

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 12, 2022.

(1) Consolidated statement of financial position

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|-----------------------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 18,863 | 18,837 |
| Trade and other receivables | 20,467 | 22,486 |
| Inventories | 13,038 | 16,232 |
| Income taxes receivable | 31 | 50 |
| Other financial assets | 435 | 734 |
| Other current assets | 823 | 859 |
| Total current assets | 53,660 | 59,200 |
| Non-current assets | | |
| Property, plant and equipment | 32,880 | 32,954 |
| Goodwill | 8,601 | 4,581 |
| Intangible assets | 4,413 | 3,947 |
| Investments accounted for using equity method | 7,038 | 8,511 |
| Other financial assets | 8,663 | 6,109 |
| Deferred tax assets | 521 | 755 |
| Other non-current assets | 502 | 320 |
| Total non-current assets | 62,622 | 57,180 |
| Total assets | 116,282 | 116,381 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|-----------------------------------------------|----------------------|----------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 14,070 | 16,050 |
| Bonds and borrowings | 8,012 | 3,593 |
| Income taxes payable | 549 | 1,720 |
| Other financial liabilities | 876 | 976 |
| Provisions | 5 | 5 |
| Other current liabilities | 4,144 | 6,174 |
| Total current liabilities | 27,658 | 28,520 |
| Non-current liabilities | | |
| Bonds and borrowings | 11,987 | 10,237 |
| Retirement benefit liability | 751 | 651 |
| Other financial liabilities | 1,310 | 1,675 |
| Deferred tax liabilities | 1,654 | 1,085 |
| Other non-current liabilities | 2,157 | 1,781 |
| Total non-current liabilities | 17,860 | 15,432 |
| Total liabilities | 45,519 | 43,952 |
| Equity | | |
| Share capital | 10,951 | 10,951 |
| Capital surplus | 3,075 | 3,075 |
| Retained earnings | 55,857 | 56,480 |
| Treasury shares | △1,622 | △2,577 |
| Other components of equity | 2,230 | 4,203 |
| Total equity attributable to owners of parent | 70,491 | 72,133 |
| Non-controlling interests | 271 | 295 |
| Total equity | 70,763 | 72,429 |
| Liabilities and equity | 116,282 | 116,381 |

(2) Consolidated Statement of Income

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|---------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Revenue | 81,371 | 93,744 |
| Cost of sales | 56,520 | 66,081 |
| Gross profit | 24,851 | 27,662 |
| Selling, general and administrative expenses | 19,912 | 21,782 |
| Other income | 240 | 446 |
| Other expenses | 323 | 4,685 |
| Share of profit of investments accounted for using equity method | 520 | 1,025 |
| Operating profit | 5,377 | 2,665 |
| Finance income | 385 | 878 |
| Finance costs | 144 | 130 |
| Profit before tax | 5,618 | 3,414 |
| Income tax expense | 1,660 | 2,197 |
| Profit | 3,958 | 1,217 |
| Profit attributable to | | |
| Owners of parent | 3,943 | 1,211 |
| Non-controlling interests | 15 | 5 |
| Profit | 3,958 | 1,217 |
| Earnings per share | | |
| Basic earnings per share | 86.57 | 26.92 |

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Profit | 3,958 | 1,217 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income | 1,750 | 423 |
| Remeasurements of defined benefit plans | 73 | 100 |
| Share of other comprehensive income of investments accounted for using equity method | 64 | —0 |
| Total | 1,888 | 523 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | 1,354 | 1,863 |
| Share of other comprehensive income of investments accounted for using equity method | 595 | 659 |
| Total | 1,949 | 2,523 |
| Total other comprehensive income | 3,838 | 3,046 |
| Comprehensive income | 7,796 | 4,263 |
| Comprehensive income attributable to | | |
| Owners of parent | 7,777 | 4,231 |
| Non-controlling interests | 19 | 31 |
| Comprehensive income | 7,796 | 4,263 |

(4) Consolidated Statement of Changes in Equity

(Millions of yen)

| | Equity attributable to owners of parent | | | | | | Non-controlling interests | Total |
|---------------------------------------------------------------|-----------------------------------------|-----------------|-------------------|-----------------|----------------------------|-----------------------------------------------|---------------------------|--------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Other components of equity | Total equity attributable to owners of parent | | |
| Balance at beginning of period | 10,951 | 3,075 | 52,301 | -1,692 | -988 | 63,648 | 261 | 63,909 |
| Profit | | | 3,943 | | | 3,943 | 15 | 3,958 |
| Other comprehensive income | | | | | 3,834 | 3,834 | 4 | 3,838 |
| Total | - | - | 3,943 | - | 3,834 | 7,777 | 19 | 7,796 |
| Dividends of surplus | | | -1,003 | | | -1,003 | -9 | -1,012 |
| Purchase of treasury shares | | | | -2 | | -2 | | -2 |
| Disposal of treasury shares | | -27 | | 72 | | 44 | | 44 |
| Share-based payment transactions | | 27 | | | | 27 | | 27 |
| Transfer from other components of equity to retained earnings | | | 615 | | -615 | - | | - |
| Total | - | -0 | -387 | 69 | -615 | -934 | -9 | -943 |
| Balance at end of period | 10,951 | 3,075 | 55,857 | -1,622 | 2,230 | 70,491 | 271 | 70,763 |
| Profit | | | 1,211 | | | 1,211 | 5 | 1,217 |
| Other comprehensive income | | | | | 3,020 | 3,020 | 26 | 3,046 |
| Total | - | - | 1,211 | - | 3,020 | 4,231 | 31 | 4,263 |
| Dividends of surplus | | | -1,634 | | | -1,634 | -7 | -1,642 |
| Purchase of treasury shares | | | | -954 | | -954 | | -954 |
| Disposal of treasury shares | | | | | | - | | - |
| Share-based payment transactions | | | | | | - | | - |
| Transfer from other components of equity to retained earnings | | | 1,047 | | -1,047 | - | | - |
| Total | - | - | -587 | -954 | -1,047 | -2,589 | -7 | -2,597 |
| Balance at end of period | 10,951 | 3,075 | 56,480 | -2,577 | 4,203 | 72,133 | 295 | 72,429 |

(5) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 5,618 | 3,414 |
| Depreciation and amortization | 5,973 | 5,892 |
| Impairment losses | 105 | 4,327 |
| Interest and dividend income | -294 | -292 |
| Interest expenses | 137 | 121 |
| Share of loss (profit) of investments accounted for using equity method | -520 | -1,025 |
| Loss (gain) on sale and retirement of fixed assets | 81 | 57 |
| Decrease (increase) in inventories | 221 | -2,523 |
| Decrease (increase) in trade and other receivables | 92 | -1,405 |
| Increase (decrease) in trade and other payables | 443 | 872 |
| Increase (decrease) in retirement benefit liability | -41 | -91 |
| Increase (decrease) in provisions | -20 | 0 |
| Increase / decrease in other current liabilities | -3 | 2,026 |
| Increase / decrease in other non-current liabilities | -383 | -379 |
| Other | -92 | 33 |
| Subtotal | 11,318 | 11,030 |
| Interest and dividends received | 469 | 623 |
| Interest paid | -135 | -124 |
| Income taxes paid | -1,541 | -1,947 |
| Income taxes refund | 61 | 9 |
| Net cash provided by (used in) operating activities | 10,172 | 9,591 |
| Cash flows from investing activities | | |
| Payments into time deposits | -668 | -685 |
| Proceeds from withdrawal of time deposits | 883 | 445 |
| Purchase of property, plant and equipment | -3,540 | -3,467 |
| Proceeds from sale of property, plant and equipment | 59 | 85 |
| Purchase of intangible assets | -362 | -132 |
| Purchase of equity instruments | -19 | -12 |
| Proceeds from sale of equity instruments | 918 | 3,156 |
| Purchase of investments accounted for using equity method | - | -28 |
| Other | -38 | 105 |
| Net cash provided by (used in) investing activities | -2,766 | -534 |

(Millions of yen)

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 |
|--------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | −478 | −1,500 |
| Proceeds from short-term borrowings | 2,000 | — |
| Repayments of short-term borrowings | −2,000 | — |
| Proceeds from long-term borrowings | 2,000 | — |
| Repayments of long-term borrowings | −3,035 | −1,712 |
| Repayments of lease liabilities | −1,150 | −1,085 |
| Redemption of bonds | — | −3,000 |
| Purchase of treasury shares | −0 | −1,000 |
| Proceeds from sale of treasury shares | 44 | — |
| Dividends paid to owners of parent | −1,003 | −1,634 |
| Dividends paid to non-controlling interests | −9 | −7 |
| Net cash provided by (used in) financing activities | −3,633 | −9,942 |
| Effect of exchange rate changes on cash and cash equivalents | 598 | 858 |
| Net increase (decrease) in cash and cash equivalents | 4,370 | −26 |
| Cash and cash equivalents at beginning of period | 14,493 | 18,863 |
| Cash and cash equivalents at end of period | 18,863 | 18,837 |