



## Financial Results Summary for the Three-Month Period Ended June 30, 2023 [Japanese GAAP] (Consolidated)

July 31, 2023

Listed company: Fukoku Co., Ltd. Exchange listed on: Tokyo Stock Exchange  
 Securities code: 5185 URL: <https://www.fukoku-rubber.co.jp/>  
 Representative: (Title) President & CEO (Name) Ikuo Oshiro  
 Contact: (Title) General Manager of Finance Department (Name) Yukio Yamazaki (TEL) 048-615-4400  
 Scheduled date for submission of quarterly report: August 10, 2023 Scheduled commencement date of dividends payment: -  
 Preparation of supplementary materials for quarterly report : None  
 Convening quarterly results briefing : None

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

### 1. Consolidated Financial Results for the Three-Month Period Ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results (cumulative) (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	%
Three months ended June 30, 2023	21,506	10.9	667	49.1	825	-23.6	383	-55.5
Three months ended June 30, 2022	19,389	2.2	447	-66.6	1,080	-22.6	861	-0.6

(Note) Comprehensive income Three months ended June 30, 2023 706 million yen (-70.6%)  
 Three months ended June 30, 2022 2,405 million yen (26.3%)

	Profit per share	Profit per share – diluted
	yen	yen
Three months ended June 30, 2023	23.80	-
Three months ended June 30, 2022	53.51	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three months ended June 30, 2023	71,171	38,257	50.5
As of March 31, 2023	71,530	37,952	49.8

(Reference) Shareholders' equity Three months ended June 30, 2023 35,938 million yen  
 As of March 31, 2023 35,619 million yen

### 2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
	yen	yen	yen	yen	yen
As of March 31, 2023	-	27.00	-	23.00	50.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (forecast)		27.50	-	27.50	55.00

(Note) Revision of the dividends forecast released most recently : None

### 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

(Note) Revision of the consolidated results forecast released most recently : None

\* Notes

(1) Changes in major subsidiaries during the period under review : None

(Changes in specific subsidiaries resulting in changes in the scope of consolidation)

(2) Adoption of special accounting procedures used in preparation of the quarterly consolidated financial statements : Yes

(Note) For details, please see “2. Quarterly Consolidated Financial Statements and Key Notes, (3) Notes to quarterly consolidated financial statements (Adoption of special accounting procedures used in preparation of the quarterly consolidated financial statements)” on Page 8 of the attachments.

(3) 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

(4) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period (including treasury shares)

As of June 30, 2023	17,609,130 shares	As of March 31, 2023	17,609,130 shares
As of June 30, 2023	1,500,006 shares	As of March 31, 2023	1,500,004 shares
As of June 30, 2023	16,109,125 shares	As of June 30, 2022	16,095,595 shares

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares issued during the period (cumulative from the beginning of the fiscal year)

\* Quarterly financial results are not subject to quarterly reviews 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. Qualitative Information on Quarterly Financial Results under Review, (3) Explanation of future forecast information such as consolidated financial results forecasts” 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.

○ Table of Contents of Attachments

1. Qualitative Information on Quarterly Financial Results under Review .....	2
(1) Explanation of operating results .....	2
(2) Explanation of financial position .....	2
(3) Explanation of future forecast information such as consolidated financial results forecasts .....	3
2. Quarterly Consolidated Financial Statements and Key Notes .....	4
(1) Quarterly consolidated balance sheet .....	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income .....	6
(Quarterly consolidated statement of income)	
(Three months ended June 30, 2023) .....	6
(Quarterly consolidated statement of comprehensive income)	
(Three months ended June 30, 2023) .....	7
(3) Notes to quarterly consolidated financial statements .....	8
(Notes on going concern assumption) .....	8
(Notes when there is a significant change in the amount of shareholders' equity) .....	8
(Adoption of special accounting procedures used in preparation of the quarterly consolidated financial statements) .....	8
(Segment information) .....	9

## 1. Qualitative Information on Quarterly Financial Results under Review

### (1) Explanation of operating results

During the three months ended June 30, 2023, the Japanese economy saw progress in the normalization of socioeconomic activities as behavioral restrictions put in place to prevent the spread of infection were eased and COVID-19 was downgraded to a category 5 disease. However, the outlook remained uncertain due to unstable global conditions, such as the prolonged situation in Ukraine, rising prices due to soaring resource costs, and rapid exchange rate fluctuations.

Demand remained up in the automotive industry, where some automakers have emerged from the doldrums and are showing signs of recovery from the semiconductor supply shortage, although others still must scale down their production plans.

Under these economic circumstances, the Group has been affected by the declining operation rate due to adjustments to production by automakers, rising raw material 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 three months ended June 30, 2023, consolidated net sales increased 10.9% year on year to 21,506 million yen due to the impact of foreign exchange rates despite an income decrease resulting from adjustments to production by automakers. Operating profit was up 49.1% year on year to total 667 million yen due to streamlining efforts, cost pass-throughs, etc., which absorbed the impact of rising raw material and fuel costs. Ordinary profit decreased 23.6% year on year, amounting to 825 million yen, since one-time income that included a gain on sales of non-current assets owned by subsidiaries was posted in the same period last year. Likewise, since one-time income, such as earnings from the termination of the retirement benefit plan due to the change in our company's retirement benefit plan, was posted in the same period last year, profit attributable to owners of the parent decreased 55.5% to total 383 million yen.

If the one-time income was not factored in, ordinary profit and net profit attributable to owners of the parent would be higher than what they were in the same period last year.

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

#### Functional Parts Business

Net sales increased 9.1% year on year to reach 8,612 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 increased 8.3% year on year to total 806 million yen due to the effect of streamlining efforts and the passing of the rising cost of materials on to selling prices.

#### Anti-Vibration Parts Business

Net sales increased 14.0% year on year to reach 9,211 million yen due to growing demand in Southeast Asia and the effect of currency translation. Segment income was up 64.8% year on year to total 459 million yen 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 11.2% year on year to 1,753 million yen due to steady orders for construction machinery. Segment income (which was a loss of 2 million yen for the same period last year) came to 25 million yen due to the effect of streamlining efforts and the passing of the rising cost of materials for metal parts on to selling prices.

#### Hose Business

Net sales climbed 10.5% year on year to total 1,369 million yen due to strong orders. Segment income increased 4.5% year on year to hit 36 million yen.

#### Industrial Equipment Business

Net sales increased 2.8% year on year to total 771 million yen. Segment income increased 18.7% year on year to 136 million yen due to an improvement in the operation rate associated with the increase in net sales.

### (2) Explanation of financial position

Total assets as of June 30, 2023 were 71,171 million yen, a decrease of 358 million yen from the end of the previous fiscal year.

Current assets decreased 503 million yen from the end of the previous fiscal year to 42,024 million yen. This was primarily attributable to a decrease in raw materials and supplies.

Non-current assets rose 144 million yen over the end of last fiscal year to total 29,146 million yen. This was mainly due to an increase in intangible assets such as software.

Liabilities totaled 32,913 million yen, a decrease of 664 million yen from the end of the previous fiscal year. This decrease was primarily attributable to the repayment of borrowings.

Net assets totaled 38,257 million yen, an increase of 305 million yen from the end of the previous fiscal year. This was primarily due to an increase in foreign currency translation adjustments.

As a result, the shareholders' equity ratio came to 50.5%, up 0.7 percentage points from the end of the previous fiscal year.

(3) Explanation of future forecast information such as consolidated financial results forecasts

While socioeconomic activities are returning to normal due to the easing of behavioral restrictions put in place to prevent the spread of COVID-19, the future remains uncertain due to the prolonged situation in Ukraine, rising prices, and rapid exchange rate fluctuations.

Working against this backdrop, Fukoku aims to stay on track with its New Medium-Term Management Plan 2026, which was announced on June 28, 2023, through company-wide efforts designed to strengthen existing businesses and expand growth businesses as well as new businesses. In addition to these strategies, the Company will also work on reinforcing its business foundation with a focus on ESG, all with an aim of maximizing profitability.

There have been no changes made to the full-year consolidated financial results forecasts for the fiscal year ending March 31, 2024 announced on May 15, 2023.

The above forecasts represent the Company's best judgment based on information currently available. Actual results may vary from the above forecasts due to various factors.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly consolidated balance sheet

(Million yen)

	Previous fiscal year As of March 31, 2023	First quarter under review As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	9,972	9,792
Notes and accounts receivable - trade	19,731	19,551
Merchandise and finished goods	5,858	5,878
Work in process	1,322	1,356
Raw materials and supplies	3,872	3,645
Other	1,802	1,833
Allowance for doubtful accounts	-31	-32
Total current assets	42,528	42,024
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,278	8,278
Machinery, equipment and vehicles, net	9,615	9,544
Land	5,996	6,028
Other, net	2,005	2,003
Total property, plant and equipment	25,896	25,854
Intangible assets	1,406	1,520
Investments and other assets		
Investment securities	824	888
Other	874	883
Total investments and other assets	1,699	1,771
Total non-current assets	29,001	29,146
Total assets	71,530	71,171

(Million yen)

	Previous fiscal year As of March 31, 2023	First quarter under review As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,459	5,581
Electronically recorded obligations - operating	5,330	5,133
Short-term borrowings	9,800	9,123
Income taxes payable	383	391
Provision for bonuses	753	508
Other	4,618	5,057
Total current liabilities	26,345	25,795
Non-current liabilities		
Long-term borrowings	3,178	2,821
Retirement benefit liabilities	1,314	1,353
Provision for retirement benefits for directors (and other officers)	173	178
Other	2,565	2,766
Total non-current liabilities	7,232	7,118
Total liabilities	33,577	32,913
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,573	1,573
Retained earnings	30,969	30,982
Treasury shares	-1,403	-1,403
Total shareholders' equity	32,534	32,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108	142
Deferred gains or losses on hedges	-7	-24
Foreign currency translation adjustment	2,983	3,272
Total accumulated other comprehensive income	3,084	3,390
Non-controlling interests	2,333	2,319
Total net assets	37,952	38,257
Total liabilities and net assets	71,530	71,171

## (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(Three months ended June 30, 2023)

(Million yen)

	Three-month period in the previous fiscal year (From April 1, 2022 to June 30, 2022)	Three-month period under review (From April 1, 2023 to June 30, 2023)
Net sales	19,389	21,506
Cost of sales	16,260	18,080
Gross profit	3,128	3,426
Selling, general and administrative expenses	2,680	2,759
Operating profit	447	667
Non-operating income		
Interest income	9	17
Dividend income	2	3
Share of profit of entities accounted for using equity method	-	5
Foreign exchange gains	210	206
Gain on sale of non-current assets	429	11
Other	30	48
Total non-operating income	681	293
Non-operating expenses		
Interest expenses	24	56
Share of loss of entities accounted for using equity method	0	-
Loss on retirement of non-current assets	18	63
Other	6	14
Total non-operating expenses	49	135
Ordinary profit	1,080	825
Extraordinary income		
Gain on sale of investment securities	2	-
Gain on termination of retirement benefit plan	554	-
Total extraordinary income	557	-
Profit before income taxes	1,637	825
Income taxes - current	312	274
Income taxes - deferred	423	159
Total income taxes	736	433
Profit	900	392
Profit attributable to non-controlling interests	39	8
Profit attributable to owners of parent	861	383



(Quarterly consolidated statement of comprehensive income)

(Three months ended June 30, 2023)

(Million yen)

	Three-month period in the previous fiscal year (From April 1, 2022 to June 30, 2022)	Three-month period under review (From April 1, 2023 to June 30, 2023)
Profit	900	392
Other comprehensive income		
Valuation difference on available-for-sale securities	-0	33
Deferred gains or losses on hedges	3	-19
Foreign currency translation adjustment	1,469	288
Share of other comprehensive income of entities accounted for using equity method	31	11
Total other comprehensive income	1,504	314
Comprehensive income	2,405	706
Profit attributable to		
Comprehensive income attributable to owners of parent	2,243	689
Comprehensive income attributable to non-controlling interests	161	16

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Adoption of special accounting procedures used in preparation of the quarterly consolidated financial statements)

(Calculation of tax expenses)

With respect to tax expenses incurred by some consolidated subsidiaries, the Company reasonably estimated the effective tax rate after applying tax effect accounting to profit before income taxes in the fiscal year, including the first quarter under review, and calculated them by multiplying this estimated effective tax rate by profit before income taxes.

(Segment information)

Segment information

I. Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information on net sales, income or loss by reporting segment

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Quarterly consolidated statement of income amounts (Note) 2
	Functional Parts	Anti- Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to external customers	7,767	8,079	1,576	1,214	750	19,389	-	19,389
Intersegment sales or transfer	125	1	0	24	-	151	-151	-
Total	7,893	8,080	1,576	1,239	750	19,540	-151	19,389
Segment income (loss)	744	278	-2	34	114	1,170	-723	447

(Notes) 1. The adjustment of -723 million yen for segment income (loss) includes an inter-segment elimination of 7 million yen and corporate expenses that are not allocated to any reportable segments totaling -730 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reporting segments.

2. Segment income (loss) is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets and goodwill and other by reporting segment

Not applicable.

II. Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information on net sales, income or loss by reporting segment

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Quarterly consolidated statement of income amounts (Note) 2
	Functional Parts	Anti- Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to external customers	8,429	9,208	1,752	1,344	771	21,506	-	21,506
Intersegment sales or transfer	182	2	0	25	-	210	-210	-
Total	8,612	9,211	1,753	1,369	771	21,717	-210	21,506
Segment income	806	459	25	36	136	1,464	-797	667

(Notes) 1. The adjustment of -797 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 -795 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reportable segments.

2. Segment income is adjusted to be consistent with operating profit recorded in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets and goodwill and other by reporting segment

Not applicable.