

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

[Japanese GAAP]

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

Stock code: 4966

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

Note: The original disclosure in Japanese was released on May 12, 2023 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, 2023 (April 1, 2022 – March 31, 2023)

(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, 2023	85,749	18.6	15,046	7.9	15,832	8.4	10,545	8.9
Fiscal year ended Mar. 31, 2022	72,303	29.2	13,947	47.0	14,606	47.2	9,681	35.8

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2023: 12,864 (up 0.8%)

Fiscal year ended Mar. 31, 2022: 12,756 (up 77.0%)

	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, 2023	636.84	–	12.9	15.2	17.5
Fiscal year ended Mar. 31, 2022	559.61	–	13.1	15.7	19.3

Reference: Equity in earnings of unconsolidated subsidiaries (million yen)

Fiscal year ended Mar. 31, 2023: –

Fiscal year ended Mar. 31, 2022: –

Note: 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, 2023	107,267	84,364	78.6	5,125.00
As of Mar. 31, 2022	101,189	78,712	77.8	4,567.35

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2023: 84,364

As of Mar. 31, 2022: 78,712

(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, 2023	13,462	(6,712)	(7,549)	26,537
Fiscal year ended Mar. 31, 2022	7,417	(4,693)	(3,785)	26,280

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, 2022	–	0.00	–	130.00	130.00	2,240	23.2	3.1
Fiscal year ended Mar. 31, 2023	–	0.00	–	180.00	180.00	2,963	28.3	3.7
Fiscal year ending Mar. 31, 2024 (forecast)	–	0.00	–	180.00	180.00		42.4	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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	27,290	(35.2)	4,000	(47.0)	4,130	(50.0)	3,070	(48.7)	185.40
Full year	66,230	(22.8)	10,230	(32.0)	10,360	(34.6)	7,030	(33.3)	424.54

*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: None

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(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, 2023: 19,756,080 shares As of Mar. 31, 2022: 19,756,080 shares

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

As of Mar. 31, 2023: 3,294,764 shares As of Mar. 31, 2022: 2,522,368 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023: 16,559,115 shares Fiscal year ended Mar. 31, 2022: 17,300,719 shares

Note: The Company conducted a 2-for-1 common stock split effective on July 1, 2021. 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, 2023 (April 1, 2022 – March 31, 2023)

(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, 2023	40,617	9.0	5,682	(9.7)	11,289	(1.9)	9,443	1.7
Fiscal year ended Mar. 31, 2022	37,258	13.5	6,296	12.4	11,509	24.7	9,288	26.9

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2023	570.27	–
Fiscal year ended Mar. 31, 2022	536.91	–

Note: 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, 2023	66,517	56,227	84.5	3,415.76
As of Mar. 31, 2022	65,320	54,283	83.1	3,149.82

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 56,227 As of Mar. 31, 2022: 54,283

*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.

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1. Overview of Results of Operations

(1) Results of Operations

For the fiscal year ended March 31, 2023 (hereinafter “the fiscal year under review”), despite the progress being made in balancing infection controls against COVID-19 and economic activities, the outlook for the Japanese economy remained uncertain. This is due to the soaring resource and raw material prices caused by the prolonged situation in Ukraine on top of the rapid changes in exchange rates and other factors.

In the electronic device market, which is the Uyemura Group’s main market area, the demand of our products for automobiles remained firm backed by the recovery of production volume and widespread availability of electric vehicles. However, the demand of those for semiconductors and electronic components used for smartphones, PCs, and data centers slowed down.

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 net sales for the fiscal year under review were 85,749 million yen (up 18.6% year-over-year), operating profit 15,046 million yen (up 7.9%), ordinary profit 15,832 million yen (up 8.4%), and profit attributable to owners of parent 10,545 million yen (up 8.9%).

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

1) Surface finishing materials business

Both segment sales and profit of the mainstay plating chemicals for package PWBs saw a year-over-year increase thanks to the strong demand for car electronics as well as the effect of the weakened yen, though adversely affected by inventory adjustments of package PWBs used for personal computers and data centers.

Consequently, net sales in the surface finishing materials business increased 17.6% year-over-year to 70,494 million yen and segment profit increased 9.2% year-over-year to 13,887 million yen.

2) Surface finishing machinery business

Both segment sales and profit of the surface finishing machinery business saw a year-over-year increase as the demands for the surface finishing machinery for semiconductors and electronic components remained firm especially in Japan, Taiwan, and East China.

Consequently, net sales in the surface finishing machinery business increased 34.9% year-over-year to 9,460 million yen and segment profit increased 38.3% year-over-year to 941 million yen.

3) Plating job business

Plating job business for PWBs in Taiwan continued to show strong performance. On the other hand, although net sales in the plating job business for automobile industry in Thailand and Indonesia have recovered from the significant decline resulting from the impacts of COVID-19 pandemic in the previous fiscal year, profitability continued to be affected by the harsh business environment, represented by the soaring prices of non-ferrous metal and other raw materials.

Consequently, net sales in the plating job business increased 9.5% year-over-year to 4,946 million yen with segment loss of 316 million yen (compared with segment profit of 29 million yen in the previous fiscal year).

4) Real estate rental business

The occupancy rate of properties owned by the Company remained strong including office buildings for rent in Shin-Osaka.

Consequently, net sales in the real estate rental business increased 1.2% year-over-year to 844 million yen and segment profit increased 2.1% year-over-year to 514 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 at the end of the fiscal year under review increased 6,078 million yen from the end of the previous fiscal year to 107,267 million yen. This was primarily attributable to a 3,594 million yen increase in land, a 1,570 million yen increase in cash and deposits, a 997 million yen increase in contract assets, a 606 million yen increase in construction in progress, a 424 million yen increase in investment securities, and a 417 million yen increase in raw materials and supplies, which were partially offset by a 1,604 million yen decrease in accounts receivable-trade and a 304 million yen decrease in work in process.

Total liabilities increased 426 million yen from the end of the previous fiscal year to 22,903 million yen. This was primarily attributable to a 614 million yen increase in contract liabilities, a 179 million yen increase in electronically recorded obligations-operating, and a 164 million yen increase in deferred tax liabilities, which were partially offset by a 348 million yen decrease in notes and accounts payable-trade and 218 million yen decrease in income taxes payable.

Total net assets increased 5,651 million yen from the end of the previous fiscal year to 84,364 million yen. This was primarily attributable to an 8,305 million yen increase in retained earnings and a 2,606 million yen increase in foreign currency translation adjustment, which were partially offset by a 4,981 million yen increase in treasury shares.

As a result, the equity ratio changed from 77.8% at the end of the previous fiscal year to 78.6% at the end of the fiscal year under review.

(3) Cash Flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review increased 257 million yen from the end of the previous fiscal year to 26,537 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 13,462 million yen (compared with net cash provided of 7,417 million yen in the previous fiscal year). Positive factors included profit before income taxes of 15,555 million yen and depreciation of 2,025 million yen, while negative factors included income taxes paid of 5,099 million yen and a 511 million yen decrease in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities was 6,712 million yen (compared with net cash used of 4,693 million yen in the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 2,804 million yen and proceeds from sale of non-current assets of 1,115 million yen, while negative factors included purchase of non-current assets of 6,090 million yen and payments into time deposit of 3,772 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 7,549 million yen (compared with 3,785 million yen used in the previous fiscal year). Negative factors included purchase of treasury shares of 4,999 million yen and dividends paid of 2,240 million yen.

Movements of cash flow-related indicators

	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023
Shareholders' equity ratio (%)	78.4	80.8	81.6	77.8	78.6
Shareholders' equity ratio based on market prices (%)	75.0	65.6	81.9	97.2	99.4
Cash flows to debt ratio (years)	0.1	0.1	0.1	0.1	0.0
Interest coverage ratio (x)	467.4	371.0	888.9	339.9	949.3

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, personal consumption is expected to pick up due to the fact that COVID-19 has been downgraded to a Category 5 infectious disease and infection control measures have been significantly relaxed. On the other hand, the outlook for the economy remains still uncertain due to soaring resource and energy costs due to the prolonged Russian and Ukrainian situation as well as fluctuations in foreign exchange rates.

In the electronic devices market, which is the primary market for products of the Uyemura Group, demand during the next fiscal year is expected to continue to plunge for the time being due to inventory adjustments of semiconductors, but a gradual recovery is expected toward the second half. Over the medium to long term, demand for semiconductors and electronic components is expected to increase with the advancement of automotive electrification and automation as well as digital transformation (DX).

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 net sales of 66,230 million yen (down 22.8% year-over-year), operating profit of 10,230 million yen (down 32.0% year-over-year), ordinary profit of 10,360 million yen (down 34.6% year-over-year), and profit attributable to owners of parent of 7,030 million yen (down 33.3% year-over-year) for the fiscal year ending March 31, 2024.

(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 180 yen per share (consolidated dividend payout ratio of 28.3%) for the fiscal year under review.

Regarding the fiscal year ending March 31, 2024, 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)	
	FY3/2022	FY3/2023
	(As of Mar. 31, 2022)	(As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	31,052,681	32,623,358
Notes receivable - trade	1,416,893	994,713
Electronically recorded monetary claims - operating	3,544,155	3,894,886
Accounts receivable - trade	15,822,063	14,217,778
Contract assets	508,858	1,506,361
Securities	51,629	34,338
Merchandise and finished goods	4,462,996	4,593,499
Work in process	2,740,296	2,435,820
Raw materials and supplies	3,752,141	4,169,220
Other	2,763,683	3,839,924
Allowance for doubtful accounts	(118,500)	(144,833)
Total current assets	65,996,900	68,165,069
Non-current assets		
Property, plant and equipment		
Buildings and structures	*1 23,200,066	*1 23,877,279
Accumulated depreciation	*2 (14,565,835)	*2 (16,115,034)
Buildings and structures, net	8,634,230	7,762,244
Machinery, equipment and vehicles	12,386,592	13,449,581
Accumulated depreciation	*2 (10,089,611)	*2 (11,455,951)
Machinery, equipment and vehicles, net	2,296,981	1,993,630
Land	*1 6,100,030	*1 9,694,831
Leased assets	632,136	742,638
Accumulated depreciation	*2 (172,631)	*2 (258,944)
Leased assets, net	459,504	483,694
Construction in progress	80,488	686,723
Other	5,906,725	6,524,178
Accumulated depreciation	*2 (4,795,595)	*2 (5,192,725)
Other, net	1,111,130	1,331,453
Total property, plant and equipment	18,682,365	21,952,576
Intangible assets	332,714	349,222
Investments and other assets		
Investment securities	14,786,928	15,211,617
Retirement benefit asset	187,004	208,230
Deferred tax assets	572,463	656,993
Other	705,357	801,070
Allowance for doubtful accounts	(74,571)	(77,073)
Total investments and other assets	16,177,182	16,800,839
Total non-current assets	35,192,261	39,102,638
Total assets	101,189,162	107,267,707

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(As of Mar. 31, 2022)	(As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,113,405	3,765,262
Electronically recorded obligations-operating	4,233,185	4,412,753
Short-term borrowings	*1 457,789	*1 400,000
Lease liabilities	198,163	252,395
Income taxes payable	2,680,544	2,461,972
Contract liabilities	3,255,950	3,870,318
Provision for bonuses	170,901	175,809
Provision for bonuses for directors (and other officers)	213,050	234,250
Other	2,146,079	2,074,519
Total current liabilities	17,469,070	17,647,282
Non-current liabilities		
Long-term guarantee deposits	680,334	681,595
Lease liabilities	460,663	486,511
Deferred tax liabilities	2,142,944	2,307,869
Retirement benefit liability	1,111,771	1,126,191
Long-term accounts payable-other	255,664	255,664
Other	356,401	398,287
Total non-current liabilities	5,007,780	5,256,121
Total liabilities	22,476,850	22,903,403
Net assets		
Shareholders' equity		
Share capital	1,336,936	1,336,936
Capital surplus	1,276,650	1,286,257
Retained earnings	76,245,125	84,550,250
Treasury shares	(6,515,214)	(11,497,123)
Total shareholders' equity	72,343,497	75,676,320
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	707,807	428,034
Foreign currency translation adjustment	5,610,272	8,216,719
Remeasurements of defined benefit plans	50,733	43,228
Total accumulated other comprehensive income	6,368,814	8,687,983
Total net assets	78,712,311	84,364,303
Total liabilities and net assets	101,189,162	107,267,707

(2) Consolidated Statements of Income and Comprehensive Income

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Net sales	*1 72,303,623	*1 85,749,416
Cost of sales	*2 47,614,159	*2 58,602,576
Gross profit	24,689,464	27,146,839
Selling, general and administrative expenses		
Packing and Carrying expense	741,831	830,102
Provision of allowance for doubtful accounts	42,226	15,981
Salaries and allowances	2,910,810	3,265,740
Bonuses	656,596	766,673
Provision for bonuses	77,929	82,170
Provision for bonuses for directors (and other officers)	213,050	234,250
Retirement benefit expenses	114,325	110,759
Provision for retirement benefits for directors (and other officers)	61,899	—
Communication and transportation expenses	230,261	344,977
Depreciation	569,336	636,650
Taxes and dues	240,663	263,999
Research and development expenses	*3 2,260,632	*3 2,303,421
Other	2,622,649	3,245,731
Total selling, general and administrative expenses	10,742,214	12,100,456
Operating profit	13,947,249	15,046,383
Non-operating income		
Interest income	135,418	222,301
Dividend income	60,589	68,117
Valuable resource recovery income	48,947	88,177
Foreign exchange gains	296,815	235,783
Subsidy income	67,763	169,631
Technical advisory fee income	21,882	14,287
Other	82,944	72,942
Total non-operating income	714,361	871,239
Non-operating expenses		
Interest expenses	18,466	14,105
Commission expenses	18,352	33,027
Commission for purchase of treasury shares	5,920	12,130
Loss on disposal of inventories	6,695	1,749
Other	6,059	24,061
Total non-operating expenses	55,495	85,075
Ordinary profit	14,606,115	15,832,547

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Extraordinary income		
Gain on sale of non-current assets	*4 24,050	*4 663,599
Gain on redemption of investment securities	—	65,492
Reversal of impairment loss	—	*5 6,171
Total extraordinary income	24,050	735,263
Extraordinary losses		
Loss on sale and retirement of non-current assets	*6 29,518	*6 10,175
Impairment losses	*7 533,334	*7 1,002,231
Total extraordinary losses	562,852	1,012,406
Profit before income taxes	14,067,312	15,555,404
Income taxes-current	4,365,065	4,787,298
Income taxes-deferred	20,651	222,597
Total income taxes	4,385,717	5,009,896
Profit	9,681,594	10,545,507
Profit attributable to:		
Profit attributable to owners of parent	9,681,594	10,545,507
Other comprehensive income		
Valuation difference on available-for-sale securities	(39,546)	(279,772)
Foreign currency translation adjustment	3,104,553	2,606,447
Remeasurements of defined benefit plans, net of tax	10,129	(7,505)
Total other comprehensive income	*8 3,075,136	*8 2,319,169
Comprehensive income	12,756,731	12,864,676
Comprehensive income attributable to:		
Owners of parent	12,756,731	12,864,676

(3) Consolidated Statements of Changes in Shareholders' Equity

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

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,336,936	1,276,650	76,245,125	(6,515,214)	72,343,497
Changes during period					
Dividends of surplus			(2,240,382)		(2,240,382)
Profit attributable to owners of parent			10,545,507		10,545,507
Purchase of treasury shares				(4,999,922)	(4,999,922)
Disposal of treasury shares		9,606		18,013	27,620
Net changes in items other than shareholders' equity					
Total changes during period	–	9,606	8,305,125	(4,981,908)	3,332,823
Balance at end of period	1,336,936	1,286,257	84,550,250	(11,497,123)	75,676,320

	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	707,807	5,610,272	50,733	6,368,814	78,712,311
Changes during period					
Dividends of surplus					(2,240,382)
Profit attributable to owners of parent					10,545,507
Purchase of treasury shares					(4,999,922)
Disposal of treasury shares					27,620
Net changes in items other than shareholders' equity	(279,772)	2,606,447	(7,505)	2,319,169	2,319,169
Total changes during period	(279,772)	2,606,447	(7,505)	2,319,169	5,651,992
Balance at end of period	428,034	8,216,719	43,228	8,687,983	84,364,303

(4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	14,067,312	15,555,404
Depreciation	1,913,233	2,025,191
Reversal of impairment loss	–	(6,171)
Impairment losses	533,334	1,002,231
Increase (decrease) in allowance for doubtful accounts	42,226	16,942
Increase (decrease) in provision for bonuses for directors (and other officers)	35,800	21,200
Increase (decrease) in retirement benefit liability	89,112	(40,513)
Decrease (increase) in retirement benefit asset	(16,594)	(26,659)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(193,765)	–
Interest and dividend income	(196,007)	(290,418)
Interest expenses	18,466	14,105
Loss (gain) on redemption of investment securities	–	(65,492)
Loss (gain) on sale and retirement of non-current assets	5,468	(653,424)
Decrease (increase) in trade receivables	(3,941,077)	1,589,347
Decrease (increase) in inventories	(4,193,496)	340,577
Increase (decrease) in trade payables	2,085,348	(511,230)
Increase (decrease) in long-term accounts payable-other	255,664	–
Other, net	923,587	(654,141)
Subtotal	11,428,615	18,316,947
Interest and dividends received	192,325	259,344
Interest paid	(18,963)	(14,181)
Income taxes paid	(4,184,470)	(5,099,689)
Net cash provided by (used in) operating activities	7,417,507	13,462,420
Cash flows from investing activities		
Payments into time deposits	(1,389,565)	(3,772,572)
Proceeds from withdrawal of time deposits	1,446,700	2,804,077
Purchase of non-current assets	(2,718,070)	(6,090,697)
Proceeds from sale of non-current assets	57,701	1,115,802
Purchase of investment securities	(2,028,874)	(1,922,563)
Proceeds from redemption of investment securities	–	1,110,357
Other, net	(61,468)	42,868
Net cash provided by (used in) investing activities	(4,693,577)	(6,712,727)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(21,090)	(63,497)
Repayments of lease liabilities	(172,102)	(246,141)
Purchase of treasury shares	(2,000,597)	(4,999,922)
Dividends paid	(1,591,238)	(2,240,382)
Net cash provided by (used in) financing activities	(3,785,028)	(7,549,943)
Effect of exchange rate change on cash and cash equivalents	1,192,091	1,058,120
Net increase (decrease) in cash and cash equivalents	130,992	257,869
Cash and cash equivalents at beginning of period	26,149,130	26,280,122
Cash and cash equivalents at end of period	*1 26,280,122	*1 26,537,992

(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 Hitech 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) Available-for-sale securities

Securities other than stocks, etc. without quoted market prices

Valued at fair value based on the market price at the end of the fiscal year with valuation differences being 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 adopted by the Company and its domestic consolidated subsidiaries, while the straight-line method is primarily adopted by overseas consolidated subsidiaries.

Useful life of principle assets is as follows:

Buildings and structures: 10 to 50 years

Machinery, equipment and vehicles: 2 to 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 at the end of the period under review.

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.

Notes to Consolidated Balance Sheets***1. Assets pledged as collateral and liabilities with collateral**

Assets pledged as collateral		(Thousands of yen)
	FY3/2022 (As of Mar. 31, 2022)	FY3/2023 (As of Mar. 31, 2023)
Buildings and structures	1,545,266	1,450,634
Land	47,200	47,200
Total	1,592,466	1,497,834
Liabilities with collateral		(Thousands of yen)
	FY3/2022 (As of Mar. 31, 2022)	FY3/2023 (As of Mar. 31, 2023)
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. Revenue from contracts with customers**

Regarding net sales, revenue from contracts with customers and other revenues are not stated separately. The amount of revenue from contracts with customers is stated in “(Revenue Recognition) 1. Disaggregated revenue from contracts with customers” in the notes to the consolidated financial statements.

***2. 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)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
	41,227	78,202

***3. Total research and development expenses included in general and administrative expenses and manufacturing costs incurred during the period**

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
	2,280,972	2,320,825

***4. Gains on sale of non-current assets**

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Machinery, equipment and vehicles	22,085	16,935
Land	–	638,474
Others	1,964	8,190
Total	24,050	663,599

***5. Gain on reversal of impairment losses**

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

Our consolidated subsidiary Taiwan Uyemura Co., Ltd. recognized gain on reversal of impairment losses for buildings, structures, and land in accordance with the International Financial Reporting Standards.

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

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Buildings and structures	1,592	1,729
Machinery, equipment and vehicles	16,161	5,838
Retirement cost	3,095	316
Others	8,668	2,290
Total	29,518	10,175

***7. 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.

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

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

Location	Use	Item
Pathumthani, Thailand	Operating assets	Buildings and structures, machinery, equipment, and vehicles, construction in progress, other

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

For the fiscal year ended March 31, 2023, we wrote down the carrying value of the group of assets that have reported operating losses on a consistent basis to their recoverable amount. The difference between the carrying value and the recoverable amount was then accounted for as impairment losses of 1,002,231 thousand yen and presented as an extraordinary loss. The amount of impairment losses consists of 1,002,231 thousand yen for Pathumthani, Thailand (of which, 538,357 thousand yen for buildings and structures, 438,273 thousand yen for machinery, equipment, and vehicles, 14,152 thousand yen for construction in progress, and 11,447 thousand yen for other).

The recoverable amounts of the group of assets in Thailand are measured at fair value less costs of disposal in accordance with IFRS. The fair value is calculated by the income approach and discounted using a certain discount rate.

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

	(Thousands of yen)	
	FY3/2022	FY3/2023
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Valuation difference on available-for-sale securities		
Amount incurred during the year	(56,999)	403,247
Re-classification adjustments	–	–
Before tax effect adjustments	(56,999)	(403,247)
Tax effect	17,453	123,474
Valuation difference on available-for-sale securities	(39,546)	(279,772)
Foreign currency translation adjustment		
Amount incurred during the year	3,104,553	2,606,447
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	18,645	(7,173)
Re-classification adjustments	(4,045)	(3,643)
Before tax effect adjustments	14,600	(10,817)
Tax effect	(4,470)	3,312
Remeasurements of defined benefit plans, net of tax	10,129	(7,505)
Total other comprehensive income	3,075,136	2,319,169

Notes to Consolidated Statements of Changes in Shareholders' Equity

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

1. Types and total number of issued 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)
Issued shares				
Common shares (Note)	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

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

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

	Number of shares as of Apr. 1, 2022 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2023 (Shares)
Issued shares				
Common shares (Note)	19,756,080	—	—	19,756,080
Total	19,756,080	—	—	19,756,080
Treasury shares				
Common shares (Note)	2,522,368	777,588	5,192	3,294,764
Total	2,522,368	777,588	5,192	3,294,764

Notes: 1. The number of common shares of treasury shares was increased by 777,500 shares due to the acquisition of treasury shares resolved at the Board of Directors meeting, and by 88 shares due to the purchase of odd-lot shares.

2. The number of common shares of treasury shares was decreased by 4,022 shares due to the disposal of treasury shares as stock compensation with restricted transfer, and by 1,170 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, 2022	Common shares	2,240,382	130	Mar. 31, 2022	Jun. 30, 2022

(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, 2023	Common shares	2,963,036	Retained earnings	180	Mar. 31, 2023	Jun. 30, 2023

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)	
	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)
Cash and deposits	31,052,681	32,623,358
Time deposits maturing with deposit period of more than 6 months	(4,772,559)	(6,085,365)
Cash and cash equivalents	26,280,122	26,537,992

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
FY3/2022 (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	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 is equal to operating profit shown on the consolidated statements of income and comprehensive income.

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

(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	23,155,881	4,083,714	–	–	27,239,595	20,742	27,260,338	–	27,260,338
Taiwan	18,641,907	3,142,477	924,086	–	22,708,471	–	22,708,471	–	22,708,471
China	14,073,850	1,811,804	–	–	15,885,654	–	15,885,654	–	15,885,654
Korea	5,531,169	4,773	–	–	5,535,943	–	5,535,943	–	5,535,943
Singapore	3,332,004	317,131	–	–	3,649,136	–	3,649,136	–	3,649,136
Thailand	199,547	–	3,572,873	–	3,772,421	–	3,772,421	–	3,772,421
North America	5,554,824	88,211	–	–	5,643,035	–	5,643,035	–	5,643,035
Others	–	–	449,646	–	449,646	–	449,646	–	449,646
Revenue generated from contracts with customers	70,489,185	9,448,112	4,946,606	–	84,883,904	20,742	84,904,647	–	84,904,647
Other revenue	–	–	–	844,768	844,768	–	844,768	–	844,768
Sales to third parties	70,489,185	9,448,112	4,946,606	844,768	85,728,673	20,742	85,749,416	–	85,749,416
Intersegment sales and transfers	5,711	12,500	–	–	18,212	–	18,212	(18,212)	–
Total	70,494,897	9,460,612	4,946,606	844,768	85,746,885	20,742	85,767,628	(18,212)	85,749,416
Segment profit (loss)	13,887,927	941,958	(316,214)	514,213	15,027,885	18,498	15,046,383	–	15,046,383
Segment assets	60,035,165	9,961,612	5,015,386	2,265,646	77,277,810	–	77,277,810	29,989,896	107,267,707
Other items									
Depreciation	1,473,369	139,216	294,373	118,231	2,025,191	–	2,025,191	–	2,025,191
Impairment losses	–	–	1,002,231	–	1,002,231	–	1,002,231	–	1,002,231
Increase in property, plant and equipment and intangible assets	5,251,650	736,372	250,031	–	6,238,054	–	6,238,054	–	6,238,054

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 22,989,896 thousand yen adjustment of segment assets includes corporate assets of 22,989,896 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

FY3/2022 (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	13,558,517	16,113,422	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	1,784,221	2,609,199	18,682,365

3. Information about major customers

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

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

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
27,576,451	23,026,089	15,263,228	19,883,646	85,749,416

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
14,179,222	3,710,411	984,283	3,078,659	21,952,576

3. Information about major 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

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

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

FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)

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)

	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)
Net assets per share	4,567.35	5,125.00
Net income per share (basic)	559.61	636.84

Notes: 1. Net income per share (diluted) is not presented 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)

	FY3/2022 (As of Mar. 31, 2022)	FY3/2023 (As of Mar. 31, 2023)
Total net assets on balance sheets	78,712,311	84,364,303
Deduction from total net assets	–	–
Net assets applicable to common shares	78,712,311	84,364,303
Number of shares outstanding (common shares)	19,756,080 shares	19,756,080 shares
Number of treasury shares (common shares)	2,522,368 shares	3,294,764 shares
Number of common shares used in calculation of net assets per share	17,233,712 shares	16,461,316 shares

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

(Thousands of yen, unless otherwise stated)

	FY3/2022 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/2023 (Apr. 1, 2022 – Mar. 31, 2023)
Profit attributable to owners of parent	9,681,594	10,545,507
Amount not available to common shareholders	–	–
Profit attributable to common shareholders of parent	9,681,594	10,545,507
Average number of shares of common shares outstanding during period	17,300,719 shares	16,559,115 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.

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.