

Non-Consolidated Balance Sheet

March 31, 2023 and 2022

	thousands of yen		thousands of U.S. dollars (Note 1)	
	March 31			
	2022	2023	2023	
ASSETS				
Current assets				
Cash and bank deposits	¥ 616,082	¥ 758,680	\$ 5,681	
Notes receivable	572,896	557,055	4,171	
Accounts receivable (Note 3)	1,779,588	2,079,453	15,572	
Allowance for doubtful accounts	-35,000	-25,000	-188	
Merchandise	1,289,280	1,602,064	11,997	
Advanced payments	47,967	53,147	398	
Short-term loans receivable (Note 3)	68,350	24,000	179	
Other current assets	136,928	89,569	670	
Total current assets	4,476,093	5,138,971	38,485	
Noncurrent assets				
Investment securities	754,674	911,129	6,823	
Investments in affiliated companies	232,449	450,353	3,372	
Guarantee deposits	150,063	107,988	808	
Lease deposits for office rent	125,516	114,559	857	
Long-term loans receivable	20,830	-	0	
Furniture and fixtures (Note 2)	55,820	125,498	939	
Insurance fund	50,539	26,968	201	
Other noncurrent assets	15,087	15,087	112	
Allowance for doubtful accounts	-15,000	-	-	
Total noncurrent assets	1,389,982	1,751,585	13,117	
Total assets	¥ 5,866,075	¥ 6,890,556	\$ 51,603	
LIABILITIES and SHAREHOLDERS' EQUITY				
Current liabilities				
Notes payable	¥ 349,082	¥ 437,497	\$ 3,276	
Accounts payable (Note 3)	771,714	926,112	6,935	
Accrued expenses	81,620	122,462	917	
Short-term loans payable	160,000	585,351	4,383	
Current portion of long-term loans payable	14,000	14,000	104	
Advances received	79,764	68,730	514	
Income taxes payable	110,178	64,174	480	
Provision for employees' bonuses	176,000	165,430	1,238	
Other current liabilities	97,224	43,476	325	
Total current liabilities	1,839,585	2,427,237	18,177	
Noncurrent liabilities				
Long-term loans payable	17,500	3,500	26	
Guarantee deposits received	13,800	13,869	103	
Provision for retirement benefits	63,503	58,692	439	
Other noncurrent liabilities	73,352	-	-	
Noncurrent liabilities	168,156	76,062	569	
Total liabilities	2,007,741	2,503,299	18,747	
Shareholders' equity				
Capital stock	70,000	70,000	524	
Retained earnings			-	
Legal retained earnings	16,979	17,500	131	
Voluntary earned reserve	3,020,000	3,020,000	22,616	
Retained earnings brought forward	767,459	1,281,718	9,598	
Treasury shares	-16,105	-1,961	-14	
Total shareholders' equity	3,858,334	4,387,257	32,855	
Total liabilities and shareholders' equity	¥ 5,866,075	¥ 6,890,556	\$ 51,603	

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.

2. Accumulated Depreciation	¥ 129,547	¥ 153,010	\$ 1,145	
3. Receivables and payables from and to subsidiaries				
accounts receivable	200,890	168,697	1,263	
short-term loan receivable	68,350	-	-	
accounts payable	1,866	18,403	137	

Non-consolidated Statement of Income

for the years ended March 31, 2023 and 2022

	thousands of yen			thousands of U.S. dollars (Note 1)	
	Years ended March 31				
	2022	2023		2023	
Sales (Note 2)	¥ 11,067,338	¥ 12,359,543	\$	92,560	
Cost of sales (Note 2)	8,598,192	9,851,788		73,779	
Gross profit	2,469,146	2,507,754		18,780	
Operating expenses	1,941,886	2,112,126		15,817	
Operating profit	527,259	395,628		2,962	
Non-operating income	249,256	340,799		2,552	
Non-operating expenses	98,756	56,374		422	
Ordinary profit	677,759	680,053		5,092	
Income before income taxes	677,759	680,053		5,092	
Corporate income taxes	180,000	130,000		973	
Net profit	¥ 497,759	¥ 550,053	\$	4,119	

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.

2. Transactions with subsidiaries

sales	¥ 700,783	¥ 741,417	\$ 5,552
cost of sales	116,087	127,812	957

Non-consolidated Statement of Changes in Equity

for the year ended March 31, 2023 and 2022

	thousands of yen							
	Capital stock	Retained earnings	Voluntary retained earnings	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity	Total net assets
Balance at April 1, 2021	70,000	14,352	2,770,000	548,603	3,332,955	-16,105	3,386,849	3,386,849
Profit for the year				497,759	497,759		497,759	497,759
Dividend of surplus				-26,275	-26,275		-26,275	-26,275
Provision of voluntary retained earnings			250,000	-250,000				
Provision of legal retained earnings		2,627		-2,627				
Total changes of items during period	-	2,627	250,000	218,856	471,484	-	471,484	471,484
Balance at March 31, 2022	70,000	16,979	3,020,000	767,459	3,804,439	-16,105	3,858,334	3,858,334
Balance at April 1, 2022	70,000	16,979	3,020,000	767,459	3,804,439	-16,105	3,858,334	3,858,334
Profit for the year				550,053	550,053		550,053	550,053
Dividend of surplus				-31,530	-31,530		-31,530	-31,530
Provision of legal retained earnings		520		-520				
Disposition of treasury stock				-3,744	-3,744	14,144	10,400	10,400
Total changes of items during period	-	520	-	514,258	514,779	14,144	528,923	528,923
Balance at March 31, 2023	70,000	17,500	3,020,000	1,281,718	4,319,218	-1,961	4,387,257	4,387,257

	thousands of U.S. dollars (Note 1)							
	Capital stock	Retained earnings	Voluntary retained earnings	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity	Total net assets
Balance at April 1, 2021	524	107	20,744	4,108	24,960	-121	25,363	25,363
Profit for the year				3,727	3,727		3,727	3,727
Dividend of surplus				-197	-197		-197	-197
Provision of voluntary retained earnings			1,872	-1,872				
Provision of legal retained earnings		19		-19				
Total changes of items during period	-	19	1,872	1,639	3,530	-	3,530	3,530
Balance at March 31, 2022	524	127	22,616	5,747	28,491	-121	28,894	28,894
Balance at April 1, 2022	524	127	22,616	5,747	28,491	-121	28,894	28,894
Profit for the year				4,119	4,119		4,119	4,119
Dividend of surplus				-237	-237		-237	-237
Provision of voluntary retained earnings		3		-3				
Provision of legal retained earnings				-29	-29	105	77	77
Total changes of items during period	-	3	-	3,851	3,855	105	3,961	3,961
Balance at March 31, 2023	524	131	22,616	9,598	32,346	-16	32,855	32,855

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.

Profile and Organization

1. Subsidiaries

Company name	Stock ownership ratio	Main business
AR BROWN (Shanghai) Co., Ltd.	100.0%	Imports, exports and sales of chemical materials, test & measurement equipment
AR BROWN (THAILAND) Co., Ltd.	100.0%	Imports, exports and sales of chemical materials, test & measurement equipment
ARBROWN INDIA TRADING Pvt. Ltd.	100.0%	Imports, exports and sales of chemical materials
AR BROWN KOREA Co., Ltd.	75.0%	Imports and sales of chemical materials
F. B. Automation Co., Ltd.	100.0%	Sales of measurement equipment

2. Shareholders

	Number of stocks held	Stock ownership ratio	Voting rights ratio
Employee stock ownership	67,850	60.3%	34.7%
Directors of the company (6 people)	21,000	18.7%	53.7%
Treasury shares	900	0.8%	-
A.R. Brown McFarlane & Co., Ltd.	5,000	4.4%	2.5%
Others (6 people)	17,750	15.8%	9.1%
Total number of stocks issued *	112,500	100.0%	100.0%

(* The total number of authorized stocks is 400,000.)

3. Company employees

Office	Number of employees	Average age	Average length of service
Tokyo head office	66	44.5	13.6 yrs.
Osaka branch	21		
Nagoya branch	10		
Institute of Science and Technology	9		

4. Directors and statutory auditor

Name	Title	Principal position(s) and important concurrent position(s)
Michihiro Tatsuoka	Representative director President	Officer in charge of Administrative and General Director, AR BROWN KOREA Co., Ltd. Director, ARBROWN INDIA TRADING Pvt. Ltd.
Hiroataka Shimada	Managing Director	Officer in charge of Performance Chemical Business, Fine Chemical Business and Overseas Business Head of Overseas Operations and Sales President, AR BROWN (Shanghai) Co., Ltd. Director, AR BROWN KOREA Co., Ltd. Director, ARBROWN INDIA TRADING Pvt. Ltd. Director, AR BROWN (THAILAND) Co., Ltd.
Masaki Okada	Director	Officer in charge of Life Science Business, Hu-Vet Business and DX Project General Manager, Life Science Dept., Hu-Vet Dept.
Atsushi Kawaguchi	Director	Officer in charge of Test & Measurement Business General Manager, Test & Measurement Dept. President, F. B. Automation Co., Ltd.
Hitoshi Shimizu	Director	Officer in charge of Electronics Materials Business General Manager, AR BROWN (Shanghai) Co., Ltd.
Miyazaki Hiroshige	Statutory auditor	

May 23, 2023

President	Michihiro Tatsuoka
Managing Director	Hiroataka Shimada
Director	Masaki Okada
Director	Atsushi Kawaguchi
Director	Hitoshi Shimizu

The above statements have duly been examined and authorized.

May 9, 2023

Auditor	Hiroshige Miyazaki
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[Reference Materials]

Note: Financial Statements in accordance with Japanese Companies Act were reviewed by Kuno Yasunari CPA Firm.
These statements translated into English was made for reference.

Consolidated Balance Sheet

March 31, 2023 and 2022

	thousands of yen		thousands of U.S. dollars (Note 1)	
	March 31			
	2022	2023	2023	
ASSETS				
Current assets				
Cash and bank deposits	¥ 1,622,889	¥ 1,896,674	\$ 14,204	
Notes and accounts receivable	2,546,954	3,027,324	22,671	
Merchandise	1,600,285	2,187,723	16,383	
Other current assets	251,611	246,895	1,848	
Total current assets	6,021,740	7,358,619	55,108	
Noncurrent assets				
Investment securities	754,674	958,264	7,176	
Long-term loans receivable	20,830	-	-	
Furniture and fixtures	195,265	426,750	3,195	
Other noncurrent assets	347,083	298,558	2,235	
Allowance for doubtful accounts	-15,000	-	-	
Total noncurrent assets	1,302,855	1,683,574	12,608	
Total assets	¥ 7,324,595	¥ 9,042,193	\$ 67,716	

LIABILITIES and NET ASSETS

Current liabilities				
Notes and accounts payable	¥ 1,200,769	¥ 1,648,394	\$ 12,344	
Short-term loans payable	160,000	585,351	4,383	
Current portion of long-term loans payable	14,000	14,000	104	
Income taxes payable	123,331	87,781	657	
Provision for employees' bonuses	176,000	165,430	1,238	
Other current liabilities	291,390	303,144	2,270	
Total current liabilities	1,965,491	2,804,102	20,999	
Noncurrent liabilities				
Long-term loans payable	17,500	207,644	1,555	
Provision for retirement benefits	63,503	58,692	439	
Other noncurrent liabilities	107,753	121,268	908	
Noncurrent liabilities	188,757	387,605	2,902	
Total Liabilities	2,154,248	3,191,707	23,902	
Net assets				
Shareholders' equity				
Capital stock	70,000	70,000	524	
Retained earnings	4,929,014	5,559,292	41,633	
Treasury shares	-16,105	-1,961	-15	
Accumulated other comprehensive income(loss)				
Foreign currency translation adjustment	167,721	199,733	1,495	
Non-controlling interests	19,715	23,421	175	
Total net assets	5,170,346	5,850,486	43,814	
Total liabilities and net assets	¥ 7,324,595	¥ 9,042,193	\$ 67,716	

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.

[Reference Materials]

Consolidated Statement of Income

for the year ended March 31, 2023 and 2022

Consolidated Statement of Income					thousands of U.S.	
for the year ended March 31, 2023 and 2022					dollars (Note 1)	
	thousands of yen					
	Years ended March 31					
		2022		2023		2023
Sales	¥	12,876,298	¥	14,805,610	\$	110,878
Cost of sales		9,636,434		11,286,937		84,527
Gross profit		3,239,863		3,518,672		26,351
Operating expenses		2,328,186		2,655,625		19,887
Operating profit		911,677		863,047		6,463
Non-operating income		149,050		164,796		1,234
Non-operating expenses		104,730		65,087		487
Ordinary profit		955,996		962,756		7,210
Income before income taxes		955,996		962,756		7,210
Income taxes		286,206		289,255		2,166
Net profit		669,790		673,500		5,043
Profit attributable to non-controlling interests		9,125		3,416		25
Net profit attributable to owners of parent	¥	660,664	¥	670,083	\$	5,018

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.

Consolidated statement of Changes in Equity

for the year ended March 31, 2023 and 2022

	thousands of yen						
	Capital stock	Legal retained earnings	Treasury shares	Total shareholders' equity	Accumulated other comprehensive income(loss)	Non-controlling interests	Total net assets
Balance at April 1, 2021	70,000	4,296,258	-16,105	4,350,153	24,350	9,856	4,384,360
Profit for the year		660,664		660,664			660,664
Dividend of surplus		-26,275		-26,275			-26,275
Others		-1,633		-1,633			-1,633
Net changes of items other than shareholders' equity					143,370	9,859	153,229
Total changes of items during period	-	632,755	-	632,755	143,370	9,859	785,985
Balance at March 31, 2022	70,000	4,929,014	-16,105	4,982,909	167,721	19,715	5,170,346
Balance at April 1, 2022	70,000	4,929,014	-16,105	4,982,909	167,721	19,715	5,170,346
Profit for the year		670,083		670,083			670,083
Dividend of surplus		-31,530		-31,530			-31,530
Disposition of treasury stock			14,144	14,144			14,144
Others		-8,275		-8,275			-8,275
Net changes of items other than shareholders' equity					32,011	3,705	35,717
Total changes of items during period	-	630,278	14,144	644,422	32,011	3,705	680,139
Balance at March 31, 2023	70,000	5,559,292	-1,961	5,627,331	199,733	23,421	5,850,486

	thousands of U.S. dollars (Note 1)						
	Capital stock	Legal retained earnings	Treasury shares	Total shareholders' equity	Accumulated other comprehensive income(loss)	Non-controlling interests	Total net assets
Balance at April 1, 2021	524	32,174	-121	32,578	182	73	32,834
Profit for the year		4,947		4,947			4,947
Dividend of surplus		-197		-197			-197
Others		-13		-13			-13
Net changes of items other than shareholders' equity				-	1,073	73	1,147
Total changes of items during period	-	4,738	-	4,738	1,073	73	5,886
Balance at March 31, 2022	524	36,913	-121	37,316	1,256	147	38,720
Balance at April 1, 2022	524	36,913	-121	37,316	1,256	147	38,720
Profit for the year		5,018		5,018			5,018
Dividend of surplus		-237		-237			-237
Disposition of treasury stock			105	105			105
Others		-62		-62			-62
Net changes of items other than shareholders' equity					239	27	267
Total changes of items during period	-	4,720	105	4,826	239	27	5,093
Balance at March 31, 2023	524	41,633	-15	42,142	1,495	175	43,814

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.

[Reference Materials]

Consolidated Statement of cash flows

for the year ended March 31, 2023

	thousands of yen	thousands of U.S. dollars (Note 1)
I. Cash flows from operating activities		
Profit before income taxes	¥ 962,756	\$ 7,210
Depreciation	57,475	430
Loss (gain) on sales of investment securities	-56,013	-419
Loss on abandonment of goods	36,385	272
Foreign exchange losses (gains)	-8,294	-62
Decrease (increase) in notes and accounts receivable – trade	-332,101	-2,487
Decrease (increase) in inventories	-468,298	-3,507
Increase (decrease) in notes and accounts payable – trade	213,766	1,600
Others	-64,219	-480
Subtotal	341,455	2,557
Interest and dividend income	35,501	265
Interest expenses	-5,232	-39
Income taxes paid	-276,798	-2,072
Cash flows from operating activities	94,925	710
II. Cash flows from investing activities		
Purchase of tangible and intangible assets	-92,864	-695
Purchase of long-term investment securities	-267,788	-2,005
Proceeds from long-term investment securities	150,236	1,125
Purchase of shares of subsidiaries	-75,125	-562
Others	56,371	422
Cash flows from investing activities	-229,170	-1,716
III. Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	421,255	3,154
Proceeds from long-term loans payable	25,000	187
Repayments of long-term loans payable	-47,039	-352
Proceeds from sales of treasury shares	10,400	77
Cash dividends paid	-31,530	-236
Cash flows from financing activities	378,086	2,831
IV. Effect of exchange rate change on cash and cash equivalents	29,943	224
V. Net increase (decrease) in cash and cash equivalents	273,785	2,050
VI. Cash and cash equivalents at beginning of period	1,622,889	12,153
VII. Cash and cash equivalents at end of period	1,896,674	14,204

Notes: 1. The translations of Japanese yen amounts into U.S. dollar amounts are added solely for the convenience of readers outside Japan and have been made at the rate of ¥133.53 to \$1, the approximate rate of exchange at March 31, 2023.