

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2024
(Based on IFRS)**

May 8, 2024

Company name: BUSINESS BRAIN SHOWA・OTA INC.
 Stock exchange listing: Tokyo
 Securities code: 9658 URL <https://www.bbs.co.jp>
 Representative: President Kazuhiro Komiya
 Senior Executive Officer
 Inquiries: General Manager Hitoshi Uehara TEL 03-3507-1302
 Administration Division
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	34,218	(7.7)	2,543	(20.7)	20,697	545.2	20,582	535.0	14,167	585.5	14,146	669.4
Year ended March 31, 2023	37,063	14.6	3,207	–	3,208	16.9	3,241	16.1	2,067	13.1	1,838	3.2

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
Year ended March 31, 2024	1,224.49	1,224.38	64.4	54.8	60.5
Year ended March 31, 2023	155.38	154.69	13.0	11.0	8.7

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	44,715	29,403	28,967	64.8	2,500.91
As of March 31, 2023	30,393	16,196	14,958	49.2	1,300.71

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	3,150	(2,067)	(1,397)	9,906
Year ended March 31, 2023	3,306	(1,315)	(415)	10,217

2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio	Ratio of dividends to equity attributable to owners of parent
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	22.00	–	26.00	48.00	594	30.9	4.0
Year ended March 31, 2024	–	36.00	–	39.00	75.00	909	6.1	3.9
Year ending March 31, 2025 (Forecast)	–	37.00	–	41.00	78.00		–	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	19,030	12.0	1,340	(1.8)	1,340	(93.1)	1,540	(92.0)	1,480	(88.7)	1,470	(88.8)	127.20
Full year	40,000	16.9	2,790	9.4	2,790	(86.5)	3,210	(84.4)	2,660	(81.2)	2,630	(81.4)	227.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) Changes in accounting policies and changes in accounting estimates

Changes in accounting policies required by IFRS:

Yes

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

(3) Number of issued shares (ordinary shares)

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

As of March 31, 2024	∴	12,725,000 shares	As of March 31, 2023	∴	12,725,000 shares
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Number of treasury shares at end of period

As of March 31, 2024	∴	1,142,526 shares	As of March 31, 2023	∴	1,224,807 shares
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Average number of shares during period

Year ended March 31, 2024	∴	11,552,339 shares	Year ended March 31, 2023	∴	11,832,312 shares
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1. Overview of operating results

The following is the understanding, analysis, and considerations of the Group's operating results, etc. from the management's perspective. Note that forward-looking statements were determined as of the end of the consolidated fiscal year ended March 2024.

(1) Overview of operating results for the fiscal year ended March 2024

During the consolidated fiscal year ended March 2024, the Japanese economy showed signs of a gradual recovery trend, with the Nikkei stock average reaching a new high since the economic bubble of the late 80s and early 90s due to continued inbound demand from the weak yen and improvements in the employment and income environment. However, concerns over the future of the Chinese economy, the situation in Russia and Ukraine, and the situation in the Middle East, as well as the impact of fluctuations in financial markets, such as the BOJ's lifting of zero interest rates, pose downside risks to the recovery trend, and the future outlook for the economy remains uncertain. Despite this economic environment, the overall environment for orders received by the Group remained favorable, with increased demand for DX and the new NISA system.

Orders received by the Group in the consolidated fiscal year ended March 2024 were 33,671 million yen (up 1.1% from the previous consolidated fiscal year), and the backlog of orders was 11,425 million yen (down 0.1% from the previous consolidated fiscal year). (See note below)

(Millions of yen)

	Orders received			Backlog of orders		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
Consulting and system development business	24,687	25,264	577	4,983	4,888	(95)
Management services (BPO) business	8,604	8,407	(197)	6,529	6,537	8
Total	33,291	33,671	380	11,512	11,425	(87)

Note: In May 2023, BBS sold a portion of the shares of the subsidiary Global Security Experts (GSX), a part of the consulting and system development business, and from that month, has treated it as a non-consolidated business. In addition, in the same month, BBS sold all shares of the subsidiary MICS (MICS), a part of the management services (BPO) business, and has treated it as a non-consolidated business since June. To ensure usefulness for comparison, the above "Orders received" and "Backlog of orders" exclude amounts for both companies for the year ended March 2022 and the year ended March 2023.

The orders received by both companies for the year ended March 2024 is 1,020 million yen.

Despite an increased results from BBS's growth through consulting and systems development and Financial Brain Systems Inc. receiving special demand for compliance with the new NISA system, as well as from the addition of two new consolidated subsidiaries, overall revenue declined by 7.7%, due in part to the deconsolidation of GSX and MICS.

Gross profit also decreased by 12.8%, similar to the decrease in overall revenue.

Selling, general and administrative expenses improved by 0.1% compared to the previous consolidated fiscal year as a percentage of sales due to the effects of deconsolidation as well as efforts to control costs.

In addition, BBS recorded a gain of 2,053 million yen on the sale of GSX and MICS as a gain from the loss of control of subsidiaries, a gain of 16,101 million yen from the revaluation of GSX stock to fair value due to the transition of GSX from a consolidated subsidiary to an equity-method affiliate, for a total gain of 18,154 million yen, and a loss on change in equity of 516 million yen due to a relative decrease in BBS's ownership interest as a result of the exercise of stock options issued by GSX.

As a result, for the consolidated fiscal year ended March 2024, BBS reported revenue of 34,218 million yen (down 7.7% year-on-year), business profit of 2,543 (down 20.7% year-on-year), operating profit of 20,697 (up 545.2% year-on-year), profit before taxes of 20,582 million yen (up 535.0% year-on-year), and profit attributable to owners of the parent of 14,146 million yen (up 669.4% year-on-year). In addition, consolidated operating profit margin, the management indicator targeted by the Group, was 60.5% (up 51.8 points year-on-year), and return on equity (ROE) was 64.4% (up 51.4 points year-on-year).

The revenue and business profit excluding the figures for GSX and MICS, which were excluded from consolidation during the current fiscal year, are as follows.

Business profit is calculated by excluding profits and losses arising from non-recurring factors from operating profit.

(Millions of yen)

	Revenue			Business profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
Consolidated operating results excluding GSX and MICS	30,944	33,731	2,787	2,461	2,555	94
Reference: Consolidated operating results	37,063	34,218	(2,845)	3,207	2,543	(664)

Operating results by segment are as follows.

(Millions of yen)

	Revenue			Business profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
Consulting and system development business	29,202	25,876	(3,326)	2,543	1,821	(722)
Management services (BPO) business	8,378	8,736	358	675	740	65
Total	37,580	34,612	(2,968)	3,218	2,561	(657)
Adjustments	(517)	(394)	123	(11)	(18)	(7)
Consolidated	37,063	34,218	(2,845)	3,207	2,543	(664)

For comparison purposes, the following table shows segment operating results excluding the figures for GSX (a subsidiary a part of the Consulting and System Development segment) and MICS (a subsidiary a part of the Management Services (BPO) segment), which were excluded from the current consolidated period.

(Millions of yen)

	Revenue			Business profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
Consulting and system development business	23,658	25,484	1,826	1,807	1,827	20
Management services (BPO) business	7,803	8,640	837	649	731	82
Total	31,461	34,124	2,663	2,456	2,558	102
Adjustments	(517)	(393)	124	5	(3)	(8)
Consolidated	30,944	33,731	2,787	2,461	2,555	94

[Consulting/system development business]

(Millions of yen)

	Revenue			Segment profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
Accounting system consulting and system development	17,653	18,605	952	1,449	1,491	42
System development for the financial industry	5,357	6,092	735	214	301	87
Information security consulting	5,544	392	(5,152)	736	(6)	(742)
PLM support solutions	1,148	1,197	49	173	46	(127)
(Revenue by business within segment)	(500)	(410)	90	(29)	(11)	18
Segment total	29,202	25,876	(3,326)	2,543	1,821	(722)

(Segment information excluding profit and loss of GSX)

(Millions of yen)

	Revenue			Segment profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
Accounting system consulting and system development	17,653	18,605	952	1,449	1,491	42
System development for the financial industry	5,357	6,092	735	214	301	87
PLM support solutions	1,148	1,197	49	173	46	(127)
(Revenue by business within segment)	(500)	(410)	90	(29)	(11)	18
Segment total	23,658	25,484	1,826	1,807	1,827	20

The consolidated results for the consulting and system development business for the fiscal year ended March 2024 were revenue of 25,484 million yen (up 7.7% year-on-year) and segment profit of 1,827 million yen (up 1.1% year-on-year).

In the accounting system consulting and system development business, revenue for the consolidated fiscal year ended March 2024 increased due to the steady growth of the parent company and the significant growth of BSC Co., Ltd., which was acquired in the previous consolidated fiscal year, from group synergy effects and other factors. In the system development for the financial industry business as well, revenue significantly increased due to special demand from the new NISA system and fund wraps. In the PLM support solutions business, there was decreased revenue due to the occurrence of underperforming projects in existing businesses, but revenue increased due to an increase of 181 million yen due to the acquisition of Fresco Inc. As a result, all businesses achieved results exceeding those of the previous consolidated fiscal year.

In terms of segment profits, overall results were slightly higher than in the previous consolidated fiscal year due to the occurrence of underperforming projects in the accounting system consulting, system development business and PLM support solutions business.

[Management service (BPO) business]

(Millions of yen)

	Revenue			Segment profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
HR and payroll related outsourcing	3,276	3,392	116	511	513	2
Outsourcing for global companies	1,889	2,072	183	42	0	(42)
Outsourcing for foreign companies	1,012	1,105	93	85	94	9
Onsite BPO	2,281	2,286	5	107	134	27
(Revenue by business within segment)	(80)	(119)	(39)	(70)	(1)	69
Segment total	8,378	8,736	358	675	740	65

(Segment information excluding profit and loss of MICS)

(Millions of yen)

	Revenue			Segment profit		
	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)	Year ended March 2023	Year ended March 2024	Year-on- year increase (decrease)
HR and payroll related outsourcing	3,276	3,392	116	511	513	2
Outsourcing for global companies	1,889	2,072	183	42	0	(42)
Outsourcing for foreign companies	1,012	1,105	93	85	94	9
Onsite BPO	1,706	2,190	484	81	126	45
(Revenue by business within segment)	(80)	(119)	(39)	(70)	(2)	68
Segment total	7,803	8,640	837	649	731	82

Consolidated results for the management services business for the consolidated fiscal year ended March 2024 were revenue of 8,640 million yen (up 10.7% year-on-year) and segment profit of 731 million yen (up 12.7% year-on-year).

Revenue for the consolidated fiscal year ended March 2024 significantly grew when compared to the previous year due to the contribution of an increase of 426 million yen in revenue from the acquisition of Twinkle Co., Ltd. in the onsite BPO business.

Twinkle contributed 41 million yen to segment profit, which was a significant increase when compared to the previous year, despite an overall increase in recruitment costs.

(2) Overview of financial position for the fiscal year ended March 2024

Assets

Total consolidated assets at the end of the fiscal year were 44,715 million yen, an increase of 14,322 from the end of the previous consolidated fiscal year.

Current assets totaled 18,013 million yen, a decrease of 2,698 million yen when compared to the end of the previous consolidated fiscal year. The main factors were a 1,169 million yen decrease in trade and other receivables due to a decrease in revenue, an 835 million yen decrease in other current assets, a 357 million yen decrease in contract assets, and 311 million yen decrease in cash and cash equivalents.

Non-current assets totaled 26,702 million yen, an increase of 17,019 million yen when compared to the end of the previous consolidated fiscal year. The main factors were a 16,584 million yen increase in investments accounted for using equity method due to the application of the equity method for GSX, a 1,877 million yen increase in goodwill due to the acquisition of

a consolidated subsidiary, a 358 million yen decrease due to the amortization of right of use assets, and a 1,201 million yen decrease in deferred tax assets due to offset with deferred tax liabilities.

Liabilities

Total consolidated liabilities at the end of the fiscal year were 15,312 million yen, an increase of 1,114 million yen from the end of the previous consolidated fiscal year.

Current liabilities totaled 8,048 million yen, a decrease of 1,932 million yen when compared to the end of the previous consolidated fiscal year. This was due to a 1,198 million yen decrease in contract liabilities and an 810 million yen decrease in income taxes payable.

Non-current liabilities totaled 7,263 million yen, an increase of 3,046 million yen from the end of the previous consolidated fiscal year. This was due to a 4,039 million yen increase in deferred tax liabilities due to the recording of stock valuation gains due to the application of the equity method for GSX, a 399 million yen decrease in lease liabilities, a 239 million yen decrease in non-current liability for stock benefit, and a 180 million yen decrease in borrowings.

Capital

Total consolidated shareholders' equity at the end of the consolidated fiscal year ended March 2024 amounted to 29,403 million yen, an increase of 13,208 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of 13,565 million yen.

(3) Overview of cash flow for the fiscal year ended March 2024

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year ended March 2024 amounted to 9,906 million yen, a decrease of 311 million yen from the end of the previous consolidated fiscal year.

The status of each cash flow and its main factors for the consolidated fiscal year ended March 2024 are as follows.

Cash flow from operating activities

Funds obtained as a result of operating activities amounted to 3,150 million yen (income of 3,306 million yen in the previous consolidated fiscal year). The main factors were profit before tax increasing by 17,341 million yen when compared to the end of the previous consolidated fiscal year to 20,582 million yen, a 1,160 million yen increase in funds due to increase/decrease in trade receivables and other receivables, and a 1,040 million yen increase in funds due to adjustment of depreciation and amortization expenses, as well as a 18,154 million yen decrease due to profit adjustments associated with loss of control of GSX and a 2,197 million yen decrease in funds due to payment of income taxes.

Cash flow from investment activities

Funds used as a result of investment activities amounted to 2,067 million yen (expenditures of 1,315 million yen in the previous consolidated fiscal year). The main factors were 2,037 million yen in expenditures associated with the acquisition of subsidiaries, as well as 831 million yen in income from the sale and redemption of securities.

Cash flow from financing activities

Funds used as a result of financing activities amounted to 1,397 million yen (expenditures of 415 million yen in the previous consolidated fiscal year). The main factors were 726 million yen in expenditures due to repayment of lease liabilities and 715 million yen in dividend payments, as well as 90 million yen in income due to the sale of treasury shares.

(4) Future outlook

The forecast for the next fiscal year is revenue of 40,000 million yen, business profit of 2,790 million yen, operating profit of 2,790 million yen, profit before taxes of 3,210 million yen, net profit of 2,660 million yen, and profit attributable to owners of the parent of 2,630 million yen.

Consolidated financial statements
Consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	10,217,084	9,906,142
Trade and other receivables	6,407,932	5,238,772
Contract assets	1,335,370	978,154
Other financial assets	1,108,605	1,108,665
Inventories	122,235	96,536
Other current assets	1,519,694	684,778
Total current assets	20,710,920	18,013,047
Non-current assets		
Property, plant and equipment	831,929	682,465
Right-of-use assets	3,073,672	2,716,010
Goodwill	521,694	2,398,337
Intangible assets	486,007	520,614
Investments accounted for using equity method	151,394	16,735,772
Other financial assets	2,654,114	2,840,260
Deferred tax assets	1,951,167	749,890
Retirement benefit asset	2,434	20,228
Other non-current assets	10,048	38,327
Total non-current assets	9,682,459	26,701,903
Total assets	30,393,379	44,714,950

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	87,646	15,034
Lease liabilities	708,736	747,149
Trade and other payables	2,379,098	2,620,548
Other financial liabilities	294,339	228,185
Income taxes payable	1,385,181	575,443
Provisions	106,251	43,389
Contract liabilities	1,507,819	310,020
Other current liabilities	3,510,913	3,508,563
Total current liabilities	9,979,983	8,048,331
Non-current liabilities		
Borrowings	180,172	–
Lease liabilities	2,407,788	2,009,277
Other financial liabilities	111,793	66,726
Retirement benefit liability	403,568	319,532
Provisions	294,830	307,792
Non-Current liability for stock benefit	448,585	209,881
Deferred tax liabilities	–	4,039,203
Other non-current liabilities	370,934	310,856
Total non-current liabilities	4,217,670	7,263,267
Total liabilities	14,197,653	15,311,598
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	4,235,878	4,480,606
Retained earnings	9,489,583	23,054,438
Treasury shares	(1,159,720)	(1,082,122)
Other components of equity	159,220	280,320
Total equity attributable to owners of parent	14,958,451	28,966,732
Non-controlling interests	1,237,275	436,619
Total equity	16,195,726	29,403,352
Total liabilities and equity	30,393,379	44,714,950

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue	37,062,503	34,217,891
Cost of sales	28,035,103	26,343,664
Gross profit	9,027,400	7,874,227
Selling, general and administrative expenses	5,853,658	5,358,082
Gain on loss of control of subsidiaries	–	18,154,037
Other income	36,055	38,829
Other expenses	1,894	11,696
Operating profit	3,207,903	20,697,315
Finance income	52,751	64,742
Finance costs	70,299	27,104
Share of profit (loss) of investments accounted for using equity method	51,053	362,609
Loss (profit) on change in equity	–	(515,621)
Profit before tax	3,241,408	20,581,941
Income tax expense	1,174,894	6,415,357
Profit	2,066,514	14,166,584
Profit attributable to		
Owners of parent	1,838,467	14,145,689
Non-controlling interests	228,047	20,895
Profit	2,066,514	14,166,584
Earnings per share		
Basic earnings per share	155.38	1,224.49
Diluted earnings per share	154.69	1,224.38

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,066,514	14,166,584
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	95,416	147,264
Remeasurements of defined benefit plans	11,989	114,773
Share of other comprehensive income of investments accounted for using equity method	–	(9,409)
Total of items that will not be reclassified to profit or loss	107,405	252,628
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,967	3,561
Total of items that may be reclassified to profit or loss	2,967	3,561
Other comprehensive income, net of tax	110,372	256,189
Comprehensive income	2,176,886	14,422,773
Comprehensive income attributable to		
Owners of parent	1,932,063	14,397,071
Non-controlling interests	244,823	25,702
Comprehensive income	2,176,886	14,422,773

Consolidated statement of changes in equity

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at April 1, 2022	2,233,490	2,835,065	8,249,956	(196,795)	3,363	95,227
Profit			1,838,467			
Other comprehensive income					3,757	79,104
Total	–	–	1,838,467	–	3,757	79,104
Purchase of treasury shares		(17,461)		(1,000,187)		
Dividends			(609,071)			
Share-based payment transactions		122,175		37,262		
Increase (decrease) by business combination						
Changes in ownership interest in subsidiaries		1,294,132				
Loss of control of subsidiaries						
Transfer to retained earnings			32,965			(22,230)
Other		1,967	(22,734)			
Total transactions with owners	–	1,400,813	(598,840)	(962,925)	–	(22,230)
Balance at March 31, 2023	2,233,490	4,235,878	9,489,583	(1,159,720)	7,120	152,101
Profit			14,145,689			
Other comprehensive income					3,088	147,738
Total	–	–	14,145,689	–	3,088	147,738
Purchase of treasury shares				(545)		
Dividends			(715,204)			
Share-based payment transactions		245,895		78,143		
Increase (decrease) by business combination						
Changes in ownership interest in subsidiaries		(959)				
Loss of control of subsidiaries			20,316			(20,316)
Transfer to retained earnings			109,966			
Other		(208)	4,088			
Total transactions with owners	–	244,728	(580,834)	77,598	–	(20,316)
Balance at March 31, 2024	2,233,490	4,480,606	23,054,438	(1,082,122)	10,208	279,523

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total		
	Share of other comprehensive income of investments accounted for using equity method	Remeasurements of defined benefit plans	Total			
Balance at April 1, 2022	–	–	98,589	13,220,305	821,383	14,041,689
Profit			–	1,838,467	228,047	2,066,514
Other comprehensive income		10,735	93,596	93,596	16,776	110,372
Total	–	10,735	93,596	1,932,063	244,823	2,176,886
Purchase of treasury shares			–	(1,017,648)		(1,017,648)
Dividends			–	(609,071)	(22,868)	(631,939)
Share-based payment transactions			–	159,437	34,893	194,330
Increase (decrease) by business combination			–	–		–
Changes in ownership interest in subsidiaries			–	1,294,132	158,943	1,453,075
Loss of control of subsidiaries			–	–		–
Transfer to retained earnings		(10,735)	(32,965)	–		–
Other			–	(20,767)	101	(20,667)
Total transactions with owners	–	(10,735)	(32,965)	(193,917)	171,069	(22,849)
Balance at March 31, 2023	–	–	159,220	14,958,451	1,237,275	16,195,726
Profit			–	14,145,689	20,895	14,166,584
Other comprehensive income	(9,409)	109,966	251,382	251,382	4,807	256,189
Total	(9,409)	109,966	251,382	14,397,071	25,702	14,422,773
Purchase of treasury shares			–	(545)		(545)
Dividends			–	(715,204)	(10,350)	(725,554)
Share-based payment transactions			–	324,038	3,380	327,418
Increase (decrease) by business combination			–	–	90,000	90,000
Changes in ownership interest in subsidiaries			–	(959)	3,320	2,361
Loss of control of subsidiaries			(20,316)	–	(912,338)	(912,338)
Transfer to retained earnings		(109,966)	(109,966)	–	–	–
Other			–	3,880	(370)	3,511
Total transactions with owners	–	(109,966)	(130,282)	(388,790)	(826,358)	(1,215,147)
Balance at March 31, 2024	(9,409)	–	280,320	28,966,732	436,619	29,403,352

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	3,241,408	20,581,941
Depreciation and amortization	1,084,249	1,040,032
Share of loss (profit) of investments accounted for using equity method	(51,053)	(362,609)
Loss (gain) on change in equity	–	515,621
Finance income	(52,751)	(64,742)
Finance costs	70,299	27,104
Decrease (increase) in inventories	11,569	16,409
Gain on loss of control of subsidiaries	–	(18,154,037)
Decrease (increase) in trade and other receivables	(577,905)	1,159,882
Increase (decrease) in trade and other payables	(7,347)	(34,423)
Decrease (increase) in contract assets	950,543	238,518
Increase (decrease) in contract liabilities	322,214	43,058
Other	(247,758)	248,456
Subtotal	4,743,468	5,255,210
Interest and dividends received	74,615	81,024
Interest paid	(3,949)	(11,833)
Income taxes paid	(1,548,552)	(2,197,156)
Income taxes refund	40,148	22,655
Net cash provided by (used in) operating activities	3,305,730	3,149,900
Cash flows from investing activities		
Payments into time deposits	(500,000)	(500,000)
Proceeds from withdrawal of time deposits	500,000	500,000
Purchase of property, plant and equipment	(39,882)	(110,974)
Proceeds from sale of property, plant and equipment	2,799	8,014
Purchase of intangible assets	(173,406)	(300,522)
Purchase of investments	(1,794,427)	(851,429)
Proceeds from sale and redemption of investments	937,381	831,240
Payments for acquisition of subsidiaries	(244,462)	(2,037,329)
Proceeds of control of subsidiaries	–	394,130
Other	(3,467)	–
Net cash provided by (used in) investing activities	(1,315,464)	(2,066,870)
Cash flows from financing activities		
Repayments of short-term borrowings	(50,000)	–
Repayments of long-term borrowings	(197,096)	(35,809)
Repayments of lease liabilities	(715,424)	(725,983)
Proceeds from exercise of share acquisition rights of subsidiaries	89,667	1,046
Proceeds from sale of treasury shares	113,862	89,660
Purchase of treasury shares	(1,000,187)	(545)
Purchase of treasury shares of subsidiaries	(349,667)	–
Dividends paid	(607,956)	(714,571)
Dividends paid to non-controlling interests	(22,868)	(10,350)
Proceeds from sale of interests in subsidiaries to non-controlling interests	2,324,833	–
Net cash provided by (used in) financing activities	(414,836)	(1,396,552)
Net increase (decrease) in cash and cash equivalents	1,575,430	(313,522)
Cash and cash equivalents at beginning of period	8,638,501	10,217,084
Effect of exchange rate changes on cash and cash equivalents	3,153	2,580
Cash and cash equivalents at end of period	10,217,084	9,906,142