

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: Kurimoto, Ltd.

Code number: 5602

Representative: Kazutaka Kikumoto, President

Contact: Hiroshi Ono, General Manager of Corporate Planning Division

Phone: +81-6-6538-7719

Scheduled date of annual general meeting of shareholders: June 28, 2023

Scheduled date of commencing dividend payments: June 29, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

Stock exchange listing: Tokyo

URL: <https://www.kurimoto.co.jp>

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	124,827	17.8	6,840	64.0	6,868	64.3	4,727	62.0
March 31, 2022	105,954	(9.1)	4,172	(10.7)	4,179	(8.8)	2,917	(8.1)

(Note) Comprehensive income: For the fiscal year ended March 31, 2023: ¥6,268 million [82.4%]

For the fiscal year ended March 31, 2022: ¥3,436 million [(50.7)%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	387.27	—	6.9	4.8	5.5
March 31, 2022	239.17	—	4.5	3.0	3.9

(Reference) Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended March 31, 2023: ¥— million

For the fiscal year ended March 31, 2022: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	145,164	72,963	49.3	5,865.19
As of March 31, 2022	139,722	67,619	47.5	5,436.86

(Reference) Equity: As of March 31, 2023: ¥71,608 million

As of March 31, 2022: ¥66,342 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	5,064	(1,741)	(4,495)	20,275
March 31, 2022	2,813	(2,455)	482	21,299

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	–	35.00	–	35.00	70.00	855	29.3	1.3
March 31, 2023	–	40.00	–	50.00	90.00	1,101	23.2	1.6
March 31, 2024 (Forecast)	–	45.00	–	45.00	90.00		27.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	54,000	(0.1)	1,800	(21.0)	1,800	(23.4)	1,200	(26.5)	98.27
Full year	120,000	(3.9)	6,000	(12.3)	6,000	(12.6)	4,000	(15.4)	327.51

* Notes:

(1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2023: 13,098,490 shares

March 31, 2022: 13,098,490 shares

2) Total number of treasury shares at the end of the period:

March 31, 2023: 889,485 shares

March 31, 2022: 896,195 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2023: 12,206,206 shares

Fiscal year ended March 31, 2022: 12,199,013 shares

Note on the total number of issued shares

(Note) The number of treasury shares to be deducted for calculating the total number of treasury shares at the end of the period and the average number of shares during the period includes the Company's shares held by Custody Bank of Japan, Ltd.

(Trust E Account) as trust assets under the Board Benefit Trust (BBT) (42,822 shares in the fiscal year ended March 31, 2023;

15,894 shares in the fiscal year ended March 31, 2022).

(Reference) Overview of non-consolidated financial results

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

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	83,486	21.7	4,174	197.7	4,453	164.5	2,978	105.9
March 31, 2022	68,594	(11.1)	1,402	(26.4)	1,684	(19.9)	1,446	(12.4)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	244.01	—
March 31, 2022	118.56	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	126,375	63,547	50.3	5,204.99
As of March 31, 2022	121,298	60,520	49.9	4,959.75

(Reference) Equity: As of March 31, 2023: ¥63,547 million

As of March 31, 2022: ¥60,520 million

* These financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecasts and other notes

(Cautionary note on forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements provided in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the Attachments for conditions forming the basis for financial results forecasts, and notes regarding the use of financial results forecasts.

(Measures for obtaining supplementary explanatory materials on annual financial results and information on annual financial results briefing session)

The Company will hold the annual financial results briefing session for the fiscal year ended March 31, 2023 (for institutional investors and analysts) on Thursday, June 1, 2023. The information materials to be used at the session will be posted on the Company’s website immediately after the briefing session.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Future Outlook	4
2. Status of the Corporate Group	5
3. Basic Policy on the Selection of Accounting Standards	7
4. Consolidated Financial Statements and Primary Notes	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Comprehensive Income	10
(3) Consolidated Statements of Changes in Equity	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes to Consolidated Financial Statements	15
(Notes on going concern assumption)	15
(Changes in accounting policies)	15
(Segment information, etc.)	15
(Per share information)	18
(Significant subsequent events)	18

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the consolidated fiscal year under review, amid the impact of COVID-19, the Japanese economy headed toward recovery primarily due to the easing of restrictions on activity by the government. However, a sense of uncertainty regarding the economic situation continued to prevail due to Russia's prolonged invasion of Ukraine, exchange rate fluctuations, higher resource prices, and inflation.

Under these circumstances, the Group ensured the stable production and supply of its products, while taking measures to prevent the spread of COVID-19. The Group also worked to further enhance its corporate value and bolster its management base by strengthening cost reduction and sales activities.

For the Group's financial results for the consolidated fiscal year under review, net sales increased by ¥18,872 million from the previous consolidated fiscal year to ¥124,827 million, as a result of increased sales in all three segments, the Lifeline business, Machinery System business, and Industrial Materials business.

For profit and loss, operating profit increased by ¥2,668 million from the previous consolidated fiscal year to ¥6,840 million, reflecting increases in all three segments, the Lifeline business, Machinery System business, and Industrial Materials business. In addition, ordinary profit increased by ¥2,688 million from the previous consolidated fiscal year to ¥6,868 million, while profit attributable to owners of parent increased by ¥1,809 million from the previous consolidated fiscal year to ¥4,727 million primarily due to the recording of gain on sale of investment securities, loss on valuation of shares of subsidiaries and associates, and income taxes.

Operating results by segment were as follows:

In the Lifeline business, net sales increased by ¥3,401 million from the previous consolidated fiscal year to ¥60,879 million, mainly due to increased sales in the Pipe Systems Division and Valve Systems Division.

Operating profit increased by ¥662 million from the previous consolidated fiscal year to ¥3,679 million, mainly reflecting increased revenue both in the Pipe Systems Division and Valve Systems Division, due in part to the revisions to selling prices to offset the rising raw material prices.

In the Machinery System business, net sales increased by ¥12,006 million from the previous consolidated fiscal year to ¥34,102 million, mainly due to an increase in sales of powder systems and presses in the Plant Engineering & Machinery Division, owing in part to recovery from temporary investment restraint caused by the COVID-19 pandemic, as well as an increase in sales of crushers and casting parts in the Materials & Machinery Division.

Operating profit increased by ¥1,770 million from the previous consolidated fiscal year to ¥2,208 million, mainly reflecting significant revenue growth in the Plant Engineering & Machinery Division.

In the Industrial Materials business, net sales increased by ¥3,464 million from the previous consolidated fiscal year to ¥29,845 million, mainly due to increased sales of air conditioning equipment and noise-reduction products in the Construction Materials Division, as well as increased sales of products for sewage systems and FRP inspection passages in the Plastic Products Division.

Operating profit increased by ¥364 million from the previous consolidated fiscal year to ¥1,404 million, mainly reflecting revenue growth both in the Construction Materials Division and the Plastic Products Division in the face of the rising raw material prices.

(2) Overview of Financial Position for the Fiscal Year under Review

(Status of assets, liabilities, and net assets, and comparisons with the previous consolidated fiscal year)

Total assets at the end of the consolidated fiscal year under review were ¥145,164 million, an increase of ¥5,441 million from the end of the previous consolidated fiscal year.

Current assets increased by ¥4,317 million to ¥93,466 million, mainly due to an increase of ¥4,666 million in notes and accounts receivable - trade, and contract assets. Non-current assets increased by ¥1,124 million to ¥51,697 million, mainly due to an increase of ¥871 million in investment securities.

Total liabilities increased by ¥97 million from the end of the previous consolidated fiscal year to ¥72,200 million. Current liabilities increased by ¥465 million to ¥62,311 million, mainly owing to increases of ¥949 million in notes and accounts payable - trade and electronically recorded obligations – operating, an increase of ¥1,805 million in income taxes payable, and an increase of ¥870 million in provision for bonuses, despite a decrease of ¥2,925 million in borrowings. Non-current liabilities decreased by ¥367 million to ¥9,889 million, mainly owing to a decrease of ¥596 million in long-term borrowings and a decrease of ¥483 million in retirement benefit liability, despite an increase of ¥761 million in lease liabilities.

Net assets increased by ¥5,343 million from the end of the previous consolidated fiscal year to ¥72,963 million. This is mainly attributable to an increase of ¥4,727 million in profit attributable to owners of parent and an increase of ¥956 million in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year under Review

For the consolidated fiscal year under review, the balance of cash and cash equivalents on a consolidated basis decreased by ¥1,024 million from the end of the previous consolidated fiscal year to ¥20,275 million.

Net cash provided by operating activities amounted to ¥5,064 million. This is mainly attributable to the recording of profit before income taxes of ¥6,879 million, and changes in non-cash items such as depreciation, current assets such as trade receivables and inventories, and current liabilities such as trade payables.

Net cash used in investing activities amounted to ¥1,741 million. This is mainly attributable to the purchase of property, plant and equipment, and intangible assets.

Net cash used in financing activities amounted to ¥4,495 million. This is mainly attributable to decreases in short-term borrowings and long-term borrowings and dividends paid.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	42.6	43.1	47.6	47.5	49.3
Equity ratio based on market value (%)	14.3	18.5	17.1	14.7	18.3
Ratio of interest-bearing debt to cash flow (%)	6.1	4.3	3.8	8.6	4.1
Interest coverage ratio (times)	24.4	38.5	39.3	18.3	33.1

(Note)

1) Each indicator has been calculated in the following manner.

- Equity ratio: Equity / Total assets
- Equity ratio based on market value: Market capitalization / Total assets
- Ratio of interest-bearing debt to cash flow: Interest-bearing debt / Operating cash flows
- Interest coverage ratio: Operating cash flows / Interest paid

2) The indicators are calculated on a consolidated basis.

3) Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares issued and outstanding at the end of the period.

4) Operating cash flows represent the cash flows from operating activities stated on the consolidated statements of cash flows. Interest-bearing debt represents all liabilities posted on the consolidated balance sheets that are subject to interest payments. Interest paid represents the amount of interest paid in the consolidated statements of cash flows.

(4) Future Outlook

In the three-year mid-term business plan which began in fiscal 2021, the Group will aim to further expand businesses, mainly in areas that had progressed (“national resilience,” “new materials (e.g. composites),” “water business,” etc.) as a result of activities based on the direction of the business of the previous three-year mid-term business plan, namely, “expand the scale of new businesses and sow the seeds for increased profitability while firmly maintaining the existing business base.” Additionally, by proposing optimal solutions to solve social challenges which have come under increasing scrutiny, such as realizing a carbon-free society as well as disaster prevention and mitigation, the Group, aiming to become a treasured presence for the stakeholders, will make a concerted effort to improve its corporate value and strengthen its management base.

As for the consolidated financial results for the fiscal year ending March 31, 2024, in the public sector demand segment related to public works such as the Lifeline business, demand is expected to decline reflecting the decline in purchasing power on the market due to the effects of rising prices, including energy, materials and equipment prices and labor costs, despite the presence of latent demand. Furthermore, in the private sector demand segment including the Machinery System business, while we can expect a full-scale recovery from investment restraint, concerns for a full market recovery cannot be completely dispelled, given the anticipated reaction to the drastic increase in net sales in fiscal 2022, as well as soaring raw material, energy and transportation costs and geopolitical risks such as the situation in Ukraine. In light of these circumstances, for the full-year consolidated financial results for fiscal 2023, we forecast net sales of ¥120,000 million and operating profit of ¥6,000 million.

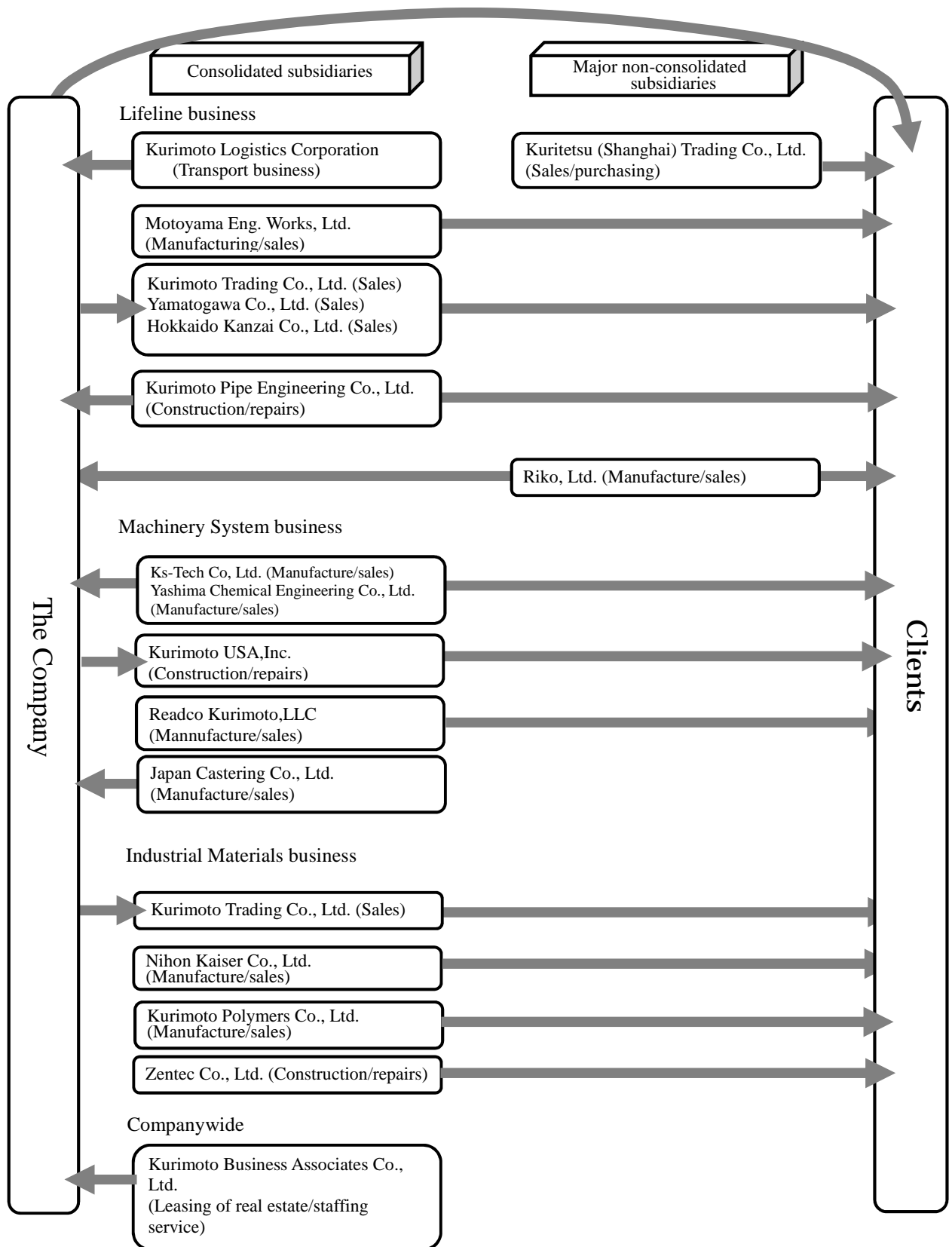
2. Status of the Corporate Group

The Group, comprising the Company, 20 subsidiaries, and one affiliated company, is engaged in business activities that mainly consist of the manufacture and sales of products of the Lifeline business, the Machinery System business, and the Industrial Materials business.

The Group's businesses are positioned in the following manner:

Lifeline business:	The manufacture and sales of products primarily by the Company but certain products are sold through its consolidated subsidiaries of Kurimoto Trading Co., Ltd. and Yamatogawa Co., Ltd., and Hokkaido Kanzai Co., Ltd. as exclusive distributors
Machinery System business:	The manufacture and sales of products primarily by the Company
Industrial Materials business:	The manufacture and sales of products primarily by the Company but certain products are sold through its consolidated subsidiary Kurimoto Trading Co., Ltd. as the exclusive distributor

A chart detailing the business structure is as follows.



(Note) The three non-consolidated subsidiaries and one affiliated company have been omitted due to their immateriality.

3. Basic Policy on the Selection of Accounting Standards

For the time being, the Group's policy is to prepare the consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements over time.

The Group will respond appropriately to the adoption of the International Financial Reporting Standards, taking into consideration various circumstances both in Japan and overseas.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	21,358	20,334
Notes and accounts receivable - trade, and contract assets	35,482	40,149
Electronically recorded monetary claims - operating	8,964	10,467
Merchandise and finished goods	9,736	11,338
Work in process	8,575	6,246
Raw materials and supplies	3,650	3,804
Other	1,507	1,253
Allowance for doubtful accounts	(126)	(127)
Total current assets	89,149	93,466
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,539	28,961
Accumulated depreciation	(19,978)	(20,561)
Buildings and structures, net	8,561	8,400
Machinery, equipment and vehicles	56,930	57,703
Accumulated depreciation	(48,510)	(49,234)
Machinery, equipment and vehicles, net	8,419	8,468
Tools, furniture and fixtures	10,469	10,577
Accumulated depreciation	(9,482)	(9,671)
Tools, furniture and fixtures, net	986	906
Land	13,787	13,846
Leased assets	299	1,100
Accumulated depreciation	(208)	(217)
Leased assets, net	91	882
Construction in progress	678	790
Total property, plant and equipment	32,525	33,295
Intangible assets		
Other	1,773	1,443
Total intangible assets	1,773	1,443
Investments and other assets		
Investment securities	11,526	12,347
Deferred tax assets	3,337	3,177
Other	1,493	1,661
Allowance for doubtful accounts	(83)	(227)
Total investments and other assets	16,274	16,958
Total non-current assets	50,573	51,697
Total assets	139,722	145,164

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,104	15,353
Electronically recorded obligations - operating	13,556	14,257
Short-term borrowings	22,250	19,850
Current portion of long-term borrowings	1,222	696
Lease liabilities	33	65
Income taxes payable	426	2,231
Accrued expenses	1,839	2,073
Advances received	2,628	1,830
Provision for bonuses	1,896	2,767
Provision for loss on construction contracts	321	477
Provision for loss on litigation	238	-
Provision for loss on disaster	13	-
Other provisions	12	8
Other	2,302	2,698
Total current liabilities	61,846	62,311
Non-current liabilities		
Long-term borrowings	714	118
Lease liabilities	68	830
Provision for environmental measures	20	13
Retirement benefit liability	8,830	8,347
Asset retirement obligations	319	324
Other	303	254
Total non-current liabilities	10,256	9,889
Total liabilities	72,102	72,200
Net assets		
Shareholders' equity		
Share capital	31,186	31,186
Capital surplus	6,873	6,873
Retained earnings	27,029	30,828
Treasury shares	(1,802)	(1,778)
Total shareholders' equity	63,287	67,109
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,256	4,212
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	44	198
Remeasurements of defined benefit plans	(247)	87
Total accumulated other comprehensive income	3,054	4,498
Non-controlling interests	1,277	1,355
Total net assets	67,619	72,963
Total liabilities and net assets	139,722	145,164

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

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	105,954	124,827
Cost of sales	80,615	95,477
Gross profit	25,338	29,349
Selling, general and administrative expenses	21,166	22,509
Operating profit	4,172	6,840
Non-operating income		
Interest income	2	2
Dividend income	366	413
Other	293	338
Total non-operating income	662	754
Non-operating expenses		
Interest expenses	153	152
Provision for loss on litigation	238	-
Provision of allowance for doubtful accounts for subsidiaries and associates	-	163
Fixed asset retirement expenses	79	172
Other	183	238
Total non-operating expenses	655	727
Ordinary profit	4,179	6,868
Extraordinary income		
Reversal of provision for loss on disaster	247	-
Gain on sale of investment securities	23	95
Other	-	1
Total extraordinary income	271	96
Extraordinary losses		
Impairment losses	41	28
Loss on valuation of shares of subsidiaries and associates	8	49
Other	19	7
Total extraordinary losses	69	86
Profit before income taxes	4,381	6,879
Income taxes - current	727	2,490
Income taxes - deferred	577	(436)
Total income taxes	1,304	2,054
Profit	3,077	4,824
Profit attributable to non-controlling interests	159	97
Profit attributable to owners of parent	2,917	4,727

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	3,077	4,824
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	956
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	97	153
Remeasurements of defined benefit plans, net of tax	311	335
Total other comprehensive income	359	1,444
Comprehensive income	3,436	6,268
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,277	6,171
Comprehensive income attributable to non-controlling interests	159	97

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,186	6,873	25,028	(1,817)	61,271
Changes during period					
Dividends of surplus			(916)		(916)
Profit attributable to owners of parent			2,917		2,917
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				15	15
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,001	14	2,016
Balance at end of period	31,186	6,873	27,029	(1,802)	63,287

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,306	-	(52)	(558)	2,695	1,144	65,111
Changes during period							
Dividends of surplus							(916)
Profit attributable to owners of parent							2,917
Purchase of treasury shares							(0)
Disposal of treasury shares							15
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	(49)	1	97	310	359	133	492
Total changes during period	(49)	1	97	310	359	133	2,508
Balance at end of period	3,256	1	44	(247)	3,054	1,277	67,619

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,186	6,873	27,029	(1,802)	63,287
Changes during period					
Dividends of surplus			(916)		(916)
Profit attributable to owners of parent			4,727		4,727
Purchase of treasury shares				(56)	(56)
Disposal of treasury shares		(12)		80	67
Transfer from retained earnings to capital surplus		12	(12)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,798	23	3,821
Balance at end of period	31,186	6,873	30,828	(1,778)	67,109

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,256	1	44	(247)	3,054	1,277	67,619
Changes during period							
Dividends of surplus							(916)
Profit attributable to owners of parent							4,727
Purchase of treasury shares							(56)
Disposal of treasury shares							67
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	956	(0)	153	335	1,444	77	1,521
Total changes during period	956	(0)	153	335	1,444	77	5,343
Balance at end of period	4,212	0	198	87	4,498	1,355	72,963

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,381	6,879
Depreciation	2,711	2,930
Impairment losses	41	28
Increase (decrease) in allowance for doubtful accounts	40	143
Interest and dividend income	(369)	(416)
Interest expenses	153	152
Decrease (increase) in trade receivables	88	(6,925)
Decrease (increase) in inventories	(4,057)	587
Increase (decrease) in trade payables	1,711	693
Increase (decrease) in retirement benefit liability	(26)	(0)
Loss (gain) on sale of short-term and long-term investment securities	(17)	(95)
Loss (gain) on valuation of short-term and long-term investment securities	13	49
Loss (gain) on sale of property, plant and equipment and intangible assets	(1)	(4)
Loss on retirement of property, plant and equipment and intangible assets	42	45
Other, net	(1,118)	1,515
Subtotal	3,593	5,584
Interest and dividends received	338	399
Interest paid	(153)	(152)
Income taxes paid	(964)	(766)
Net cash provided by (used in) operating activities	2,813	5,064
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(0)	(4)
Proceeds from sale of short-term and long-term investment securities	93	634
Purchase of property, plant and equipment and intangible assets	(2,488)	(2,379)
Proceeds from sale of property, plant and equipment and intangible assets	4	14
Proceeds from collection of loans receivable	0	35
Other, net	(65)	(41)
Net cash provided by (used in) investing activities	(2,455)	(1,741)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,930	(2,400)
Proceeds from long-term borrowings	200	100
Repayments of long-term borrowings	(668)	(1,222)
Repayments of lease liabilities	(36)	(37)
Dividends paid	(915)	(915)
Dividends paid to non-controlling interests	(26)	(19)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	482	(4,495)
Effect of exchange rate change on cash and cash equivalents	99	147
Net increase (decrease) in cash and cash equivalents	939	(1,024)
Cash and cash equivalents at beginning of period	20,359	21,299
Cash and cash equivalents at end of period	21,299	20,275

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policies)

The Company has adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the “Fair Value Measurement Guidance”) from the beginning of the consolidated fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. This has no impact on the consolidated financial statements.

(Segment information, etc.)

[Segment Information]

1. Summary of Reportable Segments

The reportable segments of the Company are units of the Company for which separate financial information is available, and which are periodically monitored by the Board of Directors to determine the allocation of management resources and evaluate the performance results.

The divisions of the Company have been arranged according to product, and each division pursues business activities by formulating comprehensive domestic and overseas strategies for the product under its purview.

Therefore, the Company comprises segments based on business divisions, and in which related businesses have been grouped. The Company has three reportable segments of the “Lifeline business,” the “Machinery System business,” and the “Industrial Materials business.”

The “Lifeline business” manufactures ductile iron pipes, fittings, accessories and various types of valves, in addition to carrying out ancillary work. The “Machinery System business” manufactures various types of industrial machines (mixers, kneaders, press machines), special cast iron, and cast steel, in addition to carrying out ancillary work and various plant engineering work. The “Industrial Materials business” manufactures various types of ducts, polycon FRP pipes, and various types of synthetic resin products, in addition to carrying out ancillary work.

2. Calculation method of net sales, income or loss, assets, liabilities, and other items by reportable segment

The accounting treatment of reported business segments is consistent with the accounting policies applied to the preparation of the consolidated financial statements.

Profit of the reportable segments is based on operating profit.

Inter-segment revenue or transfers is determined by taking into consideration market prices.

3. Information on net sales, income or loss, assets, liabilities, and other items by reportable segment
Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment			Total	Adjustment (Note 1)	Amount recorded in Consolidated Statements of Income (Note 2)
	Lifeline business	Machinery System business	Industrial Materials business			
Net sales						
Net sales to outside customers	57,478	22,095	26,381	105,954	-	105,954
Inter-segment net sales or transfers	127	114	128	370	(370)	-
Total	57,605	22,210	26,509	106,325	(370)	105,954
Segment income	3,016	437	1,040	4,494	(322)	4,172
Segment assets	56,310	23,768	26,682	106,761	32,961	139,722
Other items						
Depreciation	1,258	514	519	2,292	419	2,711
Increase in property, plant and equipment and intangible assets	1,201	474	400	2,077	383	2,460

(Notes) 1. Adjustment of segment income of ¥(322) million includes ¥19 million for inter-segment transaction eliminations, ¥(214) million for allocation difference of selling, general and administrative expenses, and experimentation and research expenses borne by each reportable segment, and ¥(127) million for inventory adjustments.

Adjustment of segment assets of ¥32,961 million includes ¥(6,757) million for the elimination of inter-segment transactions, and ¥39,719 million for a working capital surplus, investment securities, and land, etc., which are corporate assets and not attributable to any specific reportable segment.

Adjustment of depreciation of ¥419 million and adjustment of increases in property, plant and equipment and intangible assets of ¥383 million are basic research-related assets that are not attributable to any specific reportable segment and assets that belong to headquarters, etc.

2. Adjustments are made to reconcile segment income to operating profit reported on the consolidated statements of income.

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment			Total	Adjustment (Note 1)	Amount recorded in Consolidated Statements of Income (Note 2)
	Lifeline business	Machinery System business	Industrial Materials business			
Net sales						
Net sales to outside customers	60,879	34,102	29,845	124,827	-	124,827
Inter-segment net sales or transfers	137	85	42	265	(265)	-
Total	61,017	34,187	29,888	125,092	(265)	124,827
Segment income	3,679	2,208	1,404	7,292	(451)	6,840
Segment assets	58,315	27,747	26,303	112,365	32,798	145,164
Other items						
Depreciation	1,278	536	579	2,393	537	2,930
Increase in property, plant and equipment and intangible assets	1,572	1,441	267	3,281	162	3,444

(Notes) 1. Adjustment of segment income of ¥(451) million includes ¥20 million for inter-segment transaction eliminations, ¥(656) million for allocation difference of selling, general and administrative expenses, and experimentation and research expenses borne by each reportable segment, and ¥184 million for inventory adjustments.

Adjustment of segment assets of ¥32,798 million includes ¥(7,445) million for the elimination of inter-segment transactions, and ¥40,243 million for a working capital surplus, investment securities, and land, etc., which are corporate assets and not attributable to any specific reportable segment.

Adjustment of depreciation of ¥537 million and adjustment of increases in property, plant and equipment and intangible assets of ¥162 million are basic research-related assets that are not attributable to any specific reportable segment and assets that belong to headquarters, etc.

2. Adjustments are made to reconcile segment income to operating profit reported on the consolidated statements of income.

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Million yen)

	Lifeline business	Machinery System business	Industrial Materials business	Corporate and eliminations	Total
Impairment losses	-	-	-	41	41

(Note) The amount shown in “Corporate and eliminations” is impairment losses related to corporate assets that are not attributable to any specific reportable segment.

Fiscal year ended March 31, 2023 (From April 1, 2022, to March 31, 2023)

(Million yen)

	Lifeline business	Machinery System business	Industrial Materials business	Corporate and eliminations	Total
Impairment losses	28	-	-	-	28

(Per share information)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net assets per share	5,436.86 yen	5,865.19 yen
Basic earnings per share	239.17 yen	387.27 yen

(Notes) 1. Diluted profit per share is omitted, as there were no outstanding dilutive shares.

2. For the purpose of calculating net assets per share, the number of treasury shares of the Company held by Custody Bank of Japan, Ltd. (Trust E Account), in conjunction with the adoption of the Board Benefit Trust (BBT), which are reported as treasury shares under shareholders' equity, is included in the number of treasury shares to be deducted from the total number of issued shares at the end of the fiscal year, and for the purpose of calculating basic earnings per share, is included in the number of treasury shares to be deducted in the calculation of the average number of shares during the period.

For the purpose of calculating net assets per share, the number of shares at the end of the fiscal year of such treasury shares deducted was 15,894 shares as of March 31, 2022, and 42,822 shares as of March 31, 2023, and for the purpose of calculating basic earnings per share, the average number during the period of such treasury shares deducted was 19,205 shares in the fiscal year ended March 31, 2022, and 29,959 shares in the fiscal year ended March 31, 2023.

3. The basis of the calculation of basic earnings per share is as follows.

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Million yen)	2,917	4,727
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent related to common stock (Million yen)	2,917	4,727
Average number of shares of common stock during the period (shares)	12,199,013	12,206,206

4. The basis of the calculation of net assets per share is as follows.

	As of March 31, 2022	As of March 31, 2023
Total net assets (Million yen)	67,619	72,963
Amount to be deducted from total net assets (Million yen)	1,277	1,355
(of which non-controlling interests (Million yen))	(1,277)	(1,355)
Net assets at the end of the period related to common stock (Million yen)	66,342	71,608
Number of shares of common stock at the end of the period used to calculate net assets per share (shares)	12,202,295	12,209,005

(Significant subsequent events)

There is no relevant information.