

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (Nine Months Ended December 31, 2021)

[Japanese GAAP]

Company name: <b>C. Uyemura &amp; Co., Ltd.</b>	Listing: Second Section of the Tokyo Stock Exchange
Stock code: 4966	URL: <a href="https://www.uyemura.co.jp/">https://www.uyemura.co.jp/</a>
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Scheduled date of filing of Quarterly Report:	February 10, 2022
Starting date of dividend payment:	-
Preparation of supplementary materials for quarterly financial results:	None
Holding of quarterly financial results meeting:	None

Note: The original disclosure in Japanese was released on February 10, 2022 at 15:30 (GMT +9).

(All amounts are rounded down to the nearest million yen.)

### 1. Consolidated Financial Results (April 1, 2021 – December 31, 2021)

(1) Results of operations (Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2021	51,641	27.6	10,154	55.5	10,555	55.5	7,302	48.5
Nine months ended Dec. 31, 2020	40,460	8.3	6,528	21.0	6,786	22.2	4,916	27.3

Note: Comprehensive income (million yen)    Nine months ended Dec. 31, 2021: 9,163 (up 105.5%)

Nine months ended Dec. 31, 2020: 4,459 (up 46.8%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Nine months ended Dec. 31, 2021	421.57	-
Nine months ended Dec. 31, 2020	277.83	-

Notes: 1. Beginning with the first quarter of the fiscal year ending on March 31, 2022, the Company has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020). All figures for the nine months ended December 31, 2021 incorporate this accounting standard.

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2021	95,330	75,108	78.8	4,358.52
As of Mar. 31, 2021	85,105	69,473	81.6	3,929.41

Reference: Shareholders' equity (million yen)    As of Dec. 31, 2021: 75,108    As of Mar. 31, 2021: 69,473

Notes: 1. Beginning with the first quarter of the fiscal year ending on March 31, 2022, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). All figures as of December 31, 2021 incorporate this accounting standard.

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Net assets per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2021	-	0.00	-	180.00	180.00
Fiscal year ending Mar. 31, 2022	-	0.00	-		
Fiscal year ending Mar. 31, 2022 (forecast)				130.00	130.00

Notes: 1. Revisions to the most recently announced dividend forecast: Yes

2. Regarding revisions to the dividend forecast, please refer to the press release "Notice regarding Revisions of Year-End Dividend Forecast" that was announced today (February 10, 2022).

3. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Figures for the fiscal year ended March 31, 2021 are the actual amount of dividends before the stock split.

### 3. Consolidated Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	65,000	16.2	12,000	26.4	12,500	26.0	8,400	17.8	474.76

Notes: 1. Revisions to the most recently announced consolidated forecast: None

2. The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Net income per share in the consolidated forecast for the fiscal year ending March 31, 2022 are adjusted to reflect the stock split.

#### \*Notes

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of the specific method for accounting treatment for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: For details, see “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies” on page 7 of the attachments.

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2021: 19,756,080 shares As of Mar. 31, 2021: 19,756,080 shares

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

As of Dec. 31, 2021: 2,523,528 shares As of Mar. 31, 2021: 2,075,648 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2021: 17,323,312 shares Nine months ended Dec. 31, 2020: 17,697,315 shares

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021. The number of shares outstanding at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

**\* The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.**

#### \*Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments.

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## **1. Qualitative Information on Quarterly Consolidated Financial Performance**

### **(1) Explanation of Results of Operations**

For the first nine months of the fiscal year ending on March 31, 2022 (hereinafter “the period under review”), the Japanese economy saw some signs of recovery with the gradual resumption of economic activities amid the lingering impact of the pandemic. However, the situation remained unstable due to the resurgence of COVID-19 caused by the spread of its variants. Also, the outlook for the Japanese economy remains uncertain amid concerns that economic activities may be affected by security issues between the United States and China, surging natural resource prices, and a shortage of semiconductors and other components.

In the electronic device market, which is the Uyemura Group’s main market area, demand for servers remained solid backed by the commercialization of the 5G (5th generation mobile communication system) related technologies and the wider spread of telework. In the car electronics segment, the production of automobiles and other products was affected by the shortage of semiconductors although the production of semiconductors themselves continued for the supply-demand balance to improve.

In this environment, the Group has focused on the development of high value-added products, and proposal and sales activities for these products to make the operations more profitable.

As a result, consolidated sales for the period under review were 51,641 million yen (up 27.6% year-over-year), operating profit 10,154 million yen (up 55.5%), ordinary profit 10,555 million yen (up 55.5%), and profit attributable to owners of parent 7,302 million yen (up 48.5%). Due to the application of the Accounting Standard for Revenue Recognition, net sales increased by 905 million yen, and operating profit and ordinary profit increased by 106 million yen each.

The results of operations by business segment are shown as below.

#### **1) Surface finishing materials business**

Both segment sales and profit of mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs saw year-over-year increases thanks to an increase in 5G and semiconductor market demand.

Consequently, sales in the surface finishing materials business increased 38.8% year-over-year to 43,276 million yen and segment profit increased 58.9% year-over-year to 9,389 million yen.

#### **2) Surface finishing machinery business**

Both segment sales and profit of the surface finishing machinery business decreased year-over-year because of a shortage of raw materials and parts as well as a hike in logistics costs, although demand for semiconductors and electronic components remained firm.

Consequently, sales in the surface finishing machinery business decreased 24.5% year-over-year to 4,351 million yen and segment profit decreased 32.7% year-over-year to 349 million yen. Due to the application of the Accounting Standard for Revenue Recognition, net sales increased by 905 million yen and segment profit increased by 106 million yen.

#### **3) Plating job business**

Both segment sales and profit of the plating job business increased year-over-year. The business environment remained challenging with the persistent slowdown of the automotive industry in Thailand and Indonesia due to the spread of COVID-19. Meanwhile, plating job operations for PWBs in Taiwan continued to show strong performance.

Consequently, sales in the plating job business increased 15.4% year-over-year to 3,371 million yen and segment profit was 22 million yen (compared with segment loss of 255 million yen in the same period of the previous fiscal year).

#### **4) Real estate rental business**

Both segment sales and profit of the real estate rental business increased year-over-year thanks to the rent revision for an office building for rent in Shin-Osaka.

Consequently, sales in the real estate rental business increased 3.8% year-over-year to 628 million yen and segment profit increased 10.1% year-over-year to 383 million yen.

It is noted that sales of the segments above include intersegment sales and transfers.

#### **(2) Explanation of Financial Position**

Total assets increased 10,224 million yen from the end of the previous fiscal year to 95,330 million yen at the end of the period under review. This was primarily attributable to a 4,530 million yen increase in notes and accounts receivable-trade, and contract assets, a 1,673 million yen increase in land, and a 1,076 million yen increase in merchandise and finished goods, which were partially offset by a 1,006 million yen decrease in cash and deposits and a 366 million yen decrease in buildings and structures, net.

Total liabilities increased 4,590 million yen from the end of the previous fiscal year to 20,221 million yen. This was primarily attributable to a 1,125 million yen increase in electronically recorded obligations-operating and a 496 million yen increase in deferred tax liabilities, which were partially offset by a 752 million yen decrease in income taxes payable and a 193 million yen decrease in provision for retirement benefits for directors (and other officers).

Total net assets increased 5,634 million yen from the end of the previous fiscal year to 75,108 million yen. This was primarily attributable to a 5,764 million yen increase in retained earnings and a 1,829 million yen increase in foreign currency translation adjustment, which were partially offset by a 1,990 million yen increase in treasury shares.

As a result, the equity ratio decreased by 2.8 percentage points from 81.6% at the end of the previous fiscal year to 78.8%.

#### **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

We have maintained the full-year consolidated forecasts that we announced in the “Notice Regarding the Differences between Consolidated Financial Forecasts and Actual Results for the First Half, and Revisions of Consolidated Financial Forecasts for FY2022” on November 11, 2021.

Actual results may differ from these forecasts due to various factors in the future.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheets**

	(Thousands of yen)	
	FY3/2021 (As of Mar. 31, 2021)	Third quarter of FY3/2022 (As of Dec. 31, 2021)
Assets		
Current assets		
Cash and deposits	30,541,231	29,535,100
Notes and accounts receivable-trade	15,780,705	-
Notes and accounts receivable-trade, and contract assets	-	20,311,531
Securities	44,077	47,565
Merchandise and finished goods	2,995,296	4,072,073
Work in process	1,578,340	2,647,969
Raw materials and supplies	1,709,607	2,745,194
Other	1,070,264	2,827,129
Allowance for doubtful accounts	(66,027)	(92,077)
Total current assets	53,653,495	62,094,489
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,053,017	22,428,737
Accumulated depreciation	(13,176,134)	(13,918,735)
Buildings and structures, net	8,876,883	8,510,001
Machinery, equipment and vehicles	11,569,374	11,783,272
Accumulated depreciation	(9,153,911)	(9,497,756)
Machinery, equipment and vehicles, net	2,415,462	2,285,515
Land	4,382,771	6,055,974
Leased assets	356,133	430,494
Accumulated depreciation	(134,982)	(144,805)
Leased assets, net	221,151	285,688
Construction in progress	306,188	518,126
Other	5,466,948	5,740,681
Accumulated depreciation	(4,457,641)	(4,651,445)
Other, net	1,009,307	1,089,236
Total property, plant and equipment	17,211,764	18,744,543
Intangible assets	303,129	297,104
Investments and other assets		
Investment securities	12,865,612	12,884,607
Retirement benefit asset	151,616	155,487
Deferred tax assets	453,072	560,062
Other	535,635	666,630
Allowance for doubtful accounts	(68,829)	(72,569)
Total investments and other assets	13,937,108	14,194,218
Total non-current assets	31,452,002	33,235,866
Total assets	85,105,498	95,330,355

	(Thousands of yen)	
	FY3/2021 (As of Mar. 31, 2021)	Third quarter of FY3/2022 (As of Dec. 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	2,224,067	2,612,477
Electronically recorded obligations-operating	3,533,356	4,658,826
Short-term borrowings	473,063	479,117
Lease obligations	116,169	154,384
Income taxes payable	2,362,751	1,610,495
Provision for bonuses	164,659	56,829
Provision for bonuses for directors (and other officers)	177,250	132,937
Other	2,238,245	5,332,717
<b>Total current liabilities</b>	<b>11,289,563</b>	<b>15,037,785</b>
<b>Non-current liabilities</b>		
Long-term guarantee deposits	648,549	682,645
Lease obligations	245,140	321,481
Deferred tax liabilities	2,035,492	2,531,547
Provision for retirement benefits for directors (and other officers)	193,765	-
Retirement benefit liability	917,074	1,052,924
Long-term accounts payable-other	-	255,664
Other	302,214	339,868
<b>Total non-current liabilities</b>	<b>4,342,235</b>	<b>5,184,131</b>
<b>Total liabilities</b>	<b>15,631,799</b>	<b>20,221,916</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,336,936	1,336,936
Capital surplus	1,269,750	1,269,750
Retained earnings	68,100,768	73,865,308
Treasury shares	(4,527,433)	(6,518,210)
<b>Total shareholders' equity</b>	<b>66,180,021</b>	<b>69,953,784</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	747,353	781,182
Foreign currency translation adjustment	2,505,718	4,334,973
Remeasurements of defined benefit plans	40,604	38,499
<b>Total accumulated other comprehensive income</b>	<b>3,293,677</b>	<b>5,154,654</b>
<b>Total net assets</b>	<b>69,473,699</b>	<b>75,108,438</b>
<b>Total liabilities and net assets</b>	<b>85,105,498</b>	<b>95,330,355</b>

**(2) Consolidated Statements of Income and Comprehensive Income**  
**(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/2021 (Apr. 1, 2020 – Dec. 31, 2020)	First nine months of FY3/2022 (Apr. 1, 2021 – Dec. 31, 2021)
Net sales	40,460,794	51,641,086
Cost of sales	26,715,956	33,651,339
Gross profit	13,744,838	17,989,746
Selling, general and administrative expenses	7,216,382	7,835,069
Operating profit	6,528,456	10,154,677
Non-operating income		
Interest income	112,435	97,163
Dividend income	46,798	56,509
Valuable resource recovery income	52,870	42,193
Foreign exchange gains	-	96,400
Subsidy income	78,104	64,189
Technical advisory fee income	-	16,232
Other	116,252	72,265
Total non-operating income	406,460	444,953
Non-operating expenses		
Interest expenses	7,624	12,766
Foreign exchange losses	95,258	-
Commission expenses	11,155	12,639
Commission for purchase of treasury shares	1,344	5,920
Loss on disposal of inventories	6,038	6,128
Other	27,446	6,677
Total non-operating expenses	148,867	44,132
Ordinary profit	6,786,049	10,555,498
Extraordinary income		
Gain on sale of non-current assets	11,788	21,555
Total extraordinary income	11,788	21,555
Extraordinary losses		
Loss on sale and retirement of non-current assets	7,929	20,464
Total extraordinary losses	7,929	20,464
Profit before income taxes	6,789,908	10,556,589
Income taxes-current	1,702,537	2,876,153
Income taxes-deferred	170,516	377,497
Total income taxes	1,873,053	3,253,650
Profit	4,916,854	7,302,939
Profit attributable to:		
Profit attributable to owners of parent	4,916,854	7,302,939
Other comprehensive income		
Valuation difference on available-for-sale securities	275,241	33,828
Foreign currency translation adjustment	(736,297)	1,829,254
Remeasurements of defined benefit plans, net of tax	4,191	(2,105)
Total other comprehensive income	(456,864)	1,860,977
Comprehensive income	4,459,989	9,163,916
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,459,989	9,163,916



### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Following the resolution approved by its Board of Directors meeting held on May 14, 2021, the Company acquired 451,500 shares of its treasury shares. In addition, the number of treasury shares decreased by 3,802 shares due to disposal of treasury shares as restricted stock compensation which was implemented on August 6, 2021. Primarily from these events, treasury shares increased 1,990,777 thousand yen during the period under review to 6,518,210 thousand yen as of the end of the period under review. The number of treasury shares reflects the 2-for-1 common stock split conducted on July 1, 2021.

#### **Changes in Accounting Policies**

##### **Application of the Accounting Standard for Revenue Recognition**

Beginning with the first quarter of the current fiscal year, the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Based on this application, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers. As a result, for contracts to which the acceptance inspection method was previously applied and for which the performance obligation is to be satisfied over a certain period of time, the Company has changed to a method of estimating the progress toward fulfillment of performance obligations and recognizing revenue based on the progress over a certain period of time.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment prescribed in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting policies, if it is applied prior to the first quarter, is added to or subtracted from retained earnings at the beginning of the first quarter. The new standard is then applied beginning with this amount of retained earnings. However, the Company has applied the method prescribed in Paragraph 86 of this standard and has not retrospectively applied the new accounting policies to contracts in which almost all revenue were recognized in accordance with the previous treatment prior to the beginning of the first quarter. In addition, the Company has applied the method prescribed in Paragraph 86, Article 1 of the Accounting Standard for Revenue Recognition, and accounted for contract changes made prior to the beginning of the first quarter based on the contract terms after reflecting all contract changes, and added or subtracted the cumulative effect of such changes to retained earnings at the beginning of the first quarter.

As a result, net sales increased by 905 million yen, cost of sales increased by 798 million yen, and operating profit, ordinary profit and profit before income taxes increased by 106 million yen each in the period under review. In addition, the new standard increased retained earnings at the beginning of the current fiscal year by 54 million yen.

Due to the application of the Accounting Standard for Revenue Recognition, notes and accounts receivable-trade that were presented in the current assets section of the consolidated balance sheet in the previous fiscal year is, from the first quarter of the current fiscal year, included in notes and accounts receivable-trade, and contract assets. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), the Company has not presented information on revenue from contracts with customers broken down for the first nine months of the previous fiscal year.

##### **Application of the Accounting Standard for Fair Value Measurement**

Beginning with the first quarter of the current fiscal year, the Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and has applied the new accounting policies set forth by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of this change on the quarterly consolidated financial statements.

## Segment and Other Information

### Segment Information

I. First nine months of FY3/2021 (Apr. 1, 2020 – Dec. 31, 2020)

1. Information related to sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	31,160,272	5,762,835	2,922,783	605,631	40,451,522	9,271	40,460,794	-	40,460,794
Intersegment sales and transfers	20,120	1,129	-	-	21,249	-	21,249	(21,249)	-
Total	31,180,393	5,763,964	2,922,783	605,631	40,472,772	9,271	40,482,044	(21,249)	40,460,794
Segment profit (loss)	5,910,053	518,421	(255,880)	347,841	6,520,435	8,020	6,528,456	-	6,528,456

Notes: 1. The “Other” business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenue.

2. Total segment profit (loss) is equal to operating profit shown on the quarterly consolidated statements of income and comprehensive income.

II. First nine months of FY3/2022 (Apr. 1, 2021 – Dec. 31, 2021)

1. Information related to sales and profit or loss for each reportable segment and on breakdown of revenues

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment	Amounts shown on consolidated statements of income/ comprehensive income (Note 2)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Net sales									
Japan	14,605,579	3,203,813	-	-	17,809,392	12,738	17,822,130	-	17,822,130
Taiwan	11,746,257	342,083	797,973	-	12,886,314	-	12,886,314	-	12,886,314
China	8,698,948	546,444	-	-	9,245,393	-	9,245,393	-	9,245,393
South Korea	2,953,333	11,880	-	-	2,965,213	-	2,965,213	-	2,965,213
Singapore	1,849,493	222,733	-	-	2,072,226	-	2,072,226	-	2,072,226
Thailand	124,421	-	2,317,909	-	2,442,331	-	2,442,331	-	2,442,331
North America	3,298,489	24,654	-	-	3,323,143	-	3,323,143	-	3,323,143
Other	-	-	255,980	-	255,980	-	255,980	-	255,980
Revenue from contracts with customers	43,276,522	4,351,610	3,371,863	-	50,999,996	12,738	51,012,734	-	51,012,734
Other revenue	-	-	-	628,352	628,352	-	628,352	-	628,352
Sales to third parties	43,276,522	4,351,610	3,371,863	628,352	51,628,348	12,738	51,641,086	-	51,641,086
Intersegment sales and transfers	68	257	-	-	325	-	325	(325)	-
Total	43,276,590	4,351,867	3,371,863	628,352	51,628,673	12,738	51,641,411	(325)	51,641,086
Segment profit	9,389,169	349,130	22,084	383,073	10,143,459	11,218	10,154,677	-	10,154,677

Notes: 1. The “Other” business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenue.

2. Total segment profit is equal to operating profit shown on the quarterly consolidated statements of income and comprehensive income.

3. Net sales are broken down by reportable segment into the countries or regions where the Company and its consolidated subsidiaries are located.

2. Information related to revisions for reportable segments

As described in (3) Notes to Quarterly Consolidated Financial Statements, Changes in Accounting Policies, the Company has applied the Accounting Standard for Revenue Recognition beginning with the first quarter of the current fiscal year and changed the method for calculating segment profit or loss. Due to this change, compared with the previous method, net sales in Japan and segment profit increased 905 million yen and 106 million yen, respectively, in the Surface Finishing Machinery segment in the period under review.

*Note: This report of consolidated financial results is solely a translation of summary of Japanese “Kessan Tanshin” (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.*