

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

Company name: ALPHA SYSTEMS INC.
 Stock exchange listing: Tokyo
 Stock code: 4719 URL <https://www.alpha.co.jp/>
 Representative: President Kiyoshi Saito
 Inquiries: Senior Managing Director Kazuhiro Kubota TEL 044-733-4111
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 7, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2024 (from 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	%
Year ended March 31, 2024	36,383	2.3	4,348	3.2	4,422	3.3	3,045	4.3
Year ended March 31, 2023	35,548	4.9	4,213	4.5	4,279	4.7	2,918	4.7

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	216.91	–	7.5	8.9	12.0
Year ended March 31, 2023	207.91	–	7.5	9.0	11.9

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	50,807	41,861	82.4	2,981.81
As of March 31, 2023	48,166	39,775	82.6	2,833.16

(3) Non-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	4,706	(1,138)	(983)	25,126
Year ended March 31, 2023	2,946	(1,341)	(1,263)	22,542

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	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	–	35.00	–	35.00	70.00	982	33.7	2.5
Year ended March 31, 2024	–	35.00	–	65.00	100.00	1,403	46.1	3.4
Year ending March 31, 2025 (Forecast)	–	50.00	–	50.00	100.00		46.0	

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

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	17,900	1.4	1,900	(5.1)	1,940	(4.9)	1,320	(4.6)	94.02
Full year	37,500	3.1	4,400	1.2	4,480	1.3	3,050	0.2	217.25

4. Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(2) Number of issued shares (common shares)

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

As of March 31, 2024	14,052,400 shares	As of March 31, 2023	14,052,400 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	13,584 shares	As of March 31, 2023	13,235 shares
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Average number of shares during the period

Year ended March 31, 2024	14,039,017 shares	Year ended March 31, 2023	14,039,256 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	23,042,284	25,626,683
Accounts receivable - trade	7,655,624	7,220,818
Contract assets	874,014	654,635
Securities	999,953	1,499,966
Work in process	3,812	1,885
Raw materials and supplies	14,949	3,094
Prepaid expenses	46,083	29,143
Other	196,226	160,283
Total current assets	32,832,948	35,196,511
Non-current assets		
Property, plant and equipment		
Buildings, net	4,063,210	3,934,480
Structures, net	41,685	37,510
Tools, furniture and fixtures, net	60,386	65,581
Land	5,173,538	5,173,538
Other	2,950	1,736
Total property, plant and equipment	9,341,770	9,212,846
Intangible assets		
Software	17,752	22,524
Other	4,145	4,098
Total intangible assets	21,897	26,622
Investments and other assets		
Investment securities	1,589,754	1,625,058
Long-term prepaid expenses	1,564	1,030
Deferred tax assets	1,159,267	1,059,079
Long-term time deposits	3,000,000	3,500,000
Other	220,605	186,980
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	5,970,191	6,371,149
Total non-current assets	15,333,860	15,610,619
Total assets	48,166,808	50,807,130

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,293,083	1,609,132
Accounts payable - other	240,085	250,068
Accounts payable - facilities	10,430	–
Accrued expenses	1,817,120	2,012,095
Income taxes payable	797,188	788,707
Contract liabilities	467,206	481,025
Advances received	3,405	231
Deposits received	562,883	733,862
Provision for bonuses	1,261,292	1,277,802
Other	513,416	503,288
Total current liabilities	6,966,113	7,656,214
Non-current liabilities		
Provision for retirement benefits	1,186,313	1,061,764
Other	239,147	228,010
Total non-current liabilities	1,425,460	1,289,774
Total liabilities	8,391,574	8,945,988
Net assets		
Shareholders' equity		
Share capital	8,500,550	8,500,550
Capital surplus		
Legal capital surplus	8,647,050	8,647,050
Total capital surplus	8,647,050	8,647,050
Retained earnings		
Legal retained earnings	179,000	179,000
Other retained earnings		
General reserve	5,525,000	5,525,000
Retained earnings brought forward	16,911,809	18,974,311
Total retained earnings	22,615,809	24,678,311
Treasury shares	(39,334)	(40,429)
Total shareholders' equity	39,724,074	41,785,481
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	51,159	75,660
Total valuation and translation adjustments	51,159	75,660
Total net assets	39,775,233	41,861,141
Total liabilities and net assets	48,166,808	50,807,130

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	35,548,872	36,383,278
Cost of sales	27,076,887	27,890,294
Gross profit	8,471,984	8,492,983
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	545,600	517,000
Salaries and allowances	1,677,281	1,712,757
Bonuses	459,626	457,503
Provision for bonuses	124,631	118,285
Commutation allowance	37,791	44,585
Legal welfare expenses	362,491	352,526
Retirement benefit expenses	28,555	24,998
Depreciation	35,764	36,344
Other	986,462	880,419
Total selling, general and administrative expenses	4,258,205	4,144,420
Operating profit	4,213,779	4,348,562
Non-operating income		
Interest income	18,718	21,835
Interest on securities	9,942	12,272
Dividend income	1,150	1,250
Rental income	36,320	36,320
Other	15,970	16,178
Total non-operating income	82,103	87,858
Non-operating expenses		
Rental costs	16,455	14,153
Other	0	–
Total non-operating expenses	16,455	14,153
Ordinary profit	4,279,427	4,422,268
Extraordinary income		
Gain on sale of non-current assets	1,323	630
Total extraordinary income	1,323	630
Extraordinary losses		
Loss on retirement of non-current assets	–	6,052
Total extraordinary losses	–	6,052
Profit before income taxes	4,280,750	4,416,846
Income taxes - current	1,278,341	1,282,223
Income taxes - deferred	83,568	89,385
Total income taxes	1,361,909	1,371,608
Profit	2,918,840	3,045,237

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	15,256,509	20,960,509	(38,352)	38,069,757
Changes during period									
Dividends of surplus						(1,263,540)	(1,263,540)		(1,263,540)
Profit						2,918,840	2,918,840		2,918,840
Purchase of treasury shares								(982)	(982)
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	1,655,300	1,655,300	(982)	1,654,317
Balance at end of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	16,911,809	22,615,809	(39,334)	39,724,074

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	53,199	53,199	38,122,956
Changes during period			
Dividends of surplus			(1,263,540)
Profit			2,918,840
Purchase of treasury shares			(982)
Net changes in items other than shareholders' equity	(2,040)	(2,040)	(2,040)
Total changes during period	(2,040)	(2,040)	1,652,276
Balance at end of period	51,159	51,159	39,775,233

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	16,911,809	22,615,809	(39,334)	39,724,074
Changes during period									
Dividends of surplus						(982,736)	(982,736)		(982,736)
Profit						3,045,237	3,045,237		3,045,237
Purchase of treasury shares								(1,094)	(1,094)
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	2,062,501	2,062,501	(1,094)	2,061,406
Balance at end of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	18,974,311	24,678,311	(40,429)	41,785,481

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	51,159	51,159	39,775,233
Changes during period			
Dividends of surplus			(982,736)
Profit			3,045,237
Purchase of treasury shares			(1,094)
Net changes in items other than shareholders' equity	24,501	24,501	24,501
Total changes during period	24,501	24,501	2,085,907
Balance at end of period	75,660	75,660	41,861,141

Non-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 income taxes	4,280,750	4,416,846
Depreciation	230,289	232,725
Increase (decrease) in provision for bonuses	41,570	16,510
Increase (decrease) in provision for retirement benefits	(97,593)	(124,549)
Interest and dividend income	(29,811)	(35,358)
Loss on retirement of property, plant and equipment	–	6,052
Loss (gain) on sale of property, plant and equipment	(1,323)	(630)
Decrease (increase) in trade receivables	28,547	434,805
Decrease (increase) in contract assets	(2,184)	219,379
Decrease (increase) in inventories	17,002	13,780
Increase (decrease) in trade payables	(87,209)	316,048
Increase (decrease) in accounts payable - other	(17,209)	9,913
Other, net	(100,684)	457,250
Subtotal	4,262,143	5,962,774
Interest and dividends received	25,097	35,062
Income taxes paid	(1,340,812)	(1,290,907)
Net cash provided by (used in) operating activities	2,946,429	4,706,929
Cash flows from investing activities		
Payments into time deposits	(1,500,000)	(1,000,000)
Proceeds from withdrawal of time deposits	500,000	500,000
Purchase of property, plant and equipment	(38,173)	(108,871)
Purchase of intangible assets	(2,888)	(10,837)
Purchase of short-term and long-term investment securities	(2,899,800)	(2,499,825)
Proceeds from sale and redemption of short-term and long-term investment securities	2,600,000	2,000,000
Other, net	(300)	(19,232)
Net cash provided by (used in) investing activities	(1,341,163)	(1,138,767)
Cash flows from financing activities		
Purchase of treasury shares	(982)	(1,094)
Dividends paid	(1,262,792)	(982,667)
Net cash provided by (used in) financing activities	(1,263,775)	(983,762)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	341,490	2,584,399
Cash and cash equivalents at beginning of period	22,200,793	22,542,284
Cash and cash equivalents at end of period	22,542,284	25,126,683