

## Summary of Financial Statements for the Fiscal Year Ended March 31, 2022



May 13, 2022

Listed company name	SEIKOH GIKEN Co., Ltd.		Listed Standard Market
Code number	6834	URL	
		<a href="https://www.seikoh-giken.co.jp">https://www.seikoh-giken.co.jp</a>	
Representative	(Title) President & CEO	(Name) Masatoshi Ueno	
Inquiries	(Title) Executive Officer & Department Manager	(Name) Yuji Saitoh	Tel +81-47-388-6401
Date of general shareholders' meeting	June 24, 2022	Date of dividend payment	June 27, 2022
Date of securities report submission	June 24, 2022		

(All amounts rounded down to the nearest million yen.)

### 1. Consolidated business results for the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

#### (1) Consolidated business performance

(Percentage figures show the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2022	16,188	–	1,524	–	1,641	–	1,150	–
Year ended March 31, 2021	14,818	(5.8)	1,324	(17.9)	1,431	(15.2)	983	(14.7)

	Net profit per share	Fully diluted net profit per share	Net profit ratio per shareholders' equity	Ordinary profit ratio to total assets	Operating profit ratio to sales amount
	Yen	Yen	%	%	%
Year ended March 31, 2022	126.05	126.04	4.6	5.5	9.4
Year ended March 31, 2021	107.88	107.67	4.1	5.0	8.9

(Note) Because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) etc. has been applied from the beginning of the fiscal year under review, the figures for the fiscal year ended March 31, 2022 are after the application of this accounting standard, etc. For this reason, the rate of change from the previous year is not stated.

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2022	30,339	25,494	83.8	2,785.76
Year ended March 31, 2021	28,966	24,213	83.3	2,645.78

(Reference) Shareholders' equity Year ended March 31, 2022 25,414 million yen Year ended March 31, 2021 24,137 million yen

#### (3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2022	1,868	(2,328)	(429)	4,198
Year ended March 31, 2021	2,374	(626)	(411)	4,877

### 2. Dividend status

(Base date)	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the year	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2021	–	0.00	–	40.00	40.00	368	37.1	1.5
Year ended March 31, 2022	–	0.00	–	50.00	50.00	460	39.7	1.8
Year ending March 31, 2023 (Forecast)	–	0.00	–	50.00	50.00		36.8	

(Note) Breakdown of fiscal year-end dividend for the fiscal year ended March 31, 2022  
Ordinary dividend: 40.00 yen Commemorative dividend: 10.00 yen

### 3. Forecast of consolidated business performance for the year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentage figures for "Full year" show the changes from the previous year,  
and percentage figures for "Half year" show the changes from the previous interim period.)

	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	8,820	16.0	770	19.4	760	14.9	530	24.1	58.09
Full year	18,400	13.7	1,740	14.1	1,760	7.2	1,240	7.8	135.92

1. Summary of business results, etc.

(1) Business results in the fiscal year under review

The global economy generally continued a trend of recovery while being affected by movements in COVID-19 infections. The US economy went through a period of increasing slowdown due to factors such as the spread of COVID-19 infections and rising inflation, but the economy has remained solid with the support of sound employment conditions. In Europe, there has been a renewed sense of economic slowdown due to COVID-19 infections spreading again toward the end of 2021 and the Ukraine situation becoming increasingly tense this year. Meanwhile, China had succeeded in containing COVID-19 ahead of Europe and the United States, and although there was growth in the first half of the fiscal year, the momentum of economic recovery has slowed moving into summer due to renewed spread of COVID-19 infections, stagnation of manufacturing due to electricity shortages, and adjustments in the real estate market. In Japan, movements aimed at normalization of economic activity have gained momentum backed by progress with vaccinations, but the economic recovery has stalled due to factors such as COVID-19 infections increasing several times and the global semiconductor shortage leading to a decrease in automobile production. Since the beginning of this year, there has been growing concern about an economic downturn due to the sixth wave of infections, in addition to high resource prices and the acceleration of the weakening of the yen caused by heightened tensions in the Ukraine situation.

In the information and telecommunications-related markets and electronics-related markets relevant to the Group, 5G communication has begun to spread against the backdrop of increasing digital data volumes. A variety of applications utilizing the ultra-high-speed, high-capacity and low-latency communication environment provided by 5G have been practically implemented, and the development of beyond 5G enabling communication environments exceeding 5G has also been progressing at the same time. Furthermore, utilization of the "metaverse" three dimensional commercial virtual space created on a network that differs from the real world has begun, and is gaining attention from the market. In the automotive-related market, as production numbers have fallen short of targets due to the shortage of supply of semiconductors, auto manufacturers have shifted their management resources toward expansion of production of electric vehicles, and proceeded with technological development aimed at the enhancement of the level of automated driving.

In this environment, the Group continued to work on promoting measures in the final year of its 6-year medium-term management plan "Master Plan 2016" initiated in fiscal year 2016, calling for "Strengthening the earning power of existing businesses," "Optimizing the business portfolio," and "Reinforcing the management base."

In order to strengthen the earning power of existing businesses, in two segments, the Precision Machinery Business (with main products in molded products, molds, and precision metal processed parts) and the Optical Products Business (with main products in optical communication network components, related equipment, lenses, optical transmission equipment, and optical electric field sensors), in addition to strengthening our sales and price competitiveness, we have applied the Company's technological resources of precision processing, precision molding, and optical technologies to develop new products and technologies that meet the needs of the market and customers. In order to optimize the business portfolio, we have worked to conduct marketing in target markets and strengthen partnerships with partner companies to evolve our precision resin molded products and lenses, which are positioned as growth potential business, into growth driver businesses. At the same time, in order to create next-generation businesses that will promote the Group's sustainable growth, we also sought M&A and business partners to invest the funds acquired in growth driver businesses and income generator businesses.

In order to reinforce the management base, we actively used web conferences to promote communication among Group companies to share values and discuss solutions to business issues. At the Head Office, we continued to implement bottom-up improvement activities through sub-group activities and promoted flexible work schedules for work style reform to create a robust organizational structure to obtain more profits in a shorter period of time.

In parallel with these measures, all Group bases established protective measures against COVID-19 such as refraining from business trips and curbing incoming visitor traffic according to the status of infections in each region, promotion of private car commuting and staggered working hours, two lunch periods to avoid overcrowding in the

cafeteria, checking temperature at work, mandatory wearing of masks, and thorough hand washing.

As a result of the various measures implemented, net sales in the period under review posted 16,188,796 thousand yen, the highest number on record since the founding of the Company. Operating income was 1,524,792 thousand yen, ordinary income was 1,641,303 thousand yen, and net income attributable to shareholders of the parent company was 1,150,022 thousand yen. The medium-term management targets of net sales of 25 billion yen and operating income of 2.5 billion yen or more, which were set in the 6-year medium-term management plan "Master Plan 2016" initiated in fiscal year 2016, were not achieved, due to changes in the external environment such as the effects of the US-China trade friction and COVID-19 that occurred during the execution period of the plan, as well as delays in developing new customers and launching new products, and these challenges will be carried into the new Medium-term Management Plan starting in fiscal year 2022.

Because the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. has been applied from the beginning of the fiscal year under review, a comparison with the previous year has not been made. However, a simple comparison of the actual results for the current fiscal year with those of the previous year shows that net sales increased by 1,370,766 thousand yen (up 9.3% compared with the previous fiscal year). Operating income increased by 200,064 thousand yen (up 15.1% compared with the previous fiscal year), with ordinary income increasing by 209,562 thousand yen (up 14.6%), and net income attributable to shareholders of the parent company increasing by 166,137 thousand yen (up 16.9%), marking increases in both sales and earnings from the previous fiscal year.

Segment performances developed as follows.

#### (1) Precision Machinery Business

The Precision Machinery Business provides customers with precision molded products that utilize technologies such as insert molding for shaping objects consisting of combinations of resin and metals and press molding of metallic materials, high-quality molds for efficient mass production of molded products, and metal parts that require high dimensional accuracy. In the fiscal year under review, sales of automotive molded products such as various insert-molded products for pressure sensors and electric compressor parts incorporated into air conditioners increased despite constraints on the production volume of auto manufacturers caused by the impact of COVID-19 and the semiconductor supply shortage. On the other hand, sales of metal press molded products used for keyboards and other components of smartphones and mobile devices decreased due to shrinking demand in India and Europe, which are the consumption areas of smartphones, as a result of COVID-19. In terms of development, we have applied precision mold technology, injection compression technology, and micro-transfer technology that applies micron-level unevenness to resin molded products, which we have cultivated since our founding, to solve technical problems for mass production of new products together with customers in automotive, medical, biotechnology, and other industrial fields.

As a result, the Precision Machinery Business posted net sales of 8,478,455 thousand yen and operating income of 381,670 thousand yen during the fiscal year under review.

A simple comparison of the actual results for the current fiscal year with those of the previous year, when the "Accounting Standard for Revenue Recognition" was not applied, shows that net sales decreased by 197,490 thousand yen (down 2.3% compared with the previous fiscal year). Operating income decreased by 270,557 thousand yen (down 41.5% compared with the previous fiscal year) due to a decrease in sales of lucrative metal press molded products.

#### (2) Optical Products Business

The Optical Products Business provides customers with products such as optical connectors and other connection components used in optical communication infrastructure and data centers, manufacturing equipment for these optical communication components, inspection and measurement devices, optical electric field sensors that accurately measure the distribution of electric field strength, optical transmission equipment for stable live

transmission of radio waves for TVs and cell phones, and micro resin lenses that can be applied in sensors, medical endoscopes and other devices. At present, optical communication component manufacturers worldwide are expanding their production capacity due to a global increase in demand for optical communication components connecting base stations and data centers against the backdrop of the commercialization of 5G and the expansion of remote demand. This led to a significant increase in sales of optical communication components and the manufacturing equipment and inspection and measurement devices for these during the fiscal year under review. In June 2021, a subsidiary in Dalian, China acquired a new factory with 1.6 times the current floor space to expand production capacity for ferrules, which are a core component of optical connectors, and is preparing for its launch. Furthermore, in October 2021, a subsidiary in Hangzhou, China established a new company to sell optical connectors for cable television-related customers in China in an effort to strengthen its sales capability.

As a result, the Optical Products Business posted net sales of 7,710,341 thousand yen and operating income of 1,143,121 thousand yen during the fiscal year under review. A simple comparison of the actual results for the current fiscal year with those of the previous year, when the "Accounting Standard for Revenue Recognition" was not applied, shows that net sales increased by 1,568,257 thousand yen (up 25.5% compared with the previous fiscal year) and operating income increased by 470,621 thousand yen (up 70.0% compared with the previous fiscal year).

## (2) Financial status in the fiscal year under review

### [Assets]

Consolidated assets at the end of the period under review totaled 30,339,101 thousand yen, reflecting an increase of 1,372,963 thousand yen compared with the end of the previous fiscal year. Current assets marked 20,635,636 thousand yen, an increase of 1,609,230 thousand yen compared with the end of the previous fiscal year. This was mainly due to increases in notes and accounts receivable-trade and electronically recorded monetary claims - operating, reflecting the growth in net sales, and reflecting advance arrangement of certain materials considering the risk of procurement of materials, an increase in raw materials and supplies. Non-current assets marked 9,703,464 thousand yen, a decrease of 236,266 thousand yen compared with the end of the previous fiscal year. This was mainly due to the application of the "Accounting Standard for Revenue Recognition" from the beginning of the fiscal year under review, and the progress in depreciation of buildings, machinery and equipment, goodwill, etc.

### [Liabilities]

Consolidated liabilities at the end of the period under review totaled 4,844,740 thousand yen, reflecting an increase of 91,994 thousand yen compared with the end of the previous fiscal year. This was mainly due to increases in retirement benefit liability and provision for share awards for Directors (and other officers).

### [Net assets]

Consolidated net assets at the end of the period under review totaled 25,494,360 thousand yen, reflecting an increase of 1,280,968 thousand yen compared with the end of the previous fiscal year. Main factors were increases in retained earnings and foreign currency translation adjustments.

## (3) Cash flows in the period under review

Consolidated cash and cash equivalents at the end of the fiscal year under review totaled 4,198,415 thousand yen, which was 678,967 thousand yen lower than at the end of the previous fiscal year. Status of cash flows and underlying factors developed as follows.

### [Cash flows from operating activities]

Net cash provided by operating activities totaled 1,868,816 thousand yen (compared with an increase of 2,374,046 thousand yen in the previous fiscal year). Main factors providing cash from operating activities were 1,624,409 thousand yen in income before income taxes, 958,457 thousand yen in depreciation, 308,096 thousand yen in

amortization of goodwill, and a 110,737 thousand yen increase in accounts payable-trade. Main factors using cash were 599,655 thousand yen in income taxes paid, and a 438,852 thousand yen increase in inventories.

[Cash flows from investing activities]

Net cash used in investing activities was 2,328,118 thousand yen (compared with a decrease of 626,188 thousand yen in the previous fiscal year). Main factors were 1,618,391 thousand yen in purchase of property, plant and equipment, specifically machinery, etc.

[Cash flows from financing activities]

Net cash used in financing activities was 429,011 thousand yen (compared with a decrease of 411,245 thousand yen in the previous fiscal year). The main factor was 368,598 thousand yen in dividends paid.

#### (4) Outlook

Two years have elapsed since the outbreak of COVID-19, and although multiple rounds of vaccinations have been conducted in various countries, the pandemic has not come to an end. In addition, tensions have grown in the Ukraine situation in 2022, propelling increases in resource prices and the weakening of the yen.

In the telecommunications and electronic equipment markets, where the Group operates, the spread and expansion of optical communication networks and development of applications and services supporting 5G are progressing. In the automotive-related market, the shift to eco-friendly electric vehicles and hydrogen vehicles is expected to occur, and the development of automated driving technology is expected to accelerate further in order to achieve driving environments of higher comfort and safety. On the other hand, there continues to be a shortage in the supply of semiconductor materials, and there is a possibility that price hikes in purchasing and delays in materials deliveries may become a point of concern.

The fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023) will mark the first year of the five-year medium-term management plan "Master Plan 2022." Under the new medium-term management plan, the Group will utilize the three base technologies of precision processing, precision molding, and optical technology developed since it was founded to provide products and services that contribute to maintaining and advancing society aimed at growth markets such as information and telecommunications, automobiles, and medical and biotechnology. Based on the management challenges carried over from the previous medium-term management plan, efforts will be made to create a foundation to be a Group that continues to grow through the execution of growth strategies and sustainable strategies based on the four fundamental strategies of "rejuvenating contact points with customers," "accelerating development of new products and new technologies," "improving manufacturing capabilities" and "reinforcing the management base."

Consolidated results projections for the Group for the next fiscal year call for net sales of 18,400 million yen, with operating income of 1,740 million yen, ordinary income of 1,760 million yen, and 1,240 million yen in net income attributable to shareholders of the parent company.

The impact of COVID-19 in the outlook for the next fiscal year is that the situation remains critical due to the number of new infections increasing in some countries and regions despite progress in vaccinations leading to easing of entry restrictions and quarantine periods in some countries. If there is another spread of a highly infectious variant, and demand and consumption weaken, actual results could deviate from estimates.

#### 2. Fundamental concepts concerning the selection of accounting standards

With consideration of the inter-periodic comparability and inter-company comparability of consolidated financial statements, for the time being, it remains the fundamental policy of the Company to prepare its consolidated financial statements in accordance with Japan-GAAP.

With respect to the application of IFRS, it is the policy of the Company that appropriate action will be taken with consideration of the situations in Japan and overseas.

## 4. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2021)	Current Consolidated Accounting Year (As of March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	12,256,376	12,386,330
Notes and accounts receivable-trade	3,820,846	-
Notes receivable - trade	-	50,669
Accounts receivable - trade	-	4,253,802
Electronically recorded monetary claims - operating	-	540,162
Merchandise and finished goods	732,157	787,970
Work in process	617,725	894,498
Raw materials and supplies	884,015	1,326,988
Income taxes receivable	82,179	21,455
Other	634,461	375,802
Allowance for doubtful accounts	(1,355)	(2,045)
Total current assets	19,026,406	20,635,636
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,763,302	6,877,468
Accumulated depreciation	(4,365,095)	(4,589,099)
Buildings and structures, net	2,398,207	2,288,368
Machinery, equipment and vehicles	7,032,783	7,237,558
Accumulated depreciation	(4,994,197)	(5,391,034)
Machinery, equipment and vehicles, net	2,038,585	1,846,523
Land	2,335,796	2,335,797
Construction in progress	379,682	590,564
Other	6,277,842	4,061,465
Accumulated depreciation	(5,534,778)	(3,172,463)
Other, net	743,063	889,001
Total property, plant and equipment	7,895,334	7,950,255
Intangible assets		
Goodwill	764,626	462,591
Customer related assets	145,662	78,433
Other	61,035	46,455
Total intangible assets	971,323	587,480
Investments and other assets		
Investment securities	69,543	72,234
Real estate for investment, net	852,747	877,920
Other	150,782	215,574
Total investments and other assets	1,073,073	1,165,729
Total noncurrent assets	9,939,731	9,703,464
Total assets	28,966,138	30,339,101

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2021)	Current Consolidated Accounting Year (As of March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,834,628	1,796,653
Income taxes payable	224,241	179,099
Contract liabilities	-	27,854
Reserve for bonuses	112,241	111,056
Other	1,204,716	1,252,564
Total current liabilities	3,375,826	3,367,228
Noncurrent liabilities		
Pension liabilities	958,428	993,505
Provision for stock awards for corporate officers	85,054	119,565
Long-term accounts payable-other	144,870	144,870
Long-term lease deposited	19,037	19,037
Deferred tax liability	27,911	44,294
Other	141,618	156,241
Total noncurrent liabilities	1,376,919	1,477,512
Total liabilities	4,752,746	4,844,740
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,624,196	10,624,196
Retained earnings	7,124,121	7,861,661
Treasury stock	(555,460)	(555,531)
Total Shareholders' equity	23,984,540	24,722,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,340	13,980
Foreign currency translation adjustment	193,521	722,368
Cumulative pension adjustment amount	(55,411)	(43,430)
Total accumulated other comprehensive income	153,450	692,917
Subscription rights to shares	56,468	55,865
Equity of non-controlling shareholders	18,932	23,567
Total net assets	24,213,391	25,494,360
Total liabilities and net assets	28,966,138	30,339,101

## (2) Consolidated Income Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2020 to March 31, 2021)	Current Consolidated Accounting Year (from April 1, 2021 to March 31, 2022)
Sales amount	14,818,029	16,188,796
Cost of sales	10,223,090	11,053,204
Gross profit	4,594,939	5,135,591
Selling, general and administrative expenses	3,270,212	3,610,799
Operating income	1,324,727	1,524,792
Non-operating income		
Interest income	21,345	11,566
Dividends income	1,063	1,309
Royalties received	501	-
Foreign exchange gains	-	24,517
Income from subsidiaries	29,185	15,730
Subsidy income	23,784	10,061
Rent of real estate for investment	53,198	53,959
Equity in earnings of affiliates	2,270	416
Other	21,346	17,704
Total non-operating income	152,696	135,265
Non-operating expenses		
Cost of real estate rent	12,337	12,241
Foreign exchange losses	20,731	-
Loss on retirement of non-current assets	9,928	-
Other	2,685	6,512
Total non-operating expenses	45,682	18,754
Ordinary income	1,431,741	1,641,303
Extraordinary income		
Gain on sales of noncurrent assets	4,407	5,499
Total extraordinary income	4,407	5,499
Extraordinary loss		
Loss on disposition of non-current assets	1,431	1,940
Impairment losses	-	20,452
Total extraordinary losses	1,431	22,393
Net income before income taxes and minority interests	1,434,718	1,624,409
Income taxes-current	479,407	499,173
Income taxes-deferred	(32,536)	(31,644)
Total income taxes	446,870	467,529
Net income for the period	987,847	1,156,880
Net income for the period attributable to non-controlling shareholders	3,961	6,857
Net income for the period attributable to shareholders of the parent company	983,885	1,150,022



## (Statement of Consolidated Comprehensive Income)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2020 to March 31, 2021)	Current Consolidated Accounting Year (from April 1, 2021 to March 31, 2022)
Net income for the quarter	987,847	1,156,880
Other comprehensive income		
Net unrealized holding gains on securities	15,965	(1,360)
Foreign currency translation adjustments	28,238	528,846
Cumulative adjustment of retirement benefits	18,915	11,981
Total other comprehensive income	63,119	539,467
Comprehensive income	1,050,966	1,696,347
(Items)		
Comprehensive income attributable to owners of the parent	1,046,539	1,688,998
Comprehensive income attributable to non-controlling shareholders	4,426	7,349

## 3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (from April 1, 2020 to March 31, 2021)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,624,801	6,508,894	(564,553)	23,360,825
Cumulative effects of changes in accounting policies					-
Restated balance	6,791,682	10,571,419	6,508,894	(564,553)	23,360,825
Changes of items during the period					
Distribution of surplus			(368,658)		(368,658)
Net income for the period attributable to shareholders of the parent company			983,885		983,885
Purchase of treasury stock				(141)	(141)
Disposal of treasury share		(605)		9,234	8,629
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	-	(605)	615,227	9,093	623,715
Balance at the end of current period	6,791,682	10,624,196	7,124,121	(555,460)	23,984,540

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	(624)	165,282	(74,327)	90,331	58,788	18,137	23,528,083
Cumulative effects of changes in accounting policies							-
Restated balance	(624)	165,282	(74,327)	90,331	58,788	18,137	23,528,083
Changes of items during the period							
Distribution of surplus							(368,658)
Net income for the period attributable to shareholders of the parent company							983,885
Purchase of treasury stock							(141)
Disposal of treasury share							8,629
Net change during the period in items other than shareholders' equity	15,965	28,238	18,915	63,119	(2,320)	794	61,593
Total changes of items during the period	15,965	28,238	18,915	63,119	(2,320)	794	685,308
Balance at the end of current period	15,340	193,521	(55,411)	153,450	56,468	18,932	24,213,391

## Current Consolidated Accounting Year (April 1, 2021 to March 31, 2022)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,624,196	7,124,121	(555,460)	23,984,540
Cumulative effects of changes in accounting policies			(43,683)		(43,683)
Restated balance	6,791,682	10,624,196	7,080,438	(555,460)	23,940,857
Changes of items during the period					
Distribution of surplus			(368,799)		(368,799)
Net income for the period attributable to shareholders of the parent company			1,150,022		1,150,022
Purchase of treasury stock				(71)	(71)
Disposal of treasury share					
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	—	781,223	(71)	781,151
Balance at the end of current period	6,791,682	10,624,196	7,861,661	(555,531)	24,722,008

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	15,340	193,521	(55,411)	153,450	56,468	18,932	24,213,391
Cumulative effects of changes in accounting policies							(43,683)
Restated balance	15,340	193,521	(55,411)	153,450	56,468	18,932	24,169,708
Changes of items during the period							
Distribution of surplus							(368,799)
Net income for the period attributable to shareholders of the parent company							1,150,022
Purchase of treasury stock							(71)
Disposal of treasury share							
Net change during the period in items other than shareholders' equity	(1,360)	528,846	11,981	539,467	(603)	4,635	543,500
Total changes of items during the period	(1,360)	528,846	11,981	539,467	(603)	4,635	1,324,651
Balance at the end of current period	13,980	722,368	(43,430)	692,917	55,865	23,567	25,494,360

## (4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2020 to March 31, 2021)	Current Consolidated Accounting Year (from April 1, 2021 to March 31, 2022)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	1,434,718	1,624,409
Depreciation and amortization	1,235,570	958,457
Amortization of goodwill	306,581	308,096
Interest and dividends income	(22,408)	(12,875)
Investment loss (gain) on equity method	(2,270)	(416)
Property rents received	(53,198)	(53,959)
Loss (gain) on sales of noncurrent assets	(29,185)	(15,730)
Subsidy income	(23,784)	(10,061)
Increase (decrease) in allowance for doubtful accounts	(2,976)	(3,558)
Impairment losses	-	20,452
Loss on retirement of non-current assets	9,928	-
Increase (decrease) in provisioning for bonuses	(221)	579
Increase (decrease) in provision for retirement benefits	884	(1,185)
Increase (decrease) in pension liabilities	39,434	47,057
Increase (decrease) in provisions for stock awards to corporate officers	19,654	34,511
Foreign exchange losses (gains)	(15,578)	(49,587)
Decrease (increase) in notes and accounts receivable-trade	(407,778)	(93,724)
Decrease (increase) in inventories	(117,488)	(438,852)
Decrease (increase) in other current assets	15,593	(113,249)
Increase (decrease) in notes and accounts payable-trade	267,184	110,737
Increase (decrease) in accounts payable	(6,399)	26,560
Increase (decrease) in other current liabilities	71,713	(25,645)
Subtotal	2,719,970	2,312,017
Interest and dividends income received	21,465	16,496
Income taxes refund	101,033	114,165
Subsidies received	38,335	15,730
Proceeds from subsidy income	23,773	10,061
Income taxes paid	(530,530)	(599,655)
Net cash provided by (used in) operating activities	2,374,046	1,868,816
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,064,848)	(8,173,672)
Proceeds from withdrawal of time deposits	8,215,877	7,417,174
Purchase of property, plant and equipment	(831,600)	(1,618,391)
Proceeds from sales of property, plant and equipment	4,953	6,633
Purchase of intangible assets	(2,824)	(11,033)
Purchase of investment securities	(426)	(2,297)
Proceeds from rental of real estate for investment	53,198	53,959
Other	(517)	(491)
Net cash provided by (used in) investing activities	(626,188)	(2,328,118)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2020 to March 31, 2021)	Current Consolidated Accounting Year (from April 1, 2021 to March 31, 2022)
Net cash provided by (used in) financing activities		
Expenditure for the settlement of lease obligations	(45,807)	(57,627)
Purchase of treasury shares	(141)	(71)
Dividend payment amount	(368,622)	(368,598)
Dividends paid to non-controlling interests	(3,632)	(2,713)
Income from the exercise of stock options	6,958	-
Net cash provided by (used in) financing activities	(411,245)	(429,011)
Effect of exchange rate change on cash and cash equivalents	(9,606)	209,345
Net increase (decrease) in cash and cash equivalents	1,327,006	(678,967)
Cash and cash equivalents at beginning of period	3,550,376	4,877,382
Cash and cash equivalents at end of period	4,877,382	4,198,415