



May 10, 2024

Summary of Financial Results for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

Company name: JCU CORPORATION Listing: Tokyo Stock Exchange
 Stock code: 4975 URL: <https://www.jcu-i.com/>
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Scheduled date of Annual General Meeting of Shareholders: June 26, 2024
 Scheduled date of filing of Annual Securities Report: June 27, 2024
 Scheduled date of payment of dividend: June 12, 2024
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 10, 2024 at 15:00. (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023–March 31, 2024)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/24	24,859	(8.4)	8,041	(13.4)	8,216	(12.3)	5,530	(8.0)
FY3/23	27,137	11.9	9,285	3.3	9,369	1.5	6,013	(5.6)

Note: Comprehensive income (million yen) FY3/24: 7,104 (down 2.8%) FY3/23: 7,308 (down 12.1%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
FY3/24	216.95	–	13.8	17.4	32.3
FY3/23	232.62	–	16.9	21.8	34.2

Reference: Equity in earnings of affiliates (million yen) FY3/24: (57) FY3/23: (473)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	49,641	42,250	85.1	1,667.82
As of Mar. 31, 2023	44,901	37,861	84.3	1,477.42

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 42,250 As of Mar. 31, 2023: 37,861

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/24	6,029	(781)	(3,061)	24,587
FY3/23	7,840	(324)	(2,857)	21,997

2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/23	–	33.00	–	33.00	66.00	1,701	28.4	4.8
FY3/24	–	35.00	–	35.00	70.00	1,779	32.3	4.5
FY3/25 (forecasts)	–	37.00	–	37.00	74.00		31.8	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-over-year changes)

	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
First half	12,100	11.4	3,870	25.0	3,870	20.8	2,680	23.1	105.79
Full year	27,000	8.6	8,500	5.7	8,500	3.5	5,900	6.7	232.90

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): Yes

Newly added: –

Excluded: 1 (Sorapuchi Farm Corp.)

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2024: 26,941,306 shares As of Mar. 31, 2023: 27,235,477 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2024: 1,608,632 shares As of Mar. 31, 2023: 1,608,529 shares

3) Average number of shares outstanding during the period

FY3/24: 25,491,652 shares FY3/23: 25,852,342 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023–March 31, 2024)

(1) Non-consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/24	13,832	9.3	3,684	43.0	8,288	9.1	6,523	10.1
FY3/23	12,661	(0.5)	2,576	(8.7)	7,597	4.1	5,926	(2.0)

	Net income per share	Diluted net income per share
	Yen	Yen
FY3/24	255.92	–
FY3/23	229.26	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	36,803	32,127	87.3	1,268.21
As of Mar. 31, 2023	32,235	28,101	87.2	1,096.58

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 32,127 As of Mar. 31, 2023: 28,101

Note 1: The financial report is not subject to audit by certified public accountants or auditing firms.

Note 2: Cautionary statement with respect to forward-looking statements and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ substantially from these forecasts for a number of reasons.

Contents of Attachments

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1. Overview of Results of Operations

(1) Results of Operations

In the fiscal year ended March 31, 2024 (hereafter, “the fiscal year under review”), the domestic economy saw a pause of recovery due to stagnant consumer spending affected by rising prices despite the normalization of economic activity. The manufacturing sector maintained a modest recovery thanks to the increased export, though having temporary slowdown affected by the suspension of shipments in the automotive industry in the fourth quarter of the fiscal year under review. Companies both in the manufacturing and non-manufacturing sectors maintained a positive stance on their capital investment mainly for digital transformation and production capacity expansion.

As for the situation overseas, China saw the growth of consumer spending and manufacturing industry slow down, affected by the decelerating economies. In Europe and the United States, the economy recovered thanks to alleviated inflationary pressure. However, energy supply concerns caused resource prices to soar and the manufacturing industry to suffer a continued slump, which needs close monitoring on an ongoing basis.

As for the business environment surrounding the JCU Group, the ending of stay-at-home demand during the pandemic and other factors resulted in world-wide sluggish demand for electronic substrates for various high-performance electronic devices such as smartphones and PCs. In the automotive industry, we saw an increase in production volume in Japan and China, due to the easing of parts shortage.

The results of operations of the JCU Group were as follows.

(Millions of yen, unless otherwise stated)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	Year-over-year % change
Net Sales	27,137	24,859	Down 8.4%
Operating profit	9,285	8,041	Down 13.4%
Ordinary profit	9,369	8,216	Down 12.3%
Profit attributable to owners of parent	6,013	5,530	Down 8.0%

The results of operations by segment were as follows.

Chemicals Business

Chemicals for electronics components

China: Despite a recovery trend in some PWB manufacturers, demand for PWBs for high-performance electronic devices including smartphones stagnated. As a result, sales of chemicals stayed flat year over year.

Taiwan: Due to stagnant demand for servers and semiconductor package substrates for high-performance electronic devices, sales of chemicals decreased year over year.

Korea: Due to the continued slump in the semiconductor market, demand for semiconductor package substrates stagnated. As a result, sales of chemicals decreased year over year.

Chemicals for decoration

Japan: Despite an increase in automobile production due to an improvement in shortages of semiconductors and other parts, demand for chemicals decreased following a change in automobile parts structure. In addition, the shipments in the automotive industry were temporarily suspended in the fourth quarter of the fiscal year under review. As a result, sales of chemicals decreased year over year.

China: Despite increases in automobile production due to an improvement in shortages of semiconductors and parts, demand for automobile parts which is subject to our business decreased. As a result, sales of chemicals decreased year over year.

(Millions of yen, unless otherwise stated)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	Year-over-year % change
Net sales	24,528	21,681	Down 11.6%
Segment profit	9,798	8,440	Down 13.9%

Machine Business

Net sales and order backlog increased thanks to an increase in demand for new investments following the normalization of economic activity.

(Millions of yen, unless otherwise stated)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)	Year-over-year % change
Net sales	2,608	3,178	Up 21.9%
Segment profit	369	484	Up 31.2%
Orders received	4,440	3,411	Down 23.2%
Order backlog	3,954	4,234	Up 7.1%

Other businesses

The Other businesses posted sales of 0 million yen (down 57.0% year over year) with a segment loss of 17 million yen (as compared with a segment loss of 17 million yen a year earlier).

(2) Financial Position**Assets, liabilities and net assets****Assets**

Total assets at the end of the fiscal year under review increased 4,740 million yen from the end of the previous fiscal year to 49,641 million yen.

Current assets increased 4,185 million yen to 40,831 million yen mainly due to increases in cash and deposits and accounts receivable-trade.

Non-current assets increased 554 million yen to 8,810 million yen mainly due to increases in tools, furniture and fixtures, net; investment securities; and deferred tax assets.

Liabilities

Total liabilities at the end of the fiscal year under review increased 351 million yen from the end of the previous fiscal year to 7,391 million yen.

Current liabilities increased 499 million yen to 6,664 million yen mainly due to increases in notes and accounts payable-trade and contract liabilities, which were partially offset by a decrease in income taxes payable.

Non-current liabilities decreased 148 million yen to 727 million yen mainly due to a decrease in long-term borrowings.

Net assets

Net assets at the end of the fiscal year under review increased 4,388 million yen from the end of the previous fiscal year to 42,250 million yen, due to increases in retained earnings and foreign currency translation adjustment.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review increased 2,589 million yen from the end of the previous fiscal year to 24,587 million yen.

Cash flows from operating activities

Net cash provided by operating activities decreased 1,810 million yen year over year to 6,029 million yen. This was mainly due to an increase in notes and accounts receivable-trade, and contract assets.

Cash flows from investing activities

Net cash used in investing activities increased 456 million yen year over year to 781 million yen. This was mainly due to decrease in proceeds from withdrawal of time deposits.

Cash flows from financing activities

Net cash used in financing activities increased 203 million yen year over year to 3,061 million yen. This was mainly due to a net decrease in short-term borrowings.

(4) Outlook

In the electronics field, the mainstay business domain of the Group, we expect demand for PWBs and semiconductor package substrates in which we are involved to expand in the medium and long term, resulting from innovation of various digital technologies including the spread of AI and IoT, and emergence of automated vehicle operation in the semiconductor-related market. On the other hand, in the decorative field, we expect demand for automotive parts, our main target, remain flat due to changes in design trends and sluggish demand resulting from the spread of electric vehicles.

Given these circumstances, the Group set up “JCU VISION 2035” as our medium- to long-term goal to become a global company that continues to grow with society through contribution to the environment and society by maximizing our unique strength. We will strive to enhance our corporate value by pursuing social and economic value by constantly strengthening our technology and support system while responding to the ever-changing social environment.

To that end, we formulated a new medium-term management plan called “JCU VISION 2035–1st stage–” (covering the period from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027). We are committed to implementing this plan based on basic policies: aggressively investing in growth areas; strengthening the management base; utilizing data through promoting digital transformation; strengthening profitability in the existing markets; promoting sustainability management; and utilizing human capital, intellectual property, and intangible assets.

2. Basic Approach for the Selection of Accounting Standards

The Group will continue to prepare its consolidated financial statements using Japanese GAAP for the time being, primarily to ensure cross-sectional as well as time-series comparability.

We will, however, make an appropriate policy decision on whether or not we should apply the International Financial Reporting Standards (IFRS) by carefully considering trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	24,180,568	27,037,802
Notes receivable-trade	2,495,072	1,760,853
Accounts receivable-trade	5,572,841	8,149,301
Contract assets	458,682	261,093
Merchandise and finished goods	1,989,142	1,591,900
Work in process	59,469	120,658
Raw materials and supplies	803,745	805,536
Other	1,221,447	1,161,273
Allowance for doubtful accounts	(134,871)	(56,860)
Total current assets	36,646,096	40,831,559
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,981,450	6,200,742
Accumulated depreciation	(2,537,869)	(2,796,741)
Buildings and structures, net	3,443,580	3,404,001
Machinery, equipment and vehicles	3,321,354	3,463,615
Accumulated depreciation	(2,250,170)	(2,449,926)
Machinery, equipment and vehicles, net	1,071,183	1,013,688
Tools, furniture and fixtures	2,711,141	2,966,758
Accumulated depreciation	(2,293,346)	(2,441,945)
Tools, furniture and fixtures, net	417,794	524,812
Land	915,500	915,500
Leased assets	175,848	175,337
Accumulated depreciation	(136,398)	(144,653)
Leased assets, net	39,450	30,684
Construction in progress	193,849	276,907
Total property, plant and equipment	6,081,360	6,165,594
Intangible assets		
Other	47,156	42,047
Total intangible assets	47,156	42,047
Investments and other assets		
Investment securities	1,392,752	1,750,762
Deferred tax assets	313,000	415,955
Other	420,987	435,777
Total investments and other assets	2,126,740	2,602,494
Total non-current assets	8,255,257	8,810,136
Total assets	44,901,354	49,641,695

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,497,444	2,085,890
Electronically recorded obligations-operating	899,895	1,036,978
Short-term borrowings	502,884	450,000
Current portion of long-term borrowings	251,431	166,863
Lease liabilities	13,111	13,804
Income taxes payable	1,543,045	1,304,255
Provision for bonuses	471,838	389,731
Contract liabilities	26,638	243,002
Other	957,911	973,507
Total current liabilities	6,164,200	6,664,033
Non-current liabilities		
Long-term borrowings	288,427	121,564
Lease liabilities	50,207	36,402
Retirement benefit liability	105,485	126,954
Deferred tax liabilities	136,706	131,847
Asset retirement obligations	259,878	275,761
Other	34,722	34,722
Total non-current liabilities	875,427	727,251
Total liabilities	7,039,628	7,391,284
Net assets		
Shareholders' equity		
Share capital	1,255,334	1,266,922
Capital surplus	1,196,783	1,208,364
Retained earnings	36,778,449	39,678,346
Treasury shares	(4,662,889)	(4,770,809)
Total shareholders' equity	34,567,677	37,382,824
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113,982	467,027
Foreign currency translation adjustment	3,180,065	4,400,558
Total accumulated other comprehensive income	3,294,048	4,867,586
Total net assets	37,861,725	42,250,410
Total liabilities and net assets	44,901,354	49,641,695

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

(Thousands of yen)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Net sales	27,137,641	24,859,731
Cost of sales	10,702,993	9,675,057
Gross profit	16,434,648	15,184,673
Selling, general and administrative expenses		
Salaries and allowances	2,354,694	2,329,509
Bonuses	755,699	653,364
Retirement benefit expenses	131,029	128,337
Depreciation	434,725	472,274
Other	3,472,501	3,560,088
Total selling, general and administrative expenses	7,148,651	7,143,575
Operating profit	9,285,997	8,041,098
Non-operating income		
Interest income	88,822	193,978
Dividend income	43,857	35,401
Foreign exchange gains	442,242	–
Reversal of allowance for doubtful accounts	5,096	57,537
Other	20,071	36,736
Total non-operating income	600,090	323,653
Non-operating expenses		
Interest expenses	8,279	6,309
Foreign exchange losses	–	10,186
Share of loss of entities accounted for using equity method	473,823	57,030
Commission for purchase of treasury shares	8,328	24,748
Compensation expenses	–	27,590
Other	26,131	22,693
Total non-operating expenses	516,563	148,559
Ordinary profit	9,369,524	8,216,192
Extraordinary income		
Gain on change in equity	77,019	–
Gain on sale of non-current assets	11,684	2,766
Gain on sale of businesses	60,000	–
Total extraordinary income	148,704	2,766
Extraordinary losses		
Loss on sale of non-current assets	0	79
Loss on retirement of non-current assets	5,120	10,081
Impairment losses	3,087	119,926
Loss on valuation of investment securities	–	62,889
Loss on sale of shares of subsidiaries	–	1,764
Total extraordinary losses	8,207	194,742
Profit before income taxes	9,510,021	8,024,216
Income taxes-current	2,895,871	2,683,108
Income taxes-deferred	600,306	(189,356)
Total income taxes	3,496,177	2,493,752
Profit	6,013,843	5,530,464
Profit attributable to owners of parent	6,013,843	5,530,464

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Profit	6,013,843	5,530,464
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,093)	353,044
Foreign currency translation adjustment	1,181,759	1,197,691
Share of other comprehensive income of entities accounted for using equity method	121,190	22,801
Total other comprehensive income	1,294,857	1,573,537
Comprehensive income	7,308,700	7,104,002
Comprehensive income attributable to:		
Owners of parent	7,308,700	7,104,002

(3) Consolidated Statement of Changes in Shareholders' Equity

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,245,044	1,186,499	33,303,033	(4,567,395)	31,167,182
Changes during period					
Issuance of new shares	10,289	10,284			20,574
Dividends of surplus			(1,633,985)		(1,633,985)
Profit attributable to owners of parent			6,013,843		6,013,843
Purchase of treasury shares				(999,937)	(999,937)
Cancellation of treasury shares			(904,442)	904,442	–
Net changes in items other than shareholders' equity					
Total changes during period	10,289	10,284	3,475,415	(95,494)	3,400,494
Balance at end of period	1,255,334	1,196,783	36,778,449	(4,662,889)	34,567,677

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	122,075	1,877,115	1,999,191	33,166,373
Changes during period				
Issuance of new shares				20,574
Dividends of surplus				(1,633,985)
Profit attributable to owners of parent				6,013,843
Purchase of treasury shares				(999,937)
Cancellation of treasury shares				–
Net changes in items other than shareholders' equity	(8,093)	1,302,950	1,294,857	1,294,857
Total changes during period	(8,093)	1,302,950	1,294,857	4,695,351
Balance at end of period	113,982	3,180,065	3,294,048	37,861,725

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,255,334	1,196,783	36,778,449	(4,662,889)	34,567,677
Changes during period					
Issuance of new shares	11,587	11,580			23,168
Dividends of surplus			(1,738,467)		(1,738,467)
Profit attributable to owners of parent			5,530,464		5,530,464
Purchase of treasury shares				(1,000,018)	(1,000,018)
Cancellation of treasury shares			(892,099)	892,099	–
Net changes in items other than shareholders' equity					
Total changes during period	11,587	11,580	2,899,897	(107,919)	2,815,146
Balance at end of period	1,266,922	1,208,364	39,678,346	(4,770,809)	37,382,824

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	113,982	3,180,065	3,294,048	37,861,725
Changes during period				
Issuance of new shares				23,168
Dividends of surplus				(1,738,467)
Profit attributable to owners of parent				5,530,464
Purchase of treasury shares				(1,000,018)
Cancellation of treasury shares				–
Net changes in items other than shareholders' equity	353,044	1,220,492	1,573,537	1,573,537
Total changes during period	353,044	1,220,492	1,573,537	4,388,684
Balance at end of period	467,027	4,400,558	4,867,586	42,250,410

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	9,510,021	8,024,216
Depreciation	676,531	727,316
Impairment losses	3,087	119,926
Increase (decrease) in allowance for doubtful accounts	(34,909)	(84,755)
Increase (decrease) in provision for bonuses	83,996	(83,239)
Increase (decrease) in retirement benefit liability	17,468	14,546
Interest and dividend income	(132,679)	(229,380)
Interest expenses	8,279	6,309
Foreign exchange losses (gains)	15,494	(4,553)
Share of loss (profit) of entities accounted for using equity method	473,823	57,030
Loss (gain) on change in equity	(77,019)	–
Gain on sale of non-current assets	(11,684)	(2,766)
Loss on sale of non-current assets	0	79
Loss on retirement of non-current assets	5,120	10,081
Loss (gain) on valuation of investment securities	–	62,889
Decrease (increase) in notes and accounts receivable-trade, and contract assets	417,800	(1,289,277)
Increase (decrease) in contract liabilities	6,429	215,324
Decrease (increase) in inventories	1,047,251	555,704
Increase (decrease) in trade payables	(579,854)	463,971
Decrease (increase) in advance payments-trade	(387,641)	207,694
Other, net	(464,200)	52,282
Subtotal	10,577,313	8,823,403
Interest and dividends received	112,525	211,765
Interest paid	(8,539)	(6,303)
Income taxes paid	(2,847,677)	(2,999,108)
Income taxes refund	6,710	112
Net cash provided by (used in) operating activities	7,840,332	6,029,869
Cash flows from investing activities		
Decrease (increase) in time deposits	681,150	(152,548)
Purchase of property, plant and equipment	(1,011,322)	(624,773)
Proceeds from sale of property, plant and equipment	11,689	9,299
Purchase of intangible assets	(4,482)	(5,335)
Purchase of investment securities	(1,664)	(1,581)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	–	(2,553)
Other, net	(46)	(4,042)
Net cash provided by (used in) investing activities	(324,676)	(781,534)

	(Thousands of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022–Mar. 31, 2023)	(Apr. 1, 2023–Mar. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	124,886	(57,984)
Repayments of long-term borrowings	(336,766)	(251,431)
Repayments of finance lease obligations	(12,589)	(13,111)
Purchase of treasury shares	(999,937)	(1,000,018)
Dividends paid	(1,633,277)	(1,738,908)
Net cash provided by (used in) financing activities	(2,857,684)	(3,061,454)
Effect of exchange rate change on cash and cash equivalents	494,801	402,431
Net increase (decrease) in cash and cash equivalents	5,152,772	2,589,312
Cash and cash equivalents at beginning of period	16,845,073	21,997,846
Cash and cash equivalents at end of period	21,997,846	24,587,158

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information

1. Overview of reportable segments

(1) Method for identifying reportable segments

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

(2) Types of products and services belonging to each reportable segment

The Chemicals Business designs, manufactures, and sells surface treatment chemicals as well as sells related materials in domestic and overseas markets.

The Machine Business designs, manufactures, and sells surface treatment machines, and sells PWB cleaning equipment utilizing the plasma technology, as well as generates and sells solar power in domestic and overseas markets.

2. Calculation methods for sales, profits/losses, assets, liabilities, and other items for each reportable segment

The accounting treatment methods for reportable business segments are generally the same as those listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally operating profit figures.

Internal revenues and transfer amounts between segments are based on transaction prices determined as the result of price negotiations between the transaction parties using asking prices calculated, with market prices and total cost taken into account.

Segment assets and liabilities are not listed as they are not allocable by business segment.

3. Information related to sales and profit/losses, assets, liabilities, and other items for each reportable segment

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts shown on consolidated statement of income (Note 4)
	Chemicals Business	Machine Business	Subtotal				
Sales							
Sales to outside customers	24,528,901	2,608,482	27,137,383	258	27,137,641	–	27,137,641
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	24,528,901	2,608,482	27,137,383	258	27,137,641	–	27,137,641
Segment profit (loss)	9,798,825	369,679	10,168,504	(17,484)	10,151,019	(865,022)	9,285,997
Other items							
Depreciation expense (Note 3)	632,958	25,952	658,911	259	659,171	17,359	676,531

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

(Thousands of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Note 2)	Amounts shown on consolidated statement of income (Note 4)
	Chemicals Business	Machine Business	Subtotal				
Sales							
Sales to outside customers	21,681,165	3,178,454	24,859,620	111	24,859,731	–	24,859,731
Inter-segment sales and transfers	–	–	–	–	–	–	–
Total	21,681,165	3,178,454	24,859,620	111	24,859,731	–	24,859,731
Segment profit (loss)	8,440,865	484,852	8,925,717	(17,504)	8,908,212	(867,114)	8,041,098
Other items							
Depreciation expense (Note 3)	686,550	22,921	709,471	196	709,668	17,648	727,316

- Notes: 1. The “Other” businesses segment represents business activities that are not included in either of the two reportable segments, and includes the cultivation and sale of grapevines for wine production and grape seedlings.
2. Details of the above adjustments to segment profit (loss) are as follows.

To segment profit	(Thousands of yen)	
	FY3/23	FY3/24
Inter-segment transaction elimination	–	–
Corporate expenses*	(865,022)	(867,114)
Total	(865,022)	(867,114)

* Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

3. Depreciation expenses include amortization related to long-term prepaid expenses. The adjusted amounts of depreciation for the previous fiscal year and the fiscal year under review are corporate expenses.
4. Segment profit (loss) is adjusted to be consistent with operating profit shown on the consolidated financial statements.

(Related information)

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

1. Information for each product and service

(Thousands of yen)

	Surface treatment chemicals and related materials	Surface treatment machines	Plasma surface treatment machines	Environment-related equipment	Other	Total
Sales to outside customers	24,528,901	2,413,330	122,991	12,243	60,174	27,137,641

2. Information for each region

(1) Net sales

(Thousands of yen)

Japan	China	Taiwan	South Korea	Other Asian regions	Other	Total
6,625,782	9,885,496	4,403,313	2,465,719	2,379,499	1,377,829	27,137,641

- Notes:
1. Net sales is based on the locations of customers and classified by country and region.
 2. Countries and regions are classified in accordance with geographical proximity
 3. Details of the regions excluding Japan, China, Taiwan, and South Korea are as follows:
 Other Asian regions Thailand, Vietnam, Indonesia, and India
 Other Mexico and the United States of America

(2) Property, plant and equipment

(Thousands of yen)

Japan	China	Other Asian regions	Other	Total
2,813,719	2,240,031	958,282	69,325	6,081,360

- Notes:
1. Details of the regions excluding Japan and China are as follows:
 Other Asian regions Taiwan, South Korea, Thailand, Vietnam, Indonesia, Malaysia, and India
 Other Mexico and the United States of America

3. Information for each major customer

Since no net sales to a specific outside customer exceeded 10% of the net sales reported on the consolidated income statements, the disclosure of information for each major customer is omitted.

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

1. Information for each product and service

(Thousands of yen)

	Surface treatment chemicals and related materials	Surface treatment machines	Plasma surface treatment machines	Environment-related equipment	Other	Total
Sales to outside customers	21,681,165	2,544,139	537,202	42,235	54,987	24,859,731

2. Information for each region

(1) Net sales

(Thousands of yen)

Japan	China	Taiwan	South Korea	Other Asian regions	Other	Total
6,715,092	8,715,224	3,302,637	2,221,208	2,600,807	1,304,761	24,859,731

- Notes:
1. Net sales is based on the locations of customers and classified by country and region.
 2. Countries and regions are classified in accordance with geographical proximity
 3. Details of the regions excluding Japan, China, Taiwan, and South Korea are as follows:
 Other Asian regions Thailand, Vietnam, Indonesia, Malaysia, and India
 Other Mexico and the United States of America

(2) Property, plant and equipment

(Thousands of yen)

Japan	China	Other Asian regions	Other	Total
2,870,491	2,234,689	993,136	67,276	6,165,594

Notes: 1. Details of the regions excluding Japan and China are as follows:

Other Asian regions Taiwan, South Korea, Thailand, Vietnam, Indonesia, Malaysia, and India
 Other Mexico and the United States of America

3. Information for each major customer

Since no net sales to a specific outside customer exceeded 10% of the net sales reported on the consolidated income statements, the disclosure of information for each major customer is omitted.

(Information of impairment loss on non-current assets for each reportable segment)

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

(Thousands of yen)

	Reportable segment			Other	Total	Adjustments	Amounts shown on consolidated statement of income
	Chemicals Business	Machine Business	Subtotal				
Impairment losses	–	3,087	3,087	–	3,087	–	3,087

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

(Thousands of yen)

	Reportable segment			Other	Total	Adjustments	Amounts shown on consolidated statement of income
	Chemicals Business	Machine Business	Subtotal				
Impairment losses	–	–	–	119,926	119,926	–	119,926

(Information related to goodwill amortization and the unamortized balance for each reportable segment)

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

Not applicable.

(Information related to gain on bargain purchase for each reportable segment)

FY3/23 (Apr. 1, 2022–Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023–Mar. 31, 2024)

Not applicable.

Per Share Information

(Yen)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Net assets per share	1,477.42	1,667.82
Net income per share	232.62	216.95

- Notes: 1. Diluted net income per share is not presented because there are no dilutive shares outstanding.
2. The basis for calculating net income per share is as follows:

(Thousands of yen, unless otherwise stated)

	FY3/23 (Apr. 1, 2022–Mar. 31, 2023)	FY3/24 (Apr. 1, 2023–Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent	6,013,843	5,530,464
Net income not attributable to common shareholders	–	–
Net income attributable to owners of parent attributable to common stock	6,013,843	5,530,464
Average number of outstanding shares during the fiscal year (thousands of shares)	25,852	25,491

* This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.