		3 units	4 days
Urawa Misono	Saitama	3→5 units	3 units		
Amagasaki	Hyogo	4→6 units			12 days
Koriyama	Fukushima	6→10 units	3 units		10 days
246 Tamagawa	Kanagawa	3→6 units			
Takabari	Aichi	3→5 units	4 units		14 days
Kamimizo	Kanagawa	3→6 units			
Hachioji	Tokyo	6→10 units			
Ichihara	Chiba	3→7 units			
Kasuga	Fukuoka	4→6 units		1 units	85 days (complete renovation)
Komakiyama	Aichi	4→6 units			
Takano	Osaka	4→7 units			

Higashi Urawa	Saitama	5→7 units			
Hikone	Shiga	4→8 units			14 days
Togo	Aichi	4→8 units	5 units		30 days

KeePer Products and Related Businesses

Sales of KeePer products and related businesses were 9.393 billion yen (up 27.2% year on year), and segment profit was 3.801 billion yen (up 31.5% year on year), resulting in significant increases in both sales and profits.

Net sales Unit: mn yen	FY 06/2023		FY 06/2024		
	Results	Composition	Results	Composition	YoY
Products-related	**7,384**	**-**	**9,393**	**-**	**+27.2%**
After market	5,728	77.6%	6,514	69.3%	+13.7%
New car market	1,355	18.1%	2,381	25.3%	+78.4%
Overseas	32	0.4%	61	0.6%	+87.2%
Non-auto coating	287	3.9%	435	4.6%	+51.4%

In the "Aftermarket" segment, centered on KeePer Pro Shops, sales increased by 13.7% year on year. The strong performance was driven by a 123% increase in the number of "Fresh KeePer" applications at KeePer Pro Shops, from 300,000 in the previous year to approximately 670,000.

In the "New Car Market," sales increased significantly by 78.4% year on year, with the composition ratio of product-related business sales increasing from 18.1% in the previous fiscal year to 25.3%.

"Non-automotive services" also saw a significant increase of 51.4% year on year, expanding the composition ratio to 4.6%.

In the "Overseas" business, we established "SG KeePer," a joint venture with a majority stake held by KeePer

Laboratory, in Singapore on February 19, 2024, as the central base for Southeast Asia.

Future Outlook

KeePer LABO Operations

In addition to planning to open 30 new stores this fiscal year, we will strengthen support for KeePer Pro Shops and car dealers nationwide, which are expanding in line with the growing demand for KeePer.

Planned New Store Openings

The following new store openings are planned (as of July 29).

Store (temp)	Location	Scheduled Opening Month
Kobe Okaba	Kobe, Hyogo	Aug 2024
Sakai Nishi	Sakai, Osaka	Aug 2024
Hiroshima Nishi	Hiroshima, Hiroshima	Sep 2024
Toyota Motomachi	Toyota, Aichi	Sep 2024
Shinagawa	Shinagawa, Tokyo	Sep 2024
Kurokawa	Nagoya, Aichi	Oct 2024
Yokohama Azamino（FC）	Yokohama, Kanagawa	Oct 2024
Nagasaki Togitsu（FC）	Nishisonogi, Nagasaki	Oct 2024
Kobe Tarumi（FC）	Kobe, Hyogo	Oct 2024
Kanazawa	Kanazawa, Ishikawa	Nov 2024
Sapporo Nishi	Sapporo, Hokkaido	Nov 2024
Sendai Miyagino	Sendai, Miyagi	Nov 2024
Oita	Oita, Oita	Nov 2024
Utsunomiya（FC）	Utsunomiya, Tochigi	Nov 2024
Nonami（FC）	Nagoya, Aichi	Dec 2024
Inazawa	Inazawa, Aichi	Jan 2025
Okazaki	Okazaki, Aichi	Jan 2025

Yokohama Totsuka	Yokohama, Kanagawa	Feb 2025
Hirakobashi	Nagoya, Aichi	Feb 2025
Morioka（FC）	Morioka, Iwate	Feb 2025
Ashiya	Kobe, Hyogo	Feb 2025
Fujieda	Fujieda, Shizuoka	Feb 2025
Matsumoto	Matsumoto, Nagano	Feb 2025
Sano	Sano, Tochigi	Mar 2025
Tokyo Kita	Kita-ku, Tokyo	Apr 2025
Kawasaki	Kawasaki, Kanagawa	TBD
Natori	Natori, Miyagi	TBD

As mentioned above, candidate sites are almost secured, and we will steadily proceed with store development to avoid delays in opening.

Future Renovation Plans for Existing Stores

Store	**Location**	**Addition of booths**	**Other Renovation**	**# days closed**
Matsuzaka	Mie	2→11 units		
Kodaira	Tokyo	4→9 units		30 days
Matsudo	Chiba	4→7 units		
Adachi	Tokyo		Expansion of guest room	20 days
Soka	Saitama	6→8 units		
Nakagawa	Aichi	4→9 units		
Anjo	Aichi	5→9 units		30 days
Yokkaichi	Mie	3→5 units		

Additionally, we are preparing to launch the "LABO APP" in 2024 to enhance customer convenience. We are also improving the convenience and adding new functions to the "reservation system" and preparing to operate a new "POS system" for efficient management.

Organizational strengthening is essential for store expansion. If it functions well, further store expansion will be possible. By discovering customer needs through close communication with store staff and focusing on human resource development, we aim to improve services based on technology and knowledge.

Finally, we will continue to uphold the important LABO culture of "Are customers happy?" and aim to achieve both "customer satisfaction" and "employee satisfaction" simultaneously.

KeePer Products and Related Businesses

In line with the expanding demand for KeePer coatings, we will actively increase the number of installation stores and develop new ones.

In the "Aftermarket" segment, centered on KeePer Pro Shops, expanding Fresh KeePer applications will be a major focus of our sales activities.

In the "New Car Market," expanding KeePer coatings to new car dealerships where it is OEM approved by Subaru, Toyota, Honda, and Mitsubishi will be a key focus of our sales activities. We are also working to expand OEM approval to other new car manufacturers.

In the "Non-automotive Coatings" segment, we are making further progress in enriching the lineup of household products, such as "Bath KeePer" being adopted in all rooms of major business hotels. We are also expanding mobile coatings beyond "KeePer Coating for docomo select" to other telecom operators and electronics retailers.

In the "Overseas" segment, we opened our first KeePer LABO in Singapore on August 1, 2024, as "KeePer LABO Singapore Store." It has attracted attention from the automotive industry in Singapore, and companies and stores interested in adopting KeePer are beginning to emerge. We are also receiving more specific business negotiations for KeePer adoption from other Southeast Asian countries. With the development of our business in Singapore, we aim to expand KeePer LABO stores and markets centered on Southeast Asia.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	3,573,825	5,137,452
Notes receivable - trade	185,863	193,628
Accounts receivable - trade	1,356,868	1,637,166
Merchandise	1,163,271	1,120,808
Supplies	85,746	123,979
Advance payments to suppliers	200	8,320
Prepaid expenses	255,878	254,301
Short-term loans receivable from subsidiaries and associates	-	23,996
Other	53,977	89,661
Allowance for doubtful accounts	(159)	(180)
Total current assets	6,675,471	8,589,133
Non-current assets		
Property, plant and equipment		
Buildings, net	4,102,480	5,573,389
Structures, net	250,830	319,749
Machinery and equipment, net	60,964	44,351
Vehicles, net	33,292	39,933
Tools, furniture and fixtures, net	191,094	233,398
Land	2,016,836	2,016,836
Leased assets, net	-	295,013
Construction in progress	76,509	78,793
Total property, plant and equipment	6,732,008	8,601,463
Intangible assets		
Software	74,009	66,133
Other	55,240	77,067
Total intangible assets	129,249	143,201
Investments and other assets		
Investment securities	20,364	22,237
Shares of subsidiaries and associates	1,000	70,339
Long-term loans receivable from subsidiaries and associates	280,614	462,448
Distressed receivables	-	11
Long-term prepaid expenses	43,451	44,430
Leasehold and guarantee deposits	511,654	599,705
Construction assistance fund receivables	277,799	295,013
Insurance funds	11,460	11,460
Deferred tax assets	396,797	445,076
Other	10	10
Total investments and other assets	1,543,152	1,950,732
Total non-current assets	8,404,410	10,695,397
Total assets	15,079,882	19,284,531

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	455,905	729,482
Current portion of long-term borrowings	48,000	48,000
Accounts payable - other	685,592	682,512
Income taxes payable	935,772	1,008,874
Accrued expenses	271,150	355,059
Lease liabilities	-	22,242
Provision for bonuses	54,859	70,479
Contract liabilities	231,297	277,011
Other	131,440	161,438
Total current liabilities	2,814,019	3,355,100
Non-current liabilities		
Long-term borrowings	112,000	64,000
Provision for retirement benefits	426,714	493,793
Provision for retirement benefits for directors (and other officers)	270,969	288,243
Lease liabilities	-	272,770
Asset retirement obligations	300,899	339,767
Other	4,043	4,043
Total non-current liabilities	1,114,626	1,462,617
Total liabilities	3,928,645	4,817,718
Net assets		
Shareholders' equity		
Share capital	1,347,557	1,347,557
Capital surplus		
Legal capital surplus	1,007,224	-
Other capital surplus	-	1,049,019
Total capital surplus	1,007,224	1,049,019
Retained earnings		
Legal retained earnings	4,931	4,931
Other retained earnings		
Retained earnings brought forward	10,978,475	14,226,522
Total retained earnings	10,983,406	14,231,454
Treasury shares	(2,189,329)	(2,164,590)
Total shareholders' equity	11,148,858	14,463,440
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,378	3,371
Total valuation and translation adjustments	2,378	3,371
Total net assets	11,151,236	14,466,812
Total liabilities and net assets	15,079,882	19,284,531

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Net sales		
Net sales of goods	7,384,417	9,393,390
Service sales	9,658,505	11,181,192
Total net sales	17,042,923	20,574,582
Cost of sales		
Cost of goods sold		
Beginning merchandise inventory	706,006	1,164,573
Cost of purchased goods	3,584,141	3,714,487
Total	4,290,147	4,879,061
Ending merchandise inventory	1,163,271	1,120,808
Total cost of sales	3,126,876	3,758,253
Gross profit	13,916,047	16,816,329
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	242,185	344,313
Salaries and allowances	3,310,092	4,120,608
Bonuses	578,114	790,548
Retirement benefit expenses	81,754	93,031
Provision for bonuses	54,859	15,619
Provision for retirement benefits for directors (and other officers)	14,286	17,274
Legal welfare expenses	604,118	743,938
Welfare expenses	83,718	125,014
Travel and transportation expenses	329,644	399,052
Communication expenses	48,503	53,915
Depreciation	330,718	446,555
Rent expenses	848,100	1,027,896
Insurance expenses	15,618	18,437
Utilities expenses	203,411	217,237
Supplies expenses	235,495	299,175
Taxes and dues	161,390	209,507
Experimentation and research expenses	55,394	40,990
Freight and packing costs	169,932	196,382
Stationery expenses	16,663	19,749
Advertising expenses	434,594	863,920
Commission expenses	235,631	277,468
Provision of allowance for doubtful accounts	(106)	21
Vehicle expenses	123,246	137,321
Outsourcing expenses	126,017	151,632
Lease fee	64	42
Other	137,528	105,365
Total selling, general and administrative expenses	8,440,978	10,715,020
Operating profit	5,475,068	6,101,308

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Non-operating income		
Interest income	1,667	2,221
Dividend income	502	520
Commission income	4,281	4,364
Other	1,865	4,030
Total non-operating income	8,317	11,137
Non-operating expenses		
Interest expenses	1,331	1,818
Foreign exchange losses	11,076	35,476
Miscellaneous losses	305	25
Total non-operating expenses	12,713	37,321
Ordinary profit	5,470,672	6,075,124
Extraordinary income		
Gain on sale of non-current assets	2,064	2,628
Total extraordinary income	2,064	2,628
Extraordinary losses		
Loss on sale and retirement of non-current assets	11,997	12,063
Total extraordinary losses	11,997	12,063
Profit before income taxes	5,460,739	6,065,689
Income taxes - current	1,531,422	1,693,306
Income taxes - deferred	(27,966)	(48,712)
Total income taxes	1,503,456	1,644,594
Profit	3,957,283	4,421,095

Non-consolidated Statements of Changes in Equity

For the fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at beginning of period	1,347,557	1,007,224	-	1,007,224	4,931	7,866,881	7,871,812
Changes during period							
Dividends of surplus						(845,690)	(845,690)
Reversal of legal capital surplus							
Profit						3,957,283	3,957,283
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	-	3,111,593	3,111,593
Balance at end of period	1,347,557	1,007,224	-	1,007,224	4,931	10,978,475	10,983,406

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,188,728)	8,037,865	1,999	1,999	8,039,865
Changes during period					
Dividends of surplus		(845,690)			(845,690)
Reversal of legal capital surplus		-			-
Profit		3,957,283			3,957,283
Purchase of treasury shares	(601)	(601)			(601)
Disposal of treasury shares		-			-
Net changes in items other than shareholders' equity			378	378	378
Total changes during period	(601)	3,110,992	378	378	3,111,371
Balance at end of period	(2,189,329)	11,148,858	2,378	2,378	11,151,236

For the fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings
Balance at beginning of period	1,347,557	1,007,224	-	1,007,224	4,931	10,978,475	10,983,406
Changes during period							
Dividends of surplus						(1,173,047)	(1,173,047)
Reversal of legal capital surplus		(1,007,224)	1,007,224				
Profit						4,421,095	4,421,095
Purchase of treasury shares							
Disposal of treasury shares			41,795	41,795			
Net changes in items other than shareholders' equity							
Total changes during period	-	(1,007,224)	1,049,019	41,795	-	3,248,047	3,248,047
Balance at end of period	1,347,557	-	1,049,019	1,049,019	4,931	14,226,522	14,231,454

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,189,329)	11,148,858	2,378	2,378	11,151,236
Changes during period					
Dividends of surplus		(1,173,047)			(1,173,047)
Reversal of legal capital surplus		-			-
Profit		4,421,095			4,421,095
Purchase of treasury shares	(1,078)	(1,078)			(1,078)
Disposal of treasury shares	25,818	67,614			67,614
Net changes in items other than shareholders' equity			993	993	993
Total changes during period	24,739	3,314,582	993	993	3,315,576
Balance at end of period	(2,164,590)	14,463,440	3,371	3,371	14,466,812

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	5,460,739	6,065,689
Depreciation	330,718	446,555
Increase (decrease) in allowance for doubtful accounts	(119)	21
Increase (decrease) in contract liabilities	67,770	45,713
Increase (decrease) in provision for retirement benefits	55,800	67,078
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14,286	17,274
Interest and dividend income	(2,169)	(2,741)
Foreign exchange losses (gains)	(908)	(1,276)
Interest expenses	1,331	1,818
Loss (gain) on sale and retirement of non-current assets	9,932	9,434
Decrease (increase) in trade receivables	(216,462)	(288,063)
Decrease (increase) in inventories	(474,521)	4,230
Increase (decrease) in trade payables	96,641	273,576
Decrease (increase) in prepaid expenses	(65,998)	1,577
Increase (decrease) in accounts payable - other	(17,839)	116,523
Increase (decrease) in accrued expenses	(41,613)	83,909
Other, net	(28,996)	137,094
Subtotal	5,188,591	6,978,416
Interest and dividends received	2,169	2,741
Interest paid	(1,331)	(1,818)
Income taxes paid	(1,525,568)	(1,634,677)
Net cash provided by (used in) operating activities	3,663,860	5,344,661
Cash flows from investing activities		
Purchase of shares of subsidiaries and associates	-	(69,339)
Purchase of property, plant and equipment	(1,124,843)	(2,141,350)
Proceeds from sale of property, plant and equipment	6,014	5,592
Purchase of intangible assets	(39,736)	(39,104)
Loan advances to subsidiaries and associates	(280,614)	(205,829)
Proceeds from collection of loans receivable	110	90
Payments of leasehold and guarantee deposits	(159,086)	(88,051)
Proceeds from refund of leasehold and guarantee deposits	11,650	-
Payments of construction assistance fund receivables	(7,000)	(44,000)
Other, net	7,325	20,693
Net cash provided by (used in) investing activities	(1,586,181)	(2,561,300)
Cash flows from financing activities		
Repayments of long-term borrowings	(379,936)	(48,000)
Purchase of treasury shares	(601)	-
Dividends paid	(845,690)	(1,173,047)
Net cash provided by (used in) financing activities	(1,226,227)	(1,221,047)
Effect of exchange rate change on cash and cash equivalents	908	1,313
Net increase (decrease) in cash and cash equivalents	852,361	1,563,626
Cash and cash equivalents at beginning of period	2,721,463	3,573,825
Cash and cash equivalents at end of period	3,573,825	5,137,452