

# DATA BOOK

**FY2022** (Year ended March 31,2022)

***V-ACTION for sustainability***

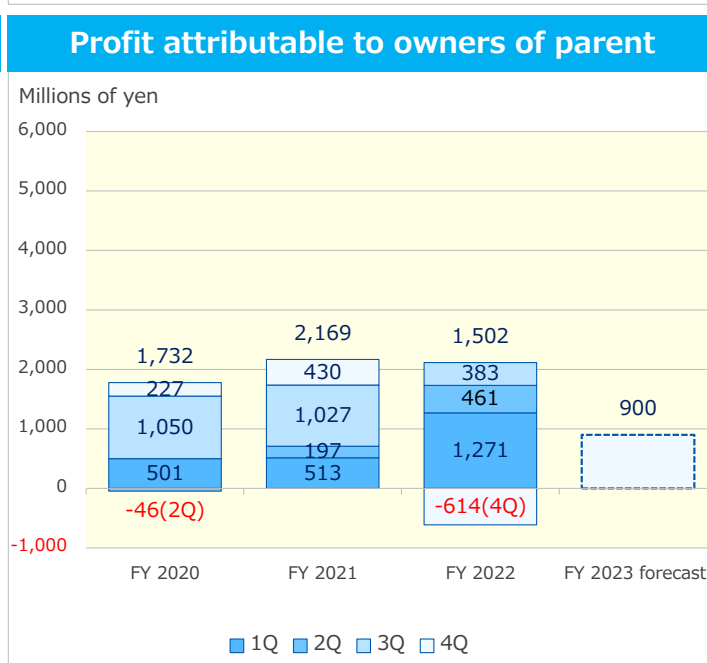
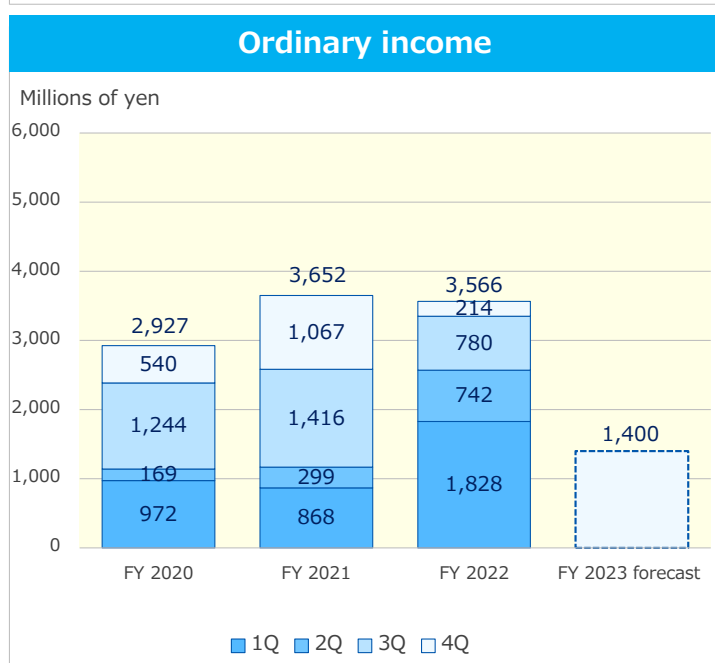
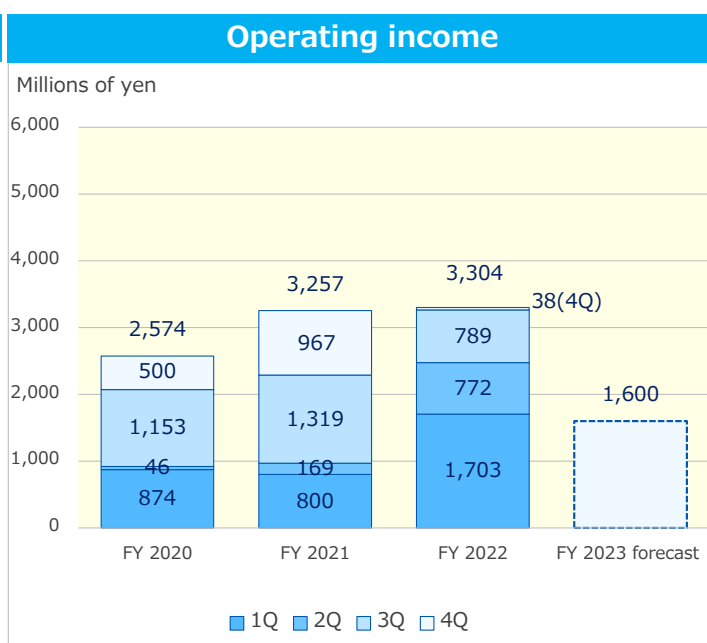
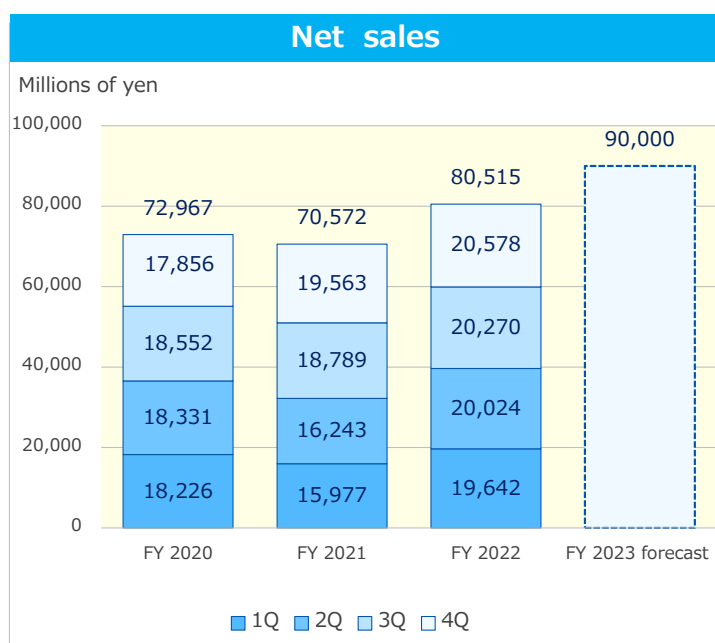


## INDEX

<b>Achievement Transition</b>	<b>1</b>
<b>Management index Transition</b>	<b>2</b>
<b>Segment Information</b>	<b>3</b>
<b>Overseas Sales</b>	<b>5</b>
<b>Management Index</b>	<b>6</b>
<b>Balance Sheets</b>	<b>10</b>
<b>Statements of Income</b>	<b>12</b>
<b>Statements of Cash Flows</b>	<b>13</b>

**May 11th,2022**  
**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

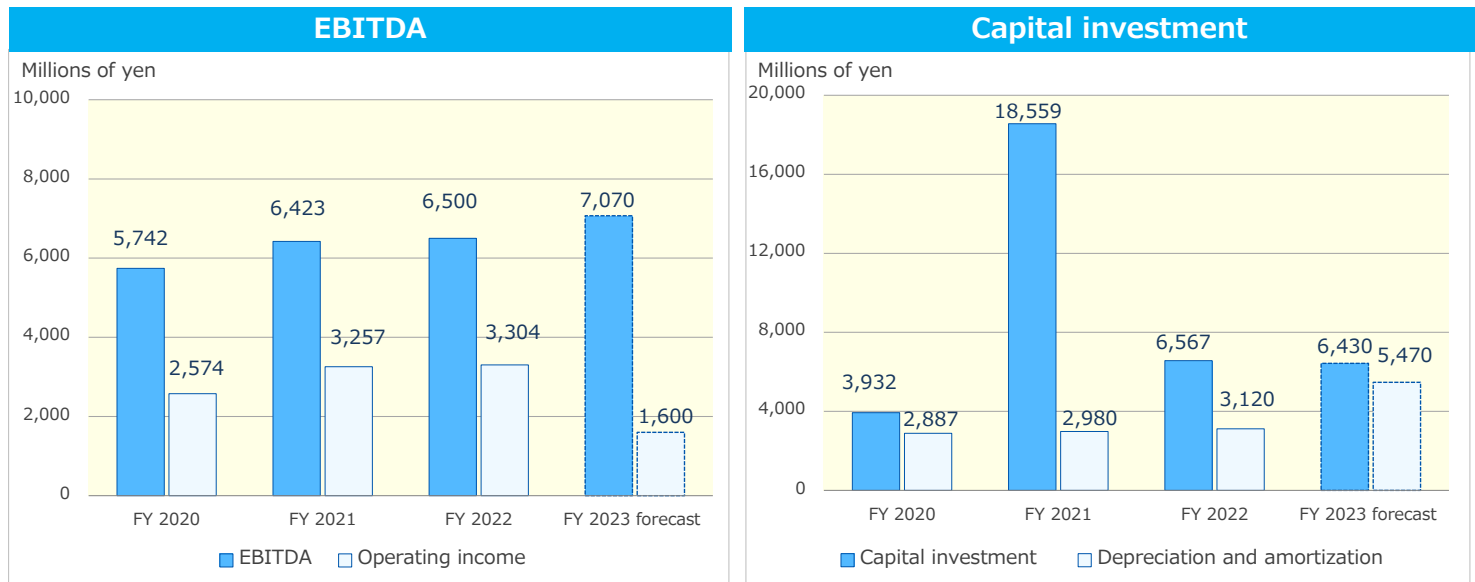
## Achievement Transition ( Consolidated )



Consolidated	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
<b>Net sales*</b>	79,501	△ 1.6	72,967	△ 8.2	70,572	△ 3.3	<b>80,515</b>	<b>14.1</b>	90,000	11.8
<b>Operating income</b>	3,564	△ 27.1	2,574	△ 27.8	3,257	26.5	<b>3,304</b>	<b>1.4</b>	1,600	△ 51.6
<b>Ordinary income</b>	3,950	△ 24.3	2,927	△ 25.9	3,652	24.8	<b>3,566</b>	<b>△ 2.3</b>	1,400	△ 60.7
<b>Profit attributable to owners of parent</b>	3,890	25.0	1,732	△ 55.5	2,169	25.3	<b>1,502</b>	<b>△ 30.7</b>	900	△ 40.1

\*As the Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending March 31, 2022, the above net sales of FY2022 and FY2023 is prepared based on such accounting standards.

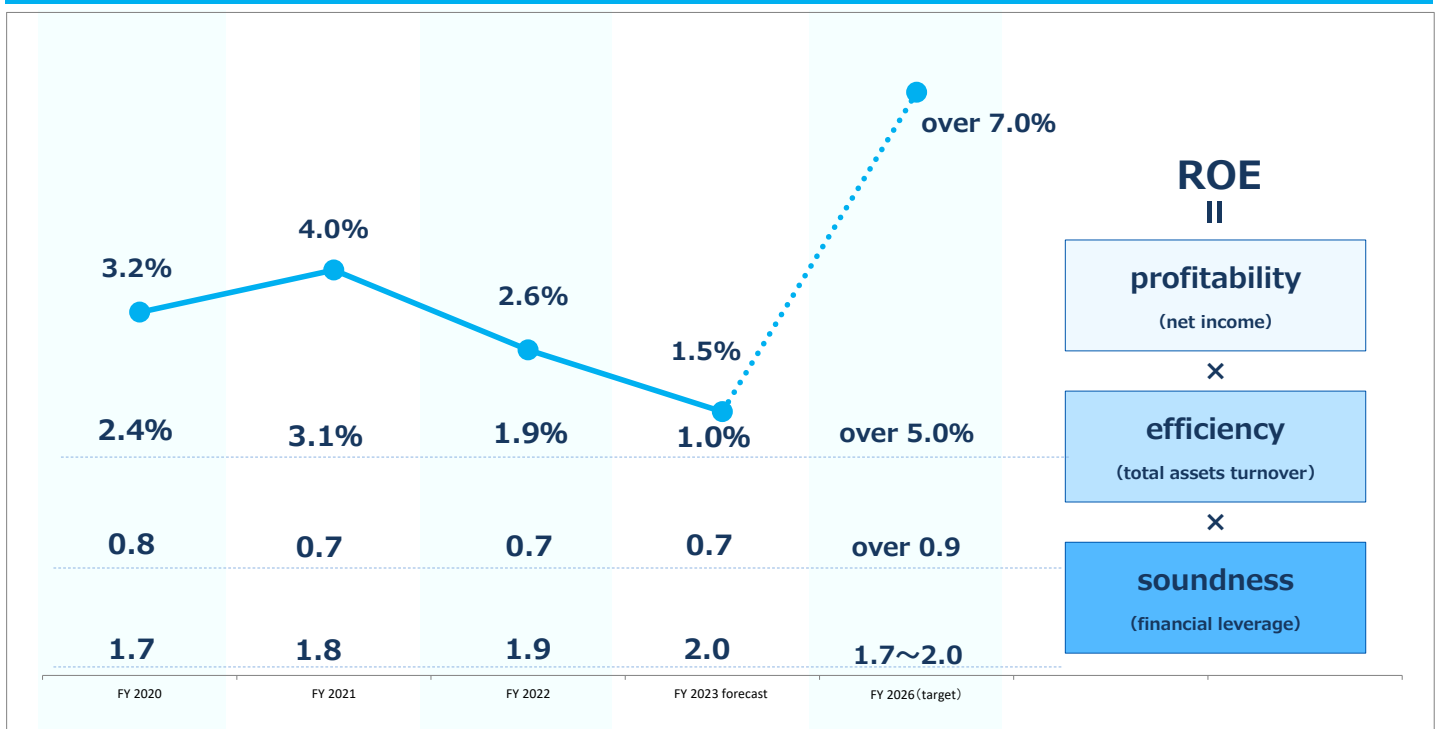
## Management index Transition



Consolidated	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	2,977	1,040	3,932	955	18,559	14,626	<b>6,567</b>	<b>△ 11,991</b>	6,430	△ 137
Depreciation	2,870	257	2,887	16	2,980	93	<b>3,120</b>	<b>139</b>	5,470	2,349
R&D expenses	3,051	△ 169	3,041	△ 9	3,247	205	<b>3,100</b>	<b>△ 147</b>	3,480	379
Interest-bearing debt	14,349	3,080	19,045	4,695	21,789	2,743	<b>26,680</b>	<b>4,891</b>	33,500	6,819
EBITDA	6,716	△ 1,070	5,742	△ 973	6,423	680	<b>6,500</b>	<b>77</b>	7,070	569

[ EBITDA ] Earnings Before Interest , Taxes , Depreciation , and Amortization

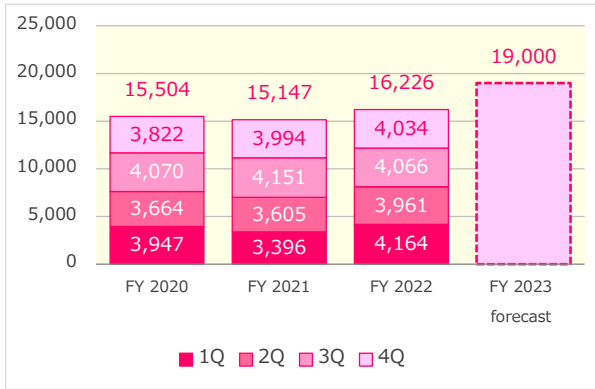
## Return on equity



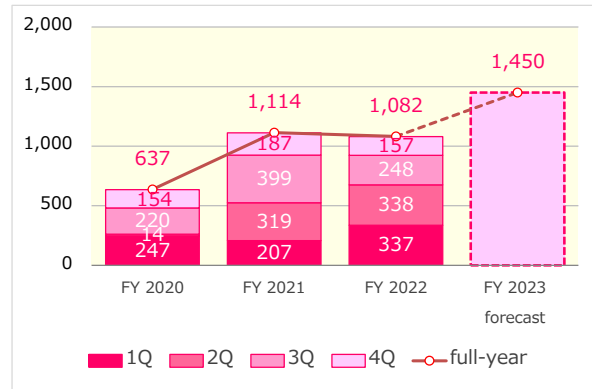
## Segment Information (Consolidated)

### Functional Coating Chemicals

Net sales (Millions of yen)

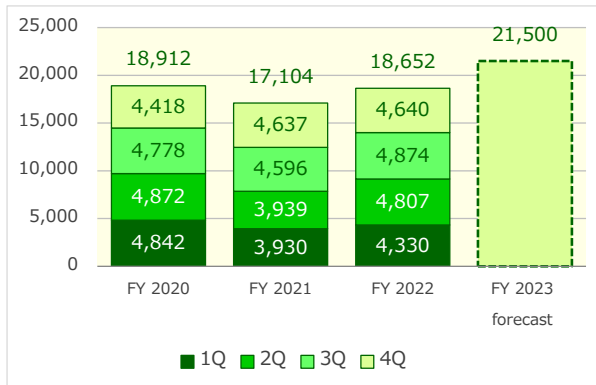


Segment income (Millions of yen)

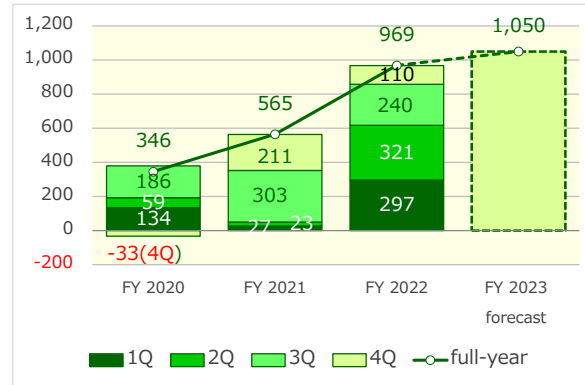


### Paper Chemicals & Environmental Business

Net sales (Millions of yen)

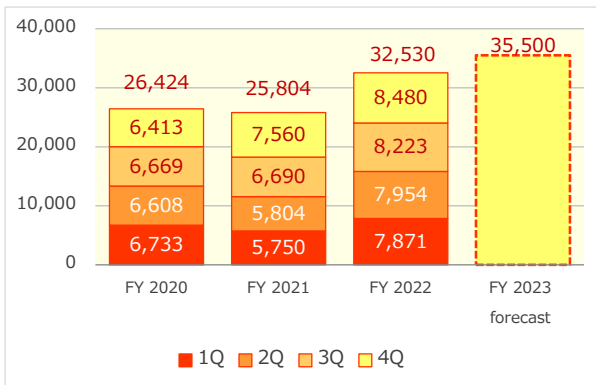


Segment income (Millions of yen)

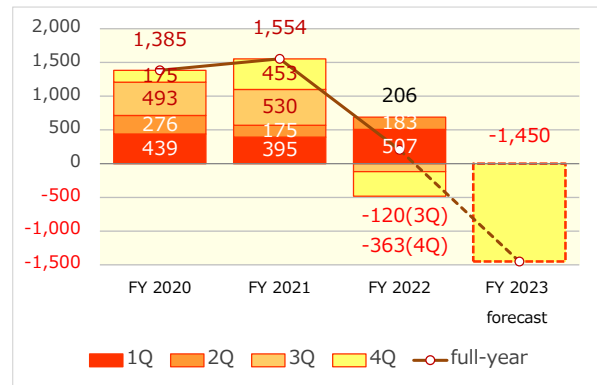


### Adhesive & Biomass Materials

Net sales (Millions of yen)

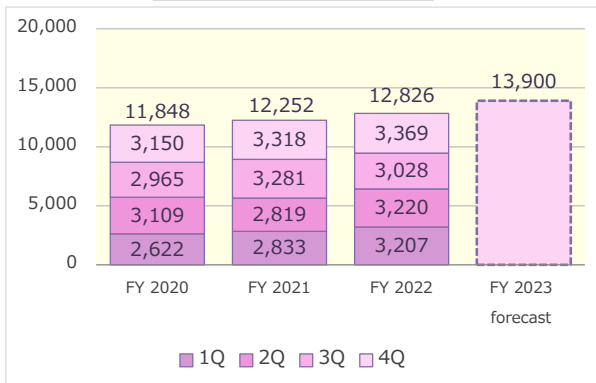


Segment income (Millions of yen)

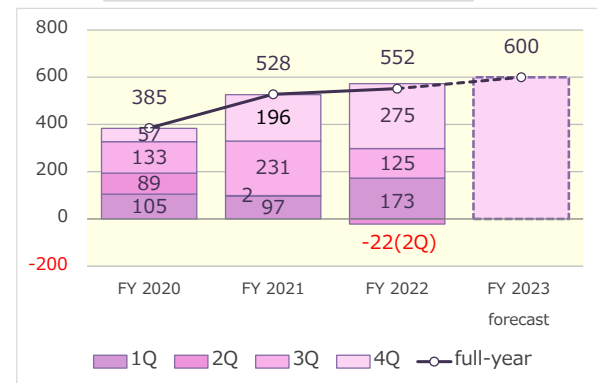


### Fine Chemicals & Electronics

Net sales (Millions of yen)



Segment income (Millions of yen)



## Segment Information (Consolidated)

Consolidated		FY 2020		FY 2021		FY 2022		FY 2023 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Functional Coating Chemicals	Net sales ※1	15,504	△ 9.6	15,147	△ 2.3	16,226	7.1	19,000	17.1
	Segment income	637	0.5	1,114	75.0	1,082	△ 2.9	1,450	34.0
	Segment income/sales	4.1%		7.4%		6.7%		7.6%	
Paper Chemicals & Environmental Business	Net sales ※1	18,912	△ 11.2	17,104	△ 9.6	18,652	9.1	21,500	15.3
	Segment income	346	△ 5.3	565	63.1	969	71.4	1,050	8.3
	Segment income/sales	1.8%		3.3%		5.2%		4.9%	
Adhesive & Biomass Materials	Net sales ※1	26,424	△ 7.6	25,804	△ 2.3	32,530	26.1	35,500	9.1
	Segment income	1,385	△ 36.1	1,554	12.2	206	△ 86.7	△ 1,450	—
	Segment income/sales	5.2%		6.0%		0.6%		△ 4.1%	
Fine Chemicals & Electronics	Net sales ※1	11,848	△ 2.8	12,252	3.4	12,826	4.7	13,900	8.4
	Segment income	385	△ 39.1	528	36.9	552	4.6	600	8.6
	Segment income/sales	3.3%		4.3%		4.3%		4.3%	
Others	Net sales ※1	277	4.2	263	△ 5.2	279	6.2	100	△ 64.2
	Segment income	31	17.6	26	△ 16.2	45	72.8	30	△ 33.9
	Segment income/sales	11.3%		10.0%		16.2%		30.0%	
Subtotal	Net sales ※1	72,967	△ 8.2	70,572	△ 3.3	80,515	14.1	90,000	11.8
	Segment income	2,786	△ 27.2	3,789	36.0	2,855	△ 24.6	1,680	△ 41.2
	Segment income/sales	3.8%		5.4%		3.5%		1.9%	
Consolidated total	Development Investment ※2	△ 294	—	△ 377	—	△ 437	—	△ 410	—
	Segment income	2,491	△ 28.3	3,411	36.9	2,418	△ 29.1	1,270	△ 47.5
	Segment income/sales	3.4%		4.8%		3.0%		1.4%	

※1 The sales of business segmentation do not include intersegment sales.

\*As the Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022, the above net sales of FY2022 and FY2023 is prepared based on such accounting standards.

Figures of each fiscal year have been changed to reflect the new classification.

※2 Applied research and development expense that will be the source of growth in the medium to long term.

[Functional Coating Chemicals] UV/EB curable resin, Resins for paint and printing ink, etc.

[Paper chemicals & Environmental Business] Paper strengthening agent, Sizing agent, New water-based polymer, etc.

[Adhesive & Biomass Materials] Hydrogenated hydrocarbon resin, Adhesive resin, Colorless rosin derivative, Synthetic rubber polymerization emulsifier, etc.

[Fine Chemicals & Electronics] Precise parts cleaning agent and Cleaning system and its peripheral equipment, Thermoplastic Polyimide Solution, Fine chemical Products, Compounded Products for electronic material, Polishing agent for hard disk substrates, etc.

[Others] Insurance business, Real estate management, etc.

The amount of financial impact due to the application of the "Accounting Standard for Revenue Recognition"

(FY2022) (millions of yen)

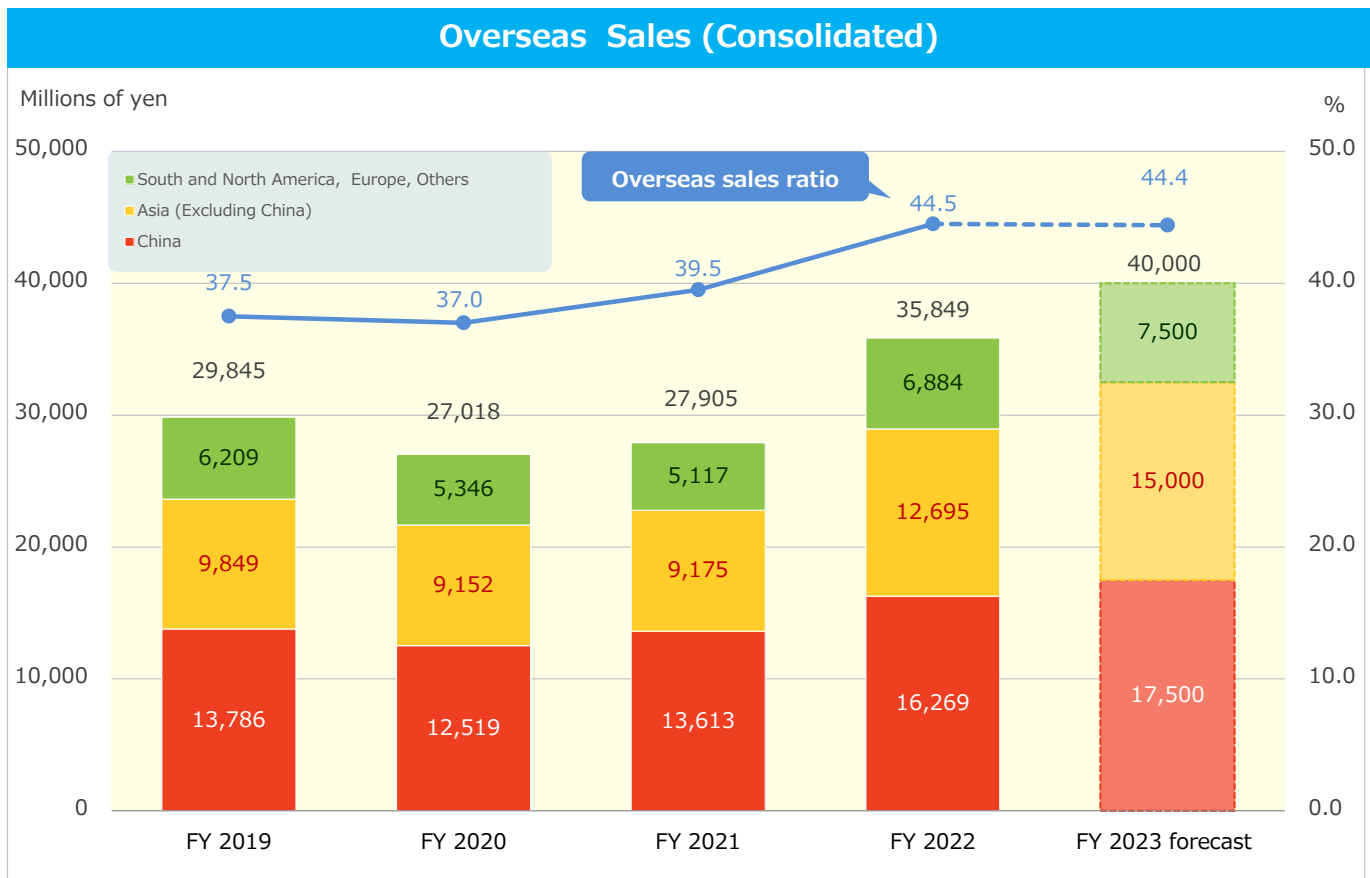
Functional Coating Chemicals	Paper Chemicals & Environmental Business	Adhesive & Biomass Materials	Fine Chemicals & Electronics	Total
△64	△1,317	△131	△1,300	△2,814

Depreciation expense of Chiba Arkon Production, Limited (Forecast) (Adhesive & Biomass Materials)

(millions of yen)

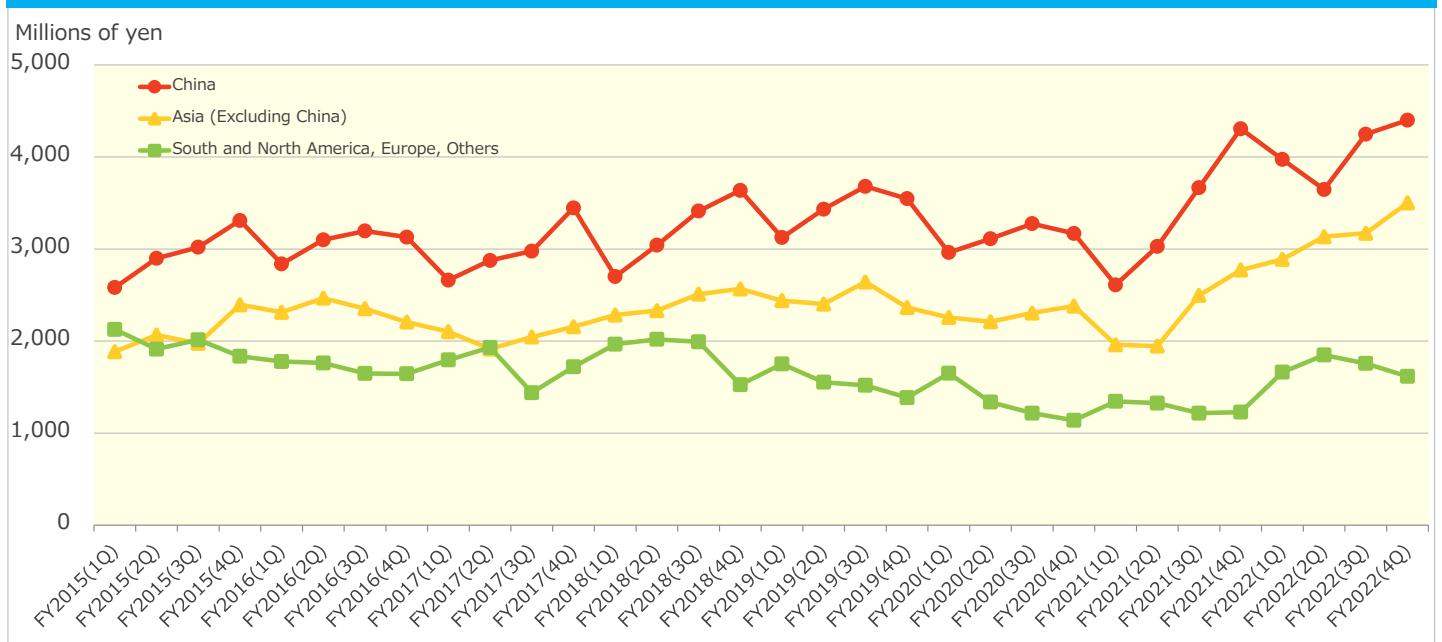
FY2023	FY2024	FY2025	FY2026
1,700	2,200	1,800	1,400

## Overseas Sales (Consolidated)



Consolidated	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
<b>Overseas sales</b>	29,845	△ 0.6	27,018	△ 9.5	27,905	3.3	<b>35,849</b>	<b>28.5</b>	40,000	11.6
Overseas sales in Asia	23,635	4.9	21,672	△ 8.3	22,788	5.1	<b>28,965</b>	<b>27.1</b>	32,500	12.2
Overseas sales in China	13,786	7.5	12,519	△ 9.2	13,613	8.7	<b>16,269</b>	<b>19.5</b>	17,500	7.6
<b>Overseas sales ratio</b>	37.5%		37.0%		39.5%		<b>44.5%</b>		44.4%	

## Overseas sales by region (Consolidated)



## Management Index(Consolidated)

	FY2018* (‘17/4-‘18/3)	FY2019 (‘18/4-‘19/3)	FY2020 (‘19/4-‘20/3)	FY2021 (‘20/4-‘21/3)	FY2022 (‘21/4-‘22/3)	FY2023 (‘22/4-‘23/3)
Capital investment (Completion basis) (Millions of yen)	1,937	2,977	3,932	18,559	6,567	6,430
Capital investment (Cash flows basis) (Millions of yen)	2,215	7,995	9,151	6,029	6,423	7,800
Depreciation (Millions of yen)	2,613	2,870	2,887	2,980	3,120	5,470
Research and development expenses (Millions of yen)	3,220	3,051	3,041	3,247	3,100	3,480
Interest-bearing debt (Millions of yen)	11,269	14,349	19,045	21,789	26,680	33,500
Debt equity ratio (Times)	0.21	0.26	0.36	0.38	0.45	0.57
Total assets (Millions of yen)	89,019	92,174	90,600	105,757	117,739	123,000
Shareholders' equity and accumulated other comprehensive income (Millions of yen)	54,123	54,747	52,546	57,228	59,184	59,000
Shareholders' equity to total assets (%)	60.8	59.4	58.0	54.1	50.3	48.0
Return on equity (%)	6.0	7.1	3.2	4.0	2.6	1.5
Net profit to sales(%)	3.9	4.9	2.4	3.1	1.9	1.0
Total assets turnover (Times)	0.9	0.9	0.8	0.7	0.7	0.7
Financial Leverage (Times)	1.6	1.7	1.7	1.8	1.9	2.0
Operating profit to net sales (%)	6.1	4.5	3.5	4.6	4.1	1.8
Ordinary profit to net sales (%)	6.5	5.0	4.0	5.2	4.4	1.6
Earnings per share (Yen)	150.76	188.50	85.35	109.35	75.75	45.37
Book-value per share (Yen)	2,622.38	2,652.60	2,648.64	2,884.66	2,983.23	2,970.00
Price to earnings ratio (Times)	12.5	7.2	14.1	12.1	14.1	—
Annual dividends per share (Yen)	38.00	42.00	44.00	46.00	48.00	48.00
Payout ratio (%)	25.2	22.3	51.6	42.1	63.4	105.8
Number of employees	1,477	1,532	1,557	1,593	1,615	1,647

\* The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. Individual management index related to the period ended March 31, 2018 have had the accounting standards applied

## Balance Sheets ( Consolidated )

(Unit : Millions of yen)

	FY2018*	FY2019	FY2020	FY2021	FY2022
	('17/4-'18/3)	('18/4-'19/3)	('19/4-'20/3)	('20/4-'21/3)	('21/4-'22/3)
<b>Assets</b>					
◇ Current assets	56,158	56,956	51,337	53,713	62,477
Cash and deposits	8,471	9,061	9,636	8,464	10,374
Notes and accounts receivable-trade	28,342	27,069	22,789	23,097	25,713
Electronically recorded monetary claims - operating	1,829	1,969	1,656	1,746	1,953
Inventories	16,217	17,826	16,114	17,866	22,159
Other	1,420	1,143	1,248	2,643	2,392
Allowance for doubtful accounts	△ 123	△ 114	△ 109	△ 107	△ 115
◇ Noncurrent assets	32,861	35,201	39,034	51,396	53,895
• Property, plant and equipment	20,691	25,268	31,044	38,103	40,277
Buildings and structures	7,708	7,684	8,227	15,443	16,823
Machinery, equipment and vehicles	6,181	5,956	6,729	14,753	16,385
Land	5,195	5,140	5,147	4,993	4,994
Construction in progress	1,139	5,937	10,310	2,009	1,038
Other	466	549	630	902	1,035
• Intangible assets	1,204	941	1,250	1,770	1,851
• Investments and other assets	10,964	8,991	6,738	11,521	11,766
Investment securities	8,806	7,261	5,919	8,552	8,342
Net defined benefit asset	1,538	1,105	264	2,438	2,907
Deferred tax assets	291	305	268	277	267
Other	401	386	349	316	365
Allowance for doubtful accounts	△ 72	△ 66	△ 63	△ 63	△ 115
◇ Deferred assets	—	17	228	647	1,366
Business commencement expenses	—	17	228	647	1,366
<b>Total assets</b>	<b>89,019</b>	<b>92,174</b>	<b>90,600</b>	<b>105,757</b>	<b>117,739</b>
<b>Liabilities</b>					
◇ Current liabilities	25,651	24,853	21,011	33,773	36,474
Notes and accounts payable-trade	12,043	12,178	9,174	8,753	10,965
Electronically recorded obligations - operating	—	—	—	897	1,257
Short-term loans payable	6,269	5,454	5,100	7,976	12,965
Current portion of bonds	—	—	—	5,000	—
Income taxes payable	642	752	293	741	526
Accrued consumption taxes	135	142	212	91	54
Provision for bonuses	1,272	1,222	1,177	1,490	1,375
Provision for repairs	—	105	—	259	255
Notes payable-facilities	214	111	227	201	76
Other	5,073	4,885	4,825	8,361	8,996
◇ Noncurrent liabilities	7,671	10,994	15,560	13,393	18,686
Bonds payable	5,000	5,000	10,000	5,000	10,000
Long-term loans payable	—	3,895	3,945	3,813	3,715
Deferred tax liabilities	1,724	1,186	602	2,242	2,313
Provision for retirement benefits/Net defined benefit liability	328	305	322	301	300
Other	618	607	691	2,035	2,357
<b>Total liabilities</b>	<b>33,323</b>	<b>35,848</b>	<b>36,572</b>	<b>47,166</b>	<b>55,160</b>
<b>Net assets</b>					
◇ Shareholders' equity	47,962	51,047	50,665	51,961	52,512
Capital stock	3,343	3,343	3,343	3,343	3,343
Capital surplus	3,564	3,564	3,564	3,564	3,564
Retained earnings	41,068	44,153	44,969	46,265	46,816
Treasury stock	△ 13	△ 13	△ 1,210	△ 1,211	△ 1,211
◇ Accumulated other comprehensive income	6,161	3,699	1,881	5,267	6,671
Valuation difference on available-for-sale securities	3,880	2,796	1,886	3,576	3,334
Foreign currency translation adjustment	1,434	727	494	646	2,112
Remeasurements of defined benefit plans	847	175	△ 499	1,044	1,225
◇ Minority interests	1,572	1,579	1,480	1,361	3,394
<b>Total net assets</b>	<b>55,696</b>	<b>56,326</b>	<b>54,027</b>	<b>58,590</b>	<b>62,578</b>
<b>Total liabilities and net assets</b>	<b>89,019</b>	<b>92,174</b>	<b>90,600</b>	<b>105,757</b>	<b>117,739</b>

\* The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. Individual management index related to the period ended March 31, 2018 have had the accounting standards



**Statements of Income (Consolidated)**

(Unit : Millions of yen)

	FY2018 ('17/4-'18/3)	FY2019 ('18/4-'19/3)	FY2020 ('19/4-'20/3)	FY2021 ('20/4-'21/3)	FY2022 ('21/4-'22/3)
◇ Net sales	80,782	79,501	72,967	70,572	80,515
◇ Cost of sales	62,478	62,123	57,014	53,884	62,544
Gross profit	18,303	17,378	15,953	16,688	17,971
Selling, general and administrative expenses	13,410	13,813	13,378	13,431	14,667
Operating profit	4,892	3,564	2,574	3,257	3,304
◇ Non-operating income	568	667	600	642	967
Interest income	13	18	33	41	30
Dividends income	184	197	210	193	227
Rental income from real estate	113	107	98	95	96
Foreign exchange gains	23	146	3	21	329
Insurance claim income	—	22	147	42	101
Other	233	173	107	247	182
◇ Non-operating expenses	242	280	247	247	704
Interest expenses	164	149	150	138	158
Bond issuance cost	—	—	25	—	27
Compensation expenses	5	68	—	—	—
Loss on investments in investment partnerships	—	—	—	27	11
Provision for repairs	—	—	—	—	404
Other	73	62	71	80	102
Ordinary profit	5,218	3,950	2,927	3,652	3,566
◇ Extraordinary income	452	2,130	482	327	7
Gain on sales of noncurrent assets	0	5	0	5	4
Gain on sales of investment securities	151	7	473	321	3
Gain on reversal of foreign currency translation adjustment	285	—	7	—	—
Insurance claim income	—	2,118	—	—	—
Other	15	—	—	—	—
◇ Extraordinary loss	949	250	286	137	633
Loss on sales and retirement of noncurrent assets	99	235	153	135	283
Impairment losses	—	—	—	—	346
Loss on explosion and fire accident	554	—	—	—	—
Loss on valuation of noncurrent assets	—	0	1	—	3
Loss on sales of investment securities	—	0	—	—	—
Loss on valuation of investment securities	44	14	26	—	0
Loss on sales of investments in capital	—	—	15	—	—
Loss on valuation of investments in capital of subsidiaries and associates	—	—	—	2	—
Loss on liquidation of subsidiaries and associates	251	—	—	—	—
Shutdown expenses	—	—	89	—	—
Profit before income taxes	4,721	5,831	3,122	3,842	2,941
Income taxes—current	1,258	1,385	846	1,264	1,022
Income taxes—deferred	△ 123	211	158	196	110
Profit attributable to non-controlling interests	475	344	385	212	305
Profit attributable to owners of parent	3,111	3,890	1,732	2,169	1,502

\* As the Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending march 31, 2022, the above net sales of FY2022 and FY2023 is prepared based on such accounting standards.

**Statements of Cash Flows (Consolidated)**

	(Unit : Millions of yen)				
	FY2018 (17/4-18/3)	FY2019 (18/4-19/3)	FY2020 (19/4-20/3)	FY2021 (20/4-21/3)	FY2022 (21/4-22/3)
<b>I . Net cash provided by (used in) operating</b>					
Profit before income taxes	4,721	5,831	3,122	3,842	2,941
Depreciation	2,613	2,870	2,887	2,980	3,120
Impairment losses	—	—	—	—	346
Amortization of goodwill	282	281	281	185	76
Increase (decrease) in allowance for doubtful accounts	△ 47	△ 7	△ 4	△ 4	42
Increase (decrease) in provision for bonuses	△ 6	△ 43	△ 43	311	△ 133
Increase (decrease) in provision for directors' bonuses	—	△ 20	△ 15	11	2
Increase (decrease) in provision for retirement benefits	△ 9	△ 21	15	△ 20	△ 2
Decrease (increase) in net defined benefit asset	△ 1,151	433	840	△ 2,174	△ 468
Loss (gain) on sales and retirement of non-current assets	98	230	153	129	279
Loss on valuation of non-current assets	—	0	1	—	3
Loss (gain) on sales of investment securities	△ 151	△ 7	△ 473	△ 321	△ 3
Loss on valuation of investment securities	44	14	26	—	0
Loss (gain) on sales of investments in capital	—	—	15	—	—
Loss on valuation of investments in capital	—	—	—	2	—
Gain on reversal of foreign currency translation adjustment	△ 285	—	△ 7	—	—
Loss on explosion and fire accident	554	—	—	—	—
Loss on liquidation of subsidiaries and associates	251	—	—	—	—
Insurance claim income	—	△ 2,118	—	—	—
Shutdown expenses	—	—	89	—	—
Loss (gain) on investments in investment partnerships	—	—	—	27	11
Interest and dividends income	△ 198	△ 216	△ 244	△ 234	△ 257
Interest expenses	164	149	176	138	186
Decrease (increase) in notes and accounts receivable-trade	△ 2,705	649	4,452	△ 295	△ 1,958
Decrease (increase) in inventories	△ 912	△ 1,962	1,559	△ 1,634	△ 3,665
Increase (decrease) in notes and accounts payable-trade	1,897	339	△ 2,934	422	2,206
Increase (decrease) in accrued consumption taxes	△ 54	45	201	△ 187	518
Other, net	203	△ 1,163	△ 1,176	945	2,044
Sub-total	5,310	5,285	8,924	4,125	5,291
Interest and dividends income received	194	215	245	234	253
Interest expenses paid	△ 145	△ 168	△ 135	△ 135	△ 155
Proceeds from insurance income	—	2,621	—	—	—
Income taxes (paid) refund	△ 1,551	△ 1,225	△ 1,500	△ 538	△ 1,399
Net cash provided by (used in) operating activities	3,808	6,728	7,534	3,685	3,989
<b>II . Net cash provided by (used in) investment activities</b>					
Purchase of non-current assets	△ 2,215	△ 7,995	△ 9,151	△ 6,029	△ 6,423
Proceeds from sales of property, plant and equipment	—	69	11	160	8
Purchase of investment securities	△ 32	△ 33	△ 40	△ 234	△ 172
Proceeds from sales of investment securities	179	9	517	324	21
Payments for deferred assets	—	△ 16	△ 211	△ 411	△ 742
Other, net	20	△ 242	△ 126	△ 1,106	△ 91
Net cash provided by (used in) investment activities	△ 2,048	△ 8,208	△ 9,001	△ 7,298	△ 7,401
<b>III . Net cash provided by (used in) financing activities</b>					
Net increase (decrease) in short-term loans payable	△ 549	△ 122	△ 338	2,974	4,647
Proceeds from long-term loans payable	—	4,000	200	—	—
Repayment of long-term loans payable	△ 1,688	△ 567	△ 78	△ 310	△ 132
Proceeds from issuance of bonds	—	—	4,974	—	4,972
Redemption of bonds	—	—	—	—	△ 5,000
Purchase of treasury shares	△ 0	△ 0	△ 1,197	△ 0	△ 0
Proceeds from share issuance to non-controlling shareholders	19	—	△ 170	—	1,940
Cash dividends paid	△ 846	△ 804	△ 901	△ 872	△ 952
Dividends paid to non-controlling interests	△ 521	△ 262	△ 317	△ 345	△ 425
Other, net	△ 0	△ 0	△ 86	△ 90	△ 121
Net cash provided by (used in) financing activities	△ 3,586	2,243	2,084	1,354	4,927
IV . Effect of exchange rate change on cash and cash equivalents	111	△ 196	△ 43	55	391
V . Net increase (decrease) in cash and cash equivalents	△ 1,714	566	574	△ 2,203	1,907
VI . Cash and cash equivalents, beginning of term	10,118	8,404	8,970	9,545	7,342
VII . Cash and cash equivalents, end of term	8,404	8,970	9,545	7,342	9,250

## Balance Sheets (Consolidated)

(Unit : Millions of yen)

Item	FY2021 (As of March 31, 2021)		FY2022 (As of March 31, 2022)		Increase /Decrease
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
<b>I Current assets</b>					
1. Cash and deposits	8,464		10,374		1,909
2. Notes and accounts receivable - trade	23,097		25,713		2,615
3. Electronically recorded monetary claims - operating	1,746		1,953		207
4. Merchandise and finished goods	9,360		10,826		1,466
5. Work in process	991		1,196		204
6. Raw materials and supplies	7,515		10,136		2,620
7. Other	2,643		2,392		△ 251
8. Allowance for doubtful accounts	△ 107		△ 115		△ 8
Total Current assets	53,713	50.8	62,477	53.1	8,764
<b>II Non-current assets</b>					
1. Property, plant and equipment					
(1) Buildings and structures	15,443		16,823		1,380
(2) Machinery, equipment and vehicles	14,753		16,385		1,631
(3) Land	4,993		4,994		0
(4) Construction in progress	2,009		1,038		△ 970
(5) Other	902		1,035		132
Total property, plant and equipment	38,103	36.0	40,277	34.2	2,173
2. Intangible assets					
(1) Goodwill	76		-		△ 76
(2) Other	1,694		1,851		157
Total intangible assets	1,770	1.7	1,851	1.6	80
3. Investments and other assets					
(1) Investment securities	8,552		8,342		△ 210
(2) Retirement benefit asset	2,438		2,907		468
(3) Deferred tax assets	277		267		△ 10
(4) Other	316		365		49
Allowance for doubtful accounts	△ 63		△ 115		△ 52
Total investments and other assets	11,521	10.9	11,766	10.0	244
Total noncurrent assets	51,396	48.6	53,895	45.8	2,498
<b>III Deferred Assets</b>					
1. Business commencement expenses	647		1,366		718
Total deferred assets	647	0.6	1,366	1.1	718
Total assets	105,757	100.0	117,739	100.0	11,982

(Unit: Millions of yen)

Item	FY2021 (As of March 31, 2021)		FY2022 (As of March 31, 2022)		Increase /Decrease
	Amount	Composition ratio	Amount	Composition ratio	
		%		%	
(Liabilities)		%		%	
<b>I Current liabilities</b>					
1. Notes and accounts payable – trade	8,753		10,965		2,212
2. Electronically recorded obligations – operating	897		1,257		360
3. Short-term borrowings	7,976		12,965		4,989
4. Current portion of bonds payable	5,000		–		△ 5,000
5. Income taxes payable	741		526		△ 214
6. Accrued consumption taxes	91		54		△ 37
7. Provision for bonuses	1,490		1,375		△ 114
8. Provision for bonuses for directors (and other officers)	56		58		2
9. Provision for repairs	259		255		△ 3
10. Notes payable – facilities	201		76		△ 124
11. Other	8,305		8,938		632
Total current liabilities	33,773	31.9	36,474	31.0	2,701
<b>II Non-current liabilities</b>					
1. Bonds payable	5,000		10,000		5,000
2. Long-term borrowings	3,813		3,715		△ 98
3. Deferred tax liabilities	2,242		2,313		70
4. Retirement benefit liability	301		300		△ 0
5. Asset retirement obligations	1,791		2,120		328
6. Other	244		236		△ 7
Total noncurrent liabilities	13,393	12.7	18,686	15.9	5,292
Total liabilities	47,166	44.6	55,160	46.9	7,993
(Net assets)					
<b>I Shareholders' equity</b>					
1. Share capital	3,343		3,343		–
2. Capital surplus	3,564		3,564		–
3. Retained earnings	46,265		46,816		550
4. Treasury shares	△ 1,211		△ 1,211		△ 0
Total shareholders' equity	51,961	49.1	52,512	44.5	550
<b>II Accumulated other comprehensive income</b>					
1. Valuation difference on available-for-sale securities	3,576		3,334		△ 241
2. Foreign currency translation adjustment	646		2,112		1,466
3. Remeasurements of defined benefit plans	1,044		1,225		180
Total accumulated other comprehensive income	5,267	5.0	6,671	5.7	1,404
<b>III Non-controlling interests</b>	1,361	1.3	3,394	2.9	2,032
Total net assets	58,590	55.4	62,578	53.1	3,988
Total liabilities and net assets	105,757	100.0	117,739	100.0	11,982

## Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2021 '20/4-'21/3		FY2022 '21/4-'22/3		Increase /Decrease	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
I Net sales	70,572	100.0	80,515	100.0	9,942	14.1
II Cost of sales	53,884	76.4	62,544	77.7	8,660	16.1
Gross profit	16,688	23.6	17,971	22.3	1,282	7.7
III Selling, general and administrative expenses	13,431	19.0	14,667	18.3	1,236	9.2
Operating profit	3,257	4.6	3,304	4.1	46	1.4
IV Non-operating income						
Interest income	41		30		△	11
Dividend income	193		227			34
Rental income from real estate	95		96			0
Foreign exchange gains	21		329			307
Insurance claim income	42		101			58
Compensation income	82		-		△	82
Other	165		182			17
Total non-operating income	642	1.0	967	1.2	325	50.7
V Non-operating expenses						
Interest expenses	138		158			20
Bond issuance costs	-		27			27
Loss on investments in investment partnerships	27		11		△	16
Provision for repairs	-		404			404
Other	80		102			21
Total non-operating expenses	247	0.4	704	0.9	457	185.1
Ordinary profit	3,652	5.2	3,566	4.4	△	85
△						2.3
VI Extraordinary income						
Gain on sale of non-current assets	5		4		△	1
Gain on sale of investment securities	321		3		△	318
Total extraordinary income	327	0.4	7	0.0	△	319
△						97.6
VII Extraordinary losses						
Loss on sale and retirement of non-current assets	135		283			147
Impairment losses	-		346			346
Loss on valuation of non-current assets	-		3			3
Loss on valuation of investment securities	-		0			0
Loss on valuation of investments in capital	2		-		△	2
Total extraordinary losses	137	0.2	633	0.7	496	361.1
Profit before income taxes	3,842	5.4	2,941	3.7	△	901
Income taxes - current	1,264	1.7	1,022	1.3	△	242
Income taxes - deferred	196	0.3	110	0.2	△	85
Profit	2,381	3.4	1,808	2.2	△	573
Profit attributable to non-controlling interests	212	0.3	305	0.3		93
Profit attributable to owners of parent	2,169	3.1	1,502	1.9	△	666
△						30.7

## &lt;Reference&gt; Statements of Comprehensive Income (Consolidated)

Profit	2,381		1,808		△	573	△	24.1
Other comprehensive income								
Valuation difference on available-for-sale securities	1,689		△	241	△	1,931		
Foreign currency translation adjustment	169		1,681			1,512		
Remeasurements of defined benefit plans, net of tax	1,540		177		△	1,363		
Total other comprehensive income	3,399		1,617		△	1,782		
Comprehensive income	5,781		3,425		△	2,355	△	40.7

## Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2021	FY2022	Increase /Decrease
	'20/4-'21/3	'21/4-'22/3	
	Amount	Amount	Amount
<b>I Cash flows from operating activities</b>			
Profit before income taxes	3,842	2,941	△ 901
Depreciation	2,980	3,120	139
Impairment losses	-	346	346
Amortization of goodwill	185	76	△ 108
Increase (decrease) in allowance for doubtful accounts	△ 4	42	46
Increase (decrease) in provision for bonuses	311	△ 133	△ 444
Increase (decrease) in provision for bonuses for directors (and other officers)	11	2	△ 9
Increase (decrease) in retirement benefit liability	△ 20	△ 2	17
Decrease (increase) in retirement benefit asset	△ 2,174	△ 468	1,705
Loss (gain) on sale and retirement of non-current assets	129	279	149
Loss on valuation of non-current assets	-	3	3
Loss (gain) on sale of investment securities	△ 321	△ 3	318
Loss on valuation of investment securities	-	0	0
Loss on valuation of investments in capital	2	-	△ 2
Loss (gain) on investments in investment partnerships	27	11	△ 16
Interest and dividend income	△ 234	△ 257	△ 23
Interest expenses	138	186	48
Decrease (increase) in trade receivables	△ 295	△ 1,958	△ 1,662
Decrease (increase) in inventories	△ 1,634	△ 3,665	△ 2,030
Increase (decrease) in trade payables	422	2,206	1,784
Increase (decrease) in accrued consumption taxes	△ 187	518	706
Other	945	2,044	1,098
Subtotal	4,125	5,291	1,166
Interest and dividends received	234	253	19
Interest paid	△ 135	△ 155	△ 19
Income taxes refund (paid)	△ 538	△ 1,399	△ 861
Net cash provided by (used in) operating activities	3,685	3,989	304
<b>II Cash flows from investing activities</b>			
Decrease (increase) in time deposits	△ 1,014	136	1,150
Purchase of property, plant and equipment	△ 5,425	△ 6,149	△ 724
Proceeds from sale of property, plant and equipment	160	8	△ 152
Purchase of investment securities	△ 234	△ 172	62
Proceeds from sale of investment securities	324	21	△ 303
Purchase of intangible assets	△ 604	△ 274	330
Payments for deferred assets	△ 411	△ 742	△ 331
Decrease (increase) in investments and other assets	2	17	15
Other	△ 94	△ 245	△ 151
Net cash provided by (used in) investing activities	△ 7,298	△ 7,401	△ 103
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term borrowings	2,974	4,647	1,673
Repayments of long-term borrowings	△ 310	△ 132	178
Proceeds from issuance of bonds	-	4,972	4,972
Redemption of bonds	-	△ 5,000	△ 5,000
Purchase of treasury shares	△ 0	△ 0	0
Dividends paid	△ 872	△ 952	△ 79
Dividends paid to non-controlling interests	△ 345	△ 425	△ 79
Proceeds from share issuance to non-controlling shareholders	-	1,940	1,940
Other	△ 90	△ 121	△ 31
Net cash provided by (used in) financing activities	1,354	4,927	3,573
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	55	391	335
<b>V Net increase (decrease) in cash and cash equivalents</b>	△ 2,203	1,907	4,111
<b>VI Cash and cash equivalents at beginning of period</b>	9,545	7,342	△ 2,203
<b>VII Cash and cash equivalents at end of period</b>	7,342	9,250	1,907