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



May 8, 2023

Company name: SUZUDEN CORPORATION
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 7480
 URL: <https://www.suzuden.co.jp/>
 Representative: Toshio Suzuki, Representative Director, Chairman and President
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 Scheduled date of annual general meeting of shareholders: June 29, 2023
 Scheduled date of commencing dividend payments: June 13, 2023
 Scheduled date of filing annual securities report: June 30, 2023
 Availability of supplementary briefing materials on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	67,439	13.0	4,399	44.1	4,756	41.3	3,309	41.3
March 31, 2022	59,690	–	3,051	129.1	3,367	115.5	2,342	163.4

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥3,374 million [46.3%]

Fiscal year ended March 31, 2022: ¥2,306 million [144.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	236.74	–	18.3	14.4	6.5
March 31, 2022	167.82	–	13.8	11.4	5.1

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2023: ¥– million

Fiscal year ended March 31, 2022: ¥– million

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ended March 31, 2022. For this reason, the year-on-year change in net sales before the application of the above accounting standard, etc. is not provided.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	33,370	18,610	55.8	1,329.89
As of March 31, 2022	32,736	17,627	53.8	1,261.67

(Reference) Equity: As of March 31, 2023: ¥18,610 million

As of March 31, 2022: ¥17,627 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 end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	2,897	(897)	(2,085)	6,068
March 31, 2022	426	(696)	497	6,137

2. Dividends

	Annual dividends					Total dividends (total)	Payout ratio (consolidated)	Ratio of 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	Million yen	%	%
March 31, 2022	–	25.00	–	97.00	122.00	1,717	72.7	10.0
Fiscal year ended	–	76.00	–	114.00	190.00	2,676	80.3	14.7
March 31, 2023								
Fiscal year ending	–	53.00	–	61.00	114.00		–	
March 31, 2024 (Forecast)								

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - 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
First half	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,000	(21.5)	1,250	(42.9)	1,410	(40.9)	910	(43.1)	65.10
	55,400	(17.9)	2,710	(38.4)	3,060	(35.7)	1,980	(40.2)	141.64

* **Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
Newly included: – (), Excluded: – ()
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards and other regulations: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (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: 14,652,600 shares
March 31, 2022: 14,652,600 shares
- 2) Total number of treasury shares at the end of the period:
March 31, 2023: 658,387 shares
March 31, 2022: 681,287 shares
- 3) Average number of shares during the period:
Fiscal year ended March 31, 2023: 13,979,305 shares
Fiscal year ended March 31, 2022: 13,956,612 shares

(Reference) Summary of Non-consolidated Financial Results

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

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	67,358	14.0	4,446	46.5	4,847	44.0	3,432	51.5
March 31, 2022	59,110	–	3,035	125.9	3,367	113.3	2,265	120.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	245.55	–
March 31, 2022	162.32	–

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ended March 31, 2022. For this reason, the year-on-year change in net sales before the application of the above accounting standard, etc. is not provided.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	33,337	18,591	55.8	1,328.48
As of March 31, 2022	32,521	17,449	53.7	1,248.94

(Reference) Equity: As of March 31, 2023: ¥18,591 million

As of March 31, 2022: ¥17,449 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation on the proper use of financial results forecasts and other special notes

The financial results forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that have been deemed reasonable. They do not constitute a guarantee of future results. Actual performance may differ significantly from these forecasts due to a wide range of factors. For assumptions underlying the financial results forecasts and precautions regarding their use, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the Attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

Regarding the Group's operating environment during the fiscal year under review (April 1, 2022 - March 31, 2023), although the future economy remains uncertain due to price hikes, etc. caused by surging natural resource prices and sudden depreciation of the yen, corporate production and capital investment demand has steadily grown recently.

Under this environment, while taking measures that prioritize the health and safety of its employees, the Company has made efforts for supplying products in a stable manner by expanding inventory, enhancing the system to receive and place orders, and maintaining its distribution system in order to assist manufacturing processes as a "Manufacturing Support Company."

With regard to the business results of the Group, in the electrical equipment, electronic component, and industrial machinery industries, the principal markets of the Group, while the supply concerns caused by shortages in members remain, the product supply system has been following a recovery trend after the end of the first quarter of the fiscal year under review, leading to the increase in sales. Since the fourth quarter, the outlook has remained uncertain due to a deceleration in demand for semiconductors arising from the global business recession at semiconductor manufacturing equipment manufacturers, the major customers of the Group. However, at the end of the fiscal year under review, the volume of goods received from suppliers increased more than initially expected, contributing to the Group's business performance. Accordingly, both sales and profits exceeded those of the previous fiscal year.

As a result, for the fiscal year under review, net sales amounted to ¥67,439 million (up 13.0% year-on-year), operating profit was ¥4,399 million (up 44.1% year-on-year), ordinary profit was ¥4,756 million (up 41.3% year-on-year), and profit attributable to owners of parent was ¥3,309 million (up 41.3% year-on-year). As such, both sales and profits increased year-on-year.

Results by segment are as follows.

In order to enhance manufacturing functions and respond to customer request items, the Company added facilities to Taiwa Plant (Kurokawa County, Miyagi Prefecture), and started assembly of aluminum frames for semiconductor manufacturing equipment from the first quarter of the fiscal year under review, which was segmented as "manufacturing business."

Accordingly, from the first quarter of the fiscal year under review, the Company, which previously had only a single segment of "electrical and electronic components sales business," has two segments, "electrical and electronic components sales business" and "manufacturing business."

(Electrical and electronic components sales business)

Net sales and operating profit of the electrical and electronic components sales business amounted respectively to ¥67,258 million (up 12.7% year-on-year) and ¥4,511 million (up 47.8% year-on-year).

Net sales of the Group by product segment are as follows:

(1) FA equipment

Net sales amounted to ¥41,168 million (up 18.0% year-on-year) with increased sales of RFID equipment, sensors, graphic control panels, etc.

(2) Information and communication equipment

Net sales amounted to ¥5,304 million (down 12.3% year-on-year) with increased sales of personal computers for industrial use, office automation equipment accessories, software, etc.

(3) Electronics and devices

Net sales amounted to ¥8,680 million (up 14.0% year-on-year) with increased sales of connectors, switching power supplies, noise filters, etc.

(4) Materials for electric facilities

Net sales amounted to ¥12,105 million (up 8.6% year-on-year) with increased sales of integrating wattmeters, terminal blocks, electric cables, etc.

(Manufacturing business)

Net sales and operating loss of the manufacturing business amounted respectively to ¥181 million and ¥112 million.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Total assets as of the end of the fiscal year under review amounted to ¥33,370 million, up ¥634 million from the end of the previous fiscal year.

Current assets increased by ¥275 million from the end of the previous fiscal year to ¥27,177 million.

This was primarily due to a ¥874 million increase in electronically recorded monetary claims - operating and a ¥605 million decrease in accounts receivable - trade.

Non-current assets increased by ¥359 million from the end of the previous fiscal year to ¥6,192 million.

This was mainly due to a ¥256 million increase in buildings and structures primarily associated with the reconstruction of the Matsumoto Office.

(Liabilities)

Liabilities as of the end of the fiscal year under review amounted to ¥14,759 million, down ¥349 million from the end of the previous fiscal year.

Current liabilities decreased by ¥658 million from the end of the previous fiscal year to ¥13,266 million.

This was primarily due to a ¥631 million decrease in notes and accounts payable - trade.

Non-current liabilities increased by ¥308 million from the end of the previous fiscal year to ¥1,492 million.

This was primarily due to a ¥325 million increase in long-term borrowings.

(Net assets)

Net assets as of the end of the fiscal year under review amounted to ¥18,610 million, up ¥983 million from the end of the previous fiscal year.

This was mainly due to the recording of profit attributable to owners of parent for the fiscal year under review of ¥3,309 million and dividend payments of ¥2,435 million. The equity ratio was 55.8%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as "net cash") as of the end of the fiscal year under review amounted to ¥6,068 million, down ¥68 million from the end of the previous fiscal year. The status of cash flows and its contributing factors during the fiscal year under review are as follows.

(Cash flows from operating activities)

Due to operating activities, net cash increased by ¥2,897 million. (Net cash increased by ¥426 million in the previous fiscal year)

This was mainly due to profit before income taxes of ¥4,775 million and income taxes paid of ¥1,536 million.

(Cash flows from investing activities)

Due to investing activities, net cash decreased by ¥897 million. (Net cash decreased by ¥696 million in the previous fiscal year)

This was mainly due to purchase of property, plant and equipment of ¥791 million.

(Cash flows from financing activities)

Due to financing activities, net cash decreased by ¥2,085 million. (Net cash increased by ¥497 million in the previous fiscal year)

This was mainly due to proceeds from long-term borrowings of ¥500 million and dividends paid of ¥2,436 million.

(4) Future Outlook

Regarding the future outlook, we expect that the uncertain situation will continue due to the deceleration in demand for semiconductors arising from the global business recession and geopolitical risks in the external environment, such as the situation in Ukraine and the confrontation between the U.S. and China.

As for net sales, we expect a decrease in demand due to a correction phase of capital investment at end-users, as well as a decrease in orders received due to the accumulated inventory of production members at the major customers of the Company. As for profits, we expect a decrease in both sales and profits for the full year results due to anticipatory investments to respond to DX, soaring electricity costs, and increases in transportation, fuel, and other expenses.

The above forecasts and other forward-looking information are based on information currently available to the Company, and actual performance, etc. may differ significantly from these forecasts due to a wide range of factors. If there are any changes in the future, they will be disclosed appropriately.

(5) Company's Medium- to Long-Term Management Strategies

With its management strategies aiming for enhancement of corporate value at the core, the Company will, as a "Manufacturing Support Company," supply and provide support for facilities, equipment, components, services, etc. for manufacturing sites (production sites such as plants, construction sites, etc.).

In addition, with the aim of further improving quality, productivity, and efficiency, the Company will make investment mainly in information technology (IT) and robotics to promote digital transformation (DX) for the purpose of, among others, making operations and logistics functions more efficient. In addition, the Company will work on efforts to enhance its educational system so that each and every employee can improve. In these ways, the Company will strive for sustainable growth and enhancement of corporate value.

(i) Sales strategy

The Company will concentrate management resources to selected growth markets and areas, and work to improve financial results by expanding, strengthening, and cultivating market territories to a deeper extent with a "customer-first" spirit.

As part of priority measures, the Company will work to eliminate labor shortages, improve productivity and enhance quality management by selling robot- and Internet of Things (IoT)-based products. In addition, the Company will also make proposals for construction of smart plants. The Robots and Solutions Section, established as an engineering department, is committed to the provision of comprehensive solutions for making customers' production sites a smart plant. Such solutions include selection of equipment such as robots, and data accumulation and utilization. Furthermore, as the semiconductor industry is expected to continue to grow following the practical application of AI, autonomous driving, etc. and accelerated development of technologies, the Company will concentrate its management resources and focus on customers related to semiconductor manufacturing equipment and electronic components. Moreover, in medical markets including the medical equipment-related market and the medical practice and nursing care-related market, on which the Company has placed an emphasis over the medium to long term, we will work to further improve financial results by executing proposals that meet the needs of our customers. For the Internet business in which demand is expected to continue to increase in association with the diversification of buying methods, the Company has identified the expansion of functions of and the range of products handled at "FAUbon," the e-commerce website it operates as one of its priority strategies, and will work to improve financial results.

As a "manufacturing" base of the Company, Taiwa Plant (Kurokawa County, Miyagi Prefecture) has engaged in assembly, processing, etc. of terminal blocks, unit products, etc. The Company has built an extension to the plant for purposes including assembly of aluminum frames for semiconductor manufacturing equipment, and to further strengthen its manufacturing functions and respond to customers' requirements. The Company will continue to further strengthen the system to provide high-value-added products and meet advanced requirements for supply chain management (SCM).

(ii) Product strategy

As a “Manufacturing Support Company,” the Company will promote proposals for cutting-edge controlling equipment and materials for electric facilities and push forward with the sale of mechatronics products, safety products, environment-related products, etc. in response to key words such as “quality, environment (saving), and safety,” improvement of which is required by production sites at all times. In the robot and IoT areas, which are growth areas, the Company will make solution proposals such as energy saving, labor saving, and introduction of IoT in line with customers’ needs, through strengthening of the ability to make proposals by providing training programs for manufacturers and other efforts to develop human resources, cooperation with systems integrators, and collaboration with the engineering departments of the Company.

As for the original brand “Ubon,” the Company will further enhance the product assortments of mainstay wiring accessories and in-panel parts and accelerate development of products proactively incorporating customers’ needs including high-value-added products such as personal computers for industrial use, as well as testing kits, and thereby work to improve customers’ convenience and increase revenue. In addition, in order to further promote manufacturing that is directly linked to customer needs, in April 2023, the Company newly established the Matsumoto Ubon Plant (Matsumoto City, Nagano Prefecture) which started processing “Ubon” products and producing other products such as personal computers for industrial use, and we will continue to enhance our production system going forward.

2. Basic Policy on Selection of Accounting Standards

Many of the stakeholders of the Group are shareholders, creditors and business partners in Japan and overseas subsidiaries of domestic business partners, among others, and there is little necessity to procure funds from overseas. Therefore, the Company has adopted Japanese generally accepted accounting principles.

Going forward, it is the policy of the Company to consider applying International Financial Reporting Standards taking into account factors especially such as the trends in the application of such accounting standards by other companies listed in the market of Tokyo Stock Exchange, which is the same exchange market as the Company.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,148,188	6,079,427
Notes receivable - trade	1,628,772	1,377,918
Accounts receivable - trade	10,444,542	9,839,417
Electronically recorded monetary claims - operating	4,585,551	5,460,448
Merchandise	3,657,056	–
Inventories	–	4,048,137
Other	441,830	375,753
Allowance for doubtful accounts	(3,326)	(3,343)
Total current assets	26,902,616	27,177,758
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,052,689	4,309,676
Accumulated depreciation	(1,602,214)	(1,671,122)
Buildings and structures, net	2,450,474	2,638,553
Land	1,909,493	1,909,493
Leased assets	75,379	69,801
Accumulated depreciation	(37,055)	(35,331)
Leased assets, net	38,323	34,469
Construction in progress	11,000	–
Other	221,931	235,401
Accumulated depreciation	(156,685)	(162,433)
Other, net	65,245	72,967
Total property, plant and equipment	4,474,538	4,655,484
Intangible assets		
Other	113,767	162,974
Total intangible assets	113,767	162,974
Investments and other assets		
Investment securities	394,752	551,517
Deferred tax assets	459,881	427,381
Other	425,224	429,117
Allowance for doubtful accounts	(34,592)	(33,662)
Total investments and other assets	1,245,265	1,374,353
Total non-current assets	5,833,572	6,192,812
Total assets	32,736,188	33,370,571

(Thousand yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,198,414	5,566,966
Electronically recorded obligations - operating	3,077,472	2,929,990
Short-term borrowings	2,000,000	2,000,000
Current portion of long-term borrowings	41,544	100,000
Lease liabilities	27,995	22,697
Income taxes payable	1,002,683	948,167
Provision for bonuses	459,936	520,186
Provision for bonuses for directors (and other officers)	211,000	320,000
Other	905,992	858,818
Total current liabilities	13,925,038	13,266,827
Non-current liabilities		
Long-term borrowings	–	325,000
Lease liabilities	33,980	26,969
Provision for share-based remuneration for directors (and other officers)	57,010	72,296
Retirement benefit liability	927,843	905,545
Asset retirement obligations	49,145	48,910
Other	115,989	114,198
Total non-current liabilities	1,183,969	1,492,920
Total liabilities	15,109,008	14,759,747
Net assets		
Shareholders' equity		
Share capital	1,819,230	1,819,230
Capital surplus	1,558,048	1,580,845
Retained earnings	14,761,556	15,635,473
Treasury shares	(586,718)	(565,150)
Total shareholders' equity	17,552,116	18,470,398
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,915	137,152
Foreign currency translation adjustment	31,757	(2,484)
Remeasurements of defined benefit plans	6,391	5,757
Total accumulated other comprehensive income	75,063	140,425
Total net assets	17,627,179	18,610,823
Total liabilities and net assets	32,736,188	33,370,571

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

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	59,690,852	67,439,996
Cost of sales	50,552,605	56,632,973
Gross profit	9,138,247	10,807,023
Selling, general and administrative expenses		
Packing and transportation costs	559,941	514,913
Salaries, allowances and bonuses	2,519,896	2,856,573
Share-based payment expenses	34,989	51,000
Legal welfare expenses	439,099	417,231
Retirement benefit expenses	139,312	134,380
Rent expenses	427,837	320,499
Depreciation	191,572	187,135
Provision of allowance for doubtful accounts	(439)	(1,213)
Provision for bonuses	459,936	508,733
Provision for bonuses for directors (and other officers)	211,000	320,000
Other	1,103,324	1,098,649
Total selling, general and administrative expenses	6,086,471	6,407,904
Operating income	3,051,775	4,399,119
Non-operating income		
Interest income	868	1,158
Dividend income	17,636	32,825
Purchase discounts	262,760	289,654
Foreign exchange gains	23,041	41,187
Other	30,273	21,257
Total non-operating income	334,581	386,082
Non-operating expenses		
Interest expenses	9,703	14,403
Loss on sale of notes receivable - trade	2,395	1,403
Loss on investments in investment partnerships	–	7,578
Loss on cancellation of leases	3,497	366
Provision of allowance for doubtful accounts	–	300
Other	3,389	4,226
Total non-operating expenses	18,986	28,279
Ordinary profit	3,367,370	4,756,923
Extraordinary income		
Gain on sale of investment securities	1,418	–
Gain on reversal of lease obligations	108,746	–
Gain on reversal of foreign currency translation adjustment due to liquidation of foreign subsidiaries	–	50,765
Total extraordinary income	110,164	50,765
Extraordinary losses		
Loss on retirement of non-current assets	1,177	26,932
Impairment losses	10,474	5,307
Extra retirement payments	23,024	–
Total extraordinary losses	34,676	32,240
Profit before income taxes	3,442,858	4,775,448
Income taxes - current	1,205,388	1,477,363
Income taxes - deferred	(104,795)	(11,411)
Total income taxes	1,100,592	1,465,951
Profit	2,342,265	3,309,496
Profit attributable to owners of parent	2,342,265	3,309,496

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	2,342,265	3,309,496
Other comprehensive income		
Valuation difference on available-for-sale securities	(61,689)	100,237
Foreign currency translation adjustment	24,208	(34,242)
Remeasurements of defined benefit plans, net of tax	2,021	(633)
Total other comprehensive income	(35,459)	65,361
Comprehensive income	2,306,806	3,374,858
Comprehensive income attributable to		
Owners of parent	2,306,806	3,374,858
Non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,819,230	1,541,190	13,530,310	(604,973)	16,285,757
Changes during period					
Dividends of surplus			(1,111,020)		(1,111,020)
Profit attributable to owners of parent			2,342,265		2,342,265
Disposal of treasury shares		16,858		18,255	35,113
Net changes of items other than shareholders' equity					
Total changes during period	–	16,858	1,231,245	18,255	1,266,358
Balance at end of period	1,819,230	1,558,048	14,761,556	(586,718)	17,552,116

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	98,604	7,549	4,369	110,523	16,396,280
Changes during period					
Dividends of surplus					(1,111,020)
Profit attributable to owners of parent					2,342,265
Disposal of treasury shares					35,113
Net changes of items other than shareholders' equity	(61,689)	24,208	2,021	(35,459)	(35,459)
Total changes during period	(61,689)	24,208	2,021	(35,459)	1,230,899
Balance at end of period	36,915	31,757	6,391	75,063	17,627,179

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,819,230	1,558,048	14,761,556	(586,718)	17,552,116
Changes during period					
Dividends of surplus			(2,435,578)		(2,435,578)
Profit attributable to owners of parent			3,309,496		3,309,496
Disposal of treasury shares		22,796		21,567	44,364
Net changes of items other than shareholders' equity					
Total changes during period	—	22,796	873,917	21,567	918,281
Balance at end of period	1,819,230	1,580,845	15,635,473	(565,150)	18,470,398

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	36,915	31,757	6,391	75,063	17,627,179
Changes during period					
Dividends of surplus					(2,435,578)
Profit attributable to owners of parent					3,309,496
Disposal of treasury shares					44,364
Net changes of items other than shareholders' equity	100,237	(34,242)	(633)	65,361	65,361
Total changes during period	100,237	(34,242)	(633)	65,361	983,643
Balance at end of period	137,152	(2,484)	5,757	140,425	18,610,823

(4) Consolidated Statements of Cash Flows

(Thousand 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	3,442,858	4,775,448
Depreciation	191,572	221,731
Impairment losses	10,474	5,307
Increase (decrease) in provision for bonuses	215,803	60,250
Increase (decrease) in provision for bonuses for directors (and other officers)	140,300	109,000
Increase (decrease) in provision for share awards for directors (and other officers)	17,157	36,853
Increase (decrease) in retirement benefit liability	(29,866)	(22,297)
Increase (decrease) in allowance for doubtful accounts	(439)	(913)
Interest and dividend income	(18,505)	(33,983)
Interest expenses	9,703	14,403
Loss (gain) on sale of investment securities	(1,418)	–
Loss on retirement of property, plant and equipment	1,177	77
Gain on reversal of lease obligations	(108,746)	–
Extra retirement payments	23,024	–
Gain on reversal of foreign currency translation adjustment due to liquidation of foreign subsidiaries	–	(50,765)
Decrease (increase) in trade receivables	(4,041,432)	(12,874)
Decrease (increase) in inventories	(1,118,912)	(384,474)
Increase (decrease) in trade payables	2,227,584	(783,274)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(71,962)	317,793
Other	105,366	162,539
Subtotal	993,738	4,414,822
Interest and dividends received	18,289	33,764
Interest paid	(9,638)	(14,395)
Income taxes paid	(576,175)	(1,536,676)
Net cash provided by (used in) operating activities	426,213	2,897,515
Cash flows from investing activities		
Purchase of property, plant and equipment	(829,655)	(791,385)
Purchase of intangible assets	(69,369)	(66,713)
Payments for retirement of property, plant and equipment	–	(26,855)
Purchase of investment securities	(26,005)	(24,556)
Proceeds from sale of investment securities	36,329	–
Payments of leasehold and guarantee deposits	(6,921)	(1,666)
Proceeds from refund of leasehold and guarantee deposits	188,822	13,199
Payments into time deposits	(11,000)	(11,000)
Proceeds from withdrawal of time deposits	21,000	11,000
Net cash provided by (used in) investing activities	(696,799)	(897,977)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,000,000	–
Proceeds from long-term borrowings	–	500,000
Repayments of long-term borrowings	(354,084)	(116,544)
Repayments of finance lease obligations	(37,036)	(32,251)
Dividends paid	(1,111,525)	(2,436,318)
Net cash provided by (used in) financing activities	497,353	(2,085,113)
Effect of exchange rate change on cash and cash equivalents	23,501	16,814
Net increase (decrease) in cash and cash equivalents	250,268	(68,761)
Cash and cash equivalents at beginning of period	5,886,920	6,137,188
Cash and cash equivalents at end of period	6,137,188	6,068,427

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021, hereinafter “Implementation Guidance on Fair Value Measurement Standard”) from the beginning of the fiscal year under review, and plans to prospectively apply the new accounting policy determined by the Implementation Guidance on Fair Value Measurement Standard in accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Standard. The change has no impact on the consolidated financial statements.

(Additional information)

(Commencement of new business)

In order to enhance manufacturing functions and respond to customer request items, the Company started business related to assembly of aluminum frames for semiconductor manufacturing equipment at Taiwa Plant (Kurokawa County, Miyagi Prefecture) from the first quarter of the fiscal year under review. Accordingly, merchandise in Consolidated Balance Sheets became included in and presented as inventories from the first quarter of the fiscal year under review.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

(1) Method of determining reportable segments

The business segments of the Group are the Company's constituent units for which separate financial information is available and are subject to regular review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Group primarily engages in sales of electrical and electronic components and assembly of aluminum frames for semiconductor manufacturing equipment.

Therefore, the Group has two reportable segments: the "electrical and electronic components sales business" and the "manufacturing business."

(2) Type of products and services belonging to each reportable segment

The electrical and electronic components sales business mainly sells FA equipment, electronics and devices, information and communication equipment, and materials for electric facilities.

The manufacturing business is mainly engaged in the assembly of aluminum frames for semiconductor manufacturing equipment.

(3) Matters related to changes in reportable segments, etc.

The Group had been operating in a single segment of "electrical and electronic components sales business" until the previous fiscal year, but from the first quarter of the fiscal year under review, in order to enhance manufacturing functions and respond to customer request items, we started assembly, etc. of aluminum frames for semiconductor manufacturing equipment at the Taiwa Plant (Kurokawa County, Miyagi Prefecture).

As a result, we have changed our reportable segments into two segments: "electrical and electronic components sales business" and "manufacturing business."

2. Calculation of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for reportable business segments is generally the same as that described in the "Significant Matters that Serve as the Basis for Preparation of Consolidated Financial Statements."

Profits of reportable segments are based on operating profit.

3. Information on net sales, profit or loss, assets, liabilities and other items by reportable segment

The Group's operation had been unified in the single segment of "electrical and electronic components sales business" until the previous fiscal year, and thus no reportable segments are disclosed.

For the fiscal year ended March 31, 2023

(Thousand yen)

	Reportable segments		
	Electrical and electronic components sales business	Manufacturing business	Total
Net sales			
Net sales to external customers	67,258,766	181,230	67,439,996
Intersegment sales or transfers	–	–	–
Total	67,258,766	181,230	67,439,996
Segment profit (loss)	4,511,267	(112,148)	4,399,119
Segment assets	32,750,398	620,172	33,370,571

- Notes:
1. Segment profit is consistent with operating profit in the Consolidated Statements of Income.
 2. The Group had been operating in a single segment of "electrical and electronic components sales business" until the previous fiscal year, but from the first quarter of the fiscal year under review, in order to enhance manufacturing functions and respond to customer request items, we started assembly, etc. of aluminum frames for semiconductor manufacturing equipment at the Taiwa Plant (Kurokawa County, Miyagi Prefecture). As a result, we have changed our reportable segments into two segments: "electrical and electronic components sales business" and "manufacturing business."

[Related information]

For the fiscal year ended March 31, 2022

Information by major customer

Name of customer	Net sales	Related segment name
Tokyo Electron Miyagi Ltd.	¥9,117,022 thousand	Electrical and electronic components sales business

The Group has transactions with Tokyo Electron Technology Solutions Ltd. and Tokyo Electron Kyushu Ltd., which are group companies of the above-mentioned customer, and the trends in capital investment, changes in production plans, etc. of the customer's group may have an impact on operating results, financial position, etc. of the Group.

For the fiscal year ended March 31, 2023

Information by major customer

Name of customer	Net sales	Related segment name
Tokyo Electron Miyagi Ltd.	¥9,182,442 thousand	Electrical and electronic components sales business Manufacturing business
Tokyo Electron Technology Solutions Ltd.	¥7,676,563 thousand	Electrical and electronic components sales business

The Group has transactions with Tokyo Electron Kyushu Ltd., which is a group company of the above-mentioned customers, and the trends in capital investment, changes in production plans, etc. of the customers' group may have an impact on operating results, financial position, etc. of the Group.

(Per share information)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net assets per share	¥1,261.67	¥1,329.89
Basic earnings per share	¥167.82	¥236.74

Notes 1. Diluted earnings per share are not presented, as there are no potential shares with dilutive effects.

2. The basis for calculation of basic earnings per share is as follows.

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	2,342,265	3,309,496
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousand yen)	2,342,265	3,309,496
Average number of common shares outstanding during the period (Shares)	13,956,612	13,979,305

3. The basis for calculation of net assets per share is as follows.

	As of March 31, 2022	As of March 31, 2023
Total net assets (Thousand yen)	17,627,179	18,610,823
Amounts deducted from total net assets (Thousand yen)	—	—
(Of which, share acquisition rights (Thousand yen))	(—)	(—)
Net assets relating to common shares at end of period (Thousand yen)	17,627,179	18,610,823
Number of common shares at end of period used to calculate net assets per share (Shares)	13,971,313	13,994,213

4. In calculating net assets per share, shares of the Company remaining in the trust, which are recorded as treasury shares under shareholders' equity, are included in treasury shares deducted from the total number of shares issued as of the end of period (107 thousand shares for the previous fiscal year and 102 thousand shares for the fiscal year under review).

In addition, in calculating basic earnings per share, such treasury shares are included in treasury shares deducted when calculating the average number of shares during the period (108 thousand shares for the previous fiscal year and 104 thousand shares for the fiscal year under review).

(Significant subsequent events)

Not applicable.

4. Others

(1) Purchases and Sales

Purchases

Item name	Electrical and electronic components sales business		Manufacturing business		Total	
	Amount (Thousand yen)	Year-on-year change (%)	Amount (Thousand yen)	Year-on-year change (%)	Amount (Thousand yen)	Year-on-year change (%)
FA equipment	36,225,717	16.4	—	—	36,225,717	16.4
Information and communication equipment	4,073,725	(24.9)	—	—	4,073,725	(24.9)
Electronics and devices	6,854,913	11.6	—	—	6,854,913	11.6
Materials for electric facilities	9,636,739	7.4	—	—	9,636,739	7.4
Other	—	—	137,571	—	137,571	—
Total	56,791,095	9.9	137,571	—	56,928,667	10.2

Notes: 1. Amounts of less than one thousand yen are rounded down.

2. As the manufacturing business started from the first quarter of the fiscal year under review, its year-on-year change is not provided.

Sales

Item name	Electrical and electronic components sales business		Manufacturing business		Total	
	Amount (Thousand yen)	Year-on-year change (%)	Amount (Thousand yen)	Year-on-year change (%)	Amount (Thousand yen)	Year-on-year change (%)
FA equipment	41,168,679	18.0	—	—	41,168,679	18.0
Information and communication equipment	5,304,604	(12.3)	—	—	5,304,604	(12.3)
Electronics and devices	8,680,180	14.0	—	—	8,680,180	14.0
Materials for electric facilities	12,105,302	8.6	—	—	12,105,302	8.6
Other	—	—	181,230	—	181,230	—
Total	67,258,766	12.7	181,230	—	67,439,996	13.0

Notes: 1. Amounts of less than one thousand yen are rounded down.

2. As the manufacturing business started from the first quarter of the fiscal year under review, its year-on-year change is not provided.

(2) Changes in Officers

(i) Changes in representatives

Not applicable.

(ii) Other changes in officers
Not applicable.