



May 14, 2021

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japan GAAP]

Listed company: Fukoku Co., Ltd. Listing: Tokyo Stock Exchange
 Code: 5185 URL: <https://www.fukoku-rubber.co.jp/>
 Representative: Takashi Ogawa, President & Representative Director
 Contact: Norio Nakatsugawa, General Manager of Finance Department (Tel.) +81-48-615-4400
 Scheduled date of annual general meeting of shareholders: June 29, 2021
 Scheduled date of dividend payment: June 30, 2021
 Scheduled date of filing of annual securities report: June 29, 2021
 Supplementary documents for financial results: Yes
 Results briefing: Yes (for institutional investors and securities analysts)

(Figures rounded down to the nearest million yen)

1. Consolidated results for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Consolidated operating results (Percentages are year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended								
March 31, 2021	63,214	-15.5	693	-21.1	1,435	46.6	1,254	305.7
March 31, 2020	74,839	-4.0	878	-55.7	979	-53.5	309	—

(Note) Comprehensive income Year ended March 31, 2021: ¥622 million (88.6%)

Year ended March 31, 2020: ¥329 million (—%)

	Net earnings per share (EPS)	Diluted earnings per share	Return on equity (ROE)	Ordinary income to total assets ratio	Operating income to net sales
	Yen	Yen	%	%	%
Year ended					
March 31, 2021	75.69	—	4.2	2.2	1.1
March 31, 2020	18.67	—	1.0	1.5	1.2

(Reference) Equity in earnings of affiliates Year ended March 31, 2021: ¥29 million Year ended March 31, 2020: ¥45 million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2021	63,817	32,321	47.1	1,814.33
March 31, 2020	65,246	31,941	45.2	1,780.73

(Reference) Shareholders' equity As of March 31, 2021: ¥30,085 million As of March 31, 2020: ¥29,494 million

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended				
March 31, 2021	4,754	-4,026	-859	8,668
March 31, 2020	4,389	-6,451	1,274	8,877

2. Dividends

	Dividend per share					Dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	—	10.00	—	10.00	20.00	331	107.1	1.1
March 31, 2021	—	0.00	—	22.00	22.00	364	29.1	1.2
Year ending March 31, 2022 (forecast)	—	20.00	—	20.00	40.00		30.1	

3. Consolidated results forecasts for the fiscal year ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net earnings per share (EPS)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	34,000	—	1,500	—	1,600	—	1,100	—	66.34
Full year	70,000	—	3,370	—	3,500	—	2,200	—	132.67

(Note) FUKOKU has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) with the implementation guidance at the beginning of the fiscal year ending March 31, 2022, and the consolidated results forecasts above are prepared under the accounting standard. No year-on-year changes are thus stated.

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatements

- (i) Changes in accounting policies due to revisions to accounting standards, etc.: No
(ii) Changes in accounting policies other than (i): No
(iii) Changes in accounting estimates: No
(iv) Restatements: No

(3) Number of common shares issued

- (i) Number of common shares outstanding (including treasury shares)
As of March 31, 2021 17,609,130 shares As of March 31, 2020 17,609,130 shares
(ii) Number of treasury shares
As of March 31, 2021 1,026,754 shares As of March 31, 2020 1,046,214 shares
(iii) Average number of common shares outstanding during period
Year ended March 31, 2021 16,575,889 shares Year ended March 31, 2020 16,562,945 shares

(Reference) Overview of non-consolidated results

1. Non-consolidated results in the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Non-consolidated operating results (Percentages are year-on-year changes.)

Year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	30,154	-15.0	-564	-	1,693	71.7	1,452	91.2
March 31, 2020	35,494	-4.0	-976	-	986	90.4	759	-

Year ended	Net earnings per share (EPS)		Diluted earnings per share	
	Yen		Yen	
March 31, 2021	87.61		-	
March 31, 2020	45.86		-	

(2) Non-consolidated financial position

As of	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	34,118	19,337	56.7	1,166.14
March 31, 2020	34,410	17,985	52.3	1,085.87

(Reference) Shareholders' equity As of March 31, 2021: ¥19,337 million As of March 31, 2020: ¥17,985 million

*This document is an English translation of a statement initially written in Japanese. The Original Japanese document should be considered as the primary version.

* This summary of consolidated financial results is not required to be audited by a certified public accountant or audit corporation.

* Cautionary statement about forward-looking statements

The results forecasts and other forward-looking statements contained in this document are based on information currently available to FUKOKU and certain assumptions that FUKOKU deems reasonable. FUKOKU does not promise to achieve them. Actual results may differ significantly from the forward-looking statements due to a range of factors. For the assumptions for the forecasts and notes on the use of the forecasts, please refer to 1. Overview of Operating Results, Etc., (4) Outlook on page 5 of the accompanying materials.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results in Fiscal Year under Review

In the fiscal year under review, the global economy declined significantly due to the COVID-19 pandemic. Economies recovered relatively steadily in certain regions, including China, but overall, uncertainty remained.

In the automotive industry, where FUKOKU Group has major customers, production dropped significantly due to COVID-19. From the latter half of last year, however, orders recovered, reflecting a recovery in auto sales in the United States and China.

Although orders at FUKOKU Group are recovering in this environment, orders fell significantly in the first half of 2020 due to COVID-19, and consolidated net sales decreased 15.5% year on year, to ¥63,214 million. In response to the substantial decline in orders, FUKOKU undertook a wide range of improvement activities to lower break-even sales, including streamlining manufacturing processes, using multi-skilled workers, enhancing efficiency in indirect operations and optimizing staff distribution. As a result, profitability definitely improved, and FUKOKU returned to profitability. Operating income fell 21.1% year on year, to ¥693 million. Ordinary income rose 46.6%, to ¥1,435 million. Profit attributable to owners of parent increased 305.7%, to ¥1,254 million.

Results for each business segment are described below.

Functional Parts Business

Although orders are recovering steadily in Japan and overseas, net sales decreased 12.1% year on year, to ¥28,062 million due to a significant fall in orders caused by COVID-19 in the first half of 2020. Segment income rose 68.5% year on year, to ¥2,541 million, reflecting structural reform, including the rationalization of production and cost cutting.

Anti-Vibration Parts Business

Although orders are recovering, net sales declined 19.0% year on year, to ¥23,789 million due to a substantial decrease in the first half of 2020 and a delayed recovery in orders for certain products. Despite structural reforms, including the rationalization of production and cost cutting, segment income dropped 48.7% year on year, to ¥1,109 million, reflecting the decrease in net sales.

Metal Business

Net sales fell 22.7% year on year, to ¥5,484 million, reflecting a delayed recovery in orders, which declined due to COVID-19. Due to a delay in structural reforms, including the rationalization of production and cost cutting, a segment loss of ¥563 million was posted (a loss of ¥171 million in the previous fiscal year).

Hose Business

Although orders are recovering, net sales fell 8.7% year on year, to ¥3,521 million because of a substantial decrease in orders due to COVID-19 in the first half of 2020. Due to the fall in net sales, a segment loss of ¥155 million was posted (a loss of ¥81 million in the previous fiscal year).

Industrial Equipment Business

Although orders are on a recovery trend, net sales decreased 10.8% year on year, to ¥2,918 million due to a significant fall in orders caused by COVID-19 in the first half of 2020. Despite structural reform, including the rationalization of production and cost cutting, segment income fell 6.6% year on year, to ¥272 million, reflecting the decrease in net sales.

(2) Overview of Financial Position in Fiscal Year under Review

Assets, liabilities and net assets

(Assets)

Total assets decreased ¥1,428 million from the end of the previous fiscal year, to ¥63,817 million, chiefly due to a fall of ¥104 million in current assets caused mainly by a decrease in cash and deposits and a decline of ¥1,324 million in fixed assets primarily due to a decrease in property, plant and equipment as a result of a reduction in capital investment.

(Liabilities)

Liabilities decreased ¥1,808 million from the end of the previous fiscal year, to ¥31,496 million mainly due to a fall of ¥1,441 million in current liabilities attributable chiefly to a reduction in electronically recorded obligations - operating.

(Net assets)

Net assets increased ¥380 million from the end of the previous fiscal year, to ¥32,321 million.

The main factors were an increase of ¥1,088 million in retained earnings and a decrease of ¥562 million in foreign currency translation adjustment.

(3) Overview of Cash Flows in Fiscal Year under Review

Cash and cash equivalents (“Cash”) at the end of the fiscal year under review decreased ¥208 million from the end of the previous fiscal year, to ¥8,668 million.

The status of each cash flow segment and contributing factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥4,754 million (¥4,389 million in the previous fiscal year), reflecting cash inflows, including depreciation of ¥4,344 million and income before income taxes of ¥1,417 million.

(Cash flows from investing activities)

Net cash used in investing activities stood at ¥4,026 million (¥6,451 million in the previous fiscal year). The main factor was purchase of property, plant and equipment of ¥4,325 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥859 million (net cash provided of ¥1,274 million in the previous fiscal year), chiefly reflecting repayments of borrowings, which were ¥585 million more than proceeds.

(4) Outlook

FUKOKU expects that the COVID-19 pandemic and supply shortages of raw materials and semiconductors will continue to have significant effects on the economy. However, the domestic economy and overseas economies are on a recovery trend, and in the automotive industry, orders are expected to continue to recover. In this environment, FUKOKU Group is continuing to develop new technologies and new products, including those responding to CASE (connected, autonomous, shared and electric), enhance manufacturing capabilities, cut costs and review management systems. FUKOKU Group is thereby lowering break-even sales and is improving the structure to make profits. The Metal Business is working to enhance profitability, supported by FUKOKU and improving its production systems.

For the consolidated fiscal year ending March 31, 2022, FUKOKU Group forecasts that it will post net sales of ¥70.0 billion, operating income of ¥3,370 million, ordinary income of ¥3,500 million, and a profit attributable to owners of parent of ¥2,200 million.

(5) Basic Policy for Profit Distribution and Dividends for Fiscal Year Ended March 2021 and Fiscal Year Ending March 2022

FUKOKU views returning profits to the shareholders as a management priority. Its basic policy is maintaining stable dividends and returning profits to shareholders according to results, while considering retained earnings based on future business development and business characteristics. Under the policy, FUKOKU has set the consolidated payout ratio target at 30% and set the lower limit of annual dividends per share at ¥20 (interim dividends of ¥10 per share and year-end dividends of ¥10 per share).

As announced on May 12, 2021 in the notice on revisions to the full-year consolidated results forecast and the dividend forecast, FUKOKU will pay a dividend of ¥22 per share for the fiscal year under review.

In the next fiscal year, FUKOKU plans to pay an annual dividend of ¥40 per share. The consolidated payout ratio will be around 30%.

2. Basic Policy for the Selection of Accounting Standards

FUKOKU Group will prepare its consolidated financial statements under Japanese standards for the foreseeable future, taking into account the comparability of the terms of consolidated financial statements and the comparability among companies.

FUKOKU Group will decide whether to adopt international accounting standards, taking domestic and overseas circumstances into consideration.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (As of March 31, 2020)	Fiscal year under review (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	9,314	8,992
Notes and accounts receivable - trade	15,181	15,886
Electronically recorded monetary claims - operating	3,038	2,827
Merchandise and finished goods	4,046	3,990
Work in process	1,188	1,060
Raw materials and supplies	2,451	2,200
Other	1,113	1,299
Allowance for doubtful accounts	-11	-37
Total current assets	36,323	36,218
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	7,597	7,235
Machinery, equipment and vehicles, net	10,876	10,040
Tools, furniture and fixtures, net	939	910
Land	5,694	5,806
Leased assets, net	58	43
Construction in progress	1,411	1,146
Total property, plant and equipment	26,577	25,184
Intangible assets		
Other	842	784
Total intangible assets	842	784
Investments and other assets		
Investment securities	675	745
Long-term prepaid expenses	7	0
Retirement benefit asset	193	190
Deferred tax assets	350	471
Other	289	234
Allowance for doubtful accounts	-13	-13
Total investments and other assets	1,502	1,629
Total fixed assets	28,923	27,599
Total assets	65,246	63,817

(Million yen)

	Previous fiscal year (March 31, 2020)	Fiscal year under review (March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,610	4,460
Electronically recorded obligations - operating	5,366	4,733
Short-term borrowings	6,896	6,427
Current portion of long-term borrowings	2,145	2,323
Income taxes payable	181	209
Provision for bonuses	738	798
Notes payable - facilities	761	247
Other	4,012	4,070
Total current liabilities	24,712	23,270
Non-current liabilities		
Long-term borrowings	3,850	3,338
Deferred tax liabilities	431	506
Retirement benefit liability	2,241	2,296
Provision for retirement benefits for directors (and other officers)	126	144
Other	1,943	1,940
Total non-current liabilities	8,593	8,225
Total liabilities	33,305	31,496
Net assets		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,576	1,571
Retained earnings	27,226	28,315
Treasury shares	-951	-933
Total shareholders' equity	29,246	30,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	58	109
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	188	-374
Total accumulated other comprehensive income	247	-262
Non-controlling interests	2,447	2,235
Total net assets	31,941	32,321
Total liabilities and net assets	65,246	63,817

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

(Million yen)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Fiscal year under review (April 1, 2020 to March 31, 2021)
Net sales	74,839	63,214
Cost of sales	63,851	53,795
Gross profit	10,988	9,418
Selling, general and administrative expenses		
Salaries	3,797	3,262
Freight costs	2,015	1,816
Depreciation	238	219
Provision for retirement benefits for directors (and other officers)	26	22
Retirement benefit expenses	107	109
Provision for bonuses	178	196
Provision of allowance for doubtful accounts	13	—
Other	3,733	3,097
Total selling, general and administrative expenses	10,110	8,725
Operating income	878	693
Non-operating income		
Interest income	71	37
Dividend income	19	74
Royalty income	20	27
Share of profit of entities accounted for using equity method	45	29
Surrender value of insurance policies	41	36
Gain on sale of fixed assets	44	48
Subsidies for employment adjustment	—	460
Other	153	184
Total non-operating income	396	899
Non-operating expenses		
Interest expenses	159	108
Foreign exchange losses	93	9
Loss on retirement of fixed assets	20	29
Other	21	9
Total non-operating expenses	295	156
Ordinary income	979	1,435
Extraordinary income		
Reversal of provision for retirement benefits for directors (and other officers)	258	—
Other	1	—
Total extraordinary income	259	—
Extraordinary losses		
Loss on valuation of investment securities	14	17
Impairment losses	672	—
Total extraordinary losses	686	17
Income before income taxes	551	1,417
Income taxes - current	454	375
Income taxes - deferred	-350	-144
Total income taxes	103	230
Net income	447	1,187
Profit (loss) attributable to non-controlling interests	138	-67
Profit attributable to owners of parent	309	1,254

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Fiscal year under review (April 1, 2020 to March 31, 2021)
Net income	447	1,187
Other comprehensive income		
Valuation difference on available-for-sale securities	-62	51
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	-44	-621
Share of other comprehensive income of entities accounted for using equity method	-11	5
Total other comprehensive income	-118	-564
Comprehensive income	329	622
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	190	744
Comprehensive income attributable to non-controlling interests	139	-122

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,395	1,576	27,248	-951	29,268
Changes during period					
Dividends of surplus			-331		-331
Profit attributable to owners of parent			309		309
Purchase of treasury shares		0		-0	-0
Net changes in items other than shareholders' equity					
Total changes during period		0	-22	-0	-22
Balance at end of period	1,395	1,576	27,226	-951	29,246

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment		
Balance at beginning of period	120	-0	245	2,402	32,036
Changes during period					
Dividends of surplus					-331
Profit attributable to owners of parent					309
Purchase of treasury shares					-0
Net changes in items other than shareholders' equity	-62	0	-57	44	-73
Total changes during period	-62	0	-57	44	-95
Balance at end of period	58	0	188	2,447	31,941

Fiscal year under review (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,395	1,576	27,226	-951	29,246
Changes during period					
Dividends of surplus			-165		-165
Profit attributable to owners of parent			1,254		1,254
Disposal of treasury shares		-4		17	13
Net changes in items other than shareholders' equity					
Total changes during period		-4	1,088	17	1,101
Balance at end of period	1,395	1,571	28,315	-933	30,348

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment		
Balance at beginning of period	58	0	188	2,447	31,941
Changes during period					
Dividends of surplus					-165
Profit attributable to owners of parent					1,254
Disposal of treasury shares					13
Net changes in items other than shareholders' equity	51	0	-562	-211	-721
Total changes during period	51	0	-562	-211	380
Balance at end of period	109	1	-374	2,235	32,321

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Fiscal year under review (April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Income before income taxes	551	1,417
Depreciation	4,849	4,344
Impairment losses	672	—
Increase (decrease) in allowance for doubtful accounts	14	24
Increase (decrease) in provision for bonuses	5	59
Increase (decrease) in retirement benefit liability	120	74
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-700	15
Interest and dividend income	-91	-112
Interest expenses	159	108
Share of loss (profit) of entities accounted for using equity method	-45	-29
Foreign exchange losses (gains)	0	7
Loss (gain) on sale of property, plant and equipment	-39	-48
Loss on retirement of property, plant and equipment	20	29
Loss (gain) on valuation of investment securities	14	17
Decrease (increase) in trade receivables	1,246	-633
Decrease (increase) in inventories	-177	297
Increase (decrease) in trade payables	-2,158	-663
Decrease (increase) in other assets	16	-63
Increase (decrease) in other liabilities	387	240
Other, net	206	145
Subtotal	5,052	5,234
Interest and dividends received	95	129
Interest paid	-162	-107
Income taxes refund (paid)	-596	-501
Net cash provided by (used in) operating activities	4,389	4,754

(Million yen)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Fiscal year under review (April 1, 2020 to March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	-124	-0
Proceeds from withdrawal of time deposits	75	96
Purchase of long-term prepaid expenses	-16	-0
Purchase of property, plant and equipment	-6,419	-4,325
Proceeds from sale of property, plant and equipment	153	224
Purchase of intangible assets	-93	-63
Purchase of investment securities	-2	-2
Other, net	-24	44
Net cash provided by (used in) investing activities	-6,451	-4,026
Cash flows from financing activities		
Proceeds from short-term borrowings	848	810
Repayments of short-term borrowings	-272	-1,087
Proceeds from long-term borrowings	3,100	2,240
Repayments of long-term borrowings	-1,953	-2,549
Repayments of lease obligations	-25	-19
Purchase of treasury shares	-0	-
Dividends paid	-331	-165
Dividends paid to non-controlling interests	-91	-88
Net cash provided by (used in) financing activities	1,274	-859
Effect of exchange rate change on cash and cash equivalents	-124	-77
Net increase (decrease) in cash and cash equivalents	-912	-208
Cash and cash equivalents at beginning of period	9,789	8,877
Cash and cash equivalents at end of period	8,877	8,668

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Additional information)

(Accounting estimates on the impact of COVID-19)

FUKOKU Group assumes that the impact of COVID-19 will persist into the next fiscal year. Nevertheless, FUKOKU Group assumes that in the automotive industry, orders will continue to recover, reflecting a recovery in the domestic economy and overseas economies. Based on the assumptions above, FUKOKU Group has made accounting estimates about the impairment of fixed assets and the recoverability of deferred tax assets. Actual results may be different from the estimates and assumptions above.

(Segment information, etc.)

Segment information

1. Overview of reportable segments

(1) Determination of reportable segments

The reportable segments of FUKOKU are the units for which separate financial information can be obtained among the constituent units of FUKOKU and for which the Board of Directors of FUKOKU regularly carries out examinations to determine the allocation of management resources and assess the business performance.

FUKOKU has business divisions, at the head office, which are divided according to product family, and each business division conducts business activities under comprehensive domestic and overseas strategies it develops for the product family it manufactures. Of the domestic subsidiaries' operations, those that manufacture product families that do not belong to any of the business divisions above are supervised directly by the parent company.

FUKOKU thus consists of segments according to product family, based on its business divisions, and the domestic subsidiaries' business segments that do not belong to FUKOKU's business divisions. Those segments are classified into five reportable segments: Functional Parts Business, Anti-Vibration Parts, Metal Business, Hose Business and Industrial Equipment Business.

(2) Product and service types belonging to each reportable segment

The Functional Parts Business manufactures and sells seal parts and wiper blade rubber, among other products. The Anti-Vibration Parts Business manufactures and sells dampers and mounts, among other products. The Metal Business manufactures and sells metal parts for trucks and construction machinery, among other products. The Hose Business manufactures and sells hoses and other rubber products. The Industrial Equipment Business manufactures and sells office automation equipment, medical equipment, motors and urethane, among other products.

2. Methods for calculating net sales, income or loss, assets, liabilities and other items in each reportable segment

Accounting methods for the reported business segments are the same as those used for the preparation of consolidated financial statements.

Reportable segment income is operating income.

Inter-segment sales and transfers are based on prevailing market prices.

3. Net sales, income or loss, assets, liabilities and other items in each reportable segment

Previous fiscal year (April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segment					Total	Adjustment (Note 1)	Amount in consolidated financial statements (Note 2)
	Functional Parts	Anti-Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to outside customers	31,376	29,372	7,042	3,775	3,272	74,839	–	74,839
Inter-segment sales and transfers	542	0	57	80	–	680	-680	–
Total	31,919	29,372	7,099	3,856	3,272	75,520	-680	74,839
Segment income (loss)	1,508	2,165	-171	-81	292	3,713	-2,834	878
Segment assets	25,675	25,622	3,847	3,920	2,922	61,987	3,258	65,246
Other items								
Depreciation	2,028	1,992	311	269	129	4,732	116	4,849
Impairment losses	667	–	–	–	5	672	–	672
Investment in equity method affiliates	–	389	–	–	–	389	–	389
Increase in property, plant and equipment and intangible assets	1,920	2,055	450	350	190	4,968	226	5,195

(Notes) 1. The adjustment consists of the following items.

- (1) The adjustment of -¥2,834 million for segment income (loss) includes an inter-segment elimination of ¥0 million and corporate expenses that are not allocated to any reportable segments of -¥2,835 million. Corporate expenses are primarily general and administrative expenses that are not attributable to any reportable segments.
- (2) The adjustment of ¥3,258 million for segment assets includes an inter-segment elimination of -¥955 million and corporate assets that are not allocated to any reportable segments of ¥4,213 million. Corporate assets are primarily cash and deposits at the parent company that are not attributable to any reportable segments.
- (3) The adjustment of ¥116 million for depreciation is primarily the depreciation of fixed assets in the research and development division of the parent company.
- (4) The adjustment of ¥226 million for increase in property, plant and equipment and intangible assets is an increase in corporate assets that is not allocated to any reportable segments.

2. Segment income (loss) is adjusted to be consistent with operating income recorded in the consolidated financial statements.

Fiscal year under review (April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment					Total	Adjustment (Note 1)	Amount in consolidated financial statements (Note 2)
	Functional Parts	Anti-Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to outside customers	27,595	23,788	5,481	3,430	2,918	63,214	–	63,214
Inter-segment sales and transfers	466	1	3	90	–	561	-561	–
Total	28,062	23,789	5,484	3,521	2,918	63,776	-561	63,214
Segment income (loss)	2,541	1,109	-563	-155	272	3,206	-2,512	693
Segment assets	25,134	24,239	3,554	3,938	2,735	59,602	4,214	63,817
Other items								
Depreciation	1,667	1,942	207	329	125	4,273	71	4,344
Investment in equity method affiliates	–	409	–	–	–	409	–	409
Increase in property, plant and equipment and intangible assets	1,414	2,089	113	261	58	3,939	61	4,000

(Notes) 1. The adjustment consists of the following items.

- (1) The adjustment of -¥2,512 million for segment income (loss) includes an inter-segment elimination of ¥1 million and corporate expenses that are not allocated to any reportable segments of -¥2,513 million. Corporate expenses are primarily general and administrative expenses that are not attributable to any reportable segments.
- (2) The adjustment of ¥4,214 million for segment assets includes an inter-segment elimination of -¥905 million and corporate assets that are not allocated to any reportable segments of ¥5,120 million. Corporate assets are primarily cash and deposits at the parent company that are not attributable to any reportable segments.
- (3) The adjustment of ¥71 million for depreciation is primarily the depreciation of fixed assets in the research and development division of the parent company.
- (4) The adjustment of ¥61 million for increase in property, plant and equipment and intangible assets is an increase in corporate assets that is not allocated to any reportable segments.

2. Segment income (loss) is adjusted to be consistent with operating income recorded in the consolidated financial statements.

(Per share information)

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Fiscal year under review (April 1, 2020 to March 31, 2021)
Net assets per share	¥1,780.73	¥1,814.33
Net earnings per share (EPS)	¥18.67	¥75.69

(Notes) 1. Diluted earnings per share is not stated because there is no potential dilution.

2. The basis for calculating net earnings per share (EPS) is as follows.

	Previous fiscal year (April 1, 2019 to March 31, 2020)	Fiscal year under review (April 1, 2020 to March 31, 2021)
Net earnings per share (EPS)		
Profit attributable to owners of parent (million yen)	309	1,254
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of common shares of parent	309	1,254
Average number of shares during period (thousand shares)	16,562	16,575

(Significant subsequent events)

Not applicable