



Consolidated Financial Results for Fiscal Year 2022 [Japanese GAAP]

May 9, 2023

Listed Company Name EDION Corporation Listed on the Tokyo Stock Exchange
 Code Number 2730 <https://www.edion.com/>
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 Responsible Contact Person (Title) General Manager of Financial & Accounting Division (Name) Yasuhiro Asanoma Tel: 81-6-6202-6048
 Scheduled date of holding annual general meeting of shareholders: June 29, 2023 Scheduled date of dividend payment: June 30, 2023
 Scheduled date of filing annual securities report: June 30, 2023
 Preparation of supplemental explanatory documents for financial results: Yes
 Holding analyst meeting for financial results: Yes (For institutional investors and security analysts)

(Amounts are rounded down to the nearest million yen) (Figures in brackets are negative)

1. Consolidated Financial Results for FY2022 (April 1, 2022, to March 31, 2023)

(1) Consolidated Operating Results (% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	720,584	1.0	19,186	2.1	19,248	(10.8)	11,393	(13.1)
FY2021	713,768	(7.1)	18,796	(29.8)	21,589	(22.4)	13,109	(21.2)

(Note) Comprehensive income FY2022 11,581 million yen [(13.9%)] FY2021 13,458 million yen [(21.8%)]

	Profit per shares Basic	Profit per shares Diluted	Ratio of profit to equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2022	112.36	100.32	5.7	5.2	2.7
FY2021	125.41	112.60	6.7	5.6	2.6

(Reference) Equity in earnings or losses of affiliates FY2022 (262) million yen FY2021 (7) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book-value per shares
	Million yen	Million yen	%	Yen
FY2022	369,365	201,656	54.6	2,048.30
FY2021	377,970	199,480	52.8	1,950.13

(Reference) Shareholders' equity FY2022 201,656 million yen FY2021 199,480 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2022	12,139	(8,336)	(20,452)	13,235
FY2021	10,576	(10,518)	(13,245)	29,885

2. Dividends Information

	Dividend per shares					Total annual dividends	Payout ratio (consolidated)	Dividends on equity ratio (consolidated)
	First quarter	Second quarter	Third quarter	End of the year	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	—	22.00	—	22.00	44.00	4,543	35.1	2.3
FY2022	—	22.00	—	22.00	44.00	4,417	39.2	2.2
FY2023 (Forecast)	—	22.00	—	22.00	44.00		37.7	

3. Forecast of Consolidated Financial Results for FY2023 (April 1, 2023, to March 31, 2024)

(% of changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share Basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	367,000	4.5	13,000	25.8	13,000	27.8	8,500	20.2	86.34
Full year	745,000	3.4	19,500	1.6	19,500	1.3	11,500	0.9	116.81

* Notes

(1) Major changes in significant consolidated subsidiaries during the period

(changes in specified subsidiaries accompanying change in the scope of consolidation): No

Newly consolidated: — (Company name:), Eliminated from the scope of consolidation: — (Company name:)

(2) Changes in accounting policies, financial estimates, and restatement

(i) Changes in accounting policies due to revisions of accounting standards: Yes

(ii) Changes in accounting policies other than (i) above: No

(iii) Changes in financial estimates: No

(iv) Restatements of financial statements: No

(3) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury stock)

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

(iii) Average number of shares during the period

FY2022	112,005,636 shares	FY2021	112,005,636 shares
FY2022	13,554,763 shares	FY2021	9,714,361 shares
FY2022	101,400,642 shares	FY2021	104,528,946 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Highlights for FY2022 (April 1, 2022, to March 31, 2023)

(1) Non-Consolidated Operating Results

(% of changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	649,335	0.8	16,163	1.1	17,533	(10.7)	9,982	(17.2)
FY2021	644,036	(7.8)	15,987	(36.1)	19,645	(25.7)	12,062	(24.8)

	Profit per shares Basic	Profit per shares Diluted
	Yen	Yen
FY2022	98.45	87.90
FY2021	115.40	103.61

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book-value per shares
	Million yen	Million yen	%	Yen
FY2022	362,135	195,115	53.9	1,981.85
FY2021	370,429	194,484	52.5	1,901.28

(Reference) Shareholders' equity FY2022 195,115 million yen FY2021 194,484 million yen

(Note) This summary of financial results is outside the scope of the audit.

(Note) Explanation of the adequate use of forecasts and other special issues

(Note on forward-looking statements)

The forward-looking statements in this document concerning forecasting of performance, etc. are based on currently available information and assumptions considered by the Company to be reasonable. The actual performance may be significantly different from the forecast due to various factors. Concerning assumptions used as a basis for forecasting financial results and precautionary statements when using the performance forecast, please refer to 1. Overview of business results, etc. (4) Forecast of financial results for FY2023 on Page 6 of the attachment.

(How to obtain the supplementary documents and details of the financial results briefing)

The Company plans to hold a results presentation for institutional investors and securities analysts on Tuesday, May 9, 2023. It plans to post the supplementary documents for financial results to be distributed at the results presentation on its website immediately after the results presentation.

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1. Overview of business results, etc.

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

During the current fiscal year under review (April 1, 2022 to March 31, 2023), the outlook of the Japanese economy continued to be uncertain due to Russia's invasion of Ukraine, a rise in prices caused by soaring raw material and energy prices, and the rapid fluctuation of the yen.

However, as movement restrictions associated with COVID-19 pandemic were eased in stages, normalization of social activities and recovery of personal consumption progressed gradually.

In this environment, the EDION Group's sales grew compared to the previous year.

Looking at its sales by product, the Group's sales of seasonal appliances, such as air conditioners, were robust since the temperature hit a record high in late June and early July and the cold became severer toward the end of December.

In addition, sales of housing equipment for home improvement and games and toys increased since the product supply situation stabilized.

Furthermore, the Company concluded a capital and business alliance agreement with Nitori Holdings Co., Ltd. in April 2022. The Group started marketing some of Nitori's furniture and interior goods at all of its directly operated stores (EDION and Hyakuman Volt stores) to expand the business of both Groups by mutually using the business resources and knowhow of both Groups.

As an initiative for sustainability in the current consolidated fiscal year, the EDION Group established the "Sustainability Committee" in June 2022. Focusing on climate change as one of its main themes, the Group has propelled the creation of a framework to aggressively tackle and solve various social environmental issues. It has aimed to create a prosperous and affluent social environment by not only protecting the natural environment but also endeavoring to realize a recycling-oriented, carbon-free society. The Group's efforts include the introduction of a solar photovoltaic power generating unit in September 2022 under the PPA model at the *EDION Takabarihara Store* as part of measures to reduce the emission of carbon dioxide, "clean-up activities throughout all its stores", and "afforestation activities" in each region.

As to the opening of directly operated home electrical appliance retail stores, the EDION Group opened five stores, relocated two stores, reconstructed one store, and closed one store. Regarding directly operated non-home electrical appliance retail stores, the Group closed three stores. In addition, the number of franchise stores increased by five (net). Thus, the number of stores at the end of the current consolidated fiscal year under review totaled 1,208, including 758 franchise stores.

Opening and closing of EDION Group's directly operated stores

Year and month	Names of stores	Prefecture	Category
April 2022	EDION Homes Kawasaki Daishi Store	Kanagawa	Opened
	EDION Oasis Town Suita SST Store	Osaka	Opened
	EDION Dynacity Odawara Store	Kanagawa	Opened
	EDION LuVit Town Kariya Store	Aichi	Opened
May 2022	Hyakuman Volt Kanazawa Takayanagi Store	Ishikawa	Reconstructed
	au Shop AEON Mall Suzuka Store (non-home electrical appliance retail store)	Mie	Closed
June 2022	EDION Tokiwa Beppu Store	Oita	Relocated
	EDION ACROSS PLAZA Mihara Store	Hiroshima	Relocated
December 2022	EDION Seya Store	Kanagawa	Opened
March 2023	EDION Higashiura Store	Aichi	Closed
	docomo Shop Sakae Oasis 21 Store (non-home electrical appliance retail store)	Aichi	Closed
	docomo Shop Hondori Nishi Store (non-home electrical appliance retail store)	Hiroshima	Closed

Summary of consolidated operating results

	FY2021	FY2022	Changes	Year-on-year percentage change (%)
Net sales (Million yen)	713,768	720,584	6,816	101.0
Operating income (Million yen)	18,796	19,186	389	102.1
Ordinary income (Million yen)	21,589	19,248	(2,340)	89.2
Profit attributable to owners of parent (Million yen)	13,109	11,393	(1,716)	86.9

<Consolidated net sales>

In the fiscal year under review, consolidated net sales amounted to 720,584 million yen (101.0% of the previous year). This was due to steady sales of seasonal home electrical appliances, including air conditioners, and a growth in sales of housing equipment for home improvement and games and toys, whose supply became stabilized.

<Operating income>

In the fiscal year under review, operating income totaled 19,186 million yen (102.1% of the previous year). This was mainly due to an increase in consolidated net sales.

<Ordinary income>

In the fiscal year under review, ordinary income stood at 19,248 million yen (89.2% of the previous year). This was mainly because subsidy income fell by 2,380 million yen from 2,429 million yen in the previous fiscal year to 48 million in the current fiscal year.

<Profit attributable to owners of parent >

In the fiscal year under review, profit attributable to owners of parent amounted to 11,393 million yen (86.9% of the previous year). This was mainly due to a decrease in ordinary income and impairment loss of 2,433 million yen.

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

Financial position

	FYE of 2021	FYE of 2022	Change
Total assets (Million yen)	377,970	369,365	(8,604)
Liabilities (Million yen)	178,489	167,708	(10,780)
Net assets (Million yen)	199,480	201,656	2,176
Shareholders' equity ratio (%)	52.8	54.6	1.8
Net assets per share (yen)	1,950.13	2,048.30	98.17
Balance of interest-bearing debt (Million yen)	41,731	32,195	(9,535)

Total assets amounted to 369,365 million yen, down 8,604 million yen from the end of the previous fiscal year. This was mainly due to a decrease in current assets of 4,857 million yen caused by a fall in cash and equivalents of 16,649 million yen by repayments of long-term debt, despite a rise in inventories-merchandise and products of 10,038 million yen to secure the inventory of goods for the summer sales campaign at an early date, and to a decline in noncurrent assets of 3,747 million yen caused by a decrease in buildings and structures (net) of 3,663 million yen due to depreciation and sale and retirement.

Liabilities stood at 167,708 million yen, down 10,780 million yen from the end of the previous year. This was mainly due to a decrease in current liabilities of 1,161 million yen caused by a fall in notes and accounts payable-trade of 5,581 million yen, despite an increase in income taxes payable of 3,609 million yen, and to a decline in noncurrent liabilities of 9,619 million yen caused by a decrease in long-term debt of 10,993 million yen due to repayments.

Net assets totaled 201,656 million yen, up 2,176 million yen from the end of the previous year. This was mainly due to an increase caused by the posting of profit attributable to owners of parent of 11,393 million yen despite decreases caused by cash dividends of surplus of 4,502 million yen and purchase of treasury shares of 4,923 million yen.

As a result, the shareholders' equity ratio changed to 54.6% at the end of the fiscal year under review from 52.8% at the end of the previous fiscal year.

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

	FY2021	FY2022	Change
Net cash provided by operating activities (Million yen)	10,576	12,139	1,562
Net cash used in investing activities (Million yen)	(10,518)	(8,336)	2,182
Net cash used in financing activities (Million yen)	(13,245)	(20,452)	(7,207)
Net increase (decrease) in cash and cash equivalents (Million yen)	(13,187)	(16,649)	(3,462)
Cash and cash equivalents at beginning of period (Million yen)	43,072	29,885	(13,187)
Cash and cash equivalents at end of period (Million yen)	29,885	13,235	(16,649)

Cash and cash equivalents on a consolidated basis (“funds”) at the end of the current fiscal year amounted to 13,235 million yen (44.3% of the previous year), down 16,649 million yen from the end of the previous fiscal year. A summary of the cash flow situation during the current fiscal year and the reasons for the changes are as follows:

(Net cash provided by operating activities)

Funds provided by operating activities amounted to 12,139 million yen (versus 10,576 million yen provided in the previous year). This was attributable to profit before income taxes of 16,901 million yen, depreciation and amortization of 10,580 million yen, impairment loss of 2,433 million yen, a decrease in funds of 10,123 million yen due to an increase in inventories, a fall in funds of 5,581 million yen due to a decline in notes and accounts payable, and income taxes paid of 2,441 million yen.

(Net cash used in investing activities)

Funds used in investing activities amounted to 8,336 million yen (versus 10,518 million yen used in the previous year). This was attributable to purchase of property and equipment of 5,417 million yen, proceeds from sales of property and equipment of 952 million yen, purchase of intangible assets of 2,251 million yen, purchase of investment securities of 750 million yen, and payments for guarantee deposits of 1,071 million yen.

(Net cash used in financing activities)

Funds used in financing activities amounted to 20,452 million yen (versus 13,245 million yen used in the previous year). This was attributable to repayments of long-term debt of 10,422 million yen, purchase of treasury shares of 5,001 million yen, and cash dividends paid of 4,120 million yen.

(Changes in cash flow indicators of the EDION Group)

	18 th term ended March 31, 2019	19 th term ended March 31, 2020	20 th term ended March 31, 2021	21 st term ended March 31, 2022	22 nd term ended March 31, 2023
Shareholders' equity ratio (%)	50.1	51.5	50.2	52.8	54.6
Shareholders' equity ratio on market value basis (%)	30.2	27.3	34.4	30.7	34.2
Debt redemption year (years)	1.7	1.8	1.0	4.0	2.7
Interest coverage ratio	96.6	105.5	194.3	46.2	52.1

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on market value basis: Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payment

(Note 1) Each indicator is calculated using consolidated financial figures.

(Note 2) Market capitalization is calculated using the fiscal year-end number of outstanding shares (excluding treasury stock).

(Note 3) Cash flow refers to net cash provided by (used in) operating activities.

(Note 4) Interest-bearing debts refer to all liabilities with obligations to pay interest stated on the Consolidated balance sheets.

(4) Forecast of financial results for FY2023

As to the future outlook, the downgrading of COVID-19 from a Class 2 infectious disease to a Class 5 one under the government's infectious disease legislation is expected to not only make economic activities more active but also bring more overseas tourists to Japan, leading to a recovery of Inbound tourist demand. On the other hand, the business environment is forecast to remain uncertain for a while due to the impact of both the prolonged military invasion of Ukraine by Russia and soaring energy and raw material prices globally.

Looking at the home electrical appliance retail sector, sales and profit may possibly decrease due to a worsening supply situation of goods caused by congestion in the supply chain and a rise in charges for water, heat and electricity and distribution costs.

However, it is believed that pent-up demand, mainly for replacement items, is building in the home electrical appliance market. Therefore, sales are likely to recover following successful containment of the above-mentioned issues.

Furthermore, in April 2023, the EDION Group opened two stores, the *EDION NARUPARK Narumi Store* (Aichi) and *EDION AEON Moriyama Store* (Aichi) and relocated and opened three stores, the *EDION Hitoyoshi Rex Store* (Kumamoto), *EDION Viva City Hikone Store* (Shiga), and *EDION LaLaport Koshien Store* (Hyogo). The Group plans to open around 15 stores in FY2023.

At its existing stores, the Group will continue to flexibly offer proposals that meet customers' needs through the promotion of energy-saving home electrical appliances and development of original products, and it will expand its nationwide distribution network and upgrade its repair request handling system and ELS business.

Accordingly, in the next fiscal year ending March 31, 2024, the EDION Group forecasts the following consolidated financial results: net sales of 745,000 million yen (103.4% of the previous year), operating income of 19,500 million yen (101.6% of the previous year), ordinary income of 19,500 million yen (101.3% of the previous year), and profit attributable to owners of parent of 11,500 million yen (100.9% of the previous year).

The above estimates are based on currently available information by the Group. Actual performance may differ from the forecast due to various factors in the future.

2. Basic policy for the selection of accounting standards

The EDION Group will continue to use the Japanese accounting standards in the immediate future since the Group operates its business only in Japan and does not plan to expand its business overseas at this date.

The Group plans to examine the adoption of the International Financial Reporting Standards (IFRS) while considering its business development, changes in the ratio of foreign ownership, and movements of its industry peers.

3. Consolidated financial statements and primary notes

(1) Consolidated balance sheets

(Unit: Million yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	29,885	13,235
Notes receivable-trade	41	34
Accounts receivable-trade	39,623	37,961
Inventories-merchandise and products	106,022	116,061
Other	15,137	18,549
Allowance for doubtful accounts	(113)	(103)
Total current assets	190,597	185,739
Noncurrent assets		
Property and equipment, at cost		
Buildings and structures, net	55,846	52,183
Tools, furniture and fixtures, net	7,013	6,023
Land	57,541	57,090
Leased assets, net	3,872	5,015
Construction in progress	716	1,313
Other, net	514	499
Total property and equipment, at cost	125,504	122,126
Intangible assets		
Goodwill	2,454	1,620
Other	7,714	8,125
Total intangible assets	10,169	9,746
Investment and other assets		
Investment securities	3,668	4,019
Guarantee deposits	26,634	27,048
Deferred tax assets	18,735	18,614
Other	2,958	2,354
Allowance for doubtful accounts	(298)	(284)
Total investment and other assets	51,699	51,753
Total noncurrent assets	187,373	183,625
Total assets	377,970	369,365

(Unit: Million yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	48,346	42,764
Short-term debt	160	60
Current portion of long-term debt	10,233	10,679
Lease obligations	647	913
Income taxes payable	917	4,526
Accrued consumption taxes	643	2,086
Provision for bonuses	5,587	5,553
Contract liabilities	29,399	28,652
Other	13,068	12,603
Total current liabilities	109,003	107,841
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	13,830	13,823
Long-term debt	26,852	15,859
Lease obligations	3,837	4,682
Deferred tax liabilities	521	427
Deferred tax liabilities for land revaluation	1,589	1,584
Net defined benefit liability	7,449	7,283
Asset retirement obligations	10,084	10,678
Other	5,319	5,526
Total noncurrent liabilities	69,486	59,866
Total liabilities	178,489	167,708
Net assets		
Shareholders' equity		
Capital stock	11,940	11,940
Capital surplus	84,948	84,968
Retained earnings	118,175	125,077
Treasury shares	(10,069)	(14,992)
Total shareholders' equity	204,993	206,993
Accumulated other comprehensive income (loss)		
Net unrealized gain on other securities	87	138
Revaluation reserve for land	(4,838)	(4,849)
Remeasurements of defined benefit plans	(762)	(625)
Total accumulated other comprehensive income (loss)	(5,512)	(5,336)
Total net assets	199,480	201,656
Total liabilities and net assets	377,970	369,365

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)

(Unit: Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Net sales	713,768	720,584
Cost of sales	504,087	509,707
Gross profit	209,681	210,876
Selling, general and administrative expenses	190,884	191,690
Operating income	18,796	19,186
Non-operating income		
Interest and dividend income	88	122
Administrative service fee income	224	237
Subsidy income	2,429	48
Dividend income of insurance	121	167
Other	1,016	982
Total non-operating income	3,880	1,559
Non-operating expenses		
Interest expenses	249	245
Contribution	600	600
Equity in loss of affiliates	7	262
Commission expenses	131	285
Other	99	102
Total non-operating expenses	1,087	1,496
Ordinary income	21,589	19,248
Extraordinary income		
Gain on sales of noncurrent assets	227	332
Gain on sales of investment securities	52	31
Gain on sales of shares of subsidiaries and associates	23	—
Compensation for forced relocation	—	96
Settlement income	—	70
Other	12	1
Total extraordinary income	315	531
Extraordinary loss		
Loss on sales of noncurrent assets	84	88
Loss on sales or disposal of property and equipment	200	271
Impairment loss	1,762	2,433
Loss on cancellation of leasehold contracts	10	59
Loss on infectious disease	43	—
Other	39	25
Total extraordinary losses	2,140	2,878
Profit before income taxes	19,764	16,901
Income taxes-current	3,552	5,534
Income taxes-deferred	3,102	(25)
Total income taxes	6,655	5,508
Profit	13,109	11,393
Profit attributable to owners of parent	13,109	11,393

(Consolidated statements of comprehensive income)

(Unit: Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Profit	13,109	11,393
Other comprehensive income		
Valuation difference on other securities	27	51
Remeasurements of defined benefit plans, net of tax	321	136
Total other comprehensive income	349	187
Comprehensive income	13,458	11,581
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,458	11,581
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in shareholders' equity

FY2021 (April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	11,940	84,951	107,697	(4,889)	199,700
Cumulative effects of changes in accounting policies	—	—	2,443	—	2,443
Restated balance	11,940	84,951	110,141	(4,889)	202,144
Changes of items during the period					
Cash dividends			(5,078)		(5,078)
Profit attributable to owners of parent			13,109		13,109
Purchase of treasury shares				(5,361)	(5,361)
Disposal of treasury shares		(3)		181	177
Reversal of revaluation reserve for land			2		2
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(3)	8,033	(5,180)	2,849
Balance at the end of the period	11,940	84,948	118,175	(10,069)	204,993

	Accumulated other comprehensive income				Total net assets
	Net unrealized gain on other securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	59	(4,835)	(1,083)	(5,858)	193,841
Cumulative effects of changes in accounting policies	—	—	—	—	2,443
Restated balance	59	(4,835)	(1,083)	(5,858)	196,285
Changes of items during the period					
Cash dividends					(5,078)
Profit attributable to owners of parent					13,109
Purchase of treasury shares					(5,361)
Disposal of treasury shares					177
Reversal of revaluation reserve for land					2
Net changes of items other than shareholders' equity	27	(2)	321	346	346
Total changes of items during period	27	(2)	321	346	3,195
Balance at the end of the period	87	(4,838)	(762)	(5,512)	199,480

FY2022 (April 1, 2022 to March 31, 2023)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	11,940	84,948	118,175	(10,069)	204,993
Changes of items during the period					
Cash dividends			(4,502)		(4,502)
Profit attributable to owners of parent			11,393		11,393
Purchase of treasury shares				(5,001)	(5,001)
Disposal of treasury shares		20		78	98
Reversal of revaluation reserve for land			11		11
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	20	6,902	(4,923)	1,999
Balance at the end of the period	11,940	84,968	125,077	(14,992)	206,993

	Accumulated other comprehensive income				Total net assets
	Net unrealized gain on other securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the period	87	(4,838)	(762)	(5,512)	199,480
Changes of items during the period					
Cash dividends					(4,502)
Profit attributable to owners of parent					11,393
Purchase of treasury shares					(5,001)
Disposal of treasury shares					98
Reversal of revaluation reserve for land					11
Net changes of items other than shareholders' equity	51	(11)	136	176	176
Total changes of items during the period	51	(11)	136	176	2,176
Balance at the end of the period	138	(4,849)	(625)	(5,336)	201,656

(4) Consolidated statements of cash flow

(Unit: Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Net cash provided by (used in) operating activities		
Profit before income taxes	19,764	16,901
Depreciation and amortization	11,025	10,580
Amortization of goodwill	694	404
Impairment loss	1,762	2,433
Increase (decrease) in allowance for doubtful accounts	56	(24)
Increase (decrease) in provision for bonuses	(1,559)	(33)
Increase (decrease) in net defined benefit liability	(399)	(165)
Interest and dividend income	(88)	(122)
Interest expense	249	245
Equity in loss (earnings) of affiliates	7	262
Gain on sales of noncurrent assets	(227)	(332)
Loss on sales or disposal of property and equipment	200	271
Loss on infectious disease	43	—
Decrease (increase) in notes and accounts receivable	(591)	1,669
Decrease (increase) in inventories	(8,154)	(10,123)
Increase (decrease) in notes and accounts payable	4,440	(5,581)
Increase (decrease) in contract liabilities	981	(746)
Other	(6,324)	(2,429)
Subtotal	21,881	13,210
Interest and dividend income received	52	83
Interest expense paid	(228)	(232)
Proceeds from subsidy income	2,812	49
Donations paid	(600)	(600)
Loss on infectious disease paid	(43)	—
Income taxes refund	147	2,070
Income taxes paid	(13,444)	(2,441)
Net cash provided by (used in) operating activities	10,576	12,139
Net cash provided by (used in) investing activities		
Purchase of property and equipment	(7,441)	(5,417)
Proceeds from sales of property and equipment	787	952
Purchase of intangible assets	(1,941)	(2,251)
Purchase of long-term prepaid expenses	(213)	(55)
Purchase of investment securities	(960)	(750)
Proceeds from sales of investments securities	71	196
Payments for guarantee deposits	(1,195)	(1,071)
Proceeds from collection of guarantee deposits	857	266
Proceeds from guarantee deposits received	182	330
Repayments of guarantee deposits received	(300)	(170)
Other	(363)	(365)
Net cash provided by (used in) investing activities	(10,518)	(8,336)

(Unit: Million yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term debt	(27)	(100)
Proceeds from long-term debt	200	—
Repayments of long-term debt	(2,881)	(10,422)
Purchase of treasury shares	(5,361)	(5,001)
Cash dividends paid	(4,661)	(4,120)
Other	(513)	(807)
Net cash provided by (used in) financing activities	(13,245)	(20,452)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(13,187)	(16,649)
Cash and cash equivalents at beginning of period	43,072	29,885
Cash and cash equivalents at end of period	29,885	13,235

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Changes in accounting policies)

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement")

Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Standard Implementation Guidance") has been applied from the beginning of the consolidated fiscal year ended March 31, 2023. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Fair Value Measurement Standard Implementation Guidance, the Company has decided to apply the new accounting policies set forth by the Fair Value Measurement Standard Implementation Guidance into the future. These changes had no impact on the consolidated financial statements.

(Segment information)

[Segment information]

FY2021 (April 1, 2021 to March 31, 2022) and FY2022 (April 1, 2022 to March 31, 2023)

Reporting segments of the Group are the "Home electric appliances sales" business and "Other" businesses. Since the "Other" businesses segment was immaterial in relation to the segment total, the disclosure of segment information for the year ended March 31, 2022 and the year ended March 31, 2023 was omitted.

[Related information]

FY2021 (April 1, 2021 to March 31, 2022) and FY2022 (April 1, 2022 to March 31, 2023)

1. Segment information by product/service

Since sales of products/services to external customers in a single segment accounted for more than 90% of the net sales reported on the consolidated statements of income, the disclosure of segment information by product/service was omitted.

2. Geographic segment information

(1) Net sales

Since there were no sales to overseas customers, the disclosure of geographic segment information for net sales was omitted.

(2) Property, plant and equipment

Since the Company did not have property, plant or equipment located overseas, the disclosure of geographic segment information for this category was omitted.

3. Information by major customer

Since no sales to a specific customer exceeded 10% of the net sales reported on the consolidated income statements, the disclosure of segment information by major customer is omitted.

[Information related to impairment loss on noncurrent assets by reporting segment]

FY2021 (April 1, 2021 to March 31, 2022)

Reporting segments of the Group are the "Home electric appliances sales" business and "Other" businesses. Since the "Other" businesses segment was immaterial in relation to the segment total, the disclosure of segment information for the year ended March 31, 2022 was omitted. Impairment losses for the year ended March 31, 2022 were 1,762 million yen.

FY2022 (April 1, 2022 to March 31, 2023)

Reporting segments of the Group are the "Home electric appliances sales" business and "Other" businesses. Since the "Other" businesses segment was immaterial in relation to the segment total, the disclosure of segment information for the year ended March 31, 2023 was omitted. Impairment losses for the year ended March 31, 2023 were 2,433 million yen.

[Goodwill amortization and unamortized balance by reporting segment]

FY2021 (April 1, 2021 to March 31, 2022)

Reporting segments of the Group are the “Home electric appliances sales” business and “Other” businesses. Since the “Other” businesses segment was immaterial in relation to the segment total, the disclosure of segment information for the year ended March 31, 2022 was omitted. Amortization of goodwill was 694 million yen, and the balance of unamortized goodwill was 2,454 million yen as of March 31, 2022.

FY2022 (April 1, 2022 to March 31, 2023)

Reporting segments of the Group are the “Home electric appliances sales” business and “Other” businesses. Since the “Other” businesses segment was immaterial in relation to the segment total, the disclosure of segment information for the year ended March 31, 2023 was omitted. Amortization of goodwill was 404 million yen, and the balance of unamortized goodwill was 1,620 million yen as of March 31, 2023.

[Information related to gain on negative goodwill by reporting segment]

FY2021 (April 1, 2021 to March 31, 2022) and FY2022 (April 1, 2022 to March 31, 2023)

Not applicable

(Per share information)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Net assets per share	1,950.13 yen	2,048.30 yen
Profit per share, basic	125.41 yen	112.36 yen
Profit per share, diluted	112.60 yen	100.32 yen

(Note) Values used for determining profit per share, basic, and profit per share, diluted, are as follows:

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Profit per share, basic		
Profit attributable to owners of parent (Million yen)	13,109	11,393
Profit not attributable to common stock shareholders (Million yen)	—	—
Profit attributable to common stock of owners of parent (Million yen)	13,109	11,393
Average shares outstanding during the year (1,000 shares)	104,528	101,400
Profit per share, diluted		
Profit adjustment attributable to owners of parent (Million yen)	—	—
Increase in common stock (1,000 shares)	11,894	12,164
Potentially issuable shares not included in the calculation of profit per share diluted, because no diluting effect arises	—	—

(Significant subsequent events)

Not applicable

4. Other

On February 16, 2012, the Company received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission (JFTC) on the charge of violating Article 2, Paragraph 9, Item 5 (abuse of a superior bargaining position) and Article 19 (unfair business practices) of the Anti-Monopoly Act.

In accordance with the provisions set out in Article 49, Paragraph 6 and Article 50, Paragraph 4 of the Anti-Monopoly Act, the Company requested that the JFTC initiate a hearing regarding the said orders. The hearing was initiated and was closed on March 20, 2018. On October 2, 2019, the JFTC gave a ruling in which it partially upheld the Company's claim (a refund of 1,015 million yen, part of the surcharge already paid of 4,047 million yen that was canceled by the ruling, and statutory interest on the refund). The Company received the refund on October 4, 2019.

After receiving the above ruling, the Company filed an action against the JFTC in the Tokyo High Court on November 1, 2019, seeking dismissal of the ruling, in which the JFTC changed its cease and desist order and partially withdrew its surcharge payment order.