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Quarterly Consolidated Financial Statements

(Pursuant to Article 24-4-7, Paragraph 1 of the
Japanese Financial Instruments and Exchange Act)

Second quarter of
the 93rd term

From April 1, 2021
to September 30, 2021

RIKEN TECHNOS CORPORATION

2-101, Kanda-Awajicho, Chiyoda-ku, Tokyo, Japan

1 Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	21,106,010	20,664,351
Notes and accounts receivable - trade	21,143,908	21,674,287
Electronically recorded monetary claims - operating	2,162,815	3,208,969
Merchandise and finished goods	6,227,760	8,376,410
Work in process	692,289	765,844
Raw materials and supplies	5,372,437	6,582,190
Other	948,638	1,139,293
Allowance for doubtful accounts	(83,920)	(84,154)
Total current assets	57,569,939	62,327,194
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,917,194	9,979,275
Machinery, equipment and vehicles, net	8,390,108	8,378,057
Land	6,282,764	6,313,589
Leased assets, net	59,298	45,310
Construction in progress	231,171	230,500
Other, net	590,426	581,670
Total property, plant and equipment	25,470,963	25,528,403
Intangible assets		
Goodwill	542,063	441,336
Leased assets	2,919	1,754
Other	1,808,885	1,854,298
Total intangible assets	2,353,868	2,297,388
Investments and other assets		
Investment securities	7,736,267	7,737,380
Long-term loans receivable	14,269	2,838
Retirement benefit asset	883,374	913,610
Deferred tax assets	418,840	416,175
Other	764,382	660,459
Allowance for doubtful accounts	(3,045)	(2,320)
Total investments and other assets	9,814,089	9,728,143
Total non-current assets	37,638,921	37,553,935
Total assets	95,208,860	99,881,130

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,139,497	19,021,924
Short-term borrowings	*1 6,976,725	*1 7,188,110
Current portion of long-term borrowings	448,983	463,429
Lease obligations	20,560	17,505
Income taxes payable	885,287	775,040
Provision for bonuses	721,429	794,540
Provision for bonuses for directors (and other officers)	84,709	51,431
Other	2,803,299	2,352,368
Total current liabilities	28,080,491	30,664,351
Non-current liabilities		
Long-term borrowings	2,819,082	2,730,575
Lease obligations	26,361	19,350
Deferred tax liabilities	1,545,671	1,640,082
Provision for share awards for directors (and other officers)	140,640	151,652
Retirement benefit liability	1,052,229	1,078,373
Asset retirement obligations	332,387	334,779
Other	135,141	134,931
Total non-current liabilities	6,051,514	6,089,744
Total liabilities	34,132,006	36,754,096
Net assets		
Shareholders' equity		
Share capital	8,514,018	8,514,018
Capital surplus	6,597,580	6,597,580
Retained earnings	35,561,518	36,910,285
Treasury shares	(517,035)	(489,830)
Total shareholders' equity	50,156,082	51,532,054
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,999,879	4,064,033
Foreign currency translation adjustment	(460,662)	116,428
Remeasurements of defined benefit plans	46,021	70,822
Total accumulated other comprehensive income	3,585,238	4,251,284
Non-controlling interests	7,335,533	7,343,695
Total net assets	61,076,854	63,127,034
Total liabilities and net assets	95,208,860	99,881,130

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

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	40,589,512	50,965,196
Cost of sales	33,346,893	41,901,027
Gross profit	7,242,619	9,064,168
Selling, general and administrative expenses	*1 5,569,844	*1 5,988,081
Operating profit	1,672,774	3,076,087
Non-operating income		
Interest income	12,819	13,135
Dividend income	95,952	101,299
Foreign exchange gains	–	70,498
Other	121,225	140,064
Total non-operating income	229,997	324,997
Non-operating expenses		
Interest expenses	78,435	56,066
Depreciation of assets for rent	9,204	18,013
Foreign exchange losses	51,512	–
Other	26,060	19,167
Total non-operating expenses	165,213	93,246
Ordinary profit	1,737,558	3,307,838
Extraordinary income		
Gain on sale of non-current assets	3,944	474
Gain on sale of investment securities	6,657	62,587
Total extraordinary income	10,601	63,061
Extraordinary losses		
Loss on sale of non-current assets	760	6
Loss on retirement of non-current assets	5,875	2,026
Total extraordinary losses	6,635	2,032
Profit before income taxes	1,741,524	3,368,867
Income taxes	500,068	881,239
Profit	1,241,455	2,487,627
Profit attributable to non-controlling interests	429,548	349,806
Profit attributable to owners of parent	811,906	2,137,821

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	1,241,455	2,487,627
Other comprehensive income		
Valuation difference on available-for-sale securities	635,113	64,110
Foreign currency translation adjustment	(599,352)	863,152
Remeasurements of defined benefit plans, net of tax	52,705	24,800
Total other comprehensive income	88,466	952,063
Comprehensive income	1,329,922	3,439,691
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,149,082	2,803,411
Comprehensive income attributable to non-controlling interests	180,839	636,279

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,741,524	3,368,867
Depreciation	1,791,578	1,703,766
Amortization of goodwill	100,727	100,727
Increase (decrease) in provision for bonuses	(77,993)	69,568
Increase (decrease) in provision for bonuses for directors (and other officers)	(37,744)	(33,278)
Increase (decrease) in allowance for doubtful accounts	(338)	(497)
Increase (decrease) in retirement benefit liability	57,396	23,394
Increase (decrease) in provision for share awards for directors (and other officers)	(6,710)	11,012
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(86,841)	–
Interest and dividend income	(108,771)	(114,435)
Interest expenses	78,435	56,066
Loss (gain) on sale of investment securities	(6,657)	(62,587)
Loss (gain) on sale of property, plant and equipment	(3,183)	(467)
Loss on retirement of property, plant and equipment	5,875	2,026
Decrease (increase) in trade receivables	5,034,683	(1,233,230)
Decrease (increase) in inventories	(589,948)	(3,150,287)
Increase (decrease) in trade payables	(3,753,154)	2,576,886
Increase (decrease) in accrued consumption taxes	(21,972)	(172,119)
Other, net	491,065	(332,283)
Subtotal	4,607,971	2,813,127
Interest and dividends received	111,742	115,237
Interest paid	(78,530)	(60,581)
Income taxes paid	(330,143)	(952,303)
Net cash provided by (used in) operating activities	4,311,039	1,915,479
Cash flows from investing activities		
Payments into time deposits	(25,083)	(13,077)
Proceeds from withdrawal of time deposits	18,078	13,077
Purchase of property, plant and equipment	(1,106,009)	(1,161,687)
Proceeds from sale of property, plant and equipment	5,244	506
Purchase of intangible assets	(838,179)	(121,573)
Purchase of investment securities	(351)	(246)
Proceeds from sale of investment securities	21,945	151,314
Loan advances	(1,500)	–
Proceeds from collection of loans receivable	13,508	12,005
Other, net	(30,441)	47,545
Net cash provided by (used in) investing activities	(1,942,790)	(1,072,136)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(70,785)	144,337
Repayments of long-term borrowings	(334,597)	(271,184)
Repayments of lease obligations	(7,314)	(11,769)
Proceeds from sale of treasury shares	36,597	–
Purchase of treasury shares	(8)	(22)
Dividends paid	(503,001)	(769,149)
Dividends paid to non-controlling interests	(686,927)	(624,815)
Net cash provided by (used in) financing activities	(1,566,036)	(1,532,603)
Effect of exchange rate change on cash and cash equivalents	(197,395)	247,562
Net increase (decrease) in cash and cash equivalents	604,817	(441,698)
Cash and cash equivalents at beginning of period	17,812,026	21,080,770
Cash and cash equivalents at end of period	*1 18,416,844	*1 20,639,071

Notes to Quarterly Consolidated Financial Statements

Basis of Presentation of Quarterly Consolidated Financial Statements

The accompanying quarterly consolidated financial statements of RIKEN TECHNOS CORPORATION (the “Company”) and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS”).

In addition, amounts are rounded down to the nearest thousand yen.

Changes in Accounting Policies

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”), etc. effective from the beginning of the first quarter of the current fiscal year, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time when the control of these goods or services is transferred to the customer. Accordingly, with regard to charged supplying to customers, the Company has shifted to the method by which it does not recognize extinguishment of the supplied goods, in cases where it assumes the obligation to repurchase the supplied goods. Additionally, in terms of export transactions, the Company has changed its method of revenue recognition by which revenue is recognized at the time of arrival at the place that the Company and customers had agreed upon, deeming our performance obligations to have been fulfilled at that time. Furthermore, with regard to certain transactions in which the Group acts as an agent in providing the goods or services to a customer, the Company has changed its method and recognizes revenue in the net amount.

The application of the Revenue Recognition Accounting Standard, etc. is subject to the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Accounting Standard. Accordingly, the cumulative effect of the retrospective application of the new accounting policy, assuming it has been applied to periods prior to the beginning of the first quarter of the current fiscal year, is added to or subtracted from retained earnings at the beginning of the period under review, and the new accounting policy is applied from the said beginning balance.

As a result, for the six-month period under review, net sales decreased by 576,594 thousand yen, cost of sales decreased by 563,382 thousand yen, and operating profit, ordinary profit, and profit before income taxes decreased by 13,212 thousand yen, respectively. Additionally, accounts receivable - trade decreased by 128,915 thousand yen, inventories increased by 98,429 thousand yen, and the beginning balance for retained earnings of the first quarter of the current fiscal year decreased by 11,984 thousand yen.

Furthermore, in accordance with the transitional treatment stipulated in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020), information on the breakdown of revenue generated from contracts with customers for the six months ended September 30, 2020 is not provided.

(Application of the 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; hereinafter the “Fair Value Measurement Accounting Standard”), etc. effective from the beginning of the first quarter of the current fiscal year and in accordance with the transitional treatment provided for in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company will apply the new accounting policy prescribed by the Fair Value Measurement Accounting Standard, etc. into the future. This application has no impact on the quarterly consolidated financial statements.

Special Accounting Applied for Preparing Quarterly Consolidated Financial Statements

(Calculation of taxes)

The Company computes the taxes first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the second quarter under review, and next by multiplying profit before income taxes by such estimated effective tax rate.

However, in cases where the calculation of taxes using such estimated effective tax rate yields a result that is not reasonable to a significant extent, the effective statutory tax rate is used.

Additional Information

(Transactions of delivering the Company's own stock to employees etc. through trusts)

(1) Board Benefit Trust (BBT)

In accordance with the resolution at the 87th Ordinary General Meeting of Shareholders held on June 24, 2016, the Company introduced a new stock-based compensation plan "Board Benefit Trust (BBT)" on September 14, 2016, for the purpose of raising awareness of Directors who execute business (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers toward their contributions to improving the mid- to long-term corporate performance and increasing the corporate value as well as making Directors who do not execute business (excluding Directors who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members contribute to increasing the mid- to long-term corporate value through supervision or audit.

(a) Overview of transactions

Based on the officers' stock benefit plan which was established in advance, the Company and its group companies (the "Group") grant points to Directors, etc. (Directors and Executive Officers). At the time of their retirement, the Group provides shares in the Company to the Directors, etc. who satisfy requirements for beneficiaries in proportion to the points which the Group has granted to them. With regard to the shares which will be provided to Directors etc. in the future, a trust bank acquires the Company's treasury shares through third-party allotment by using the money contributed by the Company. Such shares are managed as trust assets separately.

(b) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 282,476 thousand yen and 614 thousand shares, respectively, while those as of the end of the second quarter under review were 276,412 thousand yen and 601 thousand shares, respectively.

(c) Book value of borrowings recorded due to the application of the gross method

Not applicable.

(2) Stock Benefit Trust (Employee Stockholding Association Purchase-type)

For the purpose of promoting welfare benefits for employees and giving incentives pertaining to the improvement of corporate value of the Company, the Company introduced "Stock Benefit Trust (Employee Stockholding Association Purchase-type)" (hereinafter referred to as the "Plan"), pursuant to the resolution at the Board of Directors meeting held on May 24, 2017.

(a) Overview of transactions

The Plan is an incentive plan under which the benefits of a rise in the Company's stock price are passed along to all the employees who are members of the "RIKEN TECHNOS Employee Stockholding Association" (hereinafter referred to as the "Stockholding Association").

A trust bank as the trustee of the Plan acquires shares in the Company that are expected to be acquired by the Stockholding Association over the five years after the establishment of the trust, en bloc in advance, and sells those shares in the Company to the Stockholding Association as needed when it acquires the shares. If the amount equivalent to gain on sales of shares by the trust bank was

accumulated in trust assets by the termination of this trust through the sale of shares to the Stockholding Association, the accumulated amount is distributed as residual assets to the members of the Company's employee Stockholding Association who satisfy eligibility requirements for beneficiaries. The Company has guaranteed loans that the trust bank received to acquire shares in the Company. Therefore, if there is remaining loan amount that is equivalent to loss on sales of shares in the Company due to a decline in the Company's stock price at the time of termination of the trust, the Company is required to pay the remaining loan amount under the guarantee agreement.

(b) Shares in the Company remaining at the trust

The shares in the Company remaining at the trust are recorded as the treasury shares in net assets with the book value (excluding associated costs) at the trust. The book value and number of these treasury shares as of the end of the previous fiscal year were 234,538 thousand yen and 459 thousand shares, respectively, while those as of the end of the second quarter under review were 213,374 thousand yen and 418 thousand shares, respectively.

(c) Book value of borrowings recorded due to the application of the gross method

213,086 thousand yen as of the end of the second quarter under review

Notes to Consolidated Balance Sheets

*1. Overdraft agreements and unused overdraft facility balance

To efficiently secure equipment funds, the Company and its domestic consolidated subsidiaries have entered into overdraft agreements with banks with which they do business.

The unused balance of these prescribed limit agreements is as follows:

	(Thousands of yen)	
	As of March 31, 2021	As of September 30, 2021
Total overdraft facility limit	12,180,000	12,180,000
Outstanding borrowings within the limit	4,965,000	4,665,000
Unused balance	7,215,000	7,515,000

Notes to Consolidated Statements of Income

*1. Main components of selling, general and administrative expenses

Main components of selling, general and administrative expenses are as follows:

	(Thousands of yen)	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Freightage expenses	1,322,539	1,756,341
Salaries and bonuses	1,221,540	1,248,257
Provision for bonuses	115,325	175,108
Provision for bonuses for directors (and other officers)	31,622	47,512
Retirement benefit expenses	102,901	71,331
Provision for share awards for directors (and other officers)	13,413	13,246
Provision of allowance for doubtful accounts	(338)	(497)
Research and development expenses	514,586	622,157

Notes to Consolidated Statements of Cash Flows

*1. Reconciliation between “Cash and cash equivalents at end of period” in the consolidated statements of cash flows and “Cash and deposits” in the consolidated balance sheets

	(Thousands of yen)	
	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash and deposits	18,954,004	20,664,351
Time deposits with maturities over 3 months	(537,160)	(25,279)
Cash and cash equivalents	18,416,844	20,639,071

Shareholders' Equity and Others

I. Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

1. Dividends paid

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 19, 2020	Common stock	510,777	8	March 31, 2020	June 22, 2020	Retained earnings

(Note) Total dividends include 6,597 thousand yen of dividends to the Company's own shares held in Trust Account E.

2. Dividends whose cut-off date is in the six-month period under review and whose effective date is after the end of the second quarter under review

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Board of Directors meeting held on October 30, 2020	Common stock	255,388	4	September 30, 2020	December 2, 2020	Retained earnings

(Note) Total dividends include 2,555 thousand yen of dividends to the Company's own shares held in Trust Account E.

3. Significant changes in shareholders' equity

Pursuant to the resolution at the Board of Directors meeting held on July 31, 2020, the Company canceled 2,000 thousand shares of its treasury share as of August 17, 2020. As a result, in the six months ended September 30, 2020, capital surplus, retained earnings and treasury shares decreased by 775,028 thousand yen, 159,371 thousand yen and 934,400 thousand yen, respectively. Capital surplus stood at 6,597,580 thousand yen at the end of the second quarter under review, with retained earnings amounting to 33,395,630 thousand yen and treasury shares standing at 420,227 thousand yen.

II. Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Dividends paid

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Ordinary General Meeting of Shareholders held on June 18, 2021	Common stock	769,365	12	March 31, 2021	June 21, 2021	Retained earnings

(Note) Total dividends include 12,897 thousand yen of dividends to the Company's own shares held in Trust Account E.

2. Dividends whose cut-off date is in the six-month period under review and whose effective date is after the end of the second quarter under review

(Resolution)	Type of shares	Total dividends (Thousands of yen)	Dividends per share (Yen)	Cut-off date	Effective date	Source of dividends
Board of Directors meeting held on October 29, 2021	Common stock	512,909	8	September 30, 2021	November 29, 2021	Retained earnings

(Note) Total dividends include 8,160 thousand yen of dividends to the Company's own shares held in Trust Account E.

Segment Information and Others

Segment information

I. Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

1. Information about net sales and profit or loss by reportable segment

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
(1) Sales to external customers	10,461,906	11,689,020	8,332,203	9,917,714	40,400,844	188,667	40,589,512	-	40,589,512
(2) Intersegment sales or transfers	995	-	-	-	995	106,750	107,746	(107,746)	-
Total	10,462,902	11,689,020	8,332,203	9,917,714	40,401,840	295,418	40,697,259	(107,746)	40,589,512
Segment profit (loss)	874,616	1,133,480	(31,433)	(335,424)	1,641,239	(8,230)	1,633,008	39,765	1,672,774

- (Notes)
- The "Other" category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.
 - The adjustment to segment profit (loss) represents 39,765 thousand yen in inter-segment eliminations.
 - Segment profit (loss) is adjusted to operating profit in the consolidated statements of income.

2. Information about impairment loss on non-current assets or goodwill and others by reportable segment

Not applicable.

II. Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Information about net sales and profit or loss by reportable segment, and revenue breakdown

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded on the consolidated statements of income (Note 3)
	TR	DH	EL	BC	Total				
Net sales									
(1) Sales to external customers	15,587,132	13,097,080	10,102,954	12,133,493	50,920,661	44,534	50,965,196	-	50,965,196
(2) Intersegment sales or transfers	-	25	-	-	25	140,141	140,167	(140,167)	-
Total	15,587,132	13,097,106	10,102,954	12,133,493	50,920,686	184,676	51,105,363	(140,167)	50,965,196
Segment profit (loss)	1,203,914	1,008,027	205,896	598,894	3,016,732	17,563	3,034,296	41,790	3,076,087

- (Notes)
- The "Other" category is the business segment that is not included in the reportable segments, and represents the purchase and sales of raw materials, etc.
 - The adjustment to segment profit (loss) represents 41,790 thousand yen in inter-segment eliminations.
 - Segment profit (loss) is adjusted to operating profit in the consolidated statements of income.

2. Information about impairment loss on non-current assets or goodwill and others by reportable segment

Not applicable.

3. Matters related to changes in reportable segments, etc.

The Company has applied the Revenue Recognition Accounting Standard, etc., effective from the beginning of the first quarter of the current fiscal year, as stated in Change in Accounting Policies, and changed the accounting method for revenue recognition, so it has similarly changed the method for calculating the profit (loss) of business segments.

As a result of this change, for the six-month period under review, in the Transportation (TR) segment, net sales decreased by 6,806 thousand yen and segment profit decreased by 1,663 thousand yen, compared to the amounts calculated using the previous method. In the Daily Life & Healthcare (DH) segment, net sales decreased by 7,910 thousand yen and segment profit decreased by 2,384 thousand yen. In the Electronics (EL) segment, net sales decreased by 6,124 thousand yen and segment profit increased by 5,653 thousand yen. In the Building & Construction (BC) segment, net sales decreased by 292,110 thousand yen and segment profit decreased by 14,818 thousand yen.

Revenue recognition

Information on the breakdown of revenue generated from contracts with customers is as stated in “Segment Information and Others.”

Per Share Information

Basic earnings per share and the basis for calculation thereof are as follows:

	Six months ended September 30, 2020	Six months ended September 30, 2021
Basic earnings per share (Yen)	12.87	33.90
(Basis for calculation)		
Profit attributable to owners of parent (Thousands of yen)	811,906	2,137,821
Amount not attributable to common shareholders (Thousands of yen)	–	–
Profit attributable to owners of parent regarding common stock (Thousands of yen)	811,906	2,137,821
Average number of shares of common stock outstanding during the period (Thousands of shares)	63,105	63,064

(Notes) 1. Shares in the Company remaining at the trust that were recorded as treasury shares under shareholders’ equity have been included in the treasury shares that should be deducted in calculating the average number of shares outstanding during the period for the purpose of calculating basic earnings per share.

The average number of treasury shares during the period that were deducted for the purpose of calculating basic earnings per share was 815 thousand shares for the six months ended September 30, 2020 and 1,068 thousand shares for the six months ended September 30, 2021.

2. Diluted earnings per share are not presented because there are no potential shares.

Significant Subsequent Events

Not applicable.

2 Other

At the Board of Directors’ meeting held on October 29, 2021, the Company resolved to declare interim dividends as follows:

(1) Total amount of interim dividends 512,909 thousand yen

(2) Amount per share 8.00 yen

(3) Effective date and payment commencement date November 29, 2021

(Note 1) The payment is made to the shareholders registered in the Company’s Shareholder Registry as of September 30, 2021.

(Note 2) Total dividends include 8,160 thousand yen of dividends to the Company’s own shares held in Trust Account E.