

# Business Report

## Issue 84

(Founded 106 years Since Taisho 7 (1918), Showa 99)

Since : Reiwa 5 (2023) 04/01

To : Reiwa 6(2024)/03/31

(company policy)

” Love and Creativity”

Showa Kako Corporation

connection : SKC, KKC, STC, MQC, WKA, SKI, SKB, 7 companies in total

# Consolidated Balance Sheets

April 1, Reiwa 5 ~ March 31, Reiwa 6

(Unit: Yen)

Total Assets		Liabilities and Net Assets	
subject	Amount	subject	Amount
<b>liquid assets</b>	<b>8,210,800,813</b>	<b>Current liabilities</b>	<b>2,821,247,298</b>
Cash and deposits	3,193,078,632	Notes and accounts payable-trade	1,039,562,054
Notes and accounts receivable	2,526,398,644	Accounts payable/accrued expenses	563,741,461
Marketable securities	56,269,862	Accrued income taxes	342,766,017
Inventories	2,202,437,237	Short-term debt	714,529,360
Other current assets	245,447,438	Other current liabilities	160,648,406
Allowance	△ 12,831,000	<b>Fixed liabilities</b>	<b>5,909,350,608</b>
<b>Fixed assets</b>	<b>7,372,729,475</b>	Long-term borrowings	5,130,391,560
Tangible fixed assets (excluding land)	2,840,058,306	Allowance	778,959,048
Land	4,234,538,458	Capital stock	80,000,000
Intangible fixed assets	17,332,895	Capital surplus	80,000,000
Investments and other assets	280,799,816	Retained earnings	6,859,051,844
<b>Deferred assets</b>	<b>102,932,695</b>	Treasury stock	△ 68,100,107
Deferred assets	102,932,695	Foreign currency translation adjustments	4,913,340
<b>Total assets</b>	<b>15,686,462,983</b>	<b>Total liabilities and net assets</b>	<b>15,686,462,983</b>

# Consolidated Statements of Income

Since: 04/01/5/Reiwa

To: Reiwa 6/03/31

Showa Kako Consolidation

(Unit: Yen)

subject	Amount
<b>sales</b>	<b>12,810,213,253</b>
Cost of goods sold	9,252,457,991
Gross profit	3,557,755,262
Selling, general and administrative expenses	2,169,138,614
<b>Operating Profit</b>	<b>1,388,616,648</b>
Non-operating income	183,481,082
Non-operating expenses	106,959,542
<b>Ordinary Income</b>	<b>1,465,138,188</b>
Special Profits	4,961,555
Extraordinary Loss	378,236,978
<b>Net income before taxes</b>	<b>1,091,862,765</b>
Corporate Tax, Resident Tax and Business Tax	378,344,262
<b>Net Income</b>	<b>713,518,503</b>

# Balance Sheet

April 1, Reiwa 5 ~ March 31, Reiwa 6

Showa Kako Non-consolidated

(Unit: Yen)

Assets		Liabilities and Net Assets	
subject	Amount	subject	Amount
<b>Current assets</b>	<b>6,769,686,609</b>	<b>Current liabilities</b>	<b>2,139,613,950</b>
Cash & Deposits	2,370,114,697	Bills payable	19,987,089
Bills receivable	475,410,289	accounts payable	1,248,119,588
accounts receivable	1,881,742,764	Payables	341,439,059
securities	54,547,862	Accrued expenses	55,203,035
Product & Merchandise Inventory	851,767,333	Accrued corporate taxes, etc.	251,431,700
Inventory of work in process	630,332,817	Deposits received	33,362,959
Raw material shed unloading	251,832,211	Income taxes payable/(AGS) dividends	7,530,000
Factory Consumables Inventory	23,852,934	Advance Payments	109,180
Other Current Assets/Other(AGS)	242,085,702	Down payment	16,901,980
Loan reversal as gold	△ 12,000,000	Long-term loans to be repaid within one year	165,529,360
<b>Fixed assets</b>	<b>6,783,773,543</b>	<b>Fixed liabilities</b>	<b>5,343,723,080</b>
<u>Tangible fixed assets</u>	<u>5,474,949,700</u>	Long-term debt	4,772,035,560
Buildings	584,997,074	Guarantee deposits received	228,254,000
Buildings and accompanying facilities	219,703,784	Other liabilities/allowances	343,433,520
Structures	146,949,936	<b>Total liabilities</b>	<b>7,483,337,030</b>
Machinery and equipment	579,103,215	<b>Total net assets</b>	
Vehicles and transportation equipment	1	<b>capital stock</b>	
Tools and appliances spare parts / minor fixed assets / others (AGS)	280,516,755	Paid-in Capital	100,000,000
Land	3,663,678,935	Capital Reserve	405,993
<u>Intangible fixed assets</u>	<u>14,819,570</u>	Profit Reserve	25,200,000
Telephone subscription rights	904,404	Other capital surplus	2,630,830,780
Software	2,990,667	Separate reserve fund	500,000,000
Other intangible assets	10,924,499	Treasury stock	△ 68,100,107
<u>Investment</u>	<u>1,194,638,987</u>	Retained earnings carried forward	2,881,786,456
Investment Securities and Investments	988,239,252	<b>Total net assets</b>	<b>6,070,123,122</b>
Long-term loans	2,448,034	<b>Total liabilities and net assets</b>	<b>13,553,460,152</b>
Security Deposit	102,007,000		
Other (Insurance Reserve Fund)	101,944,701		
Deferred assets	99,365,286		
<b>Total assets</b>	<b>13,553,460,152</b>		

(Note) Accumulated depreciation of property, plant and equipment Accumulated depreciation of property, plant and equipment 2,961,469,506

# Income Statement

April 1, Reiwa 5 ~ March 31, Reiwa 6

Showa Kako Co. Non-consolidated

(Unit: Yen)

subject	Amount
<b>Net sales</b>	<b>11,060,481,763</b>
Cost of sales	8,787,796,281
Beginning inventory	717,098,794
Cost of goods purchased	8,922,464,820
<u>Total</u>	<u>9,639,563,614</u>
Ending inventory	△ 851,767,333
<b>Gross profit</b>	<b>2,272,685,482</b>
Selling, general and administrative expenses	384,779,755
General and administrative expenses	784,735,286
<b>Operating income</b>	<b>1,103,170,441</b>
<u>Non-operating income</u>	<u>145,823,944</u>
Interest income	2,127,379
Dividend income	7,040,572
Miscellaneous income	136,655,993
<u>Non-operating expenses</u>	<u>96,810,107</u>
Interest expenses	36,956,264
Discounted interest expense	0
Miscellaneous losses	59,853,843
<b>Ordinary income</b>	<b>1,152,184,278</b>
Extraordinary gains	4,959,582
Extraordinary loss	349,893,160
<b>Income before income taxes</b>	<b>807,250,700</b>
Income taxes-current	272,825,790
<b>Net income</b>	<b>534,424,910</b>

Note: Ordinary depreciation range of depreciable assets for the current period 252,015,431  
Amount of depreciation 252,015,431

## Statement of Changes in Shareholders' Equity

Since: Reiwa 5 (2023) 04/01

To: Reiwa 6(2023)/03/31

### Showa Kako Corporation

	capital stock										Total Net Worth
	Paid-in Capital	Capital surplus			Retained earnings				treasury stock	Total Shareholders' Equity	
		Capital Reserve	Other capital surplus	Total capital surplus	Profit Reserve	Other retained earnings		Total retained earnings			
						Separate reserve fund	Retained earnings carried forward				
<b>Balance at the end of the previous period</b>	100,000,000	405,993	2,630,830,780	2,631,236,773	25,200,000	500,000,000	2,369,061,546	2,894,261,546	△ 38,495,597	5,587,002,722	5,587,002,722
<b>Dividends on surplus</b>							△ 21,700,000	△ 21,700,000	△ 21,700,000	-21,700,000	△ 21,700,000
<b>Net income</b>							534,424,910	534,424,910	534,424,910	534,424,910	534,424,910
<b>Repurchase of treasury stock</b>									△ 29,604,510	△ 29,604,510	△ 29,604,510
<b>Total changes during the period</b>	0	0	0	0	0	0	512,724,910	512,724,910	△ 29,604,510	483,120,400	483,120,400
<b>Balance at the end of the current fiscal year</b>	100,000,000	405,993	2,630,830,780	2,631,236,773	25,200,000	500,000,000	2,881,786,456	3,406,986,456	△ 68,100,107	6,070,123,122	6,070,123,122

# Individual Note Sheet

1. These financial statements have been prepared in accordance with the accounting guidelines for small and medium-sized enterprises (SMEs).

## 2. Notes to Significant Accounting Policies

(1) Valuation standards and methods for securities

- |  |                         |
|--|-------------------------|
| ① Securities with market quotations    | Acquisition cost method |
| ② Securities without market quotations | Acquisition cost method |

(2) Valuation standards and methods for inventories

Cost method based on the weighted average method

(3) Depreciation method for fixed assets

Tangible fixed assets Straight-line method in accordance with the provisions of the Corporation Tax Law

Durability

Buildings: 8 to 25 years

Building fixtures: 3 to 20 years

Structure: 8 to 45 years

Machinery and equipment: 2 to 22 years

Tools and equipment: 2 to 20 years

Vehicle transportation equipment: 4 to 7 year

Intangible fixed assets Straight-line method in accordance with the provisions of the Corporation Tax Law

(4) Accounting for lease transactions

Finance leases other than those that transfer ownership of the leased assets to the lessee are accounted for by a method similar to that applicable to ordinary operating leases.

(5) Accounting standards for allowance for doubtful accounts

In order to prepare for losses due to bad debts, we consider the possibility of collecting specific receivables, such as loans of doubtful concerns, on a case-by-case basis, based on the statutory provision rate stipulated in accordance with the provisions of the Corporation Tax Act for general receivables, and record the amount that is expected to be uncollectible.

(6) Accounting for consumption taxes

Consumption taxes are accounted for by the tax exclusion method.

## 3. Notes to Balance Sheet

Accumulated depreciation of tangible fixed assets: 2,961,469,506 yen

## 4. Notes to Non-consolidated Statement of Changes in Net Assets

(1) Matters related to outstanding shares

End of previous period.....62,968,428 shares

At the end of the current fiscal year...62,968,428 shares

(2) Number of treasury stock at the end of the fiscal year

1,718,939 shares