

## Consolidated Financial Statements

### Consolidated Balance Sheets

	(Millions of yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	126,702	<b>114,469</b>
Notes and accounts receivable - trade	460,436	–
Notes and accounts receivable - trade, and contract assets	–	<b>418,625</b>
Merchandise and finished goods	69,223	<b>78,616</b>
Work in process	452,848	<b>419,954</b>
Raw materials and supplies	136,471	<b>160,113</b>
Other	43,314	<b>109,911</b>
Allowance for doubtful accounts	(3,589)	<b>(3,908)</b>
Total current assets	1,285,407	<b>1,297,781</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	172,951	<b>168,409</b>
Machinery, equipment and vehicles, net	142,951	<b>137,217</b>
Land	57,743	<b>58,383</b>
Leased assets, net	10,564	<b>10,815</b>
Construction in progress	16,635	<b>20,224</b>
Other, net	50,413	<b>49,212</b>
Total property, plant and equipment	451,259	<b>444,262</b>
Intangible assets	22,427	<b>23,413</b>
Investments and other assets		
Investment securities	12,721	<b>14,539</b>
Retirement benefit asset	155	<b>200</b>
Deferred tax assets	70,452	<b>86,249</b>
Other	122,254	<b>157,668</b>
Allowance for doubtful accounts	(1,403)	<b>(1,366)</b>
Total investments and other assets	204,180	<b>257,291</b>
Total non-current assets	677,868	<b>724,967</b>
Total assets	1,963,276	<b>2,022,748</b>

	(Millions of yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	247,294	<b>239,976</b>
Electronically recorded obligations - operating	107,849	<b>104,336</b>
Short-term borrowings	141,579	<b>96,108</b>
Current portion of bonds payable	30,000	<b>20,000</b>
Lease liabilities	1,061	<b>1,175</b>
Income taxes payable	4,753	<b>8,506</b>
Provision for sales promotion expenses	7,380	–
Provision for bonuses	18,239	<b>23,938</b>
Provision for construction warranties	12,550	<b>14,797</b>
Provision for loss on construction contracts	14,263	<b>9,602</b>
Advances received	153,298	–
Contract liabilities	–	<b>256,189</b>
Other	179,283	<b>212,696</b>
Total current liabilities	917,555	<b>987,328</b>
Non-current liabilities		
Bonds payable	190,000	<b>180,000</b>
Long-term borrowings	199,177	<b>194,297</b>
Lease liabilities	9,532	<b>9,899</b>
Deferred tax liabilities	1,125	<b>1,593</b>
Retirement benefit liability	115,456	<b>106,803</b>
Provision for the in-service issues of commercial aircraft jet engines	5,984	<b>3,054</b>
Other	41,668	<b>41,249</b>
Total non-current liabilities	562,944	<b>536,896</b>
Total liabilities	1,480,500	<b>1,524,225</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	104,484	<b>104,484</b>
Capital surplus	54,542	<b>55,526</b>
Retained earnings	306,576	<b>285,381</b>
Treasury stock	(136)	<b>(1,129)</b>
Total shareholders' equity	465,467	<b>444,262</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,955	<b>1,424</b>
Deferred gains or losses on hedges	(179)	<b>(191)</b>
Foreign currency translation adjustment	(931)	<b>23,585</b>
Remeasurements of defined benefit plans	(979)	<b>10,098</b>
Total accumulated other comprehensive income	(134)	<b>34,917</b>
Non-controlling interests	17,442	<b>19,342</b>
Total net assets	482,775	<b>498,522</b>
<b>Total liabilities and net assets</b>	1,963,276	<b>2,022,748</b>

### Consolidated Statements of Operations

	(Millions of yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
Net sales	1,488,486	<b>1,500,879</b>
Cost of sales	1,297,324	<b>1,244,300</b>
Gross profit	191,162	<b>256,578</b>
Selling, general and administrative expenses		
Salaries and allowances	56,970	<b>59,872</b>
Research and development expenses	44,949	<b>47,098</b>
Other	94,548	<b>103,800</b>
Total selling, general and administrative expenses	196,468	<b>210,772</b>
Operating profit (loss)	(5,305)	<b>45,805</b>
Non-operating income		
Interest income	677	<b>1,106</b>
Dividend income	2,161	<b>865</b>
Gain on sale of investment securities	771	<b>2,120</b>
Share of profit of entities accounted for using equity method	411	–
Foreign exchange gains	4,074	<b>569</b>
Reversal of provision for the in-service issues of commercial aircraft jet engines	3,306	–
Other	3,815	<b>4,680</b>
Total non-operating income	15,218	<b>9,342</b>
Non-operating expenses		
Interest expenses	3,790	<b>3,398</b>
Share of loss of entities accounted for using equity method	–	<b>14,412</b>
Loss on retirement of non-current assets	2,886	<b>951</b>
Other	6,091	<b>6,451</b>
Total non-operating expenses	12,768	<b>25,213</b>
Ordinary profit (loss)	(2,855)	<b>29,934</b>
Extraordinary income		
Gain on sale of non-current assets	3,236	<b>1,633</b>
Gain on sale of shares of subsidiaries and associates	1,581	–
Total extraordinary income	4,817	<b>1,633</b>
Extraordinary losses		
Impairment losses	15,205	<b>715</b>
Loss on valuation of shares of subsidiaries and associates	1,444	–
Total extraordinary losses	16,649	<b>715</b>
Profit (loss) before income taxes	(14,688)	<b>30,853</b>
Income taxes - current	10,506	<b>15,053</b>
Income taxes - deferred	(7,707)	<b>(8,185)</b>
Total income taxes	2,798	<b>6,867</b>
Profit (loss)	(17,486)	<b>23,985</b>
Profit attributable to non-controlling interests	1,846	<b>2,183</b>
Profit (loss) attributable to owners of parent	(19,332)	<b>21,801</b>

### Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
Profit (loss)	(17,486)	<b>23,985</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	426	<b>(524)</b>
Deferred gains or losses on hedges	(284)	<b>(337)</b>
Foreign currency translation adjustment	6,727	<b>16,407</b>
Remeasurements of defined benefit plans	18,969	<b>11,130</b>
Share of other comprehensive income of entities accounted for using equity method	4,496	<b>9,218</b>
Total other comprehensive income	30,335	<b>35,895</b>
Comprehensive income	12,848	<b>59,880</b>
Comprehensive income attributable to:		
Owners of parent	10,423	<b>56,854</b>
Non-controlling interests	2,425	<b>3,026</b>

### Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2021

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2020	104,484	54,542	326,626	(133)	485,520	1,636	(272)	(11,311)	(19,946)	(29,892)	15,934	471,562
Changes of items during period												
Issuance of new shares					–							–
Dividends of surplus					–							–
Profit (loss) attributable to owners of parent for the year			(19,332)		(19,332)							(19,332)
Purchase of treasury shares				(3)	(3)							(3)
Disposal of treasury shares		(0)		0	0							0
Transfer of loss on disposal of treasury shares		0	(0)		–							–
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)							(0)
Other			(716)		(716)							(716)
Net changes in items other than shareholders' equity						319	92	10,379	18,966	29,758	1,507	31,265
Total changes of items during period	–	(0)	(20,049)	(3)	(20,052)	319	92	10,379	18,966	29,758	1,507	11,213
Balance at March 31, 2021	104,484	54,542	306,576	(136)	465,467	1,955	(179)	(931)	(979)	(134)	17,442	482,775

For the year ended March 31, 2022

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at March 31, 2021	104,484	54,542	306,576	(136)	465,467	1,955	(179)	(931)	(979)	(134)	17,442	482,775
Cumulative effect of changes in accounting policies			(39,639)		(39,639)							(39,639)
Restated balance	104,484	54,542	266,937	(136)	425,827	1,955	(179)	(931)	(979)	(134)	17,442	443,135
Changes of items during period												
Issuance of new shares		1,916			1,916							1,916
Dividends of surplus			(3,357)		(3,357)							(3,357)
Profit (loss) attributable to owners of parent for the year			21,801		21,801							21,801
Purchase of treasury shares				(994)	(994)							(994)
Disposal of treasury shares		2		1	3							3
Transfer of loss on disposal of treasury shares		0	(0)		–							–
Change in ownership interest of parent due to transactions with non-controlling interests		(935)			(935)							(935)
Other					–							–
Net changes in items other than shareholders' equity						(530)	(11)	24,516	11,078	35,052	1,899	36,951
Total changes of items during period	–	983	18,444	(992)	18,435	(530)	(11)	24,516	11,078	35,052	1,899	55,386
Balance at March 31, 2022	104,484	55,526	285,381	(1,129)	444,262	1,424	(191)	23,585	10,098	34,917	19,342	498,522

### Consolidated Statements of Cash Flows

(Millions of yen)

For the year ended March 31, 2021 / For the year ended March 31, 2022

	For the year ended March 31, 2021	For the year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(14,688)	30,853
Depreciation	61,258	60,853
Impairment losses	15,205	715
Loss on valuation of shares of subsidiaries and associates	1,444	–
Increase (decrease) in allowance for doubtful accounts	(343)	(110)
Increase (decrease) in provision for sales promotion expenses	(5,085)	–
Increase (decrease) in provision for bonuses	(3,819)	5,566
Increase (decrease) in provision for construction warranties	(1,938)	2,083
Increase (decrease) in provision for loss on construction contracts	2,788	(4,838)
Increase (decrease) in retirement benefit liability	11,611	4,778
Increase (decrease) in provision for the in-service issues of commercial aircraft jet engines	(9,705)	(2,930)
Interest and dividend income	(2,839)	(1,972)
Interest expenses	3,790	3,398
Share of loss (profit) of entities accounted for using equity method	(411)	14,412
Loss (gain) on sale of non-current assets	(3,236)	(1,633)
Loss (gain) on sale of shares of subsidiaries and associates	(1,581)	–
Decrease (increase) in trade receivables	23,267	–
Decrease (increase) in trade receivables and contract assets	–	25,995
Decrease (increase) in inventories	(26,374)	(39,039)
Increase (decrease) in trade payables	(16,784)	(15,067)
Decrease (increase) in advance payments to suppliers	(132)	(31,724)
Increase (decrease) in advances received	4,209	–
Increase (decrease) in contract liabilities	–	92,098
Decrease (increase) in other current assets	8,900	(28,723)
Increase (decrease) in other current liabilities	2,988	43,354
Other, net	(5,570)	(470)
Subtotal	42,953	157,599
Interest and dividends received	6,370	2,629
Interest paid	(3,646)	(3,634)
Income taxes paid	(11,076)	(12,164)
Net cash provided by (used in) operating activities	34,601	144,430
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(51,692)	(62,399)
Proceeds from sale of property, plant and equipment and intangible assets	13,656	5,556
Purchase of investment securities	(1,042)	(2,114)
Proceeds from sale of investment securities	1,407	5,717
Purchase of shares of subsidiaries and associates	(97)	(11)
Proceeds from sale of shares of subsidiaries and associates	1,927	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	489
Other, net	(1,551)	224
Net cash provided by (used in) investing activities	(37,392)	(52,537)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(28,409)	(74,242)
Proceeds from long-term borrowings	27,310	15,500
Repayments of long-term borrowings	(22,297)	(17,001)
Proceeds from issuance of bonds	60,000	10,000
Redemption of bonds	(20,000)	(30,000)
Dividends paid	(59)	(3,384)
Dividends paid to non-controlling interests	(960)	(913)
Proceeds from sale and leaseback transactions	10,014	–
Other, net	(2,505)	(2,303)
Net cash provided by (used in) financing activities	23,093	(102,345)
Effect of exchange rate change on cash and cash equivalents	(682)	(3,202)
Net increase (decrease) in cash and cash equivalents	19,619	(13,654)
Cash and cash equivalents at beginning of period	102,546	122,166
Cash and cash equivalents at end of period	122,166	108,511