

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

|   | As of March 31, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| <b>Assets</b>                                       |                      |                      |
| Current assets                                      |                      |                      |
| Cash and deposits                                   | 17,345               | 14,865               |
| Notes receivable - trade                            | 1,942                | 906                  |
| Accounts receivable - trade                         | 5,418                | 6,985                |
| Electronically recorded monetary claims - operating | 1,949                | 2,582                |
| Merchandise and finished goods                      | 2,079                | 2,685                |
| Work in process                                     | 5,085                | 4,909                |
| Raw materials and supplies                          | 1,209                | 2,299                |
| Other   | 382                  | 199                  |
| Allowance for doubtful accounts                     | △9                   | △160                 |
| Total current assets                                | 35,404               | 35,274               |
| Non-current assets                                  |                      |                      |
| Property, plant and equipment                       |                      |                      |
| Buildings and structures                            | 16,302               | 16,367               |
| Accumulated depreciation                            | △10,300              | △10,716              |
| Buildings and structures, net                       | 6,002                | 5,651                |
| Machinery, equipment and vehicles                   | 11,305               | 11,421               |
| Accumulated depreciation                            | △9,612               | △9,926               |
| Machinery, equipment and vehicles, net              | 1,693                | 1,495                |
| Land  | 7,271                | 7,299                |
| Construction in progress                            | 129                  | 4,644                |
| Other   | 4,736                | 4,935                |
| Accumulated depreciation                            | △4,271               | △4,462               |
| Other, net  | 464                  | 472                  |
| Total property, plant and equipment                 | 15,562               | 19,562               |
| Intangible assets                                   |                      |                      |
| Software  | 254                  | 214                  |
| Goodwill  | 101                  | 79                   |
| Other   | 271                  | 218                  |
| Total intangible assets                             | 627                  | 512                  |
| Investments and other assets                        |                      |                      |
| Investment securities                               | 12,910               | 13,284               |
| Retirement benefit asset                            | 1,029                | 1,406                |
| Other   | 1,767                | 937                  |
| Allowance for doubtful accounts                     | △0                   | △0                   |
| Total investments and other assets                  | 15,707               | 15,628               |
| Total non-current assets                            | 31,897               | 35,703               |
| <b>Total assets</b>                                 | <b>67,302</b>        | <b>70,977</b>        |

(Millions of yen)

|   | As of March 31, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                                    |                      |                      |
| Current liabilities                                   |                      |                      |
| Notes and accounts payable - trade                    | 3,178                | 3,152                |
| Electronically recorded obligations - operating       | 1,849                | 2,182                |
| Income taxes payable                                  | 537                  | 509                  |
| Contract liabilities                                  | 2,755                | 3,456                |
| Provision for product warranties                      | 123                  | 259                  |
| Provision for bonuses                                 | 724                  | 832                  |
| Other   | 1,273                | 1,513                |
| Total current liabilities                             | 10,442               | 11,907               |
| Non-current liabilities                               |                      |                      |
| Deferred tax liabilities                              | 2,252                | 2,532                |
| Retirement benefit liability                          | 133                  | 148                  |
| Other   | 96                   | 86                   |
| Total non-current liabilities                         | 2,481                | 2,767                |
| Total liabilities                                     | 12,924               | 14,675               |
| <b>Net assets</b>                                     |                      |                      |
| Shareholders' equity                                  |                      |                      |
| Share capital   | 4,150                | 4,150                |
| Capital surplus                                       | 8,818                | 8,818                |
| Retained earnings                                     | 39,446               | 40,501               |
| Treasury shares                                       | △3,957               | △3,923               |
| Total shareholders' equity                            | 48,457               | 49,546               |
| Accumulated other comprehensive income                |                      |                      |
| Valuation difference on available-for-sale securities | 5,435                | 6,022                |
| Deferred gains or losses on hedges                    | △22                  | △1                   |
| Foreign currency translation adjustment               | 208                  | 319                  |
| Remeasurements of defined benefit plans               | 161                  | 267                  |
| Total accumulated other comprehensive income          | 5,783                | 6,609                |
| Non-controlling interests                             | 137                  | 146                  |
| Total net assets                                      | 54,378               | 56,302               |
| Total liabilities and net assets                      | 67,302               | 70,977               |

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

### (Consolidated Statements of Income)

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 30,085                              | 34,074                              |
| Cost of sales   | 23,196                              | 26,364                              |
| Gross profit  | 6,889                               | 7,710                               |
| Selling, general and administrative expenses                        | 5,069                               | 5,798                               |
| Operating profit  | 1,819                               | 1,912                               |
| Non-operating income  |                                     |                                     |
| Interest income   | 8                                   | 10                                  |
| Dividend income   | 339                                 | 378                                 |
| Share of profit of entities accounted for<br>using equity method    | 27                                  | 40                                  |
| Foreign exchange gains  | 74                                  | 47                                  |
| Other   | 36                                  | 41                                  |
| Total non-operating income  | 486                                 | 517                                 |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 0                                   | 1                                   |
| Loss on sale of notes receivable - trade                            | 1                                   | 1                                   |
| Maintenance of inactive non-current asset                           | 30                                  | 32                                  |
| Other   | 3                                   | 2                                   |
| Total non-operating expenses  | 35                                  | 37                                  |
| Ordinary profit   | 2,270                               | 2,392                               |
| Extraordinary income  |                                     |                                     |
| Gain on sale of non-current assets                                  | 1                                   | 0                                   |
| Gain on sale of investment securities                               | 493                                 | 554                                 |
| Total extraordinary income  | 495                                 | 555                                 |
| Extraordinary losses  |                                     |                                     |
| Loss on sale and retirement of non-current<br>assets                | 6                                   | 71                                  |
| Expenses for commemorative ceremony of the<br>eightieth anniversary | -                                   | 35                                  |
| Total extraordinary losses  | 6                                   | 107                                 |
| Profit before income taxes  | 2,758                               | 2,840                               |
| Income taxes - current  | 704                                 | 835                                 |
| Income taxes for prior periods                                      | △90                                 | -                                   |
| Income taxes - deferred   | 76                                  | △48                                 |
| Total income taxes  | 689                                 | 786                                 |
| Profit  | 2,068                               | 2,053                               |
| Profit attributable to non-controlling<br>interests                 | 10                                  | 12                                  |
| Profit attributable to owners of parent                             | 2,058                               | 2,040                               |

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Profit  | 2,068                               | 2,053                               |
| Other comprehensive income  |                                     |                                     |
| Valuation difference on available-for-sale securities                             | △428                                | 587                                 |
| Deferred gains or losses on hedges  | △20                                 | 20                                  |
| Foreign currency translation adjustment   | 219                                 | 117                                 |
| Remeasurements of defined benefit plans, net of tax                               | 17                                  | 106                                 |
| Share of other comprehensive income of entities accounted for using equity method | 1                                   | △5                                  |
| Total other comprehensive income  | △210                                | 826                                 |
| Comprehensive income  | 1,858                               | 2,880                               |
| Comprehensive income attributable to  |                                     |                                     |
| Comprehensive income attributable to owners of parent                             | 1,848                               | 2,867                               |
| Comprehensive income attributable to non-controlling interests                    | 10                                  | 13                                  |

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 4,150                | 8,820           | 38,231            | △3,990          | 47,210                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | △843              |                 | △843                       |
| Profit attributable to owners of parent              |                      |                 | 2,058             |                 | 2,058                      |
| Purchase of treasury shares                          |                      |                 |                   | △0              | △0                         |
| Disposal of treasury shares                          |                      | △1              |                   | 32              | 31                         |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | —                    | △1              | 1,215             | 32              | 1,246                      |
| Balance at end of period                             | 4,150                | 8,818           | 39,446            | △3,957          | 48,457                     |

|  | 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                       | 5,863   | △1                                 | △12                                     | 143                                     | 5,993  | 130                       | 53,335           |
| Changes during period                                |   |                                    |   |   |  |                           |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                           | △843             |
| Profit attributable to owners of parent              |   |                                    |   |   |  |                           | 2,058            |
| Purchase of treasury shares                          |   |                                    |   |   |  |                           | △0               |
| Disposal of treasury shares                          |   |                                    |   |   |  |                           | 31               |
| Net changes in items other than shareholders' equity | △428  | △20                                | 220                                     | 17                                      | △210   | 7                         | △203             |
| Total changes during period                          | △428  | △20                                | 220                                     | 17                                      | △210   | 7                         | 1,043            |
| Balance at end of period                             | 5,435   | △22                                | 208                                     | 161                                     | 5,783  | 137                       | 54,378           |

Fiscal year ended March 31, 2023

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 4,150                | 8,818           | 39,446            | △3,957          | 48,457                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | △985              |                 | △985                       |
| Profit attributable to owners of parent              |                      |                 | 2,040             |                 | 2,040                      |
| Purchase of treasury shares                          |                      |                 |                   | △0              | △0                         |
| Disposal of treasury shares                          |                      | △0              |                   | 34              | 33                         |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | —                    | △0              | 1,055             | 34              | 1,088                      |
| Balance at end of period                             | 4,150                | 8,818           | 40,501            | △3,923          | 49,546                     |

|  | 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                       | 5,435   | △22                                | 208                                     | 161                                     | 5,783  | 137                       | 54,378           |
| Changes during period                                |   |                                    |   |   |  |                           |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                           | △985             |
| Profit attributable to owners of parent              |   |                                    |   |   |  |                           | 2,040            |
| Purchase of treasury shares                          |   |                                    |   |   |  |                           | △0               |
| Disposal of treasury shares                          |   |                                    |   |   |  |                           | 33               |
| Net changes in items other than shareholders' equity | 587   | 20                                 | 111                                     | 106                                     | 826  | 8                         | 835              |
| Total changes during period                          | 587   | 20                                 | 111                                     | 106                                     | 826  | 8                         | 1,923            |
| Balance at end of period                             | 6,022   | △1                                 | 319                                     | 267                                     | 6,609  | 146                       | 56,302           |

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
|--|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                          |                                     |                                     |
| Profit before income taxes   | 2,758                               | 2,840                               |
| Depreciation   | 1,130                               | 1,045                               |
| Amortization of goodwill   | 22                                  | 22                                  |
| Increase (decrease) in allowance for doubtful accounts               | △6                                  | 150                                 |
| Increase (decrease) in provision for product warranties              | △33                                 | 135                                 |
| Increase (decrease) in provision for bonuses                         | 37                                  | 108                                 |
| Decrease (increase) in retirement benefit asset                      | △268                                | △223                                |
| Increase (decrease) in retirement benefit liability                  | 16                                  | 15                                  |
| Interest and dividend income   | △347                                | △388                                |
| Interest expenses  | 0                                   | 1                                   |
| Foreign exchange losses (gains)                                      | △76                                 | △53                                 |
| Share of loss (profit) of entities accounted for using equity method | △27                                 | △40                                 |
| Loss (gain) on sale of investment securities                         | △493                                | △554                                |
| Loss (gain) on sale and retirement of non-current assets             | 4                                   | 70                                  |
| Expenses for commemorative ceremony of the eightieth anniversary     | —                                   | 35                                  |
| Decrease (increase) in trade receivables                             | 253                                 | △1,154                              |
| Decrease (increase) in inventories                                   | △588                                | △1,467                              |
| Increase (decrease) in trade payables                                | 785                                 | 286                                 |
| Increase (decrease) in contract liabilities                          | 195                                 | 663                                 |
| Increase (decrease) in accrued consumption taxes                     | △81                                 | 154                                 |
| Decrease (increase) in accounts receivable - other                   | 13                                  | △25                                 |
| Other, net   | △85                                 | 284                                 |
| Subtotal   | 3,210                               | 1,906                               |
| Interest and dividends received                                      | 347                                 | 388                                 |
| Interest paid  | △0                                  | △1                                  |
| Income taxes refund (paid)   | △410                                | △808                                |
| Net cash provided by (used in) operating activities                  | 3,147                               | 1,485                               |
| <b>Cash flows from investing activities</b>                          |                                     |                                     |
| Payments into time deposits  | △195                                | △95                                 |
| Proceeds from withdrawal of time deposits                            | 195                                 | 195                                 |
| Payments into long-term time deposits                                | △0                                  | △10                                 |
| Proceeds from long-term time deposits                                | 1,000                               | 1,010                               |
| Purchase of non-current assets                                       | △1,792                              | △4,978                              |
| Proceeds from sale of non-current assets                             | 1                                   | 0                                   |
| Purchase of investment securities                                    | △5                                  | △4                                  |
| Proceeds from sale of investment securities                          | 772                                 | 1,065                               |
| Purchase of shares of subsidiaries and associates                    | △121                                | —                                   |
| Purchase of insurance funds  | △10                                 | △9                                  |
| Proceeds from cancellation of insurance funds                        | 2                                   | 12                                  |
| Other, net   | △5                                  | 1                                   |
| Net cash provided by (used in) investing activities                  | △159                                | △2,812                              |

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities                        |                                     |                                     |
| Repayments of long-term borrowings                          | △3                                  | △3                                  |
| Repayments of lease liabilities                             | △9                                  | △10                                 |
| Purchase of treasury shares                                 | △0                                  | △0                                  |
| Dividends paid  | △846                                | △983                                |
| Dividends paid to non-controlling interests                 | △3                                  | △4                                  |
| Net cash provided by (used in) financing activities         | △863                                | △1,001                              |
| Effect of exchange rate change on cash and cash equivalents | 95                                  | 58                                  |
| Net increase (decrease) in cash and cash equivalents        | 2,219                               | △2,270                              |
| Cash and cash equivalents at beginning of period            | 13,922                              | 16,141                              |
| Cash and cash equivalents at end of period                  | 16,141                              | 13,871                              |