

Supplementary Material of Consolidated Financial Results for the First Six 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.

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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. Results mostly recovered to pre-COVID levels.

◇Revenue	364.1 billion yen	19.4% up
◇Operating profit	14.2 billion yen	42.8% up
◇Profit before tax	13.6 billion yen	41.5% up
◇Profit attributable to owners of the parent	7.3 billion yen	24.0% up

■ Steady progress was made, with operating profit progress of approx. 51% and profit attributable to owners of the parent progress of approx. 49%.

1. Profit & loss statement

(Unit : billion yen)		Q2 of FY2021	Q2 of FY2022	Year-on-year		FY2022	
				Change	Change(%)	Forecast	Progress(%)
Revenue		304.9	364.1	59.3	19.4%	700.0	52.0%
Gross profit		47.5	53.9	6.5	13.6%	-	-
Selling, general and administrative expenses		(38.1)	(41.4)	(3.3)	-	-	-
Other income (expenses)		0.6	1.7	1.1	179.3%	-	-
Operating profit		10.0	14.2	4.3	42.8%	28.0	50.9%
	Interest income (expenses)	(0.9)	(0.7)	0.2	-	-	-
	Dividend income	0.4	0.5	0.1	-	-	-
	Other finance income (costs)	(0.2)	(1.5)	(1.4)	-	-	-
Finance income (costs)		(0.7)	(1.7)	(1.1)	-	-	-
Share of profit (loss) of investments accounted for using the equity method		0.3	1.0	0.8	280.3%	-	-
Profit before tax		9.6	13.6	4.0	41.5%	28.0	48.4%
Income tax expense		(2.4)	(4.2)	(1.8)	-	-	-
Profit for the period		7.2	9.4	2.2	30.3%	-	-
Profit attributable to owners of the parent		5.9	7.3	1.4	24.0%	15.0	48.6%
Earnings per share (yen)		70.34	87.24	16.90	24.0%	179.62	48.6%

【Revenue】

Increased 59.3 billion yen, primarily in the Steel, Materials & Plant segment.

【Operating profit】

Grew 4.3 billion yen, driven by the Foods, Meat & Grain segment.

【Profit before tax】

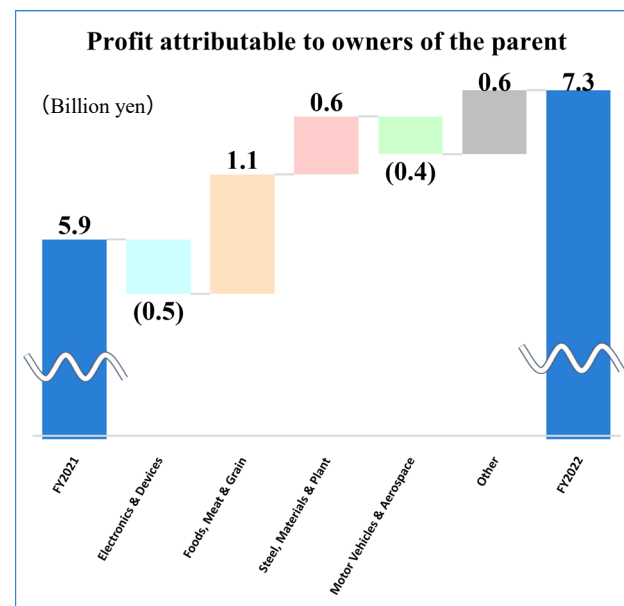
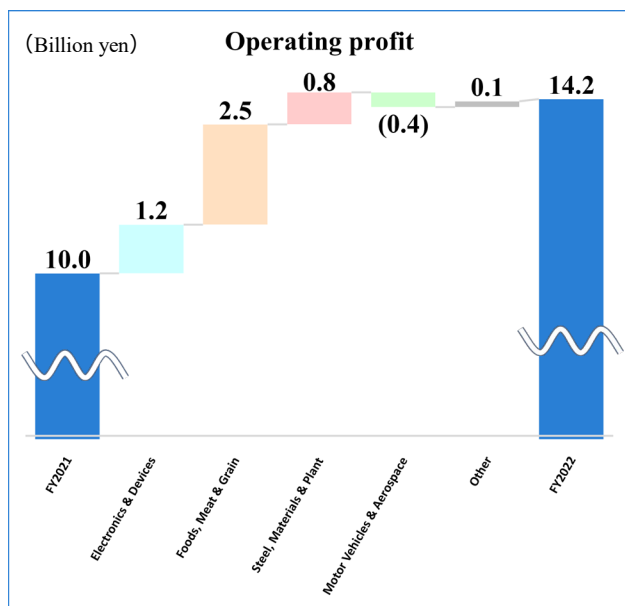
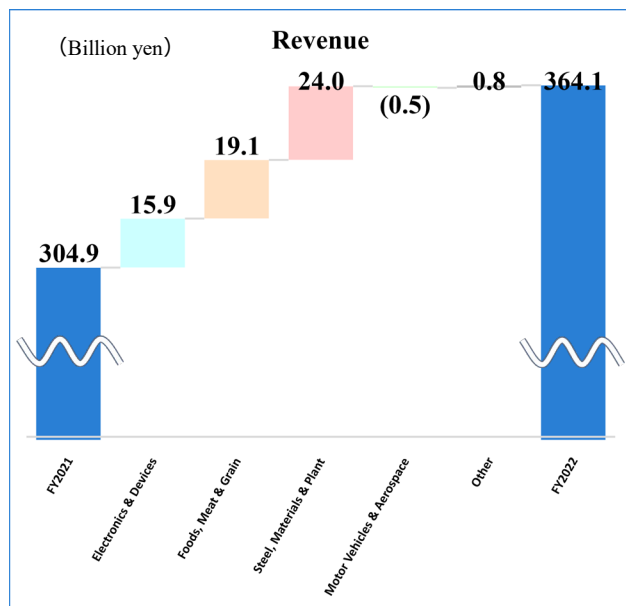
Increased 4.0 billion yen mainly due to a rise in the operating profit.

【Profit attributable to owners of the parent】

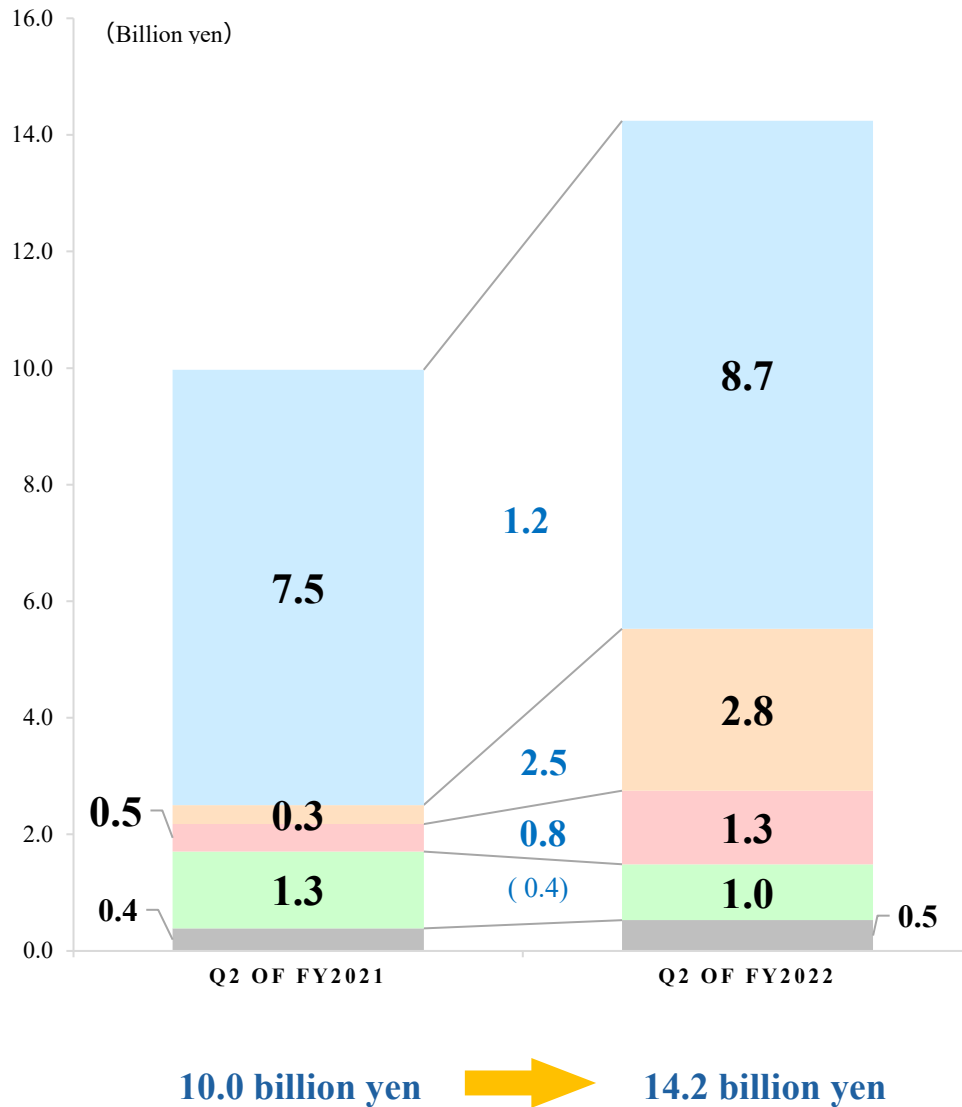
Increased 1.4 billion yen associated with a rise in profit before tax.

2. Segment information

(Unit: billion yen)		Revenue					Operating profit					Profit attributable to owners of the parent				
		Q2 of FY2021	Q2 of FY2022	Change	FY2022		Q2 of FY2021	Q2 of FY2022	Change	FY2022		Q2 of FY2021	Q2 of FY2022	Change	FY2022	
					Forecast	Progress				Forecast	Progress				Forecast	Progress
	Electronics & Devices	102.9	118.8	15.9	250.0	48%	7.5	8.7	1.2	19.2	45%	3.5	3.0	(0.5)	9.0	33%
	Foods, Meat & Grain	122.9	142.0	19.1	260.0	55%	0.3	2.8	2.5	3.5	79%	0.8	1.9	1.1	2.3	84%
	Steel, Materials & Plant	41.2	65.2	24.0	110.0	59%	0.5	1.3	0.8	3.1	41%	0.9	1.4	0.6	2.5	57%
	Motor Vehicles & Aerospace	32.5	32.0	(0.5)	70.0	46%	1.3	1.0	(0.4)	1.4	69%	0.9	0.6	(0.4)	0.9	62%
Total for reportable segments		299.6	358.0	58.4	690.0	52%	9.6	13.7	4.1	27.2	50%	6.1	6.9	0.8	14.7	47%
Other (including adjustment)		5.3	6.1	0.8	10.0	61%	0.4	0.5	0.1	0.8	66%	(0.2)	0.4	0.6	0.3	124%
Grand total		304.9	364.1	59.3	700.0	52%	10.0	14.2	4.3	28.0	51%	5.9	7.3	1.4	15.0	49%



3. Operating profit <Segment>



Causes of year-on-year increase/decrease

【Electronics & Devices】 1.2 billion yen up

The ICT solutions business performed strongly, mainly due to growth in projects related to network security and storage-related projects. In the mobile business, operating profit increased slightly, impacted by the declaration of a state of emergency and decreased supporting payments from telecommunication carriers, although store footfall was returning. The semiconductor parts and manufacturing equipment business remained strong with growth in shipments of manufacturing equipment and consumables related to semiconductors and LCD panels in response to strong demand.

【Foods, Meat & Grain】 2.5 billion yen up

In the meat products business, operating profit increased sharply 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】 0.8 billion yen up

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

【Motor Vehicles & Aerospace】 0.4 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 worldwide, including in Europe and the U.S.

4. Cash Flows and Financial Status

(Unit: billion yen)	2Q of FY2021	2Q of FY2022	Change
CF from operating activities	20.4	10.1	(10.2)
CF from investing activities	(3.6)	(6.8)	(3.2)
Free cash flows	16.7	3.3	(13.4)
CF from financing activities	(22.5)	(6.4)	16.2

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

CF from operating activities	3.9	4.1	0.2
CF from financing activities	(3.9)	(4.1)	(0.2)

【CF from operating activities】

Net cash provided by operating activities was 10.1 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】

Net cash used in investing activities was 6.8 billion yen, mainly due to the implementation of business investments, including the acquisition of subsidiaries and additional investment in companies accounted for by the equity method.

【CF from financing activities】

Net cash used in financing activities was 6.4 billion yen, mainly due to the repayment of borrowings and lease liabilities and dividends paid.

(Unit: billion yen)	3/2021	9/2021	Change
Total assets	557.5	564.3	6.8
Gross interest-bearing debt (Note 1)	122.2	123.9	1.7
Net interest-bearing debt	40.5	44.9	4.4
Shareholders' equity (Note 2)	143.9	149.1	5.2
Retained earnings	78.1	83.0	4.9
Other components of equity	12.4	12.5	0.2

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

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

【Total assets】

Net assets rose 6.8 billion yen mainly due to increases in inventories and equity method investment.

【Interest-bearing debt】

Net interest-bearing debt rose 4.4 billion yen mainly due to an increase in short-term borrowings.

【Shareholders' equity】

Shareholders' equity rose 5.2 billion yen, chiefly due to an increase in profit attributable to owners of the parent.

Equity ratio (Note 3)	25.8%	26.4%	0.6% up
Net debt-equity ratio (Note 4)	0.3 times	0.3 times	Almost same

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

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

The equity ratio came to 26.4%. The net debt-equity ratio ("net DER") was 0.3 times.

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】

