

DATA BOOK

FY2023 (Year ended March 31,2023)

V-ACTION for sustainability

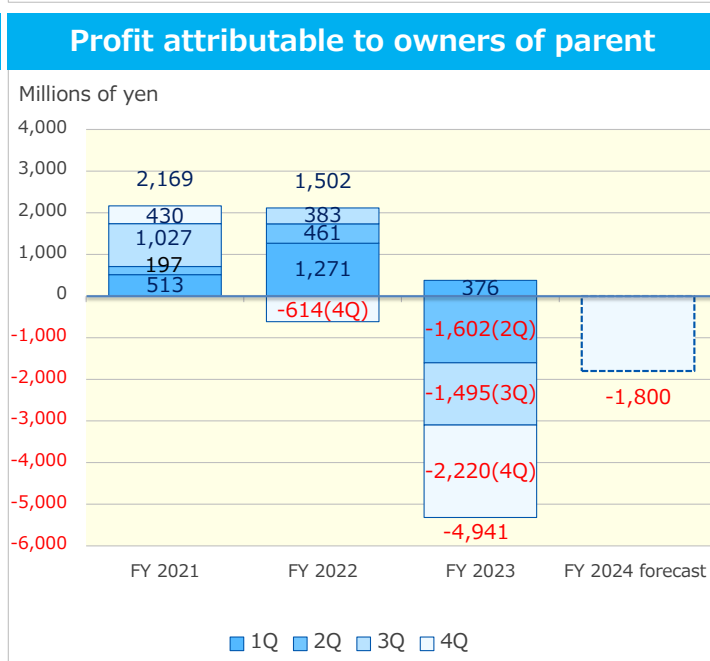
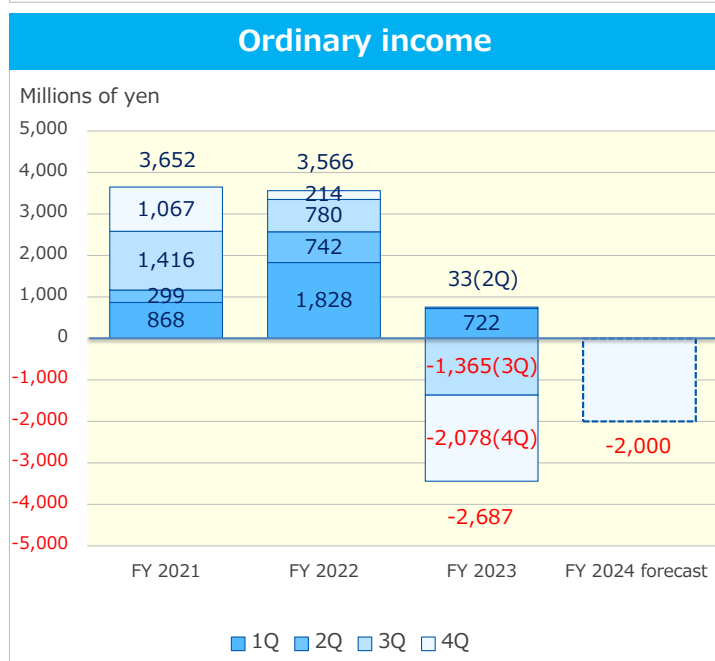
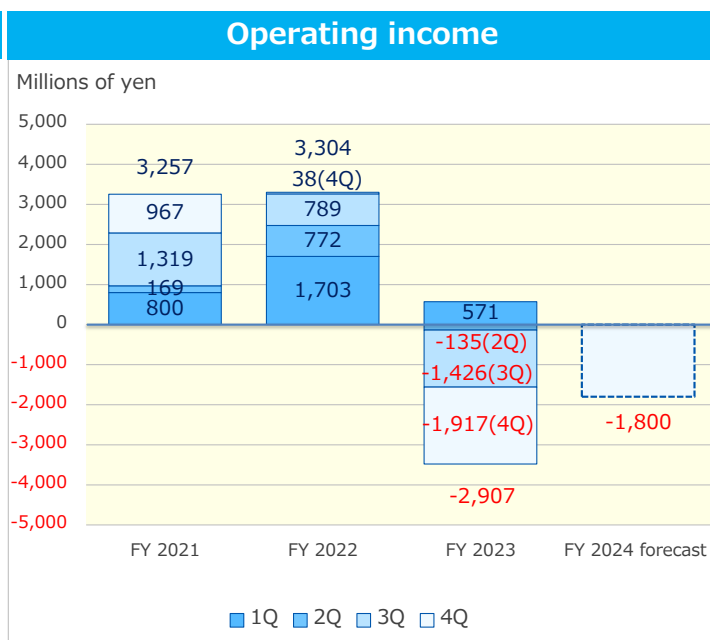
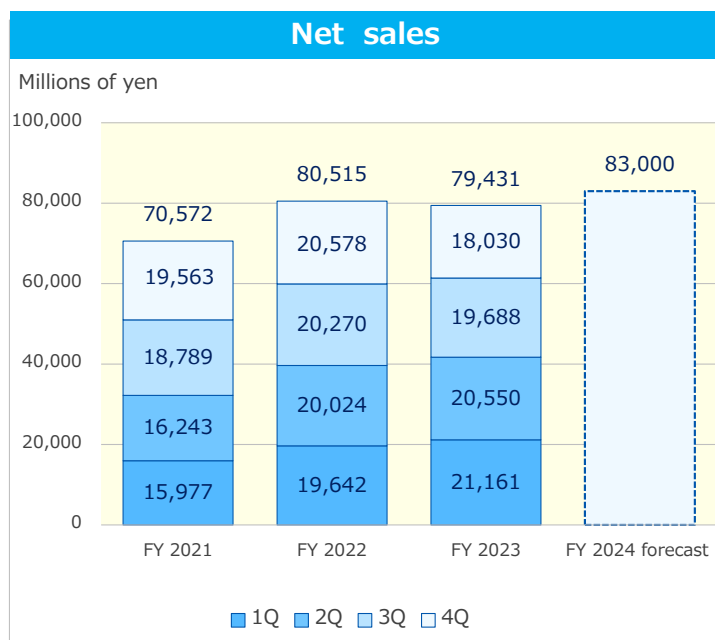


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May 11th,2023
ARAKAWA CHEMICAL INDUSTRIES, LTD.

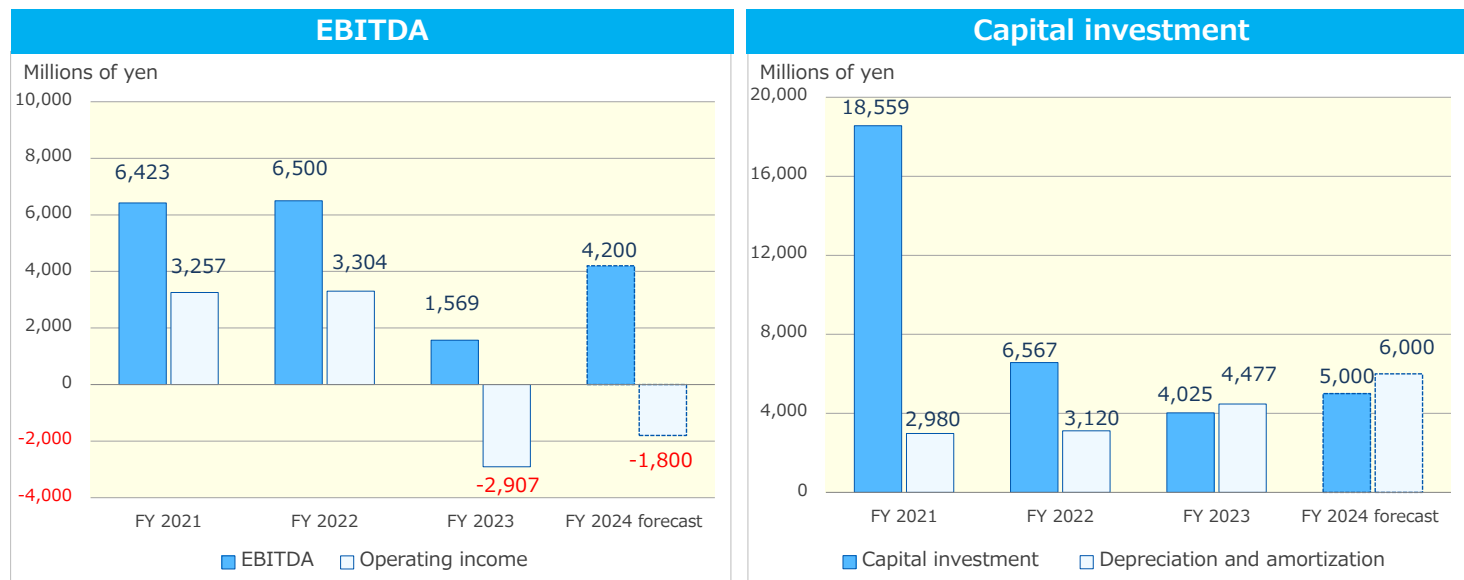
Performance (Consolidated)



Consolidated	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Net sales*	72,967	△ 8.2	70,572	△ 3.3	80,515	14.1	79,431	△ 1.3	83,000	4.5
Operating income	2,574	△ 27.8	3,257	26.5	3,304	1.4	△ 2,907	-	△ 1,800	-
Ordinary income	2,927	△ 25.9	3,652	24.8	3,566	△ 2.3	△ 2,687	-	△ 2,000	-
Profit attributable to owners of parent	1,732	△ 55.5	2,169	25.3	1,502	△ 30.7	△ 4,941	-	△ 1,800	-

*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.

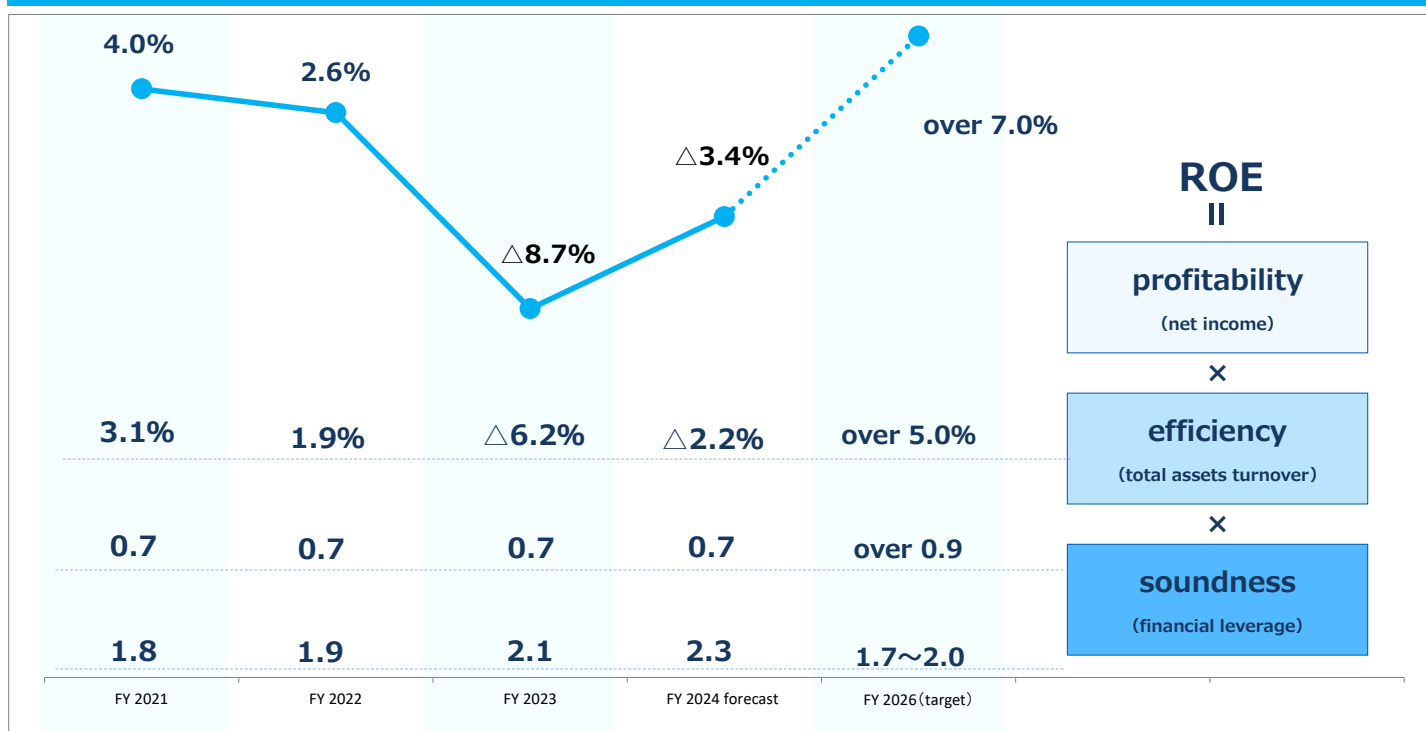
Management index Transition



Consolidated	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024 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	3,932	955	18,559	14,626	6,567	△ 11,991	4,025	△ 2,541	5,000	974
Depreciation	2,887	16	2,980	93	3,120	139	4,477	1,357	6,000	1,522
R&D expenses	3,041	△ 9	3,247	205	3,100	△ 147	3,024	△ 75	3,500	475
Interest-bearing debt	19,045	4,695	21,789	2,743	26,680	4,891	35,052	8,371	40,000	4,947
EBITDA	5,742	△ 973	6,423	680	6,500	77	1,569	△ 4,931	4,200	2,630

[EBITDA] Operating profit before amortization = Operating profit + Depreciation expense + Amortization of goodwill

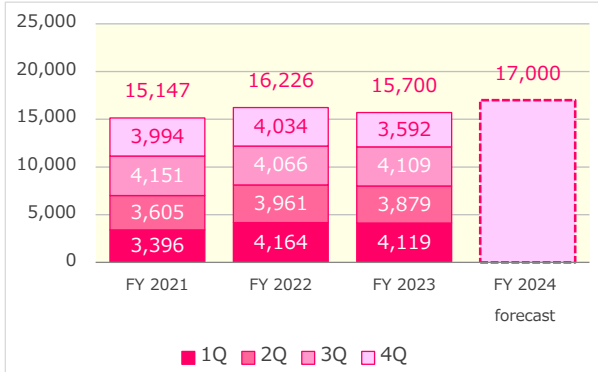
Return on equity



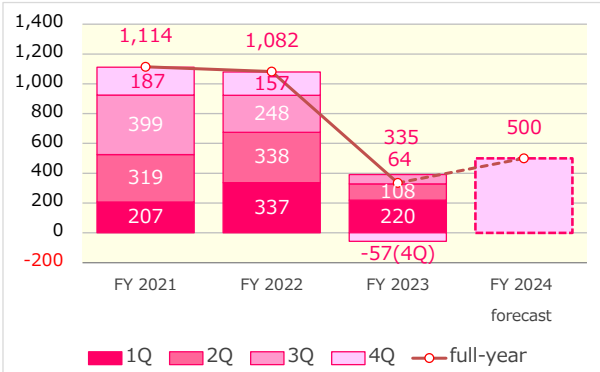
Segment Information (Consolidated)

Functional Coating Chemicals

Net sales (Millions of yen)

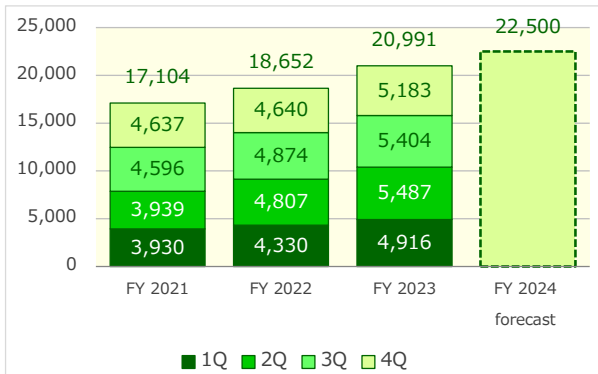


Segment income (Millions of yen)

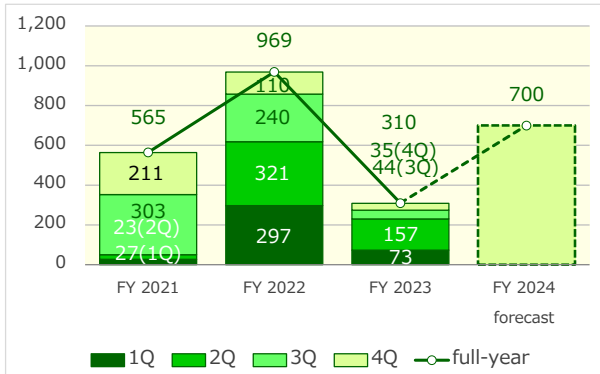


Paper Chemicals & Environmental Business

Net sales (Millions of yen)

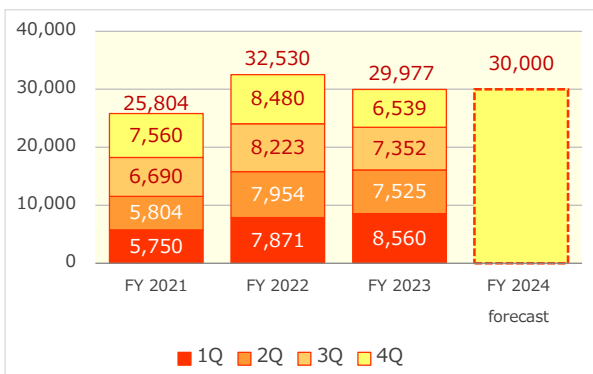


Segment income (Millions of yen)

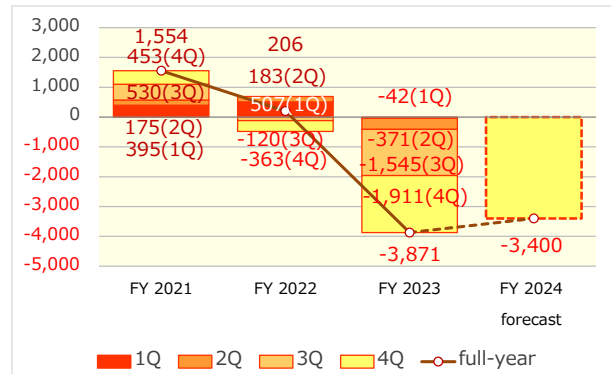


Adhesive & Biomass Materials

Net sales (Millions of yen)

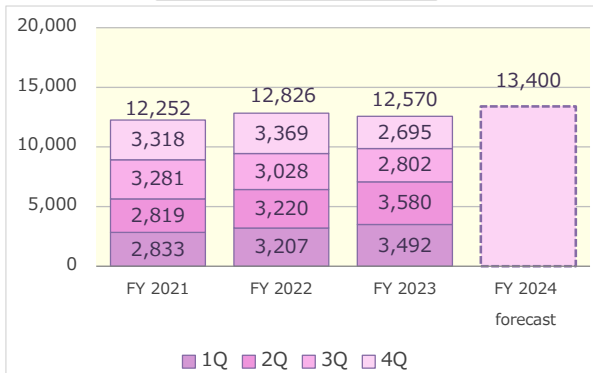


Segment income (Millions of yen)

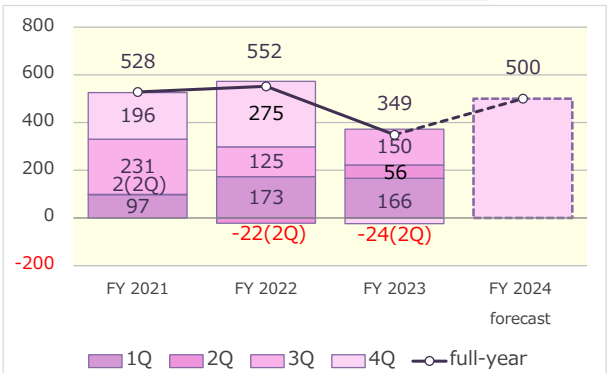


Fine Chemicals & Electronics

Net sales (Millions of yen)



Segment income (Millions of yen)



Segment Information (Consolidated)

Consolidated		FY 2021		FY 2022		FY 2023		FY 2024 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Functional Coating Chemicals	Net sales ※1	15,147	△ 2.3	16,226	7.1	15,700	△ 3.2	17,000	8.3
	Segment income	1,114	75.0	1,082	△ 2.9	335	△ 69.0	500	48.9
	Segment income/sales	7.4%		6.7%		2.1%		2.9%	
Paper Chemicals & Environmental Business	Net sales ※1	17,104	△ 9.6	18,652	9.1	20,991	12.5	22,500	7.2
	Segment income	565	63.1	969	71.4	310	△ 67.9	700	125.2
	Segment income/sales	3.3%		5.2%		1.5%		3.1%	
Adhesive & Biomass Materials	Net sales ※1	25,804	△ 2.3	32,530	26.1	29,977	△ 7.8	30,000	0.1
	Segment income	1,554	12.2	206	△ 86.7	△ 3,871	—	△ 3,400	—
	Segment income/sales	6.0%		0.6%		△ 12.9%		△ 11.3%	
Fine Chemicals & Electronics	Net sales ※1	12,252	3.4	12,826	4.7	12,570	△ 2.0	13,400	6.6
	Segment income	528	36.9	552	4.6	349	△ 36.7	500	42.9
	Segment income/sales	4.3%		4.3%		2.8%		3.7%	
Others	Net sales ※1	263	△ 5.2	279	6.2	191	△ 31.4	100	△ 47.8
	Segment income	26	△ 16.2	45	72.8	42	△ 7.3	30	△ 28.6
	Segment income/sales	10.0%		16.2%		22.0%		30.0%	
Subtotal	Net sales ※1	70,572	△ 3.3	80,515	14.1	79,431	△ 1.3	83,000	4.5
	Segment income	3,789	36.0	2,855	△ 24.6	△ 2,832	—	△ 1,670	—
	Segment income/sales	5.4%		3.5%		△ 3.6%		△ 2.0%	
Consolidated total	Development Investment ※2	△ 377	—	△ 437	—	△ 406	—	△ 450	—
	Segment income	3,411	36.9	2,418	△ 29.1	△ 3,239	—	△ 2,120	—
	Segment income/sales	4.8%		3.0%		△ 4.1%		△ 2.6%	

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

The Accounting Standard for Revenue Recognition is applied from the beginning of the fiscal year ending March 31, 2022.

※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.

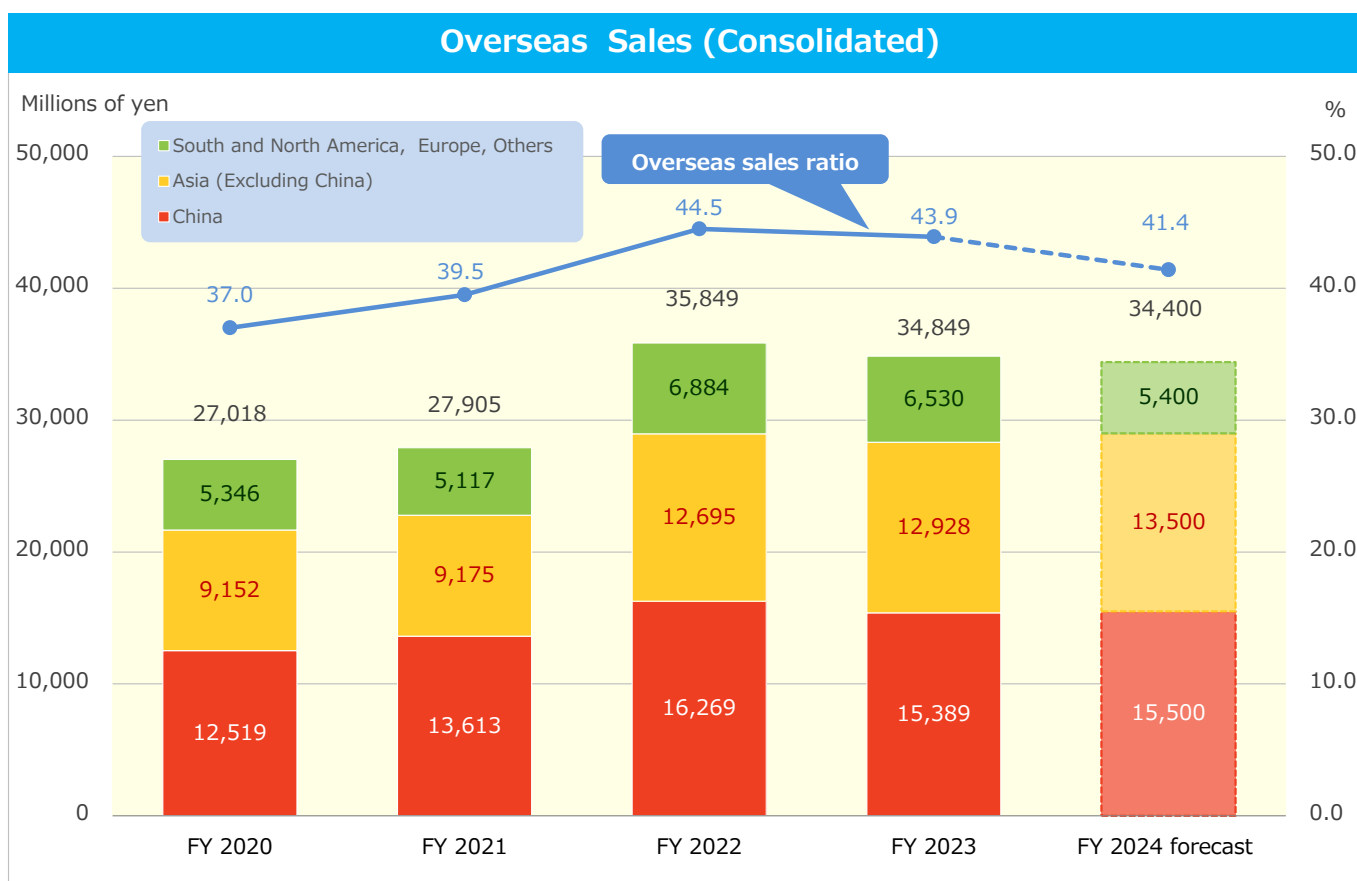
[Fine Chemicals & Electronics]

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.

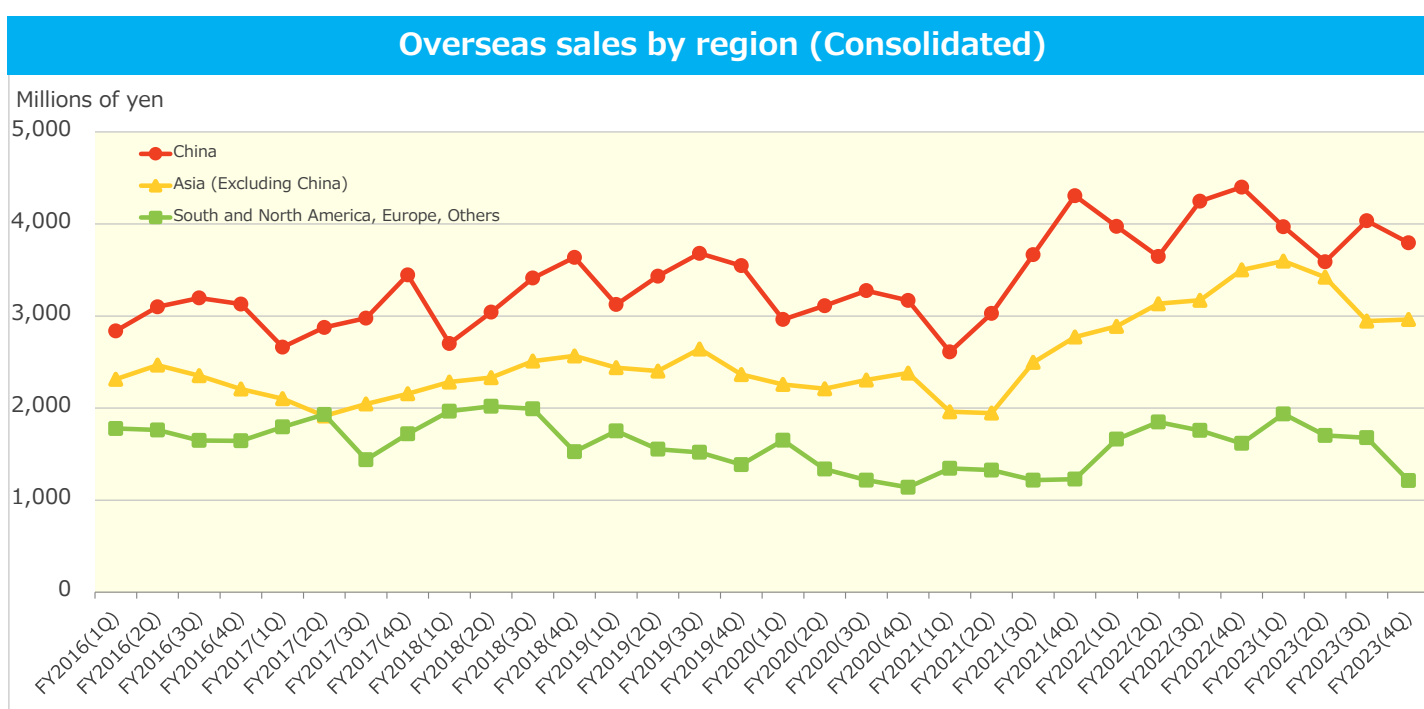
[Others]

Insurance business, Real estate management, etc.

Overseas Sales (Consolidated)



Consolidated	FY 2020		FY 2021		FY 2022		FY 2023		FY 2024 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Overseas sales	27,018	△ 9.5	27,905	3.3	35,849	28.5	34,849	△ 2.8	34,400	△ 1.3
Overseas sales in Asia	21,672	△ 8.3	22,788	5.1	28,965	27.1	28,318	△ 2.2	29,000	2.4
Overseas sales in China	12,519	△ 9.2	13,613	8.7	16,269	19.5	15,389	△ 5.4	15,500	0.7
Overseas sales ratio	37.0%		39.5%		44.5%		43.9%		41.4%	



Management Index(Consolidated)

	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)	FY2024 (‘23/4-‘24/3)
Capital investment (Completion basis) (Millions of yen)	2,977	3,932	18,559	6,567	4,025	5,000
Capital investment (Cash flows basis) (Millions of yen)	7,995	9,151	6,029	6,423	6,116	5,500
Depreciation (Millions of yen)	2,870	2,887	2,980	3,120	4,477	6,000
Research and development expenses (Millions of yen)	3,051	3,041	3,247	3,100	3,024	3,500
Interest-bearing debt (Millions of yen)	14,349	19,045	21,789	26,680	35,052	40,000
Debt equity ratio (Times)	0.26	0.36	0.38	0.45	0.65	0.78
Total assets (Millions of yen)	92,174	90,600	105,757	117,739	119,035	120,000
Shareholders' equity and accumulated other comprehensive income (Millions of yen)	54,747	52,546	57,228	59,184	54,082	51,000
Shareholders' equity to total assets(%)	59.4	58.0	54.1	50.3	45.4	42.5
Return on equity (%)	7.1	3.2	4.0	2.6	△ 8.7	△ 3.4
Net profit to sales(%)	4.9	2.4	3.1	1.9	△ 6.2	△ 2.2
Total assets turnover (Times)	0.9	0.8	0.7	0.7	0.7	0.7
Financial Leverage (Times)	1.7	1.7	1.8	1.9	2.1	2.3
Operating profit to net sales (%)	4.5	3.5	4.6	4.1	△ 3.7	△ 2.2
Ordinary profit to net sales (%)	5.0	4.0	5.2	4.4	△ 3.4	△ 2.4
Earnings per share (Yen)	188.50	85.35	109.35	75.75	△ 249.08	△ 90.73
Book-value per share (Yen)	2,652.60	2,648.64	2,884.66	2,983.23	2,726.08	2,580.00
Price to earnings ratio (Times)	7.2	14.1	12.1	14.1	—	—
Annual dividends per share (Yen)	42.00	44.00	46.00	48.00	48.00	48.00
Payout ratio (%)	22.3	51.6	42.1	63.4	—	—
Number of employees	1,532	1,557	1,593	1,615	1,677	1,698

* 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.

Balance Sheets (Consolidated)

(Unit : Millions of yen)

	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)
Assets					
◇ Current assets	56,956	51,337	53,713	62,477	62,799
Cash and deposits	9,061	9,636	8,464	10,374	11,140
Notes and accounts receivable-trade	27,069	22,789	23,097	25,713	23,461
Electronically recorded monetary claims - operating	1,969	1,656	1,746	1,953	1,965
Inventories	17,826	16,114	17,866	22,159	24,213
Other	1,143	1,248	2,643	2,392	2,129
Allowance for doubtful accounts	△ 114	△ 109	△ 107	△ 115	△ 110
◇ Noncurrent assets	35,201	39,034	51,396	53,895	54,331
• Property, plant and equipment	25,268	31,044	38,103	40,277	40,442
Buildings and structures	7,684	8,227	15,443	16,823	16,628
Machinery, equipment and vehicles	5,956	6,729	14,753	16,385	14,809
Land	5,140	5,147	4,993	4,994	4,993
Construction in progress	5,937	10,310	2,009	1,038	2,927
Other	549	630	902	1,035	1,083
• Intangible assets	941	1,250	1,770	1,851	1,678
• Investments and other assets	8,991	6,738	11,521	11,766	12,210
Investment securities	7,261	5,919	8,552	8,342	7,837
Net defined benefit asset	1,105	264	2,438	2,907	3,895
Deferred tax assets	305	268	277	267	231
Other	386	349	316	365	322
Allowance for doubtful accounts	△ 66	△ 63	△ 63	△ 115	△ 75
◇ Deferred assets	17	228	647	1,366	1,904
Business commencement expenses	17	228	647	1,366	1,904
Total assets	92,174	90,600	105,757	117,739	119,035
Liabilities					
◇ Current liabilities	24,853	21,011	33,773	36,474	42,113
Notes and accounts payable-trade	12,178	9,174	8,753	10,965	9,973
Electronically recorded obligations - operating	—	—	897	1,257	1,074
Short-term loans payable	5,454	5,100	7,976	12,965	19,645
Current portion of bonds	—	—	5,000	—	—
Income taxes payable	752	293	741	526	336
Accrued consumption taxes	142	212	91	54	67
Provision for bonuses	1,222	1,177	1,490	1,375	1,036
Provision for repairs	105	—	259	255	414
Notes payable-facilities	111	227	201	76	219
Other	4,885	4,825	8,361	8,996	9,346
◇ Noncurrent liabilities	10,994	15,560	13,393	18,686	20,412
Bonds payable	5,000	10,000	5,000	10,000	10,000
Long-term loans payable	3,895	3,945	3,813	3,715	5,407
Deferred tax liabilities	1,186	602	2,242	2,313	2,372
Provision for retirement benefits/Net defined benefit liability	305	322	301	300	298
Other	607	691	2,035	2,357	2,333
Total liabilities	35,848	36,572	47,166	55,160	62,526
Net assets					
◇ Shareholders' equity	51,047	50,665	51,961	52,512	46,618
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	44,153	44,969	46,265	46,816	40,922
Treasury stock	△ 13	△ 1,210	△ 1,211	△ 1,211	△ 1,211
◇ Accumulated other comprehensive income	3,699	1,881	5,267	6,671	7,464
Valuation difference on available-for-sale securities	2,796	1,886	3,576	3,334	2,933
Foreign currency translation adjustment	727	494	646	2,112	2,819
Remeasurements of defined benefit plans	175	△ 499	1,044	1,225	1,710
◇ Minority interests	1,579	1,480	1,361	3,394	2,426
Total net assets	56,326	54,027	58,590	62,578	56,509
Total liabilities and net assets	92,174	90,600	105,757	117,739	119,035

Statements of Income (Consolidated)

(Unit : Millions of yen)

	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)
◇ Net sales	79,501	72,967	70,572	80,515	79,431
◇ Cost of sales	62,123	57,014	53,884	62,544	67,859
Gross profit	17,378	15,953	16,688	17,971	11,571
Selling, general and administrative expenses	13,813	13,378	13,431	14,667	14,479
Operating profit (loss)	3,564	2,574	3,257	3,304	△ 2,907
◇ Non-operating income	667	600	642	967	935
Interest income	18	33	41	30	32
Dividends income	197	210	193	227	248
Rental income from real estate	107	98	95	96	93
Foreign exchange gains	146	3	21	329	413
Insurance claim income	22	147	42	101	—
Other	173	107	247	182	148
◇ Non-operating expenses	280	247	247	704	715
Interest expenses	149	150	138	158	224
Bond issuance cost	—	25	—	27	—
Compensation expenses	68	—	—	—	—
Loss on investments in investment partnerships	—	—	27	11	0
Provision for repairs	—	—	—	404	384
Other	62	71	80	102	104
Ordinary profit (loss)	3,950	2,927	3,652	3,566	△ 2,687
◇ Extraordinary income	2,130	482	327	7	1,363
Gain on sales of noncurrent assets	5	0	5	4	1,059
Gain on sales of investment securities	7	473	321	3	303
Gain on reversal of foreign currency translation adjustment	—	7	—	—	—
Insurance claim income	2,118	—	—	—	—
◇ Extraordinary loss	250	286	137	633	3,328
Loss on sales and retirement of noncurrent assets	235	153	135	283	284
Impairment losses	—	—	—	346	1,838
Loss on valuation of noncurrent assets	0	1	—	3	—
Loss on sales of investment securities	0	—	—	—	—
Loss on valuation of investment securities	14	26	—	0	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 business	—	—	—	—	1,205
Shutdown expenses	—	89	—	—	—
Profit(Loss) before income taxes	5,831	3,122	3,842	2,941	△ 4,652
Income taxes—current	1,385	846	1,264	1,022	828
Income taxes—deferred	211	158	196	110	54
Profit(Loss) attributable to non-controlling interests	344	385	212	305	△ 595
Profit(Loss) attributable to owners of parent	3,890	1,732	2,169	1,502	△ 4,941

* 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)				
	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)
I. Net cash provided by (used in) operating					
Profit (loss) before income taxes	5,831	3,122	3,842	2,941	△ 4,652
Depreciation	2,870	2,887	2,980	3,120	4,477
Impairment losses	—	—	—	346	1,838
Amortization of goodwill	281	281	185	76	—
Increase (decrease) in allowance for doubtful accounts	△ 7	△ 4	△ 4	42	△ 54
Increase (decrease) in provision for bonuses	△ 43	△ 43	311	△ 133	△ 348
Increase (decrease) in provision for directors' bonuses	△ 20	△ 15	11	2	△ 58
Increase (decrease) in provision for retirement benefits	△ 21	15	△ 20	△ 2	△ 3
Decrease (increase) in net defined benefit asset	433	840	△ 2,174	△ 468	△ 988
Increase (decrease) in provision for loss on business liquidation	—	—	—	—	1,155
Loss (gain) on sales and retirement of non-current assets	230	153	129	279	△ 775
Loss on valuation of non-current assets	0	1	—	3	—
Loss (gain) on sales of investment securities	△ 7	△ 473	△ 321	△ 3	△ 303
Loss on valuation of investment securities	14	26	—	0	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	—	△ 7	—	—	—
Insurance claim income	△ 2,118	—	—	—	—
Shutdown expenses	—	89	—	—	—
Loss (gain) on investments in investment partnerships	—	—	27	11	0
Interest and dividends income	△ 216	△ 244	△ 234	△ 257	△ 280
Interest expenses	149	176	138	186	224
Decrease (increase) in notes and accounts receivable-trade	649	4,452	△ 295	△ 1,958	2,863
Decrease (increase) in inventories	△ 1,962	1,559	△ 1,634	△ 3,665	△ 1,898
Increase (decrease) in notes and accounts payable-trade	339	△ 2,934	422	2,206	△ 1,603
Increase (decrease) in accrued consumption taxes	45	201	△ 187	518	135
Other, net	△ 1,163	△ 1,176	945	2,044	627
Sub-total	5,285	8,924	4,125	5,291	354
Interest and dividends income received	215	245	234	253	284
Interest expenses paid	△ 168	△ 135	△ 135	△ 155	△ 218
Proceeds from insurance income	2,621	—	—	—	—
Income taxes (paid) refund	△ 1,225	△ 1,500	△ 538	△ 1,399	△ 996
Net cash provided by (used in) operating activities	6,728	7,534	3,685	3,989	△ 575
II. Net cash provided by (used in) investment activities					
Purchase of non-current assets	△ 7,995	△ 9,151	△ 6,029	△ 6,423	△ 6,116
Proceeds from sales of property, plant and equipment	69	11	160	8	1,231
Purchase of investment securities	△ 33	△ 40	△ 234	△ 172	△ 247
Proceeds from sales of investment securities	9	517	324	21	478
Payments for deferred assets	△ 16	△ 211	△ 411	△ 742	△ 542
Other, net	△ 242	△ 126	△ 1,106	△ 91	△ 850
Net cash provided by (used in) investment activities	△ 8,208	△ 9,001	△ 7,298	△ 7,401	△ 6,046
III. Net cash provided by (used in) financing activities					
Net increase (decrease) in short-term loans payable	△ 122	△ 338	2,974	4,647	1,506
Proceeds from long-term loans payable	4,000	200	—	—	7,109
Repayment of long-term loans payable	△ 567	△ 78	△ 310	△ 132	△ 438
Proceeds from issuance of bonds	—	4,974	—	4,972	—
Redemption of bonds	—	—	—	△ 5,000	—
Purchase of treasury shares	△ 0	△ 1,197	△ 0	△ 0	△ 0
Proceeds from share issuance to non-controlling shareholders	—	△ 170	—	1,940	—
Cash dividends paid	△ 804	△ 901	△ 872	△ 952	△ 952
Dividends paid to non-controlling interests	△ 262	△ 317	△ 345	△ 425	△ 448
Other, net	△ 0	△ 86	△ 90	△ 121	△ 110
Net cash provided by (used in) financing activities	2,243	2,084	1,354	4,927	6,666
IV. Effect of exchange rate change on cash and cash equivalents	△ 196	△ 43	55	391	△ 7
V. Net increase (decrease) in cash and cash equivalents	566	574	△ 2,203	1,907	36
VI. Cash and cash equivalents, beginning of term	8,404	8,970	9,545	7,342	9,250
VII. Cash and cash equivalents, end of term	8,970	9,545	7,342	9,250	9,268

Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2022 (As of March 31, 2022)		FY2023 (As of March 31, 2023)		Increase /Decrease
	Amount	Composition ratio	Amount	Composition ratio	
(Assets)		%		%	
I Current assets					
1. Cash and deposits	10,374		11,140		765
2. Notes and accounts receivable - trade	25,713		23,461		△ 2,252
3. Electronically recorded monetary claims - operating	1,953		1,965		11
4. Merchandise and finished goods	10,826		12,609		1,782
5. Work in process	1,196		1,649		452
6. Raw materials and supplies	10,136		9,954		△ 181
7. Other	2,392		2,129		△ 262
8. Allowance for doubtful accounts	△ 115		△ 110		4
Total current assets	62,477	53.1	62,799	52.8	321
II Non-current assets					
1. Property, plant and equipment					
(1) Buildings and structures	16,823		16,628		△ 195
(2) Machinery, equipment and vehicles	16,385		14,809		△ 1,575
(3) Land	4,994		4,993		△ 0
(4) Construction in progress	1,038		2,927		1,889
(5) Other	1,035		1,083		48
Total property, plant and equipment	40,277	34.2	40,442	34.0	165
2. Intangible assets					
(1) Other	1,851		1,678		△ 172
Total intangible assets	1,851	1.6	1,678	1.4	△ 172
3. Investments and other assets					
(1) Investment securities	8,342		7,837		△ 505
(2) Retirement benefit asset	2,907		3,895		988
(3) Deferred tax assets	267		231		△ 35
(4) Other	365		322		△ 43
(5) Allowance for doubtful accounts	△ 115		△ 75		39
Total investments and other assets	11,766	10.0	12,210	10.2	444
Total non-current assets	53,895	45.8	54,331	45.6	436
III Deferred assets					
1. Business commencement expenses	1,366		1,904		537
Total deferred assets	1,366	1.1	1,904	1.6	537
Total assets	117,739	100.0	119,035	100.0	1,295

(Unit: Millions of yen)

Item	FY2022 (As of March 31, 2022)		FY2023 (As of March 31, 2023)		Increase /Decrease
	Amount	Composition ratio	Amount	Composition ratio	
		%		%	
(Liabilities)		%		%	
I Current liabilities					
1. Notes and accounts payable – trade	10,965		9,973		△ 991
2. Electronically recorded obligations – operating	1,257		1,074		△ 183
3. Short-term borrowings	12,965		19,645		6,679
4. Income taxes payable	526		336		△ 190
5. Accrued consumption taxes	54		67		12
6. Provision for bonuses	1,375		1,036		△ 339
7. Provision for bonuses for directors (and other officers)	58		–		△ 58
8. Provision for repairs	255		414		158
9. Provision for loss on business liquidation	–		1,179		1,179
10. Notes payable – facilities	76		219		142
11. Other	8,938		8,167		△ 771
Total current liabilities	36,474	31.0	42,113	35.4	5,638
II Non-current liabilities					
1. Bonds payable	10,000		10,000		–
2. Long-term borrowings	3,715		5,407		1,692
3. Deferred tax liabilities	2,313		2,372		59
4. Retirement benefit liability	300		298		△ 2
5. Asset retirement obligations	2,120		2,161		40
6. Other	236		172		△ 63
Total non-current liabilities	18,686	15.9	20,412	17.1	1,726
Total liabilities	55,160	46.9	62,526	52.5	7,365
(Net assets)					
I Shareholders' equity					
1. Share capital	3,343		3,343		–
2. Capital surplus	3,564		3,564		–
3. Retained earnings	46,816		40,922		△ 5,893
4. Treasury shares	△ 1,211		△ 1,211		△ 0
Total shareholders' equity	52,512	44.5	46,618	39.2	△ 5,893
II Accumulated other comprehensive income					
1. Valuation difference on available-for-sale securities	3,334		2,933		△ 400
2. Foreign currency translation adjustment	2,112		2,819		707
3. Remeasurements of defined benefit plans	1,225		1,710		484
Total accumulated other comprehensive income	6,671	5.7	7,464	6.3	792
III Non-controlling interests	3,394	2.9	2,426	2.0	△ 967
Total net assets	62,578	53.1	56,509	47.5	△ 6,069
Total liabilities and net assets	117,739	100.0	119,035	100.0	1,295

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2022 '21/4-'22/3		FY2023 '22/4-'23/3		Increase /Decrease	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
I Net sales	80,515	100.0	79,431	100.0	△ 1,084	△ 1.3
II Cost of sales	62,544	77.7	67,859	85.4	5,315	8.5
Gross profit	17,971	22.3	11,571	14.6	△ 6,399	△ 35.6
III Selling, general and administrative expenses	14,667	18.3	14,479	18.3	△ 187	△ 1.3
Operating profit (loss)	3,304	4.1	△ 2,907	△ 3.7	△ 6,211	-
IV Non-operating income						
Interest income	30		32		1	
Dividend income	227		248		20	
Rental income from real estate	96		93		△ 3	
Foreign exchange gains	329		413		84	
Insurance claim income	101		-		△ 101	
Other	182		148		△ 34	
Total non-operating income	967	1.2	935	1.2	△ 32	△ 3.3
V Non-operating expenses						
Interest expenses	158		224		65	
Bond issuance costs	27		-		△ 27	
Loss on investments in investment partnerships	11		0		△ 10	
Provision for repairs	404		384		△ 19	
Other	102		104		2	
Total non-operating expenses	704	0.9	715	0.9	10	1.5
Ordinary profit (loss)	3,566	4.4	△ 2,687	△ 3.4	△ 6,254	-
VI Extraordinary income						
Gain on sale of non-current assets	4		1,059		1,055	
Gain on sale of investment securities	3		303		300	
Total extraordinary income	7	0.0	1,363	1.7	1,355	-
VII Extraordinary losses						
Loss on sale and retirement of non-current assets	283		284		1	
Impairment losses	346		1,838		1,491	
Loss on valuation of non-current assets	3		-		△ 3	
Loss on valuation of investment securities	0		0		△ 0	
Loss on liquidation of business	-		1,205		1,205	
Total extraordinary losses	633	0.7	3,328	4.2	2,695	425.6
Profit(Loss) before income taxes	2,941	3.7	△ 4,652	△ 5.9	△ 7,594	-
Income taxes - current	1,022	1.3	828	1.0	△ 193	△ 18.9
Income taxes - deferred	110	0.2	54	0.1	△ 55	△ 50.4
Profit(Loss)	1,808	2.2	△ 5,536	△ 7.0	△ 7,345	-
Profit(Loss) attributable to non-controlling interests	305	0.3	△ 595	△ 0.8	△ 900	-
Profit(Loss) attributable to owners of parent	1,502	1.9	△ 4,941	△ 6.2	△ 6,444	-

<Reference> Statements of Comprehensive Income (Consolidated)

Profit(Loss)	1,808	△ 5,536	△ 7,345	-
Other comprehensive income				
Valuation difference on available-for-sale securities	△ 241	△ 400	△ 158	
Foreign currency translation adjustment	1,681	779	△ 902	
Remeasurements of defined benefit plans, net of tax	177	489	312	
Total other comprehensive income	1,617	868	△ 749	
Comprehensive income	3,425	△ 4,668	△ 8,094	-

Statements of Cash Flows (Consolidated)

(Unit : Millions of yen)

Item	FY2022	FY2023	Increase /Decrease
	'21/4-'22/3	'22/4-'23/3	
	Amount	Amount	Amount
I Cash flows from operating activities			
Profit (loss) before income taxes	2,941	△ 4,652	△ 7,594
Depreciation	3,120	4,477	1,357
Impairment losses	346	1,838	1,491
Amortization of goodwill	76	-	△ 76
Increase (decrease) in allowance for doubtful accounts	42	△ 54	△ 96
Increase (decrease) in provision for bonuses	△ 133	△ 348	△ 215
Increase (decrease) in provision for bonuses for directors (and other officers)	2	△ 58	△ 60
Increase (decrease) in retirement benefit liability	△ 2	△ 3	△ 1
Decrease (increase) in retirement benefit asset	△ 468	△ 988	△ 520
Increase (decrease) in provision for loss on business liquidation	-	1,155	1,155
Loss (gain) on sale and retirement of non-current assets	279	△ 775	△ 1,054
Loss on valuation of non-current assets	3	-	△ 3
Loss (gain) on sale of investment securities	△ 3	△ 303	△ 300
Loss on valuation of investment securities	0	0	△ 0
Loss (gain) on investments in investment partnerships	11	0	△ 10
Interest and dividend income	△ 257	△ 280	△ 22
Interest expenses	186	224	38
Decrease (increase) in trade receivables	△ 1,958	2,863	4,821
Decrease (increase) in inventories	△ 3,665	△ 1,898	1,766
Increase (decrease) in trade payables	2,206	△ 1,603	△ 3,810
Increase (decrease) in accrued consumption taxes	518	135	△ 383
Other	2,044	627	△ 1,417
Subtotal	5,291	354	△ 4,937
Interest and dividends received	253	284	31
Interest paid	△ 155	△ 218	△ 62
Income taxes refund (paid)	△ 1,399	△ 996	403
Net cash provided by (used in) operating activities	3,989	△ 575	△ 4,565
II Cash flows from investing activities			
Decrease (increase) in time deposits	136	△ 701	△ 838
Purchase of property, plant and equipment	△ 6,149	△ 6,046	103
Proceeds from sale of property, plant and equipment	8	1,231	1,223
Purchase of investment securities	△ 172	△ 247	△ 75
Proceeds from sale of investment securities	21	478	457
Purchase of intangible assets	△ 274	△ 69	204
Payments for deferred assets	△ 742	△ 542	200
Decrease (increase) in investments and other assets	17	7	△ 9
Other	△ 245	△ 156	88
Net cash provided by (used in) investing activities	△ 7,401	△ 6,046	1,354
III Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	4,647	1,506	△ 3,140
Proceeds from long-term borrowings	-	7,109	7,109
Repayments of long-term borrowings	△ 132	△ 438	△ 306
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	△ 952	△ 952	0
Dividends paid to non-controlling interests	△ 425	△ 448	△ 23
Proceeds from share issuance to non-controlling shareholders	1,940	-	△ 1,940
Other	△ 121	△ 110	11
Net cash provided by (used in) financing activities	4,927	6,666	1,739
IV Effect of exchange rate change on cash and cash equivalents	391	△ 7	△ 399
V Net increase (decrease) in cash and cash equivalents	1,907	36	△ 1,871
VI Cash and cash equivalents at beginning of period	7,342	9,250	1,907
VII Cash and cash equivalents at end of period	9,250	9,286	36