

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022
[Japanese GAAP]

 Company name: **C. Uyemura & Co., Ltd.**

Listing: Tokyo Stock Exchange

Stock code: 4966

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

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Scheduled date of annual general meeting of shareholders: June 29, 2022

Scheduled date of filing of annual securities report: June 29, 2022

Starting date of dividend payment: June 30, 2022

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 13, 2022 at 13:20 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)
(1) Results of operations

(Percentages represent year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	72,303	29.2	13,947	47.0	14,606	47.2	9,681	35.8
Fiscal year ended Mar. 31, 2021	55,947	7.1	9,490	25.9	9,920	26.1	7,128	33.0

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2022: 12,756 (up 77.0%)

Fiscal year ended Mar. 31, 2021: 7,205 (up 41.4%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2022	559.61	-	13.1	15.7	19.3
Fiscal year ended Mar. 31, 2021	402.89	-	10.7	12.1	17.0

Reference: Equity in earnings of unconsolidated subsidiaries (million yen) Fiscal year ended Mar. 31, 2022: -

Fiscal year ended Mar. 31, 2021: -

Notes: 1. Beginning with the fiscal year ended 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 fiscal year ended March 31, 2022 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 Mar. 31, 2022	101,189	78,712	77.8	4,567.35
As of Mar. 31, 2021	85,105	69,473	81.6	3,929.41

Reference: Shareholders' equity (million yen) As of Mar. 31, 2022: 78,712 As of Mar. 31, 2021: 69,473

Notes: 1. Beginning with the fiscal year ended 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 March 31, 2022 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.

(3) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	operating activities	investing activities	financing activities	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2022	7,417	(4,693)	(3,785)	26,280
Fiscal year ended Mar. 31, 2021	8,677	(3,905)	(1,782)	26,149

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2021	-	0.00	-	180.00	180.00	1,591	22.3	2.4
Fiscal year ended Mar. 31, 2022	-	0.00	-	130.00	130.00	2,240	23.2	3.1
Fiscal year ending Mar. 31, 2023 (forecast)	-	0.00	-	180.00	180.00		28.6	

Note: 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, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	35,300	6.9	6,400	2.8	6,700	2.1	5,500	21.0	317.91
Full year	75,000	3.7	14,000	0.4	14,600	(0.0)	10,900	12.6	630.03

*Notes

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

(2) 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 “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies” on page 16 of the attachments.

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)
As of Mar. 31, 2022: 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 Mar. 31, 2022: 2,522,368 shares As of Mar. 31, 2021: 2,075,648 shares

3) Average number of shares outstanding during the period
Fiscal year ended Mar. 31, 2022: 17,300,719 shares Fiscal year ended Mar. 31, 2021: 17,693,095 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.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	37,258	13.5	6,296	12.4	11,509	24.7	9,288	26.9
Fiscal year ended Mar. 31, 2021	32,839	11.6	5,601	39.0	9,230	15.2	7,319	24.0

	Net income per share (basic)		Net income per share (diluted)	
	Yen		Yen	
Fiscal year ended Mar. 31, 2022	536.91		-	
Fiscal year ended Mar. 31, 2021	413.68		-	

Notes: 1. Beginning with the fiscal year ended 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 fiscal year ended March 31, 2022 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 Mar. 31, 2022	65,320	54,283	83.1	3,149.82
As of Mar. 31, 2021	58,062	48,543	83.6	2,745.61

Reference: Shareholders' equity (million yen) As of Mar. 31, 2022: 54,283 As of Mar. 31, 2021: 48,543

Notes: 1. Beginning with the fiscal year ended 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 March 31, 2022 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.

***The current financial report is not subject to audit 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. Overview of Results of Operations, (4) Outlook” on page 4 of the attachments.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	4
(5) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years	4
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Shareholders' Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
Going Concern Assumption	13
Basis for Presentation of the Consolidated Financial Statements	13
Changes in Accounting Policies	16
Notes to Consolidated Balance Sheets	16
Notes to Consolidated Statements of Income and Comprehensive Income	17
Notes to Consolidated Statements of Changes in Shareholders' Equity	18
Notes to Consolidated Statements of Cash Flows	19
Segment and Other Information	20
Per Share Data	23
Material Subsequent Events	23

1. Overview of Results of Operations

(1) Results of Operations

For the fiscal year ended March 31, 2022 (hereinafter “the fiscal year 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 domestic economy remained unstable due to the resurgence of COVID-19 caused by the spread of its variants. Also, while surging natural resource prices and a shortage of semiconductors and other components are becoming apparent, Russian invasion to Ukraine may cause serious and prolonged impact to the global economy.

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 a shortage in the supply of semiconductors although the production of semiconductors themselves continued to improve the supply-demand balance.

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 fiscal year under review were 72,303 million yen (up 29.2% year-over-year), operating profit 13,947 million yen (up 47.0%), ordinary profit 14,606 million yen (up 47.2%), and profit attributable to owners of parent 9,681 million yen (up 35.8%). Due to the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020, hereinafter, the Accounting Standard for Revenue Recognition), net sales increased by 145 million yen, operating profit increased by 16 million yen, and ordinary profit increased by 19 million yen.

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 38.9% year-over-year to 59,920 million yen and segment profit increased 52.7% year-over-year to 12,717 million yen. Due to the application of the Accounting Standard for Revenue Recognition, segment sales and profit decreased by 3 million yen each.

2) Surface finishing machinery business

Both segment sales and profit of the surface finishing machinery business decreased year-over-year because of a decrease in sales of conventional surface finishing machinery, although demand for semiconductors and electronic components remained firm.

Consequently, sales in the surface finishing machinery business decreased 10.4% year-over-year to 7,013 million yen and segment profit decreased 25.7% year-over-year to 680 million yen. Due to the application of the Accounting Standard for Revenue Recognition, segment sales increased by 149 million yen and segment profit increased by 19 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 7.7% year-over-year to 4,518 million yen and segment profit was 29 million yen (compared with segment loss of 222 million yen in 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 3.7% year-over-year to 834 million yen and segment profit increased 10.7% year-over-year to 503 million yen.

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

(2) Financial Position

Analysis of assets, liabilities, net assets

Total assets increased 16,083 million yen from the end of the previous fiscal year to 101,189 million yen at the end of the fiscal year under review. This was primarily attributable to a 3,588 million yen increase in accounts receivable-trade, a 2,042 million yen increase in raw materials and supplies, a 1,921 million yen increase in investment securities, and a 1,717 million yen increase in land, which were partially offset by a 242 million yen decrease in buildings and structures.

Total liabilities increased 6,845 million yen from the end of the previous fiscal year to 22,476 million yen. This was primarily attributable to a 2,538 million yen increase in contract liabilities, a 1,889 million yen increase in notes and account payable-trade, a 699 million yen increase in electronically recorded obligations-operating, and a 317 million yen increase in income taxes payable, which were partially offset by a 193 million yen decrease in provision for retirement benefits for directors (and other officers).

Total net assets increased 9,238 million yen from the end of the previous fiscal year to 78,712 million yen. This was primarily attributable to a 8,144 million yen increase in retained earnings and a 3,104 million yen increase in foreign currency translation adjustment, which were partially offset by a 1,987 million yen increase in treasury shares.

As a result, the equity ratio decreased from 81.6% at the end of the previous fiscal year to 77.8%.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review increased 130 million yen from the end of the previous fiscal year to 26,280 million yen.

A summary of cash flows for the fiscal year under review is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 7,417 million yen (compared with net cash provided of 8,677 million yen in the previous fiscal year). Positive factors included profit before income taxes of 14,067 million yen and depreciation of 1,913 million yen, while negative factors included a 4,193 million yen increase in inventories and income taxes paid of 4,184 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 4,693 million yen (compared with net cash used of 3,905 million yen in the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 1,446 million yen, while negative factors included purchase of non-current assets of 2,718 million yen and purchase of investment securities of 2,028 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 3,785 million yen (compared with 1,782 million yen used in the previous fiscal year). Negative factors included purchase of treasury shares of 2,000 million yen, dividends paid of 1,591 million yen, and repayments of lease obligations of 172 million yen.

Movements of cash flow-related indicators

	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022
Shareholders' equity ratio (%)	79.1	78.4	80.8	81.6	77.8
Shareholders' equity ratio based on market prices (%)	100.3	75.0	65.6	81.9	97.2
Cash flows to debt ratio (years)	0.2	0.1	0.1	0.1	0.1
Interest coverage ratio (x)	299.4	467.4	371.0	888.9	339.9

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. These indicators are calculated on a consolidated basis.
2. Market capitalization: Closing price of stock on the balance sheet date x Number of shares outstanding (net of treasury shares) on the balance sheet date.
3. Net cash provided by operating activities on the consolidated statements of cash flows is used as operating cash flow. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest. Interests paid on the consolidated statements of cash flows are used as interest payments.

(4) Outlook

Regarding the future prospects of the domestic economy, the outlook remains extremely uncertain with Russia and Ukraine situations which negatively affect surging natural resource prices including nickel and palladium as well as global economy, in addition to the spread of COVID-19 infection and U.S.-China standoff continuing over security.

In the electronic devices market, which is the primary market for products of the Uyemura Group, demand for semiconductors and electronic components will remain firm with the advancement of automotive electrification and automation as well as digital transformation (DX), while semiconductor supply shortage in some segments will continue.

Under such environment, the Group will aim for continued growth in the 21st century. We will improve our competitive position by emphasizing innovation at the factory level, while optimizing the collective strength of our group in order to get well-prepared to take immediate measures

We will proactively engage in marketing and technological development by strengthening development and sales capabilities for the plating chemicals which are used in the semiconductor and car electronics industries and also for those which meet environmental regulations, and at the same time by establishing the machinery business that can deliver new functions to the customers and win the competition for lower cost.

By taking these measures, we forecast sales of 75,000 million yen (up 3.7% year-over-year), operating profit of 14,000 million yen (up 0.4% year-over-year), ordinary profit of 14,600 million yen (down 0.0% year-over-year), and profit attributable to owners of parent of 10,900 million yen (up 12.6% year-over-year) for the fiscal year ending March 31, 2023.

(5) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years

Strengthening corporate governance and providing benefits for shareholders by improvement of capital efficiency is positioned as one of the major management challenges of us. We have a policy to strengthen financial soundness and reserve retained earnings to make investments in business fields and regions with prospects for growth, M&A opportunities and acquisition of new technologies if necessary and also be prepared for unexpected events and natural disasters, while flexibly repurchasing treasury shares based on comprehensive consideration of the current economic conditions and our financial conditions, etc.

In addition, we have a basic policy to maintain a sound foundation for business activities and improve the return on equity. We believe that the consistent payment of dividends in accordance with its operating results is necessary for return of earnings to shareholders. In accordance with this policy, for the return on equity (ROE), we target 8.5%, and 10% over the medium to long term. We also target 50% for the total shareholder earnings distribution ratio on a consolidated basis.

We plan to pay an ordinary year-end dividend of 130 yen per share (consolidated dividend payout ratio of 23.2%) for the fiscal year under review.

Regarding the fiscal year ending March 31, 2023, we plan to pay an ordinary dividend of 180 yen per share, however, the final decision will be made based on an overall consideration of financial conditions and operating results.

2. Basic Approach to the Selection of Accounting Standards

The Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being so as to ensure cross-sectional as well as inter-temporal comparability of the consolidated financial statements.

We will nevertheless consider applying International Financial Reporting Standards (IFRS) in light of future trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

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

	(Thousands of yen)	
	FY3/2021	FY3/2022
	(As of Mar. 31, 2021)	(As of Mar. 31, 2022)
Assets		
Current assets		
Cash and deposits	30,541,231	31,052,681
Notes and accounts receivable-trade	15,780,705	-
Notes receivable-trade	-	4,961,049
Accounts receivable-trade	-	15,822,063
Contract assets	-	508,858
Securities	44,077	51,629
Merchandise and finished goods	2,995,296	4,462,996
Work in process	1,578,340	2,740,296
Raw materials and supplies	1,709,607	3,752,141
Other	1,070,264	2,763,683
Allowance for doubtful accounts	(66,027)	(118,500)
Total current assets	53,653,495	65,996,900
Non-current assets		
Property, plant and equipment		
Buildings and structures	*1 22,053,017	*1 23,200,066
Accumulated depreciation	*2 (13,176,134)	*2 (14,565,835)
Buildings and structures, net	8,876,883	8,634,230
Machinery, equipment and vehicles	11,569,374	12,386,592
Accumulated depreciation	*2 (9,153,911)	*2 (10,089,611)
Machinery, equipment and vehicles, net	2,415,462	2,296,981
Land	*1 4,382,771	*1 6,100,030
Leased assets	356,133	632,136
Accumulated depreciation	*2 (134,982)	*2 (172,631)
Leased assets, net	221,151	459,504
Construction in progress	306,188	80,488
Other	5,466,948	5,906,725
Accumulated depreciation	*2 (4,457,641)	*2 (4,795,595)
Other, net	1,009,307	1,111,130
Total property, plant and equipment	17,211,764	18,682,365
Intangible assets	303,129	332,714
Investments and other assets		
Investment securities	12,865,612	14,786,928
Retirement benefit asset	151,616	187,004
Deferred tax assets	453,072	572,463
Other	535,635	705,357
Allowance for doubtful accounts	(68,829)	(74,571)
Total investments and other assets	13,937,108	16,177,182
Total non-current assets	31,452,002	35,192,261
Total assets	85,105,498	101,189,162

	(Thousands of yen)	
	FY3/2021	FY3/2022
	(As of Mar. 31, 2021)	(As of Mar. 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,224,067	4,113,405
Electronically recorded obligations-operating	3,533,356	4,233,185
Short-term borrowings	*1 473,063	*1 457,789
Lease obligations	116,169	198,163
Income taxes payable	2,362,751	2,680,544
Contract liabilities	-	3,255,950
Provision for bonuses	164,659	170,901
Provision for bonuses for directors (and other officers)	177,250	213,050
Other	2,238,245	2,146,079
Total current liabilities	11,289,563	17,469,070
Non-current liabilities		
Long-term guarantee deposits	648,549	680,334
Lease obligations	245,140	460,663
Deferred tax liabilities	2,035,492	2,142,944
Provision for retirement benefits for directors (and other officers)	193,765	-
Retirement benefit liability	917,074	1,111,771
Long-term accounts payable-other	-	255,664
Other	302,214	356,401
Total non-current liabilities	4,342,235	5,007,780
Total liabilities	15,631,799	22,476,850
Net assets		
Shareholders' equity		
Share capital	1,336,936	1,336,936
Capital surplus	1,269,750	1,276,650
Retained earnings	68,100,768	76,245,125
Treasury shares	(4,527,433)	(6,515,214)
Total shareholders' equity	66,180,021	72,343,497
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747,353	707,807
Foreign currency translation adjustment	2,505,718	5,610,272
Remeasurements of defined benefit plans	40,604	50,733
Total accumulated other comprehensive income	3,293,677	6,368,814
Total net assets	69,473,699	78,712,311
Total liabilities and net assets	85,105,498	101,189,162

(2) Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Net sales	55,947,358	72,303,623
Cost of sales	*1 36,730,991	*1 47,614,159
Gross profit	19,216,367	24,689,464
Selling, general and administrative expenses		
Packing and Carrying expense	598,225	741,831
Provision of allowance for doubtful accounts	(5,673)	42,226
Salaries and allowances	2,716,492	2,910,810
Bonuses	524,211	656,596
Provision for bonuses	72,355	77,929
Provision for bonuses for directors (and other officers)	177,250	213,050
Retirement benefit expenses	158,806	114,325
Provision for retirement benefits for directors (and other officers)	11,600	61,899
Communication and transportation expenses	203,952	230,261
Depreciation	565,255	569,336
Taxes and dues	180,974	240,663
Research and development expenses	*2 2,116,139	*2 2,260,632
Other	2,405,904	2,622,649
Total selling, general and administrative expenses	9,725,493	10,742,214
Operating profit	9,490,873	13,947,249
Non-operating income		
Interest income	148,556	135,418
Dividend income	49,581	60,589
Valuable resource recovery income	74,543	48,947
Foreign exchange gains	-	296,815
Subsidy income	92,553	67,763
Technical advisory fee income	64,576	21,882
Other	82,514	82,944
Total non-operating income	512,327	714,361
Non-operating expenses		
Interest expenses	9,530	18,466
Sales discounts	3,678	-
Foreign exchange losses	30,640	-
Commission expenses	15,847	18,352
Commission for purchase of treasury shares	1,344	5,920
Loss on disposal of inventories	6,593	6,695
Other	14,867	6,059
Total non-operating expenses	82,501	55,495
Ordinary profit	9,920,699	14,606,115

	(Thousands of yen)	
	FY3/2021	FY3/2022
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Extraordinary income		
Gain on sale of non-current assets	*3 17,072	*3 24,050
Reversal of impairment loss	*4 8,646	-
Total extraordinary income	<u>25,718</u>	<u>24,050</u>
Extraordinary losses		
Loss on sale and retirement of non-current assets	*5 19,762	*5 29,518
Impairment losses	-	*6 533,334
Total extraordinary losses	<u>19,762</u>	<u>562,852</u>
Profit before income taxes	<u>9,926,656</u>	<u>14,067,312</u>
Income taxes-current	2,940,133	4,365,065
Income taxes-deferred	(141,876)	20,651
Total income taxes	<u>2,798,256</u>	<u>4,385,717</u>
Profit	<u>7,128,400</u>	<u>9,681,594</u>
Profit attributable to:		
Profit attributable to owners of parent	7,128,400	9,681,594
Other comprehensive income		
Valuation difference on available-for-sale securities	389,123	(39,546)
Foreign currency translation adjustment	(375,495)	3,104,553
Remeasurements of defined benefit plans, net of tax	63,250	10,129
Total other comprehensive income	<u>*7 76,878</u>	<u>*7 3,075,136</u>
Comprehensive income	<u>7,205,278</u>	<u>12,756,731</u>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	7,205,278	12,756,731

(3) Consolidated Statements of Changes in Shareholders' Equity

FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,336,936	1,269,750	62,391,536	(4,327,166)	60,671,056
Cumulative effects of changes in accounting policies					-
Restated balance	1,336,936	1,269,750	62,391,536	(4,327,166)	60,671,056
Changes during period					
Dividends of surplus			(1,419,167)		(1,419,167)
Profit attributable to owners of parent			7,128,400		7,128,400
Purchase of treasury shares				(200,267)	(200,267)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	5,709,232	(200,267)	5,508,965
Balance at end of period	1,336,936	1,269,750	68,100,768	(4,527,433)	66,180,021

	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	358,230	2,881,214	(22,646)	3,216,798	63,887,855
Cumulative effects of changes in accounting policies					-
Restated balance	358,230	2,881,214	(22,646)	3,216,798	63,887,855
Changes during period					
Dividends of surplus					(1,419,167)
Profit attributable to owners of parent					7,128,400
Purchase of treasury shares					(200,267)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity	389,123	(375,495)	63,250	76,878	76,878
Total changes during period	389,123	(375,495)	63,250	76,878	5,585,843
Balance at end of period	747,353	2,505,718	40,604	3,293,677	69,473,699

FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,336,936	1,269,750	68,100,768	(4,527,433)	66,180,021
Cumulative effects of changes in accounting policies			54,000		54,000
Restated balance	1,336,936	1,269,750	68,154,768	(4,527,433)	66,234,021
Changes during period					
Dividends of surplus			(1,591,238)		(1,591,238)
Profit attributable to owners of parent			9,681,594		9,681,594
Purchase of treasury shares				(2,000,597)	(2,000,597)
Disposal of treasury shares		6,900		12,816	19,716
Net changes in items other than shareholders' equity					
Total changes during period	-	6,900	8,090,356	(1,987,780)	6,109,475
Balance at end of period	1,336,936	1,276,650	76,245,125	(6,515,214)	72,343,497

	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	747,353	2,505,718	40,604	3,293,677	69,473,699
Cumulative effects of changes in accounting policies					54,000
Restated balance	747,353	2,505,718	40,604	3,293,677	69,527,699
Changes during period					
Dividends of surplus					(1,591,238)
Profit attributable to owners of parent					9,681,594
Purchase of treasury shares					(2,000,597)
Disposal of treasury shares					19,716
Net changes in items other than shareholders' equity	(39,546)	3,104,553	10,129	3,075,136	3,075,136
Total changes during period	(39,546)	3,104,553	10,129	3,075,136	9,184,612
Balance at end of period	707,807	5,610,272	50,733	6,368,814	78,712,311

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	9,926,656	14,067,312
Depreciation	2,066,594	1,913,233
Reversal of impairment loss	(8,646)	-
Impairment losses	-	533,334
Increase (decrease) in allowance for doubtful accounts	(5,673)	42,226
Increase (decrease) in provision for bonuses for directors (and other officers)	18,100	35,800
Increase (decrease) in retirement benefit liability	73,071	89,112
Decrease (increase) in retirement benefit asset	(3,856)	(16,594)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11,600	(193,765)
Interest and dividend income	(198,138)	(196,007)
Interest expenses	9,530	18,466
Loss (gain) on sale and retirement of non-current assets	2,690	5,468
Decrease (increase) in trade receivables	(949,687)	(3,941,077)
Decrease (increase) in inventories	(40,675)	(4,193,496)
Increase (decrease) in trade payables	(179,753)	2,085,348
Other, net	856,938	1,179,252
Subtotal	11,578,750	11,428,615
Interest and dividends received	193,653	192,325
Interest paid	(9,770)	(18,963)
Income taxes paid	(3,084,811)	(4,184,470)
Net cash provided by (used in) operating activities	8,677,821	7,417,507
Cash flows from investing activities		
Payments into time deposits	(1,362,993)	(1,389,565)
Proceeds from withdrawal of time deposits	247,680	1,446,700
Purchase of non-current assets	(1,352,165)	(2,718,070)
Proceeds from sale of non-current assets	59,737	57,828
Purchase of investment securities	(1,559,675)	(2,028,874)
Other, net	62,095	(61,595)
Net cash provided by (used in) investing activities	(3,905,321)	(4,693,577)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(37,697)	(21,090)
Repayments of lease obligations	(124,892)	(172,102)
Purchase of treasury shares	(200,267)	(2,000,597)
Dividends paid	(1,419,167)	(1,591,238)
Net cash provided by (used in) financing activities	(1,782,024)	(3,785,028)
Effect of exchange rate change on cash and cash equivalents	13,438	1,192,091
Net increase (decrease) in cash and cash equivalents	3,003,914	130,992
Cash and cash equivalents at beginning of period	23,145,215	26,149,130
Cash and cash equivalents at end of period	*1 26,149,130	*1 26,280,122

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Basis for Presentation of the Consolidated Financial Statements

1. Scope of consolidation

The number of consolidated subsidiaries: 11

Names of consolidated subsidiaries

Sumix Corporation
Taiwan Uyemura Co., Ltd.
Uyemura International Corporation
Uyemura (Shanghai) Co., Ltd.
Sum Hitechs Co., Ltd.
Uyemura (Malaysia) Sdn. Bhd.
Uyemura International (Singapore) Pte Ltd
Uyemura International (Hong Kong) Co., Ltd.
Uyemura (Shenzhen) Co., Ltd.
Uyemura Korea Co., Ltd.
PT. Uyemura Indonesia

2. Application of equity method

The Company has no subsidiaries and affiliates accounted for by the equity method.

3. Closing date of consolidated subsidiaries

Of the consolidated subsidiaries, overseas subsidiaries' fiscal year ends on December 31. Therefore, the financial statements of the overseas consolidated subsidiaries as of their closing date are used herein with necessary adjustments applied for consolidation purposes regarding the important transactions that have occurred between the said closing date, December 31 and the consolidated closing date, March 31.

4. Accounting policies

(1) Valuation standards and method for major assets

1. Securities

1) Trading securities

Valued at the market price, cost of sales that is determined by the moving average method.

2) Other securities

Securities other than stocks, etc. without quoted market prices

Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold to be determined by the moving average method.

Stocks, etc. without quoted market prices

Valued at cost that is determined by the moving average method.

2. Inventories

1) Merchandise

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

2) Finished goods and work in process

Plating chemicals

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

Surface finishing machinery

Primarily valued at cost that is determined by the identification method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

3) Raw materials and supplies

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation method for major depreciable assets

1) Property, plant and equipment (excluding leased assets)

The declining balance method is used in the Company and its domestic consolidated subsidiary, while the straight-line method is primarily used in overseas consolidated subsidiaries.

Useful life of principle assets is as follows:

Buildings and structures: 10-50 years

Machinery, equipment and vehicles: 2-15 years

2) Intangible assets

Intangible assets are amortized using the straight-line method.

Software for internal use is amortized over an estimated useful period of internal use, which is 3 to 5 years.

3) Leased assets

Leased assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

(3) Recognition of major reserves

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are accounted for based on historical write-off ratio for general receivables, and based on case-by-case determination of collectibility for bad receivables and claims in bankruptcy.

2) Provision for bonuses

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to employees, an allowance is accounted for a portion accrued for the fiscal year under review of the estimated amount of future payment.

3) Provision for bonuses for directors (and other officers)

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to directors, an allowance is accounted for the estimated bonus obligations in the fiscal year under review.

(4) Accounting method for retirement benefit obligations

i. Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the straight-line method for attributing estimated retirement benefit obligations to periods.

ii. Amortization of actuarial differences and past service cost

Past service cost is charged to expenses for the fiscal year when they were incurred.

The actuarial differences are mainly amortized and charged to expense in the year following the fiscal year in which such actuarial differences are recognized by the straight-line method over a certain period (12 years) which is within the average length of remaining work period of employees.

(5) Recognition of major revenue and expenses

The content of main performance obligations in our main businesses regarding revenue which arises from contracts between the Company and its consolidated subsidiaries and customers, and ordinary timing to fulfil the said performance obligations (ordinary timing to recognize revenue) are as follows.

i. Surface finishing materials business

We mainly manufacture and sell plating chemicals for PWBs and plating chemicals for aluminum magnetic disks in the surface finishing materials business. We also sell industrial chemicals and non-ferrous metals in the business.

Regarding domestic sale of these products and merchandise, we recognize revenue at the delivery of products and merchandise to customers. We recognize revenue at the shipment of products and merchandise to customers, because the duration from the shipment to the transfer of ownership to customers is normal duration.

Regarding overseas sale of these products and merchandise, we recognize revenue at the transfer of ownership based on trading terms.

ii. Surface finishing machinery business

We mainly manufacture and sell plating machinery for PWBs and aluminum magnetic disks in the surface finishing machinery business.

In the sale of these products, regarding sale under contracts in which we reserve a legally enforceable right to receive compensation, we recognize revenue based on the progress of the fulfilment of performance obligations, with the judgment that obligations are fulfilled over a certain period in time.

Regarding sale under contracts in which we cannot judge that we reserve a legally enforceable right to receive compensation, we recognize revenue at the delivery of machinery, with the judgement that performance obligations are fulfilled at the transfer of the ownership of machinery to customers.

In case the duration from the commencement of transactions to the fulfilment of performance obligations is very short, we recognize revenue at acceptance inspection.

iii. Plating job business

We are mainly engaged in plastic plating services and PWB plating services in the plating job business.

In the plating services, we recognize revenue at the delivery of plated merchandise to customers

iv. Real estate rental business

We conclude lease contracts of commercial properties in the real estate rental business.

Regarding the said contracts, we recognize revenue according to accounting treatment applicable to normal rental transactions, because such contracts fall under operating lease transactions.

v. Other businesses

In other businesses, royalty revenues are generated in association with the sale of products including our intellectual property licenses.

We recognize royalty revenue when customers post revenue related to our intellectual property licenses, or when customers utilize our intellectual property licenses.

(6) Translation of the important assets or liabilities in foreign currency into Japanese currency

The monetary assets and liabilities in foreign currency are translated into Japanese currency based on the spot exchange rate as of the closing date of the fiscal year under review, with the conversion difference to be accounted for as profit or loss. The assets and liabilities of overseas consolidated subsidiaries are translated into Japanese currency based on the spot exchange rate as of the closing date of the fiscal year under review, and revenue and expenses into Japanese currency based on the average conversion rate throughout the entire period, with the conversion difference to be accounted for so as to be included in foreign currency translation adjustment in the net assets section.

(7) Definition of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows is composed of 1) cash on hand, 2) bank deposit payable on demand, and 3) short-term investments readily redeemable within six months from the acquisition that has little risk on changes in valuation.

Changes in Accounting Policies

Application of the Accounting Standard for Revenue Recognition

Beginning with 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 current fiscal year, is added to or subtracted from retained earnings at the beginning of the current fiscal year. 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 current fiscal year. 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 current fiscal year 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 current fiscal year.

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 current fiscal year, included in notes and accounts receivable-trade, and contract assets. The “other” that was presented in the current liabilities section is, from the current fiscal year, included in contract liability and other.

As a result, net sales increased by 145 million yen, cost of sales increased by 129 million yen, operating profit increased by 16 million yen, and ordinary profit and profit before income taxes increased by 19 million yen each in the current fiscal year. In addition, retained earnings increased 54 million yen. Moreover, net asset per share increased by 5.64 yen and net income per share by 2.52 yen in the current fiscal year.

Application of the Accounting Standard for Fair Value Measurement

Beginning with 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 consolidated financial statements.

Notes to Consolidated Balance Sheets

*1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral	(Thousands of yen)	
	FY3/2021 (As of Mar. 31, 2021)	FY3/2022 (As of Mar. 31, 2022)
Buildings and structures	1,642,624	1,545,266
Land	47,200	47,200
Total	1,689,824	1,592,466

Liabilities with collateral	(Thousands of yen)	
	FY3/2021 (As of Mar. 31, 2021)	FY3/2022 (As of Mar. 31, 2022)
Short-term borrowings	400,000	400,000
Total	400,000	400,000

*2. Accumulated depreciation

Amounts of accumulated depreciation include accumulated impairment losses.

Notes to Consolidated Statements of Income and Comprehensive Income

*1. The ending inventory is the amount written down to reflect the effect of lower profit margins. The following loss on valuation of inventories is included in cost of sales.

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
	(9,162)	41,227

*2. Research and development expenses included in selling, general and administrative expenses

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
	2,116,139	2,260,632

*3. Gains on sale of non-current assets

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Machinery, equipment and vehicles	13,920	22,085
Others	3,151	1,964
Total	17,072	24,050

*4. Gain on reversal of impairment losses

FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)

Based on the International Financial Reporting Standards that our consolidated subsidiary Taiwan Uyemura Co., Ltd. should follow, gain on reversal of impairment losses were recognized for building and structures and land.

*5. Loss on sale and retirement of non-current assets

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Buildings and structures	3,497	1,592
Machinery, equipment and vehicles	9,477	15,596
Land	-	564
Retirement cost	4,636	3,095
Others	2,150	8,668
Total	19,762	29,518

*6. Impairment losses

FY3/2022(Apr. 1, 2021 – Mar. 31, 2022)

The Group recognized impairment losses on the following groups of assets.

Location	Use	Item
Pathumthani, Thailand	Operating assets	Buildings and structures, machinery, equipment and vehicles
Taoyuan City, Taiwan	Operating assets	Buildings and structures, land

In principle, we group our operating assets into the smallest unit that generates largely independent cash flows.

For the fiscal year ended March 31, 2022, we wrote down the carrying value of the groups of assets that have reported operating losses on a consistent basis and that of the groups of assets with declined market value to their recoverable amounts. The difference between the carrying value and the recoverable amount was then accounted for as impairment losses of 533,334 thousand yen and presented as an extraordinary loss. The amount of impairment losses consists of 513,856 thousand yen for Pathumthani, Thailand (of which, 313,229 thousand yen for buildings and structures and 200,627 thousand yen for machinery, equipment and vehicles) and 19,478 thousand yen for Taoyuan City, Taiwan (of which, minus 11,000 thousand yen for buildings and structures and 30,478 thousand yen for land).

The recoverable amounts of the groups of assets in Thailand are measured at the fair value based on International Financial Reporting Standards (IFRS) after deducting the disposal cost. The fair value is calculated with an income approach and discounted using a certain discount rate.

The recoverable amounts of the groups of assets in Taiwan are measured at net selling price. The net selling price is calculated based on real estate appraisal price.

*7. Reclassification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Valuation difference on available-for-sale securities		
Amount incurred during the year	560,858	(56,999)
Re-classification adjustments	-	-
Before tax effect adjustments	560,858	(56,999)
Tax effect	(171,734)	17,453
Valuation difference on available-for-sale securities	389,123	(39,546)
Foreign currency translation adjustment		
Amount incurred during the year	(375,495)	3,104,553
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	83,109	18,645
Re-classification adjustments	8,055	(4,045)
Before tax effect adjustments	91,165	14,600
Tax effect	(27,914)	(4,470)
Remeasurements of defined benefit plans, net of tax	63,250	10,129
Total other comprehensive income	76,878	3,075,136

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/2021(Apr. 1, 2020– Mar. 31, 2021)

1. Types and total number of outstanding shares and treasury shares

	Number of shares as of Apr. 1, 2020 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2021 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury shares				
Common shares (Note)	1,008,245	29,579	-	1,037,824
Total	1,008,245	29,579	-	1,037,824

Note: The number of common shares of treasury shares was increased by 29,500 shares due to the acquisition of treasury shares resolved at the Board of Directors meeting and by 79 shares due to purchase of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 26, 2020	Common shares	1,419,167	160	Mar. 31, 2020	Jun. 29, 2020

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021, and dividend per share before the split is stated.

(2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2021	Common shares	1,591,238	Retained earnings	180	Mar. 31, 2021	Jun. 30, 2021

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021, and dividend per share before the split is stated.

FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)

1. Types and total number of outstanding shares and treasury shares

	Number of shares as of Apr. 1, 2021 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2022 (Shares)
Outstanding shares				
Common shares	9,878,040	9,878,040	-	19,756,080
Total	9,878,040	9,878,040	-	19,756,080
Treasury shares				
Common shares (Note)	1,037,824	1,489,506	4,962	2,522,368
Total	1,037,824	1,489,506	4,962	2,522,368

Notes: 1. The Company conducted a 2-for-1 common stock split effective on July 1, 2021.

2. The increase in the number of common shares by 9,878,040 shares is due to the stock split.

3. The number of common shares of treasury shares was increased by 1,037,824 shares due to stock split, by 451,500 shares due to the acquisition of treasury shares resolved at the Board of Directors meeting, and by 182 shares due to the purchase of odd-lot shares.

4. The number of common shares of treasury shares was decreased by 3,802 shares due to the disposal of treasury shares as stock compensation with restricted transfer, and by 1,160 shares due to the disposal of treasury shares as a stock incentive with restricted transfer for employee stock ownership plan.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2021	Common shares	1,591,238	180	Mar. 31, 2021	Jun. 30, 2021

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021, and dividend per share before the split is stated.

(2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2022	Common shares	2,240,382	Retained earnings	130	Mar. 31, 2022	Jun. 30, 2022

Notes to Consolidated Statements of Cash Flows

*1. Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and the amount stated in the consolidated balance sheets

	(Thousands of yen)	
	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Cash and deposits	30,541,231	31,052,681
Time deposits maturing with deposit period of more than 6 months	(4,392,101)	(4,772,559)
Cash and cash equivalents	26,149,130	26,280,122

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company has established individual sales divisions that oversee specific product, merchandise and service categories. Each division conducts its business in line with the comprehensive strategy it has devised for products, merchandise and services in both domestic and overseas markets.

The Company's business activities thus comprise of four reportable segments classified by type and nature of the products, merchandise and services; the surface finishing materials business, the surface finishing machinery business, the plating job business and the real estate rental business.

The surface finishing materials business mainly handles the sale of plating chemicals for PWBs, plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals and others. The surface finishing machinery business mainly deals with plating machinery for PWBs and plating machinery for aluminum magnetic disks. The plating job business is mainly engaged in plastic plating services and PWB plating services. The real estate rental business generates revenue by renting out office buildings and apartment houses.

2. Calculation method for sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is the same as the methods listed in "Basis for Presentation of the Consolidated Financial Statements."

Intersegment sales and transfer are based on market prices.

3. Information related to sales, profit or loss, assets or liabilities, and other items for each reportable segment

FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Notes 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Net sales									
Sales to third parties	43,109,690	7,823,423	4,196,433	804,988	55,934,536	12,822	55,947,358	-	55,947,358
Intersegment sales and transfers	22,075	2,340	-	-	24,415	-	24,415	(24,415)	-
Total	43,131,765	7,825,764	4,196,433	804,988	55,958,952	12,822	55,971,774	(24,415)	55,947,358
Segment profit (loss)	8,330,241	916,895	(222,068)	454,648	9,479,717	11,156	9,490,873	-	9,490,873
Segment assets	38,869,250	5,722,649	6,392,254	2,348,542	53,332,697	-	53,332,697	31,772,800	85,105,498
Other items									
Depreciation	1,265,805	127,147	530,929	142,712	2,066,594	-	2,066,594	-	2,066,594
Increase in property, plant and equipment and intangible assets	945,554	144,569	195,509	-	1,285,633	-	1,285,633	-	1,285,633

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 revenues.

2. The 31,772,800 thousand yen adjustment of segment assets includes minus 36,340 thousand yen in elimination of inter-segment transactions and corporate assets of 31,809,140 thousand yen. Corporate assets mainly include excess funds (cash and deposits) and long-term invested assets (investment securities) of the parent company.

3. Total segment profit (loss) is equal to operating profit shown on the consolidated financial statements.

FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Notes 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Net sales									
Japan	20,214,179	3,950,956	-	-	24,165,136	18,019	24,183,155	-	24,183,155
Taiwan	16,090,151	1,056,300	1,082,253	-	18,228,706	-	18,228,706	-	18,228,706
China	12,164,661	1,725,523	-	-	13,890,185	-	13,890,185	-	13,890,185
Korea	4,180,785	12,868	-	-	4,193,654	-	4,193,654	-	4,193,654
Singapore	2,485,443	233,357	-	-	2,718,801	-	2,718,801	-	2,718,801
Thailand	170,259	-	3,098,480	-	3,268,739	-	3,268,739	-	3,268,739
North America	4,613,289	34,605	-	-	4,647,894	-	4,647,894	-	4,647,894
Others	-	-	337,850	-	337,850	-	337,850	-	337,850
Revenue generated from contracts with customers	59,918,771	7,013,612	4,518,584	-	71,450,968	18,019	71,468,987	-	71,468,987
Other revenue	-	-	-	834,636	834,636	-	834,636	-	834,636
Sales to third parties	59,918,771	7,013,612	4,518,584	834,636	72,285,604	18,019	72,303,623	-	72,303,623
Intersegment sales and transfers	1,836	260	-	-	2,096	-	2,096	(2,096)	-
Total	59,920,607	7,013,872	4,518,584	834,636	72,287,700	18,019	72,305,720	(2,096)	72,303,623
Segment profit (loss)	12,717,817	680,950	29,116	503,471	13,931,356	15,892	13,947,249	-	13,947,249
Segment assets	52,551,305	7,921,557	6,228,039	2,348,442	69,049,344	-	69,049,344	32,139,817	101,189,162
Other items									
Depreciation	1,308,574	118,864	356,786	129,007	1,913,233	-	1,913,233	-	1,913,233
Impairment losses	-	-	513,856	19,478	533,334	-	533,334	-	533,334
Increase in property, plant and equipment and intangible assets	1,815,318	1,443,691	78,512	3,990	3,341,512	-	3,341,512	-	3,341,512

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 revenues.

2. The 32,139,817 thousand yen adjustment of segment assets includes corporate assets of 32,139,817 thousand yen. Corporate assets mainly include excess funds (cash and deposits) and long-term invested assets (investment securities) of the parent company.

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

Related information

FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)

1. Information by product or service

Omitted because the same information is presented in the segment information section.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
23,062,924	11,768,906	7,864,980	13,250,547	55,947,358

Notes: Net sales is classified to countries or regions based on the location of customers.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
8,730,811	3,528,550	2,575,109	2,377,293	17,211,764

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and comprehensive income.

FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)

1. Information by product or service

Omitted because the same information is presented in the segment information section.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
24,155,952	18,475,730	17,752,172	11,919,768	72,303,623

Note: Net sales is classified to countries or regions based on the location of customers.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
10,567,195	3,721,748	1,784,231	2,609,199	18,682,365

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and comprehensive income.

Information related to impairment losses of non-current assets for each reportable segment

FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)

Not applicable.

FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)

Omitted because the same information is presented in the segment information section.

Information related to goodwill amortization and the unamortized balance for each reportable segment

Not applicable.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Data

(Yen)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Net assets per share	3,929.41	4,567.35
Net income per share (basic)	402.89	559.61

Notes: 1. Net income per share (diluted) is not disclosed since there is no dilutive share.

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

2. Basis for calculation of net assets per share is as follows:

(Thousands of yen, unless otherwise stated)

	FY3/2021 (As of Mar. 31, 2021)	FY3/2022 (As of Mar. 31, 2022)
Total net assets on balance sheets	69,473,699	78,712,311
Deduction from total net assets	-	-
Net assets applicable to common shares	69,473,699	78,712,311
Number of shares outstanding (common shares)	19,756,080 shares	19,756,080 shares
Number of treasury shares (common shares)	2,075,648 shares	2,522,368 shares
Number of common shares used in calculation of net assets per share	17,680,432 shares	17,233,712 shares

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021. Number of shares outstanding (common shares), number of treasury shares (common shares), and number of common shares used in calculation of net assets per share have been calculated as if the stock split had taken place at the beginning of the previous fiscal year.

3. Basis for calculation of net income per share (basic) is as follows:

(Thousands of yen, unless otherwise stated)

	FY3/2021 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)
Profit attributable to owners of parent	7,128,400	9,681,594
Amount not available to common shareholders	-	-
Profit attributable to common shareholders of parent	7,128,400	9,681,594
Average number of shares of common shares outstanding during period	17,693,095 shares	17,300,719 shares

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

Material Subsequent Events

Not applicable.