

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [IFRS]



May 13, 2022

Company name: Shinwa Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange and Nagoya Stock Exchange

Code number: 3447

URL: <http://www.shinwa-jp.com/en/relation/index.html>

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Scheduled date of Annual General Meeting of Shareholders: June 24, 2022

Scheduled date of filing the annual securities report: June 24, 2022

Scheduled date of commencing dividend payments: June 9, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	16,063	15.7	2,135	15.3	2,063	15.7	1,411	13.6
March 31, 2021	13,885	(18.7)	1,853	(16.2)	1,784	(16.6)	1,242	(15.3)

	Profit attributable to owners of parent		Comprehensive income	
Fiscal year ended	Million yen	%	Million yen	%
March 31, 2022	1,452	17.9	1,421	13.4
March 31, 2021	1,231	(16.0)	1,253	(14.4)

	Basic earnings per share	Diluted earnings per share	Ratio of return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	105.36	105.35	9.8	9.2	13.3
March 31, 2020	87.42	87.09	8.8	8.1	13.3

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

Fiscal year ended March 31, 2022: ¥- million

Fiscal year ended March 31, 2021: ¥- million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
As of March 31, 2022	22,515	15,158	15,130	67.2	1,088.87
As of March 31, 2021	22,236	14,443	14,379	64.7	1,019.59

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	835	(817)	(1,306)	3,460
March 31, 2021	2,892	(181)	(1,104)	4,738

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to equity attributable to owners of parent (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2021	—	0.00	—	35.00	35.00	493	40.0	3.5
Fiscal year ended March 31, 2022	—	0.00	—	43.00	43.00	597	40.8	4.1
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	43.00	43.00		40.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First half	8,600	4.5	1,090	(13.0)	1,048	(13.9)	730	(13.4)
Full year	17,000	5.8	2,200	3.0	2,120	2.7	1,465	3.8

	Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Yen
First half	730	(13.7)	52.53
Full year	1,465	0.8	105.43

*** Notes:**

- (1) Changes in significant subsidiaries during the year under review (changes in specified subsidiaries resulting in change in scope of consolidation): No
- (2) Changes in accounting policies and changes in accounting estimates
 - 1) Changes in accounting policies required by IFRS: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: 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, 2022: 14,103,000 shares
March 31, 2021: 14,103,000 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2022: 207,234 shares
March 31, 2021: – shares
 - 3) Average number of shares during the period:
Fiscal year ended March 31, 2022: 13,789,273 shares
Fiscal year ended March 31, 2021: 14,090,031 shares

*These consolidated financial results are outside the scope of audit by Certified Public Accountants or auditing corporations.

*Explanation of the proper use of financial results forecast and other notes

Financial results forecasts were prepared based on information available at the time of the announcement of this document, and actual results may differ from the forecasts owing to a wide range of factors. For the conditions that form the assumptions for the financial results forecasts, please refer to (1) Overview of Operating Results for the Fiscal Year under Review in 1. Overview of Operating Results, etc. on page 2 and (4) Future Outlook in 1. Overview of Operating Results, etc. on page 5 of the Attachment.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2022 (the “fiscal year under review”), the Japanese economy saw signs of recovery and resilience in some areas in terms of corporate earnings, the employment situation, and private consumption, despite experiencing repeated issuance and lifting of various restrictions related to the novel coronavirus infection. On the other hand, the invasion of Ukraine by Russia has further accelerated the sharp rise in resource prices, and has caused adverse effects on supply chains and fluctuations in financial and capital markets. We must therefore keep a close watch on future developments in the situation and the risk of an economic downturn.

In the construction industry, which is the main supply destination of our products, according to the “Comprehensive construction statistics” published by the Ministry of Land, Infrastructure, Transport and Tourism, total construction investments from April 2021 to February 2022 were ¥48,000 billion (down 1.0% year on year), showing demand mainly in the private-sector albeit a sign of treading water. Amid this business environment, revenue of our mainstay wedge binding type scaffolding and next generation scaffolding remained strong. In the Logistics Equipment Division, revenue grew due to increased demand for transportation equipment and large warehousing-related projects in line with the recovery in the economy and business activities.

In terms of profit, large warehousing projects for major e-commerce companies in logistics equipment, in addition to a recovery in sales of scaffolding equipment, both contributed to profit amid continued demand for high value-added products such as safety equipment. Meanwhile, the Group has taken measures to reduce costs and curb expenditures, as well as reviewing the prices of products, due to a greater-than-expected rise in the price of steel materials, the main raw material for our products. As a result, the operating profit ratio for the fiscal year under review came to 13.3%.

As a result, revenue for the fiscal year under review amounted to ¥16,063 million (up 15.7% year on year). Operating profit was ¥2,135 million (up 15.3% year on year). Profit before tax came to ¥2,063 million (up 15.7% year on year), and profit attributable to owners of parent amounted to ¥1,452 million (up 17.9% year on year).

As the Group is comprised of a single business segment of the manufacturing and sales business of scaffolding equipment and logistics equipment, information by segment is not provided. The performance of each business Division is as follows.

1) Scaffolding Equipment Division

The Scaffolding Equipment Division develops two product groups: “wedge binding type scaffolding” primarily targeted at low- to mid-rise structures such as detached housing; and “next generation scaffolding” for mid- to high-rise large structures and public works.

During the fiscal year ended March 31, 2022, demand for our mainstay wedge binding type scaffolding and next generation scaffolding was firm, against the backdrop of resilience in demand for construction work. In addition, as demand for safety equipment to improve safety at construction sites continued to be high, sales of our products with excellent workability, as well as customer inquiries to the products, remained strong.

As a result of these factors, revenue for the Scaffolding Equipment Division amounted to ¥ 12,435 million (up 14.9% year on year).

2) Logistics Equipment Division

The Logistics Equipment Division offers made-to-order transportation and storage solutions to wide range of industries, including the construction industry, as well as the automobile and distribution warehouses.

During the fiscal year ended March 31, 2022, as the economy showed a stronger recovery trend from the novel coronavirus infections, there was an increase in production activity and distribution volume in various industries, which led to an increase in demand for logistics equipment related to these industries. Additional demand arose in some sectors for transportation equipment due to supply chain delays. Large warehousing-related projects for major e-commerce companies also remained strong.

As a result of these factors, revenue for the Logistics Equipment Division was ¥3,628 million (up 18.3% year on year).

(Thousand yen)

Name of product and service		For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Scaffolding equipment	Wedge binding type scaffolding	5,821,252	7,411,143
	Next generation scaffolding	1,798,219	2,220,937
	Other scaffolding equipment	3,199,455	2,793,746
	Subtotal	10,818,926	12,425,827
Logistics equipment	Pallets	3,066,831	3,637,759
	Subtotal	3,066,831	3,637,759
Total		13,885,758	16,063,586

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets at the end of the fiscal year under review decreased by 209 million from the end of the previous fiscal year to ¥9,081 million. This was mainly due to a decrease in cash and cash equivalents of ¥1,277 million, despite an increase in inventories of ¥984 million. Additionally, non-current assets increased by ¥488 million from the end of the previous fiscal year to ¥13,434 million. The decrease was primarily attributable to an increase in property, plant and equipment of ¥396 million. As a result, total assets increased by ¥278 million from the end of the previous fiscal year to ¥22,515 million.

(Liabilities)

Current liabilities at the end of the fiscal year under review increased by ¥1,123 million from the end of the previous fiscal year to ¥3,552 million. This was mainly due to factors such as an increase in borrowings of ¥1,041 million and an increase in trade and other payables of ¥388 million. Additionally, non-current liabilities decreased by ¥1,560 million from the end of the previous fiscal year to ¥3,804 million. This was primarily attributable to a decrease in borrowings of ¥1,482 million. As a result, total liabilities decreased by ¥436 million from the end of the

previous fiscal year to ¥7,357 million.

(Equity)

Total equity at the end of the fiscal year under review increased by ¥715 million from the end of the previous fiscal year to ¥15,158 million. This was mainly attributable to factors such as the posting of profit attributable to owners of parent of ¥1,452 million, the payments of dividends of ¥493 million, and an increase in treasury shares of ¥163 million.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter “cash”) at the end of the fiscal year under review was ¥3,460 million, a decrease of ¥1,277 million from the end of the previous fiscal year

Cash flows from each activity for the fiscal year under review and their primary factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year under review was ¥835 million, a decrease of ¥2,056 million year on year. The main factors affecting cash inflows are profit before tax of ¥2,063 million, depreciation and amortization of ¥546 million, and a decrease in trade and other receivables of ¥211 million. The main factors affecting cash outflows are an increase in inventories of ¥982 million and income taxes paid of ¥895 million.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year under review was ¥817 million, an increase of ¥636 million year on year. The main factors affecting cash outflows is purchase of property, plant and equipment of ¥676 million and purchase of intangible assets of ¥136 million.

(Cash flows from financing activities)

Net cash used in financing activities for the fiscal year under review was ¥1,306 million, an increase of ¥202 million year on year. The main factor affecting cash inflows is proceeds from short-terms borrowings of ¥1,114 million, while the main factors affecting cash outflows are dividends paid of ¥497 million, purchase of treasury shares of ¥299 million and repayments of long-term borrowings of ¥1,500 million.

(4) Future Outlook

In December 2021, the Group formulated and announced its “Medium-Term Management Plan” with a five-year implementation period from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2026. In the next fiscal year, which will be the second year of the plan, we will steadily implement measures in each business segment and focus on breakthrough areas as we strive to achieve our goal set for the fiscal year ending March 31, 2026.

Currently, there are concerns over such as Russia’s invasion of Ukraine causing a further surge in resource prices, the novel coronavirus infections effect on supply chains, and fluctuations in the financial and capital markets. In particular, the price of steel, the main raw material for our products, is expected to continue rising for the foreseeable future, and will have a significant impact in terms of profit. In the next fiscal year, we will continue our efforts to ensure profitability through price revisions and other measures.

1) Scaffolding Equipment Division

Regarding the Scaffolding Equipment Division, demand for high value-added products such as safety equipment continues to be high, and the Company anticipates that demand will continue to exceed a certain level, including other product lines. On the other hand, since the impact of soaring raw material prices is extremely large, the Company will work to maintain profitability by reviewing the prices of products.

Based on these assumptions, the Company expects revenue of the Scaffolding Equipment Division in full year to amount to ¥12,950 million (up 4.2% year on year).

2) Logistics Equipment Division

Regarding the Logistics Equipment Division, in addition to sales continuing to perform steadily in bulk containers for liquid shipping, and warehouse racks for distribution warehouses, the Company will work to increase revenue by expanding sales of new projects in a wide range of fields. On the other hand, due to the impact of soaring raw material prices, in the same manner as the Scaffolding Equipment Division, the Company will work to maintain profitability by reviewing the prices of products.

Based on these assumptions, the Company expects revenue of the Logistics Equipment Division in full year to come to ¥4,050 million (up 11.3% year on year).

The Company plans to endeavor to reduce costs and control expenditure through all sorts of measures such as reviewing fixed costs and new investment projects.

Based on the above, the Company expects consolidated revenue of ¥17,000 million (up 5.8% year on year) for the fiscal year ending March 31, 2023, operating profit of ¥2,200 million (up 3.0% year on year), profit before tax of ¥2,120 million (up 2.7% year on year), and profit attributable to owners of parent of ¥1,465 million (up 0.8% year on year).

The above forecasts were prepared based on the information available at the time of the announcement of this document, and the actual results, therefore, may differ from the forecasts due to various factors in future.

(5) Basic Policy for Distribution of Profits and Dividends for the Fiscal Year under Review and Next Fiscal Year
The Group positions the return of profits to shareholders as one of its most important management issues.

1) Basic policy

The Company's basic policy is to return profits to its shareholders in accordance with operating results, while ensuring internal reserves necessary for stable corporate growth and to respond to changes in the business environment, with a target payout ratio of at least 40%.

2) Number of dividend payments and decision-making body

The Company's basic policy for dividends of surplus is to pay year-end dividends once per year. The Company's Articles of Incorporation stipulate that the matters provided in each item of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, shall be resolved by the Board of Directors, unless otherwise stipulated by laws and regulations. In addition, the Articles of Incorporation stipulate that an interim dividend as provided in provisions of Article 454, Paragraph 5 of the Companies Act may be paid depending on the circumstances. The Board of Directors is the decision-making body for the interim dividend.

3) Use of internal reserves

The Company intends to use internal reserves to strengthen its financial structure, and as effective investment capital, including capital investment and the development of human resources for further business growth, as it strives to enhance corporate value.

At the Board of Directors meeting held on May 13, 2022, the Company resolved the appropriation of surplus for the fiscal year ended March 31, 2022 with a year-end dividend of ¥43.0 per share. As a result, the payout ratio is 40.8%.

The Company expects to pay an annual dividend of ¥43.0 per share (payout ratio: 40.8%) for the fiscal year ending March 31, 2023, taking into account the payout ratio target of 40% or more and the outlook for the fiscal year ending March 31, 2023, but the dividend amount may change depending on the future economic trend, and the Company's business performance.

2. Basic Stance Concerning Choice of Accounting Standards

The Group positions overseas expansion of its business as one of its key business strategies. Accordingly, the Group applies the International Financial Reporting Standards (IFRS) in order to expand trading opportunities by making it easier for overseas corporations to understand the Group.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

	(Thousand yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	4,738,197	3,460,569
Trade and other receivables	3,006,431	2,759,028
Inventories	1,483,489	2,467,765
Other current assets	62,739	393,795
Total current assets	9,290,857	9,081,159
Non-current assets		
Property, plant and equipment	2,054,202	2,450,806
Right-of-use assets	380,906	324,090
Goodwill	9,221,769	9,221,769
Intangible assets	1,237,608	1,371,800
Other financial assets	41,194	55,942
Other non-current assets	10,303	10,115
Total non-current assets	12,945,985	13,434,524
Total assets	22,236,842	22,515,684

(Thousand yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	803,637	1,192,304
Borrowings	581,206	1,622,952
Income taxes payable	593,931	416,686
Other financial liabilities	92,854	125,254
Other current liabilities	357,363	195,211
Total current liabilities	<u>2,428,993</u>	<u>3,552,409</u>
Non-current liabilities		
Borrowings	4,717,504	3,234,979
Provisions	45,518	45,520
Other financial liabilities	293,969	237,062
Deferred tax liabilities	303,835	283,230
Other non-current liabilities	3,900	3,900
Total non-current liabilities	<u>5,364,727</u>	<u>3,804,693</u>
Total liabilities	<u>7,793,721</u>	<u>7,357,103</u>
Equity		
Share capital	153,576	153,576
Capital surplus	6,969,569	6,919,802
Retained earnings	7,252,148	8,211,397
Treasury shares	—	(163,101)
Other components of equity	4,010	9,065
Total equity attributable to owners of parent	<u>14,379,305</u>	<u>15,130,740</u>
Non-controlling interests	63,816	27,840
Total equity	<u>14,443,121</u>	<u>15,158,581</u>
Total liabilities and equity	<u>22,236,842</u>	<u>22,515,684</u>

(2) Consolidated Statements of Profit or Loss and Comprehensive Income
Consolidated Statement of Profit or Loss

(Thousand yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Revenue	13,885,758	16,063,586
Cost of sales	(10,263,817)	(11,941,382)
Gross profit	3,621,941	4,122,203
Selling, general and administrative expenses	(1,809,707)	(1,978,843)
Other income	70,928	24,722
Other expenses	(30,132)	(32,361)
Operating profit	1,853,029	2,135,721
Finance income	575	503
Finance costs	(69,462)	(72,454)
Profit before tax	1,784,142	2,063,770
Income tax expense	(541,238)	(651,882)
Profit	1,242,903	1,411,887
Profit attributable to		
Owners of parent	1,231,806	1,452,853
Non-controlling interests	11,097	(40,966)
Profit	1,242,903	1,411,887
Earnings per share		
Basic earnings per share (yen)	87.42	105.36
Diluted earnings per share (yen)	87.09	105.35

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit	1,242,903	1,411,887
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	—	(138)
Total of items that will not be reclassified to profit or loss	—	(138)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10,885	10,183
Total of items that may be reclassified to profit or loss	10,885	10,183
Other comprehensive income, net of tax	10,885	10,045
Comprehensive income	1,253,788	1,421,932
Comprehensive income attributable to		
Owners of parent	1,237,351	1,457,908
Non-controlling interests	16,437	(35,976)
Comprehensive income	1,253,788	1,421,932

(3) Consolidated Statement of Changes in Equity
For the Fiscal Year Ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

	Share capital	Capital surplus	Retained earnings	Other components of equity		Total equity attributable to owners of parent	Non-controlling interests	Total equity
				Exchange differences on translation of foreign operations	Other components of equity			
Balance at beginning of period	150,125	6,951,814	6,640,266	(1,534)	(1,534)	13,740,672	47,378	13,788,051
Profit	—	—	1,231,806	—	—	1,231,806	11,097	1,242,903
Other comprehensive income	—	—	—	5,544	5,544	5,544	5,340	10,885
Comprehensive income	—	—	1,231,806	5,544	5,544	1,237,351	16,437	1,253,788
Exercise of share acquisition rights	3,451	3,445	—	—	—	6,897	—	6,897
Dividends	—	—	(619,924)	—	—	(619,924)	—	(619,924)
Share-based payment transactions	—	14,308	—	—	—	14,308	—	14,308
Total transactions with owners	3,451	17,754	(619,924)	—	—	(598,718)	—	(598,718)
Balance at end of period	153,576	6,969,569	7,252,148	4,010	4,010	14,379,305	63,816	14,443,121

For the Fiscal Year Ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Thousand yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Other components of equity			
Balance at beginning of period	153,576	6,969,569	7,252,148	—	—	4,010	4,010	14,379,305	63,816	14,443,121
Profit	—	—	1,452,853	—	—	—	—	1,452,853	(40,966)	1,411,887
Other comprehensive income	—	—	—	—	(138)	5,193	5,055	5,055	4,989	10,045
Comprehensive income	—	—	1,452,853	—	(138)	5,193	5,055	1,457,908	(35,976)	1,421,932
Purchase of treasury shares	—	—	—	(299,267)	—	—	—	(299,267)	—	(299,267)
Disposal of treasury shares – exercise of subscription rights to shares	—	(49,766)	—	136,166	—	—	—	86,400	—	86,400
Dividends	—	—	(493,605)	—	—	—	—	(493,605)	—	(493,605)
Total transactions with owners	—	(49,766)	(493,605)	(163,101)	—	—	—	(706,472)	—	(706,472)
Balance at end of period	153,576	6,919,802	8,211,397	(163,101)	(138)	9,203	9,065	15,130,740	27,840	15,158,581

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	1,784,142	2,063,770
Depreciation and amortization	655,444	546,418
Impairment losses	—	27,378
Finance income and finance costs	68,887	71,950
Loss (gain) on sale of fixed assets	(115)	(449)
Loss on disposal of property, plant and equipment	4,652	0
Share-based payment expenses	14,306	—
Decrease (increase) in inventories	923,264	(982,441)
Decrease (increase) in trade and other receivables	(234,845)	211,419
Increase (decrease) in trade and other payables	41,770	6,092
Other	111,317	(175,950)
Subtotal	3,368,823	1,768,188
Interest and dividends received	575	503
Interest paid	(41,456)	(41,391)
Income taxes paid	(435,540)	(895,774)
Income taxes refund	—	4,383
Net cash provided by (used in) operating activities	2,892,402	835,909
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	19,510	—
Purchase of property, plant and equipment	(221,376)	(676,140)
Purchase of intangible assets	(6,944)	(136,324)
Payments for acquisition of financial assets	—	(5,937)
Other	27,479	540
Net cash provided by (used in) investing activities	(181,331)	(817,861)
Cash flows from financing activities		
Proceeds from short-term borrowings	116,325	1,114,103
Repayments of short-term borrowings	(35,426)	(88,039)
Repayments of long-term borrowings	(500,000)	(1,500,000)
Payments of financial expenditures	(12,167)	(12,690)
Capital contribution from non-controlling interests	34,191	—
Proceeds from exercise of share acquisition rights	6,900	86,400
Dividends paid	(618,922)	(497,793)
Purchase of treasury shares	—	(299,267)
Repayments of lease liabilities	(95,484)	(109,546)
Net cash provided by (used in) financing activities	(1,104,583)	(1,306,834)
Effect of exchange rate changes on cash and cash equivalents	11,298	11,159
Net increase (decrease) in cash and cash equivalents	1,617,786	(1,277,627)
Cash and cash equivalents at beginning of period	3,120,411	4,738,197
Cash and cash equivalents at end of period	4,738,197	3,460,569

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Segment information)

(1) General information

The Group's main businesses are the manufacturing and sales of scaffolding equipment and logistics equipment. There is a single reporting segment of the manufacturing and sales business of scaffolding equipment and logistics equipment.

(2) Information regarding revenue, profit and loss, and other matters of the reporting segment

This information is omitted, because the Group has a single segment of the manufacturing and sales business of scaffolding equipment and logistics equipment.

(3) Information regarding products and services

Revenue from external customers for each product and service is as follows.

(Thousand yen)

Name of product and service		For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Scaffolding equipment	Wedge binding type scaffolding	5,821,252	7,410,551
	Next generation scaffolding	1,798,219	2,222,297
	Other scaffolding equipment	3,199,455	2,802,389
	Subtotal	10,818,926	12,435,238
Logistics equipment	Pallets	3,066,831	3,628,347
	Subtotal	3,066,831	3,628,347
Total		13,885,758	16,063,586

Note: Revenue stated in other scaffolding equipment and pallets includes revenue derived from leases under IFRS 16 of ¥464,321 thousand in the previous fiscal year and ¥428,229 thousand in the fiscal year under review.

(4) Regional information

The information regarding revenue by region is omitted because revenue in Japan from external customers account for the majority of revenue in the Consolidated Statement of Profit or Loss. In addition, the information regarding non-current assets by region is omitted, because non-current assets belonging to locations in Japan account for the majority of the carrying amount of non-current assets in the Consolidated Statement of Financial Position.

(5) Information regarding major customers

This information is omitted, because no single external customer accounts for more than 10% of the Group's revenue.

(Per share information)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit attributable to common shareholders of parent (thousand yen)	1,231,806	1,452,853
Diluted profit (thousand yen)	1,231,806	1,452,853
Weighted average number of common shares issued (shares)	14,090,031	13,789,273
Weighted average number of common shares used to calculate diluted earnings per share (shares)	14,143,958	13,790,867
Basic earnings per share	¥87.42	¥105.36
Diluted earnings per share	¥87.09	¥105.35

Note: Basic earnings per share is calculated by dividing profit attributable to common shareholders of parent by the weighted average number of common shares issued during the fiscal year.

(Significant subsequent events)

There is no relevant information.