

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



August 8, 2023

Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 (Under Japanese GAAP)

Company name: ULVAC, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 6728
 URL: <https://www.ulvac.co.jp/en/>
 Representative: Setsuo Iwashita, President and CEO
 Inquiries: Akira Umeda, Officer, General Manager of IR Department
 Telephone: +81-467-89-2024
 Scheduled date of ordinary general meeting of shareholders: September 28, 2023
 Scheduled date to commence dividend payments: September 29, 2023
 Scheduled date of filing annual securities report: September 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for domestic institutional investors and analysts)

(Yen amounts are rounded to the nearest million, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	227,528	(5.7)	19,946	(33.6)	22,880	(28.9)	14,169	(29.9)
June 30, 2022	241,260	31.8	30,061	74.8	32,200	79.2	20,211	36.3

Note: Comprehensive income For the fiscal year ended June 30, 2023: ¥15,415 million [(47.0)%]
 For the fiscal year ended June 30, 2022: ¥29,063 million [66.2%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
June 30, 2023	287.70	—	7.3	6.5	8.8
June 30, 2022	410.37	—	11.4	10.0	12.5

Reference: Share of profit (loss) of entities accounted for using equity method:
 For the fiscal year ended June 30, 2023: ¥2,661 million
 For the fiscal year ended June 30, 2022: ¥861 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2023	353,474	204,853	56.1	4,024.72
June 30, 2022	354,304	196,484	53.3	3,837.17

Reference: Equity
 As of June 30, 2023: ¥198,212 million
 As of June 30, 2022: ¥188,977 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2023	1,011	(15,673)	(5,438)	87,317
June 30, 2022	33,931	(7,432)	(6,445)	107,106

2. Cash dividends

	Annual dividends per share					Total dividend (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended June 30, 2022	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2022	–	–	–	124.00	124.00	6,120	30.2	3.4
Fiscal year ended June 30, 2023	–	–	–	109.00	109.00	5,379	37.9	2.8
Fiscal year ending June 30, 2024 (Forecast)	–	–	–	114.00	114.00		35.1	

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2023	113,500	1.9	8,000	(23.6)	9,000	(23.6)	5,500	(41.1)	111.68
Fiscal year ending June 30, 2024	245,000	7.7	23,000	15.3	24,500	7.1	16,000	12.9	324.88

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

New inclusion: None, Exclusion: One company (ULVAC TOHOKU, Inc.)

Note: For details, please refer to “(5) Notes to consolidated financial statements (Significant matters that serve as the basis for preparing consolidated financial statements)” in “3. Consolidated financial statements and significant notes” on page 17 of the attached material.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “(5) Notes to consolidated financial statements (Notes – Changes in accounting policies)” in “3. Consolidated financial statements and significant notes” on page 22 of the attached material.

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

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

As of June 30, 2023	49,355,938 shares
As of June 30, 2022	49,355,938 shares

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

As of June 30, 2023	107,207 shares
As of June 30, 2022	106,961 shares

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

Fiscal year ended June 30, 2023	49,248,917 shares
Fiscal year ended June 30, 2022	49,248,995 shares

[Reference] Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
June 30, 2023	94,250	(13.1)	777	(93.1)	12,159	(43.7)	12,342	(33.8)
June 30, 2022	108,458	32.8	11,287	361.6	21,596	114.0	18,656	43.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2023	250.57	—
June 30, 2022	378.75	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2023	231,764	133,158	57.5	2,703.44
June 30, 2022	230,448	126,352	54.8	2,565.25

Reference: Equity

As of June 30, 2023: ¥133,158 million

As of June 30, 2022: ¥126,352 million

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including the earnings forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors. Please refer to “(4) Outlook for the future” in “1. Overview of operating results, etc.” on page 6 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached Material

Index

1. Overview of operating results, etc.....	2
(1) Overview of operating results for the current fiscal year	2
(2) Overview of financial position for the current fiscal year	5
(3) Overview of cash flows for the current fiscal year	5
(4) Outlook for the future	6
(5) Basic policy on profit distribution and dividends for the current and next fiscal years	7
2. Basic approach to the selection of accounting standards	8
3. Consolidated financial statements and significant notes	9
(1) Consolidated balance sheet	9
(2) Consolidated statement of income and consolidated statement of comprehensive income	11
Consolidated statement of income	11
Consolidated statement of comprehensive income	12
(3) Consolidated statement of changes in equity	13
(4) Consolidated statement of cash flows	15
(5) Notes to consolidated financial statements	17
Notes – Going concern assumption	17
Significant matters that serve as the basis for preparing consolidated financial statements	17
Notes – Changes in accounting policies	22
Segment information, etc.	23
Per share information	26
Significant subsequent events	27

1. Overview of operating results, etc.

(1) Overview of operating results for the current fiscal year

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Year-on-year change rate (%)
Orders received	270,095	247,221	(8.5)
Net sales	241,260	227,528	(5.7)
Operating profit	30,061	19,946	(33.6)
Ordinary profit	32,200	22,880	(28.9)
Profit attributable to owners of parent	20,211	14,169	(29.9)

In the current fiscal year, the global economy remained on a gradual recovery track, but uncertainty increased, mainly because of rising resource prices and supply chain disruptions amid growing geopolitical risks and growing concerns about economic recession due to global monetary tightening.

Regarding the business environment in which the group operates, in the semiconductor sector, capital investment by semiconductor manufacturers is slowing in the short term, in line with the deceleration in demand for items such as smartphones and personal computers. However, the demand for semiconductors is expected to expand in the medium- to long-term, partly due to expectations for generative AI, and plans for the construction and expansion of semiconductor plants are underway around the world in response to geopolitical risks. In the electronics field, there has been a continued expansion of investment in power devices in line with progress in the shift to green energy, EVs, etc.; technological innovation, as well as investment to increase the production of various electronic devices for the realization of a smart society, digitalization, and the metaverse; and investment aimed at shifting to domestic production in China. In the flat panel display (FPD) sector, investments in large-sized organic light-emitting diode displays are expected to grow as IT panels for tablets and personal computers have been replaced by organic light-emitting diode displays from LCDs in recent years. Additionally, investment in the mass production of EV batteries aimed at realizing smaller sizes, larger capacities, and higher safety is starting in earnest.

As a result, in the current fiscal year, orders received decreased by 22,874 million yen (8.5%) year on year to 247,221 million yen and net sales decreased by 13,732 million yen (5.7%) to 227,528 million yen. Regarding profit, the operating profit decreased by 10,115 million yen (33.6%) to 19,946 million yen, ordinary profit decreased by 9,319 million yen (28.9%) to 22,880 million yen, and the profit attributable to owners of the parent decreased by 6,042 million yen (29.9%) to 14,169 million yen.

Results by segment are as follows.

[Vacuum Equipment Business]

	(Millions of yen)		
	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Year-on-year change rate (%)
Orders received	224,116	201,493	(10.1)
Net sales	200,098	184,760	(7.7)
Operating profit	27,129	16,550	(39.0)

Details for Vacuum Equipment Business by item are as follows.

FPD production equipment

In FPD production equipment, orders received and net sales both decreased year on year due to the reactionary decline in investment in LCDs for IT panels following the previous fiscal year's heightened activity.

Semiconductor and electronic device production equipment

In semiconductor and electronic device production equipment, there were contributions from investment in logic, more active investment in devices such as power devices and optical devices, and more active investment in shifting to domestic electronics production in China. As a result of these and other factors, orders received and net sales both increased year on year.

Components

In the components business, orders received and net sales both increased year on year, as business was strong, especially for vacuum pumps, measurement devices, power supply devices designed for use in semiconductors and electronic devices, batteries for EVs, and consumer devices.

Industrial equipment

Net sales increased year on year due to contributions from businesses in areas such as vacuum heat treatment furnaces for the manufacture of automobile components, high performance magnet production equipment, and leak testing equipment.

As a result, the Vacuum Equipment Business recorded orders received of 201,493 million yen, order backlogs of 125,004 million yen, net sales of 184,760 million yen, and operating profit of 16,550 million yen.

[Vacuum Application Business]

	(Millions of yen)		
	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Year-on-year change rate (%)
Orders received	45,978	45,728	(0.5)
Net sales	41,162	42,768	3.9
Operating profit	2,930	3,355	14.5

Details for Vacuum Application Business by item are as follows.

Materials

Orders received and net sales both decreased year on year, owing to a decrease in the operating rate of FPD related plants.

Others

Orders received and net sales both increased year on year due to strong performances of businesses related to surface analyzer equipment and to mask blanks for high-definition, high-performance displays.

As a result, the Vacuum Application Business recorded orders received of 45,728 million yen, order backlogs of 16,016 million yen, net sales of 42,768 million yen, and operating profit of 3,355 million yen.

(2) Overview of financial position for the current fiscal year

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Year-on-year change rate (%)
Assets	354,304	353,474	(0.2)
Liabilities	157,820	148,620	(5.8)
Net assets	196,484	204,853	4.3

Total assets decreased by 830 million yen from the end of the fiscal year ended June 30, 2022. This was primarily due to a decrease of 19,641 million yen in cash and deposits, an increase of 12,522 million yen in inventories, and an increase of 4,593 million yen in property, plants, and equipment.

Total liabilities decreased by 9,199 million yen from the end of the fiscal year ended June 30, 2022. This was primarily due to a decrease of 7,694 million yen in notes and accounts payable - trade, and a decrease of 2,560 million yen in contract liabilities.

Total net assets increased by 8,369 million yen from the end of the fiscal year ended June 30, 2022. This was primarily due to an increase of 8,049 million yen in the retained earnings.

(3) Overview of cash flows for the current fiscal year

(Millions of yen)

Category	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023	Change
Cash flows from operating activities	33,931	1,011	(32,919)
Cash flows from investing activities	(7,432)	(15,673)	(8,241)
Cash flows from financing activities	(6,445)	(5,438)	1,007
Cash and cash equivalents at end of period	107,106	87,317	(19,788)
Interest-bearing debt	39,528	41,958	2,430

Cash flows from operating activities amounted to an inflow of 1,011 million yen. Positive factors behind this included profit before income taxes and depreciation, whereas negative factors included an increase in inventories and a decrease in trade payables.

Cash flows from investing activities amounted to an outflow of 15,673 million yen. The main factor behind this was the purchase of property, plant and equipment and intangible assets. Cash flows from financing activities amounted to an outflow of 5,438 million yen, primarily due to dividends paid.

As a result, cash and cash equivalents at the end of the fiscal year ended June 30, 2023, decreased by 19,788 million yen from the end of the fiscal year ended June 30, 2022, to 87,317 million yen.

Trends in cash flow-related indicators

	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Equity-to-asset ratio (%)	57.0	53.3	56.1
Equity-to-asset ratio based on market value (%)	94.7	64.2	84.9
Cash flow to interest-bearing debt ratio (years)	1.5	1.2	41.5
Interest coverage ratio (times)	50.6	83.4	2.5

Notes: Equity-to-asset ratio: Equity/Total assets

Equity-to-asset ratio based on market value: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest payments

*1. All indicators are calculated based on consolidated financial figures.

*2. Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year (after deduction of treasury shares).

*3. Cash flows used are the cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheet for which interest is paid. For interest payments, the amount of interest paid in the consolidated statement of cash flows is used.

(4) Outlook for the future

(i) Outlook for the next fiscal year

For the future business environment in which we operate, medium- to long-term investment expansion in logic, memory, and other semiconductor relations is expected, as exemplified by the expansion of demand for semiconductors in association with the development of digitalization involving generative AI, big data, and IoT and the establishment of local supply chains supported by central governments. In the electronics field, there will be continued expansion of investment in power devices in line with progress in the shift to green energy, EVs, etc.; investment in various electronic devices for the realization of a smart society, digitalization, and the metaverse; and investment aimed at shifting to domestic production in China, and the expansion will entail technological innovation. Furthermore, the expansion of investment in the mass production of EV batteries aimed at realizing smaller size, larger capacity, and higher safety is expected to be full-fledged.

Under these circumstances, we created a mid-term management plan for the fiscal year ending June 2026.

To support the achievement of a smart and digital society, shift to green energy, and achieve lower power consumption, all of which will contribute to the solution of social issues, with technological innovation, we adopt “Creating Social Value Through Vacuum Technology” and “Enhancing Profit and Capital Efficiency Oriented

Management” as our basic policy in the mid-term management plan with the aim of achieving sustainable growth. Please refer to the “Announcement on Mid-term Management Plan,” released on the same day of this document, for further details.

<Net sales forecast by product>

		(Billions of yen)	
	Fiscal year ended June 30, 2023 (Actual)	Fiscal year ending June 30, 2024 (Forecast)	
Net sales	227.5	245.0	[7.7%]
Vacuum Equipment Business	184.8	201.0	[8.8%]
FPD production equipment	52.8	52.5	[(0.5)%]
Semiconductor and electronic device production equipment	77.7	93.5	[20.3%]
Components	32.4	34.5	[6.5%]
Industrial equipment	21.9	20.5	[(6.5)%]
Vacuum Application Business	42.8	44.0	[2.9%]
Materials	19.7	20.0	[1.5%]
Others	23.1	24.0	[4.0%]
Operating profit	19.9	23.0	[15.3%]
Ordinary profit	22.9	24.5	[7.1%]
Profit attributable to owners of parent	14.2	16.0	[12.9%]

Notes: Figures in square brackets indicate year-on-year change rate. Percentages are calculated in millions of yen and rounded to the nearest million.

(ii) Outlook for cash flows in the next fiscal year

For cash flows in the next fiscal year, we will secure cash inflow from operating activities by posting profit before income taxes and improving capital efficiency through measures to shorten the cash conversion cycle (CCC).

In addition, we will promote strengthening research and development in drivers of growth. Funds for this purpose will be allocated from cash inflows from operating activities and other sources.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

We recognize that the distribution of profits to shareholders is one of our most important policies.

On the other hand, we are in an industry with significant fluctuations in capital investment trends and remarkable technological innovation. Taking into account the need to secure sufficient funds for research and development investments in growth areas and to enhance internal reserves necessary to build a stable financial base, we aim to return profits to shareholders in a performance-linked manner with a consolidated payout ratio of 30% or more.

Our basic policy is to pay dividends from surplus once a year as a year-end dividend. The decision-making body for this distribution of surplus is the general meeting of shareholders.

Although we will maintain a consolidated payout ratio of 30% or more, we plan to pay a dividend of 109 yen per share for the current fiscal year, taking into account the operating results for the current fiscal year, cash flow position and other factors.

For the fiscal year ending June 30, 2024 (the next fiscal year) onward, our policy on shareholder returns aims for a performance-based consolidated payout ratio of 35% while taking into consideration the condition of the financial base and other factors.

For the next fiscal year, we plan to pay a dividend of 114 yen per share.

Notes: The future outlook for us in this financial results report are based on information currently available. The FPD, semiconductor and electronic devices sectors, which the Group's main

customers belong to, are particularly competitive industries with a very fast pace of technological innovation. In addition, there are various external factors that directly or indirectly affect the Group's performance, such as the global economy, exchange rate fluctuations, raw material prices, market conditions for FPDs, semiconductors and electronic devices, and trends in capital investment. Accordingly, please be aware that actual net sales and profits may differ significantly from the forecasts in this financial results report.

2. Basic approach to the selection of accounting standards

For the time being, the Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among companies.

Regarding the application of international accounting standards, we will take appropriate measures in consideration of various domestic and international situations.

3. Consolidated financial statements and significant notes

(1) Consolidated balance sheet

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	118,040	98,399
Notes and accounts receivable - trade, and contract assets	86,331	83,538
Merchandise and finished goods	4,500	6,140
Work in process	29,090	36,485
Raw materials and supplies	15,849	19,335
Other	10,562	11,903
Allowance for doubtful accounts	(525)	(521)
Total current assets	263,847	255,280
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,821	87,062
Accumulated depreciation	(58,939)	(61,146)
Buildings and structures, net	26,883	25,915
Machinery, equipment and vehicles	78,272	84,162
Accumulated depreciation	(62,537)	(63,763)
Machinery, equipment and vehicles, net	15,735	20,399
Tools, furniture and fixtures	14,682	14,840
Accumulated depreciation	(12,908)	(13,099)
Tools, furniture and fixtures, net	1,774	1,741
Land	8,360	8,245
Leased assets	5,079	5,981
Accumulated depreciation	(1,922)	(2,311)
Leased assets, net	3,157	3,670
Construction in progress	9,087	9,617
Total property, plant and equipment	64,995	69,588
Intangible assets		
Leased assets	27	23
Software	1,603	1,746
Other	2,085	2,568
Total intangible assets	3,715	4,336
Investments and other assets		
Investment securities	6,882	10,151
Retirement benefit asset	536	940
Deferred tax assets	6,990	6,245
Other	9,332	8,962
Allowance for doubtful accounts	(1,995)	(2,030)
Total investments and other assets	21,746	24,269
Total non-current assets	90,457	98,193
Total assets	354,304	353,474

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,030	47,336
Short-term borrowings	9,618	11,878
Lease liabilities	679	898
Income taxes payable	3,813	2,328
Contract liabilities	25,245	22,685
Provision for bonuses	5,918	5,072
Provision for bonuses for directors (and other officers)	404	368
Provision for product warranties	1,387	1,726
Provision for loss on orders received	16	313
Other	14,651	14,149
Total current liabilities	116,762	106,754
Non-current liabilities		
Long-term borrowings	29,910	30,080
Lease liabilities	2,562	3,037
Deferred tax liabilities	128	195
Retirement benefit liability	7,400	7,414
Provision for share awards for directors (and other officers)	272	311
Asset retirement obligations	416	409
Other	368	420
Total non-current liabilities	41,057	41,867
Total liabilities	157,820	148,620
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	152,514	160,563
Treasury shares	(344)	(345)
Total shareholders' equity	176,955	185,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,440	2,036
Foreign currency translation adjustment	12,282	12,721
Remeasurements of defined benefit plans	(1,700)	(1,547)
Total accumulated other comprehensive income	12,022	13,209
Non-controlling interests	7,508	6,641
Total net assets	196,484	204,853
Total liabilities and net assets	354,304	353,474

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

Consolidated statement of income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Net sales	241,260	227,528
Cost of sales	167,517	160,366
Gross profit	73,743	67,162
Selling, general and administrative expenses		
Selling expenses	18,036	17,893
General and administrative expenses	25,646	29,324
Total selling, general and administrative expenses	43,682	47,217
Operating profit	30,061	19,946
Non-operating income		
Interest income	248	394
Dividend income	745	429
Foreign exchange gains	571	-
Share of profit of entities accounted for using equity method	861	2,661
Other	1,312	1,579
Total non-operating income	3,736	5,063
Non-operating expenses		
Interest expenses	410	441
Foreign exchange losses	-	574
Commission for syndicated loans	195	287
Other	994	826
Total non-operating expenses	1,598	2,128
Ordinary profit	32,200	22,880
Extraordinary income		
Gain on sale of investment securities	343	-
Gain on sale of shares of subsidiaries and associates	797	-
Gain on sale of non-current assets	59	153
Total extraordinary income	1,199	153
Extraordinary losses		
Impairment losses	3,090	2,311
Cost to deal with COVID-19	1,028	-
Total extraordinary losses	4,118	2,311
Profit before income taxes	29,280	20,722
Income taxes - current	7,549	6,100
Income taxes - deferred	290	542
Total income taxes	7,839	6,642
Profit	21,441	14,080
Profit (loss) attributable to non-controlling interests	1,231	(89)
Profit attributable to owners of parent	20,211	14,169

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Profit	21,441	14,080
Other comprehensive income		
Valuation difference on available-for-sale securities	(738)	602
Foreign currency translation adjustment	8,015	639
Remeasurements of defined benefit plans, net of tax	(279)	154
Share of other comprehensive income of entities accounted for using equity method	624	(59)
Total other comprehensive income	7,622	1,336
Comprehensive income	29,063	15,415
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,348	15,357
Comprehensive income attributable to non-controlling interests	1,714	59

(3) Consolidated statement of changes in equity

Fiscal year ended June 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,873	3,912	137,573	(343)	162,015
Cumulative effects of changes in accounting policies			(581)		(581)
Restated balance	20,873	3,912	136,992	(343)	161,433
Changes during period					
Dividends of surplus			(4,688)		(4,688)
Profit attributable to owners of parent			20,211		20,211
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	15,522	(0)	15,522
Balance at end of period	20,873	3,912	152,514	(344)	176,955

	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	2,174	4,132	(1,422)	4,884	6,800	173,699
Cumulative effects of changes in accounting policies						(581)
Restated balance	2,174	4,132	(1,422)	4,884	6,800	173,117
Changes during period						
Dividends of surplus						(4,688)
Profit attributable to owners of parent						20,211
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(733)	8,150	(279)	7,138	707	7,845
Total changes during period	(733)	8,150	(279)	7,138	707	23,367
Balance at end of period	1,440	12,282	(1,700)	12,022	7,508	196,484

Fiscal year ended June 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,873	3,912	152,514	(344)	176,955
Cumulative effects of changes in accounting policies					-
Restated balance	20,873	3,912	152,514	(344)	176,955
Changes during period					
Dividends of surplus			(6,120)		(6,120)
Profit attributable to owners of parent			14,169		14,169
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	8,049	(1)	8,048
Balance at end of period	20,873	3,912	160,563	(345)	185,003

	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	1,440	12,282	(1,700)	12,022	7,508	196,484
Cumulative effects of changes in accounting policies						-
Restated balance	1,440	12,282	(1,700)	12,022	7,508	196,484
Changes during period						
Dividends of surplus						(6,120)
Profit attributable to owners of parent						14,169
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	596	439	153	1,188	(867)	321
Total changes during period	596	439	153	1,188	(867)	8,369
Balance at end of period	2,036	12,721	(1,547)	13,209	6,641	204,853

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	29,280	20,722
Depreciation	8,587	8,245
Impairment losses	3,090	2,311
Increase (decrease) in allowance for doubtful accounts	203	36
Increase (decrease) in provision for bonuses	2,593	(869)
Increase (decrease) in retirement benefit liability	(38)	238
Increase (decrease) in provision for share awards for directors (and other officers)	75	39
Increase (decrease) in provision for product warranties	67	328
Increase (decrease) in provision for loss on orders received	(906)	297
Interest and dividend income	(993)	(822)
Interest expenses	410	441
Loss (gain) on sale of investment securities	(343)	–
Loss (gain) on sale of shares of subsidiaries and associates	(797)	–
Loss (gain) on sale of non-current assets	(59)	(153)
Share of loss (profit) of entities accounted for using equity method	(861)	(2,661)
Decrease (increase) in trade receivables	(16,971)	3,629
Decrease (increase) in inventories	(11,348)	(12,530)
Increase (decrease) in trade payables	15,544	(8,418)
Increase (decrease) in net contract liabilities	10,788	(2,725)
Increase (decrease) in accrued consumption taxes	594	(913)
Other, net	(850)	2,179
Subtotal	38,067	9,373
Interest and dividends received	1,573	1,026
Interest paid	(407)	(400)
Income taxes paid	(5,302)	(8,987)
Net cash provided by (used in) operating activities	33,931	1,011
Cash flows from investing activities		
Payments into time deposits	(20,656)	(25,578)
Proceeds from withdrawal of time deposits	18,908	25,495
Purchase of property, plant and equipment and intangible assets	(7,344)	(16,311)
Proceeds from sale of property, plant and equipment and intangible assets	224	435
Proceeds from sale of investment securities	391	–
Proceeds from sale of shares of subsidiaries and associates	1,200	–
Other, net	(155)	285
Net cash provided by (used in) investing activities	(7,432)	(15,673)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	331	1,483
Proceeds from long-term borrowings	5,400	7,300
Repayments of long-term borrowings	(5,685)	(6,368)
Repayments of lease liabilities	(741)	(879)
Dividends paid	(4,684)	(6,115)
Purchase of treasury shares	(0)	(1)
Dividends paid to non-controlling interests	(1,065)	(858)
Other, net	–	0
Net cash provided by (used in) financing activities	(6,445)	(5,438)

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Fiscal Year Ended June 30, 2023

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Effect of exchange rate change on cash and cash equivalents	3,991	312
Net increase (decrease) in cash and cash equivalents	24,044	(19,788)
Cash and cash equivalents at beginning of period	83,061	107,106
Cash and cash equivalents at end of period	107,106	87,317

(5) Notes to consolidated financial statements

Notes – Going concern assumption

Not applicable.

Significant matters that serve as the basis for preparing consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 28

The names of consolidated subsidiaries are as follows:

ULVAC TECHNO, Ltd.

ULVAC Technologies, Inc.

ULVAC KIKO, Inc.

ULVAC EQUIPMENT SALES, Inc.

ULVAC CRYOGENICS INCORPORATED

ULVAC-PHI, Inc.

ULVAC KOREA, Ltd.

ULVAC TAIWAN INC.

ULVAC SINGAPORE PTE LTD.

ULVAC (SUZHOU) CO., LTD.

ULVAC Orient (Chengdu) Co., Ltd.

ULVAC Automation Technology (Shanghai) Corporation

ULVAC Tianma Electric (Jingjiang) Co., Ltd.

ULVAC (Shenyang) Co., Ltd.

ULVAC (CHINA) HOLDING CO., LTD.

ULVAC MALAYSIA SDN. BHD.

Physical Electronics USA, Inc.

TIGOLD CORPORATION

Pure Surface Technology, Ltd.

ULVAC CRYOGENICS KOREA INCORPORATED

ULTRA CLEAN PRECISION TECHNOLOGIES CORP.

ULVAC COATING CORPORATION

ULCOAT TAIWAN, Inc.

ULVAC (Shanghai) Trading Co., Ltd.

ULVAC Materials (Suzhou) Co., Ltd.

ULVAC VACUUM EQUIPMENT (SHANGHAI) CO., LTD.

ULVAC Coating Technology (HEFEI) Co., Ltd.

ULVAC ORIENT TEST AND MEASUREMENT TECHNOLOGY (CHENGDU) CO., LTD.

In the current fiscal year, the company's consolidated subsidiaries ULVAC TOHOKU, Inc., and ULVAC KYUSHU CORPORATION ceased to exist as a result of an absorption-type merger with the Company as the surviving company and have therefore been excluded from the scope of consolidation.

(2) Number of unconsolidated subsidiaries: 8

The names of unconsolidated subsidiaries are as follows:

ULVAC GmbH

ULVAC SOFTWARE CREATIVE TECHNOLOGY, CO., LTD.

ULVAC Materials Taiwan, Inc.

NISSIN SEIGYO Co., LTD.
ULVAC (THAILAND) LTD.
ULVAC CRYOGENICS (NINGBO) INCORPORATED
ULVAC Research Center SUZHOU Co., Ltd.
FINE SURFACE TECHNOLOGY CO., LTD.

(3) Reason for excluding unconsolidated subsidiaries from the scope of consolidation

The unconsolidated subsidiaries are all small companies and do not have a material impact on the consolidated financial statements in terms of total assets, net sales, profit/loss, retained earnings, etc.

2. Application of equity method

(1) Number of unconsolidated subsidiaries accounted for by the equity method: none

(2) Number of associates accounted for by the equity method: 3

SHOWA SHINKU CO., LTD.
ULVAC AUTOMATION TAIWAN Inc.
ULVAC (NINGBO) CO., LTD.

(3) Unconsolidated subsidiaries (8 companies) and associates (5 companies) that are not accounted for by the equity method are excluded from the scope of application of the equity method because they do not have a material impact on consolidated profit/loss, retained earnings, etc. and are not significant as a whole.

3. Fiscal year, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year closing date of ULVAC (SUZHOU) CO., LTD., ULVAC Orient (Chengdu) Co., Ltd., ULVAC Automation Technology (Shanghai) Corporation, ULVAC Tianma Electric (Jingjiang) Co., Ltd., ULVAC (Shenyang) Co., Ltd., ULVAC (CHINA) HOLDING CO., LTD., ULVAC (Shanghai) Trading Co., Ltd., ULVAC Materials (Suzhou) Co., Ltd., ULVAC VACUUM EQUIPMENT (SHANGHAI) CO., LTD., ULVAC Coating Technology (HEFEI) Co., Ltd., and ULVAC ORIENT TEST AND MEASUREMENT TECHNOLOGY (CHENGDU) CO., LTD. is December 31, and that of ULVAC KIKO, Inc., ULVAC Technologies, Inc., ULVAC SINGAPORE PTE LTD. and ULVAC MALAYSIA SDN. BHD. is March 31.

In preparing the consolidated financial statements, provisional financial statements prepared for consolidation as of the consolidated balance sheet date are used for consolidated subsidiaries of which the fiscal year closing date is December 31. Regarding consolidated subsidiaries of which the fiscal year closing date is March 31, financial statements as of the consolidated balance sheet date are used. However, necessary adjustments are made for significant transactions that occurred between their closing dates and the consolidated balance sheet date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

Inventories

Mainly stated at cost determined by the specific identification method (balance sheet amount is calculated by writing down the book value of assets which decreased in profitability).

Securities

Available-for-sale securities

Other than stocks, etc. with no market price

Stated at fair value (valuation differences are booked directly in a separate component of net assets, and cost of securities sold is determined by the moving average method).

Stocks, etc. with no market price

Stated at cost determined by the moving-average method.

Derivatives

Stated at fair value

(2) Depreciation method for significant depreciable assets

Property, plant and equipment (excluding leased assets)

In addition to the declining-balance method, the straight-line method is used for our research and development division, Fuji Susono Plant, and property, plant and equipment for lease.

However, buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 are depreciated by the straight-line method, and facilities attached to buildings and structures acquired by domestic consolidated subsidiaries on or after April 1, 2016 are depreciated by the straight-line method.

Assets with an acquisition cost of 100,000 yen or more but less than 200,000 yen are depreciated in equal amounts over three years.

The useful lives of major assets are as follows.

Buildings and structures: 10 to 50 years

Machinery, equipment and vehicles: 4 to 13 years

Intangible assets (excluding leased assets)

The straight-line method is used.

However, software (for internal use) is amortized by the straight-line method over its useful life as internally determined (5 years).

Leased assets

The straight-line method is used, where the lease period is deemed as the useful life of the asset and residual value is set as zero.

Foreign consolidated subsidiaries have adopted IFRS 16 “Leases” or ASU 2016-02 “Leases.” A description of ASU No. 2016-02 “Leases,” which is adopted from the current fiscal year, is included in the “(5) Notes to consolidated financial statements (Changes in accounting policies).” For lessees of leases, in principle, all leases are recorded as assets and liabilities on the balance sheet, and the recorded assets are depreciated on a straight-line basis.

(3) Accounting policy for significant provisions

(i) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible losses on receivables based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectability for specific receivables such as highly doubtful receivables.

(ii) Provision for bonuses

To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year among the estimated amount of bonus payments is recorded.

(iii) Provision for bonuses for directors (and other officers)

To provide for the payment of bonuses to directors and other officers, we accrue an estimated amount of bonuses to be paid.

(iv) Provision for product warranties

To provide for expenses related to warranties for products sold, we accrue an estimated amount of expenses to be incurred in and after the next fiscal year based on the historical rate of occurrence.

(v) Provision for loss on orders received

To provide for losses related to orders received for manufacturing equipment, we record estimated losses to be incurred in and after the next fiscal year for contracts in which losses are expected and the amount of the losses can be reasonably estimated.

(vi) Provision for share awards for directors (and other officers)

To provide for our payment of Company shares, etc. to directors, etc. based on the Directors' Share Benefit Regulations, we record an amount based on the estimated share benefit obligation at the end of the current fiscal year.

(4) Accounting methods for retirement benefits

(i) Method of attributing estimated retirement benefits to periods

For calculation of retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit formula method.

(ii) Method of amortizing actuarial gains and losses and prior service cost

Prior service cost is amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time the cost is incurred.

Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (10 years) within the average remaining service period of employees at the time the gains or losses are recognized in the fiscal year following the year in which they are recognized.

(5) Basis for recognition of significant revenues and expenses

(i) Main performance obligations of major businesses

The Group is classified into the Vacuum Equipment Business, which is based on vacuum technology and provides vacuum equipment represented by sputtering equipment for LCDs, organic EL production equipment, evaporation roll-to-roll equipment, sputtering equipment for semiconductor manufacturing, vacuum pumps, measuring instruments and components, and the Vacuum Application Business, which is based on peripheral technologies of vacuum technology and provides sputtering target materials, analytical instruments, etc. Both businesses identify the provision of equipment, devices, and materials as the main performance obligation.

(ii) Normal point in time at which performance obligations are satisfied (normal point in time at which revenue is recognized)

In the provision of equipment in the Vacuum Equipment Business and Vacuum Application Business, those that create assets that cannot be assigned to other customers or to another use and for which we have the right to receive payment for completed performance obligations are considered to be performance obligations that will be satisfied over a specified period of time, and we estimate the progress towards satisfaction of performance obligations and recognize revenue based on the progress. The method of estimating the degree of progress for performance obligations to be satisfied over a certain period of time is calculated at the proportion of the cost incurred to the estimated total cost. Other than the above, revenue is recognized when control is transferred upon completion of acceptance inspection, etc. by the customer.

Also, for domestic sales of components and materials, etc., the alternative treatment stipulated in paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" has been applied, meaning that in cases where the period of time between time of shipment and the time the control is transferred to the customer is regular, revenue is recognized at time of shipment.

The consideration for transactions is mainly received in advance from the time the order is received until the performance obligation is satisfied, or payment is required after the performance obligation is satisfied. Payments after satisfaction of performance obligations do not include a significant financial component, because they are due within one year from the time of satisfaction of the performance obligation.

(6) Standards for translation of significant foreign currency-denominated assets or liabilities into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing as of the balance sheet date, with translation differences recognized as gains or losses.

Assets and liabilities, and income and expenses of overseas subsidiaries are translated into yen at the spot exchange rates prevailing as of the balance sheet date, and the translation differences are included in the foreign currency translation adjustment and non-controlling interests in net assets.

(7) Scope of cash and cash equivalents in consolidated statements of cash flows

Cash on hand, demand deposits, and short-term investments with maturities of three months or less from the time of acquisition that can be withdrawn on demand and are exposed to insignificant risk of price fluctuations.

Notes – Changes in accounting policies

Application of U.S. GAAP ASU 2016-02 “Leases”

For the consolidated subsidiaries in United States, the Company has applied ASU 2016-02 “Leases” from the current fiscal year. As a result, lessees recognize, in principle, assets and liabilities for all leases. This accounting standard is applied in accordance with transitional treatments, and the Company has adopted the method where the cumulative effects of changes in accounting policies are recognized at the date of initial application.

The effect of this change on quarterly consolidated financial statements for the current fiscal year was immaterial.

Segment information, etc.

Segment information

1. Overview of reportable segments

Our reportable segments are our components for which separate financial information is available and are subject to periodic review by the highest management decision-making body to determine the allocation of management resources and evaluate their performance.

We are composed of product and service segments based on business units, with “Vacuum Equipment Business” and “Vacuum Application Business” as reportable segments.

The Vacuum Equipment Business consists of products such as sputtering equipment for LCDs, organic EL production equipment, evaporation roll-to-roll equipment, sputtering equipment for semiconductor production, vacuum pumps, and measuring equipment, and we develop, manufacture, sell, and provide maintenance services for these products.

The Vacuum Application Business consists of vacuum-applied products such as sputtering target materials and analytical instrument-related products, and we develop, manufacture, sell, and provide maintenance services for these products.

2. Calculation of net sales, profit or loss, assets, and other items by reportable segment

The accounting method for reported business segments is generally the same as that described in “Significant matters that serve as the basis for preparing consolidated financial statements.”

Profit by reportable segment is based on operating profit.

Intersegment revenues and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, and other items by reportable segment and breakdown of income.

Previous fiscal year (from July 1, 2021 to June 30, 2022)

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Recorded amount in consolidated financial statements (Note 2)
	Vacuum Equipment Business	Vacuum Application Business	Total		
Net sales					
Goods or services transferred at a point in time	71,836	32,638	104,474	–	104,474
Goods or services transferred over time	128,262	8,524	136,787	–	136,787
Revenue from contracts with customers	200,098	41,162	241,260	–	241,260
Sales to external customers	200,098	41,162	241,260	–	241,260
Intersegment sales or transfers	3,934	2,137	6,070	(6,070)	–
Total	204,032	43,299	247,331	(6,070)	241,260
Segment profit	27,129	2,930	30,060	1	30,061
Segment assets	298,347	53,475	351,822	2,482	354,304
Other items					
Depreciation	6,556	2,042	8,598	(11)	8,587
Increase in property, plant and equipment and intangible assets	9,696	1,351	11,047	–	11,047

Notes: 1. Adjustments are as follows:

- (1) Adjustments to net sales, segment profit, and depreciation represent elimination of intersegment transactions.
 - (2) Adjustment of segment assets is long-term investment assets (investment securities), etc.
2. Segment profit is adjusted with operating profit in the consolidated statement of income.
 3. The amount of revenue, other than revenue from contracts with customers, is not presented separately from revenue from contracts with customers because it is not material.

Current fiscal year (from July 1, 2022 to June 30, 2023)

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Recorded amount in consolidated financial statements (Note 2)
	Vacuum Equipment Business	Vacuum Application Business	Total		
Net sales					
Goods or services transferred at a point in time	78,177	33,884	112,061	–	112,061
Goods or services transferred over time	106,583	8,884	115,467	–	115,467
Revenue from contracts with customers	184,760	42,768	227,528	–	227,528
Sales to external customers	184,760	42,768	227,528	–	227,528
Intersegment sales or transfers	819	2,776	3,596	(3,596)	–
Total	185,580	45,544	231,124	(3,596)	227,528
Segment profit	16,550	3,355	19,905	40	19,946
Segment assets	291,931	58,220	350,151	3,323	353,474
Other items					
Depreciation	6,429	1,817	8,246	(1)	8,245
Increase in property, plant and equipment and intangible assets	17,721	2,015	19,736	–	19,736

Notes: 1. Adjustments are as follows:

- (1) Adjustments to net sales, segment profit, and depreciation represent elimination of intersegment transactions.
- (2) Adjustment of segment assets is long-term investment assets (investment securities), etc.
2. Segment profit is adjusted with operating profit in the consolidated statement of income.
3. The amount of revenue, other than revenue from contracts with customers, is not presented separately from revenue from contracts with customers because it is not material.

Related information

Previous fiscal year (from July 1, 2021 to June 30, 2022)

1. Information by product and service

Description is omitted, because the product and service categories are the same as the reportable segment categories.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	South Korea	Taiwan	Others	Total
72,741	89,858	35,269	29,201	14,191	241,260

Note: Net sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

(Millions of yen)

Japan	Others	Total
46,683	18,312	64,995

3. Information by major customer

Information is omitted, because sales to specific customers do not account for 10% or more of net sales on the consolidated statements of income.

Current fiscal year (from July 1, 2022 to June 30, 2023)

1. Information by product and service

Description is omitted, because the product and service categories are the same as the reportable segment categories.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	South Korea	Taiwan	Others	Total
76,957	77,315	31,374	22,805	19,077	227,528

Note: Net sales are based on the location of customers and are classified by country or region.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Others	Total
48,598	7,495	13,496	69,588

3. Information by major customer

Information is omitted, because sales to specific customers do not account for 10% or more of net sales on the consolidated statements of income.

[Information on impairment losses on non-current assets by reportable segment]
 Previous fiscal year (from July 1, 2021 to June 30, 2022)

(Millions of yen)

	Vacuum Equipment Business	Vacuum Application Business	Total
Impairment loss	333	2,758	3,090

Current fiscal year (from July 1, 2022 to June 30, 2023)

(Millions of yen)

	Vacuum Equipment Business	Vacuum Application Business	Total
Impairment loss	2,275	37	2,311

[Information on amortization of goodwill and unamortized balance by reportable segment]
 Previous fiscal year (from July 1, 2021 to June 30, 2022)

Not applicable.

Current fiscal year (from July 1, 2022 to June 30, 2023)

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Previous fiscal year (from July 1, 2021 to June 30, 2022)

Not applicable.

Current fiscal year (from July 1, 2022 to June 30, 2023)

Not applicable.

Per share information

	Previous fiscal year (from July 1, 2021 to June 30, 2022)	Current fiscal year (from July 1, 2022 to June 30, 2023)
Net assets per share	3,837.17 yen	4,024.72 yen
Basic earnings per share	410.37 yen	287.70 yen

Notes: 1. Diluted earnings per share are not stated, as there are no dilutive shares.

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

	Previous fiscal year (from July 1, 2021 to June 30, 2022)	Current fiscal year (from July 1, 2022 to June 30, 2023)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	20,211	14,169
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common stock (Millions of yen)	20,211	14,169
Average number of shares of common stock during the fiscal year (thousand shares)	49,249	49,249

Note: Our shares remaining in the “Board Benefit Trust (BBT),” which are recorded as treasury shares in shareholders’ equity, are included in treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share. The number of such treasury shares at the end of the fiscal year deducted in the calculation of net assets per share was 97 thousand shares for the

previous fiscal year and 97 thousand shares for the current fiscal year. In the calculation of basic earnings per share, they are included in treasury shares which is deducted in the average number of shares outstanding during the period. The average number of such treasury shares deducted in the calculation of basic earnings per share for the period was 97 thousand shares for the previous fiscal year and 97 thousand shares for the current fiscal year.

Significant subsequent events

Not applicable.