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April 26, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4951
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 Scheduled date to annual general meeting of shareholders: June 21, 2022
 Scheduled date to commence dividend payments: June 6, 2022
 Scheduled date to file Securities Report: June 21, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of quarterly financial results briefing: None (video streaming only)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	45,469	–	3,250	–	3,481	–	1,109	–
March 31, 2021	49,673	4.5	3,945	16.9	3,737	11.7	2,525	11.7

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥431 million [–%]
 For the fiscal year ended March 31, 2021: ¥3,332 million [86.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	49.91	49.91	3.5	7.6	7.1
March 31, 2021	113.90	113.78	8.2	8.3	7.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2022: ¥(69) million

For the fiscal year ended March 31, 2021: ¥(19) million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	44,402	31,847	70.4	1,407.03
March 31, 2021	46,816	32,632	68.5	1,445.14

Reference: Equity

As of March 31, 2022: ¥31,274 million

As of March 31, 2021: ¥32,089 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	2,666	(1,669)	(1,075)	11,843
March 31, 2021	4,423	(1,563)	(1,152)	11,831

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	18.00	–	19.00	37.00	828	32.5	2.7
Fiscal year ended March 31, 2022	–	19.00	–	19.00	38.00	853	76.1	2.7
Fiscal year ending March 31, 2023 (Forecast)	–	20.00	–	20.00	40.00		46.8	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	24,600	4.8	1,750	(32.3)	1,900	(30.0)	1,200	(35.0)	53.99
Fiscal year ending March 31, 2023	47,500	4.5	2,550	(21.6)	2,850	(18.1)	1,900	71.3	85.48

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
 Newly included: – companies
 Excluded: – companies
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 (ii) Changes in accounting policies due to other reasons: None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None
- Note: For more details, please refer to the section of “Changes in accounting policies” under “(5) Notes on consolidated financial statements” of “3. Consolidated financial statements and significant notes thereto” on page 18 of the attached material.

(4) Number of issued shares (common shares)

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

As of March 31, 2022	23,000,000 shares
As of March 31, 2021	23,000,000 shares

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

As of March 31, 2022	772,820 shares
As of March 31, 2021	794,610 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended March 31, 2022	22,223,718 shares
Fiscal year ended March 31, 2021	22,176,474 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	42,796	–	2,707	–	3,258	–	1,418	–
March 31, 2021	47,124	7.5	3,248	23.4	3,455	12.6	2,799	25.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	63.85	63.84
March 31, 2021	126.24	126.11

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	40,922	29,645	72.4	1,333.76
March 31, 2021	43,234	30,331	70.1	1,365.83

Reference: Equity

As of March 31, 2022: ¥29,645 million

As of March 31, 2021: ¥30,328 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

2. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	23,000	3.0	1,900	(26.8)	1,400	(25.8)	62.99
Fiscal year ending March 31, 2023	44,400	3.7	2,800	(14.1)	2,000	40.9	89.98

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

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. Please refer to “(1) Outline of operating results for the current fiscal year” of “1. Outline of operating results, etc.” on pages 2 to 4 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

Method of obtaining the supplementary material on quarterly financial results

We intend to post the video explaining the financial results and the supplementary material on financial results on the Company’s website on Wednesday, April 27, 2022.

○ Attached Materials Index

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1. Outline of operating results, etc.

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ guidance from the beginning of the current fiscal year.

The figures for the current fiscal year of the outline of operating results section in this report reflect application of the accounting standard and relevant ASBJ guidance. As such, amounts of increase and decrease relative to the previous fiscal year and year-on-year percentage change have not been presented. For more details about the application of “Accounting Standard for Revenue Recognition” and relevant ASBJ guidance, please refer to “Changes in accounting policies” under “(5) Notes to consolidated financial statements” of “3. Consolidated financial statements and significant notes thereto.”

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

(i) Outline of overall results for the current fiscal year

(Millions of yen)

Indicators, etc.	Previous consolidated fiscal year	Current consolidated fiscal year	YoY percentage change
Net sales	49,673	45,469	–
Operating profit	3,945	3,250	–
Ordinary profit	3,737	3,481	–
Net profit attributable to owners of parent	2,525	1,109	–
Earnings per share (yen)	113.90	49.91	–

In the Japanese economy during the current fiscal year, there was a recovery trend due to the spread of vaccination, various government policies and improvements in overseas economies despite the fact that number of people infected with COVID-19 remained high due to the influence of new variants.

However, the outlook is becoming even more uncertain as it is impossible to see an end in the spike in raw materials prices due to the rise in crude oil prices, accompanied by the increasingly serious situation in Ukraine, and the impact of supply chain turmoil caused by the continuation of China’s Zero-COVID policy.

Amid these circumstances, the Group took action to enable its sustainable growth under its strategy of brand value management through initiatives that involve “solidification of the existing business profit structure,” “improving resources for growth engines,” “entry to and development of new fields and markets,” “strengthening the management foundation through digital transformation and ESG management,” and “improvement of organizational capacity.”

Consequently, for the current consolidated fiscal year, the Group’s net sales amounted to 45,469 million yen as COVID-19-related demand has settled down. Meanwhile, operating profit was 3,250 million yen due to a strategic spending in marketing costs as well as an increase in selling, general and administrative expenses amid a situation where business activity is gradually rebounding following on a scenario of controls having been imposed on such activity under last year’s COVID-19 state of emergency declaration. Ordinary profit was 3,481 million yen and net profit attributable to owners of parent was 1,109 million yen, due to recording of impairment loss under extraordinary loss

(ii) Status by category of the current fiscal year

Given that the Group operates a single segment of the daily necessities business, operating results by business category are as follows.

<Net sales by category>

Category	Amount (Millions of yen)	Composition (%)	YoY percentage change
Air Care (Air Fresheners and Deodorizers)	19,983	43.9	—
Cloth Care (Mothproofing Agents)	8,213	18.1	—
Thermal Care (Disposable Warmers)	4,363	9.6	—
Hand Care (Household Gloves)	5,834	12.8	—
Humidity Care (Dehumidifiers)	2,845	6.3	—
Home Care (Others)	4,228	9.3	—
Total	45,469	100.0	—

In the Air Care (Air Fresheners and Deodorizers) category, we have been engaging in efforts that involve striving for more consistent sales of our existing mainstay products and developing high value-added products. In addition to steady sales of the Shoshu-Riki (deodorant power) Premium Aroma series and Shoshu-Riki for Toilet, with the addition of the lineup items of the Shoshu-Riki (deodorant power) DEOX series, which has been well-received and uses a receptor block deodorant function that makes it difficult to perceive malodorous components, net sales were 19,983 million yen.

In the Cloth Care (Mothproofing Agents) category, we have been working to increase sales of Mushuda mite repellent with a new sheet-type product, to enhance the Mushuda series by renewal. However, as demand for seasonal wardrobe updates with people taking refuge at home last year has settled down, this business category posted net sales of 8,213 million yen.

In the Thermal Care (Disposable Warmers) category, we have renewed the packaging of Onpax, to heighten the degree of brand recognition, and in addition, with the On Style series we have been promoting efforts targeting “women suffering from cold sensitivity,” however, due to the tough market environment, sales were 4,363 million yen.

In the Hand Care (Household Gloves) category, we proceeded with revision of the selling price, which had been raised last year, and as the demand for gloves due to heightened awareness of hygiene has settled down, net sales were 5,834 million yen.

In the Humidity Care (Dehumidifiers) category, in addition to working to promote environmental friendliness, we reduced low-gross profit products while shifting to high value-added products, and sales came at 2,845 million yen.

In the Home Care (Others) category, we have been striving to enter new fields of business and markets in Japan, in addition to the steady trends of the Senjo-Riki brand and Kome-Touban brand. Net sales in this business category amounted to 4,228 million yen due to the recovery of domestic demand due to return to campus lifestyles and growth in exports for Senjo-Riki Ohisamano-Sentakku shoe cleaner, in addition to strong sales of Senjo-Riki Fizzy washing machine drum cleaner, which launched in the autumn of last year.

(iii) Future outlook

In the Japanese economy for the following fiscal year, the outlook for the economy is expected to continue to be uncertain due to inability to anticipate the end of the COVID-19 pandemic as well as concern about geopolitical risks, such as the situation in Ukraine, and soaring raw material prices and energy prices.

Under these circumstances, the Group will focus on “drastic review of the existing business profit structure,” “concentrated resources in growth areas,” “clarification of business development systems” and “formulation and disclosure of long-term ESG strategies” in order to enable sustainable growth under brand value management.

In the Air Care (Air Fresheners and Deodorizers) category, the Shoshu-Riki Premium Aroma series, which focuses on high-quality scents as an initiative for high-value-added products, has been supported by consumers and has driven the growth of the market, and we will continue to acquire a wide range of customers by renewing and strengthening the lineup. In addition, we will continue to call attention to the advanced functionality of Shoshu-Riki DEOX, which uses a receptor block deodorant function that makes it difficult to perceive malodorous components, and further enhance the lineup to develop it into a main product. We will realize this by steadily implementing sales promotion activities that are efficiently linked to advertising. In addition to this,

we will renew packaging that uses environmentally friendly materials and promote the production of environmentally friendly products. We also expect sales to increase by actively engaging in overseas e-commerce businesses and strengthening our efforts in new markets.

In the Cloth Care (Mothproofing Agents) category, by growing the sales of Mushuda mite repellent, which is expected to grow going forward as well, in the Mushuda series, as well as expanding applications in line with new storage styles, and expansion in adjacent markets, we expect net sales to increase.

In the Thermal Care (Disposable Warmers) category, we will review our strategy toward increased profits in Japan and overseas. In addition to expanding awareness and strengthening the lineup of the existing Onpacks brand, we will also strengthen the On Style series, however, we expect sales to decline in consideration of the tough market environment.

In the Hand Care (Household Gloves) category, in addition to striving for a stable supply of ultra-thin type gloves to meet the demand for hygiene awareness, we are working on sales promotion to raise brand awareness of Family household gloves, and sales are expected to increase.

In the Humidity Care (Dehumidifiers) category, we expect sales to level off, and we will enhance the Bincho-Tan series and Dry Pet Clear for decommo-ditization, aiming to shift to high value-added products.

In the Home Care (Others) category, we believe that the demand for home-cooked meals and taking refuge at home that has become established due to the COVID-19 pandemic will continue, and we will work to grow the sales of Kome-Touban rice insect repellent and Shinsen-Ban which protects the freshness of food. We will promote brand recognition by effectively developing active promotion activities and advertising. In addition, in the pet care business, which we entered in the previous fiscal year as an initiative for new businesses, we will promote brand recognition by utilizing Web media such as SNS, and promote product development utilizing new technologies from our unique air-care business, and we expect net sales will increase.

In addition to the above measures for each category, we will continue to actively invest and strengthen our business management system for developing new products and new sales channels for further growth, aiming to strengthen our structure to enable sales to increase continuously.

In terms of profits, as we are planning capital investment in main categories to respond to future cost reductions and production enhancements, as well as promoting research activities as investment in new businesses, strategic marketing investment for growth, and investment for DX and ESG promotion and human resource development, we expect a temporary increase in costs.

As a result, for the next fiscal year, we expect 47,500 million yen (up 4.5% year on year) for net sales, 2,550 million yen (down 21.6% year on year) for operating income, 2,850 million yen (down 18.1% year on year) for ordinary income and 1,900 million yen (up 71.3% year on year) for net profit attributable to owners of parent.

(Impact of COVID-19 Pandemic)

In order to prevent the spread of COVID-19, the Group will continue to take measures such as thorough implementation of prevention including wearing masks and ventilation, prohibiting unnecessary and nonurgent business trips, and actively utilizing video conference systems, as well as decreasing infection risk of employees by promotion of working from home and staggering attendance to maintain business activities.

The impact on business activities and business performance is limited at present, because there is no major impact on production aspects such as procurement of raw materials. The business forecast incorporates the effects of COVID-19 based on the information we have at this time.

However, if the situation does not converge for a long period of time or becomes more serious, it may affect business activities and business performance because it is expected that procurement of raw materials and production activities will be delayed or stopped, and sales activities will decline. If it is expected to have a significant impact on our business activities and business performance in the future, we will promptly disclose it.

(2) Outline of financial status for the current fiscal year**(i) Assets, Liabilities and Net Assets**

Total assets at the end of the current fiscal year stood at 44,402 million yen, decreased by 2,414 million yen from the end of the previous fiscal year. Main factors were a decrease in investment securities of 1,616 million yen, a decrease in goodwill of 1,263 million yen, a decrease in goods and products of 455 million yen, and an increase in intangible assets-other of 800 million yen, etc.

Liabilities were 12,554 million yen, decreased by 1,628 million yen from the end of the previous fiscal year. The decrease is mainly attributable to factors that include an increase in current liabilities - other of 1,937 million yen, a decrease in accounts payable - other of 1,063 million yen, a decrease in notes and accounts payable - trade of 738 million yen, a decrease in deferred tax liabilities of 553 million yen, a decrease in income taxes payable of 355 million yen, and a decrease in electronically recorded obligations of 351 million yen.

Net assets were 31,847 million yen, decreased by 785 million yen from the end of the previous fiscal year. The decrease is mainly attributable to factors that include a decrease of valuation difference on available-for-sale securities of 1,019 million yen.

Consequently, equity amounted to 31,274 million yen and the equity ratio was 70.4%, increased by 1.9 percentage points from the end of the previous fiscal year.

(ii) Consolidated cash flows

(Millions of yen)

Item	Previous consolidated fiscal year	Current consolidated fiscal year	Net increase or decrease
Cash flows from operating activities	4,423	2,666	(1,757)
Cash flows from investing activities	(1,563)	(1,669)	(105)
Cash flows from financing activities	(1,152)	(1,075)	76
Effect of exchange rate change on cash and cash equivalents	2	90	88
Net increase (decrease) in cash and cash equivalents	1,709	11	(1,697)
Cash and cash equivalents at beginning of period	10,122	11,831	1,709
Cash and cash equivalents at end of period	11,831	11,843	11

Cash and cash equivalents as of March 31, 2022, stood at 11,843 million yen, increased by 11 million yen from the end of the previous fiscal year.

The main contributing factors affecting the respective cash flows during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 2,666 million yen (compared with 4,423 million yen provided in the same period of the previous fiscal year). The major inflows were profit before income taxes of 1,700 million yen, depreciation of 1,196 million yen, and impairment loss of 1,665 million yen, while the major outflows were a decrease in trade payable of 1,100 million yen, and income taxes paid of 1,183 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,669 million yen (compared with 1,563 million yen used in the same period of the previous fiscal year). The major outflows were purchase of property, plant and equipment of 864 million yen, and purchase of intangible assets of 894 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,075 million yen (compared with 1,152 million yen used in the same period of the previous fiscal year). The major outflow was dividends paid of 851 million yen.

Trends in cash flow-related indicators of the Group are as follows:

Item	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio	67.3%	68.2%	68.5%	68.5%	70.4%
Market-based equity ratio	119.8%	99.7%	82.0%	92.7%	76.4%
Interest-bearing debt to cash flow ratio	0.1	0.2	0.2	0.1	0.2
Interest coverage ratio	10,537.8	315.3	255.4	426.4	573.9

Equity ratio: Equity/total assets

Market-based equity ratio: market capitalization/total assets

Interest-bearing debts to cash flow ratio: Interest-bearing debts/cash flows

Interest coverage ratio: cash flow/interest payment

1. All indicators are calculated based on consolidated financial figures.
2. Market capitalization is calculated based on the number of issued shares excluding treasury stock (including treasury stock remaining in the trust recorded as treasury stock in shareholders' equity).
3. For cash flow, we use cash flow from operating activities on the consolidated statement of cash flow. Interest-bearing debt covers all of the liabilities recorded on the consolidated balance sheet for which interest is paid. For interest payments, we use the amount of interest paid on the consolidated statement of cash flow.

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

Our basic policy regarding profit distribution is as follows.

We will ensure retained earnings to perform strategic investment (product development, effective promotion, capital investment, human resource development, etc.) for sustainable growth and improvement of corporate value over the medium to long term, and as for dividends we will promote a dividend policy linked to business performance while maintaining a basic policy of continuous stable dividends.

With such a concept, regarding the dividend of surplus at the end of the current period, we will set the dividend per share at 19 yen (38 yen for the full year) in consideration of the situation of net income and the realization of shareholder interests.

Regarding the dividend of surplus for the next fiscal year, although the outlook for the Japanese economy is uncertain and the business environment remains severe, we plan to distribute 40 yen per share (20 yen out of this will be interim dividend).

2. Basic concept regarding the selection of accounting standards

The Group has applied Japanese standards in consideration of the period comparability of consolidated financial statements and the comparability between companies.

Regarding the application of IFRS, we will take appropriate measures in consideration of domestic and overseas situations.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

		As of March 31, 2021		As of March 31, 2022
Assets				
Current assets				
Cash and deposits	*3	11,864,226	*3	11,887,571
Notes and accounts receivable - trade	*4	5,789,675		—
Notes receivable - trade		—	*4	82,345
Accounts receivable - trade		—		5,720,587
Securities		73,920		—
Merchandise and finished goods		7,072,094		6,616,934
Work in process		206,346		187,307
Raw materials and supplies		991,276		989,123
Other		520,541		656,520
Allowance for doubtful accounts		(34,592)		(34,482)
Total current assets		26,483,487		26,105,909
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	*1	4,409,983	*1	4,209,287
Machinery, equipment and vehicles, net	*1	1,951,317	*1	1,728,435
Tools, furniture and fixtures, net	*1	221,390	*1	229,423
Land	*5	3,581,707	*5	3,593,502
Leased assets, net	*1	218,098	*1	202,829
Construction in progress		75,990		156,837
Total property, plant and equipment		10,458,486		10,120,316
Intangible assets				
Goodwill		1,263,627		—
Other		643,739		1,444,673
Total intangible assets		1,907,367		1,444,673
Investments and other assets				
Investment securities	*2	7,270,358	*2	5,653,702
Long-term loans receivable		5,055		5,038
Retirement benefit asset		7,841		7,456
Deferred tax assets		84,255		452,385
Other		599,650		613,001
Total investments and other assets		7,967,161		6,731,584
Total non-current assets		20,333,015		18,296,573
Total assets		46,816,503		44,402,483

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,933,890	2,195,372
Electronically recorded obligations - operating	3,186,586	2,835,283
Short-term borrowings	464,400	413,315
Lease liabilities	55,343	49,771
Accounts payable - other	2,865,728	1,802,433
Accrued expenses	789,246	685,379
Income taxes payable	778,947	423,136
Accrued consumption taxes	398,130	93,292
Provision for sales returns	119,000	–
Electronically recorded obligations - non-operating	83,342	179,042
Other	86,777	2,023,903
Total current liabilities	11,761,393	10,700,931
Non-current liabilities		
Lease liabilities	91,278	94,226
Deferred tax liabilities	553,101	–
Deferred tax liabilities for land revaluation	*5 262,175	*5 262,175
Provision for retirement benefits for directors (and other officers)	107,591	107,591
Provision for share awards for directors	69,150	81,952
Retirement benefit liability	1,337,211	1,301,193
Other	1,741	6,775
Total non-current liabilities	2,422,250	1,853,916
Total liabilities	14,183,643	12,554,847
Net assets		
Shareholders' equity		
Share capital	7,065,500	7,065,500
Capital surplus	7,036,277	7,047,201
Retained earnings	16,982,081	16,978,052
Treasury shares	(1,040,068)	(1,020,666)
Total shareholders' equity	30,043,790	30,070,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,886,423	1,866,774
Revaluation reserve for land	*5 (537,202)	*5 (537,202)
Foreign currency translation adjustment	(314,417)	(177,593)
Remeasurements of defined benefit plans	11,389	52,146
Total accumulated other comprehensive income	2,046,192	1,204,125
Share acquisition rights	2,328	–
Non-controlling interests	540,547	573,422
Total net assets	32,632,859	31,847,636
Total liabilities and net assets	46,816,503	44,402,483

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

(Thousands of yen)

	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
Net sales		49,673,733		45,469,615
Cost of sales	*1, *3	28,357,741	*1, *3	27,664,617
Gross profit		21,315,991		17,804,997
Provision for sales returns		119,000		–
Reversal of provision for sales returns		118,100		–
Gross profit - net		21,315,091		17,804,997
Selling, general and administrative expenses	*2, *3	17,369,991	*2, *3	14,554,123
Operating profit		3,945,100		3,250,874
Non-operating income				
Interest income		5,665		5,591
Dividend income		103,281		113,143
Purchase discounts		148,773		126,408
Other		179,804		121,436
Total non-operating income		437,524		366,580
Non-operating expenses				
Interest expenses		9,115		4,643
Sales discounts		509,734		–
Share of loss of entities accounted for using equity method		19,080		69,003
Foreign exchange losses		13,450		46,018
Other		94,067		16,326
Total non-operating expenses		645,447		135,991
Ordinary profit		3,737,177		3,481,463
Extraordinary income				
Gain on sale of non-current assets		–	*4	43
Gain on sale of investment securities		68,989		43,659
Gain on redemption of investment securities		–		11,505
Gain on reversal of share acquisition rights		3,978		194
Total extraordinary income		72,967		55,402
Extraordinary losses				
Loss on sale and retirement of non-current assets	*5	3,889	*5	26,741
Impairment losses		–	*6	1,665,223
Loss on valuation of investment securities		30,960		–
Loss on sale of shares of subsidiaries and associates		–		144,494
Loss on sale of investments in capital of subsidiaries		89,509		–
Total extraordinary losses		124,358		1,836,459
Profit before income taxes		3,685,785		1,700,405
Income taxes - current		1,106,149		837,278
Income taxes - deferred		(27,981)		(347,037)
Total income taxes		1,078,168		490,240
Profit		2,607,617		1,210,165
Profit attributable to non-controlling interests		81,635		100,989
Profit attributable to owners of parent		2,525,981		1,109,175

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,607,617	1,210,165
Other comprehensive income		
Valuation difference on available-for-sale securities	658,034	(1,019,480)
Foreign currency translation adjustment	36,495	129,586
Remeasurements of defined benefit plans, net of tax	28,947	40,757
Share of other comprehensive income of entities accounted for using equity method	1,228	70,196
Total other comprehensive income	724,706	(778,939)
Comprehensive income	3,332,323	431,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,240,452	267,108
Comprehensive income attributable to non-controlling interests	91,871	164,116

(3) (Consolidated statement of changes in shareholders' equity)

Previous consolidated fiscal year (April 1, 2020-March 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,065,500	7,067,815	15,269,715	(1,107,935)	28,295,094
Changes during period					
Dividends of surplus			(805,146)		(805,146)
Profit attributable to owners of parent			2,525,981		2,525,981
Purchase of treasury shares				(515)	(515)
Disposal of treasury shares			(8,468)	68,383	59,914
Change in scope of consolidation		(31,537)			(31,537)
Net changes in items other than shareholders' equity					
Total changes during period	-	(31,537)	1,712,366	67,867	1,748,696
Balance at end of period	7,065,500	7,036,277	16,982,081	(1,040,068)	30,043,790

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,228,295	(537,202)	(341,813)	(17,558)	1,331,721	9,858	499,155	30,135,829
Changes during period								
Dividends of surplus								(805,146)
Profit attributable to owners of parent								2,525,981
Purchase of treasury shares								(515)
Disposal of treasury shares								59,914
Change in scope of consolidation								(31,537)
Net changes in items other than shareholders' equity	658,127	-	27,395	28,947	714,470	(7,530)	41,392	748,333
Total changes during period	658,127	-	27,395	28,947	714,470	(7,530)	41,392	2,497,030
Balance at end of period	2,886,423	(537,202)	(314,417)	11,389	2,046,192	2,328	540,547	32,632,859

Current consolidated fiscal year (April 1, 2021-March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,065,500	7,036,277	16,982,081	(1,040,068)	30,043,790
Cumulative effects of changes in accounting policies			(256,380)		(256,380)
Restated balance	7,065,500	7,036,277	16,725,701	(1,040,068)	29,787,410
Changes during period					
Dividends of surplus			(851,597)		(851,597)
Profit attributable to owners of parent			1,109,175		1,109,175
Purchase of treasury shares				(332)	(332)
Disposal of treasury shares		10,924	(5,226)	19,734	25,432
Net changes in items other than shareholders' equity					
Total changes during period	–	10,924	252,351	19,401	282,677
Balance at end of period	7,065,500	7,047,201	16,978,052	(1,020,666)	30,070,087

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,886,423	(537,202)	(314,417)	11,389	2,046,192	2,328	540,547	32,632,859
Cumulative effects of changes in accounting policies					–			(256,380)
Restated balance	2,886,423	(537,202)	(314,417)	11,389	2,046,192	2,328	540,547	32,376,479
Changes during period								
Dividends of surplus								(851,597)
Profit attributable to owners of parent								1,109,175
Purchase of treasury shares								(332)
Disposal of treasury shares								25,432
Net changes in items other than shareholders' equity	(1,019,648)	–	136,824	40,757	(842,066)	(2,328)	32,874	(811,520)
Total changes during period	(1,019,648)	–	136,824	40,757	(842,066)	(2,328)	32,874	(528,843)
Balance at end of period	1,866,774	(537,202)	(177,593)	52,146	1,204,125	–	573,422	31,847,636

(4) (Consolidated statement of cash flows)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,685,785	1,700,405
Depreciation	1,349,763	1,196,789
Amortization of goodwill	97,202	97,202
Impairment losses	-	1,665,223
Gain on reversal of share acquisition rights	(3,978)	(194)
Loss (gain) on sale and retirement of non-current assets	3,889	26,698
Loss (gain) on sale and valuation of investment securities	(38,028)	(43,659)
Loss (gain) on redemption of investment securities	-	(11,505)
Loss (gain) on sale of shares of subsidiaries and associates	-	144,494
Loss (gain) on sale of investments in capital of subsidiaries	89,509	-
Increase (decrease) in allowance for doubtful accounts	30,002	(120)
Increase (decrease) in net defined benefit asset and liability	21,706	(43,863)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(7,125)	-
Increase (decrease) in provision for share awards for directors (and other officers)	(7,348)	12,802
Increase (decrease) in provision for sales returns	900	-
Interest and dividend income	(108,946)	(118,735)
Interest expenses	9,115	4,643
Foreign exchange losses (gains)	(15,646)	10,166
Share of loss (profit) of entities accounted for using equity method	19,080	69,003
Decrease (increase) in trade receivables	(7,547)	(312,456)
Decrease (increase) in inventories	(1,107,460)	640,087
Increase (decrease) in trade payables	921,664	(1,100,028)
Increase (decrease) in accrued consumption taxes	120,964	(304,835)
Decrease (increase) in leasehold and guarantee deposits	(4,978)	4,663
Other, net	276,387	98,872
Subtotal	5,324,910	3,735,653
Interest and dividends received	113,035	118,776
Interest paid	(10,374)	(4,645)
Income taxes paid	(1,004,304)	(1,183,598)
Net cash provided by (used in) operating activities	4,423,266	2,666,186
Cash flows from investing activities		
Payments into time deposits	(64)	(19)
Purchase of property, plant and equipment	(1,155,224)	(864,266)
Proceeds from sale of property, plant and equipment	1,390	237
Purchase of intangible assets	(417,503)	(894,756)
Purchase of investment securities	(111,129)	(53,832)
Proceeds from sale of investment securities	87,412	61,988
Proceeds from redemption of investment securities	-	77,645
Proceeds from sale of shares of subsidiaries and associates	-	2,654
Purchase of investments in capital of subsidiaries	(23,564)	-
Other, net	54,693	796
Net cash provided by (used in) investing activities	(1,563,988)	(1,669,553)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(232,397)	(50,442)
Proceeds from share issuance to non-controlling shareholders	10,137	–
Purchase of treasury shares	(515)	(332)
Proceeds from disposal of treasury shares	56,362	23,298
Dividends paid	(805,146)	(851,597)
Dividends paid to non-controlling interests	(94,711)	(131,242)
Other, net	(86,044)	(65,359)
Net cash provided by (used in) financing activities	(1,152,317)	(1,075,675)
Effect of exchange rate change on cash and cash equivalents	2,304	90,394
Net increase (decrease) in cash and cash equivalents	1,709,264	11,351
Cash and cash equivalents at beginning of period	10,122,492	11,831,757
Cash and cash equivalents at end of period	* 11,831,757	* 11,843,109

(5) Notes on consolidated financial statements**(Notes on going concern assumption)**

Not applicable.

(Important matters that are the basis for preparing consolidated financial statements)

1. Matters concerning scope of consolidation

- (1) Number of consolidated subsidiaries 7 companies

Names of major consolidated subsidiaries

S.T. PRO CO., LTD.

S.T. Business Support Co., Ltd.

S.T. MYCOAL CO., LTD.

S.T. (Thailand) Co., Ltd.

Family Glove Co., Ltd. (Taiwan)

S.T. Korea Corporation (South Korea)

Shaldan (Thailand) Co., Ltd.

- (2) Names of major non-consolidated subsidiaries and other related information

Major non-consolidated subsidiaries

Japan Aroma Laboratory Co., Ltd.

(Reasons for exclusion from scope of consolidation)

As the non-consolidated subsidiary is small, and none of its total assets, net sales, net income (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) have a significant impact on consolidated financial statements, it is excluded from the scope of consolidation.

2. Matters relating to application of equity method

- (1) Number of affiliated companies accounted for by the equity method 2 companies

Names of major companies

Aekyung S.T. Co., Ltd. (South Korea)

NS FaFa Japan Co., Ltd.

Note that we sold all the shares we owned for Shaldan (Philippines), which was the affiliated company accounted for by the equity method, as of March 31, 2022 and therefore it is excluded from the scope of consolidation.

- (2) As for non-consolidated subsidiary Japan Aroma Laboratory Co., Ltd., which is not accounted for by the equity method, its net income (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) have a minor effect on the consolidated financial statements even if it is excluded from being a subject of the equity method, and is insignificant in general, so it is excluded from the scope of equity method application.
- (3) For affiliates accounted for by the equity-method whose closing date is different from the consolidated closing date, the financial statements for each company's business year are used.

3. Matters concerning business year, etc. of consolidated subsidiaries

Among consolidated subsidiaries, the closing date for S.T. (Thailand) Co., Ltd., Family Glove Co., Ltd. (Taiwan), S.T. Korea Corporation (South Korea) and Shaldan (Thailand) is December 31. In preparing the consolidated financial statements, the financial statements as of the relevant closing date are used. However, for important transactions that occurred during the period from January 1st to March 31st, the consolidated closing date, necessary adjustments have been made for consolidation.

4. Matters concerning accounting policy

- (1) Valuation methods and standards for important assets

a. Securities

Available-for-sale securities

With market value

Stated at market value at fiscal year-end (full amount of valuation difference is charged to net assets using the direct net asset method, and sales cost is calculated by the moving-average method).

Without market value

Stated at cost by the moving-average method.

Securities are stated at cost or amortized at cost.

b. Inventory assets

The Company and our domestic consolidated subsidiaries mainly use the cost method based on the total average method (the balance sheet value is calculated by the method of devaluing the book value based on the decline in profitability), and the overseas consolidated subsidiaries mainly use the low price method based on the total average method.

(2) Depreciation method for important depreciable assets

a. Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries use the declining balance method, and overseas consolidated subsidiaries mainly use the straight-line method based on the provisions of the accounting standards of the country concerned.

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

The main useful lives are as follows.

Buildings and structures	3 - 50 years
Machinery, equipment and delivery equipment	2 - 17 years
Tools, furniture and fixtures	2 - 20 years

b. Intangible fixed assets (excluding leased assets)

The straight-line method is used.

The software used in-house is based on the usable period (mainly 5 years) in the company.

c. Leased assets

Leased assets relating to financial lease transactions without transfer of ownership

Amortized by the straight-line method based on the lease term as the useful life and residual value of zero.

(3) Accounting standards for major allowances

a. Allowance for doubtful accounts

In order to prepare for bad debt losses such as trade receivables and loans, the Company and its domestic consolidated subsidiaries provide for allowance for doubtful accounts at an uncollectable amount based on the historical percentage of credit losses for general credit, and at an amount that is estimated to be uncollectible individually considering the possibilities of collection for specific credit such as bad credit where there is a high probability of loss. In addition, overseas consolidated subsidiaries mainly provide for estimated uncollectible amounts.

b. Reserve for retirement benefits for officers

The Company provides for the amount required to be paid at the end of the term based on internal regulations in order to prepare for the future payment of retirement benefits to officers.

c. Reserve for stock benefits for officers

The Company provides for the estimated amount of stock benefit obligations at the end of the current consolidated fiscal year in order to prepare for the delivery of the Company's shares to Executive Officers based on internal regulations.

(4) Accounting method for retirement benefits

(i) Period attribution method for expected retirement benefits

In calculating the retirement benefits obligation, the attribution method for the expected retirement benefits amount to the period up to the end of the current consolidated fiscal year is based on the projected benefits method.

(ii) Method of amortization of actuarial differences

The actuarial differences are amortized by the straight-line method over a certain number of years (5 years), which is within the average period of the remaining years of service of eligible employees and are amortized from the following fiscal year in which the actuarial differences are recognized.

(iii) Adoption of a simplified method in small businesses, etc.

Some consolidated subsidiaries apply a simplified method to calculate retirement benefit liabilities and retirement benefit costs, using a method in which the amount required for voluntary resignations at the end of the term relating to retirement benefits is used as the retirement benefit obligation.

(5) Standards for recording important income and expenses

The Company and domestic consolidated subsidiaries have applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and “Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30 of March 26, 2021) and have recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The time when the customer gains control is determined to be the time when the product arrives at the customer in domestic sales and the time when the product arrives at the point agreed with the customer in export sales.

These revenues are measured by deducting rebates and returns from the consideration promised in the contract with the customer.

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

Foreign currency-denominated monetary receivables and payables are translated into yen at the spot exchange rate on the consolidated closing date, and the translation difference is treated as profit or loss.

Assets and liabilities, and income and expenses of overseas subsidiaries, etc. are translated into yen at the spot exchange rate on the consolidated closing date, and the translation difference is included in the foreign exchange translation adjustment account and non-controlling interests in the net assets section.

(7) Important hedge accounting method

a. Hedge accounting method

We mainly use deferred hedging. As to forward-exchange contracts eligible for allocation treatment, allocation treatment is applied, and in current consolidated fiscal year, all are processed with allocation treatment.

b. Hedging method and hedge target

Hedging method	Forward exchange contract
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Hedge target	Foreign currency denominated transactions
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There is no balance at the end of the current consolidated fiscal year.

c. Hedging policy

The Company mainly conducts forward exchange contracts to hedge the risk of short-term exchange fluctuations in transactions scheduled to be denominated in foreign currencies.

(8) Goodwill amortization method and amortization period

Goodwill is amortized on an individual basis and is amortized evenly over a reasonable number of years up to 20 years.

(9) Scope of funds in the consolidated statement of cash flows

Funds (cash and cash equivalents) in the consolidated cash flow statement consist of cash on hand, deposits that can be withdrawn at any time, and short-term investments that are easily redeemable, and is due within 3 months from the date of acquisition, in which only tiny risk of fluctuations in value is assumed.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ guidance from the beginning of the current consolidated fiscal year, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of the said goods or services. As a result, some of the sales promotion expenses and promotion expenses previously recorded in selling, general and administrative expenses, and sales discounts previously recorded in non-operating expenses, have been deducted from net sales. Moreover, the Company had been handling projected merchandise returns by recording respective gross profit amounts in the provision for sales returns, but has changed to an approach that involves not recognizing revenue at the time of sale in accordance with provisions regarding variable consideration with respect to projected merchandise returns.

In applying the Accounting Standard for Revenue Recognition and relevant ASBJ guidance, the Company has applied the transitional treatment provided for in the provision of paragraph 84 of the Accounting Standard for Revenue Recognition. Accordingly, the new accounting standard is applied from the beginning balance of the current fiscal year, such that cumulative effects of retroactively applying the new accounting standard with respect to the periods prior to the beginning of the current fiscal year are to be added to or subtracted from retained earnings at the beginning of the current fiscal year.

For the current consolidated fiscal year, as a result of this change, net sales decreased by 3,410,904 thousand yen, cost of sales increased by 7,275 thousand yen, selling, general and administrative expenses decreased by 3,088,906 thousand yen and operating profit decreased by 329,273 thousand yen, while ordinary profit and profit before income taxes each increased by 159,376 thousand yen. In addition, retained earnings at the beginning of the current fiscal year decreased by 256,380 thousand yen.

Whereas the provision for sales returns had been presented under current liabilities in the consolidated balance sheet for the previous fiscal year, as a result of having applied the Accounting Standard for Revenue Recognition and relevant ASBJ guidance, the provision for sales returns is to be presented such that returns assets are to be included in other under current assets and refund liabilities are to be included in other under current liabilities, beginning with the current fiscal year. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ guidance from the beginning of the current fiscal year, and decided to apply new accounting standards set forth in the Accounting Standard for Fair Value Measurement and relevant ASBJ guidance prospectively in accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and in paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The application of the above standards and regulations does not have any impact on the consolidated financial statements.

(Related to consolidated balance sheet)

* 1 The accumulated depreciation of property, plant and equipment is as follows.

(Thousands of yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Cash and deposit accounts	14,092,595	14,072,260

*2 The items for non- consolidated subsidiaries and affiliated companies are as follows.

(Thousands of yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Investment securities (shares)	441,907	276,884

*3 Collateral assets

The assets pledged as collateral are as follows.

(Thousands of yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Deposits (note)	4,544	4,531

(Note) Deposits are used as collateral for transactions.

*4 Bills receivable (export bills) discount amount

(Thousands of yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Bills receivable (export bills) discount amount	8,258	6,296

*5 Under the Act on Revaluation of Land (Act No. 34 of March 31, 1998) and the Act on Partial Revision of the Act on Revaluation of Land (Act No. 19 of March 31, 2001), we reevaluated the land for business use, and for the valuation difference, record the tax equivalent amount related to the valuation difference in the liability section as deferred tax liability related to revaluation, and the amount after deduction of this amount is recorded in the net assets section as valuation difference on land revaluation.

Method of revaluation: It is calculated by making reasonable adjustments based on the fixed asset tax valuation amount stipulated in Article 2, item 3 of the Order for Enforcement of Act on Revaluation of Land (Cabinet Order No. 119 of March 31, 1998) and the land price tax law stipulated in Article 2, item 4 of the Order.

Date when revaluation is conducted: March 31, 2002

(Thousands of yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Difference between the end-of-term market value of the revalued land and the book value after revaluation	(167,671)	(197,327)

(Related to consolidated statement of income)

* 1 The year-end inventory is the amount after book value is devalued due to the decline in profitability, and the following inventory valuation loss is included in the cost of sales.

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
	307,836	477,762

*2 The main items and amounts of selling, general and administrative expenses are as follows.

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
Shipping and storage costs	1,711,446	1,656,726
Sales promotion expenses	3,657,963	554,981
Advertising expenses	2,559,534	2,605,613
Salary	2,447,762	2,486,947
Retirement benefit costs	167,425	157,684
Provision of reserve for stock benefits for officers	11,059	12,802
Provision of allowance for doubtful accounts	29,571	-

*3 The total amount of R & D expenses included in general and administrative expenses and manufacturing expenses for the current period is as follows.

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
	790,382	851,253

*4 Contents of gain on sales of fixed assets are as follows.

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
Machinery, equipment and delivery equipment	-	41
Tools, furniture and fixtures	-	1
Total	-	43

*5 Contents of loss on disposal or impairment of fixed assets are as follows.

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
Buildings and structures	1,310	12,970
Machinery, equipment and delivery equipment	1,829	12,654
Tools, furniture and fixtures	643	348
Other	106	768
Total	3,889	26,741

*6 Impairment loss

Previous consolidated fiscal year (April 1, 2020-March 31, 2021)

Not applicable.

Current consolidated fiscal year (April 1, 2021-March 31, 2022)

In the current consolidated fiscal year, the Group recorded an impairment loss for the following asset groups.

Location	Use	Type	Impairment loss (Thousands of yen)
Tokyo	Other	Goodwill	1,166,425
Tochigi City, Tochigi Prefecture	Business assets	Buildings and structures, machinery, equipment and delivery equipment, tools, furniture and fixtures, etc.	407,220
Tochigi City, Tochigi Prefecture	Idle assets	Land	4,451
Chon Buri Province, Thailand	Business assets	Buildings and structures, machinery, equipment and delivery equipment, tools, furniture and fixtures	87,126

For business assets, the Group determines the asset group in consideration of the management accounting classification, and for shared assets such as the head office, the entire business is the unit of grouping. In addition, idle assets that are not used for business are grouped by individual property.

As a result of reviewing the business plan of the Disposable Warmers business due to the decline in profitability, the excess profitability initially expected could no longer be expected. Therefore, the entire amount of the undepreciated balance of goodwill relating to the Disposable Warmers business and the carrying amount of business assets held by the Company and its subsidiary, S.T. MYCOAL Co., Ltd., was reduced to the recoverable value, and the reduced amount was recorded as impairment loss under extraordinary loss.

For these assets, the recoverable value is measured by the net selling price, and the net selling price is calculated by the appraisal (movables and real estate) obtained from an external valuation company. The main assumptions of the appraisal value are the estimated sale price of machinery, the replacement cost of the building, and the vacant lot price of the land.

Since the profitability of the business assets held by the consolidated subsidiary Shaldan (Thailand) has declined, the carrying amount was reduced to the recoverable value and the reduced amount was recorded as impairment loss under extraordinary loss.

The recoverable value is measured by the value in use and is calculated assuming that the value in use is zero. For idle assets, the carrying amount was reduced to the recoverable value because the intended use was not currently determined, and the reduced amount was recorded as impairment loss under extraordinary loss. For idle assets, the recoverable value is measured by the net selling price, and the net selling price is calculated by real estate appraisal by a real estate appraiser.

(Related to statement of changes in shareholders' equity)

Previous consolidated fiscal year (April 1, 2020-March 31, 2021)

1. Matters concerning the class and total number of issued shares and the class and number of treasury stock

	Number of shares at the beginning of the current consolidated fiscal year (Thousands of shares)	Number of shares increased during the current consolidated fiscal year (Thousands of shares)	Number of shares decreased during the current consolidated fiscal year (Thousands of shares)	Number of shares at the end of the current consolidated fiscal year (Thousands of shares)
Issued shares				
Common stock	23,000	–	–	23,000
Total	23,000	–	–	23,000
Treasury stock				
Common stock (note)	847	0	53	794
Total	847	0	53	794

(Notes) 1. The increase in the number of shares of treasury stock of common stock of 0 thousand shares is due to the purchase of shares of less than one unit.

2. The decrease in the amount of treasury stock of common stock of 53,000 shares is a decrease of 36,000 shares due to the exercise of stock option rights and a decrease of 17,000 shares due to the delivery of treasury stock by the Board Benefit Trust (BBT).

3. Treasury stock of common stock includes shares owned by Custody Bank of Japan, Ltd. (Trust E Account) (211,000 shares at the beginning of the current consolidated fiscal year and 194,000 shares at the end of the current consolidated fiscal year).

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

Classification	Breakdown of stock acquisition rights	Class of stock subject to stock acquisition rights	Number of shares subject to stock acquisition rights (Thousands of shares)				Balance at the end of the current consolidated fiscal year (Thousands of yen)
			At the beginning of the current consolidated fiscal year (Thousands of shares)	Increase during the current consolidated fiscal year (Thousands of shares)	Decrease during the current consolidated fiscal year (Thousands of shares)	At the end of the current consolidated fiscal year (Thousands of shares)	
Submitting company (parent)	Stock acquisition rights as stock options	–	–	–	–	–	2,328
Total		–	–	–	–	–	2,328

3. Matters relating to dividends

(1) Amount of dividend payment

(Resolution)	Class of stock	Total amount of dividend (Thousands of yen)	Amount of dividend per share (yen)	Reference date	Effectuation date
Board of Directors Meeting on May 18, 2020	Common stock	402,547	18	March 31, 2020	June 2, 2020
Board of Directors Meeting on October 27, 2020	Common stock	402,599	18	September 30, 2020	December 4, 2020

(Notes) 1. The total amount of dividends decided by the resolution of the Board of Directors on May 18, 2020 includes dividends of 3,807 thousand yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

2. The total amount of dividends decided by the resolution of the Board of Directors on October 27, 2020 includes dividends of 3,493 thousand yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

(2) Out of dividends for which the reference date falls in the current consolidated fiscal year, the effectuation date for the dividends falls in the following consolidated fiscal year

(Resolution)	Class of stock	Total amount of dividend (Thousands of yen)	Source of dividends	Amount of dividend per share (yen)	Reference date	Effectuation date
Board of Directors Meeting on May 17, 2021	Common stock	425,590	Retained surplus	19	March 31, 2021	June 1, 2021

(Note) The total amount of dividends decided by the resolution of the Board of Directors on May 17, 2021 includes dividends of 3,687 thousand yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

Current consolidated fiscal year (April 1, 2021-March 31, 2022)

1. Matters concerning the class and total number of issued shares and the class and number of treasury stock

	Number of shares at the beginning of the current consolidated fiscal year (Thousands of shares)	Number of shares increased during the current consolidated fiscal year (Thousands of shares)	Number of shares decreased during the current consolidated fiscal year (Thousands of shares)	Number of shares at the end of the current consolidated fiscal year (Thousands of shares)
Issued shares				
Common stock	23,000	–	–	23,000
Total	23,000	–	–	23,000
Treasury stock				
Common stock (note)	794	90	112	772
Total	794	90	112	772

(Notes) 1. The increase in the number of shares of treasury stock of common stock of 90,000 shares consists of an increase of 0 thousand shares due to the purchase of shares of less than one unit and 90,000 shares acquired by Japan Custody Bank, Ltd. (Trust E Account).

2. The decrease in the number of shares of treasury stock of common stock of 112,000 shares consists of a decrease by exercising stock options for 22,000 shares, and the decrease of 90,000 shares consists of disposal of treasury stock by third party allotment (third party allotment to Japan Custody Bank, Ltd. (Trust E Account)).

3. Treasury stock of common stock includes shares owned by Custody Bank of Japan, Ltd. (Trust E Account) (194,000 shares at the beginning of the current consolidated fiscal year and 284,000 shares at the end of the current consolidated fiscal year).

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

Classification	Breakdown of stock acquisition rights	Class of stock subject to stock acquisition rights	Number of shares subject to stock acquisition rights (Thousands of shares)				Balance at the end of the current consolidated fiscal year (Thousands of yen)
			At the beginning of the current consolidated fiscal year (Thousands of shares)	Increase during the current consolidated fiscal year (Thousands of shares)	Decrease during the current consolidated fiscal year (Thousands of shares)	At the end of the current consolidated fiscal year (Thousands of shares)	
Submitting company (parent)	Stock acquisition rights as stock options	–	–	–	–	–	
Total		–	–	–	–	–	

3. Matters relating to dividends

(1) Amount of dividend payment

(Resolution)	Class of stock	Total amount of dividend (Thousands of yen)	Amount of dividend per share (yen)	Reference date	Effectuation date
Board of Directors Meeting on May 17, 2021	Common stock	425,590	19	March 31, 2021	June 1, 2021
Board of Directors Meeting on October 27, 2021	Common stock	426,006	19	September 30, 2021	December 3, 2021

(Notes) 1. The total amount of dividends decided by the resolution of the Board of Directors on May 17, 2021 includes dividends of 3,687 thousand yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

2. The total amount of dividends decided by the resolution of the Board of Directors on October 27, 2021 includes dividends of 3,687 thousand yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

(2) Out of dividends for which the reference date falls in the current consolidated fiscal year, the effectuation date for the dividends falls in the following consolidated fiscal year

(Resolution)	Class of stock	Total amount of dividend (Thousands of yen)	Source of dividends	Amount of dividend per share (yen)	Reference date	Effectuation date
Scheduled Board of Directors Meeting on May 16, 2022	Common stock	427,714	Retained surplus	19	March 31, 2022	June 6, 2022

(Note) The total amount of dividends decided by the resolution of the Board of Directors on May 16, 2022 includes dividends of 5,397 thousand yen for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E Account).

(Related to consolidated statement of cash flows)

* Relationship between the balance of cash and cash equivalents at the end of the term and the amount of items posted on the consolidated balance sheet

(Thousands of yen)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
Cash and deposit accounts	11,864,226	11,887,571
Fixed deposit with a deposit period of more than 3 months	(60,474)	(67,528)
“Others” in current assets (note)	28,004	23,065
Cash and cash equivalents	11,831,757	11,843,109

(Note) This is bank account lending that belongs to the trust property of the trust established for the purpose of the “board benefit trust (BBT)” and “board benefit trust (J-ESOP)” schemes.

(Segment information)

Previous consolidated fiscal year (April 1, 2020-March 31, 2021) and current consolidated fiscal year (April 1, 2021-March 31, 2022)

This information is omitted as the Group operates a single segment of the daily necessities business.

(Per-share information)

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
Net assets per share (Yen)	1,445.14	1,407.03
Earnings per share (Yen)	113.90	49.91
Diluted earnings per share (Yen)	113.78	49.91

(Notes) 1. The basis for calculating earnings per share and diluted earnings per share is as follows.

	Previous consolidated fiscal year (April 1, 2020-March 31, 2021)	Current consolidated fiscal year (April 1, 2021-March 31, 2022)
Earnings per share		
Net income attributable to owners of the parent (Thousands of yen)	2,525,981	1,109,175
Amount not attributable to ordinary shareholders (Thousands of yen)	–	–
Net income attributable to owners of the parent relating to common stock (Thousands of yen)	2,525,981	1,109,175
Average number of shares of common stock during the period (Thousands of shares)	22,176	22,223
Diluted earnings per share		
Net income adjustment amount attributable to owners of the parent company (Thousands of yen)	–	–
Increase in common stock (Thousands of shares)	23	1
[Of which, stock acquisition rights (Thousands of shares)]	[23]	[1]
Overview of residual shares that were not included in the calculation of the amount of diluted earnings per share because they do not have a diluting effect.	–	–

2. Basis for calculation of net assets per share is as follows.

	End of previous consolidated fiscal year (March 31, 2021)	End of current consolidated fiscal year (March 31, 2022)
Total amount of net assets (Thousands of yen)	32,632,859	31,847,636
Amount to be deducted from the total amount of net assets (Thousands of yen)	542,875	573,422
[Of which, stock acquisition rights (Thousands of yen)]	[2,328]	[–]
[Of which, non-controlling interests (Thousands of yen)]	[540,547]	[573,422]
Net assets at the end of the period for common stock (Thousands of yen)	32,089,983	31,274,213
Number of common stock at the end of the period used to calculate net assets per share (Thousands of shares)	22,205	22,227

3. The shares of the company remaining in trust recorded as treasury stock in shareholders' equity are included in the treasury stock to be deducted from the total number of issued shares at the end of the period in the calculation of net assets per share. (194,000 shares in the previous consolidated fiscal year, 284,000 shares in the current consolidated fiscal year)

In addition, this is included in treasury stock to be deducted in the calculation of the average number of shares during the period in the calculation of net income per share and diluted earnings per share.

(195,000 shares in the previous consolidated fiscal year, 209,000 shares in the current consolidated fiscal year)

(Significant post-balance sheet events)
Not applicable.

4. Other

Changes of officers (as of June 21 2022)

1. Changes of representative person

Not applicable.

2. Changes of other officers

(1) Candidate for new director

Director Kaoru Yonemoto (Please refer to the biography)

(2) Candidate for director for reappointment due to expiration of term of office

Director Takako Suzuki (Currently Chairman of the Board of Directors, Representative Executive Officer and President of the Company, in charge of overall management, Outside Director of TRUSCO NAKAYAMA Corporation, Director of Shaldan Co., Ltd.)

Director Takashi Suzuki (Currently Director, Chairman and Executive Officer of the Company, in charge of overall management, Audit & Supervisory Board Member of Shaldan Co., Ltd.)

Outside Director Naoto Onzo (Currently Outside Director of the Company, Executive Vice President of Waseda University, Professor in Faculty of Commerce of Waseda University, Outside Director of KING JIM Co., Ltd., Outside Director of LOTTE CO., LTD.)

Outside Director Mitsuko Miyagawa (Currently Outside Director of the Company, Partner in TMI Associates)

Outside Director Shinzo Maeda (Currently Outside Director of the Company, Outside Director of YUASA TRADING CO., LTD.)

Outside Director Shoichiro Iwata (Currently Outside Director of the Company, Representative Director and President of Force Marketing and Management Inc.)

Outside Director Hiroko Noda (Currently, Outside Director of the Company, Representative of NODA C.P.A. Accounting Firm, Representative Director of Probit Consulting Co., Ltd., Part-time Lecturer at Graduate School of Asian and International Business Strategy of Asia University, External Director at MODEC, Inc., Outside Director (Audit and Supervisory Committee Member) of Okabe Co., Ltd.)

Director Seiichi Nishida (Currently, Director and Managing Executive Officer of the Company, in charge of Corporate Value Enhancing Division, Customer First Promotion Division, New Business Development, and Corporate Transformation)

Director Koichi Yoshizawa (Currently, Director and Executive Officer of the Company, in charge of Business Administration Division and Domestic Group Companies)

(Note) Subject to appointment at the 75th Ordinary General Meeting of Shareholders scheduled to be held on June 21, 2022.

(3) Director scheduled to retire due to expiration of term

Not applicable.

(4) Executive Officer to be appointed

Representative Executive Officer and President	In charge of overall management	Takako Suzuki
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Board Chairman and Executive Officer	In charge of overall management	Takashi Suzuki
Managing Executive Officer	In charge of Corporate Value Enhancing Division, Customer First Promotion Division, New Business Development, and Corporate Transformation	Seiichi Nishida
Managing Executive Officer	In charge of Professional Use Business President of S.T. PRO Co., Ltd. (subsidiary of the Company)	Yo Kouzuki
Managing Executive Officer	Supervising Global Marketing Division, in charge of Corporate Communication Division, Research & Development Division, Overseas Group Companies Management	Kaoru Yonemoto
Executive Officer	In charge of Business Administration Division and Domestic Group Companies	Koichi Yoshizawa
Executive Officer	In charge of Sales Division, General Manager of Domestic Sales Department	Naruaki Hashimoto
Executive Officer	In charge of Manufacturing Division	Hideki Naito
Executive Officer	In charge of Global Marketing Division, and Group Manager of Marketing Planning, Global Marketing Division	Masataka Shindo

(Notes) Subject to appointment at the Board of Directors Meeting of the Company scheduled to be held on June 21, 2022.

The above nine persons are all executive officers scheduled to be reappointed.

(5) Executive Officer scheduled to retire due to expiration of term

Not applicable.

Candidate for new director

[Name]	Kaoru Yonemoto	
[Date of birth]	January 2, 1960	
[Career]	April 1982	Joined Unicharm Corporation.
	October 2018	Joined the Company General Manager of Overseas 2nd Business Department, Business Management Division
	October 2019	Division Manager of Overseas Business Division and Group Manager of Overseas Marketing
	April 2020	Executive Officer in charge of Overseas Business Division and Head of Overseas Group Companies Management Headquarters
	April 2021	Executive Officer in charge of Overseas Business Division and in charge of Overseas Group Companies Management
	April 2022	Managing Executive Officer of the Company, supervising Global Marketing Division, in charge of the Corporate Communication Division, Research & Development Division, Overseas Group Companies Management (current position)