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Securities Code: 4100

June 12, 2023

To our shareholders:

**Shigeru Takaragi**  
President and Representative Director  
**TODA KOGYO CORP.**  
1-23 Kyobashi-cho, Minami-ku,  
Hiroshima

## Notice of the 90th Annual General Meeting of Shareholders

We are pleased to announce the 90th Annual General Meeting of Shareholders of TODA KOGYO CORP. (the “Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing in electronic format the information that constitutes the content of reference documents for the shareholders meeting, etc. (matters for which measures for providing information in electronic format are to be taken). This information is posted on both of the following websites, so please access either of those websites to confirm the information.

The Company’s website:

<https://www.todakogyo.co.jp/> (in Japanese)

(From the above website, select “Investor Relations,” and then “General Meeting of Shareholders.”) (In Japanese only)

Website for posted informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/4100/teiji/> (in Japanese)

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “TODA KOGYO CORP.” in “Issue name (company name)” or the Company’s securities code “4100” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Instead of attending the Meeting, you can exercise your voting rights in writing (by postal mail) or via the Internet and other means. Please exercise your voting rights no later than 5:30 p.m. on Tuesday, June 27, 2023 (JST), after reviewing the Reference Documents for the General Meeting of Shareholders.

1. **Date and Time:** Wednesday, June 28, 2023, at 10:00 a.m. (JST)
2. **Venue:** Banquet Hall “Fuyo,” 2F, Hiroshima Grand Intelligent Hotel  
1-4 Kyobashi-cho, Minami-ku, Hiroshima

**3. Purpose of the Meeting:**

**Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 90th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 90th fiscal year (from April 1, 2022 to March 31, 2023)

**Matters to be resolved:**

Proposal	Election of Five Directors (Excluding Those Who Are Audit and Supervisory Committee Members)
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**4. Decisions Regarding this Meeting (Explanation Regarding Exercise of Voting Rights)**

- (1) If your approval or disapproval of the proposal is not indicated on the voting form used for exercising your voting rights in writing (by postal mail), it will be treated as if you indicated your intention to approve the proposal.
- (2) If you exercise your voting rights multiple times via the Internet and other means, your final vote will be treated as your valid vote.
- (3) If you exercise your voting rights in writing (by postal mail) and via the Internet and other means, your vote made via the Internet or other means will be treated as your valid vote regardless of when your vote in writing is received.
- (4) If having a proxy attend the Meeting, please designate another of the Company’s shareholders who can exercise voting rights as the proxy and have a written statement proving proxy right submitted to the reception counter on the day of the Meeting.

1. When attending the Meeting in person, please present the enclosed voting form to the reception counter.

Reception will open at 9:00 a.m. (JST)

2. If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website noted on the previous page.
3. Paper-based documents stating the matters subject to measures for electronic provision will be sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 13, paragraph 2, of the Company’s Articles of Incorporation.
  - (a) “Systems to Ensure Appropriate Business Operations and Overview of Its Operational Status” of the Business Report
  - (b) “Notes to Consolidated Financial Statements”
  - (c) “Notes to Non-consolidated Financial Statements”

Accordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements that are included in these items are some of the documents that were audited when Financial Auditors prepared the Financial Audit Report and the Audit and Supervisory Committee prepared the Audit Report.

## Reference Documents for the General Meeting of Shareholders

### **Proposal Election of Five Directors (Excluding Those Who Are Audit and Supervisory Committee Members)**

The terms of office of all five Directors (Excluding Those Who Are Audit and Supervisory Committee Members, which applies throughout this proposal) will expire at the conclusion of the Meeting.

Therefore, the Company proposes the election of five Directors.

The Audit and Supervisory Committee did not find any particular points that should be pointed out regarding this proposal.

The nomination of the candidates for Directors has been deliberated at the Nomination and Remuneration Advisory Committee, whose membership is made up of a majority of Independent Officers.

The candidates for Director are as follows:

Candidate No.	Name	Position and responsibility in the Company	Attendance at Board of Directors meetings for the current fiscal year
1	Shigeru Takaragi    Reelection	President and Representative Director	100% (17/17)
2	Tsuneaki Kubo    Reelection	Director and Managing Executive Officer — General Manager of Production Division, General Manager of Core Business Division and in charge of Procurement and Logistics Department	100% (17/17)
3	Dai Matsuoka    Reelection	Director and Managing Executive Officer — General Manager of Research & Development Division	100% (17/17)
4	Takafumi Mizuno    Reelection Outside Independent	Outside Director	100% (17/17)
5	Shuichi Hashiyama    New election Outside	—	—

Candidate No.	<b>Shigeru Takaragi</b> (Date of birth: May 19, 1960)	Number of the Company's shares owned Number of years in office as a Director Attendance at Board of Directors meetings	3,700 10 years 17/17
<b>1</b>	Reelection	Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1984	Joined the Company
May 2007	General Manager of Otake Plant
July 2007	Executive Officer
Apr. 2012	Representative Director of TODA ISU CORPORATION
Apr. 2013	Senior Managing Executive Officer of the Company
June 2013	Vice President and Director
Oct. 2013	Vice President and Representative Director
June 2014	President and Representative Director
<b>June 2019</b>	<b>President and Representative Director (current position)</b>

**Reasons for nomination as a candidate for Director**

Shigeru Takaragi has accumulated abundant business experience and achievements in the research division, production division, etc. over many years and has insight and global knowledge regarding corporate management, which was cultivated at an operating company in South Korea. He has experience in overall management as Vice President and Director since June 2013 and President and Representative Director since June 2014. The Company judges him as suitable to continue to lead the Group, and proposes his reelection as Director.

[Message to shareholders from this candidate for Director]

Since fiscal 2022, the Company has struggled to generate profit on account of high raw material prices and weak economic conditions both in Japan and overseas, and in fiscal 2023, we will launch measures appearing in the next 3-year medium-term business plan. In addition to the magnetic materials, dielectric materials, and lithium ion battery materials businesses, which are growth businesses, we have positioned soft magnetic materials used in the transformation of cars and environmental materials, which contribute to solutions to environmental issues, such as carbon neutrality, as next-generation businesses and will establish them as future business pillars. This year, the 200th anniversary of the start of business, the Company aims to expand business with an eye on current conditions and the future.

Furthermore, we will diligently work to improve our financial foundation so that we can promptly resume the paying of dividends.

I hope for your continued support and cooperation.

Candidate No.	<b>Tsuneaki Kubo</b>	Number of the Company's shares owned	200
	(Date of birth: October 7, 1964)	Number of years in office as a Director	2 years
2	Reelection	Attendance at Board of Directors meetings	17/17
		Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1988	Joined the Company
Mar. 2009	General Manager of ZHEJIANG TODA DMEGC MAGNETICS CO., LTD.
June 2012	General Manager of TODA MAGNET (SHENZHEN) CO., LTD.
Apr. 2018	Corporate Officer of the Company
Oct. 2018	General Manager of Production Division, General Manager of Onoda Plant, and Department Manager of Procurement and Logistics Department
June 2019	Executive Officer
<b>Apr. 2021</b>	<b>General Manager of Core Business Division and in charge of Procurement and Logistics Department (current position)</b>
<b>June 2021</b>	<b>Director (current position)</b>
<b>June 2022</b>	<b>Managing Executive Officer (current position)</b>
<b>Oct. 2022</b>	<b>General Manager of Production Division (current position)</b>

**Reasons for nomination as a candidate for Director**

Tsuneaki Kubo has abundant experience and achievements in the production technology division and the production division, etc. since joining the Company as well as global knowledge regarding corporate management, which was cultivated at operating companies in China. In addition, he has been in charge of overall operations in the production division since October 2018. In April 2021, he was appointed as General Manager of the Core Business Division, which will cover and penetrate all the functions of the Company from the viewpoint of Core Business. The Company judges him as suitable to utilize his experience and capabilities for the Company's management, and proposes his reelection as a Director.

[Message to shareholders from this candidate for Director]

In fiscal 2022, the business environment for the Group was particularly difficult in terms of energy and raw material procurement due to disruptions in global supply chains and demand-supply instability. In this environment, which has continued into fiscal 2023, we consider sustainability an important management issue and will move forward with risk management in order to respond to the various risks we face.

As an idea alongside the corporate philosophy, we have set "We transform the potential of fine particles into new possibilities for our world." as our purpose. Fine particles have limitless potential. We will provide added value to customers by using and refining fine particle synthesis technology, a strength of the Company, and continue to offer products so that we can win greater trust.

I hope for your continued support.

Candidate No.	<b>Dai Matsuoka</b> (Date of birth: May 13, 1963)	Number of the Company's shares owned	—
		Number of years in office as a Director	4 years
3	Reelection	Attendance at Board of Directors meetings	17/17
		Relationship of special interest in the Company	None

**Career summary, and position and responsibility in the Company**

Apr. 1991	Joined TDK Corporation
Jan. 2016	Manager, Advanced Agriculture Development Group, New Business Promotion Center
July 2016	General Manager, Technology HQ
June 2017	Corporate Officer and General Manager of Technology and Intellectual Property HQ
June 2019	Outside Director of the Company
Apr. 2021	Corporate Officer of TDK Corporation Chief Officer of Quality, Safety & Environment
<b>Apr. 2023</b>	<b>Director and Managing Executive Officer of the Company (current position)</b> <b>General Manager of Research &amp; Development Division (current position)</b>

**Reasons for nomination as a candidate for Director**

Dai Matsuoka was involved for many years in the technology and development divisions of TDK Corporation, and by leveraging the abundant experience and wide range of knowledge and insight acquired as Chief Officer of Quality, Safety & Environment, he has provided advice to ensure the legality and appropriateness of decision-making by the Company's Board of Directors as an Outside Director since 2019. In April 2023, he was appointed as Director and Managing Executive Office of the Company. The Company judges him as suitable to utilize his experience and capabilities to raise the corporate value of the Company, and proposes his election as a Director.

[Message to shareholders from this candidate for Director]

Fiscal 2023 was the final year of the medium-term business plan Vision 2023. It is also an important year for our efforts to give shape to the subsequent Go Beyond 200. Using fine particle synthesis technology, a strength of the TODA KOGYO Group that is stated clearly in the purpose that was thoroughly considered by all companies, as a footing, we will give shape to each of the plans that we have promised to all stakeholders. In particular, highly reliable dielectric materials and magnetic materials are indispensable for multilayer ceramic chip capacitors and motors, vital parts for the electrification of cars. In order to create deeper bonds with customers, I will leverage my knowledge of and experience with design, development, and production of electronic parts and contribute to the continual development of the TODA KOGYO Group. I hope for your continued support.

Candidate No.	<b>Takafumi Mizuno</b> (Date of birth: February 27, 1948)	Number of the Company's shares owned		—
		Number of years in office as a Director		5 years
		Attendance at Board of Directors meetings		17/17
<b>4</b>	Reelection	Outside	Independent	Relationship of special interest in the Company None

**Career summary, and position and responsibility in the Company**

Apr. 1971	Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)
Jan. 1996	General Manager of Development Management Division
June 2007	Senior Managing Director of TOKAI RIKA CO., LTD.
June 2011	Advisor
July 2013	Advisor of TOYO Corporation
<b>June 2018</b>	<b>Outside Director of the Company (current position)</b>

**Reasons for nomination as a candidate for outside Director and outline of expected role**

Takafumi Mizuno was involved in the technology division of Toyota Motor Corporation for many years, and also has abundant experience as a business manager of TOKAI RIKA CO., LTD. The Company nominated him with the expectation that he will continue to supervise the Company's management and offer advice on overall management from a perspective that is not tied to conventional frameworks, based on his advanced knowledge and insight. Moreover, if he is elected, it is planned that he will continue to be involved in decisions on selection of candidates for the Company's officers and remuneration, etc. for Officers from an objective and neutral standpoint as a member of the Nomination & Remuneration Advisory Committee.

[Message to shareholders from this candidate for Director]

In fiscal 2022, we formulated a purpose based on our corporate philosophy as we approach the 200th anniversary of the start of business, which we will celebrate in November 2023 (90th anniversary of the incorporation of the Company). In fiscal 2023, we will achieve the medium-term business plan Vision 2023, which was formulated in fiscal 2021, and introduce Go Beyond 200, which starts in fiscal 2024. The Company promoted development and production technology based on "Toda Spirits," which sums up the starting point for *monozukuri*, and also disseminated the "5S + S (standard)," which is key for product quality and safety. In March 2023, the Company won IATF16949 certification, an important quality standard in the automobile industry, and this will help us meet the expectations of customers.

In 2023, we will further reinforce production management and logistics management and expect strong advances in *monozukuri*.

I will continue to do all that I can to contribute to increasing the corporate value of the Company through a broad perspective and ingenuity based on my work experience in the automobile industry.

Candidate No.	<b>Shuichi Hashiyama</b> (Date of birth: November 18, 1966)	Number of the Company's shares owned	—
		Number of years in office as a Director	—
		Attendance at Board of Directors meetings	—
<b>5</b>	New election      Outside	Relationship of special interest in the Company (Note 2)	

**Career summary, and position and responsibility in the Company**

Apr. 1990      Joined TDK Corporation  
Apr. 2019      General Manager, Energy Systems Business Group, Energy Solutions Business Company

**Apr. 2021      Corporate Officer (current position)**  
Deputy General Manager, Corporate Strategy HQ  
**General Manager of Corporate Planning Group (current position)**  
**Apr. 2022      General Manager of Corporate Strategy HQ (current position)**

**Significant concurrent positions outside the Company**

General Manager of Corporate Strategy HQ, General Manager of Corporate Planning Group, Corporate Officer of TDK Corporation

**Reasons for nomination as a candidate for outside Director and outline of expected role**

Shuichi Hashiyama has been involved in expanding the electronic device business within the development and sales divisions (including experience overseas) of TDK Corporation for many years and has served as the chief officer of management strategy since April 2022. The Company judges him as suitable to utilize his knowledge of and insights into sales, R&D, and management strategy to supervise management of the Company and to provide advice to ensure the legality and appropriateness of decision-making by the Company's Board of Directors, and proposes his election as an Outside Director.

- Notes.
1. Takafumi Mizuno and Shuichi Hashiyama are candidates for outside Director.
  2. Relationship of special interest in the Company  
TDK Corporation is a major shareholder of the Company, holding 21.83% of the Company's shares (Ownership ratio excluding the Company's 326 thousand shares of treasury stock). There are trading relationships between TDK Corporation and the Company involving the sales of products, etc.
  3. The Company's Articles of Incorporation stipulate that it may enter into agreements that limit liability for damages provided in Article 423, paragraph (1) of the Companies Act, in accordance with the provisions of Article 427, paragraph (1) of the same Act, and the Company has entered into such a liability limitation agreement with Takafumi Mizuno. If the reelection of Mr. Mizuno is approved, the Company plans to renew the aforementioned agreement with him. The Company also plans to enter into such an agreement with Shuichi Hashiyama if his election is approved.  
An outline of the main details of the agreement is as described on page 27 of the Business Report, "4 (1) (b) Summary of Liability Insurance Agreement" (Japanese only).
  4. The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and an outline of the main details of the insurance policy is as described on page 27 of the Business Report, "4 (1) (c) Summary of Directors and Officers Liability Insurance Policy, Etc." (Japanese only). If the election of each candidate for Director is approved, they will be included as insured persons under the insurance policy. The Company also plans to renew the insurance policy with the same details at the next renewal.
  5. Takafumi Mizuno meets the requirements of an Independent Officer as defined by Tokyo Stock Exchange, Inc., and the Company has submitted notification that he is an Independent Officer. If his reelection is approved, the Company plans to continue having him as an Independent Officer.



(For reference)

Structure of Board of Directors after election and skill matrix

If the proposal is approved as drafted, the structure of the Board of Directors and the major skills, experience, and knowledge of each Director shall be as indicated below.

Position in the company Name	Corporate/ Business Management	Internationality/ Global Experience	Production/ Procurement	Quality Control	Technology/ R&D	Sales/ Marketing	Finance/ Accounting	Legal/ Compliance	Personnel/ Labor Relations/ Human Resource Development	ESG
President and Representative Director Shigeru Takaragi	•	•	•		•	•			•	•
Director and Managing Executive Officer Tsuneaki Kubo	•	•	•		•	•				
Director and Managing Executive Officer Dai Matsuoka		•	•	•	•					•
Outside Director Takafumi Mizuno Outside Independent	•	•	•	•	•					
Outside Director Shuichi Hashiyama Outside	•	•			•	•				•
Director (Audit and Supervisory Committee member, full-time) Kunihiro Kochi	•		•	•	•			•	•	
Outside Director (Audit and Supervisory Committee member) Shinsuke Hasegawa Outside Independent	•	•					•			
Outside Director (Audit and Supervisory Committee member) Koji Kanazawa Outside Independent	•	•						•		•
Outside Director (Audit and Supervisory Committee member) Kazuya Uraisami Outside Independent	•	•					•		•	•

\* The above table is not an exhaustive list of the expertise and experience of the candidates. The terms for the four Audit and Supervisory Committee Members are yet to expire.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

As of March 31, 2023

Assets	
Current assets	
Cash and deposits	8,476
Notes and accounts receivable - trade	7,607
Merchandise and finished goods	4,581
Work in process	2,018
Raw materials and supplies	3,654
Other	2,136
Allowance for doubtful accounts	(9)
Total current assets	<u>28,465</u>
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	1,975
Machinery, equipment and vehicles, net	1,687
Land	6,326
Construction in progress	1,019
Other, net	508
Total property, plant and equipment	<u>11,515</u>
Intangible assets	
Goodwill	2,355
Other	133
Total intangible assets	<u>2,489</u>
Investments and other assets	
Investment securities	2,709
Investments in capital of subsidiaries and associates	6,300
Long-term loans receivable	5
Retirement benefit asset	369
Other	164
Allowance for doubtful accounts	(3)
Total investments and other assets	<u>9,545</u>
Total non-current assets	<u>23,550</u>
Total assets	<u>52,016</u>

(Millions of yen)

As of March 31, 2023

Liabilities	
Current liabilities	
Notes and accounts payable - trade	3,712
Short-term borrowings	7,686
Current portion of long-term borrowings	4,012
Income taxes payable	230
Provision for bonuses	345
Other	1,616
Total current liabilities	<u>17,604</u>
Non-current liabilities	
Long-term borrowings	14,031
Long-term accounts payable - other	469
Retirement benefit liability	1,896
Deferred tax liabilities	985
Other	468
Total non-current liabilities	<u>17,852</u>
Total liabilities	<u>35,456</u>
Net assets	
Shareholders' equity	
Share capital	7,477
Capital surplus	4,288
Retained earnings	3,155
Treasury shares	(1,468)
Total shareholders' equity	<u>13,453</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	688
Foreign currency translation adjustment	1,368
Remeasurements of defined benefit plans	332
Total accumulated other comprehensive income	<u>2,389</u>
Share acquisition rights	86
Non-controlling interests	630
Total net assets	<u>16,559</u>
Total liabilities and net assets	<u>52,016</u>

## Consolidated statements of income

	(Millions of yen)
	Fiscal year ended March 31, 2023
Net sales	34,934
Cost of sales	27,477
Gross profit	7,457
Selling, general and administrative expenses	6,090
Operating profit	1,367
Non-operating income	
Interest income	45
Dividend income	58
Rental income	39
Foreign exchange gains	224
Share of profit of entities accounted for using equity method	1,704
Miscellaneous income	200
Total non-operating income	2,273
Non-operating expenses	
Interest expenses	265
Miscellaneous losses	25
Total non-operating expenses	291
Ordinary profit	3,349
Extraordinary income	
Gain on disposal of non-current assets	4
Gain on change in equity	60
Gain on sale of investments in capital of subsidiaries and associates	933
Gain on liquidation of subsidiaries and associates	52
National subsidies	32
Compensation income	54
Reversal of provision for environmental measures	74
Total extraordinary income	1,212
Extraordinary losses	
Loss on disposal of non-current assets	95
Loss on tax purpose reduction entry of non-current assets	7
Impairment losses	35
Compensation expenses	76
Total extraordinary losses	214
Profit before income taxes	4,347
Income taxes - current	546
Income taxes - deferred	36
Profit	3,765
Profit attributable to non-controlling interests	496
Profit attributable to owners of parent	3,268

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	4,358	(112)	(1,507)	10,215
Changes during period					
Profit attributable to owners of parent			3,268		3,268
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(17)		40	23
Other		(51)			(51)
Net changes in items other than shareholders' equity					
Total changes during period	—	(69)	3,268	38	3,238
Balance at end of period	7,477	4,288	3,155	(1,468)	13,453

	Accumulated other comprehensive income				Share acquisition rights	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	633	1,320	258	2,211	88	1,443	13,958
Changes during period							
Profit attributable to owners of parent							3,268
Purchase of treasury shares							(2)
Disposal of treasury shares							23
Other							(51)
Net changes in items other than shareholders' equity	54	48	73	177	(1)	(812)	(637)
Total changes during period	54	48	73	177	(1)	(812)	2,600
Balance at end of period	688	1,368	332	2,389	86	630	16,559

**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

As of March 31, 2023

Assets	
Current assets	
Cash and deposits	4,089
Notes receivable - trade	618
Accounts receivable - trade	4,874
Merchandise and finished goods	2,794
Work in process	1,550
Raw materials and supplies	1,422
Prepaid expenses	24
Accounts receivable - other	453
Short-term loans receivable	1,549
Current portion of long-term loans receivable	1,140
Other	128
Allowance for doubtful accounts	(408)
Total current assets	18,238
Non-current assets	
Property, plant and equipment	
Buildings	1,350
Structures	154
Machinery and equipment	1,102
Tools, furniture and fixtures	147
Land	5,674
Construction in progress	1,011
Other	7
Total property, plant and equipment	9,448
Intangible assets	
Software	109
Other	10
Total intangible assets	120
Investments and other assets	
Investment securities	1,878
Shares of subsidiaries and associates	1,930
Investments in capital of subsidiaries and associates	8,152
Long-term loans receivable from subsidiaries and associates	1,649
Other	59
Allowance for doubtful accounts	(31)
Total investments and other assets	13,639
Total non-current assets	23,207
Total assets	41,446

(Millions of yen)

As of March 31, 2023

Liabilities	
Current liabilities	
Accounts payable - trade	2,399
Short-term borrowings	7,402
Current portion of long-term borrowings	3,986
Accounts payable - other	450
Accrued expenses	286
Income taxes payable	79
Advances received	3
Deposits received	89
Unearned revenue	8
Provision for bonuses	265
Accounts payable - facilities	231
Other	14
Total current liabilities	15,218
Non-current liabilities	
Long-term borrowings	13,804
Deferred tax liabilities	339
Provision for retirement benefits	1,590
Provision for loss on guarantees	52
Other	23
Total non-current liabilities	15,810
Total liabilities	31,029
Net assets	
Shareholders' equity	
Share capital	7,477
Capital surplus	
Legal capital surplus	1,869
Other capital surplus	2,397
Total capital surplus	4,267
Retained earnings	
Other retained earnings	
Reserve for tax purpose reduction entry of non-current assets	86
Retained earnings brought forward	(720)
Total retained earnings	(633)
Treasury shares	(1,468)
Total shareholders' equity	9,641
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	688
Total valuation and translation adjustments	688
Share acquisition rights	86
Total net assets	10,416
Total liabilities and net assets	41,446

**Non-consolidated statements of income**

	(Millions of yen)
	Fiscal year ended March 31, 2023
Net sales	16,636
Cost of sales	12,664
Gross profit	3,972
Selling, general and administrative expenses	4,140
Operating loss	(168)
Non-operating income	
Interest income	69
Dividend income	263
Rental income	39
Foreign exchange gains	56
Reversal of allowance for doubtful accounts	103
Miscellaneous income	89
Total non-operating income	621
Non-operating expenses	
Interest expenses	227
Provision for loss on guarantees	12
Miscellaneous losses	17
Total non-operating expenses	258
Ordinary profit	194
Extraordinary income	
Gain on sale of investments in capital of subsidiaries and associates	1,479
National subsidies	8
Compensation income	54
Total extraordinary income	1,542
Extraordinary losses	
Loss on disposal of non-current assets	95
Loss on tax purpose reduction entry of non-current assets	7
Impairment loss	23
Compensation expenses	76
Loss on liquidation of subsidiaries	35
Total extraordinary losses	237
Profit before income taxes	1,498
Income taxes - current	179
Profit	1,319



## Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	7,477	1,869	2,415	4,284	86	(2,040)	(1,953)
Profit						1,319	1,319
Purchase of treasury shares							
Disposal of treasury shares			(17)	(17)			
Net changes in items other than shareholders' equity							
Total changes during period	—	—	(17)	(17)	—	1,319	1,319
Balance at end of period	7,477	1,869	2,397	4,267	86	(720)	(633)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	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	(1,507)	8,301	633	633	88	9,022
Profit		1,319				1,319
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	40	23				23
Net changes in items other than shareholders' equity			55	55	(1)	53
Total changes during period	38	1,340	55	55	(1)	1,394
Balance at end of period	(1,468)	9,641	688	688	86	10,416