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April 28, 2022

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: Konishi Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4956  
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 Representative: Keiichi Oyama, Representative Director and President  
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 Telephone: +81-6-6228-2877  
 Scheduled date of annual general meeting of shareholders: June 21, 2022  
 Scheduled date to commence dividend payments: June 22, 2022  
 Scheduled date to file annual securities report: June 21, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	113,671	5.5	7,298	3.1	7,822	5.4	5,135	4.1
March 31, 2021	107,750	-	7,082	-	7,424	-	4,931	-

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥5,690 million [25.3%]  
 For the fiscal year ended March 31, 2021: ¥7,615 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2022	144.13	-	7.7	6.7	6.4
March 31, 2021	137.50	-	7.9	6.8	6.6

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2022: ¥19 million  
 For the fiscal year ended March 31, 2021: ¥10 million

Note: Konishi Co., Ltd. (the "Company") has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and each figure for the fiscal year ended March 31, 2021 is the figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations. Consequently, the percentage of year-on-year change of each figure for the fiscal year ended March 31, 2021 is not shown.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2022	119,148	72,897	57.6	1,926.62
March 31, 2021	113,800	68,785	56.9	1,819.41

Reference: Equity  
 As of March 31, 2022: ¥68,664 million  
 As of March 31, 2021: ¥64,780 million

Note: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and each figure for the fiscal year ended March 31, 2021 is the figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	6,198	(2,674)	(1,823)	25,514
March 31, 2021	6,765	(2,690)	(3,032)	23,721

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	-	18.00	-	22.00	40.00	1,426	29.1	2.3
Fiscal year ended March 31, 2022	-	22.00	-	22.00	44.00	1,568	30.5	2.3
Fiscal year ending March 31, 2023 (Forecast)	-	27.00	-	22.00	49.00		-	

Note: Breakdown of second quarter-end dividends (forecast) for the fiscal year ending March 31, 2023: Ordinary dividend ¥22.00, 70th anniversary of the launch of bond (synthetic adhesive) dividend ¥5.00

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	58,250	8.0	2,670	(22.1)	2,800	(23.7)	6,860	188.0	192.54
Fiscal year ending March 31, 2023	122,000	7.3	6,950	(4.8)	7,250	(7.3)	9,600	86.9	269.44

Note: The main reason for the large fluctuation in profit attributable to owners of parent is that extraordinary income of 7,176 million yen will be generated for the first six months of the fiscal year as a gain on sale of non-current assets due to the transfer of non-current assets.

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): No  
Included: 0 companies, excluded 0 companies
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies other than (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

Note: For details, please refer to “(6) Changes in significant basic matters for preparation of consolidated financial statements” in “3. Consolidated financial statements and significant notes thereto” on page 22 of the attached document.

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

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

As of March 31, 2022	40,707,440 shares
As of March 31, 2021	40,707,440 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	5,067,401 shares
As of March 31, 2021	5,102,082 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	35,629,379 shares
Fiscal year ended March 31, 2021	35,868,582 shares

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

**1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	75,195	5.9	3,890	1.2	4,926	5.3	3,619	(2.7)
March 31, 2021	71,023	-	3,843	-	4,679	-	3,717	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	101.58	-
March 31, 2021	103.65	-

Note: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and each figure for the fiscal year ended March 31, 2021 is the figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations. Consequently, the percentage of year-on-year change of each figure for the fiscal year ended March 31, 2021 is not shown.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	97,643	53,459	54.7	1,499.98
March 31, 2021	93,398	51,572	55.2	1,448.46

Reference: Equity

As of March 31, 2022: ¥53,459 million

As of March 31, 2021: ¥51,572 million

Note: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and each figure for the fiscal year ended March 31, 2021 is the figure after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

\* Reports on financial results are exempt from an audit conducted by certified public accountants or an audit corporation.

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

Forward-looking statements, including the earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the earnings forecasts due to various factors. For the assumptions used as the basis for the earnings forecasts and special remarks regarding the use of the earnings forecasts, please refer to “(4) Future outlook” in “1. Overview of operating results, etc.” on page 9 of the attached document.

The Company plans to hold a presentation meeting for institutional investors and analysts on May 25, 2022 (Wednesday). A summary of the presentation materials for financial results to be distributed at the meeting will be posted on the Company's website after the briefing.

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## 1. Overview of operating results, etc.

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

During the fiscal year ended March 31, 2022 (fiscal year under review), the Japanese economy experienced a slowdown in the pace of recovery. This was because personal consumption continued to be on the downturn due to the prolonged spread of the novel coronavirus disease (COVID-19), and the rapid increase in the number of infected and close-contact persons suppressed production activities of companies. Furthermore, the situation in Ukraine worsened in February 2022, and the outlook remained uncertain.

Under these business conditions, the industries related to the Company and its subsidiaries (the “Group”) showed the following trend. The number of new housing starts maintained a recovery trend moderately in the housing industry. This was in line with demand growth caused by factors such as economic recovery and a review of the living environment due to growing in-home needs. In the automotive industry, production tended to decline due to factors such as supply shortages of semiconductors and parts, and disruptions in global logistics networks. However, the market for in-vehicle semiconductors and electronic components remained strong as the shift to EVs progressed. In the civil engineering and construction work industry, demand for repair and improvement works of buildings and demand for maintenance and mending of infrastructure such as roads and railroads remained strong.

As a result, the Group’s operating results for the fiscal year under review were as follows. Net sales increased 5.5% year on year to 113,671 million yen, operating profit was up 3.1% year on year to 7,298 million yen, ordinary profit grew 5.4% year on year to 7,822 million yen, and profit attributable to owners of parent increased 4.1% year on year to 5,135 million yen.

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other relevant standards have been applied from the beginning of the fiscal year under review, and comparative analysis is based on figures after retrospective application. For details, please refer to “(6) Changes in significant basic matters for preparation of consolidated financial statements” in “3. Consolidated financial statements and significant notes thereto.”

Results by segment are as follows.

The Group’s business segments were “Bond,” “Civil Engineering and Construction,” and “Chemicals.” However, from the fiscal year under review, the business of adhesives, repair materials, and sealants used in the civil engineering and construction field, which were included in “Civil Engineering and Construction,” were transferred to “Bond,” and the business segments have been reorganized as “Bond,” “Chemicals,” and “Construction.”

This was due to the change in management structure to further enhance the construction contracting business for repair, improvement and reinforcement of social infrastructure and building stock markets from April 2021 onwards.

The following comparisons with the same period of the previous fiscal year are based on figures prepared in accordance with the new segment classifications.

#### (i) Bond (synthetic adhesive)

In the general household field, sales decreased due to a rebound after special demand from people staying home last year. In the housing-related field, sales of adhesives for interior construction and interior building materials increased due to a recovery in the number of new housing starts. In the industrial materials field, sales grew due to strong sales of water-based adhesives for paper-related applications and elastic adhesives used in automobiles and electronic components. Sales in the civil engineering and construction field were also strong, with an overall recovery in sales, including increased sales of materials used for civil engineering and construction repairs and building sealants. However, prices of

raw materials used for adhesives and sealants have risen sharply since the third quarter, and although the price of finished goods has been revised, profits declined.

As a result of the above, net sales increased 9.1% year on year to 63,613 million yen and operating profit fell 5.0% year on year to 4,606 million yen.

(ii) Chemicals

In the chemical industry field, although sales of ethanol-related products fell in reaction to last year's emergency demand, sales of resin raw materials were strong, and sales increased significantly. In the automotive field, sales of products used in automotive electrical components increased significantly. In addition, sales also increased for products for use with heat dissipation adhesives in the electronic and electrical field and products in the coating materials field. Sales at MARUYASU & CO., LTD. significantly increased due to the strong performance of products for use in semiconductor manufacturing and products for use in capacitors.

As a result of the above, net sales increased 13.1% year on year to 31,844 million yen and operating profit grew 57.8% year on year to 989 million yen.

(iii) Construction

In the construction business, although sales decreased due to large-scale construction projects in the previous fiscal year, they remained as planned. In addition, the orders for repair, improvement, and reinforcement works in infrastructure, particularly for public works, and used building markets were strong.

As a result of the above, net sales decreased 14.4% year on year to 18,020 million yen and operating profit rose 19.1% year on year to 1,674 million yen.

(iv) Other

The Other segment represents the Real Estate Rental Business, etc. Net sales decreased 23.5% year on year to 193 million yen and operating profit dropped 91.0% year on year to 17 million yen.

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

Total assets as of March 31, 2022 increased 5,347 million yen from the previous fiscal year-end to 119,148 million yen.

(i) Assets

Current assets increased 6,276 million yen from the previous fiscal year-end to 82,266 million yen mainly due to an increase of 6,048 million yen in electronically recorded monetary claims-operating, and an increase of 2,292 million yen in cash and deposits, despite a decrease of 2,828 million yen in accounts receivable-trade. Non-current assets decreased 929 million yen from the previous fiscal year-end to 36,882 million yen, despite an increase of 622 million yen in land of property, plant and equipment. The reasons for this include decreases in the following property, plant and equipment: 531 million yen in construction in progress, 495 million yen in buildings and structures, and 377 million yen in investment securities of investments and other assets.

(ii) Liabilities

Current liabilities increased 1,762 million yen from the previous fiscal year-end to 41,195 million yen mainly due to an increase of 2,211 million yen in notes and accounts payable-trade, despite a decrease of 379 million yen in income taxes payable. Non-current liabilities decreased 526 million yen from the

previous fiscal year-end to 5,055 million yen mainly due to a decrease of 223 million yen in retirement benefit liability and a decrease of 184 million yen in long-term borrowings.

(iii) Net assets

Net assets increased 4,112 million yen from the previous fiscal year-end to 72,897 million yen mainly due to an increase of 3,567 million yen in retained earnings.

**(3) Review of cash flow position for the fiscal year under review**

Cash and cash equivalents (hereinafter “cash”) increased 1,792 million yen during the fiscal year under review (883 million yen increase year on year). This was comprised of cash flows from operating activities of 6,198 million yen (down 567 million yen year on year), cash flows from investing activities of 2,674 million yen (down 16 million yen year on year), and cash flows from financing activities of 1,823 million yen (down 1,209 million yen year on year).

As a result, the balance of cash as of March 31, 2022 amounted to 25,514 million yen, an increase of 1,792 million yen year on year.

(i) Cash flows from operating activities

Net cash provided by operating activities was 6,198 million yen (down 567 million yen year on year).

This was mainly due to profit before income taxes of 7,980 million yen, an increase in trade payables of 2,385 million yen, and an increase in depreciation of 2,266 million yen, despite income taxes paid of 2,987 million yen, and an increase in trades receivables and contract assets of 2,242 million yen.

(ii) Cash flows from investing activities

Net cash used in investing activities was 2,674 million yen (down 16 million yen year on year).

This was mainly due to purchase of property, plant and equipment of 2,882 million yen, and payments into time deposits of 1,655 million yen, despite proceeds from withdrawal of time deposits of 1,155 million yen.

(iii) Cash flows from financing activities

Net cash used in financing activities was 1,823 million yen (down 1,209 million yen year on year).

This was mainly due to dividends paid of 1,564 million yen.



Trends in the various cash flow indicators are shown in the table below.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	53.7	53.2	56.6	56.9	57.6
Market value equity ratio (%)	58.7	53.6	48.9	56.2	46.8
Interest-bearing debt to cash flow ratio (yearly)	0.2	0.2	0.1	0.1	0.1
Interest coverage ratio (times)	415.6	326.3	446.6	513.7	584.5

Equity ratio: equity / total assets  
 Market value equity ratio: market capitalization / total assets  
 Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow  
 Interest coverage ratio: cash flow / interest payments

Note 1: All indicators are calculated using consolidated financial data.

Note 2: Market capitalization is calculated by multiplying the share price at the end of the fiscal year by the number of issued shares at the end of the fiscal year (excluding treasury shares).

Note 3: Cash flow means cash flows from operating activities.

Note 4: Interest-bearing debt includes the total amount of borrowings on the consolidated balance sheets.

Note 5: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and the cash flow indicator for the fiscal year ended March 31, 2021 is the indicator after retrospectively applying the accounting standard and relevant revised ASBJ regulations.

#### (4) Future outlook

Regarding the Japanese economy in the fiscal year ending March 2023, consumer spending and corporate activities are expected to recover due to a decrease in the number of infected people and the widespread use of vaccines amid the prolonged impact of COVID-19. However, the situation remains unpredictable, as increasing geopolitical risks from the worsening situation in Ukraine, further shooting up in resource prices, and disruptions in the supply network may depress corporate earnings and have a major impact on the recovery of the Japanese economy. Under these circumstances, in the housing-related field of the Bond Business, housing demand is growing again as the economy recovers in full swing, and housing starts are expected to increase, especially for detached housing. Furthermore, in the civil engineering and construction field, repair and renovation work in the stock market for buildings and condominiums, as well as in the infrastructure market, is expected to remain strong. However, further increases in the prices of raw materials used in adhesives and sealants and higher transportation costs are expected to pressure profits. In the Chemicals Business, growth is expected to continue in advanced technology fields due to factors such as the strengthening and expanding of information and communications functions, the growing use of electronics in vehicles, and an increase in demand for robotics against the backdrop of labor shortages. In the Construction Business, the Fundamental Plan for National Resilience has been promoted, and demand for the development and maintenance of aging infrastructure is expected to continue to grow.

Under these circumstances, in the Group's Bond Business, the Group will strengthen its core businesses, such as adhesives for the housing-related field and adhesives and sealants for civil engineering and construction. It will also endeavor to expand its business domains by strengthening new development activities in growth markets such as the electronic, electronic materials, and automobile industries. On the other hand, the prices of raw materials are expected to rise again this fiscal year, as in the previous fiscal year. Therefore, although we will revise the prices of finished goods again, we expect there will be a difficult profit situation.

In the Chemicals Business, we will work to expand sales of heat-dissipation and heat-resistant products by strengthening sales activities in the automobile, electronic appliance, and chemical industries. In addition, we will shift from a focus on sales to a profit-oriented approach to improve profitability by reviewing our sales activities and introducing new finished goods using our own technologies.

In the Construction Business, we will work to further expand the repair and renovation business in the social infrastructure and building stock market by increasing order receipt for high-margin construction work and the ratio of prime contract construction. In response to labor shortages, we will consider measures to strengthen recruitment and secure employment and strive to build a system to sustain business expansion.

In our consolidated earnings forecasts for the fiscal year ending March 31, 2023, we forecast that net sales will increase 7.3% year on year to 122,000 million yen, operating profit will fall 4.8% year on year to 6,950 million yen, ordinary profit will drop 7.3% year on year to 7,250 million yen, and profit attributable to owners of parent will go up 86.9% year on year to 9,600 million yen.

The main reason for the large fluctuation in profit attributable to owners of parent is that extraordinary income of 7,176 million yen is expected to be generated for the first six months of the fiscal year ending March 2023 as a gain on sale of non-current assets due to the transfer of non-current assets. (Announced on August 24, 2021)

We also planned to announce our three-year medium-term management plan at the financial results briefing held in May. However, the announcement has been postponed due to the fact that the prices of raw materials used for adhesives and sealants have shot up more than expected, and the outlook for the plan is very uncertain due to concerns of further increases in resource prices and disruptions in the supply network caused by the worsening situation in Ukraine and others.

## **(5) Basic policy on profit distribution and dividends for fiscal 2022 and fiscal 2023**

As a basic policy on profit distribution, the Company believes that returning profits to shareholders is a vital issue facing company management. Our policy is to strive to strengthen the Company's business base by enhancing financial structure through revenue-focused business activities and to pay a sustainable dividend based on considerations such as each fiscal year's business performance. We will also strive to improve business performance through the effective use of internal reserves, such as investment in automation, labor-saving manufacturing, and logistics facilities that can improve productivity, the expansion of business areas through M&A, and investing in the introduction of new core systems.

For the fiscal year under review (ended March 31, 2022), the Company forecasts a year-end dividend of 22 yen per share in addition to an interim dividend of 22 yen already paid, and this will result in an annual dividend of 44 yen. Regarding the dividends for the next fiscal year (ending March 31, 2023), the Company forecasts an interim dividend of 27 yen per share, consisting of an ordinary dividend of 22 yen and a commemorative dividend of 5 yen for the 70th anniversary of the launch of bond (synthetic adhesive), and an annual dividend of 49 yen, including a fiscal year-end dividend of 22 yen.

Also, the Company expects a significant change in profit attributable to owners of parent due to a gain on sale of non-current assets. However, since the sale of non-current assets is a special factor due to the sale of real estate that is not directly related to the Company's business activities, the amount of dividend is determined by excluding the impact of such sales.

## **2. Basic concept regarding selection of accounting standards**

The Group has adopted Japanese accounting standards in order to ensure comparability with other Japanese companies in the same industries.

## 3. Consolidated financial statements and significant notes thereto

## (1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	23,876	26,169
Notes receivable-trade	6,533	5,977
Electronically recorded monetary claims-operating	4,588	10,637
Accounts receivable-trade	26,203	23,374
Contract assets	5,990	5,734
Merchandise and finished goods	6,254	7,280
Work in process	248	253
Raw materials and supplies	1,039	1,305
Other	1,302	1,579
Allowance for doubtful accounts	(48)	(47)
Total current assets	75,989	82,266
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,987	25,328
Accumulated depreciation	(12,524)	(13,361)
Buildings and structures, net	12,462	11,967
Machinery, equipment and vehicles	16,218	17,489
Accumulated depreciation	(13,677)	(14,628)
Machinery, equipment and vehicles, net	2,540	2,860
Tools, furniture and fixtures	4,320	4,340
Accumulated depreciation	(3,731)	(3,839)
Tools, furniture and fixtures, net	588	500
Land	9,195	9,818
Leased assets	310	312
Accumulated depreciation	(141)	(165)
Leased assets, net	168	146
Construction in progress	856	325
Total property, plant and equipment	25,812	25,618
Intangible assets	991	811
Investments and other assets		
Investment securities	8,005	7,628
Long-term loans receivable	20	11
Guarantee deposits	374	377
Retirement benefit asset	1,745	1,704
Deferred tax assets	233	221
Other	645	527
Allowance for doubtful accounts	(18)	(17)
Total investments and other assets	11,007	10,453
Total non-current assets	37,811	36,882
Total assets	113,800	119,148



(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	29,525	31,737
Electronically recorded obligations-operating	3,116	3,413
Short-term borrowings	48	46
Current portion of long-term borrowings	81	104
Lease obligations	23	21
Income taxes payable	1,617	1,238
Contract liabilities	139	328
Provision for bonuses	1,108	1,125
Provision for bonuses for directors (and other officers)	113	116
Other	3,658	3,063
Total current liabilities	39,433	41,195
Non-current liabilities		
Lease obligations	159	135
Long-term guarantee deposits	2,890	2,915
Long-term borrowings	440	256
Deferred tax liabilities	1,085	966
Retirement benefit liability	836	612
Other	169	169
Total non-current liabilities	5,582	5,055
Total liabilities	45,015	46,251
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,603	4,603
Capital surplus	4,526	4,544
Retained earnings	57,596	61,164
Treasury shares	(5,541)	(5,504)
Total shareholders' equity	61,185	64,808
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,643	2,383
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(66)	270
Remeasurements of defined benefit plans	1,019	1,201
Total accumulated other comprehensive income	3,595	3,856
Non-controlling interests	4,004	4,232
Total net assets	68,785	72,897
Total liabilities and net assets	113,800	119,148

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

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	107,750	113,671
Cost of sales	85,222	90,665
Gross profit	22,528	23,006
Selling, general and administrative expenses	15,446	15,707
Operating profit	7,082	7,298
Non-operating income		
Interest income	11	13
Dividend income	195	210
Share of profit of entities accounted for using equity method	10	19
Foreign exchange gains	17	81
Other	217	252
Total non-operating income	452	577
Non-operating expenses		
Interest expenses	13	10
Depreciation	25	24
Compensation expenses	16	8
Other	56	9
Total non-operating expenses	110	53
Ordinary profit	7,424	7,822
Extraordinary income		
Gain on sale of non-current assets	254	45
Gain on sale of investment securities	175	152
Other	-	0
Total extraordinary income	430	197
Extraordinary losses		
Loss on disposal of non-current assets	29	40
Loss on sale of investment securities	4	-
Other	-	0
Total extraordinary losses	33	40
Profit before income taxes	7,821	7,980
Income taxes-current	2,715	2,627
Income taxes-deferred	(109)	(54)
Total income taxes	2,605	2,573
Profit	5,215	5,406
Profit attributable to non-controlling interests	283	271
Profit attributable to owners of parent	4,931	5,135

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	5,215	5,406
Other comprehensive income		
Valuation difference on available-for-sale securities	1,454	(281)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(122)	361
Remeasurements of defined benefit plans, net of tax	1,058	182
Share of other comprehensive income of entities accounted for using equity method	10	21
Total other comprehensive income	2,400	283
Comprehensive income	7,615	5,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,157	5,396
Comprehensive income attributable to non-controlling interests	458	294

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,603	4,513	54,184	(4,599)	58,701
Cumulative effects of changes in accounting policies			(42)		(42)
Restated balance	4,603	4,513	54,141	(4,599)	58,658
Changes during period					
Dividends of surplus			(1,476)		(1,476)
Profit attributable to owners of parent			4,931		4,931
Purchase of treasury shares				(971)	(971)
Disposal of treasury shares		13		29	42
Net changes in items other than shareholders' equity					
Total changes during period	-	13	3,455	(941)	2,526
Balance at end of period	4,603	4,526	57,596	(5,541)	61,185

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	1,392	(0)	16	(38)	1,369
Cumulative effects of changes in accounting policies					
Restated balance	1,392	(0)	16	(38)	1,369
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity	1,250	0	(83)	1,058	2,225
Total changes during period	1,250	0	(83)	1,058	2,225
Balance at end of period	2,643	(0)	(66)	1,019	3,595



	Non-controlling interests	Total net assets
Balance at beginning of period	3,289	63,360
Cumulative effects of changes in accounting policies	(0)	(43)
Restated balance	3,288	63,316
Changes during period		
Dividends of surplus		(1,476)
Profit attributable to owners of parent		4,931
Purchase of treasury shares		(971)
Disposal of treasury shares		42
Net changes in items other than shareholders' equity	716	2,941
Total changes during period	716	5,468
Balance at end of period	4,004	68,785

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,603	4,526	57,596	(5,541)	61,185
Changes during period					
Dividends of surplus			(1,567)		(1,567)
Profit attributable to owners of parent			5,135		5,135
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		17		37	55
Net changes in items other than shareholders' equity					
Total changes during period	-	17	3,567	37	3,623
Balance at end of period	4,603	4,544	61,164	(5,504)	64,808

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,643	(0)	(66)	1,019	3,595
Changes during period					
Dividends of surplus					
Profit attributable to owners of parent					
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity	(259)	0	337	182	260
Total changes during period	(259)	0	337	182	260
Balance at end of period	2,383	0	270	1,201	3,856

	Non-controlling interests	Total net assets
Balance at beginning of period	4,004	68,785
Changes during period		
Dividends of surplus		(1,567)
Profit attributable to owners of parent		5,135
Purchase of treasury shares		(0)
Disposal of treasury shares		55
Net changes in items other than shareholders' equity	227	488
Total changes during period	227	4,112
Balance at end of period	4,232	72,897

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,821	7,980
Depreciation	1,810	2,266
Amortization of goodwill	204	222
Loss (gain) on sale of investment securities	(170)	(152)
Loss (gain) on disposal of property, plant and equipment	4	5
Loss (gain) on sale of property, plant and equipment	(250)	(45)
Increase (decrease) in allowance for doubtful accounts	4	(2)
Increase (decrease) in provision for bonuses	28	17
Increase (decrease) in provision for bonuses for directors (and other officers)	6	3
Decrease (increase) in retirement benefit asset	61	(37)
Increase (decrease) in retirement benefit liability	133	115
Interest and dividend income	(207)	(224)
Interest expenses	13	10
Share of loss (profit) of entities accounted for using equity method	(10)	(19)
Decrease (increase) in trade receivables and contract assets	(2,084)	(2,242)
Decrease (increase) in inventories	693	(1,224)
Increase (decrease) in trade payables	1,137	2,385
Increase (decrease) in other current liabilities	(517)	(127)
Increase (decrease) in other non-current liabilities	(8)	(15)
Other	243	53
Subtotal	8,912	8,971
Interest and dividends received	207	224
Interest paid	(13)	(10)
Income taxes paid	(2,341)	(2,987)
Cash flows from operating activities	6,765	6,198
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,324)	(1,655)
Proceeds from withdrawal of time deposits	1,705	1,155
Proceeds from sale and redemption of securities	293	-
Purchase of property, plant and equipment	(3,152)	(2,882)
Proceeds from sale of property, plant and equipment	304	764
Purchase of intangible assets	(75)	(209)
Purchase of investment securities	(64)	(66)
Proceeds from sale of investment securities	337	220
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(12)	-
Payments for acquisition of businesses	(764)	-
Proceeds from cancellation of insurance funds	52	8
Other	10	(8)
Cash flows from investing activities	(2,690)	(2,674)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(471)	(6)
Repayments of lease obligations	(25)	(23)
Repayments of long-term borrowings	(405)	(181)
Purchase of treasury shares	(971)	(0)
Dividends paid	(1,477)	(1,564)
Dividends paid to non-controlling interests	(62)	(66)
Proceeds from share issuance to non-controlling shareholders	320	-
Other	60	20
Cash flows from financing activities	(3,032)	(1,823)
Effect of exchange rate change on cash and cash equivalents	(132)	92
Net increase (decrease) in cash and cash equivalents	909	1,792
Cash and cash equivalents at beginning of period	22,812	23,721
Cash and cash equivalents at end of period	23,721	25,514

**(5) Notes on premise of going concern**

Not applicable.

**(6) Changes in significant basic matters for preparation of consolidated financial statements**Changes in accounting policies

Application of Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations

The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations effective from the beginning of the fiscal year under review, and it has decided to recognize revenue at the time the control of promised goods or services is transferred to the customer in the amount expected to be received upon exchange of said goods or services.

The major revisions due to the application of the accounting standard are as follows.

**(1) Revenue recognition for agent transactions**

Regarding revenue from the sale of merchandise mainly in the Bond Business and the Chemicals Business, the Company previously recognized the total amount of consideration received from customers as revenue. However, for transactions in which the Company’s role in providing merchandise to customers is that of an agent, the Company has changed to recognizing revenue as the net amount received from the customer less the amount paid to the supplier of the merchandise.

**(2) Revenue recognition for construction contracts**

In the past, the percentage-of-completion method was applied to construction contracts in the Construction Business if the outcome of the contracted work was deemed certain, while the completed contract method was applied to construction contracts that did not meet this requirement. However, the Company has changed its method to recognizing revenue over a certain period of time as performance obligations are satisfied. If the extent of progress toward satisfaction of the performance obligation cannot be reasonably measured, revenue is recognized only to the extent of the actual cost incurred. If the period between the date of commencement of the transaction in the contract and the time when the performance obligation is expected to be fully satisfied is very short, the Company does not recognize revenue over a certain period of time but recognizes revenue when the performance obligation is fully satisfied.

**(3) Revenue recognition for transactions including variable consideration**

In the past, rebates, etc., mainly in the Bond Business and the Chemicals Business, were deducted from net sales when the amount was fixed. However, the method has been changed to reflect these components in the transaction price only to the extent that it is highly probable that there will be no significant reversal of the accumulated amount of revenue recognized when the uncertainty regarding variable consideration is subsequently resolved. In addition, sales discounts, which were previously recorded as non-operating expenses, are now deducted from net sales.

This change in accounting policy has been applied retrospectively in principle, and the consolidated financial statements of the previous fiscal year were adjusted retrospectively.

As a result, net sales, cost of sales, operating profit, and non-operating expenses of the previous fiscal year decreased 25,985 million yen, 25,782 million yen, 203 million yen, and 199 million yen, respectively, and ordinary profit and profit before income taxes fell 3 million yen each, compared with the results before the retrospective application.

In the consolidated statement of cash flows of the previous fiscal year, profit before income taxes decreased 3 million yen.

As the cumulative effect was reflected in net assets at the beginning of the previous fiscal year, the balance of retained earnings at the beginning of the previous fiscal year in the consolidated statement of changes in equity decreased 42 million yen.

Due to the application of “Accounting Standard for Revenue Recognition” and relevant revised ASBJ regulations, “Notes and accounts receivable-trade,” which were presented in “Current assets” in the consolidated balance sheet of the previous fiscal year, are now included in “Notes receivable-trade,” “Accounts receivable-trade,” and “Contract assets,” from the fiscal year under review. Similarly, “Other,” which was presented in “Current liabilities,” is now included in “Contract liabilities” and “Other” from the fiscal year under review. In addition, “Decrease (increase) in trade receivables,” which was presented in “Cash flows from operating activities” in the consolidated statement of cash flows of the previous fiscal year, is now included in “Decrease (increase) in trade receivables and contract assets” from the fiscal year under review.

The impact on per-share information is described in the relevant parts.

#### Application of Accounting Standard for Fair Value Measurement and Its Implementation Guidance

The Company applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and its implementation guidance from the beginning of the fiscal year under review. Furthermore, the Company will prospectively apply the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement and its implementation guidance in accordance with the transitional treatments prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no resulting effect on the consolidated financial statements.

#### Changes in presentation

##### Consolidated balance sheet

“Costs on construction contracts in progress” in “Current assets,” which were presented separately in the previous fiscal year, are included in “Other” of “Current assets” from the fiscal year under review due to their decreased financial importance. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, in the consolidated balance sheet of the previous fiscal year, the 33 million yen (after retrospective application due to changes in accounting policies) that had been shown in the "Costs on construction contracts in progress" of "Current assets" has been reclassified as "Other."

##### Consolidated statement of income

“Foreign exchange gains,” which were included in “Other” of “Non-operating income” in the previous fiscal year, are presented separately from the fiscal year under review, as they exceeded 10% of the total amount of non-operating income. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, in the consolidated statement of income of the previous fiscal year, the 234 million yen that had been shown in “Other” of “non-operating income” has been reclassified as 17 million yen in “Foreign exchange gains” and 217 million yen in “Other.”

“Depreciation” and “Compensation expenses,” which were included in “Other” of “Non-operating expenses” in the previous fiscal year, are presented separately from the fiscal year under review, as they exceeded 10%

of the total amount of non-operating expenses. To reflect the changes to presentation, the consolidated financial statements of the previous fiscal year have been reclassified.

As a result, in the consolidated statement of income of the previous fiscal year, the 97 million yen that had been shown in “Other” of “Non-operating expenses” has been reclassified as 25 million yen in “Depreciation,” 16 million yen in “Compensation expenses” and 56 million yen in “Other.”

## **(7) Notes to consolidated financial statements**

### **Segment information, etc.**

#### Segment information

##### 1 Description of reportable segments

The reportable segments of the Company are constituent units of the Company for which separate financial information is available. The Board of Directors periodically examines these segments to decide on the allocation of management resources and evaluate business performance.

The Company basically consists of three business divisions, the Bond Business, Chemicals Business, and Construction Business, with each business formulating a comprehensive strategy that includes Japan and overseas, and pursuing business activities.

Accordingly, the Group has the following three reportable segments: Bond, Chemicals, and Construction.

“Bond” covers the manufacture and sale of industrial adhesives, adhesives for general household use, adhesives for construction, adhesives for civil engineering, sealing materials, adhesives for wall coverings, waxes, and adhesive tapes. “Chemicals” covers the sale of industrial chemicals, synthetic resins, resin mold products, materials for electronic components, and thin film materials. “Construction” covers undertaking contracts for repair, improvement, and reinforcement works in the infrastructure and used building markets.

##### Matters concerning changes to reporting segments

As described in “(6) Changes in significant basic matters for preparation of consolidated financial statements” in “3. Consolidated financial statements and significant notes thereto” the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review, and changed the accounting method for revenue recognition. As a result, the measurement method for profit or loss of business segments was changed in the same manner.

The Group’s business segments were “Bond,” “Civil Engineering and Construction,” and “Chemicals.” However, from the fiscal year under review, the business of adhesives, repair materials, and sealants used in the civil engineering and construction field, which were included in “Civil Engineering and Construction,” was transferred to “Bond,” and the business segments have been reorganized as “Bond,” “Chemicals,” and “Construction.” This was due to the change in management structure to further enhance the construction contracting business for repair, improvement and reinforcement of social infrastructure and building stock markets from April 2021 onwards. The Company disclosed segment assets allocated to each segment in accordance with changes in the management structure.

Segment information for the previous fiscal year is disclosed based on the revised method of measuring profit or loss and the classification of reportable segments.

##### 2 Method of calculating net sales, profit or loss, and other items by reportable segment

The accounting method for the reported business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.



Values for profits shown in reportable segments are based on operating profit.

Intersegment internal revenues and transfers are based on market prices.

3 Disclosure of net sales, profit or loss, and other items by reportable segment  
Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment s (Note) 2	Amount in consolidated financial statements (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
Revenues from external customers	58,284	28,151	21,062	107,498	252	107,750	-	107,750
Intersegment sales and transfers	336	107	0	444	84	529	(529)	-
Total	58,621	28,259	21,062	107,943	337	108,280	(529)	107,750
Segment profit	4,849	627	1,405	6,882	189	7,072	9	7,082
Segment assets	61,418	35,810	12,821	110,051	3,019	113,070	730	113,800
Other items								
Depreciation	1,617	39	86	1,742	49	1,792	18	1,810
Amortization of goodwill	7	-	196	204	-	204	-	204
Investments in equity method affiliates	-	-	-	-	-	-	271	271
Increase in property, plant and equipment and intangible assets	3,413	47	668	4,129	119	4,248	-	4,248

Notes: 1 The "Other" category is a business segment not included in reportable segments, and includes the real estate rental business.

2 Details of adjustments are as follows:

- (1) Adjustments of segment profit represent eliminations for intersegment transactions.
- (2) The 730 million yen adjustment for segment assets includes minus 197 million yen of elimination of intersegment receivables and payables, minus 26 million yen of adjustment for unrealized gains, and 953 million yen of corporate assets not allocated to each reportable segment. Corporate assets consist mainly of surplus funds under management (time deposits) at the Company and investments in equity method affiliates.
- (3) Adjustments of depreciation mainly represent depreciation unallocated to the reportable segments.

3 Segment profit is adjusted with operating profit in the consolidated statement of income.

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Other (Note) 1	Total	Adjustment s (Note) 2	Amount in consolidated financial statements (Note) 3
	Bond	Chemicals	Construction	Total				
Net sales								
Revenues from external customers	63,613	31,844	18,020	113,478	193	113,671	-	113,671
Intersegment sales and transfers	315	183	6	505	83	588	(588)	-
Total	63,929	32,028	18,026	113,984	276	114,260	(588)	113,671
Segment profit	4,606	989	1,674	7,269	17	7,287	11	7,298
Segment assets	63,659	39,246	11,939	114,844	3,569	118,414	734	119,148
Other items								
Depreciation	1,952	44	84	2,082	168	2,250	16	2,266
Amortization of goodwill	15	-	207	222	-	222	-	222
Investments in equity method affiliates	-	-	-	-	-	-	311	311
Increase in property, plant and equipment and intangible assets	1,305	43	27	1,377	735	2,112	-	2,112

Notes: 1 The "Other" category is a business segment not included in reportable segments, and includes the real estate rental business.

2 Details of adjustments are as follows:

- (1) Adjustments of segment profit represent eliminations for intersegment transactions.
- (2) The 734 million yen adjustment for segment assets includes minus 210 million yen of elimination of intersegment receivables and payables, minus 24 million yen of adjustment for unrealized gains, and 969 million yen of corporate assets not allocated to each reportable segment. Corporate assets consist mainly of surplus funds under management (time deposits) at the Company and investments in equity method affiliates.
- (3) Adjustments of depreciation mainly represent depreciation unallocated to the reportable segments.

3 Segment profit is adjusted with operating profit in the consolidated statement of income.

Disclosure of impairment loss on non-current assets by reportable segment

Fiscal year ended March 31, 2021

Not applicable.

Fiscal year ended March 31, 2022

Not applicable.

Amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Bond	Chemicals	Construction	Total			
Amortization during period	7	-	196	204	-	-	204
Balance at end of period	74	-	325	399	-	-	399

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment				Other	Corporate and elimination	Total
	Bond	Chemicals	Construction	Total			
Amortization during period	15	-	207	222	-	-	222
Balance at end of period	64	-	118	183	-	-	183

Information about gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2021

Not applicable.

Fiscal year ended March 31, 2022

Not applicable.

## Per share information

(Yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets per share	1,819.41	1,926.62
Basic earnings per share	137.50	144.13

Notes: 1 Diluted earnings per share is not stated because there were no potential shares.

2 The basis for calculation is as follows:

## (i) Net assets per share

	As of March 31, 2021	As of March 31, 2022
Total net assets (millions of yen)	68,785	72,897
Net assets attributable to common shares (millions of yen)	64,780	68,664
Main details of differences (millions of yen)		
Non-controlling interests	4,004	4,232
Number of issued common shares (thousand shares)	40,707	40,707
Number of treasury common shares (thousand shares)	5,102	5,067
Number of common shares used for calculating net assets per share (thousand shares)	35,605	35,640

## (ii) Basic earnings per share

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit attributable to owners of parent (millions of yen)	4,931	5,135
Amounts not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common shares (millions of yen)	4,931	5,135
Average number of outstanding common shares during period (thousand shares)	35,868	35,629

- 3 As described in “(6) Changes in significant basic matters for preparation of consolidated financial statements” in “3. Consolidated financial statements and significant notes thereto” the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements of the previous fiscal year were adjusted retrospectively. As a result, net assets per share and basic earnings per

share for the previous fiscal year decreased 1.27 yen and 0.08 yen, respectively, from those before the retrospective application.

Omission of disclosure

Notes other than the above are omitted because their disclosure is considered unnecessary in reports of financial results.

Significant **events** after reporting period

Not applicable.

**4. Other**

**Change in officers**

Disclosure will be made when the details of disclosure are determined.

Reference: Supplementary Information on Financial Results for the Fiscal Year Ended March 31, 2022
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## 1. Financial Results and Forecasts

(Millions of yen)

		Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2023 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Net sales	Consolidated	113,671	122,000	8,328	7.3%
Operating profit	Consolidated	7,298	6,950	(348)	(4.8)%
Ordinary profit	Consolidated	7,822	7,250	(572)	(7.3)%
Profit attributable to owners of parent	Consolidated	5,135	9,600	4,464	86.9%

## 2. Financial Results and Forecasts by Segment

(Millions of yen)

		Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2023 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)
Bond	Net sales	63,613	67,200	3,586	5.6%
	Operating profit	4,606	4,000	(606)	(13.2)%
Chemicals	Net sales	31,844	34,400	2,555	8.0%
	Operating profit	989	1,170	180	18.2%
Construction	Net sales	18,020	20,200	2,179	12.1%
	Operating profit	1,674	1,750	75	4.5%
Other	Net sales	193	200	6	3.5%
	Operating profit	17	15	(2)	(12.4)%
Adjustments	Net sales	-	-	-	-
	Operating profit	11	15	3	25.8%
Total	Net sales	113,671	122,000	8,328	7.3%
	Operating profit	7,298	6,950	(348)	(4.8)%

## 3. Indicators

(Millions of yen)

		Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2023 (forecast)		
		Full year	Full year	Changes (amount)	Changes (%)

Capital investment	Consolidated	2,112	3,598	1,486	70.4%
Depreciation	Consolidated	2,266	2,057	(209)	(9.2)%
Research and development	Consolidated	1,613	1,713	100	6.2%

Note 1: Figures are rounded down to the nearest 1 million yen.

Note 2: Changes (amount and %) are presented in comparison with the same period of the previous fiscal year.