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February 10, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 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: February 10, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	55,183	11.0	4,473	20.3	4,447	10.5	3,223	17.4
December 31, 2021	49,726	–	3,720	–	4,024	–	2,746	–

Note: Comprehensive income For the nine months ended December 31, 2022: ¥5,260 million [69.5%]
 For the nine months ended December 31, 2021: ¥3,104 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2022	310.42	310.40
December 31, 2021	264.60	264.51

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 nine months ended December 31, 2021 is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2022	109,349	59,524	54.1
March 31, 2022	99,485	54,938	54.8

Reference: Equity
 As of December 31, 2022: ¥59,118 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	–	0.00	–		
Fiscal year ending March 31, 2023 (Forecast)				85.00	85.00

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	5,000	29.7	5,000	17.4	3,500	30.5	337.11

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 December 31, 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 December 31, 2022	371,811 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)

Nine months ended December 31, 2022	10,383,009 shares
Nine months ended December 31, 2021	10,379,487 shares

Note: Treasury shares as of December 31, 2022 include the number of the Company's shares held by the trust account of the stock delivery trust for officers (63,000 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 the 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 nine-month period, the economic situation surrounding the Group progressed with the balance between measures against COVID-19 and economic activities. As such, the economic outlook remained uncertain due to the worsening of supply constraints and soaring energy prices caused by the prolonged situation in Ukraine, and accelerated and high inflation against the backdrop of tight labor supply and demand conditions as well as monetary tightening by central banks in various countries. In the U.S., personal consumption remained firm against the backdrop of favorable employment conditions, despite sluggish housing demand. Capital investment also continued to be in an upward trend against the backdrop of high corporate earnings. In Europe, high inflation persisted mainly in energy prices due to the situation in Ukraine, and housing demand decreased due to an increase in interest rate. In China, despite the dramatic easing of the zero-COVID policy, a recovery of personal consumption was delayed, and a sluggish real estate market continued. In Japan, personal consumption recovered due to the easing of restrictions on behavior, and capital investment remained in an upward trend against the backdrop of favorable corporate earnings.

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 the new normal era.”

During the nine-month period, net sales increased from the same period of the previous fiscal year against the backdrop of an increase in orders received particularly for the automobile-related business and the easing of restrictions on activities by overseas affiliates and other factors. In terms of profit, the profit margins exceeded those of the same period of the previous fiscal year due to increased net sales and the controlling of outsourcing costs by expanding in-house production. As a result, net sales for the nine-month period were ¥55,183 million (up 11.0% year on year), operating profit was ¥4,473 million (up 20.3% year on year), ordinary profit was ¥4,447 million (up 10.5% year on year), and profit attributable to owners of parent was ¥3,223 million (up 17.4% 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 ¥21,152 million (up 7.8% year on year), and operating profit was ¥891 million (up 325.3% year on 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. As a result, net sales were ¥20,411 million (up 40.7% year on year), and operating profit was ¥2,624 million (up 39.6% year on year).

(iii) Other automatic labor-saving equipment

In the 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 ¥11,960 million (down 13.6% year on year), and operating profit was ¥957 million (down 35.7% year on year).

(2) Explanation of financial position

(Assets)

Total assets at the end of the third quarter of the current fiscal year increased ¥9,863 million from the end of the previous fiscal year to ¥109,349 million. The main breakdown was an increase of ¥1,644 million in cash and deposits, an increase of ¥1,462 million in trade receivables (notes and accounts receivable - trade, and contract assets, and electronically recorded monetary claims - operating), and an increase of ¥4,073 million in inventories.

(Liabilities)

Liabilities increased ¥5,277 million from the end of the previous fiscal year to ¥49,824 million. The main breakdown was an increase of ¥2,532 million in debt with interest (short-term borrowings and long-term borrowings), and an increase of ¥2,279 million in contract liabilities.

(Net assets)

Net assets increased ¥4,586 million from the end of the previous fiscal year to ¥59,524 million. The main breakdown was an increase of ¥2,587 million in retained earnings due to the recording of ¥3,223 million in profit attributable to owners of parent and ¥679 million in dividends paid, and an increase of ¥1,336 million in foreign currency translation adjustment due to the impact of the depreciation of the yen. As a result, the equity-to-asset ratio fell to 54.1% 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 forecasts for the fiscal year ending March 31, 2023, disclosed on November 11, 2022.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	12,939,212	14,584,161
Notes and accounts receivable - trade, and contract assets	34,655,070	34,030,821
Electronically recorded monetary claims - operating	6,163,819	8,250,937
Inventories	10,567,158	14,641,085
Other	2,716,805	3,698,204
Allowance for doubtful accounts	(38,470)	(43,801)
Total current assets	67,003,595	75,161,409
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,580,590	10,977,702
Machinery, equipment and vehicles, net	1,829,508	1,883,370
Tools, furniture and fixtures, net	688,801	678,925
Land	9,851,169	9,858,354
Construction in progress	575,947	607,637
Total property, plant and equipment	23,526,017	24,005,989
Intangible assets		
Leasehold interests in land	25,781	25,781
Software	459,840	415,812
Other	14,274	272,458
Total intangible assets	499,896	714,052
Investments and other assets		
Investment securities	2,080,763	2,343,656
Distressed receivables	3,590	3,615
Retirement benefit asset	5,692,302	6,383,361
Deferred tax assets	136,946	142,561
Other	993,249	1,065,391
Allowance for doubtful accounts	(450,463)	(470,629)
Total investments and other assets	8,456,389	9,467,956
Total non-current assets	32,482,304	34,187,999
Total assets	99,485,900	109,349,408

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,154,055	6,356,680
Electronically recorded obligations - operating	4,360,113	5,033,454
Short-term borrowings	8,500,000	10,284,640
Current portion of long-term borrowings	5,635,328	9,238,656
Accounts payable - other	749,593	917,507
Accrued expenses	2,937,155	2,173,520
Income taxes payable	702,436	153,253
Contract liabilities	956,003	3,235,581
Provision for bonuses	79,216	144,722
Provision for bonuses for directors (and other officers)	118,397	-
Provision for product warranties	256,958	349,942
Provision for loss on construction contracts	337,073	147,806
Other	825,786	854,393
Total current liabilities	31,612,118	38,890,158
Non-current liabilities		
Long-term borrowings	9,605,674	6,750,352
Provision for share awards for directors (and other officers)	71,170	104,414
Deferred tax liabilities	384,867	1,302,892
Deferred tax liabilities for land revaluation	2,077,511	2,023,008
Other	796,048	753,896
Total non-current liabilities	12,935,272	10,934,563
Total liabilities	44,547,390	49,824,721
Net assets		
Shareholders' equity		
Share capital	2,633,962	2,633,962
Capital surplus	14,309,592	14,319,556
Retained earnings	33,747,543	36,334,767
Treasury shares	(2,452,359)	(2,429,080)
Total shareholders' equity	48,238,738	50,859,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	454,149	637,063
Deferred gains or losses on hedges	(238,178)	319,296
Revaluation reserve for land	4,543,663	4,500,520
Foreign currency translation adjustment	923,814	2,260,717
Remeasurements of defined benefit plans	555,905	541,228
Total accumulated other comprehensive income	6,239,354	8,258,826
Share acquisition rights	28,353	-
Non-controlling interests	432,062	406,654
Total net assets	54,938,509	59,524,686
Total liabilities and net assets	99,485,900	109,349,408

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

(Quarterly consolidated statement of income) (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	49,726,817	55,183,482
Cost of sales	39,974,106	43,814,859
Gross profit	9,752,711	11,368,623
Selling, general and administrative expenses	6,032,595	6,895,120
Operating profit	3,720,115	4,473,502
Non-operating income		
Interest income	11,643	25,217
Dividend income	30,178	35,577
Subsidy income	269,509	215,046
Gain on sale of scrap metal	27,961	35,370
Other	85,324	131,189
Total non-operating income	424,617	442,402
Non-operating expenses		
Interest expenses	43,195	64,583
Foreign exchange losses	61,372	357,555
Other	15,414	46,601
Total non-operating expenses	119,981	468,740
Ordinary profit	4,024,751	4,447,164
Extraordinary income		
Gain on sale of non-current assets	45,703	14,565
Total extraordinary income	45,703	14,565
Extraordinary losses		
Loss on retirement of non-current assets	22,669	10,853
Loss on sale of non-current assets	110	17,613
Total extraordinary losses	22,780	28,467
Profit before income taxes	4,047,674	4,433,263
Income taxes	1,280,679	1,246,523
Profit	2,766,994	3,186,740
Profit (loss) attributable to non-controlling interests	20,549	(36,341)
Profit attributable to owners of parent	2,746,445	3,223,081

(Quarterly consolidated statement of comprehensive income) (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,766,994	3,186,740
Other comprehensive income		
Valuation difference on available-for-sale securities	(90,958)	182,914
Deferred gains or losses on hedges	(53,726)	557,474
Foreign currency translation adjustment	485,832	1,348,350
Remeasurements of defined benefit plans, net of tax	(3,991)	(15,191)
Total other comprehensive income	337,156	2,073,547
Comprehensive income	3,104,151	5,260,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,089,849	5,285,696
Comprehensive income attributable to non-controlling interests	14,301	(25,408)

(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 Nine-month period in the previous fiscal year (from April 1, 2021 to December 31, 2021)

1. Information on the amount of net sales and 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	1,004,191	10,266,180	5,266,266	16,536,638	1,625,621	18,162,259
Goods or services transferred over time	18,624,218	4,244,183	8,574,402	31,442,804	101,223	31,544,028
Revenue from contracts with customers	19,628,409	14,510,363	13,840,669	47,979,442	1,726,844	49,706,287
Other revenue	–	–	–	–	20,529	20,529
Sales to external customers	19,628,409	14,510,363	13,840,669	47,979,442	1,747,374	49,726,817
Intersegment sales and transfers	–	–	–	–	5,075	5,075
Total	19,628,409	14,510,363	13,840,669	47,979,442	1,752,450	49,731,893
Segment profit (loss)	209,668	1,880,374	1,488,774	3,578,817	137,878	3,716,695

(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	3,716,695
Elimination of intersegment transactions	3,420
Operating profit in the quarterly consolidated statement of income	3,720,115

II Nine-month period in the current fiscal year (from April 1, 2022 to December 31, 2022)

1. Information on the amount of net sales and 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	1,111,202	14,054,194	4,042,632	19,208,029	1,639,888	20,847,918
Goods or services transferred over time	20,041,677	6,357,172	7,917,475	34,316,325	–	34,316,325
Revenue from contracts with customers	21,152,880	20,411,366	11,960,107	53,524,355	1,639,888	55,164,243
Other revenue	–	–	–	–	19,238	19,238
Sales to external customers	21,152,880	20,411,366	11,960,107	53,524,355	1,659,127	55,183,482
Intersegment sales and transfers	–	–	–	–	636	636
Total	21,152,880	20,411,366	11,960,107	53,524,355	1,659,763	55,184,118
Segment profit (loss)	891,770	2,624,197	957,125	4,473,094	(3,011)	4,470,082

(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	4,470,082
Elimination of intersegment transactions	3,420
Operating profit in the quarterly consolidated statement of income	4,473,502

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 nine-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 nine-month period.

Name of segment	Nine-month period (from April 1, 2022 to December 31, 2022) (Thousands of yen)	Year-on-year change (%)
Automobile-related business	22,368,183	112.3
Semiconductor-related business	21,932,668	125.6
Other automatic labor-saving equipment	12,801,469	88.9
Others	1,739,072	96.3
Total	58,841,394	109.8

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 nine-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	32,787,186	175.3	35,410,089	281.9
Semiconductor-related business	27,502,852	108.2	23,751,741	144.7
Other automatic labor-saving equipment	16,632,496	120.7	10,522,808	145.7
Others	1,758,769	101.1	503,704	133.0
Total	78,681,305	131.9	70,188,344	191.9

Note: Amounts are based on selling prices.

(3) Sales results

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

Name of segment	Nine-month period (from April 1, 2022 to December 31, 2022) (Thousands of yen)	Year-on-year change (%)
Automobile-related business	21,152,880	107.8
Semiconductor-related business	20,411,366	140.7
Other automatic labor-saving equipment	11,960,107	86.4
Others	1,659,127	94.9
Total	55,183,482	111.0

Note: Intersegment transactions are offset and eliminated.