

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



November 10, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 [Under Japanese GAAP]

Company name: RIKEN KEIKI Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7734
 URL: <https://www.rikenkeiki.co.jp/>
 Representative: Junichi Koyano, President
 Inquiries: Takuro Maeda, General Manager, Accounting Department, Corporate Administration Division
 Telephone: +81-3-3966-1128
 Scheduled date to file quarterly securities report: November 10, 2022
 Scheduled date to commence dividend payments: December 8, 2022
 Preparation of supplementary materials on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	22,404	22.6	6,408	47.4	6,633	47.3	4,546	43.5
September 30, 2021	18,278	19.0	4,346	53.4	4,503	55.6	3,167	58.1

Note: Comprehensive income For the six months ended September 30, 2022: ¥5,610 million [36.0%]
 For the six months ended September 30, 2021: ¥4,125 million [97.7%]

	Earnings per share -Basic-	Earnings per share -Diluted-
	Yen	Yen
Six months ended September 30, 2022	195.29	-
September 30, 2021	136.11	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	73,952	60,133	81.3	2,582.68
March 31, 2022	71,606	56,858	78.4	2,412.75

Reference: Equity

As of September 30, 2022: ¥60,133 million
 As of March 31, 2022: ¥56,160 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	21.00	-	39.00	60.00
Fiscal year ending March 31, 2023	-	40.00			
Fiscal year ending March 31, 2023 (Forecast)			-	40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated Financial Results Forecast 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		Ordinary profit		Net profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	42,800	14.5	11,450	36.3	12,000	36.1	8,400	40.8	360.80

Note: Revision to the forecast of the financial results most recently announced: Yes

* 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 (Company name)

Excluded: - companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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

(4) Number of issued shares (common shares)

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

As of September 30, 2022	23,661,000 shares
As of March 31, 2022	23,661,000 shares

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

As of September 30, 2022	377,541 shares
As of March 31, 2022	384,642 shares

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

Six months ended September 30, 2022	23,279,379 shares
Six months ended September 30, 2021	23,269,750 shares

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts, and other special matters

The forward-looking statements such as financial results forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not guarantee the achievement of them. Actual financial results may differ significantly from the forecasts due to various factors. For the assumptions underlying the financial results forecasts and cautions concerning the use thereof, please refer to “(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information” in “1. Qualitative Information on Financial Results for the First Six Months of the Current Fiscal Year” on page 3 of the attachment.

o Table of Contents of Attachment

1.	Qualitative Information on Financial Results for the First Six Months of the Current Fiscal Year.....	2
	(1) Explanation of Operating Results.....	2
	(2) Explanation of Financial Position.....	2
	(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information.....	3
2.	Quarterly Consolidated Financial Statements and Significant Notes Thereto.....	4
	(1) Quarterly Consolidated Balance Sheet.....	4
	(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income.....	6
	Quarterly Consolidated Statement of Income.....	6
	First six months.....	6
	Quarterly Consolidated Statement of Comprehensive Income.....	7
	First six months.....	7
	(3) Quarterly Consolidated Statement of Cash Flows.....	8
	(4) Notes to Quarterly Consolidated Financial Statements.....	10
	(Notes on Going Concern Assumptions).....	10
	(Change in Scope of Consolidation or Adoption of the Equity Method).....	10
	(Notes on Substantial Changes in the Amount of Shareholders' Equity).....	10
	(Changes in Accounting Policies).....	10
	(Changes in Presentation Methods).....	10
	(Business Combination).....	11

1. Qualitative Information on Financial Results for the First Six Months of the Current Fiscal Year

(1) Explanation of Operating Results

In the first six months of the fiscal year under review, the outlook for the Japanese economy continued to remain uncertain due to currency fluctuations with a sharp depreciation of the yen and soaring resource prices caused by the situation with Russia and Ukraine. Meanwhile, government restrictions on economic activities were eased even though there was a resurgence of COVID-19, and the Japanese economy avoided such a drop in economic activities as experienced in the past COVID-19 outbreaks.

In the industrial disaster prevention and safety device industry to which the Group belongs, capital investment in the semiconductor industry in East Asia (mainly Japan, China and Taiwan), our main customer, as well as the lithium-ion battery industry in China and the EU region, remained steady. However, sufficient caution is necessary regarding the impact of a supply shortage of components, such as semiconductors, soaring resource prices, and other factors, and the outlook will remain uncertain.

Under these circumstances, in addition to taking measures to prevent COVID-19, the Group has continued to reduce costs by streamlining production, thoroughly cut expenses, developed sales activities online, aggressively invested in new product development, and enhanced its quality control and service systems.

As a result of these measures, net sales for the first six months of the fiscal year under review were 22,404 million yen (up 22.6% year-on-year), operating profit was 6,408 million yen (up 47.4% year-on-year), ordinary profit came to 6,633 million yen (up 47.3% year-on-year), and net profit attributable to owners of parent was 4,546 million yen (up 43.5% year-on-year).

As the Group engages in a single segment of the manufacture and sale of various types of industrial measurement devices and their related businesses, in place of the operating results by segment, sales by device type are described below.

(i) Fixed gas detection alarm devices

Net sales of fixed gas detection alarm devices for the first six months of the fiscal year under review were 15,341 million yen (up 20.3% year-on-year).

(ii) Portable gas detection alarm devices

Net sales of portable gas detection alarm devices for the first six months of the fiscal year under review were 6,475 million yen (up 30.9% year-on-year).

(iii) Other measurement devices

Net sales of other measurement devices for the first six months of the fiscal year under review were 588 million yen (up 1.9% year-on-year).

(2) Explanation of Financial Position

(i) Assets, liabilities and net assets

At the end of the second quarter of the fiscal year under review, assets totaled 73,952 million yen, an increase of 2,346 million yen (up 3.3%) compared with the end of the previous fiscal year. Current assets increased 2,582 million yen from the end of the previous fiscal year to 45,834 million yen. This was mainly due to a 2,142 million yen increase in notes and accounts receivable—trade, a 1,293 million yen increase in raw materials and supplies, and a 1,154 million yen increase in work in process, despite a 1,055 million yen decrease in cash and deposits, and a 1,293 million yen decrease in securities. Non-current assets fell 236 million yen from the end of the previous fiscal year to 28,118 million yen. This was mainly due to a 205 million yen decrease in buildings and structures, net.

At the end of the second quarter of the fiscal year under review, liabilities totaled 13,819 million yen, a decrease of 928 million yen (down 6.3%) compared with the end of the previous fiscal year. Current liabilities fell 731 million yen from the end of the previous fiscal year to 11,400 million yen. This was mainly due to a

405 million yen decrease in notes and accounts payable–trade. Non-current liabilities fell 197 million yen from the end of the previous fiscal year to 2,419 million yen. This was mainly due to a 174 million decrease in long-term borrowings and a 142 million decrease in long-term lease liabilities included in other non-current liabilities, which offset a 123 million yen increase in deferred tax liabilities included in other non-current liabilities.

At the end of the second quarter of the fiscal year under review, net assets totaled 60,133 million yen, an increase of 3,274 million yen (up 5.8%) compared with the end of the previous fiscal year. This was mainly due to a 3,829 million yen increase in retained earnings as a result of recording 4,546 million yen in net profit attributable to owners of parent and dividend payment of 907 million yen, which offset an 803 million yen decrease in capital surplus and a 698 million yen decrease in non-controlling interests as a result of the acquisition of additional shares of a subsidiary of RKI Instruments, Inc., a consolidated subsidiary in the United States.

(ii) Cash flows

At the end of the second quarter of the fiscal year under review, cash and cash equivalents decreased 1,987 million yen from the end of the previous fiscal year to 16,002 million yen.

Cash flows and factors affecting cash flows in the first six months of the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 353 million yen (in the same period of the previous fiscal year, 4,833 million yen was provided by operating activities), mainly due to an increase in trade receivables of 1,964 million yen, an increase in inventories of 2,162 million yen, and income tax paid of 1,816 million yen. This was despite recording profit before income taxes of 6,427 million yen and depreciation of 852 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 81 million yen, a decrease of 1,691 million yen year-on-year, mainly due to the purchase of securities of 792 million yen, purchase of property, plant and equipment of 363 million yen and payments into time deposits of 414 million yen. This was despite recording proceeds from redemption of securities of 1,049 million yen and proceeds from withdrawal of time deposits of 414 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,965 million yen, an increase of 821 million yen year-on-year, mainly due to dividends paid of 906 million yen and purchase of shares of subsidiaries not resulting in change in scope of consolidation of 1,608 million yen.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information

The full-year financial results forecast has been revised from the forecast announced on May 12, 2022.

For details, please refer to the “Notice Concerning Difference between Forecast and Actual Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2023 and Revision of the Full-Year Financial Results Forecast” announced today (November 10, 2022).

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the second quarter of the fiscal year under review (September 30, 2022)
Assets		
Current assets		
Cash and deposits	11,551,206	10,495,733
Notes and accounts receivable–trade	9,198,690	11,341,129
Electronically recorded monetary claims–operating	3,519,418	3,795,733
Securities	9,952,268	8,658,533
Merchandise and finished goods	2,744,435	2,665,703
Work in process	3,307,349	4,461,686
Raw materials and supplies	2,391,516	3,684,634
Other	591,190	736,453
Allowance for doubtful accounts	(3,697)	(4,778)
Total current assets	43,252,378	45,834,829
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,317,187	11,111,488
Machinery, equipment and vehicles, net	358,475	386,735
Land	4,079,123	4,053,367
Construction in progress	46,435	142,889
Other, net	1,639,162	1,526,889
Total property, plant and equipment	17,440,385	17,221,371
Intangible assets		
Goodwill	595,387	612,400
Customer-related assets	830,848	891,796
Other	436,567	389,601
Total intangible assets	1,862,803	1,893,798
Investments and other assets		
Investment securities	5,881,220	5,743,661
Retirement benefit asset	1,813,344	1,851,211
Other	1,359,851	1,411,558
Allowance for doubtful accounts	(3,500)	(3,500)
Total investments and other assets	9,050,916	9,002,931
Total non-current assets	28,354,106	28,118,101
Total assets	71,606,484	73,952,930

(Unit: Thousand yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the second quarter of the fiscal year under review (September 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	4,625,929	4,220,170
Short-term borrowings	995,000	975,000
Current portion of bonds payable	300,000	300,000
Income taxes payable	1,786,207	1,862,551
Provision for bonuses	920,836	1,296,228
Provision for product warranties	98,239	84,892
Provision for loss on orders received	32,008	39,031
Other	3,372,969	2,622,271
Total current liabilities	12,131,190	11,400,145
Non-current liabilities		
Long-term borrowings	850,580	676,460
Asset retirement obligations	11,133	11,133
Other	1,754,861	1,731,564
Total non-current liabilities	2,616,574	2,419,157
Total liabilities	14,747,765	13,819,302
Net assets		
Shareholders' equity		
Share capital	2,565,500	2,565,500
Capital surplus	1,885,187	1,081,772
Retained earnings	49,604,449	53,434,326
Treasury shares	(226,384)	(222,497)
Total shareholders' equity	53,828,752	56,859,101
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,853,706	1,706,262
Foreign currency translation adjustment	477,683	1,568,264
Total accumulated other comprehensive income	2,331,389	3,274,526
Non-controlling interests	698,577	-
Total net assets	56,858,719	60,133,627
Total liabilities and net assets	71,606,484	73,952,930

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

First six months

(Unit: Thousand yen)

	First six months of the previous fiscal year (From April 1, 2021 to September 30, 2021)	First six months of the fiscal year under review (From April 1, 2022 to September 30, 2022)
Net sales	18,278,841	22,404,903
Cost of sales	9,127,858	10,426,788
Gross profit	9,150,982	11,978,115
Selling, general and administrative expenses	4,804,198	5,569,695
Operating profit	4,346,783	6,408,419
Non-operating income		
Interest income	21,657	32,285
Dividend income	56,577	60,895
Foreign exchange gains	47,617	352,391
Insurance claim and dividend income	9,381	8,237
Gain on sale of securities	460	19,133
Gain on valuation of securities	9,682	-
Miscellaneous income	43,249	42,149
Total non-operating income	188,627	515,093
Non-operating expenses		
Interest expenses	24,547	22,126
Loss on retirement of non-current assets	4,117	0
Loss on sale of securities	-	17,430
Loss on valuation of securities	-	243,299
Miscellaneous losses	3,397	6,990
Total non-operating expenses	32,062	289,847
Ordinary profit	4,503,349	6,633,665
Extraordinary income		
Gain on sale of non-current assets	-	2,559
Total extraordinary income	-	2,559
Extraordinary losses		
Loss on sale of non-current assets	258	1,141
Impairment losses	-	26,160
Loss on valuation of investment securities	-	79,528
Loss on disposal of non-current assets	-	102,000
Total extraordinary losses	258	208,830
Profit before income taxes	4,503,090	6,427,394
Income taxes—current	1,277,940	1,759,373
Income taxes—deferred	(2,749)	128,647
Total income taxes	1,275,191	1,888,020
Net profit	3,227,899	4,539,373
Net profit (loss) attributable to non-controlling interests	60,586	(6,840)
Net profit attributable to owners of parent	3,167,312	4,546,213

Quarterly Consolidated Statement of Comprehensive Income

First six months

(Unit: Thousand yen)

	First six months of the previous fiscal year (From April 1, 2021 to September 30, 2021)	First six months of the fiscal year under review (From April 1, 2022 to September 30, 2022)
Net profit	3,227,899	4,539,373
Other comprehensive income		
Valuation difference on available-for-sale securities	451,352	(147,443)
Foreign currency translation adjustment	446,661	1,218,144
Total other comprehensive income	898,013	1,070,700
Comprehensive income	4,125,913	5,610,074
(attributable to)		
Comprehensive income attributable to owners of parent	3,975,056	5,489,350
Comprehensive income attributable to non-controlling interests	150,856	120,723

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	First six months of the previous fiscal year (From April 1, 2021 to September 30, 2021)	First six months of the fiscal year under review (From April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	4,503,090	6,427,394
Depreciation	844,368	852,809
Amortization of goodwill	73,808	90,484
Impairment losses	-	26,160
Increase (decrease) in allowance for doubtful accounts	(1,920)	629
Increase (decrease) in provision for bonuses	8,100	375,391
Increase (decrease) in provision for product warranties	(36,005)	(13,347)
Decrease (increase) in retirement benefit asset	(67,096)	(37,867)
Increase (decrease) in provision for loss on orders received	432	7,023
Interest and dividend income	(78,235)	(93,181)
Insurance claim income	(9,381)	(8,237)
Interest expenses	24,547	22,126
Foreign exchange losses (gains)	(175,142)	(767,688)
Loss (gain) on sale of non-current assets	258	(1,417)
Loss on retirement of non-current assets	4,117	0
Loss (gain) on disposal of non-current assets	-	102,000
Decrease (increase) in trade receivables	(302,434)	(1,964,992)
Decrease (increase) in inventories	(752,043)	(2,162,407)
Increase (decrease) in trade payables	387,653	(842,025)
Increase (decrease) in accrued consumption taxes	706,186	(470,044)
Loss (gain) on sale of securities	(460)	(1,703)
Loss (gain) on valuation of securities	(9,682)	243,299
Loss (gain) on valuation of investment securities	-	79,528
Other	576,633	(492,011)
Subtotal	5,696,793	1,371,925
Interest and dividends received	78,685	94,450
Interest paid	(24,547)	(22,126)
Proceeds from insurance income	19,799	19,135
Income tax paid	(936,918)	(1,816,714)
Net cash provided by (used in) operating activities	4,833,811	(353,330)

(Unit: Thousand yen)

	First six months of the previous fiscal year (From April 1, 2021 to September 30, 2021)	First six months of the fiscal year under review (From April 1, 2022 to September 30, 2022)
Cash flows from investing activities		
Purchases of securities	(1,321,208)	(792,292)
Proceeds from sale of securities	140,936	263,399
Proceeds from redemption of securities	41,090	1,049,050
Payments into time deposits	(356,400)	(414,000)
Proceeds from withdrawal of time deposits	332,640	414,000
Purchase of property, plant and equipment	(588,232)	(363,014)
Proceeds from sale of property, plant and equipment	2,741	8,869
Payments for retirement of property, plant and equipment	(33,553)	(102,000)
Purchases of intangible assets	(23,154)	(36,170)
Purchase of investment securities	(2,441)	(109,531)
Proceeds from redemption of investment securities	41,090	-
Payments for asset retirement obligations	(6,282)	-
Net cash provided by (used in) investing activities	(1,772,774)	(81,690)
Cash flows from financing activities		
Repayments of long-term borrowings	(194,120)	(194,120)
Repayments of finance lease liabilities	(218,280)	(229,860)
Net decrease (increase) in treasury shares	(85)	(349)
Dividends paid	(512,521)	(906,169)
Dividends paid to non-controlling interests	(33,479)	(25,701)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,185,072)	(1,608,888)
Net cash provided by (used in) financing activities	(2,143,560)	(2,965,090)
Effect of exchange rate change on cash and cash equivalents	303,767	1,174,065
Net increase (decrease) in cash and cash equivalents	1,221,244	(2,226,046)
Cash and cash equivalents at beginning of period	13,932,676	17,989,503
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	238,914
Cash and cash equivalents at end of period	15,153,921	16,002,371

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Change in Scope of Consolidation or Adoption of the Equity Method)

(Material Changes in the Scope of Consolidation)

RIKEN KEIKI GmbH is included in the scope of consolidation due to its increased importance from the first quarter of the fiscal year under review.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

During the second quarter of the fiscal year under review, capital surplus decreased by 803,415 thousand yen due to the acquisition of additional shares of RKI Instruments, Inc., a consolidated subsidiary of the Company, from non-controlling shareholders.

As a result, capital surplus was 1,081,772 thousand yen at the end of the second quarter of the fiscal year under review.

(Changes in Accounting Policies)

(Adoption of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Implementation Guidance on Fair Value Measurement Accounting Standard") from the beginning of the first quarter of the fiscal year under review, adopting the new accounting policies defined in the Implementation Guidance on Fair Value Measurement Accounting Standard prospectively, according to the transitional treatment specified in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard. This has no impact on the quarterly consolidated financial statements.

(Changes in Presentation Methods)

(Quarterly Consolidated Statement of Cash Flows)

"Loss (gain) on valuation of securities," which was included in "Other" under "Cash flows from operating activities" in the first six months of the previous fiscal year, is stated separately from the first six months of the fiscal year under review due to its increased materiality. The quarterly consolidated financial statements for the first six months of the previous fiscal year have been reclassified to reflect this change in presentation method.

As a result, the 566,950 thousand yen presented in "Other" under "Cash flows from operating activities" in the first six months of the previous fiscal year has been reclassified into "Loss (gain) on valuation of securities" of 9,682 thousand yen and "Other" of 576,633 thousand yen.

(Business Combination)

Transactions under common control, etc.

Additional acquisition of subsidiary's shares

1. Overview of transactions

(1) Name and business description of constituent company

Name of constituent company: RKI Instruments, Inc.

Description of business: Sales and after-sales maintenance services for gas detection alarm devices

(2) Date of business combination

July 1, 2022

(3) Legal form of business combination

Acquisition of shares from non-controlling shareholders

(4) Name of the company after business combination

Name to remain unchanged.

(5) Other matters concerning the overview of transactions

The Company acquired the shares of RKI Instruments, Inc., a consolidated subsidiary that sells gas detection alarm devices and provides after-sales maintenance services in the United States, in order to increase its ownership interest. After the acquisition, the Company's voting rights ratio in RKI Instruments, Inc. increased from 75.0% to 100.0%.

2. Overview of accounting procedures adopted

In accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the transaction is treated as a transaction under common control with non-controlling shareholders.

3. Additional acquisition of subsidiary's shares

Consideration for acquisition cost and breakdown by type

<u>Consideration for the acquisition</u>	<u>Cash</u>	<u>1,609,550 thousand yen</u>
--	-------------	-------------------------------

Acquisition cost		1,609,550 thousand yen
------------------	--	------------------------

4. Changes in the equity interest of the Company in relation to the additional acquisition from non-controlling shareholders

(1) Major factors for changes in capital surplus

Additional acquisition of subsidiary's shares

(2) Amount of capital surplus decreased due to transactions with non-controlling shareholders

813,870 thousand yen