

# Consolidated Financial Statements-Summary

For the Fiscal Year ended March 31,2023

May 15, 2023

(All financial information has been prepared in accordance with generally accepted accounting principles in Japan)

## KUBOTEK CORPORATION

Code No., : 7709  
 Stock Exchange Listed : Tokyo Stock Exchange-Standard Market  
 Location of the Head Office : 3-36, Nakanoshima 4-chome,Kita-ku,Osaka Japan  
 Representative : Tetsuo Kubo, President  
 Contact Person : Masashi Kitora, Manager, Department of General Affairs Division  
 Tel +81-6-6443-1815  
 (URL <http://www.kubotek.com/>)

Date of annual general meeting of shareholders (scheduled) : June 29, 2023

Date of submission of annual security report (scheduled) : June 30, 2023

(Million yen: amounts less than one million yen are omitted)

### 1. Financial Results of FY2022 (April 1,2022 through March 31,2023)

#### (1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income (Loss)		Ordinary Income (Loss)		Profit (loss) attributable to owners of parent	
FY2022	1,217	19.7%	(194)	—%	(179)	—%	(204)	—%
FY2021	1,017	(5.3)%	(175)	—%	(169)	—%	(121)	—%

(Reference) Comprehensive income FY2022: ¥(256) million (—%) FY 2021: ¥(140) million (—%)

	Earnings per share (Yen)	Diluted Earnings per share	ROE [Ratio of Profit (loss) attributable to owners of parent to Shareholder's Equity]	ROA [Ratio of ordinary Income/Total Assets]	Ratio of Operating Income/Net Sales
FY2022	(14.88)	—	(24.1)%	(9.8)%	(16.0)%
FY2021	(8.83)	—	(11.6)%	(7.4)%	(17.3)%

(Reference) Equity in earnings of affiliated FY2022: ¥— million FY 2021: ¥— million

#### (2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2022	1,581	720	45.5%	52.31
FY2021	2,091	976	46.7%	70.94

(Reference) Net Assets FY2022: ¥720 million FY2021: ¥976 million

#### (3) Consolidated Cash Flows

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the end of period
FY2022	(146)	(228)	(215)	817
FY2021	51	(179)	(258)	1,381

### 2. Cash Dividends

(Record date)	Dividends per Share					Total Dividends for the Year	Ratio of Earnings to Dividends	Ratio of Dividends to Shareholder's Equity
	First Quarter	Second Quarter	Third Quarter	Year-End	Annual			
FY2021	—	0.00	—	0.00	0.00	—	—	—
FY2022	—	0.00	—	0.00	0.00	—	—	—
FY2023	—	0.00	—	0.00	0.00	—	—	—

### 3. Consolidated Financial Forecasts for the Fiscal Year ending March 31,2024

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Earnings per share (Yen)
Interim FY 2023	350	(39.1)%	(270)	—%	(275)	—%	(290)	—%	(21.06)
FY 2023	1,300	6.8%	(230)	—%	(240)	—%	(280)	—%	(20.34)

### 4. Other information

- (1) Changes in important subsidiaries during the period (changes of particular fully owned subsidiaries associated with changes in the scope of consolidation): None
- (2) Changes in accounting policies, accounting estimates, and restatement of corrections
  - ① Changes due to revision of accounting standards, etc.: Yes
  - ② Changes other than stated in item ① : None
  - ③ Changes in accounting estimates : None
  - ④ Restatement of corrections : None
- (3) Number of shares issued (share of common stock)
  - ① Number of shares issued at the end of the fiscal Year (including treasury stock)  
As of March 31, 2023: 13,830,000 shares; As of March 31, 2022: 13,830,000shares
  - ② Number of treasury shares at the end of the fiscal year  
As of March 31, 2023: 62,160 shares; As of March 31, 2022: 62,159shares
  - ③ Average number of shares outstanding during the term  
Ended March 31, 2023: 13,767,840 shares; Ended March 31, 2022: 13,767,841shares

### (Reference)

#### 1. Financial Results of FY2022(April 1,2022 through March 31,2023)

##### (1)Non-consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit (loss)	
FY2022	974	27.3%	(243)	—%	(199)	—%	(229)	—%
FY2021	765	(8.5)%	(123)	—%	(84)	—%	(107)	—%

	Earnings per share (Yen)	Diluted Earnings per share
FY2022	(16.67)	—
FY2021	(7.84)	—

##### (2)Non-consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
FY2022	1,502	794	52.8%	57.67
FY2021	2,040	1,023	50.2%	74.35

(Reference) Net Assets: FY2022: ¥794million FY2021: ¥1,023million

## Disclaimer Regarding Forecast Statements

Statements made in this release with respect to Kubotek's forecast for FY2023, are based on assumptions and beliefs in light of the information currently available to us, and therefore investors should not place undue reliance on them as they make a judgment about their investment. Kubotek cautions investors that a number of important factors could cause actual results to differ materially from those discussed in the forecast statements. Our major product of display inspection systems, such as for liquid crystal display are for highly competitive markets characterized by keen demand for production efficiency, quick adaptation of emerging new materials and rapid development of production technology. And this industry is strongly affected by factors such as demand fluctuation, the general trend of capital market, pricing pressures, and general economic conditions in East Asia market. Moreover, exchange rates between yen and other currencies in which Kubotek possibly makes significant sales or in which Kubotek's assets and liabilities are denominated, may change to influence the business performances, though Kubotek's business is yen-based so far.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2021 (As of Mar. 31, 2022)	FY2022 (As of Mar. 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	1,413,319	849,220
Notes receivable-trade	6,506	13,663
Electronically recorded monetary claims - operating	34,741	37,444
Accounts receivable-trade	157,021	204,595
Merchandise and finished goods	1,983	12,340
Work in process	207,399	101,560
Raw materials and supplies	62,751	73,735
Other	25,594	22,478
Allowance for doubtful accounts	(8,819)	(9,636)
Total current assets	1,900,498	1,305,402
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	295,730	294,064
Accumulated depreciation	(295,727)	(294,060)
Tools, furniture and fixtures, net	2	4
Other	194,609	202,002
Accumulated depreciation	(194,057)	(201,255)
Other, net	551	747
Total property, plant and equipment	554	751
Intangible assets		
Software	163,927	240,513
Other	0	0
Total intangible assets	163,927	240,513
Investments and other assets		
Investment securities	368	368
Claims provable in bankruptcy, claims provable in rehabilitation and other	173	173
Other	26,373	34,256
Allowance for doubtful accounts	(173)	(173)
Total investments and other assets	26,742	34,625
Total non-current assets	191,224	275,890
Total assets	2,091,722	1,581,292

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2021 (As of Mar. 31, 2022)	FY2022 (As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	102,553	46,109
Current portion of long-term loans payable	215,658	174,656
Income taxes payable	12,351	11,823
Contract liabilities	241,026	258,843
Provision for bonuses	3,550	3,400
Other	99,538	99,471
Total current liabilities	674,678	594,304
Non-current liabilities		
Long-term loans payable	408,740	234,084
Contract liabilities	5,620	6,116
Retirement benefit liability	23,233	23,848
Other	2,762	2,762
Total non-current liabilities	440,356	266,811
Total liabilities	1,115,034	861,116
Net assets		
Shareholders' equity		
Capital stock	1,951,750	1,951,750
Retained earnings	(915,831)	(1,120,683)
Treasury shares	(81,717)	(81,717)
Total shareholders' equity	954,201	749,348
Accumulated other comprehensive income		
Foreign currency translation adjustment	22,486	(29,172)
Total accumulated other comprehensive income	22,486	(29,172)
Total net assets	976,687	720,176
Total liabilities and net assets	2,091,722	1,581,292

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2021 (Apr. 2021-Mar. 2022)	FY2022 (Apr. 2022-Mar. 2023)
Net sales	1,017,673	1,217,776
Cost of sales	610,033	762,372
Gross profit	407,640	455,404
Selling, general and administrative expenses	583,597	649,746
Operating loss	(175,957)	(194,342)
Non-operating income		
Interest income	401	111
Dividend income	135	15
Foreign exchange gains	11,862	17,969
Other	44	1,124
Total non-operating income	12,443	19,221
Non-operating expenses		
Interest expenses	5,768	3,833
Credit guarantee expenses	630	630
Other	66	19
Total non-operating expenses	6,465	4,483
Ordinary loss	(169,979)	(179,604)
Extraordinary income		
Gains on sale of non-current assets	-	30
Gain on sale of investment securities	1,278	-
Gain on forgiveness of debts	62,029	-
Reversal of foreign currency translation adjustments	-	15,137
Total extraordinary income	63,308	15,168
Extraordinary losses		
Impairment loss	9,077	31,147
Loss on liquidation of subsidiaries and associates	-	3,369
Total extraordinary losses	9,077	34,516
Loss before income taxes	(115,748)	(198,953)
Income taxes - current	5,558	5,898
Income taxes - deferred	277	-
Total income taxes	5,836	5,898
Loss	(121,584)	(204,852)
Loss attributable to non-controlling interests	-	-
Loss attributable to owners of parent	(121,584)	(204,852)

## Consolidated Statements of Comprehensive Income

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2021 (Apr. 2021-Mar. 2022)	FY2022 (Apr. 2022-Mar. 2023)
Loss	(121,584)	(204,852)
Other comprehensive income		
Valuation difference on available-for-sale securities	(756)	-
Foreign currency translation adjustment	(18,297)	(51,659)
Total other comprehensive income	(19,053)	(51,659)
Comprehensive income	(140,638)	(256,511)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(140,638)	(256,511)
Comprehensive income attributable to non-controlling interests	-	-

## (3) Consolidated Statements of Changes in Net Assets

FY2021 (Apr. 2021–Mar. 2022)

(Thousand yen: amounts less than one thousand yen are omitted)

	Shareholders' equity				Accumulated other comprehensive income			Total net assets
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	1,951,750	(794,246)	(81,717)	1,075,785	756	40,784	41,540	1,117,326
Changes of items during period								
Loss attributable to owners of parent		(121,584)		(121,584)				(121,584)
Purchase of treasury stock			-	-				-
Net changes of items other than shareholders' equity					(756)	(18,297)	(19,053)	(19,053)
Total changes of items during period	-	(121,584)	-	(121,584)	(756)	(18,297)	(19,053)	(140,638)
Balance at end of current period	1,951,750	(915,831)	(81,717)	954,201	-	22,486	22,486	976,687

FY2022 (Apr. 2022–Mar. 2023)

(Thousand yen: amounts less than one thousand yen are omitted)

	Shareholders' equity				Accumulated other comprehensive income			Total net assets
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of current period	1,951,750	(915,831)	(81,717)	954,201	-	22,486	22,486	976,687
Changes of items during period								
Loss attributable to owners of parent		(204,852)		(204,852)				(204,852)
Purchase of treasury stock			(0)	(0)				(0)
Net changes of items other than shareholders' equity					-	(51,659)	(51,659)	(51,659)
Total changes of items during period	-	(204,852)	(0)	(204,852)	-	(51,659)	(51,659)	(256,511)
Balance at end of current period	1,951,750	(1,120,683)	(81,717)	749,348	-	(29,172)	(29,172)	720,176



#### (4) Consolidated Statements of Cash Flows

(Thousand yen: amounts less than one thousand yen are omitted)

	FY2021 (Apr. 2021–Mar. 2022)	FY2022 (Apr. 2022–Mar. 2023)
Cash flows from operating activities		
Loss before income taxes	(115,748)	(198,953)
Depreciation	180,623	150,445
Impairment loss	9,077	31,147
Increase (decrease) in allowance for doubtful accounts	(16,506)	492
Increase (decrease) in provision for bonuses	100	(150)
Increase (decrease) in retirement benefit liability	(13,427)	615
Interest and dividend income	(536)	(126)
Interest expenses	5,768	3,833
Foreign exchange losses (gains)	(13,846)	(18,893)
Loss (gain) on sale of investment securities	(1,278)	–
Reversal of foreign currency translation adjustments	–	(15,137)
Gain on forgiveness of debt	(62,029)	–
Decrease (increase) in notes and accounts receivable – trade	244,428	(51,284)
Decrease (increase) in inventories	(150,070)	81,496
Decrease (increase) in consumption taxes refund receivable	(5,753)	5,753
Increase (decrease) in accrued consumption taxes	(12,954)	3,969
Increase (decrease) in notes and accounts payable – trade	19,503	(56,886)
Increase (decrease) in contract liability	3,407	(20,080)
Decrease (increase) in prepaid expenses	2,939	(4,732)
Increase (decrease) in accounts payable – other	(41,451)	(62,674)
Other, net	29,379	14,418
Subtotal	61,623	(136,747)
Interest and dividend income received	536	126
Interest expenses paid	(5,325)	(3,739)
Income taxes refund (paid)	(5,558)	(5,870)
Net cash provided by (used in) operating activities	51,276	(146,231)
Cash flows from investing activities		
Purchase of investment securities	(260)	–
Proceeds from sale of investment securities	3,684	–
Purchase of property, plant and equipment	(8,597)	(12,045)
Purchase of software	(172,007)	(223,773)
Other, net	(2,049)	7,621
Net cash provided by (used in) investing activities	(179,231)	(228,197)
Cash flows from financing activities		
Proceeds from long-term loans payable	285,728	–
Repayments of long-term loans payable	(543,770)	(215,658)
Other, net	–	(0)
Net cash provided by (used in) financing activities	(258,042)	(215,658)
Effect of exchange rate change on cash and cash equivalents	22,202	25,987
Net increase (decrease) in cash and cash equivalents	(363,794)	(564,099)
Cash and cash equivalents at beginning of period	1,745,437	1,381,642
Cash and cash equivalents at end of period	1,381,642	817,543

## **Segment Information**

### **(1) Overview of reportable segments**

The Company's reportable segments are components of an entity for which separate financial information is available and evaluated regularly by the director in determining the allocation of management resources and in assessing performance. The Kubotek group of companies operates manufacture and sale of Inspection systems, 3D solution systems and Media & Network products, and is managed under the three regions of Japan, U.S.A. and Korea. Each region is managed as an independent unit, expanding business activities based on the development of a comprehensive strategy for each region. The Group's results are therefore reported based on these three segments, Japan, U.S.A. and Korea.

### **(2) Net sales, operating income or loss, assets, liabilities, and other items by reportable segments**

FY2021 results (Apr. 2021 - Mar. 2022)

(Thousand yen)

	Reportable segments			Total
	Japan	U.S.A.	Korea	
Net sales				
Sales to external customers	554,037	427,070	36,565	1,017,673
Inter-segment sales or transfers	211,342	-	20,753	232,095
Total	765,379	427,070	57,319	1,249,769
Segment operating loss	(123,994)	(24,741)	(28,799)	(177,535)
Segment assets	2,040,087	57,781	34,668	2,132,538
Other items				
Depreciation and amortization	181,522	3,306	52	184,880
Increase in tangible fixed assets or intangible fixed assets	190,214	1,960	-	192,175

FY2022 results (Apr. 2022 - Mar. 2023)

(Thousand yen)

	Reportable segments			Total
	Japan	U.S.A.	Korea	
Net sales				
Sales to external customers	714,426	492,774	10,575	1,217,776
Inter-segment sales or transfers	259,831	-	12,228	272,060
Total	974,258	492,774	22,804	1,489,836
Segment operating loss	(243,091)	(64,709)	(21,576)	(329,376)
Segment assets	1,502,830	108,724	-	1,611,555
Other items				
Depreciation and amortization	159,937	576	98	160,612
Increase in tangible fixed assets or intangible fixed assets	238,185	37,468	1,612	277,266

(Notes:)

KUBOTEK KOREA settled in this fiscal year. We exclude the company from the range of consolidation and include only income statement.

### (3) Reconciliation of published figures and aggregates of reportable segments

(Thousand yen)

Net sales	FY2021	FY2022
Reportable segments	1,249,769	1,489,836
Elimination of intersegment transactions	(232,095)	(272,060)
Net sales	1,017,673	1,217,776

(Thousand yen)

Operating loss	FY2021	FY2022
Reportable segments	(177,535)	(329,376)
Elimination of intersegment transactions	5,519	6,572
Intersegment income adjustment	(6,694)	4,878
Other	2,753	123,582
Operating loss	(175,957)	(194,342)

(Thousand yen)

Assets	FY2021	FY2022
Reportable segments	2,132,538	1,611,555
Elimination of intersegment transactions	(407,542)	(564,220)
Intersegment income adjustment	(11,881)	(6,823)
Other	378,608	540,782
Total assets	2,091,722	1,581,292

(Thousand yen)

Other items	Reportable segments		Adjustment		Consolidated total	
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
Depreciation and amortization	184,880	160,612	(4,256)	(10,167)	180,623	150,445
Increase in tangible fixed assets and intangible fixed assets	192,175	277,266	(11,426)	(4,708)	180,749	272,557

(Notes:)

Depreciation and amortization, Increase in tangible fixed assets and intangible fixed assets are elimination of intersegment income.

## Related Information

FY2021 results (Apr. 2021 - Mar. 2022)

### (1) Information by product/service

(Thousand yen)

	Inspection systems	3D solution systems	Media & Network products	Total
Sales to external customers	338,659	520,051	158,963	1,017,673

### (2) Information by geographical segment

#### I. Sales

(Thousand yen)

Japan	Korea	Taiwan	China	Americas	Others	Total
397,902	39,160	137,730	15,619	387,065	40,195	1,017,673

(Notes:)

The Geographic regions are classified by geographic proximity.

#### II. Tangible fixed assets

(Thousand yen)

Japan	Korea	U.S.A.	Others	Total
552	0	2	0	554

### (3) Information by major customer

(Thousand yen)

Major customers	Sales	Segments
MITSUI MINING & SMELTING CO., LTD.	102,035	Japan

FY2022 results (Apr. 2022 - Mar. 2023)

### (1) Information by product/service

(Thousand yen)

	Inspection systems	3D solution systems	Media & Network products	Total
Sales to external customers	499,690	575,268	142,817	1,217,776

## (2) Information by geographical segment

### I. Sales

(Thousand yen)

Japan	Korea	Taiwan	China	Americas	Others	Total
389,946	22,778	184,509	126,364	448,424	45,752	1,217,776

(Notes:)

The Geographic regions are classified by geographic proximity.

### II. Tangible fixed assets

(Thousand yen)

Japan	Korea	U.S.A.	Others	Total
275	471	3	0	751

## (3) Information by major customer

Of the sales to external customers, there is no party that accounts for 10% or more of the sales on the consolidated income statement, so there is no description.

(Loss on impairment by reportable segment)

FY2021 results (Apr. 2021 - Mar. 2022)

	Reportable segments			Total
	Japan	U.S.A.	Korea	
Impairment loss	5,529	3,419	127	9,077

FY2022 results (Apr. 2022 - Mar. 2023)

	Reportable segments			Total
	Japan	U.S.A.	Korea	
Impairment loss	8,479	22,667	—	31,147

(Amortization of goodwill and unamortized balance by reportable segment)

None.

(Gain on negative goodwill by reportable segment)

None.

## Supplementary Information

### (Production Volume)

(Thousand yen: amounts less than one thousand yen are omitted)

BY REPORTABLE SEGMENTS	Production	Year-on-year (%)
J a p a n	614,802	(11.7)
U . S . A .	492,818	+15.4
K o r e a	9,285	(73.7)
<b>T o t a l</b>	1,116,907	(3.6)

(Note 1) Intersegment transactions are eliminated.

(Note 2) Amounts shown above are stated based on selling price.

### (Orders Received)

(Thousand yen: amounts less than one thousand yen are omitted)

BY REPORTABLE SEGMENTS	Orders	Year-on-year (%)	Backlog	Year-on-year (%)
J a p a n	1,358,834	+ 169.5	1,193,500	+268.6
K o r e a	10,575	(70.7)	-	-
<b>T o t a l</b>	1,369,410	+ 153.4	1,193,500	+268.6

(Note) There are no order results in U.S.A, because of make to stock.

### (Sales Results)

(Thousand yen: amounts less than one thousand yen are omitted)

BY REPORTABLE SEGMENTS	Sales	Year-on-year (%)
J a p a n	714,426	+ 28.9
U . S . A .	492,774	+ 15.4
K o r e a	10,575	(71.1)
<b>T o t a l</b>	1,217,776	+ 19.7

(Note 1) Intersegment transactions are eliminated.

(Note 2) Sales results of each major customer and the ratio of sales results to the total sales results of Kubotek.

(Thousand yen: amounts less than one thousand yen are omitted)

MAJOR CUSTOMERS	FY2021 (Apr.2021 – Mar.2022)		FY2022 (Apr.2022 – Mar.2023)	
	Sales	Ratio(%)	Sales	Ratio(%)
MITSUI MINING & SMELTING CO., LTD.	102,035	10.0	-	-

(Note 3) The customers which are less than 10% of the amounts of total sales are omitted.