



**Consolidated Financial Summary (Japanese Accounting Standards)  
(For the fiscal year ended March 31, 2022)**

April 26, 2022

**Listed company: Shin-Etsu Polymer Co., Ltd.**

Listing code: No. 7970 (URL <https://www.shinpoly.co.jp/en/>)  
 Listing stock exchange: Tokyo  
 Representative: Yoshiaki Ono, President, Chief Executive Officer  
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Scheduled date of annual shareholders' meeting: June 23, 2022  
 Scheduled date of dividend payout: June 24, 2022  
 Scheduled date to submit the Securities Report (*Yukashoken Hokokusho*): June 23, 2022  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (for analysts)

(Amounts under a million yen are truncated.)

1. Consolidated Financial Highlights (April 1, 2021 to March 31, 2022)

(1) Consolidated Financial Results

(The percentages indicate the year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2022	92,640	20.5	9,732	34.8	10,129	44.3	6,308	39.0
March 2021	76,904	(4.2)	7,217	(6.9)	7,021	(13.3)	4,536	(27.9)

(Note) Comprehensive income (loss): March 2022: ¥9,849 million (175.3%); March 2021: ¥3,577 million (-36.0%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 2022	78.15	77.89	7.0	8.8	10.5
March 2021	56.09	55.98	5.3	6.6	9.4

(Reference) Equity in income of affiliates accounted for by the equity method: March 2022: ¥– million; March 2021: ¥– million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2022	122,577	94,337	76.7	1,166.23
March 2021	108,212	86,677	79.8	1,067.58

(Reference) Equity capital: March 2022: ¥93,995 million; March 2021: ¥86,362 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
	Million yen	Million yen	Million yen	Million yen
March 2022	9,759	(9,664)	(2,364)	45,848
March 2021	10,641	(3,736)	(1,691)	45,948

2. Dividends

	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 2021	–	9.00	–	11.00	20.00	1,617	35.7	1.9
March 2022	–	12.00	–	14.00	26.00	2,099	33.3	2.3
March 2023 (forecast)	–	–	–	–	–	–	–	–

(Note) The year-end dividend forecast for the fiscal year ended March 2022 have been revised.

Dividends for the fiscal year ending March 31, 2023 are not yet decided. The dividends will be disclosed as soon as the Company's performance for the fiscal year ending March 31, 2022 can be estimated.

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

Consolidated financial forecasts for the fiscal year ending March 31, 2023 are not announced, as it is difficult to reasonably estimate consolidated financial results at this point. We will announce our consolidated forecast as soon as it can be estimated.

\* Notes

(1) Any change in important subsidiaries during the year

(any changes in specific subsidiaries accompanied by a change in the scope of consolidating): None  
 Newly added: None, Eliminated: None

(2) Any changes in accounting policies and changes or restatement of accounting estimates

1. Changes in accounting policies associated with the revision of accounting standards, etc.: Yes  
 2. Changes in accounting policies other than the above: None  
 3. Changes in accounting estimates: None  
 4. Restatement: None

(Note) For details, please refer to 3. Consolidated Financial Statements and Key Notes, (5) Explanatory Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 12 of the Accompanying Materials.

(3) Number of shares issued (common stock)

1. Number of shares issued as of the term end (including treasury shares):	March 2022	82,623,376 shares
	March 2021	82,623,376 shares
2. Number of treasury shares as of the term end:	March 2022	2,025,709 shares
	March 2021	1,727,742 shares
3. Average number of shares during the term:	March 2022	80,723,355 shares
	March 2021	80,888,567 shares

Reference: Non-Consolidated Financial Summary

1. Non-Consolidated Financial Highlights (April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Financial Results

(The percentages indicate the year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2022	63,314	15.1	6,485	60.0	8,613	54.0	6,482	67.0
March 2021	55,021	(0.9)	4,053	45.9	5,591	43.3	3,882	21.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 2022	80.30	80.04
March 2021	48.00	47.91

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2022	83,042	57,474	68.8	708.87
March 2021	74,176	53,218	71.3	653.97

(Reference) Equity capital: March 2021: ¥57,133 million; March 2021: ¥52,903 million

This report on summaries of accounts is not subject to audits by certified public accountants or auditing firms.

Statement regarding the proper use of financial forecasts and other special remarks

The Company will hold a business results meeting for analysts on May 10, 2022 (Tuesday). The presentation material used at this meeting will be posted on the Company's website by the day before the meeting.

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## 1. Outline of Consolidated Financial Results, etc.

### (1) Outline of consolidated financial results for the fiscal year under review

During the consolidated fiscal year under review, signs of a recovery continued to spread, but the sense of uncertainty about the global economic outlook increased, given factors such as the recurrent spread of COVID-19, steep rises in the prices of raw materials, the insufficient supply of semiconductors, and geopolitical upside risks in Ukraine. In the United States, employment recovered, and consumer spending also gained strength. In Europe, business was generally weak, albeit with a recovery. In Asia, the Chinese economy continued to recover. However, recovery slowed in India and ASEAN countries due to COVID-19's recurred spread.

In the Japanese economy, corporate capital expenditure, production and exports picked up. However, more time appears necessary for a full-scale economic recovery, as demonstrated by consumer spending which stalled from the turn of the year.

The Group's business environment remained favorable overall, reflecting continued growth in demand in the semiconductor and electronics component industries and a recovery in demand in the automotive sector.

In this operating environment, the Group took steps to control the spread of the coronavirus while also continuing to focus its sales activities on boosting sales of both key products and new businesses in Japan and overseas and working to expand the production/supply systems as well. The Group also strengthened the food wrapping film business through M&A.

As a result, consolidated net sales during the fiscal year under review stood at ¥92,640 million (up 20.5% year on year), operating profit was ¥9,732 million (up 34.8%), ordinary profit amounted to ¥10,129 million (up 44.3%), and profit attributable to owners of parent was ¥6,308 million (up 39.0%).

Consolidated results by segment are as follows.

#### 1) Electronic Devices segment

In the Electronic Devices segment, overall sales were substantially higher than the year-ago level, reflecting strong shipments particularly of input devices, supported by a recovery in demand in the automotive sector.

Overall sales for input devices increased attributable to the recovered shipments of mainstay automotive key switches and the strong shipments of touchpads for slim notebook personal computers.

Overall sales for display-related products expanded significantly thanks to the strong shipments of LCD connectors and view/light path control film (VCF).

Sales for component-related products grew sharply, reflecting strong shipments of electronic-part testing connectors and automotive windshield wipers.

As a result, segment sales stood at ¥21,996 million (up 22.0% year on year) and operating profit was ¥1,186 million (up 33.5% year on year).

#### 2) Precision Molding Products segment

In the Precision Molding Products segment, overall sales far surpassed the year-ago level, supported by shipments of semiconductor-related containers and carrier tape-related products which remained favorable.

Sales for semiconductor-related containers grew sharply, reflecting strong shipments of 300-mm wafer shipping containers and other products with lively demand in the semiconductor industry in the background.

Sales of office automation equipment increased due to the recovery in shipments of rollers for laser printers, which are mainstay products.

Sales of carrier tape-related products grew because shipments of electronic components for automobiles and smartphones remained strong.

Sales of silicone rubber molded products generally remained flat despite steady shipments of mainstay medical equipment and general molded products.

As a result, segment sales stood at ¥42,147 million (up 23.4% year on year) and operating profit was ¥7,658 million (up 38.8% year on year).

#### 3) Housing & Living Materials segment

In the Housing & Living Materials segment, the Company revised prices and promoted M&A in the extremely difficult market environment for PVC products. Overall sales for the segment rose significantly from the previous fiscal year, supported by a recovery in demand for automotive-related materials.

Sales of packing materials such as wrapping films increased significantly, reflecting firm shipments to supermarkets and the consolidation of Kitche Nista Co., Ltd.

Sales of PVC pipes and related products were sluggish due to weak demand.

Functional compounds rose significantly, reflecting a recovery in demand for those for robot cables and for automobiles and an increase in sales to new customers.

Sales for exterior materials decreased due to weak demand.

Sales for conductive polymer rose, reflecting increased orders for display and automotive electronic components.

As a result, segment sales stood at ¥21,406 million (up 20.7% year on year) and operating profit was ¥485 million (down 9.9% year on year).

#### 4) Others segment

Sales from the construction business grew year on year with increases in orders for projects for building and renovating commercial facilities, particularly in Tokyo and neighboring areas, and projects for finishing the interior of public facilities. New business development-related projects that are not included in any of the above business segments are also included in the Others segment.

As a result, segment sales amounted to ¥7,090 million (up 1.7% year on year) and operating profit was ¥400 million (up 47.4% year on year).

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

Total assets at the end of the consolidated fiscal year under review amounted to ¥122,577 million (an increase of ¥14,365 million from the end of the previous fiscal year). This result was mainly attributable to increases of ¥3,047 million in notes and accounts receivable - trade, and contract assets, ¥2,045 million in construction in progress, ¥1,931 million in merchandise and finished goods, ¥1,750 million in raw materials and supplies, ¥1,574 million yen in goodwill, ¥1,124 million in machinery, equipment and vehicles (net), and ¥1,051 million yen in buildings and structures (net).

Liabilities at the end of the consolidated fiscal year under review increased ¥6,705 million from the end of the previous fiscal year, to ¥28,240 million. This result was mainly due to decreases of ¥2,646 million in notes and accounts payable - trade, ¥1,778 million in accounts payable-other, ¥568 million in income taxes payable.

Net assets at the end of the consolidated fiscal year under review amounted to ¥94,337 million (an increase of ¥7,659 million from the end of the previous fiscal year), mainly reflecting increases of ¥4,413 million in retained earnings and ¥3,557 million in foreign currency translation adjustment.

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

Cash and cash equivalents (hereinafter “cash”) at the end of the consolidated fiscal year under review decreased ¥100 million from the end of the previous fiscal year, to ¥45,848 million.

Cash flows by activities and contributing factors were as follows:

#### (Cash flows from operating activities)

Net cash provided by operating activities was ¥9,759 million for the consolidated fiscal year under review, a decrease of ¥882 million from the previous fiscal year. This result was due to factors that contributed to an increase, including the posting of ¥9,413 million in profit before income taxes, ¥3,543 million in depreciation and ¥744 million as an impairment loss and an increase of ¥1,682 million yen in trade payables, and factors that contributed to a decrease, including an increase of ¥2,950 million in inventory assets, ¥2,102 million in income taxes paid and an increase of ¥786 million in notes and accounts receivable - trade.

#### (Cash flows from investing activities)

Net cash used in investing activities in the consolidated fiscal year under review was ¥9,664 million (a year-on-year increase in net cash used of ¥5,928 million), which was primarily attributable to the payment of

¥4,163 million for the purchase of property, plant, and equipment, ¥3,897 million for the acquisition of subsidiary shares accompanying changes in the scope of consolidation and ¥1,010 million due to an increase in time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,364 million in the consolidated fiscal year under review, a year-on-year increase in net cash used of ¥672 million. This result mainly reflected ¥1,860 million for dividends paid and the payment of ¥617 million for the purchase of treasury shares.

#### (4) Future outlook

With respect to business outlook, the world economy will likely remain uncertain for the foreseeable future, reflecting the recurrent spread of COVID-19, the war in Ukraine, and the U.S. government's tightening of credit. Meanwhile, in the Japanese economy, although corporate capital spending is showing signs of a gradual recovery, the business climate is expected to remain challenging as the outlook for the containment of COVID-19 continues to be uncertain and the slump in consumer spending will likely be extended for some time to come, among other factors.

Under these circumstances, the Group will take measures against COVID-19 and accelerate the global expansion of its business through sales efforts that accurately grasp trends in demand in the market and by ensuring optimally located production. At the same time, however, the future business environment surrounding the semiconductor and electronic component industries and automotive-related areas, the Group's business domains, does not allow for optimism. This reflects surges in raw material prices and logistics costs and intensifying competition with rival companies.

In addition, the Group's mainstay products include those whose material prices are significantly affected by the market conditions and demand fluctuations and those that are traded in foreign currencies and are subject to exchange fluctuations. Accordingly, we have decided not to state our results forecast for the next fiscal year as of the time of the announcement of this consolidated financial summary, as it is difficult to reasonably estimate the business performance of the Group. We will announce our consolidated forecast as soon as it can be estimated.

## 2. Basic Concept of the Selection of Accounting Standards

The Group has decided to continue using the Japanese accounting standards, taking into account the year-on-year comparability and intercompany comparability of the consolidated financial statements. Meanwhile, we will examine the application of the Introduction of International Financial Reporting Standards (IFRS) by considering the conditions in Japan and abroad.

**3. Consolidated Financial Statements and Key Notes****(1) Consolidated Balance Sheets**

(Million yen)

	Year ended March 31, 2021 (As of March 31, 2021)	Year ended March 31, 2022 (As of March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	47,620	48,749
Notes and accounts receivable - trade	19,478	–
Notes and accounts receivable - trade, and contract assets	–	22,525
Electronically recorded monetary claims - operating	2,565	2,571
Merchandise and finished goods	6,221	8,152
Work in process	1,380	1,720
Raw materials and supplies	3,274	5,025
Accounts receivable - other	1,405	1,911
Other	540	583
Allowance for doubtful accounts	(295)	(293)
Total current assets	82,191	90,945
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,914	8,965
Machinery, equipment and vehicles, net	4,118	5,243
Land	6,615	6,864
Construction in progress	2,003	4,049
Other, net	1,639	2,041
Total property, plant and equipment	22,292	27,164
Intangible assets		
Software	119	114
Goodwill	–	1,574
Other	26	612
Total intangible assets	145	2,301
Investments and other assets		
Investment securities	1,789	895
Deferred tax assets	810	293
Other	982	977
Total investments and other assets	3,583	2,165
Total non-current assets	26,021	31,632
<b>Total assets</b>	<b>108,212</b>	<b>122,577</b>

## Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the fiscal year ended March 31, 2022)

(Million yen)

	Year ended March 31, 2021 (As of March 31, 2021)	Year ended March 31, 2022 (As of March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,171	12,817
Electronically recorded obligations - operating	2,454	2,885
Accounts payable - other	1,128	2,906
Income taxes payable	1,101	1,670
Accrued expenses	2,188	2,081
Provision for bonuses	1,240	1,506
Provision for bonuses for directors (and other officers)	57	31
Other	1,292	1,808
<b>Total current liabilities</b>	<b>19,635</b>	<b>25,707</b>
Non-current liabilities		
Net defined benefit liability	1,167	1,303
Other	732	1,229
<b>Total non-current liabilities</b>	<b>1,899</b>	<b>2,533</b>
<b>Total liabilities</b>	<b>21,535</b>	<b>28,240</b>
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	11,635	11,635
Capital surplus	10,718	10,718
Retained earnings	69,257	73,670
Treasury shares	(1,667)	(1,988)
<b>Total shareholders' equity</b>	<b>89,944</b>	<b>94,036</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	345	303
Foreign currency translation adjustment	(3,914)	(357)
Remeasurements of defined benefit plans, net of tax	(12)	12
<b>Total accumulated other comprehensive income</b>	<b>(3,581)</b>	<b>(41)</b>
Share acquisition rights	314	341
<b>Total net assets</b>	<b>86,677</b>	<b>94,337</b>
<b>Total liabilities and net assets</b>	<b>108,212</b>	<b>122,577</b>



## (2) Consolidated Statements of Income / Consolidated Statement of Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net sales	76,904	92,640
Cost of sales	52,922	63,499
Gross profit	23,981	29,140
Selling, general and administrative expenses	16,764	19,408
Operating profit	7,217	9,732
Non-operating income		
Interest income	189	105
Foreign exchange gains	–	280
Other	253	158
Total non-operating income	443	543
Non-operating expenses		
Interest expenses	27	25
Foreign exchange losses	298	–
Loss on retirement of non-current assets	22	50
Loss on valuation of investment securities	–	31
Other	290	38
Total non-operating expenses	639	145
Ordinary profit	7,021	10,129
Extraordinary profit		
Gain on reversal of share acquisition rights	–	27
Total extraordinary profit	–	27
Extraordinary loss		
Impairment loss	619	744
Total extraordinary losses	619	744
Profit before income taxes	6,402	9,413
Income taxes - current	1,645	2,541
Income taxes - deferred	219	563
Total income taxes	1,865	3,105
Profit	4,536	6,308
Profit attributable to owners of parent	4,536	6,308

## Consolidated Statement of Comprehensive Income

(Million yen)

	Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Profit	4,536	6,308
Other comprehensive income		
Valuation difference on available-for-sale securities	154	(41)
Foreign currency translation adjustment	(1,138)	3,557
Remeasurements of defined benefit plans	24	25
Total other comprehensive income	(959)	3,540
Comprehensive income	3,577	9,849
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,577	9,849

## (3) Consolidated Statements of Changes in Net Assets

Previous term: Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	11,635	10,718	66,259	(1,683)	86,930
Changes during the fiscal year					
Dividends of surplus			(1,536)		(1,536)
Profit attributable to owners of parent			4,536		4,536
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(2)	16	13
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	-	-	2,997	16	3,013
Balance at the year-end	11,635	10,718	69,257	(1,667)	89,944

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at the beginning of the year	190	(2,776)	(36)	(2,622)	229	84,538
Changes during the fiscal year						
Dividends of surplus						(1,536)
Profit attributable to owners of parent						4,536
Purchase of treasury shares						(0)
Disposal of treasury shares						13
Change in scope of consolidation						-
Net changes in items other than shareholders' equity	154	(1,138)	24	(959)	84	(874)
Total changes during the fiscal year	154	(1,138)	24	(959)	84	2,139
Balance at the year-end	345	(3,914)	(12)	(3,581)	314	86,677

## Shin-Etsu Polymer Co., Ltd. (7970) Financial Summary (For the fiscal year ended March 31, 2022)

Current term: Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	11,635	10,718	69,257	(1,667)	89,944
Changes during the fiscal year					
Dividends of surplus			(1,861)		(1,861)
Profit attributable to owners of parent			6,308		6,308
Purchase of treasury shares				(617)	(617)
Disposal of treasury shares			(33)	295	262
Change in scope of consolidation			0		0
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	-	-	4,413	(321)	4,092
Balance at the year-end	11,635	10,718	73,670	(1,988)	94,036

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at the beginning of the year	345	(3,914)	(12)	(3,581)	314	86,677
Changes during the fiscal year						
Dividends of surplus						(1,861)
Profit attributable to owners of parent						6,308
Purchase of treasury shares						(617)
Disposal of treasury shares						262
Change in scope of consolidation						0
Net changes in items other than shareholders' equity	(41)	3,557	25	3,540	26	3,567
Total changes during the fiscal year	(41)	3,557	25	3,540	26	7,659
Balance at the year-end	303	(357)	12	(41)	341	94,337

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,402	9,413
Depreciation	3,511	3,543
Impairment loss	633	744
Amortization of goodwill	–	247
Interest and dividend income	(214)	(132)
Interest expenses	27	25
Foreign exchange losses (gains)	244	(153)
Loss on retirement of non-current assets	22	50
Decrease (increase) in notes and accounts receivable - trade	(317)	(786)
Decrease (increase) in inventories	650	(2,950)
Increase (decrease) in notes and accounts payable - trade	314	1,682
Increase (decrease) in net defined benefit liability	(145)	(184)
Loss (gain) on valuation of investment securities	–	31
Decrease (increase) in consumption taxes receivable/payable	146	(534)
Other	531	756
<b>Subtotal</b>	<b>11,808</b>	<b>11,754</b>
Interest and dividends income received	214	132
Interest expenses paid	(27)	(25)
Income taxes (paid) refund	(1,353)	(2,102)
<b>Net cash provided by (used in) operating activities</b>	<b>10,641</b>	<b>9,759</b>
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	(808)	(1,010)
Purchase of property, plant and equipment	(2,785)	(4,163)
Purchase of intangible assets	(95)	(409)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,897)
Other	(47)	(182)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,736)</b>	<b>(9,664)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	(617)
Cash dividends paid	(1,536)	(1,860)
Proceeds from sale of treasury shares	13	262
Other	(168)	(149)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,691)</b>	<b>(2,364)</b>
Effect of exchange rate change on cash and cash equivalents	(940)	2,104
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,272</b>	<b>(165)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>41,675</b>	<b>45,948</b>
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	64
<b>Cash and cash equivalents at the end of the year</b>	<b>45,948</b>	<b>45,848</b>

(5) Explanatory Notes to Consolidated Financial Statements

(Notes on the Premise of a Going Concern)

Not applicable

(Changes in the Scope of Consolidation or the Scope of Equity Method Application)

From the current fiscal year, the Company included Hymix Co., Ltd., whose status had been a non-consolidated subsidiary in the previous fiscal year, in the scope of consolidation, taking its increased importance into consideration.

Further, the Company included Kitche Nista Co., Ltd. in the scope of consolidation from the fiscal year under review following the acquisition of all its shares on August 2, 2021. The deemed acquisition date for the subsidiary is September 30, 2021.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company began to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter the “Revenue Recognition Accounting Standard”) and the implementation guidance on the Revenue Recognition Accounting Standard from the beginning of the fiscal year under review. Accordingly, the Company is recognizing amounts expected to be received in exchange for promised goods and services as revenues at points where control over such goods or services moves to customers.

Previously, the Company had recognized the disappearance of supplies from onerous supply transactions. From the beginning of the fiscal year under review, the Company replaced this practice with the method of not recognizing the disappearance of supplies in cases where it bears the obligation to buy them back. For onerous receipt transactions, the Company had previously recognized the sum of sales to suppliers and the amount of raw materials and the like received as revenues. From the beginning of the fiscal year under review, the Company replaced the practice with the method of recognizing an amount excluding the amount of raw materials and the like received as revenues.

As a result, compared with previous accounting treatment, net sales and the cost of sales in the fiscal year under review decreased ¥476 million, respectively. At the end of the fiscal year under review, merchandise and finished goods increased ¥87 million, work in progress decreased ¥4 million, raw materials and supplies increased ¥104 million, other current assets increased ¥23 million, and other current liabilities increased ¥210 million.

For the application of the Revenue Recognition Accounting Standard and the like, the Company complies with the transitional handling prescribed in the proviso in Section 84 of the same Standard. The practice has no effect on the balance of retained earnings at the beginning of the fiscal year ending March 31, 2022 and income for the fiscal year under review.

From the current fiscal year, the Company changed its practice to state notes and accounts receivable - trade, which had been stated under current assets in Consolidated Balance Sheets for the previous fiscal year, as part of notes and accounts receivable - trade, and contract assets based on the Revenue Recognition Accounting Standard and the like which the Company began to apply. The Company did not rearrange results for the previous fiscal year using a new presentation method in accordance with transitional handling prescribed in Section 89-2 of the Revenue Recognition Accounting Standard.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company started applying the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the “Fair Value Measurement Accounting Standard”) and the implementation guidance on the Fair Value Measurement Accounting Standard from the beginning of the fiscal year under review. Accordingly, the Company will apply new accounting policies prescribed in the Fair Value Measurement Accounting Standard and the like in the future in accordance with transitional handling stipulated in Section 19 of the same Standard and Section 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). The application of the accounting standard has no impact on the consolidated financial statements.

## (Segment Information)

Previous term: Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Information on net sales, profits or losses, assets, liabilities and other amounts by reported segment

(Million yen)

Item	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	18,037	34,160	17,736	69,934	6,969	76,904
Inter-segment sales or transfers	–	–	–	–	–	–
Total	18,037	34,160	17,736	69,934	6,969	76,904
Segment profit (Operating profit)	889	5,517	539	6,945	272	7,217
Other items						
Depreciation	998	1,956	516	3,471	39	3,511
Amortization of goodwill	–	–	–	–	–	–
Impairment loss	–	14	619	633	–	633

(Note) “Others” is a business segment that is not included in the reported segments and includes the constructing business, etc.

Current term: Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Information on net sales, profits or losses, assets, liabilities and other amounts by reported segment

(Million yen)

Item	Reported segments				Others (Note)	Total
	Electronic Devices	Precision Molding Products	Housing & Living Materials	Sub-total		
Net sales						
Sales to outside customers	21,996	42,147	21,406	85,550	7,090	92,640
Inter-segment sales or transfers	–	–	–	–	–	–
Total	21,996	42,147	21,406	85,550	7,090	92,640
Segment profit (Operating profit)	1,186	7,658	485	9,331	400	9,732
Other items						
Depreciation	1,000	1,932	595	3,528	14	3,543
Amortization of goodwill	–	–	247	247	–	247
Impairment loss	6	199	462	669	74	744

(Note) “Others” is a business segment that is not included in the reported segments and includes the constructing business, etc.

2. Information on impairment loss on non-current assets or goodwill, etc. by reported segment

(Significant changes in the amount of goodwill)

In the Housing & Living Materials segment, the Company included Hymix Co., Ltd. and Kitche Nista Co., Ltd. in the scope of consolidation. This event resulted in an increase in goodwill of ¥1,823 million during the consolidated fiscal year under review.

3. Matters concerning changes in reported segments, etc.

As stated in Changes in Accounting Policies, the Company began applying the Revenue Recognition Accounting Standard, etc., and changed the method of accounting in connection with revenue recognition from the current fiscal year. Accordingly, the Company changed the method of calculating profits and losses for its business segments.

As a result of this change, compared with previous accounting treatment, net sales for the Electronic Devices segment, the Precision Molding Products segment and the Housing & Living Materials segment decreased ¥35 million, ¥49 million and ¥392 million, respectively, in the consolidated fiscal year under review. The change produced no effect on segment profits for the consolidated fiscal year under review.