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## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

Company name: Daido Metal Co., Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 7245  
 URL: <https://www.daidometal.com/>  
 Representative: Seigo Hanji Chairman and Chief Executive Officer  
 Contact: Hiroki Iwakura Executive Officer and Head of Corporate Planning Division  
 Phone: +81-52-205-1400  
 Scheduled date of Annual General Meeting of Shareholders: June 29, 2022  
 Scheduled start date of dividend payments: June 30, 2022  
 Scheduled filing date of annual securities report: June 29, 2022  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes (For analysts and financial institutions)

(Fractional amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	104,024	22.8	5,042	283.2	4,836	453.2	1,897	—
March 31, 2021	84,720	(15.4)	1,315	(68.4)	874	(76.1)	104	(96.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 5,475 million [ 237.0% ]  
 Fiscal year ended March 31, 2021: ¥ 1,624 million [ (21.3)% ]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	40.70	—	3.3	3.0	4.8
March 31, 2021	2.25	—	0.2	0.6	1.6

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2022: ¥ 108 million  
 Fiscal year ended March 31, 2021: ¥ 26 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	166,155	68,695	36.3	1,289.96
March 31, 2021	155,176	64,538	36.3	1,213.08

(Reference) Net assets less non-controlling interests: As of March 31, 2022: ¥ 60,340 million  
 As of March 31, 2021: ¥ 56,388 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	13,207	(8,072)	(5,076)	18,868
March 31, 2021	10,098	(7,043)	(3,098)	18,637

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	—	10.00	—	10.00	20.00	950	888.7	1.6
March 31, 2022	—	10.00	—	15.00	25.00	1,187	61.4	2.0
Fiscal year ending March 31, 2023 (Forecast)	—	10.00	—	15.00	25.00		68.4	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	52,500	4.3	1,550	(42.1)	1,450	(44.3)	750	(36.9)	16.03
Full year	108,000	3.8	3,500	(30.6)	3,300	(31.8)	1,700	(10.4)	36.34

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

For details, please refer to page 15, “(5) Notes to Consolidated Financial Statements, Changes in Accounting Policy”

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2022: 47,520,253 shares

March 31, 2021: 47,520,253 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 743,664 shares

March 31, 2021: 1,036,793 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 46,628,139 shares

Fiscal Year ended March 31, 2021: 46,322,538 shares

Note: The Company introduced an E-Ship® Trust-Type Employee Stock Purchase Incentive Plan and a performance-linked stock-based remuneration for Directors and Executive Officers. For the calculation of total number of treasury shares at the end of the period and average number of shares during the period, Company shares held in the trusts are included in treasury shares to be deducted.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	65,868	21.5	1,499	107.4	2,564	18.7	(197)	-
March 31, 2021	54,197	(13.8)	723	(49.5)	2,159	(18.6)	1,690	(56.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	(4.24)	—
March 31, 2021	36.49	—

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	109,208	51,482	47.1	1,100.59
March 31, 2021	110,247	52,372	47.5	1,126.69

(Reference) Net assets: As of March 31, 2022: ¥ 51,482 million  
As of March 31, 2021: ¥ 52,372 million

(Reasons for the Difference between Non-consolidated Actual Results for the Fiscal Year Ended March 31, 2021 and 2022)

Net sales exceed that of the fiscal year ended March 31, 2021, as a result of a recovery in demand that exceeded initial expectations in the automotive sector, which is the Group's core business area, as well as in the shipbuilding industry and construction machinery industry, despite the impact of production cuts caused by the resurgence of the COVID-19 infection and the global semiconductor supply shortage.

In addition, net income is below that of the fiscal year ended March 31, 2021, due to the recording of a loss on valuation of shares of subsidiaries and associates, the provision for loss on guarantees, and a loss on valuation of investments in capital of subsidiaries and associates as extraordinary losses as an extraordinary loss.

\* Numbers in parentheses denote negative numbers.

\* This financial result is not required to be reviewed by certificated public accountants or audit firm.

\* Explanation of appropriate use of earnings projections, other explanatory notes

Future prospects are prepared as information purpose only, based on the information available to us at this moment, and are under certain condition which we assumed reasonable. We will not guarantee the realization of such prospects and actual performance fluctuates due to various factors.

# 1. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	22,007	23,018
Notes and accounts receivable - trade	23,069	—
Notes receivable - trade	—	1,107
Accounts receivable - trade	—	23,444
Electronically recorded monetary claims - operating	2,393	2,732
Merchandise and finished goods	10,821	14,606
Work in process	8,380	10,864
Raw materials and supplies	6,326	8,073
Other	2,510	2,206
Allowance for doubtful accounts	(267)	(126)
Total current assets	75,242	85,928
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,853	37,884
Accumulated depreciation	(19,654)	(21,191)
Buildings and structures, net	17,198	16,693
Machinery, equipment and vehicles	100,270	105,755
Accumulated depreciation	(75,772)	(81,635)
Machinery, equipment and vehicles, net	24,497	24,119
Land	9,726	9,875
Leased assets	4,963	5,013
Accumulated depreciation	(1,644)	(1,915)
Leased assets, net	3,318	3,097
Construction in progress	2,207	2,577
Other	7,384	7,836
Accumulated depreciation	(6,401)	(6,909)
Other, net	982	926
Total property, plant and equipment	57,931	57,291
Intangible assets		
Goodwill	5,724	5,152
Leased assets	34	19
Other	6,863	6,325
Total intangible assets	12,623	11,497
Investments and other assets		
Investment securities	5,031	5,450
Long-term loans receivable	188	212
Retirement benefit asset	2,110	3,203
Deferred tax assets	1,152	1,541
Other	949	1,084
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	9,379	11,439
Total non-current assets	79,934	80,227
<b>Total assets</b>	<b>155,176</b>	<b>166,155</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,192	8,555
Electronically recorded obligations - operating	8,069	11,130
Short-term loans payable	26,575	27,055
Current portion of long-term loans payable	7,604	7,733
Lease liabilities	898	668
Income taxes payable	415	1,522
Contract liabilities	—	88
Provision for bonuses	1,269	1,555
Provision for bonuses for directors (and other officers)	—	39
Provision for product compensation	70	74
Provision for environmental measures	33	—
Electronically recorded obligations - non-operating	501	521
Other	5,820	6,467
<b>Total current liabilities</b>	<b>57,452</b>	<b>65,414</b>
<b>Non-current liabilities</b>		
Long-term loans payable	21,315	19,678
Lease liabilities	2,074	1,992
Deferred tax liabilities	1,948	2,201
Provision for share-based remuneration	16	49
Provision for share-based remuneration for directors (and other officers)	30	41
Provision for loss on guarantees	145	143
Retirement benefit liability	7,207	7,514
Asset retirement obligations	17	17
Other	430	406
<b>Total non-current liabilities</b>	<b>33,185</b>	<b>32,045</b>
<b>Total liabilities</b>	<b>90,637</b>	<b>97,460</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	8,413	8,413
Capital surplus	13,114	13,114
Retained earnings	36,609	37,567
Treasury shares	(780)	(560)
<b>Total shareholders' equity</b>	<b>57,356</b>	<b>58,534</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	995	981
Foreign currency translation adjustment	(1,170)	906
Remeasurements of defined benefit plans	(793)	(82)
<b>Total accumulated other comprehensive income</b>	<b>(968)</b>	<b>1,805</b>
<b>Non-controlling interests</b>	<b>8,150</b>	<b>8,355</b>
<b>Total net assets</b>	<b>64,538</b>	<b>68,695</b>
<b>Total liabilities and net assets</b>	<b>155,176</b>	<b>166,155</b>

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

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	84,720	104,024
Cost of sales	65,200	77,266
Gross profit	19,520	26,758
Selling, general and administrative expenses		
Freightage expenses	2,022	3,477
Outsourcing expenses	1,317	1,442
Provision of allowance for doubtful accounts	(268)	(32)
Remuneration for directors (and other officers)	591	552
Salaries and allowances	4,815	5,115
Provision for bonuses	268	367
Provision for bonuses for directors (and other officers)	—	39
Provision for product compensation	(495)	74
Retirement benefit expenses	495	460
Welfare expenses	1,005	1,121
Depreciation	945	1,427
Rent expenses	1,105	1,137
Research and development expenses	1,916	1,881
Other	4,484	4,649
Total selling, general and administrative expenses	18,205	21,715
Operating profit	1,315	5,042
Non-operating income		
Interest income	89	80
Dividend income	57	74
Foreign exchange gains	—	227
Share of profit of entities accounted for using equity method	26	108
Subsidy income	236	61
Other	236	337
Total non-operating income	646	890
Non-operating expenses		
Interest expenses	710	620
Loss on retirement of non-current assets	52	222
Foreign exchange losses	111	—
Other	214	253
Total non-operating expenses	1,088	1,096
Ordinary profit	874	4,836
Extraordinary income		
Gain on sale of non-current assets	571	—
Total extraordinary income	571	—
Extraordinary losses		
Impairment loss	—	456
Total extraordinary losses	—	456
Profit before income taxes	1,445	4,379
Income taxes - current	737	2,364
Income taxes - deferred	111	(480)
Total income taxes	848	1,884
Profit	597	2,494
Profit attributable to non-controlling interests	493	597
Profit attributable to owners of parent	104	1,897

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	597	2,494
Other comprehensive income		
Valuation difference on available-for-sale securities	643	(12)
Foreign currency translation adjustment	(785)	2,190
Remeasurements of defined benefit plans, net of tax	1,135	740
Share of other comprehensive income of entities accounted for using equity method	33	62
Total other comprehensive income	1,027	2,980
Comprehensive income	1,624	5,475
Comprehensive income attributable to		
owners of parent	1,351	4,671
non-controlling interests	272	803

## (3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,413	13,114	37,693	(1,016)	58,204
Cumulative effects of changes in accounting policies					—
Restated balance	8,413	13,114	37,693	(1,016)	58,204
Changes of items during period					
Dividends of surplus			(1,187)		(1,187)
Profit attributable to owners of parent			104		104
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Disposal of treasury shares				236	236
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	(1,083)	235	(847)
Balance at end of current period	8,413	13,114	36,609	(780)	57,356

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	361	(654)	(1,922)	(2,216)	8,180	64,168
Cumulative effects of changes in accounting policies						—
Restated balance	361	(654)	(1,922)	(2,216)	8,180	64,168
Changes of items during period						
Dividends of surplus						(1,187)
Profit attributable to owners of parent						104
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						0
Disposal of treasury shares						236
Net changes of items other than shareholders' equity	633	(515)	1,129	1,247	(30)	1,217
Total changes of items during period	633	(515)	1,129	1,247	(30)	369
Balance at end of current period	995	(1,170)	(793)	(968)	8,150	64,538

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,413	13,114	36,609	(780)	57,356
Cumulative effects of changes in accounting policies			10		10
Restated balance	8,413	13,114	36,619	(780)	57,367
Changes of items during period					
Dividends of surplus			(950)		(950)
Profit attributable to owners of parent			1,897		1,897
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				220	220
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	947	220	1,167
Balance at end of current period	8,413	13,114	37,567	(560)	58,534

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	995	(1,170)	(793)	(968)	8,150	64,538
Cumulative effects of changes in accounting policies						10
Restated balance	995	(1,170)	(793)	(968)	8,150	64,548
Changes of items during period						
Dividends of surplus						(950)
Profit attributable to owners of parent						1,897
Purchase of treasury shares						(0)
Disposal of treasury shares						220
Net changes of items other than shareholders' equity	(13)	2,076	710	2,774	205	2,979
Total changes of items during period	(13)	2,076	710	2,774	205	4,146
Balance at end of current period	981	906	(82)	1,805	8,355	68,695

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,445	4,379
Depreciation	8,790	9,240
Impairment loss	—	456
Amortization of goodwill	709	724
Share of loss (profit) of entities accounted for using equity method	(26)	(108)
Increase (decrease) in allowance for doubtful accounts	(175)	(157)
Increase (decrease) in provision for bonuses	(417)	275
Increase (decrease) in provision for bonuses for directors (and other officers)	(105)	39
Increase or decrease in net defined benefit asset and liability	140	207
Increase (decrease) in provision for share based remuneration	8	32
Increase (decrease) in provision for share based remuneration for directors (and other officers)	13	11
Increase (decrease) in provision for environmental measures	(17)	(33)
Increase (decrease) in provision for loss on guarantees	(41)	(1)
Interest and dividend income	(147)	(155)
Interest expenses	710	620
Foreign exchange losses (gains)	846	485
Loss (gain) on sale of non-current assets	(571)	—
Loss on retirement of non-current assets	52	222
Decrease (increase) in trade receivables	351	(911)
Decrease (increase) in inventories	2,312	(7,045)
Increase (decrease) in trade payables	(1,135)	4,812
Increase (decrease) in accrued consumption taxes	(264)	109
Increase (decrease) in other liabilities	(812)	1,075
Other, net	198	623
Subtotal	11,865	14,904
Interest and dividends income received	138	159
Proceeds from dividend income from entities accounted for using equity method	53	65
Interest paid	(693)	(631)
Income taxes paid	(1,265)	(1,290)
Net cash provided by (used in) operating activities	10,098	13,207

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from investing activities		
Payments into time deposits	(3,334)	(4,858)
Proceeds from withdrawal of time deposits	3,102	4,001
Purchase of investment securities	(21)	(328)
Purchase of property, plant and equipment	(6,645)	(6,453)
Proceeds from sale of property, plant and equipment	1,197	5
Purchase of intangible assets	(1,609)	(486)
Payments of loans receivable	(255)	(60)
Collection of loans receivable	329	46
Other, net	192	61
Net cash provided by (used in) investing activities	(7,043)	(8,072)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,468)	(799)
Proceeds from long-term loans payable	9,693	6,640
Repayments of long-term loans payable	(8,305)	(8,681)
Proceeds from sale and leaseback transactions	359	244
Repayments of finance lease liabilities	(2,150)	(1,051)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	163	162
Cash dividends paid	(1,186)	(948)
Dividends paid to non-controlling interests	(202)	(642)
Net cash provided by (used in) financing activities	(3,098)	(5,076)
Effect of exchange rate change on cash and cash equivalents	(489)	171
Net increase (decrease) in cash and cash equivalents	(532)	230
Cash and cash equivalents at beginning of period	19,170	18,637
Cash and cash equivalents at end of period	18,637	18,868

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Significant matters that form the basis of presenting the consolidated financial statements)

### 1. Scope of consolidation

#### (1) Number of consolidated subsidiaries 33 companies

Company name

DAIDO LOGITECH CO., LTD.	DAIDO METAL SALES CO., LTD.
Daido Plain Bearings Co., Ltd.	NDC Co., Ltd.
NDC Sales Co., Ltd.	Daido Industrial Bearings Japan Co., Ltd.
Asia Kelmet Co., Ltd.	DAIDO METAL SAGA CO., LTD.
Iino Holding Ltd.	Iino Manufacturing Co., Ltd.
ATA Casting Technology Japan Co., Ltd.	Daido Precision Metal (Suzhou) Co., Ltd.
IINO (Foshan) Technology Co., Ltd.	Chung Yuan Daido Co., Ltd.
Dong Sung Metal Co., Ltd.	Dyna Metal Co., Ltd.
ATA Casting Technology Co., Ltd.	DM Casting Technology (Thailand) Co., Ltd.
PT. IINO INDONESIA	PT. Daido Metal Indonesia
SUPER CUB FIN ANCIAL CORPORATION	PHILIPPINE IINO CORPORATION
ISS America, Inc.	Daido Metal U.S.A. Inc.
Daido Metal Mexico Sales, S.A. de C.V.	Daido Metal Mexico, S.A. de C.V.
ISS MEXICO MANUFACTURING S.A. de C.V.	DAIDO METAL KOTOR AD
Daido Industrial Bearings Europe Limited	DAIDO METAL EUROPE LIMITED
Daido Metal Russia LLC	Daido Metal Europe GmbH
DAIDO METAL CZECH s.r.o.	

#### (2) Names of unconsolidated subsidiaries 3 companies

Company name

Korea Dry Bearing Co., Ltd.  
Chung Yuan Daido (Guangzhou) Co., Ltd.  
DMS Korea Co., Ltd.

Reason for exclusion from scope of consolidation

Korea Dry Bearing Co., Ltd., Chung Yuan Daido (Guangzhou) Co., Ltd., and DMS Korea Co., Ltd. have been excluded from the scope of consolidation because these companies are immaterial from the Group's point of view in terms of total assets, net sales, profit attributable to owners of parent, and retained earnings for the year and do not have a significant impact on the net assets, financial position and results of operations of the Group.

### 2. Application of equity method

#### (1) Number of unconsolidated subsidiaries to which the equity method was applied 1 company

Company name

Korea Dry Bearing Co., Ltd.

#### (2) Number of associates to which the equity method was applied 3 companies

Company name

BBL Daido Private Limited  
Shippo Asahi Moulds (Thailand) Co., Ltd.  
NPR of Europe GmbH

#### (3) Names of unconsolidated subsidiaries and associates to which the equity method was not applied

Chung Yuan Daido (Guangzhou) Co., Ltd.  
DMS Korea Co., Ltd.

#### Reason for non-application of equity method

Chung Yuan Daido (Guangzhou) Co., Ltd. and DMS Korea Co., Ltd. have been excluded from the scope of consolidation because these companies are immaterial from the Group's point of view in terms of profit attributable to owners of parent and retained earnings for the year and do not have a significant impact on the net assets, financial position and results of operations of the Group.

(4) For companies consolidated under equity method with closing dates different from the consolidated closing date, financial statements as of their year-end are used.

#### 3. Matters relating to the accounting period of consolidated subsidiaries

The closing date for Daido Metal U.S.A. Inc., DAIDO METAL KOTOR AD, Daido Industrial Bearings Europe Limited, DAIDO METAL CZECH s.r.o., Dyna Metal Co., Ltd., Chung Yuan Daido Co., PT. Daido Metal Indonesia, Dong Sung Metal Co., Ltd., Daido Precision Metal (Suzhou) Co., Ltd., Daido Metal Europe GmbH., DAIDO METAL EUROPE LIMITED, Daido Metal Russia LLC, Daido Metal Mexico, S.A. de C.V., Daido Metal Mexico Sales, S.A. de C.V., PHILIPPINE IINO CORPORATION, IINO (Foshan) Technology Co., Ltd., ISS America, Inc., ISS MEXICO MANUFACTURING S.A. de C.V., PT. IINO INDONESIA, and SUPER CUB FINANCIAL CORPORATION is December 31.

Financial statements as of the same date are used in compiling the consolidated financial statements as of March 31, with necessary adjustment for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements.

#### 4. Matters relating to accounting policies

##### (1) Basis and method of valuation of important assets

###### 1) Securities

###### Other securities

###### Securities etc. other than shares without market value

Stated at market value (Valuation differences are recorded directly in net assets, and the net sales cost is calculated by the moving average method.)

###### Shares without market value

Stated at cost using moving average method

###### 2) Inventories

Basis of valuation is in accordance with the cost basis (with writing down of the carrying value based on any decreased profitability).

Merchandise and finished goods ..... Principally by weighted average method

Work in process ..... Principally by weighted average method

Raw materials ..... Principally by weighted average method

Supplies ..... Principally by moving average method

###### 3) Derivatives

Stated at market value

##### (2) Method of depreciation of important depreciable assets

###### 1) Property, plant and equipment (excluding leased assets)

The Company and six domestic consolidated subsidiaries use the declining balance method (with the exception of buildings (excluding facilities annexed to buildings) acquired on or after April 1, 1998 and facilities annexed to buildings and structures acquired on or after April 1, 2016, for which the straight-line method is used), while other subsidiaries use the straight-line method.

Estimated useful lives of major assets are as follows:

Buildings and structures 3-60 years

Machinery, equipment and vehicles 4-10 years

2) Intangible assets (excluding leased assets)

Straight-line method is used.

3) Leased assets

Leased assets relating to finance lease transactions which transfer the ownership of leased assets

The same depreciation method as applied to our own assets is used.

Leased assets relating to finance lease transactions which do not transfer the ownership of leased assets

Straight-line method based on the depreciation period equal to the lease period and residual value of zero is used.

Right-of-use assets

Straight-line method based on the depreciation period equal to the lease period and residual value of zero is used.

For overseas consolidated subsidiaries other than U.S. subsidiaries, financial statements are prepared in accordance with International Financial Reporting Standards, and International Financial Reporting Standard No. 16, "Leases" ("IFRS 16") is applied. Under IFRS 16, Regarding the accounting treatment for lessees, in principle, all leases are recorded as assets and liabilities on the balance sheet.

(3) Reserves and Provisions

1) Allowance for doubtful accounts

In order to prepare for any losses arising from bad debt receivables, an amount estimated to be unrecoverable is provided. General reserve is calculated based on the past loss experience, and specific reserve is calculated by reviewing the probability of recovery in each individual case where there is concern over claims.

2) Provision for bonuses

An amount corresponding to the period out of the estimated amount of bonuses payable to employees is provided.

3) Provision for bonuses for directors (and other officers)

An estimated amount of bonuses payable is provided.

4) Provision for product compensation

In order to prepare for any expenditure for quality claims, an estimated amount required to be paid in future is provided.

5) Provision for loss on guarantees

In order to prepare for the loss on guarantee balance remains at the end of an Employee Shareholding Incentive Plan (E-Ship®) period, an estimated amount of loss is provided.

6) Provision for share based remuneration, Provision for share based remuneration for directors (and other officers)

In order to prepare for the payment of share-based remuneration for directors (and other officers), an estimated share-based remuneration amounts based on the estimated points to be granted to eligible directors (and other officers) under the Share Grant Rule of the Company is provided.

#### (4) Accounting for retirement benefits

In order to prepare for the payment of retirement benefits to employees (excluding operating officers etc.), an amount estimated to have occurred at the balance sheet date is provided based on the projected benefit obligation and plan assets at the balance sheet date. When calculating retirement benefit obligations the benefit formula basis is used to allocate to the current period.

Past service cost is recorded as an expense by a pro-rated amount by the straight-line method over a period within the average remaining service years of employees (mainly 14 years) at the time of occurrence thereof.

For actuarial differences, an amount prorated by the straight-line method over a period within the average remaining service years of employees (mainly 14 years) at the time of occurrence thereof in each consolidated fiscal year is expensed starting from the consolidated fiscal year that follows the consolidated fiscal year of occurrence.

In order to prepare for the payment of retirement benefits to operating officers etc., the amount that would need to be paid if all eligible officers retired at the balance sheet date is provided.

#### (5) Conversion of foreign currency denominated assets and liabilities into Japanese Yen

Foreign currency denominated monetary assets and liabilities are converted into Japanese Yen at the spot exchange rates prevailing at the balance sheet date, and the resulting exchange differences are recorded as gains or losses. Assets and liabilities, income and expenses of overseas subsidiaries are converted into Japanese Yen at the spot exchange rates prevailing at the balance sheet date, and the resulting exchange differences are recorded in net assets as foreign currency translation adjustments and non-controlling interests.

#### (6) Amortization of goodwill and the amortization period

Goodwill is amortized by the straight-line method within a period of 14 years based on the estimated period during which the benefits are expected to arise.

#### (7) Scope of cash and cash equivalents in consolidated statement of cash flows

The cash and cash equivalents in consolidated statement of cash flows comprise cash on hand, demand deposits, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible into cash and that are subject to an insignificant risk of changes in values.

#### (Changes in Accounting Policy)

##### (Adoption of Accounting standard for revenue recognition, etc.)

The Group has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the “Accounting Standard for Revenue Recognition”), etc. from the beginning of the current consolidated fiscal year, and recognizes revenue at the amount expected to be received in exchange for promised goods or services when control of the goods or services is transferred to customers. The main changes resulting from the application are as follows.

##### (1) Consideration paid to customers

The Group previously recorded revenue from fee-based payment transactions, etc., in which raw materials, etc. are purchased from customers and processed, and then such processed products are sold to those customers, at the gross amount of consideration including the purchase price of the raw materials, etc. Effective from the beginning of the fiscal year ending March 31, 2022, the Group records revenue at the net amount of consideration excluding the purchase price of raw materials, etc.

##### (2) Export transactions of semi-finished goods

The Group previously recorded revenue from export transactions of semi-finished products at the time of delivery of the semi-finished products to the trading company. Effective from the beginning of the current consolidated fiscal year, the Group records revenue upon arrival of the semi-finished products at customers.

In accordance with the transitional treatment prescribed in the proviso to Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retroactive application of the new accounting policy prior to the beginning of the current consolidated fiscal year was added to or deducted from retained earnings at the beginning of the current consolidated fiscal year, and the new accounting policy has been applied from the beginning balance of the period under review

From the current consolidated fiscal year, "Notes and accounts receivable-trade" presented under "Current assets" and "Other" presented under "Current liabilities" are included in "Notes receivable-trade" and "Accounts receivable-trade" and in "Contract liabilities" and "Other", respectively.

In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification using the new presentation has been made to the consolidated financial statements of the previous consolidated fiscal year.

As a result of this change, for the current consolidated fiscal year, net sales decreased by 223 million yen, cost of sales decreased by 224 million yen and operating income, ordinary income, and profit before income taxes and minority interests increased by 0 million yen, compared with those calculated by the previous method. The balance of retained earnings at the beginning of the fiscal year increased by 10 million yen.

(Adoption of Accounting Standard for Fair Value Measurement)

The Group has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Fair Value Measurement"), etc. from the beginning of the current consolidated fiscal year, and will apply the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements.

(Changes in presentation)

(Consolidated statement of income)

Loss on retirement of non-current assets, which was included in "Other", under "Non-operating expenses" in the previous consolidated fiscal year, is stated separately in the current consolidated fiscal year, since its quantitative materiality increased. In order to reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, 266 million yen presented as "Other" under "Non-operating expenses" in the Consolidated statement of income for the previous fiscal year has been reclassified as 52 million yen of "Loss on retirement of non-current assets" and 214 million yen of "Other".

(Consolidated statements of cash flows)

Loss on retirement of non-current assets, which was included in "Other", under "Net cash provided by (used in) operating activities" in the previous consolidated fiscal year, is stated separately in the current consolidated fiscal year, since its quantitative materiality increased. In order to reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, 250 million yen presented as "Other" under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified as 52 million yen of "Loss on retirement of non-current assets" and 198 million yen of "Other".

(Additional Information)

(Granting Company Stock to Employees, etc. through a Trust)

In order to incentivize employees to achieve the Mid-Term Plan goals and raise corporate value in medium to long term, and to enrich the employee welfare program, the Company introduced an E Ship® Trust Type Employee Stock Purchase Incentive Plan (hereinafter "the Incentive Plan").

(i) The Incentive Plan Overview

The Incentive Plan is available to Daido Metal group employees who participate in the Daido Metal Employee Stock Purchase Plan (hereinafter, ESPP). Under the Incentive Plan, the Company will set up a trust Daido Metal ESPP Trust (hereinafter, “ESPP Trust”) with a trust bank. The ESPP Trust will purchase Company shares up front for the amount ESPP will likely to purchase over a certain period, financing its transaction with bank loans. Afterwards, the ESPP Trust will sell Company shares to the ESPP Trust for its periodical purchases. At the end of the trust period, if the ESPP Trust asset balance resulted positive with the accumulated gains on Company shares, such residual assets will be distributed to members of the ESPP who meet beneficiary eligibility criteria. As the Company will guarantee ESPP Trust for its bank borrowing in financing its purchase of Company shares, any shortfalls in repayment at the end of Trust period, due to the accumulated loss at ESPP Trust caused by the drop in Company share price.

(ii) Residual Company shares held in the ESPP Trust

Any residual shares of the Company held in the ESPP Trust will be recorded at the ESPP Trust’s book value (excluding incidental expenses) as treasury stock under net assets. As of the end of the previous consolidated fiscal year, book value of the treasury stock was 453 million yen and the number of shares was 604,000 shares. As of the end of the current consolidated fiscal year, book value of the treasury stock is 248 million yen and the number of shares is 330,000 shares.

(iii) Book value of debt posted through the application of the total amount method

As of the end of the previous consolidated fiscal year: 520 million yen

As of the end of the current consolidated fiscal year: 349 million yen

(Introduction of Performance-linked Stock-based Remuneration Scheme for Directors and Executive Officers)

The Company introduced new performance-linked stock-based remuneration (“the Scheme”) for Directors (excluding Outside Directors, the same applying hereinafter) and Executive Officers (excluding a Director concurrently serving as an Executive Officer, the same applying hereinafter) in order to incentivize Directors and Executive Officers to improve the business performance of the Company and to enhance the corporate value over medium to long term.

(i) The Scheme Overview

A Board Benefit Trust (“the BBT”) is created with the contribution from the Company. The BBT purchases Company shares, and the Company gives eligible Directors and Executive Officers the shares based on accumulated number of points conferred in accordance with their individual rank and their achievement in meeting goals etc., as set forth in Share Grant Rule. Beneficiaries of the BBT shall be those who serve as Directors and Executive Officers during the period. The Company shares are granted to each Direct and Executive Officer when they retire from their position.

(ii) Residual Company shares held in the BBT

Any residual shares of the Company held in the BBT will be recorded at the BBT’s book value (excluding incidental expenses) as treasury stock under net assets. As of the end of the previous consolidated fiscal year, book value of the treasury stock was 326 million yen and the number of shares was 431,000 shares. As of the end of the current consolidated fiscal year, book value of the treasury stock is 311 million yen and the number of shares is 411,000 shares.

(Segment information)

1. Description of reportable segments

The reportable segments of the Group are defined as individual units, where separate financial information is available and which are subject to regular review by the Board of Directors to evaluate their results and decide the allocation of management resources. The Group produces and sells bearings for automotive, shipbuilding, construction machine industry, dry bearings, special types of bearings for general industries, high-precision and high-quality parts for automotive engines and transmissions, and aluminum die cast automotive parts as its core business and other products (metal dry bearings, rotary pump, centralized lubrication, electrode sheet business for electric double layer capacitors, etc. ).

The Group is, therefore, composed of segments based on products, and has four reportable segments, “Automotive engine bearings,” “Automotive non-engine bearings,” “Non-automotive bearings,” and “Other automotive parts.”

(Changes in Reporting Segments)

As stated under the “Change in Accounting Policy”, Accounting Standards for Revenue Recognition, etc. has been applied to the consolidated financial statements for the current fiscal year. In accordance with a change in the method of accounting treatment for revenue recognition, the method of measuring profit or loss in each business segment has also been changed.

As a result of this change, for the current consolidated fiscal year, net sales of "Automotive engine bearings" decreased by 0 million yen and the segment profit decreased by 0 million yen, net sales of "Automotive non-engine bearings" decreased by 111 million yen and the segment profit increased by 1 million yen, and net sales of "Other automotive parts" decreased by 111 million yen, compared with those calculated by the previous method.

2. Methods of measurement for sales and profit (loss) by each reportable segment

The accounting treatment for each reportable segment is nearly the same as that set forth in the “Significant matters that form the basis of presenting the consolidated financial statements.” Profit by each reportable segment is based on operating profit. Internal sales or transfer between segments is based on actual market value.

3. Information on sales and profit (loss) by each reporting segment

I The previous fiscal year (from April 01, 2020 to March 31, 2021)

(Unit JPY million)

	Reporting Segment					Others (*)	Total
	Automotive engine bearings	Automotive non-engine bearings	Non- automotive bearings	Other automotive parts	Sub total		
Net sales							
External sales	46,718	15,940	10,262	10,358	83,280	1,440	84,720
Internal sales or transfer between segments	427	83	29	371	912	604	1,516
Total	47,146	16,024	10,291	10,730	84,192	2,044	86,237
Segment profit(loss)	6,052	1,829	1,458	(1,852)	7,487	318	7,806

(\*) “Others” includes business areas not included in above reporting segments. It includes electrode sheets for electric double layer capacitors, the metallic dry bearings business, pump-related products businesses, and real estate leasing business.

II The current fiscal year (from April 01, 2021 to March 31, 2022)

(Unit JPY million)

	Reporting Segment					Others (*)	Total
	Automotive engine bearings	Automotive non-engine bearings	Non-automotive bearings	Other automotive parts	Sub total		
Net sales							
External sales	57,595	20,255	11,033	13,688	102,572	1,451	104,024
Internal sales or transfer between segments	792	143	43	748	1,728	671	2,399
Total	58,388	20,399	11,076	14,436	104,301	2,122	106,423
Segment profit (loss)	8,380	3,338	1,750	(1,649)	11,818	343	12,162

(\*) "Others" includes business areas not included in above reporting segments. It includes electrode sheets for electric double layer capacitors, the metallic dry bearings business, pump-related products businesses, and real estate leasing business.

4. Reconciliation between Reporting segments total and numbers reported in Consolidated Financial Statements

(Unit JPY million)

Net Sales	The previous fiscal year	The current fiscal year
Reporting segments total	84,192	104,301
Net sales from "Others" category	2,044	2,122
Elimination of intersegment transactions	(1,516)	(2,399)
Net sales as per Consolidated Financial Statements	84,720	104,024

(Unit JPY million)

Profit	The previous fiscal year	The current fiscal year
Reporting segments total	7,487	11,818
Profit from "Others" category	318	343
Elimination of intersegment transactions	13	(4)
Unattributable costs (*)	(6,504)	(7,115)
Operating profit as per Consolidated Financial Statements	1,315	5,042

(\*) Unattributable costs are principally general administrative expenses not attributable to reporting segments.

(Per share information)

	The previous fiscal year	The current fiscal year
Net assets per share	1,213.08 yen	1,289.96 yen
Earnings per share	2.25 yen	40.70 yen

(Notes)

- Diluted earnings per share is not stated because no latent shares existed.
- The shares of the company held by the trusts recorded as treasury stock under shareholders' equity are included in the treasury stock to be deducted in calculating the number of common shares at the end of the consolidated fiscal year for the purpose of calculating "Net assets per share".

(Net assets per share) The previous consolidated fiscal year : 1,035 thousand shares

The current consolidated fiscal year : 742 thousand shares

In addition, these shares are included in the treasury stock to be deducted in calculating the average number of shares during the period for the purpose of calculating "Earnings per share".

(Earnings per share) The previous consolidated fiscal year : 1,196 thousand shares

The current consolidated fiscal year : 890 thousand shares

3. Basis of calculation for Net assets per share is shown below.

	The previous fiscal year	The current fiscal year
Net assets (JPY million)	64,538	68,695
Deductions from net assets (JPY million)	(8,150)	(8,355)
(Non-controlling interests) (JPY million)	8,150	8,355
Net assets available to common stock (JPY million)	56,388	60,340
Number of common stock at the end of fiscal year for calculation of Net assets per share (thousand shares)	46,483	46,776

4. Basis of calculation of Earnings per share is shown below.

	The previous fiscal year	The current fiscal year
Profit attributable to owners of parent (JPY million)	104	1,897
Not attributable to common stockholders (JPY million)	—	—
Profit attributable to owners of parent available to common stock (JPY million)	104	1,897
Average number of common stock (thousand shares)	46,322	46,628

(Material subsequent events)

None

## 2. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,900	2,922
Notes receivable - trade	281	163
Accounts receivable - trade	15,556	17,695
Electronically recorded monetary claims - operating	2,463	2,518
Merchandise and finished goods	1,724	2,837
Work in process	3,185	4,106
Raw materials and supplies	1,839	2,652
Prepaid expenses	145	158
Short-term loans receivable from subsidiaries and associates	3,616	2,393
Accounts receivable - other	1,811	2,051
Other	97	90
Allowance for doubtful accounts	(0)	(0)
Total current assets	36,622	37,590
Non-current assets		
Property, plant and equipment		
Buildings	8,487	7,933
Structures	601	574
Machinery and equipment	4,726	4,018
Vehicles	8	3
Tools, furniture and fixtures	352	337
Land	5,080	5,079
Leased assets	2,268	2,257
Construction in progress	300	148
Total property, plant and equipment	21,826	20,353
Intangible assets		
Software	2,923	2,588
Leased assets	5	2
Right of using facilities	12	12
Other	463	303
Total intangible assets	3,405	2,907
Investments and other assets		
Investment securities	1,841	2,129
Shares of subsidiaries and associates	31,654	29,933
Investments in capital of subsidiaries and associates	9,854	10,257
Long-term loans receivable from employees	17	20
Long-term loans receivable from subsidiaries and associates	3,090	4,018
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	2
Long-term prepaid expenses	22	58
Prepaid pension costs	2,666	2,994
Other	540	477
Allowance for doubtful accounts	(1,297)	(1,535)
Total investments and other assets	48,393	48,357
Total non-current assets	73,625	71,617
Total assets	110,247	109,208

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	5,556	6,506
Electronically recorded obligations - operating	9,380	12,222
Short-term loans payable	9,440	5,825
Current portion of long-term loans payable	5,757	5,232
Lease liabilities	338	388
Accounts payable - other	1,685	1,160
Accrued expenses	883	932
Income taxes payable	138	472
Accrued consumption taxes	102	—
Advances received	5	—
Contract liabilities	—	458
Deposits received	66	61
Unearned revenue	49	49
Provision for bonuses	693	956
Provision for bonuses for directors (and other officers)	—	39
Provision for environmental measures	33	—
Electronically recorded obligations - non-operating	491	491
Other	2	2
<b>Total current liabilities</b>	<b>34,624</b>	<b>34,800</b>
<b>Non-current liabilities</b>		
Long-term loans payable	15,610	15,057
Lease liabilities	1,578	1,402
Deferred tax liabilities	661	479
Provision for retirement benefits	4,383	4,659
Provision for share based remuneration	16	49
Provision for share based remuneration for directors (and other officers)	30	41
Provision for loss on guarantees	631	480
Provision for loss on business of subsidiaries and associates	—	438
Asset retirement obligations	1	1
Long-term accounts payable - other	313	297
Other	22	17
<b>Total non-current liabilities</b>	<b>23,250</b>	<b>22,925</b>
<b>Total liabilities</b>	<b>57,874</b>	<b>57,726</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	8,413	8,413
<b>Capital surplus</b>		
Legal capital surplus	8,789	8,789
Other capital surplus	3,449	3,449
<b>Total capital surplus</b>	<b>12,238</b>	<b>12,238</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
Retained earnings		
Legal retained earnings	743	743
Other retained earnings		
Reserve for advanced depreciation of non-current assets	4,359	4,259
General reserve	21,000	21,000
Retained earnings brought forward	5,597	4,598
Total retained earnings	31,700	30,601
Treasury shares	(780)	(560)
Total shareholders' equity	51,572	50,693
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	800	789
Total valuation and translation adjustments	800	789
Total net assets	52,372	51,482
Total liabilities and net assets	110,247	109,208

## (2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	54,197	65,868
Cost of sales	43,294	52,207
Gross profit	10,902	13,660
Selling, general and administrative expenses	10,179	12,160
Operating profit	723	1,499
Non-operating income		
Interest and dividend income	1,215	1,419
Foreign exchange gains	36	40
Other	404	129
Total non-operating income	1,656	1,589
Non-operating expenses		
Interest expenses	155	133
Loss on retirement of non-current assets	44	179
Other	18	212
Total non-operating expenses	219	525
Ordinary profit	2,159	2,564
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	176	244
Loss on valuation of shares of subsidiaries and associates	—	1,720
Provision for loss on guarantees	—	336
Total extraordinary losses	176	2,302
Profit before income taxes	1,983	261
Income taxes - current	113	657
Income taxes - deferred	179	(198)
Total income taxes	292	459
Profit (loss)	1,690	(197)

## (3) Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus		Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	8,413	8,789	3,449	743	4,451	21,000	5,003
Cumulative effects of changes in accounting policies							
Restated balance	8,413	8,789	3,449	743	4,451	21,000	5,003
Changes of items during period							
Reversal of reserve for advanced depreciation of non-current assets					(91)		91
Dividends of surplus							(1,187)
Profit							1,690
Purchase of treasury shares							
Disposal of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	—	—	(91)	—	594
Balance at end of current period	8,413	8,789	3,449	743	4,359	21,000	5,597

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(1,016)	50,833	328	328	51,162
Cumulative effects of changes in accounting policies		—			—
Restated balance	(1,016)	50,833	328	328	51,162
Changes of items during period					
Reversal of reserve for advanced depreciation of non-current assets		—			—
Dividends of surplus		(1,187)			(1,187)
Profit		1,690			1,690
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	236	236			236
Net changes of items other than shareholders' equity			472	472	472
Total changes of items during period	235	738	472	472	1,210
Balance at end of current period	(780)	51,572	800	800	52,372

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus		Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	8,413	8,789	3,449	743	4,359	21,000	5,597
Cumulative effects of changes in accounting policies							48
Restated balance	8,413	8,789	3,449	743	4,359	21,000	5,646
Changes of items during period							
Reversal of reserve for advanced depreciation of non-current assets					(100)		100
Dividends of surplus							(950)
Profit (loss)							(197)
Purchase of treasury shares							
Disposal of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	—	—	(100)	—	(1,048)
Balance at end of current period	8,413	8,789	3,449	743	4,259	21,000	4,598

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(780)	51,572	800	800	52,372
Cumulative effects of changes in accounting policies		48			48
Restated balance	(780)	51,621	800	800	52,421
Changes of items during period					
Reversal of reserve for advanced depreciation of non-current assets		—			—
Dividends of surplus		(950)			(950)
Profit (loss)		(197)			(197)
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	220	220			220
Net changes of items other than shareholders' equity			(11)	(11)	(11)
Total changes of items during period	220	(928)	(11)	(11)	(939)
Balance at end of current period	(560)	50,693	789	789	51,482