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May 2, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: TOA Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 6809
 URL: <https://www.toa-global.com/en>
 Representative: TAKEUCHI Kazuhiro, President, CEO
 Inquiries: YOSHIDA Keigo, General Manager of Accounting & Financial Department
 Telephone: +81-78-303-5620
 Scheduled date of Ordinary General Shareholders' Meeting: June 21, 2023
 Scheduled date to commence dividend payments: June 22, 2023
 Scheduled date to file annual securities report: June 21, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	45,123	10.4	1,713	(20.7)	2,104	(12.6)	1,765	20.4
March 31, 2022	40,864	0.7	2,159	(5.8)	2,407	(5.9)	1,466	(8.1)

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥3,255 million [123.3%]
 For the fiscal year ended March 31, 2022: ¥1,457 million [(60.7)%]

	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	54.51	—	3.9	3.4	3.8
March 31, 2022	45.08	—	3.3	4.0	5.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: ¥1 million
 For the fiscal year ended March 31, 2022: ¥(1) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	64,101	48,764	72.1	1,437.61
March 31, 2022	60,688	46,939	73.7	1,374.07

Reference: Equity
 As of March 31, 2023: ¥46,242 million
 As of March 31, 2022: ¥44,720 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	583	(2,787)	(1,442)	14,399
March 31, 2022	1,632	(752)	(458)	17,264

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	10.00	–	10.00	20.00	650	44.4	1.5
Fiscal year ended March 31, 2023	–	20.00	–	20.00	40.00	1,294	73.4	2.8
Fiscal year ending March 31, 2024 (Forecast)	–	20.00	–	20.00	40.00		83.0	

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

Breakdown of the dividends for the fiscal year ended March 31, 2023: Stable dividend ¥40

Dividends for the fiscal year ending March 31, 2024 (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 stated in “(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 5

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	48,000	6.4	2,500	45.9	2,600	23.5	1,550	(12.2)	48.19

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of March 31, 2023	34,136,635 shares
As of March 31, 2022	34,536,635 shares

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

As of March 31, 2023	1,970,633 shares
As of March 31, 2022	1,990,647 shares

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

Fiscal year ended March 31, 2023	32,394,969 shares
Fiscal year ended March 31, 2022	32,537,233 shares

[Reference] Overview 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

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	31,412	9.5	614	(19.8)	1,358	(2.8)	2,099	90.1
March 31, 2022	28,691	0.2	766	(22.0)	1,397	(3.6)	1,104	3.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	64.81	—
March 31, 2022	33.94	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	41,167	33,975	82.5	1,056.25
March 31, 2022	39,901	33,132	83.0	1,018.04

Reference: Equity

As of March 31, 2023: ¥33,975 million
As of March 31, 2022: ¥33,132 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

- 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, 2023. 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, 2023, in the environment surrounding TOA Corporation (hereinafter “the Company”) and its subsidiaries (collectively, the “Group”), the normalization of social and economic activities proceeded, partly due to the easing of movement restrictions during the COVID-19 pandemic and the recovery in inbound demand, leading to the growth of capital investment demand in Japan. Meanwhile, concerns over soaring costs of raw materials and components such as crude oil, natural gas, steel, and semiconductors, rises in shipping costs, and rising geopolitical risk, primarily related to prolongation of the situation in Ukraine, as well as rapid fluctuations in foreign exchange markets and other factors mean that the outlook for the global economy still continues to be uncertain.

In such an environment, in order to achieve “Smiles for the Public,” which is our corporate value, we have set forth our management vision targeting 2030, “Dr. Sound—becoming a professional organization that improves sound in society.” We aim to create the value of reassurance, reliability, and emotion as a reliable partner that realizes, along with our customers, a cycle of identifying, solving, and improving social issues through the continuous provision of “good sound experiences” that customers choose.

Specifically, in order to establish a “connected business” that provides value at various points of contact with customers, in addition to offering a “Remote Maintenance Service” that supports stable operation of broadcasting through early response to equipment malfunctions and centralized management of facilities, we have expanded and launched the “IP Audio Series,” which can be linked to various systems on a network and perform automatic broadcasting linked to IoT sensors and AI cameras. For large commercial facilities, we also conduct initiatives for sound improvement and spatial design to engage each individual customer’s five senses with our “audio” based approach, which is aimed at providing new value. Furthermore, we will deepen cooperation with local government entities and different industries, and contribute to the realization of sustainable society through demonstration test projects using audio and video, with a focus on such issues as regional revitalization and safe and secure urban development.

We also launched operations of an IT system platform to improve the efficiency of our marketing activities in five regions around the world, as part of our initiatives to achieve higher user satisfaction through services tailored to each market environment. As a new initiative, we held a virtual online exhibition under the main theme “Tsunagaru—connect—” to provide various contents in a metaverse venue, such as introducing solutions that help improve environments and achieve the safety and security of people in education, factories and offices.

To address soaring costs of raw materials and an increase in shipping costs in Japan and overseas, we revised our product prices.

As a result, net sales during the fiscal year ended March 31, 2023 were ¥45,123 million (up ¥4,258 million, or 10.4%, year on year). Profit suffered from soaring costs of raw materials and an increase in shipping costs and other operating expenses. Operating profit was ¥1,713 million (down ¥446 million, or 20.7%, year on year), ordinary profit was ¥2,104 million (down ¥303 million, or 12.6%, year on year), and profit attributable to owners of parent was ¥1,765 million (up ¥299 million, or 20.4%, year on year), partly as a result of gain on sale of land.

Performance by segment is as follows.

(Japan)

Net sales amounted to ¥26,827 million (up ¥832 million, or 3.2%, year on year), and segment profit (operating profit) was ¥5,295 million (down ¥245 million, or 4.4%, year on year).

Sales of products for railway cars, transport market, warehouses, distribution centers and commercial facilities grew, and net sales of the entire segment increased.

Net sales increased, but segment profit decreased due to soaring costs of raw materials and an increase in shipping costs and other operating expenses.

(Asia & Pacific)

Net sales amounted to ¥8,368 million (up ¥1,949 million, or 30.4%, year on year), and segment profit (operating profit) was ¥1,446 million (up ¥312 million, or 27.6%, year on year).

In the Islamic world, sales to the religious market grew as a result of efforts to capture demand related to Ramadan, etc. In addition, progress was made on deliveries to conference centers and sports facilities in Indonesia, on deliveries to commercial facilities in Malaysia, and on deliveries to government agencies in Vietnam. As a result, net sales for the entire segment increased, and segment profit rose.

(Europe, Middle East & Africa)

Net sales amounted to ¥5,468 million (up ¥949 million, or 21.0%, year on year), and segment profit (operating profit) was ¥550 million (down ¥30 million, or 5.2%, year on year).

In the United Kingdom, net sales increased due to market recovery and progress made on deliveries to office building complexes. Sales grew in Africa and the Middle East, including progress on deliveries to commercial facilities in South Africa and religious facilities in Saudi Arabia, causing net sales for the entire segment to increase.

Although net sales increased, the increase in operating expenses caused segment profit to decrease.

(The Americas)

Net sales amounted to ¥2,536 million (up ¥454 million, or 21.8%, year on year), and segment profit (operating profit) was ¥53 million (down ¥74 million, or 58.0%, year on year).

As sales to commercial facilities in the United States and the educational market in Canada were solid, net sales for the entire segment increased.

Although net sales increased, the increase in operating expenses caused segment profit to decrease.

(China & East Asia)

Net sales amounted to ¥1,922 million (up ¥71 million, or 3.9%, year on year), and segment profit (operating profit) was ¥135 million (down ¥36 million, or 21.2%, year on year).

Progress was made on deliveries to major sports facilities and factories, particularly for semiconductors, in Taiwan, and on deliveries to hospitals in Hong Kong. As a result of these and other factors, sales increased. In China, progress was made on deliveries to factories, but sales decreased owing largely to the impact of lockdowns in Shanghai. Net sales for the entire segment increased, partly as a result of the impact of currency fluctuations.

Although net sales increased, the increase in operating expenses caused segment profit to decrease.

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

Total assets at the end of the fiscal year ended March 31, 2023 increased ¥3,412 million from the end of the previous fiscal year to ¥64,101 million. Assets increased due mainly to an increase in inventories and an increase in trade receivables, etc. Liabilities and net assets increased due mainly to an increase in short-term borrowings and an increase in foreign currency translation adjustment.

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

At the end of the fiscal year ended March 31, 2023, cash and cash equivalents (hereinafter “net cash”) decreased by ¥2,865 million from the end of the previous fiscal year to ¥14,399 million. Net cash provided by operating activities amounted to ¥583 million, net cash used in investing activities amounted to ¥2,787 million, and net cash used in financing activities amounted to ¥1,442 million. Net cash also decreased due to the effect of exchange rate change on net cash. 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 ¥583 million. This was mainly attributable to profit before income taxes of ¥2,627 million, despite factors such as an increase of ¥1,438 million in inventories and an increase of ¥838 million in trade receivables.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,787 million. This was mainly attributable to ¥1,790 million of payments into and withdrawal of time deposits and ¥1,402 million of purchase of non-current assets such as information infrastructure and production facilities, despite ¥490 million in proceeds from sale of land.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,442 million. This was mainly attributable to ¥975 million of dividends paid, ¥411 million of repayments of finance lease liabilities and ¥313 million of purchase of treasury shares.

(4) Future Outlook

From the previous fiscal year, the Company started activities to realize its 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 have designated the fiscal years ended March 31, 2022 and 2023, as a phase to boost our profitability and competitiveness by transforming into an organization able to adapt to the accelerating speed of environmental change, as well as to build a foothold on a new platform for growth. We have been proceeding with the pursuit and creation of new values for sound that will strengthen our organization and 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 and strengthen our revenue base for our accelerating growth through the pursuit and creation of new growth areas. To accelerate such collective efforts, we focus on promoting digital shift and nurturing human resources and take the following corresponding initiatives.

In promoting digital shift, we have strengthened ties with customers, stimulated internal communication and developed digital tools that speed up decision-making. We also have captured demand by offering proposals in a timely manner using stored data and have invested in creating new businesses. Starting the fiscal year ending March 31, 2024, we will use the introduced infrastructure, create demand through digital marketing, and use digital tools to improve sales activity quality and sales activity efficiency and streamline the entire supply chain using data. Regarding products, we will also enhance ones that expand network-based interactive communication.

In nurturing human resources, we have worked on building confidence through active dialogues, allocating human resources and establishing a system to maximize diversity, and creating an

environment where employees can work with peace of mind. By developing human resources that can utilize digital technology, we will strive to improve our added value and productivity.

Due to the above, at present, our performance forecasts for the fiscal year ending March 31, 2024, are: Net sales of ¥48,000 million, operating profit of ¥2,500 million, ordinary profit of ¥2,600 million, and profit attributable to owners of parent of ¥1,550 million.

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

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

Regarding the distribution of profits, we try to improve stable dividends in compliance with the financial rules while aiming for sustainable growth and investing more in businesses as a basic policy. We plan to maintain an annual dividend of ¥40 per share (interim dividend of ¥20 and year-end dividend of ¥20) and, based on business performance, determine the amount by taking the consolidated dividend payout ratio of 45% as a guide.

For the fiscal year ended March 31, 2023, we plan to pay an annual dividend of ¥40 per share (stable annual dividend of ¥40), which includes the interim dividend of ¥20 per share already paid. A dividend per share for the fiscal year ending March 31, 2024 will be determined based on a stable annual dividend of ¥40 per share (interim dividend of ¥20 and year-end dividend of ¥20) while taking into account the performance, aiming at a consolidated dividend payout ratio guide of 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 Group plans to continue adopting Japanese GAAP in the preparation of its consolidated financial statements.

With regard to the adoption of International Financial Reporting Standards (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 Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	17,910	16,938
Notes receivable - trade	2,143	2,062
Accounts receivable - trade	6,276	7,626
Contract assets	729	533
Merchandise and finished goods	6,931	8,423
Work in process	973	827
Raw materials and supplies	4,718	5,542
Other	804	979
Allowance for doubtful accounts	(77)	(81)
Total current assets	40,410	42,853
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,775	11,126
Accumulated depreciation	(4,584)	(4,955)
Buildings and structures, net	6,190	6,170
Machinery, equipment and vehicles	1,919	2,150
Accumulated depreciation	(1,508)	(1,733)
Machinery, equipment and vehicles, net	410	416
Tools, furniture and fixtures	3,961	4,161
Accumulated depreciation	(3,478)	(3,623)
Tools, furniture and fixtures, net	483	537
Land	2,471	2,458
Leased assets	1,541	2,024
Accumulated depreciation	(830)	(923)
Leased assets, net	711	1,100
Construction in progress	18	8
Total property, plant and equipment	10,287	10,693
Intangible assets		
Goodwill	450	470
Software	577	1,123
Software in progress	497	106
Other	184	158
Total intangible assets	1,709	1,859
Investments and other assets		
Investment securities	7,230	7,256
Deferred tax assets	292	402
Retirement benefit asset	–	385
Other	758	650
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	8,280	8,694
Total non-current assets	20,277	21,247
Total assets	60,688	64,101

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,827	3,483
Short-term borrowings	2,161	2,706
Lease liabilities	316	354
Income taxes payable	384	641
Provision for bonuses	94	188
Provision for product warranties	93	170
Other	2,187	2,250
Total current liabilities	9,065	9,796
Non-current liabilities		
Lease liabilities	436	784
Deferred tax liabilities	975	872
Retirement benefit liability	2,558	3,120
Other	712	761
Total non-current liabilities	4,683	5,539
Total liabilities	13,749	15,336
Net assets		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus	5,065	5,045
Retained earnings	31,618	32,152
Treasury shares	(1,352)	(1,373)
Total shareholders' equity	40,611	41,103
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,426	4,444
Foreign currency translation adjustment	(306)	865
Remeasurements of defined benefit plans	(12)	(171)
Total accumulated other comprehensive income	4,108	5,138
Non-controlling interests	2,219	2,522
Total net assets	46,939	48,764
Total liabilities and net assets	60,688	64,101

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	40,864	45,123
Cost of sales	23,485	26,967
Gross profit	17,378	18,155
Selling, general and administrative expenses	15,218	16,442
Operating profit	2,159	1,713
Non-operating income		
Interest income	30	34
Dividend income	103	112
Foreign exchange gains	65	158
Insurance claim and dividend income	26	27
Share of profit of entities accounted for using equity method	–	1
Other	78	149
Total non-operating income	305	484
Non-operating expenses		
Interest expenses	40	61
Share of loss of entities accounted for using equity method	1	–
Loss on retirement of non-current assets	4	22
Other	10	8
Total non-operating expenses	57	93
Ordinary profit	2,407	2,104
Extraordinary income		
Gain on sale of land	–	522
Gain on reversal of foreign currency translation adjustment	19	–
Total extraordinary income	19	522
Profit before income taxes	2,427	2,627
Income taxes - current	647	812
Income taxes - deferred	119	(144)
Total income taxes	766	667
Profit	1,660	1,959
Profit attributable to non-controlling interests	193	193
Profit attributable to owners of parent	1,466	1,765

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,660	1,959
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,281)	17
Foreign currency translation adjustment	1,176	1,425
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Remeasurements of defined benefit plans, net of tax	(98)	(147)
Total other comprehensive income	(203)	1,295
Comprehensive income	1,457	3,255
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	963	2,796
Comprehensive income attributable to non-controlling interests	494	459

(3) Consolidated statement of changes in net assets

For the 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	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
Cancellation of treasury shares					-
Transfer of the negative balance of other capital surplus					-
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
Cancellation of treasury shares						-
Transfer of the negative balance of other capital surplus						-
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

For the 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	5,279	5,065	31,618	(1,352)	40,611
Cumulative effects of changes in accounting policies					–
Restated balance	5,279	5,065	31,618	(1,352)	40,611
Changes during period					
Dividends of surplus			(976)		(976)
Profit attributable to owners of parent			1,765		1,765
Purchase of treasury shares				(313)	(313)
Disposal of treasury shares		2		13	15
Cancellation of treasury shares		(278)		278	–
Transfer of the negative balance of other capital surplus		255	(255)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(20)	533	(20)	491
Balance at end of period	5,279	5,045	32,152	(1,373)	41,103

	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	4,426	(306)	(12)	4,108	2,219	46,939
Cumulative effects of changes in accounting policies						–
Restated balance	4,426	(306)	(12)	4,108	2,219	46,939
Changes during period						
Dividends of surplus						(976)
Profit attributable to owners of parent						1,765
Purchase of treasury shares						(313)
Disposal of treasury shares						15
Cancellation of treasury shares						–
Transfer of the negative balance of other capital surplus						–
Net changes in items other than shareholders' equity	17	1,171	(158)	1,030	303	1,333
Total changes during period	17	1,171	(158)	1,030	303	1,825
Balance at end of period	4,444	865	(171)	5,138	2,522	48,764

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,427	2,627
Depreciation	1,375	1,496
Decrease (increase) in retirement benefit asset	3	(385)
Increase (decrease) in retirement benefit liability	(122)	301
Interest and dividend income	(134)	(147)
Foreign exchange losses (gains)	81	(97)
Share of loss (profit) of entities accounted for using equity method	1	(1)
Interest expenses	40	61
Gain on reversal of foreign currency translation adjustment	(19)	–
Loss (gain) on sale of land	–	(522)
Decrease (increase) in trade receivables	636	(838)
Decrease (increase) in inventories	(2,762)	(1,438)
Increase (decrease) in trade payables	1,002	(459)
Increase (decrease) in accounts payable - other	(366)	55
Other, net	(68)	702
Subtotal	2,093	1,353
Interest and dividends received	134	141
Interest paid	(39)	(64)
Income taxes refund (paid)	(556)	(847)
Net cash provided by (used in) operating activities	1,632	583
Cash flows from investing activities		
Payments into time deposits	(1,295)	(2,456)
Proceeds from withdrawal of time deposits	1,267	666
Purchase of property, plant and equipment	(237)	(698)
Proceeds from sale of property, plant and equipment	60	490
Purchase of intangible assets	(528)	(704)
Other, net	(18)	(84)
Net cash provided by (used in) investing activities	(752)	(2,787)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	812	409
Purchase of treasury shares	(0)	(313)
Repayments of finance lease liabilities	(378)	(411)
Dividends paid	(649)	(975)
Dividends paid to non-controlling interests	(99)	(151)
Repayments to non-controlling shareholders	(142)	–
Net cash provided by (used in) financing activities	(458)	(1,442)
Effect of exchange rate change on cash and cash equivalents	574	780
Net increase (decrease) in cash and cash equivalents	996	(2,865)
Cash and cash equivalents at beginning of period	16,268	17,264
Cash and cash equivalents at end of period	17,264	14,399

(5) Notes to the Consolidated Financial Statements
(Notes on going concern assumption)

There is no relevant information.

(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 by 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 net sales, profit (loss), assets and other items by reportable segment

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segment						Adjustment (Note)	Amount recorded in 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)	–
Total	29,696	6,542	4,539	2,094	1,878	44,751	(3,887)	40,864
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 previously

- 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 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.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment						Adjustment (Note)	Amount recorded in Consolidated Financial Statements
	Japan	Asia & Pacific	Europe, Middle East & Africa	The Americas	China & East Asia	Total		
Net sales								
Net sales to outside customers	26,827	8,368	5,468	2,536	1,922	45,123	–	45,123
Inter-segment net sales or transfers	4,865	142	23	16	31	5,078	(5,078)	–
Total	31,692	8,511	5,491	2,552	1,953	50,201	(5,078)	45,123
Segment profit (Operating profit)	5,295	1,446	550	53	135	7,481	(5,768)	1,713
Segment assets	36,385	5,446	6,747	2,186	3,125	53,891	10,209	64,101
Other items								
Depreciation	836	123	115	19	67	1,163	333	1,496
Amortization of goodwill	–	37	6	–	–	44	–	44
Increase in property, plant and equipment and intangible assets	932	181	195	1	67	1,379	490	1,870

- (Notes)
1. The adjustment for segment profit of negative ¥5,768 million includes elimination of inter-segment transactions of negative ¥108 million and corporate expenses in the amount of negative ¥5,660 million not previously 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 consolidated statements of income.
 3. The adjustment for segment assets of ¥10,209 million includes elimination of inter-segment transactions of negative ¥763 million and corporate assets in the amount of ¥10,973 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 ¥333 million is mainly depreciation related to the headquarters divisions.
 5. The adjustment for increase in property, plant and equipment and intangible assets of ¥490 million is mainly investment related to the headquarters divisions.

(Per share information)

(Yen)

	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	1,374.07	1,437.61
Basic earnings per share	45.08	54.51

(Notes) 1. Diluted earnings per share are not presented since there are no potential shares.

2. The basis for calculation of basic earnings per share is as follows:

Item	For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	1,466	1,765
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	1,466	1,765
Average number of common shares outstanding during the period (Shares)	32,537,233	32,394,969

(Important subsequent events)

There is no relevant information.

4. Non-consolidated Financial Statements

(1) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,796	6,227
Notes receivable - trade	1,967	1,952
Accounts receivable - trade	4,746	5,658
Contract assets	66	6
Finished goods	2,886	3,553
Work in process	6	12
Raw materials and supplies	280	302
Prepaid expenses	168	151
Other	344	1,300
Allowance for doubtful accounts	(35)	(37)
Total current assets	18,228	19,128
Non-current assets		
Property, plant and equipment		
Buildings, net	4,628	4,496
Structures, net	316	290
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	306	319
Land	2,217	2,199
Leased assets, net	9	12
Construction in progress	5	–
Total property, plant and equipment	7,483	7,317
Intangible assets		
Software	474	1,058
Software in progress	497	93
Leased assets	27	19
Other	53	48
Total intangible assets	1,053	1,220
Investments and other assets		
Investment securities	7,227	7,253
Shares of subsidiaries and associates	4,949	4,949
Investments in capital of subsidiaries and associates	678	678
Prepaid pension costs	–	385
Other	281	232
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	13,136	13,499
Total non-current assets	21,673	22,038
Total assets	39,901	41,167

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,681	1,651
Lease liabilities	11	11
Accounts payable - other	646	524
Income taxes payable	201	517
Accrued expenses	324	315
Provision for product warranties	56	69
Other	270	172
Total current liabilities	3,193	3,263
Non-current liabilities		
Lease liabilities	25	20
Provision for retirement benefits	1,980	2,256
Deferred tax liabilities	998	1,063
Other	571	587
Total non-current liabilities	3,575	3,927
Total liabilities	6,768	7,191
Net assets		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	20	-
Total capital surplus	6,829	6,808
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	14,339	15,206
Total retained earnings	17,949	18,816
Treasury shares	(1,352)	(1,373)
Total shareholders' equity	28,706	29,531
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,426	4,444
Total valuation and translation adjustments	4,426	4,444
Total net assets	33,132	33,975
Total liabilities and net assets	39,901	41,167

(2) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	28,691	31,412
Cost of sales	17,869	20,614
Gross profit	10,821	10,797
Selling, general and administrative expenses	10,054	10,182
Operating profit	766	614
Non-operating income		
Interest and dividend income	496	505
Foreign exchange gains	104	207
Miscellaneous income	43	39
Total non-operating income	643	752
Non-operating expenses		
Interest expenses	5	5
Miscellaneous losses	7	4
Total non-operating expenses	13	9
Ordinary profit	1,397	1,358
Extraordinary income		
Gain on sale of land	–	522
Adjustment from transfer pricing taxation	–	880
Gain on liquidation of subsidiaries and associates	17	–
Total extraordinary income	17	1,403
Profit before income taxes	1,414	2,761
Income taxes - current	268	385
Income taxes for prior periods	–	220
Income taxes - deferred	41	56
Total income taxes	310	662
Profit	1,104	2,099

(3) Non-consolidated statement of changes in net assets

For the 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			
		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				
Cancellation of treasury shares								
Transfer of the negative balance of other capital surplus								
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

(Millions of 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
Cancellation of treasury shares					
Transfer of the negative balance of other capital surplus					
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

For the 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			
		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	20	6,829	679	2,930	14,339	17,949
Cumulative effects of changes in accounting policies								-
Restated balance	5,279	6,808	20	6,829	679	2,930	14,339	17,949
Changes during period								
Dividends of surplus							(976)	(976)
Profit							2,099	2,099
Purchase of treasury shares								
Disposal of treasury shares			2	2				
Cancellation of treasury shares			(278)	(278)				
Transfer of the negative balance of other capital surplus			255	255			(255)	(255)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(20)	(20)	-	-	867	867
Balance at end of period	5,279	6,808	-	6,808	679	2,930	15,206	18,816

(Millions of 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	(1,352)	28,706	4,426	4,426	33,132
Cumulative effects of changes in accounting policies		–			–
Restated balance	(1,352)	28,706	4,426	4,426	33,132
Changes during period					
Dividends of surplus		(976)			(976)
Profit		2,099			2,099
Purchase of treasury shares	(313)	(313)			(313)
Disposal of treasury shares	13	15			15
Cancellation of treasury shares	278	–			–
Transfer of the negative balance of other capital surplus		–			–
Net changes in items other than shareholders' equity			17	17	17
Total changes during period	(20)	825	17	17	842
Balance at end of period	(1,373)	29,531	4,444	4,444	33,975