

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Japanese GAAP]



February 13, 2025

Company name: FUJITA KANKO INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9722

URL: <https://www.fujita-kanko.co.jp/>

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Scheduled date of Ordinary General Meeting of Shareholders: March 26, 2025

Scheduled date of filing annual securities report: March 26, 2025

Scheduled date of commencing dividend payments: March 27, 2025

Availability of supplementary briefing material on annual financial results: Available

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

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2024	76,211	18.1	12,309	85.5	12,623	78.3	9,134	12.6
Fiscal year ended December 31, 2023	64,547	47.5	6,636	-	7,081	-	8,114	-

(Note) Comprehensive income: Fiscal year ended December 31, 2024: ¥8,347 million [(8.7)%]
Fiscal year ended December 31, 2023: ¥9,143 million [-%]

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2024	733.53	-	35.4	13.5	16.2
Fiscal year ended December 31, 2023	677.03	-	33.4	7.3	10.3

(Reference) Profit (loss) of entities accounted

for using equity method: Fiscal year ended December 31, 2024: ¥- million

Fiscal year ended December 31, 2023: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	94,041	25,651	27.3	1,966.91
As of December 31, 2023	93,496	25,974	27.8	1,299.49

(Reference) Equity: As of December 31, 2024: ¥25,651 million
As of December 31, 2023: ¥25,974 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2024	15,905	(3,831)	(11,311)	14,446
Fiscal year ended December 31, 2023	11,109	(5,919)	(15,667)	13,675

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended December 31, 2024	-	0.00	-	40.00	40.00	479	5.5	1.9
Fiscal year ending December 31, 2025 (Forecast)	-	0.00	-	40.00	40.00		7.0	

(Note) "Dividends" above are dividends for common shares. For dividends for class shares (unlisted) with different rights from those of common shares issued by the Company, please see "Dividends on Class Shares" to be described later.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	38,100	6.2	5,500	7.3	5,500	(2.1)	3,700	(7.6)	305.43
Full year	78,600	3.1	12,000	(2.5)	11,700	(7.3)	8,000	(12.4)	660.86

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period under review: Yes
Excluded: 2 companies (Company name: MYANMAR FUJITA KANKO LIMITED,
Fujita (Shanghai) Business Consultant Co., Ltd.)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2024: 12,207,424 shares
December 31, 2023: 12,207,424 shares
2) Total number of treasury shares at the end of the period:
December 31, 2024: 223,128 shares
December 31, 2023: 222,259 shares
3) Average number of shares during the period:
Fiscal year ended December 31, 2024: 11,984,795 shares
Fiscal year ended December 31, 2023: 11,985,376 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2024	58,989	195	9,933	704	10,497	613	8,956	9.2
Fiscal year ended December 31, 2023	49,351	485	5,828	-	6,506	-	8,201	-

	Profit per share		Diluted profit per share	
	Yen		Yen	
Fiscal year ended December 31, 2024	718.67		-	
Fiscal year ended December 31, 2023	684.31		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	93,926	24,923	26.5	1,906.16
As of December 31, 2023	93,111	25,354	27.2	1,247.79

(Reference) Equity: As of December 31, 2024: ¥24,923 million
As of December 31, 2023: ¥25,354 million

* Financial results are outside the scope of audit by a certified public accountant or an audit corporation.

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

The financial results forecasts and other forward-looking statements herein are made based on currently available information and include a number of uncertainties. Accordingly, actual results may differ materially due to various factors. For the assumptions underlying the financial results forecasts, please see “Overview of Operating Results for Current Fiscal Year” on page 2 of the attached material.

Dividends on Class Shares

The following shows the breakdown of dividend per share of Class A preferred shares, which have different rights from those of common shares.

Class A preferred Shares	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2023	Yen -	Yen -	Yen -	Yen 4,000,000.00	Yen 4,000,000.00
Fiscal year ended December 31, 2024	-	-	-	4,010,958.90	4,010,958.90
Fiscal year ending December 31, 2025 (Forecast)	-	-	-	-	-

(Notes)

1. Number of unredeemed Class A preferred shares are 20 shares. The Company issued 150 Class A preferred shares on September 28, 2021, of which 130 shares were purchased and canceled by the Company (50 shares on December 22, 2023, 40 shares on August 23, 2024, and 40 shares on December 20, 2024).
2. The forecast for dividends for the fiscal year ending December 31, 2025 has not been determined at present.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for Current Fiscal Year

During the fiscal year ended December 31, 2024, the Japanese economy continued to recover moderately owing to developments such as an improvement in corporate earnings and personal consumption. Against the backdrop of the weak yen and other factors, the number of foreign visitors to Japan reached a record high of 36.86 million for the year, leading to growing inbound demand in the hotel and tourism industries.

Against this backdrop, the Group strengthened overseas sales and implemented other actions to capture demand for inbound travel to Japan, with the result that the number of inbound accommodation guests increased year on year during the period under review. In addition, we saw an increase in sales per use, thanks to our efforts to strengthen product competitiveness and other initiatives as part of our measures to enhance added value. In terms of investments in human resources, in addition to filling the headcount through hiring, the Group promoted initiatives to improve employee engagement, including wage increases and other improvements in compensation.

As a result, net sales for the entire Group increased by ¥11,664 million year on year to ¥76,211 million, operating profit increased by ¥5,672 million year on year to ¥12,309 million, and ordinary profit increased by ¥5,541 million year on year to ¥12,623 million. Profit attributable to owners of parent increased by ¥1,020 million year on year to ¥9,134 million from the previous due to recording of tax expenses and other factors. Operating profit and ordinary profit attained record highs, and profit attributable to owners of parent also reached one of the highest levels ever, second only to 2021, when a ¥33.3 billion gain on sale of non-current assets (extraordinary income) was recorded.

In addition, of the Class A preferred shares issued on September 28, 2021, 80 were redeemed during the current fiscal year (purchased and canceled). As a result, the number of unredeemed shares as of the end of the current fiscal year now stands at 20 shares.

An overview of business results is as follows.

(Million yen)		
	Actual results for the current period	YoY change
Net sales	76,211	11,664
Operating profit	12,309	5,672
Ordinary profit	12,623	5,541
Profit attributable to owners of parent	9,134	1,020

An overview of business results by segment is as follows.

Sales and operating profit by segment

(Million yen)				
	Net sales		Operating profit (loss)	
	Actual	YoY change	Actual	YoY change
WHG Business	45,582	8,884	10,195	4,749
Luxury & Banquet Business	18,645	766	1,234	(19)
Resort Business	10,765	2,307	920	751
Other (including adjustment amounts)	1,218	(294)	(40)	191
Total	76,211	11,664	12,309	5,672

(Notes) 1. Adjustment amounts include eliminations of inter-segment transactions, as well as corporate expenses not allocated to each segment.

2. Starting in the current fiscal year, the Company partially changed the segments to which operating facilities belong following organizational changes. For this reason, segment information for the previous fiscal year has been changed in accordance with segment changes.

1) WHG Business

In the WHG Business, we maintained our efforts to win new customers by engaging in overseas sales in Europe, the U.S., Australia and Asia. As a result, the number of inbound accommodation guests for the current fiscal year

increased year on year. ADR also increased due to early capture of high-ADR reservations. Moreover, we took action to improve product competitiveness by further enhancing the contents of breakfast and increasing media exposure, in addition to renovating guestrooms, restaurants, lobbies and lounges, as well as conducting in-house training to improve hospitality services. Moreover, we commenced direct operation of the Shinjuku Washington Hotel ANNEX in April. As a result, net sales for this segment increased by ¥8,884 million year on year to ¥45,582 million, and operating profit increased by ¥4,749 million to ¥10,195 million.

2) Luxury & Banquet Business

In the Luxury & Banquet Business, each division at the Hotel Chinzanso Tokyo focused on improving the added value of products and increasing sales per use. In the wedding business, although the number of ceremonies declined from the previous year, the average number of guests and sales per ceremony increased, resulting in net sales that were almost in line with the previous year. In the accommodation business, ADR rose due to the establishment of a new executive lounge exclusively for suite guests and other factors, resulting in year-on-year revenue growth. As a result, net sales for this segment increased by ¥766 million year on year to ¥18,645 million, while operating profit decreased by ¥19 million to ¥1,234 million due to an increase in labor costs and other factors, mainly in the second and third quarters.

3) Resort Business

In the Resort Business, at Hakone Kowakien Ten-yu, ADR increased while we maintained high occupancy as we continued to focus on the sale of high-value-added products. In addition to increasing revenues through year-round services, Hakone Kowakien Hotel attracted a wide range of customers, especially families, by offering products that anticipate customer needs, creating events, and offering lunch services. Renovations at Hakone Kowakien Yunessun have increased the number of visitors. As a result, net sales for this segment increased by ¥2,307 million year on year to ¥10,765 million, and operating profit increased by ¥751 million to ¥920 million.

(2) Overview of Financial Position for Current Fiscal Year

Total assets as of December 31, 2024 increased by ¥545 million from the end of the previous fiscal year to ¥94,041 million. Current assets increased by ¥2,410 million mainly due to increases in cash and deposits and accounts receivable, while non-current assets decreased by ¥1,864 million mainly due to the depreciation of tangible and intangible non-current assets and a decrease in investment securities.

Liabilities increased by ¥868 million from the end of the previous fiscal year to ¥68,389 million due to increases in income taxes payable and accrued consumption taxes, despite a ¥2,591 million decrease in borrowings due to repayment.

Net assets decreased by ¥322 million from the end of the previous fiscal year to ¥25,651 million. Retained earnings increased by ¥12,861 million due to the recording of profit attributable to owners of parent. Capital surplus decreased by ¥12,390 million due to the redemption of Class A preferred shares, etc., while valuation difference on available-for-sale securities decreased by ¥739 million.

(3) Overview of Cash Flows for Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as “Funds”) as of December 31, 2024 amounted to ¥14,446 million, up ¥770 million from the end of the previous fiscal year.

1) Cash flows from operating activities

Net cash provided by operating activities was ¥15,905 million (¥11,109 million provided in the previous fiscal year). This was mainly because operating profit increased by ¥5,672 million year on year.

2) Cash flows from investing activities

Net cash used in investing activities was ¥3,831 million (¥5,919 million used in the previous fiscal year). This was mainly due to the purchase of non-current assets of ¥2,968 million.

3) Cash flows from financing activities

Net cash used in financing activities was ¥11,311 million (¥15,667 million used in the previous fiscal year). This was mainly due to the purchase of treasury shares of ¥8,007 million associated with the redemption of Class A preferred shares and repayments of borrowings, etc. of ¥2,589 million.

(4) Future Outlook

We have formulated a five-year medium-term management plan that covers the period of from 2024 to 2028 under the slogan “Shine for Tomorrow, to THE FUTURE.” Through our pursuit of this plan, we aim to achieve sustainable growth and increased earnings to further enhance our corporate value.

As for the full-year financial results forecast for 2025, the Group forecasts net sales of ¥78,600 million, an increase of ¥2,388 million year on year, operating profit of ¥12,000 million, a decrease of ¥309 million year on year, and ordinary profit of ¥11,700 million, a decrease of ¥923 million year on year. The Group anticipates profit attributable to owners of parent of ¥8,000 million.

The forecast is based on the Group’s judgement using currently available information, and actual results may vary from the forecast due to various factors.

Forecast for the consolidated financial results and financial results by segment is as follows.

Consolidated financial results forecast for the fiscal year ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Million yen)

	First half				Full year			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net sales	Operating profit (loss)	Ordinary profit	Profit attributable to owners of parent
Consolidated total	38,100	5,500	5,500	3,700	78,600	12,000	11,700	8,000
WHG Business	23,300	4,800	-	-	47,200	9,800	-	-
Luxury & Banquet Business	9,200	650	-	-	19,000	1,300	-	-
Resort Business	5,000	100	-	-	11,100	1,050	-	-
Other (including adjustment amounts)	600	(50)	-	-	1,300	(150)	-	-

(Note) Adjustment amounts refer to eliminations of inter-segment transactions.

(5) Basic Dividend Policy and Dividend Payments for Current Fiscal Year and Next Fiscal Year

Regarding dividends of surplus, the Company has a basic policy to fully consider passing its profits on to shareholders, and pay dividends in proportion to the results of its business in consideration of further reinforcement of corporate structure and accumulation of internal reserves to be utilized to promote businesses.

For the current fiscal year, we propose a dividend of ¥40 per common share, mainly due to the strong performance of our business. Furthermore, in light of our earnings forecast, we plan to pay a dividend of ¥40 per common share for the fiscal year ending December 31, 2025.

As for the dividend on class shares issued through a third-party allotment in September 2021 for the fiscal year ended December 31, 2023, the Company plans to pay out an amount in accordance with the issuance document for the class shares drawn up at the time of the issuance.

2. Basic Policy on Selecting Accounting Standard

The Group will continue to prepare consolidated financial statements based on Japanese GAAP for the time being, taking into consideration the comparability of consolidated financial statements in terms of periods and companies.

In the future, we will take appropriate actions in accordance with various conditions in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,705	14,456
Notes and accounts receivable - trade	5,155	6,158
Merchandise and finished goods	58	56
Work in process	31	34
Raw materials and supplies	432	481
Other	1,915	2,520
Allowance for doubtful accounts	(5)	(4)
Total current assets	21,293	23,703
Non-current assets		
Property, plant and equipment		
Buildings and structures	95,165	95,508
Accumulated depreciation	(57,235)	(59,454)
Buildings and structures, net	37,930	36,053
Tools, furniture and fixtures	20,353	21,595
Accumulated depreciation	(17,599)	(17,911)
Tools, furniture and fixtures, net	2,754	3,683
Land	6,309	6,330
Construction in progress	52	60
Golf courses	2,477	2,501
Other	4,451	4,025
Accumulated depreciation	(3,624)	(3,208)
Other, net	826	817
Total property, plant and equipment	50,350	49,447
Intangible assets		
Software	424	333
Other	177	226
Total intangible assets	602	559
Investments and other assets		
Investment securities	11,604	10,472
Guarantee deposits	9,137	9,705
Deferred tax assets	474	15
Other	141	141
Allowance for doubtful accounts	(107)	(4)
Total investments and other assets	21,250	20,330
Total non-current assets	72,202	70,338
Total assets	93,496	94,041

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,132	1,235
Short-term borrowings	9,387	8,320
Current portion of long-term borrowings	10,923	9,773
Income taxes payable	61	1,260
Accrued consumption taxes	902	1,624
Provision for bonuses	216	349
Provision for loss on business withdrawal	199	309
Provision for loss on disaster	—	172
Provision for noncurrent assets removal cost	177	119
Other	7,363	8,052
Total current liabilities	30,365	31,217
Non-current liabilities		
Long-term borrowings	19,710	19,335
Provision for retirement benefits for directors (and other officers)	72	83
Asset retirement obligations	918	954
Deferred tax liabilities	11	56
Retirement benefit liability	6,352	6,367
Deposits received from members	9,498	9,778
Other	591	596
Total non-current liabilities	37,156	37,172
Total liabilities	67,521	68,389
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	26,457	14,067
Retained earnings	(2,906)	9,955
Treasury shares	(904)	(911)
Total shareholders' equity	22,746	23,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,430	2,691
Deferred gains or losses on hedges	(12)	8
Foreign currency translation adjustment	(357)	(372)
Remeasurements of defined benefit plans	167	112
Total accumulated other comprehensive income	3,227	2,440
Total net assets	25,974	25,651
Total liabilities and net assets	93,496	94,041

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	64,547	76,211
Cost of sales	54,800	60,210
Gross profit	9,746	16,000
Selling, general and administrative expenses	3,109	3,691
Operating profit	6,636	12,309
Non-operating income		
Interest income	9	10
Dividend income	247	257
Foreign exchange gains	384	240
Subsidy income	164	103
Dividend income of life insurance	52	54
Rental income from land and buildings	79	98
Other	98	112
Total non-operating income	1,036	878
Non-operating expenses		
Interest expenses	491	463
Loss on retirement of non-current assets	54	61
Other	45	40
Total non-operating expenses	591	565
Ordinary profit	7,081	12,623
Extraordinary income		
Reversal of allowance for doubtful accounts	—	102
Gain on reversal of asset retirement obligations	—	27
Gain on reversal of provision for loss on business withdrawal	—	1
Gain on sale of non-current assets	605	0
Subsidy income	49	—
Gain on sale of shares of subsidiaries and associates	21	—
Other	—	7
Total extraordinary income	675	139
Extraordinary losses		
Impairment losses	453	482
Loss on withdrawal from business	—	344
Provision for loss on business withdrawal	192	309
Provision for loss on disaster	—	172
Provision for removal expenses of noncurrent assets	243	119
Loss on valuation of investment securities	6	1
Loss on refund of subsidy	156	—
Loss on sale of shares of subsidiaries and associates	19	—
Other	—	5
Total extraordinary losses	1,071	1,434
Profit before income taxes	6,685	11,328
Income taxes – current	80	1,305
Income taxes – deferred	(1,507)	888
Total income taxes	(1,426)	2,193
Profit	8,112	9,134
Loss attributable to non-controlling interests	(2)	—
Profit attributable to owners of parent	8,114	9,134

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	8,112	9,134
Other comprehensive income		
Valuation difference on available-for-sale securities	1,197	(739)
Deferred gains or losses on hedges	(16)	21
Foreign currency translation adjustment	(40)	(15)
Remeasurements of defined benefit plans, net of tax	(109)	(54)
Total other comprehensive income	1,031	(787)
Comprehensive income	9,143	8,347
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,145	8,347
Comprehensive income attributable to non-controlling interests	(2)	—

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	32,256	(11,020)	(903)	20,432
Changes during period					
Dividends of surplus - other capital surplus		(796)			(796)
Deficit disposition					-
Profit attributable to owners of parent			8,114		8,114
Purchase of treasury shares				(5,001)	(5,001)
Cancellation of treasury shares		(5,000)		5,000	-
Disposal of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(5,798)	8,114	(1)	2,314
Balance at end of period	100	26,457	(2,906)	(904)	22,746

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,233	3	(316)	276	2,196	110	22,740
Changes during period							
Dividends of surplus - other capital surplus							(796)
Deficit disposition							-
Profit attributable to owners of parent							8,114
Purchase of treasury shares							(5,001)
Cancellation of treasury shares							-
Disposal of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							(2)
Net changes in items other than shareholders' equity	1,197	(16)	(40)	(109)	1,031	(110)	920
Total changes during period	1,197	(16)	(40)	(109)	1,031	(110)	3,234
Balance at end of period	3,430	(12)	(357)	167	3,227	-	25,974

For the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	26,457	(2,906)	(904)	22,746
Changes during period					
Dividends of surplus - other capital surplus		(663)			(663)
Deficit disposition		(3,726)	3,726		-
Profit attributable to owners of parent			9,134		9,134
Purchase of treasury shares				(8,007)	(8,007)
Cancellation of treasury shares		(8,000)		8,000	-
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(12,390)	12,861	(6)	464
Balance at end of period	100	14,067	9,955	(911)	23,211

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,430	(12)	(357)	167	3,227	–	25,974
Changes during period							
Dividends of surplus - other capital surplus							(663)
Deficit disposition							–
Profit attributable to owners of parent							9,134
Purchase of treasury shares							(8,007)
Cancellation of treasury shares							–
Disposal of treasury shares							0
Change in ownership interest of parent due to transactions with non-controlling interests							–
Net changes in items other than shareholders' equity	(739)	21	(15)	(54)	(787)	–	(787)
Total changes during period	(739)	21	(15)	(54)	(787)	–	(322)
Balance at end of period	2,691	8	(372)	112	2,440	–	25,651

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,685	11,328
Depreciation	3,636	3,916
Impairment losses	453	482
Increase (decrease) in allowance for doubtful accounts	(1)	(103)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	23	10
Increase (decrease) in provision for bonuses	119	132
Increase (decrease) in provision for loss on business withdrawal	9	109
Increase (decrease) in provision of noncurrent assets removal	177	(58)
Increase (decrease) in provision for loss on disaster	—	172
Increase (decrease) in retirement benefit liability	(106)	(38)
Gain on reversal of asset retirement obligations	—	(27)
Interest and dividend income	(256)	(268)
Interest expenses	491	463
Foreign exchange losses (gains)	(384)	(240)
Loss (gain) on sale of non-current assets	(606)	(0)
Loss on retirement of non-current assets	54	61
Loss (gain) on valuation of investment securities	6	1
Decrease (increase) in trade receivables	(1,117)	(999)
Decrease (increase) in inventories	(63)	(51)
Increase (decrease) in trade payables	175	102
Loss (gain) on sale of shares of subsidiaries and associates	(1)	—
Increase (decrease) in accrued consumption taxes	(221)	723
Other, net	2,389	413
Subtotal	11,463	16,128
Interest and dividends received	256	267
Interest paid	(509)	(471)
Income taxes refund (paid)	(101)	(19)
Net cash provided by (used in) operating activities	11,109	15,905

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(5,243)	(2,968)
Proceeds from sale of property, plant and equipment and intangible assets	687	0
Payments into time deposits	—	(0)
Proceeds from withdrawal of time deposits	—	19
Payments of guarantee deposits	(7)	(1,031)
Proceeds from refund of guarantee deposits	91	191
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(1,463)	—
Other, net	15	(44)
Net cash provided by (used in) investing activities	(5,919)	(3,831)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(655)	(1,067)
Proceeds from long-term borrowings	—	9,962
Repayments of long-term borrowings	(9,066)	(11,483)
Proceeds from sale of treasury shares	—	0
Purchase of treasury shares	(5,001)	(8,007)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(110)	—
Dividends paid	(796)	(663)
Repayments of finance lease liabilities	(40)	(37)
Other, net	2	(14)
Net cash provided by (used in) financing activities	(15,667)	(11,311)
Effect of exchange rate change on cash and cash equivalents	43	8
Net increase (decrease) in cash and cash equivalents	(10,434)	770
Cash and cash equivalents at beginning of period	24,110	13,675
Cash and cash equivalents at end of period	13,675	14,446