

# Consolidated Financial Review



## For the 2<sup>nd</sup> Quarter Ended Sep. 30, 2022 [Japanese GAAP]

Nov.14, 2022

Listed Market: TSE Prime

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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 2<sup>nd</sup> quarter ended Sep.30, 2022 (4/01/2022—9/30/2022)

(Percentage is the rate of increase or decrease from the previous corresponding period)

#### (1) Consolidated operating results

	Net sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Mil. Yen	%	Mil. Yen	%	Mil. Yen	%	Mil. Yen	%
Six months ended Sep.30,2022	10,976	-0.9	473	-34.0	577	-20.9	325	-37.9
Six months ended Sep.30,2021	11,075	-9.4	716	129.9	730	137.9	524	91.9

Note: Comprehensive income

Six months ended Sep.30, 2022 ¥553 million (-11.3%)

Six months ended Sep.30, 2021 ¥623 million (142.8%)

	Profit per share		Diluted profit per share	
	Yen		Yen	
Six months ended Sep.30,2022	35.61		35.41	
Six months ended Sep.30,2021	57.66		57.26	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Mil. Yen	Mil. Yen	%
As of Sep.30, 2022	36,315	15,711	43.2
As of Mar.31, 2022	36,997	15,324	41.3

Note: Equity

As of Sep. 30, 2022: ¥15,673 million

As of Mar. 31, 2022: ¥15,278 million

### 2. Cash Dividends

	Cash dividends per share				
	1st quarter end	2nd quarter end	3 <sup>rd</sup> quarter end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31,2022	---	12.00	---	24.00	36.00
Fiscal year ending Mar. 31,2023	---	25.00			
Fiscal year ending Mar. 31, 2023 (forecast)			---	25.00	50.00

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

### 3. Business result forecast for the year ending Mar. 31, 2023 (4/01/2022-3/31/2023)

(Percentage is the rate of increase or decrease from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Profit for the period per share
	Mil. Yen	%	Mil. Yen	%	Mil. Yen	%	Mil. Yen	%	Yen
Fiscal year ending Mar. 31, 2023	27,000	18.4	2,400	53.2	2,200	47.5	1,600	44.5	174.68

Note: Revision of corporate estimate in year under review: Yes

## Notes

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

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None

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

- ① Changes of accounting policies accompanied by revision of accounting standard etc. : None
- ② Changes of accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Retrospective restatement : None

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

- ① Number of issued shares outstanding as of end of period ( including treasury stock)  
As of Sep. 30, 2022: 9,758,947 shares As of Mar. 31, 2022: 9,758,947 shares
- ② Number of treasury stock as of end of period  
As of Sep. 30, 2022: 583,942 shares As of Mar. 31, 2022: 629,341 shares
- ③ Average number of issued shares outstanding  
Six months ended Sep. 30, 2022: 9,144,364 shares Six months ended Sep. 30, 2021: 9,100,552 shares

\*Indication of quarterly review procedure implementation status

This quarterly financial report is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Law.

\*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 "(3) Description of Financial Estimates Information such as Consolidated Business Results Forecasts.

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## 1. Qualitative Information on Financial Statements.

### (1) Description of Consolidated Business Results.

During the six months started from Apr.1, 2022, regarding the world economy, concerns for economy recession have increased. Because of many reasons such as energy cost hike due to Russia's invasion of Ukraine, in the United States a strong dollar policy to calm inflation by a sharp raising up of interest rates, and in China supply chain disruptions due to lockdowns have been happened.

As a result, consolidated those six months our business result was as follows. Net sales amounted to ¥10,976 million (0.9% decreased compared to the previous corresponding period), operating income marked ¥473 million (34.0% decreased compared to the previous corresponding period), ordinary income marked ¥577 million (20.9% decreased compared to the previous corresponding period), profit attributable to owners of parent marked ¥325 million (37.9% decreased compared to the previous corresponding period).

Each segment result was as follows.

(Mechatronics related business segment)

Nevertheless, the backlog ordered increased steadily, but sales and profit decreased due to backwards of new capital investment by HDD manufacturer, slowdown of demand for mobile phone related parts and increased manufacturing cost caused by material cost hike.

As a result, net sales of mechatronics related business segment amounted to ¥5,179 million (14.5 % decreased compared to the previous corresponding period) and segment income marked ¥469 million. (30.8 % decreased compared to the previous corresponding period.)

(Display related business segment)

In spite of big increase of sales backed by promising backlog ordered, but segment could not make profit, due to manufacturing cost increase influenced by material cost hike.

As a result, net sales of display related business segment amounted to ¥2,513 million (164.0% increased compared to the previous corresponding period) and segment income marked -¥131million (the corresponding period of the previous financial year was -¥201 million).

(Industrial machinery related business segment)

Nevertheless home cleaning business showed slightly signing of recovery, but new packaging equipment business starting level was lower than expected.

As a result, net sales of industrial machinery related business amounted to ¥416 million (12.1% increased compared to the previous corresponding period) and segment income marked -¥17million (the previous corresponding period segment income marked -¥49 million).

(Electronics related business segment)

Nevertheless, the equipment for electric power industry went well without break, but sales and profit decreased due to difficulties to obtain materials of dialyzer manufacturing.

As a result, net sales of electronics related business amounted to ¥2,866 million (22.5% decreased compared to the previous corresponding period) and segment income marked ¥103 million (42.1% decreased compared to the previous corresponding period).

### (2) Description of Consolidated Financial Position.

(Assets)

Current assets as of Sep.30, 2022 stood at ¥28,097million, a decrease of ¥768 million compared to the previous financial year-end. This is due to an increase of ¥1,440 million in work in process, an increase of ¥298 million in raw material and supplies but a decrease of ¥1,442 million in cash and deposits and a decrease of ¥1,403 million in trade notes and accounts receivable. Noncurrent assets stood at ¥8,217 million, an increase of ¥86 million compared to the previous financial year-end. As a result, total assets as of Sep.30, 2022 decreased by ¥682 million from the previous financial year-end to ¥36,315 million.

(Liabilities)

Current liabilities as of Sep.30, 2022 stood at ¥13,798 million, a decrease of ¥25 million compared to the previous financial year-end. Fixed liabilities as of Sep.30, 2022 stood at ¥6,805

million, a decrease of ¥1,043 million compared to the previous financial year-end. A main decrease was ¥1,063 million in long-term loans payable. As a result, total liabilities as of Sep.30, 2022 decreased by ¥1,068 million from the previous financial year-end to ¥20,604 million.  
(Net assets)

Total net assets as of Sep.30, 2022 amounted to ¥15,711 million, an increase of ¥386 million compared to the previous financial year-end. As a result, equity ratio as of Sep.30, 2022 was 43.2% and net assets per share came to ¥1,708.27.

**(3) Description of Financial Estimates Information such as Consolidated Business Results Forecasts.**

Consolidated twelve-month business result forecasts ending at Mar.31, 2023 announced on May.13, 2022 was revised on Nov.14, 2022.

## 2. Consolidated Financial Information.

### (1) Consolidated Balance Sheets.

(Millions of yen)

	As of Mar.31, 2022.	As of Sep.30, 2022.
<b>(Assets)</b>		
Current assets		
Cash and deposits	8,695	7,253
Trade notes and accounts receivable	10,572	9,168
Securities	0	0
Merchandise and finished goods	1,362	1,456
Work in process	5,780	7,220
Raw materials and supplies	1,703	2,002
Others	857	1,102
Allowance for doubtful accounts	-106	-107
Total current assets	28,865	28,097
<b>Noncurrent assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	5,069	5,092
Accumulated depreciation	-3,321	-3,400
Building and structures(net)	1,747	1,692
Machinery, equipment, and vehicles	2,487	2,598
Accumulated depreciation	-1,981	-2,107
Machinery, equipment, and vehicles (net)	506	491
Tools, equipment, and fixtures	3,684	3,824
Accumulated depreciation	-3,341	-3,441
Tools, equipment, and fixtures(net)	343	382
Land	3,597	3,597
Leased assets	349	421
Accumulated depreciation	-181	-171
Leased assets(net)	168	249
Construction in progress	477	593
Total tangible fixed assets	6,840	7,006
<b>Intangible assets</b>		
Good will	59	---
Soft wares	45	45
Leased assets	69	101
Telephone subscription rights	20	20
Others	20	18
Total intangible assets	216	185
<b>Investments and other assets</b>		
Investment securities	308	300
Long-term lending	13	11
Differed income taxes	596	525
Long-term retention receivables	163	163
Others	179	210
Allowance for doubtful accounts	-185	-185
Total investments and other assets	1,075	1,026
<b>Total noncurrent assets</b>	8,131	8,217
<b>Total assets</b>	36,997	36,315

(Millions of yen)

	As of Mar.31, 2022.	As of Sep.30, 2022.
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable trade	5,219	5,519
Short-term loans payable	7,198	6,619
Lease obligations	77	72
Income taxes payable	178	141
Provision for bonuses	423	370
Provision for products warranty	70	72
Expense payable	271	263
Advances received	129	481
Others	255	258
<b>Total current liabilities</b>	<b>13,824</b>	<b>13,798</b>
<b>Fixed liabilities</b>		
Bonds payable	500	500
Long-term loans payable	5,537	4,473
Lease obligations	183	270
Deferred tax payable	93	83
Obligations related to retirement benefits	1,283	1,296
Asset retirement obligation	50	56
Provision for business restructuring	170	95
Others	28	28
<b>Total fixed liabilities</b>	<b>7,848</b>	<b>6,805</b>
<b>Total liabilities</b>	<b>21,672</b>	<b>20,604</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,801	2,801
Capital surplus	3,646	3,668
Retained earnings	9,406	9,513
Treasury stock	-535	-497
<b>Total shareholders' equity</b>	<b>15,318</b>	<b>15,486</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	-3	-7
Foreign currency translation adjustment	-48	184
Pension liability adjustments	11	9
<b>Total accumulated other comprehensive income</b>	<b>-40</b>	<b>187</b>
<b>Subscription rights to shares</b>	<b>46</b>	<b>37</b>
<b>Total net assets</b>	<b>15,324</b>	<b>15,711</b>
<b>Total liabilities and net assets</b>	<b>36,997</b>	<b>36,315</b>

**(2) Consolidated Statements of Income and Comprehensive Income.****Consolidated Statements of Income.**

(Millions of yen)

	The previous corresponding period. (Apr.1,2021 to Sep.30,2021)	Six months ended Sep.30, 2022. (Apr.1,2022 to Sep.30,2022)
<b>Net sales</b>	11,075	10,976
<b>Cost of sales</b>	8,166	8,304
<b>Gross profit</b>	2,909	2,671
<b>Selling, g&amp;a expenses</b>		
Salary & directors' compensation	886	893
Provision for bonuses	78	86
Fringe benefit expenses	39	35
Rent expenses	85	90
Outsourcing expenses	53	75
R&D expenses	232	191
Depreciation	77	70
Others	739	754
<b>Total selling, g&amp;a expenses</b>	2,193	2,198
<b>Operating income (loss)</b>	716	473
<b>Non-operating income</b>		
Interest income	5	2
Dividend's income	28	51
Foreign exchange gains	---	75
Rents income	8	8
Insurance proceeds received	6	---
Others	49	20
<b>Total non-operating income</b>	97	158
<b>Non-operating expenses</b>		
Interest expenses	41	42
Foreign exchange losses	12	---
Equity in losses of affiliates accounted for by the equity method	3	4
Others	26	7
<b>Total non-operating losses</b>	83	54
<b>Ordinary income (loss)</b>	730	577
<b>Extraordinary income</b>		
Income on disposal of fixed assets	3	---
Reversal of reserve for business consolidation loss	90	---
Others	0	---
<b>Total extraordinary income</b>	94	---
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	13	2
Others	0	---
<b>Total extraordinary loss</b>	14	2
<b>Profit (loss) before income tax</b>	810	574
<b>Income taxes</b>	210	186
<b>Income tax adjustment</b>	75	63
<b>Total income tax</b>	285	249
<b>Profit (loss) for the period</b>	524	325
<b>Profit attributable owners of parent</b>	524	325



## Consolidated Statements of Comprehensive Income.

(Millions of yen)

	The previous corresponding period. (Apr.1,2021 to Sep.30,2021)	Six months ended Sep.30, 2022. (Apr.1,2022 to Sep.30,2022)
<b>Profit (loss) for the period</b>	524	325
<b>Other comprehensive income</b>		
Valuation difference on available- for sale securities	5	-3
Foreign currency translation adjustment	91	233
Pension liabilities adjustment	2	-2
<b>Total other comprehensive income(loss)</b>	99	227
<b>Comprehensive income(loss)</b>	623	553
<b>Comprehensive income(loss) attributable to:</b>		
Owners of parent	623	553
Non-controlling interest	---	---

### (3) Notes on Quarterly Financial Report.

(Note concerning Going Concern Assumption.)

None

(Note concerning Major Changes in Shareholders' Equity.)

None

(Adoption of Special Accounting Methods for Preparation of Quarterly Financial Statements.)

None

(Changes of Accounting Policies.)

None

(Changes in Accounting Estimates.)

None

(Additional Information.)

None

(Segment Information.)

[Segment Information.]

I . The previous corresponding period (Apr.1, 2021 to Sep.30, 2021.)

1. Information on sales and income or loss in reportable segment

(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	6,055	952	371	3,696	11,075	---	11,075
Intersegment sales and transfers	0	4	3	0	8	-8	---
Total	6,055	956	375	3,696	11,083	-8	11,075
Segment income (loss)	678	(201)	(49)	179	606	109	716

Notes

1. Segment income (loss) adjustment of ¥109 million is the corporate income and expenses not apportioned in each reportable segment. Corporate income, mainly comprise management fee from consolidated subsidiaries which belong to each reportable segment is ¥472 million. And corporate expense of ¥362 million is mainly expenses of general and administration division which does not belong to reportable segment.

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

2. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets:

None

Significant changes in goodwill amount:

None

Significant income related to negative goodwill:

None

II. This financial period (Apr.1, 2022 to Sep.30, 2022)

1. Information on sales and income or loss in reportable segment.

(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	5,179	2,513	416	2,866	10,976	---	10,976
Intersegment sales and transfers	0	14	0	0	15	-15	---
<b>Total</b>	<b>5,180</b>	<b>2,528</b>	<b>416</b>	<b>2,866</b>	<b>10,991</b>	<b>-15</b>	<b>10,976</b>
Segment income (loss)	469	(131)	(17)	103	424	48	473

Notes

1. Segment income (loss) adjustment of ¥48 million is the corporate income and expenses not apportioned in each reportable segment. Corporate income, mainly comprise management fee from consolidated subsidiaries which belong to each reportable segment is ¥530 million. In addition corporate expense of ¥481 million is mainly expenses of general and administration division which does not belong to reportable segment.
2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

2. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets:

None

Significant changes in goodwill amount:

None

Significant income related to negative goodwill:

None