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Logisnext



May 8, 2024

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

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 Listing: Tokyo Stock Exchange
 Securities code: 7105
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 Scheduled date of Annual General Meeting of Shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	701,770	14.0	42,603	189.6	37,479	221.8	27,520	298.0
March 31, 2023	615,421	32.2	14,709	309.4	11,646	259.4	6,913	864.0

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥42,348 million [222.9%]
 For the fiscal year ended March 31, 2023: ¥13,114 million [47.7%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	258.06	257.29	28.6	7.4	6.1
March 31, 2023	64.82	64.61	10.0	2.6	2.4

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

For the fiscal year ended March 31, 2024: ¥23 million
 For the fiscal year ended March 31, 2023: ¥84 million

Operating profit before amortization of goodwill

For the fiscal year ended March 31, 2024: ¥52,876 million [111.5%]
 For the fiscal year ended March 31, 2023: ¥24,995 million [92.1%]

Mitsubishi Logisnext Co., Ltd. (the "Company") uses operating profit before amortization of goodwill as a key management indicator.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	531,495	117,333	22.0	1,094.53
March 31, 2023	475,432	76,027	15.9	707.19

Reference: Equity As of March 31, 2024: ¥116,740 million
As of March 31, 2023: ¥75,455 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	64,563	(56,828)	(1,978)	20,166
March 31, 2023	28,743	(40,233)	11,729	13,245

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	—	—	9.00	9.00	960	13.9	1.4
Fiscal year ended March 31, 2024	—	—	—	20.00	20.00	2,133	7.8	2.2
Fiscal year ending March 31, 2025 (Forecast)	—	—	—	24.00	24.00		8.8	

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	680,000	(3.1)	38,000	(10.8)	33,000	(12.0)	29,000	5.4	271.94

Reference: Operating profit before amortization of goodwill ¥48,000 million [(9.2)%]

*** Notes**

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

Excluded: 1 company (Mitsubishi Logisnext Americas (Marengo) Inc.)

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations:

None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common stock)

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

As of March 31, 2024	106,739,013 shares
As of March 31, 2023	106,705,013 shares

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

As of March 31, 2024	81,275 shares
As of March 31, 2023	7,216 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	106,643,031 shares
Fiscal year ended March 31, 2023	106,657,566 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	174,470	6.2	1,400	–	612	(73.7)	1,335	14.3
March 31, 2023	164,231	5.1	(2,409)	–	2,328	–	1,168	–

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	12.52	12.49
March 31, 2023	10.96	10.92

Reference: Operating profit before amortization of goodwill

For the fiscal year ended March 31, 2024: ¥5,879 million [184.1%]

For the fiscal year ended March 31, 2023: ¥2,069 million [(28.9)%]

The Company uses operating profit before amortization of goodwill as a key management indicator.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	226,963	54,091	23.7	504.74
March 31, 2023	234,784	53,525	22.7	499.04

Reference: Equity As of March 31, 2024: ¥53,835 million
As of March 31, 2023: ¥53,247 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements

The forward-looking statements, including the financial forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors. For matters related to the earnings forecasts, please see “1. Overview of operating results and others, (4) Future outlook” on page 4 of the attached material.

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1. Overview of operating results and others

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

The moderate recovery in the global economy continued in the fiscal year under review amid advancing disinflation. However, China's economic growth stalled partly because of the continued slump in real estate, and there were geopolitical risks including Russia's prolonged aggression in Ukraine and military clashes between Israel and Hamas, so the situation differed between regions. On the other hand, for Japan it was a year of progress in normalization of economic and social activities. Despite the higher prices caused by the prolonged yen depreciation, capital expenditure and personal consumption were both firm.

Against this backdrop, the domestic market for forklifts and other material handling equipment remained firm at pre-COVID-19 levels. Overseas, immediately following weakness as temporary special demand following COVID-19 leveled off, there were signs of recovery in the Americas, while material handling equipment demand recovered through the second half of the fiscal year, even in Europe, where there has not been an economic recovery amid the easing of inflationary pressures. On the other hand, demand is firm in Asia even as the special demand following COVID-19 has subsided, and material handling equipment demand is showing signs of recovery even in China, where the economy has stalled due to the continued slump in real estate. In addition, amid the trend towards electric vehicles, trends for increased competition have become evident in all regions, even if not uniform, due to the entry of Chinese made lithium battery vehicles.

At the Company, the major challenge of longer lead times has been shortened through production improvements, and while delivery times are still on the longer side in the U.S.A., they are virtually at appropriate levels in other regions. Nevertheless, there are still concerns about stabilizing the supply chain, so we still need to continue initiatives to ensure stable procurement and transport. The global economy continues to recovery, albeit gradually, but the outlook for the global economy is becoming, and the situation is unclear and unpredictable due to factors including China's economic slump, interest rate and foreign exchange trends, aggression in Ukraine and deteriorating conditions in the Middle East.

Under these circumstances, net sales for the fiscal year under review totaled ¥701,770 million (up 14.0% year on year).

Shipments greatly exceeded those of the previous fiscal year, mainly in the Americas, due to production streamlining, and this, together with the effect of price optimization, contributed to an increase in net sales. Consequently, operating profit was ¥42,603 million (up 189.6% year on year), ordinary profit was ¥37,479 million (up 221.8% year on year), and, with the decrease in tax expenses due to the reversal of valuation allowance, profit attributable to owners of parent was ¥27,520 million (up 298.0% year on year).

Operating profit before amortization of goodwill was ¥52,876 million (up 111.5% year on year), and the operating profit margin was 7.5% (up 3.5 percentage points year on year).

As a result, record highs were achieved for net sales as well as operating profit, ordinary profit, profit attributable to owners of parent and operating profit before amortization of goodwill. The targets in the Medium-Term Plan "Logisnext Solutions 2023" from FY2021 to FY2023 (¥500 billion in net sales, ¥30 billion in operating profit before amortization of goodwill, 6% for the corresponding operating profit margin, and at least 20% for the equity-to-asset) were all exceeded.

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	
			(Billions of yen)	(%)
Net sales	615.42	701.77	86.34	14.0
Operating profit before amortization of goodwill	24.99	52.87	27.88	111.5
(%)	4.1	7.5		
Operating profit	14.70	42.60	27.89	189.6
(%)	2.4	6.1		
Ordinary profit	11.64	37.47	25.83	221.8
(%)	1.9	5.3		
Profit attributable to owners of parent	6.91	27.52	20.60	298.0
(%)	1.1	3.9		

Operating results by segment are as follows.

Japan

Net sales in Japan were ¥190,441 million (up 8.0% year on year) as orders remained steady, components shortages have been abating, and the effects of price optimization are also starting to contribute. Segment profit was ¥5,062 million (up 891.5% year on year) due to the increase in net sales, the settling of increase in marine transportation costs and the impact of yen depreciation in the export business despite the persistent high-cost environment.

Segment profit before amortization of goodwill was ¥9,903 million (up 85.4% year on year).

Japan (Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	
			(Billions of yen)	(%)
Net sales	176.32	190.44	14.11	8.0
Operating profit before amortization of goodwill	5.34	9.90	4.56	85.4
(%)	3.0	5.2		
Operating profit	0.51	5.06	4.55	891.5
(%)	0.3	2.7		

Overseas

Net sales in Overseas were ¥511,329 million (up 16.5% year on year) due to the expanded effects of price optimization in line with an increase in units sold in the Americas, and an increase in foreign exchange translated amounts from the impact of yen depreciation. Segment profit was ¥37,541 million (up 164.4% year on year) due largely to the increase in net sales.

Segment profit before amortization of goodwill was ¥42,972 million (up 118.6% year on year).

Especially in the same period of the previous fiscal year in Overseas, price optimization in the first half of the period had not been able to cover the higher costs in the inflationary environment post-COVID-19. Since then, the gradual elimination of components shortages has led to increased production, accelerated shipments, and net sales and segment profit in Overseas increased significantly.

Overseas (Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Change	
			(Billions of yen)	(%)
Net sales	439.09	511.32	72.23	16.5
Operating profit before amortization of goodwill	19.65	42.97	23.31	118.6
(%)	4.5	8.4		
Operating profit	14.19	37.54	23.34	164.4
(%)	3.2	7.3		

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

As of March 31, 2024, total assets were ¥531,495 million, an increase of ¥56,062 million from the end of the previous fiscal year, due to an increase in foreign exchange translated amounts mainly from the impact of yen depreciation. Current assets increased by ¥26,294 million due to an increase in inventories, and non-current assets increased by ¥29,768 million due to an increase in machinery, equipment and vehicles.

Total liabilities were ¥414,162 million, an increase of ¥14,756 million from the end of the previous fiscal year, due to an increase in foreign exchange translated amounts mainly from the impact of yen depreciation.

Net assets, excluding share acquisition rights and non-controlling interests, were ¥116,740 million, an increase of ¥41,284 million from the end of the previous fiscal year. The main factors were an increase in retained earnings from profit attributable to owners of parent and an increase in foreign currency translation adjustment.

As a result, the equity-to-asset ratio was 22.0% (15.9% at the end of the previous fiscal year), and net assets per share were ¥1,094.53 (¥707.19 at the end of the previous fiscal year).

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

Cash and cash equivalents (the “cash”) at the end of the fiscal year under review were ¥20,166 million, an increase of ¥6,921 million from the end of the previous fiscal year. The status of cash flows and their contributing factors are as follows.

Cash flows from operating activities

Cash provided by operating activities was ¥64,563 million, an increase of ¥35,820 million from ¥28,743 million at the end of the previous fiscal year (up 124.6% year on year). The main factors are increases in profit before income taxes and depreciation. In addition, the collection of accounts receivables and the decline in the amount of increase in inventories also contributed although there was an increase in the payment amount of trade payables.

Cash flows from investing activities

Cash used in investing activities was ¥56,828 million, an increase of ¥16,595 million from ¥40,233 million at the end of the previous fiscal year (up 41.2% year on year). Payments during the fiscal year under review increased due to the purchase of property, plant and equipment and an increase in short-term loans receivable.

Cash flows from financing activities

Cash used in financing activities was ¥1,978 million, a decrease of ¥13,708 million from ¥11,729 million at the end of the previous fiscal year (down 116.9% year on year). This was mainly due to repayments of short-term borrowings.

(4) Future outlook

The moderate recovery in the global economy continued amid advancing disinflation, but the outlook is unclear and unpredictable amid increased uncertainty due to factors including China’s economic slump, and geopolitical risks in Europe and the Middle East.

Nevertheless, the market for forklifts and other material handling equipment remains firm at pre-COVID-19 levels in Japan, while overseas markets are strong with signs of recovery according to region.

Under these circumstances, the Company forecasts consolidated earnings for the next fiscal year (fiscal year ending March 31, 2025), which is the first year of the next 3-year Medium-Term Plan “Logisnext Transform 2026 (LT26),” of ¥680 billion in net sales, ¥38 billion in operating profit, ¥33 billion in ordinary profit, and ¥29 billion in profit attributable to owners of parent.

In that event, there would be ¥48 billion of operating profit before amortization of goodwill and 7.1% for the corresponding operating profit margin. In addition, we forecast the equity-to-asset ratio at the end of the next fiscal year to be 25%, with return on equity, which is the newly set target under LT26 for establishing management practices based on an awareness of the cost of capital, to be at least 20%.

(5) Basic policy regarding the distribution of profit and dividends for the fiscal year ended March 31, 2024 and the fiscal year ending March 31, 2025

The Company's basic policy is to distribute profit and dividends with consideration given to a balance between the enhancement of dividends to shareholders and internal reserves for establishing a business base, according to the earnings situation in each period.

In line with the above policy, the plan is to pay dividends from surplus for the fiscal year under review of ¥20 per share for the fiscal year-end dividend and ¥24 per share for the dividend for the next fiscal year, in light of the consolidated earnings forecast stated in "(4) Future outlook."

2. Basic rationale for selection of accounting standards

In order to make it possible to compare consolidated financial statements between periods and between companies, for the time being, the Group's policy is to prepare consolidated financial statements in accordance with Japanese standards.

Furthermore, with regard to the application of international accounting standards, the Group's approach is to respond appropriately after deliberating the situation both in Japan and overseas.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	13,245	20,166
Notes and accounts receivable - trade, and contract assets	101,148	100,196
Electronically recorded monetary claims - operating	2,507	2,605
Lease receivables and investments in leases	13,443	14,032
Merchandise and finished goods	62,840	76,935
Work in process	14,805	13,587
Raw materials and supplies	30,646	35,027
Short-term loans receivable	12,744	18,425
Other	14,561	11,726
Allowance for doubtful accounts	(1,383)	(1,847)
Total current assets	264,561	290,856
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,894	60,246
Accumulated depreciation	(35,090)	(37,483)
Buildings and structures, net	21,803	22,762
Machinery, equipment and vehicles	172,861	207,563
Accumulated depreciation	(100,176)	(109,705)
Machinery, equipment and vehicles, net	72,685	97,858
Tools, furniture and fixtures	21,383	21,160
Accumulated depreciation	(19,021)	(18,495)
Tools, furniture and fixtures, net	2,361	2,665
Land	22,133	21,675
Leased assets	33,733	35,409
Accumulated depreciation	(5,975)	(7,940)
Leased assets, net	27,758	27,468
Construction in progress	2,189	6,724
Total property, plant and equipment	148,933	179,155
Intangible assets		
Goodwill	25,473	19,401
Other	15,664	14,415
Total intangible assets	41,137	33,816
Investments and other assets		
Investment securities	7,152	7,961
Retirement benefit asset	814	1,197
Deferred tax assets	9,415	14,241
Other	3,467	4,314
Allowance for doubtful accounts	(50)	(47)
Total investments and other assets	20,800	27,667
Total non-current assets	210,871	240,639
Total assets	475,432	531,495

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	86,240	78,894
Electronically recorded obligations - operating	15	–
Short-term borrowings	47,344	42,766
Current portion of long-term borrowings	4,000	4,000
Lease liabilities	7,199	7,811
Accounts payable - other	9,122	10,886
Accrued expenses	22,209	27,317
Income taxes payable	3,313	2,901
Provision for bonuses	4,798	6,401
Provision for bonuses for directors (and other officers)	94	102
Provision for product warranties	4,215	4,272
Provision for loss on liquidation of subsidiaries and associates	75	75
Notes payable - facilities	10	–
Other interest-bearing liabilities	3,979	7,709
Other	16,089	20,233
Total current liabilities	208,709	213,374
Non-current liabilities		
Long-term borrowings	124,281	118,402
Lease liabilities	20,332	19,615
Deferred tax liabilities	3,210	3,778
Provision for product warranties	2,561	405
Provision for retirement benefits for directors (and other officers)	7	5
Retirement benefit liability	16,263	16,484
Other interest-bearing liabilities	22,536	40,665
Other	1,501	1,429
Total non-current liabilities	190,695	200,787
Total liabilities	399,405	414,162
Net assets		
Shareholders' equity		
Share capital	4,938	4,949
Capital surplus	34,775	34,793
Retained earnings	16,704	43,265
Treasury shares	(2)	(92)
Total shareholders' equity	56,415	82,915
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,387	2,705
Foreign currency translation adjustment	17,019	30,977
Remeasurements of defined benefit plans	(367)	141
Total accumulated other comprehensive income	19,040	33,824
Share acquisition rights	277	255
Non-controlling interests	294	337
Total net assets	76,027	117,333
Total liabilities and net assets	475,432	531,495

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	615,421	701,770
Cost of sales	477,337	522,047
Gross profit	138,084	179,722
Selling, general and administrative expenses	123,375	137,119
Operating profit	14,709	42,603
Non-operating income		
Interest income	795	1,443
Dividend income	202	104
Share of profit of entities accounted for using equity method	84	23
Foreign exchange gains	–	137
Other	390	448
Total non-operating income	1,472	2,158
Non-operating expenses		
Interest expenses	3,873	6,884
Foreign exchange losses	301	–
Other	361	397
Total non-operating expenses	4,535	7,281
Ordinary profit	11,646	37,479
Extraordinary income		
Gain on sale of non-current assets	1,288	437
Gain on sale of investment securities	53	208
Insurance claim income	14	–
Total extraordinary income	1,356	645
Extraordinary losses		
Loss on disposal of non-current assets	118	614
Impairment losses	–	29
Loss on sale of investment securities	1	0
Loss on valuation of investment securities	12	–
Loss on liquidation of subsidiaries and associates	408	–
Loss on disaster	7	–
Business restructuring expenses	121	853
Loss on COVID-19	89	–
Total extraordinary losses	758	1,497
Profit before income taxes	12,243	36,627
Income taxes - current	7,737	13,482
Income taxes - deferred	(2,365)	(4,404)
Total income taxes	5,372	9,077
Profit	6,871	27,549
Profit (loss) attributable to non-controlling interests	(42)	29
Profit attributable to owners of parent	6,913	27,520

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,871	27,549
Other comprehensive income		
Valuation difference on available-for-sale securities	2	313
Foreign currency translation adjustment	6,493	13,980
Remeasurements of defined benefit plans, net of tax	(255)	508
Share of other comprehensive income of entities accounted for using equity method	2	(3)
Total other comprehensive income	6,243	14,799
Comprehensive income	13,114	42,348
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,150	42,305
Comprehensive income attributable to non-controlling interests	(36)	43

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,924	34,762	10,644	(2)	50,328
Changes during period					
Issuance of new shares - exercise of share acquisition rights	13	13			26
Dividends of surplus			(853)		(853)
Profit attributable to owners of parent			6,913		6,913
Net changes in items other than shareholders' equity					
Total changes during period	13	13	6,060	-	6,087
Balance at end of period	4,938	34,775	16,704	(2)	56,415

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,380	10,533	(111)	12,803	273	333	63,737
Changes during period							
Issuance of new shares - exercise of share acquisition rights							26
Dividends of surplus							(853)
Profit attributable to owners of parent							6,913
Net changes in items other than shareholders' equity	6	6,486	(255)	6,237	4	(39)	6,202
Total changes during period	6	6,486	(255)	6,237	4	(39)	12,289
Balance at end of period	2,387	17,019	(367)	19,040	277	294	76,027

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,938	34,775	16,704	(2)	56,415
Changes during period					
Issuance of new shares - exercise of share acquisition rights	11	11			22
Dividends of surplus			(960)		(960)
Profit attributable to owners of parent			27,520		27,520
Purchase of treasury shares				(199)	(199)
Restricted stock compensation		7		110	117
Net changes in items other than shareholders' equity					
Total changes during period	11	18	26,560	(89)	26,500
Balance at end of period	4,949	34,793	43,265	(92)	82,915

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,387	17,019	(367)	19,040	277	294	76,027
Changes during period							
Issuance of new shares - exercise of share acquisition rights							22
Dividends of surplus							(960)
Profit attributable to owners of parent							27,520
Purchase of treasury shares							(199)
Restricted stock compensation							117
Net changes in items other than shareholders' equity	317	13,957	508	14,784	(22)	43	14,805
Total changes during period	317	13,957	508	14,784	(22)	43	41,306
Balance at end of period	2,705	30,977	141	33,824	255	337	117,333

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,243	36,627
Depreciation	25,844	29,549
Impairment losses	–	29
Amortization of goodwill	7,727	7,665
Increase (decrease) in allowance for doubtful accounts	18	328
Increase (decrease) in provision for bonuses	449	1,601
Increase (decrease) in provision for product warranties	1,126	(2,647)
Increase (decrease) in retirement benefit liability	347	330
Interest and dividend income	(998)	(1,547)
Interest expenses	3,873	6,884
Share of loss (profit) of entities accounted for using equity method	(84)	(23)
Loss (gain) on sale of investment securities	(51)	(208)
Decrease (increase) in trade receivables	(14,741)	9,262
Decrease (increase) in investments in leases	1,126	638
Decrease (increase) in inventories	1,792	1,828
Increase (decrease) in trade payables	762	(15,295)
Increase (decrease) in accrued consumption taxes	(3,695)	3,976
Other, net	3,352	5,398
Subtotal	39,092	84,398
Interest and dividends received	1,003	1,503
Interest paid	(3,738)	(6,895)
Income taxes paid	(7,614)	(14,441)
Net cash provided by (used in) operating activities	28,743	64,563
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,868)	(53,127)
Proceeds from sale of property, plant and equipment	1,370	1,385
Purchase of intangible assets	(830)	(1,041)
Purchase of investment securities	(33)	(33)
Proceeds from sale of investment securities	185	369
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,939)	–
Purchase of shares of subsidiaries and associates	–	(433)
Net decrease (increase) in short-term loans receivable	7,965	(3,991)
Long-term loan advances	(11)	–
Proceeds from collection of long-term loans receivable	11	–
Other, net	(83)	43
Net cash provided by (used in) investing activities	(40,233)	(56,828)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,744	(6,989)
Proceeds from long-term borrowings	1,611	4,357
Repayments of long-term borrowings	(11,681)	(14,228)
Proceeds from other financial transactions	25,025	26,925
Repayments of other financial transactions	(3,409)	(9,195)
Repayments of lease liabilities	(1,704)	(1,691)
Purchase of treasury shares	–	(199)
Dividends paid	(853)	(960)
Dividends paid to non-controlling interests	(2)	–
Other, net	0	4
Net cash provided by (used in) financing activities	11,729	(1,978)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Effect of exchange rate change on cash and cash equivalents	443	1,164
Net increase (decrease) in cash and cash equivalents	683	6,921
Cash and cash equivalents at beginning of period	12,562	13,245
Cash and cash equivalents at end of period	13,245	20,166

(5) Notes to consolidated financial statements**Notes on premise of going concern**

Not applicable.

Changes in presentation*Consolidated balance sheet*

Transactions related to the lease business of overseas subsidiaries that were liabilities treated for accounting purposes as financial transactions were presented in the previous fiscal year through inclusion in “Other” under “Current liabilities” and in “Other” under “Non-current liabilities.” Due to its increased financial materiality, they are separately presented as “Other Interest-bearing liabilities” from the fiscal year under review. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated balance sheet for the previous fiscal year, ¥3,979 million presented in “Other” under “Current liabilities” has been reclassified as “Other interest-bearing liabilities” under “Current liabilities,” and ¥22,536 million presented in “Other” under “Non-current liabilities” has been reclassified as “Other interest-bearing liabilities” under “Non-current liabilities.”

“Accrued expenses,” which was included in “Other” under “Current liabilities” in the previous fiscal year, has been separately presented from the fiscal year under review, due to its increased financial materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥22,209 million presented in “Other” under “Current liabilities” in the consolidated balance sheet for the previous fiscal year, has been reclassified as “Accrued expenses.”

“Long-term deposits received” which was presented separately under “Non-current liabilities” in the previous fiscal year, is included in “Other” under “Non-current liabilities” in the fiscal year under review, due to its decreased financial materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥5 million presented in “Long-term deposits received” under “Non-current liabilities” in the consolidated balance sheet for the previous fiscal year, has been reclassified as “Other.”

Consolidated statement of income

“Subsidy income” which was presented separately under “Non-operating income” in the previous fiscal year, is included in “Other” in the fiscal year under review, due to its decreased financial materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥28 million presented in “Subsidy income” under “Non-operating income” in the consolidated statement of income for the previous fiscal year, has been reclassified as “Other.”

Segment information

Segment information

1. Overview of reportable segments

The reportable segments of the Company are components of the Company for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their operating results.

The Company provides goods and services through the Japan sales division and the Overseas sales division respectively. A comprehensive strategy is established in cooperation with the production division or the technical division, leading to the expansion of business activities. Therefore, the Company is comprised of segments by goods and services and by Japan and Overseas, with two reportable segments being “Japan” and “Overseas.”

“Japan” is a business conducted within Japan of the production and sales of mainly forklifts and other material handling equipment as well as maintenance parts. This also includes the sale of incidentally related merchandise and maintenance parts. “Overseas” is a business conducted outside Japan of the production and sales of mainly forklifts and other material handling equipment as well as maintenance parts. This also includes the sale of incidentally related merchandise and maintenance parts.

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

The accounting method for the operating segments that are reportable complies with the accounting policy that has been adopted in preparing the consolidated financial statements. Profit or loss of reportable segments is based on operating profit. Intersegment revenue or transfers are based on actual market price.

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

Fiscal year ended March 31, 2023

(1) Information on the amounts of net sales, profit or loss, assets and other items by reportable segment

	Reportable segment			Adjustments	Amount recorded in the consolidated financial statements
	Japan	Overseas	Total		
Net sales					
(1) Sales to external customers	176,325	439,095	615,421	–	615,421
(2) Intersegment sales or transfers	55,240	1,999	57,239	(57,239)	–
Total	231,565	441,095	672,661	(57,239)	615,421
Segment profit	510	14,199	14,709	–	14,709
Segment assets	149,386	326,045	475,432	–	475,432
Other items					
Depreciation	10,798	15,046	25,844	–	25,844
Amortization of goodwill	4,000	3,726	7,727	–	7,727
Increase in property, plant and equipment and intangible assets	9,547	62,371	71,918	–	71,918

Notes: 1. Adjustments to segment net sales represent elimination of intersegment sales.

2. Total segment profit is consistent with operating profit on the consolidated statement of income.

3. The difference between segment profit and operating profit before amortization of goodwill, which the Company uses as a key management indicator, is depreciation and amortization of identifiable assets (valuation difference) and amortization of goodwill acquired on the date of business combination.

	Japan	Overseas	Total
Segment profit	510	14,199	14,709
Amortization of goodwill	4,000	3,726	7,727
Depreciation and amortization of valuation difference	830	1,728	2,558
Operating profit before amortization of goodwill	5,341	19,653	24,995

- (2) Information on impairment losses of non-current assets or goodwill, etc. by reportable segment
There are no material matters to report.

Fiscal year ended March 31, 2024

- (1) Information on the amounts of net sales, profit or loss, assets and other items by reportable segment

(Millions of yen)

	Reportable segment			Adjustments	Amount recorded in the consolidated financial statements
	Japan	Overseas	Total		
Net sales					
(1) Sales to external customers	190,441	511,329	701,770	–	701,770
(2) Intersegment sales or transfers	55,761	1,908	57,669	(57,669)	–
Total	246,202	513,237	759,440	(57,669)	701,770
Segment profit	5,062	37,541	42,603	–	42,603
Segment assets	150,273	381,222	531,495	–	531,495
Other items					
Depreciation	11,102	18,447	29,549	–	29,549
Amortization of goodwill	4,000	3,664	7,665	–	7,665
Increase in property, plant and equipment and intangible assets	12,233	41,464	53,698	–	53,698

- Notes: 1. Adjustments to segment net sales represent elimination of intersegment sales.
2. Total segment profit is consistent with operating profit on the consolidated statement of income.
3. The difference between segment profit and operating profit before amortization of goodwill, which the Company uses as a key management indicator, is depreciation and amortization of identifiable assets (valuation difference) and amortization of goodwill acquired on the date of business combination.

	Japan	Overseas	Total
Segment profit	5,062	37,541	42,603
Amortization of goodwill	4,000	3,664	7,665
Depreciation and amortization of valuation difference	841	1,766	2,607
Operating profit before amortization of goodwill	9,903	42,972	52,876

- (2) Information on impairment losses of non-current assets or goodwill, etc. by reportable segment
There are no material matters to report.

Per share information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	707.19	1,094.53
Basic earnings per share	64.82	258.06
Diluted earnings per share	64.61	257.29

Note: The bases for calculating basic earnings per share and diluted earnings per share are as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	6,913	27,520
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent pertaining to common stock (Millions of yen)	6,913	27,520
Average number of outstanding common stock during the period (Thousands of shares)	106,657	106,643
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of shares of common stock (Thousands of shares)	354	320
[Of which, share acquisition rights (Thousands of shares)]	[354]	[320]
Overview of potential shares not included in the calculation of the diluted earnings per share because of the lack of dilution effects	–	–

Subsequent events

Not applicable.

4. Other

Supplementary Information

Consolidated financial results for the fiscal year ended March 31, 2024

1. Financial highlights

(Billions of yen)

	Fiscal year ended March 31, 2023					Fiscal year ended March 31, 2024				
	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total
Net sales	135.29	144.29	161.36	174.46	615.42	166.12	177.64	177.18	180.81	701.77
Operating profit before amortization of goodwill	1.08	5.12	9.03	9.74	24.99	12.82	14.98	15.82	9.23	52.87
(Operating profit margin) (%)	0.8	3.6	5.6	5.6	4.1	7.7	8.4	8.9	5.1	7.5
Amortization of goodwill	(2.68)	(2.56)	(2.57)	(2.46)	(10.28)	(2.50)	(2.56)	(2.59)	(2.60)	(10.27)
Operating profit	(1.59)	2.56	6.46	7.27	14.70	10.32	12.41	13.23	6.63	42.60
(Operating profit margin) (%)	(1.2)	1.8	4.0	4.2	2.4	6.2	7.0	7.5	3.7	6.1
Ordinary profit	(1.47)	2.38	5.15	5.57	11.64	9.62	11.43	11.78	4.63	37.47
(Ordinary profit margin) (%)	(1.1)	1.6	3.2	3.2	1.9	5.8	6.4	6.7	2.6	5.3
Profit attributable to owners of parent	(1.53)	0.11	4.18	4.15	6.91	6.60	9.95	8.02	2.93	27.52
(Net profit margin) (%)	(1.1)	0.1	2.6	2.4	1.1	4.0	5.6	4.5	1.6	3.9

Exchange rates

(Yen)

USD	129.57	133.97	136.51	135.47		137.37	141.00	143.29	144.62	
EUR	138.12	138.73	140.59	140.97		149.47	153.39	155.29	156.80	

2. Segment information

(Billions of yen)

		Fiscal year ended March 31, 2023					Fiscal year ended March 31, 2024				
		Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total
Net sales	Japan	39.01	41.31	46.79	49.20	176.32	44.70	48.18	48.63	48.91	190.44
	Overseas	96.28	102.98	114.56	125.25	439.09	121.42	129.45	128.54	131.89	511.32
Operat- ing profit	Japan	0.28	0.62	2.43	1.98	5.34	2.97	2.58	3.86	0.48	9.90
	Overseas	0.79	4.50	6.60	7.75	19.65	9.85	12.40	11.96	8.75	42.97

* Operating profit represents operating profit before amortization of goodwill

Net sales by region

(Billions of yen)

Region	Fiscal year ended March 31, 2023					Fiscal year ended March 31, 2024				
	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total
Japan	39.01	41.31	46.79	49.20	176.32	44.70	48.18	48.63	48.91	190.44
Americas	61.64	69.19	78.43	86.80	296.07	86.69	94.40	93.44	95.33	369.86
Europe	25.34	23.35	26.40	28.29	103.39	25.69	25.25	26.20	28.10	105.26
China & Asia	9.29	10.44	9.72	10.16	39.62	9.03	9.80	8.89	8.46	36.19
Total	135.29	144.29	161.36	174.46	615.42	166.12	177.64	177.18	180.81	701.77

3. Units sold of forklifts

(Thousands of units)

	Fiscal year ended March 31, 2023					Fiscal year ended March 31, 2024				
	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total	Q1 (Apr.- Jun.)	Q2 (Jul.- Sep.)	Q3 (Oct.- Dec.)	Q4 (Jan.- Mar.)	Total
Japan	6	6	7	7	26	7	7	7	7	28
Overseas	21	19	22	25	86	21	21	20	20	82
Total	27	25	29	31	112	28	29	27	27	110