

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: ATSUGI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 3529 URL <https://www.atsugi.co.jp/>  
 Representative: President Shinji Nikko  
 Director, Executive Officer,  
 Inquiries: Administration division General Masahiro Furukawa TEL 046-235-8107  
 manager  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to file Securities Report: June 29, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	20,503	(4.4)	(2,131)	–	(1,583)	–	(1,215)	–
Year ended March 31, 2022	21,445	32.2	(2,293)	–	(1,804)	–	(1,827)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	(75.87)	–	(3.9)	(3.8)	(10.4)
Year ended March 31, 2022	(114.03)	–	(5.6)	(4.2)	(10.7)

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	40,688	30,932	76.0	1,930.44
As of March 31, 2022	42,234	32,145	76.1	2,005.98

#### (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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(1,356)	760	(471)	4,749
Year ended March 31, 2022	(748)	(1,043)	(616)	5,500

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2023	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	22,800	11.0	(300)	–	(200)	–	500	–	31.20

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2023	17,319,568 shares	As of March 31, 2022	17,319,568 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	1,296,128 shares	As of March 31, 2022	1,294,494 shares
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Average number of shares during the period

Year ended March 31, 2023	16,024,210 shares	Year ended March 31, 2022	16,026,531 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,309	4,787
Notes and accounts receivable - trade	4,204	4,241
Merchandise and finished goods	4,854	4,179
Work in process	1,149	1,029
Raw materials and supplies	510	635
Other	1,520	1,713
Allowance for doubtful accounts	(24)	(24)
Total current assets	18,524	16,562
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,395	14,734
Accumulated depreciation	(13,031)	(13,049)
Buildings and structures, net	1,364	1,685
Machinery, equipment and vehicles	14,691	12,642
Accumulated depreciation	(13,010)	(10,825)
Machinery, equipment and vehicles, net	1,681	1,817
Land	12,182	12,011
Construction in progress	514	420
Other	882	744
Accumulated depreciation	(806)	(658)
Other, net	75	86
Total property, plant and equipment	15,818	16,020
Intangible assets		
Landuse right	181	468
Software	49	74
Software in progress	237	794
Other	2	1
Total intangible assets	471	1,338
Investments and other assets		
Investment securities	7,201	6,621
Deferred tax assets	9	0
Other	209	144
Allowance for doubtful accounts	(0)	–
Total investments and other assets	7,419	6,767
Total non-current assets	23,709	24,126
Total assets	42,234	40,688

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,065	1,957
Current portion of long-term borrowings	470	470
Income taxes payable	93	138
Provision for bonuses	77	43
Other	2,215	2,681
Total current liabilities	4,922	5,291
Non-current liabilities		
Long-term borrowings	1,380	909
Deferred tax liabilities	1,154	1,052
Deferred tax liabilities for land revaluation	1,286	1,286
Retirement benefit liability	1,090	967
Other	254	249
Total non-current liabilities	5,166	4,465
Total liabilities	10,088	9,756
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,000	20,000
Capital surplus	12,042	10,272
Retained earnings	(2,630)	(2,076)
Treasury shares	(1,466)	(1,466)
Total shareholders' equity	27,945	26,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,850	1,839
Deferred gains or losses on hedges	459	411
Revaluation reserve for land	388	388
Foreign currency translation adjustment	1,500	1,563
Total accumulated other comprehensive income	4,200	4,203
Total net assets	32,145	30,932
Total liabilities and net assets	42,234	40,688

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	21,445	20,503
Cost of sales	16,326	15,125
Gross profit	5,119	5,378
Selling, general and administrative expenses	7,413	7,509
Operating loss	(2,293)	(2,131)
Non-operating income		
Interest income	34	24
Dividend income	185	206
Share of profit of entities accounted for using equity method	11	–
Foreign exchange gains	101	235
Subsidy income	55	–
Reversal of allowance for doubtful accounts	53	–
Other	80	109
Total non-operating income	522	575
Non-operating expenses		
Interest expenses	11	8
Commission expenses	1	5
Taxes and dues	3	3
Other	18	9
Total non-operating expenses	33	27
Ordinary loss	(1,804)	(1,583)
Extraordinary income		
Gain on sale of non-current assets	33	49
Gain on sale of investment securities	–	507
Gain on sale of investments in capital of subsidiaries and associates	74	–
Total extraordinary income	108	557
Extraordinary losses		
Loss on sale of non-current assets	16	24
Loss on retirement of non-current assets	47	27
Impairment losses	33	51
Loss on valuation of investment securities	–	42
Loss on sale of investment securities	–	0
Total extraordinary losses	98	146
Loss before income taxes	(1,794)	(1,171)
Income taxes - current	49	78
Income taxes - deferred	(20)	(34)
Total income taxes	28	43
Loss	(1,822)	(1,215)
Profit attributable to non-controlling interests	4	–
Loss attributable to owners of parent	(1,827)	(1,215)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Loss	(1,822)	(1,215)
Other comprehensive income		
Valuation difference on available-for-sale securities	(598)	(10)
Deferred gains or losses on hedges	253	(48)
Foreign currency translation adjustment	794	62
Share of other comprehensive income of entities accounted for using equity method	(57)	–
Total other comprehensive income	392	2
Comprehensive income	(1,430)	(1,212)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,457)	(1,212)
Comprehensive income attributable to non-controlling interests	26	–

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,000	16,148	(4,686)	(1,464)	29,997
Cumulative effects of changes in accounting policies			(233)		(233)
Restated balance	20,000	16,148	(4,920)	(1,464)	29,763
Changes during period					
Deficit disposition		(4,117)	4,117		–
Loss attributable to owners of parent			(1,827)		(1,827)
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Net changes in items other than shareholders' equity					
Total changes during period	–	(4,105)	2,290	(1)	(1,817)
Balance at end of period	20,000	12,042	(2,630)	(1,466)	27,945

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,448	206	388	785	3,830	128	33,956
Cumulative effects of changes in accounting policies							(233)
Restated balance	2,448	206	388	785	3,830	128	33,722
Changes during period							
Deficit disposition							–
Loss attributable to owners of parent							(1,827)
Purchase of treasury shares							(1)
Change in ownership interest of parent due to transactions with non-controlling interests							11
Net changes in items other than shareholders' equity	(598)	253	–	714	370	(128)	241
Total changes during period	(598)	253	–	714	370	(128)	(1,576)
Balance at end of period	1,850	459	388	1,500	4,200	–	32,145

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,000	12,042	(2,630)	(1,466)	27,945
Changes during period					
Deficit disposition		(1,770)	1,770		–
Loss attributable to owners of parent			(1,215)		(1,215)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Other			(0)		(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,770)	554	(0)	(1,216)
Balance at end of period	20,000	10,272	(2,076)	(1,466)	26,728

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,850	459	388	1,500	4,200	32,145
Changes during period						
Deficit disposition						–
Loss attributable to owners of parent						(1,215)
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Other						(0)
Net changes in items other than shareholders' equity	(10)	(48)	–	62	2	2
Total changes during period	(10)	(48)	–	62	2	(1,213)
Balance at end of period	1,839	411	388	1,563	4,203	30,932



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Loss before income taxes	(1,794)	(1,171)
Depreciation	433	448
Impairment losses	33	51
Increase (decrease) in allowance for doubtful accounts	(106)	(1)
Increase (decrease) in provision for bonuses	(3)	(33)
Increase (decrease) in retirement benefit liability	(66)	(123)
Interest and dividend income	(219)	(231)
Interest expenses	11	8
Share of loss (profit) of entities accounted for using equity method	(11)	–
Subsidy income	(55)	–
Loss (gain) on sale of investment securities	–	(507)
Loss (gain) on valuation of investment securities	–	42
Gain on sale investments in capital of subsidiaries and associates	(74)	–
Loss on retirement of property, plant and equipment	47	27
Loss (gain) on sale of property, plant and equipment	(16)	(25)
Decrease (increase) in trade receivables	(15)	(29)
Decrease (increase) in inventories	1,025	684
Increase (decrease) in trade payables	558	(97)
Increase (decrease) in accrued consumption taxes	79	(131)
Other, net	(685)	(433)
Subtotal	(859)	(1,522)
Interest and dividends received	219	231
Subsidies received	55	–
Interest paid	(11)	(8)
Extra retirement payments	(76)	–
Income taxes paid	(77)	(56)
Net cash provided by (used in) operating activities	(748)	(1,356)
Cash flows from investing activities		
Payments into time deposits	(808)	(38)
Proceeds from withdrawal of time deposits	808	815
Purchase of property, plant and equipment	(1,016)	(1,216)
Proceeds from sale of property, plant and equipment	51	695
Purchase of intangible assets	(107)	(633)
Proceeds from sale of intangible assets	–	138
Purchase of investment securities	(35)	(35)
Proceeds from sale of investment securities	–	1,032
Proceeds from collection of loans receivable	64	1
Net cash provided by (used in) investing activities	(1,043)	760

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Dividends paid	(0)	(0)
Dividends paid to non-controlling interests	(12)	–
Purchase of treasury shares	(1)	(0)
Repayments of long-term borrowings	(470)	(470)
Purchase of investments in capital of subsidiaries and associates not resulting in change in scope of consolidation	(131)	–
Net cash provided by (used in) financing activities	(616)	(471)
Effect of exchange rate change on cash and cash equivalents	505	316
Net increase (decrease) in cash and cash equivalents	(1,902)	(751)
Cash and cash equivalents at beginning of period	7,403	5,500
Cash and cash equivalents at end of period	5,500	4,749