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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: YOTAI REFRACTORIES CO.,LTD.

Stock exchange listing: Tokyo

Code number: 5357

URL: <https://www.yotai.co.jp/>

Representative: Mitsuo Taguchi

President

Contact: Shinichiro Takebayashi

Managing Director, General Manager of General Affairs
Department of Head Office

Phone: +81-72-430-2100

Scheduled date of Annual General Meeting of Shareholders: June 22, 2023

Scheduled date of commencing dividend payments: June 23, 2023

Scheduled date of filing annual securities report: June 23, 2023

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|------|------------------|-------|-----------------|------|---|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended March 31, 2023 | 28,250 | 9.0 | 4,012 | (1.9) | 4,143 | 0.5 | 2,971 | 0.1 |
| March 31, 2022 | 25,912 | 10.0 | 4,089 | 40.0 | 4,123 | 36.5 | 2,966 | 60.8 |

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 3,350 million [6.2%]
Fiscal year ended March 31, 2022: ¥ 3,155 million [44.0%]

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|-------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2023 | 147.33 | - | 9.7 | 10.6 | 14.2 |
| March 31, 2022 | 141.28 | - | 10.0 | 11.1 | 15.8 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2023 | 39,645 | 31,065 | 78.4 | 1,582.45 |
| March 31, 2022 | 38,750 | 30,109 | 77.7 | 1,460.90 |

(Reference) Equity: As of March 31, 2023: ¥ 31,065 million
As of March 31, 2022: ¥ 30,109 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 the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2023 | 1,781 | (1,954) | (2,536) | 5,841 |
| March 31, 2022 | 421 | (1,208) | (2,111) | 8,537 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| March 31, 2022 | - | 16.00 | - | 27.00 | 43.00 | 889 | 30.4 | 3.1 |
| March 31, 2023 | - | 20.00 | - | 25.00 | 45.00 | 894 | 30.5 | 3.0 |
| Fiscal year ending March 31, 2024 (Forecast) | - | 25.00 | - | 25.00 | 50.00 | | 32.7 | |

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

| | 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, 2023 | 14,500 | 6.9 | 2,050 | 2.6 | 2,100 | 3.0 | 1,500 | 5.3 | 76.41 |
| Full year | 29,000 | 2.7 | 4,100 | 2.2 | 4,200 | 1.4 | 3,000 | 1.0 | 152.82 |

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2023: 25,587,421 shares

March 31, 2022: 25,587,421 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 5,956,393 shares

March 31, 2022: 4,977,129 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 20,166,646 shares

Fiscal Year ended March 31, 2022: 20,999,622 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|-------------------|-----------------|------|------------------|-------|-----------------|-------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2023 | 28,250 | 9.0 | 3,681 | (2.7) | 3,806 | (0.2) | 2,781 | 3.2 |
| March 31, 2022 | 25,912 | 10.0 | 3,783 | 25.5 | 3,813 | 22.8 | 2,694 | 25.1 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 31, 2023 | 137.91 | - |
| March 31, 2022 | 128.33 | - |

(2) Non-consolidated Financial Position

| As of | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2023 | 39,675 | 30,990 | 78.1 | 1,578.67 |
| March 31, 2022 | 39,052 | 30,272 | 77.5 | 1,468.81 |

(Reference) Equity: As of March 31, 2023: ¥ 30,990 million
As of March 31, 2022: ¥ 30,272 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,537,563 | 5,841,039 |
| Notes and accounts receivable - trade | 9,675,751 | 10,027,497 |
| Contract assets | 175,578 | 130,989 |
| Electronically recorded monetary claims - operating | 2,554,830 | 2,288,441 |
| Finished goods | 3,960,175 | 4,992,441 |
| Work in process | 280,783 | 373,982 |
| Raw materials and supplies | 4,772,665 | 6,077,541 |
| Other | 327,940 | 209,798 |
| Allowance for doubtful accounts | (2,894) | (4,569) |
| Total current assets | 30,282,393 | 29,937,162 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 1,975,511 | 2,467,072 |
| Machinery, equipment and vehicles, net | 1,518,184 | 1,829,510 |
| Land | 1,410,155 | 1,423,028 |
| Construction in progress | 589,370 | 224,676 |
| Other, net | 345,746 | 612,356 |
| Total property, plant and equipment | 5,838,968 | 6,556,643 |
| Intangible assets | 71,284 | 147,475 |
| Investments and other assets | | |
| Investment securities | 2,279,417 | 2,748,304 |
| Deferred tax assets | 191,462 | 104,789 |
| Other | 103,894 | 170,157 |
| Allowance for doubtful accounts | (16,986) | (18,920) |
| Total investments and other assets | 2,557,789 | 3,004,330 |
| Total non-current assets | 8,468,042 | 9,708,450 |
| Total assets | 38,750,436 | 39,645,612 |

(Thousands of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,387,340 | 2,125,440 |
| Electronically recorded obligations - operating | 2,104,994 | 2,334,805 |
| Accounts payable - other | 567,256 | 189,530 |
| Accrued expenses | 1,302,073 | 1,365,759 |
| Income taxes payable | 724,299 | 601,201 |
| Provision for bonuses for directors (and other officers) | 35,600 | 34,800 |
| Other | 114,496 | 269,055 |
| Total current liabilities | 7,236,062 | 6,920,591 |
| Non-current liabilities | | |
| Retirement benefit liability | 1,381,292 | 1,440,736 |
| Other | 23,580 | 219,118 |
| Total non-current liabilities | 1,404,872 | 1,659,855 |
| Total liabilities | 8,640,935 | 8,580,446 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,654,519 | 2,654,519 |
| Capital surplus | 1,762,031 | 1,802,929 |
| Retained earnings | 26,994,021 | 29,005,082 |
| Treasury shares | (2,319,009) | (3,795,179) |
| Total shareholders' equity | 29,091,563 | 29,667,352 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 757,432 | 1,098,572 |
| Deferred gains or losses on hedges | 468 | (8,120) |
| Foreign currency translation adjustment | 285,705 | 345,417 |
| Remeasurements of defined benefit plans | (25,668) | (38,056) |
| Total accumulated other comprehensive income | 1,017,937 | 1,397,813 |
| Total net assets | 30,109,501 | 31,065,165 |
| Total liabilities and net assets | 38,750,436 | 39,645,612 |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

| | For the fiscal year ended March 31, 2022 | For the fiscal year ended March 31, 2023 |
|--|---|---|
| Net sales | 25,912,475 | 28,250,653 |
| Cost of sales | 19,565,162 | 21,824,133 |
| Gross profit | 6,347,313 | 6,426,519 |
| Selling, general and administrative expenses | 2,257,786 | 2,413,908 |
| Operating profit | 4,089,527 | 4,012,610 |
| Non-operating income | | |
| Interest income | 8,691 | 13,742 |
| Dividend income | 75,261 | 96,883 |
| Rental income from real estate | 20,400 | 17,101 |
| Foreign exchange gains | - | 1,450 |
| Gain on sale of investment securities | 2,962 | 45,507 |
| Subsidy income | 20,060 | 20,060 |
| Gain on sale of scraps | 19,149 | 20,213 |
| Other | 17,531 | 14,118 |
| Total non-operating income | 164,057 | 229,076 |
| Non-operating expenses | | |
| Interest expenses | 554 | 286 |
| Commission for purchase of treasury shares | 40,832 | 38,842 |
| Foreign exchange losses | 24,071 | - |
| Loss on retirement of non-current assets | 58,544 | 51,323 |
| Other | 6,563 | 7,818 |
| Total non-operating expenses | 130,565 | 98,269 |
| Ordinary profit | 4,123,019 | 4,143,417 |
| Extraordinary losses | | |
| Impairment losses | - | 53,495 |
| Total extraordinary losses | - | 53,495 |
| Profit before income taxes | 4,123,019 | 4,089,922 |
| Income taxes - current | 1,216,525 | 1,166,988 |
| Income taxes - deferred | (60,233) | (48,126) |
| Total income taxes | 1,156,291 | 1,118,861 |
| Profit | 2,966,727 | 2,971,060 |
| Profit attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 2,966,727 | 2,971,060 |

Consolidated Statements of Comprehensive Income

(Thousands of yen)

| | For the fiscal year ended March 31, 2022 | For the fiscal year ended March 31, 2023 |
|--|---|---|
| Profit | 2,966,727 | 2,971,060 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 84,015 | 341,139 |
| Deferred gains or losses on hedges | (7,321) | (8,588) |
| Foreign currency translation adjustment | 123,911 | 59,712 |
| Remeasurements of defined benefit plans, net of tax | (12,178) | (12,387) |
| Total other comprehensive income | 188,427 | 379,875 |
| Comprehensive income | 3,155,155 | 3,350,935 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,155,155 | 3,350,935 |
| Comprehensive income attributable to non-controlling interests | - | - |

Consolidated Statements of Changes in Equity

For the 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 | 2,654,519 | 1,750,465 | 24,621,486 | (823,490) | 28,202,981 |
| Changes during period | | | | | |
| Dividends of surplus | | | (594,192) | | (594,192) |
| Profit attributable to owners of parent | | | 2,966,727 | | 2,966,727 |
| Purchase of treasury shares | | | | (1,499,934) | (1,499,934) |
| Disposal of treasury shares | | 11,565 | | 4,415 | 15,981 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 11,565 | 2,372,535 | (1,495,518) | 888,581 |
| Balance at end of period | 2,654,519 | 1,762,031 | 26,994,021 | (2,319,009) | 29,091,563 |

| | Accumulated other comprehensive income | | | | | Total net assets |
|--|---|------------------------------------|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 673,417 | 7,789 | 161,793 | (13,490) | 829,510 | 29,032,492 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (594,192) |
| Profit attributable to owners of parent | | | | | | 2,966,727 |
| Purchase of treasury shares | | | | | | (1,499,934) |
| Disposal of treasury shares | | | | | | 15,981 |
| Net changes in items other than shareholders' equity | 84,015 | (7,321) | 123,911 | (12,178) | 188,427 | 188,427 |
| Total changes during period | 84,015 | (7,321) | 123,911 | (12,178) | 188,427 | 1,077,009 |
| Balance at end of period | 757,432 | 468 | 285,705 | (25,668) | 1,017,937 | 30,109,501 |

For the fiscal year ended March 31, 2023

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 2,654,519 | 1,762,031 | 26,994,021 | (2,319,009) | 29,091,563 |
| Changes during period | | | | | |
| Dividends of surplus | | | (959,999) | | (959,999) |
| Profit attributable to owners of parent | | | 2,971,060 | | 2,971,060 |
| Purchase of treasury shares | | | | (1,500,621) | (1,500,621) |
| Disposal of treasury shares | | 40,898 | | 24,450 | 65,349 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 40,898 | 2,011,060 | (1,476,170) | 575,789 |
| Balance at end of period | 2,654,519 | 1,802,929 | 29,005,082 | (3,795,179) | 29,667,352 |

| | Accumulated other comprehensive income | | | | | Total net assets |
|--|---|------------------------------------|---|---|--|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | |
| Balance at beginning of period | 757,432 | 468 | 285,705 | (25,668) | 1,017,937 | 30,109,501 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (959,999) |
| Profit attributable to owners of parent | | | | | | 2,971,060 |
| Purchase of treasury shares | | | | | | (1,500,621) |
| Disposal of treasury shares | | | | | | 65,349 |
| Net changes in items other than shareholders' equity | 341,139 | (8,588) | 59,712 | (12,387) | 379,875 | 379,875 |
| Total changes during period | 341,139 | (8,588) | 59,712 | (12,387) | 379,875 | 955,664 |
| Balance at end of period | 1,098,572 | (8,120) | 345,417 | (38,056) | 1,397,813 | 31,065,165 |

Consolidated Statements of Cash Flows

(Thousands of yen)

| | For the fiscal year ended March 31, 2022 | For the fiscal year ended March 31, 2023 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,123,019 | 4,089,922 |
| Depreciation | 870,720 | 1,046,284 |
| Impairment losses | - | 53,495 |
| Increase (decrease) in allowance for doubtful accounts | (14,745) | 2,714 |
| Increase (decrease) in retirement benefit liability | (2,542) | 24,723 |
| Interest and dividend income | (83,953) | (110,625) |
| Interest expenses | 554 | 286 |
| Subsidy income | (20,060) | (20,060) |
| Loss (gain) on sale of investment securities | (2,962) | (45,507) |
| Decrease (increase) in trade receivables | (1,616,969) | (53,497) |
| Decrease (increase) in inventories | (3,194,936) | (2,409,557) |
| Increase (decrease) in trade payables | 1,409,373 | (146,873) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | 6,200 | (800) |
| Other, net | (165,827) | 533,263 |
| Subtotal | 1,307,869 | 2,963,768 |
| Interest and dividends received | 83,953 | 110,625 |
| Interest paid | (554) | (286) |
| Income taxes paid | (969,637) | (1,292,562) |
| Net cash provided by (used in) operating activities | 421,631 | 1,781,545 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,139,288) | (1,897,738) |
| Payments for retirement of property, plant and equipment | - | (48,702) |
| Proceeds from sale of property, plant and equipment | 7,246 | - |
| Purchase of intangible assets | (40,797) | (66,939) |
| Purchase of investment securities | (66,083) | (13,837) |
| Proceeds from sale of investment securities | 30,773 | 75,934 |
| Long-term loan advances | - | (2,941) |
| Net cash provided by (used in) investing activities | (1,208,149) | (1,954,224) |
| Cash flows from financing activities | | |
| Purchase of treasury shares | (1,499,934) | (1,538,906) |
| Dividends paid | (588,222) | (956,524) |
| Other, net | (23,630) | (41,052) |
| Net cash provided by (used in) financing activities | (2,111,787) | (2,536,483) |
| Effect of exchange rate change on cash and cash equivalents | 45,097 | 12,636 |
| Net increase (decrease) in cash and cash equivalents | (2,853,208) | (2,696,524) |
| Cash and cash equivalents at beginning of period | 11,390,772 | 8,537,563 |
| Cash and cash equivalents at end of period | 8,537,563 | 5,841,039 |

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,089,246 | 4,806,754 |
| Notes receivable - trade | 368,496 | 443,525 |
| Electronically recorded monetary claims - operating | 2,554,830 | 2,288,441 |
| Accounts receivable - trade | 9,264,987 | 9,754,806 |
| Contract assets | 175,578 | 130,989 |
| Finished goods | 4,066,878 | 5,118,727 |
| Work in process | 261,899 | 345,620 |
| Raw materials and supplies | 4,417,159 | 5,725,953 |
| Prepaid expenses | 13,754 | 89,407 |
| Other | 312,323 | 118,711 |
| Allowance for doubtful accounts | (1,800) | (1,800) |
| Total current assets | 29,523,355 | 28,821,137 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 1,432,130 | 1,738,510 |
| Structures, net | 484,885 | 695,216 |
| Machinery and equipment, net | 1,398,828 | 1,756,315 |
| Vehicles, net | 52,393 | 70,020 |
| Tools, furniture and fixtures, net | 291,844 | 357,370 |
| Land | 1,410,155 | 1,423,028 |
| Leased assets, net | 43,277 | 244,612 |
| Construction in progress | 589,370 | 224,676 |
| Total property, plant and equipment | 5,702,886 | 6,509,748 |
| Intangible assets | | |
| Software | 11,622 | 34,488 |
| Software in progress | 41,740 | 99,870 |
| Right to use facilities | 4,746 | 4,617 |
| Total intangible assets | 58,109 | 138,975 |
| Investments and other assets | | |
| Investment securities | 2,279,417 | 2,748,304 |
| Investments in capital | 73 | 73 |
| Investments in capital of subsidiaries and associates | 1,255,398 | 1,255,398 |
| Long-term loans receivable | - | 2,941 |
| Long-term prepaid expenses | - | 62,583 |
| Deferred tax assets | 144,778 | 51,187 |
| Facility membership | 51,290 | 51,290 |
| Other | 38,443 | 38,440 |
| Allowance for doubtful accounts | (1,150) | (4,091) |
| Total investments and other assets | 3,768,252 | 4,206,127 |
| Total non-current assets | 9,529,247 | 10,854,851 |
| Total assets | 39,052,603 | 39,675,989 |

(Thousands of yen)

| | As of March 31, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,635,827 | 2,396,273 |
| Electronically recorded obligations - operating | 2,104,994 | 2,334,805 |
| Accounts payable - other | 562,857 | 184,565 |
| Accrued expenses | 1,283,724 | 1,348,065 |
| Income taxes payable | 701,651 | 542,428 |
| Accrued consumption taxes | - | 104,656 |
| Contract liabilities | 22,278 | 31,367 |
| Advances received | 2,376 | 1,584 |
| Deposits received | 39,566 | 40,133 |
| Provision for bonuses for directors (and other officers) | 35,600 | 34,800 |
| Other | 23,215 | 61,242 |
| Total current liabilities | 7,412,091 | 7,079,921 |
| Non-current liabilities | | |
| Provision for retirement benefits | 1,344,359 | 1,385,978 |
| Other | 23,580 | 219,118 |
| Total non-current liabilities | 1,367,939 | 1,605,097 |
| Total liabilities | 8,780,030 | 8,685,019 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,654,519 | 2,654,519 |
| Capital surplus | | |
| Legal capital surplus | 1,710,876 | 1,710,876 |
| Other capital surplus | 51,155 | 92,053 |
| Total capital surplus | 1,762,031 | 1,802,929 |
| Retained earnings | | |
| Legal retained earnings | 455,231 | 455,231 |
| Other retained earnings | | |
| Reserve for tax purpose reduction entry of non-current assets | 381,085 | 357,386 |
| General reserve | 4,300,000 | 4,300,000 |
| Retained earnings brought forward | 22,280,811 | 24,125,629 |
| Total retained earnings | 27,417,129 | 29,238,247 |
| Treasury shares | (2,319,009) | (3,795,179) |
| Total shareholders' equity | 29,514,671 | 29,900,518 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 757,432 | 1,098,572 |
| Deferred gains or losses on hedges | 468 | (8,120) |
| Total valuation and translation adjustments | 757,901 | 1,090,452 |
| Total net assets | 30,272,572 | 30,990,970 |
| Total liabilities and net assets | 39,052,603 | 39,675,989 |

Non-consolidated Statements of Income

(Thousands of yen)

| | For the fiscal year ended March 31, 2022 | For the fiscal year ended March 31, 2023 |
|--|---|---|
| Net sales | 25,912,475 | 28,250,653 |
| Cost of sales | 20,043,627 | 22,367,310 |
| Gross profit | 5,868,848 | 5,883,342 |
| Selling, general and administrative expenses | 2,085,421 | 2,201,471 |
| Operating profit | 3,783,427 | 3,681,870 |
| Non-operating income | | |
| Interest income | 6,917 | 7,753 |
| Dividend income | 75,261 | 96,883 |
| Rental income from real estate | 20,400 | 17,101 |
| Foreign exchange gains | - | 111 |
| Gain on sale of investment securities | - | 45,507 |
| Subsidy income | 20,060 | 20,060 |
| Gain on sale of scraps | 19,149 | 20,213 |
| Other | 15,020 | 14,105 |
| Total non-operating income | 156,810 | 221,735 |
| Non-operating expenses | | |
| Interest expenses | 554 | 286 |
| Commission for purchase of treasury shares | 40,832 | 38,842 |
| Foreign exchange losses | 23,726 | - |
| Loss on retirement of non-current assets | 58,544 | 51,323 |
| Other | 3,393 | 6,883 |
| Total non-operating expenses | 127,049 | 97,335 |
| Ordinary profit | 3,813,187 | 3,806,271 |
| Extraordinary losses | | |
| Profit before income taxes | 3,813,187 | 3,806,271 |
| Income taxes - current | 1,147,453 | 1,072,129 |
| Income taxes - deferred | (29,163) | (46,976) |
| Total income taxes | 1,118,290 | 1,025,152 |
| Profit | 2,694,897 | 2,781,118 |

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of yen)

| | Shareholders' equity | | | |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| | Share capital | Capital surplus | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus |
| Balance at beginning of period | 2,654,519 | 1,710,876 | 39,589 | 1,750,465 |
| Changes during period | | | | |
| Dividends of surplus | | | | |
| Profit | | | | |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | 11,565 | 11,565 |
| Net changes in items other than shareholders' equity | | | | |
| Total changes during period | - | - | 11,565 | 11,565 |
| Balance at end of period | 2,654,519 | 1,710,876 | 51,155 | 1,762,031 |

| | Shareholders' equity | | | | |
|---|-------------------------|-------------------------|-----------------------------------|------------|-------------------------|
| | Retained earnings | | | | Total retained earnings |
| | Legal retained earnings | Other retained earnings | | | |
| Reserve for tax purpose reduction entry of non-current assets | | General reserve | Retained earnings brought forward | | |
| Balance at beginning of period | 455,231 | 406,115 | 4,300,000 | 20,155,077 | 25,316,424 |
| Changes during period | | | | | |
| Dividends of surplus | | | | (594,192) | (594,192) |
| Profit | | | | 2,694,897 | 2,694,897 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | (25,029) | | 25,029 | - |
| Purchase of treasury shares | | | | | |
| Disposal of treasury shares | | | | | |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (25,029) | - | 2,125,734 | 2,100,704 |
| Balance at end of period | 455,231 | 381,085 | 4,300,000 | 22,280,811 | 27,417,129 |

| | Shareholders' equity | | Valuation and translation adjustments | | | Total net assets |
|---|----------------------|----------------------------|---|------------------------------------|---|------------------|
| | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| Balance at beginning of period | (823,490) | 28,897,920 | 673,417 | 7,789 | 681,206 | 29,579,126 |
| Changes during period | | | | | | |
| Dividends of surplus | | (594,192) | | | | (594,192) |
| Profit | | 2,694,897 | | | | 2,694,897 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | - | | | | - |
| Purchase of treasury shares | (1,499,934) | (1,499,934) | | | | (1,499,934) |
| Disposal of treasury shares | 4,415 | 15,981 | | | | 15,981 |
| Net changes in items other than shareholders' equity | | | 84,015 | (7,321) | 76,694 | 76,694 |
| Total changes during period | (1,495,518) | 616,751 | 84,015 | (7,321) | 76,694 | 693,445 |
| Balance at end of period | (2,319,009) | 29,514,671 | 757,432 | 468 | 757,901 | 30,272,572 |

For the fiscal year ended March 31, 2023

(Thousands of yen)

| | Shareholders' equity | | | |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| | Share capital | Capital surplus | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus |
| Balance at beginning of period | 2,654,519 | 1,710,876 | 51,155 | 1,762,031 |
| Changes during period | | | | |
| Dividends of surplus | | | | |
| Profit | | | | |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | 40,898 | 40,898 |
| Net changes in items other than shareholders' equity | | | | |
| Total changes during period | - | - | 40,898 | 40,898 |
| Balance at end of period | 2,654,519 | 1,710,876 | 92,053 | 1,802,929 |

| | Shareholders' equity | | | | |
|---|-------------------------|-------------------------|-----------------------------------|------------|-------------------------|
| | Retained earnings | | | | |
| | Legal retained earnings | Other retained earnings | | | Total retained earnings |
| Reserve for tax purpose reduction entry of non-current assets | | General reserve | Retained earnings brought forward | | |
| Balance at beginning of period | 455,231 | 381,085 | 4,300,000 | 22,280,811 | 27,417,129 |
| Changes during period | | | | | |
| Dividends of surplus | | | | (959,999) | (959,999) |
| Profit | | | | 2,781,118 | 2,781,118 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | (23,699) | | 23,699 | |
| Purchase of treasury shares | | | | | |
| Disposal of treasury shares | | | | | |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (23,699) | - | 1,844,817 | 1,821,118 |
| Balance at end of period | 455,231 | 357,386 | 4,300,000 | 24,125,629 | 29,238,247 |

| | Shareholders' equity | | Valuation and translation adjustments | | | Total net assets |
|---|----------------------|----------------------------|---|------------------------------------|---|------------------|
| | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| Balance at beginning of period | (2,319,009) | 29,514,671 | 757,432 | 468 | 757,901 | 30,272,572 |
| Changes during period | | | | | | |
| Dividends of surplus | | (959,999) | | | | (959,999) |
| Profit | | 2,781,118 | | | | 2,781,118 |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | - | | | | - |
| Purchase of treasury shares | (1,500,621) | (1,500,621) | | | | (1,500,621) |
| Disposal of treasury shares | 24,450 | 65,349 | | | | 65,349 |
| Net changes in items other than shareholders' equity | | | 341,139 | (8,588) | 332,551 | 332,551 |
| Total changes during period | (1,476,170) | 385,846 | 341,139 | (8,588) | 332,551 | 718,398 |
| Balance at end of period | (3,795,179) | 29,900,518 | 1,098,572 | (8,120) | 1,090,452 | 30,990,970 |