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May 10, 2023

## Consolidated Financial Results for the Twelve Months Ended March 31, 2023 [Under Japanese GAAP]

Company name: Nippon Denkai, Ltd.  
 Stock listing: Tokyo Stock Exchange  
 Stock ticker code: 5759  
 URL: <https://www.nippon-denkai.co.jp/>  
 Representative: Hidemasa Nakajima, President and CEO  
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 Email: [ir\\_team@nippon-denkai.co.jp](mailto:ir_team@nippon-denkai.co.jp)  
 Scheduled date for the annual general meeting of shareholders: June 29, 2023  
 Scheduled date to commence dividend payments: None  
 Scheduled date to submit securities report: June 29, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

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

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

#### (1) Consolidated operating results (cumulative)

(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	%
Twelve months ended								
March 31, 2023	17,047	-17.1	-1,611	—	-1,840	—	-1,933	—
March 31, 2022	20,558	41.0	1,004	90.6	976	121.7	848	338.7

Note: Comprehensive income Twelve months ended March 31, 2023: ¥ -1,736 million [ — %]  
 Twelve months ended March 31, 2022: ¥ 721 million [41.0%]

	Earnings per share	Diluted Earnings per share	Return on Equity	Return on Asset	Return on Sales
Twelve months ended	Yen	Yen	%	%	%
March 31, 2023	-252.36	—	-29.3	-9.0	-9.5
March 31, 2022	117.22	—	15.9	6.2	4.9

(Reference) Investment Gains (Losses) on Equity Method Twelve months ended March 31, 2023: — million  
 Twelve months ended March 31, 2022: — million

Notes: The Company conducted a 3,000-for-one stock split of its common stock as of April 23, 2021. The amount of earnings per share was calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book value per share
Twelve months ended	Millions of Yen	Millions of Yen	%	Yen
March 31, 2023	22,678	7,447	32.8	822.97
March 31, 2022	18,034	5,755	31.9	793.85

(Reference) Equity As of March 31, 2023 : ¥ 7,447 million

As of March 31, 2022 : ¥ 5,755 million

## (3) Status of Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and Cash Equivalent
Twelve months ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
March 31, 2023	697	-6,495	6,606	3,579
March 31, 2022	217	-2,191	2,706	2,500

## 2. Status of Dividends

	Annual dividends per share					Total Dividends	Dividend Payout Ratio	Dividend on Equity Ratio
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Twelve months ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31, 2022	—	0.00	—	0.00	0.00	—	—	—
March 31, 2023	—	0.00	—	0.00	0.00	—	—	—
March 31, 2024 (Forecast)	—	0.00	—	0.00	0.00		—	

## 3. Consolidated financial forecast 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
FY 2023	20,660	20.8	-600	—	-1,100	—	-1,100	—	-121.55

### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation):
- (2) Changes in accounting policies and accounting estimates, and redisplay of corrections
  - (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) Redisplay of corrections: None

(3) Number of issued shares (common stocks)

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

As of March 31, 2023	9,050,000 shares
As of March 31, 2022	7,250,000 shares

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

As of March 31, 2023	69 shares
As of March 31, 2022	— shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of March 31, 2023	7,663,473 shares
As of March 31, 2022	7,238,493 shares

Note: The Company conducted a 3,000-for-one stock split of its common stock as of April 23, 2021. The average number of shares during the period is calculated with the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Reference) The company individual financial results for the twelve months ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) The company individual operating results (Percentages indicate Year-on-Year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit for the period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Twelve months ended								
March 31, 2023	12,451	-18.5	-389	—	-417	—	-469	—
March 31, 2022	15,281	34.3	845	0.9	845	10.1	564	27.6

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Twelve months ended				
March 31, 2023	-61.28	—	—	—
March 31, 2022	77.96	—	—	—

Note: The Company conducted a 3,000-for-one stock split of its common stock as of April 23, 2021. The amount of earnings per share was calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) The company individual financial position

	Total Assets	Net Assets	Equity Ratio	Book value Per Share
	Millions of Yen	Millions of Yen	%	Yen
Twelve months ended				
March 31, 2023	21,633	6,930	32.0	765.75
March 31, 2022	16,293	4,101	25.2	565.67

(Reference) Equity As of March 31, 2023 : ¥ 6,930 million

As of March 31, 2022 : ¥ 4,101 million

\* Financial results reports are not subject to audit by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

Actual results may differ materially from forward-looking statements contained herein, including the forecasts of results of operations, as such statements are based on the information currently available to the company and certain assumptions that are deemed reasonable for the company. For cautions to be exercised when using the forecasts of financial results and assumptions that underlie the forecasts, please refer to “1. Qualitative Information on Financial Results - (4) Detailed Forecast of FY2023.” on Page 3 of the Appendix.

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## 1. Qualitative Information on Financial Results

### (1) Explanation on Operating Business Results

During the consolidated fiscal year under review, the outlook for the global economy became increasingly uncertain amid the resumption of post-COVID economic activities around the world, due to factors such as shortages in the supply of semiconductors and other raw materials, disruptions in distribution networks, prolonged war in Ukraine, rising energy and resource prices, and policy rate hikes in the United States and European countries.

In the U.S., there was expansion in domestic demand and employment conditions remained strong, but the policy yield was raised as a countermeasure against rising prices, and the impact of this hike needed to be assessed. In China, the zero-corona policy was abolished and a growth-oriented policy was put in place, but the future trends of unstable factors, such as non-performing loan problems, required attention. In Japan, economic activities gradually normalized and domestic demand followed a recovery trend, despite factors such as rising energy and other prices and the yen's depreciation.

In the market for automotive LIBs (lithium-ion rechargeable batteries), the trend toward electrification of powertrains expanded and demand for xEVs (a generic term for electric vehicles, including hybrid, plug-in, and electric vehicles) grew. However, in Japan, the expansion was limited due to the lingering effects of semiconductor supply shortages and the limited diffusion of hybrid-type vehicles only. In the U.S., Europe, and China, conditions became more severe as foreign battery manufacturers, including those from China and South Korea, entered the market.

In the electronic components industry, the main market for copper foil for circuit boards, demand for electronic components for smartphones was sluggish due to China's zero-corona policy and declining business confidence in Europe and the United States. In addition, the global supply shortage of semiconductors for automotive applications was prolonged, leading to a slowdown in automobile production and sluggish demand for automotive equipment. In contrast, the market for 5G-compatible infrastructure-related equipment remained firm.

Under these circumstances, the company's sales of copper foil for automotive batteries, demand remained sluggish due to automobile manufacturers' curbing of production plans. In sales of copper foil for circuit boards, demand for high-end products for smartphones also remained sluggish.

In terms of earnings, operating income and each of the following profit categories were in the red due to factors that increased manufacturing costs, such as lower capacity utilization due to lower order volumes, soaring electricity prices, and higher domestic copper material prices due to the weak yen.

As a result, in the current fiscal year, the company's total production volume (metric tons) was 8,520 metric tons (down 28.6% from the previous consolidated fiscal year), Net sales was 17,047 million yen (down 17.1%), Operating profit was -1,611 million yen (the previous consolidated fiscal year was 1,004 million yen), Ordinary profit was -1,840 million yen (the previous consolidated fiscal year was 976 million yen), and Profit attributable to owners of parent was -1,933 million yen (the previous consolidated fiscal year was 848 million yen)

### (2) Explanation on Financial Position

#### (Assets)

Total assets as of the end of the current consolidated fiscal year was 22,678 million yen, up 25.8% (4,644 million yen) from the end of the previous consolidated fiscal year.

Current assets decreased by 2.1% (197 million yen) to 9,344 million yen, mainly due to an increase of 1,078 million yen in Cash and deposits, a decrease of 683 million yen in Accounts receivable, a decrease of 370 million yen in Finished goods, a decrease of 216 million yen in Raw materials and supplies. Fixed assets increased by 57.0% (4,842 million yen) to 13,334 million yen, mainly due to a decrease of 478 million yen in Machinery, equipment and vehicles, an increase of 5,483 million yen in Construction in progress.

#### (Liabilities)

Total liabilities as of the end of the current consolidated fiscal year was 15,231 million yen, up 24.0%

(2,952 million yen) from the end of the previous consolidated fiscal year. Current liabilities increased by 82.7% (4,177 million yen) to 9,226 million yen, mainly due to an increase of 4,200 million yen in Short-term borrowings, and a decrease of 158 million yen in Income taxes payable. Non-current liabilities decreased by 16.9% (1,225 million yen) to 6,004 million yen, mainly due to a decrease of 1,069 million yen in Long-term borrowings.

(Net assets)

Total equity as of the end of the current consolidated fiscal year increased by 29.4% (1,692 million yen) from the end of the previous consolidated fiscal year to 7,447 million yen, mainly due to Profit attributable to owners of parent of -1,933 million yen, an increase of 230 million yen in Foreign exchange translation adjustment, a decrease of 33 million yen in Remeasurements of defined benefit plans, and an increase of 1,714 million yen in Common stock and Capital surplus which resulted from issuance of new shares upon the exercising of New Share Warrants.

As a result of the above, the equity ratio is 32.8% (At the end of the previous consolidated fiscal year was 31.9%).

### (3) Explanation on Cash Flows

Total cash and cash equivalent (hereinafter referred to as “funds”) of the current consolidated fiscal year was 3,579 million yen, up 1,078 million yen from the end of the previous consolidated fiscal year. The major factors of increase / decrease in the current consolidated fiscal year are as follows.

(Cash flow from operating activities)

The funds increased by operating activities of the current consolidated fiscal year was 697 million yen. (The increase of the previous consolidated fiscal year was 217 million yen). Mainly, due to Profit for the period of -1,862 million yen, Depreciation of 1,255 million yen, a decrease of 834 million yen in Notes and accounts receivable – trade, a decrease of 771 million yen in inventories, and Interest expense of 180 million yen.

(Cash flow from investment activities)

The funds decreased by investment activities of the current consolidated fiscal year was 6,495 million yen. (The decrease of the previous consolidated fiscal year was 2,191 million yen). Mainly, due to Purchase of property, plant and equipment of 6,578 million yen.

(Cash flow from financial activities)

The funds increased by financial activities of the current consolidated fiscal year was 6,606 million yen. (The increase of the previous consolidated fiscal year was 2,706 million yen). Mainly, due to an increase of 4,200 million yen in Short-term borrowings, an increase of 3,373 million yen in Proceeds from issuance of common shares, Repayments of long-term loans payable of 958 million yen.

### (4) Detailed Forecast of FY2023

As for the future outlook, the prolonged situation in Ukraine, escalating energy and resource prices, and policy interest rate hikes in the United States and European countries are all factors that may cause some uncertainty. However, the trend toward electrification of automobile powertrains is expected to continue with the normalization of economic activity in the "Post-Corona" period, and demand for copper foil for automotive batteries is expected to be strong. In the electronic device field, although the market conditions are expected to be severe, demand for materials for high-end PCBs is expected to remain steady.

Under these circumstances, the consolidated earnings forecast for the fiscal year ending March 31, 2024, is expected to be Net sales of 20,600 million yen (up 21.2% YoY) on the basis of Production volume (metric tons) of 10,400 Mt, Copper market price at 1,250 yen/Kg and Average forex rate for the period is assumed to be 130.00 yen to the U.S. dollar.

	FY2022 Actual	FY2023 Forecast	Difference (%)
Net Sales –total	17,047	20,600	20.8
EV Battery Copper foils	11,316	14,800	30.8
Circuit board Copper foils	5,730	5,800	1.2

In sales of EV Battery Copper foils are expected to increase by about 30% (3.5 billion yen). The increase in Sales is due to Recovery in demand and orders from existing customers (estimated sales 2.3 billion yen), Start of supply of materials for High-capacity LIBs (estimated sales 3 million) in Q2, Installation of a copper foil manufacturing line for automotive batteries in the existing plant in South Carolina, U.S., to be completed in May 2023 and start supplying products to customers in the U.S. in the second half of the year (estimated sales 900 million yen).

In sales of Circuit board Copper foils, while demand for electronic devices is expected to be sluggish, it is anticipated that the sales will increase due to a rise in sales volume to U.S. circuit board manufacturers and an increase in sales from the start of product supply to new customers in Japan.

Profits at each step below operating income are expected to be -600 million yen, ordinary income -1,100 million yen, and net income attributable to shareholders of the parent company -1,100 million yen.

In the midst of a continuing severe earnings environment, The Company will continue dialogue and negotiations with customers regarding the reflection of higher electricity prices in product prices, and will also work to reduce Manufacturing costs by promoting DX and IoT in production sites for labor saving, and establish a system to secure profits even at low operating rates. We will also work on implementing measures to recover profitability by FY2023 Q4.

The above forecasts are based on information available as of the date that this document is published, and actual results may differ from the forecasts due to various factors. If it becomes necessary to revise the forecast, the company will inform such revisions promptly.

## 2. Basic Approach to the Selection of Accounting Standards

The company currently applies Japanese GAAP for consolidated financial statements. The company believes that the consolidated financial statements prepared in accordance with this accounting standard adequately present the financial position and operating results of the company.

However, the company will consider the possibility of adopting different accounting standards in the future, such as International Financial Reporting Standards, while taking into the globalization of the company and the differences from the application of the current accounting standard.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Statement of Balance Sheet

(Thousands of Yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,500,768	3,579,657
Accounts receivable	3,161,612	2,478,357
Finished goods	1,269,727	899,463
Work in process	1,260,657	1,212,083
Raw materials and supplies	844,290	628,242
Other current assets	505,610	546,914
<b>Total current assets</b>	<b>9,542,665</b>	<b>9,344,718</b>
Non-current assets		
Tangible non-current assets		
Buildings and structures, net	1,471,378	1,379,685
Machinery, equipment and vehicles, net	3,674,909	3,196,055
Land	694,361	661,568
Leased assets, net	244,764	223,940
Construction in progress	2,015,752	7,499,402
Other non-current assets, net	164,686	139,467
<b>Total tangible non-current</b>	<b>6,265,853</b>	<b>13,100,119</b>
Intangible non-current assets	33,834	27,419
Investments and other assets		
Deferred tax assets	72,279	2,663
Net defined benefit assets	70,910	156,742
Others	48,649	47,310
<b>Total investments and other assets</b>	<b>191,838</b>	<b>206,716</b>
<b>Total non-current assets</b>	<b>8,491,526</b>	<b>13,334,256</b>
<b>Total assets</b>	<b>18,034,191</b>	<b>22,678,974</b>



(Thousands of Yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Account payable	1,809,957	1,771,739
Short-term borrowings	800,000	5,000,000
Current portion of long-term borrowings	958,760	1,358,760
Short-term lease obligation	20,734	20,600
Income taxes payable	186,400	27,502
Contract liabilities	352	65,313
Provision for bonuses	148,970	103,019
Provision for directors' bonuses	16,012	4,486
Other current liabilities	1,107,865	875,429
Total current liabilities	5,049,052	9,226,853
Non-current liabilities		
Long-term borrowings	6,831,320	5,762,200
Long-term lease obligation	256,129	235,528
Deferred tax liabilities	4,026	1,868
Other non-current liabilities	138,230	4,729
Total non-current liabilities	7,229,705	6,004,326
Total liabilities	12,278,758	15,231,180
Equity		
Shareholders' equity		
Common stock	143,937	1,858,509
Capital surplus	2,343,937	4,058,509
Retained earnings	3,091,573	1,157,645
Treasury stock	—	-196
Total shareholders' equity	5,579,448	7,074,467
Accumulated other comprehensive income		
Foreign exchange translation adjustment	151,883	382,823
Remeasurements of defined benefit plans	24,101	-9,496
Total accumulated other comprehensive income	175,984	373,327
Total equity	5,755,433	7,447,794
Total liabilities and equity	18,034,191	22,678,974

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

(Thousands of Yen)

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Net Sales	20,558,286	17,047,433
Cost of sales	18,527,694	16,943,255
Gross profit	2,030,592	104,178
Selling, general and administrative expenses	1,025,957	1,715,978
Operating profit	1,004,634	-1,611,800
Non-operating income		
Interest income	35	519
Income from sale of scraps	28,097	35,298
Insurance claim income	7,427	17,793
Foreign exchange gains	45,522	—
Gain on valuation of currency swaps	16,187	—
Other non-operating incomes	869	4,216
Total non-operating income	98,140	57,828
Non-operating expenses		
Interest expense	77,744	179,999
Listing expenses	8,450	—
Stock issuance expenses	—	34,790
Other non-operating expenses	40,400	71,529
Total non-operating expenses	126,595	286,319
Ordinary profit or loss	976,179	-1,840,291
Extraordinary incomes		
Gain on sale of fixed assets	—	38,417
Public subsidies	137,303	—
Settlement money received	—	23,636
Total extraordinary incomes	137,303	62,054
Extraordinary losses		
Loss on disposal of non-current assets	48,886	80,530
Impairment loss	3,858	3,626
Total extraordinary losses	52,745	84,156
Net profit or loss before income taxes	1,060,737	-1,862,394
Current income taxes	228,404	4,480
Deferred income taxes	-16,153	67,054
Total income taxes	212,250	71,534
Profit or loss for the period	848,487	-1,933,928
Profit attributable to owners of parent	848,487	-1,933,928

## Consolidated Statement of Comprehensive Income

	(Thousands of Yen)	
	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Profit for the period	848,487	-1,933,928
Other comprehensive income		
Foreign currency translation adjustment	151,883	230,940
Remeasurements of defined benefit plans, net of tax	-278,839	-33,597
Total other comprehensive income	-126,955	197,342
Comprehensive income	721,531	-1,736,585
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	721,531	-1,736,585

## (3) Consolidated Statement of Changes in shareholders' equity

FY2021 (from April 1, 2021 to March 31, 2022)

(Thousands of Yen)

	Shareholders' equity				Accumulated other comprehensive income			Total Net assets
	Common stock	Capital surplus	Retained earnings	Total Shareholders' equity	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	
Opening balance	100,000	2,300,000	2,243,086	4,643,086	—	302,940	302,940	4,946,026
Changes of items during period								
Profit attributable to owners of parent	43,937	43,937		87,875				87,875
Net changes of items other than shareholders' equity			848,487	848,487				848,487
					151,883	-278,839	-126,955	-126,955
Total Changes of items during period	43,937	43,937	848,487	936,362	151,883	-278,839	-126,955	809,406
Closing balance	143,937	2,343,937	3,091,573	5,579,448	151,883	24,101	175,984	5,755,433

FY2022 (from April 1, 2022 to March 31, 2023)

(Thousands of Yen)

	Shareholders' equity				Accumulated other comprehensive income				Total Net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income	
Opening balance	143,937	2,343,937	3,091,573	—	5,579,448	151,883	24,101	175,984	5,755,433
Changes of items during period									
Issuance of new shares	1,714,571	1,714,571			3,429,143				3,429,143
Profit attributable to owners of parent			-1,933,928		-1,933,928				-1,933,928
Repurchase of treasury stock				-196	-196				-196
Net changes of items other than shareholders' equity						230,940	-33,597	197,342	197,342
Total Changes of items during period	1,714,571	1,714,571	-1,933,928	-196	1,495,018	230,940	-33,597	197,342	1,692,361
Final balance	1,858,509	4,058,509	1,157,645	-196	7,074,467	382,823	-9,496	373,327	7,447,794

## (4) Consolidated Statement of Cash Flow

(Thousands of Yen)

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Net profit or loss before income taxes	1,060,737	-1,862,394
Depreciation	1,274,229	1,255,537
Impairment loss	3,858	3,626
Public subsidies	-137,303	—
Settlement money received	—	-23,636
Increase (decrease) in provision for bonuses	-3,831	-45,952
Increase (decrease) in provision for directors' retirement benefits	-2,085	-11,900
Increase (decrease) in net defined benefit assets	-55,518	-90,192
Increase (decrease) in net defined benefit liabilities	-36,946	—
Retirement benefit expenses	-307,564	-26,684
Interest income	-35	-519
Interest expense	77,744	179,999
Stock issuance expenses	—	34,790
Loss on disposal of non-current assets (income)	10,622	33,684
Decrease (increase) in notes and accounts receivable – trade	-538,388	834,203
Decrease (increase) in inventories	-1,122,730	771,718
Increase (decrease) in notes and account payable – trade	293,769	-71,138
Decrease (increase) in accounts receivable - other	-80,880	-94,348
Increase (decrease) in contract liabilities	294	65,892
Decrease (increase) in consumption taxes refund receivable or accounts payable - other	-65,459	23,857
Other cash flows from operating activities	-36,051	-25,601
Subtotal cash flows from operating activities	334,459	950,940
Received interest income	35	519
Paid interest expense	-58,649	-180,016
Received public subsidies	137,303	—
Received settlement money	—	23,636
Income taxes (paid) refund	-195,415	-97,751
Cash flows from operating activities	217,733	697,328
<b>Cash flows from investment activities</b>		
Purchase of property, plant and equipment	-2,178,873	-6,578,228
Purchase of intangible assets	-11,867	-3,907
Proceeds from sale of non-current assets	281	86,857
Other cash flows from investment activities	-1,393	—
Cash flows from investment activities	-2,191,853	-6,495,278

(Thousands of Yen)

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Cash flows from financial activities		
Net increase (decrease) in short-term loans payable	662,696	4,200,000
Proceeds from long-term loans payable	2,953,586	—
Repayments of long-term loans payable	-958,760	-958,760
Proceeds from issuance of common shares	86,726	3,373,787
Proceeds from issuance of New Share Warrants	—	20,754
Repayments of lease obligations	-31,812	-20,734
Other cash flows from financial activities	-6,000	-8,714
Cash flow from financial activities	2,706,437	6,606,333
Effect of exchange rate change on cash and cash equivalents	106,255	270,505
Net increase (decrease) in cash and cash equivalents	838,572	1,078,888
Cash and cash equivalents at beginning of period	1,662,196	2,500,768
Cash and cash equivalents at end of period	2,500,768	3,579,657

## (5) Major Notes about Consolidated Statements

(Notes on going concern assumption)

Not applicable

(Changes in accounting policies)

(Adoption of the accounting standard for revenue recognition)

The company adopted the "Guidance on Accounting Standard for Measurement of Fair Value" (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the current consolidated fiscal year. In accordance with the transitional treatment stipulated in Paragraph 27-2 of the Accounting Standard for Fair Value Measurements, the new accounting policy will be adopted prospectively. This has no effect on the consolidated financial statements.

(Segment information, etc.)

Segment information is omitted as the company operates in a single segment of the Manufacturing of Electrodeposited Copper foil.

(Information per share)

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Book value Per Share	793.85 Yen	822.97 Yen
Earnings per share	117.22 Yen	-252.36 Yen

Note: 1. Diluted Earnings per share is not written because there is no potential shares.

2. The Company conducted a 3,000-for-one stock split of its common stock as of April 23, 2021. The amount of earnings per share was calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

3. The basis of calculation of Earnings per share is as follow.

	FY2021 (from April 1, 2021 to March 31, 2022)	FY2022 (from April 1, 2022 to March 31, 2023)
Earnings per share (Thousands of Yen)		
Profit attributable to owners of parent	848,487	-1,933,928
Amount not attributable to common shareholders	—	—
Profit attributable to common shareholders	848,487	-1,933,928
Common stock of average shares during the period (shares)	7,238,493	7,663,473

(Significant Subsequent Events)

Not applicable