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MEMBERSHIP

May 10, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: Hokuetsu Industries Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6364
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 Scheduled date of annual general meeting of shareholders: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Scheduled date to file annual securities report: June 28, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	36,650	11.3	3,570	43.4	4,055	38.8	2,748	41.4
March 31, 2021	32,929	(21.2)	2,489	(53.2)	2,920	(46.5)	1,944	(46.3)

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥2,516 million [6.1%]
 For the fiscal year ended March 31, 2021: ¥2,370 million [(27.2)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2022	95.76	—	9.0	9.1	9.7
March 31, 2021	67.20	—	6.6	6.6	7.6

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: ¥84 million
 For the fiscal year ended March 31, 2021: ¥22 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	45,827	31,303	68.0	1,097.97
March 31, 2021	43,379	29,962	68.8	1,036.37

Reference: Equity

As of March 31, 2022: ¥31,161 million

As of March 31, 2021: ¥29,834 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	2,276	(615)	(2,222)	10,613
March 31, 2021	4,099	(2,017)	(1,731)	11,049

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	—	5.00	—	17.00	22.00	640	32.7	2.2
Fiscal year ended March 31, 2022	—	10.00	—	20.00	30.00	865	31.3	2.8
Fiscal year ending March 31, 2023 (Forecast)	—	10.00	—	20.00	30.00		30.8	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	19,500	15.5	1,620	(3.8)	1,700	(5.2)	1,190	(3.7)	41.93
Fiscal year ending March 31, 2023	40,000	9.1	3,820	7.0	4,000	(1.4)	2,760	0.4	97.25

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For details, please refer to “3. Consolidated Financial Statements and Important Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on the attached page 14.

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	30,165,418 shares
As of March 31, 2021	30,165,418 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	1,784,261 shares
As of March 31, 2021	1,377,850 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	28,703,998 shares
Fiscal year ended March 31, 2021	28,935,921 shares

Note: The number of treasury shares at the end of the period includes the Company’s shares (345,900 shares for the fiscal year ended March 31, 2022 and 339,700 shares for the fiscal year ended March 31, 2021) held by “Custody Bank of Japan, Ltd. (Trust Account E).” The Company’s shares held by “Custody Bank of Japan, Ltd. (Trust Account E)” are included in treasury shares, which is deducted from the average number of shares outstanding during the period (329,823 shares for the fiscal year ended March 31, 2022 and 318,862 shares for the fiscal year ended March 31, 2021).

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	35,539	18.6	2,179	45.3	3,090	46.4	2,128	49.4
March 31, 2021	29,975	(21.7)	1,500	(48.4)	2,110	(43.2)	1,424	(45.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	74.16	—
March 31, 2021	49.23	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	37,611	23,252	61.8	819.28
March 31, 2021	35,556	22,685	63.8	788.02

Reference: Equity

As of March 31, 2022: ¥23,252 million

As of March 31, 2021: ¥22,685 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in this material are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Moreover, actual business and other results may differ from the forecast due to various factors going forward. Please refer to “1. Overview of operating results and others, (1) Overview of operating results for the fiscal year” on page 2 for the assumptions used in the forecast of financial results and precautionary remarks regarding the use of the forecast of financial results.

(How to obtain supplementary material on financial results)

The Company is scheduled to hold a financial results briefing for institutional investors and analysts on Monday, May 30, 2022.

Supplementary material on financial results to be used in this financial results briefing will be posted on the Company’s website shortly after the briefing.

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1 Overview of operating results and others

(1) Overview of operating results for the fiscal year

In the fiscal year under review (April 1, 2021 to March 31, 2022), the Japanese economy continued to be unpredictable due to the spread of new strain, despite the wider availability of the vaccine for COVID-19 and decline of new cases of infection since September seemed to show signs of recovery. There were concerns that the increase in demand from economy recovering and limited production activities due to measures to prevent the spread of COVID-19 may cause material shortages and rise in their costs.

Worldwide, economy showed sign of rapid recovery mainly in developed countries with growing vaccination rates, but growing tension in Ukraine caused further increase of energy price and shortage of raw materials caused continued uncertainties toward the future.

Amid these challenges, the Group has been striving to win orders in regions where the economies are rapidly recovering while continuing to follow the guidelines for preventing the spread of COVID-19. Company-wide efficiency drives and cost-cutting initiatives have also been promoted to improve profits.

All of which has elicited the following results for the fiscal year under review:

	Fiscal year ended March 31, 2021 (Millions of yen)	Fiscal year ended March 31, 2022 (Millions of yen)	Year-on-year changes (%)
Net sales	32,929	36,650	11.3
[Domestic sales]	(23,163)	(21,708)	[(6.3)]
[International sales]	(9,765)	(14,942)	[53.0]
Operating profit	2,489	3,570	43.4
Ordinary profit	2,920	4,055	38.8
Profit attributable to owners of parent	1,944	2,748	41.4

Group operations are divided into two business segments, the status of each of which is as follows:

(Construction Machinery Business)

The key areas of this segment are engine compressors, engine generators and scissors lifters.

From a sales perspective, despite the continued high demand for public works projects in Japan to prevent and mitigate disasters as well as to build national resilience, delivery remained sluggish given the slow recovery of demand for privately funded construction works due to the ongoing impact of the COVID-19 pandemic. In overseas, sales increased significantly due to the jump in number of orders received thanks to the resurgence of demand from the previous year, especially in the North America, as well as the affects from depreciation of yen. Furthermore, sales increased year on year as a result of regions excluding China remaining steady. Profits increased year on year due to the recovery of plant operation rate thanks to the increase in product orders for overseas backed by the affects from depreciation of yen which improved the balance of profits and losses, despite the rise in marine transport costs and costs of steel and other materials increasing from the latter half of the fiscal year.

	Fiscal year ended March 31, 2021 (Millions of yen)	Fiscal year ended March 31, 2022 (Millions of yen)	Year-on-year changes (%)
Net sales	24,597	29,109	18.3
Segment profit	2,168	3,489	60.9

(Industrial Machinery Business)

The key areas of this segment are motor compressors, emergency generators, components and services.

In sales terms, despite sales of our mainstay motor compressors remaining strong due to the recovery of capital investment compared to the previous year and affect from the delivery of OEM for KOBELCO COMPRESSORS CORPORATION, which began in the latter half of the fiscal year, overall sales declined year on year since demand recessed for emergency generators as backups in gas stations in the event of a disaster and for powering drainage pumps in case of river flooding. Although profits in the components and service sectors remained intact despite the COVID-19 pandemic, profit declined year on year due to the decline in net sales.

	Fiscal year ended March 31, 2021 (Millions of yen)	Fiscal year ended March 31, 2022 (Millions of yen)	Year-on-year changes (%)
Net sales	8,331	7,541	(9.5)
Segment profit	1,320	1,122	(15.0)

Outlook for fiscal year ending March 31, 2023

Looking ahead, as the decline in the number of new COVID-19 infection cases in Japan cannot be guaranteed and taking into account the ongoing proliferation of mutant strains in certain overseas regions on top of the effects of invasion of Ukraine by Russian and economic sanctions imposed on Russia by various governments in response, economic recovery remains uncertain.

Amid these economic conditions, the Group is striving to boost its corporate value on an ongoing basis by developing products that leverage its core technologies, developed over the years, to meet changing market needs.

In Japan, given the expected upturn in capital investment as the economic recovery gathers pace, rise in new construction works are becoming more prominent. In Overseas, we expect continued rise in demand for construction machinery used in infrastructure and residential construction works in North America and other countries.

Consolidated forecasts for the fiscal year ending March 31, 2023 is as follows:

During the forecasting process, assumed exchange rates of ¥120 per US\$ and ¥130 per Euro were used.

	Results for the fiscal year ended March 31, 2022 (Millions of yen)	Forecast for fiscal year ending March 31, 2023 (Millions of yen)	Year-on-year changes (%)
Net sales	36,650	40,000	9.1
Operating profit	3,570	3,820	7.0
Ordinary profit	4,055	4,000	(1.4)
Profit attributable to owners of parent	2,748	2,760	0.4

(2) Overview of financial position for the fiscal year

(Assets, liabilities and net assets)

At the close of the fiscal year under review, total assets of ¥45,827 million meant an increase of ¥2,447 million compared to the end of the previous fiscal year.

Current assets increased by ¥3,080 million to ¥32,492 million, mainly due to an increase in notes and accounts receivable, merchandise and finished goods thanks to the growth of production and sales.

Non-current assets declined by ¥632 million to ¥13,335 million, due mainly to a drop in the number of investment securities following the partial redemption of foreign currency-denominated structured bonds and a fall in their market value and an increase in deferred tax assets.

The increase in current liabilities, rising by ¥1,127 million to ¥11,938 million, was mainly due to an increase in notes and accounts payable thanks to the growth of production.

Long-term liabilities declined by ¥20 million to ¥2,585 million. The main reason for this was a decline in long-term debt, due, in turn, to a transfer to current liabilities and the recording of an asset retirement obligation.

The increase in net assets, which appreciated by ¥1,341 million to ¥31,303 million was mainly attributable due to an increase in retained earnings, more treasury shares following market purchases and a decline in the valuation difference on available-for-sale securities due to a fall in market value.

Consequently, the equity ratio at the end of the fiscal year decreased by 0.8 points to 68.0% compared with the end of the previous fiscal year.

(Cash flows)

The level of cash and cash equivalents at the end of the fiscal year decreased by ¥436 million to ¥10,613 million compared with the end of the previous fiscal year.

Cash flows from operating activities decreased by ¥1,822 million to ¥2,276 million, mainly due to increase in profit before income taxes and accounts receivable as well as inventory.

Cash flows from investing activities increased by ¥1,401 million compared to the previous year to a surplus of ¥615 million, mainly due to purchase of property, plant and equipment and proceeds from redemption of investment securities.

Cash flows from financing activities declined by ¥490 million compared to the previous year to a total of ¥2,222 million, most of which was for redemption of bonds, purchase of treasury shares and cash dividends paid.

The Group includes the following cash flow-related indicators:

Reference: Trend of consolidated cash flow indicators

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio	62.0%	61.3%	64.4%	68.8%	68.0%
Market capitalization ratio	85.6%	78.0%	71.1%	71.9%	54.1%
Cash flow to interest-bearing liabilities ratio	0.7 years	0.6 years	0.4 years	0.3 years	0.1 years
Interest coverage ratio	348.1 times	218.0 time	263.0 times	349.9 times	279.1 times

Notes: Equity ratio: Own capital / Total assets

Market capitalization ratio: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing liabilities/Cash flow

Interest coverage ratio: Cash flow / Interest payment

- * All indicators are calculated based on consolidated financial figures.
- * Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period (excluding treasury shares).
- * Cash flows are based on cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing liabilities cover the entire scope of interest-bearing liabilities recorded in the consolidated balance sheet. For interest payments, the interest expenses paid in the consolidated statement of cash flows is used.

(3) Basic policy on profit distribution, and dividends for the fiscal year under review and the following fiscal year

From the Company's perspective, returning profit to shareholders is one of its top management priorities. As a general rule, dividends commensurate with earnings will continue to be paid, while

efficiently using retained earnings for investments aiming to strength the business structure and boost profitability going forward.

The Company plans to pay a year-end dividend of ¥20 per share for the fiscal year under review. Consequently, the annual dividend for the fiscal year, including the interim dividend of ¥10 per share, will be ¥30 per share.

For the following fiscal year, the Company plans to pay a dividend of ¥30 per share (interim dividend of ¥10 and year-end dividend of ¥20).

2 Basic approach to selection of accounting standards

The Group intends to prepare its consolidated financial statements in a manner compliant with the Japanese GAAP standard, taking into account comparability of consolidated financial statements between periods and between companies.

Going forward, the Company intends to consider applying international accounting standards, taking into account trends in the ratio of foreign shareholders and the extent to which industry peers in Japan apply international accounting standards.

3 Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,380,014	10,943,932
Notes and accounts receivable - trade	13,629,839	-
Notes receivable - trade	-	4,213,794
Accounts receivable - trade	-	10,831,530
Merchandise and finished goods	3,189,689	4,044,849
Work in process	183,939	207,934
Raw materials and supplies	773,816	1,223,282
Other	334,955	1,082,865
Allowance for doubtful accounts	(80,908)	(56,172)
Total current assets	29,411,346	32,492,016
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,406,894	8,859,613
Accumulated depreciation	(4,077,475)	(4,443,267)
Buildings and structures, net	4,329,418	4,416,346
Machinery, equipment and vehicles	8,550,566	8,656,006
Accumulated depreciation	(6,164,612)	(6,391,950)
Machinery, equipment and vehicles, net	2,385,954	2,264,055
Land	1,963,579*1	2,006,579*1
Construction in progress	118,222	168,639
Other	1,497,260	1,564,706
Accumulated depreciation	(1,380,625)	(1,430,233)
Other, net	116,635	134,473
Total property, plant and equipment	8,913,809	8,990,094
Intangible assets	77,979	65,228
Investments and other assets		
Investment securities	4,024,345	2,984,889
Investments in capital of subsidiaries and associates	383,377	528,753
Deferred tax assets	355,303	561,703
Other	219,392	210,492
Allowance for doubtful accounts	(6,067)	(5,876)
Total investments and other assets	4,976,350	4,279,963
Total non-current assets	13,968,139	13,335,285
Total assets	43,379,486	45,827,302

Hokuetsu Industries Co., Ltd. (6364)
Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,254,537	4,237,599
Electronically recorded obligations - operating	3,450,787	4,052,298
Short-term borrowings	375,000	100,000
Current portion of bonds payable	600,000	-
Income taxes payable	637,490	904,937
Contract liabilities	-	305,666
Provision for bonuses	632,232	683,160
Provision for bonuses for directors (and other officers)	65,800	50,240
Provision for product warranties	16,200	18,600
Other	1,779,161	1,586,362
Total current liabilities	10,811,208	11,938,864
Non-current liabilities		
Long-term borrowings	100,000	-
Deferred tax liabilities	-	2,440
Provision for share awards	158,017	174,896
Provision for share awards for directors (and other officers)	137,334	124,106
Retirement benefit liability	2,064,464	2,049,661
Asset retirement obligations	-	114,438
Other	146,037	119,457
Total non-current liabilities	2,605,853	2,585,000
Total liabilities	13,417,062	14,523,865
Net assets		
Shareholders' equity		
Share capital	3,416,544	3,416,544
Capital surplus	3,887,594	3,887,594
Retained earnings	22,316,367	24,278,736
Treasury shares	(967,748)	(1,354,354)
Total shareholders' equity	28,652,758	30,228,520
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,388,090	999,897
Foreign currency translation adjustment	(113,584)	20,966
Remeasurements of defined benefit plans	(92,634)	(87,775)
Total accumulated other comprehensive income	1,181,871	933,088
Non-controlling interests	127,795	141,827
Total net assets	29,962,424	31,303,436
Total liabilities and net assets	43,379,486	45,827,302

(2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	32,929,473	36,650,986
Cost of sales	24,715,851* ¹	27,102,151* ¹
Gross profit	8,213,622	9,548,835
Selling, general and administrative expenses		
Packing and transportation costs	644,083	871,201
Provision of allowance for doubtful accounts	79,717	(24,927)
Provision for product warranties	-	2,400
Remuneration, salaries and allowances for directors (and other officers)	2,207,191	2,272,562
Provision for bonuses	300,665	318,982
Provision for bonuses for directors (and other officers)	56,971	50,240
Retirement benefit expenses	104,221	107,689
Provision for share awards	14,266	14,231
Provision for share awards for directors (and other officers)	33,598	28,550
Other	2,283,232* ²	2,337,709* ²
Total selling, general and administrative expenses	5,723,948	5,978,639
Operating profit	2,489,674	3,570,195
Non-operating income		
Interest income	7,182	6,133
Dividend income	88,433	81,914
Share of profit of entities accounted for using equity method	22,787	84,436
Foreign exchange gains	113,367	252,485
Other	218,855	93,311
Total non-operating income	450,627	518,280
Non-operating expenses		
Interest expenses	10,748	8,475
Commission for syndicated loans	2,999	14,999
Other	5,644	9,757
Total non-operating expenses	19,392	33,233
Ordinary profit	2,920,909	4,055,242
Extraordinary income		
Gain on disposal of non-current assets	277* ³	5,226* ³
Gain on sale of investment securities	-	2,050
Total extraordinary income	277	7,277
Extraordinary losses		
Loss on disposal of non-current assets	25,750* ⁴	15,522* ⁴
Total extraordinary losses	25,750	15,522
Profit before income taxes	2,895,436	4,046,997
Income taxes - current	846,220	1,316,606
Income taxes - deferred	97,767	(34,535)
Total income taxes	943,987	1,282,070
Profit	1,951,448	2,764,927
Profit attributable to non-controlling interests	7,061	16,122
Profit attributable to owners of parent	1,944,387	2,748,804

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,951,448	2,764,927
Other comprehensive income		
Valuation difference on available-for-sale securities	436,444	(388,193)
Foreign currency translation adjustment	(29,752)	81,587
Remeasurements of defined benefit plans, net of tax	8,023	4,858
Share of other comprehensive income of entities accounted for using equity method	4,788	52,963
Total other comprehensive income	419,503	(248,782)
Comprehensive income	2,370,952	2,516,144
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,363,891	2,500,021
Comprehensive income attributable to non-controlling interests	7,061	16,122

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,416,544	3,887,594	21,110,162	(413,091)	28,001,210
Changes during period					
Dividends of surplus			(738,183)		(738,183)
Profit attributable to owners of parent			1,944,387		1,944,387
Purchase of treasury shares				(591,552)	(591,552)
Disposal of treasury shares				36,896	36,896
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,206,204	(554,656)	651,547
Balance at end of period	3,416,544	3,887,594	22,316,367	(967,748)	28,652,758

	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 period	951,646	(88,620)	(100,657)	762,367	123,394	28,886,972
Changes during period						
Dividends of surplus						(738,183)
Profit attributable to owners of parent						1,944,387
Purchase of treasury shares						(591,552)
Disposal of treasury shares						36,896
Net changes in items other than shareholders' equity	436,444	(24,964)	8,023	419,503	4,401	423,904
Total changes during period	436,444	(24,964)	8,023	419,503	4,401	1,075,452
Balance at end of period	1,388,090	(113,584)	(92,634)	1,181,871	127,795	29,962,424

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,416,544	3,887,594	22,316,367	(967,748)	28,652,758
Changes during period					
Dividends of surplus			(786,435)		(786,435)
Profit attributable to owners of parent			2,748,804		2,748,804
Purchase of treasury shares				(442,726)	(442,726)
Disposal of treasury shares				56,119	56,119
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,962,369	(386,606)	1,575,762
Balance at end of period	3,416,544	3,887,594	24,278,736	(1,354,354)	30,228,520

	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 period	1,388,090	(113,584)	(92,634)	1,181,871	127,795	29,962,424
Changes during period						
Dividends of surplus						(786,435)
Profit attributable to owners of parent						2,748,804
Purchase of treasury shares						(442,726)
Disposal of treasury shares						56,119
Net changes in items other than shareholders' equity	(388,193)	134,551	4,858	(248,782)	14,032	(234,750)
Total changes during period	(388,193)	134,551	4,858	(248,782)	14,032	1,341,012
Balance at end of period	999,897	20,966	(87,775)	933,088	141,827	31,303,436

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,895,436	4,046,997
Depreciation	938,707	1,022,086
Increase (decrease) in retirement benefit liability	(4,507)	(7,812)
Increase (decrease) in provision for share awards	25,283	25,279
Increase (decrease) in provision for share awards for directors (and other officers)	33,428	28,419
Increase (decrease) in allowance for doubtful accounts	80,117	(24,927)
Increase (decrease) in provision for product warranties	(6,170)	2,400
Interest and dividend income	(95,616)	(88,047)
Interest expenses	10,748	8,475
Share of loss (profit) of entities accounted for using equity method	(22,787)	(84,436)
Loss (gain) on sale of investment securities	-	(2,050)
Subsidy income	(170,667)	(27,929)
Loss (gain) on disposal of property, plant and equipment	25,472	10,296
Decrease (increase) in trade receivables	732,897	(1,261,849)
Decrease (increase) in inventories	994,239	(1,174,172)
Increase (decrease) in trade payables	(625,733)	1,674,433
Decrease (increase) in consumption taxes refund receivable	262,793	(628,967)
Increase (decrease) in accrued consumption taxes	109,414	(91,605)
Other, net	(233,661)	(236,232)
Subtotal	4,949,395	3,190,356
Interest and dividends received	95,649	88,167
Interest paid	(11,714)	(8,156)
Subsidies received	165,222	33,374
Income taxes paid	(1,099,544)	(1,027,577)
Net cash provided by (used in) operating activities	4,099,008	2,276,164
Cash flows from investing activities		
Payments into time deposits	(630,250)	(630,273)
Proceeds from withdrawal of time deposits	630,222	630,266
Purchase of property, plant and equipment	(1,964,972)	(1,105,124)
Proceeds from sale of property, plant and equipment	435	5,424
Purchase of intangible assets	(26,321)	(22,311)
Purchase of investment securities	(421,654)	(750)
Proceeds from sale of investment securities	-	9,450
Proceeds from redemption of investment securities	393,955	497,950
Loan advances	-	(1,000)
Proceeds from collection of loans receivable	940	290
Proceeds from divestments	-	180
Net cash provided by (used in) investing activities	(2,017,645)	(615,898)

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	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Repayments of long-term borrowings	(375,000)	(375,000)
Redemption of bonds	-	(600,000)
Repayments of lease liabilities	(23,203)	(16,009)
Purchase of treasury shares	(591,552)	(442,726)
Dividends paid	(738,699)	(786,202)
Dividends paid to non-controlling interests	(2,660)	(2,090)
Net cash provided by (used in) financing activities	(1,731,115)	(2,222,028)
Effect of exchange rate change on cash and cash equivalents	26,709	125,672
Net increase (decrease) in cash and cash equivalents	376,956	(436,090)
Cash and cash equivalents at beginning of period	10,672,908	11,049,865
Cash and cash equivalents at end of period	11,049,865* ¹	10,613,775* ¹

(5) Notes to consolidated financial statements

(Notes on the going-concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of accounting standards for revenue recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and recognizes the amount of revenue that is expected to be received upon exchange of promised goods or services at the moment the control of said goods or services is transferred to customers.

Consequently, for some transactions, the Group interpreted the gross consideration received from the customer as revenue. However, for transactions where the Group acts as an agent or intermediary in providing goods or services to the customer, revenue is recognized at the net amount received from the customer, excluding amounts paid to suppliers and others. Moreover, sales rebates and other considerations paid to customers, which were previously treated as selling, general and administrative expenses, are now deducted from net sales. Furthermore, for paid payment transactions to which the repurchase agreement applies, we recognize a “liability for paid-in transactions” for the amount equivalent to the end-of-term inventory of the supplies remaining at the paid payment destination.

Pursuant to the transitional treatment stipulated in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative impact of applying the new accounting policy retrospectively, prior to the beginning of the fiscal year under review, is added to or deducted from retained earnings at the beginning of the fiscal year under review and the new accounting policy is applied from the balance at the beginning of that fiscal year.

In the consolidated balance sheet for the previous fiscal year, “Notes and accounts receivable,” as presented in “Current assets,” is included in “Notes and accounts receivable” and “Other,” which was presented in “Current liabilities,” is included in “Contract liabilities” and “Other” from the fiscal year under review. However, pursuant to the transitional treatment set out in paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year using the new presentation.

Consequently, raw materials and supplies increased by ¥85,861 thousand and other current liabilities increased by ¥85,861 thousand in the consolidated balance sheet for the fiscal year under review compared to before the Accounting Standard for Revenue Recognition was applied. The consolidated profit and loss statement for the fiscal year under review revealed a decline in net sales of ¥177,113 thousand, the cost of sales declined by ¥18,846 thousand and selling, general and administrative expenses decreased by ¥158,266 thousand, but operating profit, ordinary profit and profit before income taxes remained unaffected. The opening balance of retained earnings is unaffected.

Furthermore, pursuant to the transitional treatment set out in paragraph 89-3 of the Accounting Standard for Revenue Recognition, information disaggregating revenue from contracts with customers for the previous fiscal year is not presented.

(Application of accounting standards for fair value measurement)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019.) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, in accordance with the transitional treatment stipulated 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). The consolidated financial statements are unaffected.

(Change in presentation)

(Consolidated statement of income)

- 1 “Subsidy income” under “Non-operating income,” which was separately set out in the results for the previous fiscal year, is included in “Other” in the fiscal year under review, as it comprised less than 10/100 of total non-operating income. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in the presentation detail.

Consequently, the sum of ¥170,667 thousand presented as “Subsidy income” under “Non-operating income” in the consolidated profit and loss statement for the previous fiscal year has been reclassified as “Other.”

- 2 The item “Commission for purchase of treasury shares” under “Non-operating expenses,” presented in the previous fiscal year as a separate item, was included in “Other” in the fiscal year under review, as it comprised less than 10/100 of total non-operating expenses. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in the presentation detail.

This means that ¥3,492 thousand, which was presented as “Commission for purchase of treasury shares” as part of “Non-operating expenses” in the consolidated profit and loss statement for the previous fiscal year, has been reclassified as “Other.”

(Additional information)

(Transactions of delivering the Company’s own shares to employees, etc. through trusts)

The Company concludes transactions as part of efforts to deliver its own shares to employees, etc. through trust for the purpose of providing benefits to employees. As regards to how such trust agreements are usually accounted for, the Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts (ASBJ PITF No. 30, March 26, 2015), has been applied and the relevant accounting treatment implemented in accordance with the relevant guidelines.

i) Transaction overview

The Company issues points to its employees based on their individual contributions and other factors, and when they acquire entitlements under certain conditions, they will receive shares in the Company equivalent to the points thus granted. The shares to be provided to employees are acquired ahead of time using money set up in advance in a trust, then segregated and managed as trust assets.

ii) Company shares remaining in trust

The Company’s shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the incidental expenses incurred). The book value and number of such treasury shares were ¥180,586 thousand and 180,500 shares for the previous fiscal year and ¥202,876 thousand and 200,400 shares in the fiscal year under review.

(Performance-linked share-based remuneration scheme for officers).

The purpose of the Company is to provide incentives to directors (excluding those appointed as audit committee members and outside directors), executive officers and directors appointed as audit committee members (excluding outside directors), (hereinafter referred to as “Officers”). The Company has entered into transactions to issue its shares through a trust to the Officers for the purpose of providing incentives to the Officers. As regards how such trust agreements are usually accounted for, the Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts (ASBJ PITF No. 30, March 26, 2015), has been applied and the relevant accounting treatment implemented in accordance with the relevant guidelines.

i) Transaction overview

The Company will award certain points to officers according to the monthly remuneration amount, achievement level, etc. for the relevant fiscal year, and will provide the Company's shares according to the accumulated points when the officer retires. The shares to be provided to officers are acquired ahead of time using money set up in advance in a trust, then segregated and managed as trust assets.

ii) Company shares remaining in trust

The Company's shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding the incidental expenses incurred). The book value and number of such treasury shares were ¥158,420 thousand and 159,200 shares for the previous fiscal year and ¥144,890 thousand and 145,500 shares in the fiscal year under review.

(Consolidated balance sheet)

*1 Idle fixed assets included in property, plant and equipment are as follows:

	(Thousands of yen)	
	As of March 31, 2021	As of March 31, 2022
Land	1,000	1,000

2 The company has concluded commitment line agreements with four banks with which it does business, to ensure more flexible and stable fundraising.

Undrawn borrowings and other balances relevant to commitment lines of credit for the fiscal year are as follows:

	(Thousands of yen)	
	As of March 31, 2021	As of March 31, 2022
Total commitment lines	2,000,000	2,000,000
Outstanding borrowings	-	-
Balance	2,000,000	2,000,000

(Consolidated statement of income)

*1 The book value of inventories held for sale in the ordinary course of business has been impaired due to a decline in profitability as follows:

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cost of sales	104,161	73,315

*2 Research and development expenses included in general and administrative expenses and manufacturing costs for the period under review are as follows:

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	195,242	193,728

*3 Breakdown of gain on disposal of non-current assets are as follows:

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Gain on the sale of machinery, equipment and vehicles	269	5,224
Other	8	2
Total	277	5,226

*4 Breakdown of loss on disposal of non-current assets are as follows:

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Loss on disposal of buildings and structures	16,270	6,865
Loss on disposal of machinery, equipment and vehicles	7,337	7,270
Other	2,142	1,386
Total	25,750	15,522

(Consolidated statement of changes in equity)

Fiscal year ended March 31, 2021

1 Type and number of issued shares and treasury shares

(Shares)

	Number of shares at beginning of the fiscal year	Increase	Decrease	Number of shares at end of the fiscal year
Issued shares				
Ordinary shares	30,165,418	-	-	30,165,418
Total	30,165,418	-	-	30,165,418
Treasury shares				
Ordinary shares (Note)	857,966	557,884	38,000	1,377,850
Total	857,966	557,884	38,000	1,377,850

- Notes: 1. The number of treasury shares of ordinary shares includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) (319,900 and 339,700 shares at the start and end of the fiscal year, respectively). Custody Bank of Japan, Ltd. was established on July 27, 2020 through the merger of JTC Holdings, Ltd., Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd.
2. This increase in the number of treasury shares, to 557,884 ordinary shares, represents an increase of 500,000 shares from the acquisition of treasury shares based on a resolution of the Board of Directors, an increase of 84 shares from the purchase of shares of less than one unit, an increase of 26,600 shares from the acquisition of shares in the Japanese-style Employee Stock Ownership Plan (J-ESOP) and an increase of 31,200 shares from the acquisition of shares in the Board Benefit Trust (BBT).
3. The decrease of 38,000 ordinary shares in the number of treasury shares represents a decrease of 8,700 shares held in the J-ESOP and a decrease of 29,300 shares held in the BBT.

2 Matters related to dividends

(1) Details of dividend paid

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Resolution	Classes of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Base date	Effective date
June 25, 2020 Ordinary general meeting of shareholders	Ordinary shares	592,547	20	March 31, 2020	June 26, 2020
November 5, 2020 Board of Directors	Ordinary shares	145,636	5	September 30, 2020	December 2, 2020

- Notes: 1. The total amount of dividends payable, as defined by the resolution of the ordinary general meeting of shareholders on June 25, 2020, includes dividends valued at ¥6,398 thousand for the Company's shares held by Trust & Custody Services Bank, Ltd. (Trust Account E).
2. The total amount of dividends as defined by the resolution of the Board of Directors on November 5, 2020 includes a dividend valued at ¥1,563 thousand for the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E). Custody Bank of Japan, Ltd. was established on July 27, 2020 through the merger of JTC Holdings, Ltd., Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd.

(2) Dividends recorded in the fiscal year but with a base date that falls in the following fiscal year

Resolution	Classes of shares	Source of dividend	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Base date	Effective date
June 25, 2021 Ordinary general meeting of shareholders	Ordinary shares	Retained earnings	495,163	17	March 31, 2021	June 28, 2021

- Note: The total amount of dividends as defined by the resolution of the Ordinary General Meeting of Shareholders on June 25, 2021 includes a dividend valued at ¥5,774 thousand for the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E). Custody Bank of Japan, Ltd. was established on July 27, 2020 through the merger of JTC Holdings, Ltd., Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd.

Fiscal year ended March 31, 2022

1 Type and number of issued shares and treasury shares

(Shares)

	Number of shares at beginning of the fiscal year	Increase	Decrease	Number of shares at end of the fiscal year
Issued shares				
Ordinary shares	30,165,418	–	–	30,165,418
Total	30,165,418	–	–	30,165,418
Treasury shares				
Ordinary shares (Note)	1,377,850	462,711	56,300	1,784,261
Total	1,377,850	462,711	56,300	1,784,261

- Notes: 1. The number of treasury shares of ordinary shares includes the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E) (339,700 and 345,900 shares at the start and end of the fiscal year, respectively).
2. This increase in the number of treasury shares, to 462,711 ordinary shares, represents an increase of 400,000 shares from the acquisition of treasury shares based on a resolution of the Board of Directors, an increase of 211 shares from the purchase of shares of less than one unit, an increase of 27,500 shares from the acquisition of shares in the J-ESOP and an increase of 35,000 shares from the acquisition of shares in the BBT.
3. The decrease of 56,300 ordinary shares in the number of treasury shares represents a decrease of 7,600 shares held in the J-ESOP and a decrease of 48,700 shares held in the BBT.

2 Matters related to dividends

(1) Details of dividend paid

Resolution	Classes of shares	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Base date	Effective date
June 25, 2021 Ordinary general meeting of shareholders	Ordinary shares	495,163	17	March 31, 2021	June 28, 2021
November 8, 2021 Board of Directors	Ordinary shares	291,271	10	September 30, 2021	December 2, 2021

- Notes: 1. The total amount of dividends as defined by the resolution of the Ordinary General Meeting of Shareholders on June 25, 2021 includes a dividend valued at ¥5,774 thousand for the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E).
2. The total amount of dividends as defined by the resolution of the Board of Directors on November 8, 2021 includes a dividend valued at ¥3,151 thousand for the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E).

(2) Dividends recorded in the fiscal year but with a base date that falls in the following fiscal year

The following resolutions are planned:

Resolution	Classes of shares	Source of dividend	Total amount of dividends (Thousands of yen)	Dividend per share (Yen)	Base date	Effective date
June 28, 2022 Ordinary general meeting of shareholders	Ordinary shares	Retained earnings	574,541	20	March 31, 2022	June 29, 2022

- Note: The total amount of dividends as defined by the resolution of the Ordinary General Meeting of Shareholders on June 28, 2022 includes a dividend valued at ¥6,918 thousand for the Company's shares held by Japan Custody Bank, Ltd. (Trust Account E).

(Consolidated statement of cash flows)

- *1 The cash and cash equivalents held at the end of the fiscal year were reconciled with the amounts shown in the consolidated balance sheet as follows:

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash and time deposits	11,380,014	10,943,932
Time deposits with a maturity of three month or more at date of purchase	(330,149)	(330,156)
Cash and cash equivalents	11,049,865	10,613,775

(Segment information, etc.)

1 Description of reportable segments

The Company's reportable segments are corporate components for which separate financial information is available and which are regularly reviewed by the Board of Directors to determine how management resources should be allocated and evaluate their performance.

The Company has established business departments by product and service at its headquarters. Each business department formulates comprehensive domestic and international strategies for the products and services for which it is responsible and develops its business activities accordingly.

Accordingly, the Company comprises product and service segments based on business departments, with two reportable segments: Construction Machinery Business and Industrial Machinery Business.

The key areas of the Construction Machinery Business are engine compressors, engine generators and scissors lifters. The key areas of the Industrial Machinery Business are motor compressors, emergency generators, components and services.

2 Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting method used for the business segments reported tallies with the accounting policies adopted when preparing the consolidated financial statements.

Profit figures for reportable segments are based on operating profit.

As stated in "Changes in accounting policies," the Revenue Recognition Accounting Standard (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations have been applied since the start of the fiscal year under review and the accounting method used to record revenue has changed, spawning similar changes in the method used to calculate profit or loss in the business segments.

This change saw sales in Construction Machinery Business decline ¥161,630 thousand and sales in Industrial Machinery Business decline by ¥15,482 thousand in the fiscal year under review compared with the previous method.

No impact on segment profit was recorded.

3 Information on sales, profit or loss, assets, liabilities and other items by reportable segment and breakdown of income.

Fiscal year ended March 31, 2021

(Thousands of yen)

	Construction Machinery Business	Industrial Machinery Business	Total
Sales			
Revenues from external customers	24,597,783	8,331,690	32,929,473
Transactions with other segments	-	-	-
Total	24,597,783	8,331,690	32,929,473
Segment profit	2,168,816	1,320,247	3,489,064
Other items			
Depreciation	788,427	139,820	928,247

- Notes: 1. Segment assets and liabilities have been omitted. The Company does not allocate these to individual reportable segments given the common processes applied from manufacturing to sales for all segments.
2. Depreciation is thus allocated to each reporting segment according to the percentage of sales in the Construction Machinery and Industrial Machinery businesses.

Fiscal year ended March 31, 2022

(Thousands of yen)

	Construction Machinery Business	Industrial Machinery Business	Total
Sales			
Finished goods	27,345,093	5,316,257	32,661,350
Components	996,501	1,049,046	2,045,547
Services	767,723	1,176,364	1,944,088
Revenue from contracts with customers	29,109,317	7,541,668	36,650,986
Other revenue	-	-	-
Revenues from external customers	29,109,317	7,541,668	36,650,986
Transactions with other segments	-	-	-
Total	29,109,317	7,541,668	36,650,986
Segment profit	3,489,217	1,122,618	4,611,836
Other items			
Depreciation	891,072	125,129	1,016,202

- Notes: 1. Segment assets and liabilities have been omitted. The Company does not allocate these to individual reportable segments given the common processes applied from manufacturing to sales for all segments.
2. Depreciation is thus allocated to each reporting segment according to the percentage of sales in the Construction Machinery and Industrial Machinery businesses.

- 4 Disparities between the total for the reportable segments and the amounts recorded in the consolidated financial statements and the main details of such disparities.

(Differential adjustments)

(Thousands of yen)

Profit	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Total for reportable segments	3,489,064	4,611,836
Corporate expenses (Note)	(999,390)	(1,041,640)
Operating profit in the consolidated financial statements	2,489,674	3,570,195

Note: Corporate expenses mainly comprise general and administrative expenses and R&D expenses outside the scope of the reportable segments.

(Thousands of yen)

Other items	Total for reportable segments		Adjustments		Amount recorded in consolidated financial statements	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Depreciation	928,247	1,016,202	10,459	5,884	938,707	1,022,086

Note: Adjustments mainly comprise depreciation and amortization in administrative departments outside the reportable segments.

(Per-share information)

(Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Book value per share	¥1,036.37	¥1,097.97
Earnings per share	¥67.20	¥95.76

Notes: 1. Diluted earnings per share has been omitted, given the lack of potential shares.
2. Earnings per share is calculated as follows:

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit attributable to owners of parent	(Thousands of yen)	1,944,387	2,748,804
Profit attributable to owners of parent for ordinary share	(Thousands of yen)	1,944,387	2,748,804
Average number of ordinary shares outstanding during the year	(Shares)	28,935,921	28,703,998

3. Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) is included in the number of treasury shares deducted from the number of shares issued at the end of the year when calculating "Net profit per share" (339,700 shares in the previous fiscal year and 345,900 shares in the fiscal year under review).
When calculating "Earnings per share," these shares are included in treasury shares, which is deducted from the average number of shares outstanding during the period (318,862 shares in the previous fiscal year and 329,823 shares in the fiscal year under review).

(Significant subsequent events)

Not applicable.

4 Others

(1) Changes to officers

i) Change to representative directors

Not applicable.

ii) Changes to other officers

- Newly appointed director (excluding directors appointed as audit committee members)
Candidate

Director Katsumi Kaneko (currently Executive Officer, General Manager of Production Dept.)

- Director scheduled to resign (excluding directors appointed as audit committee members)

Director and Senior Advisor Manabu Takeishi

- Candidate for new director appointed as audit committee member

Director (Full-time Audit Committee Member) Junichi Kanai (currently Executive Officer, General Manager of Audit Committee Member Secretariat)

- Director appointed as audit committee member that is scheduled to resign

Director (Full-time Audit Committee Member) Masami Adachi

iii) Date of appointment and resignation

June 28, 2022