

Supplementary Material of Consolidated Financial Results for the First Nine 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.

◇Revenue	560.9 billion yen	19.9% up
◇Operating profit	21.1 billion yen	44.9% up
◇Profit before tax	20.5 billion yen	45.8% up
◇Profit attributable to owners of the parent	12.0 billion yen	40.6% up

■Full-year forecasts have been revised upward (Operating profit: 28.0 billion yen → 30.0 billion yen, Profit attributable to owners of the parent: 15.0 billion yen → 16.0 billion yen).
Annual dividend forecast was increased to 65 yen.

1. Profit & loss statement

(Unit : billion yen)		Q3 of FY2021	Q3 of FY2022	Year-on-year		FY2022	
				Change	Change(%)	Forecast	Progress(%)
Revenue		467.8	560.9	93.2	19.9%	750.0	74.8%
Gross profit		71.7	81.5	9.8	13.7%	-	-
Selling, general and administrative expenses		(57.8)	(62.7)	(4.9)	-	-	-
Other income (expenses)		0.7	2.3	1.6	242.7%	-	-
Operating profit		14.6	21.1	6.5	44.9%	30.0	70.3%
	Interest income (expenses)	(1.3)	(1.1)	0.2	-	-	-
	Dividend income	0.7	0.7	0.0	-	-	-
	Other finance income (costs)	(0.2)	(1.5)	(1.3)	-	-	-
Finance income (costs)		(0.8)	(1.9)	(1.1)	-	-	-
Share of profit (loss) of investments accounted for using the equity method		0.4	1.4	1.0	262.3%	-	-
Profit before tax		14.1	20.5	6.4	45.8%	30.0	68.5%
Income tax expense		(3.9)	(5.7)	(1.8)	-	-	-
Profit for the period		10.2	14.9	4.7	46.0%	-	-
Profit attributable to owners of the parent		8.5	12.0	3.5	40.6%	16.0	75.1%
Earnings per share (yen)		102.33	143.84	41.51	40.6%	191.58	75.1%

【Revenue】

Increased year on year in all segments with a total increase of 93.2 billion yen.

【Operating profit】

Grew 6.5 billion yen, driven by the Foods, Meat & Grain segment and Steel, Materials & Plant segment.

【Profit before tax】

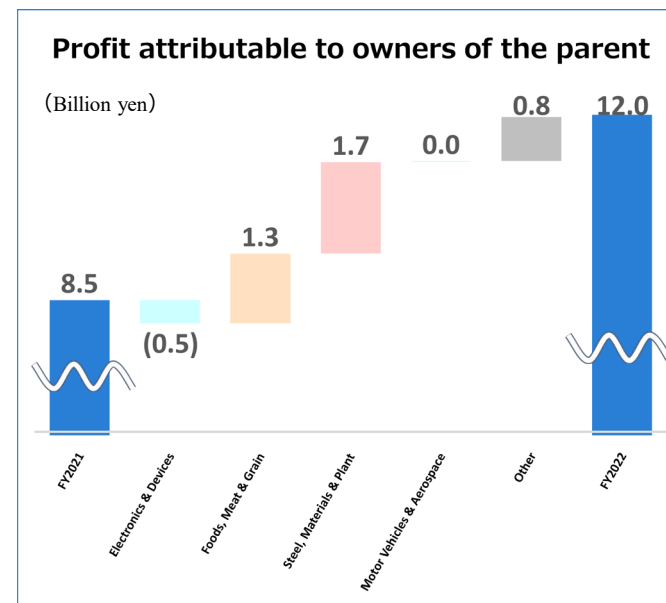
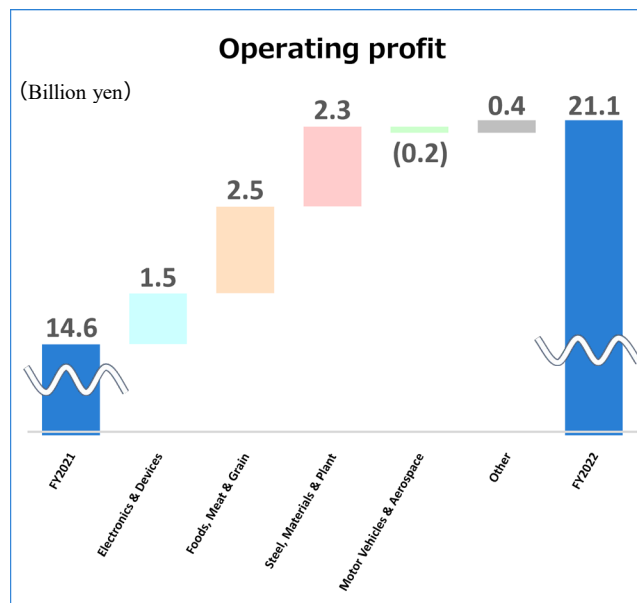
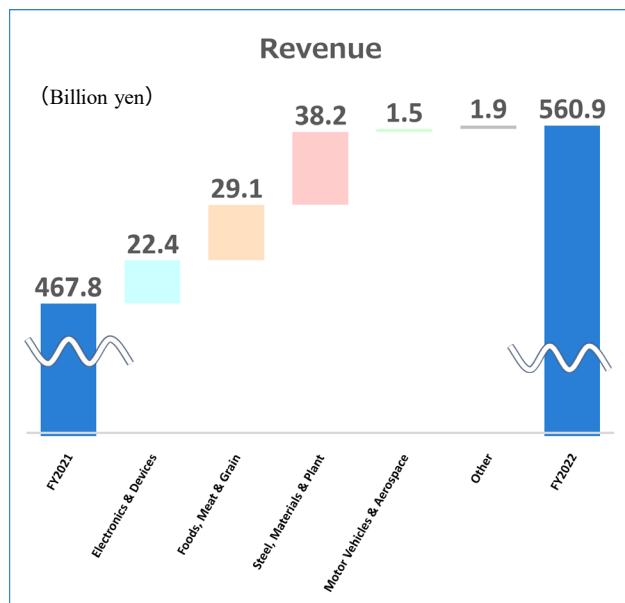
Increased 6.4 billion yen mainly due to a rise in the operating profit.

【Profit attributable to owners of the parent】

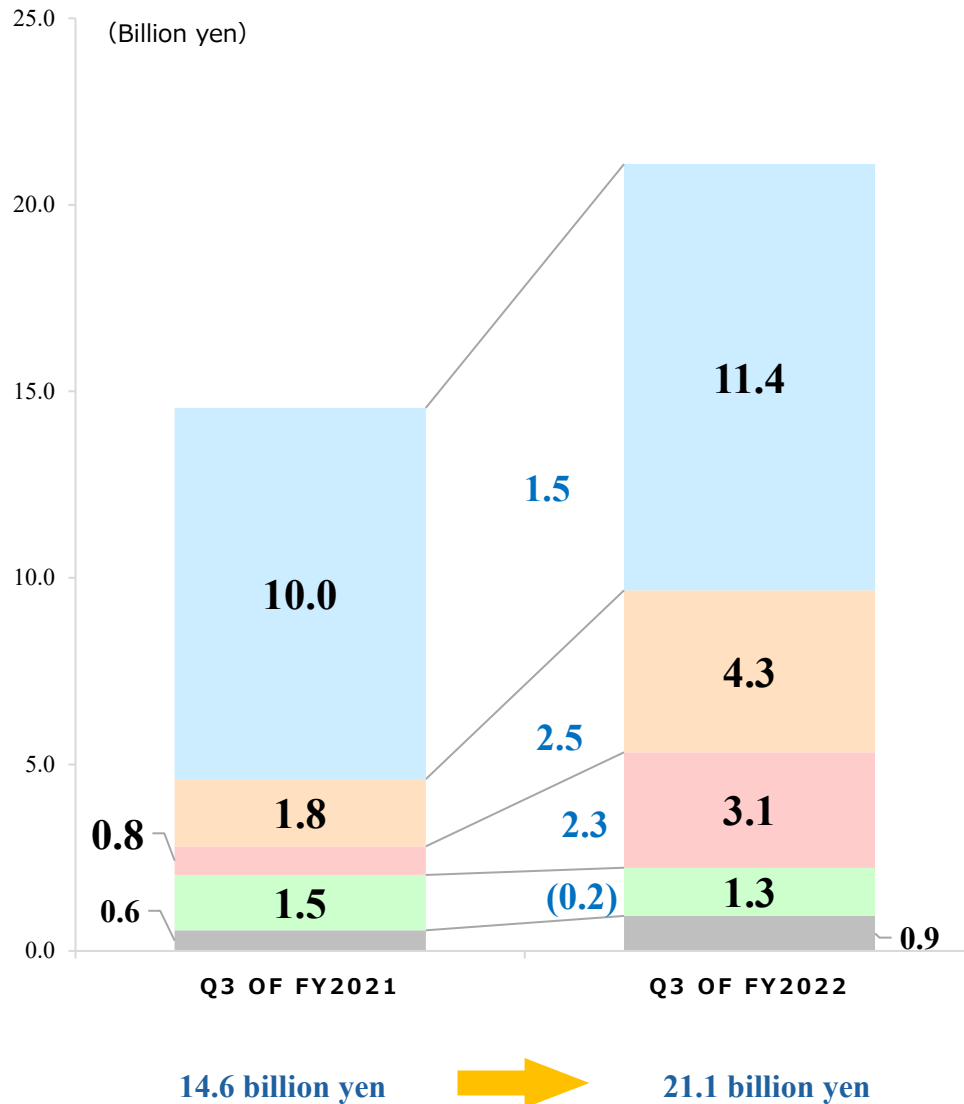
Increased 3.5 billion yen associated with a rise in profit before tax.

2. Segment information

(Unit: billion yen)		Revenue					Operating profit					Profit attributable to owners of the parent				
		Q3 of FY2021	Q3 of FY2022	Change	FY2022		Q3 of FY2021	Q3 of FY2022	Change	FY2022		Q3 of FY2021	Q3 of FY2022	Change	FY2022	
					Forecast	Progress				Forecast	Progress				Forecast	Progress
	Electronics & Devices	157.4	179.8	22.4	250.0	72%	10.0	11.4	1.5	18.4	62%	4.7	4.3	(0.5)	7.3	59%
	Foods, Meat & Grain	186.1	215.2	29.1	290.0	74%	1.8	4.3	2.5	4.8	91%	1.8	3.1	1.3	3.4	91%
	Steel, Materials & Plant	66.6	104.8	38.2	130.0	81%	0.8	3.1	2.3	4.1	76%	1.3	3.0	1.7	3.7	81%
	Motor Vehicles & Aerospace	49.6	51.1	1.5	70.0	73%	1.5	1.3	(0.2)	1.7	76%	1.0	1.0	0.0	1.3	77%
Total for reportable segments		459.8	551.0	91.2	740.0	75%	14.0	20.2	6.2	29.0	70%	8.8	11.4	2.6	15.7	73%
Other (including adjustment)		8.0	9.9	1.9	10.0	100%	0.6	0.9	0.4	1.0	94%	(0.2)	0.6	0.8	0.3	209%
Grand total		467.8	560.9	93.2	750.0	75%	14.6	21.1	6.5	30.0	70%	8.5	12.0	3.5	16.0	75%



3. Operating profit <Segment>



Causes of year-on-year increase/decrease

【Electronics & Devices】 1.5 billion yen up

The ICT solution business performed strongly, mainly due to growth in projects related to network security and storage-related projects. The mobile business was weak due to smaller fee income including monetary assistance provided to shops during the COVID-19 pandemic despite the recovery in the number of visitors to shops. The semiconductor parts and manufacturing equipment business remained strong with growth in shipments of in-vehicle semiconductor parts and semiconductor equipment, among others, on the back of robust 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 grain and feedstuff business remained firm under rising prices of grain and feedstuff. The food business was strong on the back of growth in transactions of products for the retail market.

【Steel, Materials & Plant】 2.3 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. The energy business was on the recovery trend thanks to the progress in deliveries.

【Motor Vehicles & Aerospace】 0.2 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)	3Q of FY2021	3Q of FY2022	Change
CF from operating activities	28.3	9.1	(19.3)
CF from investing activities	(5.0)	(10.3)	(5.3)
Free cash flows	23.3	(1.3)	(24.6)
CF from financing activities	(28.8)	7.9	36.7

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

CF from operating activities	5.9	6.2	0.3
CF from financing activities	(5.9)	(6.2)	(0.3)

【CF from operating activities】

Net cash provided by operating activities was 9.1 billion yen, mainly reflecting the accumulation of operating revenue.
Working capital increased with the recovery and expansion of sales activities and rise in product prices.

【CF from investing activities】

Net cash used in investing activities was 10.3 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 provided by financing activities was 7.9 billion yen, mainly due to an increase in short-term borrowings, despite expenditures such as the repayment of long-term borrowings and lease liabilities and the payment of dividends.

(Unit: billion yen)	3/2021	12/2021	Change
Total assets	557.5	609.5	52.0
Gross interest-bearing debt (Note 1)	122.2	143.9	21.7
Net interest-bearing debt	40.5	55.0	14.4
Shareholders' equity (Note 2)	143.9	151.8	7.9
Retained earnings	78.1	85.3	7.2
Other components of equity	12.4	12.9	0.6

(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】

Increased 52.0 billion yen mainly due to a rise in trade and other receivables following the recovery and expansion of sales activities and rise in product prices.

【Interest-bearing debt】

Increased 14.4 billion yen mainly due to a rise in short-term borrowings.

【Shareholders' equity】

Increased 7.9 billion yen chiefly due to a rise in profit attributable to owners of the parent.

Equity Ratio is 24.9%. Net debt-equity ratio stood at 0.4 times.

Equity ratio (Note 3)	25.8%	24.9%	0.9% down
Net debt-equity ratio (Note 4)	0.3 times	0.4 times	0.1pt up

(Note 3) Equity ratio = Shareholders' 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	65
Consolidated payout ratio	24.8%	30.3%	34.8%	37.6%	33.9%

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

