



Financial Results for the Year Ended March 2022 [Based on the Japanese GAAP] (Consolidated)

May 13, 2022

Name of the company Takachiho Koheki Co., Ltd.
 Stock market: Tokyo Stock Exchange, Prime Market
 Code No.: 2676
 URL: <https://www.takachiho-kk.co.jp/>
 Representative (job title): Takanobu Ide, (President and CEO)
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 TEL: +81-3-3355-1111
 Date of annual general meeting of shareholders: June 28, 2022
 Date of commencement of dividend payment: June 29, 2022
 Registration date of annual securities report: June 29, 2022
 Additional explanation materials: Yes
 Financial results briefing: Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down.)

1. Consolidated Financial Results for the Year Ended March 2022 (from April 1, 2021, to March 31, 2022)

(1) Consolidated Operating Results

(Percent figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2021	20,784	0.9	1,024	15.6	1,247	34.6	878	60.2
FY 2020	20,591	(0.1)	886	12.4	926	4.6	548	187.7

Note: Comprehensive income: 1,041 million yen for FY 2021 (29.9%) 801 million yen for FY 2020 (-%)

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY 2021	98.61	98.42	6.0	6.2	4.9
FY 2020	61.56	-	4.0	4.9	4.3

Reference: Equity in earnings (losses) of affiliates 6 million yen for FY 2021 -2 million yen for FY 2020

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
FY 2021	20,593	15,034	72.9	1,680.73
FY 2020	19,473	14,174	72.7	1,590.28

Reference: Owner's equity 15,014 million yen for FY 2021 14,162 million yen for FY 2020

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY 2021	1,184	(393)	(189)	5,608
FY 2020	753	(774)	(214)	4,900

2. Dividends

	Annual dividends per share					Total cash dividends (total)	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	At 1st quarter end	At 2nd quarter end	At 3rd quarter end	At fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
FY 2020	-	12.00	-	13.00	25.00	222	40.6	1.6
FY 2021	-	12.00	-	43.00	55.00	494	55.8	3.4
FY 2022 forecast	-	24.00	-	79.00	103.00		100.8	

Note 1: Breakdown of dividends at fiscal year-end in FY 2021: ordinary dividends 28.00 yen, commemorative dividends 15.00 yen

Note 2: The total amount of dividends includes dividends paid on the shares of the Company held by Custody Bank of Japan, Ltd. (Trust E Unit) (816,000 yen for FY 2021).

Note 3: Our dividend policy for FY 2021 is to have a consolidated payout ratio of 40% or more, with a stable dividend amount (24 yen per year) as the lower limit. Our dividend policy for FY 2022 is to have a consolidated payout ratio of 100%, with a stable dividend amount (24 yen per year) as the lower limit, as announced in the new Medium-term Management Plan.

3. Forecast of Consolidated Operating Results for FY 2022 (from April 1, 2022, to March 31, 2023)

(Percent figures represent year-on-year changes)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
FY2022	10,300	7.5	450	4.3	450	(8.2)	320	(4.2)	35.82
1st half									
FY 2022	22,500	8.3	1,300	26.9	1,300	4.2	920	4.7	102.99

*Notes:

(1) Changes to principal subsidiaries during the period (changes to specified subsidiary companies accompanying a change to the scope of consolidation): None

(2) Changes in accounting policies and estimates, and retrospective restatement:

- (i) Changes in accounting policies due to amendments of accounting standards, etc.: : Yes
(ii) Changes in accounting policies other than (i) above : None
(iii) Changes in accounting estimates : None
(iv) Retrospective restatement : None

(Note) For more details, see p. 22, "5. Consolidated Financial Statements: (7) Notes on Consolidated Financial Statements: (Change in accounting policy)" in the attachments.

(3) Number of shares issued (common stock)

(i) Number of shares issued at end of period (Including treasury shares)

FY 2021	10,171,800 shares	FY 2020	10,171,800 shares
FY 2021	1,238,578 shares	FY 2020	1,266,078 shares
FY 2021	8,908,021 shares	FY 2020	8,905,732 shares

(ii) Number of treasury shares at end of period

(iii) Average number of shares outstanding during the period

Note: The number of treasury stocks to be deducted in calculating the number of treasury stocks at end of period and the average number of shares during the period includes the shares of the Company held by Custody Bank of Japan, Ltd. (Trust E Unit) as a trust property related to the "Board Benefit Trust (BBT)" system (68,000 shares).

(Reference) Non-consolidated financial results

1. Non-consolidated financial results for the Year Ended March 31, 2022 (from April 1, 2021, to March 31, 2022)

(1) Non-consolidated Operating Results

(Percent figures represent year-on-year changes)

	Net Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY 2021	16,810	0.5	884	(17.8)	1,228	(11.0)	878	16.8
FY 2020	16,721	8.6	1,075	32.5	1,380	44.9	752	30.7

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY 2021	98.64	98.44
FY 2020	84.44	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	million yen	million yen	%	Yen
FY 2021	20,502	15,815	77.0	1,768.15
FY 2020	19,510	15,044	77.0	1,687.87

Reference: Owner's equity: 15,795 million yen for FY 2021 15,031 million yen for FY 2020

* This financial summary is not subject to audit procedure.

*Appropriate use of forecasts and other items warranting special mention:

(Note on the forecasts, etc.)

The operating result forecast and other forward-looking statements contained in this report are based on the information currently available to the Company and certain assumptions the Company considers reasonable, and the Company by no means guarantees such achievement. In addition, results may differ significantly from forecasts due to a variety of factors. About the assumptions for result forecasts, see P. 2 of the attached material, "1. Overview of Operating Results/Financial Position (1) Overview of Operating Results."

(How to obtain supplementary financial statements)

We are planning to hold a briefing on financial results for institutional investors and analysts on Tuesday, May 24, 2022. The financial results briefing materials distributed at this briefing will be posted on our website immediately after the event.

○Table of Contents to the Attached Materials

1.	Overview of Operating Results/Financial Position	2
(1)	Overview of Operating Results	2
(2)	Overview of financial Position	4
(3)	Basic Policy for distribution of profit and the Dividends for the current and next fiscal years	5
2.	Corporate Group Status	6
3.	Management Policies	10
4.	Basic stance relating to the selection of accounting standards	11
5.	Consolidated financial statements	12
(1)	Consolidated Balance Sheet	12
(2)	Consolidated Income Statement and Statements of Comprehensive Income	14
	(Consolidated Income Statements)	14
	(Consolidated Statements of Comprehensive Income)	15
(3)	Consolidated Statements of Changes in Net Assets	16
(4)	Consolidated Statement of Cash Flow	18
(5)	Note on going-concern assumption	19
(6)	Significant matters constituting the basis for the preparation of consolidated financial statements	19
(7)	Notes on Consolidated Financial Statements	22
	(Change in accounting policy)	22
	(Additional Information)	22
	(Consolidated Balance Sheet)	23
	(Consolidated Income Statements)	24
	(Consolidated Statement of Comprehensive Income)	25
	(Consolidated Statement of Changes in Net Assets)	26
	(Consolidated Cash Flow Statements)	28
	(Segment information, etc.)	29
	(Per-share information)	32
	(Revenue recognition)	33
	(Significant Subsequent Event)	33
6.	Non-consolidated Financial Statements	34
(1)	Balance Sheet	34
(2)	Income Statements	36
(3)	Statements of Changes in Net Assets	37
7.	Other	39
(1)	Purchases, orders received, and sales	39

1. Overview of Operating Results/Financial Position

(1) Overview of Operating Results

(i) Operating Results for current consolidated fiscal year

For the current consolidated fiscal year, The Japanese economy shows movements of picking up as the severe situation due to the Novel Coronavirus is easing, despite appearance of new variants. Concerning short-term prospects, the economy is expected to show movements of picking up, supported by the effects of the policies and improvement in overseas economies while taking every measure against infectious diseases, and economic and social activities move toward normalization. However, full attention should be given to the further increase in downside risks due to rising raw material prices and fluctuations in the financial and capital markets and supply-side constraints while the uncertainties surrounding the state of affairs of Ukraine. Also, attention should be given to the effects of the Novel Coronavirus.

Although the market environment for our Group remains harsh due to increasingly fierce competition, we are striving to strengthen competitiveness and improve profitability through added value to achieve further growth and create revenue bases by expanding our global business and new business.

In the System Segment, we have made efforts to increase the added value of our flagship products, Electronic Article Surveillance Systems, CCTV camera systems and Access Control Systems. We are promoting sales for Cloud-based Wireless LAN Systems and remote access products related to teleworking and are developing new markets for Retail Solutions such as RFID Systems and labor-saving systems, as well as Cloud-based services. We are expanding the Advanced Fire Protection System Business, which is operated in Thailand and the ASEAN region.

In the Device Segment, we have promoted sales mainly in the telecom infrastructure market area, industrial equipment market area centered on IoT, amusement market area and the automotive market area in the Electronic Business. In the Industrial Systems Business, we have focused on sales of Mechanical Components for the industrial equipment market such as semiconductor manufacturing equipment, which is expected to continue to grow, and residential equipment in North America, the ASEAN region and China, and the development of the automobile interior components market in Japan and overseas.

Under these circumstances, as for operating results in the current consolidated fiscal year cumulative period, sales increased by 0.9% YoY to 20,784 million yen, due to strong sales of electronic parts for 5G base stations, electronic parts for home printers in response to growth in teleworking, and mechanical parts for housing equipment in the United States.

In terms of profit and loss, operating income increased by 15.6% YoY to 1,024 million yen, thanks to improved gross profit margin on sales in addition to the above factors. Ordinary income increased by 34.6% YoY to 1,247 million yen, due in part to revaluation gains on foreign-currency claims. Net income attributable to owners of parent increased by 60.2% YOY to 878 million yen.

The operating results of each segment are as follows:

(System Segment)

System Segment sales decreased by 5.3% YOY to 12,011 million yen and operating income decreased by 13.1% YOY to 529 million yen.

For retail security solution products, sales decreased by 15.6% YoY to 3,721 million yen due to the rebound effect from large-scale deals with mobile-phone carriers recorded in the previous fiscal year, although sales were steady for large-scale deals on CCTV and facial-recognition systems.

For office solutions products, sales decreased by 9.8% YoY to 3,246 million yen due to a decrease in sales of remote access products which were strongly affected by the impact of the Novel Coronavirus last year, although the access control system for data centers performed steadily.

For global Products, sales increased by 6.8% YoY to 2,926 million yen, thanks to solid sales of advanced fire-prevention systems in Thailand, which had been down sharply in the previous fiscal year.

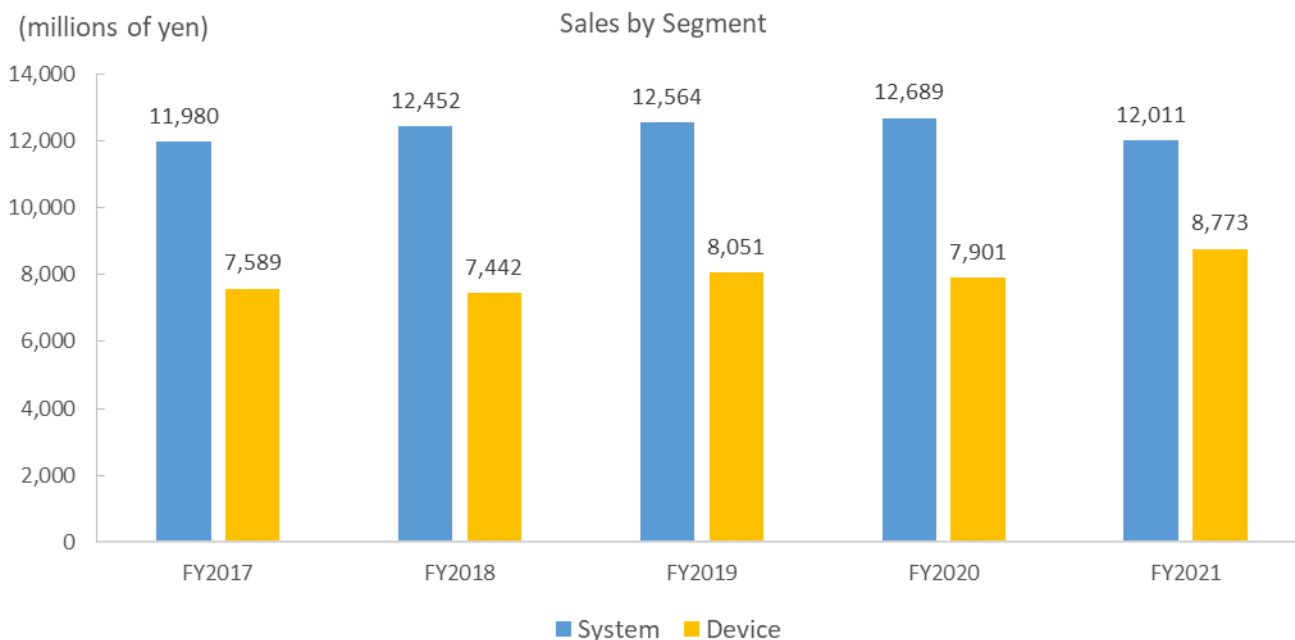
For service and support products, MSP services (*) performed well, and sales increased 9.0% YOY to 2,115 million yen.
(* MSP service: managed service provider service)

(Device Segment)

Device Segment sales increased by 11.0% YOY to 8,773 million yen and operating income increased by 78.6 % YOY to 494 million yen.

For Semiconductor products, sales were increased by 12.2% YoY to 4,452 million yen, thanks to strong sales of electronic components including those for 5G base stations, home printers, which are selling well due to increased demand for teleworking, and semiconductor manufacturing equipment.

For Mechanical Component Products, sales increased 9.8% YOY to 4,320 million yen due to strong sales of soft-closed parts for housing equipment in the United States and communication cables for industrial equipment.



(ii) Future Outlook

For the current consolidated fiscal year, The Japanese economy shows movements of picking up as the severe situation due to the Novel Coronavirus is easing, despite appearance of new variants. Concerning short-term prospects, the economy is expected to show movements of picking up, supported by the effects of the policies and improvement in overseas economies while taking every measure against infectious diseases, and economic and social activities move toward normalization.

However, full attention should be given to the further increase in downside risks due to rising raw material prices and fluctuations in the financial and capital markets and supply-side constraints while the uncertainties surrounding the state of affairs of Ukraine. Also, attention should be given to the effects of the Novel Coronavirus.

Under such conditions, on February 8, 2022, we announced, "Challenges for Creation: Creating new value in a new normal era towards 100th anniversary" the new medium-term management plan for the period through FY 2024. We plan to make progress toward further business growth under the basic policy of " Concentrating on high value-added businesses transformation" and "Creating new value by strengthening the management base."

In addition, beginning with the period covered by this new medium-term management plan we will separate the cloud services and maintenance businesses from the System Segment, as growth businesses, migrating them to the new Cloud Service & Support segment. This change is intended to reflect their growth potential and profit potential.

In the System Segment, for the retail industry, we will strive to promote sales of store security systems such as Electronic article surveillance systems and facial recognition systems, as well as smart store applications applying RFID and imaging AI analysis technologies, which are effective labor-saving measures for improving store operation efficiency and complementing staffing shortages. For office use, we will focus on expanding sales of network security systems for cloud-based Wi-Fi LAN networks and secure, reliable remote access, in respond to market growth in the cloud business, as well as access control systems for the data center, for which demand is expected to growth even further. As for global business, we will make efforts to win deals steadily for fire protection systems for power plants related to a growth in demand for power in the ASEAN region.

In the new Cloud Service & Support segment, we will enhance further sales-expansion efforts for the MSP services business, which employs a subscription model, to realize a shift from product sales to service sales.

With regard to the Device Segment, we will strive to develop the industrial equipment market area centered on the telecommunications infrastructure market, Semiconductor manufacturing equipment sector, as well as the solutions business fusing software with sensors and other products, in the Electronics Business. In the Industrial Systems Business, we will promote the sales in the digital industrial machinery field, where growth is projected, and high-value-added unit products for the housing equipment market in China and capture the U.S. market.

Based on the above, we forecast net sales of 22.5 billion yen, ordinary income of 1.3 billion yen, and net income attributable to owners of parent of 920 million yen.

(2) Overview of financial standing in the period under review

(i) Status of assets, liabilities, and net asset

Total assets at the end of the consolidated fiscal year under review stood at 20,593 million yen, up 1,119 million yen from the end of the previous consolidated fiscal year. This was due to factors including increases of 1,311 million yen in contract assets, 708 million yen in cash and deposits, 664 million yen in merchandise and finished goods, and 328 million yen in investment securities, despite a drop of 1,948 million yen in accounts receivable – trade.

Liabilities increased by 259 million yen YOY to 5,558 million yen. This was due to factors including increases of 913 million yen in contract liabilities, 144 million yen in notes and accounts payable – trade, and 108 million yen in income taxes payable, despite a decrease of 948-million-yen other current liabilities.

Net assets increased by 859 million yen YOY to 15,034 million yen. The equity ratio increased by 0.2 points from the end of the previous consolidated fiscal year to 72.9%.

As described below under (Change in Accounting Policy), the accounts that previously had been stated as notes and accounts receivable – trade under current assets have been stated as notes receivable, accounts receivable – trade, contract assets, and electronically recorded monetary claims – operating beginning with the consolidated fiscal year under review. In addition, some liabilities that had been included in others under current liabilities now are stated as contract liabilities.

(ii) Status of Cash flow

Cash and cash equivalents as of the end of the current consolidated fiscal year increased by 708 million yen (14.4%) YOY to 5,608 million yen.

(Cash flow from operating activities)

Cash flow from operating activities during the current consolidated fiscal year increased by 431 million yen YOY to 1,184 million yen. This is due to profit before income taxes that amounted to 1,243 million yen with income taxes paid being 272 million yen.

(Cash flow from investing activities)

Cash flow from investing activities during the current consolidated fiscal year increased by 381 million yen YOY to -393 million yen. This was due to factors including expenditures of 250 million yen on acquisition of investment securities and 140 million yen on acquisition of non-current assets.

(Cash flow from financing activities)

Cash flow from financing activities during the current consolidated fiscal year to -189 million yen. This is due to dividend payments of 223 million yen.

Index	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Equity ratio (%)	75.1	72.9	73.2	72.7	72.9
Capital adequacy ratio based on current market value (%)	67.5	44.6	46.0	51.4	64.3
Interest coverage ratio	72.5	681.5	192.2	-	4,123.5

(Note) The above indexes are calculated according to the following formula:

Equity ratio = owner's equity/total assets

Capital adequacy ratio based on current market value = market capitalization/total assets

Interest coverage ratio = operating cash flow/interest expenses paid.

1. Each index is calculated based on the consolidated financial numerical values.
2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares issued at the end of the fiscal year (after deduction of treasury shares). The number of shares of treasury stock includes 68,000 shares of Company stock held by the Board benefit trust (BBT).
3. Operating cash flow represents cash flow from operating activities. Interest expenses paid represent the relevant amount paid in the Consolidated Cash Flow Statements.

(3) Basic Policy for distribution of profit and the Dividends for the current and next fiscal years

(i) Basic Policy for distribution of profit

We consider it an important business challenge to return profits to our shareholders and make it our basic policy for the period under review to pay dividends in a stable manner and to distribute profits according to business performance, and in principle set a stable dividend amount (24 yen per year) as the lower limit and a consolidated dividend payout ratio of 40% or more. At the same time, we have focused on investment for future growth and retained earnings for business expansion.

As described in the new Medium-term Management Plan, the dividend policy for the next fiscal year and beyond calls for a consolidated payout ratio of 100% until achieving ROE of 8% as a three-year average, aiming for management conscious of capital profitability while actively providing returns to shareholders without increasing equity from the traditional policy of stable dividends. There will be no change in use of the stable dividend amount (24 yen/year) as the minimum level.

(ii) Dividends for the current and next fiscal years:

Regarding dividends at the end of the current fiscal year, the results for the current fiscal year are as described in (1) Overview of operating results for the current fiscal year (i) Operating results for the current fiscal year. In accordance with our dividend policy of a consolidated payout ratio of 40% or more, we have set an annual dividend of 55 yen/share.

Since we have already paid interim dividends of 12 yen/share, a year-end dividend will be 43 yen/share including a commemorative dividend of 15 yen/share to mark the 70th anniversary of the Company's founding.

In accordance with our shareholder return policy announced in the new Medium-term Management Plan, in the next fiscal year we plan to pay interim dividends of 24 yen/share and year-end dividends of 79 yen/share, for total annual dividends of 103 yen/share.

2. Corporate Group Status

Our Group consists of 12 companies, namely, the Company, 9 consolidated subsidiaries, 1 affiliated company, and 1 non-consolidated subsidiaries. The Group carries out a variety of business operations, and is engaged in export, import, and sale of products, and the provision of services, such as installation, maintenance, system design and system operation subcontracting, by seeking and securing high-tech electronics products from outstanding overseas manufacturers.

The Products currently handled by us are security systems, other system equipment, application software, semiconductor/electronic parts, mechanical components, etc.

The positioning of products and the correlation between segments and products in our business is as follows:

<System Segment>

(Retail Solution Products)

We engaged in system design, sales, installation, and system operation support services. These include electronic article surveillance/video monitoring security, etc. (surveillance cameras and surveillance video recording equipment,) retail security equipment such as security tags, operational support services such as customer traffic counters, and store management equipment for labor saving systems. We conduct sales to a wide variety of customers in the retail and distribution industries, ranging from large-scale stores such as shopping centers to small stores such as drugstores.

Mighty Cube Co., Ltd., develops and sells self-alarming tag systems for electronic article surveillance and carries out transactions with various customers, including hardware stores and electronic retail stores.

(Office Solution Products)

We design, build, install, and sell equipment for the latest electronics technology application systems for office buildings, data centers, factories, and other corporate-related facilities. These include Access Control Systems, network system equipment (Cloud-based Wireless LAN Systems), and consulting and designing services for electronic article surveillance/video monitoring security. We also handle RFID tags for logistics/inventory control systems and related peripheral equipment, as well as automated postal mail inserters (folding and inserting machines) for postal mail.

Mighty Cube Co., Ltd., as the leading RFID technology company in Japan, is engaged in the system development, sales, etc., of RFID Tags (contactless IC chips) and peripheral equipment (readers/writers).

(Global Products)

We design, establish, install, and sell Advanced Fire Protection Systems which contribute to office buildings, commercial facilities, power-generating energy-related plants, natural gas/petrochemical plants, etc.

Takachiho Fire, Security & Services (Thailand) Ltd. of Thailand is engaged in consulting and designing systems for electronic article surveillance/video monitoring security, etc., and selling electronic article surveillance systems, access control systems, surveillance cameras, Fire Protection Systems, etc.

Guardfire Limited and Guardfire Singapore Pte. Ltd., are engaged in designing and selling Advanced Fire Protection Systems in Southeast Asia.

(Service & Support Products)

We are engaged in maintenance, subcontracting of system operations (outsourcing), operational surveillance services and the Managed Service Provider business for the various products handled in the System Segment.

To enhance customer satisfaction through a prompt response, we also offer services 24 hours a day, 365 days a year from 300 service bases throughout Japan.

<Device Segment>

(Semiconductors Products)

Our group is engaged in sales and consulting (design support for electronic equipment) of various types of semiconductors as represented by analog IC, sensors such as silicon microphone and electronic parts. These products are used in various areas, such as industrial electronics equipment, IP-PBX (private branch exchange) and information-telecommunications equipment including smartphones.

TAKACHIHO KOHEKI (H.K.) LIMITED and TAKACHIHO TRADING (SHANGHAI) CO., LTD. sell the above products in China and Southeast Asia.

(Mechanical Component Products)

Our Group is engaged in selling and consulting in mechanical components that enhance safety, convenience, and comfort, such as slide rails, gas springs and lifting systems. These products are used for opening and closing/withdrawal/safety mechanism (slide rails/gas springs/cylinder lock systems) of ATMs, etc., at financial institutions and convenience stores, withdrawal/lifting mechanism (slide rails/lifting systems) of built-in kitchen systems, paper feeding mechanism (slide rails/dampers) of copiers, etc.

TAKACHIHO KOHEKI (H.K.) LIMITED, TAKACHIHO TRADING (SHANGHAI) CO., LTD., and Takachiho America, Inc. sell the above products in China, Southeast Asia, and the U.S.

Correlation between Segment and Products:

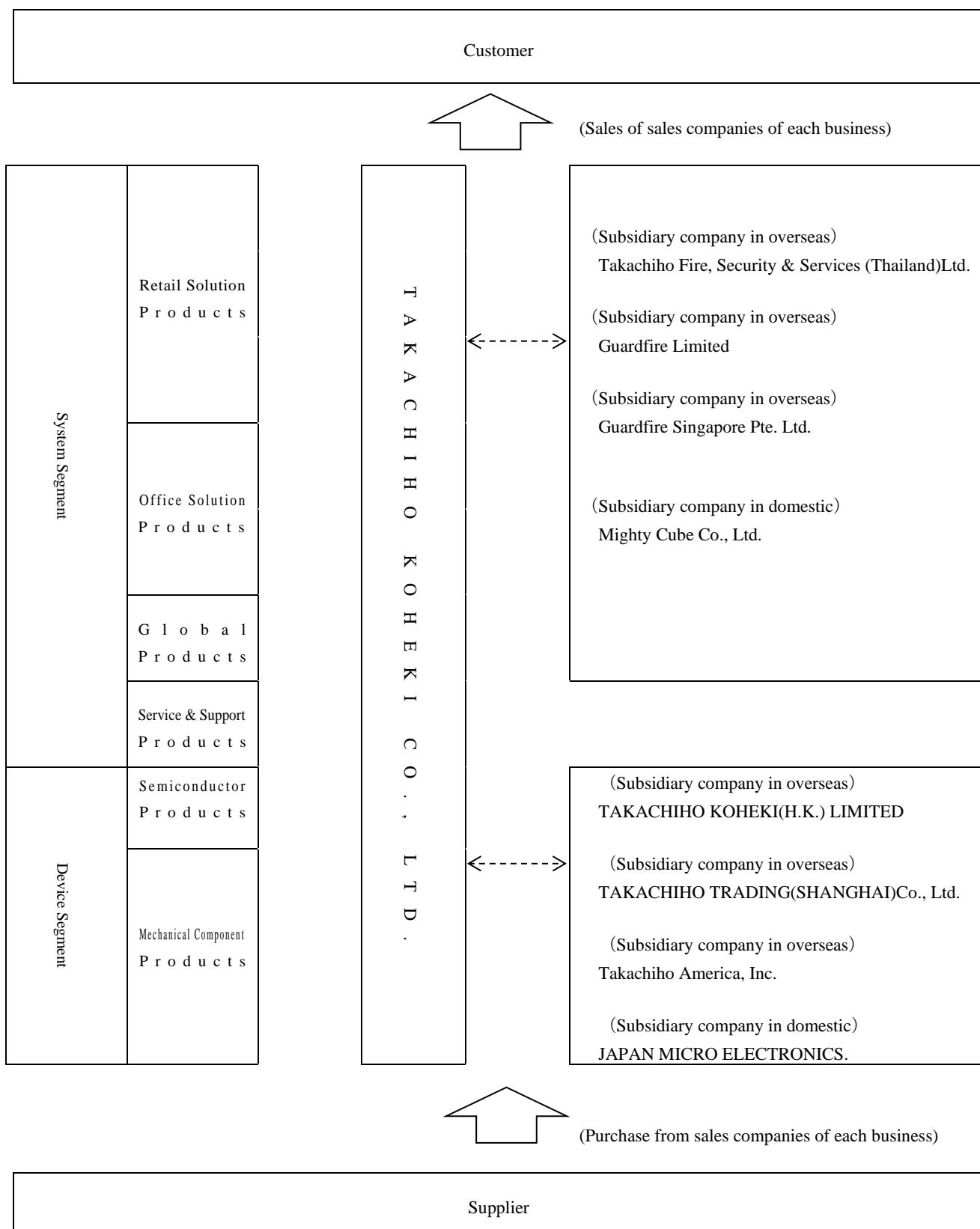
Segment	Contents of main businesses	Principal companies
Systems		
Retail Solution Products	Sales and designing/establishment of various types of systems, such as electronic article surveillance systems (Shoplifting prevention devices, sensor cable type alarm units, security tags, etc.) and video monitoring systems.	TAKACHIHO KOHEKI CO., LTD. Mighty Cube Co., Ltd.
Office solution Products	Sales and designing/establishment of various types of systems, such as Access Control Systems, video monitoring systems, network system equipment (Cloud-based Wireless LAN Systems), RFID tags for logistics/inventory control systems, etc., related peripheral equipment and automated insertion systems (Mail inserters), etc.	TAKACHIHO KOHEKI CO., LTD Mighty Cube Co., Ltd.
Global Products	Sales and designing/establishment of various types of systems for Advanced Fire Protection Systems, etc.	Takachiho Fire, Security & Services (Thailand) Ltd. Guardfire Limited Guardfire Singapore Pte.Ltd.
Service & Support Products	System maintenance, subcontracting of system operations, operational surveillance services and Managed Service Provider business for various products in the System Segment.	TAKACHIHO KOHEKI CO., LTD
Devices		
Semiconductor Products	Sale of various semiconductors (analog ICs etc.), sensors (silicon microphones etc.), and electronic parts	TAKACHIHO KOHEKI CO., LTD
		TAKACHIHO KOHEKI (H.K.) LIMITED
		TAKACHIHO TRADING (SHANGHAI) CO., LTD.
		Japan Micro Electronics Note 1
Mechanical Component Products	Sales of mechanical components, etc., for safety/labor saving, such as slide rails, gas springs, cylinder lock systems, dampers and lifting systems	TAKACHIHO KOHEKI CO., LTD
		TAKACHIHO KOHEKI (H.K.) LIMITED
		TAKACHIHO TRADING (SHANGHAI) CO., LTD.
		Takachiho America, Inc.

Note 1: Japan Micro Electronics is an equity method affiliate.

2: Terms such as product names and technical terminology:

- | | |
|--|--|
| (1) Security Tags: | Special tags attached to products that enable shoplifting prevention devices to work. |
| (2) Cloud-based Wireless LAN System: | a system capable of managing wireless LAN access points on the net. |
| (3) RFID tags: | Special tags with micro-IC chips having product information and antennas built in. |
| (4) Mail inserters (folding and inserting machines): | Automated equipment for selection/enclosing and sealing operations of postal mail |
| (5) Slide Rails: | Metallic rails with ball bearings built in that enable the easy pulling of heavy loads or drawers. |
| (6) Gas Springs: | Using nitrogen gas, these springs enable heavy doors to be easily pulled upward or downward through the repulsion force of the gas |
| (7) Dampers: | Cushioning mechanisms that make use of oil viscosity resistance to absorb shock when opening or closing a drawer. |

The overview of the Group's business is as follows:



Note: Dotted lines represent transactions within the Group

3. Management Policies

(1) Basic management policies of the Company

The Company promotes its management based on the corporate philosophy of creation at the heart of our business activities and through its technological expertise. As a technology trading company, the company will pursue three principal goals: (1) Enhance customer satisfaction; (2) Gain worldwide trust by enhancing our technological expertise, skills, and humanity; and (3) Contribute to society by making concerted efforts for paving the way to a bright future.

Our group conducts business activities by maintaining Safety/Security/Comfort as a core mission. As a technology trading company, by leveraging our extensive track record and experience and providing highly specialized solutions, we intend to enhance customer corporate value.

In recognizing our CSR (Corporate Social Responsibility) as a corporate citizen and through the implementation of responsible, sincere, and transparent business activities, our Group will promote management that can be trusted by all stakeholders and maintain and improve company's value.

(2) Targeted management indexes

On February 8, 2022, the Group announced, "Challenges for Creation: Creating new value in a new normal era towards 100th anniversary," the new medium-term management plan for the period through FY 2024.

This plan includes the following targets for its final fiscal year of FY 2024: consolidated net sales of 26 billion yen, consolidated ordinary income of 2 billion yen, consolidated net income of 1.4 billion yen, and ROE of 8%.

(3) Medium- to long-term management strategies of the Company

(i) Recognition of business environment

The Company's business domains are expected to grow as a result of the following factors: increasing investment related to work-style reforms for the new normal (e.g., teleworking and contactless customer service), reforms to logistics and store operations rooted in the labor shortage, accelerating use of IT to improve corporate internal efficiency, adoption of factory IT in response to progress on adoption of 5G mobile technologies, adoption of robotics, and further growth in demand for semiconductors and electronic devices.

We also recognize risks related to product supplies, posted by the chip shortage, rising prices of parts and materials, and logistics issues spurred by the Novel Coronavirus.

(ii) Medium-term management policy

We will aim to increase corporate value while realizing sustainable growth under the basic policy of "Concentrating on high value-added businesses transformation" and "Creating new value by strengthening the management base."

Based on its strengths of marketing abilities to identify market needs accurately, discernment to identify state-of-the-art products worldwide, technological prowess to continuously provide new value and products to the market, and the abilities to deliver consulting, development design services, and after-sales services backed by our high technological abilities, the Group will implement the following strategies to deliver solutions to customers' challenges and social issues and realize a more enriched society by striving toward new business innovations as the core of the medium-term management plan, "Challenges for Creation: Creating new value in a new normal era towards 100th anniversary."

(iii) Management strategies

Growth initiatives for business transformation

A) Promotion and deepening "Loyal customer strategy" (Note)

- i. Maximizing Group synergies above and beyond company and organizational boundaries
- ii. Identifying potential needs and deploying new products and new solutions based on the relations of trust built up with customers over many years
- iii. Increasing market share by focusing on businesses with high revenue and growth potential

Note: Loyal Customer Strategy means the strategy that aims to strengthen customer relationships by providing added value, creating satisfied customers.

B) Growing service businesses

- i. Establishing subscription businesses through new products and services
- ii. Establishing unit and solutions businesses backed by added value in addition to sales of individual products
- iii. Increasing customer satisfaction utilizing knowledge sites and platforms

C) Creating core businesses for the future

- i. Utilizing the networks and specializations of venture capital and the Silicon Valley Innovation Center
- ii. Investing in creation of new businesses and business models

- D) Enhancing the management foundations that support our businesses
 - i. Shifting management resources toward priority businesses <Implementing business portfolio management>
 - ii. Business model innovation through digital transformation (DX) <Internal processes aiming toward digitalization of marketing and sales methods and technological services, improved internal business efficiency, and increased productivity>
 - iii. Enhancing human-resource development and investment <Building organizations to realize business section strategies and hiring and development of human resources to enable enhancement of management abilities and rapid business growth>
 - iv. Improving capital efficiency <Improving inventory controls and turnover periods for receivables and payables, designing decision-making standards based on ascertaining earnings on an operating-income basis for each transaction>

- E) 3 billion yen of strategic investment
 - i. Strengthening of internal foundation
 - ii. Investment in realizing the needs of loyal customers
 - iii. Investment in growing service businesses
 - iv. Launch and commercialization of new businesses and business models

- F) Building robust governance structures
 - i. Establishment of an investment committee and enhancement of oversight, review, and monitoring functions in execution of investment
 - ii. Establishment of a nomination and remuneration committee to secure fairness, objectivity, and transparency
 - iii. Advancing management reflecting the perspective of shareholders, by establishing a capital efficiency indicator as a KPI in the process of decision making on the performance-linked portion of executive compensation

(4) Issues to be addressed by the Company

Based on the medium-term management plan 2022-2024 "Challenges for Creation: Creating new value in a new normal era towards 100th anniversary " announced on February 8, 2022, the Group will address the following issues in order to increase corporate value, realize business growth, and satisfy the criterion for listing on the Tokyo Stock Exchange Prime Market.

- (i) Growth initiatives toward new business innovation
- (ii) Initiatives toward increasing capital profitability
- (iii) Environmental, society, and governance (ESG) initiatives to support the new medium-term management plan. Details are described under (3) Medium- to long-term management strategies of the Company.

4. Basic stance relating to the selection of accounting standards

In consideration of factors such as the cost of maintaining a structure for preparation of consolidated financial statements based on the International Financial Reporting Standards (IFRS), the Company has adopted a policy of continuing to prepare consolidated financial statements based on Japanese GAAP for now.

Furthermore, taking into account the trend of foreign stock ownership ratio and the trend of the application of International Financial Reporting Standards (IFRS) by other domestic companies in the same industry, we intend to consider applying International Financial Reporting Standards.

5. Consolidated financial statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	6,000	6,708
Notes receivable - trade	206	188
Accounts receivable - trade	6,296	4,348
Contract assets	-	1,311
Electronically recorded monetary claims – operating	514	678
Merchandise and finished goods	2,431	3,096
Raw materials	146	157
Prepaid expenses	852	791
Other	67	109
Allowance for doubtful accounts	(0)	(0)
Total current assets	16,516	17,390
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	232	211
Land	115	111
Other, net	229	216
Total property, plant and equipment	*1,577	*1,539
Intangible assets		
Other	337	299
Total intangible assets	337	299
Investments and other assets		
Investment securities	*2,144	*2,173
Deferred tax assets	219	212
Other	377	377
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,041	2,364
Total non-current assets	2,956	3,203
Total assets	19,473	20,593

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,839	2,984
Income taxes payable	141	249
Contract liabilities	-	913
Provision for bonuses	270	294
Provision for bonuses for directors (and other officers)	13	30
Other	1,283	334
Total current liabilities	4,547	4,807
Non-current liabilities		
Long-term accounts payable - other	42	31
Retirement benefit liability	673	685
Other	35	34
Total non-current liabilities	751	751
Total liabilities	5,299	5,558
Net assets		
Shareholders' equity		
Share capital	1,209	1,209
Capital surplus	1,172	1,193
Retained earnings	12,722	13,377
Treasury shares	(1,231)	(1,218)
Total shareholders' equity	13,872	14,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	299	373
Foreign currency translation adjustment	(58)	41
Remeasurements of defined benefit plans	49	37
Total accumulated other comprehensive income	290	452
Share award rights	-	9
Share acquisition rights	12	11
Non-controlling interests	0	0
Total net assets	14,174	15,034
Total liabilities and net assets	19,473	20,593

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net Sales	20,591	20,784
Cost of sales	15,661	15,685
Gross profit	4,930	5,099
Selling, general and administrative expenses	※1 4,043	※1 4,074
Operating profit	886	1,024
Non-operating income		
Interest income	0	1
Dividend income	19	27
Foreign exchange gains	67	191
Insurance claim income	5	5
Share of profit of entities accounted for using equity method	-	6
Subsidy income	3	12
Other	11	5
Total non-operating income	109	250
Non-operating expenses		
Interest expenses	-	0
Share of loss of entities accounted for using equity method	2	-
Commission expenses	1	1
Loss on investments in investment partnerships	64	23
Other	1	2
Total non-operating expenses	69	28
Ordinary profit	926	1,247
Extraordinary income		
Gain on reversal of share acquisition rights	4	-
Total extraordinary income	4	-
Extraordinary losses		
Impairment loss	※2 1	※2 3
Loss on retirement of non-current assets	0	-
Total extraordinary losses	1	3
Profit before income taxes	929	1,243
Income taxes - current	356	382
Income taxes - deferred	24	(17)
Total income taxes	380	364
Profit	548	878
Profit attributable to owners of parent	548	878

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	548	878
Other comprehensive income		
Valuation difference on available-for-sale securities	94	74
Foreign currency translation adjustment	106	100
Remeasurements of defined benefit plans, net of tax	51	(11)
Total other comprehensive income	※1 253	※1 162
Comprehensive income	801	1,041
(Breakdown)		
Comprehensive income attributable to owners of parent	801	1,041

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Starting balance	1,209	1,172	12,388	(1,231)	13,537
Cumulative effects of changes in accounting policies					-
Restated balance	1,209	1,172	12,388	(1,231)	13,537
Changes of items during period					
Dividends of surplus			(213)		(213)
Profit attributable to owner of parent			548		548
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	334	(0)	334
Ending balance	1,209	1,172	12,722	(1,231)	13,872

	Accumulated other comprehensive income				Share award rights	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income				
Starting balance	204	(165)	(2)	36	-	9	0	13,584
Cumulative effects of changes in accounting policies								-
Restated balance	204	(165)	(2)	36	-	9	0	13,584
Changes of items during period								
Dividends of surplus								(213)
Profit attributable to owner of parent								548
Purchase of treasury shares								(0)
Disposal of treasury shares								
Net changes of items other than shareholders' equity	94	106	51	253		2		255
Total changes of items during period	94	106	51	253	-	2	-	590
Ending balance	299	(58)	49	290	-	12	0	14,174

Current Consolidated Fiscal Year (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Starting balance	1,209	1,172	12,722	(1,231)	13,872
Cumulative effects of changes in accounting policies					-
Restated balance	1,209	1,172	12,722	(1,231)	13,872
Changes of items during period					
Dividends of surplus			(223)		(223)
Profit attributable to owner of parent			878		878
Purchase of treasury shares				(79)	(79)
Disposal of treasury shares		20		92	113
Net changes of items other than shareholders' equity					
Total changes of items during period	-	20	655	13	688
Ending balance	1,209	1,193	13,377	(1,218)	14,561

	Accumulated other comprehensive income				Share award rights	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income				
Starting balance	299	(58)	49	290	-	12	0	14,174
Cumulative effects of changes in accounting policies								-
Restated balance	299	(58)	49	290	-	12	0	14,174
Changes of items during period								
Dividends of surplus								(223)
Profit attributable to owner of parent								878
Purchase of treasury shares								(79)
Disposal of treasury shares								113
Net changes of items other than shareholders' equity	74	100	(11)	162	9	(0)		170
Total changes of items during period	74	100	(11)	162	9	(0)	-	859
Ending balance	373	41	37	452	9	11	0	15,034

(4) Consolidated Statement of Cash Flow

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	929	1,243
Depreciation	133	182
Loss (gain) on sales of non-current assets	(0)	-
Impairment loss for non-current assets	1	3
Gain on reversal of share acquisition rights	(4)	-
Interest and dividend income	(20)	(29)
Interest expenses	0	0
Share of loss (profit) of entities accounted for using equity method	2	(6)
Increase (decrease) in provision for bonuses	34	23
Increase (decrease) in provision for bonuses for directors (and other officers)	11	17
Increase (decrease) in allowance for doubtful accounts	(128)	(0)
Increase (decrease) in provision for loss on head office transfer	(82)	-
Increase (decrease) in retirement benefit liability	(2)	3
Loss (gain) on investments in investment partnerships	64	23
Decrease (increase) in contract assets	-	(60)
Decrease (increase) in electronically recorded monetary claims	75	(163)
Decrease (increase) in trade receivables	23	820
Decrease (increase) in inventories	129	(659)
Increase (decrease) in contract liabilities	-	16
Increase (decrease) in trade payables	249	70
Decrease (increase) in prepaid expenses	(191)	61
Increase (decrease) in accounts payable - other	(30)	20
Increase (decrease) in accrued consumption taxes	(4)	(36)
Other, net	3	(104)
Subtotal	1,190	1,426
Interest and dividends received	21	31
Interest paid	(0)	(0)
Income taxes paid	(457)	(272)
Net cash provided by (used in) operating activities	753	1,184
Cash flows from investing activities		
Purchase of property, plant and equipment	(363)	(56)
Proceeds from sales of property, plant and equipment	0	-
Purchase of investment securities	(450)	(250)
Purchase of intangible assets	(199)	(84)
Payments of leasehold and guarantee deposits	(0)	(7)
Proceeds from refund of leasehold and guarantee deposits	238	0
Other, net	-	5
Net cash provided by (used in) investing activities	(774)	(393)
Cash flows from financing activities		
Dividends paid	(214)	(223)
Purchase of treasury shares	(0)	(79)
Proceeds from disposal of treasury shares	-	113
Repayments of lease liabilities	(0)	-
Net cash provided by (used in) financing activities	(214)	(189)
Effect of exchange rate change on cash and cash equivalents	36	106
Net increase (decrease) in cash and cash equivalents	(199)	708
Cash and cash equivalents at beginning of period	5,099	4,900
Cash and cash equivalents at end of period	※1 4,900	※1 5,608

(5) Note on going-concern assumption

Not applicable

(6) Significant matters constituting the basis for the preparation of consolidated financial statements

(i) Range of consolidation

a. Number of consolidated subsidiaries: 9 companies

Name of consolidated subsidiaries:

Mighty Cube Co., Ltd.

TAKACHIHO KOHEKI (H.K.) LIMITED

TAKACHIHO TRADING (SHANGHAI) CO., LTD.

Takachiho Fire, Security & Services (Thailand) Ltd.

Guardfire Limited

Guardfire Singapore Pte.Ltd.

TK Thai Holdings Co., Ltd.

TK Fire Fighting Co., Ltd.

Takachiho America, Inc.

b. Number of non-consolidated subsidiaries: 1 company

Name of non-consolidated subsidiary:

TKTEC Co., Ltd.

It is a small company with an insignificant effect, and it is unconsolidated.

(ii) Application of equity method

a. Affiliated company accounted for by the equity method

Name of affiliated company under the application of equity method:

Japan Micro Electronics K.K.

b. Non-consolidated subsidiaries not accounted for by equity method

Name of non-consolidated subsidiary not accounted for by equity method:

TKTEC Co., Ltd.

It is a small company with an insignificant effect, and it is not accounted for by the equity method.

(iii) Fiscal year of consolidated subsidiaries

Among consolidated subsidiaries, TAKACHIHO KOHEKI (H.K.) LIMITED, TAKACHIHO TRADING(SHANGHAI) Co., Ltd. and Takachiho America, Inc. close accounts on December 31. In preparing the consolidated financial statements, their financial statements as of the same day were used. For significant transactions conducted from December 31 to the consolidated closing date, adjustments necessary for consolidation were made.

(iv) Accounting criteria

a. Criteria and methods for evaluating significant assets

A) Securities

Other securities

Other than shares of stock etc. without market prices

- • • Market value method, based on the market price as of the last day of the consolidated fiscal year (Appraisal differences are handled by means of the direct net asset influx method and their cost is based on the gross average method)

Shares of stock etc. without market prices

- • • Mainly evaluated at cost by gross average method

B) Inventory

Mainly the cost method based on the moving average method (balance sheet values are calculated using the book value reduction method based on a decline in profitability)

b. Depreciation methods for critical depreciable assets

A) Property, plant and equipment (excluding leased assets)

The straight-line method is used for tangible fixed assets of the Company and its consolidated subsidiaries.

The main useful lives are as follows:

Buildings and structures: 10-50 years

Tools, furniture, and fixtures: 2-20 years

B) Non-current intangible assets

The straight-line method was used.

The amortization period is the internally usable period (5 years) for software for internal use and the estimated effective life (3 years) for software for sale.

c. Criteria for provision of significant allowance and reserves

A) Allowance for doubtful accounts

To prepare for credit losses, an allowance equal to the estimated amount of uncollectible claims was provided.

i. General claims

• • • The method based on actual percentage of bad debts was used

ii. Doubtful claims, claims in bankruptcy and reorganization claims

• • • An allowance equal to the estimated amount of uncollectible claims was provided after reviewing the collectability of each claim.

B) Provision for bonuses

To prepare for the payment of bonuses to employees, among the estimated amount to be paid in the future, the portion attributable to the current consolidated fiscal year was provided.

C) Provision for directors' bonuses

To prepare for the payment of bonuses to directors, among the estimated amount to be paid in the future, the portion attributable to the current consolidated fiscal year was provided.

d. Accounting standards for income and expenses

The details of the main performance obligations in important businesses related to income arising from contracts with customers of the Company and consolidated subsidiaries and the normal timing of fulfillment of such performance obligations (the normal timing of recognition of income) are described below.

A) Sale of products

In sale of products to customers in Japan, income is recognized at the point in time at which the customer has completed acceptance inspection of the products, as the time at which the customer secures control over the merchandise and the performance obligation has been fulfilled. However, when the period from the time of shipment to the time of transfer of the product to the customer is the normal period, income is recognized at the time of shipment.

In sale of products through export, including trilateral transactions, income is recognized at the time risks of the product transfer to the customer, based on the trade conditions and other terms of Incoterms.

B) Licenses, maintenance, etc.

Income over a fixed period, such as that from sale of software licenses for fixed periods of use and provision of services under which customers receive for a fixed period maintenance and other services for products sold, is recognized in principle over the period of service provision based on the relevant contract etc.

C) Product sales and design related to long-term construction contracting

The Group's businesses include design and sale of advanced fire-prevention systems related to long-term construction contracting in Southeast Asia. In such transactions, performance obligations are considered to be satisfied over a fixed period in accordance with the progress of construction. Income is recognized over a fixed period, estimating the degree of such progress using the rate of costs incurred vs. total estimated costs.

e. Criteria for recording liabilities associated with retirement benefits

To prepare for payment of retirement allowances to employees, the amount recognized to arise at the end of the current consolidated fiscal year was recorded, based on the estimated amounts of retirement benefit obligations and pension assets at the end of the current consolidated fiscal year. In calculating the retirement benefit obligations, estimated retirement benefits were attributed to the period until the end of the current consolidated fiscal year, based on the benefit formula.

Actuarial differences distributed by specific years (5 years) within the average remaining service period of employees as of their occurrence were mainly expensed from the following consolidated fiscal year.

Unrecognized actuarial differences were recorded at re-measurements of defined benefit plans of accumulated other comprehensive income in the net assets after the adjustment of tax effects.

To prepare for the payment of retirement allowances to executive officers, additionally, the base amount at the end of the current consolidated fiscal year was recorded according to the internal rules on executive officers.

f. Criteria for converting significant foreign currency assets or liabilities into Japanese yen

Foreign currency monetary claims and liabilities are converted into Japanese yen at the exchange rate at the end of the consolidated fiscal year and differences in conversion are recorded in profit or loss. Assets and liabilities and income and expenses of foreign subsidiaries are converted into Japanese yen at the rate of the closing date and differences in conversion are recorded in the foreign currency translation adjustment of the net assets.

g. Scope of cash in consolidated cash flow statements

Cash in the consolidated cash flow statements (cash and cash equivalents) include cash on hand, deposits that can be withdrawn at any time and liquid short-term investments with little risk of fluctuation in value with a period to maturity of 3 months or less.

(7) Notes on Consolidated Financial Statements

(Change in accounting policy)

(Application of accounting standards for revenue recognition)

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan [ASBJ] Statement No. 29, March 31, 2020; "Revenue Recognition Accounting Standard" hereinafter) and related standards have been applied since the beginning of the current consolidated fiscal year. As a result, revenue is recognized in the amount expected to be received in exchange for the good or service at the point in time when control of a promised good or service is transferred to the customer.

The Company applies the alternative handling described in Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021), recognizing income at the time of shipment when the period from the time of shipment to the time of transfer of the product to the customer is the normal period in domestic transactions involving sale of products.

Regarding the application of revenue recognition accounting standards, etc., the transitional treatment stipulated in the proviso of paragraph 84 of revenue recognition accounting standards is followed. However, the new accounting policy is not retroactively applied to contracts whose almost all revenue amounts were recognized in accordance with the previous treatment before the beginning of the current consolidated accounting period, applying the method stipulated in Article 86 of the Revenue Recognition Accounting Standard.

The resulting effects on net sales, operating income, ordinary income, and income (loss) before income taxes in the current consolidated fiscal year were negligible. In addition, there is no impact on the balance of retained earnings at the beginning of the period.

As a result of the application of the Revenue Recognition Accounting Standard etc., the accounts that previously had been stated as notes and accounts receivable – trade under current assets have been stated as notes receivable, accounts receivable – trade, contract assets, and electronically recorded monetary claims – operating beginning with the consolidated fiscal year under review. In addition, some liabilities that had been included in others under current liabilities have been stated as contract liabilities beginning with the consolidated fiscal year under review.

(Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; "Fair Value Measurement Accounting Standard" hereinafter) and related standards have been applied since the start of the current consolidated fiscal year. Pursuant to the provisional handling described in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policies provided for in the Fair Value Measurement Accounting Standard and related standards have been applied to future accounts. This change has had no effect on the consolidated financial statements.

(Additional Information)

(Introduction of performance-linked stock compensation system for directors)

Based on a resolution of the 70th Annual General Meeting of Shareholders, which met June 25, 2021, the Company has adopted a performance-linked stock compensation system for directors (hereinafter, this does not include outside directors).

1. Transaction overview

Under this system, the Company's shares are acquired through a trust using the money contributed by the Company, and the Company's shares and the Company's shares are marketed through the trust based on the points given to the directors in accordance with the officer stock benefit rules established by the Company. It is a performance-linked stock-based compensation system that delivers money equivalent to the amount converted in.

The acquisition of the Company's shares through the Trust will be funded by funds contributed for the four business years from the fiscal year ending on the end of March 2022 to the fiscal year ending on the end of March 2025 and for each applicable period thereafter. We will do this through the exchange market or by undertaking the disposal of our treasury stock.

As a general rule, directors will receive benefits such as the Company's shares after the end of the current medium-term management plan (until the fiscal year ending on the end of March 2022) and the next medium-term management plan (scheduled period from the fiscal year ending on the end of March 2023 to the fiscal year ending on the end of March 2025). In principle, retired directors will receive the benefits at a predetermined time after they retire.

2. Own shares remaining in the trust

Shares of Company stock remaining in the trust are recorded as treasury shares under net assets at their book values (not including amounts of associated expenses) in trust. The book value and number of shares of such stock as of the end of the current consolidated fiscal year were 79 million yen and 68,000 shares.

(Concept of the impact of the Novel Coronavirus on accounting estimates)

In judging the recoverability of deferred tax assets, the Company and consolidated subsidiaries take into consideration projected taxable income based on projections of future business results and recoverability based on the schedule for the fiscal years in which future temporary decreases are projected to be cancelled. These are based on certain reasonable assumptions and formulated on the assumption that the impacts of the Novel Coronavirus will continue through March 2023 at least. There also is a possibility that factors such as future fluctuations in uncertain economic conditions could have a material impact on deferred tax assets and net income on the consolidated financial statements for the next consolidated fiscal year and beyond.

(Consolidated Balance Sheet)

*1 Accumulated depreciation of property, plant and equipment

	Previous consolidated fiscal year (as of March 31, 2021)	Current consolidated fiscal year (as of March 31, 2022)
	785 million yen	863 million yen

*2 Item related to non-consolidated subsidiaries and affiliated companies

	Previous consolidated fiscal year (as of March 31, 2021)	Current consolidated fiscal year (as of March 31, 2022)
Investment securities (stock)	49 million yen	52 million yen

(Consolidated Income Statement)

*1 Major expenses and amounts of selling, general and administrative expenses

Previous consolidated fiscal year (From April 1, 2020, to March 31, 2021)		Current consolidated fiscal year (From April 1, 2021, to March 31, 2022)	
Salaries and allowances	1,465 million yen	Salaries and allowances	1,459 million yen
Provision for bonuses	227	Provision for bonuses	230
Provision for directors' bonuses	13	Provision for directors' bonuses	30
Retirement benefit expenses	109	Retirement benefit expenses	84
Rent expenses	483	Rent expenses	453
Depreciation	95	Depreciation	158

*2 Impairment loss

For the current consolidated fiscal year, our Group posted an impairment loss for the following asset group:

Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)

Location	Use	Type
Tsumagoi Village, Agatsuma-gun, Gunma Prefecture and one other site	Idle assets	Land

(i) History toward recognition of impairment loss

An impairment loss was recorded for an asset group of land for which the recoverable value is significantly lower than its carrying amount, among idle assets that are not used for business in the current consolidated fiscal year.

(ii) Amount of impairment loss

Land: 1 million yen

(iii) Method for grouping the assets

Our Group fundamentally groups business assets by type of business and idle assets by each asset.

(iv) Method for calculating a recoverable amount

For the fixed assets other than the above idle assets (land), the future recoverable value is measured by the value in use. The recoverable amount of idle assets is measured by the net selling value and is calculated based on the real estate appraisal value and rationally adjusted using the fixed asset appraisal value.

Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)

Location	Use	Type
Tsumagoi Village, Agatsuma-gun, Gunma Prefecture and two other sites	Idle assets	Land

(i) History toward recognition of impairment loss

An impairment loss was recorded for an asset group of land for which the recoverable value is significantly lower than its carrying amount, among idle assets that are not used for business in the current consolidated fiscal year.

(ii) Amount of impairment loss

Land: 3 million yen

(iii) Method for grouping the assets

Our Group fundamentally groups business assets by type of business and idle assets by each asset.

(iv) Method for calculating a recoverable amount

For the fixed assets other than the above idle assets (land), the future recoverable value is measured by the value in use. The recoverable amount of idle assets is measured by the net selling value and is calculated based on the real estate appraisal value and rationally adjusted using the fixed asset appraisal value.

(Consolidated Statement of Comprehensive Income)

*1 Reclassification adjustment and tax effects related to other comprehensive income

	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)	Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)
Valuation difference on available-for-sale securities:		
Current accrued amount	136 million yen	103 million yen
Reclassification adjustment	-	-
Before adjustment of tax effect	136	103
Tax effects	(41)	(29)
Valuation difference on available-for-sale securities	94	74
Foreign currency translation adjustment:		
Current accrued amount	106	100
Re-measurements of defined benefit plans:		
Current accrued amount	64	(0)
Reclassification adjustment	8	(16)
Before adjustment of tax effect	73	(16)
Tax effects	(22)	5
Re-measurements of defined benefit plans	51	(11)
Total other comprehensive income	253	162

(Consolidated Statement of Changes in Net Assets)

Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)

1. Type and total number of shares issued and type and number of treasury shares

	Number of shares at the beginning of the current consolidated fiscal year (shares)	Increase in shares during the current consolidated fiscal year (shares)	Decrease in shares during the current consolidated fiscal year (shares)	Number of shares at the end of the current consolidated fiscal year (shares)
Shares issued				
Common stock	10,171,800	-	-	10,171,800
Total	10,171,800	-	-	10,171,800
Treasury shares				
Common stock (Note)	1,266,058	20	-	1,266,078
Total	1,266,058	20	-	1,266,078

(Note) The 20-share increase resulting from the purchase of shares less than 1 unit.

2. Subscription rights to shares and treasury subscription rights to shares

Segment	Breakdown of share acquisition rights	Type of stock subject to subscription rights to shares	Number of shares subject to subscription rights to shares (share)				Balance at end of the current consolidated fiscal year (million yen)
			Beginning of the current consolidated fiscal year	Increase during the current consolidated fiscal year	Decrease during the current consolidated fiscal year	End of the current consolidated fiscal year	
TAKACHIHO KOHEKI CO., LTD.	Share acquisition rights as stock options	-	-	-	-	-	12
Total		-	-	-	-	-	12

3. Dividends

(1) Dividends paid

(Resolved)	Type of stock	Total dividends (million yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholder held on June 25, 2020	Common stock	106	12.00 yen	March 31, 2020	June 26, 2020
Board of Directors meeting held on November 6, 2020	Common stock	106	12.00 yen	September 30, 2020	December 4, 2020

(2) Among dividends whose record date belongs to the current consolidated fiscal year, those whose effective date falls in the next consolidated fiscal year

(Resolved)	Type of stock	Total dividends (million yen)	Dividend resource	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 25, 2021	Common stock	115	Retained earnings	13.00 yen	March 31, 2021	June 28, 2021

Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)

1. Type and total number of shares issued and type and number of treasury shares

	Number of shares at the beginning of the current consolidated fiscal year (shares)	Increase in shares during the current consolidated fiscal year (shares)	Decrease in shares during the current consolidated fiscal year (shares)	Number of shares at the end of the current consolidated fiscal year (shares)
Shares issued				
Common stock	10,171,800	-	-	10,171,800
Total	10,171,800	-	-	10,171,800
Treasury shares				
Common stock (Note)	1,266,078	68,000	95,500	1,238,578
Total	1,266,078	68,000	95,500	1,238,578

Note 1: The increase in treasury shares of 68,000 shares of common stock was due to purchase of treasury shares from the Board benefit trust (BBT).

2: The decrease in treasury shares of 95,500 shares of common stock was due to disposal of 68,000 shares of treasury shares by the Board benefit trust (BBT) and exercise of share acquisition rights for 27,500 shares.

3: The number of shares of Company stock held by the Board benefit trust (BBT) included in treasury shares was 0 shares at the start of the period and 68,000 shares at the end of the period.

2. Subscription rights to shares and treasury subscription rights to shares

Segment	Breakdown of share acquisition rights	Type of stock subject to subscription rights to shares	Number of shares subject to subscription rights to shares (share)				Balance at end of the current consolidated fiscal year (million yen)
			Beginning of the current consolidated fiscal year	Increase during the current consolidated fiscal year	Decrease during the current consolidated fiscal year	End of the current consolidated fiscal year	
TAKACHIHO KOHEKI CO., LTD.	Share acquisition rights as stock options	-	-	-	-	-	11
Total		-	-	-	-	-	11

3. Dividends

(1) Dividends paid

(Resolved)	Type of stock	Total dividends (million yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 25, 2021	Common stock	115	13.00 yen	March 31, 2021	June 28, 2021
Board of Directors meeting held on November 9, 2021	Common stock	107	12.00 yen	September 30, 2021	December 6, 2021

(Note) The total amount of dividends under the resolution of the Board of Directors meeting held November 9, 2021, includes 816,000 yen in dividends on treasury shares by the Board benefit trust (BBT).

(2) Among dividends whose record date belongs to the current consolidated fiscal year, those whose effective date falls in the next consolidated fiscal year

(Resolved)	Type of stock	Total dividends (million yen)	Dividend resource	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 28, 2022	Common stock	387	Retained earnings	43.00 yen	March 31, 2022	June 29, 2022

Note 1: The dividends per share paid based on a resolution in Annual General Meeting of Shareholders held June 28, 2022, include a 15 yen/share commemorative dividend to mark the 70th anniversary of the Company's founding.

2: The total amount of dividends based on a resolution in Annual General Meeting of Shareholders held June 28, 2022, includes 2,924,000 yen in dividends on shares of Company stock held by Board benefit trust (BBT).

(Consolidated Cash Flow Statements)

*1 Relationship between the ending balance of cash and cash equivalents and amounts of the accounts shown on the Consolidated Balance Sheet

	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)	Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)
Cash and deposits account	6,000 million yen	6,708 million yen
Fixed deposits for more than 3 months	(1,100)	(1,100)
Cash and cash equivalents	4,900	5,608

(Segment information, etc.)

[Segment Information]

1. Summary of reporting segments

Our group's reporting segments are that among components of our group separated financial information is available, and they are regularly reviewed by the board of directors to evaluate decisions concerning the allocation of management resources and business results.

Our group establishes organizational units suited to the characteristics of products/services and prepares comprehensive strategies for Japan and overseas.

Therefore, our group is composed of segments based on the characteristics of products/services. The two reporting segments are System and Device.

The Systems segment provides consulting of system equipment, system design and sales, operational services for systems, delivery installation, maintenance, and solution service in particular security products. The Device segment sells products such as semiconductors and mechanical components and offers consulting services for these products.

2. Methods for calculating amounts of sales, profit or loss, assets, liabilities, and other items for each reporting segment

Reported accounting methods for business segments are almost the same as those described in the significant matters constituting the basis for the preparation of the consolidated financial statements.

3. Information concerning amounts of sales, profit or loss, assets, liabilities, and other items for each reporting segment

Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)

(Unit: Millions of yen)

	System	Device	Total	Adjustments (Notes) 1	Amount on consolidated financial statements
Sales					
Sales to external customers	12,689	7,901	20,591	-	20,591
Internal sales and transfers between segments	-	-	-	-	-
Total	12,689	7,901	20,591	-	20,591
Segment profit	609	276	886	-	886
Segment assets	8,970	3,953	12,924	6,549	19,473
Other items					
Depreciation	34	12	47	79	126
Impairment loss	-	-	-	1	1
Investment to entities accounted for using equity methods	-	17	17	-	17
Increase in property, plant and equipment and non- current intangible assets	21	6	28	571	599

Note 1: Adjustments are as follows:

- (1) Adjustments to segment assets of 6,549 million yen is the whole-company assets not attributed to reporting segments. The whole-company assets mainly represent surplus working capital (cash and securities), funds for long-term investment (investment securities) and assets related to administrative departments such as the general affairs department.
- (2) Adjustments to depreciation of 79 million yen are mainly depreciation of assets related to administrative departments such as the general affairs department.
- (3) Adjustment to the impairment loss of 1 million yen is the loss of land which is idle asset.
- (4) Adjustments to increase in property, plant and equipment and non-current intangible assets of 571 million yen are mainly increases in assets related to administrative departments such as the general affairs department.

Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)

(Unit: Millions of yen)

	System	Device	Total	Adjustments (Notes) 1	Amount on consolidated financial statements
Sales					
Sales to external customers	12,011	8,773	20,784	-	20,784
Internal sales and transfers between segments	-	-	-	-	-
Total	12,011	8,773	20,784	-	20,784
Segment profit	529	494	1,024	-	1,024
Segment assets	8,235	4,745	12,980	7,613	20,593
Other items					
Depreciation	27	14	41	140	182
Impairment loss	-	-	-	3	3
Investment to entities accounted for using equity methods	-	20	20	-	20
Increase in property, plant and equipment and non- current intangible assets	21	19	40	65	106

Note 1: Adjustments are as follows:

- (1) Adjustments to segment assets of 7,613 million yen is the whole-company assets not attributed to reporting segments. The whole-company assets mainly represent surplus working capital (cash and securities), funds for long-term investment (investment securities) and assets related to administrative departments such as the general affairs department.
- (2) Adjustments to depreciation of 140 million yen are mainly depreciation of assets related to administrative departments such as the general affairs department.
- (3) Adjustment to the impairment loss of 3 million yen is the loss of land which is idle asset.
- (4) Adjustments to increase in property, plant and equipment and non-current intangible assets of 65 million yen are mainly increases in assets related to administrative departments such as the general affairs department.

[Related information]

Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)

1. Information by product and service

Description is omitted because product and service segments are the same as reporting segments.

2. Information by region

(1) Sales

(Unit: Millions of yen)

Japan	Asia		Other	Total
		Thailand (included in above)		
15,931	4,287	2,413	371	20,591

Note 1: Sales are categorized by country or region based on the customer's location.

2. Methods of categorization by country or region

Categorized by geographical proximity.

3. Main countries or regions belonging to each category

Asia: The nations of East Asia and Southeast Asia

(2) Property, plant and equipment

Description is omitted because the amount of property, plant and equipment located in Japan is above 90% of that in the consolidated balance sheet.

3. Information by major customer

Description is omitted because among sales to external customers, there are no sales to a specific customer accounting for 10% or more of sales in the consolidated income statements.

Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)

1. Information by product and service

Description is omitted because product and service segments are the same as reporting segments.

1. Information by region

(1) Sales

(Unit: Millions of yen)

Japan	Asia		Other	Total
		Thailand (included in above)		
15,506	4,739	2,555	538	20,784

Note 1: Sales are categorized by country or region based on the customer's location.

2. Methods of categorization by country or region

Categorized by geographical proximity.

3. Main countries or regions belonging to each category

Asia: The nations of East Asia and Southeast Asia

(2) Property, plant and equipment

Description is omitted because the amount of property, plant and equipment located in Japan is above 90% of that in the consolidated balance sheet.

2. Information by major customer

Description is omitted because among sales to external customers, there are no sales to a specific customer accounting for 10% or more of sales in the consolidated income statements.

(Per-share information)

Item	Previous consolidated fiscal year	Current consolidated fiscal year
Net assets per share	1,590.28 yen	1,680.73 yen
Net income per share	61.56 yen	98.61 yen
Fully diluted net income per share	-	98.42 yen

Note 1: For the current consolidated fiscal year, the fully diluted net income per share is not presented because of no dilutive securities with a dilutive effect.

2: Basis for calculating net assets per share:

Item	Previous consolidated fiscal year (As of March 31, 2021)	Current consolidated fiscal year (as of March 31, 2022)
Total net assets in the consolidated balance sheet (million yen)	14,174	15,034
Net assets associated with common stock (million yen)	14,162	15,014
Major breakdown items of differences (million yen)		
Share acquisition rights	12	11
Share award rights	-	9
Minority interests	0	0
Number of issued common stock (thousand shares)	10,171	10,171
Number of common stocks for treasury (thousand shares)	1,266	1,238
Number of common stocks used to calculate net assets per share (thousand shares)	8,905	8,933

3: Basis for calculating net income per share and fully diluted net income per share:

Item	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)	Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)
Net income in the consolidated income statements (million yen)	548	878
Net income associated with common stock (million yen)	548	878
Amount not attributable to common shareholders (million yen)	-	-
Average number of common stocks during the period (thousand shares)	8,905	8,908
Fully diluted net income per share		
Adjustments to net income (million yen)	-	-
Increases in common stock used to calculate fully diluted net income per share (thousand shares)		
Share acquisition rights	-	14
Share award rights	-	2
Summary of dilutive shares not included to calculate fully diluted net income per share because of no dilutive effect	Stock options under the resolution of the Board of Directors in its meeting held July 21, 2017 (210 subscription rights to shares) 21,000 shares of common stock Stock options under the resolution of the Board of Directors in its meeting held July 19, 2019 (960 subscription rights to shares) 96,000 shares of common stock	-

(Note) In calculation of per-share information, shares of Company stock held by the Board benefit trust (BBT) are included in treasury shares, which are not included in the total number of shares issued and outstanding. (68,000 shares at the end of the current fiscal year)

(Revenue recognition)

The following information breaks down the revenue generated from contracts with customers by product type.

(Millions of yen)

Segment	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)	Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)
Retail Solution Products	4,407	3,721
Office Solution Products	3,600	3,246
Global Products	2,741	2,926
Service & Support Products	1,940	2,115
System Total	12,689	12,011
Semiconductor Products	3,967	4,452
Mechanical Component Products	3,934	4,320
Device Total	7,901	8,773
Total	20,591	20,784
Revenues from contracts with customers	20,591	20,784
Other revenues	-	-

(Significant Subsequent Event)

Not applicable.

6. Non-consolidated Financial Statements

(1) Balance Sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	4,197	4,941
Notes receivable - trade	195	185
Accounts receivable - trade	4,592	3,924
Electronically recorded monetary claims – operating	514	678
Merchandise and finished goods	1,798	2,363
Other	958	780
Allowance for doubtful accounts	(125)	(0)
Total current assets	12,131	12,875
Non-current assets		
Property, plant and equipment		
Buildings, net	222	204
Tools, furniture and fixtures, net	212	202
Land	115	111
Other, net	6	5
Total property, plant and equipment	557	524
Intangible assets	326	292
Investments and other assets		
Investment securities	1,395	1,720
Shares of subsidiaries and associates	4,572	4,572
Deferred tax assets	222	211
Other	353	360
Allowance for doubtful accounts	(49)	(54)
Total investments and other assets	6,494	6,810
Total non-current assets	7,378	7,627
Total assets	19,510	20,502

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable - trade	25	-
Electronically recorded obligations - operating	209	149
Accounts payable - trade	2,053	2,378
Income taxes payable	153	242
Contract liabilities	-	783
Provision for bonuses	241	265
Provision for bonuses for directors (and other officers)	13	30
Other	1,159	271
Total current liabilities	3,857	4,122
Non-current liabilities		
Long-term accounts payable - other	42	31
Provision for retirement benefits	528	516
Provision for loss on business of subsidiaries and associates	19	-
Other	18	16
Total non-current liabilities	609	564
Total liabilities	4,466	4,687
Net assets		
Shareholders' equity		
Share capital	1,209	1,209
Capital surplus		
Legal capital surplus	1,171	1,171
Other capital surplus	2	23
Total capital surplus	1,174	1,195
Retained earnings		
Legal retained earnings	198	198
Other retained earnings		
General reserve	9,395	9,395
Retained earnings brought forward	3,986	4,641
Total retained earnings	13,580	14,235
Treasury shares	(1,231)	(1,218)
Total shareholders' equity	14,732	15,421
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	299	373
Total valuation and translation adjustments	299	373
Share award rights	-	9
Share acquisition rights	12	11
Total net assets	15,044	15,815
Total liabilities and net assets	19,510	20,502

(2) Income Statements

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	16,721	16,810
Cost of sales	12,646	12,863
Gross profit	4,074	3,947
Selling, general and administrative expenses	2,999	3,062
Operating profit	1,075	884
Non-operating income		
Interest income	2	3
Dividend income	372	37
Foreign exchange gains	80	194
Insurance claim income	5	5
Reversal of allowance for doubtful accounts	-	109
Other	6	24
Total non-operating income	468	375
Non-operating expenses		
Commission expenses	1	1
Loss on investments in investment partnerships	64	23
Provision of allowance for doubtful accounts	96	5
Other	0	0
Total non-operating expenses	163	31
Ordinary profit	1,380	1,228
Extraordinary income		
Gain on extinguishment of tie-in shares	659	-
Gain on reversal of share acquisition rights	4	-
Total extraordinary income	663	-
Extraordinary losses		
Impairment loss	1	3
Loss on retirement of non-current assets	0	-
Loss on valuation of shares of subsidiaries and associates	914	-
Total extraordinary losses	916	3
Profit before income taxes	1,127	1,224
Income taxes - current	351	364
Income taxes - deferred	23	(18)
Total income taxes	375	345
Profit	752	878

(3) Statement of Changes in Shareholders' Equity
 Previous fiscal year (from April 1, 2020, to March 31, 2021)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Starting balance	1,209	1,171	2	1,174	198	9,395	3,448	13,042
Cumulative effects of changes in accounting policies								
Restated balance	1,209	1,171	2	1,174	198	9,395	3,448	13,042
Changes of items during period								
Dividends of surplus							(213)	(213)
Profit							752	752
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	538	538
Ending balance	1,209	1,171	2	1,174	198	9,395	3,986	13,580

	Shareholders' equity		Valuation and translation adjustments		Share award rights	Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments			
Starting balance	(1,231)	14,194	204	204	-	9	14,408
Cumulative effects of changes in accounting policies		-					-
Restated balance	(1,231)	14,194	204	204	-	9	14,408
Changes of items during period							
Dividends of surplus		(213)					(213)
Profit		752					752
Purchase of treasury shares	(0)	(0)					(0)
Disposal of treasury shares							
Net changes of items other than shareholders' equity			94	94		2	97
Total changes of items during period	(0)	538	94	94	-	2	635
Ending balance	(1,231)	14,732	299	299	-	12	15,044

Current fiscal year (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Starting balance	1,209	1,171	2	1,174	198	9,395	3,986	13,580
Cumulative effects of changes in accounting policies								
Restated balance	1,209	1,171	2	1,174	198	9,395	3,986	13,580
Changes of items during period								
Dividends of surplus							(223)	(223)
Profit							878	878
Purchase of treasury shares								
Disposal of treasury shares			20	20				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	20	20	-	-	655	655
Ending balance	1,209	1,171	23	1,195	198	9,395	4,641	14,235

	Shareholders' equity		Valuation and translation adjustments		Share award rights	Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments			
Starting balance	(1,231)	14,732	299	299	-	12	15,044
Cumulative effects of changes in accounting policies		-					-
Restated balance	(1,231)	14,732	299	299	-	12	15,044
Changes of items during period							
Dividends of surplus		(223)					(223)
Profit		878					878
Purchase of treasury shares	(79)	(79)					(79)
Disposal of treasury shares	92	113					113
Net changes of items other than shareholders' equity			74	74	9	(0)	82
Total changes of items during period	13	689	74	74	9	(0)	771
Ending balance	(1,218)	15,421	373	373	9	11	15,815

7. Other

(1) Purchases, orders received, and sales

(i) Purchases

(Millions of yen)

Segment	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)	Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)
System	8,804	8,399
Device	6,271	7,195
Total	15,076	15,595

(ii) Orders received

(Millions of yen)

Segment	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)		Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)	
	Orders received	Balance of orders received	Orders received	Balance of orders received
System	13,448	4,779	11,926	4,694
Device	8,019	2,321	13,245	6,793
Total	21,468	7,100	25,171	11,488

(iii) Sales performance

(Millions of yen)

Segment	Previous consolidated fiscal year (from April 1, 2020, to March 31, 2021)	Current consolidated fiscal year (from April 1, 2021, to March 31, 2022)
Retail Solution Products	4,407	3,721
Office Solution Products	3,600	3,246
Global Products	2,741	2,926
Service & Support Products	1,940	2,115
System Total	12,689	12,011
Semiconductor Products	3,967	4,452
Mechanical Component Products	3,934	4,320
Device Total	7,901	8,773
Total	20,591	20,784