

**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2022  
[Japanese GAAP]**



May 2, 2022

Company name: TOA Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6809  
 URL: <https://www.toa.jp/>  
 Representative: TAKEUCHI Kazuhiro, President, CEO  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 23, 2022  
 Scheduled date of filing annual securities report: June 23, 2022  
 Scheduled date of commencing dividend payments: June 24, 2022  
 Availability of supplementary briefing material on financial results: Yes  
 Schedule of financial results briefing session: Yes (for institutional investors)

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

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

**(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, 2022	40,864	0.7	2,159	(5.8)	2,407	(5.9)	1,466	(8.1)
March 31, 2021	40,575	(10.0)	2,293	(33.8)	2,558	(28.5)	1,596	(22.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥1,457 million [(60.7) %]  
 Fiscal year ended March 31, 2021: ¥3,707 million [48.9 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	45.08	-	3.3	4.0	5.3
March 31, 2021	48.87	-	3.7	4.4	5.7

(Reference) Share of profit (loss) of entities accounted for using equity method:  
 Fiscal year ended March 31, 2022: ¥(1) million  
 Fiscal year ended March 31, 2021: ¥(4) million

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of March 31, 2022	60,688	46,939	73.7	1,374.07
As of March 31, 2021	58,572	46,365	75.8	1,365.41

(Reference) Equity: As of March 31, 2022: ¥44,720 million  
 As of March 31, 2021: ¥44,402 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	1,632	(752)	(458)	17,264
March 31, 2021	5,290	(2,072)	(3,055)	16,268

## 2. Dividends

	Annual dividends					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	Million yen	%	%
Fiscal year ended March 31, 2021	-	10.00	-	10.00	20.00	650	40.9	1.5
Fiscal year ended March 31, 2022	-	10.00	-	10.00	20.00	650	44.4	1.5
Fiscal year ending March 31, 2023 (Forecast)	-	20.00	-	20.00	40.00		57.9	

Breakdown of the dividends for the fiscal year ended March 31, 2021: Stable dividend ¥20

Breakdown of the dividends for the fiscal year ended March 31, 2022: Stable dividend ¥20

Dividends for the fiscal year ending March 31, 2023 (Forecast) will be determined by taking into account the performances on stable dividend of ¥40, aiming at a consolidated dividend payout ratio of 45%, as specified in “(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 7.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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
Full year	44,000	7.7	2,900	34.3	3,000	24.6	2,250	53.4	69.13

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (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: 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, 2022: 34,536,635 shares
    - March 31, 2021: 34,536,635 shares
  - 2) Total number of treasury shares at the end of the period:
    - March 31, 2022: 1,990,647 shares
    - March 31, 2021: 2,017,212 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended March 31, 2022: 32,537,233 shares
    - Fiscal year ended March 31, 2021: 32,673,357 shares

**(Reference) Overview of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	28,691	0.2	766	(22.0)	1,397	(3.6)	1,104	3.5
March 31, 2021	28,629	(9.7)	983	(38.4)	1,448	(27.9)	1,067	(31.1)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	33.94	-
March 31, 2021	32.67	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	39,901	33,132	83.0	1,018.04
As of March 31, 2021	40,944	33,953	82.9	1,044.11

(Reference) Equity: As of March 31, 2022: ¥33,132 million

As of March 31, 2021: ¥33,953 million

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.\* Explanation of the proper use of financial results forecast and other notes

Forecasts presented herein are the current prospects based on information currently available and contain elements of uncertainty. Actual results may therefore differ from the above forecasts due to subsequent changes in the circumstances.

The Company plans to hold a financial results briefing session for institutional investors (through a live video link) on May 24, 2022. The video and the materials distributed at the session are scheduled to be posted on our website promptly after the session.

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## 1. Overview of Operating Results, Etc.

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

During the fiscal year ended March 31, 2022, the global economy remained on a moderate recovery track, partly due to widespread vaccination against COVID-19. However, the pandemic continues to exert an intermittent impact on economic activities, including movement restrictions due to the spread of variants in some regions.

In addition to soaring costs of raw materials and components such as crude oil, natural gas, steel, and semiconductors, and increases in shipping costs, geopolitical risk is also rising, primarily related to the situation in Ukraine, meaning that close attention must be paid with regard the outlook for the global economy.

In such an environment, in an effort to realize our corporate value “Smiles for the Public,” we formulated a new management vision targeting 2030, “Dr. Sound—becoming a professional organization that improves sound in society.” We will aim to create the value of reassurance, reliability, and emotion as a reliable partner that will realize, along with our customers, a cycle of using sound and images to identify, solve, and improve social issues through the continuous provision of “good sound experiences” that customers will choose. Specifically, in order to offer new value, we are proceeding with efforts to solve social issues by furthering levels of co-creation and cooperation among industry, academia, and government agencies, including proof-of-concept testing in a range of fields. We are also strengthening our sales activities and increasing their efficiency across the entire Group through digital marketing.

As a result, net sales during the fiscal year ended March 31, 2022 were ¥40,864 million (up ¥289 million, or 0.7%, year on year). Despite the increase in net sales, profit suffered from a higher cost ratio due to factors such as the soaring price of materials prices, and selling, general and administrative expenses also increased. Operating profit was ¥2,159 million (down ¥133 million, or 5.8%, year on year), ordinary profit was ¥2,407 million (down ¥150 million, or 5.9%, year on year), and profit attributable to owners of parent was ¥1,466 million (down ¥130 million, or 8.1%, year on year).

Performance by segment is as follows.

#### (Japan)

Net sales amounted to ¥25,994 million (down ¥1,567 million, or 5.7%, year on year), and segment profit (operating profit) to ¥5,541 million (down ¥597 million, or 9.7%, year on year).

Sales to the education market increased and there was progress in the delivering of large-scale projects for airport facilities. Further, net sales of visual equipment also increased by capturing the demand for street-crime prevention, etc. However, sales of products for railway cars and the disaster reduction and prevention markets, which experienced a cyclical slump in demand, decreased. Sales of audio equipment also fell, partly because of the loss of selling opportunities due the difficulty of obtaining parts, and net sales of the entire segment decreased. Segment profit decreased due to a higher cost ratio due to factors such as the soaring price of materials prices, as well as the decrease in net sales.

#### (Asia & Pacific)

Net sales amounted to ¥6,418 million (up ¥491 million, or 8.3%, year on year), and segment profit (operating profit) to ¥1,133 million (up ¥123 million, or 12.2%, year on year).

In Indonesia and Malaysia, the delivery of large-scale projects for public offices progressed and sales of audio equipment to the religious market were solid, causing net sales to increase. In Thailand and Vietnam, although there was progress in the delivery of large-scale projects, net sales decreased due to factors, such as the impact of delays in delivery. As a result, net sales for the entire segment increased, and segment profit rose.

(Europe, Middle East & Africa)

Net sales amounted to ¥4,518 million (up ¥623 million, or 16.0%, year on year), and segment profit (operating profit) to ¥580 million (up ¥267 million, or 85.4%, year on year).

Net sales increased due mainly to progress in delivering large-scale projects in the Middle East, France, United Kingdom, and South Africa, sales growth across the entire segment, and the impact of currency fluctuations, and segment profit increased.

(The Americas)

Net sales amounted to ¥2,081 million (up ¥441 million, or 26.9%, year on year), and segment profit (operating profit) to ¥127 million (up ¥94 million, or 277.6%, year on year).

In the United States, net sales increased as delivery of large-scale projects for commercial facilities progressed. In Canada, net sales increased as sales to the education market grew, and segment profit increased.

(China & East Asia)

Net sales amounted to ¥1,851 million (up ¥301 million, or 19.4%, year on year), and segment profit (operating profit) to ¥172 million (up ¥6 million, or 4.1%, year on year).

In Taiwan, net sales increase with the delivery of projects for large-scale sports facilities and plant markets progressed, while in China there was delivery of multiple large-scale projects for education and other markets. Net sales for the entire segment increased despite a decrease in net sales for Hong Kong, and segment profit increased.

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

Total assets at the end of the fiscal year ended March 31, 2022 increased by ¥2,115 million from the end of the previous fiscal year to ¥60,688 million. Assets increased due mainly to an increase in inventories. Liabilities and net assets increased due mainly to increases in trade payables and short-term borrowings.

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

Cash and cash equivalents at the end of the fiscal year ended March 31, 2022 (hereinafter “cash”) increased by ¥996 million from the end of the previous fiscal year to ¥17,264 million. Net cash provided by operating activities amounted to ¥1,632 million, net cash used in investing activities amounted to ¥752 million, and net cash used in financing activities amounted to ¥458 million. Cash also increased due to the effect of exchange rate change on cash and cash equivalents.

The status of cash flows and their contributing factors during the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,632 million. This was mainly attributable to ¥2,427 million of profit before income taxes, depreciation of ¥1,375 million, and an increase of ¥1,002 million in trade payables, despite an increase of ¥2,762 million in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥752 million. This was mainly attributable to the purchase of information infrastructure that amounted to ¥528 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥458 million. This was mainly attributable to cash dividends paid of ¥649 million and repayments of finance lease liabilities of ¥378 million, despite a ¥812 million net increase in short-term borrowings.

#### (4) Future Outlook

From the fiscal year ending March 31, 2022, the Company started activities to realize our management vision targeting 2030 “Dr. Sound—becoming a professional organization that improves sound in society.” In addition to the “Sound that can be heard, and sound that is easy to hear” according to the various indoor and outdoor environments and the diversity of people that we have provided up until this point, we worked towards realizing and providing value that can be more easily approached to the creation of the experience of reassurance, reliability, and emotion brought by the sounds of public spaces surrounding us (= the “sounds of society”). By doing so, we aim to realize along with our customers a cycle of identifying, solving, and improving social issues through the continuous provision of “good sound experiences” that customers will choose.

To achieve our vision, we will boost our profitability and competitiveness by transforming into an organization able to adapt to the speed of environmental change, accelerating through the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2023, and designate this as a phase to build a foothold on a new platform for growth. We are proceeding with the pursuit and creation of new values for sound that will become growth fields in the future.

From the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026, we will make maximum use of the results of these initiatives to further expand added value, build a string market platform and boost profitability. We will also continue to invest in new values for sound that will serve as a growth engines through the term of the next medium-term management plan and beyond, aspiring to commence value creation in the markets we serve.

Due to the above, at present, our performance forecasts for the fiscal year ending March 31, 2023 are: Net sales of ¥44,000 million, operating profit of ¥2,900 million, ordinary profit of ¥3,000 million, and profit attributable to owners of parent of ¥2,250 million.

There are possibilities that the Company’s earnings will significantly fluctuate based on how the COVID-19 continues to spread or settles down going forward. If any changes that could have a material impact on the Company’s earnings are observed, the Company will provide notification at that time.

#### (5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year

The Company views an increase of returns of profits to shareholders as an important managerial task.

Regarding the distribution of profits, in addition to our basic policy of providing stable dividends, we endeavor to provide returns to shareholders by taking our business performance into consideration. We also aim to maintain sufficient internal reserves, so as to secure a stable management foundation in the long term, and to raise the competitiveness of the Company through actively carrying out R&D investments. By endeavoring to strengthen our financial structure, we aim to increase our corporate value.

For the fiscal year ended March 31, 2022, the Company plans to pay an annual dividend of ¥20 per share (stable annual dividend of ¥20), which includes the interim dividend of ¥10 per share already paid.

For the fiscal year ending March 31, 2023, the Company plans to increase the amount of the stable annual dividend from ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10) to ¥40 (Interim dividend: ¥20; Year-end dividend: ¥20) and increase the consolidated dividend payout ratio guide, based on business performance, from 35% to 45%.

## 2. Basic Views on the Selection of Accounting Standards

In consideration of the ease of comparison of the consolidated financial statements, in terms of comparison with previous years and comparison with other companies, the TOA Group plans to continue adopting Japanese GAAP in the preparation of its consolidated financial statements.

With regard to the adoption of IFRS, in view of the various circumstances within and outside of Japan, the Group will adopt the IFRS appropriately, as necessary.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	16,838	17,910
Notes and accounts receivable - trade	9,095	-
Notes receivable - trade	-	2,143
Accounts receivable - trade	-	6,276
Contract assets	-	729
Merchandise and finished goods	6,242	6,931
Work in process	554	973
Raw materials and supplies	2,916	4,718
Other	728	804
Allowance for doubtful accounts	(53)	(77)
Total current assets	36,322	40,410
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,659	10,775
Accumulated depreciation	(4,215)	(4,584)
Buildings and structures, net	6,443	6,190
Machinery, equipment and vehicles	1,659	1,919
Accumulated depreciation	(1,250)	(1,508)
Machinery, equipment and vehicles, net	409	410
Tools, furniture and fixtures	3,831	3,961
Accumulated depreciation	(3,247)	(3,478)
Tools, furniture and fixtures, net	583	483
Land	2,453	2,471
Leased assets	1,563	1,541
Accumulated depreciation	(723)	(830)
Leased assets, net	839	711
Construction in progress	19	18
Total property, plant and equipment	10,749	10,287
Intangible assets		
Goodwill	444	450
Software	628	577
Software in progress	52	497
Other	221	184
Total intangible assets	1,347	1,709
Investments and other assets		
Investment securities	9,073	7,230
Deferred tax assets	326	292
Retirement benefit asset	3	-
Other	752	758
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,154	8,280
Total non-current assets	22,250	20,277
<b>Total assets</b>	<b>58,572</b>	<b>60,688</b>

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,704	3,827
Short-term borrowings	1,271	2,161
Lease liabilities	273	316
Income taxes payable	261	384
Provision for bonuses	150	94
Provision for product warranties	36	93
Other	2,062	2,187
Total current liabilities	6,759	9,065
Non-current liabilities		
Lease liabilities	638	436
Deferred tax liabilities	1,560	975
Retirement benefit liability	2,504	2,558
Other	743	712
Total non-current liabilities	5,447	4,683
<b>Total liabilities</b>	<b>12,207</b>	<b>13,749</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus	5,061	5,065
Retained earnings	30,819	31,618
Treasury shares	(1,370)	(1,352)
Total shareholders' equity	39,790	40,611
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,708	4,426
Foreign currency translation adjustment	(1,168)	(306)
Remeasurements of defined benefit plans	72	(12)
Total accumulated other comprehensive income	4,611	4,108
Non-controlling interests	1,962	2,219
<b>Total net assets</b>	<b>46,365</b>	<b>46,939</b>
<b>Total liabilities and net assets</b>	<b>58,572</b>	<b>60,688</b>

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

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	40,575	40,864
Cost of sales	23,266	23,485
Gross profit	17,308	17,378
Selling, general and administrative expenses	15,014	15,218
Operating profit	2,293	2,159
Non-operating income		
Interest income	28	30
Dividend income	99	103
Foreign exchange gains	-	65
Insurance claim and dividend income	44	26
Subsidy income	130	-
Other	94	78
Total non-operating income	398	305
Non-operating expenses		
Interest expenses	65	40
Foreign exchange losses	43	-
Share of loss of entities accounted for using equity method	4	1
Other	20	15
Total non-operating expenses	133	57
Ordinary profit	2,558	2,407
Extraordinary income		
Gain on reversal of foreign currency translation adjustment	-	19
Total extraordinary income	-	19
Extraordinary losses		
Dismantlement expenses	11	-
Total extraordinary losses	11	-
Profit before income taxes	2,547	2,427
Income taxes - current	658	647
Income taxes - deferred	134	119
Total income taxes	793	766
Profit	1,754	1,660
Profit attributable to non-controlling interests	157	193
Profit attributable to owners of parent	1,596	1,466

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Profit	1,754	1,660
Other comprehensive income		
Valuation difference on available-for-sale securities	2,026	(1,281)
Foreign currency translation adjustment	(248)	1,176
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Remeasurements of defined benefit plans, net of tax	175	(98)
Total other comprehensive income	1,953	(203)
Comprehensive income	3,707	1,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,641	963
Comprehensive income attributable to non-controlling interests	66	494

## (3) Consolidated Statements of Changes in Net Assets

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,279	5,058	30,236	(385)	40,189
Cumulative effects of changes in accounting policies					-
Restated balance	5,279	5,058	30,236	(385)	40,189
Changes during period					
Dividends of surplus			(1,013)		(1,013)
Profit attributable to owners of parent			1,596		1,596
Purchase of treasury shares				(1,005)	(1,005)
Disposal of treasury shares		2		20	22
Net changes in items other than shareholders' equity					
Total changes during period	-	2	583	(984)	(398)
Balance at end of period	5,279	5,061	30,819	(1,370)	39,790

	Accumulated other comprehensive income				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		
Balance at beginning of period	3,682	(1,009)	(104)	2,567	2,024	44,780
Cumulative effects of changes in accounting policies						-
Restated balance	3,682	(1,009)	(104)	2,567	2,024	44,780
Changes during period						
Dividends of surplus						(1,013)
Profit attributable to owners of parent						1,596
Purchase of treasury shares						(1,005)
Disposal of treasury shares						22
Net changes in items other than shareholders' equity	2,026	(159)	176	2,044	(61)	1,983
Total changes during period	2,026	(159)	176	2,044	(61)	1,584
Balance at end of period	5,708	(1,168)	72	4,611	1,962	46,365

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,279	5,061	30,819	(1,370)	39,790
Cumulative effects of changes in accounting policies			(17)		(17)
Restated balance	5,279	5,061	30,802	(1,370)	39,772
Changes during period					
Dividends of surplus			(650)		(650)
Profit attributable to owners of parent			1,466		1,466
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		17	22
Net changes in items other than shareholders' equity					
Total changes during period	-	4	816	17	838
Balance at end of period	5,279	5,065	31,618	(1,352)	40,611

	Accumulated other comprehensive income				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		
Balance at beginning of period	5,708	(1,168)	72	4,611	1,962	46,365
Cumulative effects of changes in accounting policies						(17)
Restated balance	5,708	(1,168)	72	4,611	1,962	46,347
Changes during period						
Dividends of surplus						(650)
Profit attributable to owners of parent						1,466
Purchase of treasury shares						(0)
Disposal of treasury shares						22
Net changes in items other than shareholders' equity	(1,281)	862	(84)	(503)	256	(247)
Total changes during period	(1,281)	862	(84)	(503)	256	591
Balance at end of period	4,426	(306)	(12)	4,108	2,219	46,939

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,547	2,427
Depreciation	1,445	1,375
Increase (decrease) in retirement benefit liability	(66)	(122)
Interest and dividend income	(128)	(134)
Foreign exchange losses (gains)	9	81
Share of loss (profit) of entities accounted for using equity method	4	1
Interest expenses	65	40
Subsidy income	(130)	-
Gain on reversal of foreign currency translation adjustment	-	(19)
Decrease (increase) in trade receivables	1,149	636
Decrease (increase) in inventories	1,056	(2,762)
Increase (decrease) in trade payables	(652)	1,002
Increase (decrease) in accounts payable - other	85	(366)
Other, net	345	(65)
Subtotal	5,731	2,093
Interest and dividends received	137	134
Interest paid	(62)	(39)
Subsidies received	130	-
Income taxes refund (paid)	(645)	(556)
Net cash provided by (used in) operating activities	5,290	1,632
<b>Cash flows from investing activities</b>		
Payments into time deposits	(696)	(1,295)
Proceeds from withdrawal of time deposits	810	1,267
Purchase of property, plant and equipment	(2,011)	(237)
Proceeds from sale of property, plant and equipment	24	60
Purchase of intangible assets	(209)	(528)
Other, net	9	(18)
Net cash provided by (used in) investing activities	(2,072)	(752)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(592)	812
Purchase of treasury shares	(1,005)	(0)
Repayments of finance lease liabilities	(313)	(378)
Dividends paid	(1,006)	(649)
Dividends paid to non-controlling interests	(137)	(99)
Repayments to non-controlling shareholders	-	(142)
Net cash provided by (used in) financing activities	(3,055)	(458)
Effect of exchange rate change on cash and cash equivalents	(2)	574
Net increase (decrease) in cash and cash equivalents	160	996
Cash and cash equivalents at beginning of period	16,108	16,268
Cash and cash equivalents at end of period	16,268	17,264

(5) Notes to the Consolidated Financial Statements

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are those units of the Company for which discrete financial information is available and for which the Board of Directors regularly conducts regular reviews for the purpose of making decisions about the allocation of management resources and to assess performance.

The Group is mainly engaged in the production and sale of audio equipment and visual equipment. The Company and its domestic subsidiaries are responsible for operations in Japan, while local subsidiaries in regions such as Asia, Europe, and the Americas are responsible for overseas operations. Each local subsidiary overseas is an independent management unit engaging in its own business activities, with each region formulating comprehensive strategies concerning the products handled.

The Group therefore comprises five regional segments that form the basis for its sales structure: Japan, Asia & Pacific, Europe, Middle East & Africa, the Americas, and China & East Asia.

2. Method used to calculate the amounts of net sales, profit (loss), assets, and other items for each reportable segment

The method used to account for the reporting business segments is generally as reported in "Significant Matters that Form the Basis for the Preparation of the Consolidated Financial Statements." Inter-segment net sales are based on third-party transaction prices. Segment profit represents the operating profit of the reporting segment.

3. Information on the amounts of net sales, profit (loss), assets, and other items for each reportable segment

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment						Adjustment (Note)	Amount recorded in the Consolidated Financial Statements
	Japan	Asia & Pacific	Europe, Middle East & Africa	The Americas	China & East Asia	Total		
Net sales								
Net sales to outside customers	27,562	5,927	3,895	1,640	1,549	40,575	-	40,575
Inter-segment net sales or transfers	2,589	77	16	4	24	2,713	(2,713)	-
Total	30,151	6,005	3,911	1,645	1,574	43,288	(2,713)	40,575
Segment profit (Operating profit)	6,139	1,010	313	33	165	7,662	(5,368)	2,293
Segment assets	31,425	3,705	5,350	1,501	2,594	44,577	13,995	58,572
Other items								
Depreciation	850	108	103	15	55	1,134	311	1,445
Amortization of goodwill	-	30	5	-	-	36	-	36
Increase in property, plant and equipment and intangible assets	930	43	113	5	84	1,178	362	1,540

(Notes) 1. The adjustment for segment profit of negative ¥5,368 million includes elimination of inter-segment transactions of ¥36 million and corporate expenses in the amount of negative ¥5,405 million not allocated to the reportable segments. The relevant corporate expenses are mainly costs relating to the headquarters divisions which are not attributable to a reportable segment.

2. Segment profit has been adjusted with operating profit in the consolidated statements of income.

3. The adjustment for segment assets of ¥13,995 million includes elimination of inter-segment transactions of negative ¥456 million and corporate assets in the amount of ¥14,451 million not previously allocated to the reportable segments. The relevant corporate assets mainly comprise the

- Company's long-term investment funds (investment securities) and assets related to the headquarters divisions.
4. The adjustment for depreciation of ¥311 million is mainly depreciation related to the headquarters divisions.
  5. The adjustment for increase in property, plant and equipment and intangible assets of ¥362 million is mainly investment related to the headquarters divisions.

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment						Adjustment (Note)	Amount recorded in the Consolidated Financial Statements
	Japan	Asia & Pacific	Europe, Middle East & Africa	The Americas	China & East Asia	Total		
Net sales								
Net sales to outside customers	25,994	6,418	4,518	2,081	1,851	40,864	-	40,864
Inter-segment net sales or transfers	3,702	123	20	13	27	3,887	(3,887)	-
<b>Total</b>	<b>29,696</b>	<b>6,542</b>	<b>4,539</b>	<b>2,094</b>	<b>1,878</b>	<b>44,751</b>	<b>(3,887)</b>	<b>40,864</b>
Segment profit (Operating profit)	5,541	1,133	580	127	172	7,555	(5,395)	2,159
Segment assets	33,772	4,358	5,855	1,795	2,951	48,732	11,955	60,688
Other items								
Depreciation	795	103	117	17	57	1,090	284	1,375
Amortization of goodwill	-	31	6	-	-	37	-	37
Increase in property, plant and equipment and intangible assets	378	50	27	8	68	533	588	1,122

- (Notes) 1. The adjustment for segment profit of negative ¥5,395 million includes elimination of inter-segment transactions of negative ¥33 million and corporate expenses in the amount of negative ¥5,362 million not allocated to the reportable segments. The relevant corporate expenses are mainly costs relating to the headquarters divisions which are not attributable to a reportable segment.
2. Segment profit has been adjusted with operating profit in the consolidated statements of income.
  3. The adjustment for segment assets of ¥11,955 million includes elimination of inter-segment transactions of negative ¥688 million and corporate assets in the amount of ¥12,644 million not previously allocated to the reportable segments. The relevant corporate assets mainly comprise the Company's long-term investment funds (investment securities) and assets related to the headquarters divisions.
  4. The adjustment for depreciation of ¥284 million is mainly depreciation related to the headquarters divisions.
  5. The adjustment for increase in property, plant and equipment and intangible assets of ¥588 million is mainly investment related to the headquarters divisions.
  6. Changes in reportable segments, etc.

The Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the fiscal year ended March 31, 2022. The method used to calculate the profit (loss) for each business segment has been altered in accordance with this change in the accounting treatment related to revenue recognition.

Pursuant to this change, in the fiscal year ended March 31, 2022, net sales and segment profit for the Japan segment were ¥42 million lower and ¥70 million higher, respectively, than when calculated using the previous method.

#### 4. Non-consolidated Financial Statements

##### (1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,535	7,796
Notes receivable - trade	1,939	1,967
Accounts receivable - trade	4,939	4,746
Contract assets	-	66
Finished goods	2,364	2,886
Work in process	107	6
Raw materials and supplies	253	280
Prepaid expenses	143	168
Other	226	344
Allowance for doubtful accounts	(30)	(35)
<b>Total current assets</b>	<b>17,480</b>	<b>18,228</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	4,799	4,628
Structures, net	343	316
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	406	306
Land	2,217	2,217
Leased assets, net	6	9
Construction in progress	12	5
<b>Total property, plant and equipment</b>	<b>7,786</b>	<b>7,483</b>
Intangible assets		
Software	542	474
Software in progress	52	497
Leased assets	35	27
Other	59	53
<b>Total intangible assets</b>	<b>689</b>	<b>1,053</b>
Investments and other assets		
Investment securities	9,071	7,227
Shares of subsidiaries and associates	4,949	4,949
Investments in capital of subsidiaries and associates	670	678
Other	297	281
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>14,988</b>	<b>13,136</b>
<b>Total non-current assets</b>	<b>23,464</b>	<b>21,673</b>
<b>Total assets</b>	<b>40,944</b>	<b>39,901</b>

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,443	1,681
Lease liabilities	10	11
Accounts payable - other	414	646
Income taxes payable	101	201
Accrued expenses	340	324
Provision for product warranties	-	56
Other	450	270
Total current liabilities	2,762	3,193
Non-current liabilities		
Lease liabilities	30	25
Provision for retirement benefits	2,075	1,980
Deferred tax liabilities	1,524	998
Other	596	571
Total non-current liabilities	4,228	3,575
<b>Total liabilities</b>	<b>6,990</b>	<b>6,768</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	15	20
Total capital surplus	6,824	6,829
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	13,901	14,339
Total retained earnings	17,511	17,949
Treasury shares	(1,370)	(1,352)
Total shareholders' equity	28,245	28,706
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,708	4,426
Total valuation and translation adjustments	5,708	4,426
<b>Total net assets</b>	<b>33,953</b>	<b>33,132</b>
<b>Total liabilities and net assets</b>	<b>40,944</b>	<b>39,901</b>

## (2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	28,629	28,691
Cost of sales	17,537	17,869
Gross profit	11,092	10,821
Selling, general and administrative expenses	10,108	10,054
Operating profit	983	766
Non-operating income		
Interest and dividend income	417	496
Foreign exchange gains	-	104
Miscellaneous income	60	43
Total non-operating income	478	643
Non-operating expenses		
Interest expenses	7	5
Foreign exchange losses	0	-
Miscellaneous losses	5	7
Total non-operating expenses	13	13
Ordinary profit	1,448	1,397
Extraordinary income		
Gain on liquidation of subsidiaries and associates	-	17
Total extraordinary income	-	17
Extraordinary losses		
Dismantlement expenses	11	-
Total extraordinary losses	11	-
Profit before income taxes	1,437	1,414
Income taxes - current	242	268
Income taxes - deferred	127	41
Total income taxes	370	310
Profit	1,067	1,104

## (3) Non-consolidated Statements of Changes in Net Assets

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	5,279	6,808	13	6,822	679	2,930	13,701	17,311
Cumulative effects of changes in accounting policies								-
Restated balance	5,279	6,808	13	6,822	679	2,930	13,701	17,311
Changes during period								
Dividends of surplus							(867)	(867)
Profit							1,067	1,067
Purchase of treasury shares								
Disposal of treasury shares			2	2				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	2	2	-	-	200	200
Balance at end of period	5,279	6,808	15	6,824	679	2,930	13,901	17,511

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(385)	29,027	3,682	3,682	32,709
Cumulative effects of changes in accounting policies					-
Restated balance	(385)	29,027	3,682	3,682	32,079
Changes during period					
Dividends of surplus		(867)			(867)
Profit		1,067			1,067
Purchase of treasury shares	(1,005)	(1,005)			(1,005)
Disposal of treasury shares	20	22			22
Net changes in items other than shareholders' equity			2,026	2,026	2,026
Total changes during period	(984)	(782)	2,026	2,026	1,244
Balance at end of period	(1,370)	28,245	5,708	5,708	33,953

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity							
	Share capital	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	
Balance at beginning of period	5,279	6,808	15	6,824	679	2,930	13,901	17,511
Cumulative effects of changes in accounting policies							(15)	(15)
Restated balance	5,279	6,808	15	6,824	679	2,930	13,885	17,495
Changes during period								
Dividends of surplus							(650)	(650)
Profit							1,104	1,104
Purchase of treasury shares								
Disposal of treasury shares			4	4				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	4	4	-	-	453	453
Balance at end of period	5,279	6,808	20	6,829	679	2,930	14,339	17,949

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(1,370)	28,245	5,708	5,708	33,953
Cumulative effects of changes in accounting policies		(15)			(15)
Restated balance	(1,370)	28,229	5,708	5,708	33,938
Changes during period					
Dividends of surplus		(650)			(650)
Profit		1,104			1,104
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	17	22			22
Net changes in items other than shareholders' equity			(1,281)	(1,281)	(1,281)
Total changes during period	17	476	(1,281)	(1,281)	(805)
Balance at end of period	(1,352)	28,706	4,426	4,426	33,132