

3. Forecasts of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	31,500	21.5	800	–	1,100	–	600	–	96.74

Note: Revisions to the financial result forecasts most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2021	6,699,986 shares	As of March 31, 2021	6,699,986 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	491,376 shares	As of March 31, 2021	497,652 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	6,206,152 shares	Nine months ended December 31, 2020	6,278,088 shares
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* Number of treasury shares excluded for calculating the number of treasury shares at the end of the period and average number of shares during the period include the Company's shares held by the trust account related to stock remuneration system (BBT=Board Benefit Trust).

* Quarterly financial results reports are exempt from quarterly review procedures conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable and actual results may differ substantially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	7,287	9,849
Notes and accounts receivable - trade	7,822	–
Notes and accounts receivable - trade, and contract assets	–	7,575
Electronically recorded monetary claims - operating	1,827	2,142
Merchandise and finished goods	1,639	1,725
Work in process	2,709	3,745
Raw materials and supplies	1,519	1,991
Other	1,169	893
Allowance for doubtful accounts	-30	-18
Total current assets	23,943	27,905
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,873	3,701
Machinery, equipment and vehicles, net	1,128	984
Land	4,823	4,748
Construction in progress	1	20
Other, net	555	495
Total property, plant and equipment	10,382	9,950
Intangible assets	510	460
Investments and other assets		
Investment securities	4,986	5,400
Long-term loans receivable	22	23
Deferred tax assets	150	65
Other	1,109	437
Allowance for doubtful accounts	-212	-53
Total investments and other assets	6,056	5,873
Total non-current assets	16,949	16,284
Total assets	40,893	44,190

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,233	2,560
Electronically recorded obligations - operating	3,265	4,410
Current portion of long-term borrowings	575	564
Income taxes payable	95	175
Provision for bonuses	409	281
Provision for bonuses for directors (and other officers)	1	–
Unearned revenue	81	81
Provision for loss on relocation	37	–
Provision for product compensation	133	133
Other	1,391	2,600
Total current liabilities	8,223	10,809
Non-current liabilities		
Long-term borrowings	897	482
Provision for share awards for directors (and other officers)	21	9
Retirement benefit liability	2,493	2,463
Asset retirement obligations	30	30
Long-term unearned revenue	5,502	5,443
Deferred tax liabilities	53	99
Other	106	94
Total non-current liabilities	9,104	8,621
Total liabilities	17,328	19,430
Net assets		
Shareholders' equity		
Share capital	6,103	6,103
Capital surplus	3,454	3,454
Retained earnings	10,382	10,907
Treasury shares	-857	-846
Total shareholders' equity	19,082	19,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,805	2,089
Foreign currency translation adjustment	292	706
Total accumulated other comprehensive income	2,097	2,795
Non-controlling interests	2,384	2,344
Total net assets	23,565	24,759
Total liabilities and net assets	40,893	44,190

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	17,911	21,826
Cost of sales	14,232	16,162
Gross profit	3,679	5,664
Selling, general and administrative expenses	4,931	4,880
Operating profit (loss)	-1,252	784
Non-operating income		
Interest income	64	47
Dividend income	113	112
Rental income	96	94
Foreign exchange gains	–	99
Share of profit of entities accounted for using equity method	–	1
Other	149	182
Total non-operating income	422	537
Non-operating expenses		
Interest expenses	10	7
Foreign exchange losses	77	–
Share of loss of entities accounted for using equity method	4	–
Arrangement Fee	–	24
Other	96	109
Total non-operating expenses	189	142
Ordinary profit (loss)	-1,019	1,178
Extraordinary income		
Gain on sale of investment securities	259	–
Gain on sale of non-current assets	1	202
Compensation income	33	–
Total extraordinary income	293	202
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	5	13
Loss on liquidation of subsidiaries and associates	–	29
Impairment losses	55	–
Provision for loss on relocation	64	–
Extra retirement payments	205	–
Total extraordinary losses	331	43
Profit (loss) before income taxes	-1,057	1,338
Income taxes - current	237	379
Income taxes - deferred	140	4
Total income taxes	378	384
Profit (loss)	-1,435	954
Profit attributable to non-controlling interests	63	217
Profit (loss) attributable to owners of parent	-1,498	737

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	-1,435	954
Other comprehensive income		
Valuation difference on available-for-sale securities	213	286
Foreign currency translation adjustment	-174	553
Share of other comprehensive income of entities accounted for using equity method	-1	2
Total other comprehensive income	37	842
Comprehensive income	-1,397	1,796
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-1,400	1,435
Comprehensive income attributable to non-controlling interests	2	360