

Supplementary Material of Consolidated Financial Results for the First Three Months of Fiscal Year Ending March 31, 2023 (IFRS)

Note on forward-looking statements:

The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results may differ materially from forecasts due to a number of factors.

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Since the figures shown are rounded off to the nearest 1 billion yen, the sum of each item and the total may differ.

<Summary>

- Revenue and profits both increased year on year. Record profits in the first quarter.

◇Revenue	214.5 billion yen	22.2% up
◇Operating profit	9.5 billion yen	87.2% up
◇Profit before tax	9.4 billion yen	77.1% up
◇Profit attributable to owners of the parent	6.3 billion yen	95.0% up

- Steady progress was made with operating profit progress of 30% and profit attributable to owners of the parent progress of 35%.

1. Profit & loss statement

(Unit : billion yen)	1Q of FYE 2022	1Q of FYE 2023	Year-on-year		FYE2023	
			Change	Change(%)	Forecast	Progress
Revenue	175.6	214.5	38.9	22.2%	850.0	25.2%
Gross profit	24.8	29.6	4.8	19.5%	-	-
Selling, general and administrative expenses	(20.6)	(22.2)	(1.7)	-	-	-
Other income (expenses)	0.8	2.1	1.2	148.9%	-	-
Operating profit	5.0	9.5	4.4	87.2%	31.5	30.0%
Interest income (expenses)	(0.4)	(0.6)	(0.2)	-	-	-
Dividend income	0.4	0.6	0.2	-	-	-
Other finance income (costs)	(0.0)	0.1	0.2	-	-	-
Finance income (costs)	(0.0)	0.1	0.1	-	-	-
Share of profit (loss) of investments accounted for using the equity method	0.3	(0.2)	(0.5)	-	-	-
Profit before tax	5.3	9.4	4.1	77.1%	32.0	29.2%
Income tax expense	(1.5)	(2.3)	(0.8)	-	-	-
Profit for the period	3.8	7.1	3.3	87.7%	-	-
Profit attributable to owners of the parent	3.3	6.3	3.1	95.0%	18.0	35.3%
Earnings per share (yen)	38.96	75.99	37.03	95.0%	215.53	35.3%

【Revenue】

Increased year on year in all segments with a total increase of 38.9 billion yen.

【Operating profit】

Increased 4.4 billion yen, driven by the Steel, Materials & Plant segment and the Foods, Meat & Grain segment.

【Profit before tax】

Increased 4.1 billion yen mainly due to a rise in the operating profit.

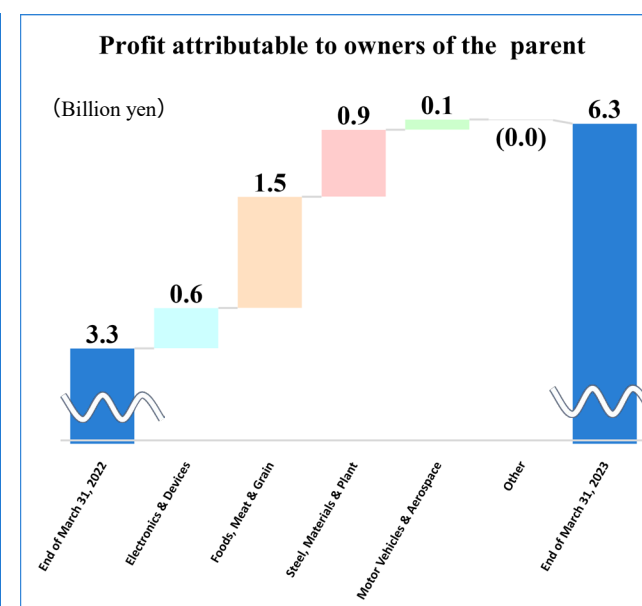
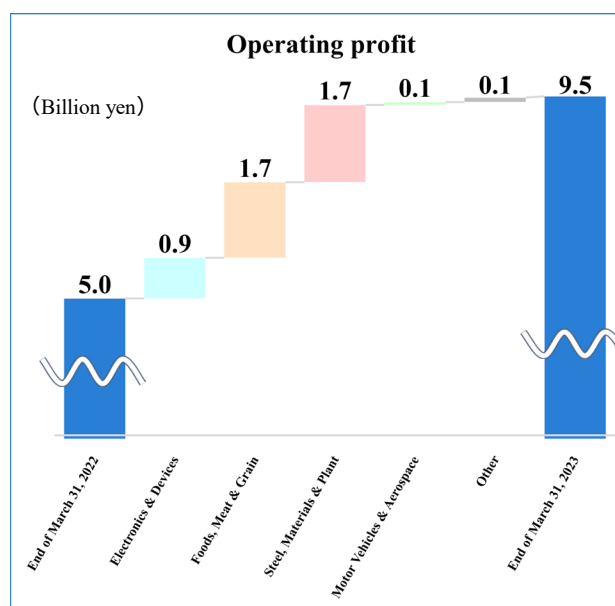
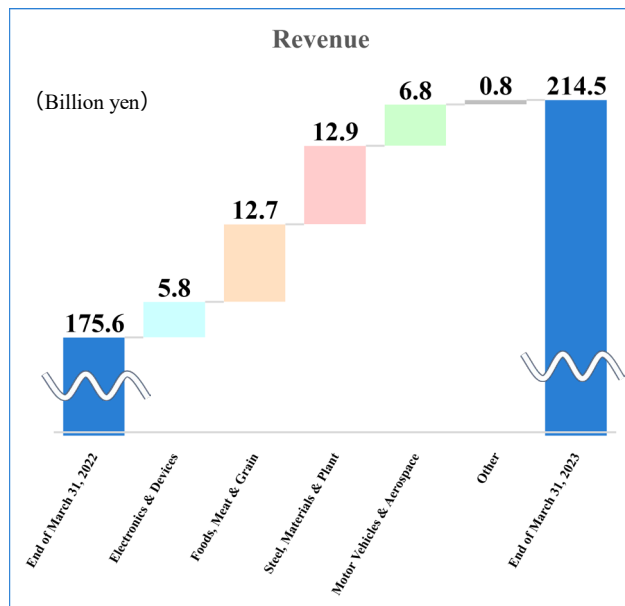
【Profit attributable to owners of the parent】

Increased 3.1 billion yen associated with a rise in profit before tax.

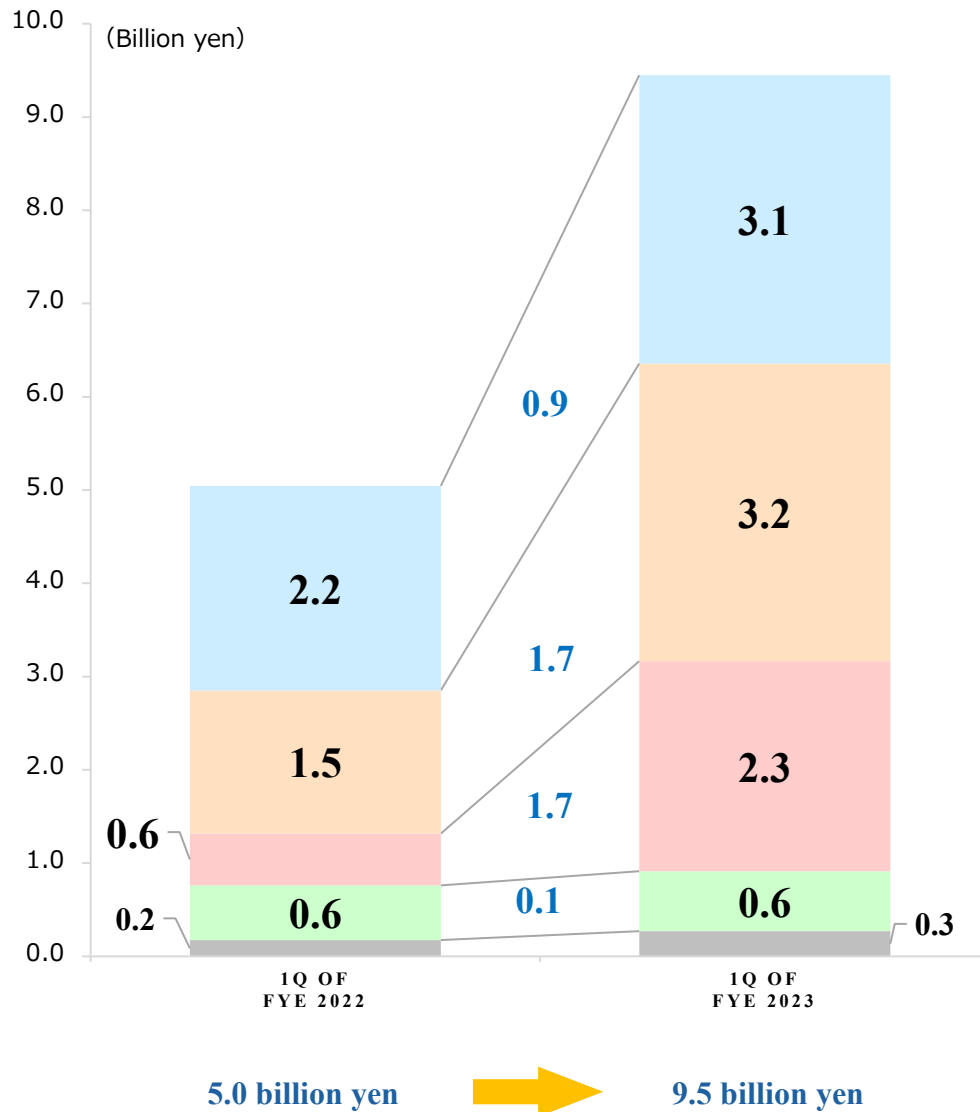
2. Segment information

(Unit: billion yen)	Revenue					Operating profit					Profit attributable to owners of the parent				
	1Q of FYE 2022	1Q of FYE 2023	Change	FYE2023		1Q of FYE 2022	1Q of FYE 2023	Change	FYE2023		1Q of FYE 2022	1Q of FYE 2023	Change	FYE2023	
				Forecast	Progress				Forecast*	Progress				Forecast*	Progress
Electronics & Devices	53.8	59.5	5.8	280.0	21%	2.2	3.1	0.9	19.0	16%	1.1	1.7	0.6	8.9	19%
Foods, Meat & Grain	70.1	82.8	12.7	305.0	27%	1.5	3.2	1.7	4.1	78%	1.1	2.6	1.5	3.2	80%
Steel, Materials & Plant	31.9	44.8	12.9	170.0	26%	0.6	2.3	1.7	5.8	39%	0.4	1.3	0.9	4.1	33%
Motor Vehicles & Aerospace	16.8	23.6	6.8	80.0	30%	0.6	0.6	0.1	1.7	38%	0.3	0.5	0.1	1.5	32%
Total for reportable segments	172.6	210.8	38.1	835.0	25%	4.9	9.2	4.3	30.6	30%	3.0	6.1	3.1	17.7	34%
Other (including adjustment)	3.0	3.7	0.8	15.0	25%	0.2	0.3	0.1	0.9	30%	0.3	0.3	(0.0)	0.3	84%
Grand total	175.6	214.5	38.9	850.0	25%	5.0	9.5	4.4	31.5	30%	3.3	6.3	3.1	18.0	35%

*The forecasts for operating profit and profit attributable to owners of the parent have been revised within the segment.



3. Operating profit <Segment>



Causes of year-on-year increase/decrease

- **【Electronics & Devices】** **0.9** billion yen up
 The semiconductor parts and manufacturing equipment business remained strong, mainly due to continued strong demand on semiconductors and the effect of acquisitions in the semiconductor manufacturing equipment business. The ICT solution business remained strong due to an increase in capital investment in network and security reviews, reflecting a strong appetite for ICT investment. The mobile business remained sluggish due to a decrease in fee income resulting from the revision of fee terms, in addition to lower sales volume.
- **【Foods, Meat & Grain】** **1.7** billion yen up
 The meat products business performed strongly thanks to the rising prices of livestock product in general, especially chicken, and the recovery in demand for food service-related sales. The foods business remained strong thanks to the growth in the transactions of products for the retail market. The grain and feedstuff business remained strong with rising prices for grain and feedstuff.
- **【Steel, Materials & Plant】** **1.7** billion yen up
 The energy business performed strongly thanks to strong ship fuel trading, as well as improved margins amid tightening supply and demand. The machine tools and industrial machinery business remained firm amid the recovery in domestic capital investment demand. The steel tubing business remained strong due to growth in energy investment in the U.S.
- **【Motor Vehicles & Aerospace】** **0.1** billion yen up
 The aerospace business remained firm, mainly due to deliveries of already contracted products. Meanwhile, the motor vehicles and parts business remained sluggish as soaring transportation costs put pressure on profits despite a recovery trend in demand.

4. Cash Flows and Financial Status

(Unit: billion yen)	1Q of FYE 2022	1Q of FYE 2023	Change
CF from operating activities	2.6	5.1	2.6
CF from investing activities	(4.2)	(2.7)	1.5
Free cash flows	(1.7)	2.4	4.1
CF from financing activities	(0.5)	(5.3)	(4.8)

(Note: The amount of impact associated with the application of IFRS 16 Leases)

CF from operating activities	2.1	2.1	0.0
CF from financing activities	(2.1)	(2.1)	(0.0)

【CF from operating activities】

Net cash provided by operating activities was 5.1 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】

Net cash used in investing activities was 2.7 billion yen due to the implementation of business investments, including the acquisition of subsidiaries.

【CF from financing activities】

Net cash used in financing activities was 5.3 billion yen, mainly due to dividends paid and the repayment of lease liabilities.

(Unit: billion yen)	End of March 31, 2022	End of June 30, 2022	Change
Total assets	634.5	667.5	33.0
Gross interest-bearing debt (Note 1)	143.5	145.0	1.6
Net interest-bearing debt	51.2	54.1	2.8
Shareholders' equity (Note 2)	159.5	168.8	9.4
Retained earnings	89.3	92.7	3.4
Other components of equity	16.6	22.4	5.9

(Note1) Gross interest-bearing debt = Total amount of bonds and loans minus lease liabilities

(Note2) Shareholders' equity = Total equity attribute to owners of the parent

Equity ratio (Note 3)	25.1%	25.3%	0.2% up
Net debt-equity ratio (Note 4)	0.3 times	0.3 times	almost same

(Note 3) Equity ratio = Shareholders' equity / Total assets

(Note 4) Net debt-equity ratio = Net interest-bearing debt / Equity capital

【Total assets】

Net assets rose 33.0 billion yen, mainly due to an increase in inventories resulting from rising commodity prices and yen depreciation.

【Interest-bearing debt】

Net interest-bearing debt rose 2.8 billion yen, mainly due to an increase in borrowings.

【Shareholders' equity】

Shareholders' equity rose 9.4 billion yen, mainly due to the accumulation of profit attributable to owners of the parent and increases in other capital components resulting from yen depreciation.

The equity ratio came to 25.3%. The net debt-equity ratio ("net DER") was 0.3 times.

5. Dividends and Capital Efficiency

【Dividends】

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023 (forecast)
Annual dividend (yen per share)	60	60	60	65	70
Consolidated payout ratio	30.3%	34.8%	37.6%	34.0%	32.5%

【Profit attributable to owners of the parent, ROE & ROIC】

