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Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 12, 2022

Company name: RHEON AUTOMATIC MACHINERY CO., LTD.

Stock exchange listing: Tokyo

Code number: 6272

URL: <https://www.rheon.com>

Representative: Mikio Kobayashi

President & C.E.O.

Contact: Tadao Fukuda

Managing Operating Officer

Phone: 028-665-1111

Scheduled date of Annual General Meeting of Shareholders: June 28, 2022

Scheduled date of commencing dividend payments: June 29, 2022

Scheduled date of filing annual securities report: June 30, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	26,585	19.3	1,099	(21.7)	1,468	(9.5)	1,486	(7.6)
March 31, 2021	22,280	(17.2)	1,404	(51.4)	1,622	(44.7)	1,608	(18.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 2,217 million [(2.2)%]
Fiscal year ended March 31, 2021: ¥ 2,266 million [32.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	55.47	55.34	5.4	4.1	4.1
March 31, 2021	60.03	59.90	6.3	4.9	6.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million
Fiscal year ended March 31, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	36,651	28,377	77.2	1,055.92
March 31, 2021	34,124	26,632	77.8	991.12

(Reference) Equity: As of March 31, 2022: ¥ 28,303 million
As of March 31, 2021: ¥ 26,560 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	3,648	(748)	(565)	10,000
March 31, 2021	2,715	(573)	380	7,484

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	7.00	-	10.00	17.00	455	28.3	1.8
March 31, 2022	-	8.00	-	8.00	16.00	428	28.8	1.6
Fiscal year ending March 31, 2023 (Forecast)	-	12.00	-	12.00	24.00		29.4	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	14,800	16.6	870	11.2	900	8.3	840	8.0	31.34
Full year	31,420	18.2	2,540	131.0	2,550	73.7	2,190	47.3	81.70

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2022: 28,392,000 shares

March 31, 2021: 28,392,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 1,587,157 shares

March 31, 2021: 1,593,686 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 26,802,852 shares

Fiscal Year ended March 31, 2021: 26,798,482 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	15,607	11.3	1,210	54.0	1,962	47.0	1,853	10.0
March 31, 2021	14,023	(23.6)	786	(63.7)	1,334	(43.4)	1,684	4.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	69.14	68.98
March 31, 2021	62.87	62.73

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	29,317	23,532	80.0	875.17
March 31, 2021	27,500	22,147	80.3	823.77

(Reference) Equity: As of March 31, 2022: ¥ 23,458 million
As of March 31, 2021: ¥ 22,075 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	7,484,219	10,000,186
Notes and accounts receivable - trade	2,690,355	2,330,771
Merchandise and finished goods	4,170,084	4,474,788
Work in process	975,989	1,675,657
Raw materials and supplies	328,369	431,829
Other	1,326,759	903,724
Allowance for doubtful accounts	(14,548)	(24,604)
Total current assets	16,961,228	19,792,353
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,017,115	15,340,529
Accumulated depreciation	(7,737,700)	(8,077,671)
Buildings and structures, net	7,279,414	7,262,857
Machinery, equipment and vehicles	7,931,499	8,516,409
Accumulated depreciation	(6,380,314)	(7,112,203)
Machinery, equipment and vehicles, net	1,551,185	1,404,205
Tools, furniture and fixtures	1,924,816	1,964,886
Accumulated depreciation	(1,728,089)	(1,819,455)
Tools, furniture and fixtures, net	196,726	145,431
Land	4,093,968	3,908,191
Leased assets	45,286	45,286
Accumulated depreciation	(42,045)	(44,203)
Leased assets, net	3,241	1,082
Construction in progress	35,058	241,252
Total property, plant and equipment	13,159,594	12,963,021
Intangible assets	1,463,960	1,237,879
Investments and other assets		
Investment securities	976,863	975,683
Retirement benefit asset	1,407,227	1,454,691
Other	161,992	233,886
Allowance for doubtful accounts	(6,036)	(5,581)
Total investments and other assets	2,540,046	2,658,680
Total non-current assets	17,163,601	16,859,580
Total assets	34,124,830	36,651,934

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	740,599	1,143,424
Short-term borrowings	734,006	703,678
Lease liabilities	2,334	583
Accrued expenses	587,624	594,887
Income taxes payable	231,165	422,950
Advances received	1,205,429	1,936,308
Provision for bonuses	485,486	600,348
Provision for bonuses for directors (and other officers)	11,600	2,500
Accounts payable - other	959,295	643,548
Other	121,154	226,682
Total current liabilities	5,078,696	6,274,914
Non-current liabilities		
Long-term borrowings	1,406,934	1,362,927
Lease liabilities	1,154	571
Deferred tax liabilities	573,083	204,669
Deferred tax liabilities for land revaluation	347,422	347,009
Asset retirement obligations	36,240	36,266
Other	48,705	48,078
Total non-current liabilities	2,413,540	1,999,523
Total liabilities	7,492,237	8,274,437
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus	7,069,407	7,075,427
Retained earnings	14,591,084	15,579,255
Treasury shares	(773,996)	(771,143)
Total shareholders' equity	28,238,245	29,235,289
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	345,996	349,537
Revaluation reserve for land	(1,708,996)	(1,692,816)
Foreign currency translation adjustment	(466,919)	245,826
Remeasurements of defined benefit plans	151,997	166,023
Total accumulated other comprehensive income	(1,677,921)	(931,429)
Share acquisition rights	72,268	73,636
Total net assets	26,632,592	28,377,496
Total liabilities and net assets	34,124,830	36,651,934

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	22,280,945	26,585,005
Cost of sales	12,359,219	15,783,795
Gross profit	9,921,725	10,801,210
Selling, general and administrative expenses		
Advertising expenses	87,851	133,726
Packing and transportation costs	826,963	1,620,994
Provision of allowance for doubtful accounts	6,981	11,044
Sales commission	445,436	590,099
Salaries and allowances	3,017,930	3,147,559
Provision for bonuses	273,294	339,339
Provision for bonuses for directors (and other officers)	11,600	2,500
Retirement benefit expenses	176,038	152,213
Travel and transportation expenses	256,959	323,731
Depreciation	502,491	539,459
Research and development expenses	545,190	535,275
Other	2,366,897	2,305,840
Total selling, general and administrative expenses	8,517,635	9,701,784
Operating profit	1,404,090	1,099,426
Non-operating income		
Interest income	3,644	6,281
Dividend income	20,565	19,884
Gain on sale of goods	10,832	21,434
Foreign exchange gains	42,027	86,137
Subsidy income	58,129	102,400
Surrender value of insurance policies	1,965	7,090
Sold power	23,963	22,937
Other	99,358	142,349
Total non-operating income	260,486	408,515
Non-operating expenses		
Interest expenses	16,050	14,125
Sold power expenses	11,992	9,911
Loss on sale of non-current assets	30	7,321
Loss on retirement of non-current assets	11,286	5,293
Other	2,724	2,999
Total non-operating expenses	42,083	39,651
Ordinary profit	1,622,493	1,468,289
Extraordinary income		
Gain on sale of non-current assets	684,706	-
Reversal of provision for loss on litigation	19,010	-
Insurance claim income	-	50,409
Total extraordinary income	703,717	50,409
Extraordinary losses		
Impairment losses	228,577	-
Loss on valuation of investment securities	28,231	-
Head office relocation expenses	79,618	-
Special investigation expenses	-	80,258
Total extraordinary losses	336,427	80,258
Profit before income taxes	1,989,782	1,438,440

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Income taxes - current	190,978	403,984
Income taxes - deferred	190,172	(452,316)
Total income taxes	381,150	(48,332)
Profit	1,608,632	1,486,773
Profit attributable to owners of parent	1,608,632	1,486,773

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	1,608,632	1,486,773
Other comprehensive income		
Valuation difference on available-for-sale securities	177,238	3,541
Foreign currency translation adjustment	281,186	712,745
Remeasurements of defined benefit plans, net of tax	199,551	14,025
Total other comprehensive income	657,975	730,312
Comprehensive income	2,266,607	2,217,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,266,607	2,217,085

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351,750	7,069,407	17,272,996	(773,557)	30,920,595
Cumulative effects of changes in accounting policies			(93,326)		(93,326)
Restated balance	7,351,750	7,069,407	17,179,670	(773,557)	30,827,269
Changes during period					
Dividends of surplus			(375,180)		(375,180)
Profit attributable to owners of parent			1,608,632		1,608,632
Purchase of treasury shares				(438)	(438)
Disposal of treasury shares					-
Reversal of revaluation reserve for land			(3,822,037)		(3,822,037)
Issuance of share acquisition rights					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(2,588,585)	(438)	(2,589,024)
Balance at end of period	7,351,750	7,069,407	14,591,084	(773,996)	28,238,245

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	168,757	(5,531,033)	(748,105)	(47,553)	(6,157,934)	55,337	24,817,998
Cumulative effects of changes in accounting policies							(93,326)
Restated balance	168,757	(5,531,033)	(748,105)	(47,553)	(6,157,934)	55,337	24,724,672
Changes during period							
Dividends of surplus							(375,180)
Profit attributable to owners of parent							1,608,632
Purchase of treasury shares							(438)
Disposal of treasury shares							-
Reversal of revaluation reserve for land		3,822,037			3,822,037		-
Issuance of share acquisition rights						16,931	16,931
Net changes in items other than shareholders' equity	177,238	-	281,186	199,551	657,975	-	657,975
Total changes during period	177,238	3,822,037	281,186	199,551	4,480,012	16,931	1,907,919

Balance at end of period	345,996	(1,708,996)	(466,919)	151,997	(1,677,921)	72,268	26,632,592
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For the fiscal year ended March 31,2022

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,351,750	7,069,407	14,591,084	(773,996)	28,238,245
Cumulative effects of changes in accounting policies					-
Restated balance	7,351,750	7,069,407	14,591,084	(773,996)	28,238,245
Changes during period					
Dividends of surplus			(482,422)		(482,422)
Profit attributable to owners of parent			1,486,773		1,486,773
Purchase of treasury shares				(498)	(498)
Disposal of treasury shares		6,020		3,351	9,371
Reversal of revaluation reserve for land			(16,179)		(16,179)
Issuance of share acquisition rights					-
Net changes in items other than shareholders' equity					
Total changes during period	-	6,020	988,171	2,853	997,044
Balance at end of period	7,351,750	7,075,427	15,579,255	(771,143)	29,235,289

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	345,996	(1,708,996)	(466,919)	151,997	(1,677,921)	72,268	26,632,592
Cumulative effects of changes in accounting policies							-
Restated balance	345,996	(1,708,996)	(466,919)	151,997	(1,677,921)	72,268	26,632,592
Changes during period							
Dividends of surplus							(482,422)
Profit attributable to owners of parent							1,486,773
Purchase of treasury shares							(498)
Disposal of treasury shares						(9,364)	6
Reversal of revaluation reserve for land		16,179			16,179		-
Issuance of share acquisition rights						10,732	10,732
Net changes in items other than shareholders' equity	3,541	-	712,745	14,025	730,312	-	730,312
Total changes during period	3,541	16,179	712,745	14,025	746,491	1,367	1,744,903
Balance at end of period	349,537	(1,692,816)	245,826	166,023	(931,429)	73,636	28,377,496

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	1,989,782	1,438,440
Share-based payment expenses	16,931	10,732
Depreciation	1,112,272	1,124,779
Impairment losses	228,577	-
Increase (decrease) in allowance for doubtful accounts	(7,092)	7,288
Increase (decrease) in provision for bonuses	(145,878)	114,501
Increase (decrease) in provision for bonuses for directors (and other officers)	(10,100)	(9,100)
Increase (decrease) in provision for loss on litigation	(19,010)	-
Interest and dividend income	(24,210)	(26,165)
Surrender value of insurance policies	(1,965)	(7,090)
Interest expenses	16,050	14,125
Loss on retirement of property, plant and equipment	11,286	5,293
Loss (gain) on sale and retirement of property, plant and equipment	(686,958)	(24,209)
Loss (gain) on valuation of investment securities	28,231	-
Decrease (increase) in retirement benefit asset	6,208	(27,298)
Decrease (increase) in trade receivables	101,213	436,295
Decrease (increase) in inventories	455,850	(905,333)
Decrease (increase) in consumption taxes refund receivable	109,860	(76,164)
Decrease (increase) in other current assets	(199,970)	112,033
Increase (decrease) in accrued expenses	159,384	(5,088)
Increase (decrease) in trade payables	(152,152)	323,247
Increase (decrease) in accrued consumption taxes	(5,897)	125,505
Increase (decrease) in other current liabilities	(98,707)	884,150
Increase (decrease) in other non-current liabilities	(2,069)	(624)
Other, net	502,174	(34,769)
Subtotal	3,383,809	3,480,549
Interest and dividends received	24,210	26,165
Interest paid	(16,670)	(14,924)
Income taxes paid	(675,900)	(372,678)
Income taxes refund	197	529,564
Net cash provided by (used in) operating activities	2,715,645	3,648,677

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,374,017)	(1,014,586)
Proceeds from sale of property, plant and equipment	1,262,845	285,993
Purchase of intangible assets	(400,949)	(13,657)
Purchase of investment securities	(7,776)	(7,669)
Purchase of insurance funds	(4,332)	(6,299)
Proceeds from cancellation of insurance funds	1,965	8,861
Payments for asset retirement obligations	(35,185)	-
Other, net	(16,048)	(935)
Net cash provided by (used in) investing activities	(573,497)	(748,293)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(68,180)	(108,180)
Proceeds from long-term borrowings	1,200,000	350,000
Repayments of long-term borrowings	(367,754)	(321,494)
Repayments of lease liabilities	(6,972)	(2,352)
Purchase of treasury shares	(438)	(498)
Dividends paid	(376,537)	(483,144)
Net cash provided by (used in) financing activities	380,116	(565,670)
Effect of exchange rate change on cash and cash equivalents	141,291	181,251
Net increase (decrease) in cash and cash equivalents	2,663,556	2,515,966
Cash and cash equivalents at beginning of period	4,820,663	7,484,219
Cash and cash equivalents at end of period	7,484,219	10,000,186

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	4,595,825	7,453,044
Notes receivable - trade	70,255	57,755
Accounts receivable - trade	2,677,684	1,972,516
Merchandise	69,502	83,067
Finished goods	1,172,431	1,213,486
Semi-finished goods	1,419,756	1,568,133
Raw materials	100,774	67,667
Work in process	956,280	1,627,896
Supplies	34,325	34,680
Prepaid expenses	125,423	186,099
Other	629,195	102,778
Allowance for doubtful accounts	(1,420)	(744)
Current assets	11,850,033	14,366,381
Non-current assets		
Property, plant and equipment		
Buildings	8,984,863	8,725,207
Accumulated depreciation	(4,646,920)	(4,589,392)
Buildings, net	4,337,942	4,135,815
Structures	518,561	599,129
Accumulated depreciation	(435,961)	(420,173)
Structures, net	82,599	178,956
Machinery and equipment	3,207,897	3,174,137
Accumulated depreciation	(2,600,910)	(2,666,892)
Machinery and equipment, net	606,987	507,244
Vehicles	155,397	153,979
Accumulated depreciation	(145,503)	(147,680)
Vehicles, net	9,894	6,298
Tools, furniture and fixtures	1,502,778	1,508,192
Accumulated depreciation	(1,385,012)	(1,431,085)
Tools, furniture and fixtures, net	117,766	77,107
Land	3,290,095	3,034,348
Leased assets	43,332	43,332
Accumulated depreciation	(40,839)	(42,726)
Leased assets, net	2,492	605
Construction in progress	3,751	3,836
Property, plant and equipment	8,451,528	7,944,212
Intangible assets		
Software	1,420,040	1,115,387
Software in progress	-	81,209
Other	7,104	7,023
Intangible assets	1,427,145	1,203,620

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Investments and other assets		
Investment securities	976,863	975,683
Shares of subsidiaries and associates	3,447,120	3,447,120
Investments in capital	7,170	7,170
Investments in capital of subsidiaries and associates	56,877	56,877
Distressed receivables	797	797
Long-term prepaid expenses	10,862	9,481
Prepaid pension costs	1,188,651	1,215,947
Other	84,199	91,476
Allowance for doubtful accounts	(797)	(797)
Investments and other assets	5,771,744	5,803,756
Non-current assets	15,650,418	14,951,589
Assets	27,500,452	29,317,970
Liabilities		
Current liabilities		
Accounts payable - trade	610,674	871,746
Short-term borrowings	400,000	340,000
Current portion of long-term borrowings	241,542	266,542
Lease liabilities	2,038	335
Accounts payable - other	810,344	342,288
Accrued expenses	480,259	453,756
Income taxes payable	94,347	268,129
Advances received	427,327	808,328
Deposits received	31,042	32,727
Provision for bonuses	458,208	572,838
Provision for bonuses for directors (and other officers)	11,600	2,500
Other	486	109,823
Current liabilities	3,567,871	4,069,017
Non-current liabilities		
Long-term borrowings	1,153,550	1,202,007
Lease liabilities	639	303
Deferred tax liabilities	206,576	90,572
Deferred tax liabilities for land revaluation	347,422	347,009
Asset retirement obligations	29,955	29,955
Other	46,606	46,797
Non-current liabilities	1,784,750	1,716,645
Liabilities	5,352,621	5,785,663

(Thousand yen)

	As of March 31,2021	As of March 31,2022
Net assets		
Shareholders' equity		
Share capital	7,351,750	7,351,750
Capital surplus		
Legal capital surplus	2,860,750	2,860,750
Other capital surplus	4,208,657	4,214,677
Capital surplus	7,069,407	7,075,427
Retained earnings		
Legal retained earnings	409,094	409,094
Other retained earnings		
General reserve	9,940,000	8,680,000
Retained earnings brought forward	(557,693)	2,056,821
Retained earnings	9,791,401	11,145,916
Treasury shares	(773,996)	(771,143)
Shareholders' equity	23,438,562	24,801,950
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	345,996	349,537
Revaluation reserve for land	(1,708,996)	(1,692,816)
Valuation and translation adjustments	(1,363,000)	(1,343,279)
Share acquisition rights	72,268	73,636
Net assets	22,147,830	23,532,307
Liabilities and net assets	27,500,452	29,317,970

Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales		
Net sales of finished goods	9,688,879	10,620,302
Net sales of goods	746,258	930,136
Other sales	3,588,505	4,056,659
Total net sales	14,023,643	15,607,097
Cost of sales		
Beginning finished goods inventory	1,418,875	1,172,431
Beginning merchandise inventory	148,576	69,502
Cost of products manufactured	5,251,964	6,480,040
Cost of purchased goods	381,109	481,356
Other costs	1,248,837	1,266,622
Total	8,449,362	9,469,954
Ending finished goods inventory	1,172,431	1,213,486
Ending merchandise inventory	69,502	83,067
Total cost of sales	7,207,428	8,173,400
Gross profit	6,816,215	7,433,697
Selling, general and administrative expenses		
Advertising expenses	71,471	77,517
Packing and transportation costs	282,086	517,787
Provision of allowance for doubtful accounts	188	(676)
Sales commission	28,250	54,509
Delivery examination expenses	22,836	22,051
Promotion expenses	10,770	8,815
Remuneration for directors (and other officers)	137,530	122,370
Salaries and allowances	2,210,618	2,242,729
Provision for bonuses	270,156	336,774
Provision for bonuses for directors (and other officers)	11,600	2,500
Retirement benefit expenses	166,853	142,746
Legal welfare expenses	420,140	360,321
Welfare expenses	65,745	73,534
Travel and transportation expenses	202,135	211,291
Entertainment expenses	1,801	2,543
Communication expenses	33,882	32,543
Rent expenses	156,250	166,820
Supplies expenses	102,632	35,680
Utilities expenses	49,286	38,012
Depreciation	452,312	488,490
Taxes and dues	166,191	247,884
Research and development expenses	545,190	535,275
Commission expenses	59,010	61,398
Other	563,197	441,895
Total selling, general and administrative expenses	6,030,138	6,222,816
Operating profit	786,076	1,210,880

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Non-operating income		
Interest income	1,576	1,949
Dividend income	450,465	544,174
Commission income	379	415
Gain on sale of goods	10,832	21,434
Foreign exchange gains	48,315	93,271
Subsidy income	-	53,136
Sold power	23,963	22,937
Other	45,286	49,682
Total non-operating income	580,819	787,001
Non-operating expenses		
Interest expenses	10,744	11,477
Sold power expenses	11,992	9,911
Loss on retirement of non-current assets	9,179	11,305
Other	8	2,273
Total non-operating expenses	31,925	34,967
Ordinary profit	1,334,970	1,962,914
Extraordinary income		
Gain on sale of non-current assets	684,706	-
Reversal of provision for loss on litigation	19,010	-
Insurance claim income	-	50,409
Total extraordinary income	703,717	50,409
Extraordinary losses		
Impairment losses	228,577	-
Loss on valuation of investment securities	28,231	-
Head office relocation expenses	79,618	-
Special investigation expenses	-	80,258
Total extraordinary losses	336,427	80,258
Profit before income taxes	1,702,260	1,933,065
Income taxes - current	38,256	183,975
Income taxes - deferred	(20,740)	(104,027)
Total income taxes	17,516	79,947
Profit	1,684,743	1,853,117

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,351,750	2,860,750	4,208,657	7,069,407
Cumulative effects of changes in accounting policies				
Restated balance	7,351,750	2,860,750	4,208,657	7,069,407
Changes during period				
Dividends of surplus				
Profit				
Reversal of general reserve				
Purchase of treasury shares				
Disposal of treasury shares				
Reversal of revaluation reserve for land				
Issuance of share acquisition rights				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	7,351,750	2,860,750	4,208,657	7,069,407

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings			
		General reserve	Retained earnings brought forward				
Balance at beginning of period	409,094	9,940,000	2,021,747	12,370,842	(773,557)	26,018,442	
Cumulative effects of changes in accounting policies			(66,967)	(66,967)		(66,967)	
Restated balance	409,094	9,940,000	1,954,780	12,303,875	(773,557)	25,951,474	
Changes during period							
Dividends of surplus			(375,180)	(375,180)		(375,180)	
Profit			1,684,743	1,684,743		1,684,743	
Reversal of general reserve						-	
Purchase of treasury shares					(438)	(438)	
Disposal of treasury shares						-	
Reversal of revaluation reserve for land			(3,822,037)	(3,822,037)		(3,822,037)	
Issuance of share acquisition rights						-	

Net changes in items other than shareholders' equity						
Total changes during period	-	-	(2,512,473)	(2,512,473)	(438)	(2,512,912)
Balance at end of period	409,094	9,940,000	(557,693)	9,791,401	(773,996)	23,438,562

(単位：千円)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	168,757	(5,531,033)	(5,362,275)	55,337	20,711,503
Cumulative effects of changes in accounting policies					(66,967)
Restated balance	168,757	(5,531,033)	(5,362,275)	55,337	20,644,536
Changes during period					
Dividends of surplus					(375,180)
Profit					1,684,743
Reversal of general reserve					-
Purchase of treasury shares					(438)
Disposal of treasury shares					-
Reversal of revaluation reserve for land		3,822,037	3,822,037		-
Issuance of share acquisition rights				16,931	16,931
Net changes in items other than shareholders' equity	177,238	-	177,238	-	177,238
Total changes during period	177,238	3,822,037	3,999,275	16,931	1,503,294
Balance at end of period	345,996	(1,708,996)	(1,363,000)	72,268	22,147,830

For the fiscal year ended March 31,2022

(Thousand yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	7,351,750	2,860,750	4,208,657	7,069,407
Cumulative effects of changes in accounting policies				
Restated balance	7,351,750	2,860,750	4,208,657	7,069,407
Changes during period				
Dividends of surplus				
Profit				
Reversal of general reserve				
Purchase of treasury shares				
Disposal of treasury shares			6,020	6,020
Reversal of revaluation reserve for land				
Issuance of share acquisition rights				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	6,020	6,020
Balance at end of period	7,351,750	2,860,750	4,214,677	7,075,427

	Shareholders' equity						
	Retained earnings					Treasury shares	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings			
		General reserve	Retained earnings brought forward				
Balance at beginning of period	409,094	9,940,000	(557,693)	9,791,401	(773,996)	23,438,562	
Cumulative effects of changes in accounting policies				-		-	
Restated balance	409,094	9,940,000	(557,693)	9,791,401	(773,996)	23,438,562	
Changes during period							
Dividends of surplus			(482,422)	(482,422)		(482,422)	
Profit			1,853,117	1,853,117		1,853,117	
Reversal of general reserve		(1,260,000)	1,260,000			-	
Purchase of treasury shares					(498)	(498)	
Disposal of treasury shares					3,351	9,371	
Reversal of revaluation reserve for land			(16,179)	(16,179)		(16,179)	
Issuance of share acquisition rights						-	

Net changes in items other than shareholders' equity						
Total changes during period	-	(1,260,000)	2,614,515	1,354,515	2,853	1,363,388
Balance at end of period	409,094	8,680,000	2,056,821	11,145,916	(771,143)	24,801,950

(単位：千円)

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	345,996	(1,708,996)	(1,363,000)	72,268	22,147,830
Cumulative effects of changes in accounting policies					-
Restated balance	345,996	(1,708,996)	(1,363,000)	72,268	22,147,830
Changes during period					
Dividends of surplus					(482,422)
Profit					1,853,117
Reversal of general reserve					-
Purchase of treasury shares					(498)
Disposal of treasury shares				(9,364)	6
Reversal of revaluation reserve for land		16,179	16,179		-
Issuance of share acquisition rights				10,732	10,732
Net changes in items other than shareholders' equity	3,541	-	3,541	-	3,541
Total changes during period	3,541	16,179	19,720	1,367	1,384,477
Balance at end of period	349,537	(1,692,816)	(1,343,279)	73,636	23,532,307