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May 15, 2024

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

Company name: MIDAC HOLDINGS CO., LTD.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 6564
URL: https://www.midac.jp
Representative: Keiko Kato, President
Inquiries: Hiroaki Takada, Director, Department Manager of Planning Department
Telephone: +81-53-488-7173

Scheduled date of ordinary general meeting of shareholders: June 27, 2024
Scheduled date to commence dividend payments: June 28, 2024
Scheduled date to file Securities Report: June 28, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes

(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	9,547	22.8	3,538	28.4	3,377	25.5	1,907	13.1
March 31, 2023	7,771	21.8	2,755	21.7	2,692	23.0	1,685	31.2

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥1,908 million [13.2%]
For the fiscal year ended March 31, 2023: ¥1,685 million [31.2%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	69.00	68.99	16.1	13.9	37.1
March 31, 2023	61.12	61.10	16.4	12.9	35.5

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2024: ¥– million
For the fiscal year ended March 31, 2023: ¥– 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	26,901	12,789	47.4	461.33
March 31, 2023	21,607	10,983	50.7	397.26

Reference: Equity
As of March 31, 2024: ¥12,759 million
As of March 31, 2023: ¥10,965 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	2,653	(2,845)	2,263	8,611
March 31, 2023	2,849	(2,243)	39	6,540

2. Cash dividends

	Annual dividends per share					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	–	0.00	–	5.00	5.00	138	8.2	1.3
Fiscal year ended March 31, 2024	–	0.00	–	8.00	8.00	221	11.6	1.9
Fiscal year ending March 31, 2025 (Forecast)	–	0.00	–	10.00	10.00		11.1	

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	5,013	19.5	1,562	15.3	1,578	19.4	976	29.6	35.34
Fiscal year ending March 31, 2025	10,391	8.9	3,849	8.9	3,881	15.0	2,484	30.5	89.90

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 2 companies (ENSHU CRUSHED STONE CO., LTD., FRIEND SANITARY CO., LTD.)

(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	27,773,500 shares
As of March 31, 2023	27,773,500 shares

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

As of March 31, 2024	115,302 shares
As of March 31, 2023	170,001 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	27,639,722 shares
Fiscal year ended March 31, 2023	27,581,571 shares

[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	2,619	50.8	1,582	92.2	1,553	89.7	1,382	76.8
March 31, 2023	1,736	(51.0)	823	220.4	819	3.2	781	17.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	50.00	50.00
March 31, 2023	28.35	28.34

(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	18,470	6,856	37.0	246.81
March 31, 2023	13,787	5,576	40.3	201.38

Reference: Equity

As of March 31, 2024: ¥6,826 million

As of March 31, 2023: ¥5,558 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

  The forward-looking statements including business results forecasts in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. For the suppositions that form the assumptions for earnings forecasts and points to note concerning the use thereof, please refer to “1. Overview of operating results and others” on page 2 of the attached materials.

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy continued to face an uncertain outlook due to the ongoing depreciation of the yen and soaring raw material and energy costs, while socioeconomic activities were boosted by the relaxation of behavioral restrictions following the change of the infectious disease classification of COVID-19 to Class V, an increase in inbound demand, and other factors.

Under these circumstances, the MIDAC HOLDINGS Group (the "Group") has been promoting proactive M&A investments to accelerate the reinforcement of the growth foundation as well as to strengthen the profitability of existing businesses in accordance with the first phase of the medium-term management plan to realize the "Challenge 80th" 10-year vision of the Group.

First, to strengthen the profitability of existing businesses, the Group has focused on securing contracted waste volume at the controlled landfill site "Okuyama-No-Mori Clean Center." As a result, contracted volumes at the "Okuyama-No-Mori Clean Center" remained strong, mainly due to a pick-up in private sector capital investment in response to the recovery trend in the external environment. The volume of contracts for the controlled landfill site "Enshu Clean Center" and the stabilized landfill site "Hamanako Clean Center," both located in the same region, also remained generally in line with plans. Furthermore, the Group worked to enhance profitability by promoting the passing on of prices in response to increasing treatment expenses associated with the sharp rise in raw material prices, etc.

For proactive M&A investments to accelerate the reinforcement of the growth foundation, the Group acquired all of the shares of ENSHU CRUSHED STONE CO., LTD. (crushed stone manufacturing business) and FRIEND SANITARY CO., LTD. (general waste collection and transportation business, and human raw waste collection and transportation business) and made them subsidiaries. The performance of these two companies has contributed to the Group's operating results since the third quarter of the fiscal year under review, leading to expansion of the Group's business areas and enhancement of its growth foundation.

As a result of the above, in the fiscal year under review, net sales amounted to 9,547 million yen (+22.8% year-on-year), operating profit amounted to 3,538 million yen (+28.4%), ordinary profit amounted to 3,377 million yen (+25.5%), and profit attributable to owners of parent amounted to 1,907 million yen (+13.1%), meaning that both sales and profits increased, and the Group achieved its highest ever net sales and profit at each stage of profit.

Business performance by segment was as follows.

(i) Waste treatment business

The contracted waste volume, primarily large-scale transactions with the construction industry, increased significantly due to expanding the acceptance quota at "Okuyama-No-Mori Clean Center" by MIDAC CO., LTD., a consolidated subsidiary that operates landfill sites. As a result of the above, net sales amounted to 8,086 million yen (+16.6%) and segment profit amounted to 4,508 million yen (+25.7%).

(ii) Collection and transportation business

In the industrial waste business, unit prices per contract improved and net sales remained stable as a result of the implementation of price revisions due to soaring prices. In the area of general waste, the volume of contracts increased as a result of our efforts to cultivate new customers in addition to the collection volume of general waste created by restaurants, etc. showing a growth trend due to the shift in classification of COVID-19 under the Infectious Diseases Act. Net sales increased on the prior period, given they also reflect the results of FRIEND SANITARY CO., LTD., which became a consolidated subsidiary in September 2023. As a result of the above, net sales amounted to 1,304 million yen (+83.6%) and segment profit amounted to 220 million yen (+128.4%).

(iii) Intermediary management business

Intermediary services for partner companies was also stable due to factors such as large-scale construction projects. As a result of the above, net sales amounted to 130 million yen (+2.5%) and segment profit amounted to 94 million yen (+19.1%).

(2) Overview of financial position for the fiscal year under review

(Assets)

Current assets as of the end of the fiscal year under review amounted to 10,436 million yen, an increase of 2,602 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of 2,247 million yen. In addition, non-current assets amounted to 16,465 million yen, an increase of 2,691 million yen from the end of the previous fiscal year. This was mainly due to a 1,726 million yen increase in land, a 388 million yen increase in deferred tax assets, and a 286 million yen increase in goodwill.

As a result, total assets amounted to 26,901 million yen, an increase of 5,293 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of the end of the fiscal year under review amounted to 6,811 million yen, an increase of 2,881 million yen from the end of the previous fiscal year. This was mainly due to an increase in short-term borrowings of 2,800 million yen. In addition, non-current liabilities amounted to 7,299 million yen, an increase of 605 million yen from the end of the previous fiscal year. This was mainly due to an increase in provision for retirement benefits for directors (and other officers) of 758 million yen.

As a result, total liabilities amounted to 14,111 million yen, an increase of 3,487 million yen from the end of the previous fiscal year.

(Net assets)

Total net assets as of the end of the fiscal year under review amounted to 12,789 million yen, an increase of 1,805 million yen from the end of the previous fiscal year. This was due to factors such as an increase in retained earnings of 1,768 million yen as a result of the recording of profit attributable to owners of parent, etc.

(3) Overview of cash flows for the fiscal year under review

(Millions of yen)

Item	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Increase (decrease)
Cash flows from operating activities	2,849	2,653	(196)
Cash flows from investing activities	(2,243)	(2,845)	(602)
Cash flows from financing activities	39	2,263	2,223
Net increase (decrease) in cash and cash equivalents	646	2,071	1,424
Cash and cash equivalents at beginning of period	5,894	6,540	646
Cash and cash equivalents at end of period	6,540	8,611	2,071

Ending balance of cash and cash equivalents for the fiscal year under review (“funds”) amounted to 8,611 million yen, an increase of 2,071 million yen from the end of the previous fiscal year.

The status of each type of cash flow and the main reasons thereof are as follows.

(Cash flows from operating activities)

Funds obtained as a result of operating activities amounted to 2,653 million yen (-6.9% year-on-year).

This was mainly due to inflows from profit before income taxes of 3,377 million yen, depreciation of 674 million yen, and amortization of goodwill of 254 million yen, and outflows from income taxes paid of 1,562 million yen.

(Cash flows from investing activities)

Funds used as a result of investing activities amounted to 2,845 million yen (+26.9% year-on-year).

This was mainly due to income inflows from proceeds from cancellation of insurance funds of 1,100 million yen, and outflows from purchase of property, plant and equipment of 1,855 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 1,875 million yen.

(Cash flows from financing activities)

Funds obtained as a result of financing activities amounted to 2,263 million yen (+5569.2% year-on-year).

This was mainly due to inflows from net increase in short-term borrowings of 2,800 million yen and proceeds from long-term borrowings of 660 million yen, and outflows from repayments of long-term borrowings of 1,031 million yen.

(4) Future outlook

With regard to the future outlook, amid the continuing normalization of socioeconomic activities following the COVID-19 pandemic, personal consumption is expected to pick up as real wages improve due to sustained wage increases by businesses. On the other hand, the outlook is expected to remain uncertain mainly due to geopolitical risks arising from unstable international conditions, soaring raw material and resource prices, abnormal weather conditions, and risks from natural disasters.

Under these circumstances, in the next fiscal year, the Group will continue to strive for the realization of “Challenge 80th” based on the integrated waste treatment system from collection and transportation to final treatment, especially increasing the contracted waste volume by expanding the acceptance quota at Okuyama-No-Mori Clean Center. In addition, at intermediate treatment facilities, we will work to improve operating rate by continuing to promote sales activities aimed at expanding our sales channels.

For future growth investments, we will focus on landfill sites and intermediate treatment facilities, and will pursue optimal investments for strengthening our management resources through both in-house development and proactive M&A.

Taking the above circumstances into consideration, in terms of the outlook for business performance in the next fiscal year, the Group forecasts net sales of 10,391 million yen (+8.9% year-on-year), operating profit of 3,849 million yen (+8.9%), ordinary profit of 3,881 million yen (+15.0%), and profit attributable to owners of parent of 2,484 million yen (+30.5%).

2. Basic rationale for selection of accounting standards

The Group does not engage in international business development or fundraising, and has therefore prepared consolidated financial statements in accordance with accounting principles generally accepted in Japan.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	6,540,406	8,787,716
Notes and accounts receivable - trade	968,534	1,303,777
Inventories	92,548	73,837
Other	233,865	273,183
Allowance for doubtful accounts	(1,384)	(2,481)
Total current assets	7,833,970	10,436,032
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,418,511	2,784,869
Accumulated depreciation	(1,348,194)	(1,779,085)
Buildings and structures, net	1,070,317	1,005,784
Machinery, equipment and vehicles	3,954,854	5,236,809
Accumulated depreciation	(3,349,986)	(4,510,583)
Machinery, equipment and vehicles, net	604,867	726,225
Landfill site	6,493,763	6,495,775
Accumulated depreciation	(1,318,245)	(1,625,100)
Landfill site, net	5,175,517	4,870,675
Land	2,851,551	4,577,814
Construction in progress	1,898,153	2,150,167
Other	283,078	312,323
Accumulated depreciation	(209,453)	(245,563)
Other, net	73,625	66,759
Total property, plant and equipment	11,674,033	13,397,426
Intangible assets		
Goodwill	934,520	1,220,669
Facility installation right	120,300	80,200
Other	33,405	65,856
Total intangible assets	1,088,225	1,366,725
Investments and other assets		
Investment securities	–	20,320
Deferred tax assets	280,499	669,058
Other	730,834	1,011,537
Total investments and other assets	1,011,334	1,700,916
Total non-current assets	13,773,592	16,465,068
Total assets	21,607,562	26,901,101

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	52,449	55,334
Short-term borrowings	1,290,000	4,090,000
Current portion of bonds payable	16,000	–
Current portion of long-term borrowings	994,657	983,224
Income taxes payable	489,389	752,529
Accounts payable - other	525,731	334,245
Provision for bonuses	98,582	126,483
Other	462,891	469,864
Total current liabilities	3,929,701	6,811,681
Non-current liabilities		
Bonds payable	200,000	200,000
Long-term borrowings	5,528,913	5,184,421
Deferred tax liabilities	–	82,502
Provision for retirement benefits	–	34,222
Provision for retirement benefits for directors (and other officers)	–	758,000
Provision for maintenance of landfill site	795,238	881,533
Asset retirement obligations	112,505	112,538
Other	57,306	46,410
Total non-current liabilities	6,693,963	7,299,628
Total liabilities	10,623,664	14,111,309
Net assets		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	4,934,175	4,909,038
Retained earnings	6,093,745	7,862,738
Treasury shares	(152,190)	(103,542)
Total shareholders' equity	10,965,730	12,758,234
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	1,307
Total accumulated other comprehensive income	–	1,307
Share acquisition rights	18,167	30,249
Total net assets	10,983,897	12,789,791
Total liabilities and net assets	21,607,562	26,901,101

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

(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	7,771,698	9,547,104
Cost of sales	3,143,460	3,684,858
Gross profit	4,628,237	5,862,246
Selling, general and administrative expenses	1,872,942	2,323,742
Operating profit	2,755,295	3,538,504
Non-operating income		
Interest income	408	1,789
Gain on sale of non-current assets	8,822	10,553
Rental income from real estate	14,126	13,235
Insurance claim income	2,062	4,420
Other	8,198	7,492
Total non-operating income	33,618	37,491
Non-operating expenses		
Interest expenses	80,343	88,359
Loss on retirement of non-current assets	–	26,700
Rental costs on real estate	9,909	65,643
Other	6,356	17,622
Total non-operating expenses	96,609	198,326
Ordinary profit	2,692,304	3,377,669
Profit before income taxes	2,692,304	3,377,669
Income taxes - current	1,040,980	1,768,021
Income taxes - deferred	(34,385)	(297,362)
Total income taxes	1,006,595	1,470,659
Profit	1,685,709	1,907,010
Profit attributable to owners of parent	1,685,709	1,907,010

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,685,709	1,907,010
Other comprehensive income		
Valuation difference on available-for-sale securities	–	1,307
Total other comprehensive income	–	1,307
Comprehensive income	1,685,709	1,908,317
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,685,709	1,908,317

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	2,149,871	2,896,672	4,545,900	(62,637)	9,529,807	6,582	9,536,390
Changes during period							
Issuance of new shares							–
Transfer from share capital to other capital surplus	(2,059,871)	2,059,871			–		–
Dividends of surplus			(137,864)		(137,864)		(137,864)
Profit attributable to owners of parent			1,685,709		1,685,709		1,685,709
Purchase of treasury shares				(152,718)	(152,718)		(152,718)
Disposal of treasury shares		(22,368)		63,165	40,796		40,796
Net changes in items other than shareholders' equity						11,585	11,585
Total changes during period	(2,059,871)	2,037,502	1,547,844	(89,553)	1,435,922	11,585	1,447,507
Balance at end of period	90,000	4,934,175	6,093,745	(152,190)	10,965,730	18,167	10,983,897

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	90,000	4,934,175	6,093,745	(152,190)	10,965,730
Changes during period					
Issuance of new shares					
Transfer from share capital to other capital surplus					
Dividends of surplus			(138,017)		(138,017)
Profit attributable to owners of parent			1,907,010		1,907,010
Purchase of treasury shares				(796)	(796)
Disposal of treasury shares		(25,137)		49,445	24,308
Net changes in items other than shareholders' equity					
Total changes during period	–	(25,137)	1,768,992	48,649	1,792,504
Balance at end of period	90,000	4,909,038	7,862,738	(103,542)	12,758,234

(Thousands of yen)

	Share acquisition rights	Accumulated other comprehensive income		Total net assets
		Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	18,167	–	–	10,983,897
Changes during period				
Issuance of new shares				–
Transfer from share capital to other capital surplus				–
Dividends of surplus				(138,017)
Profit attributable to owners of parent				1,907,010
Purchase of treasury shares				(796)
Disposal of treasury shares				24,308
Net changes in items other than shareholders' equity	12,081	1,307	1,307	13,388
Total changes during period	12,081	1,307	1,307	1,805,893
Balance at end of period	30,249	1,307	1,307	12,789,791

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,692,304	3,377,669
Depreciation	564,181	674,751
Amortization of goodwill	240,947	254,462
Share-based payment expenses	60,156	60,208
Increase (decrease) in allowance for doubtful accounts	95	434
Increase (decrease) in provision for bonuses	12,282	11,022
Increase (decrease) in provision for retirement benefits	–	32,725
Increase(decrease) in provision for maintenance of landfill site	95,633	86,295
Interest and dividend income	(439)	(2,080)
Interest expenses	80,343	88,359
Loss (gain) on sale of non-current assets	(8,108)	(7,394)
Loss on retirement of property, plant and equipment	31,998	71,946
Decrease (increase) in trade receivables	(292,204)	(234,427)
Decrease (increase) in inventories	(28,730)	33,430
Decrease (increase) in other current assets	55,235	(36,259)
Decrease (increase) in long-term prepaid expenses	7,079	(41,608)
Increase (decrease) in trade payables	(15,637)	2,884
Decrease (increase) in consumption taxes refund receivable	234,876	–
Increase (decrease) in other current liabilities	187,467	(70,273)
Other, net	29,132	1,703
Subtotal	3,946,613	4,303,851
Interest and dividends received	439	2,080
Interest paid	(79,342)	(90,119)
Income taxes paid	(1,018,293)	(1,562,533)
Net cash provided by (used in) operating activities	2,849,416	2,653,279
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,972,145)	(1,855,629)
Proceeds from sale of property, plant and equipment	23,892	35,469
Purchase of intangible assets	(25,381)	(20,951)
Payments of leasehold and guarantee deposits	(10,470)	(556)
Payments into long-term deposits	(44,963)	(62,400)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,875,671)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(185,000)	–
Purchase of shares of subsidiaries and associates	–	(43,797)
Loan advances to subsidiaries and associates	(30,400)	(150,000)
Collection of loans receivable from subsidiaries and affiliates	–	26,572
Proceeds from cancellation of insurance funds	–	1,100,857
Other, net	1,312	407
Net cash provided by (used in) investing activities	(2,243,155)	(2,845,699)

(Thousands 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	(3,593,500)	2,800,000
Proceeds from long-term borrowings	4,600,000	660,000
Repayments of long-term borrowings	(651,828)	(1,031,530)
Redemption of bonds	(30,000)	(16,000)
Dividends paid	(137,864)	(138,017)
Purchase of treasury shares	(137,665)	(796)
Other, net	(9,214)	(10,066)
Net cash provided by (used in) financing activities	39,927	2,263,589
Net increase (decrease) in cash and cash equivalents	646,189	2,071,169
Cash and cash equivalents at beginning of period	5,894,217	6,540,406
Cash and cash equivalents at end of period	6,540,406	8,611,576

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Notes on consolidated statement of cash flows)

Reconciliation of cash and cash equivalents at end of the fiscal year and the related account on the consolidated balance sheet is as follows:

(Thousands of yen)

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Cash and deposits	6,540,406	8,787,716
Time deposits with maturity over 3 months	–	(176,139)
Cash and cash equivalents	6,540,406	8,611,576

(Segment information)

Segment information

1. Overview of reportable segments

   Reportable segments of the Company are segments for which separate financial information is available from among the constituent units of the Company, and that are regularly the subject of reviews by the Board of Directors to determine the allocation of management resources and to assess business performance.

   The reportable segments of the Company consist of three segments: the “waste treatment business,” the “collection and transportation business,” and the “intermediary management business.”

   In the “waste treatment business,” the Company processes industrial waste produced by companies to render it harmless, including the coagulation sedimentation of sludge, etc., neutralization processing, and the sorting and kneading processing of cinders, dust, etc., and performs comprehensive incineration treatment of industrial waste, general waste, etc., created by companies, regional public bodies, etc., with methods that reduce the environmental impact. In addition, the Company processes waste that is difficult to recycle, residual products from recycling processes, etc., at landfill sites.

   In the “Collection and Transportation Business,” the Company collects and transports industrial waste and general waste created by corporate plants, offices, etc.

   In the “intermediary management business,” the Company utilizes our sales capabilities to provide referrals for waste (discharge companies) required by waste disposers, as part of the creation of a network together with other waste disposers. In addition, the Company also provides substitute administrative services in these transactions.

2. Method for calculating amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

   The accounting method for the operating segments that are reportable is based on the “Basis of preparation of consolidated financial statements” of the Company.

   Profits of the reportable segments are amounts based on operating profit.

   Intersegment income or transfers are based on current market price.

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items by reportable segment

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

(Thousands of yen)

	Reportable segments				Adjustments Note: 1	Amount recorded on consolidated statement of income Note: 2
	Waste treatment	Collection and transportation	Intermediary management	Total		
Net sales						
Revenue from contracts with customers	6,934,144	710,626	126,927	7,771,698	–	7,771,698
Sales to external customers	6,934,144	710,626	126,927	7,771,698	–	7,771,698
Intersegment sales or transfers	268,388	8,939	10,387	287,716	(287,716)	–
Total	7,202,533	719,566	137,315	8,059,414	(287,716)	7,771,698
Segment profit	3,586,008	96,683	79,413	3,762,106	(1,006,810)	2,755,295
Segment assets	9,912,559	210,666	248,648	10,371,874	11,235,688	21,607,562
Others						
Depreciation	477,986	49,591	5,583	533,162	31,019	564,181
Amortization of goodwill	240,947	–	–	240,947	–	240,947
Increase in property, plant and equipment and intangible assets	718,775	37,445	4,539	760,760	740,826	1,501,587

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

(Thousands of yen)

	Reportable segments				Other Note: 3	Adjustments Note: 1	Amount recorded on consolidated statement of income Note: 2
	Waste treatment	Collection and transportation	Intermediary management	Total			
Net sales							
Revenue from contracts with customers	8,086,735	1,304,912	130,099	9,521,747	25,357	–	9,547,104
Sales to external customers	8,086,735	1,304,912	130,099	9,521,747	25,357	–	9,547,104
Intersegment sales or transfers	358,810	9,670	18,261	386,742	103	(386,845)	–
Total	8,445,545	1,314,582	148,361	9,908,489	25,460	(386,845)	9,547,104
Segment profit	4,508,050	220,790	94,596	4,823,438	(29,030)	(1,255,903)	3,538,504
Segment assets	9,481,863	1,303,816	257,548	11,043,228	124,506	15,733,366	26,901,101
Others							
Depreciation	534,123	82,338	4,620	621,081	1,729	51,939	674,751
Amortization of goodwill	240,947	11,666	–	252,613	1,848	–	254,462
Increase in property, plant and equipment and intangible assets	248,037	564,148	9,212	821,397	75,854	1,713,162	2,244,769

Notes: 1. The details of adjustments are as follows.

(1) Segment profit (Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Inter-segment transaction eliminations	705	7,526
Corporate expenses*	(1,007,516)	(1,263,429)
Total	(1,006,810)	(1,255,903)

* Corporate expenses mainly consist of general and administrative expenses not attributable to the reportable segments.

(2) Segment assets (Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Corporate assets*	11,235,688	15,733,366
Total	11,235,688	15,733,366

* Corporate assets mainly consist of cash and deposits and non-current assets not attributable to the reportable segments.

(3) The adjustment for the increase in property, plant and equipment and intangible assets is mainly the amount transferred to reportable segments for land and construction in progress in the previous fiscal year, and mainly the investment in land and buildings in the fiscal year under review.

2. Segment profit has been reconciled with operating profit on the consolidated financial statements.

3. The “Other” category is a business segment that is not included in the reportable segment.

Related information

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

1. Information by products and services

(Thousands of yen)

	Waste treatment	Collection and transportation	Intermediary management	Total
Sales to external customers	6,934,144	710,626	126,927	7,771,698

2. Information by region
   (1) Net sales
   Not applicable since the Company has no overseas net sales.
   (2) Property, plant and equipment
   Not applicable since the Company has no property, plant and equipment located outside of Japan.
3. Information by main customers
   Not applicable.

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

1. Information by products and services

(Thousands of yen)

	Waste treatment	Collection and transportation	Intermediary management	Other	Total
Sales to external customers	8,086,735	1,304,912	130,099	25,357	9,547,104

2. Information by region
   (1) Net sales
   Not applicable since the Company has no overseas net sales.
   (2) Property, plant and equipment
   Not applicable since the Company has no property, plant and equipment located outside of Japan.
3. Information by main customers
   Not applicable.

Information on impairment losses of non-current assets by reportable segment

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

Not applicable.

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

Not applicable.

Information on amortization of goodwill and unamortized balance by reportable segment

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

(Thousands of yen)

	Waste treatment	Collection and transportation	Intermediary management	Corporate or eliminations	Total
Amortization for the fiscal year	240,947	–	–	–	240,947
Balance at the end of the fiscal year	934,520	–	–	–	934,520

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

(Thousands of yen)

	Waste treatment	Collection and transportation	Intermediary management	Other	Corporate or eliminations	Total
Amortization for the fiscal year	240,947	11,666	–	1,848	–	254,462
Balance at the end of the fiscal year	693,573	454,990	–	72,105	–	1,220,669

Information on gain on bargain purchase by reportable segment

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

Not applicable.

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

Not applicable.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Net assets per share	397.26	461.33
Basic earnings per share	61.12	69.00
Diluted earnings per share	61.10	68.99

Note: 1. The basis for the calculation of the basic earnings per share is as follows.

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	1,685,709	1,907,010
Value not attributable to shareholders of common shares (Thousands of yen)	–	–
Profit attributable to owners of parent related to common shares (Thousands of yen)	1,685,709	1,907,010
Average number of common shares outstanding during the period (Shares)	27,581,571	27,639,722
Overview of potential shares not included in the calculation of the diluted earnings per share because of the lack of dilution effects	6th series of share acquisition rights by resolution of the Board of Directors meeting held on June 7, 2022 Number of share acquisition rights: 213 Common shares: 21,300 shares	6th series of share acquisition rights by resolution of the Board of Directors meeting held on June 7, 2022 Number of share acquisition rights: 204 Common shares: 20,400 shares

(Subsequent events)

(Grant of share acquisition rights)

At a meeting of the Company's Board of Directors held on April 18, 2024, the Company resolved to issue the following share acquisition rights as share options to employees of the Company and its subsidiaries based on the provisions of Article 236, Article 238 and Article 240 of the Companies Act, and on May 8, 2024, the Company granted the share acquisition rights.

(1) Allotment date of share acquisition rights

May 8, 2024

(2) Number of share acquisition rights

238

(3) Class and number of shares subject to share acquisition rights

Common shares: 23,800 shares

(4) Money to be paid in exchange for share acquisition rights

No monetary payment in exchange for the share acquisition rights shall be required.

(5) Value of assets to be contributed upon exercise of share acquisition rights

Exercised value per unit of the share acquisition rights: 147,900 yen (1,479 yen per share)

(6) Persons subject to allotment of share acquisition rights

89 employees of the Company and the Company's subsidiaries

(7) Exercise period of share acquisition rights

From May 9, 2026 to May 8, 2034.

(8) Matters concerning the amount of increase in share capital and legal capital surplus resulting from issuance of shares upon exercise of share acquisition rights

(i) The amount of share capital to be increased due to the issuance of shares upon the exercise of the share acquisition rights shall be one half of the maximum amount of increases in share capital, etc. calculated according to Article 17, paragraph (1) of the Regulation on Corporate Accounting When an amount less than 1 yen arises from such calculation, that amount shall be rounded up to the nearest yen.

(ii) The amount of legal capital surplus to be increased due to the issuance of shares upon the exercise of the share acquisition rights shall be the amount obtained by deducting the amount of share capital to be increased set forth in (i) above from the maximum amount of increases in share capital, etc. set forth in (i) above.

(9) Conditions for exercise of share acquisition rights

(i) Holders of the share acquisition rights are required to have a position in the Company, its subsidiaries or associates (meaning “associated company” as defined in Article 8 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963, including subsequent amendments)) as Director, Audit and Supervisory Committee Member or employee at the time of exercising the share acquisition rights. However, this shall not apply in the event of resignation due to the expiration of the term of office, mandatory retirement, or when a justifiable reason is acknowledged at a meeting of the Board of Directors.

(ii) The share acquisition rights may not be exercised by inheritors of share acquisition rights.

(iii) The share acquisition rights may not be exercised if, in so doing, the total number of the Company’s issued shares at that time would exceed the total number of authorized shares.

(iv) The share acquisition rights may not be exercised in sums of less than one unit.

(10) Transfer of share acquisition rights

Acquisition of the share acquisition rights through transfer shall require approval by resolution of the Company’s Board of Directors.