



## Financial Results Summary for the Six Month Period Ended September 30, 2024 [Japanese GAAP] (Consolidated)

November 6, 2024

Company Name: 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  
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Scheduled filing date for submission of semi-annual securities report: November 13, 2024  
 Scheduled commencement date of dividends payment: December 5, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (For institutional investors and analysts)  
 (Amounts rounded down to the nearest millions of yen.)

### 1. Consolidated Financial Results for the Six-Month Period Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

#### (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	%
Six months ended September 30, 2024	44,585	3.8	2,060	94.5	2,221	59.8	1,542	47.2
Six months ended September 30, 2023	42,950	10.2	1,059	29.6	1,390	-23.2	1,047	-28.7
(Note) Comprehensive income:	Six months ended September 30, 2024		4,162 million yen		[43.7%]			
	Six months ended September 30, 2023		2,897 million yen		[-36.7%]			

	Profit per share	Profit per share – diluted
	yen	yen
Six months ended September 30, 2024	95.69	-
Six months ended September 30, 2023	65.03	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Six months ended September 30, 2024	78,242	45,559	54.9
As of March 31, 2024	76,033	42,010	52.0
(Reference) Shareholders' equity:	Six months ended September 30, 2024		42,945 million yen
	As of March 31, 2024		39,537 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, 2024	-	27.50	-	32.50	60.00
Fiscal year ending March 31, 2025	-	37.50			
Fiscal year ending March 31, 2025 (forecast)			-	37.50	75.00

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

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	93,000	4.7	4,800	31.6	4,800	17.2	3,750	22.9	232.69

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

\* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of special accounting procedures used in preparation of the semi-annual consolidated financial statements: Yes
- (Note) For details, please see “(3) Notes to semi-annual consolidated financial statements (Adoption of special accounting procedures used in preparation of the semi-annual consolidated financial statements)” in “2. Semi-Annual Consolidated Financial Statements and Key Notes” on p. 8 of the attachments.
- (3) Change in accounting policies or estimates and retrospective restatements
- 1) Change in accounting policies in accordance with revision of accounting standards: None
- 2) Change in accounting policies other than item 1) above: None
- 3) Change in accounting estimates: None
- 4) Retrospective restatements: None

(4) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares)	As of September 30, 2024	17,609,130 shares	As of March 31, 2024	17,609,130 shares
2) Number of treasury shares at the end of the period	As of September 30, 2024	1,489,742 shares	As of March 31, 2024	1,493,462 shares
3) Average number of shares issued during the period (cumulative from the beginning of the fiscal year) (Semi-annual)	As of September 30, 2024	16,116,170 shares	As of September 30, 2023	16,110,049 shares

- \* This summary of the semi-annual financial results report is not subject to review by a CPA or an 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, actual financial results may significantly differ due to various factors. For assumptions for operating results forecasts and points to consider in utilizing them, please see “1. Overview of Operating Results, (3) Explanation of future forecast information such as consolidated financial results forecasts” on p. 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

### (1) Overview of operating results for the first-half period under review

During the consolidated first-half period ended September 30, 2024, the Japanese economy continued to recover, with higher wage growth rates and growing numbers of inbound tourists. However, the prolonged conflict in Ukraine, sluggish growth in the Chinese economy, fluctuations in foreign exchange rates due to changes in domestic and foreign monetary policies, and persistent inflationary concerns continue to leave the outlook uncertain.

Although the automobile industry saw a recovery in production volumes due to improvements in the supply of semiconductors from the previous fiscal year, demand continues to vary by region and there is a growing sense of a global slowdown. Despite aggressive investments in research and development and promotional activities for electric vehicles, demand in certain regions has shifted to hybrid vehicles.

Regarding financial results for the six months ended September 30, 2024, consolidated net sales increased 3.8% year on year to 44,585 million yen. Operating profit was up 94.5% year on year to 2,060 million yen, due to efforts to alleviate the impact of higher raw material and fuel costs through streamlining measures and to reflect rising costs in selling prices. Ordinary profit was up 59.8% to 2,221 million yen, while net income attributable to owners of the parent company was up 47.2% to 1,542 million yen.

The Group's business performance is given below for each segment.

Note that we have changed our reporting segments from the first quarter of the current year. For the year-on-year comparisons below, we undertook a comparative analysis based on figures from the same period of the previous year, reclassified to align with the new segment categories.

For details, see "2. Semi-Annual Consolidated Financial Statements and Key Notes, (3) Notes to Semi-Annual Consolidated Financial Statements (Segment Information)."

#### Functional Parts Business

Net sales grew 7.8% year on year to 19,867 million yen due to a recovery in production by automobile manufacturers and the effects of foreign exchange rates. Segment income increased 44.3% year on year to 2,391 million yen due to streamlining efforts and efforts to reflect the rising cost of materials in selling prices.

#### Anti-Vibration Parts Business

Net sales grew 5.9% year on year to 19,511 million yen due to growing demand in India and the United States and the effects of currency translation. Segment income rose 53.7% year on year to 1,324 million yen due to streamlining efforts and efforts to reflect the rising cost of materials for metal parts in selling prices.

#### Life Science Business

Net sales grew 20.5% year on year to 478 million yen due to strong orders. Segment income increased 39.2% year on year to 116 million yen.

#### Metal Business

We are currently working to downsize unprofitable components to improve profitability. Net sales fell 22.8% year on year to 2,699 million yen. Segment income came to a loss of 0 million yen (in contrast to a gain of 33 million yen for the same period last year), despite efforts to reflect the rising cost of materials for metal parts in selling prices in addition to streamlining efforts.

#### Hose Business

Net sales decreased 8.7% year on year to 2,404 million yen due to lower demand in Southeast Asia and other factors. Segment income grew by 77 million yen year on year to 80 million yen due to streamlining efforts and efforts to reflect the rising cost of materials in selling prices.

(2) Summary of financial position during the first-half period under review

Total assets as of September 30, 2024 stood at 78,242 million yen, an increase of 2,208 million yen from the end of the previous fiscal year.

Current assets decreased 243 million yen from the end of the previous fiscal year to 45,475 million yen. Key contributing factors were a decrease of 722 million yen in cash and deposits due to the acquisition of fixed assets and other factors despite an increase of 439 million yen in inventory assets as a result of foreign exchange rates.

Non-current assets rose 2,451 million yen over the end of last fiscal year to 32,766 million yen, due mainly to the acquisition of property, plant, and equipment.

Liabilities totaled 32,682 million yen, a decrease of 1,341 million yen from the end of the previous fiscal year. Key contributing factors included a decline of 2,552 million yen in electronic record obligations despite an increase of 1,046 million yen in borrowings.

Net assets totaled 45,559 million yen, an increase of 3,549 million yen from the end of the previous fiscal year, due primarily to an increase in retained earnings and foreign currency translation adjustments.

As a result, the shareholders' equity ratio came to 54.9%, up 2.9 percentage points from the end of the previous fiscal year.

(3) Explanation of future forecasts, including forecasts of consolidated financial results

The economic outlook remains uncertain for various reasons: prolonged conflict in Ukraine, instability in the Middle East, fluctuations in foreign exchange rates due to changes in domestic and foreign monetary policies, and soaring resource costs.

Under these circumstances, 2024, the first year of New Medium-Term Management Plan 2026, is positioned as a critical year for achieving the 2026 targets of net sales of 120 billion yen, operating profit margin of 8%, and ROE of 12%. To achieve these goals, the entire company must work as a team to strengthen existing businesses and to expand growth and new businesses as specified in the business strategy, and to reform management foundations with a focus on each of the ESG perspectives, with the ultimate goal of maximizing profitability.

We have made no changes in the full-year consolidated financial results forecasts for the fiscal year ending March 31, 2025 announced May 15, 2024.

The above forecasts represent the Company's best judgment based on the information currently available. For various reasons, actual results may vary from these forecasts.

## 2. Semi-Annual Consolidated Financial Statements and Key Notes

### (1) Semi-annual consolidated balance sheet

(Million yen)

	Previous fiscal year As of March 31, 2024	First six months under review As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	12,011	11,289
Notes and accounts receivable - trade	20,591	20,640
Merchandise and finished goods	6,223	6,360
Work in process	1,345	1,462
Raw materials and supplies	3,858	4,044
Other	1,709	1,701
Allowance for doubtful accounts	-22	-24
Total current assets	45,718	45,475
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,519	8,875
Machinery, equipment and vehicles, net	9,978	10,958
Land	6,138	6,252
Other, net	2,059	2,644
Total property, plant and equipment	26,695	28,729
Intangible assets	1,675	1,724
Investments and other assets		
Investment securities	1,030	1,115
Other	913	1,197
Total investments and other assets	1,944	2,312
Total non-current assets	30,315	32,766
Total assets	76,033	78,242

(Million yen)

	Previous fiscal year As of March 31, 2024	First six months under review As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,373	5,535
Electronically recorded obligations - operating	6,062	3,509
Short-term borrowings	8,765	9,155
Income taxes payable	526	429
Provision for bonuses	799	831
Other	5,359	4,917
Total current liabilities	26,885	24,378
Non-current liabilities		
Long-term borrowings	2,759	3,417
Retirement benefit liabilities	1,573	1,755
Provision for retirement benefits for directors (and other officers)	159	171
Other	2,644	2,959
Total non-current liabilities	7,137	8,303
Total liabilities	34,023	32,682
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,575	1,581
Retained earnings	33,206	34,225
Treasury shares	-1,397	-1,393
Total shareholders' equity	34,780	35,807
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	205	176
Deferred gains or losses on hedges	7	-48
Foreign currency translation adjustment	4,544	7,009
Total accumulated other comprehensive income	4,757	7,137
Non-controlling interests	2,472	2,614
Total net assets	42,010	45,559
<b>Total liabilities and net assets</b>	<b>76,033</b>	<b>78,242</b>

## (2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

## Semi-annual consolidated statement of income

(Million yen)

	Six months in the previous fiscal year (From April 1, 2023 to September 30, 2023)	Six months under review (From April 1, 2024 to September 30, 2024)
Net sales	42,950	44,585
Cost of sales	36,304	36,379
Gross profit	6,645	8,205
Selling, general and administrative expenses	5,585	6,145
Operating profit	1,059	2,060
Non-operating income		
Interest income	37	40
Dividend income	3	5
Share of profit of entities accounted for using equity method	18	54
Foreign exchange gains	385	97
Other	137	129
Total non-operating income	582	327
Non-operating expenses		
Interest expenses	120	108
Other	131	57
Total non-operating expenses	251	166
Ordinary profit	1,390	2,221
Extraordinary income		
Gain on termination of retirement benefit plan	-	166
Total extraordinary income	-	166
Profit before income taxes	1,390	2,387
Income taxes - current	447	498
Income taxes - deferred	-75	262
Total income taxes	371	760
Profit	1,018	1,627
Profit (loss) attributable to non-controlling interests	-29	85
Profit attributable to owners of parent	1,047	1,542



## Semi-annual consolidated statement of comprehensive income

(Million yen)

	Six months in the previous fiscal year (From April 1, 2023 to September 30, 2023)	Six months under review (From April 1, 2024 to September 30, 2024)
Profit	1,018	1,627
Other comprehensive income		
Valuation difference on available-for-sale securities	52	-28
Deferred gains or losses on hedges	-39	-57
Foreign currency translation adjustment	1,839	2,553
Share of other comprehensive income of entities accounted for using equity method	26	67
Total other comprehensive income	1,878	2,535
Comprehensive income	2,897	4,162
Profit attributable to		
Comprehensive income attributable to owners of parent	2,787	3,922
Comprehensive income attributable to non-controlling interests	109	240

(3) Notes to the semi-annual consolidated financial statements

(Notes to assumptions for ongoing concerns)

Not applicable.

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

Not applicable.

(Adoption of special accounting procedures used to prepare semi-annual consolidated financial statements)

(Estimated tax expenses)

For expenses incurred by certain consolidated subsidiaries, the Company formed a reasonable estimate of the effective tax rate after applying tax effect accounting to profits before income taxes for the fiscal year in question, including the first half under review, multiplying this estimated effective tax rate by profits before income taxes.

(Additional information)

(Transition to retirement benefits plan)

Sueyoshi Kogyo Co., Ltd., a consolidated subsidiary, moved part of its lump-sum retirement benefits plan to a defined contribution pension plan effective April 1, 2024. With regard to the accounting procedures associated with the transition, we have applied Guidance on Accounting for Transfer between Retirement Benefit Plans (ASBJ Guidance No. 1, December 16, 2016) and Practical Solution on Accounting for Transfer between Retirement Benefit Plans (ASBJ PITF No. 2, February 7, 2007). As a result, gains on the termination of the retirement benefit plan of 166 million yen have been recorded as extraordinary gains for the semi-annual consolidated period under review.

(Segment information)

I. Six months ended September 30, 2023 (from April 1, 2023, to September 30, 2023)

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

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Amount recorded in the semi-annual consolidated statement of income (Note) 2
	Functional Parts	Anti- vibration Parts	Life Science	Metal	Hose			
Net sales								
Sales to external customers	18,054	18,424	397	3,495	2,578	42,950	-	42,950
Intersegment sales or transfer	370	3	-	0	55	429	-429	-
Total	18,425	18,428	397	3,495	2,633	43,379	-429	42,950
Segment income	1,657	861	83	33	3	2,639	-1,580	1,059

(Notes) 1. The adjustment of -1,580 million yen for segment income includes an inter-segment elimination of -1 million yen and corporate expenses that are not allocated to any reportable segments totaling -1,578 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reporting segments.

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

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

Not applicable.

II. Six months ended September 30, 2024 (from April 1, 2024, to September 30, 2024)

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

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Amount recorded in the semi-annual consolidated statement of income (Note) 2
	Functional Parts	Anti- vibration Parts	Life Science	Metal	Hose			
Net sales								
Sales to external customers	19,534	19,506	478	2,699	2,365	44,585	-	44,585
Intersegment sales or transfer	333	4	-	0	39	376	-376	-
Total	19,867	19,511	478	2,699	2,404	44,962	-376	44,585
Segment income (loss)	2,391	1,324	116	-0	80	3,912	-1,852	2,060

(Notes) 1. The adjustment of -1,852 million yen for segment income (loss) includes an inter-segment elimination of -4 million yen and corporate expenses that are not allocated to any reportable segments totaling -1,848 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 semi-annual consolidated statement of income.

2. Notes on changes in reporting segments

Starting with the first quarter of the current year, we have changed our reporting segments from the Functional Parts Business, Anti-Vibration Parts Business, Industrial Equipment Business, Metal Business, and Hose Business to Functional Parts Business, Anti-Vibration Parts Business, Life Science Business, Metal Business, and Hose Business.

We have reorganized the former Industrial Equipment Business to focus on expanding life science products and industrial products to embody the aims of New Medium-Term Management Plan 2026. This change in part of our Group's reporting segment will better reflect the actual status of each business activity following the reorganization.

The Life Science Business has been established to handle bio-related products that were previously part of the Life Science Products and Industrial Equipment Businesses. The goal is to expand our business in the regenerative medicine and cosmetics markets, which are expected to grow in the future, and to promote proactive business activities for life science products, which are drawing growing attention worldwide.

In addition, aerospace products in the new business area and products for the growing industrial business area have been integrated. OA products, previously classified under Industrial Equipment Business, have been integrated into the Functional Parts Business to improve production efficiency.

Moreover, to improve the productivity of semiconductor-related products that are expected to further expand in the market, the company integrated urethane products, which previously belonged to the Industrial Equipment Business, into the Anti-Vibration Parts Business.

Segment information for the corresponding six-month period of the previous fiscal year is based on the new reporting segments.

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

Not applicable.