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<Code Number 6794>
June 1, 2022

To Our Shareholders with Voting Rights

Atsushi Narikawa, COO
Foster Electric Company, Limited
1-1-109, Tsutsujigaoka, Akishima City, Tokyo

NOTICE OF THE 88TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 88th Ordinary General Meeting of Shareholders of Foster Electric Company, Limited (the “Company”), to be held as follows.

In order to prevent the spread of novel coronavirus (COVID-19) infection, you are strongly encouraged to exercise your voting rights prior to the meeting in writing or by using the Internet. Regardless of your own health condition, we recommend that you refrain from attending the meeting, if at all possible.

You also will be able to watch the meeting via Internet-based livestreaming.

You can exercise your voting rights in writing or by using the Internet; so please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by no later than the closing time of our daily business hours (5:15 p.m.) on Thursday, June 23, 2022 (Japan Time).

1. Date and Time: Friday, June 24, 2022 at 10:00 a.m. (Japan Time)

2. Place: Main Hall (1st Floor), Foster Electric Company, Limited, 1-1-109, Tsutsujigaoka, Akishima City, Tokyo

3. Agenda of the Meeting

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 88th Fiscal Year (from April 1, 2021 to March 31, 2022) and results of audit on the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors.
2. Standalone Financial Statements for the 88th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- Proposal 1:** Amendment to the Articles of Incorporation
- Proposal 2:** Election of One (1) Corporate Auditor

4. Others

- (1) If you attend the meeting, please show the enclosed Exercise Voting Rights Form at the reception of the meeting upon arrival. Please bring this notice to the meeting for eco purposes.
- (2) If you exercise your voting rights by proxy, you may nominate one (1) shareholder with a voting right as a proxy to attend the meeting, provided that a document verifying the proxy right of the person representing you must be submitted.
- (3) Of the documents that the Company needs to provide along with this notice, pursuant to laws and regulations, and Article 15 of the Articles of Incorporation of the Company, the matters below are posted on the corporate website (https://www.foster.co.jp/investors/shareholder_info/meeting.html). Therefore, these matters are not included in this notice and the attached Reference Documents for the General Meeting of Shareholders.

- “Structure and Policy of the Company” in the Business Report
- “Notes to the Consolidated Financial Statements”
- “Notes to the Standalone Financial Statements”

The Business Report, the Consolidated Financial Statements and the Standalone Financial Statements in the attached Reference Documents for the General Meeting of Shareholders are part of the Business Report and the Consolidated and Standalone Financial Statements that were audited by the Financial Auditor and Corporate Auditors of the Company when preparing the Financial Auditor’s Report and the Corporate Auditors’ Report.

- (4) If you exercised your voting rights in duplicate through the Internet and in writing, the vote by the Internet will be validated. If you exercised your voting rights multiple times, the vote you exercised last will be validated.
- (5) On the day of the meeting, our executives and employees will be dressed casually (“Cool Biz”).
- (6) In the event any matters are to be changed with respect to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Standalone Financial Statements or the Consolidated Financial Statements, the changes will be disclosed immediately on the corporate website (<https://www.foster.co.jp/>).

An English translation of the Notice of the 88th Ordinary General Meeting of Shareholders is posted on the corporate website (<https://www.foster-electric.com/investors/meeting/index.html>).

About the platform for exercising voting rights electronically

In addition to the voting methods of in writing and through the Internet as described above, institutional investors may exercise their voting rights electronically by using the platform operated by ICJ, Inc.

Prevention of Novel Coronavirus (COVID-19) Infection

This time we ask you to prioritize avoiding infection and give consideration to abstaining from attending the meeting. You are instead strongly recommended to exercise your voting rights in writing or by using the Internet.

Please refer to “Guidance on Exercising Voting Rights” (in Japanese only).

You will be able to watch the meeting via Internet-based livestreaming. For details, please refer to “Guidance on Livestreaming” on page 4.

If you will be attending the meeting in person, we ask that before traveling to the venue you check the situation regarding the spread of the infection, confirm your own physical health, and take precautions to prevent infection, such as wearing a face mask.

We ask that senior persons, individuals suffering from chronic illness, and pregnant women in particular fully consider the potential risks when deciding whether or not to attend the meeting.

To prevent COVID-19 infection for the General Meeting of Shareholders

- The Company intends to make the meeting shorter than usual. A limit may be placed on lengthy questions and comments.
- If you come to the venue, your temperature will be checked. Those who appear unwell may be requested to refrain from entering the venue.
- Hand sanitizer will be ready inside the venue.
- Inside the venue, the Company’s executives and employees will wear face masks.
- No social gathering will be held after the meeting.

If any change in the meeting plans arises, we will inform you via the corporate website (<https://www.foster.co.jp/>).

The Company sincerely hopes that the novel coronavirus disease will be brought under control as soon as possible.

Guidance on Livestreaming

Livestreaming of the General Meeting of Shareholders

Livestreaming will be available, enabling you to watch the meeting without traveling to the venue. The camera will be set at the back of the venue to avoid showing the faces of shareholders, but some shareholders' faces may inevitably be shown. In addition, please be advised that the voices of shareholders who ask questions or make comments in the meeting will be broadcast live. The livestream is scheduled to start at 10:00 a.m. on June 24, 2022, and continue to be on until the meeting ends.

Please use the following website to watch the meeting:

URL	https://www.virtual-sr.jp/users/foster2022/login.aspx
Password:	ellipsis

To watch the livestream, you will **need your shareholder number, etc.** in addition to the URL and password above. Your shareholder number is printed on the Exercise Voting Rights Form.

Notes

- The livestream audio will be provided only in Japanese.
- Depending on your equipment and network environment, it may not be possible to access the livestream.
- Telecommunication charges for accessing the Company's website and the livestream are paid by shareholders themselves.
- To watch the livestream comfortably on smartphones or tablets, use of Wi-Fi is recommended.

If any change in the meeting plans arises, we will inform you via the corporate website (URL: <https://www.foster.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Amendment to the Articles of Incorporation

1. Reason for amendment

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, with the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, the Company proposes to make the following changes to its Articles of Incorporation.

- (1) As the Company is required to stipulate in its Articles of Incorporation that it takes measures for providing informational materials for the general meeting of shareholders in electronic format, it proposes to establish the amended Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph (1).
- (2) The Company also proposes to establish the amended Article 15 (Measures, etc. for Providing Information in Electronic Format), paragraph (2). This is to enable the Company to limit, among the items that are subject to measures for providing information in electronic format for the general meeting of shareholders, the items to be included in the documents to be delivered to shareholders who have requested their delivery in paper-based format, within the scope prescribed by the Ministry of Justice Order.
- (3) Since the current Article 15 (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) of the Articles of Corporation will no longer be required upon the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, it will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established. They will be deleted after the prescribed date.

2. Details of amendment

Details of the amendment are as follows:

(Underlined parts represent amendments.)

Current	Proposed amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(New)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 15</u></p> <p><u>1 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p>


Current	Proposed amendment
	<p><u>2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p>(Supplementary Provisions) <u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p>(New) Article 1</p> <p><u>1 Deletion of the current Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) and establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) shall become effective as of September 1, 2022.</u></p> <p><u>2 Notwithstanding the provision of the preceding paragraph, the current Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from September 1, 2022.</u></p> <p><u>3 The provision of this Article shall be deleted after the lapse of six (6) months from September 1, 2022, or three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is the later.</u></p>

Proposal No. 2: Election of One (1) Corporate Auditor

Corporate Auditor Takuma Ino will resign at the conclusion of this meeting. We therefore propose that one (1) Corporate Auditor be elected.

The Board of Corporate Auditors has previously given its approval for this proposition.

The candidate for Corporate Auditor is as follows:

Name (date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of Company's shares held
 <p>Aiko Oue (August 23, 1975)</p> <p>[New election] [Outside] [Independent]</p> <p>[Female]</p> <p>■ Attendance rate at meetings of the Board of Directors —</p> <p>■ Attendance rate at meetings of the Board of Corporate Auditors —</p>	<p>Jan. 2017 Admitted to Japanese Bar</p> <p>Jan. 2017 Entered Nakamoto Law Office</p> <p>Apr. 2017 Policy researcher of the Secretariat of the Public Interest Corporation Commission of the Cabinet Office</p> <p>Jan. 2020 Entered Kaikai Kiki Co., Ltd.</p> <p>May 2020 Outside Director of Kakiyasu Honten Co., Ltd. (to the present)</p> <p>Jan. 2022 Returned to Nakamoto Law Office (to the present)</p> <p>(Significant positions concurrently held) Attorney-at-law of Nakamoto Law Office Outside Director of Kakiyasu Honten Co., Ltd.</p>	<p>0</p>
<p>Reason for election of the candidate for Outside Corporate Auditor</p> <p>Ms. Aiko Oue, as a lawyer, has a wealth of experience and substantial expertise in legal matters and corporate governance. She also has experience as an in-house lawyer. For these reasons, we judge that she will contribute to a more effective auditing function, so we request that she be elected as Outside Corporate Auditor.</p> <p>Ms. Oue does not have previous experience in corporate management other than as Outside Director/Outside Corporate Auditor; however, we judge that, based on the above reasons, she can perform her duties appropriately as Outside Corporate Auditor and contribute to improving the quality of the auditing function, so we request that she be elected as Outside Corporate Auditor.</p>		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.

2. The above candidate for Corporate Auditor is a candidate for Outside Corporate Auditor.

3. Liability Limitation Agreement

Upon approval of the election of the above candidate for Corporate Auditor, the Company intends to enter into an agreement with her to limit her liability as stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation.

The amount of damages under the agreement will be limited within an amount prescribed by laws and regulations.

4. The Company intends to enter into an indemnity agreement as stipulated in Article 430-2, paragraph (1) of the Companies Act with the above candidate for Corporate Auditor, upon approval of her election. The indemnity agreement provides that expenses as set forth in item 1 and losses as set forth in item 2 of Article 430-2, paragraph (1) shall be compensated by the Company to the extent provided by laws and regulations.

5. The Company has purchased a liability insurance policy for directors and officers (D&O insurance) as set forth in Article 430-3, paragraph (1) of the Companies Act, which covers the directors, corporate auditors and executive officers as the insured parties. Subject to approval of this Proposal as originally proposed and when the above candidate for Corporate Auditor assumes the position of Corporate Auditor, she will become an insured party covered by this policy. With this insurance policy, potential losses resulting from the insured being held responsible for the execution of their duties or from claims/charges brought against them for such responsibility shall be covered. However, certain cases are excused from the coverage such as losses resulting from acts while the violation of laws is recognized. The

premiums for the policy including riders are fully borne by the Company, with no substantial insurance cost to be borne by the insured. The policy will be renewed on July 1, 2022, during her term of office.

6. The above candidate for Corporate Auditor also meets the requirements for being independent as stipulated by the provisions of the Tokyo Stock Exchange, and the Company is scheduled to register her as an independent corporate auditor with the Tokyo Stock Exchange, upon approval of her election.
7. The Company's Criteria for Determining Independence

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

<<Reference 1>> Nominating Advisory Committee

The Company established the Nominating Advisory Committee chaired by an Outside Director as an advisory organ of the Board of Directors.

Regarding the nomination of Directors, Corporate Auditors, and Executive Officers, the committee contributes to ensuring the appropriateness of such elections and transparency of the decision-making process by recommending candidates after deliberating on the expectations. The committee also deliberates on the independence of Outside Directors/Outside Corporate Auditors.

The candidate for this Proposal has passed through the deliberation process of the same Committee.

<<Reference 2>> Independence Criteria for Outside Directors/Outside Corporate Auditors

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

(REFERENCE)

Financial Highlights

(Year ended March 31)

		March 2018	March 2019	March 2020	March 2021	March 2022
1. Consolidated financial highlights						
Net sales	(Millions of yen)	184,800	140,303	107,298	85,220	91,106
Ordinary income	(Millions of yen)	9,062	4,318	2,599	219	(7,473)
Net income attributable to owners of the parent	(Millions of yen)	4,265	(2,026)	1,565	(3,363)	(7,017)
Comprehensive income	(Millions of yen)	4,201	(1,558)	457	(1,729)	(3,868)
Net assets	(Millions of yen)	66,792	59,294	58,995	55,993	51,632
Total assets	(Millions of yen)	100,870	91,271	80,825	77,233	86,148
Net assets per share	(Yen)	2,412.06	2,404.10	2,369.46	2,276.20	2,125.72
Net income per share	(Yen)	165.78	(83.21)	69.15	(148.47)	(315.53)
Diluted net income per share	(Yen)	–	–	–	–	–
Equity ratio	(%)	61.5	59.5	66.5	65.6	54.7
Return on equity	(%)	7.0	(3.5)	2.9	(6.4)	(14.4)
Cash flows from operating activities	(Millions of yen)	8,153	17,961	11,092	739	(12,767)
Cash flows from investing activities	(Millions of yen)	(7,131)	(3,425)	516	(1,960)	(3,071)
Cash flows from financing activities	(Millions of yen)	(2,859)	(2,937)	(8,823)	(2,624)	6,771
Cash and cash equivalents, end of year	(Millions of yen)	10,150	21,524	23,930	20,373	12,089
2. Standalone financial highlights						
Net sales	(Millions of yen)	132,723	90,345	59,284	38,035	42,817
Ordinary income	(Millions of yen)	438	1,427	(2,053)	(325)	(1,909)
Net income	(Millions of yen)	504	772	338	(3,392)	(2,211)
Common stock	(Millions of yen)	6,770	6,770	6,770	6,770	6,770
Total number of shares outstanding	(Thousands of shares)	26,931	26,000	26,000	25,000	25,000
Net assets	(Millions of yen)	30,790	25,808	25,050	20,688	18,136
Total assets	(Millions of yen)	59,369	52,411	42,093	38,832	38,973
Net assets per share	(Yen)	1,196.71	1,141.61	1,103.85	929.93	817.44
Annual dividends per share [Interim dividends per share]	(Yen)	55.00 [20.00]	20.00 [10.00]	35.00 [20.00]	15.00 [10.00]	10.00 [10.00]
Net income per share	(Yen)	19.61	31.72	14.95	(149.72)	(99.44)
Equity ratio	(%)	51.9	49.2	59.5	53.3	46.5
Return on equity	(%)	1.6	3.0	1.3	(14.8)	(11.4)
Payout ratio	(%)	280.5	63.1	234.1	–	–

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

Consolidated Balance Sheet

(as of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	67,143	Current liabilities	32,889
Cash and deposits	10,846	Notes and accounts payable—trade	11,179
Notes and accounts receivable—trade	19,001	Short-term bank loans	12,247
Electronically recorded monetary claims-operating	350	Current portion of long-term debt	818
Securities	2,343	Accounts payable—other	3,861
Finished goods	18,413	Income taxes payable	630
Raw materials	10,355	Accrued expenses	2,848
Work in process	1,578	Reserve for bonuses	398
Supplies	108	Other	903
Accounts receivable—other	1,170	Long-term liabilities	1,627
Advance payments to suppliers	859	Long-term debt	300
Other	2,202	Deferred tax liabilities	475
Allowance for doubtful accounts	(86)	Liability for employees' retirement benefits	60
Non-current assets	19,005	Liability for director's retirement benefits	20
Property, plant and equipment	15,614	Provisions for stock benefit program	163
Buildings and structures	6,863	Asset retirement obligations	281
Machinery and equipment	4,655	Other	325
Furniture and fixtures	1,788	Total liabilities	34,516
Land	1,521	Net assets	
Construction in progress	785	Shareholders' equity	43,409
Intangible assets	203	Common stock	6,770
Software	80	Capital surplus	6,896
Other	122	Retained earnings	33,906
Investments and other assets	3,187	Treasury stock	(4,163)
Investment securities	1,306	Accumulated other comprehensive income	3,753
Long-term prepaid expenses	82	Unrealized gain on available-for-sale securities	323
Asset for employees' retirement benefits	880	Foreign currency translation adjustment	3,617
Deferred tax assets	637	Remeasurements of defined benefit plans	(187)
Other	280	Non-controlling interests	4,469
		Total net assets	51,632
Total assets	86,148	Total liabilities and net assets	86,148

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Consolidated Statement of Income

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

Account item	Amount	
Net sales		91,106
Cost of sales		83,621
Gross profit		7,484
Selling, general and administrative expenses		15,241
Operating loss		(7,757)
Non-operating income:		
Interest income	84	
Dividend income	56	
Foreign currency exchange gain	199	
Subsidy income	137	
Miscellaneous income	364	843
Non-operating expenses:		
Interest expenses	78	
Loss on retirement of non-current assets	131	
Miscellaneous loss	349	559
Ordinary loss		(7,473)
Extraordinary losses:		
Loss on impairment of long-lived assets	132	
Special retirement expenses	715	
Loss on revision of retirement benefit plan	239	1,088
Loss before income taxes		(8,561)
Income taxes—current	345	
Income taxes—deferred	(676)	(331)
Net loss		(8,230)
Net loss attributable to non-controlling interests		(1,213)
Net loss attributable to owners of the parent		(7,017)

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000, with the exception of operating income.

Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2021	6,770	6,896	41,299	(4,129)	50,837
Changes during the fiscal year					
Cash dividends paid			(335)		(335)
Net loss attributable to owners of the parent			(7,017)		(7,017)
Purchase of treasury stock				(48)	(48)
Disposal of treasury stock				14	14
Sale of shares of consolidated subsidiaries			(40)		(40)
Net change in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	–	–	(7,393)	(34)	(7,427)
Balance, March 31, 2022	6,770	6,896	33,906	(4,163)	43,409

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2021	298	(82)	(414)	(198)	5,354	55,993
Changes during the fiscal year						
Cash dividends paid						(335)
Net loss attributable to owners of the parent						(7,017)
Purchase of treasury stock						(48)
Disposal of treasury stock						14
Sale of shares of consolidated subsidiaries						(40)
Net change in items other than shareholders' equity during the fiscal year	24	3,700	226	3,951	(885)	3,065
Total changes during the fiscal year	24	3,700	226	3,951	(885)	(4,361)
Balance, March 31, 2022	323	3,617	(187)	3,753	4,469	51,632

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Balance Sheet

(as of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	21,903	Current liabilities	18,124
Cash and deposits	2,215	Account payable—trade	10,289
Notes receivable—trade	7	Short-term bank loans	5,618
Electronically recorded monetary claims-operating	255	Current portion of long-term debt	818
Account receivable—trade	14,363	Accounts payable—other	696
Finished goods	4,055	Income taxes payable	47
Raw materials and supplies	140	Accrued expenses	188
Advance payments to suppliers	343	Reserve for bonuses	319
Prepaid expenses	46	Other	146
Short-term loans receivable	147	Long-term liabilities	2,712
Accounts receivable—other	307	Long-term debt	300
Other	20	Provisions for stock benefit program	163
Non-current assets	17,069	Deferred tax liabilities	367
Property, plant and equipment	1,945	Asset retirement obligations	259
Buildings	1,793	Provision for loss on guarantees	1,612
Land	123	Other	9
Construction in progress	28	Total liabilities	20,836
Investments and other assets	15,124	Net assets	
Investment securities	1,287	Shareholders' equity	17,824
Stocks of subsidiaries and affiliates	11,645	Common stock	6,770
Long-term loans receivable	2,390	Capital surplus	6,896
Prepaid pension cost	664	Capital reserve	6,896
Other	83	Retained earnings	8,320
Allowance for doubtful accounts	(945)	Legal reserve	373
		Other retained earnings	7,947
		General reserve	4,700
		Retained earnings brought forward	3,247
		Treasury stock	(4,163)
		Valuation and translation adjustments	311
		Net unrealized gain on securities	311
		Total net assets	18,136
Total assets	38,973	Total liabilities and net assets	38,973

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Income

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

Account item	Amount	
Net sales		42,817
Cost of sales		41,856
Gross profit		961
Selling, general and administrative expenses		4,027
Operating loss		(3,065)
Non-operating income:		
Interest and dividend income	1,459	
Reversal of allowance for loan losses	730	
Miscellaneous income	174	2,363
Non-operating expenses:		
Interest expenses	31	
Foreign currency exchange loss	17	
Provision for loss on guarantees	1,137	
Miscellaneous loss	20	1,206
Ordinary loss		(1,909)
Extraordinary losses:		
Loss on impairment of long-lived assets	132	
Loss on revision of retirement benefit plan	239	372
Loss before income taxes		(2,281)
Income taxes—current	8	
Income taxes—deferred	(78)	(69)
Net loss		(2,211)

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

Standalone Statement of Changes in Shareholders' Equity

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance, April 1, 2021	6,770	6,896	-	6,896
Changes during the fiscal year				
Reversal of reserve for special depreciation				
Cash dividends paid				
Net loss				
Purchase of treasury stock				
Disposal of treasury stock				
Net change in items other than shareholders' equity during the fiscal year				
Net change in the year	-	-	-	-
Balance, March 31, 2022	6,770	6,896	-	6,896

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal reserve	Other retained earnings			Total retained earnings		
		Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance, April 1, 2021	373	5	4,700	5,788	10,867	(4,129)	20,405
Changes during the fiscal year							
Reversal of reserve for special depreciation		(5)		5	-		-
Cash dividends paid				(335)	(335)		(335)
Net loss				(2,211)	(2,211)		(2,211)
Purchase of treasury stock						(48)	(48)
Disposal of treasury stock						14	14
Net change in items other than shareholders' equity during the fiscal year							
Net change in the year	-	(5)	-	(2,540)	(2,546)	(34)	(2,580)
Balance, March 31, 2022	373	-	4,700	3,247	8,320	(4,163)	17,824

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on securities	Total valuation and translation adjustments	
Balance, April 1, 2021	282	282	20,688
Changes during the fiscal year			
Reversal of reserve for special depreciation			–
Cash dividends paid			(335)
Net loss			(2,211)
Purchase of treasury stock			(48)
Disposal of treasury stock			14
Net change in items other than shareholders' equity during the fiscal year	29	29	29
Net change in the year	29	29	(2,551)
Balance, March 31, 2022	311	311	18,136

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.