

Financial Review

Long-term Financial Performance Trend

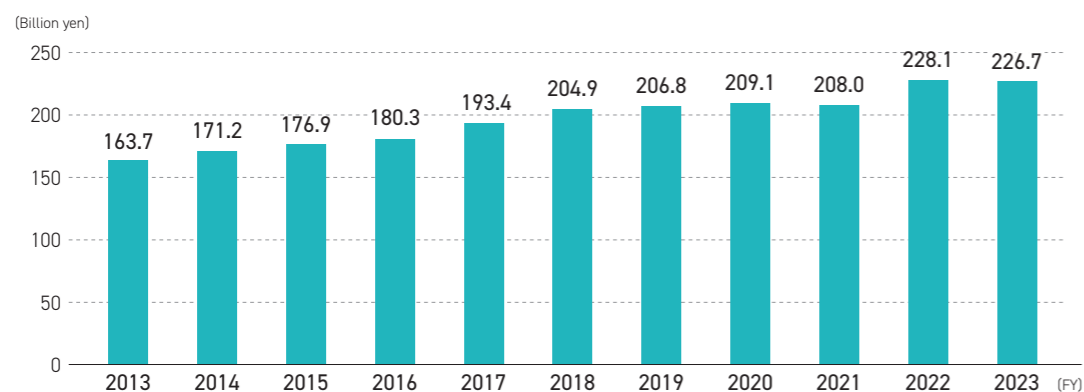
(Billion yen)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales	163.7	171.2	176.9	180.3	193.4	204.9	206.8	209.1	208.0	228.1	226.7
Operating Profit	22.2	25.3	28.6	31.4	35.0	37.1	38.6	42.5	51.0	52.3	48.2
Ordinary Income	23.7	26.4	29.5	31.7	36.2	39.1	40.0	43.9	53.7	55.8	51.6
Net Income	16.7	18.2	22.4	24.0	27.1	29.4	30.8	33.5	38.8	41.1	38.0
EBITDA	30.8	33.8	38.3	40.3	45.5	48.0	49.2	53.0	61.2	63.3	62.0
Operating Margin	13.6%	14.8%	16.2%	17.4%	18.1%	18.1%	18.7%	20.3%	24.5%	22.9%	21.3%
ROE	12.7%	12.7%	14.6%	15.1%	16.1%	16.6%	16.9%	17.5%	19.2%	19.4%	17.1%
EPS (¥/share)	102.11	113.99	143.37	156.97	180.30	197.67	210.09	231.73	271.88	291.36	272.82
Dividend (¥/share)	30	36	44	52	68	82	90	104	122	164	164
Dividend Payout Ratio	29.4%	31.6%	30.7%	33.1%	37.7%	41.5%	42.8%	44.9%	44.9%	56.3%	60.1%
Share Repurchase	5.0	6.0	9.0	9.0	9.0	9.0	10.0	10.0	12.0	9.0	10.0
Total Assets	208.0	223.9	228.2	231.7	246.0	247.0	249.5	265.5	279.7	298.7	323.5
Net Assets	137.8	151.3	156.9	163.7	176.4	182.1	185.5	200.6	208.0	221.5	230.9
Cash	30.8	31.3	35.3	35.7	37.7	36.2	30.6	32.4	34.7	29.6	22.7
Liabilities with Interest	36.1	35.1	33.1	30.8	28.6	26.6	24.6	22.7	22.7	27.3	41.0
Equity Ratio	65.7%	66.9%	68.1%	69.9%	71.0%	73.0%	73.7%	74.9%	73.6%	73.1%	70.3%
Capex*	9.1	8.7	9.5	13.5	14.4	9.9	15.5	14.3	12.4	19.4	20.2
Depreciation	8.5	8.5	9.7	8.9	10.5	10.9	10.5	10.4	10.2	11.0	13.8
R&D Expenses	14.2	15.0	15.8	16.1	17.2	17.8	17.2	16.5	16.0	16.8	17.3
R&D Expenses/Sales	8.7%	8.7%	8.9%	8.9%	8.9%	8.7%	8.3%	7.9%	7.7%	7.4%	7.6%

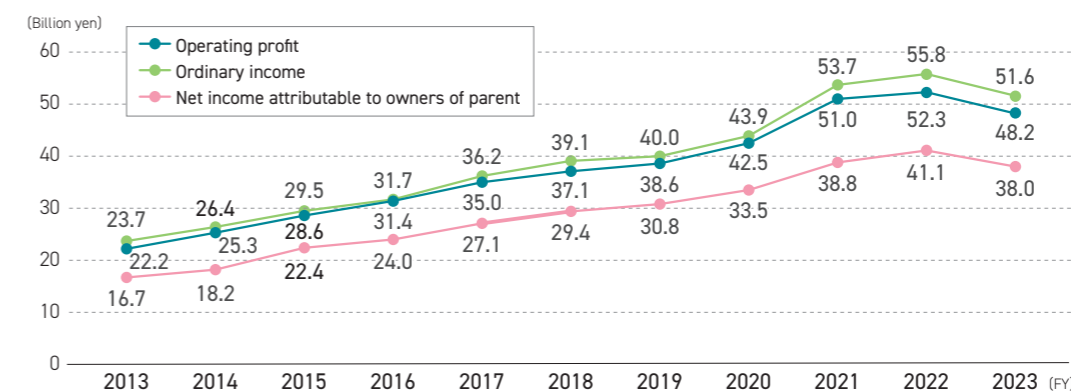
* Capex: Cash flow basis

(Accounting policy has changed since FY2021)

● Sales (over time)



● Key financial indicators (over time)



Financial Review of the Year Ended March 31, 2024

Overview

During the current fiscal year (April 1, 2023 to March 31, 2024), the domestic economy showed a recovery trend in consumer spending and automobile exports in the first half of the fiscal year, in addition to an increase in inbound demand driven by the weak yen. However, the recovery was limited sluggish personal consumption toward the end of the fiscal year, as well as automobile production cutbacks and other factors. Under these circumstances, in the Chemicals Segment, sales of both Basic Chemicals and Fine Chemicals decreased. In the Performance Materials Segment, sales of Semiconductor Materials declined but sales of Display Materials were fine. In the Agricultural Chemicals Segment, sales increased. In the Healthcare Segment, sales decreased.

As a result, both sales and each income were below the same period of the previous fiscal year. Although ordinary income exceeded the forecast announced in November, sales, operating income and net income attributable to owners of parent fell short of the forecast.

Financial Position

● Position of Assets, Liabilities and Net Assets

Total assets as of March 31, 2024 were 323,458 million yen (an increase of 24,742 million yen from the previous year). It is mainly due to the increase of merchandise and finished goods, buildings and structures and machinery, equipment and vehicles.

Total liabilities as of March 31, 2024 were 92,554 million yen (an increase of 15,365 million yen). It is mainly due to the increase of short-term loans payable.

Net assets as of March 31, 2024 were 230,903 million yen (an increase of 9,376 million yen). As a result of these factors, equity ratio was 70.3% (a decrease of 2.8% from March 31, 2023).

● Position of Cash Flow

Deducting income taxes paid from income before income taxes and non-controlling interests, depreciation and gain and loss in working capital, net cash provided by operating activities for the consolidated fiscal year ended March 31, 2024 was 33,701 million yen (35,226 million yen for the previous year).

Due to investment on plant and equipment, net cash used in investing activities for the consolidated fiscal year ended March 31, 2024 was 18,741 million yen (19,643 million yen for the previous year).

Due to payment for dividends and of long-term loans payable, share repurchase, net cash used in financing activities for the consolidated fiscal year ended March 31, 2024 was 22,101 million yen (25,030 million yen for the previous year).

As a result of these factors, cash and cash equivalents for the consolidated fiscal year ended March 31, 2024 were 22,738 million yen (29,647 million yen for the previous year), reflecting exchange of 231 million yen. It decreased by 6,909 million yen compared to the previous year.

Overview by segments

The Chemicals Segment

In Basic Chemicals, sales of nitric acid products (metal dissolution, surface treatment, etc.) increased. Sales of melamine (adhesives agent) declined as a result of the termination of sales in the third quarter of the previous fiscal year under the structural reforms. In Fine Chemicals, sales of environmental related products (sterilizing and disinfecting agents for pools and septic tanks, etc.) and TEPIC® (powder coating agent for paint, sealants, etc.) decreased due to the impact of falling market demand.

As a result, sales of this segment were 35,562 million yen (a decrease of 3,471 million yen) and operating income was 48 million yen (a decrease of 1,330 million yen). Compared to the outlook, sales were below 3.0 billion yen and operating income was below 0.8 billion yen.

The Performance Materials Segment

In Display Materials, sales of SUNEVER® (LCD alignment coating) increased. In Semiconductor Materials, sales of ARC®* (antireflective coating for semiconductors) and OptiStack®* (multi-layer process material) decreased due to a decline in customer utilization. In Inorganic Materials, sales of SNOWTEX® for polishing electronic materials and hard coating, and Oilfield materials (solvents to improve the efficiency of shale oil and gas extraction) decreased.

As a result, sales of this segment were 84,567 million yen (an increase of 1,961 million yen) and operating income was 22,530 million yen (a decrease of 2,919 million yen). Compared to the outlook, sales were above 0.1 billion yen and operating income was below 0.8 billion yen.

* ARC® and OptiStack® are registered trademarks of Brewer Science, Inc.

The Agricultural Chemicals Segment

Sales of Fluralaner (active ingredients for veterinary pharmaceuticals) increased. In Japanese domestic market, sales of GRACIA® (insecticide) were firm, but sales of ROUNDUP® (non-selective foliar application herbicide) decreased. In the overseas market, although sales of GRACIA® grew, sales of LEIMAY® (fungicide) decreased.

As a result, sales of this segment were 82,113 million yen (an increase of 529 million yen) and operating income was 23,398 million yen (an increase of 267 million yen). Compared to the outlook, sales were below 1.9 billion yen and operating income was above 0.1 billion yen.

The Healthcare Segment

Sales of LIVALO®* (anti-cholesterol drug) declined, mainly to overseas markets. In "Custom Chemicals" (custom manufacturing and solution proposal business for pharmaceutical companies), sales of generic active pharmaceutical ingredients decreased.

As a result, sales of this segment were 6,300 million yen (a decrease of 373 million yen) and operating income was 2,814 million yen (a decrease of 175 million yen). Compared to the outlook, sales were above 0.4 billion yen and operating income was above 0.2 billion yen.

* LIVALO® is a registered trademark of Kowa Company, Ltd.

Trading

Sales of this segment were 103,794 million yen (an increase of 4,728 million yen) and operating income was 3,701 million yen (a decrease of 0 million yen). Compared to the outlook, sales were above 2.9 billion yen and operating income was above 0.4 billion yen.

Others

Sales of this segment were 30,167 million yen (an increase of 3,782 million yen) and operating income was 572 million yen (a decrease of 307 million yen).

Consolidated Balance Sheets [1] (For FY2023 and FY2022)

◎Assets	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Current assets			
Cash and deposits	22,738	29,647	150,185
Notes and accounts receivable - trade, and contract assets	88,800	82,670	586,526
Merchandise and finished goods	56,804	46,950	375,192
Work in process	5	18	33
Raw materials and supplies	21,370	17,703	141,149
Accounts receivable - other	2,956	2,113	19,524
Short-term loans receivable	2,152	3,088	14,214
Other	7,189	7,305	47,483
Allowance for doubtful accounts	(48)	(44)	(317)
Total current assets	201,968	189,454	1,334,003
Non-current assets			
Property, plant and equipment			
Buildings and structures	85,860	72,520	567,107
Accumulated depreciation and impairment loss	(50,898)	(46,567)	(336,182)
Buildings and structures, net	34,962	25,952	230,925
Machinery, equipment and vehicles	170,309	151,653	1,124,894
Accumulated depreciation and impairment loss	(145,729)	(136,861)	(962,543)
Machinery, equipment and vehicles, net	24,579	14,792	162,345
Tools, furniture and fixtures	44,084	42,153	291,176
Accumulated depreciation and impairment loss	(39,457)	(38,379)	(260,614)
Tools, furniture and fixtures, net	4,626	3,774	30,555
Land	9,064	8,817	59,868
Leased assets	160	149	1,057
Accumulated depreciation and impairment loss	(24)	(10)	(159)
Leased assets, net	135	139	892
Construction in progress	4,004	11,176	26,446
Total property, plant and equipment	77,372	64,653	511,044
Intangible assets			
Software	2,444	1,722	16,143
Other	8,302	9,813	54,835
Total intangible assets	10,747	11,535	70,984
Investments and other assets			
Investment securities	26,119	27,322	172,517
Long-term loans receivable	50	0	0
Deferred tax assets	519	531	3,428
Net defined benefit asset	3,737	2,140	24,683
Other	3,054	3,186	20,172
Allowance for doubtful accounts	(111)	(110)	(733)
Total investments and other assets	33,370	33,071	220,410
Total non-current assets	121,489	109,260	802,437
Total assets	323,458	298,715	2,136,446

Consolidated Balance Sheets [2] (For FY2023 and FY2022)

◎Liabilities	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Current liabilities			
Notes and accounts payable - trade	20,427	19,942	134,921
Short-term loans payable	39,062	25,327	258,005
Current portion of long-term loans payable	634	624	4,188
Income taxes payable	4,940	7,879	32,629
Provision for bonuses	2,548	2,413	16,830
Provision for loss on business of subsidiaries and affiliates	310	-	2,048
Provision for business structure improvement	2	418	13
Other	18,638	15,556	123,104
Total current liabilities	86,563	72,161	571,750
Non-current liabilities			
Long-term loans payable	1,284	1,338	8,481
Deferred tax liabilities	1,431	98	9,452
Provision for loss on business of subsidiaries and affiliates	143	626	945
Provision for share-based remuneration for directors (and other officers)	272	256	1,797
Net defined benefit liability	467	377	3,085
Other	2,392	2,331	15,799
Total non-current liabilities	5,991	5,027	39,571
Total liabilities	92,554	77,188	611,321

◎Net assets	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Shareholders' equity			
Capital stock	18,942	18,942	125,112
Capital surplus	13,613	13,613	89,914
Retained earnings	182,327	182,400	1,204,273
Treasury shares	(943)	(6,111)	(6,229)
Total shareholders' equity	213,939	208,844	1,413,071
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	8,238	7,678	54,412
Foreign currency translation adjustment	4,226	1,735	27,913
Remeasurements of defined benefit plans	1,066	159	7,041
Total accumulated other comprehensive income	13,531	9,574	89,373
Non-controlling interests	3,432	3,107	22,668
Total net assets	230,903	221,526	1,525,119
Total liabilities and net assets	323,458	298,715	2,136,446

(Note 1) This is an English translation of the consolidated financial statements of the Japanese annual securities report.
 (Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2024 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥151.40 to US \$1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2024. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

◎ Consolidated Statements of Income	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Net sales	226,705	228,065	1,497,391
Cost of sales	121,930	121,262	805,350
Gross profit	104,774	106,803	692,034
Selling, general and administrative expenses	56,572	54,519	373,659
Operating income	48,201	52,283	318,369
Non-operating income			
Interest income	161	203	1,063
Dividend income	1,560	1,323	10,304
Equity in earnings of affiliates	536	1,485	3,540
Foreign exchange gains	2,210	1,296	14,597
Other	810	694	5,350
Total non-operating income	5,280	5,004	34,875
Non-operating expenses			
Interest expenses	526	252	3,474
Loss on disposal of non-current assets	935	817	6,176
Loss on sales of non-current assets	10	5	66
Plant stop losses	169	198	1,116
Other	211	220	1,394
Total non-operating expenses	1,853	1,493	12,239
Ordinary income	51,629	55,793	341,011
Extraordinary income			
Gain on sales of investment securities	1,332	1,461	8,798
Total extraordinary income	1,332	1,461	8,798
Extraordinary losses			
Impairment losses	823	-	5,436
Loss on valuation of investment securities	353	650	2,332
Total extraordinary losses	1,176	650	7,768
Income before income taxes and non-controlling interests	51,785	56,605	342,041
Income taxes - current	12,847	14,554	84,855
Income taxes - deferred	730	633	4,822
Total income taxes	13,578	15,187	89,683
Net income	38,206	41,417	252,351
Net income attributable to non-controlling interests	172	329	1,136
Net income attributable to owners of parent	38,033	41,087	251,209

◎ Consolidated Statements of Comprehensive Income	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Net income	38,326	41,417	253,144
Other comprehensive income			
Valuation difference on available-for-sale securities	559	(625)	3,692
Foreign currency translation adjustment	2,788	760	18,415
Remeasurements of defined benefit plans, net of tax	907	138	5,991
Share of other comprehensive income of entities accounted for using equity method	0	0	0
Total other comprehensive income	4,254	273	28,098
Comprehensive income	42,461	41,690	280,456
(Comprehensive income attributable to)			
Owners of parent	41,990	41,270	277,345
Non-controlling interests	470	420	3,104

Consolidated Statements of Changes in Net Assets (For FY2023)

	(Million yen)				
	Total Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥18,942	¥13,613	¥182,400	(¥6,111)	¥208,844
Changes of items during period					
Dividends of surplus			(22,973)		(22,973)
Net income attributable to owners of parent			38,033		38,033
Change in scope of consolidation	—	—	—	—	—
Share repurchase				(10,006)	(10,006)
Disposal of treasury shares				40	40
Cancellation of treasury shares			(15,133)	15,133	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(73)	5,167	5,094
Balance at end of current period	¥18,942	¥13,613	¥182,327	(¥943)	¥213,939

	(Million yen)					
	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	¥7,678	¥1,735	¥159	¥9,574	¥3,107	¥221,526
Changes of items during period						
Dividends of surplus						(22,973)
Net income attributable to owners of parent						38,033
Change in scope of consolidation	—	—	—	—	—	—
Share repurchase						(10,006)
Disposal of treasury shares						40
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	559	2,490	907	3,956	325	4,282
Total changes of items during period	559	2,490	907	3,956	325	9,376
Balance at end of current period	¥8,238	¥4,226	¥1,066	¥13,531	¥3,432	¥230,903

Consolidated Statements of Changes in Net Assets (For FY2022)

(Million yen)

	Total Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥18,942	¥13,613	¥172,393	(¥8,261)	¥196,688
Changes of items during period					
Dividends of surplus			(20,084)		(20,084)
Net income attributable to owners of parent			41,087		41,087
Change in scope of consolidation			101		101
Share repurchase				(9,002)	(9,002)
Disposal of treasury shares				55	55
Cancellation of treasury shares			(11,097)	11,097	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	10,006	2,150	12,156
Balance at end of current period	¥18,942	¥13,613	¥182,400	(¥6,111)	¥208,844

(Million yen)

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	¥8,304	¥898	¥21	¥9,223	¥2,097	¥208,009
Changes of items during period						
Dividends of surplus						(20,084)
Net income attributable to owners of parent						41,087
Change in scope of consolidation						101
Share repurchase						(9,002)
Disposal of treasury shares						55
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	(625)	837	138	350	1,009	1,360
Total changes of items during period	(625)	837	138	350	1,009	13,516
Balance at end of current period	¥7,678	¥1,735	¥159	¥9,574	¥3,107	¥221,526

Consolidated Statements of Changes in Net Assets (For FY2023)

(Thousand U.S. dollars)

	Total Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	\$125,112	\$89,914	\$1,204,756	(\$40,363)	\$1,379,419
Changes of items during period					
Dividends of surplus			(151,737)		(151,737)
Net income attributable to owners of parent			251,209		251,209
Change in scope of consolidation	—	—	—	—	—
Share repurchase				(66,090)	(66,090)
Disposal of treasury shares				264	264
Cancellation of treasury shares			(99,954)	99,954	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(482)	34,128	33,646
Balance at end of current period	\$125,112	\$89,914	\$1,204,273	(\$6,229)	\$1,413,071

(Thousand U.S. dollars)

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	\$50,713	\$11,460	\$1,050	\$63,236	\$20,522	\$1,463,184
Changes of items during period						
Dividends of surplus						(151,737)
Net income attributable to owners of parent						251,209
Change in scope of consolidation	—	—	—	—	—	—
Share repurchase						(66,090)
Disposal of treasury shares						264
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	3,692	16,446	5,991	26,129	2,147	28,283
Total changes of items during period	3,692	16,446	5,991	26,129	2,147	61,929
Balance at end of current period	\$54,412	\$27,913	\$7,041	\$89,373	\$22,668	\$1,525,119

Consolidated Statements of Changes in Net Assets (For FY2022)

(Thousand U.S. dollars)

	Total Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	\$141,845	\$101,939	\$1,290,947	(\$61,862)	\$1,472,877
Changes of items during period					
Dividends of surplus			(150,397)		(150,397)
Net income attributable to owners of parent			307,676		307,676
Change in scope of consolidation			756		756
Share repurchase				(67,411)	(67,411)
Disposal of treasury shares				412	412
Cancellation of treasury shares			(83,099)	83,099	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	74,929	16,100	91,029
Balance at end of current period	\$141,845	\$101,939	\$1,365,883	(\$45,762)	\$1,563,906

(Thousand U.S. dollars)

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	\$62,184	\$6,725	\$157	\$69,065	\$15,703	\$1,557,653
Changes of items during period						
Dividends of surplus						(150,397)
Net income attributable to owners of parent						307,676
Change in scope of consolidation						756
Share repurchase						(67,411)
Disposal of treasury shares						412
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	(4,680)	6,268	1,033	2,621	7,556	10,184
Total changes of items during period	(4,680)	6,268	1,033	2,621	7,556	101,213
Balance at end of current period	\$57,496	\$12,992	\$1,191	\$71,694	\$23,266	\$1,658,874

Consolidated Statements of Cash Flows

(Million yen)

(Thousand U.S. dollars)

	As of March 31, 2024	As of March 31, 2023	As of March 31, 2024
Cash flows from operating activities			
Income before income taxes and non-controlling interests	51,785	56,605	342,041
Depreciation and amortization	13,700	10,878	90,489
Impairment losses	823	-	5,436
Loss on valuation of investment securities	353	650	2,332
Amortization of goodwill	101	101	667
Interest and dividend income	(1,722)	(1,527)	(11,374)
Loss (gain) on sales of investment securities	(1,332)	(1,461)	(8,798)
Interest expenses	526	252	3,474
Loss (gain) on disposal of non-current assets	935	817	6,176
Decrease (increase) in notes and accounts receivable - trade	(4,911)	(2,360)	(32,437)
Decrease (increase) in inventories	(12,424)	(12,382)	(82,061)
Increase (decrease) in notes and accounts payable - trade	(437)	217	(2,886)
Other	477	(3,057)	3,151
Subtotal	47,875	48,734	316,215
Interest and dividend income received	2,242	2,153	14,808
Interest expenses paid	(525)	(251)	(3,468)
Income taxes paid	(15,891)	(15,408)	(104,960)
Net cash provided by (used in) operating activities	33,701	35,226	222,596
Cash flows from investing activities			
Purchase of investment securities	(125)	(506)	(826)
Proceeds from sales of investment securities	1,742	2,499	11,506
Purchase of shares of subsidiaries	(10)	(25)	(66)
Purchase of property, plant and equipment	(18,591)	(18,236)	(122,794)
Payments for retirement of property, plant and equipment	(820)	(716)	(5,416)
Purchase of intangible assets	(1,587)	(1,221)	(10,482)
Payments of long-term loans receivable	-	(0)	-
Net decrease (increase) in short-term loans receivable	1,070	(1,505)	7,067
Purchase of long-term prepaid expenses	(225)	(282)	(1,486)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	93	-	614
Other	(288)	352	(1,902)
Net cash provided by (used in) investing activities	(18,741)	(19,643)	(123,785)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	10,924	3,940	72,153
Proceeds from long-term loans payable	580	780	3,831
Repayments of long-term loans payable	(624)	(552)	(4,122)
Cash dividends paid	(22,973)	(20,084)	(151,737)
Dividends paid to non-controlling interests	-	(105)	-
Share repurchase	(10,006)	(9,002)	(66,090)
Other	(2)	(6)	(13)
Net cash provided by (used in) financing activities	(22,101)	(25,030)	(145,978)
Effect of exchange rate change on cash and cash equivalents	231	1,320	1,526
Net increase (decrease) in cash and cash equivalents	(6,909)	(8,126)	(45,634)
Cash and cash equivalents at beginning of period	29,647	34,658	195,819
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	3,116	-
Cash and cash equivalents at end of period	22,738	29,647	150,185

(Note 1) This is an English translation of the consolidated financial statements of the Japanese annual securities report.
 (Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2024 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥151.40 to US \$1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2024. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.