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August 10, 2022

Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange, Prime Market
 Securities code: 6258
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 Scheduled date to file quarterly securities report: August 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	16,739	5.8	1,011	(24.3)	1,152	(11.1)	817	(11.0)
June 30, 2021	15,826	–	1,335	–	1,296	–	917	–

Note: Comprehensive income For the three months ended June 30, 2022: ¥1,183 million [(11.7) %]
 For the three months ended June 30, 2021: ¥1,340 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	78.71	78.69
June 30, 2021	88.40	88.37

Note: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the previous fiscal year. The percentage of year-on-year change for the three months ended June 30, 2021 is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	103,432	55,442	53.2
March 31, 2022	99,485	54,938	54.8

Reference: Equity
 As of June 30, 2022: ¥55,003 million
 As of March 31, 2022: ¥54,478 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	65.00	65.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		0.00	–	50.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	80,000	19.2	3,000	(22.2)	2,900	(31.9)	2,000	(25.4)	192.69

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2022	10,756,090 shares
As of March 31, 2022	10,756,090 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2022	374,211 shares
As of March 31, 2022	375,411 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	10,381,222 shares
Three months ended June 30, 2021	10,379,505 shares

Note: Treasury shares as of March 31, 2022 and June 30, 2022 include the number of the Company's shares held by the trust account of the stock delivery trust for officers (64,700 treasury shares at the end of the period).

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

- * Proper use of earnings forecasts, and other special matters

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For the assumptions underlying the forecast, please refer to "Qualitative information on quarterly financial results for the period" on page 2 of the Attached Materials.

The supplementary materials of quarterly financial results will be posted on the Company's website.

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1. Qualitative information on quarterly financial results for the period

(1) Explanation of operating results

During the three-month period, the economic situation surrounding the Group was proceeding in tandem with measures to control COVID-19 and economic activities. On the other hand, the economic outlook remained uncertain due to soaring crude oil prices and supply constraints on parts and materials, as well as the escalation of tensions in Ukraine, the strengthening of economic sanctions against Russia, and other factors. In the U.S., personal consumption remained firm against the backdrop of favorable employment and income conditions. In addition, although supply constraints in the manufacturing sector continued, capital investment continued to expand, and the economy was on a recovery trend. In Europe, high energy resource prices due to the contraction of trade with Russia and other factors pushed down the economy. In China, exports remained firm, but the economy slowed down due to sluggish personal consumption caused by tighter activity restrictions in line with the zero-COVID policy. In Japan, capital investment was on a moderate recovery trend against the backdrop of improved corporate earnings, but business confidence in the manufacturing sector deteriorated due to supply chain stagnation caused by the lockdown of cities in China, and other factors.

In this business environment, the Group launched a new Mid-Term Management Plan (FY2022–FY2024) in the current fiscal year, and has been implementing a variety of measures under the four basic policies of “Business expansion in growth markets,” “Strengthening competitiveness as a global company,” “Strengthening ESG management initiatives,” and “Realization of management in line with new normal era.”

During the three-month period, net sales increased from the same period of the previous fiscal year due to the easing of restrictions on activities by overseas affiliates. On the other hand, profit decreased from the same period of the previous fiscal year due to a rise in the cost of sales ratio caused by higher material and transportation costs. As a result, net sales for the three-month period were ¥16,739 million (up 5.8% year on year), operating profit was ¥1,011 million (down 24.3% year on year), ordinary profit was ¥1,152 million (down 11.1% year on year), and profit attributable to owners of parent was ¥817 million (down 11.0% year on year).

Segment information is as follows.

Effective from the first quarter of the current fiscal year, the Company changed the classification of its reportable segments. Consequently, for the following year-on-year comparisons, the figures for the same period of the previous fiscal year are reorganized into the changed segment classification for comparative analysis.

(i) Automobile-related business

In the automobile-related business, both net sales and profits remained firm due to strong capital investment in areas such as electric vehicles (EVs), backed by global efforts to become carbon neutral. As a result, net sales were ¥6,298 million (up 0.7% year on year), and operating profit was ¥175 million (operating loss of ¥232 million for the same period of the previous fiscal year).

(ii) Semiconductor-related business

In the semiconductor-related business, orders and sales of silicon wafer transfer equipment, and other equipment were strong as semiconductor manufacturers made aggressive capital investments against the backdrop of rising demand for semiconductors in response to fifth-generation mobile communication systems (5G) and the spread of telecommuting, etc. On the other hand, the cost of sales ratio increased due to the impact of higher material and transportation costs, resulting in a decrease in profit from the same period of the previous fiscal year. As a result, net sales were ¥6,430 million (up 57.7% year on year), and operating profit was ¥592 million (down 28.9% year on year).

(iii) Other automatic labor-saving equipment

In other automatic labor-saving equipment, net sales declined in line with reduced capital investment in the business related to flat panel displays (FPDs) and white goods. As a result, net sales were ¥3,536 million (down 28.7% year on year), and operating profit was ¥251 million (down 63.5% year on year).

(2) Explanation of financial position

(Assets)

Total assets at the end of the first quarter of the current fiscal year increased ¥3,946 million from the end of the previous fiscal year to ¥103,432 million. The main breakdown was an increase of ¥2,032 million in trade receivables (notes and accounts receivable - trade, and contract assets, and electronically recorded monetary claims - operating), an increase of ¥907 million in inventories, and an increase of ¥676 million in property, plant and equipment due to the construction of the Kansai Plant and others.

(Liabilities)

Liabilities increased ¥3,442 million from the end of the previous fiscal year to ¥47,989 million. The main breakdown was an increase of ¥3,906 million in debt with interest (short-term borrowings and long-term borrowings), a decrease of ¥1,512 million in trade payables (notes and accounts payable - trade and electronically recorded obligations - operating), and an increase of ¥1,140 million in contract liabilities.

(Net assets)

Net assets increased ¥504 million from the end of the previous fiscal year to ¥55,442 million. The main breakdown was an increase of ¥138 million in retained earnings due to the recording of ¥817 million in profit attributable to owners of parent and ¥679 million in dividends paid, and an increase of ¥467 million in foreign currency translation adjustment due to the impact of depreciation of the yen. As a result, the equity-to-asset ratio fell to 53.2% from 54.8% at the end of the previous fiscal year.

(3) Explanation of future forecast information such as consolidated financial results forecasts

There is no change to the earnings forecast for the fiscal year ending March 31, 2023 disclosed on May 13, 2022.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	12,939,212	13,379,614
Notes and accounts receivable - trade, and contract assets	34,655,070	35,993,303
Electronically recorded monetary claims - operating	6,163,819	6,858,309
Inventories	10,567,158	11,474,959
Other	2,716,805	2,347,116
Allowance for doubtful accounts	(38,470)	(38,488)
Total current assets	67,003,595	70,014,815
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,580,590	11,010,384
Machinery, equipment and vehicles, net	1,829,508	1,900,667
Tools, furniture and fixtures, net	688,801	685,466
Land	9,851,169	9,973,744
Construction in progress	575,947	632,116
Total property, plant and equipment	23,526,017	24,202,379
Intangible assets		
Leasehold interests in land	25,781	25,781
Software	459,840	437,821
Other	14,274	14,274
Total intangible assets	499,896	477,878
Investments and other assets		
Investment securities	2,080,763	2,088,984
Distressed receivables	3,590	3,590
Retirement benefit asset	5,692,302	5,917,713
Deferred tax assets	136,946	138,041
Other	993,249	1,061,262
Allowance for doubtful accounts	(450,463)	(472,036)
Total investments and other assets	8,456,389	8,737,555
Total non-current assets	32,482,304	33,417,813
Total assets	99,485,900	103,432,628

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,154,055	4,851,201
Electronically recorded obligations - operating	4,360,113	4,150,768
Short-term borrowings	8,500,000	11,400,000
Current portion of long-term borrowings	5,635,328	9,066,992
Accounts payable - other	749,593	1,241,254
Accrued expenses	2,937,155	2,087,065
Income taxes payable	702,436	156,574
Contract liabilities	956,003	2,096,933
Provision for bonuses	79,216	19,327
Provision for bonuses for directors (and other officers)	118,397	-
Provision for product warranties	256,958	269,348
Provision for loss on construction contracts	337,073	370,194
Other	825,786	1,574,104
Total current liabilities	31,612,118	37,283,764
Non-current liabilities		
Long-term borrowings	9,605,674	7,180,678
Provision for share awards for directors (and other officers)	71,170	81,830
Deferred tax liabilities	384,867	620,448
Deferred tax liabilities for land revaluation	2,077,511	2,077,511
Other	796,048	745,683
Total non-current liabilities	12,935,272	10,706,151
Total liabilities	44,547,390	47,989,916
Net assets		
Shareholders' equity		
Share capital	2,633,962	2,633,962
Capital surplus	14,309,592	14,315,885
Retained earnings	33,747,543	33,885,615
Treasury shares	(2,452,359)	(2,444,475)
Total shareholders' equity	48,238,738	48,390,988
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	454,149	459,936
Deferred gains or losses on hedges	(238,178)	(333,424)
Revaluation reserve for land	4,543,663	4,543,663
Foreign currency translation adjustment	923,814	1,391,261
Remeasurements of defined benefit plans	555,905	551,011
Total accumulated other comprehensive income	6,239,354	6,612,448
Share acquisition rights	28,353	14,176
Non-controlling interests	432,062	425,098
Total net assets	54,938,509	55,442,712
Total liabilities and net assets	99,485,900	103,432,628

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income) (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	15,826,249	16,739,911
Cost of sales	12,535,587	13,545,387
Gross profit	3,290,662	3,194,524
Selling, general and administrative expenses	1,954,664	2,182,617
Operating profit	1,335,997	1,011,906
Non-operating income		
Interest income	5,147	14,286
Dividend income	1,685	176
Subsidy income	3,876	209,087
Rental income	9,951	14,785
Gain on sale of scrap metal	7,730	11,482
Other	19,032	19,916
Total non-operating income	47,423	269,735
Non-operating expenses		
Interest expenses	14,237	20,326
Foreign exchange losses	67,584	80,957
Other	5,062	27,865
Total non-operating expenses	86,884	129,149
Ordinary profit	1,296,536	1,152,491
Extraordinary income		
Gain on sale of non-current assets	923	3,063
Total extraordinary income	923	3,063
Extraordinary losses		
Loss on retirement of non-current assets	21,957	0
Total extraordinary losses	21,957	0
Profit before income taxes	1,275,502	1,155,554
Income taxes	344,360	352,576
Profit	931,142	802,978
Profit (loss) attributable to non-controlling interests	13,594	(14,094)
Profit attributable to owners of parent	917,547	817,072

(Quarterly consolidated statement of comprehensive income) (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	931,142	802,978
Other comprehensive income		
Valuation difference on available-for-sale securities	8,166	5,787
Deferred gains or losses on hedges	25,322	(95,246)
Foreign currency translation adjustment	377,334	474,748
Remeasurements of defined benefit plans, net of tax	(1,347)	(5,065)
Total other comprehensive income	409,474	380,223
Comprehensive income	1,340,616	1,183,202
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,324,877	1,190,166
Comprehensive income attributable to non-controlling interests	15,739	(6,964)

(3) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Segment information)

I Three-month period in the previous fiscal year (from April 1, 2021 to June 30, 2021)

1. Information on the amount of net sales, profit or loss, by reportable segment and information on the decomposition of revenue

(Thousands of yen)

	Reportable segments				Others (Note)	Total
	Automobile- related business	Semiconductor- related business	Other automatic labor-saving equipment	Total		
Net sales						
Goods or services transferred at a point in time	389,516	2,867,278	1,732,828	4,989,622	483,486	5,473,109
Goods or services transferred over time	5,865,632	1,211,033	3,227,305	10,303,972	42,207	10,346,180
Revenue from contracts with customers	6,255,149	4,078,311	4,960,133	15,293,595	525,694	15,819,289
Other revenue	–	–	–	–	6,959	6,959
Sales to external customers	6,255,149	4,078,311	4,960,133	15,293,595	532,654	15,826,249
Intersegment sales and transfers	–	–	–	–	899	899
Total	6,255,149	4,078,311	4,960,133	15,293,595	533,553	15,827,148
Segment profit (loss)	(232,699)	834,211	689,235	1,290,747	44,110	1,334,857

(Note) The “Others” classification is a segment that is not included in reportable segments and includes the solar power generation related operations and the point and customer management system related operations of the Company’s subsidiary.

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main details of the difference (matters concerning variance adjustment)

(Thousands of yen)

Profit	Amount
Reportable segment total	1,334,857
Elimination of intersegment transactions	1,140
Operating profit in the quarterly consolidated statement of income	1,335,997

II Three-month period in the current fiscal year (from April 1, 2022 to June 30, 2022)

1. Information on the amount of net sales, profit or loss, by reportable segment and information on the decomposition of revenue

(Thousands of yen)

	Reportable segments				Others (Note)	Total
	Automobile- related business	Semiconductor- related business	Other automatic labor-saving equipment	Total		
Net sales						
Goods or services transferred at a point in time	404,680	4,394,805	1,032,257	5,831,743	467,615	6,299,359
Goods or services transferred over time	5,894,057	2,035,651	2,504,219	10,433,927	–	10,433,927
Revenue from contracts with customers	6,298,737	6,430,456	3,536,476	16,265,671	467,615	16,733,286
Other revenue	–	–	–	–	6,625	6,625
Sales to external customers	6,298,737	6,430,456	3,536,476	16,265,671	474,240	16,739,911
Intersegment sales and transfers	–	–	–	–	377	377
Total	6,298,737	6,430,456	3,536,476	16,265,671	474,618	16,740,289
Segment profit (loss)	175,573	592,969	251,390	1,019,933	(9,167)	1,010,766

(Note) The “Others” classification is a segment that is not included in reportable segments and includes the solar power generation related operations and the point and customer management system related operations of the Company’s subsidiary.

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main details of the difference (matters concerning variance adjustment)

(Thousands of yen)

Profit	Amount
Reportable segment total	1,010,766
Elimination of intersegment transactions	1,140
Operating profit in the quarterly consolidated statement of income	1,011,906

3. Matters concerning changes in reportable segments, etc.

In the execution of the Mid-Term Management Plan starting in fiscal 2022, the Company has decided to change the reportable segments in order to align the classification of segment information with the business strategies in the plan to select and concentrate business by reviewing the business portfolio and to improve capital efficiency.

As a result, since the first quarter of the current fiscal year, the Company has changed its reportable segments from the previous four regional segments of Japan, Asia, North America, and Europe to three business segments of Automobile-related business, Semiconductor-related business, and Other automatic labor-saving equipment.

Segment information for the three-month period in the previous fiscal year is disclosed based on the classification after the change.

3. Supplementary Information

Status of production, orders received, and sales

Effective from the first quarter of the current fiscal year, the Company changed the classification of its reportable segments. Consequently, for the following year-on-year comparisons, the figures for the same quarter of the previous fiscal year are reorganized into the figures for the classifications after the change.

(1) Production results

The table below shows production results by segment in the three-month period.

Name of segment	Three-month period (from April 1, 2022 to June 30, 2022) (Thousands of yen)	Year-on-year change (%)
Automobile-related business	6,716,079	100.9
Semiconductor-related business	6,420,397	133.3
Other automatic labor-saving equipment	3,887,847	73.3
Others	517,609	100.0
Total	17,541,934	101.4

Note: Amounts are based on selling prices and manufacturing costs before intersegment transfers.

(2) Orders received

The table below shows orders received by segment in the three-month period.

Name of segment	Orders received (Thousands of yen)	Year-on-year change (%)	Order backlog (Thousands of yen)	Year-on-year change (%)
Automobile-related business	6,767,965	99.1	24,245,011	172.5
Semiconductor-related business	12,644,174	159.4	22,873,973	244.0
Other automatic labor-saving equipment	3,864,105	67.1	6,178,048	76.5
Others	795,637	176.6	725,458	238.5
Total	24,071,882	114.8	54,022,491	169.8

Note: Amounts are based on selling prices.

(3) Sales results

The table below shows sales results by segment in the three-month period.

Name of segment	Three-month period (from April 1, 2022 to June 30, 2022) (Thousands of yen)	Year-on-year change (%)
Automobile-related business	6,298,737	100.7
Semiconductor-related business	6,430,456	157.7
Other automatic labor-saving equipment	3,536,476	71.3
Others	474,240	89.0
Total	16,739,911	105.8

Note: Intersegment transactions are offset and eliminated.