



## Financial Results Summary for the Three-Month Period Ended June 30, 2024 [Japanese GAAP] (Consolidated)

August 6, 2024

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 commencement date of dividends payment: -

Preparation of supplementary material on financial results : None

Holding of financial results briefing : None

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

### 1. Consolidated Financial Results for the Three-Month Period Ended June 30, 2024 (From April 1, 2024 to June 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	%
Three months ended June 30, 2024	22,226	3.3	980	47.0	1,288	56.1	738	92.5
Three months ended June 30, 2023	21,506	10.9	667	49.1	825	-23.6	383	-55.5

(Note) Comprehensive income Three months ended June 30, 2024 1,797 million yen (154.5%)  
 Three months ended June 30, 2023 706 million yen (-70.6%)

	Profit per share	Profit per share – diluted
	yen	yen
Three months ended June 30, 2024	45.80	-
Three months ended June 30, 2023	23.80	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Three months ended June 30, 2024	77,689	43,239	52.4
As of March 31, 2024	76,033	42,010	52.0

(Reference) Shareholders' equity Three months ended June 30, 2024 40,717 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	-				
Fiscal year ending March 31, 2025 (forecast)		37.50	-	37.50	75.00

(Note) Revision of the dividends 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 quarterly consolidated financial statements : Yes

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

As of June 30, 2024	17,609,130 shares	As of March 31, 2024	17,609,130 shares
As of June 30, 2024	1,493,502 shares	As of March 31, 2024	1,493,462 shares
As of June 30, 2024	16,115,638 shares	As of June 30, 2023	16,109,125 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit firm: None

\* 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 “(3) Explanation of future forecast information such as consolidated financial results forecasts” in “1. Overview of Operating Results, etc.” 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 period under review

The Japanese economy experienced recovery during the three months ended June 30, 2024, with higher wage growth rates and an increase in inbound tourists. However, the prolonged crisis in Ukraine, the sluggish growth of the Chinese economy, continued yen depreciation, and persistent inflationary concerns continue to leave the outlook uncertain.

Although the automotive industry saw a recovery in production volumes due to improvements in semiconductor supply shortages from the previous fiscal year, growth worldwide remained sluggish. Demand, depending on regional differences, fell into bright and dark areas. Despite aggressive investments in research and development as well as promotional activities for electric vehicles, there has been a shift in demand for hybrid vehicles in certain regions.

For the three months ended June 30, 2024, consolidated net sales increased 3.3% year on year to 22,226 million yen. Operating profit was up 47.0% year on year to 980 million yen, with ordinary profit up 56.1% to 1,288 million yen. This was realized by overcoming the impact of higher raw material and fuel costs through streamlining and reflecting these costs in selling prices. Profit attributable to owners of the parent increased 92.5% to a total of 738 million yen.

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

We have changed the classification of our reporting segments from the first quarter under review. For the year-on-year comparisons below, we have undertaken a comparative analysis using figures from the same quarter of the previous year that have been reclassified to align with the new segment categories.

For more information, see "(3) Notes to Quarterly Consolidated Financial Statements (Notes on segment Information)" in "2 Quarterly Consolidated Financial Statements and Key Notes."

#### Functional Parts Business

Net sales increased 4.5% year on year to 9,505 million yen due to a recovery in automobile manufacturer production and the effect of foreign exchange rates. Segment income grew 29.2% year on year to total 1,137 million yen due to streamlining efforts and reflecting the rising cost of materials in selling prices.

#### Anti-Vibration Parts Business

Net sales increased 8.4% year on year to 10,076 million yen due to growing demand in India and the United States and the effect of currency translation. Segment income was up 41.5% year on year to 671 million yen due to streamlining efforts and reflecting the rising cost of materials for metal parts in selling prices.

#### Life Science Business

Due to strong orders, net sales grew 24.5% year on year to 252 million yen. Segment income increased 37.0% year on year to 64 million yen.

#### Metal Business

Net sales fell 22.0% year on year to 1,367 million yen due to our ongoing efforts on downsizing unprofitable components businesses to improve profitability. Segment income, which gained 25 million yen for the same period last year, showed a loss of 16 million yen despite streamlining efforts and reflecting the rising cost of materials for metal parts in selling prices.

#### Hose Business

Net sales declined by 11.6% year on year to 1,211 million yen due to lower demand in Southeast Asia and other factors. Segment income grew 62.3% year on year to 59 million yen due to streamlining efforts and reflecting the rising cost of materials in selling prices.

(2) Overview of financial position for the period under review

Total assets as of June 30, 2024 were 77,689 million yen, an increase of 1,655 million yen from the end of the previous fiscal year.

Current assets grew 714 million yen from the end of the previous fiscal year to 46,432 million yen, due primarily to an increase in notes and accounts receivable-trade.

Non-current assets rose 941 million yen over the end of last fiscal year to 31,256 million yen, due primarily to an increase in machinery, equipment and transportation equipment.

Liabilities totaled 34,449 million yen, an increase of 426 million yen from the end of the previous fiscal year. This increase was primarily attributable to increased borrowings.

Net assets totaled 43,239 million yen, an increase of 1,229 million yen from the end of the previous fiscal year. This was primarily due to an increase in retained earnings and foreign currency translation adjustments.

As a result, the shareholders' equity ratio came to 52.4%, up 0.4 percentage points from the end of the previous fiscal year.

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

The economic outlook for the future remains uncertain, with an inflationary trend due to the prolonged situation in Ukraine, exchange rate volatility in the context of global monetary tightening, and soaring resource costs.

Under these circumstances, 2024, the first year of the New Medium-Term Management Plan 2026, is positioned as a key year for achieving the 2026 targets of net sales of 120 billion yen, operating profit margin of 8%, and ROE of 12%. To achieve this goal, the entire company will work together on strategies to bolster existing businesses, expand growth businesses and new businesses, and to reform management foundations focusing on ESG perspectives, with the overall goal of maximizing profitability.

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

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, 2024	First quarter under review As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	12,011	11,748
Notes and accounts receivable - trade	20,591	21,100
Merchandise and finished goods	6,223	6,216
Work in process	1,345	1,397
Raw materials and supplies	3,858	4,033
Other	1,709	1,959
Allowance for doubtful accounts	-22	-23
Total current assets	45,718	46,432
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,519	8,585
Machinery, equipment and vehicles, net	9,978	10,406
Land	6,138	6,183
Other, net	2,059	2,306
Total property, plant and equipment	26,695	27,481
Intangible assets	1,675	1,689
Investments and other assets		
Investment securities	1,030	1,061
Other	913	1,024
Total investments and other assets	1,944	2,086
Total non-current assets	30,315	31,256
Total assets	76,033	77,689

(Million yen)

	Previous fiscal year As of March 31, 2024	First quarter under review As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,373	5,324
Electronically recorded obligations - operating	6,062	5,565
Short-term borrowings	8,765	8,774
Income taxes payable	526	463
Provision for bonuses	799	539
Other	5,359	5,673
Total current liabilities	26,885	26,341
Non-current liabilities		
Long-term borrowings	2,759	3,366
Retirement benefit liabilities	1,573	1,644
Provision for retirement benefits for directors (and other officers)	159	160
Other	2,644	2,936
Total non-current liabilities	7,137	8,108
Total liabilities	34,023	34,449
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,575	1,575
Retained earnings	33,206	33,421
Treasury shares	-1,397	-1,397
Total shareholders' equity	34,780	34,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	205	200
Deferred gains or losses on hedges	7	-54
Foreign currency translation adjustment	4,544	5,576
Total accumulated other comprehensive income	4,757	5,722
Non-controlling interests	2,472	2,521
Total net assets	42,010	43,239
Total liabilities and net assets	76,033	77,689

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

## Quarterly consolidated statement of income

Three months ended June 30, 2024

(Million yen)

	Three-month period in the previous fiscal year (From April 1, 2023 to June 30, 2023)	Three-month period under review (From April 1, 2024 to June 30, 2024)
Net sales	21,506	22,226
Cost of sales	18,080	18,147
Gross profit	3,426	4,079
Selling, general and administrative expenses	2,759	3,098
Operating profit	667	980
Non-operating income		
Interest income	17	20
Dividend income	3	4
Share of profit of entities accounted for using equity method	5	8
Foreign exchange gains	206	296
Other	60	47
Total non-operating income	293	377
Non-operating expenses		
Interest expenses	56	50
Other	78	18
Total non-operating expenses	135	69
Ordinary profit	825	1,288
Profit before income taxes	825	1,288
Income taxes - current	274	287
Income taxes - deferred	159	238
Total income taxes	433	526
Profit	392	762
Profit attributable to non-controlling interests	8	24
Profit attributable to owners of parent	383	738



Quarterly consolidated statement of comprehensive income

Three months ended June 30, 2024

(Million yen)

	Three-month period in the previous fiscal year (From April 1, 2023 to June 30, 2023)	Three-month period under review (From April 1, 2024 to June 30, 2024)
Profit	392	762
Other comprehensive income		
Valuation difference on available-for-sale securities	33	-4
Deferred gains or losses on hedges	-19	-62
Foreign currency translation adjustment	288	1,074
Share of other comprehensive income of entities accounted for using equity method	11	27
Total other comprehensive income	314	1,035
Comprehensive income	706	1,797
Profit attributable to		
Comprehensive income attributable to owners of parent	689	1,703
Comprehensive income attributable to non-controlling interests	16	94

(3) Notes to quarterly consolidated financial statements

(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.

(Notes on segment information)

Segment information

I. 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	Life Science	Metal	Hose			
Net sales								
Sales to external customers	8,917	9,289	202	1,752	1,344	21,506	-	21,506
Intersegment sales or transfer	182	2	-	0	25	210	-210	-
Total	9,100	9,291	202	1,753	1,369	21,717	-210	21,506
Segment income	880	474	47	25	36	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.

II. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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	Life Science	Metal	Hose			
Net sales								
Sales to external customers	9,341	10,072	252	1,367	1,193	22,226	-	22,226
Intersegment sales or transfer	164	4	-	0	18	186	-186	-
Total	9,505	10,076	252	1,367	1,211	22,412	-186	22,226
Segment income (loss)	1,137	671	64	-16	59	1,916	-936	980

(Notes) 1. The adjustment of -936 million yen for segment income (loss) includes an inter-segment elimination of 0 million yen and corporate expenses that are not allocated to any reporting segments totaling -936 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reportable segments.

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

2. Notes on Changes in Reporting Segments

Starting with the first quarter under review, the reporting segments have been reclassified from the previous segments of Functional Parts Business, Anti-Vibration Parts Business, Industrial Equipment Business, Metal Business, and Hose Business to the new segments of Functional Parts Business, Anti-Vibration Parts Business, Life Science Business, Metal Business, and Hose Business.

We have reorganized the former Industrial Equipment Business Division 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 three-month period in the previous fiscal year is stated based on the reporting segment classification after the change.

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

Not applicable

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

Not applicable

(Notes on going concern assumption)

Not applicable

(Notes on statement of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for three months ended June 30, 2024.

Depreciation and amortization expense (including amortization of intangible assets excluding goodwill) for three months ended June 30 was as follows:

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation and amortization expense	1,063 million yen	1,149 million yen

(Notes on important subsequent events)

(Disposal of Treasury Shares as Restricted Stock Compensation)

The Company resolved at the Board of Directors meeting held on June 26, 2024, to dispose of treasury shares as restricted stock compensation to the Company's directors (excluding directors who are nonresidents of the country, directors who are Audit and Supervisory Committee members, and outside directors). Accordingly, the Company disposed of treasury shares as follows:

1. Overview of the disposal

- (1) Pay-in date: July 25, 2024
- (2) Class and number of shares to be disposed of: Common stock of the Company 3,760 shares
- (3) Disposal price: 2,331 yen per share
- (4) Total value of disposal: 8,764,560 yen
- (5) Recipients, number of recipients, and number of shares to be disposed

Three (3) Directors (excluding directors who are nonresidents of Japan, directors who are Audit and Supervisory Committee members, and outside directors) 3,760 shares

2. Purpose and reasons for disposal

In its meeting held June 4, 2020, the Company Board of Directors resolved to adopt a system of transfer-restricted share-based compensation ("System" hereinafter) as a new compensation system for Eligible Directors. This System is intended to provide incentives for Company Directors ("Eligible Directors"; excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) to work toward sustained growth in the Company's corporate and shareholder value over the medium to long term and to enhance the Company's sharing of value with shareholders. In addition, the 67th Regular General Meeting of Shareholders held June 26, 2020 and the follow-up meeting to the 67th Regular General Meeting of Shareholders held July 31, 2020 approved ① the payment to Eligible Directors of claims to monetary compensation of up to 50 million yen/year, apart from existing limits on monetary compensation, as assets for investments in kind related to the allotment of transfer-restricted shares based on this System; ② the designation as the transfer-restricted period of the period from the date of issue of the transfer-restricted shares through the date of retirement or resignation from the status of a Company Director or other status as specified by the Company Board of Directors (or a date specified separately by the Company Board of Directors within six months after the end of the fiscal year in which falls the date of issue of the allotted shares for those retiring or resigning, and within three months after the end of such fiscal year); and ③ the establishment of the conditions (i) the recipient retaining the status of a Company Director or other status specified by the Company Board of Directors continually during the period of provision of services as specified by the Company Board of Directors; and (ii) if the recipient has retired or resigned from the status of a Company Director or other status as specified by the Company Board of Directors before the end of this period of provision of services, it must have been for appropriate reasons as recognized by the Company Board of Directors.