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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 <under Japanese GAAP>

May 12, 2023

Company name: ORGANO CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 6368  
 URL: <https://www.organo.co.jp/english/>  
 Representative: Masayuki Yamada, Representative Director and President  
 Inquiries: Shigeru Sonobe, General Manager of Accounting Dept., Corporate Management and Planning  
 TEL: +81-3-5635-5111  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to commence dividend payments: June 30, 2023  
 Scheduled date to file annual securities report: June 29, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results (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	%
Fiscal year ended								
March 31, 2023	132,426	18.2	15,212	40.2	16,020	38.8	11,730	27.4
March 31, 2022	112,069	11.4	10,850	13.3	11,545	16.6	9,210	30.2

Note: Comprehensive income: Fiscal year ended March 31, 2023 ¥12,602 million [21.1%]  
 Fiscal year ended March 31, 2022 ¥10,405 million [34.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	255.77	—	14.5	10.8	11.5
March 31, 2022	200.67	—	12.9	9.4	9.7

(Reference) Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 31, 2023 ¥208 million

Fiscal year ended March 31, 2022 ¥160 million

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Basic earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	164,854	86,371	52.3	1,877.80
March 31, 2022	130,506	76,004	58.1	1,655.14

(Reference) Equity: As of March 31, 2023 ¥86,170 million

As of March 31, 2022 ¥75,836 million

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Net assets per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(18,536)	(1,309)	14,706	15,558
March 31, 2022	10,787	(1,520)	(2,586)	20,198

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	72.00	–	88.00	160.00	1,840	19.9	2.6
Fiscal year ended March 31, 2023	–	116.00	–	33.00	–	2,853	24.2	3.5
Fiscal year ending March 31, 2024 (Forecast)	–	33.00	–	33.00	66.00		27.0	

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. The second quarter-end dividend per share for the fiscal year ended March 31, 2023 was stated before taking into account the effect of this share split, and the total annual dividend for the year was stated as “–”. The annual dividend per share for the fiscal year ended March 31, 2023 that has been calculated based on post-share split figures is ¥62.

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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
Six months ending September 30, 2023 (cumulative)	70,000	12.7	6,600	1.4	6,600	(11.4)	4,600	(8.5)	100.24
Fiscal year ending March 31, 2024	150,000	13.3	16,000	5.2	16,000	(0.1)	11,200	(4.5)	244.07

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2023	46,359,700 shares
As of March 31, 2022	46,359,700 shares

- b. Number of treasury shares at the end of the period

As of March 31, 2023	470,795 shares
As of March 31, 2022	541,020 shares

- c. Average number of shares outstanding during the period

For the fiscal year ended March 31, 2023	45,863,749 shares
For the fiscal year ended March 31, 2022	45,898,316 shares

Notes:

- The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.
- The Company has introduced an Officer Share Delivery Trust, and shares of the Company held by the Trust have been included in treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2023  
(from April 1, 2022 to March 31, 2023)**

- (1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	78,387	11.9	8,834	30.4	11,026	27.2	8,593	14.9
March 31, 2022	70,063	(3.6)	6,772	7.3	8,667	11.5	7,480	27.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	187.36	—
March 31, 2022	162.98	—

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Basic earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	125,235	68,824	55.0	1,499.80
March 31, 2022	102,721	62,361	60.7	1,361.05

(Reference) Equity: As of March 31, 2023      ¥68,824 million

As of March 31, 2022      ¥62,361 million

The Company conducted a 4-for-1 common share split effective as of October 1, 2022. Net assets per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.

### <Reasons for year-on-year differences in non-consolidated financial results>

Differences between the results for the fiscal year under review and the results for the previous fiscal year occurred due to the same reasons stated in “(1) Overview of operating results for the fiscal year under review” in “1. Overview of operating results, etc.” on 2 of the attached material.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

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

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to “(4) Future outlook” in “1. Overview of operating results, etc.” on page 7 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year under review

During the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023), the pace of recovery in the global economy slowed and the sense of stagnation became stronger due to factors such as the effects of progressive inflation caused by rising prices for energy, food and other goods, and consequent changes in the monetary policies of various countries, amid the prolonged impact of geopolitical risks, including the Russian invasion of Ukraine and trade friction between the U.S. and China.

In the electronics industry, the Organo Group's main market, there was a deterioration in semiconductor market conditions, centered around memory, and there were signs that some customers were reducing production and decreasing/postponing capital investment mainly due to the impact of semiconductor-related restrictions imposed on China by the U.S. However, large-scale investments in cutting-edge semiconductors in Taiwan, and capital investments in silicon wafers, automotive/power semiconductors, and others in Japan, China, Malaysia, etc. remained active. The general industry field saw recovering capital investments, which had been weak due to the impact of the COVID-19 pandemic, and there was continued strength in electric power/water supply and sewage and other areas of social infrastructure, driven primarily by the Service Solutions Division in Japan.

Under these conditions, the Organo Group proceeded to draw in orders and make deliveries for large-scale projects in Japan and overseas, while establishing supply chains and delivery frameworks in each country, and promoting digitalization to improve efficiency in the engineering operations and expand service solutions. We also engaged in initiatives to enhance R&D aimed at the creation of next-generation ultrapure water systems and new separation and purification technologies, and moved forward with measures to strengthen the management foundation, such as bolstering governance through risk management, formulating sustainability policies, and identifying issues of materiality.

As a result, for the fiscal year ended March 31, 2023, orders received increased by 27.9% year on year to ¥173,491 million, net sales increased by 18.2% year on year to ¥132,426 million, operating profit increased by 40.2% to ¥15,212 million, ordinary profit increased by 38.8% to ¥16,020 million, profit attributable to owners of parent increased by 27.4% to ¥11,730 million, and return on equity (ROE) was 14.5%, compared to 12.9% for the previous fiscal year. Orders received, net sales and the respective profit figures surpassed the actual results of the previous fiscal year and the levels of the initial plan across the board and achieved record highs. In addition, we have secured a high balance with respect to carry-over balance for order backlog centered on large-scale semiconductor projects, etc., which will form the basis for sales from next fiscal year onward, with an order backlog of ¥117,659 million (up 36.2% year on year).

(Millions of yen)

Category	77th term Fiscal year ended March 31, 2022	78th term (Fiscal year under review)		Year-on-year	Actual-to- forecast
		Fiscal year ended March 31, 2023			
		Initial plan	Actual result		
Orders received	135,698	125,000	173,491	27.9%	38.8%
Carry-over balance for order backlog	86,417	86,417	117,659	36.2%	36.2%
Net sales	112,069	125,000	132,426	18.2%	5.9%
Operating profit	10,850	11,700	15,212	40.2%	30.0%
Operating profit ratio (%)	9.7	9.4	11.5	—	—
Ordinary profit	11,545	11,700	16,020	38.8%	36.9%
Profit attributable to owners of parent	9,210	8,200	11,730	27.4%	43.1%
Return on equity (ROE) (%)	12.9	10.6	14.5	—	—

Results by segment are as follows.

[Water Treatment Engineering Business Unit]

Net sales ratio 84.3%	Orders received	¥152,422 million (Up 31.3% year-on-year)
	Net sales	¥111,601 million (Up 20.4% year-on-year)
	Operating profit	¥12,966 million (Up 42.7% year-on-year)

Major Business		Customers and Markets		
● Major Business and Products		Electronics industry	Electric power/ water supply and sewage	General industry
Plant Division	Service Solutions Division	Semiconductors	Power plants	Pharmaceuticals, cosmetics
Pure and ultrapure water production facilities	Replacement of expendable items	Flat panel display	Water purification plants	Food and beverage
Industrial process water treatment facilities	Maintenance	Electronic parts	Sewage treatment plants	Machinery and chemicals
Wastewater treatment and recovery facilities	Operational support services			
Valuable material recovery facilities	Renovation and reconditioning			
Production processing-related facilities	Contract water treatment			
	Comprehensive maintenance contracts			

■ Orders received

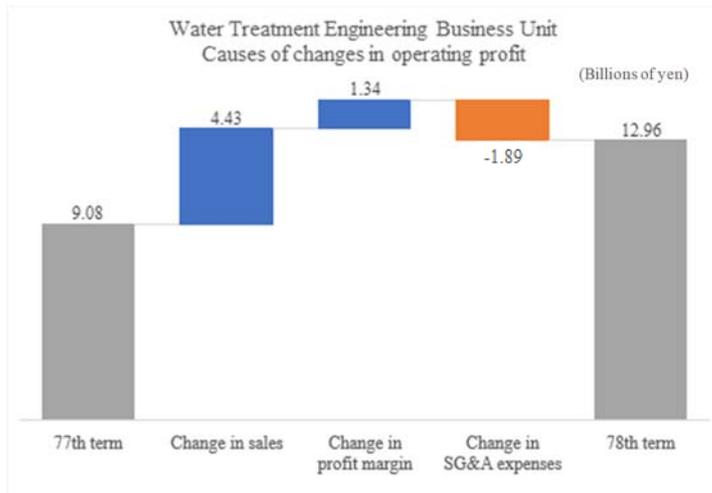
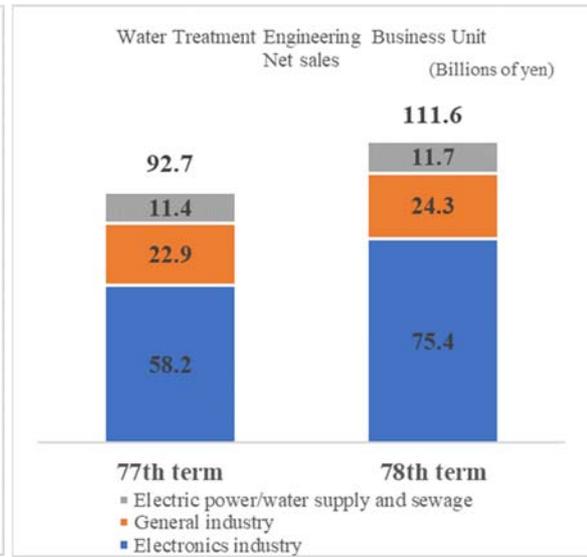
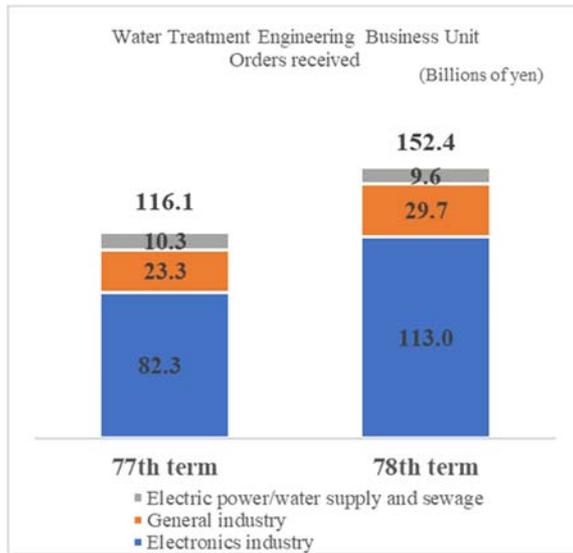
Orders received increased 31.3% year on year to ¥152,422 million. The electronics industry, which is the Organo Group's main market, saw a significant increase in orders received as a result of investing in semiconductor projects in Japan and cutting-edge semiconductors in Taiwan, and of receiving orders for large-scale construction programs involving the silicon wafer project in Japan, among others. Also, the increase was contributed by the active investments in automotive/power semiconductors in countries such as China and Malaysia. In the general industry field, there was also a recovery in large-scale capital investments in areas related to the pharmaceutical, food and electronics industries, and therefore orders received increased. In the field of social infrastructure, which includes electric power/water supply and sewage, orders received were about the same level as the previous fiscal year, mainly in solutions projects in Japan.

■ Net sales

Net sales increased 20.4% year on year to ¥111,601 million. In the electronics field, net sales increased mainly due to mostly steady progress on the construction of the projects ordered as a whole, and strength in maintenance, renovation/reconditioning, facility-owned projects/contracted processing, etc. of the Service Solutions Division, despite the impact from revised schedules for some projects and delays in procuring raw materials and in construction work. Sales also expanded in the general industry field, driven by such factors as a recovery in orders received for large-scale projects, and a growth in the Service Solutions Division. In the social infrastructure field, such as electric power/water supply and sewage, we succeeded in recording net sales of about the same level as the previous fiscal year, driven mainly by solutions projects in Japan.

■ Operating profit

Operating profit increased 42.7% year on year to ¥12,966 million. In addition to gross profit increasing due to the effects of higher sales primarily in the electronics industry, margins also improved year on year as a result of higher profitability in large-scale projects, which more than offset a rise in selling, general and administrative expenses centered on personnel outsourcing expenses, and led to a year-on-year increase in operating profit.



[Performance Products Business Unit]

Net sales ratio 15.7%	Orders received	¥21,068 million (Up 7.6% year-on-year)
	Net sales	¥20,824 million (Up 7.6% year-on-year)
	Operating profit	¥2,246 million (Up 27.4% year-on-year)

Major Business

● Major Business and Products

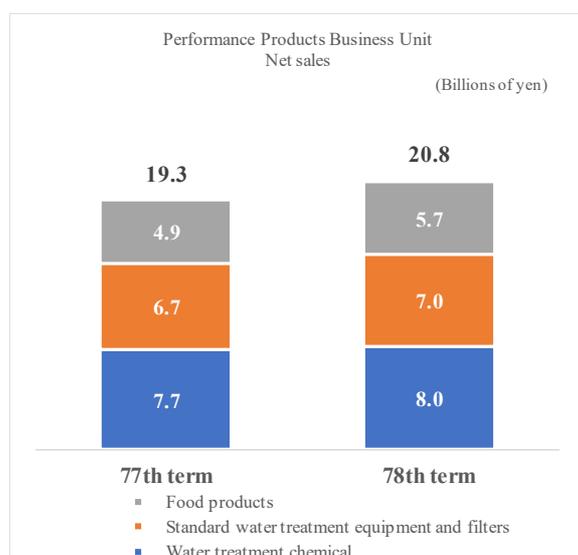
Water Treatment Chemicals Division	Standard Water Treatment Equipment and Filters Division	Food Products Division
RO membrane protection chemicals, Wastewater treatment chemicals, Cooling water treatment chemicals, Cleaning chemicals, Boilers water treatment chemicals  ● Customers and Markets Various manufacturing industries Buildings and commercial facilities	Pure and ultrapure water production systems Water purification filters  ● Customers and Markets Medical institutions, research institutions Various manufacturing industries Food and beverage, convenience stores	Food ingredients Food processing agents  ● Customers and Markets Food factories, food processing industry Beverage manufacturing Nursing care food, health food manufacturing

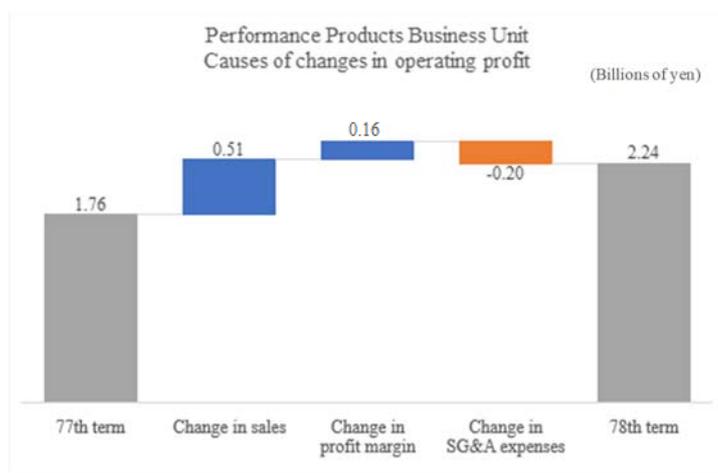
■ Orders received/Net sales

Orders received increased 7.6% year on year to ¥21,068 million and net sales increased 7.6% year on year to ¥20,824 million. Sales of various water treatment chemicals to the electronics industry increased, while in the standard equipment and filters field, sales of small-scale pure water production equipment, such as Puric μ (mu), were also strong. In the food products field, sales of food processing agents, among others, also increased.

■ Operating profit

Operating profit increased 27.4% year on year to ¥2,246 million. In addition to the effects of higher sales in each field, we made progress in passing on higher costs, such as increases in raw material prices, to selling prices, which resulted in operating profit growing year on year.





## (2) Overview of financial position for the fiscal year under review

### *Current assets*

Current assets as of March 31, 2023 amounted to ¥136,765 million, an increase of ¥33,903 million from the previous fiscal year end. This was mainly due to increases of ¥15,151 million in work in process and ¥13,831 million in accounts receivable - trade.

### *Non-current assets*

Non-current assets as of March 31, 2023 amounted to ¥28,088 million, an increase of ¥444 million from the previous fiscal year end. This was mainly due to an increase of ¥371 million in investment securities.

### *Current liabilities*

Current liabilities as of March 31, 2023 amounted to ¥68,738 million, an increase of ¥25,666 million from the previous fiscal year end. This was mainly due to an increase of ¥19,191 million in short-term borrowings.

### *Non-current liabilities*

Non-current liabilities as of March 31, 2023 amounted to ¥9,744 million, a decrease of ¥1,685 million from the previous fiscal year end. This was mainly due to a decrease of ¥1,800 million in long-term borrowings.

### *Net Assets*

Net assets as of March 31, 2023 amounted to ¥86,371 million, an increase of ¥10,366 million from the previous fiscal year end. This was mainly due to an increase of ¥9,383 million in retained earnings resulting from the recording of profit attributable to owners of parent.

## (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter, "cash") as of March 31, 2023 decreased by ¥4,639 million from the previous fiscal year end to ¥15,558 million.

### *Cash flows from operating activities*

Net cash used in operating activities was ¥18,536 million. This was mainly because there was an increase in cash due to profit before income taxes of ¥16,035 million while there was a decrease in cash due to an increase in trade receivables and contract assets of ¥19,954 million, and an increase in inventories of ¥17,295 million. (Net cash of ¥10,787 million was provided in the fiscal year ended March 31, 2022.)

### *Cash flows from investing activities*

Net cash used in investing activities was ¥1,309 million. This was mainly because there was a decrease in cash due to purchase of property, plant and equipment of ¥1,205 million. (Net cash of ¥1,520 million was used in the fiscal year ended March 31, 2022.)

### *Cash flows from financing activities*

Net cash provided by financing activities was ¥14,706 million. This was mainly because there were decreases in cash due to dividends paid of ¥2,347 million and repayments of long-term borrowings of

¥1,900 million while there was an increase in cash due to an increase in short-term borrowings of ¥19,138 million. (Net cash of ¥2,586 million was used in the fiscal year ended March 31, 2022.)

#### (4) Future outlook

In terms of the future outlook, we anticipate the global economy will follow a decelerating trend due to the impact of further inflation worldwide, monetary tightening, and other factors. In the electronics industry, which is the Organo Group's main market, there are concerns that the economic trend in countries such as the U.S. and China will have an impact on semiconductor market conditions, and the outlook is likely to remain unclear. Regarding our financial results outlook for the fiscal year ending March 31, 2024, we are planning for orders received of ¥150,000 million (down 13.5% year on year), net sales of ¥150,000 million (up 13.3%), operating profit of ¥16,000 million (up 5.2%), ordinary profit of ¥16,000 million (down 0.1%), and profit attributable to owners of parent of ¥11,200 million (down 4.5%).

Orders received are expected to decrease year on year, but we assume the receipt of some orders related to multiple large-scale projects planned in Japan and overseas, centered on the electronics industry. We forecast that net sales will exceed the level of the fiscal year ended March 31, 2023, due to our substantial carry-over balance for order backlog, which has arisen primarily from large-scale projects related to semiconductors, and due to our expectation of mostly steady progress in construction work. In terms of operating profit, we anticipate an increase in profits prompted by expansion of sales, despite the likelihood of higher personnel expenses associated with strengthening our structures, rises in outsourcing costs aimed at improving efficiency and in investments for digital technology, and higher research and development expenses for the creation of new businesses and so on. Meanwhile, we forecast a decrease in ordinary profit and profit attributable to owners of parent, impacted by the foreign exchange gains recorded in the previous fiscal years as a result of the depreciation of the yen, among other factors.

(Millions of yen, %)

Category	Fiscal year ended March 31, 2023	Fiscal year ending March 31,		Change
		2024 Initial plan		
Orders received	173,491	150,000		(13.5)%
Carry-over balance for order backlog	117,659	117,659		0.0%
Net sales	132,426	150,000		13.3%
Operating profit	15,212	16,000		5.2%
Operating profit ratio (%)	11.5	10.7		–
Ordinary profit	16,020	16,000		(0.1)%
Profit attributable to owners of parent	11,730	11,200		(4.5)%
Return on equity (ROE) (%)	14.5	12.6		–

## 2. Basic policy regarding selection of accounting standards

The Organo Group will prepare its consolidated financial statements in accordance with Japanese GAAP for the time being.

Meanwhile, we will remain attentive to developments in Japan and overseas with respect to the International Financial Reporting Standards (IFRS).

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	20,198	15,558
Notes receivable - trade	1,703	1,026
Accounts receivable - trade	25,639	39,470
Electronically recorded monetary claims - operating	1,862	2,826
Contract assets	25,584	32,359
Investments in leases	11,293	9,853
Merchandise and finished goods	5,264	7,165
Work in process	6,735	21,886
Raw materials and supplies	1,456	1,744
Other	3,133	4,891
Allowance for doubtful accounts	(6)	(17)
Total current assets	102,862	136,765
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,873	19,183
Accumulated depreciation	(12,707)	(13,104)
Buildings and structures, net	6,166	6,078
Machinery, equipment and vehicles	5,826	6,582
Accumulated depreciation	(5,117)	(5,452)
Machinery, equipment and vehicles, net	709	1,129
Land	12,257	12,296
Construction in progress	1,115	118
Other	5,346	5,955
Accumulated depreciation	(4,601)	(4,784)
Other, net	745	1,171
Total property, plant and equipment	20,995	20,795
Intangible assets	1,082	949
Investments and other assets		
Investment securities	2,058	2,430
Retirement benefit asset	624	815
Deferred tax assets	2,369	2,673
Other	979	596
Allowance for doubtful accounts	(464)	(171)
Total investments and other assets	5,566	6,343
Total non-current assets	27,644	28,088
Total assets	130,506	164,854

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,795	20,904
Electronically recorded obligations - operating	5,575	4,640
Short-term borrowings	9,933	29,124
Income taxes payable	1,444	3,014
Contract liabilities	1,820	3,007
Provision for bonuses	1,477	1,594
Provision for product warranties	296	548
Provision for loss on construction contracts	46	512
Provision for share awards for directors (and other officers)	123	105
Other	3,559	5,284
Total current liabilities	43,072	68,738
Non-current liabilities		
Long-term borrowings	5,695	3,895
Deferred tax liabilities	53	91
Retirement benefit liability	5,512	5,511
Other	168	245
Total non-current liabilities	11,429	9,744
Total liabilities	54,501	78,483
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,225	8,225
Capital surplus	7,508	7,508
Retained earnings	59,619	69,002
Treasury shares	(734)	(613)
Total shareholders' equity	74,617	84,123
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	434	539
Deferred gains or losses on hedges	(0)	(2)
Foreign currency translation adjustment	575	1,191
Remeasurements of defined benefit plans	208	317
Total accumulated other comprehensive income	1,218	2,047
Non-controlling interests	168	201
Total net assets	76,004	86,371
Total liabilities and net assets	130,506	164,854

**(2) Consolidated statement of income and consolidated statement of comprehensive income****Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net sales	112,069	132,426
Cost of sales	83,556	97,449
Gross profit	28,512	34,976
Selling, general and administrative expenses	17,662	19,763
Operating profit	10,850	15,212
Non-operating income		
Interest income	26	35
Dividend income	33	44
Foreign exchange gains	573	559
Share of profit of entities accounted for using equity method	160	208
Other	129	130
Total non-operating income	924	978
Non-operating expenses		
Interest expenses	127	159
Loss on valuation of derivatives	92	–
Other	9	10
Total non-operating expenses	229	170
Ordinary profit	11,545	16,020
Extraordinary income		
Gain on sale of non-current assets	1,150	5
Gain on sale of investment securities	23	40
Gain on sale of right to use facilities	11	–
Total extraordinary income	1,185	46
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on abandonment of non-current assets	21	28
Loss on sale of investment securities	–	1
Loss on sale of right to use facilities	13	–
Total extraordinary losses	35	31
Profit before income taxes	12,696	16,035
Income taxes - current	2,984	4,628
Income taxes - deferred	485	(357)
Total income taxes	3,470	4,270
Profit	9,226	11,764
Profit attributable to non-controlling interests	15	34
Profit attributable to owners of parent	9,210	11,730

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Profit	9,226	11,764
Other comprehensive income		
Valuation difference on available-for-sale securities	135	104
Deferred gains or losses on hedges	(0)	(2)
Foreign currency translation adjustment	809	625
Remeasurements of defined benefit plans, net of tax	235	110
Share of other comprehensive income of entities accounted for using equity method	(2)	0
Total other comprehensive income	1,178	837
Comprehensive income	10,405	12,602
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,371	12,559
Comprehensive income attributable to non-controlling interests	33	43

**(3) Consolidated statement of changes in equity****Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,225	7,508	51,902	(495)	67,139
Cumulative effects of changes in accounting policies			11		11
Restated balance	8,225	7,508	51,913	(495)	67,151
Changes during period					
Dividends of surplus			(1,541)		(1,541)
Profit attributable to owners of parent			9,210		9,210
Increase in retained earnings due to increase in consolidated subsidiaries			36		36
Purchase of treasury shares				(354)	(354)
Disposal of treasury shares				115	115
Net changes in items other than shareholders' equity					
Total changes during period			7,705	(238)	7,466
Balance at end of period	8,225	7,508	59,619	(734)	74,617

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	301	–	(201)	(25)	74	143	67,357
Cumulative effects of changes in accounting policies							11
Restated balance	301	–	(201)	(25)	74	143	67,369
Changes during period							
Dividends of surplus							(1,541)
Profit attributable to owners of parent							9,210
Increase in retained earnings due to increase in consolidated subsidiaries							36
Purchase of treasury shares							(354)
Disposal of treasury shares							115
Net changes in items other than shareholders' equity	132	(0)	777	234	1,144	25	1,169
Total changes during period	132	(0)	777	234	1,144	25	8,635
Balance at end of period	434	(0)	575	208	1,218	168	76,004

**Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,225	7,508	59,619	(734)	74,617
Changes during period					
Dividends of surplus			(2,347)		(2,347)
Profit attributable to owners of parent			11,730		11,730
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		125	125
Net changes in items other than shareholders' equity					
Total changes during period	-	0	9,383	121	9,505
Balance at end of period	8,225	7,508	69,002	(613)	84,123

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	434	(0)	575	208	1,218	168	76,004
Changes during period							
Dividends of surplus							(2,347)
Profit attributable to owners of parent							11,730
Purchase of treasury shares							(4)
Disposal of treasury shares							125
Net changes in items other than shareholders' equity	104	(2)	616	109	828	32	861
Total changes during period	104	(2)	616	109	828	32	10,366
Balance at end of period	539	(2)	1,191	317	2,047	201	86,371

#### (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,696	16,035
Depreciation	1,332	1,824
Increase (decrease) in provisions	127	652
Increase (decrease) in retirement benefit liability	150	171
Decrease (increase) in retirement benefit asset	(250)	(211)
Interest and dividend income	(60)	(80)
Interest expenses	127	159
Foreign exchange losses (gains)	(178)	(233)
Share of loss (profit) of entities accounted for using equity method	(160)	(208)
Loss (gain) on valuation of derivatives	92	(5)
Loss (gain) on sale of non-current assets	(1,150)	(4)
Loss on abandonment of non-current assets	21	28
Loss (gain) on sale of investment securities	(23)	(39)
Loss (gain) on sale of right to use facilities	1	–
Decrease (increase) in trade receivables and contract assets	(320)	(19,954)
Decrease (increase) in investments in leases	(1,518)	1,439
Decrease (increase) in inventories	(2,244)	(17,295)
Increase (decrease) in trade payables	5,451	664
Other, net	403	1,672
<b>Subtotal</b>	<b>14,497</b>	<b>(15,384)</b>
Interest and dividends received	73	93
Interest paid	(129)	(168)
Proceeds from insurance income	11	71
Compensation paid for damage	(0)	–
Income taxes refund (paid)	(3,664)	(3,147)
<b>Net cash provided by (used in) operating activities</b>	<b>10,787</b>	<b>(18,536)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,492)	(1,205)
Proceeds from sale of property, plant and equipment	1,200	5
Purchase of intangible assets	(306)	(247)
Purchase of investment securities	(8)	(301)
Proceeds from sale of investment securities	65	73
Proceeds from collection of loans receivable	–	300
Proceeds from sale of right to use facilities	32	–
Other, net	(10)	64
<b>Net cash provided by (used in) investing activities</b>	<b>(1,520)</b>	<b>(1,309)</b>

(Millions of yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(5,979)	19,138
Proceeds from long-term borrowings	6,000	–
Repayments of long-term borrowings	(600)	(1,900)
Purchase of treasury shares	(354)	(4)
Dividends paid	(1,541)	(2,347)
Dividends paid to non-controlling interests	(7)	(10)
Other, net	(101)	(170)
Net cash provided by (used in) financing activities	(2,586)	14,706
Effect of exchange rate change on cash and cash equivalents	398	500
Net increase (decrease) in cash and cash equivalents	7,079	(4,639)
Cash and cash equivalents at beginning of period	12,804	20,198
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	314	–
Cash and cash equivalents at end of period	20,198	15,558

## (5) Notes to consolidated financial statements

### Notes on premise of going concern

No items to report

### Segment information, etc.

[Segment information]

#### 1. Overview of reportable segments

The reportable segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

Based on a system of separate business units according to the product and service, the Company formulates comprehensive strategies for Japan and overseas for products and services handled by each business unit, etc. and carries out its business activities.

Therefore, the Company is comprised of product and service segments based on the business units, etc., and the two reportable segments, Water Treatment Engineering Business Unit and Performance Products Business Unit, handle products with similar qualities and economic characteristics and services with similar contents.

Each reportable segment and the major products and business in the segments are as follows.

Reportable Segment	Major Products and Business	
Water Treatment Engineering Business Unit	Plant Division	Pure and ultrapure water production facilities, Industrial process water treatment facilities, Wastewater treatment and wastewater recovery facilities, Valuable material recovery facilities, Production processing-related facilities
	Service Solutions Division	Replacement of expendable items, Maintenance, Operational support services, Renovation/Reconditioning, Contract water treatment, Comprehensive maintenance contracts
Performance Products Business Unit	Water Treatment Chemicals Division	RO membrane protection chemicals, Wastewater treatment chemicals, Cooling water treatment chemicals, Cleaning chemicals, Boiler water treatment chemicals
	Standard Water Treatment Equipment and Filters Division	Pure and ultrapure water production facilities, Water purification filters
	Food Products Division	Food ingredients, Food processing agents

#### 2. Calculation of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting methods used for reportable segments are the same as the accounting adopted for the preparation of consolidated financial statements.

Intersegment sales or transfers are determined by referencing general trading conditions in consideration of market prices, etc.

Moreover, the figures for segment profit are based on operating profit, and there are no discrepancies with the operating profit shown in the consolidated statement of income.

3. Net sales, profit (loss), assets, liabilities, and other items by reportable segment  
Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable Segment			Adjustment (Note 1)	Reported in consolidated financial statements
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	92,723	19,346	112,069	–	112,069
Intersegment sales or transfers	0	331	332	(332)	–
Total	92,724	19,678	112,402	(332)	112,069
Segment profit	9,087	1,763	10,850	–	10,850
Segment assets	107,150	17,763	124,914	5,592	130,506
Other items					
Depreciation	1,042	290	1,332	–	1,332
Investment in entities accounted for using equity method	1,109	–	1,109	–	1,109
Increase in property, plant and equipment and intangible assets	2,676	711	3,387	–	3,387

- Notes: 1. The adjustments of ¥5,592 million for segment assets are mainly deferred tax assets and long-term investment funds (investment securities).  
2. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include amortization of and an increase in long-term prepaid expenses.

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segment			Adjustment (Note 1)	Reported in consolidated financial statements
	Water Treatment Engineering Business Unit	Performance Products Business Unit	Total		
Net sales					
Sales to external customers	111,601	20,824	132,426	–	132,426
Intersegment sales or transfers	0	347	348	(348)	–
Total	111,602	21,172	132,774	(348)	132,426
Segment profit	12,966	2,246	15,212	–	15,212
Segment assets	141,199	18,387	159,587	5,266	164,854
Other items					
Depreciation	1,476	347	1,824	–	1,824
Investment in entities accounted for using equity method	1,305	–	1,305	–	1,305
Increase in property, plant and equipment and intangible assets	1,232	234	1,466	–	1,466

- Notes: 1. The adjustments of ¥5,266 million for segment assets are mainly deferred tax assets and long-term investment funds (investment securities).  
2. “Depreciation” and “Increase in property, plant and equipment and intangible assets” include amortization of and an increase in long-term prepaid expenses.

[Related information]

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

1. Information by product and service

This information has been omitted, as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Taiwan	China	Southeast Asia	Other	Total
73,082	19,523	13,325	4,874	1,263	112,069

Note: Net sales are classified into countries or regions based on customers' location.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan is more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Net sales	Related segment
Taiwan Semiconductor Manufacturing Company, Ltd.	15,472	Water Treatment Engineering Business Unit

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

1. Information by product and service

This information has been omitted, as identical information is disclosed in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	Taiwan	China	Southeast Asia	Other	Total
82,796	23,504	11,691	10,217	4,216	132,426

Note: Net sales are classified into countries or regions based on customers' location.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan is more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

Because there is no external customer for which sales account for 10% or more of net sales recorded on the consolidated statement of income, this information is not presented.

[Information relating to impairment loss of non-current assets by each reportable segment]

No items to report

[Information relating to amortization of goodwill and unamortized balance by each reportable segment]

No items to report

[Information relating to gain on bargain purchase by each reportable segment]

No items to report

### Per share information

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net assets per share	¥1,655.14	¥1,877.80
Basic earnings per share	¥200.67	¥255.77

- Notes: 1. Diluted earnings per share is not presented since no potential shares exist.
2. The Company conducted a 4-for-1 common share split, effective as of October 1, 2022. Net assets per share and basic earnings per share are calculated on the assumption that said share split was conducted at the beginning of the previous fiscal year.
3. When calculating net assets per share in the fiscal year ended March 31, 2023, common shares of the Company held by the Officer Share Delivery Trust have been included in treasury shares excluded from the total number of issued shares at the end of the period (204 thousand shares at the end of the fiscal year ended March 31, 2022; 133 thousand shares at the end of the fiscal year ended March 31, 2023). Moreover, when calculating basic earnings per share, they have been included in treasury shares excluded from the calculation of the average number of shares outstanding during the period (126 thousand shares in the fiscal year ended March 31, 2022; 158 thousand shares in the fiscal year ended March 31, 2023).
4. The basis for calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (millions of yen)	9,210	11,730
Amounts not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent related to common shares (millions of yen)	9,210	11,730
Average number of common shares outstanding during the period (thousands of shares)	45,898	45,863

5. The basis for calculation of net assets per share is as follows.

	As of March 31, 2022	As of March 31, 2023
Total net assets (millions of yen)	76,004	86,371
Amount subtracted from total net assets (millions of yen)	168	201
[Of which non-controlling interests (millions of yen)]	[168]	[201]
Net assets at the end of period attributable to common share (millions of yen)	75,836	86,170
Number of common shares at the end of period used to calculate net assets per share (thousands of shares)	45,818	45,888

### Significant subsequent events

No items to report