



Financial Results Summary for the Nine-Month Period Ended December 31, 2024
[Japanese GAAP] (Consolidated)

February 14, 2025

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
 Executive Officer and
 Contact: (Title) Deputy Chief Director of Administration Unit (Name) Norio Nakatsugawa (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 Nine-Month Period Ended December 31, 2024 (From April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	66,797	0.9	3,705	64.4	3,281	25.9	1,902	3.0
Nine months ended December 31, 2023	66,233	9.3	2,254	69.0	2,607	4.6	1,846	-3.4

(Note) Comprehensive income Nine months ended December 31, 2024 2,630 million yen (-38.1%)
 Nine months ended December 31, 2023 4,245 million yen (-18.9%)

	Profit per share		Profit per share – diluted
	yen	yen	
Nine months ended December 31, 2024	118.05	-	-
Nine months ended December 31, 2023	114.61	-	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Nine months ended December 31, 2024	77,441	43,422	52.8
As of March 31, 2024	76,033	42,010	52.0

(Reference) Shareholders' equity Nine months ended December 31, 2024 40,925 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
As of March 31, 2024	yen	yen	yen	yen	yen
Fiscal year ending March 31, 2025	-	27.50	-	32.50	60.00
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	89,000	0.2	4,600	26.1	3,800	△7.2	2,400	△21.3	148.89

(Note) Revision of the consolidated results forecast released most recently : Yes

* 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 December 31, 2024	17,609,130 shares	As of March 31, 2024	17,609,130 shares
As of December 31, 2024	1,489,742 shares	As of March 31, 2024	1,493,462 shares
As of December 31, 2024	16,117,136 shares	As of December 31, 2023	16,111,744 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.

○ Table of Contents of Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the period under review	2
(2) Overview of financial position for the period under review	3
(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
(3) Notes to quarterly consolidated financial statements	8
(Adoption of special accounting procedures used in preparation of the quarterly consolidated financial statements)	8
(Additional information)	8
(Notes on segment information)	8
(Notes when there is a significant change in the amount of shareholders' equity)	10
(Notes on going concern assumption)	10
(Notes on statement of cash flows)	10

1. Overview of Operating Results, etc.

(1) Overview of operating results for the period under review

Bolstered by improving employment and income conditions and growth in inbound demand, the Japanese economy maintained a course of moderate recovery during the nine months ended December 31, 2024. Nevertheless, due to geopolitical instability, the prolonged slowing in the Chinese economy, and persistent concern about inflation given the rising prices and the risk of volatility in financial markets, the outlook remains uncertain.

While the automotive industry is on track to recover from lower production volumes due to alleviated semiconductor shortages, the pace of this recovery varied from region to region. Additionally, despite aggressive investment in research and development and promotional activities, signs emerged of a reassessment of the shift in demand toward electric vehicles.

For the nine months ended December 31, 2024, consolidated net sales grew 0.9% year on year to 66,797 million yen, while operating profit was up 64.4% year on year to 3,705 million yen, due largely to efforts to mitigate the impact of rising raw material, fuel, and labor costs by streamlining operations and adjusting sales prices. Ordinary profit was up 25.9% year on year to 3,281 million yen, despite the recording of an allowance for doubtful accounts at Shanghai Fukoku Rubber & Plastics Industry Co., Ltd., a consolidated subsidiary, due to accounting improprieties traceable to a single employee. Net income attributable to owners of the parent company rose 3.0% year on year to 1,902 million yen despite an impairment loss recorded on the non-current assets of the “Anti-Vibration Parts Business” segment of Shanghai Fukoku Rubber & Plastics Industry and corporate tax, residential tax and business tax related to the improprieties mentioned above.

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 grew 4.3% year on year to 30,001 million yen on the strength of steady orders and the impact of foreign exchange rates.

Segment income grew 32.9% year on year to 3,818 million yen due to successful efforts to streamline operations and raise prices to mitigate the rising cost of raw materials, fuel, and labor.

Anti-Vibration Parts Business

Net sales grew 2.9% year on year to 29,227 million yen due to a recovery in orders received and the effects of foreign exchange rates. Segment income rose 53.8% year on year to 2,400 million yen due to successful efforts to streamline operations and raise prices to mitigate the rising cost of metal parts, fuel, and labor.

Life Science Business

Net sales grew 20.0% year on year to 728 million yen, due mainly to strong orders in Japan. Segment income rose 14.6% year on year to 177 million yen.

Metal Business

We are currently proceeding to downsize unprofitable components as part of efforts to improve profitability. Net sales declined 24.1% year on year to 3,858 million yen. Segment income/loss, which gained 27 million yen for the same period last year, amounted to a loss of 74 million yen, despite efforts including streamlining operations and reflecting the rising cost of metal parts, fuel, and labor to sales prices.

Hose Business

Net sales declined 11.2% year on year to 3,553 million yen due mainly to declining demand in Southeast Asia. Segment income grew 170.3% year on year to 161 million yen due to successful efforts to streamline operations and raise prices to mitigate the rising cost of raw material, fuel, and labor.

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

Total assets as of December 31, 2024 were 77,441 million yen, an increase of 1,407 million yen from the end of the previous fiscal year. Current assets rose 204 million yen from the end of the previous fiscal year to 45,922 million yen, due mainly to an increase in cash and deposits.

Non-current assets rose 1,202 million yen over the end of last fiscal year to 31,518 million yen, due mainly to the acquisition of property, plant and equipment.

Liabilities totaled 34,019 million yen, a decline of 4 million yen from the end of the previous fiscal year.

Net assets totaled 43,422 million yen, an increase of 1,412 million yen from the end of the previous fiscal year. This was due primarily to an increase in retained earnings and foreign currency translation adjustments.

The resulting shareholders' equity ratio came to 52.8%, up 0.8 percentage points from the end of the previous fiscal year.

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

Regarding the full-year consolidated financial results forecasts for the fiscal year ending March 31, 2025, the forecast which was announced on May 15, 2024 for consolidated financial results has been revised. For details, please see "Notice Concerning Recording of Extraordinary Losses and Costs related to Fraud caused by an Employee of the Company's Overseas Subsidiary, and Revisions to Full-Year Financial Results Forecasts" announced on February 14, 2025.

There are no changes to the dividend forecast for the fiscal year ending March 31, 2025, from the previous forecasts, which were year-end dividend per share 37.5 yen, and 70.0 yen in total.

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	Third quarter under review As of December 31, 2024
Assets		
Current assets		
Cash and deposits	12,011	12,655
Notes and accounts receivable - trade	20,591	20,215
Merchandise and finished goods	6,223	6,142
Work in process	1,345	1,385
Raw materials and supplies	3,858	3,719
Other	1,709	1,828
Allowance for doubtful accounts	-22	-23
Total current assets	45,718	45,922
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,519	8,363
Machinery, equipment and vehicles, net	9,978	10,548
Land	6,138	6,184
Other, net	2,059	2,306
Total property, plant and equipment	26,695	27,402
Intangible assets	1,675	1,832
Investments and other assets		
Investment securities	1,030	1,154
Other	913	1,580
Allowance for doubtful accounts	-	-452
Total investments and other assets	1,944	2,282
Total non-current assets	30,315	31,518
Total assets	76,033	77,441

(Million yen)

	Previous fiscal year As of March 31, 2024	Third quarter under review As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,373	5,144
Electronically recorded obligations - operating	6,062	4,408
Short-term borrowings	8,765	8,822
Income taxes payable	526	488
Provision for bonuses	799	537
Other	5,359	5,465
Total current liabilities	26,885	24,868
Non-current liabilities		
Long-term borrowings	2,759	4,185
Retirement benefit liabilities	1,573	1,724
Provision for retirement benefits for directors (and other officers)	159	171
Other	2,644	3,070
Total non-current liabilities	7,137	9,150
Total liabilities	34,023	34,019
Net assets		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,575	1,581
Retained earnings	33,206	33,981
Treasury shares	-1,397	-1,393
Total shareholders' equity	34,780	35,563
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	205	220
Deferred gains or losses on hedges	7	71
Foreign currency translation adjustment	4,544	5,069
Total accumulated other comprehensive income	4,757	5,361
Non-controlling interests	2,472	2,497
Total net assets	42,010	43,422
Total liabilities and net assets	76,033	77,441

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

Quarterly consolidated statement of income

Nine months ended December 31, 2024

(Million yen)

	Nine-month period in the previous fiscal year (From April 1, 2023 to December 31, 2023)	Nine-month period under review (From April 1, 2024 to December 31, 2024)
Net sales	66,233	66,797
Cost of sales	55,495	53,881
Gross profit	10,738	12,915
Selling, general and administrative expenses	8,484	9,209
Operating profit	2,254	3,705
Non-operating income		
Interest income	52	54
Dividend income	7	10
Share of profit of entities accounted for using equity method	28	105
Foreign exchange gains	407	-
Other	190	168
Total non-operating income	687	339
Non-operating expenses		
Interest expenses	181	168
Foreign exchange gains	-	22
Provision for allowance for doubtful accounts	-	439
Extraordinary investigation costs	-	58
Other	151	73
Total non-operating expenses	333	763
Ordinary profit	2,607	3,281
Extraordinary income		
Gain on termination of retirement benefit plan	-	166
Total extraordinary income	-	166
Extraordinary loss		
Impairment loss	-	269
Total extraordinary loss	-	269
Profit before income taxes	2,607	3,179
Income taxes - current	623	808
Income taxes - deferred	136	377
Total income taxes	760	1,186
Profit	1,847	1,993
Profit attributable to non-controlling interests	1	90
Profit attributable to owners of parent	1,846	1,902

Quarterly consolidated statement of comprehensive income

Nine months ended December 31, 2024

(Million yen)

	Nine-month period in the previous fiscal year (From April 1, 2023 to December 31, 2023)	Nine-month period under review (From April 1, 2024 to December 31, 2024)
Profit	1,847	1,993
Other comprehensive income		
Valuation difference on available-for-sale securities	50	15
Deferred gains or losses on hedges	-50	73
Foreign currency translation adjustment	2,357	535
Share of other comprehensive income of entities accounted for using equity method	40	13
Total other comprehensive income	2,398	637
Comprehensive income	4,245	2,630
Profit attributable to		
Comprehensive income attributable to owners of parent	4,077	2,507
Comprehensive income attributable to non-controlling interests	168	122

(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.

(Additional information)

(Transition to a retirement benefit plan)

Sueyoshi Kogyo Co., Ltd., one of our consolidated subsidiaries, moved part of its lump-sum retirement benefit plan to a defined contribution pension plan effective April 1, 2024. With regard to the accounting procedures associated with the transition, we have applied the provisions of the 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, a gain of 166 million yen on the termination of the retirement benefit plan was recorded as an extraordinary income in the nine months ended December 31, 2024.

(Notes on segment information)

I. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	28,227	28,389	606	5,087	3,923	66,233	-	66,233
Intersegment sales or transfer	543	8	-	0	77	629	-629	-
Total	28,770	28,397	606	5,087	4,001	66,863	-629	66,233
Segment income	2,874	1,560	154	27	59	4,676	-2,422	2,254

(Notes) 1. The adjustment of -2,422 million yen for segment income includes an inter-segment elimination of 0 million yen and corporate expenses that are not allocated to any reporting segments totaling -2,423 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. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	29,501	29,218	728	3,858	3,490	66,797	-	66,797
Intersegment sales or transfer	499	8	-	0	63	572	-572	-
Total	30,001	29,227	728	3,858	3,553	67,369	-572	66,797
Segment income (loss)	3,818	2,400	177	-74	161	6,484	-2,778	3,705

(Notes) 1. The adjustment of -2,778 million yen for segment income (loss) includes an inter-segment elimination of -5 million yen and corporate expenses that are not allocated to any reporting segments totaling -2,772 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 third quarter, 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 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 nine-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

(Significant impairment loss on non-current assets)

In the Anti-Vibration Parts Business segment, we recorded an impairment loss on the non-current assets of Shanghai Fukoku Rubber & Plastics Industry Co., a consolidated subsidiary. The amount of the impairment loss recorded during the nine months ended in December 31, 2024 was 269 million yen.

(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 nine months ended December 31, 2024.

Depreciation and amortization expense (including amortization of intangible assets excluding goodwill) for nine months ended December 31 was as follows:

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation and amortization expense	3,380 million yen	3,670 million yen