



Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

April 28, 2023

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 Scheduled date of annual general meeting of shareholders: June 16, 2023
 Scheduled date to commence dividend payments: June 1, 2023
 Scheduled date to file annual securities report: June 19, 2023
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

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		Net profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2023	329,389	15.9	12,656	35.7	12,437	21.1	8,124	19.3
Mar. 31, 2022	284,096	31.4	9,328	154.6	10,274	120.6	6,811	446.2

Note: Comprehensive income

For the fiscal year ended Mar.31, 2023: 9,397 million yen [15.2%]

For the fiscal year ended Mar.31, 2022: 8,157 million yen [212.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	yen	yen	%	%	%
Mar. 31, 2023	330.16	—	11.8	9.0	3.8
Mar. 31, 2022	276.82	—	11.0	8.4	3.3

Reference: Share of profit of entities accounted for using equity method

For the fiscal year ended Mar.31, 2023: 185 million yen

For the fiscal year ended Mar.31, 2022: 295 million yen

(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
Mar. 31, 2023	143,200	72,158	50.4	2,932.46
Mar. 31, 2022	134,121	65,096	48.5	2,643.55

Reference: Total Equity

As of Mar.31, 2023: 72,158 million yen

As of Mar.31, 2022: 65,055 million yen

(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
Mar. 31, 2023	9,596	(261)	(3,099)	18,860
Mar. 31, 2022	(2,330)	197	(4,015)	12,024

2. Dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Fiscal year-end	Total			
Fiscal year ended	yen	yen	yen	yen	yen	Millions of yen	%	%
Mar. 31, 2022	—	42.00	—	42.00	84.00	2,067	30.3	3.3
Mar. 31, 2023	—	50.00	—	55.00	105.00	2,583	31.8	3.8
Fiscal year ending Mar. 31, 2024 (Forecast)	—	58.00	—	58.00	116.00		30.4	

3. Forecast of Consolidated Financial Results 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		Net profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	340,000	3.2	14,200	12.2	14,000	12.6	9,400	15.7	382.00

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: —

Excluded: —

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

1. Changes in accounting policies due to the revision of accounting standards, etc.: None

2. Changes in accounting policies due to other reasons: None

3. Changes in accounting estimates: None

4. Restatements: None

- (3) Number of issued shares (common shares)

1. Total number of issued shares at the end of the period (including treasury shares)	As of Mar. 31, 2023	25,303,478 shares	As of Mar. 31, 2022	25,303,478 shares
2. Number of treasury shares at the end of the period	As of Mar. 31, 2023	696,464 shares	As of Mar. 31, 2022	694,494 shares
3. Average number of shares outstanding during the period	Fiscal year ended Mar. 31, 2023	24,607,482 shares	Fiscal year ended Mar. 31, 2022	24,606,380 shares

Reference: 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)

	Net sales		Operating profit		Ordinary profit		Net profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Mar. 31, 2023	163,507	11.3	7,612	23.2	10,060	24.4	7,552	26.9
Mar. 31, 2022	146,897	21.3	6,180	6.3	8,089	268.8	5,950	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	yen	yen
Mar. 31, 2023	306.91	—
Mar. 31, 2022	241.83	—

Note: The percentage change of net profit for the fiscal year ended March 31, 2022 against net profit in the fiscal year ended

Note: March 31, 2021 has not been stated because the change is greater than 1,000%.

(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
Mar. 31, 2023	86,639	57,601	66.5	2,340.85
Mar. 31, 2022	84,471	52,541	62.2	2,135.07

Reference: Total equity

As of Mar. 31, 2023: 57,601 million yen

As of Mar. 31, 2022: 52,541 million yen

< Reasons for differences in the non-consolidated financial results from the previous fiscal year >

Net sales totaled 163,507 million yen, an increase of 11.3% against the previous fiscal year, mainly due to strong sales in both the Textiles and Chemicals Business. In terms on profit, ordinary profit totaled 10,060 million yen, an increase of 24.4% and net profit came to 7,552 million yen, an increase of 26.9% against the previous fiscal year due to strong performance in overall chemical products and the accurate response to recovering demand for domestic apparel in the Textiles Business.

*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

The forward-looking statements in this document are based on the information available at the time of publication and certain assumptions that the Company judges as rational. Actual financial results may vary significantly due to various reasons. The Company, therefore, wishes to caution that readers should not place undue reliance on forward-looking statements.

Consolidated financial statements
Consolidated balance sheets

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets		
Current assets		
Cash and deposits	12,242	16,463
Deposits paid to subsidiaries and affiliates	-	2,500
Notes and accounts receivable - trade	74,272	77,130
Merchandise and finished goods	17,346	19,212
Work in process	1,045	831
Raw materials and supplies	4	17
Goods in transit	3,704	1,967
Other	6,220	6,614
Allowance for doubtful accounts	(964)	(2,656)
Total current assets	113,871	122,081
Non-current assets		
Property, plant and equipment		
Buildings and structures	859	847
Accumulated depreciation	(546)	(574)
Buildings and structures, net	313	272
Machinery, equipment and vehicles	2,645	2,555
Accumulated depreciation	(1,665)	(1,734)
Machinery, equipment and vehicles, net	979	820
Tools, furniture and fixtures	790	813
Accumulated depreciation	(579)	(619)
Tools, furniture and fixtures, net	210	193
Construction in progress	12	13
Land	262	259
Leased assets	767	764
Accumulated depreciation	(582)	(404)
Leased assets, net	185	359
Total property, plant and equipment	1,964	1,919
Intangible assets		
Goodwill	1,053	645
Customer-related assets	993	893
Other	401	1,316
Total intangible assets	2,449	2,855
Investments and other assets		
Investment securities	10,616	10,766
Long-term loans receivable	1,258	1,436
Distressed receivables	6,146	6,536
Retirement benefit asset	78	-
Deferred tax assets	692	789
Other	3,186	3,378
Allowance for doubtful accounts	(6,142)	(6,562)
Total investments and other assets	15,836	16,344
Total non-current assets	20,249	21,118
Total assets	134,121	143,200

(Unit: Millions of yen)

	As of Mar. 31, 2022	As of Mar. 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,213	52,919
Short-term borrowings	4,944	4,816
Current portion of long-term borrowings	113	113
Income taxes payable	2,028	2,387
Provision for bonuses	916	927
Provision for loss on liquidation of subsidiaries and affiliates	42	42
Other	5,203	6,456
Total current liabilities	65,461	67,663
Non-current liabilities		
Long-term borrowings	245	132
Deferred tax liabilities	843	797
Retirement benefit liability	2,366	2,233
Other	107	215
Total non-current liabilities	3,562	3,378
Total liabilities	69,024	71,041
Net assets		
Shareholders' equity		
Share capital	6,800	6,800
Capital surplus	1,799	1,804
Retained earnings	54,804	60,634
Treasury shares	(689)	(689)
Total shareholders' equity	62,714	68,549
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,221	1,392
Deferred gains or losses on hedges	285	(138)
Foreign currency translation adjustment	917	2,421
Remeasurements of defined benefit plans	(84)	(66)
Total accumulated other comprehensive income	2,340	3,609
Non-controlling interests	41	-
Total net assets	65,096	72,158
Total liabilities and net assets	134,121	143,200

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Net sales	284,096	329,389
Cost of sales	253,446	292,330
Gross profit	30,650	37,058
Selling, general and administrative expenses	21,321	24,401
Operating profit	9,328	12,656
Non-operating income		
Interest income	286	294
Dividend income	291	232
Share of profit of entities accounted for using equity method	295	185
Foreign exchange gains	193	-
Gain on adjustment of accounts payable	64	51
Miscellaneous income	241	383
Total non-operating income	1,374	1,146
Non-operating expenses		
Interest expenses	75	542
Loss on sale of notes receivable - trade	177	403
Foreign exchange losses	-	288
Miscellaneous expenses	175	130
Total non-operating expenses	428	1,365
Ordinary profit	10,274	12,437
Extraordinary income		
Gain on sale of investment securities	221	390
Gain on sale of non-current assets	318	9
Gain on liquidation or reorganization of subsidiaries and affiliates	-	7
Gain on revision of retirement benefit plan	79	-
Gain on sale of shares of subsidiaries and affiliates	18	-
Total extraordinary income	638	407
Extraordinary losses		
Loss on valuation of investment securities	51	35
Loss on disposal of non-current assets	4	18
Loss on valuation of golf club membership	-	2
Loss on liquidation of subsidiaries and affiliates	48	-
Impairment losses	21	-
Loss on sale of investment securities	7	-
Total extraordinary losses	134	57
Net profit before income taxes	10,778	12,788
Income taxes - current	4,083	4,608
Income taxes - deferred	(118)	54
Total income taxes	3,964	4,663
Net profit	6,814	8,124
Net profit attributable to non-controlling interests	2	0
Net profit attributable to owners of parent	6,811	8,124

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Net profit	6,814	8,124
Other comprehensive income		
Valuation difference on available-for-sale securities	(442)	171
Deferred gains or losses on hedges	146	(424)
Foreign currency translation adjustment	1,323	1,231
Remeasurements of defined benefit plans, net of tax	15	17
Share of other comprehensive income of entities accounted for using equity method	299	276
Total other comprehensive income	1,342	1,272
Comprehensive income	8,157	9,397
Comprehensive income attributable to:		
Owners of parent	8,154	9,393
Non-controlling interests	2	4

Consolidated Statements of Changes in Shareholders' Equity
For the year ended Mar. 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2021)	6,800	1,792	49,903	(698)	57,798
Changes of items during the period					
Cash dividends			(1,599)		(1,599)
Net income attributable to owners of parent			6,811		6,811
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		6		9	16
Change in ownership interest of parent due to transactions with non-controlling interests					-
Changes in scope of equity method			(300)		(300)
Other			(10)		(10)
Net changes in items other than shareholders' equity					
Total changes during period	-	6	4,901	8	4,916
Balance at end of period (on Mar. 31, 2022)	6,800	1,799	54,804	(689)	62,714

	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 adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at begging of period (on Apr. 1, 2021)	1,663	138	(705)	(99)	997	36	58,831
Changes of items during the period							
Cash dividends							(1,599)
Net income attributable to owners of parent							6,811
Purchase of treasury shares							(1)
Disposal of treasury shares							16
Change in ownership interest of parent due to transactions with non-controlling interests							-
Changes in scope of equity method							(300)
Other							(10)
Net changes in items other than shareholders' equity	(442)	146	1,623	15	1,342	5	1,348
Total changes during period	(442)	146	1,623	15	1,342	5	6,264
Balance at the end of period (on Mar. 31, 2022)	1,221	285	917	(84)	2,340	41	65,096

Consolidated Statements of Changes in Shareholders' Equity
For the year ended Mar. 31, 2023 (from Apr. 1, 2022 to Mar. 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period (on Apr. 1, 2022)	6,800	1,799	54,804	(689)	62,714
Changes of items during the period					
Cash dividends			(2,263)		(2,263)
Net income attributable to owners of parent			8,124		8,124
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		1		1	3
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Changes in scope of equity method					-
Other			(30)		(30)
Net changes in items other than shareholders' equity					
Total changes during period	-	4	5,830	0	5,835
Balance at end of period (on Mar. 31, 2023)	6,800	1,804	60,634	(689)	68,549

	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 adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at begging of period (on Apr. 1, 2022)	1,221	285	917	(84)	2,340	41	65,096
Changes of items during the period							
Cash dividends							(2,263)
Net income attributable to owners of parent							8,124
Purchase of treasury shares							(1)
Disposal of treasury shares							3
Change in ownership interest of parent due to transactions with non-controlling interests							2
Changes in scope of equity method							-
Other							(30)
Net changes in items other than shareholders' equity	171	(424)	1,503	17	1,268	(41)	1,227
Total changes during period	171	(424)	1,503	17	1,268	(41)	7,062
Balance at the end of period (on Mar. 31, 2023)	1,392	(138)	2,421	(66)	3,609	-	72,158

Consolidated statements of cash flows

(Unit: Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Cash flows from operating activities		
Net profit before income taxes	10,778	12,788
Depreciation	794	807
Impairment losses	21	-
Amortization of goodwill	435	403
Increase (decrease) in retirement benefit liability	83	(79)
Increase (decrease) in allowance for doubtful accounts	871	1,597
Interest and dividend income	(578)	(526)
Interest expenses	75	542
Foreign exchange losses (gains)	(116)	(83)
Share of loss (profit) of entities accounted for using equity method	(295)	(185)
Loss (gain) on sale of non-current assets	(314)	9
Loss on valuation of golf club membership	-	2
Loss (gain) on sale of investment securities	(214)	(390)
Loss (gain) on valuation of investment securities	51	35
Loss (gain) on sale of shares of subsidiaries and affiliates	(18)	-
Gain(loss) on liquidation of subsidiaries and affiliates	48	(7)
Decrease (increase) in trade receivables	(12,719)	(1,870)
Decrease (increase) in inventories	(6,228)	418
Increase (decrease) in trade payables	9,203	(0)
Decrease (increase) in consumption taxes refund receivable	(186)	(116)
Decrease (increase) in other assets	(421)	(405)
Increase (decrease) in other liabilities	(274)	642
Other, net	24	168
Subtotal	1,020	13,751
Interest and dividends received	510	645
Interest paid	(74)	(546)
Income taxes refund (paid)	(3,787)	(4,253)
Net cash provided by (used in) operating activities	(2,330)	9,596
Cash flows from investing activities		
Purchase of property, plant and equipment	(78)	(87)
Proceeds from sale of property, plant and equipment	750	24
Purchase of intangible assets	(152)	(935)
Purchase of investment securities	(60)	(65)
Proceeds from sale of investment securities	2	644
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,294)	-
Proceeds from sale of shares of subsidiaries and affiliates	702	-
Proceeds from sale of investments in capital	258	16
Loan advances	(4)	(82)
Proceeds from collection of loans receivable	218	3
Other, net	(144)	221
Net cash provided by (used in) investing activities	197	(261)

	(Unit: Millions of yen)	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,069)	(417)
Repayments of long-term borrowings	(113)	(113)
Purchase of treasury shares	(1)	(1)
Dividends paid	(1,598)	(2,260)
Other, net	(233)	(307)
Net cash provided by (used in) financing activities	(4,015)	(3,099)
Effect of exchange rate change on cash and cash equivalents	571	601
Net increase (decrease) in cash and cash equivalents	(5,576)	6,836
Cash and cash equivalents at beginning of period	17,601	12,024
Cash and cash equivalents at end of period	12,024	18,860