

Supplementary Material of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2022 (IFRS)

Note on forward-looking statements:

The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results may differ materially from forecasts due to a number of factors.

This information is subject to change without notice and users are, therefore, advised to use this information and material, together with information obtained by other means, and to exercise their own judgment.

The Company does not assume any liability or responsibility for any loss or damage arising from use of this material.

Since the figures shown are rounded off to the nearest 1 billion yen, the sum of each item and the total may differ.

<Summary>

■Revenue and profits both increased year on year. Good start in the first quarter.

◇Revenue	175.6 billion yen	23.3% up
◇Operating profit	5.0 billion yen	49.0% up
◇Profit before tax	5.3 billion yen	54.6% up
◇Profit attributable to owners of the parent	3.3 billion yen	37.9% up

■The rate of progress of profit attributable to owners of the parent was 22%.

1. Profit & loss statement

(Unit : billion yen)		Q1 of FY2021	Q1 of FY2022	Year-on-year		FY2022	
				Change	Change(%)	Forecast	Progress(%)
Revenue		142.4	175.6	33.2	23.3%	700.0	25.1%
Gross profit		21.4	24.8	3.3	15.6%	-	-
Selling, general and administrative expenses		(18.6)	(20.6)	(1.9)	-	-	-
Other income (expenses)		0.6	0.8	0.3	48.9%	-	-
Operating profit		3.4	5.0	1.7	49.0%	28.0	18.0%
	Interest income (expenses)	(0.5)	(0.4)	0.1	-	-	-
	Dividend income	0.4	0.4	0.0	-	-	-
	Other finance income (costs)	(0.1)	(0.0)	0.0	-	-	-
Finance income (costs)		(0.2)	(0.0)	0.1	-	-	-
Share of profit (loss) of investments accounted for using the equity method		0.2	0.3	0.1	33.5%	-	-
Profit before tax		3.4	5.3	1.9	54.6%	28.0	18.9%
Income tax expense		(0.9)	(1.5)	(0.6)	-	-	-
Profit for the period		2.5	3.8	1.2	49.2%	-	-
Profit attributable to owners of the parent		2.4	3.3	0.9	37.9%	15.0	21.7%
Earnings per share (yen)		28.25	38.96	10.71	37.9%	179.62	21.7%

【Revenue】

Increased 33.2 billion yen year on year, rising in all segments.

【Operating profit】

Increased 1.7 billion yen, centering on the Foods, Meat & Grain segment and the Steel, Materials & Plant segment.

【Profit before tax】

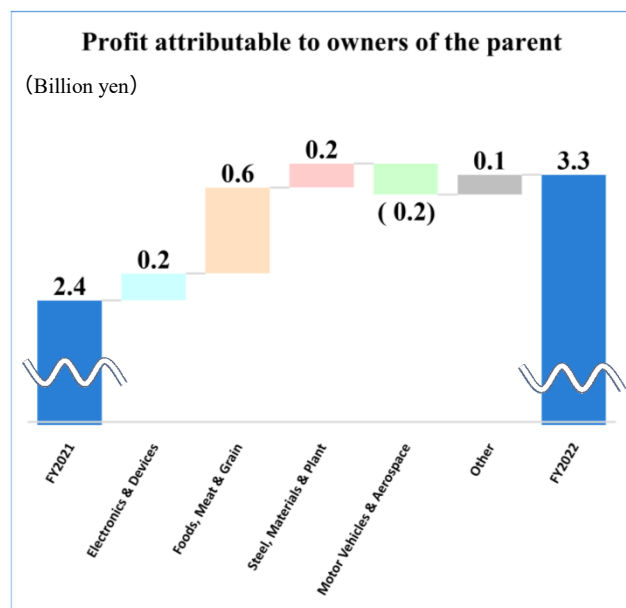
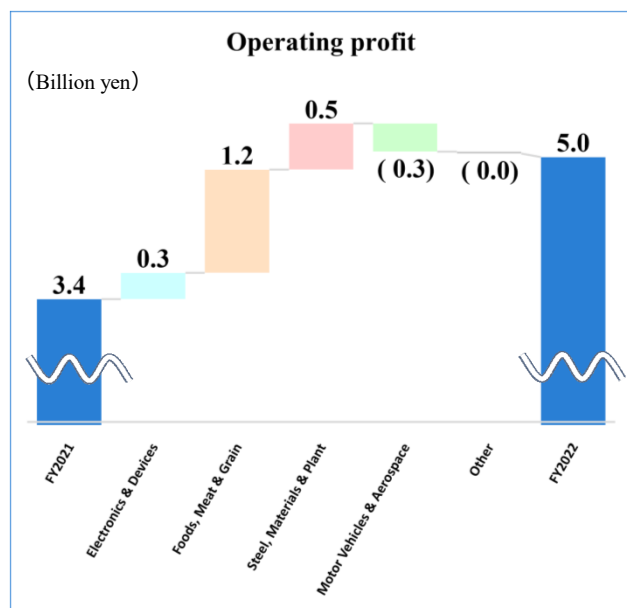
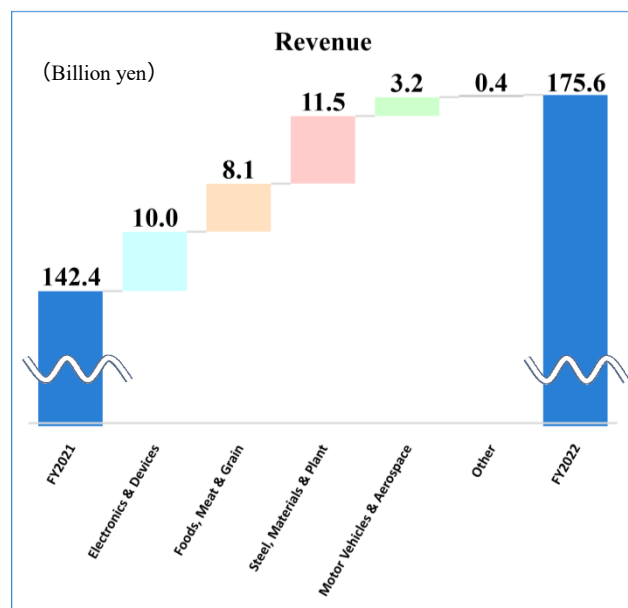
Increased 1.9 billion yen mainly due to a rise in the operating profit

【Profit attributable to owners of the parent】

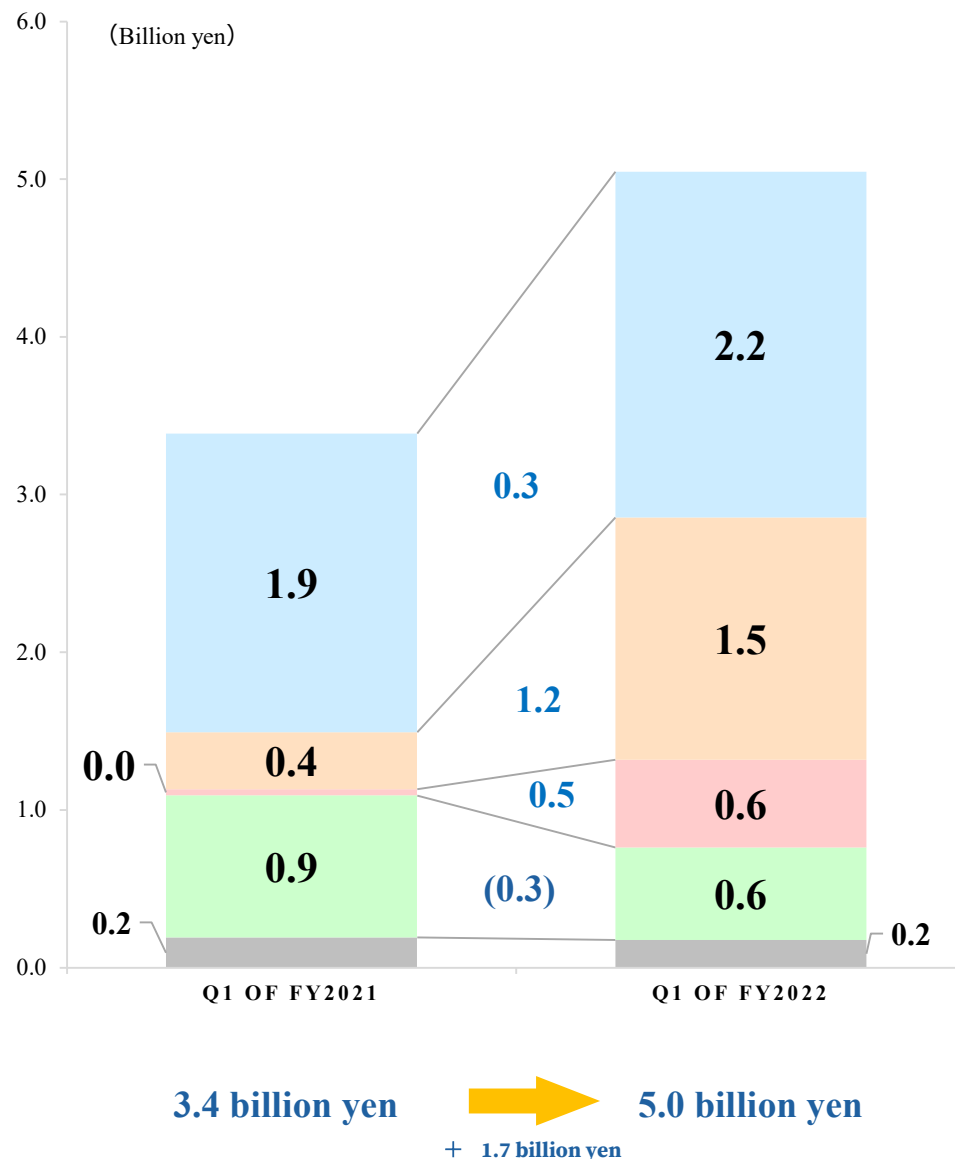
Increased 0.9 billion yen associated with a rise in profit before tax.

2. Segment information

(Unit: billion yen)		Revenue					Operating profit					Profit attributable to owners of the parent				
		Q1 of FY2021	Q1 of FY2022	Change	FY2022		Q1 of FY2021	Q1 of FY2022	Change	FY2022		Q1 of FY2021	Q1 of FY2022	Change	FY2022	
					Forecast	Progress				Forecast	Progress				Forecast	Progress
	Electronics & Devices	43.7	53.8	10.0	250.0	22%	1.9	2.2	0.3	19.2	11%	1.0	1.1	0.2	9.0	13%
	Foods, Meat & Grain	61.9	70.1	8.1	260.0	27%	0.4	1.5	1.2	3.5	44%	0.4	1.1	0.6	2.3	46%
	Steel, Materials & Plant	20.5	31.9	11.5	110.0	29%	0.0	0.6	0.5	3.1	18%	0.3	0.4	0.2	2.5	17%
	Motor Vehicles & Aerospace	13.6	16.8	3.2	70.0	24%	0.9	0.6	(0.3)	1.4	42%	0.6	0.3	(0.2)	0.9	39%
Total for reportable segments		139.8	172.6	32.8	690.0	25%	3.2	4.9	1.7	27.2	18%	2.2	3.0	0.8	14.7	20%
Other (including adjustment)		2.6	3.0	0.4	10.0	30%	0.2	0.2	(0.0)	0.8	22%	0.1	0.3	0.1	0.3	89%
Grand total		142.4	175.6	33.2	700.0	25%	3.4	5.0	1.7	28.0	18%	2.4	3.3	0.9	15.0	22%



3. Operating profit <Segment>



Causes of year-on-year increase/decrease

【Electronics & Devices】 0.3 billion yen up

The semiconductor parts and manufacturing equipment business remained strong on growth in shipments of manufacturing equipment and consumables related to semiconductors and LCD panels following strong demand. The ICT solutions business remained firm, mainly due to an increase in projects related to security and network. In the mobile business, operating profit increased slightly, mainly due to the impact of the declaration of a state of emergency, although store footfall was returning.

【Foods, Meat & Grain】 1.2 billion yen up

In the meat products business, operating profit increased after the struggle in food service-related sales in the previous year, aided by rising prices of livestock products in general, in addition to a recovery in demand. The food business remained strong on growth in transactions of products for the retail market. The grain and feedstuff business remained firm under rising prices of grain and feedstuff.

【Steel, Materials & Plant】 0.5 billion yen up

The machine tools and industrial machinery business remained firm, recovering from the business environment in the same period of the previous fiscal year where the business had been strongly affected by COVID-19. The steel tubing business was on track to recovery following the bottoming of energy demand. However, in the energy business, operating profit temporarily declined, although a recovery is expected in the future deliveries.

【Motor Vehicles & Aerospace】 0.3 billion yen down

The aerospace business remained sluggish as contracts with government agencies were between seasons. In the motor vehicles and parts business, however, transactions of motor parts remained strong given the recovery of production at clients.

4. Cash Flows and Financial Status

(Unit: billion yen)	1Q of FY2021	1Q of FY2022	Change
CF from operating activities	7.8	2.6	(5.3)
CF from investing activities	(1.8)	(4.2)	(2.4)
Free cash flows	6.0	(1.7)	(7.7)
CF from financing activities	(10.0)	(0.5)	9.5

(Note: The amount of impact associated with the application of IFRS 16 Leases)

CF from operating activities	1.9	2.1	0.2
CF from financing activities	(1.9)	(2.1)	(0.2)

【CF from operating activities】

Net cash provided by operating activities was 2.6 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】

Net cash used in investing activities was 4.2 billion yen, mainly due to the implementation of business investments, including the acquisition of subsidiaries and the acquisition of business.

【CF from financing activities】

Net cash used in financing activities was 0.5 billion yen, mainly reflecting dividends paid and the repayment of lease liabilities, despite an increase in short-term borrowings.

(Unit: billion yen)	3/2021	6/2021	Change
Total assets	557.5	550.2	(7.3)
Gross interest-bearing debt (Note 1)	122.2	127.4	5.3
Net interest-bearing debt	40.5	47.8	7.3
Shareholder's equity (Note 2)	143.9	143.8	(0.1)
Retained earnings	78.1	79.0	0.9
Other components of equity	12.4	11.3	(1.0)

(Note1) Gross interest-bearing debt = Total amount of bonds and loans minus lease liabilities

(Note2) Shareholder's equity = Total equity attribute to owners of the parent

【Total assets】

Total assets decreased 7.3 billion yen, principally reflecting a decrease in trade and other receivables.

【Interest-bearing debt】

Net interest-bearing debt rose 7.3 billion yen mainly due to an increase in short-term borrowings.

【Shareholder's equity】

Equity remained almost flat, primarily due to a build-up of profit attributable to owners of the parent, as well as dividends paid and a fall in valuation amount due to falling share prices.

The equity ratio came to 26.1%. The net debt-equity ratio ("net DER") was 0.3 times.

Equity ratio (Note 3)	25.8%	26.1%	0.3% up
Net debt-equity ratio (Note 4)	0.3 times	0.3 times	Almost same

(Note 3) Equity ratio = Shareholder's equity / Total assets

(Note 4) Net debt-equity ratio = Net interest-bearing debt / Equity capital

5. Dividends and Capital Efficiency

【Dividends】

	FY2018	FY2019	FY2020	FY2021	FY2022(plan)
Annual dividend (yen per share)	48	60	60	60	60
Consolidated payout ratio	24.8%	30.3%	34.8%	37.6%	33.4%

【Profit attributable to owners of the parent, ROE & ROIC】

