

Supplementary Material of Consolidated Financial Results for the Fiscal Year Ended March 31, 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.

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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. Profit attributable to owners of the parent rose 20% year on year.

◇Revenue	768.0 billion yen	18.3% up
◇Operating profit	29.3 billion yen	24.2% up
◇Profit before tax	28.8 billion yen	22.0% up
◇Profit attributable to owners of the parent	16.0 billion yen	20.1% up

- For the fiscal year ending March 31, 2023, profit attributable to owners of the parent is forecast to grow by 12.6% year on year to 18.0 billion yen with the anticipated contribution to profits from business investments.

1. Profit & loss statement

(Unit : billion yen)		End of March 31, 2021	End of March 31, 2022	Year-on-year		End of March 31, 2023	
				Change	Change(%)	Forecast	YoY Change(%)
Revenue		649.1	768.0	118.8	18.3%	850.0	10.7%
Gross profit		101.5	111.8	10.3	10.1%	-	-
Selling, general and administrative expenses		(78.9)	(85.1)	(6.2)	-	-	-
Other income (expenses)		1.0	2.6	1.6	161.5%	-	-
Operating profit		23.6	29.3	5.7	24.2%	31.5	7.3%
	Interest income (expenses)	(1.7)	(1.5)	0.1	-	-	-
	Dividend income	1.1	1.1	0.0	-	-	-
	Other finance income (costs)	(0.2)	(1.6)	(1.4)	-	-	-
Finance income (costs)		(0.7)	(2.0)	(1.3)	-	-	-
Share of profit (loss) of investments accounted for using the equity method		0.7	1.5	0.8	109.7%	-	-
Profit before tax		23.6	28.8	5.2	22.0%	32.0	11.2%
Income tax expense		(7.3)	(8.2)	(0.9)	-	-	-
Profit for the period		16.3	20.6	4.3	26.5%	-	-
Profit attributable to owners of the parent		13.3	16.0	2.7	20.1%	18.0	12.6%
Earnings per share (yen)		159.44	191.42	31.98	20.1%	215.53	12.6%

【Revenue】

Increased 118.8 billion yen, driven by the Steel, Materials & Plant segment and Foods, Meat & Grain segment.

【Operating profit】

Grew 5.7 billion yen, driven by the Steel, Materials & Plant segment and the Foods, Meat & Grain segment.

【Profit before tax】

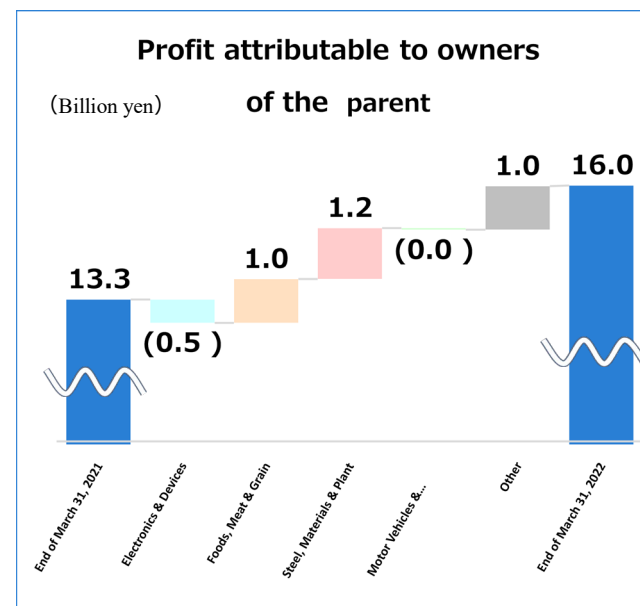
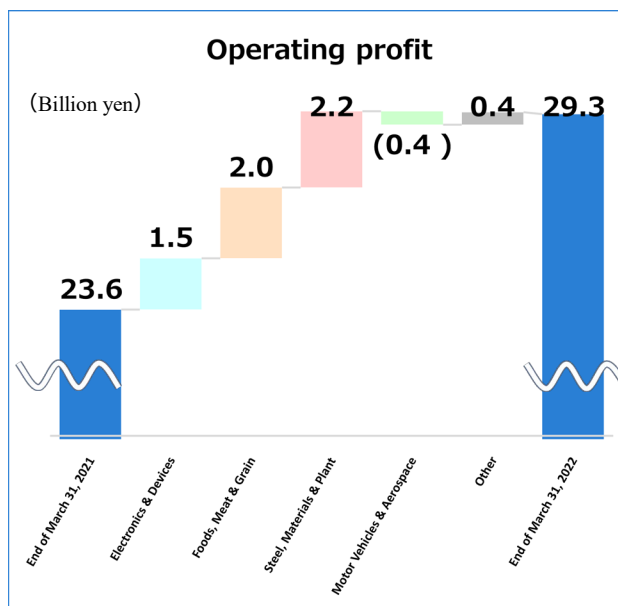
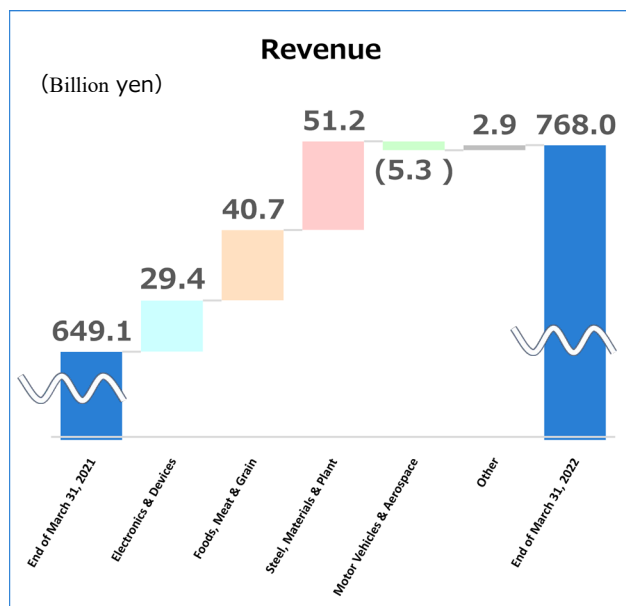
Increased 5.2 billion yen mainly due to a rise in operating profit.

【Profit attributable to owners of the parent】

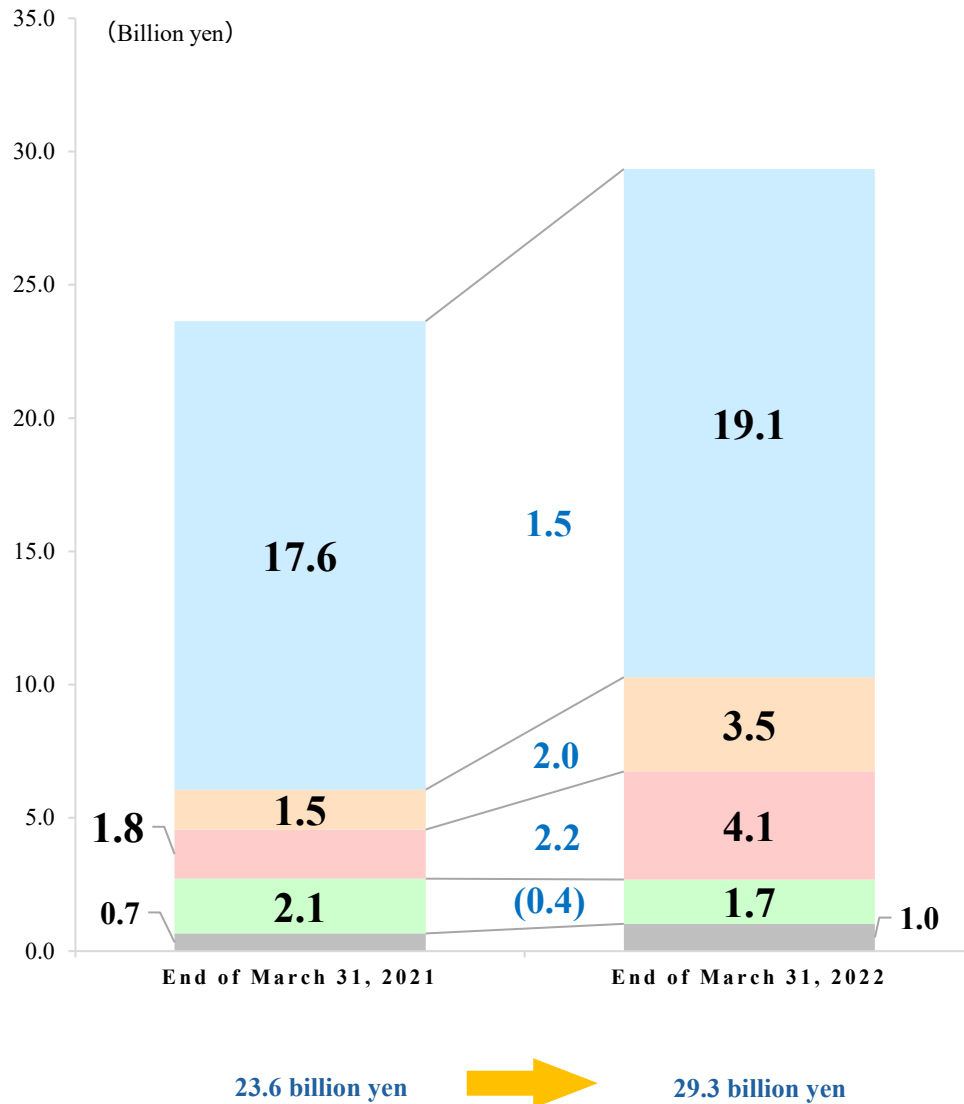
Increased 2.7 billion yen associated with a rise in profit before tax.

2. Segment information

(Unit: billion yen)		Revenue					Operating profit					Profit attributable to owners of the parent				
		End of March 31, 2021	End of March 31, 2022	Change	FYE2023		End of March 31, 2021	End of March 31, 2022	Change	FYE2023		End of March 31, 2021	End of March 31, 2022	Change	FYE2023	
					Forecast	YoY Change				Forecast	YoY Change				Forecast	YoY Change
	Electronics & Devices	226.1	255.5	29.4	280.0	10%	17.6	19.1	1.5	20.0	5%	8.5	7.9	(0.5)	9.5	20%
	Foods, Meat & Grain	244.6	285.3	40.7	305.0	7%	1.5	3.5	2.0	3.6	2%	1.5	2.5	1.0	2.8	11%
	Steel, Materials & Plant	96.8	148.0	51.2	170.0	15%	1.8	4.1	2.2	5.3	31%	2.1	3.3	1.2	3.9	20%
	Motor Vehicles & Aerospace	71.1	65.8	(5.3)	80.0	22%	2.1	1.7	(0.4)	1.7	2%	1.5	1.5	(0.0)	1.5	3%
Total for reportable segments		638.6	754.6	115.9	835.0	11%	23.0	28.3	5.4	30.6	8%	13.5	15.2	1.6	17.7	17%
Other (including adjustment)		10.5	13.4	2.9	15.0	12%	0.7	1.0	0.4	0.9	(12%)	(0.2)	0.8	1.0	0.3	(63%)
Grand total		649.1	768.0	118.8	850.0	11%	23.6	29.3	5.7	31.5	7%	13.3	16.0	2.7	18.0	13%



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 the growth in projects related to network security and storage-related projects. The mobile business was weak due to the smaller fee income including monetary assistance provided to shops during the COVID-19 pandemic, although foot traffic recovered. The semiconductor parts and manufacturing equipment business remained strong with the growth in shipments of in-vehicle semiconductor parts and semiconductor equipment, among others, on the back of robust demand.

【Foods, Meat & Grain】 2.0 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 the rising prices of livestock products in general. The grain and feedstuff business was weak mainly due to valuation losses resulting from the skyrocketing prices in 4Q. The foods business was strong on the back of the growth in the transactions of products for the retail market.

【Steel, Materials & Plant】 2.2 billion yen up

The steel tubing business performed solidly following the recovery of energy demand. The machine tools and industrial machinery business remained strong, recovering from the business environment in the previous year when the business had been strongly affected by COVID-19. Meanwhile, the energy business was weak due to the valuation losses of futures contracts.

【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 market recovery from the COVID-19 pandemic and the cheaper yen.

4. Cash Flows and Financial Status

(Unit: billion yen)	End of March 31, 2021	End of March 31, 2022	Change
CF from operating activities	37.0	15.4	(21.6)
CF from investing activities	(9.9)	(10.5)	(0.6)
Free cash flows	27.1	4.8	(22.2)
CF from financing activities	(37.5)	4.2	41.7

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

CF from operating activities	7.9	8.2	0.3
CF from financing activities	(7.9)	(8.2)	(0.3)

【CF from operating activities】

Net cash provided by operating activities was 15.4 billion yen, mainly reflecting the accumulation of operating revenue. Working capital increased with the recovery and expansion of sales activities and rises in product prices.

【CF from investing activities】

Net cash used in investing activities was 10.5 billion yen mainly due to 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 4.2 billion yen, mainly due to an increase in short-term borrowings and the issuance of bonds.

(Unit: billion yen)	End of March 31, 2021	End of March 31, 2022	Change
Total assets	557.5	634.5	77.0
Gross interest-bearing debt (Note 1)	122.2	143.5	21.3
Net interest-bearing debt	40.5	51.2	10.7
Shareholders' equity (Note 2)	143.9	159.5	15.6
Retained earnings	78.1	89.3	11.2
Other components of equity	12.4	16.6	4.2

(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】

Increased 77.0 billion yen mainly due to a rise in trade and other receivables and inventories following the recovery and expansion of sales activities and rise in product prices.

【Interest-bearing debt】

Increased 10.7 billion yen mainly due to a rise in short-term borrowings.

【Shareholders' equity】

Increased 15.6 billion yen chiefly due to the accumulation of profit attributable to owners of the parent and increases in other capital components resulting from yen depreciation.

Equity ratio is 25.1%. Net debt-equity ratio stood at 0.3 times.

Equity ratio (Note 3)	25.8%	25.1%	0.7% down
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

5. Dividends and Capital Efficiency

【Dividends】

	End of March 31, 2019	End of March 31, 2020	End of March 31, 2021	End of March 31, 2022	End of March 31, 2023 (forecast)
Annual dividend (yen per share)	60	60	60	65	70
Consolidated payout ratio	30.3%	34.8%	37.6%	34.0%	32.5%

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

