

# Consolidated Financial Review

## For the Year Ended March 31, 2023 [Japanese GAAP]



May. 11 2023  
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, 2023 Date of payment for cash dividends: Jul.19, 2023.

Date planned for the filling of the financial report: Jun 30 2023

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, 2023 (4/01/2022-3/31/2023)

#### (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, 2023	24,114	5.8	1,495	-4.5	1,541	3.4	921	-16.8
Twelve months ended Mar.31,2022	22,796	-5.8	1,566	115.3	1,491	101.6	1,107	228.1

Note: Comprehensive income

Twelve months ended Mar. 31, 2023 ¥1,049 million (-19.9%)

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

	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. 31,2023	100.57	99.99	5.9	4.1	6.2
Twelve months ended Mar. 31,2022	121.49	120.64	7.5	4.0	6.9

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

Twelve months ended Mar.31, 2023: -¥3 million Twelve months ended Mar.31, 2022: -¥116 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per Share
	Mill. Yen	Mill. Yen	%	Yen
Mar.31,2023	38.740	15.977	41.1	1.737.30
Mar.31,2022	36.997	15.324	41.3	1.673.48

Note: Equity

As of Mar. 31, 2023:¥15,939 million

As of Mar. 31, 2022: ¥15,278 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.31,2023	-1,636	-742	272	6,552
Mar.31,2022	1,093	-195	-2,302	8,619

#### 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			
Fiscal year ended Mar. 31, 2022	---	12.00	---	24.00	36.00	328	29.6	2.2
Fiscal year ended Mar. 31, 2023	---	25.00	---	50.00	75.00	688	74.6	4.4
Fiscal year ending Mar.31, 2024 (forecast)	---	35.00	---	40.00	75.00		30.0	

Note: Revision of the latest forecast of cash dividends: None

Breakdown of year-end dividend per share for the fiscal year ended March 31, 2023: Ordinary dividend ¥25.00, 50<sup>th</sup> anniversary commemorative dividend ¥25.00.

### 3. Corporate estimates for the year ending March 31, 2024

(% 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. 2024	37,000	53.4	3,700	147.3	3,600	133.5	2,300	149.7	249.91

#### 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.: None
- b) Changes of accounting policies other than a): None
- c) Changes in accounting estimate: None
- 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, 2023: 9,758,947 shares. As of Mar. 31, 2022: 9,758,947 shares.

b) Number of treasury stock as of end of period

As of Mar. 31, 2023: 583,942 shares. As of Mar. 31, 2022: 629,389 shares.

c) Average number of issued shares outstanding.

Twelve months ended Mar. 31, 2023: 9,159,642 shares. Twelve months ended Mar. 31, 2022: 9,115,023 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

During the fiscal year ended March 31, 2023, the world economy growth slowed down and worsened, mainly in China, Europe, and the United States, due to prolonged Russia's invasion to Ukraine, global inflation, and monetary tightening. On the other hand, the difficulty in procuring parts is improving with some exceptions, the long logistics lead-time is heading toward normalization, and the long-standing turmoil in the supply chain is ending. However, inflation remains high, the outlook remains uncertain due to concerns about the economic slowdown, turmoil in financial markets, and stagnation in capital investment.

Under those economic circumstances, our group has been striving to develop and sell equipment that captures ever-changing customer needs related to SDGs.

As a result, the business results for the current consolidated fiscal year as followed.

Sales amounted to ¥24,114 million (5.8 % increased compared to the previous financial year), and operating income marked ¥1,495 million (4.5% decreased compared to the previous financial year), ordinary income marked ¥1,541 million (3.4 % increased compared to the previous financial year), profit attributable to owners of the parent marked ¥921million (16.8% decreased compared to the previous financial year).

Each segment result is as follows

#### (Mechatronics related business)

Firm demand for low-dust conveyors and various types of automatic transportation system equipment and strong sales of ion beam milling equipment led to increases in both sales and profits.

As a result, net sales in the mechatronics-related business amounted to ¥11,045 million (1.6% increased compared to the previous financial year), and segment profit was ¥1,126 million (17.7% increased compared to the previous financial year).

#### (Display related business)

Sales of far-infrared heat treatment equipment were strong, nevertheless sales of dry etching equipment increased but profits decreased due to unprofitable projects by postponement of capital investment and intensifying competition.

As a result, sales of display-related business amounted to ¥4,304 million (18.3% increased compared to the previous financial year), and segment loss was ¥465 million (the previous financial year was profit ¥10 million).

#### (Industrial machinery related business)

We are working to shift our business model from the cleaning business to the medical linen business and the paper packaging business. However, the situation is still not enough and recorded decreased sales and profits.

As a result, sales in the industrial machinery related business amounted to ¥1,020 million (0.1% decreased compared to the previous financial year), and segment loss was ¥39 million (the previous financial year was loss ¥171million).

#### (Electronics related business)

Sales and profits increased as sales of control and communication equipment for electric power companies performed well.

As a result, net sales of the electronics related business amounted to ¥7,743 million (6.5% increased compared to the previous financial year), and segment income was ¥763 million (21.3 % 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, 2023 stood at ¥30,108 million increased by ¥1,243 million compared to Mar.31, 2022. Main increased items were work in process by ¥1,914 million, and trade notes and account receivables by ¥710 million and raw materials and supplies by ¥411 million. Main decreased item was cash and deposit by ¥2,067 million. Noncurrent assets as of Mar.31, 2023 amounted to ¥8,631 million increased by ¥500 million compared to Mar.31, 2022. Main increased items were land by ¥364 million, and construction in progress by ¥265 million. Main decreased items

were accumulated depreciation (building and structures) by ¥144 million and building and structures (net) by ¥105 million.

As a result, total assets as of Mar.31, 2023 stood at ¥38,740 million, increased by ¥1,743 million compared to Mar.31, 2022.

Current liabilities as of Mar.31, 2023 amounted to ¥13,680 million, decreased by ¥143 million compared to Mar.31, 2022. Main increased item was income taxes payable by ¥192 million and main decreased items was short term-loans payable by ¥484 million. Fixed liabilities as of Mar.31, 2023 amounted to ¥9,082 million, increased by ¥1,234 million compared to Mar.31, 2022. Main increased items were long-term loans payable by ¥1,289 and lease obligations by ¥67 million and main decreased item was provision for business liquidation losses by ¥149 million. As a result, total liabilities as of Mar.31, 2023 stood at ¥22,763 million, increased by ¥1,090 million compared to Mar. 31, 2022.

Total net assets as of Mar.31, 2023 amounted to ¥15,977 million increased by ¥652 million compared to Mar.31, 2022. Main increased items were retained earnings by ¥472 million and foreign currency translation adjustment by ¥139 million. As a result, equity ratio at the end of this consolidated financial year came to 41.1% and net assets per share came to ¥1,737.30.

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

Cash and cash equivalent (hereinafter referred to as cash) at the end of this financial year was decreased by ¥2,067 million compared to the previous financial year end to ¥6,552 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, 2023 was decrease by ¥1,636 million (the previous financial year was increase by ¥1,093 million)

The main increased factors were ¥1,535 million earnings before income tax and ¥512 million depreciation. The main decreased factors were increase by ¥2,579 million in inventories, increase by ¥710 million in trade receivable, increase by ¥265 million in accrued consumption tax.

(Cash flows from investing activities.)

Cash from investing activities during this financial year ended Mar.31, 2023 was decrease by ¥742 million (the previous financial year was decrease by ¥ 195 million). The main decreased factor was ¥754 million in payment for acquisition of tangible asset.

(Cash flows from financing activities)

Cash from financing activities during this financial year ended Mar.31, 2023 was increase by ¥272 million (the previous financial year was decrease by ¥2,302 million)

The main increased factor was ¥4,450 million proceeds from long-term loans payable and the main decreased factors were ¥2,849 million repayment of long-term loans payable, ¥795 million net decreased short term loan payable, and ¥448 million payment for dividends.

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

Since our founding in May 1973, we have been working to build a stronger group with the aim of achieving sustainable development.

In addition to promoting cost reductions through reorganization and streamlining of group companies, we will strive to develop new products that are needed by society, such as those related to SDGs and medical.

Although the business environment remains uncertain, we aim to expand business and expect continued business expansion in the mechatronics-related business and electronic device-related business, which are performing well, and aim for further growth by improving profitability in the display-related business and the industrial equipment-related business. .

We forecast the consolidated business result 12 months ending Mar.31, 2024 as follows: net sales will be ¥ 37,000 million, operating income will be ¥3,700 million, ordinary income will be ¥3,600 million and profit attributable to owners of parent will be ¥2,300

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 50 yen per share including commemorative dividend 25 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 75 yen per share including the interim dividend 25 yen paid in December.

**(5) SDGs basic policy**

Based on our corporate philosophy of “contributing more to society,” our group has identified “Reducing environmental impact through business activities” as a materiality (important issue) related to sustainability in order to solve various social issues that will affect workplaces in the future. And we are promoting the construction of a system and specific initiatives.

**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, 2022	As of Mar. 31, 2023
<b>(Assets)</b>		
Current assets		
Cash and deposits	8,695	6,628
Trade notes and account receivables	10,572	11,282
Securities	0	0
Merchandise and finished goods	1,362	1,371
Work in process	5,780	7,695
Raw materials and supplies	1,703	2,114
Others	857	1,136
Allowance for doubtful accounts	-106	-121
Total current assets	28,865	30,108
Noncurrent assets		
<b>Tangible fixed assets</b>		
Buildings and structures	5,069	5,107
Accumulated depreciation	-3,321	-3,466
Building and structures(net)	1,747	1,641
Machinery, equipment, and vehicle	2,487	2,489
Accumulated depreciation	-1,981	-2,000
Machinery, equipment, and vehicle(net)	506	489
Tools, equipment, and fixtures	3,684	3,751
Accumulated depreciation	-3,341	-3,388
Tools, equipment, and fixtures(net)	343	363
Land	3,597	3,961
Leased assets	349	406
Accumulated depreciation	-181	-194
Leased assets(net)	168	212
Construction in progress account	477	743
Total tangible fixed assets	6,840	7,412
<b>Intangible assets</b>		
Goodwill	59	---
Soft wares	45	51
Leased assets	69	101
Telephone subscription rights	20	20
Others	20	15
Total intangible assets	216	189
<b>Investments and other assets</b>		
Investment securities	308	308
Long-term lending	13	9
Differed income taxes	596	563
Long-term retention receivables	163	242
Others	179	171
Allowance for doubtful accounts	-185	-264
Total investments and other assets	1,075	1,030
Total noncurrent assets	8,131	8,631
Total assets	36,997	38,740

(Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and account payable trade	5,219	5,252
Short-term loans payable	7,198	6,713
Lease obligations	77	89
Income taxes payable	178	370
Provision for bonuses	423	425
Provision for product warranties	70	62
Expense payable	271	297
Advances received	129	171
Others	255	296
Total current liabilities	13,824	13,680
<b>Fixed liabilities</b>		
Bonds payable	500	500
Long-term loans payable	5,537	6,827
Lease obligations	183	250
Deferred tax payable	93	79
Obligations related to retirement benefits	1,283	1,321
Asset retirement obligation	50	54
Provision for business liquidation losses	170	20
Others	28	28
Total fixed liabilities	7,848	9,082
Total liabilities	21,672	22,763
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,801	2,801
Capital surplus	3,646	3,668
Retained earnings	9,406	9,879
Treasury stock	-535	-497
Total shareholders' equity	15,318	15,852
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale security	-3	-2
Foreign currency translation adjustment	-48	91
Pension liability adjustments	11	-1
Total accumulated other comprehensive income	-40	87
Subscription rights to shares	46	37
Total net assets	15,324	15,977
Total liabilities and net assets	36,997	38,740



**(2) Consolidated statements of income and comprehensive income**  
**(Consolidated statements of income 1)**

(Millions of yen)

	The previous corresponding period. (Apr.1, 2021 to Mar.31, 2022)	This financial year (Apr.1, 2022 to Mar.31,2023)
Net sales	22,796	24,114
Cost of sales	16,663	18,026
Gross profit	6,133	6,087
Selling, G&A expenses		
Salary & directors' compensations	1,809	1,813
Provision for bonuses	103	101
Fringe benefit expenses	73	67
Rent expenses	170	183
Outsourcing expenses	68	181
R&D expenses	518	357
Depreciation	157	144
Others	1,666	1,741
Total selling, G&A expenses	4,567	4,591
Operating income (loss)	1,566	1,495
Non-operating income		
Interest income	8	7
Dividends income	29	53
Foreign exchange gains	32	9
Rents income	16	16
Subsidy income	18	1
Others	54	64
Total non-operating income	160	153
Non-operating expenses		
Interest expenses	81	82
Equity method investment loss	116	3
Others	37	20
Total non-operating losses	235	107
Ordinary income (loss)	1,491	1,541

(Consolidated statements of income 2)

(Millions of Yen)

	The previous corresponding period. (Apr.1, 2021 to Mar.31, 2022)	This financial year (Apr.1,2022 to Mar.31,2023)
Extraordinary income		
Gains on disposal of fixed assets	4	---
Reversal of reserve for business consolidation loss	90	---
Gains on disposal of securities.	5	---
Others	13	---
Total extraordinary income	114	---
Extraordinary loss		
Loss on disposal of fixed assets	15	5
Others	0	1
Total extraordinary loss	16	6
Income (loss) before income tax	1,590	1,535
Income taxes	403	583
Income tax adjustment	79	29
Total income tax	482	613
Profit (loss)	1,107	921
Profit attributable to owners of parent(loss)	1,107	921

**(Consolidated statements of comprehensive income)**

(Millions of yen)

	<b>The previous corresponding period (Apr.1, 2021 to Mar.31, 2022)</b>	<b>This financial year (Apr.1, 2022 to Mar. 31, 2023)</b>
Profit (loss)	1,107	921
Other comprehensive income		
Valuation difference on available for sale securities	-4	1
Foreign currency translation adjustment	199	139
Pension liability adjustments	7	-12
Total other comprehensive income	201	128
Comprehensive income	1,309	1,049
(Breakdown)		
Attributable to owners of parent	1,309	1,049
Attributable to non- controlling interests	---	---

**(3) Consolidated statements of changes in net assets**

The previous corresponding 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	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

This financial period (From Apr.1, 2022 to Mar.31, 2023)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,801	3,646	9,406	-535	15,318
Cumulative impact of changes in accounting policies	---	---	---	---	---
Balance at the beginning of the period reflecting changes in accounting policies	2,801	3,646	9,406	-535	15,318
Changes during period					
Payout of retained earning			-448		-448
Profit attributable to owners of parent			921		921
Acquisition of treasury stock				-0	-0
Disposal of treasury stock		22		38	60
Net changes during period except shareholders' equity					
Total changes during period	---	22	472	38	533
Balance at end of period	2,801	3,668	9,879	-497	15,852

(Millions of ¥)

	Accumulated Other Comprehensive Income				Subscription right to shares	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	-3	-48	11	-40	46	15,324
Cumulative impact of changes in accounting policies	---	---	---	---	---	---
Balance at the beginning of the period reflecting changes in accounting policies	-3	-48	11	-40	46	15,324
Changes during period						
Payout of retained earning						-448
Profit(loss) attributable to owners of parent						921
Acquisition of treasury' stock						-0
Disposal of treasury stock						60
Net changes during period except shareholders' equity	1	139	-12	128	-9	118
Total changes during period	1	139	-12	128	-9	652
Balance at end of period	-2	91	-1	87	37	15,977

#### (4) Consolidated cash flows 1

(Millions of ¥)

	The Previous Corresponding Period (Apr.1, 2021 to Mar.31, 2022)	This Financial Period (Apr.1,2022 to Mar.31, 2023)
<b>Cash flows from operating activities</b>		
Earnings/(loss)before income taxes	1,590	1,535
Depreciation and amortization	526	512
Increase/(decrease) in allowance for doubtful accounts	33	92
Increase/(decrease) in obligations related to retirement benefits	126	37
Increase/(decrease) in allowance for loss on business liquidation	(269)	(149)
Interest and dividend revenue	-38	-60
Interest paid	81	82
Equity method investment (gain) loss	116	3
Foreign currency exchange loss/ (income)	(1)	3
Loss/(Income) on disposal of fixed assets	10	5
(Increase)/decrease in trade receivable	(338)	(710)
Increase /(decrease) of advances received	(732)	45
(Increase)/decrease in inventories	(689)	(2,579)
Increase/(decrease) in trade payable	1,188	(5)
Decrease/(increase)in accrued consumption tax	(51)	(265)
(Decrease)/Increase in others	95	275
Subtotal	1,647	(1,178)
Receipts of interest and dividends	38	59
Interest paid	-88	-85
Income taxes paid	-519	-486
Refund of paid income tax	15	55
<b>Cash flows from operating activities</b>	<b>1,093</b>	<b>-1,636</b>
<b>Cash flows from investing activities</b>		
Payment for establishment of time deposit.	-77	-77
Proceeds from drawing of time deposit.	77	77
Payment for acquisition of tangible fixed asset.	-297	-754
Proceed from sale of tangible fixed asset	50	31
Payment for acquisition of intangible asset.	-13	-20
Payment for acquisition of investment securities	-17	-3
Proceed from sale of investment securities	43	---
Proceed from distribution of investment association	13	---
Payment for accumulation of insurance reserve fund	-1	---
Proceed from payment of insurance reserve fund	14	---
Payment for lending	-16	-1
Proceed from repayment of lending	2	5
Others	25	0
<b>Cash flows from investing activities</b>	<b>-195</b>	<b>-742</b>



## Consolidated cash flows 2

(Millions of ¥)

	The previous corresponding period (Apr.1, 2021 to Mar.31, 2022)	This financial period (Apr.1, 2022 to Mar.31, 2023)
<b>Cash flows from financing activities</b>		
Increase /(Decrease) of short-term loans payable	(1,637)	(795)
Proceeds from long-term loans payable	2,479	4,450
Repayment of long-term loans payable	-2,886	-2,849
Payment for dividends	-200	-448
Others	-57	-84
Cash flows from financing activities	-2,302	272
Effect of exchange rate changes on cash and cash equivalents	92	39
Net increase/(decrease) in cash and cash equivalents	(1,312)	(2,067)
Cash and cash equivalents balance at beginning of period	9,932	8,619
Cash and cash equivalents balance at end of period	8,619	6,552

## **(5) Notes on consolidated financial information**

(Notes concerning Going Concern Assumption)

None.

(Changes of accounting policy)

None.

(Changes in accounting estimates)

None.

(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, 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

- (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 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.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.

This financial period (Apr. 1, 2022 to Mar.31, 2023)

(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	11,045	4,304	1,020	7,743	24,114	---	24,114
Intersegment sales and transfers	1	29	0	0	31	-31	---
<b>Total</b>	<b>11,047</b>	<b>4,334</b>	<b>1,021</b>	<b>7,743</b>	<b>24,145</b>	<b>-31</b>	<b>24,114</b>
Segment income (loss)	1,126	(465)	(39)	763	1,384	111	1,495
Segment assets	12,201	10,560	2,645	9,112	34,520	4,220	38,740
Other							
Depreciation	282	92	15	96	487	25	512
Amortization of goodwill	59	---	---	---	59	---	59
Increase in tangible fixed assets and intangible assets	562	9	0	427	1,000	46	1,047

Notes

2. (1) Segment income (loss) adjustment of ¥111 million is the corporate expense and income not apportioned in each reportable segment. Corporate income mainly comprises management fee and others ¥1,065 million from consolidated subsidiaries belong to each reportable segment. Corporate expenses are ¥953 million for administration division cost not attributed to each reportable segment.
- (2) Segment assets adjustment of ¥4,220 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, 2021 to Mar.31, 2022)	This financial period (Apr.1, 2022 to Mar.31, 2023)
Net assets per share	1,673.48	1,737.30
Profit per share	121.49	100.57
Profit per share-diluted	120.64	99.99

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

	The previous financial period (Apr.1, 2021 to Mar.31, 2022)	This financial period (Apr.1, 2022 to Mar.31, 2023)
<b>Profit per share</b>		
Profit attributable to Owners.	1,107	921
Amount not attributable to shareholders of ordinary stock (Millions of ¥)	---	---
Profit attributable to owners of parent of ordinary stocks.	1,107	921
Average number of shares issued during financial period (Thousands of shares)	9,115	9,159
<b>Profit per share-diluted</b>		
Number of common stocks Increased. (Thousands of shares)	64	53
(Number of stock acquisition rights) (Thousands of shares)	(64)	(53)
Residual securities not included in the calculation of profit per share after adjustment of residual securities as they do not have any diluting effect		---

## **(Significant Subsequent Events)**

(Absorption-type merger between consolidated subsidiaries)

At the meeting of the Board of Directors held on February 17, 2023, the Company resolved to merge YAC Denko Co., Ltd., a consolidated subsidiary of the Company, with YAC Technologies Co., Ltd., a consolidated subsidiary of the Company. Based on this, the merger was conducted with April 1, 2023 as the effective date.

### 1. Overview of the transaction.

#### (1) Names of the companies involved in the merger and details of their business.

A. Name of combined company: YAC IDENKO Co., Ltd.

Description of business: Manufacturing and sales of heating equipment for manufacturing liquid crystal and OLED displays, heating equipment for manufacturing semiconductors and electronic parts, heating equipment for manufacturing automobile parts, etc.

B. Name of company to be merged: YAC Technologies Co., Ltd.

Description of business: Manufacture and sale of flat panel display manufacturing related equipment, semiconductor manufacturing related equipment, manufacturing equipment that applies plasma technology, etc.

#### (2) Date of business combination: April 1, 2023.

#### (3) Legal form of business combination.

Absorption-type merger with YAC Denko Co., Ltd. as the surviving company and YAC Technologies Co., Ltd. as the dissolved company.

#### (4) Name of company after combination.

Y.A.C. DENKO Co., Ltd.

#### (5) Matters related to other transaction outlines.

YAC Denko Co., Ltd. and YAC Technologies Co., Ltd. mainly manufacture and sell heat treatment equipment and dry etching equipment, respectively, for the same flat panel display industry. In particular, we have many common customers in the Chinese market, and we plan to expand our sales even more aggressively by pursuing economies of scale through the integration of the two companies and consolidating our sales divisions.

In addition, we will improve productivity and profitability by centralizing and efficiently relocating back-office departments such as procurement operations, sales administration, management departments and quality assurance.

### 2. Overview of accounting treatment to be implemented.

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Guidance on Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), it is accounted for as a transaction under common control.

As this merger is a merger between consolidated subsidiaries in the same segment, the impact on the Company's consolidated business will be minor.

### (Business combination through acquisition of shares)

At the meeting of the Board of Directors held on March 17, 2023, the Company resolved to acquire all shares of JE International Co., Ltd. and GD Tech Co., Ltd. to make them subsidiaries, and acquired all shares on April 3, 2023.

#### 1. Overview of the business combination

##### (1) Name and business of the acquired company.

A. Name of acquired company JE International Co., Ltd.

GD Tech Co., Ltd.

B. Description of business.

Image processing technology (optical inspection equipment using artificial intelligence)

C. Amount of capital.

JE International Co., Ltd.: 12 million yen

GD Tech Co., Ltd. : 100 million won

##### (2) Main reason for business combination.

The acquired company manufactures and sells FPCs (Flexible Printed Circuits) by using AI technology and high-end inspection equipment (AOI/AVI) for semiconductor-related industries and possessing high technological capabilities to meet market needs for product sophistication, miniaturization, and miniaturization. And we judged that by integrating it with the industrial automation manufacturing technology mainly on the semiconductor field that the Group has cultivated so far, it would be possible to develop new products and markets in the future, which will contribute to the improvement of the corporate value of the group and to the development of the group.

(3) Date of business combination:

April 3, 2023.

(4) Legal form of business combination:

Acquisition of shares.

(5) Company name after combination:

No change.

(6) Number of shares to be acquired and ratio of voting rights:

JE International Co., Ltd. 2,033 shares (100%).

GD Tech Co., Ltd. 20,000 shares (100%).

(7) Main evidences for deciding on the acquiring company:

This is due to the conclusion of a share transfer agreement whereby the Company acquires shares in exchange for cash.

#### **4. Others**

(1) Changes in officers.

Please refer to the “Notice Regarding Change of Officers” announced on March 24, 2023 for the change of officers.

End.