### 1. Consolidated Financial Results for the Three Months ended June 30, 2022

(April 1, 2022 – June 30, 2022)

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Business profit</th>
<th>Profit before tax</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>%</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>Three Months Ended June 30, 2022</td>
<td>350,344</td>
<td>(1.5)</td>
<td>4,593</td>
<td>(75.2)</td>
</tr>
<tr>
<td>Three Months Ended June 30, 2021</td>
<td>355,570</td>
<td>-</td>
<td>18,551</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit attributable to owners of parent</th>
<th>Total comprehensive income</th>
<th>Basic earnings per share</th>
<th>Diluted earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>yen</td>
<td>yen</td>
</tr>
<tr>
<td>Three Months Ended June 30, 2022</td>
<td>5,457</td>
<td>(52.4)</td>
<td>18,761</td>
</tr>
<tr>
<td>Three Months Ended June 30, 2021</td>
<td>11,460</td>
<td>-</td>
<td>14,866</td>
</tr>
</tbody>
</table>
(2) Financial Condition

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Total equity</th>
<th>Equity attributable to owners of parent</th>
<th>Ratio of equity attributable to owners of parent to total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>June 30, 2022</td>
<td>2,246,868</td>
<td>537,827</td>
<td>519,800</td>
<td>23.1</td>
</tr>
<tr>
<td>March 31, 2022</td>
<td>2,174,630</td>
<td>524,891</td>
<td>505,484</td>
<td>23.2</td>
</tr>
</tbody>
</table>

2. Dividends

<table>
<thead>
<tr>
<th>Record date or term</th>
<th>Dividend per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>End of first quarter</td>
</tr>
<tr>
<td></td>
<td>yen</td>
</tr>
<tr>
<td>Year ended March 31, 2022</td>
<td>-</td>
</tr>
<tr>
<td>Year ending March 31, 2023</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Revisions to the most recently announced dividend forecast: Yes

In the Company’s articles of incorporation, the dates of record are set as the last day of the fiscal second quarter and the last day of the fiscal year.

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2023

(April 1, 2022 – March 31, 2023)

(Percentage figures indicate change compared with the previous fiscal year)

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Business profit</th>
<th>Profit before tax</th>
<th>Profit attributable to owners of parent</th>
<th>Basic earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>Millions of yen</td>
<td>%</td>
</tr>
<tr>
<td>Full year</td>
<td>1,690,000</td>
<td>12.6</td>
<td>56,000</td>
<td>84.4</td>
<td>52,000</td>
</tr>
</tbody>
</table>

Note: Revisions to the most recently announced earnings forecast: Yes
Notes
1. Changes affecting the status of material subsidiaries (scope of consolidation): None

2. Changes in accounting policies and changes in accounting estimates
   (1) Changes in accounting policies required by IFRS: None
   (2) Changes in accounting policies due to other reasons: None
   (3) Changes in accounting estimates: None

3. Number of shares issued and outstanding (common stock)
   (1) Number of shares issued as of period-end (including treasury stock)
       June 30, 2022: 167,921,800 shares
       March 31, 2022: 167,921,800 shares

   (2) Number of shares held in treasury as of period-end
       June 30, 2022: 449,890 shares
       March 31, 2022: 449,527 shares

   (3) Average number of shares during respective periods
       June 30, 2022: 167,471,974 shares
       June 30, 2021: 167,041,976 shares

*The quarterly report of earnings and financial statements is exempted from quarterly review procedures based on the Financial Instruments and Exchange act.

*Appropriate Use of Financial Forecasts and Other Important Matters

Forward-Looking Statements

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of their preparation, and do not mean that the Company promises to achieve these figures. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to “1. Qualitative Information about Financial Statements (3) Consolidated earnings outlook” on page 11 in the Accompanying Materials.

How to Obtain Supplementary Briefing Material on Quarterly Financial Results and Details of the Quarterly Financial Results Briefing

The Company plans to conduct a briefing for institutional investors, analysts and the press by conference call on Friday August 12, 2022, and to post the briefing material on quarterly financial results to be used for the briefing on TDnet and the Company’s website simultaneously with the announcement of financial results.

Adoption of International Financial Reporting Standards (IFRS)

The Group has applied the IFRS from the first quarter of the consolidated fiscal year ending March 31, 2023. Financial figures for the first quarter of the previous consolidated fiscal year and the previous consolidated fiscal year are also presented in accordance with IFRS.

The differences between IFRS and Japanese GAAP regarding financial figures, refer to “2. Condensed Quarterly Consolidated Financial Statements and Notes (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements (First-time adoption of IFRS)” on page 18 in the Accompanying Materials.
Accompanying Materials – Contents

1. Qualitative Information about Financial Statements 5
   (1) Consolidated operating results 5
   (2) Consolidated financial condition 10
   (3) Consolidated earnings outlook 11

2. Condensed Quarterly Consolidated Financial Statements and Notes 12
   (1) Condensed Quarterly Consolidated Financial Position 12
   (2) Condensed Quarterly Consolidated Statement of Profit and Loss and
       Condensed Quarterly Consolidated Statement of Comprehensive Income 13
   (3) Condensed Quarterly Consolidated Statement of Changes in Equity 14
   (4) Condensed Quarterly Consolidated Statement of Cash Flow 16
   (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements 17
       (Notes on the going-concern assumption) 17
       (Segment Information) 17
       (First-time adoption of IFRS) 18

3. Supplementary information 34
   (1) Supplementary information on consolidated earnings forecasts for the fiscal year ending 34
       March 31, 2023
1. Qualitative Information about Financial Statements

Forward-looking statements in the text are based on judgments made as of the end of the this quarterly consolidated accounting period. From the first quarter of this consolidated fiscal year, the Group adopted the International Financial Reporting Standards (Hereinafter referred to as “IFRS”) in place of the conventional Japanese GAAP, and the figures for the first quarter of the previous consolidated fiscal year and the previous fiscal year have been reclassified to IFRS basis for comparative analysis.

(1) Consolidated operating results

The global economy has been seeking to strike a balance between measures against infection by COVID-19 pandemic and socio-economic activities, mainly in developed countries, and continuing to pick up amid improvement in the employment and income situation, restoring personal consumption, investment in decarbonization, and increasing international air passenger demand. On the other hand, there are increasing uncertainties about the outlook of the global economy due to factors such as the prolonged situation in Ukraine, increased tensions between the United States and China, rising resource and energy prices, supply chain disruptions, and the risk of an economic downturn mainly due to the impact of monetary tightening policies in the United States and Europe.

With regard to the Japanese economy, although business capital investment and personal consumption in response to the relaxation of action restrictions has been on a recovery trend, there are concerns about an economic slowdown due to the expansion of COVID-19 “Seventh Wave” and the upward pressure on prices stemming from the depreciation of yen, and it is necessary to continue to closely monitor the situation.

In this business environment, the Group’s consolidated orders received during the first quarter of this consolidated fiscal year increased mainly due to increases in the Energy Solution & Marine Engineering segment and the Aerospace Systems segment. Revenue increased in the Motorcycle & Engine segment and other segments, but overall sales decreased from the same period of the previous fiscal year due to lower sales in the Energy Solution & Marine Engineering segment, the Aerospace Systems segment, and other segment. Business profit decreased year on year due to deteriorates in the Aerospace Systems segment and the Precision Machinery & Robot segment. Profit attributable to owners of parent decreased mainly due to a decrease in business profit despite improvement in foreign exchange gains and losses.

As a result, the Group’s consolidated orders received increased by ¥107.8 billion year on year to ¥412.0 billion, consolidated revenue decreased by ¥5.2 billion year on year to ¥350.3 billion, business profit decreased by ¥13.9 billion year on year to ¥4.5 billion, profit before tax decreased by ¥6.4 billion year on year to ¥10.6 billion, and profit attributable to owners of parent decreased by ¥6.0 billion year on year to ¥5.4 billion.
First-quarter consolidated operating performance is summarized by segment below.

**Segment Information**

Segment revenue, business profit, and orders received (billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Three months ended June 30</th>
<th>Orders received June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021(A) Revenue</td>
<td>Business profit</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>70.0</td>
<td>(4.2)</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>28.7</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Energy Solution &amp; Marine Engineering</td>
<td>70.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Precision Machinery &amp; Robot</td>
<td>57.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Motorcycle &amp; Engine</td>
<td>113.4</td>
<td>14.9</td>
</tr>
<tr>
<td>Other</td>
<td>15.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>355.5</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Notes: 1. Revenue include only sales to external customers.
2. The Motorcycle & Engine segment’s orders received are equal to its revenue as production is based mainly on estimated demand.
Aerospace Systems

Regarding the business environment surrounding the Aerospace Systems segment, demand for Ministry of Defense in Japan is generally stable despite the tight defense budget. With respect to commercial aircraft, demand for the passenger, which had been sluggish due to the spread of the infection by COVID-19 pandemic, has been recovering due to an increase the number of countries prioritizing the resumption of economic activities, despite uncertainty about the outlook due to the impact of the delayed recovery in Asia and other regions and the situation in Ukraine.

Amid such an operating environment, consolidated orders received increased by ¥23.0 billion year on year to ¥60.4 billion, due to an increase in component parts of airframes for Ministry of Defense in Japan and component parts of jet engines for commercial aircraft.

Consolidated revenue decreased by ¥6.6 billion year on year to ¥63.4 billion, due to a decrease in component parts of airframes for Ministry of Defense in Japan and commercial aircraft, despite an increase in component parts of jet engines for commercial aircraft.

Business loss came to ¥8.9 billion, deteriorating ¥4.6 billion year on year, due to a deterioration in component parts of airframes for Ministry of Defense in Japan and commercial aircraft, despite an improvement in component parts of jet engines for commercial aircraft.

Rolling Stock

Regarding the business environment surrounding the Rolling Stock segment, the effect of the COVID-19 has led to a review railway-related investment plans in Japan, and delays in work processes as well as postponement of biddings overseas. In addition, although the impact on the current situation is limited, we need to keep a close watch on shortages of electronic components, logistics disruptions, and rising raw materials prices. In the medium and long term, however, relatively stable growth is expected around the world due to development of urban transportation as an environmental protection measure and to ease congestion in large cities caused by increasing population concentration, as well as demand for railway infrastructure following economic development in Asian countries.

Amid such an operating environment, consolidated orders received increased by ¥2.3 billion to ¥11.7 billion compared to the same period of the previous fiscal year, due to orders for the large-scale project such as new commuter trains for the domestic market.

Consolidated revenue decreased by ¥2.3 billion year on year to ¥26.4 billion, mainly due to a decrease in sales of railcars for the United States.

Business loss of ¥0.1 billion was on par with the previous year’s result, despite a decrease in sales.

Energy Solution & Marine Engineering

The business environment surrounding the Energy Solution & Marine Engineering segment remains on a recovery track as the global economy moves from stagnation due to the COVID-19 pandemic to normalization. Demand for distributed power sources in Japan and overseas and, for energy
infrastructure development in emerging countries, remains strong, while there is ongoing demand for the replacement of aging facilities for refuse incineration plants. Also, business opportunities on LPG carriers are solid. In addition, there is a growing worldwide trend toward achieving carbon neutrality, and contacts and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products of our Company’s strength. On the other hand, it is necessary to pay close attention to the impact on profit and loss due to the recent high prices of raw materials, equipment and fuel costs, and transportation costs.

Amid such an operating environment, consolidated orders received increased by ¥63.6 billion from the same period of the previous fiscal year to ¥124.5 billion, mainly due to an increase in orders for LPG carries and orders for large-scale projects such as the domestic waste treatment facilities maintenance and operation business.

Consolidated revenue decreased by ¥6.8 billion year on year to ¥63.5 billion, mainly due to a decrease in the volume of work of domestic waste disposal facilities, despite an increase in the volume of work on LPG carries.

Business loss came to ¥0.0 billion, deteriorating ¥0.4 billion year on year, due to a decrease in the volume of work of domestic waste disposal facilities, despite an improvement in share of profit and loss of investment accounted for using equity method.

**Precision Machinery & Robot**

Regarding the business environment surrounding the Precision Machinery & Robot segment, in the precision machinery field, although the performance has continued to be strong in the construction machinery market outside China, the overall performance was sluggish due to the weak demand in the Chinese construction machinery market affected by the lockdowns associated with the Zero-COVID-19 policy and other factors. In the robotics field, while semiconductor manufacturers continue to make high-level capital investments, the performance of robots for semiconductor manufacturing equipment is stay favorable as well as general-purpose robots have continued high demand for the automation investment. On the other hand, supply constraints had continued due to supply chain issues such as insufficient supply of electronic components and lockdowns in China, however, the impact of the lockdown has been resolved and the insufficient supply of electronic components are heading toward improving.

Amid such an operating environment, consolidated orders received increased by ¥2.8 billion year on year to ¥67.9 billion, due to a weaker yen on foreign exchange rates and an increase in various robots for semiconductor manufacturing equipment and other applications, despite a decrease in hydraulic equipment for the Chinese construction machinery market.

Consolidated revenue decreased by ¥5.0 billion year on year to ¥52.6 billion due to a decrease in hydraulic equipment for the Chinese construction machinery market, despite the impact of the weaker yen on foreign exchange rates.
Business profit decreased by ¥3.1 billion year on year to ¥1.4 billion mainly due to a decrease in sales and operations during the lockdowns.

Motorcycle & Engine

The business environment surrounding the Motorcycle & Engine segment continues to be affected by the COVID-19 pandemic. Demand for off-road models such as four-wheeled vehicles continued to be strong in the United States, a major market, as in the previous fiscal year, and the European market also remained strong. On the other hand, although the Southeast Asian market has recovered compared to the same period of the previous fiscal year, the outlook remains uncertain. The supply of products is also affected by shortages of semiconductors and raw materials and disruptions in distribution.

Amid such an operating environment, consolidated revenue increased by ¥12.5 billion year on year to ¥126.0 billion mainly due to a weaker yen on foreign exchange rates, as well as an increase in motorcycles for North America and Southeast Asia, despite a decrease in four-wheeled vehicles for North America and motorcycles for Europe due to shortage of product supply.

Business profit decreased by ¥2.0 billion year on year to ¥12.8 billion due to a rise in raw materials and logistics costs and an increase in fixed costs, despite an increase in sales and a weaker yen on foreign exchange rates compared to the same period of the previous fiscal year.

Other Operations

Consolidated revenue increased by ¥3.0 billion year on year to ¥18.3 billion.

Business profit increased by ¥0.3 billion year on year to ¥1.3 billion.

In the Group Vision 2030, the Group will focus on three fields; “A Safe and Secure Remotely-Connected Society”, “Near-Future Mobility” and “Energy and Environmental Solutions” and will transform our business structure into a form which promises faster growth. The Group is making steady progress in new businesses, such as the development of surgical support robots and automated PCR testing, the development of delivery robots and unmanned transport helicopters, and the promotion of hydrogen-related projects.
(2) Consolidated financial condition

Assets, liabilities, and equity

1. Assets

Current assets were ¥1,382.0 billion, ¥61.8 billion increase from the previous fiscal year mainly due to an increase in inventories.

Non-current assets were ¥864.8 billion, ¥10.4 billion increase from the previous fiscal year mainly due to an increase in investments accounted for using equity method.

As a result, total assets were ¥2,246.8 billion, ¥72.2 billion increase from the previous fiscal year.

2. Liabilities

Interest-bearing debt was ¥641.5 billion, ¥87.5 billion increase from the previous fiscal year.

Liabilities were ¥1,709.0 billion, ¥59.3 billion increase from the previous fiscal year mainly due to an increase in interest-bearing debt.

3. Equity

Equity was ¥537.8 billion, ¥12.9 billion increase from the previous fiscal year mainly due to increases in exchange differences on translation of foreign operations.

Cash Flows

Cash and cash equivalents (Hereinafter referred to as “net cash”) during the first quarter of this consolidated fiscal year were ¥78.4 billion, a decrease of ¥38.5 billion compared to the same period of the previous fiscal year. The cash flow situations and relevant factors during the first quarter of this consolidated fiscal year are stated below.

1. Cash flows from operating activities

Cash outflows from operating activities were ¥61.9 billion, a decrease of ¥32.4 billion compared to the same period of the previous fiscal year. Major sources of operating cash flows included a decrease in trade and other receivables of ¥23.6 billion, and depreciation and amortization of ¥19.0 billion. Major uses of operating cash flows included an increase in advance payment of ¥28.3 billion, an increase in inventories of ¥27.7 billion, and a decrease in trade and other payables of ¥25.5 billion.

2. Cash flows from investing activities

Investing activities used net cash of ¥24.0 billion, which is ¥10.4 billion more than in the same period of the previous fiscal year, mainly due to purchase of property, plant and equipment.

3. Cash flows from financing activities

Financing activities provided net cash of ¥62.7 billion, which is ¥25.0 billion more than in the same period of the previous fiscal year. This was mainly due to net increase in short-term borrowings.
(3) Consolidated earnings outlook

The Company voluntarily applies the IFRS from the first quarter of the fiscal year ending March 2023, therefore, has calculated the forecast of consolidated earning outlook based on IFRS.

The outlook of revenue is expected to be ¥1,690.0 billion, ¥10.0 billion increase from the previous outlook (May 10), mainly due to the revision of the assumed exchange rate from ¥120 to ¥125 to the U.S. dollar.

In terms of profit, the Company is forecasting business profit of ¥56.0 billion, ¥3.0 billion increase from the previous outlook, profit before tax of ¥52.0 billion, and profit attributable to owners of parent of ¥32.0 billion mainly due to changes in the assumed exchange rate, despite the impact of various cost increases and the impact of the slowdown in the Chinese construction machinery market in the Precision Machinery & Robot segment. Furthermore, the Company is expecting ROIC of 5.3% and ROE of 6.4%.

The outlook of consolidated orders received is expected to be ¥1,600.0 billion, ¥30.0 billion increase from the previous outlook.

In this outlook, exchange rates are assumed to be ¥125 to the U.S. dollar and ¥130 to the euro.

Note regarding consolidated earnings outlook

The above earnings outlook is based on information available at the time of preparation, and includes risks and uncertainties. We therefore discourage making investment decisions depending solely on this outlook. Please note that actual earnings may differ materially from this outlook, due to a variety of important factors stemming from changes the external environment and/or the Company’s internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the Company’s scope of business, foreign exchange rates, in particular the yen/dollar exchange rate, tax codes and other regulatory system-related issues.
### 2. Condensed Quarterly Consolidated Financial Statements and Notes

#### (1) Condensed Quarterly Consolidated Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
<th>Transition date (April 1, 2021)</th>
<th>As of March 31, 2022</th>
<th>As of June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>122,166</td>
<td>108,511</td>
<td>78,495</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>355,061</td>
<td>409,246</td>
<td>402,350</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>148,523</td>
<td>109,132</td>
<td>116,785</td>
<td></td>
</tr>
<tr>
<td>Income taxes receivable</td>
<td>3,482</td>
<td>3,046</td>
<td>5,897</td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>6,660</td>
<td>10,606</td>
<td>12,575</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>23,110</td>
<td>64,184</td>
<td>104,881</td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,224,865</td>
<td>1,320,204</td>
<td>1,382,008</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>449,155</td>
<td>444,375</td>
<td>446,743</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>62,510</td>
<td>61,940</td>
<td>61,602</td>
<td></td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>55,504</td>
<td>58,524</td>
<td>60,109</td>
<td></td>
</tr>
<tr>
<td>Investments accounted for using equity method</td>
<td>73,464</td>
<td>70,438</td>
<td>76,988</td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>69,913</td>
<td>70,752</td>
<td>71,303</td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>106,430</td>
<td>102,209</td>
<td>101,919</td>
<td></td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>48,835</td>
<td>46,183</td>
<td>46,192</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>865,814</td>
<td>854,425</td>
<td>864,860</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,090,679</td>
<td>2,174,630</td>
<td>2,246,868</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities and equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>418,070</td>
<td>399,892</td>
<td>378,096</td>
<td></td>
</tr>
<tr>
<td>Bonds, borrowings and other financial liabilities</td>
<td>266,724</td>
<td>208,773</td>
<td>324,512</td>
<td></td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>4,753</td>
<td>8,506</td>
<td>4,177</td>
<td></td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>159,476</td>
<td>256,189</td>
<td>270,201</td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>26,918</td>
<td>24,409</td>
<td>21,636</td>
<td></td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>116,244</td>
<td>161,951</td>
<td>155,467</td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>992,187</td>
<td>1,059,723</td>
<td>1,154,032</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds, borrowings and other financial liabilities</td>
<td>478,002</td>
<td>458,068</td>
<td>429,735</td>
<td></td>
</tr>
<tr>
<td>Retirement benefit liability</td>
<td>115,218</td>
<td>107,024</td>
<td>107,556</td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>7,082</td>
<td>4,136</td>
<td>2,691</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>1,038</td>
<td>1,382</td>
<td>994</td>
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</tr>
<tr>
<td>Other non-current liabilities</td>
<td>17,504</td>
<td>19,403</td>
<td>14,030</td>
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</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>618,847</td>
<td>590,014</td>
<td>555,009</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,611,034</td>
<td>1,649,738</td>
<td>1,709,041</td>
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<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to owners of parent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>104,484</td>
<td>104,484</td>
<td>104,484</td>
<td></td>
</tr>
<tr>
<td>Capital surplus</td>
<td>54,542</td>
<td>55,525</td>
<td>55,525</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>299,409</td>
<td>320,671</td>
<td>323,272</td>
<td></td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(136)</td>
<td>(1,129)</td>
<td>(1,129)</td>
<td></td>
</tr>
<tr>
<td>Other components of equity</td>
<td>3,846</td>
<td>25,931</td>
<td>37,647</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity attributable to owners of parent</strong></td>
<td>462,146</td>
<td>505,484</td>
<td>519,800</td>
<td></td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>17,498</td>
<td>19,407</td>
<td>18,026</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>479,645</td>
<td>524,891</td>
<td>537,827</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>2,090,679</td>
<td>2,174,630</td>
<td>2,246,868</td>
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</tr>
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12
## (2) Condensed Quarterly Consolidated Statement of Profit and Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

### Condensed Quarterly Consolidated Statements of Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30, 2021</th>
<th>Three months ended June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>355,570</td>
<td>350,344</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>291,200</td>
<td>292,972</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>64,369</td>
<td>57,372</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>47,091</td>
<td>53,568</td>
</tr>
<tr>
<td><strong>Share of profit (loss) of investment accounted for using equity method</strong></td>
<td>(1,047)</td>
<td>631</td>
</tr>
<tr>
<td><strong>Other income</strong></td>
<td>3,060</td>
<td>1,625</td>
</tr>
<tr>
<td><strong>Other expenses</strong></td>
<td>740</td>
<td>1,467</td>
</tr>
<tr>
<td><strong>Business profit</strong></td>
<td>18,551</td>
<td>4,593</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>440</td>
<td>7,512</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>1,928</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>17,063</td>
<td>10,605</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>5,160</td>
<td>4,810</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>11,902</td>
<td>5,794</td>
</tr>
<tr>
<td><strong>Profit attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of parent</td>
<td>11,460</td>
<td>5,457</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>442</td>
<td>336</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>68.60</td>
<td>32.58</td>
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### Condensed Quarterly Consolidated Statement of Comprehensive Income

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30, 2021</th>
<th>Three months ended June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit</strong></td>
<td>11,902</td>
<td>5,794</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income</td>
<td>162</td>
<td>(575)</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>44</td>
<td>457</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
<td>(1)</td>
<td>(241)</td>
</tr>
<tr>
<td><strong>Total of items that will not be reclassified to profit or loss</strong></td>
<td>204</td>
<td>(359)</td>
</tr>
<tr>
<td>Items that may be reclassified to profit or loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>(241)</td>
<td>(3,041)</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>1,249</td>
<td>12,310</td>
</tr>
<tr>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
<td>1,751</td>
<td>4,057</td>
</tr>
<tr>
<td><strong>Total of items that may be reclassified to profit or loss</strong></td>
<td>2,759</td>
<td>13,326</td>
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<tr>
<td><strong>Total other comprehensive income</strong></td>
<td>2,964</td>
<td>12,967</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>14,866</td>
<td>18,761</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of parent</td>
<td>14,222</td>
<td>17,869</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>644</td>
<td>891</td>
</tr>
</tbody>
</table>
## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

### Equity attributable to owners of parent

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Capital surplus</th>
<th>Retained earnings</th>
<th>Treasury shares</th>
<th>Remeasurements of defined benefit plans</th>
<th>Financial assets measured at fair value through other comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of April 1, 2021</td>
<td>104,484</td>
<td>54,542</td>
<td>299,409</td>
<td>(136)</td>
<td>-</td>
<td>4,025</td>
</tr>
<tr>
<td>Profit</td>
<td></td>
<td>11,460</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td>11,460</td>
<td></td>
<td>44</td>
<td>177</td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to retained earnings</td>
<td></td>
<td>176</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in scope of consolidation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of control of subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td></td>
<td>180</td>
<td></td>
<td>(1)</td>
<td>(44)</td>
<td>(132)</td>
</tr>
<tr>
<td>Balance as of June 30, 2021</td>
<td>104,484</td>
<td>54,542</td>
<td>311,050</td>
<td>(137)</td>
<td>-</td>
<td>4,070</td>
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</table>

### Other components of equity

<table>
<thead>
<tr>
<th></th>
<th>Cash flow hedges</th>
<th>Exchange differences on translation of foreign operations</th>
<th>Total</th>
<th>Total equity attributable to owners of parent</th>
<th>Non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of April 1, 2021</td>
<td>(179)</td>
<td>-</td>
<td>3,846</td>
<td>462,146</td>
<td>17,498</td>
<td>479,645</td>
</tr>
<tr>
<td>Profit</td>
<td></td>
<td></td>
<td>11,460</td>
<td>442</td>
<td>11,902</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>(331)</td>
<td>2,871</td>
<td>2,762</td>
<td>202</td>
<td>2,964</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>(331)</td>
<td>2,871</td>
<td>2,762</td>
<td>14,222</td>
<td>644</td>
<td>14,866</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td></td>
<td></td>
<td></td>
<td>(1)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td></td>
<td></td>
<td>(176)</td>
<td>(376)</td>
<td>(376)</td>
</tr>
<tr>
<td>Transfer to retained earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in scope of consolidation</td>
<td></td>
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<tr>
<td>Loss of control of subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(142)</td>
<td>(142)</td>
<td>(142)</td>
<td>(376)</td>
<td>(142)</td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>(142)</td>
<td>(319)</td>
<td>(140)</td>
<td>(376)</td>
<td>(516)</td>
<td></td>
</tr>
<tr>
<td>Balance as of June 30, 2021</td>
<td>(653)</td>
<td>2,871</td>
<td>6,289</td>
<td>476,229</td>
<td>17,766</td>
<td>493,995</td>
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</table>
### Equity attributable to owners of parent

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Capital surplus</th>
<th>Retained earnings</th>
<th>Treasury shares</th>
<th>Other components of equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>104,484</td>
<td>55,525</td>
<td>320,671</td>
<td>(1,129)</td>
<td></td>
</tr>
<tr>
<td>Balance as of April 1, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td></td>
<td></td>
<td></td>
<td>5,457</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td>465</td>
<td>(792)</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td>5,457</td>
<td>(792)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>(0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td></td>
<td></td>
<td>(3,357)</td>
<td></td>
</tr>
<tr>
<td>Transfer to retained earnings</td>
<td></td>
<td></td>
<td></td>
<td>465</td>
<td></td>
</tr>
<tr>
<td>Change in scope of consolidation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of control of subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>(2,856)</td>
<td></td>
<td></td>
<td>(0)</td>
<td>(465)</td>
</tr>
<tr>
<td>Balance as of June 30, 2022</td>
<td>104,484</td>
<td>55,525</td>
<td>323,272</td>
<td>(1,129)</td>
<td></td>
</tr>
</tbody>
</table>

### Other components of equity

<table>
<thead>
<tr>
<th></th>
<th>Cash flow hedges</th>
<th>Exchange differences on translation of foreign operations</th>
<th>Total</th>
<th>Total equity attributable to owners of parent</th>
<th>Non-controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of April 1, 2022</td>
<td>(284)</td>
<td>21,780</td>
<td>25,931</td>
<td>505,484</td>
<td>19,407</td>
<td>524,891</td>
</tr>
<tr>
<td>Profit</td>
<td>(3,291)</td>
<td>16,030</td>
<td>12,412</td>
<td>5,457</td>
<td>336</td>
<td>5,794</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td>12,412</td>
<td>554</td>
<td>12,967</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>(3,291)</td>
<td>16,030</td>
<td>12,412</td>
<td>17,869</td>
<td>891</td>
<td>18,761</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td></td>
<td></td>
<td></td>
<td>(0)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td></td>
<td></td>
<td>(3,357)</td>
<td>(3,918)</td>
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<tr>
<td>Change in scope of consolidation</td>
<td></td>
<td></td>
<td></td>
<td>366</td>
<td>366</td>
<td></td>
</tr>
<tr>
<td>Loss of control of subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td>(2,079)</td>
<td>(2,079)</td>
<td></td>
</tr>
<tr>
<td>Transfer to non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td>(229)</td>
<td>(229)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(229)</td>
<td></td>
<td></td>
<td>34</td>
<td>0</td>
<td>34</td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>(229)</td>
<td>(695)</td>
<td>(3,553)</td>
<td>(2,272)</td>
<td>(5,826)</td>
<td></td>
</tr>
<tr>
<td>Balance as of June 30, 2022</td>
<td>(3,805)</td>
<td>37,810</td>
<td>37,647</td>
<td>519,800</td>
<td>18,026</td>
<td>537,827</td>
</tr>
</tbody>
</table>
## (4) Condensed Quarterly Consolidated Statement of Cash Flow

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Millions of yen</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>11,902</td>
<td>5,794</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>18,682</td>
<td>19,005</td>
<td></td>
</tr>
<tr>
<td>Impairment losses</td>
<td>89</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>Finance income and finance costs</td>
<td>703</td>
<td>721</td>
<td></td>
</tr>
<tr>
<td>Share of loss (profit) of investments accounted for using equity method</td>
<td>1,047</td>
<td>(631)</td>
<td></td>
</tr>
<tr>
<td>Loss (gain) on sale of fixed assets</td>
<td>(1,543)</td>
<td>317</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>5,160</td>
<td>4,810</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in retirement benefit liability</td>
<td>572</td>
<td>(205)</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in trade and other receivables</td>
<td>29,503</td>
<td>23,667</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in contract assets</td>
<td>(21,923)</td>
<td>(7,652)</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>(16,129)</td>
<td>(27,732)</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in trade and other payables</td>
<td>(39,397)</td>
<td>(25,523)</td>
<td></td>
</tr>
<tr>
<td>Decrease (Increase) in advance payment</td>
<td>(5,445)</td>
<td>(28,373)</td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in contract liabilities</td>
<td>488</td>
<td>8,640</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(8,636)</td>
<td>(27,128)</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>(24,923)</td>
<td>(54,226)</td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>309</td>
<td>401</td>
<td></td>
</tr>
<tr>
<td>Dividends received</td>
<td>167</td>
<td>206</td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,118)</td>
<td>(954)</td>
<td></td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(4,010)</td>
<td>(7,421)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>(29,575)</td>
<td>(61,995)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>Millions of yen</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(14,020)</td>
<td>(13,315)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>2,423</td>
<td>1,212</td>
<td></td>
</tr>
<tr>
<td>Payments for equity method investment and purchase of other financial assets</td>
<td>(250)</td>
<td>(5,111)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from equity method investment and sale of other financial assets</td>
<td>436</td>
<td>1</td>
<td></td>
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<tr>
<td>Payments for acquisition of subsidiaries</td>
<td>(3)</td>
<td>(501)</td>
<td></td>
</tr>
<tr>
<td>Decrease due to loss of control over subsidiaries</td>
<td>-</td>
<td>(3,224)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(2,161)</td>
<td>(3,097)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>(13,577)</td>
<td>(24,035)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>Millions of yen</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase (decrease) in short-term borrowings</td>
<td>54,987</td>
<td>84,208</td>
<td></td>
</tr>
<tr>
<td>Repayments of lease liabilities</td>
<td>(3,104)</td>
<td>(3,267)</td>
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</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>(4,500)</td>
<td>(4,000)</td>
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</tr>
<tr>
<td>Dividends paid</td>
<td>(25)</td>
<td>(3,082)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from fluidity of lease receivables</td>
<td>11,190</td>
<td>7,106</td>
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<tr>
<td>Repayment of payables under fluidity lease receivables</td>
<td>(18,093)</td>
<td>(14,596)</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>(376)</td>
<td>(560)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(2,377)</td>
<td>(3,038)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>37,701</td>
<td>62,769</td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>349</td>
<td>(6,754)</td>
<td></td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(5,101)</td>
<td>(30,015)</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>122,166</td>
<td>108,511</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>117,064</td>
<td>78,495</td>
<td></td>
</tr>
</tbody>
</table>
(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

Notes on the going-concern assumption

Not applicable

Segment information

Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aerospace Systems</td>
</tr>
<tr>
<td>Revenue from external customers</td>
<td>70,075</td>
</tr>
<tr>
<td>Intersegment revenue and transfers*1</td>
<td>2,333</td>
</tr>
<tr>
<td>Total revenue</td>
<td>72,409</td>
</tr>
<tr>
<td>Business profit (loss) *3</td>
<td>(4,255)</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
</tr>
<tr>
<td>Financial costs</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.
2. Eliminations and corporate of ¥2,081 million include negative ¥119 million for intersegment transactions and ¥2,201 million for general and administrative expenses not attributed reportable segments.
3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

Three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

<table>
<thead>
<tr>
<th></th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aerospace Systems</td>
</tr>
<tr>
<td>Revenue from external customers</td>
<td>63,458</td>
</tr>
<tr>
<td>Intersegment revenue and transfers*1</td>
<td>2,727</td>
</tr>
<tr>
<td>Total revenue</td>
<td>66,185</td>
</tr>
<tr>
<td>Business profit (loss) *3</td>
<td>(8,929)</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
</tr>
<tr>
<td>Financial costs</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.
2. Eliminations and corporate of negative ¥2,004 million include negative ¥111 million for intersegment transactions and negative ¥1,892 million for general and administrative expenses not attributed reportable segments.
3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.
First-time adoption of IFRS

The Group disclosed its condensed quarterly consolidated financial statements in accordance with IFRS from the first quarter of this consolidated fiscal year. The most recent consolidated financial statements prepared in accordance with Japanese GAAP are those for the consolidated fiscal year ended March 31, 2022, and IFRS transition date is April 1, 2021.

1. Mandatory exceptions and exemption provisions under IFRS 1

In principle, IFRS requires companies that adopt IFRS for the first time to apply the standards required by IFRS retrospectively. However, for some of the standards required under IFRS, IFRS 1 specifies standards for which the exemption is applied mandatorily and those for which the exemption is applied voluntarily.

Items that must apply mandatory exemptions are “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” and “classification and measurement of financial instruments,” and they are prohibited retrospective application of IFRS. Except for “derecognition of financial assets and financial liabilities,” the Group applies the exemptions prospectively from the transition date. “Derecognition of financial assets and financial liabilities” is applied prospectively from the date selected by the Group.

Major exemptions adopted by the Group when transitioning from Japanese GAAP to IFRS are as follows.

(1) Business combinations

The Group elects not to apply IFRS 3 retrospectively to the “Business combinations” that occurred before the date of transition to IFRS.

(2) Leases

The Group determines whether a contract existing at the date of transition to IFRS includes leases based on the facts and circumstances existing as of that date, and the lease liability is the present value of the remaining lease payments discounted using the lessee’s incremental borrowing rate as of the transition date. In addition, the right-of-use asset is measured as of the transition date and is equal to the lease liability.

(3) Exchange differences on translation of foreign operations

The Group deems the cumulative translation differences of all foreign operations to be zero at the transition date of IFRS.

(4) Financial instruments

The designation in accordance with IFRS 9, “Financial Instruments” for financial instruments
recognized prior to the date of transition to IFRS is based on relevant facts and circumstances that existed at the date of transition to IFRS.

2. Reconciliations

In preparing the condensed quarterly consolidated financial statements based on IFRS, the Company reconcile equity, profit and loss, and comprehensive income which previously reported in the quarterly consolidated financial statements based on Japanese GAAP. The effects of this adjustment on the Group’s financial condition, operating results and cash flows are as follows.

In the reconciliations below, “Reclassification” includes items that do not affect retained earnings and comprehensive income, while “Differences in recognition and measurement” include items that affect retained earnings and comprehensive income.
(1) Reconciliations of equity

(i) Transition date (April 1, 2021)

<table>
<thead>
<tr>
<th>Line items under Japanese GAAP</th>
<th>Japanese GAAP</th>
<th>Reclassification</th>
<th>Differences in recognition and measurement</th>
<th>IFRS</th>
<th>Notes</th>
<th>Line items under IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>126,702</td>
<td>(4,536)</td>
<td>-</td>
<td>122,166</td>
<td>(a)</td>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Notes and accounts receivable - trade, and contract assets</td>
<td>429,673</td>
<td>(102,212)</td>
<td>27,600</td>
<td>355,061</td>
<td>(b),(c), (d),(j)</td>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(3,589)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>69,223</td>
<td>(69,223)</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>Work in process</td>
<td>399,847</td>
<td>(399,847)</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>138,215</td>
<td>(138,215)</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>114,664</td>
<td>33,858</td>
<td>148,523</td>
<td>(d),(j)</td>
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<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,203,387</td>
<td></td>
<td>21,477</td>
<td>1,224,865</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>451,259</td>
<td>(10,564)</td>
<td>8,460</td>
<td>449,155</td>
<td>(k)</td>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>22,427</td>
<td>(37)</td>
<td>40,120</td>
<td>62,510</td>
<td>(k)</td>
<td>Intangible assets</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>12,721</td>
<td>(12,721)</td>
<td>-</td>
<td>-</td>
<td>(g)</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>155</td>
<td>(155)</td>
<td>-</td>
<td>-</td>
<td>(e),(g)</td>
<td>Other financial assets</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>165,967</td>
<td>(120,047)</td>
<td>2,916</td>
<td>48,835</td>
<td>(f),(g)</td>
<td>Other non-current assets</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>1,403</td>
<td>1,403</td>
<td>-</td>
<td>-</td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>732,715</td>
<td></td>
<td>133,099</td>
<td>865,814</td>
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</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,936,103</td>
<td></td>
<td>154,576</td>
<td>2,090,679</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line items under Japanese GAAP</td>
<td>Japanese GAAP</td>
<td>Reclassification</td>
<td>Differences in recognition and measurement</td>
<td>IFRS</td>
<td>Notes</td>
<td>Line items under IFRS</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------</td>
<td>------------------</td>
<td>------------------------------------------</td>
<td>------</td>
<td>-------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable - trade</td>
<td>247,294</td>
<td>170,776</td>
<td>-</td>
<td>418,070</td>
<td>(b)</td>
<td></td>
</tr>
<tr>
<td>Electronically recorded obligations - operating</td>
<td>107,849</td>
<td>(107,849)</td>
<td>-</td>
<td>-</td>
<td>(b)</td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>141,579</td>
<td>(141,579)</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
<td></td>
</tr>
<tr>
<td>Current portion of bonds payable</td>
<td>30,000</td>
<td>(30,000)</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>1,061</td>
<td>(1,061)</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
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</tr>
<tr>
<td>Income taxes payable</td>
<td>4,753</td>
<td>-</td>
<td>-</td>
<td>4,753</td>
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<td>Contract liabilities</td>
<td>159,476</td>
<td>-</td>
<td>-</td>
<td>159,476</td>
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<td></td>
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<tr>
<td>Provision for bonuses</td>
<td>18,239</td>
<td>(18,239)</td>
<td>-</td>
<td>-</td>
<td>(i)</td>
<td></td>
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<tr>
<td>Provision for construction warranties</td>
<td>12,550</td>
<td>(12,550)</td>
<td>-</td>
<td>-</td>
<td>(i)</td>
<td></td>
</tr>
<tr>
<td>Provision for loss on construction contracts</td>
<td>14,367</td>
<td>(14,367)</td>
<td>-</td>
<td>-</td>
<td>(i)</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>192,849</td>
<td>(79,441)</td>
<td>2,836</td>
<td>116,244</td>
<td>(b),(g),(h),(i),(k),(l)</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>930,022</td>
<td>-</td>
<td>62,165</td>
<td>992,187</td>
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<tr>
<td><strong>Non-current liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>190,000</td>
<td>(190,000)</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>199,177</td>
<td>(199,177)</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>9,532</td>
<td>(9,532)</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
<td></td>
</tr>
<tr>
<td>Retirement benefit liability</td>
<td>115,456</td>
<td>-</td>
<td>(238)</td>
<td>115,218</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>Provision for the in-service issues of commercial aircraft jet engines</td>
<td>5,984</td>
<td>(5,984)</td>
<td>-</td>
<td>-</td>
<td>(i)</td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>1,125</td>
<td>-</td>
<td>(87)</td>
<td>1,038</td>
<td>(p)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>41,668</td>
<td>(24,220)</td>
<td>57</td>
<td>17,504</td>
<td>(g),(n)</td>
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<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>562,944</td>
<td>-</td>
<td>55,902</td>
<td>618,847</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>1,492,967</td>
<td>-</td>
<td>118,067</td>
<td>1,611,034</td>
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<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>104,484</td>
<td>-</td>
<td>-</td>
<td>104,484</td>
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<td></td>
</tr>
<tr>
<td>Capital surplus</td>
<td>54,542</td>
<td>-</td>
<td>-</td>
<td>54,542</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>266,937</td>
<td>-</td>
<td>32,472</td>
<td>299,409</td>
<td>(r)</td>
<td></td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(136)</td>
<td>-</td>
<td>-</td>
<td>(136)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>(134)</td>
<td>-</td>
<td>3,846</td>
<td>3,846</td>
<td>(n),(o),(q)</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>1,936,103</td>
<td>-</td>
<td>154,576</td>
<td>2,090,679</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Millions of yen**
(ii) As of June 30, 2021

<table>
<thead>
<tr>
<th>Line items under Japanese GAAP</th>
<th>Japanese GAAP</th>
<th>Reclassification</th>
<th>Differences in recognition and measurement</th>
<th>IFRS</th>
<th>Notes</th>
<th>Line items under IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>122,051</td>
<td>(4,987)</td>
<td>-</td>
<td>117,064</td>
<td>(a)</td>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Notes and accounts receivable - trade, and contract assets</td>
<td>410,009</td>
<td>(100,772)</td>
<td>16,598</td>
<td>325,834</td>
<td>(b),(c), (d),(j)</td>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(3,636)</td>
<td>3,636</td>
<td>-</td>
<td>-</td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>128,914</td>
<td>41,511</td>
<td>170,425</td>
<td>(d),(j)</td>
<td></td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>66,471</td>
<td>(66,471)</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>Work in process</td>
<td>410,871</td>
<td>(410,871)</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>143,876</td>
<td>(143,876)</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>621,218</td>
<td>(39,794)</td>
<td>581,424</td>
<td>(e),(k)</td>
<td></td>
</tr>
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<td>-</td>
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(iii) As of March 31, 2022

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<td>-</td>
<td>35,290</td>
<td>320,671</td>
<td>(r)</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>(1,129)</td>
<td>-</td>
<td>(1,129)</td>
<td>-</td>
<td>(i)</td>
</tr>
<tr>
<td>Total accumulated other comprehensive income</td>
<td>34,917</td>
<td>-</td>
<td>(8,986)</td>
<td>25,931</td>
<td>(n),(o),(q)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>479,180</td>
<td>-</td>
<td>26,303</td>
<td>505,484</td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>498,522</td>
<td>-</td>
<td>26,369</td>
<td>524,891</td>
<td></td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>2,022,748</td>
<td>-</td>
<td>151,881</td>
<td>2,174,630</td>
<td></td>
</tr>
</tbody>
</table>
(iv) Notes on reconciliation of equity
(Reclassification)
(a) Reclassification of cash and deposits
   Time deposits with maturities of more than three months, which were included in “Cash and deposits” under Japanese GAAP, are reclassified to “Other financial assets” of current assets under IFRS.

(b) Reclassification of account receivables, electronically recorded obligations-operating, and account payable
   Account receivables which were included in “Other” of current assets under Japanese GAAP, are reclassified to “Trade and other receivables” under IFRS. In addition, “Electronically recorded obligations-operating,” which were presented separately, and account payable which was included in “Other” of current liabilities under Japanese GAAP, are reclassified to “Trade and other payables” under IFRS.

(c) Reclassification of allowance for doubtful accounts
   “Allowance for doubtful accounts,” which was separately presented in current assets under Japanese GAAP, is reclassified to directly deducting the item from “Trade and other receivables” etc. under IFRS. In addition, “Allowance for doubtful accounts” which was separately presented in non-current assets under Japanese GAAP, is reclassified to directly deducting the item from “Other financial assets” of non-current assets.

(d) Reclassification of contract assets
   “Contract assets,” which were included in “Notes and accounts receivable - trade, and contract assets” under Japanese GAAP, are presented separately under IFRS.

(e) Reclassification of inventories
   “Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies,” which were presented separately under Japanese GAAP, are reclassified to “Inventories” under IFRS.

(f) Reclassification of investments accounted for using equity method
   “Investments accounted for using equity method,” which were included in “Other” of investments and other assets under Japanese GAAP, are presented separately under IFRS.

(g) Reclassification of other financial assets and other financial liabilities
   Derivative assets, etc. which were included in “Other” of current assets under Japanese GAAP, are reclassified to “Other financial assets” of current assets under IFRS. In addition, “Investment securities,” which were presented separately under Japanese GAAP, and long-term accounts receivable,
etc. which were included in “Other” of investments and other assets under Japanese GAAP, are reclassified to “Other financial assets” of non-current assets under IFRS.

Derivative liabilities, which were included in “Other” of current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of current liabilities under IFRS. In addition, long-term accounts payable, etc. which were included in “Other” of non-current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of non-current liabilities under IFRS.

(h) Reclassification of bonds payable, commercial paper, borrowings, and lease liabilities
“Short-term borrowings,” “Current portion of bonds payable,” and “Lease liabilities,” which were presented separately in current liabilities under Japanese GAAP, and commercial paper which was included in “Other” of current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of current liabilities under IFRS. In addition, “Bonds payable,” “Long-term borrowings,” and “Lease liabilities,” which were presented separately in non-current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of non-current assets under IFRS.

(i) Reclassification of provisions
“Provision for construction warranties,” and “Provision for loss on construction contracts,” which were presented separately under Japanese GAAP, are reclassified to “Provisions” of current liabilities under IFRS. In addition, “Provision for the in-service issues of commercial aircraft jet engines,” which was presented separately under Japanese GAAP, is reclassified to “Provisions” of non-current liabilities under IFRS.

“Provision for bonuses,” which was presented separately under Japanese GAAP, is reclassified to “Other current liabilities” under IFRS.

(Differences in recognition and measurement)
(j) Adjustments to receivables securitization transaction
Certain trade receivables that were derecognized regarding receivables securitization transaction under Japanese GAAP, are recognized as “Contract assets” instead of being derecognized because they do not meet the derecognition criteria under IFRS. In addition, payables associated with receivables securitization are recognized as “Bonds, borrowings and other financial liabilities” under current and non-current liabilities.

(k) Adjustments to property, plant and equipment, and intangible assets
Under Japanese GAAP, development expenses were treated as research and development expenses and expensed as “Selling, general and administrative expenses” when incurred as well as a portion of
costs related to mass production of new products and models, etc. was recorded as “Work in process.” Under IFRS, development expenses that meet the criteria for capitalization are recorded as “Intangible assets.” In addition, certain expenses that were expensed as “Selling, general and administrative expenses” when incurred development expenses under Japanese GAAP are recorded as “Property, plant and equipment” as they have the criteria for capitalization under IFRS. Furthermore, since IFRS does not allow depreciation for asset acquisitions other than government subsidies, and records processed using the direct depreciation method under Japanese GAAP have been canceled.

(I) Adjustments to right-of-use assets and lease liabilities

Under Japanese GAAP, except for finance lease transactions, lease payments are expensed at the time they incurred. Under IFRS, the present value is measured based on the future lease payments at the lease commencement date and recorded as “Right-of-use assets” and “Lease liabilities.” “Lease liabilities” are included in “Bonds, borrowings and other financial liabilities” under current and non-current liabilities.

(m) Adjustments to levies

Under Japanese GAAP, expenses were recognized for items qualified as levies such as property taxes, over the fiscal year. On the other hand, under IFRS, they are recognized as “Other current liabilities” under current liabilities at the time the tax assessment is determined.

(n) Adjustments to employee benefit

With respect to retirement benefit liability, under Japanese GAAP, actuarial gains and losses and prior service costs were recognized in other comprehensive income as incurred, and for the amount prorated over a certain number of years within the average remaining service period of employees at the incurrence, actuarial gains and losses were expensed from the following fiscal year of the incurrence while prior service costs were expensed from the fiscal year in which they incurred. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately reclassified to “Retained earnings.” Prior service costs are recognized in profit or loss as incurred.

In addition, special holidays, etc. granted subject to a certain number of years of service, which were not accounted for under Japanese GAAP, are recorded as “Other non-current liabilities” under IFRS.

(o) Adjustments to equity financial instruments

Under Japanese GAAP, unlisted shares and investments with no market value were measured using the cost method, however, they are measured at fair value under IFRS. In addition, for equity financial assets, gains or losses on sales and impairment losses were recognized as profit or loss under Japanese GAAP, however, under IFRS, the changes in fair value are recognized as other comprehensive income
when subsequent changes in fair value are designated to be presented in other comprehensive income.

(p) Adjustment to tax effects

Regarding the adoption of IFRS, “Deferred tax assets” and “Deferred tax liabilities” have increased or decreased due to the reconsideration of the recoverability of all deferred tax assets. In addition, under Japanese GAAP, tax effects arising from the elimination of unrealized profits and losses are calculated using the effective tax rate of the seller, however, under IFRS, these are calculated using the effective tax rate of the buyer.

(q) Reclassification of exchange differences on translation of foreign operations

At a first-time adoption, the Group has opted to apply the exemption provided in IFRS 1 and transferred the entire balance of cumulative exchange differences of foreign operations to “Retained earnings” at the transition date.

(r) Retained earnings

The impact of the above adjustments on retained earnings is as follows. (loss)

<table>
<thead>
<tr>
<th>Consolidated Financial Position</th>
<th>IFRS transition date (April 1, 2021)</th>
<th>As of June 30, 2021</th>
<th>As of March 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>(k) Adjustments to property, plant and equipment, and intangible assets</td>
<td>6,785</td>
<td>7,000</td>
<td>6,646</td>
</tr>
<tr>
<td>(l) Adjustments to right-of-use assets and lease liabilities</td>
<td>-</td>
<td>(466)</td>
<td>(132)</td>
</tr>
<tr>
<td>(m) Adjustments to levies</td>
<td>(3,402)</td>
<td>(2,558)</td>
<td>(3,395)</td>
</tr>
<tr>
<td>(n) Adjustments to employee benefit</td>
<td>(2,240)</td>
<td>(2,206)</td>
<td>8,563</td>
</tr>
<tr>
<td>(o) Adjustments to equity financial instruments</td>
<td>5,094</td>
<td>5,035</td>
<td>5,116</td>
</tr>
<tr>
<td>(p) Adjustment to tax effects</td>
<td>28,940</td>
<td>28,637</td>
<td>22,262</td>
</tr>
<tr>
<td>(q) Reclassification of exchange differences on translation of foreign operations</td>
<td>(931)</td>
<td>(931)</td>
<td>(931)</td>
</tr>
<tr>
<td>Other</td>
<td>(1,772)</td>
<td>(265)</td>
<td>(2,840)</td>
</tr>
<tr>
<td>Adjustments on retained earnings</td>
<td>32,472</td>
<td>34,243</td>
<td>35,290</td>
</tr>
</tbody>
</table>
(2) Reconciliations of profit or loss and comprehensive income
(i) Three months ended June 30, 2021 (April 1, 2021 – June 30, 2021)

<table>
<thead>
<tr>
<th>Line items under Japanese GAAP</th>
<th>Japanese GAAP</th>
<th>Reclassification</th>
<th>Differences in recognition and measurement</th>
<th>IFRS</th>
<th>Notes</th>
<th>Line items under IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>355,631</td>
<td>(20)</td>
<td>(40)</td>
<td>355,570</td>
<td></td>
<td>Revenue</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>293,604</td>
<td>421</td>
<td>(2,824)</td>
<td>291,200</td>
<td>(a),(c)</td>
<td>Cost of sales</td>
</tr>
<tr>
<td>Gross profit</td>
<td>62,027</td>
<td>(441)</td>
<td>2,783</td>
<td>64,369</td>
<td></td>
<td>Gross profit</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>46,860</td>
<td>-</td>
<td>230</td>
<td>47,091</td>
<td>(c)</td>
<td>Selling, general and administrative expenses</td>
</tr>
<tr>
<td>Operating profit</td>
<td>15,166</td>
<td>666</td>
<td>2,718</td>
<td>18,551</td>
<td></td>
<td>Business Profit</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>1,853</td>
<td>(1,853)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>3,893</td>
<td>(3,893)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>1,633</td>
<td>(1,633)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Extraordinary losses</td>
<td>76</td>
<td>(76)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>572</td>
<td>(132)</td>
<td>440</td>
<td>(a),(d)</td>
<td></td>
<td>Finance income</td>
</tr>
<tr>
<td>-</td>
<td>1,722</td>
<td>205</td>
<td>1,928</td>
<td>(a),(d)</td>
<td></td>
<td>Finance costs</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>14,683</td>
<td>-</td>
<td>2,379</td>
<td>17,063</td>
<td></td>
<td>Profit before tax</td>
</tr>
<tr>
<td>Income taxes</td>
<td>4,332</td>
<td>-</td>
<td>828</td>
<td>5,160</td>
<td>(b),(e)</td>
<td>Income tax expense</td>
</tr>
<tr>
<td>Profit</td>
<td>10,351</td>
<td>-</td>
<td>1,550</td>
<td>11,902</td>
<td></td>
<td>Profit</td>
</tr>
</tbody>
</table>

Other comprehensive income

| Net unrealized losses on securities | (394) | - | 557 | 162 | (d) |
| Remeasurement of defined benefit plans | 293 | - | (249) | 44 | (c) |
| Deferred losses on hedges foreign currency translation adjustment | (383) | - | 142 | (241) |
| Share of other comprehensive income of associates accounted for using equity method | 1,749 | 1 | - | 1,751 |

Total other comprehensive income | 3,060 | - | (96) | 2,964 |       | Other comprehensive income |

Comprehensive Income | 13,412 | - | 1,454 | 14,866 |       | Comprehensive income |
## (ii) Consolidated fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

### Millions of yen

<table>
<thead>
<tr>
<th>Line items under Japanese GAAP</th>
<th>Japanese GAAP</th>
<th>Reclassification</th>
<th>Differences in recognition and measurement</th>
<th>IFRS</th>
<th>Notes</th>
<th>Line items under IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,500,879</td>
<td>-</td>
<td>-</td>
<td>1,500,879</td>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Cost of sales</td>
<td>1,244,300</td>
<td>-</td>
<td>3,314</td>
<td>1,247,615</td>
<td>(a),(c)</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>256,578</td>
<td>-</td>
<td>(3,314)</td>
<td>253,263</td>
<td>Gross profit</td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>210,772</td>
<td>123</td>
<td>239</td>
<td>211,134</td>
<td>(c) Selling, general and administrative expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>45,805</td>
<td>(15,366)</td>
<td>(72)</td>
<td>30,366</td>
<td>Business Profit</td>
<td></td>
</tr>
<tr>
<td>Non-operating income</td>
<td>9,342</td>
<td>(9,342)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>25,213</td>
<td>(25,213)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>1,633</td>
<td>(1,633)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Extraordinary losses</td>
<td>715</td>
<td>(715)</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>4,684</td>
<td>(2,128)</td>
<td>2,556</td>
<td>(a),(d) Finance income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>4,270</td>
<td>981</td>
<td>5,251</td>
<td>(a),(d) Finance costs</td>
<td></td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>30,853</td>
<td>-</td>
<td>(3,182)</td>
<td>27,670</td>
<td>Profit before tax</td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>6,867</td>
<td>-</td>
<td>5,966</td>
<td>12,834</td>
<td>(b),(e) Income tax expense</td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>23,985</td>
<td>-</td>
<td>(9,149)</td>
<td>14,836</td>
<td>Profit</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Other comprehensive income</td>
</tr>
<tr>
<td>Net unrealized losses on securities</td>
<td>(524)</td>
<td>-</td>
<td>2,874</td>
<td>2,350</td>
<td>(d) Financial assets measured at fair value through other comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit plans</td>
<td>11,130</td>
<td>-</td>
<td>(848)</td>
<td>10,281</td>
<td>(c) Remeasurements of defined benefit plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(1)</td>
<td></td>
<td></td>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
</tr>
<tr>
<td>Deferred losses on hedges Foreign currency translation adjustment</td>
<td>(337)</td>
<td>-</td>
<td>211</td>
<td>(125)</td>
<td>Cash flow hedges Exchange differences on translation of foreign operations</td>
<td></td>
</tr>
<tr>
<td>Share of other comprehensive income of associates accounted for using equity method</td>
<td>16,407</td>
<td>-</td>
<td>(2,727)</td>
<td>13,680</td>
<td>Share of other comprehensive income of investments accounted for using equity method</td>
<td></td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>35,895</td>
<td>-</td>
<td>(489)</td>
<td>35,405</td>
<td>Other comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Comprehensive Income</td>
<td>59,880</td>
<td>-</td>
<td>(9,639)</td>
<td>50,241</td>
<td>Comprehensive income</td>
<td></td>
</tr>
</tbody>
</table>
(iii) Notes on reconciliation of profit and loss and comprehensive income

(Reclassification)

(a) Reclassification of presentation items

For items presented as “Non-operating income,” “Non-operating expenses,” “Extraordinary income” and “Extraordinary losses” under Japanese GAAP, finance-related profits or losses are recorded as “Finance income” and “Finance costs”, and other items are presented as “Cost of sales,” “Other income,” “Other expenses,” and “Share of profit (loss) of investments accounted for using equity method,” under IFRS.

(b) Income tax expense

“Income taxes - current” and “Income taxes - deferred,” which were separately presented under Japanese GAAP, are presented in total as “Income tax expense” under IFRS.

(Differences in recognition and measurement)

(c) Adjustment to employee benefit

Under Japanese GAAP, actuarial gains and losses and prior service costs were recognized in other comprehensive income as incurred, and for the amount prorated over a certain number of years within the average remaining service period of employees at the incurrence, actuarial gains and losses were expensed from the following fiscal year of the incurrence while prior service costs were expensed from the fiscal year in which they incurred. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately reclassified to “Retained earnings.” Prior service costs are recognized in profit or loss as incurred.

(d) Adjustments to equity financial instruments

Under Japanese GAAP, unlisted shares and investments with no market value were measured using the cost method, however, they are measured at fair value under IFRS. In addition, for equity financial assets, gains or losses on sales and impairment losses were recognized as profit or loss under Japanese GAAP, however, under IFRS, the changes in fair value are recognized as other comprehensive income when subsequent changes in fair value are designated to be presented in other comprehensive income.

(e) Adjustment to tax effects

Regarding the adoption of IFRS, “Deferred tax assets” and “Deferred tax liabilities” have increased or decreased due to the occurrence of temporary differences and the reconsideration of the recoverability of all deferred tax assets. In addition, under Japanese GAAP, tax effects arising from the elimination of unrealized profits and losses are calculated using the effective tax rate of the seller, however, under IFRS, these are calculated using the effective tax rate of the buyer.
(3) Adjustment to Cash Flow

Major differences between the consolidated cash flows statement based on Japanese GAAP and the consolidated cash flows statement based on IFRS are as follows.

・ Receivables securitization transactions that do not meet the criteria for derecognition of financial assets under IFRS have been changed the classification from cash flows from operating activities to cash flows from financing activities.

・ With the application of IFRS 16, lease payments under operating leases have been changed the classification from cash flows from operating activities to cash flows from financing activities as “Repayments of lease liabilities.”

・ Expenditures of development expenses that meet the criteria for capitalization under IFRS have been changed the classification from cash flows from operating activities to cash flows from investing activities.
3. Supplementary information

(1) Supplementary information on consolidated earnings forecasts for the fiscal year ending March 31, 2023

(i) Revenue and business profit (loss)

<table>
<thead>
<tr>
<th>Reportable segment</th>
<th>Outlook for the year ending March 31, 2023 (fiscal 2022)</th>
<th>Year ended March 31, 2022 (Fiscal 2021) (Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revised forecast (A)</td>
<td>Forecast issued May 10, 2022 (B)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>350.0</td>
<td>350.0</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>140.0</td>
<td>140.0</td>
</tr>
<tr>
<td>Energy Solution &amp; Marine Engineering</td>
<td>330.0</td>
<td>330.0</td>
</tr>
<tr>
<td>Precision Machinery &amp; Robot</td>
<td>260.0</td>
<td>270.0</td>
</tr>
<tr>
<td>Motorcycle &amp; Engine</td>
<td>520.0</td>
<td>500.0</td>
</tr>
<tr>
<td>Other</td>
<td>90.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Adjustments</td>
<td>(19.0)</td>
<td>(19.0)</td>
</tr>
<tr>
<td>Total</td>
<td>1,690.0</td>
<td>1,680.0</td>
</tr>
</tbody>
</table>

(ii) Orders received

<table>
<thead>
<tr>
<th>Reportable segment</th>
<th>Outlook for the year ending March 31, 2023 (fiscal 2022)</th>
<th>Year ended March 31, 2022 (Fiscal 2021) (Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revised forecast (A)</td>
<td>Forecast issued May 10, 2022 (B)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>280.0</td>
<td>280.0</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>80.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Energy Solution &amp; Marine Engineering</td>
<td>360.0</td>
<td>340.0</td>
</tr>
<tr>
<td>Precision Machinery &amp; Robot</td>
<td>270.0</td>
<td>280.0</td>
</tr>
<tr>
<td>Motorcycle &amp; Engine</td>
<td>520.0</td>
<td>500.0</td>
</tr>
<tr>
<td>Other</td>
<td>90.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Total</td>
<td>1,600.0</td>
<td>1,570.0</td>
</tr>
</tbody>
</table>

Note: 1. Assumed exchange rate for the fiscal year ending March 2023: ¥125/USD, ¥130/EUR
2. The Motorcycle & Engine segment’s orders received are equal to its revenue as production is based mainly on estimated demand.