

# Consolidated Financial Results for the Fiscal Year Ended March 2023 [Japan GAAP]

April 26, 2023

Name of Company: Futaba Industrial Co., Ltd.  
 Stock Exchange Listing: Tokyo Stock Exchange, Prime Market, Nagoya Stock Exchange, Premier Market  
 Stock Code: 7241 URL: <https://www.futabasangyo.com/en/>  
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 Scheduled date of ordinary general shareholders meeting: June 22, 2023  
 Scheduled date of commencement of dividend payment: June 8, 2023  
 Scheduled date of filing securities report: June 23, 2023  
 Supplementary materials for financial results: Yes  
 Information meeting for financial results: Yes (for securities analysts and institutional investors)

(Yen in millions, rounded down)

## 1. Financial results for the current fiscal year (April 1, 2022 – March 31, 2023)

### (1) Result of Operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	708,072	23.8	7,681	25.6	7,768	(0.5)	10,576	219.8
FY2022	572,118	22.6	6,115	(21.4)	7,807	(1.9)	3,307	(19.2)

Note: Comprehensive income: FY2023: 11,367 million yen [-15.4%] FY2022: 13,441 million yen [10.7%]

	Earnings per share	Earnings per share fully diluted	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2023	118.26	–	11.9	2.5	1.1
FY2022	36.94	–	4.1	2.6	1.1

Reference: Equity in earnings of affiliates FY2023: 260 million yen FY2022: 709 million yen

### (2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	319,768	99,747	29.4	1,051.94
As of March 31, 2022	309,487	90,014	27.2	940.37

Reference: Shareholders' equity: As of March 31, 2023: 94,071 million yen As of March 31, 2022: 84,219 million yen

### (3) Cash Flows (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2023	47,743	(22,307)	(22,009)	10,331
FY2022	35,468	(35,547)	(3,451)	6,730

## 2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2022	–	0.00	–	10.00	10.00	895	27.1	1.1
FY2023	–	0.00	–	15.00	15.00	1,341	12.7	1.5
FY2024 (estimated)	–	9.00	–	9.00	18.00		–	

## 3. Forecast for the fiscal year ending March 2024 (Consolidated, April 1, 2023 - March 31, 2024)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	750,000	5.9	9,000	17.2	8,000	3.0	5,500	(48.0)	61.50

\* **Notes**

(1) Changes in significant subsidiaries

(Changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

Newly consolidated company: None

Excluded: None

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	End of FY2023:	89,580,827	shares	End of FY2022:	89,580,827	shares
(b) Treasury shares	End of FY2023:	154,055	shares	End of FY2022:	20,177	shares
(c) Average number of shares outstanding during the year	FY2023:	89,431,954	shares	FY2022:	89,552,774	shares

**[Reference] Non-consolidated Financial Results**

**1. Non-consolidated financial results for the fiscal year ended March 2023 (April 1, 2022 – March 31, 2023)**

(1) Result of Operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023	304,377	23.6	536	–	5,833	(8.3)	10,701	86.8
FY2022	246,339	6.0	(481)	–	6,358	128.7	5,730	112.1

	Earnings per share	Earnings per share fully diluted
	Yen	Yen
FY2023	119.66	–
FY2022	63.99	–

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	193,372	67,312	34.8	752.71
As of March 31, 2022	174,152	58,039	33.3	648.05

Reference: Shareholders' equity As of March 31, 2023: 67,312 million yen As of March 31, 2022: 58,039 million yen

\* This report is exempt from the audit procedure by certified public accountants or accounting firms.

\* Cautionary statement regarding forecasts of operating results and special notes

The forward-looking statements contained in this report are based on information currently available to management. As such, these estimates are subject to uncertainties. In addition, actual results may differ materially from those discussed in the forward-looking statement due to in changes in the economy, markets, stock prices and exchange rates.

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## 1. Results of Operations

### (1) Overview on consolidated business performance for the current fiscal year

During the fiscal year under review, the global economy experienced a moderate recovery in Japan, North America, China and Asia. However, with tight monetary measures continuing to be implemented worldwide, attention should be paid to the impacts of price increases, supply constraints and financial and capital market fluctuations, among other factors. The European economy showed signs of slowdown in recovery.

In the automobile industry, the main source of sales for the Futaba Group, the number of new vehicles sold increased year on year in Japan, North America, Europe, China, and Asia, despite a continued shortage in the supply of parts due to the COVID-19 pandemic and the Russo-Ukraine war.

In this situation, the Group has established “strengthening earnings capacity and working to increase free cash flow (FCF)” as medium-term management targets from FY2022 to FY2024. By further strengthening earnings capacity mainly through improvements in production efficiency and working to achieve robust increases in FCF, the Group will secure returns to shareholders and allocate funds for the repayment of interest-bearing debt and investment for future growth.

The Group has been emphasizing three value propositions of environment, reassurance and enriched lifestyles. The environment represents exhaust system parts that reduce negative impacts on the natural environment. Reassurance represents body/interior parts that protect people from danger and provide them with peace of mind. Enriched lifestyles represent products and services that increase quality of life. The Group will continue to provide value and increase information transmission to shareholders, investors and all stakeholders, including customers, employees and local communities.

Net sales increased 23.8% from the previous fiscal year to 708.0 billion yen. On the profit side, operating profit increased 25.6% year on year, to 7.6 billion yen due to positive factors such as higher sales in the parts business, while ordinary profit fell 0.5%, to 7.7 billion yen year on year. Profit attributable to owners of parent stood at 10.5 billion yen, a 219.8% increase from the year-ago level partly due to the posting of income taxes - deferred (profit).

Geographic segment performance was as follows.

#### 1) Japan

Net sales climbed 22.9% year on year to 305.3 billion yen, up 56.9 billion yen. Segment profit was up 1,495.6% to 3.0 billion yen.

#### 2) North America

Net sales climbed 51.6% year on year to 172.5 billion yen, up 58.7 billion yen. The segment loss was 0.7 billion yen (compared to a segment loss of 0.6 billion yen in the previous fiscal year).

#### 3) Europe

Net sales climbed 37.8% year on year to 68.3 billion yen, up 18.7 billion yen. Segment profit was up 36.8% to 0.9 billion yen.

#### 4) China

Net sales climbed 1.1% year on year to 102.2 billion yen, up 1 billion yen. Segment profit decreased 42.9% to 2.6 billion yen.

#### 5) Asia

Net sales decreased 4.6% year on year to 70.2 billion yen, down 3.3 billion yen. Segment profit was up 72.2% to 1.5 billion yen.

### (2) Analysis of financial condition

Total assets at the end of the fiscal year under review were 319.7 billion yen, an increase of 10.2 billion yen from the end of the previous fiscal year, mainly due to an increase in accounts receivable - trade. Total liabilities amounted to 220.0 billion yen, a 0.5 billion yen increase from the end of the previous fiscal year, mainly due to increases in accounts payable - trade. Net assets increased 9.7 billion yen from the end of the previous fiscal year to 99.7 billion yen due mainly to an increase in retained earnings.

### (3) Cash flows

Cash and cash equivalents of the Futaba Group increased 3.6 billion yen from the end of the previous fiscal year to 10.3 billion yen. The major components of cash flows were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities increased 12.2 billion yen (34.6%) to 47.7 billion yen. This was mainly due to an increase in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities decreased 13.2 billion yen (37.2%) to 22.3 billion yen. This was mainly due to a decrease in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities in the fiscal year under review was 22.0 billion yen (compared to net cash used of 3.4 billion yen in the previous fiscal year). This mainly reflected repayments of long-term borrowings.

#### (4) Outlook

Looking at the outlook for the fiscal year ending March 2024, the environment surrounding the Futaba Group is still uncertain but, by focusing on initiatives such as a review of the production system, improvement of production efficiency, promotion of cost improvement, a review of the supply chain, and reduction of logistics expenses, the Company forecasts net sales of 750 billion yen (an increase of 5.9% year on year), operating profit of 9 billion yen (a rise of 17.2% year on year), ordinary profit of 8 billion yen (up 3.0% year on year), and profit attributable to owners of parent of 5.5 billion yen (down 48.0% year on year). Starting from the next fiscal year, the Company's seven China-based consolidated subsidiaries, which have hitherto been settling accounts in December, will adopt a method of settling accounts provisionally on the closing date for consolidated results (March). Reflecting the change, the above forecasts have been calculated based on numbers for the period from April 1, 2023 to March 31, 2024.

## 2. Basic Position concerning Selection of Accounting Standards

Company manuals, guidelines and other materials are being revised to prepare for transition to IFRS. The timing of adoption of the IFRS standard is currently under consideration.

### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated balance sheet

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,734	10,335
Notes and accounts receivable - trade	89,219	100,906
Finished goods	6,166	7,095
Work in process	16,231	15,354
Raw materials and supplies	7,653	7,894
Other	9,360	10,605
<b>Total current assets</b>	<b>135,367</b>	<b>152,191</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	82,922	86,423
Accumulated depreciation	(49,343)	(52,953)
Buildings and structures, net	33,578	33,469
Machinery, equipment and vehicles	250,083	262,533
Accumulated depreciation	(189,638)	(200,464)
Machinery, equipment and vehicles, net	60,445	62,068
Tools, furniture and fixtures	86,500	99,080
Accumulated depreciation	(74,459)	(84,891)
Tools, furniture and fixtures, net	12,040	14,188
Land	14,537	14,618
Leased assets	17,850	17,975
Accumulated depreciation	(16,493)	(16,459)
Leased assets, net	1,357	1,515
Construction in progress	21,457	13,375
<b>Total property, plant and equipment</b>	<b>143,416</b>	<b>139,235</b>
<b>Intangible assets</b>		
Software	1,570	1,637
Other	22	22
<b>Total intangible assets</b>	<b>1,592</b>	<b>1,660</b>
<b>Investments and other assets</b>		
Investment securities	17,387	16,287
Long-term loans receivable	789	37
Retirement benefit asset	10,068	8,700
Deferred tax assets	1,127	1,226
Other	955	461
Allowance for doubtful accounts	(1,217)	(34)
<b>Total investments and other assets</b>	<b>29,111</b>	<b>26,680</b>
<b>Total non-current assets</b>	<b>174,120</b>	<b>167,576</b>
<b>Total assets</b>	<b>309,487</b>	<b>319,768</b>

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	73,832	96,153
Electronically recorded obligations - operating	4,150	5,699
Short-term borrowings	16,335	9,464
Current portion of long-term borrowings	25,920	7,581
Income taxes payable	773	984
Accrued consumption taxes	1,831	1,393
Provision for bonuses for directors (and other officers)	33	33
Accrued expenses	11,904	12,909
Current portion of bonds payable	—	6,000
Other	10,284	7,567
<b>Total current liabilities</b>	<b>145,067</b>	<b>147,787</b>
<b>Non-current liabilities</b>		
Bonds payable	12,000	6,000
Long-term borrowings	43,022	51,818
Deferred tax liabilities	9,246	3,117
Provision for product warranties	225	274
Retirement benefit liability	8,645	9,619
Other	1,267	1,403
<b>Total non-current liabilities</b>	<b>74,406</b>	<b>72,233</b>
<b>Total liabilities</b>	<b>219,473</b>	<b>220,021</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	16,820	16,820
Capital surplus	9,183	9,182
Retained earnings	38,961	48,641
Treasury shares	(14)	(62)
<b>Total shareholders' equity</b>	<b>64,950</b>	<b>74,581</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	7,982	7,500
Foreign currency translation adjustment	7,300	9,802
Remeasurements of defined benefit plans	3,986	2,187
<b>Total accumulated other comprehensive income</b>	<b>19,269</b>	<b>19,489</b>
<b>Non-controlling interests</b>	<b>5,794</b>	<b>5,675</b>
<b>Total net assets</b>	<b>90,014</b>	<b>99,747</b>
<b>Total liabilities and net assets</b>	<b>309,487</b>	<b>319,768</b>

## (2) Consolidated statements of income and comprehensive income

## Consolidated statement of income

(Million yen)

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 – Mar. 31, 2022)	Fiscal year ended March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)
Net sales	572,118	708,072
Cost of sales	543,009	675,058
Gross profit	29,108	33,013
Selling, general and administrative expenses	22,993	25,332
Operating profit	6,115	7,681
Non-operating income		
Interest income	91	209
Dividend income	312	405
Gain on sales of scraps	566	463
Share of profit of entities accounted for using equity method	709	260
Foreign exchange gains	736	-
Miscellaneous income	983	927
Total non-operating income	3,400	2,266
Non-operating expenses		
Interest expenses	830	1,402
Loss on abandonment of non-current assets	678	240
Foreign exchange losses	-	141
Miscellaneous loss	198	395
Total non-operating expenses	1,707	2,178
Ordinary profit	7,807	7,768
Extraordinary income		
Gain on liquidation of subsidiaries and associates	11	-
Gain on sales of investment securities	99	1,604
Total extraordinary income	110	1,604
Extraordinary losses		
Impairment loss	532	1,454
Investments in capital of subsidiaries and associates	1,122	-
Loss on valuation of investment securities	7	-
Total extraordinary losses	1,662	1,454
Profit before income taxes	6,255	7,917
Income taxes - current	1,839	2,068
Income taxes - deferred	198	(5,055)
Total income taxes	2,037	(2,987)
Profit	4,218	10,904
Profit attributable to non-controlling interests	910	328
Profit attributable to owners of parent	3,307	10,576



## Consolidated statement of comprehensive income

(Million yen)

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 – Mar. 31, 2022)	Fiscal year ended March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)
Profit	4,218	10,904
Other comprehensive income		
Valuation difference on available-for-sale securities	1,209	(483)
Foreign currency translation adjustment	6,183	2,579
Remeasurements of defined benefit plans, net of tax	1,388	(1,799)
Share of other comprehensive income of entities accounted for using equity method	441	165
Total other comprehensive income	9,223	462
Comprehensive income	13,441	11,367
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,620	10,796
Comprehensive income attributable to non- controlling interests	1,821	570

## (3) Consolidated statement of changes in equity

Previous fiscal year (Apr. 1, 2021 – Mar. 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,820	13,334	36,549	(19)	66,684
Changes during period					
Dividends of surplus			(895)		(895)
Profit attributable to owners of parent			3,307		3,307
Purchase of treasury shares				(30)	(30)
Disposal of treasury shares		(9)		35	26
Purchase of investments in capital of consolidated subsidiaries		(4,142)			(4,142)
Net changes in items other than shareholders' equity					
Total changes during period	–	(4,151)	2,411	5	(1,734)
Balance at end of period	16,820	9,183	38,961	(14)	64,950

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,771	1,587	2,597	10,956	9,574	87,216
Changes during period						
Dividends of surplus						(895)
Profit attributable to owners of parent						3,307
Purchase of treasury shares						(30)
Disposal of treasury shares						26
Purchase of investments in capital of consolidated subsidiaries						(4,142)
Net changes in items other than shareholders' equity	1,211	5,712	1,388	8,312	(3,779)	4,532
Total changes during period	1,211	5,712	1,388	8,312	(3,779)	2,798
Balance at end of period	7,982	7,300	3,986	19,269	5,794	90,014

Current fiscal year (Apr. 1, 2022 – Mar. 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,820	9,183	38,961	(14)	64,950
Changes during period					
Dividends of surplus			(895)		(895)
Profit attributable to owners of parent			10,576		10,576
Purchase of treasury shares				(70)	(70)
Disposal of treasury shares		(1)		22	21
Purchase of investments in capital of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(1)	9,680	(48)	9,631
Balance at end of period	16,820	9,182	48,641	(62)	74,581

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,982	7,300	3,986	19,269	5,794	90,014
Changes during period						
Dividends of surplus						(895)
Profit attributable to owners of parent						10,576
Purchase of treasury shares						(70)
Disposal of treasury shares						21
Purchase of investments in capital of consolidated subsidiaries						-
Net changes in items other than shareholders' equity	(481)	2,501	(1,799)	220	(119)	101
Total changes during period	(481)	2,501	(1,799)	220	(119)	9,732
Balance at end of period	7,500	9,802	2,187	19,489	5,675	99,747

## (4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended March 31, 2022 (Apr. 1, 2021 – Mar. 31, 2022)	Fiscal year ended March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	6,255	7,917
Depreciation	24,478	29,672
Impairment loss	532	1,454
Increase (decrease) in allowance for doubtful accounts	6	–
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	0
Increase (decrease) in provision for product warranties	7	49
Interest and dividend income	(403)	(614)
Interest expenses	830	1,402
Loss on abandonment of property, plant and equipment	677	222
Share of loss (profit) of entities accounted for using equity method	(709)	(260)
Loss (gain) on sale of investment securities	(99)	(1,607)
Loss (gain) on sales of investments in capital of subsidiaries and associates	1,122	–
Decrease (increase) in trade receivables	3,579	(8,664)
Decrease (increase) in inventories	(319)	772
Increase (decrease) in trade payables	3,481	21,188
Increase (decrease) in accrued consumption taxes	(895)	(455)
Other	(513)	(362)
Subtotal	38,023	50,716
Interest and dividends received	1,272	672
Interest paid	(820)	(1,342)
Income taxes (paid) refund	(3,007)	(2,303)
Net cash provided by (used in) operating activities	35,468	47,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(34,622)	(24,179)
Proceeds from sales of property, plant and equipment	246	81
Purchase of intangible assets	(1,100)	(621)
Proceeds from sales and redemption of investment securities	135	2,400
Payments for sales of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	(231)	–
Other	25	12
Net cash provided by (used in) investing activities	(35,547)	(22,307)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,553	(7,468)
Proceeds from long-term borrowings	21,452	15,064
Repayments of long-term borrowings	(15,249)	(26,892)
Repayments of lease obligations	(458)	(766)
Dividends paid	(895)	(895)
Dividends paid to non-controlling interests	(429)	(980)
Purchase of investments in capital of subsidiaries and associates not resulting in change in scope of consolidation	(9,393)	–
Other	(30)	(70)
Net cash provided by (used in) financing activities	(3,451)	(22,009)
Effect of exchange rate change on cash and cash equivalents	738	174
Net increase (decrease) in cash and cash equivalents	(2,791)	3,600
Cash and cash equivalents at beginning of period	9,522	6,730
Cash and cash equivalents at end of period	6,730	10,331

(5) Notes to the consolidated financial statements

(Notes to going concern assumptions)

None

(Segment information)

1. Overview of reportable segment information

The reportable segments are the constituent units of Futaba for which separate financial information can be obtained and for which the Board of Directors performs periodic examinations to determine the allocation of resources and to assess results of operations.

Futaba is engaged primarily in the manufacture and sale of parts for automobiles and other motor vehicles. Futaba and subsidiaries perform operations in Japan and subsidiaries in North America, Europe, China and Asia perform operations outside Japan. Each overseas subsidiary is managed separately and conducts operations for products based on a comprehensive strategy for its respective region.

Consequently, Futaba consists of geographic segments that include manufacturing and sales operations. There are five reportable segments: Japan, North America, Europe, China and Asia. Each reportable segment is engaged in the manufacture and sale of parts for automobiles and other motor vehicles.

2. Method for determining sales, profit or loss, assets, liabilities and other items for reportable segments

The accounting method for reportable segments is generally the same as the accounting policies adopted for preparation of the consolidated financial statements. Intersegment revenue and transfers are based on prevailing market prices.

3. Reportable segment sales, profit or loss, assets, liabilities and other information

Previous fiscal year (Apr. 1, 2021– Mar. 31, 2022)

(Million yen)

	Reportable segments						Adjustments (Notes)	Total
	Japan	North America	Europe	China	Asia	Total		
Net sales								
Of which to outside customers	234,125	113,774	49,595	100,996	73,626	572,118	–	572,118
Of which inter- segment and transfers	14,248	–	–	188	5	14,442	(14,442)	–
Total	248,373	113,774	49,595	101,185	73,631	586,560	(14,442)	572,118
Segment profit (loss)	191	(675)	712	4,600	872	5,701	414	6,115
Segment assets	167,307	86,303	25,464	41,623	19,102	339,802	(30,314)	309,487
Other								
Depreciation	14,295	4,824	1,261	3,539	731	24,653	(175)	24,478

Notes

1. Adjustments are as follows.

- (1) The segment profit adjustment of 414 million yen is for the elimination of intersegment transactions.
- (2) The segment assets adjustment of negative 30,314 million yen includes a 12,990 million yen addition for corporate assets and a 43,305 million yen deduction for netting out amounts receivable and payable. Corporate assets are primarily funds (cash, deposits and investment securities) at the parent company.

2. Segment profit is adjusted to match the operating profit in the consolidated statements of income.

Current fiscal year (Apr. 1, 2022 – Mar. 31, 2023)

(Million yen)

	Reportable segments						Adjustments (Notes)	Total
	Japan	North America	Europe	China	Asia	Total		
Net sales								
Of which to outside customers	295,015	172,378	68,331	102,111	70,236	708,072	–	708,072
Of which inter- segment and transfers	10,333	153	0	169	2	10,659	(10,659)	–
Total	305,348	172,532	68,331	102,281	70,238	718,732	(10,659)	708,072
Segment profit (loss)	3,056	(739)	975	2,626	1,502	7,421	259	7,681
Segment assets	179,302	92,021	24,640	36,639	21,676	354,281	(34,512)	319,768
Other								
Depreciation	16,994	6,609	1,478	4,034	735	29,853	(180)	29,672

Notes

1. Adjustments are as follows.

- (1) The segment profit adjustment of 259 million yen is for the elimination of intersegment transactions.
- (2) The segment assets adjustment of negative 34,512 million yen includes a 14,579 million yen addition for corporate assets and a 49,092 million yen deduction for netting out amounts receivable and payable. Corporate assets are primarily funds (cash, deposits and investment securities) at the parent company.

2. Segment profit is adjusted to match the operating profit in the consolidated statements of income.

(Per-share information)

(Yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share	940.37	1,051.94
Earnings per share	36.94	118.26

Notes: 1. Diluted earnings per share is not shown because there were no common share equivalents.

2. The basis for computing the earnings per share is as follows.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent (million yen)	3,307	10,576
Profit not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent available to common shares (million yen)	3,307	10,576
Average number of shares outstanding during the year (1,000 shares)	89,552	89,431

3. The basis for calculating net assets per share is as follows.

	As of March 31, 2022	As of March 31, 2023
Net assets (million yen)	90,014	99,747
Deduction from net assets (million yen)	5,794	5,675
Of which amount for non-controlling interests (million yen)	(5,794)	(5,675)
Net assets for common shares at end of period (million yen)	84,219	94,071
Common shares at end of period for calculating net assets per share (1,000 shares)	89,560	89,426

(Significant subsequent events)

None

#### 4. Changes in Officers

(1) Change in Director

1) Candidate for new Director

Director and Operating Officer                      Toshio Yokota (currently Operating Officer)

2) Retiring Directors

Takayuki Yoshida (currently Director)

(2) Change in Audit & Supervisory Board Member

1) Candidate for new Audit & Supervisory Board Member

Audit & Supervisory Board Member                      Keiichi Toriyama (currently Executive Senior Coordinator, Futaba Czech s.r.o)

2) Retiring Audit & Supervisory Board Member

Ryusuke Itakura (currently Outside Audit & Supervisory Board Member)

(3) Change in Substitute Audit & Supervisory Board Member

1) Candidate for new Substitute Audit & Supervisory Board Member

Substitute Audit & Supervisory Board Member      Nobuya Yazaki (currently Lawyer, HINOKI Law Office)

(4) Planned date of changes

June 22, 2023



## Supplementary data for the fiscal year ended March 2023

### Consolidated

#### 1. Financial results for the fiscal year under review

(Million yen, rounded down)

	The fiscal year under review (From April 2022 to March 2023)		The previous fiscal year (From April 2021 to March 2022)		Change	Change (%)
Net sales	(100.0%)	708,072	(100.0%)	572,118	135,954	23.8%
Operating profit	(1.1%)	7,681	(1.1%)	6,115	1,565	25.6%
Ordinary profit	(1.1%)	7,768	(1.4%)	7,807	-39	-0.5%
Profit attributable to owners of parent	(1.5%)	10,576	(0.6%)	3,307	7,268	219.8%
Earnings per share		118.26 yen		36.94 yen		
Capital expenditures (Completion basis)		31,293		37,010	-5,716	-15.4%
Depreciation		29,672		24,478	5,194	21.2%
Foreign exchange rate (USD/Yen)		135.5 yen		112.4 yen		
Number of consolidated companies		21		21		

(Note) Figures in parentheses indicate the net sales ratio.

#### 2. Factors for increase/decrease in operating profit (year-on-year comparison)

(Billion yen)

Factors for profit increase	Amount	Factors for profit decrease	Amount
Changes in product mix, etc.	3.5	Increase in depreciation	5.2
Rationalization enhancement	2.9	Price fluctuations	2.3
Increase in profit due to higher sales in the Automotive Parts Business	2.8	Surges in materials costs, labor costs and logistics costs	1.7
Increase in profit outside the Automotive Parts Business	1.6		
Total	10.8	Total	9.2
Net balance		Increase in operating profit 1.6	

#### 3. Financial results by segment

(Million yen, rounded down)

		The fiscal year under review (From April 2022 to March 2023)		The previous fiscal year (From April 2021 to March 2022)		Change	Change (%)
			Profit margin		Profit margin		
Japan	Net sales	305,348		248,373		56,975	22.9%
	Operating profit	3,056	1.0%	191	0.1%	2,865	-
North America	Net sales	172,532		113,774		58,757	51.6%
	Operating profit	-739	-0.4%	-675	-0.6%	-64	-
Europe	Net sales	68,331		49,595		18,735	37.8%
	Operating profit	975	1.4%	712	1.4%	262	36.8%
China	Net sales	102,281		101,185		1,095	1.1%
	Operating profit	2,626	2.6%	4,600	4.5%	-1,973	-42.9%
Asia	Net sales	70,238		73,631		-3,392	-4.6%
	Operating profit	1,502	2.1%	872	1.2%	629	72.2%
Elimination	Net sales	-10,659		-14,442		3,783	
	Operating profit	259		414		-154	
Total	Net sales	708,072		572,118		135,954	23.8%
	Operating profit	7,681	1.1%	6,115	1.1%	1,565	25.6%

#### 4. Consolidated full-year financial results forecast

(Million yen, rounded down)

	FY3/2024 (From April 2023 to March 2024)	Results as compared to the previous year	
		Change	Change (%)
Net sales	(100.0%) 750,000	41,927	5.9%
Operating profit	(1.2%) 9,000	1,318	17.2%
Ordinary profit	(1.1%) 8,000	231	3.0%
Profit attributable to owners of parent	(0.7%) 5,500	-5,076	-48.0%
Earnings per share	61.50 yen		
Capital expenditures (Inspection basis)	27,000	2,198	8.9%
Depreciation	30,000	327	1.1%
Foreign exchange rate (USD/Yen)	130.0 yen		

(Note) Figures in parentheses indicate the net sales ratio.

### Non-consolidated

#### 1. Financial results for the fiscal year under review

(Million yen, rounded down)

	The fiscal year under review (From April 2022 to March 2023)		The previous fiscal year (From April 2021 to March 2022)		Change	Change (%)
Net sales	(100.0%)	304,377	(100.0%)	246,339	58,037	23.6%
Operating profit	(0.2%)	536	(-0.2%)	-481	1,018	-
Ordinary profit	(1.9%)	5,833	(2.6%)	6,358	-524	-8.3%
Profit	(3.5%)	10,701	(2.3%)	5,730	4,971	86.8%
Capital expenditures (Completion basis)		16,474		16,287	187	1.2%
Depreciation		15,052		12,985	2,067	15.9%

(Note) Figures in parentheses indicate the net sales ratio.

## Supplementary data for the fiscal year ended March 2023 (excluding parts supplied by customers)

### Consolidated

#### 1. Financial results for the fiscal year under review

(Million yen, rounded down)

	The fiscal year under review (From April 2022 to March 2023)		The previous fiscal year (From April 2021 to March 2022)		Change	Change (%)
Net sales (excluding parts supplied by customers)	(100.0%)	397,225	(100.0%)	329,866	* 67,359	20.4%
Operating profit	(1.9%)	7,681	(1.9%)	6,115	1,565	25.6%
Ordinary profit	(2.0%)	7,768	(2.4%)	7,807	-39	-0.5%
Profit attributable to owners of parent	(2.7%)	10,576	(1.0%)	3,307	7,268	219.8%
Earnings per share		118.26 yen		36.94 yen		
Capital expenditures (Completion basis)		31,293		37,010	-5,716	-15.4%
Depreciation		29,672		24,478	5,194	21.2%
Foreign exchange rate (USD/Yen)		135.5 yen		112.4 yen		
Number of consolidated companies		21		21		

(Note) Figures in parentheses indicate the net sales ratio.

\* Net sales in real terms, excluding fluctuations in materials quoted prices and foreign exchange, decreased 3.4 billion yen compared to the same period of the previous fiscal year (down 1.0%).

#### 2. Factors for increase/decrease in operating profit (year-on-year comparison)

(Billion yen)

Factors for profit increase	Amount	Factors for profit decrease	Amount
Changes in product mix, etc.	3.5	Increase in depreciation	5.2
Rationalization enhancement	2.9	Price fluctuations	2.3
Increase in profit due to higher sales in the Automotive Parts Business	2.8	Surges in materials costs, labor costs and logistics costs	1.7
Increase in profit outside the Automotive Parts Business	1.6		
<b>Total</b>	<b>10.8</b>	<b>Total</b>	<b>9.2</b>
Net balance		Increase in operating profit	
			1.6

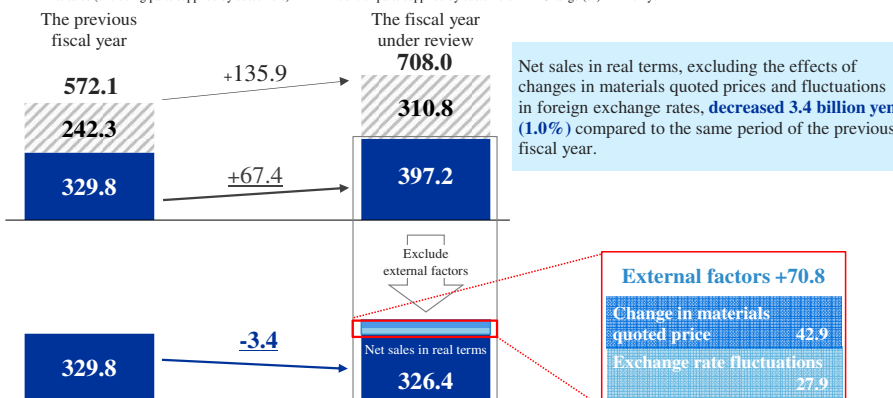
#### 3. Financial results by segment

(Million yen, rounded down)

		The fiscal year under review (From April 2022 to March 2023)		The previous fiscal year (From April 2021 to March 2022)		Change	Change (%)
			Profit margin		Profit margin		
Japan	Net sales	191,772		162,263		29,508	18.2%
	Operating profit	3,056	1.6%	191	0.1%	2,865	-
North America	Net sales	94,000		67,087		26,912	40.1%
	Operating profit	-739	-0.8%	-675	-1.0%	-64	-
Europe	Net sales	33,263		28,523		4,739	16.6%
	Operating profit	975	2.9%	712	2.5%	262	36.8%
China	Net sales	72,640		73,174		-534	-0.7%
	Operating profit	2,626	3.6%	4,600	6.3%	-1,973	-42.9%
Asia	Net sales	16,208		13,259		2,949	22.2%
	Operating profit	1,502	9.3%	872	6.6%	629	72.2%
Elimination	Net sales	-10,659		-14,442		3,783	
	Operating profit	259		414		-154	
Total	Net sales	397,225		329,866		67,359	20.4%
	Operating profit	7,681	1.9%	6,115	1.9%	1,565	25.6%

#### \* Supplementary explanations regarding year-on-year change in net sales

■ Net sales (excluding parts supplied by customers) ▨ Amount of parts supplied by customers <> Change (%) Billion yen



Net sales in real terms, excluding the effects of changes in materials quoted prices and fluctuations in foreign exchange rates, decreased 3.4 billion yen (1.0%) compared to the same period of the previous fiscal year.

**- Meaning of the term "parts supplied by customers"**  
Catalysts and other parts supplied for value by customers  
Sales prices of products, including parts supplied by customers, include values of parts supplied by customers and have no impact on profits.

**- Meaning of the term "changes in materials quoted prices"**  
It means that, due to changes in market conditions, unit purchase prices of materials and materials costs, which are components of sales prices, fluctuate by the same amount.  
There is no impact on profits because sales and costs fluctuate by the same amount.