



# Financial Results for the Fiscal Year Ended March 31, 2023 [Japan GAAP] (Consolidated)

May 15, 2023

Company Name: Fukoku Co., Ltd. Exchange listed on: Tokyo Stock Exchange  
 Securities Code: 5185 URL: https://www.fukoku-rubber.co.jp/  
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 Department  
 Scheduled date of Annual Meeting of Shareholders: June 28, 2023  
 Scheduled filing date of the securities report: June 28, 2023  
 Scheduled commencement date of dividends payment: June 13, 2023  
 Supplementary materials for financial results: : Yes  
 Financial results briefing: : Yes (For institutional investors and analysts)

(Amounts rounded down to the nearest millions of yen.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 2023 (From April 1, 2022 to March 31, 2023)

### (1) Consolidated Operating Results (Percentages 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	%
Fiscal year ended March 31, 2023	82,318	15.1	2,010	14.9	3,139	24.4	2,135	2.4
Fiscal year ended March 31, 2022	71,504	-	1,749	152.4	2,522	75.7	2,084	66.2

(Note) Comprehensive income Fiscal year ended March 31, 2023 4,322 million yen [24.4%] Fiscal year ended March 31, 2022 3,475 million yen [458.5%]

	Profit per share	Profit per share – diluted	Profit to shareholders' equity	Ordinary profit to total assets	Net sales Operating profit to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2023	132.61	-	6.3	4.6	2.4
Fiscal year ended March 31, 2022	127.24	-	6.7	3.9	2.4

(Reference) Equity method investment gain (loss): Fiscal year ended March 31, 2023 35 million yen Fiscal year ended March 31, 2022 16 million yen

(Note) The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., at the beginning of the previous fiscal year. For this reason, year-on-year changes in net sales for the fiscal year ended March 31, 2022 are not shown here.

### (2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2023	71,530	37,952	49.8	2,211.12
As of March 31, 2022	65,039	34,377	49.5	2,002.05

(Reference) Shareholders' equity Fiscal year ended March 31, 2023 35,619 million yen Fiscal year ended March 31, 2022 32,224 million yen

### (3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2023	3,515	-3,988	753	9,478
Fiscal year ended March 31, 2022	5,344	-2,846	-2,815	8,782

## 2. Dividends

	Annual dividends					Total amount of annual dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
Fiscal year ended March 31, 2022	yen -	yen 29.00	yen -	yen 20.00	yen 49.00	million yen 803	% 38.5	% 2.6
Fiscal year ended March 31, 2023	yen -	yen 27.00	yen -	yen 23.00	yen 50.00	million yen 805	% 37.7	% 2.4
Fiscal year ending March 31, 2024 (forecast)	yen -	yen 27.50	yen -	yen 27.50	yen 55.00		% 30.6	

## 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	88,000	6.9	3,900	94.0	4,000	27.4	2,900	35.8	180.02

\* Notes

- (1) Changes in major subsidiaries during the fiscal year under review (Change in specific subsidiaries that will accompany a change in scope of consolidation) : Yes  
 Newly consolidated: -- company (Company name)  
 Excluded: 1 company (Company name) FUKOKU Czech s.r.o.
- (2) Change in accounting policies or estimates and retrospective restatements  
 (i) Change in accounting policies in accordance with revision of accounting standards : None  
 (ii) Change in accounting policies other than item i) above : None  
 (iii) Change in accounting estimates : None  
 (iv) Retrospective restatements : None

(3) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period (including treasury shares)	Fiscal year ended March 31, 2023	17,609,130 shares	Fiscal year ended March 31, 2022	17,609,130 shares
(ii) Number of treasury shares at the end of the period	Fiscal year ended March 31, 2023	1,500,004 shares	Fiscal year ended March 31, 2022	1,513,521 shares
(iii) Average number of shares issued during the period	Fiscal year ended March 31, 2023	16,103,509 shares	Fiscal year ended March 31, 2022	16,383,988 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 2023 (From April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2023	33,585	5.1	-292	-	1,617	50.7	1,783	116.0
Fiscal year ended March 31, 2022	31,958	-	204	-	1,073	-36.6	825	-43.1

  

	Profit per share	Profit per share – diluted
	yen	yen
Fiscal year ended March 31, 2023	110.77	-
Fiscal year ended March 31, 2022	50.39	-

(Note) The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., at the beginning of the previous fiscal year. For this reason, year-on-year changes in net sales for the fiscal year ended March 31, 2022 are not shown here.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2023	35,443	19,874	56.1	1,233.75
As of March 31, 2022	33,792	18,816	55.7	1,169.06

(Reference) Shareholders' equity Fiscal year ended March 31, 2023 19,874 million yen Fiscal year ended March 31, 2022 18,816 million yen

\* Financial results are not subject to auditing performed by a Certified Public Accountant or audit firm.

\* Explanation of appropriate use of operating results forecasts and other special notes

Any forward-looking statements, such as the financial results outlook, included in this material are based on information the Company presently has and certain assumptions the Company considers reasonable, and they do not constitute a promise that the Company will achieve them. In addition, the actual financial results may differ significantly due to various factors. For assumptions for operating results forecasts and points to consider in utilizing them, please see "1. Overview of operating results, etc., (4) Future outlook" on Page 3 of the attachments.

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

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy showed a gradual recovery mainly in domestic demand as the impact of COVID-19 gradually eased but remained unstable due to the emergence of geopolitical risks such as the situation in Ukraine, sharp exchange rate fluctuations, and rising prices. In the automobile industry, automakers have been forced to revise their production plans downward due to a shortage of semiconductors and other reasons although demand remains high.

Under these economic circumstances, the Group has been significantly affected by the declining operation rate due to adjustments to production by automakers, rising raw material costs and fuel costs as a result of surging resource prices, despite an increase in the gain on conversion to the Japanese yen due to the depreciation of the yen.

Regarding financial results for the fiscal year under review, consolidated net sales increased 15.1% year on year to total 82,318 million yen due to the impact of foreign exchange rates despite an income decrease resulting from adjustments to production by automakers. Operating profit increased 14.9% year on year to 2,010 million yen, and ordinary profit rose 24.4% year on year to 3,139 million yen since the impact of the rising costs of raw materials, transportation and fuels was absorbed by streamlining efforts, cost pass-through, etc. Profit attributable to owners of the parent increased 2.4% year on year to reach 2,135 million yen.

The Group's business performance by segment is as follows.

#### Functional Parts Business

Net sales increased 7.9% year on year to 33,361 million yen due to the impact of foreign currency translation despite a decline in the operation rate as a result of production adjustments by automakers. Segment income decreased 14.3% year on year to 2,689 million yen due to the significant impact of rising raw materials prices and surging transportation costs.

#### Anti-Vibration Parts Business

Net sales increased 22.5% year on year to 34,724 million yen due to steady orders for construction machinery, the launch of new products for electric vehicles, and foreign currency translation. Segment income increased 83.6% to total 1,514 million yen year on year due to the effect of streamlining efforts and the passing of the rising cost of materials for metal parts on to selling prices.

#### Metal Business

Net sales increased 17.8% year on year to 6,480 million yen due to steady orders for construction machinery. Segment income (which was a loss of 175 million yen for the same period last year) came to 2 million yen due to the effect of the streamlining efforts and the passing of rising cost of materials for metal parts on to selling prices.

#### Hose Business

Net sales increased 17.3% year on year to 5,134 million yen as orders were back on a recovery trend. Segment income increased 24.0% year on year to 116 million yen.

#### Industrial Equipment Business

Net sales increased 11.0% year on year to 3,380 million yen. Segment income increased 16.7% year on year to 607 million yen due to an improvement in the operation rate associated with the recovery in net sales.

### (2) Overview of financial position for the fiscal year under review

#### Assets, liabilities and net assets

##### (Assets)

Total assets increased by 6,490 million yen from the end of the previous fiscal year to 71,530 million yen.

This is due primarily to a 4,783-million-yen increase in current assets caused by an increase in merchandise and finished goods as well as accounts receivable - trade as a result of the foreign currency translation impact of the weaker yen. Non-current assets increased by 176 million yen mainly due to an increase in property, plant and equipment as a result of capital investments.

##### (Liabilities)

Liabilities increased by 2,915 million yen from the end of the previous fiscal year to 33,577 million yen.

This is due primarily to an increase in current liabilities by 3,553 million yen as a result of an increase in borrowings.

(Net assets)

Net assets increased by 3,575 million yen from the end of the previous fiscal year to 37,952 million yen.

This is due primarily to an increase in retained earnings of 1,415 million yen and an increase in foreign currency translation adjustments of 1,957 million yen.

### (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter “funds”) as of the end of the fiscal year under review were 9,478 million yen, up 695 million yen compared to the end of the previous fiscal year.

Cash flows and the factors for changes thereof in the fiscal year under review are as follows.

(Cash flows from operating activities)

Funds provided by operating activities were 3,515 million yen (compared to 5,344 million yen in the same period of the previous year). The primary factors for this include an increase in funds due to the depreciation and amortization of 4,471 million yen and profit before income taxes of 3,511 million yen as well as a decrease in funds due to an increase in trade receivables of 1,572 million yen, an increase in inventories of 876 million yen, and a decrease in retirement benefit assets and liabilities of 722 million yen.

(Cash flows from investing activities)

Funds used in investing activities were 3,988 million yen (compared to 2,846 million yen in the same period of the previous year). This is due primarily to the acquisition of property, plant and equipment of 4,103 million yen.

(Cash flows from financing activities)

Funds provided by financing activities were 753 million yen (compared to an outflow of 2,815 million yen in the same period of the previous year). This is mainly due to proceeds from borrowings exceeding repayment by 1,576 million yen and dividend payments of 756 million yen.

### (4) Future outlook

While economic activity is gradually returning to normal due to the easing of COVID-19 travel restrictions, the semiconductor supply shortage remains uncertain. In addition, the situation in Russia and Ukraine and the resulting impact of global exchange rate fluctuations as well as price hikes remain unpredictable.

Under these circumstances, there is an urgent need to develop and grow next-generation products that meet the needs of today’s society, including products that support CASE, and to create value that transcends existing business models. Viewing these major changes as an opportunity, Fukoku has overhauled its management structure and is currently formulating its New Medium-Term Management Plan 2026 as it moves ahead to reach new heights.

### (5) Basic policy for appropriation of profits and dividends for the fiscal year under review and next fiscal year

The Company positions the return of profits to shareholders as a significant managerial issue, and sets the return of profits to shareholders in accordance with its performance while maintaining stable dividends, and taking internal reserves into consideration with future business development and business characteristics in mind, as one of the basic policies of the Company. Under this policy, the Company has decided to set a consolidated dividend payout ratio of 30% as the standard, and 20 yen per share a year (10 yen per share for the interim and year-end dividends, respectively) as the minimum dividend, except in the case where performance is extremely sluggish due to rapid changes in the management environment.

The Company will pay a year-end dividend of 23 yen per share for the fiscal year under review, as noted in the Notice of Revisions to the Full-Year Consolidated Earnings Forecast and the Year-End Dividend Forecast published on February 3, 2023.

Regarding the dividends for the next fiscal year, the Company plans to pay 55 yen per share a year, with a consolidated dividend payout ratio of 30% as the standard.

## 2. Basic Approach towards Selection of Accounting Standard

The Group’s policy is to prepare consolidated financial statements based on Japan GAAP for the time being, while taking the comparability of consolidated financial statements between fiscal years and between companies into consideration.

With regard to application of the International Accounting Standards, the Group will take appropriate action in light of the situation at home and abroad.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated balance sheet

(Million yen)

	Previous fiscal year As of March 31, 2022	Fiscal year under review As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	9,301	9,972
Notes receivable - trade	949	774
Accounts receivable - trade	13,331	14,993
Electronically recorded monetary claims - operating	3,112	3,963
Merchandise and finished goods	5,256	5,858
Work in process	1,236	1,322
Raw materials and supplies	3,112	3,872
Other	1,495	1,802
Allowance for doubtful accounts	-51	-31
Total current assets	37,744	42,528
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,848	8,278
Machinery, equipment and vehicles, net	9,640	9,615
Tools, furniture and fixtures, net	969	1,052
Land	5,844	5,996
Leased assets, net	40	58
Construction in progress	409	894
Total property, plant and equipment	24,753	25,896
Intangible assets		
Other	878	1,406
Total intangible assets	878	1,406
Investments and other assets		
Investment securities	734	824
Long-term prepaid expenses	31	13
Retirement benefit assets	203	156
Deferred tax assets	481	475
Other	211	227
Total investments and other assets	1,662	1,699
Total non-current assets	27,294	29,001
Total assets	65,039	71,530

(Million yen)

	Previous fiscal year As of March 31, 2022	Fiscal year under review As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,741	5,459
Electronically recorded obligations - operating	4,589	5,330
Short-term borrowings	5,644	7,598
Current portion of long-term borrowings	2,141	2,202
Income taxes payable	297	383
Provision for bonuses	934	753
Notes payable - facilities	595	552
Other	3,846	4,065
<b>Total current liabilities</b>	<b>22,792</b>	<b>26,345</b>
Non-current liabilities		
Long-term borrowings	3,143	3,178
Deferred tax liabilities	489	1,023
Retirement benefit liabilities	2,540	1,314
Provision for retirement benefits for directors (and other officers)	146	173
Other	1,549	1,541
<b>Total non-current liabilities</b>	<b>7,870</b>	<b>7,232</b>
<b>Total liabilities</b>	<b>30,662</b>	<b>33,577</b>
Net assets		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,572	1,573
Retained earnings	29,554	30,969
Treasury shares	-1,416	-1,403
<b>Total shareholders' equity</b>	<b>31,106</b>	<b>32,534</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93	108
Deferred gains or losses on hedges	-1	-7
Foreign currency translation adjustment	1,025	2,983
<b>Total accumulated other comprehensive income</b>	<b>1,117</b>	<b>3,084</b>
Non-controlling interests	2,152	2,333
<b>Total net assets</b>	<b>34,377</b>	<b>37,952</b>
<b>Total liabilities and net assets</b>	<b>65,039</b>	<b>71,530</b>

## (2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Million yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
Net sales	71,504	82,318
Cost of sales	59,995	69,433
Gross profit	11,508	12,884
Selling, general and administrative expenses		
Salaries	3,669	3,942
Freight and other	2,289	2,530
Depreciation	195	215
Provision for retirement benefits for directors (and other officers)	15	13
Retirement benefit expenses	130	177
Provision for bonuses	222	189
Provision of allowance for doubtful accounts	29	4
Other	3,205	3,800
Total selling, general and administrative expenses	9,758	10,874
Operating profit	1,749	2,010
Non-operating income		
Interest income	30	44
Dividend income	7	6
Share of profit of entities accounted for using equity method	16	35
Foreign exchange gains	261	415
Gain on sale of non-current assets	266	493
Subsidies for employment adjustment	201	297
Other	174	167
Total non-operating income	957	1,459
Non-operating expenses		
Interest expenses	94	158
Loss on sale of non-current assets	33	4
Loss on retirement of non-current assets	39	125
Other	16	42
Total non-operating expenses	184	330
Ordinary profit	2,522	3,139
Extraordinary income		
Gain on sale of investment securities	31	2
Gain on termination of retirement benefit plan	-	554
Total extraordinary income	31	557
Extraordinary losses		
Loss on litigation	-	9
Loss on liquidation of business	-	174
Total extraordinary losses	-	184
Profit before income taxes	2,553	3,511
Income taxes - current	583	794
Income taxes - deferred	-23	522
Total income taxes	559	1,316
Profit	1,994	2,194
Profit (loss) attributable to non-controlling interests	-90	59
Profit attributable to owners of parent	2,084	2,135



## (Consolidated statement of comprehensive income)

(Million yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
Profit	1,994	2,194
Other comprehensive income		
Valuation difference on available-for-sale securities	-15	14
Deferred gains or losses on hedges	-1	-10
Foreign currency translation adjustment	1,441	2,099
Share of other comprehensive income of entities accounted for using equity method	56	24
Total other comprehensive income	1,480	2,127
Comprehensive income	3,475	4,322
Profit attributable to		
Comprehensive income attributable to owners of parent	3,465	4,102
Comprehensive income attributable to non-controlling interests	9	220

## (3) Consolidated statement of changes in equity

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,395	1,571	28,315	-933	30,348
Cumulative effect of changes in accounting policies			0		0
Restated balance	1,395	1,571	28,315	-933	30,349
Changes during period					
Dividends of surplus			-846		-846
Profit attributable to owners of parent			2,084		2,084
Purchase of treasury shares				-494	-494
Disposal of treasury shares		1		12	13
Net changes in items other than shareholders' equity					
Total changes during period		1	1,238	-482	757
Balance at end of period	1,395	1,572	29,554	-1,416	31,106

	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	109	1	-374	2,235	32,321
Cumulative effect of changes in accounting policies					0
Restated balance	109	1	-374	2,235	32,321
Changes during period					
Dividends of surplus					-846
Profit attributable to owners of parent					2,084
Purchase of treasury shares					-494
Disposal of treasury shares					13
Net changes in items other than shareholders' equity	-15	-3	1,400	-82	1,298
Total changes during period	-15	-3	1,400	-82	2,055
Balance at end of period	93	-1	1,025	2,152	34,377

Fiscal year under review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,395	1,572	29,554	-1,416	31,106
Changes during period					
Dividends of surplus			-756		-756
Profit attributable to owners of parent			2,135		2,135
Purchase of treasury shares				-0	-0
Disposal of treasury shares		0		12	13
Change in scope of consolidation			36		36
Net changes in items other than shareholders' equity					
Total changes during period		0	1,415	12	1,428
Balance at end of period	1,395	1,573	30,969	-1,403	32,534

	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	93	-1	1,025	2,152	34,377
Changes during period					
Dividends of surplus					-756
Profit attributable to owners of parent					2,135
Purchase of treasury shares					-0
Disposal of treasury shares					13
Change in scope of consolidation					36
Net changes in items other than shareholders' equity	14	-5	1,957	180	2,147
Total changes during period	14	-5	1,957	180	3,575
Balance at end of period	108	-7	2,983	2,333	37,952

## (4) Consolidated statement of cash flows

(Million yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,553	3,511
Depreciation	4,369	4,471
Loss on liquidation of business	-	174
Increase (decrease) in allowance for doubtful accounts	-1	-22
Increase (decrease) in provision for bonuses	135	-181
Increase (decrease) in retirement benefit assets and liabilities	199	-722
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-0	15
Gain on termination of retirement benefit plan	-	-554
Interest and dividend income	-37	-51
Interest expenses	94	158
Foreign exchange losses (gains)	-103	-104
Share of loss (profit) of entities accounted for using equity method	-16	-35
Loss (gain) on sale of property, plant and equipment	-232	-488
Loss on retirement of property, plant and equipment	39	125
Loss (gain) on sale of investment securities	-31	-2
Decrease (increase) in trade receivables	2,080	-1,572
Decrease (increase) in inventories	-2,004	-876
Increase (decrease) in trade payables	-329	971
Decrease (increase) in other assets	-122	-151
Increase (decrease) in other liabilities	-257	-251
Other	-336	-9
<b>Subtotal</b>	<b>5,998</b>	<b>4,404</b>
Interest and dividends received	45	55
Interest paid	-97	-155
Income taxes refund (paid)	-601	-788
<b>Cash flow from operating activities</b>	<b>5,344</b>	<b>3,515</b>

(Million yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
<b>Cash flows from investing activities</b>		
Payments into time deposits	-174	-
Proceeds from withdrawal of time deposits	-	52
Purchase of long-term prepaid expenses	-35	-5
Purchase of property, plant and equipment	-2,772	-4,103
Proceeds from sale of property, plant and equipment	154	622
Purchase of intangible assets	-124	-555
Purchase of investment securities	-2	-2
Proceeds from sale of investment securities	37	4
Other	70	-1
<b>Cash flow from investing activities</b>	<b>-2,846</b>	<b>-3,988</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	235	1,704
Repayments of short-term borrowings	-1,178	-179
Proceeds from long-term borrowings	1,915	2,400
Repayments of long-term borrowings	-2,334	-2,348
Repayments of lease obligations	-18	-26
Purchase of treasury shares	-494	-0
Dividends paid	-846	-756
Dividends paid to non-controlling interests	-93	-39
<b>Cash flow from financing activities</b>	<b>-2,815</b>	<b>753</b>
Effect of exchange rate change on cash and cash equivalents	430	415
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>113</b>	<b>695</b>
Cash and cash equivalents at beginning of period	8,668	8,782
<b>Cash and cash equivalents at end of period</b>	<b>8,782</b>	<b>9,478</b>

(5) Notes to consolidated financial statements

(Notes to assumptions for ongoing concerns)

Not applicable.

(Additional information)

(Shift of the retirement benefit plan)

On April 1, 2022, the Company completely shifted its defined-benefit corporate pension program to a defined-contribution corporate pension program. The Company adopted the Accounting Procedures for Shifting between Different Retirement Benefit Programs (ASBJ Implementation Guidelines No. 1, revised on December 16, 2016) for the accounting procedures for the shift of the pension program. For this reason, the gain on termination of the retirement benefit plan of 554 million yen was posted as the extraordinary income for the fiscal year under review.

(Segment information)

Segment information

## 1. Overview of Reporting Segments

### (1) Methods to determine reporting segments

Reporting segments of the Company are components of the Company for which separate financial information can be obtained, and for which the Board of Directors conducts reviews on a regular basis to determine the allocation of management resources and assess business performance.

The Company has business units by finished goods line at its head office. Each business unit develops comprehensive strategies for Japan and overseas and carries out business activities regarding the product line it handles. The parent company, however, directly supervises the businesses of its subsidiaries in Japan that do not belong to the finished goods lines of the business units mentioned above.

This means that the Company consists of segments by finished goods line based on business units and business segments of subsidiaries in Japan that do not belong to the business units. Among them, the Functional Parts Business, the Anti-Vibration Parts Business, the Metal Business, the Hose Business, and the Industrial Equipment Business compose the reporting segments.

### (2) Categories of finished goods and services belonging to each reporting segment

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

## 2. Method Used to Calculate Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reporting Segment

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

Income of the reporting segments is based on operating profit.

Intersegment revenue or transfer is based on market prices.

### 3. Information on Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reporting Segment

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Amount reported in consolidated financial statements (Note) 2
	Functional Parts	Anti- Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to external customers	30,371	28,329	5,501	4,256	3,045	71,504	-	71,504
Intersegment sales or transfer	538	5	0	120	-	665	-665	-
Total	30,910	28,334	5,502	4,377	3,045	72,170	-665	71,504
Segment income (loss)	3,137	824	-175	94	520	4,400	-2,651	1,749
Segment assets	25,436	25,226	3,833	4,249	2,752	61,498	3,540	65,039
Other items								
Depreciation	1,827	1,930	156	275	116	4,307	61	4,369
Investment in entities accounted for using equity method	-	474	-	-	-	474	-	474
Increase in property, plant and equipment and intangible assets	1,447	1,499	104	172	128	3,351	165	3,517

(Notes) 1. Adjustments are as follows:

- (1) The adjustment of -2,651 million yen for segment income (loss) includes an inter-segment elimination of 16 million yen and corporate expenses that are not allocated to any reporting segments totaling -2,667 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reporting segments.
  - (2) The adjustment of 3,540 million yen for segment assets includes an inter-segment elimination of -934 million yen and company-wide assets that are not allocated to any reporting segments totaling 4,475 million yen. Company-wide assets are primarily cash and deposits that are not attributable to any reporting segments.
  - (3) The adjustment of 61 million yen for depreciation is primarily depreciation of non-current assets for the research and development departments of the parent company.
  - (4) The adjustment of 165 million yen for the increase in property, plant and equipment and intangible assets is the increase in company-wide assets that are not allocated to any reporting segments.
2. Segment income (loss) is adjusted to be consistent with operating profit recorded in the consolidated financial statements.



Fiscal year under review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Amount reported in consolidated financial statements (Note) 2
	Functional Parts	Anti- Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to external customers	32,709	34,714	6,480	5,034	3,380	82,318	-	82,318
Intersegment sales or transfer	652	9	0	100	-	762	-762	-
Total	33,361	34,724	6,480	5,134	3,380	83,080	-762	82,318
Segment income	2,689	1,514	2	116	607	4,930	-2,920	2,010
Segment assets	28,456	27,820	3,777	4,533	3,083	67,670	3,859	71,530
Other items								
Depreciation	1,903	1,985	172	220	123	4,404	67	4,471
Impairment losses	-	-	124	-	-	124	-	124
Investment in entities accounted for using equity method	-	525	-	-	-	525	-	525
Increase in property, plant and equipment and intangible assets	2,154	1,739	109	133	181	4,317	654	4,971

(Notes) 1. Adjustments are as follows:

- (1) The adjustment of -2,920 million yen for segment income includes an inter-segment elimination of 1 million yen and corporate expenses that are not allocated to any reporting segments totaling -2,921 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reportable segments.
  - (2) The adjustment of 3,859 million yen for segment assets includes an inter-segment elimination of -1,031 million yen and company-wide assets that are not allocated to any reporting segments totaling 4,891 million yen. Company-wide assets are primarily cash and deposits that are not attributable to any reporting segments.
  - (3) The adjustment of 67 million yen for depreciation is primarily depreciation of non-current assets for the research and development departments of the parent company.
  - (4) The adjustment of 654 million yen for the increase in property, plant and equipment and intangible assets is the increase in company-wide assets that are not allocated to any reporting segments.
2. Segment income is adjusted to be consistent with operating profit recorded in the consolidated financial statements.

(Per-share information)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
Net assets per share	2,002.05 yen	2,211.12 yen
Profit per share	127.24 yen	132.61 yen

(Notes) 1. Profit per share – diluted is not stated as there are no dilutive shares.

2. The basis for calculation of profit per share is as follows:

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
Profit per share		
Profit attributable to owners of parent (million yen)	2,084	2,135
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	2,084	2,135
Average number of shares issued during the period (thousand shares)	16,383	16,103

(Important subsequent events)

Not applicable.