

Financial Information

YKK Group Consolidated Financial Information

Consolidated Balance Sheet

(Millions of yen)

	Prior Fiscal Year (Ended March 31, 2022)	Current Fiscal Year (Ended March 31, 2023)
Assets		
Current assets		
Cash and deposits	266,275	298,450
Notes, accounts receivable, and contract assets	196,130	209,407
Securities	4,218	4,162
Inventories	165,982	191,805
Other	35,600	31,290
Allowance for doubtful accounts	(2,506)	(2,462)
Total current assets	665,701	732,655
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	467,459	481,114
Accumulated depreciation	(314,735)	(330,814)
Buildings and structures, net	152,724	150,299
Machinery, equipment and vehicles	681,971	715,462
Accumulated depreciation	(546,286)	(581,506)
Machinery, equipment and vehicles, net	135,685	133,955
Land	64,833	65,670
Construction in progress	14,765	22,718
Other	124,268	134,067
Accumulated depreciation	(95,035)	(101,682)
Other, net	29,232	32,384
Total property, plant and equipment	397,242	405,029
Intangible assets	26,453	26,783
Investments and other assets:		
Investment securities	35,933	24,235
Deferred tax assets	15,132	15,732
Other	17,452	18,196
Allowance for doubtful accounts	(974)	(1,047)
Total investments and other assets	67,544	57,115
Total noncurrent assets	491,239	488,927
Total assets	1,156,941	1,221,583

Consolidated Balance Sheet

(Millions of yen)

	Prior Fiscal Year (Ended March 31, 2022)	Current Fiscal Year (Ended March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	76,507	80,219
Short-term borrowings	4,677	5,086
Current portion of long-term loans payable	6	7
Bonds scheduled for redemption within one year	-	10,000
Income taxes payable	6,524	5,469
Provision for bonuses	18,973	17,945
Deposits received from employees	36,707	37,114
Other	69,210	70,731
Total current liabilities	212,606	226,574
Noncurrent liabilities		
Corporate bonds	10,000	-
Long-term borrowings	2,027	2,066
Deferred tax liabilities	7,318	4,232
Retirement benefit liabilities	73,003	61,223
Provision for directors' retirement benefits	509	492
Other	14,212	20,703
Total noncurrent liabilities	107,071	88,718
Total liabilities	319,677	315,292
Net assets		
Shareholders' equity		
Capital stock	11,992	11,992
Capital surplus	35,364	35,390
Retained earnings	761,048	795,861
Treasury stock	(20)	(23)
Total shareholders' equity	808,384	843,220
Accumulated other comprehensive income		
Valuation difference on other securities	13,619	5,822
Deferred gains/losses on hedges	2,872	1,767
Foreign currency translation adjustment	24,086	51,059
Remeasurements of defined benefit plans	(31,306)	(16,298)
Total accumulated other comprehensive income	9,270	42,350
Non-controlling interests	19,608	20,719
Total net assets	837,264	906,290
Total liabilities and net assets	1,156,941	1,221,583

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Net sales	797,019	893,226
Cost of sales	518,713	597,301
Gross profit	278,305	295,924
Selling, general and administrative expenses	218,144	239,962
Operating income	60,161	55,962
Non-operating income		
Interest income	1,765	3,410
Dividends income	656	692
Foreign exchange gains	1,072	3,512
Miscellaneous income	3,290	4,219
Total non-operating income	6,784	11,835
Non-operating expenses		
Interest expenses	837	848
Losses on net monetary position	–	2,093
Miscellaneous loss	2,144	4,165
Total non-operating expenses	2,981	7,108
Ordinary income	63,964	60,689
Extraordinary income		
Gain on sales of noncurrent assets	286	2,244
Insurance proceeds	–	872
Other	4	49
Total extraordinary income	290	3,166
Extraordinary loss		
Loss on sale of noncurrent assets	21	35
Loss on retirement of noncurrent assets	2,425	1,191
Loss on valuation of investment securities	533	1,044
Losses from disasters	590	1,037
Costs of environmental measures	–	2,111
Provision for product recalls	–	1,400
Other	1,163	534
Total extraordinary loss	4,734	7,354
Income before income taxes and non-controlling interests	59,520	56,502
Income taxes-current	16,231	18,565
Income taxes-deferred	(1,882)	(1,106)
Total income taxes	14,348	17,459
Net income	45,172	39,042
Net income attributable to non-controlling interests	1,074	1,113
Net income attributable to owners of parent	44,097	37,929

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Net income	45,172	39,042
Other comprehensive income		
Valuation difference on other securities	7,012	(7,797)
Deferred gains/losses on hedges	1,912	(1,104)
Foreign currency translation adjustment	49,555	27,705
Adjustment for retirement benefits	1,409	15,081
Total other comprehensive income	59,889	33,885
Comprehensive income	105,061	72,928
Comprehensive income attributable to		
Owners of the parent	102,178	71,008
Non-controlling interests	2,882	1,919

Consolidated statement of changes in shareholders' equity

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,992	35,360	719,828	(18)	767,162
Changes in items during the period					
Dividends from surplus			(2,877)		(2,877)
Net income attributable to owners of parent			44,097		44,097
Purchase of treasury stock				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes in items other than shareholders' equity					–
Total changes in items during the period	–	3	41,220	(2)	41,222
Balance at the end of current period	11,992	35,364	761,048	(20)	808,384

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Cumulative reconciliation amount for retirement benefits	Total accumulated other comprehensive income Total		
Balance at the beginning of current period	6,607	959	(23,768)	(32,608)	(48,809)	17,174	735,527
Changes in items during the period							
Dividends from surplus					–		(2,877)
Net income attributable to owners of parent					–		44,097
Purchase of treasury stock					–		(2)
Change in ownership interest of parent due to transactions with non-controlling interests					–		3
Net changes in items other than shareholders' equity	7,012	1,912	47,855	1,301	58,080	2,433	60,514
Total changes in items during the period	7,012	1,912	47,855	1,301	58,080	2,433	101,736
Balance at the end of current period	13,619	2,872	24,086	(31,306)	9,270	19,608	837,264

Consolidated statement of changes in shareholders' equity

Current Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	11,992	35,364	761,048	(20)	808,384
Changes in items during the period					
Dividends from surplus			(3,117)		(3,117)
Net income attributable to owners of parent			37,929		37,929
Purchase of treasury stock				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests		26			26
Net changes in items other than shareholders' equity					–
Total changes in items during the period	–	26	34,812	(2)	34,835
Balance at the end of current period	11,992	35,390	795,861	(23)	843,220

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Cumulative reconciliation amount for retirement benefits	Total accumulated other comprehensive income Total		
Balance at the beginning of current period	13,619	2,872	24,086	(31,306)	9,270	19,608	837,264
Changes in items during the period							
Dividends from surplus					–		(3,117)
Net income attributable to owners of parent					–		37,929
Purchase of treasury stock					–		(2)
Change in ownership interest of parent due to transactions with non-controlling interests					–		26
Net changes in items other than shareholders' equity	(7,797)	(1,104)	26,972	15,008	33,079	1,110	34,189
Total changes in items during the period	(7,797)	(1,104)	26,972	15,008	33,079	1,110	69,025
Balance at the end of current period	5,822	1,767	51,059	(16,298)	42,350	20,719	906,290

Consolidated Statements of Cash Flows

(Millions of yen)

	Prior Fiscal Year (From April 1, 2021 to March 31, 2022)	Current Fiscal Year (From April 1, 2022 to March 31, 2023)
Net cash provided by (used in) operating activities		
Income before income taxes and non-controlling interests	59,520	56,502
Depreciation expenses	57,292	60,812
Increase (decrease) in allowance for doubtful accounts	(245)	(55)
Increase (decrease) in net defined benefit liabilities	2,511	3,116
Interest and dividends income	(2,421)	(4,103)
Interest expenses	837	848
Losses on net monetary position	–	2,093
Loss (gain) on valuation of investment securities	533	1,044
Costs of environmental measures	–	2,111
Loss on retirement of property, plant and equipment	742	616
Loss (gain) on sales of property, plant and equipment	(265)	(2,208)
Decrease (increase) in notes and accounts receivable - trade	(18,986)	(9,824)
Decrease (increase) in inventories	(24,846)	(20,925)
Increase (decrease) in notes and accounts payable - trade	12,929	3,074
Other	7,615	4,540
Subtotal	95,215	97,644
Interest and dividends income received	2,216	4,196
Interest expenses paid	(811)	(816)
Income taxes paid	(15,488)	(19,299)
Net cash provided by (used in) operating activities	81,132	81,724
Net cash provided by (used in) investing activities		
Net decrease (increase) in short-term loans receivable	(69)	21
Payments into time deposits	(6,541)	(7,676)
Proceeds from withdrawal of time deposits	6,073	2,717
Purchase of property, plant and equipment	(33,685)	(48,151)
Proceeds from sales of property, plant and equipment	903	3,591
Purchase of intangible assets	(3,936)	(5,057)
Purchase of investment securities	(306)	(460)
Payments from changes in ownership interests in subsidiaries that result in change in scope of consolidation	(1,520)	–
Purchase of shares of subsidiaries and affiliated companies using the equity method	–	(67)
Other	(1,330)	(782)
Net cash provided by (used in) investing activities	(40,414)	(55,864)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	162	349
Repayments of finance lease obligations	(2,447)	(3,476)
Proceeds from long-term loans payable	2,025	62
Repayments of long-term loans payable	(2,145)	(21)
Purchase of treasury stock	(2)	(2)
Cash dividends paid	(2,880)	(3,115)
Dividends paid to non-controlling interests	(490)	(797)
Other	–	(0)
Net cash provided by (used in) financing activities	(5,776)	(7,000)
Effect of exchange rate change on cash and cash equivalents	18,319	8,207
Net increase (decrease) in cash and cash equivalents	53,261	27,066
Cash and cash equivalents at the beginning of period	211,378	264,639
Cash and cash equivalents at the end of period	264,639	291,706

Notes to the Consolidated Financial Statements

Significant Accounting Policies

1. Scope of consolidation

Main consolidated subsidiaries are listed in "4. Overview of Affiliated Companies" under "1. Corporate Overview."

(1) Number of consolidated subsidiaries 106

Number of new consolidated subsidiaries 1

YKK AP Technologies Lab (NA) Inc.

The 106 consolidated subsidiaries also include YKK Holding Europe B.V. and YKK Netherland B.V.

(2) Number of unconsolidated subsidiaries 5

Name of major unconsolidated subsidiary:

Y2K HOLDINGS CORPORATION

The reason for exclusion from consolidation is as follows:

These companies have been excluded from consolidation because they are small, and their total assets, net sales, net income (amount equivalent to the equity portion held by the Company) and retained earnings (amount equivalent to the equity portion held by the Company) do not have a significant effect on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliated companies accounted for using the equity method 1

Number of new affiliated companies accounted for using the equity method 1

Evevo

(2) Number of companies not accounted for using the equity method 8

Unconsolidated subsidiaries: 5

Y2K HOLDINGS CORPORATION and others

Affiliated companies: 3

NIKAWA PORTAL CORPORATION and other

The reason for not applying the equity method is as follows:

These companies are not accounted for using the equity method because their impact is not significant on the consolidated financial statements in terms of their total net income (amount equivalent to the equity portion held by the Company) and retained earnings (amount equivalent to the equity portion held by the Company), and they are not significant as a whole.

3. Accounting period of consolidated subsidiaries

The fiscal year end of certain foreign consolidated subsidiaries, including SHANGHAI YKK ZIPPER CO., LTD., is December 31. These subsidiaries are consolidated using their financial statements as of the parent fiscal year end, which are prepared solely for consolidation purposes.

4. Matters regarding accounting policy

(1) Valuation standards and valuation methods for significant assets

a) Securities

1) Held-to-maturity debt securities

Held-to-maturity debt securities are carried at amortized cost (Straight-line).

2) Other securities

a. Securities other than shares that do not have a market value, etc.

Marketable securities are carried at fair value as of the consolidated fiscal year end, with changes in unrealized gains or losses included directly in net assets. Cost of securities sold is determined using the moving average method.

b. Shares that do not have market value, etc.

Non-marketable securities are carried at cost, which is determined using the moving average method.

The discount cash flow method is used for some consolidated subsidiaries.

b) Derivatives

Derivative financial instruments are stated at fair value.

c) Inventories

Inventories are mainly stated at cost based on the gross average method (the balance sheet amounts are determined including any required write-downs based on any decrease in profitability).

(2) Depreciation of assets

a) Property, plant and equipment (excluding leased assets):

Amortization is calculated using the straight-line method.

- The estimated useful lives are as follows:
- | | |
|---|--------------|
| Buildings and structures | 2 - 50 years |
| Machinery, equipment and vehicles | 2 - 15 years |
- b) Intangible assets (excluding leased assets):
 Amortization is calculated using the straight-line method.
 Software for internal use is amortized over a period of mainly 5 years using the straight-line method.
- c) Leased assets:
 Leased assets held under finance lease transactions, where ownership is not transferred
 Depreciation of leased assets is calculated using the straight-line method over the lease terms with no residual value.
- d) Right-of-use assets
 Overseas subsidiaries apply the International Financial Reporting Standards 16 "Leases" (hereinafter, "IFRS 16") or the US Financial Accounting Standards Board Accounting Standards 842 "Leases" (hereinafter, "ASC 842"). In accordance with IFRS 16 or ASC 842, in principle, borrowers in lease transactions record all lease transactions as right-of-use assets, and depreciation and amortization is calculated using the straight-line method.
- (3) Basis for significant reserves
- a) Allowances for doubtful accounts
 Allowances for doubtful accounts are provided at an amount sufficient to cover probable losses on collection. The allowances consist of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the historical actual percentage of collection losses on normal receivables.
- b) Provision for bonuses
 Accrued bonuses of the Company and its consolidated subsidiaries have been provided based on the estimated amount of bonuses to be paid to employees that relates to the current consolidated fiscal year.
- c) Provision for directors' retirement benefits
 Provision for directors' retirement benefits of the Company and certain domestic consolidated subsidiaries has been made at an amount to be required at the current consolidated fiscal year end based on the Company's bylaws.
- (4) Accounting for retirement benefits
- a) Attribution to periods of expected retirement benefits
 The Company and its domestic consolidated subsidiaries calculate retirement benefit obligations by using the straight-line attribution method to attribute expected benefits to the periods up to the current fiscal year.
- b) Amortization of actuarial gains and losses and past service costs
 The Company and its domestic consolidated subsidiaries amortize past service costs using the straight-line method over the average remaining years (8 - 22 years) of service of eligible employees.
 Amortization of actuarial gains or losses begins in the consolidated fiscal year after the fiscal year in which the gain or loss is recognized, and is recorded using the straight-line method over a period within the average remaining years (8 - 22 years) of service of eligible employees at the time of occurrence in each consolidated fiscal year.
- (5) Reporting of significant revenues and expenses
 The following describes (1) the contents of the major performance of obligations in the main business related to the revenue generated from the contracts with customers of the Company and its consolidated subsidiaries and (2) the normal time points (normal time points for recognizing the revenue) to satisfy the performance of obligations.
- a) Fastening Business
 The Fastening Business conducts manufacturing and sales of fastening products, etc. In domestic sales, control of the product is transferred to the customer at the time of delivery and the performance of obligations is satisfied. However, since the period from the time of shipment to the time of delivery is short, we recognize the revenue on the shipping date. In export sales, we recognize revenue on the shipping date because important risks and economic values associated with possession of the product are transferred to the customer at the time of shipment and the performance of obligations is satisfied.
 Revenue is measured by deducting returns, discounts, rebates, etc., from the consideration promised in the contract with the customer.
 The consideration for the transaction is received within a short period of time after the performance of obligations is satisfied, and does not include any significant financial components.
- b) AP Business
- i. Sales of goods
 The AP Business conducts manufacturing and sales of construction material products. Control of the product is transferred to the customer at the time of delivery and the performance of obligations is satisfied. However, since the period from the time of shipment to the time of delivery is short, we recognize the revenue on the shipping date.
 Revenue is measured by deducting returns, discounts, rebates, etc., from the consideration promised in the contract with the customer.

The consideration for the transaction is received within a short period of time after the performance of obligations is satisfied, and does not include any significant financial components.

ii. Construction contracts

The AP Business installs curtain walls, windows, sashes, etc. For construction contracts where it is possible to reasonably estimate the progress of fulfilling the performance of obligations, we use the input method to reasonably estimate the progress of construction. We recognize revenue over a certain period of time based on the progress. On the other hand, for construction contracts where it is not possible to reasonably estimate the progress of fulfilling the performance of obligations, we use the cost recovery method to recognize revenue over a certain period of time. However, if the period from the transaction start date in the construction contract to the time when the performance of obligations is expected to be fully satisfied is very short, we recognize revenue when the performance of obligations is completely satisfied.

For construction contracts where the total estimated construction cost exceeds the total amount of the construction contract, the excess amount is immediately recognized as an expense.

There is a short gap between the time that the performance of obligations is satisfied and the consideration for the transaction is received. It does not include any significant financial components.

(6) Translation of significant assets and liabilities denominated in foreign currencies into yen

Current and noncurrent receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect on the final day of the consolidated fiscal year, and differences arising from the translation are treated as loss or gain on exchange. All asset and liability accounts of foreign consolidated subsidiaries and affiliates are translated into yen at the rates of exchange in effect at the consolidated fiscal year end, and all income and expense accounts are translated into yen at the average exchange rate during the year. Differences arising from the translation are presented as foreign currency translation adjustments and non-controlling interests in net assets. However, in hyperinflationary economies, the revenue and costs of overseas subsidiaries are translated into yen in effect at the consolidated fiscal year end using hyperinflationary accounting.

(7) Hedge accounting

a) Hedge accounting

Deferral hedge accounting is adopted, in principle. Forward foreign exchange contracts are subject to appropriation if they satisfy the requirements for appropriation treatment.

b) Hedging instruments and hedged items

Hedging instruments and hedged items for which hedge accounting is adopted in the current consolidated fiscal year are as follows:

Hedging instruments: Forward foreign exchange contracts

Hedged items: Payables denominated in foreign currencies, forecast transactions denominated in foreign currencies.

c) Hedging policy

Foreign exchange fluctuation risk is hedged in accordance with the Company's basic policy related to risk management.

d) Assessment of hedge effectiveness

Hedge effectiveness is assessed quarterly, based on the change in market value of hedged items and the change in market value of hedging instruments. Forward foreign exchange contracts, which are subject to appropriation treatment, are excluded from the assessment of hedge effectiveness.

(8) Goodwill amortization method and period

In principle, goodwill is amortized using the straight-line method over an estimated effective period from the date of occurrence. When the amount of goodwill is insignificant, goodwill is fully expensed in the period in which it arises. When the amount of goodwill is insignificant, goodwill is fully expensed in the period in which it arises.

(9) Cash and cash equivalents in the Consolidated Statements of Cash Flows

Cash and cash equivalents consist of cash on hand, cash at banks that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less when purchased that can easily be converted to cash and are subject to little risk of change in value.

(10) Other significant accounting policies of the Consolidated Financial Statements

Application of hyperinflationary accounting

The financial statements of some consolidated subsidiaries are adjusted and consolidated in accordance with the IAS 29 Financial Reporting in Hyperinflationary Economies. The impact of inflation on the net monetary position is shown under the non-operating expenses of the Consolidated Statements of Income.

(Changes to accounting policy)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

We have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ

Statement No. 31, issued by the ASBJ on June 17, 2021; hereinafter "ABSJ Guidance No. 31") from the beginning of the current fiscal year. In accordance with the transactional treatment prescribed in ABSJ Guidance No. 31 Article 27 Paragraph 2, the new accounting standards defined by ABSJ Guidance No. 31 have been applied to forward-looking statements.

The application of ABSJ Guidance No. 31 has no impact on the consolidated financial statements.

(Application of US Financial Accounting Standards Board Accounting Standards [ASC] 842 "Leases")

We have applied the ASC 842 "Leases" to overseas subsidiaries subject to the ASC 842 from the beginning of the current fiscal year. In principle, the application of these standards means the Company treats all lease transactions of the borrower as assets and liabilities. The application of the ASC 842 uses a method to recognize the cumulative effect as of the initial date for applying the account standard, which is recognized as an interim measure.

Also, the impact on consolidated financial statements due to the Revenue Recognition Standard is immaterial.

(Unapplied accounting standards, etc.)

- Accounting Standard for Corporate Taxes, Inhabitants Taxes, and Enterprise Taxes (ASBJ Statement No. 27, issued by the ASBJ on October 28, 2022)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, issued by the ASBJ on October 28, 2022).
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, issued by the ASBJ on October 28, 2022)

(1) Overview

The Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28), etc., were announced in February 2018 and the transfer from the Practical Guidelines for Tax Effect Accounting by the Japanese Institute of Certified Public Accountants to the Accounting Standards Board of Japan was completed. In the deliberation process, the following two issues were decided to be deliberated after announcing ASBJ Statement No. 28, etc., which have been deliberated and published.

- Classification of tax expenses (taxes on other comprehensive income)
- Tax effects relating to sale of subsidiary shares, etc. (shares of subsidiaries or affiliated companies) when the group taxation regime is applied

(2) Scheduled application date

Standards will be applied from the beginning of the fiscal year ending March 31, 2025.

(3) Impact of applying the accounting standards, etc.

The Company is currently evaluating the amount of impact on consolidated financial statements due to application of Accounting Standard for Corporate Taxes, Inhabitants Taxes, and Enterprise Taxes.

(Segment information, etc.)

Segment information

1. Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance. Each business of the Group formulates comprehensive domestic and overseas strategies for the products it handles and develops business activities.

Accordingly, the Group is composed of product segments based on business, with the two reportable segments of the "Fastening Products" business and the "AP" business. The "Fastening Products" business manufactures and sells zippers, zipper parts, zipper materials, snaps fasteners, buttons, etc. The "AP" business designs, manufactures, installs and sells residential windows and sashes, windows and sashes for commercial buildings, interior furnishings, exterior materials, shaped products, and construction components, etc.

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

Reportable segment income is the value for operating income.

Intersegment net sales and transfers are mainly recorded at market prices and the cost of goods manufactured.

3. Information by reportable segment on net sales, income or loss amounts, assets, liabilities, and other items

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

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Amount listed on consolidated balance sheet *3
	Fastening	AP	Total			
Net sales						
Sales to third parties	346,234	446,172	792,407	4,611	-	797,019
Intersegment net sales and transfers	1,962	188	2,150	21,923	(24,074)	-
Total	348,197	446,360	794,558	26,535	(24,074)	797,019
Segment income	42,367	17,375	59,742	1,695	(1,277)	60,161
Segment assets	632,989	426,844	1,059,834	71,115	25,991	1,156,941
Other items						
Depreciation expenses	36,399	18,112	54,512	1,268	1,511	57,292
Increase in tangible and intangible assets	20,251	20,606	40,858	773	1,812	43,444

(Notes) 1. Other includes business activities such as real estate, aluminum smelting, etc.

2. (1) Adjustments for segment income of (1,277) million yen include a 2,850 million yen elimination of intersegment transactions and (5,395) million yen of operating expenses not allocable to reportable segments. Operating expenses not allocable to reportable segments include those related to company-wide shared departments of the Company.

(2) Adjustments for segment assets of 25,991 million yen include a (64,698) million yen elimination of receivables due from shared departments throughout the company, 299,436 million yen of company-wide assets not allocable to reportable segments, and a (413) million yen adjustment for inventory assets.

3. Segment income has been reconciled to operating income represented in the Consolidated Statements of Income.

Current Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Other *1	Adjustments *2	Amount listed on consolidated balance sheet *3
	Fastening	AP	Total			
Net sales						
Sales to third parties	378,393	508,421	886,814	6,411	–	893,226
Intersegment net sales and transfers	2,194	198	2,392	23,978	(26,371)	–
Total	380,587	508,619	889,207	30,389	(26,371)	893,226
Segment income	43,711	17,863	61,574	(2,624)	(2,987)	55,962
Segment assets	666,631	448,285	1,114,917	59,773	46,892	1,221,583
Other items						
Depreciation expenses	38,628	19,117	57,745	1,376	1,690	60,812
Increase in tangible and intangible assets	26,902	29,660	56,562	2,055	1,988	60,606

(Notes) 1. Other includes business activities such as real estate, aluminum smelting, etc.

2. (1) Adjustments for segment income (loss) of (2,987) million yen include a 2,960 million yen elimination of intersegment transactions and (5,947) million yen of operating expenses not allocable to reportable segments. Operating expenses not allocable to reportable segments include those related to company-wide shared departments of the Company.

(2) Adjustments for segment assets of 46,892 million yen include a (52,911) million yen elimination of receivables due from shared departments throughout the company, 307,928 million yen of company-wide assets not allocable to reportable segments, and a (37) million yen adjustment for inventory assets.

3. Segment income (loss) has been reconciled to operating income represented in the Consolidated Statements of Income.