Consolidated Financial Results for the Fiscal Year Ended June 30, 2024
[Japanese GAAP]

August 9, 2024

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Stock exchange listing: Tokyo Stock Exchange
Code number: 3446
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Scheduled date of the general annual meeting of shareholders: September 27, 2024
Scheduled date of commencing dividend payments: None
Scheduled date of filing annual securities report: September 30, 2024
Availability of supplementary briefing materials on financial results: Not available
Financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate rates of year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	2,010	5.3	285	-6.8	310	-14.6	199	-16.2
June 30, 2023	1,908	65.8	306	—	364	—	238	—

(Note) Comprehensive income: For the fiscal year ended June 30, 2024: ¥199 million [-16.2%]
For the fiscal year ended June 30, 2023: ¥238 million [—%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2024	33.96	—	7.7	8.8	14.2
June 30, 2023	40.58	—	10.1	10.9	16.1

(Reference) Gain (loss) on equity-method investments: For the fiscal year ended June 30, 2024: —
For the fiscal year ended June 30, 2023: —

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	3,567	2,696	75.6	458.71
As of June 30, 2023	3,465	2,478	71.5	422.15

(Reference) Shareholders' equity: As of June 30, 2024: ¥2,696 million
As of June 30, 2023: ¥2,478 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 year-end
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2024	62	(160)	(75)	610
June 30, 2023	210	(84)	(75)	783

2. Dividends

	Annual dividends					Total dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended June 30, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending June 30, 2025 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages indicate rates of year-on-year change)

	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
First half	617	14.9	(289)	—	(290)	—	(231)	—	(39.44)
Full year	2,640	31.4	365	27.9	363	16.8	231	16.1	39.45

Notes:

(1) Changes in specific subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

Newly included: None

Excluded: None

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 5,880,000 shares

June 30, 2023: 5,873,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2024: 970 shares

June 30, 2023: 940 shares

3) Average number of shares outstanding during the period:

Fiscal year ended June 30, 2024: 5,876,772 shares

Fiscal year ended June 30, 2023: 5,869,616 shares

* The financial statements are outside the scope of reviews by certified public accountants and auditing firms.

* Explanation of the proper use of financial results forecast and other notes

(Notes on forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company, and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from the forecasts due to a wide range of factors. Please see page 4 of the attached materials, “1. Overview of Operating Results, etc. (4) Outlook ” for information regarding assumptions made when formulating earnings projections and matters to note when using these projections.

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1. Overview of Operating Results, etc.

(1) Overview of Business Results

During the fiscal year ended June 30, 2024, the global economy normalized following the lifting of restrictions on economic activity put in place in various countries as a result of the COVID-19 pandemic, but the outlook remained uncertain amid a prolonged period of global inflation due to concerns about an economic slowdown as a result of monetary policy and high commodity prices due to geopolitical risks. Furthermore, the recovery in the Japanese economy continued to see upward momentum, particularly in manufacturing industries, as the impact eased from shipment suspensions due to quality irregularities in the automotive industry and brisk plans for growth industries such as semiconductors and labor-saving investments. However, there are concerns about a further escalation of tensions in the Middle East, uncertainty for the outlook for the Chinese economy and the impact on the Japanese economy from prolonged global inflation.

Against this backdrop, we strove to strengthen and expand our management foundation and enhance corporate value by providing high-quality products and strengthening R&D activities through three businesses that use proprietary technology, namely the Optical segment, the LS & Equipment Development segment, and the Other segment (ESCO, Ltd).

As a result, in the fiscal year ended June 30, 2024, we recorded net sales of ¥2,010,340 thousand (+5.3% year-on-year), operating profit of ¥285,836 thousand (-6.8%), ordinary profit of ¥310,955 thousand (-14.6%), and profit attributable to owners of parent of ¥199,591 thousand (-16.2%).

Results by segment were as follows.

(Optical segment)

In the fiscal year ended June 30, 2024, segment earnings were mainly driven by sales to SPring-8, SACLA and NanoTerasu in Japan, while sales to SHINE (China), TPS (Taiwan) and ANSTO (Australia) in Asia, Advanced Photon Source (APS) and Linac Coherent Light Source (LCLS) in the United States, and European XFEL, PSI, and European Synchrotron Radiation Facility (ESRF) in Europe also contributed. Compared to normal years, we saw more orders taken and more items produced, but at the same time, orders required more precision than previously, leading to requests for additional processing such as coatings and engraving for high-precision mirrors, which only we are able to produce, resulting in unforeseen changes in some production plans and delays. Due to our management philosophy of creating products with unique, one-of-a-kind technologies, we expect such requests will increase in future so we will strive to improve our production and additional processing capabilities more aggressively than before.

In Japan, the NanoTerasu facility commenced operations while upgrade plans were announced for SPring-8. Overseas, several production facilities in Europe announced upgrades such as DLS, Bessy II, Petra III, Alba and Elettra and new facility plans were unveiled in China in Hefei and Shenzhen. We have already received many inquiries from related facilities and are working our way through detailed specifications. Demand for high-precision mirrors is rising more than previously at medium-sized synchrotron radiation facilities in Europe in particular due to the revitalization of leading-edge research in energy and semiconductors and we are steadily seeing results from our ongoing business development.

In our sales activities, we are promoting our technology through research updates and progress report announcements at major synchrotron academic conferences in Japan and overseas, as well as continuing to promote our ultra high-precision processing and measurement techniques at trade exhibitions and events in optical areas in general. Moreover, with opportunities for researchers from various countries to come to Japan increasing and more opportunities for joint research as well as business discussions provided, we have been working proactively on sales activities with an eye on sales expansion.

As a result, the Optical segment recorded sales of ¥1,240,241 thousand (+3.8% year-on-year) and segment profit of ¥595,237 thousand (+18.8%).

(LS & Equipment Development segment)

In the fiscal year ended June 30, 2024, as in the previous fiscal year, in the life science and equipment development segment we have positioned equipment for semiconductor materials as priority new business fields, and we have continued to commercialize, securing orders and sales for equipment featuring nano surface processing

technologies (Plasma Chemical Vaporization Machining (PCVM); Plasma Assisted Polishing (PAP); Catalyst-Referred Etching (CARE)) for various semiconductor materials. We received orders for two PCVM units (one small development unit and one large-scale automatic mass production unit), both of which were delivered in the fourth quarter. As a pillar of the new business, we have been promoting development and commercialization of our bespoke surface processing and polishing technology and equipment, and we think these orders show the results of high customer evaluations of our technologies.

As well as sales activities such as visits to our customers and responding to online inquiries from our website, we also had a booth at SEMICON Japan 2023 at the end of the second quarter to develop new business relationships. As a result, we received multiple requests from companies for test processing and have proceeded to prototypes and customer evaluations. However, we have yet been able to achieve the processing accuracy and productivity required to fully satisfy customer demands and have not yet received any orders from new customers. In future, we intend to further develop our technology, provide products in tune with market needs and improve our sales capabilities. We believe this will broaden our sales channels and lead to joint development agreements with major companies, which should promote product development and sales expansion.

However, in the life science equipment business, our automated culture equipment such as MakCell struggled as we could not take orders and sales in line with the plan due to customer budget constraints and strategy changes. At the PharmaLab Expo 2024 held in the fourth quarter, we got a strong impression that automated culture equipment is a product with strong market demands and many visitors to our booth showed interest in our mononuclear cell separation system, which we exhibited for the first time. In future, we intend to respond carefully to these customers as well as develop new customer relationships.

We also booked sales related to the design and manufacture of products for high-end light sources at SPring-8, control boards for test printing machines for gravure printing (GP-10) and for water coolants.

As a result, sales in the segment totaled ¥330,303 thousand (+1.7% year-on-year) and segment loss was ¥25,659 thousand (versus a profit of ¥1,533 thousand in the same period in the previous year).

(Other segment)

The Other segment corresponds to subsidiary ESCO, Ltd. ESCO’s sales are divided into three areas: equipment sales (thermal desorption spectrometry [TDS] equipment) and large works, equipment maintenance, and contract analysis services.

We recorded sales for six projects (in South Korea, Taiwan, and Japan) in the mainstay equipment sales business, where order size is large and earnings rose compared to the previous year. We also booked our first equipment sales order in China and installed the equipment in Shanghai. This was at a China branch of a Japanese company, but it marks a key step towards sales to Chinese companies, which will be a large market in future. However, expenses rose due to rising personnel and materials costs for business expansion, which squeezed profits.

As a result, sales in the Other segment during the period under review were ¥447,945 thousand (+15.4% year-on-year) and segment profit was ¥51,567 thousand (-40.5%).

(2) Overview of Financial Condition

(Assets)

As of June 30, 2024, current assets amounted to ¥1,815,729 thousand, up ¥138,413 thousand from the level on June 30, 2023. This was mainly due to increases of ¥226,498 thousand in accounts receivable-trade and ¥67,723 thousand in merchandise and finished goods, with a decrease of ¥172,898 thousand in cash & deposits. Non-current assets totaled ¥1,751,793 thousand, declining by ¥35,909 thousand compared to June 30, 2023. This was mainly due to a decrease of ¥44,910 thousand in intangible assets compared to June 30, 2023 due to goodwill amortization.

As a result, total assets were ¥3,567,522 thousand, up ¥102,503 thousand from their level on June 30, 2023.

(Liabilities)

As of June 30, 2024, current liabilities came to ¥413,185 thousand, down ¥38,248 thousand from the level on June 30, 2023. This was mainly due to a decrease of ¥47,242 thousand in accounts payable-trade. Non-current liabilities were ¥457,560 thousand, a decrease of ¥77,116 thousand compared to June 30, 2023. This

was due primarily to a ¥75,456 thousand decrease in long-term borrowings, as scheduled repayments continued.

As a result, total liabilities were ¥870,746 thousand, down ¥115,364 thousand from their level on June 30, 2023.

(Net assets)

As of June 30, 2024, total net assets amounted to ¥2,696,776 thousand, up ¥217,868 thousand from the level on June 30, 2023. This was due primarily to the recording of a profit attributable to owners of parent of ¥199,591 thousand.

(3) Overview of Cash Flows

Cash and cash equivalents (“cash”) amounted to ¥610,230 thousand as of June 30, 2024, down ¥172,898 thousand compared with June 30, 2023. The cash flows affecting this figure are outlined below.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥62,651 thousand, compared to ¥210,359 thousand in the previous fiscal year. This was mainly because trade receivables increased by ¥235,962 thousand and income taxes of ¥89,655 thousand, while profit before income taxes was ¥284,742 thousand, depreciation was ¥106,771 thousand, goodwill amortization was ¥42,382 thousand and contract liabilities increased by ¥18,283 thousand.

(Cash flows from investing activities)

Net cash used in investing activities was ¥160,706 thousand (versus ¥84,742 thousand the previous fiscal year). This was mainly due to ¥141,406 thousand in expenditure on the purchase of property, plant and equipment and ¥15,000 thousand from the purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥75,526 thousand (versus ¥75,504 thousand the previous fiscal year). This was mainly due to ¥75,456 thousand on repayments of long-term borrowings.

(4) Outlook

In the optical segment, we have already supplied a large number of mirrors as part of the aggressive installation and upgrade of facilities and mirror replacement, particularly in the Asian market. However, the upgrade to the fourth-generation synchrotron radiation standards will require an improvement in performance of light sources, so mirrors will need to have more accuracy than previously. In order to deal with various facility upgrade projects in the medium-term, we will push to rapidly develop the accuracy of our products and proactively develop and sell new optical products.

In particular, cutting-edge research in fields with large market sizes such as energy and semiconductors has resulted in the planning and implementation of new or upgraded synchrotron radiation facilities and X-ray free electron laser facilities in several countries. In Japan, it was reported that the fourth generation NanoTerasu synchrotron radiation facility has gone into operation and an upgrade for the SPring-8 facility is planned, but overseas many plans are also making progress. In particular, the rapid growth of the synchrotron radiation market in Asia is notable. In China, new facility construction plans are moving forwards in Shanghai and Beijing, as well as in Hefei and Shenzhen, and large-scale replacement is expected at facilities in Taiwan and South Korea. In Europe plans for upgrades of large and medium-sized facilities have been unveiled in the United Kingdom, Germany, Italy, Spain and France. All facilities include a wide range of mirrors to make use of the different kinds of light sources and we have already received a number of inquiries. In a positive market environment, we are moving forward with work to be able to take orders.

In the LS & Equipment Development segment, we will promote development of processes using nanosurface processing technologies (catalyst referred etching (CARE), plasma-assisted polishing (PAP), and plasma chemical vaporization machining (PCVM)), which are positioned as new priority business areas, and we will promote the development of equipment in each area and commercialization. At the same time, we have been carrying out market penetration activities and trying to expand sales channels through exhibitions at trade fairs like SEMICON. The

number of users who highly evaluate our technology is gradually increasing. In particular, these areas are attracting attention and expectations are rising as a high-precision surface technology for wafers used in quartz crystal devices and SAW devices, which are required for next-generation communications such as power devices and post 5G, which are key to the expansion of the EV market. Going forward, we will continue to promote product development by improving and commercializing surface processing technologies for semiconductor materials, broaden sales channels in Japan and overseas and increase collaboration with major companies and venture companies.

In the life sciences sector, improvement of the working environment and decline in the number of workers due to adjustments in the long working hours have become an important issue across all industries. The impact on culture experiments and development at medical and research institutions is becoming more pronounced irrespective of the time of day or day of the week. As one potential solution to this problem, automated cell culture equipment is expected to save time through enabling continuous operations either without any operators or a reduction in staff, and companies are showing more willingness to bring in automated cell culture equipment. At the Tokyo Medical and Dental University in November 2022, intestinal tissue was successfully generated from iPSC-derived human intestinal organoids (HIOs) based on our proprietary 3D rotational suspension cell culture technology. Furthermore, the joint development project with the Foundation for Biomedical Research and Innovation at Kobe on stem cell separation equipment (medical device) that can contribute to treatment in cerebral infarction is making progress as planned. Following these developments, inquiries about our products are increasing both from within Japan and from overseas. We will continue to broaden our range of joint-development partners whether from universities, hospitals and pharmaceutical companies, to try and expand the scale of our business.

With regards to TDS equipment, the main product of subsidiary ESCO in the Other segment, the market is expected to expand not only in the semiconductor and LCD/color filter industries, but also in various fields such as steel, electrical machinery, automobiles, and crystal oscillator units. We will strive to expand our earnings through sales of existing products as well as focusing on the planning and creation of new products and by introducing new products into new markets to develop new customers.

Based on the above, for the consolidated fiscal year ending June 30, 2025, we expect net sales of ¥2,640 million, operating profit of ¥365 million, ordinary profit of ¥363 million, and profit attributable to owners of parent of ¥231 million.

The above forecasts are based on information currently available to the Company. Actual performance may differ from these forecasts because of a wide range of factors.

2. Basic Views on Selection of Accounting Standards

The Group’s policy is to prepare financial statements in accordance with Japanese GAAP for the time being to ensure comparability between consolidated financial statements for different fiscal years and companies, and in consideration of the burden required to create a system for preparing financial statements.

In future, we will monitor trends regarding adoption of the International Financial Reporting Standards (IFRS) and make efforts to develop a system to appropriately respond to the trend.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	783,128	610,230
Electronic receivables–trade	1,536	11,000
Accounts receivable–trade	577,029	803,528
Merchandise and finished goods	33,652	101,376
Work in process	173,008	107,162
Raw materials and supplies	66,643	74,340
Other	45,545	108,371
Allowance for doubtful accounts	(3,228)	(280)
Total current assets	1,677,316	1,815,729
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	749,218	712,659
Machinery, equipment and vehicles (net)	208,999	241,550
Land	340,429	340,429
Construction in progress	20,487	36,319
Other (net)	9,802	8,364
Total property, plant and equipment	1,328,938	1,339,324
Intangible assets		
Goodwill	349,659	307,276
Other	7,719	5,191
Total intangible assets	357,379	312,468
Investments and other assets		
Investment securities	17,233	30,833
Deferred tax assets	66,706	49,197
Other	17,445	19,969
Total investments and other assets	101,385	100,000
Total non-current assets	1,787,703	1,751,793
Total assets	3,465,019	3,567,522

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable–trade	105,642	58,399
Current portion of long-term borrowings	75,456	75,456
Income taxes payable	63,494	40,708
Contract liabilities	91,895	110,179
Provision for bonuses	22,675	28,622
Other	92,270	99,819
Total current liabilities	451,434	413,185
Non-current liabilities		
Long-term borrowings	521,963	446,507
Provision for retirement benefits for directors (and other officers)	1,650	1,650
Retirement benefit liability	2,199	538
Other	8,864	8,864
Total non-current liabilities	534,676	457,560
Total liabilities	986,110	870,746
Net assets		
Shareholders' equity		
Share capital	828,771	837,948
Capital surplus	788,771	797,941
Retained earnings	861,917	1,061,509
Treasury shares	(550)	(621)
Total shareholders' equity	2,478,908	2,696,776
Total net assets	2,478,908	2,696,776
Total liabilities and net assets	3,465,019	3,567,522

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

Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	1,908,375	2,010,340
Cost of sales	743,507	757,585
Gross profit	1,164,868	1,252,754
Selling, general and administrative expenses	858,196	966,917
Operating income (loss)	306,672	285,836
Non-operating income		
interest income	6	6
Dividends received	3	1
Subsidy income	58,383	20,007
Foreign exchange gains	612	4,855
Other	7,253	4,952
Total non-operating income	66,259	29,822
Non-operating expenses		
interest expense	3,923	3,282
Loss on investment partnership	3,593	1,262
Other	1,156	158
Total non-operating expenses	8,673	4,703
Ordinary income (loss)	364,257	310,955
Extraordinary income		
Gain on sales of non-current assets	299	—
Total extraordinary income	299	—
Extraordinary loss		
Loss on disposal of non-current assets	182	2,355
Impairment loss	2,803	23,857
Total extraordinary loss	2,986	26,213
Income (loss) before income taxes and minority interests	361,571	284,742
Income taxes-current	63,326	67,641
Income taxes-deferred	60,055	17,508
Total income taxes	123,381	85,150
Net income (loss)	238,189	199,591
Net income attributable to noncontrolling interests	—	—
Net income (loss) attributable to owners of the parent	238,189	199,591

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit (loss)	238,189	199,591
Comprehensive income	238,189	199,591
Comprehensive income attributable to:		
Owners of the parent	238,189	199,591
Non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	822,246	782,246	623,727	(502)	2,227,717	2,227,717
Changes during period						
Issuance of new shares-exercise of share acquisition rights	6,525	6,525			13,050	13,050
Profit (loss) attributable to owners of parent			238,189		238,189	238,189
Purchase of treasury shares				(48)	(48)	(48)
Total changes during period	6,525	6,525	238,189	(48)	251,191	251,191
Balance at end of period	828,771	788,771	861,917	(550)	2,478,908	2,478,908

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	828,771	788,771	861,917	(550)	2,478,908	2,478,908
Changes during period						
Issuance of new shares-exercise of share acquisition rights	9,177	9,170			18,347	18,347
Profit (loss) attributable to owners of parent			199,591		199,591	199,591
Purchase of treasury shares				(70)	(70)	(70)
Total changes during period	9,177	9,170	199,591	(70)	217,868	217,868
Balance at end of period	837,948	797,941	1,061,509	(621)	2,696,776	2,696,776

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	361,571	284,742
Depreciation	102,770	106,771
Impairment losses	2,803	23,857
Amortization of goodwill	42,382	42,382
Increase (decrease) in provision for loss on orders received	(40)	—
Increase (decrease) in provision for doubtful debts	3,228	(2,948)
Increase (decrease) in provision for bonuses	986	5,946
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3,262)	—
Increase (decrease) in retirement benefit liability	208	(1,660)
Loss (gain) on investment partnership	3,593	1,262
Interest and dividend income	(9)	(7)
Interest expenses	3,923	3,282
Subsidy income	(58,383)	(20,007)
Loss on disposal of non-current assets	182	2,355
Decrease (increase) in trade receivables	(328,043)	(235,962)
Decrease (increase) in inventories	(17,373)	(9,574)
Decrease (increase) in prepaid expenses	9,659	(5,550)
Increase (decrease) in trade payables	55,686	(47,242)
Increase (decrease) in accrued expenses	32,450	8,353
Increase (decrease) in contract liabilities	(75,955)	18,283
Other	22,341	(38,649)
Subtotal	158,720	135,636
Interest and dividend income	9	7
Interest paid	(3,909)	(3,344)
Income taxes paid	(14,126)	(89,655)
Income taxes refund	12,781	—
Subsidies received	56,883	20,007
Net cash provided by (used in) operating activities	210,359	62,651
Cash flows from investing activities		
Purchase of property, plant and equipment	(77,958)	(141,406)
Purchase of intangible assets	(4,450)	(920)
Purchase of investment securities	—	(15,000)
Other	(2,334)	(3,379)
Net cash provided by (used in) investing activities	(84,742)	(160,706)
Cash flows from financing activities		
Repayments of long-term borrowings	(75,456)	(75,456)
Other	(48)	(70)
Net cash provided by (used in) financing activities	(75,504)	(75,526)
Effect of exchange rate change on cash and cash equivalents	691	682
Net increase (decrease) in cash and cash equivalents	50,803	(172,898)
Cash and cash equivalents at beginning of period	732,324	783,128
Cash and cash equivalents at end of period	783,128	610,230

(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

Method of determining reportable segments

The Group's reportable segments are the components of the Company for which separate financial information is available. These components are subject to periodic review by the Board of Directors, which determines the distribution of management resources and evaluates performance.

The Group consists of three reportable segments with different products and services: the Optical segment, the LS & Equipment Development segment, and the Other segment.

The Optical segment manufactures and processes X-ray nano focusing mirrors for synchrotron radiation facilities. The LS & Equipment Development segment manufactures automated equipment, such as biotechnology-related equipment, including automated cell culture systems and drug discovery automated screening systems for iPS cells, etc. The Other segment corresponds to ESCO, Ltd., which manufactures thermal desorption spectrometry (TDS) equipment.

2. Information on the method of calculating sales, profits or losses, assets, and other items by reportable segment

The accounting method for reported business segments is in accordance with the accounting policies used to prepare the financial statements.

3. Information on amounts of sales, profits or losses, assets, and other items by reportable segment

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount stated in the consolidated financial statements (Note 3)
	Optical	LS & Equipment Development	Other	Total		
Net sales						
Sales to external customers	1,195,387	324,885	388,102	1,908,375	—	1,908,375
Total	1,195,387	324,885	388,102	1,908,375	—	1,908,375
Segment profit (loss)	501,175	1,533	86,696	589,404	(282,732)	306,672
Segment assets	1,000,160	256,958	820,418	2,077,537	1,387,481	3,465,019
Other items						
Depreciation	74,854	—	1,010	75,864	26,905	102,770
Amortization of goodwill	—	—	42,382	42,382	—	42,382
Increase in property, plant and equipment and intangible assets (Note 2)	72,776	2,803	885	76,465	3,231	79,697

(Notes)

1. "Adjustments" are company-wide expenses, depreciation for administrative departments, etc., and property, plant and equipment and intangible assets for administrative departments, etc., not attributable to reportable segments.
2. Increase in property, plant and equipment and intangible assets does not include increase in construction in progress.
3. Segment profit (loss) is adjusted to operating loss in the consolidated financial statements.

Fiscal year ended June 30, 2023 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Reportable segment				Adjustments (Note 1)	Amount stated in the consolidated financial statements (Note 3)
	Optical	LS & Equipment Development	Other	Total		
Net sales						
Sales to external customers	1,240,241	322,153	447,945	2,010,340	—	2,010,340
Inter-segment sales and transfers	—	8,150	—	8,150	(8,150)	—
Total	1,240,241	330,303	447,945	2,018,490	(8,150)	2,010,340
Segment profit (loss)	595,237	(25,659)	51,567	612,995	(335,309)	285,836
Segment assets	1,244,542	330,995	841,014	2,416,552	1,150,970	3,567,522
Other items						
Depreciation	76,204	—	3,603	79,807	26,963	106,771
Amortization of goodwill	—	—	42,382	42,382	—	42,382
Increase in property, plant and equipment and intangible assets (Note 2)	84,553	23,857	14,634	123,045	1,597	124,642

(Notes)

1. “Adjustments” are company-wide expenses, depreciation for administrative departments, etc., and property, plant and equipment and intangible assets for administrative departments, etc., not attributable to reportable segments.
2. Increase in property, plant and equipment and intangible assets does not include increase in construction in progress.
3. Segment profit (loss) is adjusted to operating loss in the consolidated financial statements.

[Related information]

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

1. Information by product and service

This information is omitted because the same information is disclosed in the Segment information.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Asia	Europe	Americas	Total
904,996	554,089	214,663	234,626	1,908,375

(Notes) 1. Based on location of sales, classified by country or region

2. Sales in Asia includes ¥309,547 thousand in China, and Americas includes ¥225,493 thousand in the United States, which each account for more than 10% of consolidated sales.

(2) Property, plant and equipment

Not applicable since we have no property, plant and equipment outside Japan.

3. Information by major customer

(Thousands of yen)

Customer name	Net sales	Name of related segment
Advanced Photon Source Argonne National Laboratory	216,097	Optical
RIKEN, Japan	209,631	Optical

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

1. Information by product and service

This information is omitted because the same information is disclosed in the Segment information.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Asia	Europe	Americas	Total
704,189	716,826	371,674	217,649	2,010,340

(Notes) 1. Based on location of sales, divided into countries or regions

2. Sales in Asia includes ¥329,982 thousand in China and ¥302,400 thousand in Taiwan, and Americas includes ¥217,649 thousand in the United States, which each account for more than 10% of consolidated sales.

(2) Property, plant and equipment

Not applicable since we have no property, plant and equipment outside Japan.

3. Information by the major customer

(Thousands of yen)

Customer name	Net sales	Name of related segment
RIKEN, Japan	208,288	Optical

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year ended June 30, 2022 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Optical	LS & Equipment Development	Other	Total	Elimination and corporate	Amount stated in the consolidated financial statements
Impairment losses	—	2,803	—	2,803	—	2,803

[Information on impairment losses on non-current assets by reportable segment]

Fiscal year ended June 30, 2023 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Optical	LS & Equipment Development	Other	Total	Elimination and corporate	Amount stated in the consolidated financial statements
Impairment losses	—	23,857	—	23,857	—	23,857

[Information on amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended June 30, 2022 (July 1, 2022 to June 30, 2023)

(Thousands of yen)

	Optical	LS & Equipment Development	Other	Total	Elimination and corporate	Amount stated in the consolidated financial statements
Amortization during the year	—	—	42,382	42,382	—	42,382
Unamortized balance during the year	—	—	349,659	349,659	—	349,659

Fiscal year ended June 30, 2023 (July 1, 2023 to June 30, 2024)

(Thousands of yen)

	Optical	LS & Equipment Development	Other	Total	Elimination and corporate	Amount stated in the consolidated financial statements
Amortization during the year	—	—	42,382	42,382	—	42,382
Unamortized balance during the year	—	—	307,276	307,276	—	307,276

[Information on gain from negative goodwill by reportable segment]

Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)

There is no relevant information.

Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)

There is no relevant information.

(Per share information)

	Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)
Net assets per share	¥422.15	¥458.71
Net income (loss) per share	¥40.58	¥33.96

(Notes)

1. Net income per share after dilution for this year and last year are not shown as there are no potentially dilutive shares
2. The basis of calculation for basic net income (loss) per share is as follows:

	Fiscal year ended June 30, 2023 (July 1, 2022 to June 30, 2023)	Fiscal year ended June 30, 2024 (July 1, 2023 to June 30, 2024)
Net income (loss) per share		
Net income (loss) attributable to owners of the parent (thousands of yen)	238,189	199,591
Amount not attributable to common shareholders (thousands of yen)	—	—
Net income (loss) attributable to shareholders of the parent company related to common stock ('000 yen)	238,189	199,591
Average number of shares of common stock during the period (no. of shares)	5,869,616	5,876,772

(Material subsequent events)

There is no relevant information.