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

May 12, 2023

Company name: DOWA HOLDINGS CO., LTD.

Stock exchange listing: Tokyo

Code number: 5714

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

Representative: SEKIGUCHI Akira

President and Representative Director

Contact: HOSONO Hiroyuki

Director and Corporate Strategy Dept. General Manager

Phone: +81-3-6847-1106

Scheduled date of Annual General Meeting of Shareholders: June 27, 2023

Scheduled date of commencing dividend payments: June 16, 2023

Scheduled date of filing annual securities report: June 27, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (From 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 |        |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
|                                  | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      |
| Fiscal year ended March 31, 2023 | 780,060         | (6.2) | 44,610           | (30.1) | 55,501          | (27.0) | 25,041                                  | (50.9) |
| March 31, 2022                   | 831,794         | 41.5  | 63,824           | 70.4   | 76,073          | 104.5  | 51,012                                  | 133.7  |

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 44,506 million [ (26.1)%]  
Fiscal year ended March 31, 2022: ¥ 60,210 million [ 138.1%]

|                                  | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
|                                  | Yen                      | Yen                        | %                        | %                                     | %                                   |
| Fiscal year ended March 31, 2023 | 420.76                   | -                          | 7.6                      | 8.5                                   | 5.7                                 |
| March 31, 2022                   | 857.32                   | -                          | 17.6                     | 12.1                                  | 7.7                                 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 5,209 million  
Fiscal year ended March 31, 2022: ¥ 8,864 million

#### (2) Consolidated Financial Position

|                      | Total assets    | Net assets      | Equity to asset ratio | Net assets per share |
|----------------------|-----------------|-----------------|-----------------------|----------------------|
|                      | Millions of yen | Millions of yen | %                     | Yen                  |
| As of March 31, 2023 | 655,282         | 360,603         | 52.6                  | 5,794.63             |
| March 31, 2022       | 657,283         | 328,574         | 47.7                  | 5,267.94             |

(Reference) Equity: As of March 31, 2023: ¥ 344,893 million  
As of March 31, 2022: ¥ 313,455 million

#### (3) Consolidated Cash Flows

|                                  | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                                  | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                                |
| Fiscal year ended March 31, 2023 | 50,725                               | (30,343)                             | (19,758)                             | 37,760   |
| March 31, 2022                   | 59,911                               | (11,339)                             | (31,190)                             | 35,740   |

## 2. Dividends

|  | Annual dividends |                 |                 |          |        | Total dividends | Payout ratio<br>(consolidated) | Dividends to net assets<br>(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                                     | -                | -               | -               | 130.00   | 130.00 | 7,813           | 15.2                           | 2.7                                       |
| March 31, 2023                                     | -                | -               | -               | 130.00   | 130.00 | 7,815           | 30.9                           | 2.4                                       |
| Fiscal year ending<br>March 31, 2024<br>(Forecast) | -                | -               | -               | 110.00   | 110.00 |                 | 32.7                           |   |

(Note) Breakdown of year-end dividends for the fiscal year ended March 31, 2022:

Ordinary dividends: ¥ 100.00    Special dividends: ¥ 30.00

(Note) Breakdown of year-end dividends for the fiscal year ending March 31, 2023:

Ordinary dividends: ¥ 105.00    Special dividends: ¥ 25.00

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (From 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 |
|---|-----------------|--------|------------------|--------|-----------------|--------|---|--------|--------------------------|
|   | Millions of yen | %      | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      | Yen                      |
| Six months ending<br>September 30, 2023 | 335,000         | (16.6) | 10,600           | (64.7) | 13,700          | (62.9) | 8,800                                   | (61.3) | 147.85                   |
| Full year                               | 680,000         | (12.8) | 23,000           | (48.4) | 30,000          | (45.9) | 20,000                                  | (20.1) | 336.02                   |

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(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: 61,989,206 shares

March 31, 2022: 61,989,206 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 2,469,762 shares

March 31, 2022: 2,486,779 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 59,514,247 shares

Fiscal Year ended March 31, 2022: 59,502,451 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (From 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 |      | Net income      |      |
|-------------------|-----------------|------|------------------|------|-----------------|------|-----------------|------|
|                   | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen | %    |
| March 31, 2023    | 33,416          | 57.3 | 23,546           | 87.4 | 22,069          | 78.0 | 21,535          | 77.5 |
| March 31, 2022    | 21,246          | 40.8 | 12,564           | 77.6 | 12,396          | 75.5 | 12,130          | -    |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| March 31, 2023    | 358.26                   | -                          |
| March 31, 2022    | 201.84                   | -                          |

(2) Non-consolidated Financial Position

| As of          | Total assets    | Net assets      | Equity to asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
|                | Millions of yen | Millions of yen | %                     | Yen                  |
| March 31, 2023 | 322,108         | 135,289         | 42.0                  | 2,250.43             |
| March 31, 2022 | 327,843         | 120,418         | 36.7                  | 2,003.64             |

(Reference) Equity: As of March 31, 2023: ¥ 135,289 million  
As of March 31, 2022: ¥ 120,418 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

|  | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and deposits  | 36,847               | 38,818               |
| Notes and accounts receivable - trade, and contract assets | 99,013               | 89,527               |
| Merchandise and finished goods                             | 54,026               | 64,236               |
| Work in process  | 8,693                | 9,494                |
| Raw materials and supplies                                 | 167,290              | 146,916              |
| Other  | 17,353               | 30,234               |
| Allowance for doubtful accounts                            | (183)                | (192)                |
| Total current assets                                       | 383,041              | 379,033              |
| Non-current assets   |                      |                      |
| Property, plant and equipment                              |                      |                      |
| Buildings and structures                                   | 155,787              | 164,835              |
| Accumulated depreciation                                   | (85,933)             | (92,519)             |
| Buildings and structures, net                              | 69,854               | 72,315               |
| Machinery, equipment and vehicles                          | 283,894              | 296,412              |
| Accumulated depreciation                                   | (235,688)            | (245,147)            |
| Machinery, equipment and vehicles, net                     | 48,206               | 51,264               |
| Land   | 27,890               | 25,979               |
| Construction in progress                                   | 18,509               | 19,327               |
| Other  | 20,110               | 21,111               |
| Accumulated depreciation                                   | (16,226)             | (16,776)             |
| Other, net   | 3,883                | 4,334                |
| Total property, plant and equipment                        | 168,344              | 173,222              |
| Intangible assets  |                      |                      |
| Goodwill   | 3,156                | 2,667                |
| Other  | 6,309                | 8,481                |
| Total intangible assets                                    | 9,466                | 11,149               |
| Investments and other assets                               |                      |                      |
| Investment securities                                      | 79,705               | 78,794               |
| Long-term loans receivable                                 | 3,500                | 3,531                |
| Deferred tax assets  | 9,403                | 6,456                |
| Other  | 3,915                | 3,183                |
| Allowance for doubtful accounts                            | (93)                 | (88)                 |
| Total investments and other assets                         | 96,431               | 91,876               |
| Total non-current assets                                   | 274,241              | 276,248              |
| Total assets   | 657,283              | 655,282              |

(Millions of yen)

|  | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| <b>Liabilities</b>   |                      |                      |
| Current liabilities  |                      |                      |
| Notes and accounts payable - trade                                   | 63,265               | 52,042               |
| Short-term borrowings  | 27,916               | 26,951               |
| Commercial papers  | 33,000               | 35,000               |
| Current portion of bonds payable                                     | -                    | 10,000               |
| Income taxes payable   | 12,767               | 5,457                |
| Accrued consumption taxes  | 4,249                | 2,368                |
| Provisions   |                      |                      |
| Provision for bonuses  | 5,200                | 5,544                |
| Provision for bonuses for directors (and other officers)             | 346                  | 405                  |
| Total provisions   | 5,547                | 5,949                |
| Borrowing precious metals  | 39,872               | 31,551               |
| Other  | 41,648               | 39,839               |
| Total current liabilities  | 228,267              | 209,160              |
| Non-current liabilities  |                      |                      |
| Bonds payable  | 30,000               | 20,000               |
| Long-term borrowings   | 40,708               | 32,816               |
| Deferred tax liabilities   | 2,337                | 3,524                |
| Provisions   |                      |                      |
| Provision for retirement benefits for directors (and other officers) | 618                  | 511                  |
| Other provisions   | 333                  | 260                  |
| Total provisions   | 952                  | 771                  |
| Retirement benefit liability   | 20,489               | 20,974               |
| Other  | 5,952                | 7,430                |
| Total non-current liabilities  | 100,441              | 85,517               |
| Total liabilities  | 328,708              | 294,678              |
| <b>Net assets</b>  |                      |                      |
| Shareholders' equity   |                      |                      |
| Share capital  | 36,437               | 36,437               |
| Capital surplus  | 25,870               | 25,180               |
| Retained earnings  | 246,360              | 263,503              |
| Treasury shares  | (5,064)              | (5,037)              |
| Total shareholders' equity   | 303,604              | 320,084              |
| Accumulated other comprehensive income                               |                      |                      |
| Valuation difference on available-for-sale securities                | 11,662               | 14,017               |
| Deferred gains or losses on hedges                                   | (5,547)              | (587)                |
| Foreign currency translation adjustment                              | 3,788                | 10,644               |
| Remeasurements of defined benefit plans                              | (52)                 | 734                  |
| Total accumulated other comprehensive income                         | 9,851                | 24,808               |
| Non-controlling interests  | 15,119               | 15,710               |
| Total net assets   | 328,574              | 360,603              |
| <b>Total liabilities and net assets</b>                              | <b>657,283</b>       | <b>655,282</b>       |

## Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

|   | For the fiscal year<br>ended March 31, 2022 | For the fiscal year<br>ended March 31, 2023 |
|---|---|---|
| Net sales   | 831,794                                     | 780,060                                     |
| Cost of sales   | 725,368                                     | 689,241                                     |
| Gross profit  | 106,425                                     | 90,819                                      |
| Selling, general and administrative expenses                  | 42,601                                      | 46,208                                      |
| Operating profit  | 63,824                                      | 44,610                                      |
| Non-operating income  |   |   |
| Interest income   | 439   | 643   |
| Dividend income   | 726   | 1,072                                       |
| Share of profit of entities accounted for using equity method | 8,864                                       | 5,209                                       |
| Foreign exchange gains  | 361   | 1,316                                       |
| Commission income   | 172   | 948   |
| Royalty income  | 1,669                                       | 1,537                                       |
| Onerous sample cost income                                    | 874   | 1,204                                       |
| Other   | 1,786                                       | 1,849                                       |
| Total non-operating income                                    | 14,894                                      | 13,782                                      |
| Non-operating expenses  |   |   |
| Interest expenses   | 664   | 523   |
| Environmental expenses  | 871   | 1,209                                       |
| Other   | 1,109                                       | 1,158                                       |
| Total non-operating expenses                                  | 2,645                                       | 2,890                                       |
| Ordinary profit   | 76,073                                      | 55,501                                      |
| Extraordinary income  |   |   |
| Gain on sale of investment securities                         | 1,473                                       | 455   |
| Subsidy income  | 157   | 85  |
| Gain on sale of non-current assets                            | 80  | 79  |
| Cancellation fee income                                       | 1,269                                       | -   |
| Other   | 90  | 39  |
| Total extraordinary income                                    | 3,071                                       | 659   |
| Extraordinary losses  |   |   |
| Impairment losses   | 644   | 5,826                                       |
| Loss on retirement of non-current assets                      | 986   | 2,158                                       |
| Loss on sale of investment securities                         | -   | 1,798                                       |
| Other   | 423   | 447   |
| Total extraordinary losses                                    | 2,054                                       | 10,230                                      |
| Profit before income taxes                                    | 77,090                                      | 45,930                                      |
| Income taxes - current  | 21,091                                      | 15,595                                      |
| Income taxes - deferred                                       | (831)                                       | 820   |
| Total income taxes  | 20,259                                      | 16,416                                      |
| Profit  | 56,831                                      | 29,513                                      |
| Profit attributable to non-controlling interests              | 5,818                                       | 4,472                                       |
| Profit attributable to owners of parent                       | 51,012                                      | 25,041                                      |

Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2022 | For the fiscal year<br>ended March 31, 2023 |
|--|---|---|
| Profit   | 56,831                                      | 29,513                                      |
| Other comprehensive income   |   |   |
| Valuation difference on available-for-sale securities                                | 1,092                                       | 2,439                                       |
| Deferred gains or losses on hedges   | (3,525)                                     | 4,829                                       |
| Foreign currency translation adjustment  | 3,697                                       | 3,141                                       |
| Remeasurements of defined benefit plans, net of tax                                  | 129   | 880   |
| Share of other comprehensive income of entities<br>accounted for using equity method | 1,985                                       | 3,702                                       |
| Total other comprehensive income   | 3,379                                       | 14,992                                      |
| Comprehensive income   | 60,210                                      | 44,506                                      |
| Comprehensive income attributable to   |   |   |
| Comprehensive income attributable to owners of<br>parent                             | 54,296                                      | 39,999                                      |
| Comprehensive income attributable to non-controlling<br>interests                    | 5,914                                       | 4,507                                       |

## Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 36,437               | 26,473          | 201,290           | (5,064)         | 259,136                    |
| Cumulative effects of changes in accounting policies  | -                    | -               | (233)             | -               | (233)                      |
| Restated balance  | 36,437               | 26,473          | 201,057           | (5,064)         | 258,903                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  | -                    | -               | (5,709)           | -               | (5,709)                    |
| Profit attributable to owners of parent   | -                    | -               | 51,012            | -               | 51,012                     |
| Purchase of treasury shares   | -                    | -               | -                 | (1)             | (1)                        |
| Disposal of treasury shares   | -                    | -               | -                 | 0               | 0                          |
| Change in the parent's ownership interest due to transactions with noncontrolling interests | -                    | (602)           | -                 | -               | (602)                      |
| Net changes in items other than shareholders' equity  | -                    | -               | -                 | -               | -                          |
| Total changes during period   | -                    | (602)           | 45,303            | (0)             | 44,700                     |
| Balance at end of period  | 36,437               | 25,870          | 246,360           | (5,064)         | 303,604                    |

|   | 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 | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 10,569  | (2,196)                            | (1,643)                                 | (161)                                   | 6,567  | 11,010                    | 276,715          |
| Cumulative effects of changes in accounting policies  | -   | -                                  | -                                       | -                                       | -  | -                         | (233)            |
| Restated balance  | 10,569  | (2,196)                            | (1,643)                                 | (161)                                   | 6,567  | 11,010                    | 276,481          |
| Changes during period   |   |                                    |   |   |  |                           |                  |
| Dividends of surplus  | -   | -                                  | -                                       | -                                       | -  | -                         | (5,709)          |
| Profit attributable to owners of parent   | -   | -                                  | -                                       | -                                       | -  | -                         | 51,012           |
| Purchase of treasury shares   | -   | -                                  | -                                       | -                                       | -  | -                         | (1)              |
| Disposal of treasury shares   | -   | -                                  | -                                       | -                                       | -  | -                         | 0                |
| Change in the parent's ownership interest due to transactions with noncontrolling interests | -   | -                                  | -                                       | -                                       | -  | -                         | (602)            |
| Net changes in items other than shareholders' equity  | 1,092   | (3,350)                            | 5,431                                   | 109                                     | 3,283  | 4,108                     | 7,392            |
| Total changes during period   | 1,092   | (3,350)                            | 5,431                                   | 109                                     | 3,283  | 4,108                     | 52,092           |
| Balance at end of period  | 11,662  | (5,547)                            | 3,788                                   | (52)                                    | 9,851  | 15,119                    | 328,574          |



For the fiscal year ended March 31, 2023

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 36,437               | 25,870          | 246,360           | (5,064)         | 303,604                    |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  | -                    | -               | (7,813)           | -               | (7,813)                    |
| Profit attributable to owners of parent   | -                    | -               | 25,041            | -               | 25,041                     |
| Purchase of treasury shares   | -                    | -               | -                 | (0)             | (0)                        |
| Disposal of treasury shares   | -                    | 46              | -                 | 28              | 74                         |
| Change in scope of consolidation  | -                    | -               | (85)              | -               | (85)                       |
| Change in the parent's ownership interest due to transactions with noncontrolling interests | -                    | (737)           | -                 | -               | (737)                      |
| Net changes in items other than shareholders' equity  | -                    | -               | -                 | -               | -                          |
| Total changes during period   | -                    | (690)           | 17,143            | 27              | 16,480                     |
| Balance at end of period  | 36,437               | 25,180          | 263,503           | (5,037)         | 320,084                    |

|   | 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 | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 11,662  | (5,547)                            | 3,788                                   | (52)                                    | 9,851  | 15,119                    | 328,574          |
| Changes during period   |   |                                    |   |   |  |                           |                  |
| Dividends of surplus  | -   | -                                  | -                                       | -                                       | -  | -                         | (7,813)          |
| Profit attributable to owners of parent   | -   | -                                  | -                                       | -                                       | -  | -                         | 25,041           |
| Purchase of treasury shares   | -   | -                                  | -                                       | -                                       | -  | -                         | (0)              |
| Disposal of treasury shares   | -   | -                                  | -                                       | -                                       | -  | -                         | 74               |
| Change in scope of consolidation  | -   | -                                  | -                                       | -                                       | -  | -                         | (85)             |
| Change in the parent's ownership interest due to transactions with noncontrolling interests | -   | -                                  | -                                       | -                                       | -  | -                         | (737)            |
| Net changes in items other than shareholders' equity  | 2,355   | 4,959                              | 6,856                                   | 786                                     | 14,957                                       | 590                       | 15,548           |
| Total changes during period   | 2,355   | 4,959                              | 6,856                                   | 786                                     | 14,957                                       | 590                       | 32,028           |
| Balance at end of period  | 14,017  | (587)                              | 10,644                                  | 734                                     | 24,808                                       | 15,710                    | 360,603          |

## Consolidated Statements of Cash Flows

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2022 | For the fiscal year<br>ended March 31, 2023 |
|--|---|---|
| <b>Cash flows from operating activities</b>  |   |   |
| Profit before income taxes   | 77,090                                      | 45,930                                      |
| Depreciation   | 22,582                                      | 23,955                                      |
| Impairment losses  | 644   | 5,826                                       |
| Amortization of goodwill   | 503   | 498   |
| Increase (decrease) in allowance for doubtful accounts   | (60)  | (7)   |
| Increase (decrease) in other provisions  | 935   | 219   |
| Increase (decrease) in retirement benefit liability  | 923   | 1,747                                       |
| Interest and dividend income   | (1,165)                                     | (1,716)                                     |
| Interest expenses  | 664   | 523   |
| Foreign exchange losses (gains)  | (626)                                       | (554)                                       |
| Share of loss (profit) of entities accounted for using equity method                           | (8,864)                                     | (5,209)                                     |
| Loss (gain) on sale of non-current assets  | (80)  | (72)  |
| Loss on retirement of non-current assets   | 986   | 2,158                                       |
| Loss (gain) on sale of investment securities   | (1,473)                                     | 1,342                                       |
| Decrease (increase) in trade receivables   | (15,412)                                    | 10,440                                      |
| Decrease (increase) in inventories   | (22,977)                                    | 10,061                                      |
| Increase (decrease) in trade payables  | 6,440                                       | (12,302)                                    |
| Increase (decrease) in accrued consumption taxes   | 1,149                                       | (1,891)                                     |
| Decrease (increase) in borrowing precious metals   | 1,691                                       | (8,320)                                     |
| Other, net   | 7,754                                       | 401   |
| Subtotal   | 70,706                                      | 73,031                                      |
| Interest and dividends received  | 4,961                                       | 9,601                                       |
| Interest paid  | (716)                                       | (528)                                       |
| Income taxes refund (paid)   | (15,040)                                    | (31,378)                                    |
| Net cash provided by (used in) operating activities  | 59,911                                      | 50,725                                      |
| <b>Cash flows from investing activities</b>  |   |   |
| Purchase of property, plant and equipment  | (28,949)                                    | (29,694)                                    |
| Proceeds from sale of property, plant and equipment  | 642   | 124   |
| Purchase of intangible assets  | (2,830)                                     | (3,382)                                     |
| Purchase of investment securities  | (185)                                       | (192)                                       |
| Proceeds from sale of investment securities  | 1,552                                       | 3,537                                       |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 13  | -   |
| Subsidies received   | 848   | 179   |
| Loan advances  | (278)                                       | (259)                                       |
| Proceeds from collection of loans receivable   | 18,142                                      | 278   |
| Other, net   | (296)                                       | (934)                                       |
| Net cash provided by (used in) investing activities  | (11,339)                                    | (30,343)                                    |

(Millions of yen)

|   | For the fiscal year<br>ended March 31, 2022 | For the fiscal year<br>ended March 31, 2023 |
|---|---|---|
| <b>Cash flows from financing activities</b>   |   |   |
| Net increase (decrease) in short-term borrowings  | (21,427)                                    | 1,754                                       |
| Net increase (decrease) in commercial papers  | (2,000)                                     | 2,000                                       |
| Proceeds from long-term borrowings  | 26,724                                      | 356   |
| Repayments of long-term borrowings  | (35,927)                                    | (11,046)                                    |
| Proceeds from issuance of bonds   | 9,953                                       | -   |
| Repayments of lease liabilities   | (362)                                       | (368)                                       |
| Proceeds from share issuance to non-controlling shareholders                                    | -   | 204   |
| Purchase of treasury shares   | (1)   | (0)   |
| Dividends paid  | (5,709)                                     | (7,809)                                     |
| Dividends paid to non-controlling interests   | (2,439)                                     | (4,850)                                     |
| Net cash provided by (used in) financing activities   | (31,190)                                    | (19,758)                                    |
| Effect of exchange rate change on cash and cash equivalents                                     | 1,038                                       | 1,333                                       |
| Net increase (decrease) in cash and cash equivalents  | 18,419                                      | 1,956                                       |
| Cash and cash equivalents at beginning of period  | 17,320                                      | 35,740                                      |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | -   | 63  |
| Cash and cash equivalents at end of period  | 35,740                                      | 37,760                                      |

## Segment Information

Segment information by business type as of March 31, 2022 and 2023 is summarized as follows :

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

For the fiscal year ended March 31, 2022 (From April 01, 2021 to March 31, 2022)

(Millions of yen)

|   | Reporting Segments                         |                      |                         |                     |                   |              | Others | Total   | Eliminations<br>& Company-<br>wide | Consolidated |
|---|--|----------------------|-------------------------|---------------------|-------------------|--------------|--------|---------|------------------------------------|--------------|
|   | Environmental<br>Management<br>& Recycling | Nonferrous<br>Metals | Electronic<br>Materials | Metal<br>Processing | Heat<br>Treatment | Sub<br>Total |        |         |                                    |              |
| Net sales   |  |                      |                         |                     |                   |              |        |         |                                    |              |
| (1) Outside customers   | 83,151                                     | 434,240              | 171,266                 | 111,889             | 28,976            | 829,524      | 2,269  | 831,794 | -                                  | 831,794      |
| (2) Intersegment  | 51,893                                     | 21,378               | 4,065                   | 57                  | 17                | 77,413       | 11,618 | 89,032  | (89,032)                           | -            |
| Total   | 135,045                                    | 455,619              | 175,331                 | 111,947             | 28,994            | 906,938      | 13,888 | 920,826 | (89,032)                           | 831,794      |
| Segment profit (loss) (note 2)                                  | 13,663                                     | 42,774               | 6,574                   | 6,817               | 3,010             | 72,841       | 560    | 73,401  | 2,671                              | 76,073       |
| Segment Assets  | 133,880                                    | 304,154              | 92,678                  | 98,294              | 45,974            | 674,982      | 11,848 | 686,830 | (29,547)                           | 657,283      |
| Other items   |  |                      |                         |                     |                   |              |        |         |                                    |              |
| Depreciation  | 7,340                                      | 4,654                | 3,947                   | 3,352               | 2,471             | 21,766       | 306    | 22,072  | 509                                | 22,582       |
| Amortization of goodwill  | 348  | 20                   | -                       | -                   | 134               | 503          | -      | 503     | -                                  | 503          |
| Investments in affiliates accounted for by equity method        | 3,327                                      | 25,713               | 623                     | 389                 | -                 | 30,054       | -      | 30,054  | 13,978                             | 44,033       |
| Increase in property, plant and equipment and intangible assets | 10,255                                     | 9,068                | 3,965                   | 4,746               | 1,545             | 29,580       | 881    | 30,462  | 2,083                              | 32,546       |

For the fiscal year ended March 31, 2023 (From April 01, 2022 to March 31, 2023)

(Millions of yen)

|   | Reporting Segments                         |                      |                         |                     |                   |              | Others | Total   | Eliminations<br>& Company-<br>wide | Consolidated |
|---|--|----------------------|-------------------------|---------------------|-------------------|--------------|--------|---------|------------------------------------|--------------|
|   | Environmental<br>Management<br>& Recycling | Nonferrous<br>Metals | Electronic<br>Materials | Metal<br>Processing | Heat<br>Treatment | Sub<br>Total |        |         |                                    |              |
| Net sales   |  |                      |                         |                     |                   |              |        |         |                                    |              |
| (1) Outside customers   | 87,868                                     | 409,627              | 133,908                 | 116,055             | 30,064            | 777,524      | 2,536  | 780,060 | -                                  | 780,060      |
| (2) Intersegment  | 60,137                                     | 24,054               | 4,317                   | 111                 | 58                | 88,680       | 11,962 | 100,642 | (100,642)                          | -            |
| Total   | 148,006                                    | 433,682              | 138,225                 | 116,166             | 30,123            | 866,204      | 14,498 | 880,703 | (100,642)                          | 780,060      |
| Segment profit (loss) (note 2)                                  | 11,990                                     | 33,112               | 4,562                   | 5,514               | 1,896             | 57,076       | 68     | 57,145  | (1,643)                            | 55,501       |
| Segment Assets  | 132,797                                    | 291,080              | 85,730                  | 103,373             | 46,013            | 658,996      | 12,142 | 671,138 | (15,856)                           | 655,282      |
| Other items   |  |                      |                         |                     |                   |              |        |         |                                    |              |
| Depreciation  | 7,893                                      | 5,779                | 3,552                   | 3,336               | 2,452             | 23,014       | 446    | 23,461  | 494                                | 23,955       |
| Amortization of goodwill  | 348  | -                    | -                       | -                   | 149               | 498          | -      | 498     | -                                  | 498          |
| Investments in affiliates accounted for by equity method        | 3,442                                      | 26,878               | 716                     | 315                 | -                 | 31,353       | -      | 31,353  | 9,612                              | 40,965       |
| Increase in property, plant and equipment and intangible assets | 8,029                                      | 10,993               | 4,467                   | 5,405               | 1,521             | 30,417       | 346    | 30,763  | 3,389                              | 34,153       |

(Note 1) The classification of businesses for the segment information by business type is based on the classification adopted by the internal management system.

- (1) Environmental Management & Recycling : Waste treatment, controlled landfilling, soil remediation, metal recycling, household appliances recycling, automobile recycling, consulting on environmental matters, and logistics
- (2) Nonferrous Metals : Production and sale of gold, silver, copper, zinc alloy, lead, platinum, palladium, indium, gallium, germanium, tin, antimony, nickel, bismuth, tellurium, sulfuric acid, and other metals
- (3) Electronic Materials : Production and sale of high-purity gallium, indium, compound semiconductor wafers, LEDs, Silver powder, Copper powder, Silver oxide powder, Metal powder, Carrier powder, and Ferrite powder
- (4) Metal Processing : Production and sale of copper, brass, copper alloy strips, nickel alloy strips, reflow tin plated stripes, brass rods, forged brass products, electroplating, and metal-ceramics substrates
- (5) Heat Treatment : Heat treatment, Surface treatment, design, manufacture, marketing, and maintenance of industrial furnaces and ancillary equipment
- (6) Others : Plant construction, real estate rental business and others

(Note 2) Segment profit (loss) is based on ordinary profit.