



May 11, 2023

## Summary of Financial Results for the Fiscal Year Ended March 31, 2023

[Japanese GAAP]

Company name: JCU CORPORATION Listing: Tokyo Stock Exchange  
 Stock code: 4975 URL: <https://www.jcu-i.com/>  
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Scheduled date of Annual General Meeting of Shareholders: June 28, 2023  
 Scheduled date of filing of Annual Securities Report: June 29, 2023  
 Scheduled date of payment of dividend: June 14, 2023  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on May 11, 2023 at 15:00. (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) Consolidated 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	%
FY3/23	27,137	11.9	9,285	3.3	9,369	1.5	6,013	(5.6)
FY3/22	24,256	14.5	8,990	32.2	9,231	33.4	6,370	35.3

Note: Comprehensive income (million yen) FY3/23: 7,308 (down 12.1%) FY3/22: 8,315 (up 77.2%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/23	232.62	–	16.9	21.8	34.2
FY3/22	243.82	–	20.9	24.3	37.1

Reference: Equity in earnings of affiliates (million yen) FY3/23: (473) FY3/22: (115)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	44,901	37,861	84.3	1,477.42
As of Mar. 31, 2022	40,892	33,166	81.1	1,278.91

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 37,861 As of Mar. 31, 2022: 33,166

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/23	7,840	(324)	(2,857)	21,997
FY3/22	5,091	1,044	(2,873)	16,845

### 2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/22	–	27.00	–	30.00	57.00	1,484	23.4	4.9
FY3/23	–	33.00	–	33.00	66.00	1,701	28.4	4.8
FY3/24 (forecasts)	–	35.00	–	35.00	70.00		37.4	

### 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	10,700	(18.4)	2,590	(44.7)	2,590	(45.1)	1,750	(47.4)	68.29
Full year	25,000	(7.9)	7,000	(24.6)	7,000	(25.3)	4,800	(20.2)	187.30

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly added: –

Excluded: –

(2) Changes in accounting policies and accounting 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 estimates: None  
 4) Restatements: None

(3) Number of outstanding shares (common stock)

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

As of Mar. 31, 2023: 27,235,477 shares As of Mar. 31, 2022: 27,541,754 shares

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

As of Mar. 31, 2023: 1,608,529 shares As of Mar. 31, 2022: 1,608,474 shares

3) Average number of shares outstanding during the period

FY3/23: 25,852,342 shares FY3/22: 26,128,474 shares

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)**

(1) Non-consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/23	12,661	(0.5)	2,576	(8.7)	7,597	4.1	5,926	(2.0)
FY3/22	12,730	9.5	2,820	56.5	7,301	23.1	6,045	26.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/23	229.26	–
FY3/22	231.37	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	32,235	28,101	87.2	1,096.58
As of Mar. 31, 2022	29,560	24,802	83.9	956.38

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 28,101 As of Mar. 31, 2022: 24,802

Note 1: The financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: 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. Actual results may differ substantially from these forecasts for a number of reasons.

Contents of Attachments

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## 1. Overview of Results of Operations

### (1) Results of Operations

In the fiscal year ended March 31, 2023 (hereafter, “the fiscal year under review”), while the domestic economy saw a recovery of consumer spending mainly in the service sector as a result of the decrease in COVID-19 cases, both export and production decreased due to the slowing overseas economies. Although the manufacturers temporarily curbed their capital investment to increase production capacity due to the decelerating overseas economies, they maintained a positive stance on their capital investment mainly for decarbonization and digitization.

Overseas, in China, consumer spending was sluggish due to strict activity restrictions through its zero-COVID policy. In addition, production in the manufacturing industry declined, affected by a decrease in smartphone and automobile production. In Europe and the United States, the recovery of service spending following the relaxation of activity restrictions ran its course, and there have been impacts of soaring energy and resource prices, which needs close monitoring on an ongoing basis.

As for the business environment surrounding the JCU Group, stagnated consumer spending resulted in sluggish demand for high-performance electronic devices such as smartphones, PCs, and tablets, which caused a decrease in demand for PWBs for high-performance electronic devices and semiconductor package substrates. In the automotive industry, we saw a decrease in automobile production mainly in China, caused by semiconductor shortages and the COVID-19 infections throughout the fiscal year under review.

Despite the severe business environment as above, together with the impact of the weakening of the yen, the results of operations of the JCU Group were as follows.

	(Millions of yen, unless otherwise stated)		
	FY3/22 (Apr. 1, 2021–Mar. 31, 2022)	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	Year-over-year % change
Net Sales	24,256	27,137	Up 11.9%
Operating profit	8,990	9,285	Up 3.3%
Ordinary profit	9,231	9,369	Up 1.5%
Profit attributable to owners of parent	6,370	6,013	Down 5.6%

A year-over-year decrease in profit attributable to owners of parent was caused by a significant increase in deferred income taxes due to the recognition of deferred tax liabilities for taxable temporary differences attributable to retained earnings of some overseas consolidated subsidiaries.

The results of operations by segment were as follows.

#### Chemicals Business

Chemicals for electronics industry

- China: As a result of the stagnation of consumer spending and the ending of stay-at-home demand, demand for PWBs for servers and high-performance electronic devices such as smartphones, PCs, and tablets decreased. However, demand for chemicals during the fiscal year under review remained unchanged.
- Taiwan: Thanks to a continued strong demand for semiconductor package substrates for high-performance electronic devices and servers, the Group enjoyed an increased demand for chemicals during the fiscal year under review despite some inventory adjustment in the second half.
- Korea: As a result of demand for the semiconductor market being slacked, demand for chemicals during the fiscal year under review decreased because manufactures of semiconductor package substrates continued to adjust inventories.

**Chemicals for decoration**

Japan: The easing of semiconductors and parts shortage led to a recovery trend in automobile production and an increase in demand for chemicals during the fiscal year under review.

China: Despite a decrease in automobile production due to the semiconductor shortage and the COVID-19 infections, demand for chemicals during the fiscal year under review stayed flat.

(Millions of yen, unless otherwise stated)

Chemicals Business	FY3/22 (Apr. 1, 2021–Mar. 31, 2022)	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	Year-over-year % change
Net Sales	22,948	24,528	Up 6.9%
Segment profit	10,007	9,798	Down 2.1%

**Machine Business**

Net sales, orders received, and order backlog all increased substantially thanks to the resumption of the projects that had been postponed due to the pandemic and an increase in demand for new investments in plating machines for the electronics industry.

(Millions of yen, unless otherwise stated)

Machine Business	FY3/22 (Apr. 1, 2021–Mar. 31, 2022)	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	Year-over-year % change
Net Sales	1,306	2,608	Up 99.6%
Segment profit (loss)	(88)	369	–
Orders received	3,199	4,440	Up 38.8%
Order backlog	2,076	3,954	Up 90.5%

**Other businesses**

The Other businesses posted sales of 0 million yen (down 11.6% year over year) with a segment loss of 17 million yen (as compared with a segment loss of 17 million yen a year earlier).

**(2) Financial Position**
**Assets, liabilities and net assets**
**Assets**

Total assets at the end of the fiscal year under review increased 4,008 million yen (up 9.8%) from the end of the previous fiscal year to 44,901 million yen. Current assets increased 4,139 million yen (up 12.7%) to 36,646 million yen mainly due to an increase in cash and deposits. Non-current assets decreased 130 million yen (down 1.6%) to 8,255 million yen due to decreases in investment securities and deferred tax assets, which were partially offset by an increase in property, plant and equipment due to the acquisition of land.

**Liabilities**

Total liabilities at the end of the fiscal year under review decreased 686 million yen (down 8.9%) from the end of the previous fiscal year to 7,039 million yen. Current liabilities decreased 547 million yen (down 8.2%) to 6,164 million yen. This was mainly due to a decrease in notes and accounts payable-trade and other. Non-current liabilities decreased 138 million yen (down 13.7%) to 875 million yen due to a decrease in long-term borrowings.

**Net assets**

Net assets at the end of the fiscal year under review increased 4,695 million yen (up 14.2%) from the end of the previous fiscal year to 37,861 million yen. This was mainly due to increases in foreign currency translation adjustment and retained earnings.

**(3) Cash Flows**

Cash and cash equivalents at the end of the fiscal year under review increased 5,152 million yen (up 30.6%) over the end of the previous fiscal year to 21,997 million yen.

The details of cash flows from each activity and the major components of changes are as follows.

**Cash flows from operating activities**

Net cash provided by operating activities increased 2,749 million yen (up 54.0%) year over year to 7,840 million yen. This was mainly due to an increase of 304 million yen (up 3.3%) in profit before income taxes, a decrease of 417 million yen in trade receivables and contract assets, and a decrease of 1,047 million yen in inventories.

**Cash flows from investing activities**

Net cash used in investing activities was 324 million yen as a result of a 1,369 million yen year-over-year decrease in net cash mainly due to an increase in expenditures for purchase of property, plant and equipment.

**Cash flows from financing activities**

Net cash used in financing activities decreased 15 million yen year over year to 2,857 million yen mainly due to a decrease in purchase of treasury shares, which is partially offset by an increase in dividends paid.

**(4) Outlook**

Regarding the future outlook, chemicals demand for decoration of automotive components is expected to pick up slightly in the long run despite the temporary influence of semiconductor and part shortages. As for electronics, demand for chemicals for PWBs, our mainstay product, is projected to expand mainly in semiconductor package substrates in conjunction with the proliferation of high-performance electronic devices and further technological innovation in the long run, despite the temporary influence of the stagnated consumer spending on the demand for high-performance electronic devices such as smartphones, PCs, and tablets.

Given these circumstances, JCU's long-term goal is to become *a global company that continues to grow in a sustainable fashion*. To be more specific, we want to be an enterprise whose business is closely linked with ESG and SDGs and that can thrive in any country. To that end, we formulated a new medium-term management plan called "Next 50 Innovation 2nd" (covering the period from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024) and we are committed to implementing this plan based on a basic policy of *strengthening core businesses* and *building an operational foundation from an ESG perspective*.

**2. Basic Approach for the Selection of Accounting Standards**

The Group will continue to prepare its consolidated financial statements using Japanese GAAP for the time being, primarily to ensure cross-sectional as well as time-series comparability.

We will, however, make an appropriate policy decision on whether or not we should apply the International Financial Reporting Standards (IFRS) by carefully considering trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

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

(Thousands of yen)

	FY3/22 (As of Mar. 31, 2022)	FY3/23 (As of Mar. 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	19,519,073	24,180,568
Notes receivable-trade	2,131,152	2,495,072
Accounts receivable-trade	6,104,224	5,572,841
Contract assets	265,932	458,682
Merchandise and finished goods	2,546,395	1,989,142
Work in process	50,518	59,469
Raw materials and supplies	1,035,295	803,745
Other	1,014,726	1,221,447
Allowance for doubtful accounts	(160,303)	(134,871)
<b>Total current assets</b>	<b>32,507,015</b>	<b>36,646,096</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	5,791,262	5,981,450
Accumulated depreciation	(2,393,105)	(2,537,869)
Buildings and structures, net	3,398,156	3,443,580
Machinery, equipment and vehicles	3,031,634	3,321,354
Accumulated depreciation	(2,038,294)	(2,250,170)
Machinery, equipment and vehicles, net	993,340	1,071,183
Tools, furniture and fixtures	2,614,782	2,711,141
Accumulated depreciation	(2,209,402)	(2,293,346)
Tools, furniture and fixtures, net	405,379	417,794
Land	522,824	915,500
Leased assets	175,823	175,848
Accumulated depreciation	(127,605)	(136,398)
Leased assets, net	48,217	39,450
Construction in progress	91,463	193,849
<b>Total property, plant and equipment</b>	<b>5,459,382</b>	<b>6,081,360</b>
<b>Intangible assets</b>		
Other	55,162	47,156
<b>Total intangible assets</b>	<b>55,162</b>	<b>47,156</b>
<b>Investments and other assets</b>		
Investment securities	1,672,695	1,392,752
Deferred tax assets	788,461	313,000
Other	409,774	420,987
<b>Total investments and other assets</b>	<b>2,870,931</b>	<b>2,126,740</b>
<b>Total non-current assets</b>	<b>8,385,476</b>	<b>8,255,257</b>
<b>Total assets</b>	<b>40,892,491</b>	<b>44,901,354</b>

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	FY3/23 (As of Mar. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,817,220	1,497,444
Electronically recorded obligations-operating	919,638	899,895
Short-term borrowings	369,222	502,884
Current portion of long-term borrowings	335,926	251,431
Lease obligations	12,673	13,111
Income taxes payable	1,461,117	1,543,045
Provision for bonuses	387,231	471,838
Contract liabilities	19,540	26,638
Other	1,389,625	957,911
<b>Total current liabilities</b>	<b>6,712,196</b>	<b>6,164,200</b>
<b>Non-current liabilities</b>		
Long-term borrowings	540,698	288,427
Lease obligations	63,042	50,207
Retirement benefit liability	80,138	105,485
Deferred tax liabilities	27,649	136,706
Asset retirement obligations	252,345	259,878
Other	50,046	34,722
<b>Total non-current liabilities</b>	<b>1,013,921</b>	<b>875,427</b>
<b>Total liabilities</b>	<b>7,726,117</b>	<b>7,039,628</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,245,044	1,255,334
Capital surplus	1,186,499	1,196,783
Retained earnings	33,303,033	36,778,449
Treasury shares	(4,567,395)	(4,662,889)
<b>Total shareholders' equity</b>	<b>31,167,182</b>	<b>34,567,677</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	122,075	113,982
Foreign currency translation adjustment	1,877,115	3,180,065
<b>Total accumulated other comprehensive income</b>	<b>1,999,191</b>	<b>3,294,048</b>
<b>Total net assets</b>	<b>33,166,373</b>	<b>37,861,725</b>
<b>Total liabilities and net assets</b>	<b>40,892,491</b>	<b>44,901,354</b>



**(2) Consolidated Statements of Income and Comprehensive Income**
**Consolidated Statement of Income**

(Thousands of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net sales	24,256,069	27,137,641
Cost of sales	8,526,799	10,702,993
Gross profit	15,729,269	16,434,648
Selling, general and administrative expenses		
Salaries and allowances	2,250,227	2,354,694
Bonuses	706,316	755,699
Retirement benefit expenses	121,698	131,029
Depreciation	394,569	434,725
Provision of allowance for doubtful accounts	21,950	–
Other	3,243,905	3,472,501
Total selling, general and administrative expenses	6,738,668	7,148,651
Operating profit	8,990,600	9,285,997
Non-operating income		
Interest income	56,683	88,822
Dividend income	34,066	43,857
Foreign exchange gains	213,372	442,242
Reversal of allowance for doubtful accounts	–	5,096
Other	99,432	20,071
Total non-operating income	403,555	600,090
Non-operating expenses		
Interest expenses	8,128	8,279
Share of loss of entities accounted for using equity method	115,394	473,823
Other	38,677	34,459
Total non-operating expenses	162,201	516,563
Ordinary profit	9,231,954	9,369,524
Extraordinary income		
Gain on change in equity	–	77,019
Gain on sale of non-current assets	1,012	11,684
Gain on sale of investment securities	385	–
Gain on sale of businesses	–	60,000
Total extraordinary income	1,397	148,704
Extraordinary losses		
Loss on sale of non-current assets	335	0
Loss on retirement of non-current assets	25,092	5,120
Impairment losses	–	3,087
Loss on liquidation of subsidiaries	2,274	–
Total extraordinary losses	27,702	8,207
Profit before income taxes	9,205,649	9,510,021
Income taxes-current	2,771,911	2,895,871
Income taxes-deferred	63,216	600,306
Total income taxes	2,835,127	3,496,177
Profit	6,370,521	6,013,843
Profit attributable to owners of parent	6,370,521	6,013,843

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Profit	6,370,521	6,013,843
Other comprehensive income		
Valuation difference on available-for-sale securities	(109,678)	(8,093)
Foreign currency translation adjustment	2,018,433	1,181,759
Share of other comprehensive income of entities accounted for using equity method	35,803	121,190
Total other comprehensive income	1,944,558	1,294,857
Comprehensive income	8,315,080	7,308,700
Comprehensive income attributable to:		
Owners of parent	8,315,080	7,308,700

**(3) Consolidated Statement of Changes in Shareholders' Equity**

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	1,235,517	1,176,972	29,236,578	(4,000,041)	27,649,026
Cumulative effects of changes in accounting policies			(8,158)		(8,158)
Restated balance	1,235,517	1,176,972	29,228,420	(4,000,041)	27,640,868
Changes during period					
Issuance of new shares	9,527	9,527			19,054
Dividends of surplus			(1,362,729)		(1,362,729)
Profit attributable to owners of parent			6,370,521		6,370,521
Purchase of treasury shares				(1,500,532)	(1,500,532)
Cancellation of treasury shares			(933,179)	933,179	–
Net changes of items other than shareholders' equity					
Total changes during period	9,527	9,527	4,074,613	(567,353)	3,526,314
Balance at the end of period	1,245,044	1,186,499	33,303,033	(4,567,395)	31,167,182

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at the beginning of period	231,754	(177,121)	54,632	27,703,658
Cumulative effects of changes in accounting policies				(8,158)
Restated balance	231,754	(177,121)	54,632	27,695,500
Changes during period				
Issuance of new shares				19,054
Dividends of surplus				(1,362,729)
Profit attributable to owners of parent				6,370,521
Purchase of treasury shares				(1,500,532)
Cancellation of treasury shares				–
Net changes of items other than shareholders' equity	(109,678)	2,054,237	1,944,558	1,944,558
Total changes during period	(109,678)	2,054,237	1,944,558	5,470,873
Balance at the end of period	122,075	1,877,115	1,999,191	33,166,373

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	1,245,044	1,186,499	33,303,033	(4,567,395)	31,167,182
Cumulative effects of changes in accounting policies					–
Restated balance	1,245,044	1,186,499	33,303,033	(4,567,395)	31,167,182
Changes during period					
Issuance of new shares	10,289	10,284			20,574
Dividends of surplus			(1,633,985)		(1,633,985)
Profit attributable to owners of parent			6,013,843		6,013,843
Purchase of treasury shares				(999,937)	(999,937)
Cancellation of treasury shares			(904,442)	904,442	–
Net changes of items other than shareholders' equity					
Total changes during period	10,289	10,284	3,475,415	(95,494)	3,400,494
Balance at the end of period	1,255,334	1,196,783	36,778,449	(4,662,889)	34,567,677

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at the beginning of period	122,075	1,877,115	1,999,191	33,166,373
Cumulative effects of changes in accounting policies				–
Restated balance	122,075	1,877,115	1,999,191	33,166,373
Changes during period				
Issuance of new shares				20,574
Dividends of surplus				(1,633,985)
Profit attributable to owners of parent				6,013,843
Purchase of treasury shares				(999,937)
Cancellation of treasury shares				–
Net changes of items other than shareholders' equity	(8,093)	1,302,950	1,294,857	1,294,857
Total changes during period	(8,093)	1,302,950	1,294,857	4,695,351
Balance at the end of period	113,982	3,180,065	3,294,048	37,861,725

**(4) Consolidated Statement of Cash Flows**

(Thousands of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,205,649	9,510,021
Depreciation	619,964	676,531
Impairment losses	–	3,087
Increase (decrease) in allowance for doubtful accounts	20,470	(34,909)
Increase (decrease) in provision for bonuses	(17,517)	83,996
Increase (decrease) in retirement benefit liability	6,504	17,468
Interest and dividend income	(90,750)	(132,679)
Interest expenses	8,128	8,279
Foreign exchange losses (gains)	27,603	15,494
Share of loss (profit) of entities accounted for using equity method	115,394	473,823
Loss (gain) on change in equity	–	(77,019)
Gain on sale of non-current assets	(1,012)	(11,684)
Loss on sale of non-current assets	335	0
Loss on retirement of non-current assets	25,092	5,120
Loss (gain) on sales of investment securities	112	–
Decrease (increase) in notes and accounts receivable-trade, and contract assets	(588,827)	417,800
Increase (decrease) in contract liabilities	(18,648)	6,429
Decrease (increase) in inventories	(820,265)	1,047,251
Increase (decrease) in trade payables	238,560	(579,854)
Decrease (increase) in advance payments-trade	(426,166)	(387,641)
Other, net	(703,459)	(464,200)
Subtotal	7,601,168	10,577,313
Interest and dividends received	84,953	112,525
Interest paid	(8,093)	(8,539)
Income taxes paid	(2,588,648)	(2,847,677)
Income taxes refund	1,864	6,710
Net cash provided by (used in) operating activities	5,091,244	7,840,332
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	1,447,813	681,150
Purchase of property, plant and equipment	(415,600)	(1,011,322)
Proceeds from sale of property, plant and equipment	9,246	11,689
Purchase of intangible assets	(21,693)	(4,482)
Purchase of investment securities	(1,560)	(1,664)
Proceeds from sale of investment securities	30,461	–
Other, net	(4,288)	(46)
Net cash provided by (used in) investing activities	1,044,378	(324,676)

	(Thousands of yen)	
	FY3/22	FY3/23
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	115,540	124,886
Proceeds from long-term borrowings	304,534	–
Repayments of long-term borrowings	(418,650)	(336,766)
Repayments of finance lease obligations	(12,213)	(12,589)
Purchase of treasury shares	(1,500,532)	(999,937)
Dividends paid	(1,361,946)	(1,633,277)
Net cash provided by (used in) financing activities	(2,873,266)	(2,857,684)
Effect of exchange rate change on cash and cash equivalents	897,542	494,801
Net increase (decrease) in cash and cash equivalents	4,159,898	5,152,772
Cash and cash equivalents at beginning of period	12,685,175	16,845,073
Cash and cash equivalents at end of period	16,845,073	21,997,846

**(5) Notes to Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Change in Accounting Policies**

We have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 issued on June 17, 2021; hereinafter the “Implementation Guidance on Fair Value Measurement Accounting Standard”) from the beginning of the fiscal year under review. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard, we have decided to prospectively apply the new accounting policy prescribed in the Implementation Guidance on Fair Value Measurement Accounting Standard. This decision has no impact on the financial statements for the fiscal year under review.

**Segment and Other Information**

## 1. Overview of reportable segments

## (1) Method for identifying reportable segments

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.

## (2) Types of products and services belonging to each reportable segment

The Chemicals Business designs, manufactures, and sells surface treatment chemicals as well as sells related materials in domestic and overseas markets.

The Machine Business designs, manufactures, and sells surface treatment machines, and sells PWB cleaning equipment utilizing the plasma technology, as well as generates and sells solar power in domestic and overseas markets.

## 2. Calculation methods for sales, profits/losses, assets, liabilities, and other items for each reportable segment

The accounting treatment methods for reportable business segments are generally the same as those listed in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements.”

Profits for reportable segments are generally operating profit figures.

Internal revenues and transfer amounts between segments are based on transaction prices determined as the result of price negotiations between the transaction parties using asking prices calculated, with market prices and total cost taken into account.

Segment assets and liabilities are not listed as they are not allocable by business segment.

## 3. Information related to sales and profit/losses, assets, liabilities, and other items for each reportable segment

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts shown on consolidated statement of income (Note 4)
	Chemicals Business	Machine Business	Subtotal				
Sales							
Sales to outside customers	22,948,955	1,306,821	24,255,777	292	24,256,069	–	24,256,069
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	22,948,955	1,306,821	24,255,777	292	24,256,069	–	24,256,069
Segment profit (loss)	10,007,014	(88,894)	9,918,119	(17,017)	9,901,101	(910,500)	8,990,600
Other items							
Depreciation expense (Note 3)	574,749	28,622	603,371	293	603,665	16,299	619,964

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts shown on consolidated statement of income (Note 4)
	Chemicals Business	Machine Business	Subtotal				
Sales							
Sales to outside customers	24,528,901	2,608,482	27,137,383	258	27,137,641	–	27,137,641
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	24,528,901	2,608,482	27,137,383	258	27,137,641	–	27,137,641
Segment profit (loss)	9,798,825	369,679	10,168,504	(17,484)	10,151,019	(865,022)	9,285,997
Other items							
Depreciation expense (Note 3)	632,958	25,952	658,911	259	659,171	17,359	676,531

- Notes: 1. The “Other” businesses segment represents business activities that are not included in either of the two reportable segments, and includes the cultivation and sale of grapevines for wine production and grape seedlings.
2. Details of the above adjustments to segment profit (loss) are as follows.

To segment profit	(Thousands of yen)	
	FY3/22	FY3/23
Inter-segment transaction elimination	–	–
Corporate expenses*	(910,500)	(865,022)
Total	(910,500)	(865,022)

\* Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

3. Depreciation expenses include amortization related to long-term prepaid expenses. The adjusted amounts of depreciation for the previous fiscal year and the fiscal year under review are corporate expenses.
4. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated financial statements.



(Related information)

FY3/22 (Apr. 1, 2021–Mar. 31, 2022)

1. Information for each product and service

(Thousands of yen)

	Surface treatment chemicals and related materials	Surface treatment machines	Plasma surface treatment machines	Environment-related equipment	Other	Total
Sales to outside customers	22,948,955	920,420	296,122	27,007	63,562	24,256,069

2. Information for each region

(1) Net sales

(Thousands of yen)

Japan	China	Taiwan	South Korea	Other Asian regions	Other	Total
5,693,245	9,465,921	3,888,997	2,586,121	1,774,262	847,519	24,256,069

- Notes:
1. Net sales is based on the locations of customers and classified by country and region.
  2. Countries and regions are classified in accordance with geographical proximity
  3. Details of the regions excluding Japan, China, Taiwan, and South Korea are as follows  
 Other Asian regions ..... Thailand, Vietnam, Indonesia, and India  
 Other ..... Mexico and the United States of America

(2) Property, plant and equipment

(Thousands of yen)

Japan	China	Other Asian regions	Other	Total
2,238,163	2,263,224	893,569	64,424	5,459,382

- Notes:
1. Details of the regions excluding Japan and China are as follows:  
 Other Asian regions ..... Taiwan, South Korea, Thailand, Vietnam, Indonesia, and India  
 Other ..... Mexico and the United States of America

3. Information for each major customer

Since no net sales to a specific outside customer exceeded 10% of the net sales reported on the consolidated income statements, the disclosure of information for each major customer is omitted.

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

1. Information for each product and service

(Thousands of yen)

	Surface treatment chemicals and related materials	Surface treatment machines	Plasma surface treatment machines	Environment-related equipment	Other	Total
Sales to outside customers	24,528,901	2,413,330	122,991	12,243	60,174	27,137,641

2. Information for each region

(1) Net sales

(Thousands of yen)

Japan	China	Taiwan	South Korea	Other Asian regions	Other	Total
6,625,782	9,885,496	4,403,313	2,465,719	2,379,499	1,377,829	27,137,641

- Notes:
1. Net sales is based on the locations of customers and classified by country and region.
  2. Countries and regions are classified in accordance with geographical proximity
  3. Details of the regions excluding Japan, China, Taiwan, and South Korea are as follows:  
 Other Asian regions ..... Thailand, Vietnam, Indonesia, and India  
 Other ..... Mexico and the United States of America

(2) Property, plant and equipment

(Thousands of yen)

Japan	China	Other Asian regions	Other	Total
2,813,719	2,240,031	958,282	69,325	6,081,360

Notes: 1. Details of the regions excluding Japan and China are as follows:

Other Asian regions ..... Taiwan, South Korea, Thailand, Vietnam, Indonesia, Malaysia, and India

Other ..... Mexico and the United States of America

3. Information for each major customer

Since no net sales to a specific outside customer exceeded 10% of the net sales reported on the consolidated income statements, the disclosure of information for each major customer is omitted.

(Information of impairment loss on non-current assets for each reportable segment)

FY3/22 (Apr. 1, 2021–Mar. 31, 2022)

Not applicable.

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

An impairment loss was recorded in the Machine Business segment. The amount of the impairment loss recognized for the fiscal year under review was 3,087 thousand yen.

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

FY3/22 (Apr. 1, 2021–Mar. 31, 2022)

Not applicable.

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

Not applicable.

(Information related to negative goodwill profits for each reportable segment)

FY3/22 (Apr. 1, 2021–Mar. 31, 2022)

Not applicable.

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

Not applicable.

**Per Share Information**

(Yen)

	FY3/22 (Apr. 1, 2021– Mar. 31, 2022)	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)
Net assets per share	1,278.91	1,477.42
Net income per share	243.82	232.62

- Notes: 1. Diluted net income per share is not presented because there are no dilutive shares outstanding.  
 2. The basis for calculating net income per share is as follows:

(Thousands of yen, unless otherwise stated)

	FY3/22 (Apr. 1, 2021– Mar. 31, 2022)	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent	6,370,521	6,013,843
Net income not attributable to common shareholders	–	–
Net income attributable to owners of parent attributable to common stock	6,370,521	6,013,843
Average number of outstanding shares during the fiscal year (thousands of shares)	26,128	25,852

**Material Subsequent Events**

Not applicable.

*\* This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*