

# Translation

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## Summary of Consolidated Financial Results for the Fiscal Year ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: NEW COSMOS ELECTRIC CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6824 URL <https://www.new-cosmos.co.jp/>  
 Representative: President and Representative Director Yoshinori Takahashi  
 Director, Senior Corporate Officer, General Manager of Administration Division  
 Inquiries: Taizo Murata TEL 06-6308-3112  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to file Securities Report: June 29, 2023  
 Scheduled date to commence dividend payments: June 30, 2023  
 Preparation of supplementary material on financial results: None  
 Holding of financial results meeting: None

(Amounts less than one million yen are rounded down)

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

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	37,206	8.4	5,693	4.8	6,269	3.7	3,736	(1.0)
Fiscal year ended March 31, 2022	34,335	16.1	5,432	57.7	6,045	62.8	3,775	53.5

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥4,600 million [9.1%]  
 For the fiscal year ended March 31, 2022: ¥4,215 million [23.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	302.75	—	9.8	11.9	15.3
Fiscal year ended March 31, 2022	304.93	—	10.8	12.6	15.8

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2023: ¥96 million  
 For the fiscal year ended March 31, 2022: ¥73 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	54,930	43,031	73.1	3,250.91
As of March 31, 2022	50,181	39,002	72.8	2,959.81

Reference: Equity  
 As of March 31, 2023: 40,135 million  
 As of March 31, 2022: 36,515 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	2,619	(1,487)	(1,011)	15,138
Fiscal year ended March 31, 2022	3,303	(2,198)	(990)	14,572

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	0.00	—	37.00	37.00	456	12.1	1.3
Fiscal year ended March 31, 2023	—	0.00	—	47.00	47.00	580	15.5	1.5
Fiscal year ending March 31, 2024 (Forecast)	—	0.00	—	47.00	47.00		20.3	

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	41,294	11.0	4,780	(16.0)	5,014	(20.0)	2,862	(23.4)	231.70

## 4. Notes

### (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2023

Yes

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Newly included: 1 company (NEW COSMOS INTELLIGENT EQUIPMENT (LIAONING) CO., LTD.)

Excluded: None

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

Changes in accounting policies due to revisions to accounting standards and other regulations: None

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: None

Restatement: None

### (3) Number of issued shares (common shares)

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

As of March 31, 2023	12,561,000 shares	As of March 31, 2022	12,561,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	215,027 shares	As of March 31, 2022	223,910 shares
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Average number of shares during the period

Fiscal year ended March 31, 2023	12,343,257 shares	Fiscal year ended March 31, 2022	12,381,480 shares
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\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Cautionary statement with respect to forward-looking statements)

The forward-looking statements contained in this summary are based on the information currently available and certain assumptions considered reasonable. Actual operating results may differ significantly from these forecasts due to various factors.

# Consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	15,184,908	15,676,551
Notes and accounts receivable - trade	7,054,231	6,696,429
Electronically recorded monetary claims - operating	2,300,791	2,393,915
Merchandise and finished goods	2,605,041	3,747,581
Work in process	1,847,285	2,372,880
Raw materials and supplies	3,870,908	5,426,455
Other	569,758	931,009
Allowance for doubtful accounts	(76,798)	(62,590)
Total current assets	33,356,127	37,182,233
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,289,183	2,210,310
Machinery, equipment and vehicles, net	962,304	1,012,725
Land	3,149,257	3,143,957
Construction in progress	320,261	1,204,096
Other, net	836,210	674,169
Total property, plant and equipment	7,557,217	8,245,259
Intangible assets		
Goodwill	1,246,444	1,111,694
Software	163,747	172,509
Software in progress	25,925	52,480
Other	34,218	103,759
Total intangible assets	1,470,335	1,440,443
Investments and other assets		
Investment securities	5,176,373	5,294,188
Deferred tax assets	426,881	416,162
Retirement benefit asset	600,093	600,515
Other	1,595,589	1,752,352
Allowance for doubtful accounts	(1,050)	(1,050)
Total investments and other assets	7,797,887	8,062,169
Total non-current assets	16,825,440	17,747,872
Total assets	50,181,567	54,930,106

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,124,221	2,494,662
Electronically recorded obligations - operating	2,265,073	2,943,807
Short-term borrowings	50,000	50,000
Current portion of long-term borrowings	410,000	345,000
Income taxes payable	1,205,890	458,091
Provision for bonuses	749,888	830,634
Provision for product warranties	155,604	168,907
Other	1,728,917	2,376,601
Total current liabilities	8,689,597	9,667,705
Non-current liabilities		
Long-term borrowings	792,500	447,500
Deferred tax liabilities	300,992	317,116
Provision for retirement benefits for directors (and other officers)	136,750	121,091
Retirement benefit liability	1,173,669	1,197,907
Other	85,424	147,763
Total non-current liabilities	2,489,337	2,231,377
Total liabilities	11,178,934	11,899,083
Net assets		
Shareholders' equity		
Share capital	1,460,000	1,460,000
Capital surplus	942,938	944,137
Retained earnings	32,806,871	36,087,293
Treasury shares	(346,345)	(332,651)
Total shareholders' equity	34,863,464	38,158,779
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,220,595	1,310,496
Foreign currency translation adjustment	275,853	561,280
Remeasurements of defined benefit plans	155,479	105,077
Total accumulated other comprehensive income	1,651,927	1,976,854
Non-controlling interests	2,487,240	2,895,387
Total net assets	39,002,633	43,031,022
Total liabilities and net assets	50,181,567	54,930,106

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	34,335,851	37,206,881
Cost of sales	17,864,253	19,428,873
Gross profit	16,471,598	17,778,008
Selling, general and administrative expenses		
Salaries and allowances	3,628,251	3,950,340
Remuneration for directors (and other officers)	320,427	346,740
Provision for bonuses	500,021	509,486
Retirement benefit expenses	99,607	108,823
Provision for retirement benefits for directors (and other officers)	23,475	34,651
Experimentation and research expenses	2,158,325	2,029,183
Provision for product warranties	150,907	134,581
Provision of allowance for doubtful accounts	(7,252)	(14,505)
Other	4,164,953	4,985,280
Total selling, general and administrative expenses	11,038,716	12,084,581
Operating profit	5,432,882	5,693,426
Non-operating income		
Interest income	13,050	15,581
Dividend income	85,995	97,927
Share of profit of entities accounted for using equity method	73,173	96,521
Foreign exchange gains	337,913	289,835
Other	111,752	90,025
Total non-operating income	621,885	589,891
Non-operating expenses		
Interest expenses	5,374	3,858
Other	4,392	9,691
Total non-operating expenses	9,767	13,550
Ordinary profit	6,045,000	6,269,768
Extraordinary income		
Gain on sale of non-current assets	—	4,341
Gain on sale of investment securities	—	9
Gain on liquidation of subsidiaries and associates	—	34,080
Total extraordinary income	—	38,432
Extraordinary losses		
Loss on sale of non-current assets	45	174
Loss on retirement of non-current assets	7,745	86,539
Loss on valuation of investment securities	9,624	—
Dismantlement expenses	—	189,840
Total extraordinary losses	17,415	276,553
Profit before income taxes	6,027,584	6,031,646
Income taxes - current	1,865,409	1,763,846
Income taxes - deferred	(136,605)	11,071
Total income taxes	1,728,804	1,774,917
Profit	4,298,779	4,256,729
Profit attributable to non-controlling interests	523,324	519,834
Profit attributable to owners of parent	3,775,455	3,736,894

## Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,298,779	4,256,729
Other comprehensive income		
Valuation difference on available-for-sale securities	(372,294)	90,088
Foreign currency translation adjustment	230,621	267,918
Remeasurements of defined benefit plans, net of tax	(16,473)	(50,401)
Share of other comprehensive income of entities accounted for using equity method	75,179	36,619
Total other comprehensive income	(82,967)	344,225
Comprehensive income	4,215,812	4,600,954
Comprehensive income attributable to		
Owners of parent	3,675,314	4,061,821
Non-controlling interests	540,498	539,132

# Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,460,000	938,360	29,473,387	(257,077)	31,614,670
Cumulative effects of changes in accounting policies			(8,659)		(8,659)
Restated balance	1,460,000	938,360	29,464,728	(257,077)	31,606,010
Changes during period					
Dividends of surplus			(433,311)		(433,311)
Profit attributable to owners of parent			3,775,455		3,775,455
Purchase of treasury shares				(99,654)	(99,654)
Disposal of treasury shares		4,578		10,386	14,965
Net changes in items other than shareholders' equity					
Total changes during period	–	4,578	3,342,143	(89,267)	3,257,454
Balance at end of period	1,460,000	942,938	32,806,871	(346,345)	34,863,464

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,593,405	(13,289)	171,952	1,752,068	1,993,674	35,360,413
Cumulative effects of changes in accounting policies						(8,659)
Restated balance	1,593,405	(13,289)	171,952	1,752,068	1,993,674	35,351,753
Changes during period						
Dividends of surplus						(433,311)
Profit attributable to owners of parent						3,775,455
Purchase of treasury shares						(99,654)
Disposal of treasury shares						14,965
Net changes in items other than shareholders' equity	(372,810)	289,142	(16,473)	(100,140)	493,566	393,425
Total changes during period	(372,810)	289,142	(16,473)	(100,140)	493,566	3,650,879
Balance at end of period	1,220,595	275,853	155,479	1,651,927	2,487,240	39,002,633

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,460,000	942,938	32,806,871	(346,345)	34,863,464
Cumulative effects of changes in accounting policies					—
Restated balance	1,460,000	942,938	32,806,871	(346,345)	34,863,464
Changes during period					
Dividends of surplus			(456,472)		(456,472)
Profit attributable to owners of parent			3,736,894		3,736,894
Purchase of treasury shares				(226)	(226)
Disposal of treasury shares		1,198		13,921	15,120
Net changes in items other than shareholders' equity					
Total changes during period	—	1,198	3,280,421	13,694	3,295,314
Balance at end of period	1,460,000	944,137	36,087,293	(332,651)	38,158,779

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,220,595	275,853	155,479	1,651,927	2,487,240	39,002,633
Cumulative effects of changes in accounting policies						—
Restated balance	1,220,595	275,853	155,479	1,651,927	2,487,240	39,002,633
Changes during period						
Dividends of surplus						(456,472)
Profit attributable to owners of parent						3,736,894
Purchase of treasury shares						(226)
Disposal of treasury shares						15,120
Net changes in items other than shareholders' equity	89,901	285,427	(50,401)	324,927	408,146	733,074
Total changes during period	89,901	285,427	(50,401)	324,927	408,146	4,028,389
Balance at end of period	1,310,496	561,280	105,077	1,976,854	2,895,387	43,031,022



# Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	6,027,584	6,031,646
Depreciation	998,560	1,051,733
Loss (gain) on sale and retirement of property, plant and equipment	6,218	82,200
Loss (gain) on sale of intangible assets	1,433	172
Loss (gain) on valuation of investment securities	9,624	—
Loss (gain) on sale of investment securities	—	(9)
Loss (gain) on liquidation of subsidiaries and associates	—	(34,080)
Dismantlement expenses	—	189,840
Amortization of goodwill	134,750	134,750
Increase (decrease) in allowance for doubtful accounts	(7,796)	(14,505)
Increase (decrease) in provision for bonuses	231,885	75,768
Increase (decrease) in provision for product warranties	14,470	13,303
Increase (decrease) in retirement benefit liability	(33,611)	(49,488)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	17,815	(15,658)
Interest and dividend income	(99,045)	(113,509)
Interest expenses	5,374	3,858
Share of loss (profit) of entities accounted for using equity method	(73,173)	(96,521)
Decrease (increase) in trade receivables	(823,448)	443,725
Decrease (increase) in inventories	(1,712,676)	(3,104,937)
Increase (decrease) in trade payables	257,427	843,357
Other, net	(335,036)	(440,962)
Subtotal	4,620,357	5,000,681
Interest and dividends received	125,000	152,244
Interest paid	(5,342)	(3,824)
Income taxes paid	(1,436,751)	(2,529,267)
Net cash provided by (used in) operating activities	3,303,264	2,619,833
Cash flows from investing activities		
Purchase of property, plant and equipment	(837,288)	(1,435,860)
Proceeds from sale of property, plant and equipment	1,272	9,639
Purchase of intangible assets	(84,291)	(97,299)
Purchase of investment securities	(1,208,400)	(54,606)
Proceeds from sale of investment securities	—	10
Proceeds from liquidation of subsidiaries and associates	—	54,080
Other, net	(70,267)	36,160
Net cash provided by (used in) investing activities	(2,198,975)	(1,487,876)
Cash flows from financing activities		
Repayments of long-term borrowings	(410,000)	(410,000)
Purchase of treasury shares	(99,654)	(226)
Dividends paid	(433,226)	(456,635)
Dividends paid to non-controlling interests	(47,845)	(130,072)
Other, net	—	(14,231)
Net cash provided by (used in) financing activities	(990,726)	(1,011,166)
Effect of exchange rate change on cash and cash equivalents	279,258	445,302
Net increase (decrease) in cash and cash equivalents	392,820	566,092
Cash and cash equivalents at beginning of period	14,179,416	14,572,236
Cash and cash equivalents at end of period	14,572,236	15,138,329