

# Consolidated Financial Review

## For the Year Ended March 31, 2022 [Japanese GAAP]



May. 13 2022  
Listed Market: TSE Prime.

Company name: Y.A.C. HOLDINGS CO., LTD.  
Code number: TSE 6298  
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Date of the annual shareholders meeting Jun.29, 2022 Date of payment for cash dividends: Jun 30, 2022

Date planned for the filling of the financial report: Jun 30 2022

For reference only

The Japanese version of this Financial Review is the original, English version is essentially a translation from Japanese.  
The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

Amounts are rounded down to the nearest million yen.

### 1. Financial highlights for the year ended March 31, 2022 (4/01/2021-3/31/2022)

#### (1) Consolidated operating results

% are the changes from the previous corresponding year

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Twelve months ended Mar.31, 2022	22,796	-5.8	1,566	115.3	1,491	101.6	1,107	228.1
Twelve Months ended Mar.31,2021	24,195	10.4	727	---	739	---	337	---

Note: Comprehensive income

Twelve months ended Mar. 31, 2022 ¥1,309 million (232.9 %)  
Twelve months ended Mar. 31, 2021 ¥393 million (--- %)

	Profit per share	Profit per share-diluted	Return on Equity	Ordinary Income to total asset	Operating Income to net sales
	Yen	Yen	%	%	%
Twelve months ended Mar. 31,2022	121.49	120.64	7.5	4.0	6.9
Twelve months ended Mar. 31,2021	37.19	36.90	2.4	1.9	3.0

Note: Equity in earnings /losses of affiliates accounted for by the equity method

Twelve months ended Mar.31, 2022: ¥116 million Twelve months ended Mar.31, 2021: ¥1 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per Share
	Mill. Yen	Mill. Yen	%	Yen
Mar.31,2022	36,997	15,324	41.3	1,673.48
Mar.31,2021	37,508	14,125	37.5	1,548.94

Note: Equity

As of Mar. 31, 2022: ¥15,278 million

As of Mar. 31, 2021: ¥14,074 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flow investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Twelve months ended Mar.31,2022	1,093	-195	-2,302	8,619
Mar.31,2021	3,477	-540	548	9,932

### 2. Cash Dividends

	Cash dividends per share					Total Cash dividend	Consolidated payout ratio	Dividend on equity consolidated
	1st Quarter	2nd Quarter	3rd Quarter	Year end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Mill. Yen	%	%
Fiscal year ended Mar. 31, 2021	---	10.00	---	10.00	20.00	181	53.8	1.3
Fiscal year ended Mar. 31, 2022	---	12.00	---	24.00	36.00	328	29.6	2.2
Fiscal year ending Mar.31, 2023 (forecast)	---	25.00	---	25.00	50.00		26.9	

### 3. Corporate estimates for the year ending March 31, 2023

(% are the rate of increase or decrease from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Mill. Yen	%	Mill. Yen	%	Mill. Yen	%	Mill. Yen	%	Yen
Fiscal year ending Mar. 2023	30,000	31.6	3,000	91.5	2,800	87.7	1,700	53.5	186.21

## Notes

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): None

(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement.

- a) Changes of accounting policies accompanied by revision of accounting standard etc. : Yes
- b) Changes of accounting policies other than a) . : None
- c) Changes in accounting estimates. : Yes
- d) Retrospective restatement. : None

(3) Number of issued shares outstanding (Common shares)

a) Number of issued shares outstanding as of end of period (including treasury stock)

As of Mar. 31, 2022: 9,758,947 shares. As of Mar. 31, 2021: 9,758,947 shares.

b) Number of treasury stock as of end of period

As of Mar. 31, 2022: 629,389 shares. As of Mar. 31, 2021: 672,594 shares.

c) Average number of issued shares outstanding.

Twelve months ended Mar.31 2022: 9,115,023 shares. Twelve months ended Mar. 31, 2021: 9,075,568 shares.

\*This financial report is exempt from review procedure based upon the Financial Instruments and Exchange Act.

\*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to us and certain assumptions that are regarded as legitimate. We do not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P. 5 Analysis of operating results and financial condition (3) Future forecast.

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## 1. Analysis of operating results and financial conditions

### (1) Analysis of operating results

#### a) Operating result of this financial period

In the current consolidated fiscal year, addition to continuous strong demand of semiconductor, expanding investment for carbon neutral and de-plasticization related industries, the global economy went well overall. But shortage of electronics parts such as semiconductor caused by supply chain disruption which revealed the later part of the 2<sup>nd</sup> quarter and prolonged impact for manufacturing activities, and deterioration of the situation in Russia and Ukraine and lockdown in Shanghai which occurred in the 4<sup>th</sup> quarter, it was a continuous uncertain one year.

Japanese economy has never reached full-scale recovery, nevertheless new capital investment by industries, production and export all picked up but has not reached a full-scale recovery, because of individual investment stagnated after the beginning of the year.

Under these economic circumstances, our group has been endeavoring to develop and sell equipment which capture customers' needs backed by expectations of new demand for 5G-related, AI, IoT and EVs.

As results of this, our business results were as follows. Sales amounted to ¥22,796 million (5.8% decreased compared to the previous financial year), operating income marked ¥1,566 million (115.3% increased compared to the previous financial year), and ordinary income marked ¥1,491 million (101.6% increased compared to the previous financial year), profit attributable to owners of the parent marked ¥1,107 million (228.1% increased compared to the previous financial year)

Each segment result is as follows:

(Mechatronics-related business)

Due to strong demand for taping equipment and automatic machines for manufacturing of electronic parts such as for 5G and in- Electric Vehicle related parts, for laser annealers manufacturing of power semiconductors, business went well and sales and profit increased.

As a result, net sales in the mechatronics-related business amounted to ¥10,866 million (6.9% increased compared to the previous financial year), and segment profit was ¥957 million (66.9% increased compared to the previous financial year).

(Display related business)

Sales of dry etching equipment, which is a major product, decreased due to a delay in capital investment and intensifying competition and total sales down. However, far-infrared equipment remained strong and income was well.

As a result, sales of display-related business amounted to ¥3,639 million (45.6% decreased compared to the previous financial year), and segment profit was ¥10 million (the previous financial year was loss ¥262 million).

(Industrial machinery related business).

Sales increased as the business model changed from the cleaning business to the medical linen business and the paper packaging business. However, the situation is still not enough and recorded a loss.

As a result, sales in the industrial machinery related business amounted to ¥1,021 million (24.8% increased compared to the previous financial year), and segment loss was ¥171 million (the previous financial year was loss ¥259 million).

(Electronics related business)

Sales and profits increased due to stable sales of control communication equipment for electric power companies and artificial dialysis equipment.

As a result, net sales of the electronics related business amounted to ¥7,269 million (11.5% increased compared to the previous financial year), and segment income was ¥629 million (34.0% increased compared to the previous financial year).

### (2) Analysis of financial conditions

#### a) Conditions of assets, liabilities, and net assets

Current assets as of Mar.31, 2022 stood at ¥28,865 million decreased by ¥301 million compared to Mar.31, 2021. Main increased items were trade note and accounts receivable by ¥376 million, and raw materials and supplies by ¥306 million. Main decreased item was cash and deposit by ¥1,313 million. Noncurrent assets as of Mar.31, 2022 amounted to ¥8,131 million decreased by ¥209 million compared to Mar.31, 2021. Main increased items were construction in progress by ¥288 million, and tools, equipment, and fixtures by ¥109 million. Main decreased items were accumulated depreciations of tools, equipment, and fixtures by ¥151 million, accumulated depreciations of buildings and structures by ¥141 million and investment securities by ¥134 million.

As a result, total assets as of Mar.31, 2022 stood at ¥36,997 million, decreased by ¥510 million compared to Mar.31, 2021.

Current liabilities as of Mar.31, 2022 amounted to ¥13,824 million, decreased by ¥1,564 million compared to Mar.31, 2021. Main increased item was notes and account payable trade by ¥1,281 million and main decreased items were short term-loans payable by ¥1,976 million and advances received by ¥726 million. Fixed liabilities as of Mar.31, 2022 amounted to ¥7,848 million, decreased by ¥145 million. Main increased item was obligation related to retirement benefits by ¥126 million and main decreased item was provision for business liquidation losses by ¥269 million. As a result, total liabilities as of Mar.31, 2022 stood at ¥21,672 million, decreased by ¥1,709 million compared to Mar.31, 2021.

Total net assets as of Mar.31, 2022 amounted to ¥15,324 million increased by ¥1,199 million compared to Mar.31, 2021. Main increased items were retained earnings by ¥953 million and foreign currency translation adjustment by ¥199 million. As a result, equity ratio at the end of this consolidated financial year came to 41.3% and net assets per share came to ¥1,673.48.

#### **b) Condition of Cash Flows**

Cash and cash equivalent (hereinafter referred to as cash) at the end of this financial year was decreased by ¥1,312 million compared to the previous financial year end to ¥8,619 million.

Condition of cash flows and main factors of this consolidated financial year are as follows.

##### **(Cash flows from operating activities)**

Cash from operating activities during this financial year ended Mar.31, 2022 was increase by ¥1,093 million (the previous financial year was increase by ¥3,477 million) The main increased factors were ¥1,590 million earnings before income tax, increase by ¥1,188 in trade payable and ¥526 million depreciation. The main decreased factors were decrease by ¥732 million in advance received, decrease by ¥689 million in inventories, ¥519 income taxes paid and decrease by ¥269 million in allowance for loss on business liquidation.

##### **(Cash flows from investing activities.)**

Cash from investing activities during this financial year ended Mar.31, 2022 was decrease by ¥195 million (the previous financial year was decrease by ¥ 540 million) The main increased factor was ¥50 million proceed from sale of tangible fixed asset, and main decreased factor was ¥297 million payment for acquisition of tangible fixed asset.

##### **(Cash flows from financing activities)**

Cash from financing activities during this financial year ended Mar.31, 2022 was decrease by ¥2,302 million (the previous financial year was increase by ¥548 million) The main increased factor was ¥2,479 million proceeds from long-term loans payable and the main decreased factors were ¥2,886 million repayment of long term loans payable, ¥1,637 million repayment of short term loans payable and ¥200 million payment for dividends.

#### **(3) Future forecast.**

We, YAC group, celebrates its 50<sup>th</sup> anniversary in May 2023 and we proceed building a stronger group structure with aiming for sustainable development.

We will endeavor to develop new products required in society such as Ai, IoT, EV related products and medical related products.

The business environment remains uncertain, but we will improve the display-related business and industrial equipment-related business, and aim to accelerate further growth with imaging that the strong mechatronics-related business and electronic equipment-

related business will continue.

We forecast the consolidated business result 12 months ending Mar.31, 2023 as follows: net sales will be ¥30,000 million, operating income will be ¥3,000 million, ordinary income will be ¥2,800 million and profit attributable to owners of parent will be ¥1,700 million.

**(4) Basic policy on profit allocation and payment of dividends for current and next financial years**

Basic policy of YAC group is to have a stable dividend policy with a dividend payout ratio of 30% as a rough indication. We plan to pay a dividend 24 yen per share as a year-end dividend of this financial year. As a result, the dividend of entire financial year is planned to be 36 yen per share including the interim dividend paid in December.

For the following financial year, we plan to increase paying dividend to pay 50 yen per share as a full year dividend based on basic policy such as aiming further growth with considering the projected operating results.

**(5) SDGs basic policy**

YAC group has positioned the response to SDGs as one of the important management issues, and established the "SDGs Management Promotion Committee" as a meeting body to promote SDGs management, and on December 24, 2021, we have established "Group Initiatives for SDGs" and announced it on our website.

YAC group will continue to carry out activities aimed at solving important social and environmental issues that need to be resolved, with an organization, which the SDGs Management Promotion Committee is a core organization.

**2. Basic philosophy on selection of accounting standards**

Our group's consolidated financial statements have been prepared in accordance with Japanese G.A.A.P., in order to secure the comparability with competitors in Japan.

### 3. Consolidated financial information and notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
<b>(Assets)</b>		
Current assets		
Cash and deposits	10,009	8,695
Trade notes and account receivables	10,195	10,572
Securities	0	0
Merchandise and finished goods	1,291	1,362
Work in process	5,688	5,780
Raw materials and supplies	1,397	1,703
Others	647	857
Allowance for doubtful accounts	-63	-106
Total current assets	29,166	28,865
Noncurrent assets		
<b>Tangible fixed assets</b>		
Buildings and structures	5,031	5,069
Accumulated depreciation	-3,180	-3,321
Building and structures(net)	1,851	1,747
Machinery, equipment, and vehicle	2,434	2,487
Accumulated depreciation	-1,875	-1,981
Machinery, equipment, and vehicle(net)	558	506
Tools, equipment, and fixtures	3,574	3,684
Accumulated depreciation	-3,189	-3,341
Tools, equipment, and fixtures(net)	385	343
Land	3,597	3,597
Leased assets	303	349
Accumulated depreciation	-145	-181
Leased assets(net)	158	168
Construction in progress account	188	477
Total tangible fixed assets	6,739	6,840
<b>Intangible assets</b>		
Goodwill	179	59
Soft wares	60	45
Leased assets	30	69
Telephone subscription rights	20	20
Others	14	20
Total intangible assets	305	216
<b>Investments and other assets</b>		
Investment securities	442	308
Long-term lending	0	13
Differed income taxes	672	596
Long-term retention receivables	166	163
Others	205	179
Allowance for doubtful accounts	-190	-185
Total investments and other assets	1,296	1,075
Total noncurrent assets	8,341	8,131
Total assets	37,508	36,997

(Millions of yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and account payable trade	3,937	5,219
Short-term loans payable	9,175	7,198
Lease obligations	70	77
Income taxes payable	248	178
Provision for bonuses	374	423
Provision for product warranties	71	70
Expense payable	418	271
Advances received	856	129
Others	237	255
Total current liabilities	15,388	13,824
<b>Fixed liabilities</b>		
Bonds payable	500	500
Long-term loans payable	5,588	5,537
Expense payable long term	1	---
Lease obligations	138	183
Deferred tax payable	90	93
Obligations related to retirement benefits	1,157	1,283
Asset retirement obligation	48	50
Provision for business liquidation losses	439	170
Others	28	28
Total fixed liabilities	7,993	7,848
Total liabilities	23,382	21,672
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,801	2,801
Capital surplus	3,637	3,646
Retained earnings	8,452	9,406
Treasury stock	-574	-535
Total shareholders' equity	14,316	15,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale security	1	-3
Foreign currency translation adjustment	-248	-48
Pension liability adjustments	4	11
Total accumulated other comprehensive income	-242	-40
Subscription rights to shares	51	46
Total net assets	14,125	15,324
Total liabilities and net assets	37,508	36,997



(2) Consolidated statements of income and comprehensive income  
(Consolidated Statements of Income 1)

(Millions of yen)

	The previous corresponding period. (Apr.1, 2020 to Mar.31, 2021)	This financial year (Apr.1, 2021 to Mar.31,2022)
Net sales	24,195	22,796
Cost of sales	19,087	16,663
Gross profit	5,107	6,133
Selling, G&A expenses		
Salary & directors' compensations	1,826	1,809
Provision for bonuses	82	103
Fringe benefit expenses	68	73
Rent expenses	189	170
Outsourcing expenses	104	68
R&D expenses	426	518
Depreciation	179	157
Others	1,502	1,666
Total selling, G&A expenses	4,380	4,567
Operating income (loss)	727	1,566
Non-operating income		
Interest income	11	8
Dividends income	40	29
Foreign exchange gains	2	32
Rents income	17	16
Subsidy income	73	18
Equity method investment gain	1	---
Others	49	54
Total non-operating income	195	160
Non-operating expenses		
Interest expenses	98	81
Equity method investment loss	---	116
Others	84	37
Total non-operating losses	182	235
Ordinary income (loss)	739	1,491

**(Consolidated Statements of Income 2)**

(Millions of Yen)

	<b>The previous corresponding period. (Apr.1, 2020 to Mar.31, 2021)</b>	<b>This financial year (Apr.1,2021 to Mar.31,2022)</b>
Extraordinary income		
Gains on disposal of fixed assets	44	4
Reversal of reserve for business consolidation loss	---	90
Gains on disposal of securities.	---	5
Others	7	13
<b>Total extraordinary income</b>	<b>51</b>	<b>114</b>
Extraordinary loss		
Loss on disposal of fixed assets	23	15
Business restructuring expenses	36	---
Others	0	0
<b>Total extraordinary loss</b>	<b>61</b>	<b>16</b>
<b>Income (loss) before income tax</b>	<b>730</b>	<b>1,590</b>
Income taxes	315	403
Income tax adjustment	93	79
<b>Total income tax</b>	<b>409</b>	<b>482</b>
<b>Profit (loss)</b>	<b>321</b>	<b>1,107</b>
Profit attributable to non-controlling interest(loss)	(16)	---
<b>Profit attributable to owners of parent(loss)</b>	<b>337</b>	<b>1,107</b>

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	The previous corresponding period (Apr.1, 2020 to Mar.31, 2021)	This financial year (Apr.1, 2021 to Mar. 31, 2022)
Profit (loss)	321	1,107
Other comprehensive income		
Valuation difference on available for sale securities	29	-4
Foreign currency translation adjustment	50	199
Pension liability adjustments	-7	7
Total other comprehensive income	72	201
Comprehensive income	393	1,309
(Breakdown)		
Attributable to owners of parent	409	1,309
Attributable to non- controlling interests	-16	---

(3) Consolidated Statements of Changes in Net Assets  
The previous corresponding period (From Apr.1, 2020 to Mar.31, 2021)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,801	3,635	8,296	-600	14,132
Cumulative impact of changes in accounting policies					
Balance at the beginning of the period reflecting changes in accounting policies	2,801	3,635	8,296	-600	14,132
Changes during period					
Payout of retained earning			-181		-181
Profit attributable to owners of parent			337		337
Increase / decrease in ownership due to acquisition of shares of consolidated subsidiary		3			3
Acquisition of treasury stock					
Disposal of treasury stock		-2		26	24
Net changes during period except shareholders' equity					
Total changes during period	---	1	156	26	184
Balance at end of period	2,801	3,637	8,452	-574	14,316

(Millions of ¥)

	Accumulated Other Comprehensive Income				Subscription right to shares	Minority Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of period	-27	-298	11	-314	51	195	14,065
Cumulative impact of changes in accounting policies	---	---	---	---	---	---	---
Balance at the beginning of the period reflecting changes in accounting policies	-27	-298	11	-314	51	195	14,065
Changes during period							
Payout of retained earning							-181
Profit(loss) attributable to owners of parent							337
Increase / decrease in ownership due to acquisition of shares of consolidated subsidiary							3
Acquisition of treasury' stock							----
Disposal of treasury stock							24
Net changes during period except shareholders' equity	28	50	-7	71		-195	-123
Total changes during period	28	50	-7	71	---	-195	60
Balance at end of period	1	-248	4	-242	51	---	14,125

This financial period (From Apr.1, 2021 to Mar.31, 2022)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,801	3,637	8,452	-574	14,316
Cumulative impact of changes in accounting policies	---	---	46	---	46
Balance at the beginning of the period reflecting changes in accounting policies	2,801	3,637	8,499	-574	14,363
Changes during period					
Payout of retained earning			-200		-200
Profit attributable to owners of parent			1,107		1,107
Increase / decrease in ownership due to acquisition of shares of consolidated subsidiary					
Acquisition of treasury stock					
Disposal of treasury stock		9		38	48
Net changes during period except shareholders' equity					
Total changes during period	---	9	906	38	955
Balance at end of period	2,801	3,646	9,406	-535	15,318

(Millions of ¥)

	Accumulated Other Comprehensive Income				Subscription right to shares	Minority Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of period	1	-248	4	-242	51	---	14,125
Cumulative impact of changes in accounting policies	---	---	---	---	---	---	46
Balance at the beginning of the period reflecting changes in accounting policies	1	-248	4	-242	51	---	14,172
Changes during period							
Payout of retained earning							-200
Profit(loss) attributable to owners of parent							1,107
Increase / decrease in ownership due to acquisition of shares of consolidated subsidiary							---
Acquisition of treasury' stock							---
Disposal of treasury stock							48
Net changes during period except shareholders' equity	-4	199	7	201	-4		197
Total changes during period	-4	199	7	201	-4	---	1,152
Balance at end of period	^3	-48	11	-40	46	---	15,324

#### (4) Consolidated cash flows 1

(Millions of ¥)

	The Previous Corresponding Period (Apr.1, 2020 to Mar.31, 2021)	This Financial Period (Apr.1,2021 to Mar.31, 2022)
<b>Cash flows from operating activities</b>		
Earnings/(loss)before income taxes	730	1,590
Depreciation and amortization	587	526
Increase/(decrease) in allowance for doubtful accounts	(107)	33
Increase/(decrease) in obligations related to retirement benefits	(3)	126
Increase/(decrease) in allowance for loss on business liquidation	(152)	(269)
Interest and dividend revenue	-51	-38
Interest paid	98	81
Equity method investment (gain) loss	(1)	116
Foreign currency exchange loss/ (income)	24	(1)
Loss/(Income) on disposal of fixed assets	(33)	10
(Increase)/decrease in trade receivable	2,443	(338)
Increase /(decrease) of advances received	(752)	(732)
(Increase)/decrease in inventories	2,388	(689)
Increase/(decrease) in trade payable	(1,884)	1,188
Decrease/(increase)in accrued consumption tax	132	(51)
(Decrease)/Increase in others	(77)	95
Subtotal	3,342	1,647
Receipts of interest and dividends	50	38
Interest paid	-104	-88
Income taxes paid	-198	-519
Refund of paid income tax	386	15
<b>Cash flows from operating activities</b>	<b>3,477</b>	<b>1,093</b>
<b>Cash flows from investing activities</b>		
Payment for establishment of time deposit.	-77	-77
Proceeds from drawing of time deposit.	81	77
Payment for acquisition of tangible fixed asset.	-499	-297
Proceed from sale of tangible fixed asset	145	50
Payment for acquisition of intangible asset.	-11	-13
Payment for acquisition of affiliate companies' stock	-175	---
Payment for acquisition of investment securities	-2	-17
Proceed from sale of investment securities	---	43
Proceed from distribution of investment association	---	13
Payment for accumulation of insurance reserve fund	-1	-1
Proceed from payment of insurance reserve fund	---	14
Payment for lending	-0	-16
Proceed from repayment of lending	1	2
Others	---	25
<b>Cash flows from investing activities</b>	<b>-540</b>	<b>-195</b>



## Consolidated cash flows 2

(Millions of ¥)

	The previous corresponding period (Apr.1, 2020 to Mar.31, 2021)	This financial period (Apr.1, 2021 to Mar.31, 2022)
<b>Cash flows from financing activities</b>		
Increase /(Decrease) of short-term loans payable	1,311	(1,637)
Proceeds from long-term loans payable	3,276	2,479
Repayment of long-term loans payable	-3,598	-2,886
Proceeds from new bond issue	500	---
Repayment of issued bond	-700	---
Payment for dividends	-181	-200
Others	-59	-57
Cash flows from financing activities	548	-2,302
Effect of exchange rate changes on cash and cash equivalents	-3	92
Net increase/(decrease) in cash and cash equivalents	3,481	(1,312)
Cash and cash equivalents balance at beginning of period	6,450	9,932
Cash and cash equivalents balance at end of period	9,932	8,619

### (5) Notes on Consolidated Financial Information (Notes Concerning Going Concern Assumption)

None

#### (Changes of accounting policy)

##### <Adoption of "Accounting Standard for Revenue Recognition" >

The Company has adopted the "Accounting Standard for Revenue Recognition" ASBJ Statement No. 29, March 31, 2020 (hereinafter "Accounting Standard for Revenue Recognition") from the beginning of the first quarter of this financial year and recognizes revenue for goods or services based on the amount estimated to be received in exchange for such goods or services at the point when control of the contracted goods or services is transferred to the customer.

As a result, in case of export sales which our group is obliged to install in contracts with customers, in the past domestic consolidated subsidiaries used to recognize revenue when we received an acceptance from a customer, but now we will be obliged to recognize "delivery of equipment" and "Installation and on-site adjustment work" as a separate and independent performance obligation. We have changed to a method of recognizing each revenue when the delivery of the equipment is completed and when the installation adjustment on site is completed. Regarding the application of Revenue Recognition Accounting Standards, we follow the transitional treatment stipulated in the proviso of paragraph 84 of Revenue Recognition Accounting Standard. Therefore, the cumulative effect of retroactively applying the new accounting policy before the beginning of the first quarter of this consolidated accounting period is added to or subtracted from the retained earnings at the beginning of the first quarter of this consolidated financial period, and the new accounting policy is adopted from the balance at the beginning of this financial period.

We are applying a new accounting policy. However, we apply the method stipulated in Article 86 of the Accounting Standard for Revenue Recognition. Therefore, we have not retroactively applied the new accounting policy to previous handled contracts that recognized almost all revenue amounts prior to the beginning of the first quarter of this consolidated financial period.

As a result, net sales for this consolidated cumulative period increased by ¥214 million, cost of sales increased by ¥197 million, and operating income, ordinary income, and net income

before adjustment for taxes increased by ¥17 million each. In addition, the balance of retained earnings at the beginning of the current period has increased by ¥46 million. In accordance with the transition provision in Article 89-2 of the Accounting Standard for Revenue Recognition, the Company has not reclassified financial statements for the previous fiscal year by using the new presentation method. Furthermore, in accordance with the transitional treatment stipulated in "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standard No. 12, March 31, 2020) paragraphs 28-15, we have not stated each profit separately generated from each separate independent obligation of each contract with customers for the previous cumulative consolidated 2<sup>nd</sup> quarter.

<Adoption of "Accounting Standard for Fair Value Measurement," >

We have adopted the "Accounting Standard for Fair Value Measurement" ASBJ Statement No. 30, July 4, 2019 (hereinafter "Accounting Standard for Fair Value Measurement") from the beginning of the first quarter of this financial year. We have prospectively adopted new accounting policies based on the Accounting Standard for Fair Value Measurement. in accordance with the transition provisions in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019). There is no impact of these changes on quarterly consolidated financial statements.

(Changes in accounting estimates)

<Evaluation rule for inventories>

Our group have internal rule for evaluation of merchandise and finished goods, and raw materials and supplies that regularly discount those valuation at a fixed rate if it exceeds a certain period after acquisition. Based on this, consolidated balance sheet figures are based on this devalued amount.

Therefore, considering the Group's inventory holding status, sales performance status and others, we have changed such certain period and discount rate related to the devaluation of the book value in order to appropriately reflect the fact of declining profitability of inventories in the financial condition and business results

Due to this change, impact for operating income, ordinary income, and net income before adjustment for taxes of this current consolidated cumulative period is minor

(Additional information)

None

## **(Segment Information)**

### **[Segment information.]**

#### 1. Outline of Reportable Segment

Our group reportable segments are the subject to be reviewed regularly in order Board of Directors to decide the allocation of management resources, review its results, and make it possible to get isolated financial information of each segment.

Our operation consists of four segments by products and services based on business companies and we identify as a reportable segment “Mechatronics related business”, “Display related business”, “Industrial machinery related business” and “Electronics related business”.

“Mechatronics related business” includes manufacturing, sales and maintenance service business of hard disc manufacturing related products, semiconductor manufacturing related products, solar cell manufacturing related products, laser process and precise dicing and slicing machine. “Display related business” includes manufacturing, sales and maintenance service business of dry etching related equipment for manufacturing of flat panel and precise heat treatment related products. “Industrial machinery related business” includes manufacturing, sales and maintenance service business of cleaning related finisher and automated packaging equipment. “Electronics related business” includes manufacturing, sales and maintenance service business of industrial metering equipment and telemetering and controlling equipment, medical equipment.

#### 2. Calculation method of net sales, income, assets, liabilities and other amounts by reportable segments.

The method used to account for each reportable segment is similar to “The accounting policies adopted for the preparation of the consolidated financial statements”.

Income for each reportable segment is based on operating income.

Intersegment revenues and transfers are based on market prices.

3. Amount of sales and income or loss in reportable segment.

The previous financial period. (Apr. 1, 2020 to Mar.31, 2021)

(Millions of Yen)

	Reportable segments				Total	Adjustment Note 1	Posted on consolidated statement of income. Note 2
	Mechatronics related business.	Display related business.	Industrial machinery related business.	Electronics related business.			
Sales							
Sales to outside customer	10,168	6,686	818	6,522	24,195	---	24,195
Intersegment sales and transfers	---	7	12	2	22	-22	---
Total	10,168	6,693	831	6,524	24,217	-22	24,195
Segment income (loss)	573	(262)	(259)	469	521	206	727
Segment assets	9,653	10,817	2,662	8,368	31,502	6,005	37,508
Other							
Depreciation	251	186	12	109	559	28	587
Amortization of goodwill	119	---	---	---	119	---	119
Increase in tangible fixed assets and intangible assets	502	202	80	39	824	1	826

Notes

- (1) Segment income (loss) adjustment of ¥206 million is the corporate expense and income not apportioned in each reportable segment. Corporate income mainly comprises management fee and others ¥868 million from consolidated subsidiaries belong to each reportable segment. Corporate expenses are ¥662 million administration division cost not attributed to each reportable segment.  
(2) Segment assets adjustment of ¥6,005 million is mainly surplus operating cash by parent company and consolidated subsidiaries and assets of headquarter.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.

This financial period (Apr. 1, 2021 to Mar.31, 2022)

(Millions of Yen)

	Reportable segments				Total	Adjustment Note 1	Posted on consolidated statement of income. Note 2
	Mechatronics related business.	Display related business.	Industrial machinery related business.	Electronics related business.			
Sales							
Sales to outside customer	10,866	3,639	1,021	7,269	22,796	---	22,796
Intersegment sales and transfers	0	16	60	0	77	-77	---
Total	10,866	3,655	1,082	7,269	22,874	-77	22,796
Segment income (loss)	957	10	(171)	629	1,425	141	1,566
Segment assets	9,574	10,974	2,624	8,514	31,687	5,309	36,997
Other							
Depreciation	259	116	16	104	496	29	526
Amortization of goodwill	119	---	---	---	119	---	119
Increase in tangible fixed assets and intangible assets	329	18	10	39	396	60	457

Notes

2. (1) Segment income (loss) adjustment of ¥141 million is the corporate expense and income not apportioned in each reportable segment. Corporate income mainly comprises management fee and others ¥984 million from consolidated subsidiaries belong to each reportable segment. Corporate expenses are ¥843 million for administration division cost not attributed to each reportable segment.
  - (2) Segment assets adjustment of ¥5,309 million is mainly surplus operating cash by parent company and consolidated subsidiaries and assets of headquarter.
2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

(Information on per share)

(Yen)

	The previous financial period (Apr.1, 2020 to Mar.31, 2021)	This financial period (Apr.1,2021 to Mar.31,2022)
Net assets per share	1,548.94	1,673.48
Profit per share	37.19	121.49
Profit per share-diluted	36.90	120.64

Note: Calculation base of profit per share and profit per share-diluted are as follows.

	The previous financial period (Apr.1, 2020 to Mar.31, 2021)	This financial period (Apr.1, 2021 to Mar.31, 2022)
<b>Profit per share</b>		
Profit attributable to Owners.	337	1,107
Amount not attributable to shareholders of ordinary stock(Millions of ¥)	---	---
Profit attributable to owners of parent of ordinary stocks.	337	1,107
Average number of shares issued during financial period (Thousands of shares)	9,075	9,115
<b>Profit per share-diluted</b>		
Number of common stocks Increased.(Thousands of shares) (Number of stock acquisition rights) (Thousands of shares)	71 (71)	64 (64)
Residual securities not included in the calculation of profit per share after adjustment of residual securities as they do not have any diluting effect		---