



May 14, 2021

Summary of Financial Results for the Year Ended March 2021 [Japan GAAP] (Consolidated)

Name of Company: YASHIMA & Co., Ltd.

Stock Exchange Listing: TSE

Stock Code: 7677

URL <https://www.yashima-co.co.jp/>

Representative: Title: President and Representative Director

Name: Kazuaki Takada

Contact Person: Title: Corporate Officer and General Manager of Administrative Division

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Date of ordinary general meeting of shareholders: June 29, 2021

Date of commencement of dividend payment: June 15, 2021

Date of filing of securities report: June 30, 2021

Preparation of supplementary materials: Yes (in Japanese)

Convening of a results meeting: Yes (in Japanese) (For analysts)

(Note: Amounts are rounded to nearest million yen.)

1. Financial results for the current fiscal year (April 1, 2020 - March 31, 2021)

(1) Operating results (consolidated) (Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2021	31,828	(11.8)	526	49.9	653	47.9	279	12.3
Year ended March 2020	36,082	(2.5)	350	(45.2)	441	(41.7)	248	(48.1)

(Note) Comprehensive income Year ended March 2021 432 million yen (—%)

Year ended March 2020 (27) million yen (—%)

	Net income per share	Net income per share fully diluted	Return on equity	Ratio of ordinary profit to assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 2021	98.49	—	3.2	2.6	1.7
Year ended March 2020	89.68	—	2.9	1.7	1.0

(Note) Equity in income (losses) of affiliates Year ended March 2021 — million yen

Year ended March 2020 0 million yen

(2) Financial position (consolidated)

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 2021	23,679	8,990	38.0	3,165.84
Year ended March 2020	25,732	8,614	33.5	3,043.27

(Note) Shareholders' equity Year ended March 2021 8,990 million yen

Year ended March 2020 8,614 million yen

(3) Cash flow position (consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 2021	709	(120)	(70)	9,326
Year ended March 2020	144	9	26	8,796

2. Dividends

	Dividend per share					Total annual dividend	Payout ratio (consolidated)	Dividends/net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 2020	—	0.00	—	25.00	25.00	70	27.9	0.8
Year ended March 2021	—	0.00	—	25.00	25.00	70	25.4	0.8
Year ending March 2022 (forecast)	—	0.00	—	25.00	25.00		71.0	



3. Forecast for the fiscal year ending March 2022 (April 1, 2021 - March 31, 2022)

(Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	32,786	3.0	35	(93.3)	164	(74.8)	100	(64.2)	35.21

*Notice:

(1) Changes in main subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): No

New consolidations: —; Exclusions: —

(2) Changes in accounting policies, accounting estimates, and restatements

(a) Changes in accounting policies due to revision of accounting standards: None

(b) Changes in accounting policies other than those in (a): None

(c) Changes in accounting estimates: None

(d) Restatements: None

(3) Number of shares outstanding (ordinary)

(a) Shares outstanding (including treasury shares)

Year ended March 2021	2,880,000 shares	Year ended March 2020	2,880,000 shares
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(b) Treasury shares

Year ended March 2021	40,124 shares	Year ended March 2020	49,200 shares
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(c) Average number of shares during the term

Year ended March 2021	2,836,385 shares	Year ended March 2020	2,773,107 shares
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(Reference) Non-consolidated Financial Results

1. Non-consolidated financial results for the current fiscal year (April 1, 2020 - March 31, 2021)

(1) Operating results (non-consolidated) (Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ended March 2021	31,323	(11.9)	453	(14.5)	569	(6.2)	367	(12.3)
Year ended March 2020	35,556	(1.8)	530	(22.4)	607	(23.4)	419	(22.6)

	Net income per share	Net income per share fully diluted
	Yen	Yen
Year ended March 2021	129.73	—
Year ended March 2020	151.29	—

(2) Financial position (non-consolidated)

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 2021	22,079	7,601	34.4	2,676.66
Year ended March 2020	24,211	7,152	29.5	2,526.62

(Note) Shareholders' equity Year ended March 2021 7,601 million yen
 Year ended March 2020 7,152 million yen

<Reason for difference with the previous fiscal year's non-consolidated business performance results>

A difference occurred between the results for the previous fiscal year and the fiscal year under review due to a decline in sales volume in the Railway Business, among other factors.

*Financial results summaries are not subject to audit.

*Cautionary statement regarding business results forecasts and special notes

(Cautionary statement regarding forward-looking statements)

The financial forecasts and other forward-looking statements in this release are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ substantially due to various factors. Refer to “(4) Future Outlook” under “1. Analysis of Operating Performance and Financial Position” on page 6 of the supplementary material for the assumptions underlying the forecasts and precautions for using the forecasts.

(Method of obtaining supplementary information to financial results and details of the presentation of financial results)

The Company intends to hold a presentation of its financial results on Monday, May 31, 2021.

The Company intends to upload the meeting (stream video) together with the financial results presentation materials to its website immediately after the meeting concludes.



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1. Analysis of Operating Performance and Financial Position

(1) Overview of Operating Results

During the fiscal year under review, the Japanese economy continued to experience extremely high levels of uncertainty amid restrictions placed on economic activities due to the COVID-19 pandemic.

Later, personal consumption and corporate activities appeared to be headed toward a recovery with the phased restart of socioeconomic activities, but Japan declared a second state of emergency in early January 2021 following a resurgence in COVID-19 cases. For this reason, the future remains uncertain.

In terms of the environment surrounding the Group, the situation remains severe because of the Group's main customers of railway companies have seen a substantial decline in railway passenger traffic caused by the voluntary cessation of activities following the COVID-19 pandemic along with a significant downturn in earnings due to the response required to stop the spread of infections, resulting in a review of capital expenditure plans, among other factors.

Amid this backdrop, the Group worked to increase earnings using the growth strategies of “strengthen existing businesses,” “tap into new domains and increase added value,” and “open up global markets and promote globalization of business.”

During the first half of the fiscal year under review, business results were actually stronger than the previous year due to orders obtained in the previous fiscal year and cutbacks in SG&A expenses, but in the second half sluggishness in orders from railway companies and others emerged. However, the Group worked to curtail various expenses associated with changes in working format and marketing activities, given the spread of COVID-19 cases. In addition, the Group increased gross profit amid the decrease in loss on disposal of inventories and valuation losses.

Furthermore, the Group booked ¥158.254 million as deferred tax liabilities and income taxes - deferred for the total tax amount expected to be paid at the time of receiving future dividends of retained earnings from overseas consolidated subsidiaries due to a review of the dividend policy from overseas consolidated companies to the Company.

As a result, net sales came to ¥31,828.416 million (down 11.8% year on year), operating profit came to ¥526.039 million (up 49.9% year on year), ordinary profit came to ¥653.347 million (up 47.9% year on year), and profit attributable to owners of parent came to ¥279.364 million (up 12.3% year on year).

The management results for each segment are presented below.

(Railway Business)

The segment's main products include electrical components for railway cars and body equipment, which the Company sells to railway operators and railway car manufacturers. During the fiscal year under review, the Group's net sales fell as railway companies have seen a substantial decline in railway passenger traffic caused by the voluntary cessation of activities following the COVID-19 pandemic along with a significant downturn in earnings, resulting in reviews of plans for the new construction, updating, renewal, and maintenance of railway cars and equipment. However, the Group worked to curtail various expenses associated with changes in working format and marketing activities, and as a result, profits were comparatively strong.

As a result, net sales came to ¥29,096.897 million (down 11.5% year on year), and operating profit came to ¥743.706 million (up 26.1% year on year).

(General Business)

This segment includes all of the Group's non-railway businesses. For that reason, transactions span a wide range of industries, and customers include industrial equipment manufacturers, power equipment manufacturers, and automotive manufacturers, among others. The segment's main products are connectors and electronic components. In the fiscal year under review, some of the segment's target industries saw a recovery in production and business performance, but the Group experienced a decline in orders and weaker sales performance due to a lack of strength in the subsequent recovery following weaker demand from customers and a decline in production volume. At the same time, the Group worked to curtail marketing expenses, but could

not compensate for the weakness in sales performance.

As a result, net sales came in at ¥2,731.518 million (down 15.1% year on year), and an operating loss of ¥217.666 million (compared to an operating loss of ¥238.896 million in the previous year) was recorded.

(2) Overview of Financial Position

(Assets)

The balance of assets at the end of the fiscal year under review was down ¥2,053.001 million year on year to ¥23,679.736 million. This was mainly due to increases in cash and deposits (up ¥530.082 million from ¥8,618.879 million to ¥9,148.962 million) and merchandise (up ¥455.333 million from ¥1,613.785 million to ¥2,059.119 million), which were offset by decreases notes and accounts receivable - trade (down ¥1,417.825 million from ¥6,787.089 million to ¥5,369.263 million) and electronically recorded monetary claims - operating (down ¥1,267.156 million from ¥2,392.551 million to ¥1,125.395 million).

(Liabilities)

The balance of liabilities at the end of the fiscal year under review was ¥14,689.134 million, down ¥2,428.703 million from the previous year. This was mainly a result of an increase in deferred tax liabilities (up ¥158.254 million from ¥ million to ¥158.254 million), which was offset by decreases in electronically recorded obligations - operating (down ¥418.159 million from ¥1,153.323 million to ¥735.164 million) along with operating accounts payable (down ¥327.809 million from ¥1,850.078 million to ¥1,522.268 million).

(Net assets)

The balance of net assets at the end of the fiscal year under review was ¥8,990.601 million, up ¥375.701 million from the previous year. This was mainly due to increases in retained earnings (up ¥208.594 million from ¥7,613.571 million to ¥7,822.166 million) and valuation difference on available-for-sale securities (up ¥137.899 million from ¥303.491 million to ¥441.390 million).

(3) Overview of Cash Flows

Operating cash flows increased ¥709.150 million year on year, investing cash flows decreased ¥120.470 million, and financing cash flows decreased ¥70.839 million. As a result, cash and cash equivalents were up ¥530.082 million (up 6.0% year on year) to ¥9,326.962 million.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥709.150 million (as compared to ¥144.496 million the previous year).

Major inflows included a ¥2,688.017 million decrease in trade receivables, ¥653.347 million in profit before income taxes, and a ¥596.316 million decrease in advances received, while major outflows included a ¥2,632.872 million decrease in trade payables, decrease in accrued consumption taxes of ¥214.585 million and ¥210.308 million in income taxes paid.

(Cash flows from investing activities)

Net cash spent in investing activities in the fiscal year under review amounted to ¥120.470 million (as compared to inflows of ¥9.433 million in the previous year).

Major inflows included ¥55.218 million in lease income, while major outflows included ¥29.605 million spent for purchase of intangible assets and ¥8.035 million spent for purchase of investment securities.

(Cash flows from financing activities)

Net cash spent in financing activities in the fiscal year under review amounted to ¥70.839 million (as compared to inflows of ¥26.080 million the previous year).

This was mainly the result of dividends paid of ¥70.770 million resulting in outflows.

(4) Future Outlook

Although the administration of vaccines for COVID-19 has begun, the spread of variants makes it difficult to predict the impacts and end of the pandemic. For the time being, the Company assumes that uncertainty will continue, causing the situation to remain unpredictable.

As for the environment surrounding the Group, the Group's main customer of railway companies are expected to continue to face a severe situation next fiscal year as well, punctuated by a decline in railway passenger traffic caused by the voluntary cessation of activities following the spread of the COVID-19 pandemic, and while a recovery trend is predicted heading into the second half of the year, these companies plan to review and curtail capital expenditure plans.

In the Railway Business, railways occupy an important part of transportation infrastructure in each country, and given that they are large-scale in nature and have a high degree of public benefit, there is concern about the impacts of the COVID-19 pandemic and political instability, among other factors, and railway project plans in each country are in some cases stagnating. As such, it remains unclear as to the impacts such trends will have on the Japanese railway industry and related businesses.

Given this situation, the Group is "expanding business domains in the railway field and providing solution services," and it will focus further efforts on sales activities in an effort to develop the Group and improve business performance.

The Company predicts that net sales will increase slightly compared to the previous fiscal year's results, but profits will decrease due to the forecast for a decrease in gross profit from project sales expected to be booked and an increase in SG&A expenses

Based on this, our outlook for next year (fiscal year ending March 31, 2022) is for net sales of ¥32,786 million (up 3.0% year on year), operating profit of ¥35 million (down 93.3% year on year), ordinary profit of ¥164 million (down 74.8% year on year), and profit attributable to owners of parent of ¥100 million (down 64.2% year on year).

2. Basic Thinking on Selection of Accounting Standards

Out of consideration for comparing consolidated financial statements between periods and between companies, it is the policy of the Yashima Group to continue preparing consolidated financial statements according to Japanese standards for the time being.

We will address application of IFRS as appropriate based on circumstances at home and abroad.



3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	Previous consolidated fiscal year (ended March 31, 2020)	Current consolidated fiscal year (ended March 31, 2021)
Assets		
Current assets		
Cash and deposits	8,618,879	9,148,962
Notes and accounts receivable - trade	6,787,089	5,369,263
Trade accounts receivable	1,396,631	1,084,893
Electronically recorded monetary claims - operating	2,392,551	1,125,395
Securities	1,500,000	1,500,000
Merchandise	1,613,785	2,059,119
Other	385,069	135,887
Allowance for doubtful accounts	(187)	—
Total current assets	22,693,820	20,423,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	49,441	47,931
Machinery, equipment and vehicles, net	6,151	4,839
Other, net	8,633	7,202
Total property, plant and equipment	64,226	59,974
Intangible assets		
Software	252,097	211,127
Total intangible assets	252,097	211,127
Investments and other assets		
Investment securities	1,527,237	1,745,882
Deferred tax assets	257,454	179,915
Other	941,200	1,062,463
Allowance for doubtful accounts	(3,300)	(3,150)
Total investments and other assets	2,722,592	2,985,111
Total non-current assets	3,038,916	3,256,213
Total assets	25,732,737	23,679,736



(Thousands of yen)

	Previous consolidated fiscal year (ended March 31, 2020)	Current consolidated fiscal year (ended March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,366,472	10,152,029
Operating accounts payable	1,850,078	1,522,268
Electronically recorded obligations - operating	1,153,323	735,164
Income taxes payable	86,903	87,706
Provision for bonuses	228,991	229,231
Asset retirement obligations	—	1,897
Other	498,884	855,653
Total current liabilities	16,184,654	13,583,950
Non-current liabilities		
Deferred tax liabilities	—	158,254
Retirement benefit liability	697,280	710,600
Provision for retirement benefits for directors (and other officers)	175,640	172,506
Asset retirement obligations	39,662	39,698
Other	20,600	24,123
Total non-current liabilities	933,183	1,105,183
Total liabilities	17,117,837	14,689,134
Net assets		
Shareholders' equity		
Share capital	99,900	99,900
Capital surplus	689,738	701,832
Retained earnings	7,613,571	7,822,166
Treasury shares	(10,274)	(8,440)
Total shareholders' equity	8,392,935	8,615,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	303,491	441,390
Foreign currency translation adjustment	(81,527)	(66,248)
Total accumulated other comprehensive income	221,964	375,142
Total net assets	8,614,899	8,990,601
Total liabilities and net assets	25,732,737	23,679,736

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated statement of income

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2019 - March 31, 2020)	Current consolidated fiscal year (April 1, 2020 - March 31, 2021)
Net sales	36,082,819	31,828,416
Cost of sales	32,152,678	28,073,173
Gross profit	3,930,140	3,755,242
Selling, general and administrative expenses	3,579,250	3,229,202
Operating profit	350,890	526,039
Non-operating income		
Dividend income	37,088	32,217
Share of profit of entities accounted for using equity method	184	—
Lease income	55,297	55,218
Surrender value of insurance policies	21,829	—
Secondment income	13,161	41,106
Other	27,902	29,610
Total non-operating income	155,464	158,152
Non-operating expenses		
Interest expenses	6,160	39
Share of loss of investments accounted for using equity method	—	28
Cost of lease revenue	29,400	16,763
Foreign exchange losses	10,842	8,647
Commission expenses	17,036	—
Other	1,300	5,366
Total non-operating expenses	64,740	30,844
Ordinary profit	441,614	653,347
Extraordinary income		
Gain on sales of investment securities	52,689	—
Total extraordinary income	52,689	—
Profit before income taxes	494,304	653,347
Income taxes - current	255,893	211,112
Income taxes - deferred	(10,285)	162,870
Total income taxes	245,608	373,982
Profit	248,696	279,364
Profit attributable to owners of parent	248,696	279,364



Consolidated statement of comprehensive income

	(Thousands of yen)	
	Previous consolidated fiscal year (April 1, 2019 - March 31, 2020)	Current consolidated fiscal year (April 1, 2020 - March 31, 2021)
Profit	248,696	279,364
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(241,647)	137,899
Foreign currency translation adjustment	(34,682)	15,279
Total other comprehensive income	(276,330)	153,178
Comprehensive income	(27,634)	432,543
(Breakdown)		
Comprehensive income attributable to owners of parent	(27,634)	432,543

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year

(April 1, 2019 - March 31, 2020)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	99,900	445,943	7,429,395	(62,480)	7,912,759	545,139	(46,844)	498,294	8,411,053
Changes in items during period									
Dividends of surplus			(64,520)		(64,520)				(64,520)
Profit attributable to owners of parent			248,696		248,696				248,696
Acquisition of treasury shares					—				—
Disposal of treasury shares		243,794		52,205	296,000				296,000
Net changes in items other than shareholders' equity						(241,647)	(34,682)	(276,330)	(276,330)
Total changes in items during period	—	243,794	184,176	52,205	480,176	(241,647)	(34,682)	(276,330)	203,845
Balance at end of period	99,900	689,738	7,613,571	(10,274)	8,392,935	303,491	(81,527)	221,964	8,614,899

Current consolidated fiscal year

(April 1, 2020 - March 31, 2021)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	99,900	689,738	7,613,571	(10,274)	8,392,935	303,491	(81,527)	221,964	8,614,899
Changes in items during period									
Dividends of surplus			(70,770)		(70,770)				(70,770)
Profit attributable to owners of parent			279,364		279,364				279,364
Acquisition of treasury shares				(69)	(69)				(69)
Disposal of treasury shares		12,094		1,903	13,997				13,997
Net changes in items other than shareholders' equity						137,899	15,279	153,178	153,178
Total changes in items during period	—	12,094	208,594	1,833	222,523	137,899	15,279	153,178	375,701
Balance at end of period	99,900	701,832	7,822,166	(8,440)	8,615,458	441,390	(66,248)	375,142	8,990,601



(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2019 - March 31, 2020)	Current consolidated fiscal year (April 1, 2020 - March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	494,304	653,347
Depreciation	99,568	86,371
Increase (decrease) in allowance for doubtful accounts	914	(337)
Increase (decrease) in provision for bonuses	(4,732)	239
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11,972	(3,133)
Increase (decrease) in retirement benefit liability	(77,332)	13,320
Interest and dividend income	(46,908)	(42,670)
Interest expenses	6,160	39
Loss (gain) on sales of investment securities	(52,689)	(135)
Decrease (increase) in trade receivables	348,356	2,688,017
Decrease (increase) in operating accounts receivable	126,114	311,737
Decrease (increase) in inventories	207,791	(444,012)
Increase (decrease) in trade payables	(604,291)	(2,632,872)
Increase (decrease) in operating accounts payable	48,687	(327,809)
Increase (decrease) in accounts payable - other	(33,535)	(40,622)
Increase (decrease) in advances received	(67,027)	596,316
Decrease (increase) in accounts receivable - other	(18,747)	26,505
Increase (decrease) in accrued consumption taxes	184,409	(214,585)
Other	(135,967)	207,113
Subtotal	487,047	876,827
Interest and dividends received	46,908	42,670
Interest paid	(6,160)	(39)
Income taxes paid	(383,299)	(210,308)
Cash flows from operating activities	144,496	709,150
Cash flows from investing activities		
Proceeds from rental of investment property	55,297	55,218
Payments for rental of investment property	(24,892)	(7,102)
Purchase of property, plant and equipment	(10,078)	(6,857)
Purchase of intangible assets	(8,347)	(29,605)
Purchase of investment securities	(9,286)	(8,035)
Proceeds from sales of investment securities	82,454	347
Collection of loans receivable	3,570	1,100
Other	(79,282)	(125,535)
Cash flows from investing activities	9,433	(120,470)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(205,400)	—
Proceeds from sales of treasury shares	296,000	—
Dividends paid	(64,520)	(70,770)
Other	—	(69)
Cash flows from financing activities	26,080	(70,839)
Effect of exchange rate change on cash and cash equivalents	(20,693)	12,241
Net increase (decrease) in cash and cash equivalents	159,316	530,082
Cash and cash equivalents at beginning of period	8,637,562	8,796,879
Cash and cash equivalents at end of period	8,796,879	9,326,962



(5) Notes to the Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Additional Information)

The COVID-19 pandemic is an event that is having wide-reaching impacts on both economic and corporate activities. In addition, it remains difficult to reasonably forecast how the pandemic will spread going forward or when it will end. Based on external information, the Company assumes at present that these impacts will continue in the next fiscal year and then moderately recover thereafter. After performing accounting estimates on the impairment of non-current assets and recoverability of deferred tax assets, the Company has determined that the pandemic will not have major impacts on accounting estimates.

(Segment Information)

[Segment Information]

1. Overview of Reporting Segments

(1) Method of Determining Reporting Segments

The reporting segments of the Company are constituent units for which separate financial information is available and that are subject to periodic review by the Board of Directors to determine the allocation of management resources and assess their respective operating results.

The Company has two reporting segments, namely the Railway Business and the General Business, based on target industries.

(2) Types of Products and Services in Each Reporting Segment

In the Railway Business, the main products are electrical components for railway cars, body equipment, built-in equipment, connectors, and electronic components, which we sell to the markets of railway operators, railway car manufacturers, and manufacturers of electrical components for railway cars.

The main product in the General Business is connectors, which we sell to customers outside the railway industry. Our customers in the General Business include industrial equipment manufacturers, automotive manufacturers, and commercial equipment mail order business operators. Because it is a catch-all for everything outside the Railway Business, the industries and markets are not limited to a single field, and the customers are diverse.

2. Method Used for Calculating Net Sales, Profit, Loss, Assets, Liabilities, and Other Items for Each Reporting Segment

Accounting treatment of the reported business segments is, for the most part, as set forth in “Notes - Significant accounting policies for preparation of consolidated financial statements.”

Figures for reporting segment profit are based on operating profit.

3. Information Regarding Amounts of Net Sales, Profit, Loss, Assets, Liabilities, and Other Items in Each Reporting Segment

Previous consolidated fiscal year

(April 1, 2019 - March 31, 2020)

(Thousands of yen)

	Reporting Segment			Adjustment*	Total
	Railway Business	General Business	Total		
Net sales					
Net sales to unaffiliated customers	32,865,574	3,217,245	36,082,819	—	36,082,819
Transactions with other segments	—	—	—	—	—
Total	32,865,574	3,217,245	36,082,819	—	36,082,819
Segment profit (loss)	589,786	(238,896)	350,890	—	350,890
Segment assets	17,960,962	1,789,766	19,750,729	5,982,008	25,732,737
Other items					



Depreciation	82,821	12,239	95,060	4,507	99,568
Increase in property, plant and equipment and intangible assets	16,053	2,372	18,426	3,525	21,951

*1. The adjustment for segment assets includes the Company's surplus funds (securities), long-term investments (investment securities), and assets related to investment real estate and administrative operations.

*2. The ¥4,507 thousand in depreciation is related to real estate for investment.

Current consolidated fiscal year
(April 1, 2020 - March 31, 2021)

(Thousands of yen)

	Reporting Segment			Adjustment*	Total
	Railway Business	General Business	Total		
Net sales					
Net sales to unaffiliated customers	29,096,897	2,731,518	31,828,416	—	31,828,416
Transactions with other segments	—	—	—	—	—
Total	29,096,897	2,731,518	31,828,416	—	31,828,416
Segment profit (loss)	743,706	(217,666)	526,039	—	526,039
Segment assets	15,290,377	1,476,243	16,766,621	6,913,114	23,679,736
Other items					
Depreciation	70,470	11,104	81,575	4,795	86,371
Increase in property, plant and equipment and intangible assets	31,499	4,963	36,463	7,846	44,310

*1. The adjustment for segment assets includes the Company's surplus funds (securities), long-term investments (investments in securities), and assets related to real estate for investment and administrative operations.

*2. The ¥4,795 thousand in depreciation is related to real estate for investment.

4. Differences between total amount of reporting segment and the amount in the consolidated financial statements as well as the details these differences (items in relation to adjustment of differences)

Not applicable

(Per Share Information)

	Previous consolidated fiscal year (April 1, 2019 - March 31, 2020)	Current consolidated fiscal year (April 1, 2020 - March 31, 2021)
Net assets per share	3,043.27 yen	3,165.84 yen
Net income per share	89.68 yen	98.49 yen

*1. Diluted net income per share is not provided because there are no dilutive shares.

*2. The basis for calculating net income per share is as follows:

Item	Previous consolidated fiscal year (April 1, 2019 - March 31, 2020)	Current consolidated fiscal year (April 1, 2020 - March 31, 2021)
Net income per share		
Profit attributable to owners of parent (thousands of yen)	248,696	279,364
Income not attributable to common shareholders (thousands of yen)	—	—
Profit attributable to owners of parent associated with common shares (thousands of yen)	248,696	279,364
Average number of shares during the term (shares)	2,773,107	2,836,385

*3. The basis for calculating net assets per share is as follows:

Item	Previous consolidated fiscal year (ended March 31, 2020)	Current consolidated fiscal year (ended March 31, 2021)
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Total net assets (thousands of yen)	8,614,899	8,990,601
Net assets associated with common shares (thousands of yen)	8,614,899	8,990,601
Number of common shares used for calculation of net assets per share (shares)	2,830,800	2,839,876

(Significant Subsequent Events)

Not applicable.