

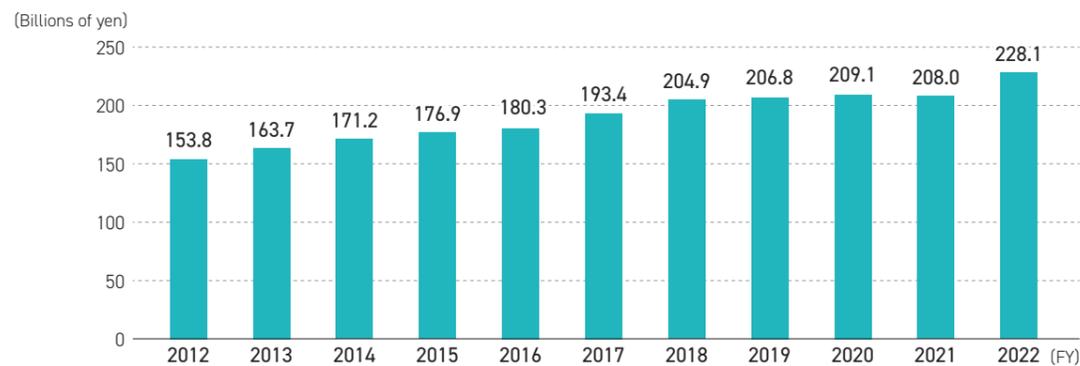
## Long-term Financial Performance Trend

(Billions of yen)

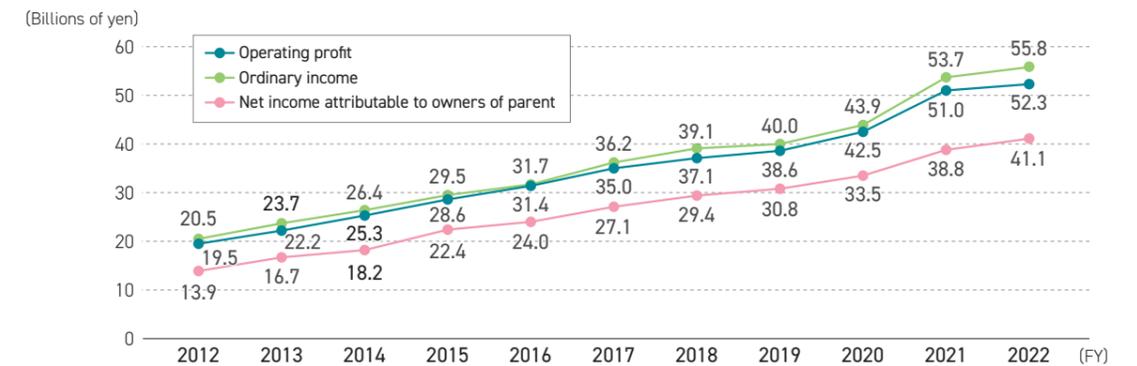
|                           | 2012  | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
|---------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sales                     | 153.8 | 163.7  | 171.2  | 176.9  | 180.3  | 193.4  | 204.9  | 206.8  | 209.1  | 208.0  | 228.1  |
| Operating Profit          | 19.5  | 22.2   | 25.3   | 28.6   | 31.4   | 35.0   | 37.1   | 38.6   | 42.5   | 51.0   | 52.3   |
| Ordinary Income           | 20.5  | 23.7   | 26.4   | 29.5   | 31.7   | 36.2   | 39.1   | 40.0   | 43.9   | 53.7   | 55.8   |
| Net Income                | 13.9  | 16.7   | 18.2   | 22.4   | 24.0   | 27.1   | 29.4   | 30.8   | 33.5   | 38.8   | 41.1   |
| EBITDA                    | 29.1  | 30.8   | 33.8   | 38.3   | 40.3   | 45.5   | 48.0   | 49.2   | 53.0   | 61.2   | 63.3   |
| Operating Margin          | 12.7% | 13.6%  | 14.8%  | 16.2%  | 17.4%  | 18.1%  | 18.1%  | 18.7%  | 20.3%  | 24.5%  | 22.9%  |
| ROE                       | 11.4% | 12.7%  | 12.7%  | 14.6%  | 15.1%  | 16.1%  | 16.6%  | 16.9%  | 17.5%  | 19.2%  | 19.4%  |
| EPS(¥/share)              | 83.74 | 102.11 | 113.99 | 143.37 | 156.97 | 180.30 | 197.67 | 210.09 | 231.73 | 271.88 | 291.36 |
| Dividend(¥/share)         | 26    | 30     | 36     | 44     | 52     | 68     | 82     | 90     | 104    | 122    | 164    |
| Dividend Payout Ratio     | 31.0% | 29.4%  | 31.6%  | 30.7%  | 33.1%  | 37.7%  | 41.5%  | 42.8%  | 44.9%  | 44.9%  | 56.3%  |
| Share Repurchase          | 5.0   | 5.0    | 6.0    | 9.0    | 9.0    | 9.0    | 9.0    | 10.0   | 10.0   | 12.0   | 9.0    |
| Total Assets              | 199.2 | 208.0  | 223.9  | 228.2  | 231.7  | 246.0  | 247.0  | 249.5  | 265.5  | 279.7  | 298.7  |
| Net Assets                | 126.7 | 137.8  | 151.3  | 156.9  | 163.7  | 176.4  | 182.1  | 185.5  | 200.6  | 208.0  | 221.5  |
| Cash                      | 31.9  | 30.8   | 31.3   | 35.3   | 35.7   | 37.7   | 36.2   | 30.6   | 32.4   | 34.7   | 29.6   |
| Liabilities with Interest | 38.1  | 36.1   | 35.1   | 33.1   | 30.8   | 28.6   | 26.6   | 24.6   | 22.7   | 22.7   | 27.3   |
| Equity Ratio              | 63.0% | 65.7%  | 66.9%  | 68.1%  | 69.9%  | 71.0%  | 73.0%  | 73.7%  | 74.9%  | 73.6%  | 73.1%  |
| Capex                     | 7.9   | 8.8    | 9.8    | 10.2   | 14.3   | 13.7   | 9.9    | 15.7   | 15.8   | 11.0   | 20.3   |
| Depreciation              | 9.5   | 8.5    | 8.5    | 9.7    | 8.9    | 10.5   | 10.9   | 10.5   | 10.4   | 10.2   | 11.0   |
| R&D Expenses              | 13.7  | 14.2   | 15.0   | 15.8   | 16.1   | 17.2   | 17.8   | 17.2   | 16.5   | 16.0   | 16.8   |
| R&D Expenses/Sales        | 8.9%  | 8.7%   | 8.7%   | 8.9%   | 8.9%   | 8.9%   | 8.7%   | 8.3%   | 7.9%   | 7.7%   | 7.4%   |

(Accounting policy has changed since FY2021)

### ● Sales (over time)



### ● Key financial indicators (over time)



## Financial Review of the Year Ended March 31, 2023

### Overview

In the current fiscal year (April 1, 2022 to March 31, 2023), although consumer spending showed a recovery trend due to the relaxation of behavioral restrictions, the domestic economy did not achieve a full-fledged recovery due to soaring raw fuel material prices, inflation, as well as continued weak exports against the backdrop of sluggish overseas economies. Under these circumstances, in the Chemicals Segment, sales of both Basic Chemicals and Fine Chemicals increased. In the Performance Materials Segment, although sales of Display Materials declined, Semiconductor Materials and Inorganic Materials performed well. In the Agricultural Chemicals Segment, sales increased. In the Healthcare Segment, sales of “Custom Chemicals” (custom manufacturing and solution proposal business for pharmaceutical companies) increased.

As a result, sales, operating income and net income attributable to owners of parent fell short of the forecasts announced in February. However, compared to the same period last year, sales and each income increased. In addition, operating and ordinary income achieved record highs for the ninth consecutive year, and net income attributable to owners of parent for the tenth consecutive year exceeding the earnings outlook announced in November.

### Operating Results

As a result, the Company’s results for the current fiscal year were net sales 228,065 million yen (an increase of 20,093 million yen), operating income 52,283 million yen (an increase of 1,323 million yen) and ordinary income 55,793 million yen (an increase of 2,103 million yen), and net income attributable to owners of parent 41,087 million yen (an increase of 2,311 million yen).

ROE was 19.4% and we have achieved the Mid-Term Plan “Vista2027” Stage I target (maintain above 18%) in the current fiscal year.

Dividend was 164 yen and dividend payout ratio became 56.3%. We have repurchased share of 9.0 billion yen and total payout ratio was 78.0%.

### Financial Position

#### ● Position of Assets, Liabilities and Net Assets

Total assets as of March 31, 2023 were 298,715 million yen (an increase of 19,027 million yen from the previous year). It is mainly due to the increase of merchandise and finished goods, raw materials and supplies, and construction in progress.

Total liabilities as of March 31, 2023 were 77,188 million yen (an increase of 5,510 million yen). It is mainly due to the increase of short-term loans payable.

Net assets as of March 31, 2023 were 221,526 million yen (an increase of 13,516 million yen).

As a result of these factors, equity ratio was 73.1% (a decrease of 0.5% from March 31, 2022).

#### ● Position of Cash Flow

Deducting income taxes paid from income before income taxes and non-controlling interests, depreciation and gain and loss in working capital, net cash provided by operating activities for the consolidated fiscal year ended March 31, 2023 was 35,226 million yen (41,949 million yen for the previous year).

Due to investment on plant and equipment, etc. net cash used in investing activities for the consolidated fiscal year ended March 31, 2023 was 19,643 million yen (12,395 million yen for the previous year).

Due to share repurchase, payment for dividends and the decrease in loans payable, net cash used in financing activities for the consolidated fiscal year ended March 31, 2023 was 25,030 million yen (27,868 million yen for the previous year).

As a result of these factors, cash and cash equivalents for the consolidated fiscal year ended March 31, 2023 were 29,647 million yen (34,658 million yen for the previous year), reflecting exchange of 1,320 million yen. It decreased by 5,010 million yen compared to the previous year.

## Overview by segments

### The Chemicals Segment

In Basic Chemicals, sales of urea and AdBlue®\* (high-grade urea solution) increased due to price revisions in response to higher raw material and fuel. Sales of melamine (adhesives agent for particle board) declined as a result of the termination of sales in the third quarter under the structural reforms announced in August 2021.

In Fine Chemicals, sales of TEPIC® (powder coating agent for paint, sealants, etc.) decreased, but environmental chemicals (sterilizing and disinfecting agents for pools and septic tanks, etc.) and FINEOXOCOL® (raw materials for cosmetics, etc.) increased.

As a result, sales of this segment were 39,034 million yen (an increase of 1,385 million yen) and operating income was 1,379 million yen (a decrease of 2,408 million yen). Compared to the outlook, sales were below 0.7 billion yen and operating income was below 0.3 billion yen.

\* AdBlue® is a registered trademark of the Verband der Automobilindustrie (VDA).

### The Performance Materials Segment

In Display Materials, sales of SUNEVER® (LCD alignment coating) declined. In Semiconductor Materials, sales of ARC®\* (anti-reflective coating for semiconductors) increased due to strong sales through the first half of the year, however, customer utilization declined from the third quarter of the year. In Inorganic Materials, sales of SNOWTEX® for polishing electronic materials and hard coating and Oilfield materials (solvents to improve the efficiency of shale oil and gas extraction) were steady.

As a result, sales of this segment were 82,606 million yen (an increase of 941 million yen) and operating income was 25,449 million yen (a decrease of 2,171 million yen). Compared to the outlook, sales were a below 0.9 billion yen and operating income was below 0.8 billion yen.

\* ARC® is registered trademark of Brewer Science, Inc.

### The Agricultural Chemicals Segment

Sales of Fluralaner (active ingredients for veterinary pharmaceuticals) increased due to the completion of customer inventory adjustments in the previous fiscal year. In Japanese domestic market, sales of ROUNDUP® (non-selective foliar application herbicide), ALTAIR® (paddy rice herbicide) and GRACIA® (insecticide) were firm. In the overseas market, sales increased significantly due to strong sales of LEIMAY® (fungicide), GRACIA® and “TARGA” (herbicide).

As a result, sales of this segment were 81,584 million yen (an increase of 15,765 million yen) and operating income was 23,130 million yen (an increase of 5,002 million yen). Compared to the outlook, sales were above 0.2 billion yen and operating income was below 0.4 billion yen.

### The Healthcare Segment

Sales of LIVALO® (anti-cholesterol drug) were at the same level as the FY2021. In “Custom Chemicals”, sales increased due to steady sales of generic active pharmaceutical ingredients.

As a result, sales of this segment were 6,673 million yen (an increase of 83 million yen) and operating income was 2,990 million yen (an increase of 176 million yen). Compared to the outlook, sales were above 0.1 billion yen and operating income was above 0.1 billion yen.

### Trading

Sales of this segment were 99,066 million yen (an increase of 18,629 million yen) and operating income was 3,701 million yen (an increase of 797 million yen). Compared to the outlook, sales were above 0.1 billion yen and operating income was above 0.4 billion yen.

### Others

Sales of this segment were 26,384 million yen (an increase of 2,789 million yen) and operating income was 879 million yen (an increase of 187 million yen).

Consolidated Balance Sheets [1] (For FY2022 and FY2021)

| ◎ Assets   | (Millions of yen) |                | (Thousands of U.S. dollars) |
|--|-------------------|----------------|-----------------------------|
|  | FY2022            | FY2021         | FY2022                      |
| <b>Current assets</b>                                      |                   |                |                             |
| Cash and deposits  | 29,647            | 34,658         | 222,008                     |
| Notes and accounts receivable - trade, and contract assets | 82,670            | 79,979         | 619,065                     |
| Merchandise and finished goods                             | 46,950            | 37,664         | 351,580                     |
| Work in process  | 18                | 15             | 135                         |
| Raw materials and supplies                                 | 17,703            | 14,496         | 132,567                     |
| Accounts receivable - other                                | 2,113             | 2,824          | 15,823                      |
| Short-term loans receivable                                | 3,088             | 1,541          | 23,124                      |
| Other  | 7,305             | 4,140          | 54,703                      |
| Allowance for doubtful accounts                            | (44)              | (41)           | (329)                       |
| <b>Total current assets</b>                                | <b>189,454</b>    | <b>175,279</b> | <b>1,418,706</b>            |
| <b>Non-current assets</b>                                  |                   |                |                             |
| <b>Property, plant and equipment</b>                       |                   |                |                             |
| Buildings and structures                                   | 72,520            | 69,443         | 543,058                     |
| Accumulated depreciation and impairment loss               | (46,567)          | (45,158)       | (348,712)                   |
| Buildings and structures, net                              | 25,952            | 24,284         | 194,339                     |
| Machinery, equipment and vehicles                          | 151,653           | 145,129        | 1,135,637                   |
| Accumulated depreciation and impairment loss               | (136,861)         | (132,567)      | (1,024,869)                 |
| Machinery, equipment and vehicles, net                     | 14,792            | 12,561         | 110,768                     |
| Tools, furniture and fixtures                              | 42,153            | 41,345         | 315,658                     |
| Accumulated depreciation and impairment loss               | (38,379)          | (37,384)       | (287,397)                   |
| Tools, furniture and fixtures, net                         | 3,774             | 3,960          | 28,261                      |
| Land   | 8,817             | 8,809          | 66,025                      |
| Leased assets  | 149               | —              | 1,116                       |
| Accumulated depreciation and impairment loss               | (10)              | —              | (75)                        |
| Leased assets (Net)  | 139               | —              | 1,041                       |
| Construction in progress                                   | 11,176            | 3,561          | 83,690                      |
| <b>Total property, plant and equipment</b>                 | <b>64,653</b>     | <b>53,177</b>  | <b>484,147</b>              |
| <b>Intangible assets</b>                                   |                   |                |                             |
| Software   | 1,722             | 1,736          | 12,895                      |
| Other  | 9,813             | 10,044         | 73,484                      |
| <b>Total intangible assets</b>                             | <b>11,535</b>     | <b>11,780</b>  | <b>86,379</b>               |
| <b>Investments and other assets</b>                        |                   |                |                             |
| Investment securities                                      | 27,322            | 30,217         | 204,598                     |
| Long-term loans receivable                                 | 0                 | 3,323          | 0                           |
| Deferred tax assets  | 531               | 918            | 3,976                       |
| Net defined benefit asset                                  | 2,140             | 1,844          | 16,025                      |
| Other  | 3,186             | 3,256          | 23,858                      |
| Allowance for doubtful accounts                            | (110)             | (110)          | (824)                       |
| <b>Total investments and other assets</b>                  | <b>33,071</b>     | <b>39,450</b>  | <b>247,649</b>              |
| <b>Total non-current assets</b>                            | <b>109,260</b>    | <b>104,408</b> | <b>818,182</b>              |
| <b>Total assets</b>  | <b>298,715</b>    | <b>279,687</b> | <b>2,236,895</b>            |

Consolidated Balance Sheets [2] (For FY2022 and FY2021)

| ◎ Liabilities   | (Millions of yen) |               | (Thousands of U.S. dollars) |
|---|-------------------|---------------|-----------------------------|
|   | FY2022            | FY2021        | FY2022                      |
| <b>Current liabilities</b>                                    |                   |               |                             |
| Notes and accounts payable - trade                            | 19,942            | 19,043        | 149,334                     |
| Short-term loans payable                                      | 25,327            | 20,981        | 189,659                     |
| Current portion of long-term loans payable                    | 624               | 552           | 4,673                       |
| Income taxes payable  | 7,879             | 8,710         | 59,001                      |
| Provision for bonuses   | 2,413             | 2,285         | 18,069                      |
| Provision for business structure improvement                  | 418               | —             | 3,130                       |
| Other   | 15,556            | 14,398        | 116,489                     |
| <b>Total current liabilities</b>                              | <b>72,161</b>     | <b>65,971</b> | <b>540,370</b>              |
| <b>Non-current liabilities</b>                                |                   |               |                             |
| Long-term loans payable                                       | 1,338             | 1,182         | 10,019                      |
| Deferred tax liabilities                                      | 98                | 69            | 734                         |
| Provision for business structure improvement                  | —                 | 698           | —                           |
| Provision for loss on business of subsidiaries and affiliates | 626               | 626           | 4,688                       |
| Provision for share awards for directors (and other officers) | 256               | 200           | 1,917                       |
| Net defined benefit liability                                 | 377               | 290           | 2,823                       |
| Other   | 2,331             | 2,638         | 17,455                      |
| <b>Total non-current liabilities</b>                          | <b>5,027</b>      | <b>5,706</b>  | <b>37,644</b>               |
| <b>Total liabilities</b>                                      | <b>77,188</b>     | <b>71,678</b> | <b>578,014</b>              |

| ◎ Net assets  | (Millions of yen) |                | (Thousands of U.S. dollars) |
|---|-------------------|----------------|-----------------------------|
|   | FY2022            | FY2021         | FY2022                      |
| <b>Shareholders' equity</b>                           |                   |                |                             |
| Capital stock   | 18,942            | 18,942         | 141,845                     |
| Capital surplus                                       | 13,613            | 13,613         | 101,939                     |
| Retained earnings                                     | 182,400           | 172,393        | 1,365,883                   |
| Treasury shares                                       | (6,111)           | (8,261)        | (45,762)                    |
| <b>Total shareholders' equity</b>                     | <b>208,844</b>    | <b>196,688</b> | <b>1,563,906</b>            |
| <b>Accumulated other comprehensive income</b>         |                   |                |                             |
| Valuation difference on available-for-sale securities | 7,678             | 8,304          | 57,496                      |
| Foreign currency translation adjustment               | 1,735             | 898            | 12,992                      |
| Remeasurements of defined benefit plans               | 159               | 21             | 1,191                       |
| <b>Total accumulated other comprehensive income</b>   | <b>9,574</b>      | <b>9,223</b>   | <b>71,694</b>               |
| <b>Non-controlling interests</b>                      | <b>3,107</b>      | <b>2,097</b>   | <b>23,266</b>               |
| <b>Total net assets</b>                               | <b>221,526</b>    | <b>208,009</b> | <b>1,658,874</b>            |
| <b>Total liabilities and net assets</b>               | <b>298,715</b>    | <b>279,687</b> | <b>2,236,895</b>            |

(Note 1) This is an English translation of the consolidated financial statements of the Japanese annual securities report.  
 (Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2023 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥133.54 to US \$1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2023. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (For FY2022 and FY2021)

| Consolidated Statements of Income                        | (Millions of yen) |         | (Thousands of U.S. dollars) |
|--|-------------------|---------|-----------------------------|
|  | FY2022            | FY2021  | FY2022                      |
| Net sales  | 228,065           | 207,972 | 1,707,840                   |
| Cost of sales  | 121,262           | 106,883 | 908,058                     |
| Gross profit   | 106,803           | 101,089 | 799,783                     |
| Selling, general and administrative expenses             | 54,519            | 50,129  | 408,260                     |
| Operating income   | 52,283            | 50,959  | 391,516                     |
| Non-operating income                                     |                   |         |                             |
| Interest income  | 203               | 49      | 1,520                       |
| Dividend income  | 1,323             | 768     | 9,907                       |
| Equity in earnings of affiliates                         | 1,485             | 950     | 11,120                      |
| Foreign exchange gains                                   | 1,296             | 1,134   | 9,705                       |
| Other  | 694               | 918     | 5,197                       |
| Total non-operating income                               | 5,004             | 3,821   | 37,472                      |
| Non-operating expenses                                   |                   |         |                             |
| Interest expenses  | 252               | 73      | 1,887                       |
| Loss on disposal of non-current assets                   | 817               | 682     | 6,118                       |
| Loss on sales of non-current assets                      | 5                 | 116     | 37                          |
| Plant stop losses  | 198               | 108     | 1,483                       |
| Other  | 220               | 109     | 1,647                       |
| Total non-operating expenses                             | 1,493             | 1,090   | 11,180                      |
| Ordinary income  | 55,793            | 53,690  | 417,800                     |
| Extraordinary income                                     |                   |         |                             |
| Gain on sales of investment securities                   | 1,461             | 3,366   | 10,941                      |
| Total extraordinary income                               | 1,461             | 3,366   | 10,941                      |
| Extraordinary losses                                     |                   |         |                             |
| Loss on valuation of investment securities               | 650               | 477     | 4,867                       |
| Business restructuring expenses                          | —                 | 1,792   | —                           |
| Loss on business of subsidiaries and associates          | —                 | 626     | —                           |
| Total extraordinary losses                               | 650               | 2,896   | 4,867                       |
| Income before income taxes and non-controlling interests | 56,605            | 54,160  | 423,880                     |
| Income taxes - current                                   | 14,554            | 14,713  | 108,986                     |
| Income taxes - deferred                                  | 633               | 312     | 4,740                       |
| Total income taxes                                       | 15,187            | 15,026  | 113,726                     |
| Net income   | 41,417            | 39,134  | 310,147                     |
| Net income attributable to non-controlling interests     | 329               | 357     | 2,464                       |
| Net income attributable to owners of parent              | 41,087            | 38,776  | 307,676                     |

| Consolidated Statements of Comprehensive Income                                   | (Millions of yen) |         | (Thousands of U.S. dollars) |
|---|-------------------|---------|-----------------------------|
|   | FY2022            | FY2021  | FY2022                      |
| Net income  | 41,417            | 39,134  | 310,147                     |
| Other comprehensive income  |                   |         |                             |
| Valuation difference on available-for-sale securities                             | (625)             | (3,055) | (4,680)                     |
| Foreign currency translation adjustment   | 760               | 875     | 5,691                       |
| Remeasurements of defined benefit plans, net of tax                               | 138               | (442)   | 1,033                       |
| Share of other comprehensive income of entities accounted for using equity method | 0                 | 0       | 0                           |
| Total other comprehensive income  | 273               | (2,622) | 2,044                       |
| Comprehensive income  | 41,690            | 36,511  | 312,191                     |
| (Comprehensive income attributable to)  |                   |         |                             |
| Owners of parent  | 41,270            | 36,095  | 309,046                     |
| Non-controlling interests   | 420               | 416     | 3,145                       |

Consolidated Statements of Changes in Net Assets (For FY2022)

|  | (Millions of yen)    |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Shareholders' equity |                 |                   |                 |                            |
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | ¥18,942              | ¥13,613         | ¥172,393          | (¥8,261)        | ¥196,688                   |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (20,084)          |                 | (20,084)                   |
| Net income attributable to owners of parent          |                      |                 | 41,087            |                 | 41,087                     |
| Change in scope of consolidation                     |                      |                 | 101               |                 | 101                        |
| Share repurchase                                     |                      |                 |                   | (9,002)         | (9,002)                    |
| Disposal of treasury shares                          |                      |                 |                   | 55              | 55                         |
| Cancellation of treasury shares                      |                      |                 | (11,097)          | 11,097          | —                          |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | —                    | —               | 10,006            | 2,150           | 12,156                     |
| Balance at end of current period                     | ¥18,942              | ¥13,613         | ¥182,400          | (¥6,111)        | ¥208,844                   |

|  | (Millions of yen)                                     |   |   |  |                           |                  |
|--|---|---|---|--|---------------------------|------------------|
|  | Accumulated other comprehensive income                |   |   |  |                           |                  |
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Non-controlling interests | Total net assets |
| Balance at beginning of current period               | ¥8,304  | ¥898                                    | ¥21                                     | ¥9,223                                       | ¥2,097                    | ¥208,009         |
| Changes of items during period                       |   |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |   |  |                           | (20,084)         |
| Net income attributable to owners of parent          |   |   |   |  |                           | 41,087           |
| Change in scope of consolidation                     |   |   |   |  |                           | 101              |
| Share repurchase                                     |   |   |   |  |                           | (9,002)          |
| Disposal of treasury shares                          |   |   |   |  |                           | 55               |
| Cancellation of treasury shares                      |   |   |   |  |                           | —                |
| Net changes of items other than shareholders' equity | (625)   | 837                                     | 138                                     | 350  | 1,009                     | 1,360            |
| Total changes of items during period                 | (625)   | 837                                     | 138                                     | 350  | 1,009                     | 13,516           |
| Balance at end of current period                     | ¥7,678  | ¥1,735                                  | ¥159                                    | ¥9,574                                       | ¥3,107                    | ¥221,526         |

Consolidated Statements of Changes in Net Assets (For FY2021)

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | ¥18,942              | ¥13,613         | ¥161,708          | (¥7,340)        | ¥186,923                   |
| Cumulative effects of changes in accounting policies |                      |                 | (1,548)           |                 | (1,548)                    |
| Restated balance                                     | ¥18,942              | ¥13,613         | ¥160,160          | (¥7,340)        | ¥185,375                   |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (15,468)          |                 | (15,468)                   |
| Net income attributable to owners of parent          |                      |                 | 38,776            |                 | 38,776                     |
| Share repurchase                                     |                      |                 |                   | (12,003)        | (12,003)                   |
| Disposal of treasury shares                          |                      | 0               |                   | 8               | 8                          |
| Cancellation of treasury shares                      |                      | (0)             | (11,074)          | 11,074          | —                          |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | —                    | —               | 12,233            | (920)           | 11,313                     |
| Balance at end of current period                     | ¥18,942              | ¥13,613         | ¥172,393          | (¥8,261)        | ¥196,688                   |

(Millions of yen)

|  | Accumulated other comprehensive income                |   |   |  |                           |                  |
|--|---|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Non-controlling interests | Total net assets |
| Balance at beginning of current period               | ¥11,359   | ¥81                                     | ¥463                                    | ¥11,904                                      | ¥1,733                    | ¥200,562         |
| Cumulative effects of changes in accounting policies |   |   |   |  |                           | (1,548)          |
| Restated balance                                     | ¥11,359   | ¥81                                     | ¥463                                    | ¥11,904                                      | ¥1,733                    | ¥199,013         |
| Changes of items during period                       |   |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |   |  |                           | (15,468)         |
| Net income attributable to owners of parent          |   |   |   |  |                           | 38,776           |
| Share repurchase                                     |   |   |   |  |                           | (12,003)         |
| Disposal of treasury shares                          |   |   |   |  |                           | 8                |
| Cancellation of treasury shares                      |   |   |   |  |                           | —                |
| Net changes of items other than shareholders' equity | (3,055)   | 816                                     | (442)                                   | (2,680)                                      | 363                       | (2,317)          |
| Total changes of items during period                 | (3,055)   | 816                                     | (442)                                   | (2,680)                                      | 363                       | 8,995            |
| Balance at end of current period                     | ¥8,304  | ¥898                                    | ¥21                                     | ¥9,223                                       | ¥2,097                    | ¥208,009         |

Consolidated Statements of Changes in Net Assets (For FY2022)

(Thousands of U.S. dollars)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | \$141,845            | \$101,939       | \$1,290,947       | (\$61,862)      | \$1,472,877                |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (150,397)         |                 | (150,397)                  |
| Net income attributable to owners of parent          |                      |                 | 307,676           |                 | 307,676                    |
| Change in scope of consolidation                     |                      |                 | 756               |                 | 756                        |
| Share repurchase                                     |                      |                 |                   | (67,411)        | (67,411)                   |
| Disposal of treasury shares                          |                      |                 |                   | 412             | 412                        |
| Cancellation of treasury shares                      |                      |                 | (83,099)          | 83,099          | —                          |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | —                    | —               | 74,929            | 16,100          | 91,029                     |
| Balance at end of current period                     | \$141,845            | \$101,939       | \$1,365,883       | (\$45,762)      | \$1,563,906                |

(Thousands of U.S. dollars)

|  | Accumulated other comprehensive income                |   |   |  |                           |                  |
|--|---|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Non-controlling interests | Total net assets |
| Balance at beginning of current period               | \$62,184  | \$6,725                                 | \$157                                   | \$69,065                                     | \$15,703                  | \$1,557,653      |
| Changes of items during period                       |   |   |   |  |                           |                  |
| Dividends of surplus                                 |   |   |   |  |                           | (150,397)        |
| Net income attributable to owners of parent          |   |   |   |  |                           | 307,676          |
| Change in scope of consolidation                     |   |   |   |  |                           | 756              |
| Share repurchase                                     |   |   |   |  |                           | (67,411)         |
| Disposal of treasury shares                          |   |   |   |  |                           | 412              |
| Cancellation of treasury shares                      |   |   |   |  |                           | —                |
| Net changes of items other than shareholders' equity | (4,680)   | 6,268                                   | 1,033                                   | 2,621  | 7,556                     | 10,184           |
| Total changes of items during period                 | (4,680)   | 6,268                                   | 1,033                                   | 2,621  | 7,556                     | 101,213          |
| Balance at end of current period                     | \$57,496  | \$12,992                                | \$1,191                                 | \$71,694                                     | \$23,266                  | \$1,658,874      |

Consolidated Statements of Changes in Net Assets (For FY2021)

(Thousands of U.S. dollars)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period               | \$154,742            | \$111,208       | \$1,321,036       | (\$59,962)      | \$1,527,024                |
| Cumulative effects of changes in accounting policies |                      |                 | (12,646)          |                 | (12,646)                   |
| Restated balance                                     | \$154,742            | \$111,208       | \$1,308,390       | (\$59,962)      | \$1,514,378                |
| Changes of items during period                       |                      |                 | 0                 |                 | 0                          |
| Dividends of surplus                                 |                      |                 | (126,362)         |                 | (126,362)                  |
| Net income attributable to owners of parent          |                      |                 | 316,772           |                 | 316,772                    |
| Share repurchase                                     |                      |                 |                   | (98,056)        | (98,056)                   |
| Disposal of treasury shares                          |                      | 0               |                   | 65              | 65                         |
| Cancellation of treasury shares                      |                      | (0)             | (90,466)          | 90,466          | —                          |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes of items during period                 | —                    | —               | 99,935            | (7,516)         | 92,419                     |
| Balance at end of current period                     | \$154,742            | \$111,208       | \$1,408,324       | (\$67,486)      | \$1,606,797                |

(Thousands of U.S. dollars)

|  | Accumulated other comprehensive income                |   |   |  |                           |                  |
|--|---|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Non-controlling interests | Total net assets |
| Balance at beginning of current period               | \$92,795  | \$662                                   | \$3,782                                 | \$97,247                                     | \$14,157                  | \$1,638,445      |
| Cumulative effects of changes in accounting policies |   |   |   |  |                           | (12,646)         |
| Restated balance                                     | \$92,795  | \$662                                   | \$3,782                                 | \$97,247                                     | \$14,157                  | \$1,625,790      |
| Changes of items during period                       |   |   |   |  |                           | (126,362)        |
| Dividends of surplus                                 |   |   |   |  |                           | 316,772          |
| Net income attributable to owners of parent          |   |   |   |  |                           | (98,056)         |
| Share repurchase                                     |   |   |   |  |                           | 65               |
| Disposal of treasury shares                          |   |   |   |  |                           | —                |
| Cancellation of treasury shares                      |   |   |   |  |                           |                  |
| Net changes of items other than shareholders' equity | (24,957)  | 6,666                                   | (3,611)                                 | (21,894)                                     | 2,965                     | (18,928)         |
| Total changes of items during period                 | (24,957)  | 6,666                                   | (3,611)                                 | (21,894)                                     | 2,965                     | 73,483           |
| Balance at end of current period                     | \$67,838  | \$7,336                                 | \$172                                   | \$75,345                                     | \$17,131                  | \$1,699,281      |

Consolidated Statements of Cash Flows (For FY2022 and FY2021)

(Millions of yen) (Thousands of U.S. dollars)

|   | FY2022   | FY2021   | FY2022    |
|---|----------|----------|-----------|
| <b>Cash flows from operating activities</b>   |          |          |           |
| Income before income taxes and non-controlling interests  | 56,605   | 54,160   | 423,880   |
| Depreciation and amortization   | 10,878   | 10,119   | 81,459    |
| Business restructuring expenses   | —        | 1,792    | —         |
| Loss on business of subsidiaries and associates   | —        | 626      | —         |
| Loss on valuation of investment securities  | 650      | 477      | 4,867     |
| Amortization of goodwill  | 101      | 103      | 756       |
| Interest and dividend income  | (1,527)  | (817)    | (11,435)  |
| Loss (gain) on sales of investment securities   | (1,461)  | (3,366)  | (10,941)  |
| Interest expenses   | 252      | 73       | 1,887     |
| Loss (gain) on disposal of non-current assets   | 817      | 682      | 6,118     |
| Decrease (increase) in notes and accounts receivable - trade                                    | (2,360)  | (5,704)  | (17,673)  |
| Decrease (increase) in inventories  | (12,382) | (6,230)  | (92,721)  |
| Increase (decrease) in notes and accounts payable - trade                                       | 217      | 2,523    | 1,625     |
| Other   | (3,057)  | (1,163)  | (22,892)  |
| Subtotal  | 48,734   | 53,277   | 364,939   |
| Interest and dividend income received   | 2,153    | 1,913    | 16,123    |
| Interest expenses paid  | (251)    | (73)     | (1,880)   |
| Income taxes paid   | (15,408) | (13,168) | (115,381) |
| Net cash provided by (used in) operating activities   | 35,226   | 41,949   | 263,786   |
| <b>Cash flows from investing activities</b>   |          |          |           |
| Purchase of investment securities   | (506)    | (190)    | (3,789)   |
| Proceeds from sales of investment securities  | 2,499    | 4,248    | 18,713    |
| Purchase of shares of subsidiaries  | (25)     | (22)     | (187)     |
| Purchase of property, plant and equipment   | (18,236) | (11,253) | (136,558) |
| Payments for retirement of property, plant and equipment  | (716)    | (466)    | (5,362)   |
| Purchase of intangible assets   | (1,221)  | (1,133)  | (9,143)   |
| Payments of long-term loans receivable  | —        | (3,322)  | —         |
| Net decrease (increase) in short-term loans receivable  | (1,505)  | (262)    | (11,270)  |
| Purchase of long-term prepaid expenses  | (282)    | (188)    | (2,112)   |
| Other   | 352      | 196      | 2,636     |
| Net cash provided by (used in) investing activities   | (19,643) | (12,395) | (147,095) |
| <b>Cash flows from financing activities</b>   |          |          |           |
| Net increase (decrease) in short-term loans payable   | 3,940    | (345)    | 29,504    |
| Proceeds from long-term loans payable   | 780      | 550      | 5,841     |
| Repayments of long-term loans payable   | (552)    | (552)    | (4,134)   |
| Cash dividends paid   | (20,084) | (15,468) | (150,397) |
| Dividends paid to non-controlling interests   | (105)    | (48)     | (786)     |
| Share repurchase  | (9,002)  | (12,003) | (67,411)  |
| Other   | (6)      | 0        | (45)      |
| Net cash provided by (used in) financing activities   | (25,030) | (27,868) | (187,434) |
| Effect of exchange rate change on cash and cash equivalents                                     | 1,320    | 591      | 9,885     |
| Net increase (decrease) in cash and cash equivalents  | (8,126)  | 2,277    | (60,851)  |
| Cash and cash equivalents at beginning of period  | 34,658   | 32,380   | 259,533   |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 3,116    | —        | 23,334    |
| Cash and cash equivalents at end of period  | 29,647   | 34,658   | 222,008   |

(Note 1) This is an English translation of the consolidated financial statements of the Japanese annual securities report.  
 (Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2023 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥133.54 to US \$1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2023. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.