

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: PRESS KOGYO CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 7246 URL <https://www.presskogyo.co.jp>  
 Representative: President & CEO Tetsushi Mino  
 Inquiries: General Manager, General Affairs Dept. Takanori Sasaoka TEL 044-276-3901  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to file Securities Report: June 29, 2023  
 Scheduled date to commence dividend payments: June 30, 2023  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	184,844	15.5	13,110	5.5	13,714	8.2	6,793	(4.4)
Year ended March 31, 2022	160,060	-	12,424	-	12,673	-	7,107	-

Note: Comprehensive income For the year ended March 31, 2023 ¥12,220 million [8.9%]  
 For the year ended March 31, 2022 ¥11,220 million [-%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	65.54	-	7.0	7.8	7.1
Year ended March 31, 2022	66.17	-	7.7	7.8	7.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the year ended March 31, 2023 ¥- million

For the year ended March 31, 2022 ¥- million

Note: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the year ended March 31, 2022, each figure for the year ended March 31, 2022, is the figure after applying the accounting standard, etc., and the percentage of year-on-year change is not shown.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	178,402	111,087	56.2	972.37
As of March 31, 2022	172,617	103,219	54.9	899.34

Reference: Equity

As of March 31, 2023: ¥100,267 million

As of March 31, 2022: ¥94,794 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	21,187	(9,783)	(10,841)	22,329
Year ended March 31, 2022	15,390	(10,483)	(594)	21,555

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	9.50	–	10.50	20.00	2,136	30.2	2.3
Year ended March 31, 2023	–	10.50	–	10.50	21.00	2,165	32.0	2.2
Year ending March 31, 2024 (Forecast)	–	13.00	–	13.00	26.00		33.9	

## 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	95,700	9.3	6,200	23.6	6,100	6.9	4,000	1.8	39.29
Full year	189,800	2.7	13,200	0.7	13,100	(4.5)	7,800	14.8	76.61

Note: The Company resolved at the meeting of the Board of Directors held on May 11, 2023, to conduct an acquisition of treasury shares. The Company has considered the impact of the acquisition of treasury shares on earnings per share in the forecast of consolidated financial results.

## 4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	108,594,270 shares	As of March 31, 2022	111,015,070 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	5,477,784 shares	As of March 31, 2022	5,610,620 shares
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Average number of shares during the period

Year ended March 31, 2023	103,639,811 shares	Year ended March 31, 2022	107,409,765 shares
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## 1. Overview of operating results and others

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

In the fiscal year ended March 31, 2023, the outlook for the truck and construction machinery business environment in Japan and overseas was uncertain as a result of ongoing restrictions on parts supply due notably to Chinese lockdowns, the shortage of semiconductors and logistical disruptions, in addition to factors such as energy costs and resource prices soaring and remaining at a high level due to the situation in Europe, and sudden foreign exchange fluctuations.

As its manufacturing activities were also greatly affected at all bases, the Group strongly promoted a re-evaluation of the production system as well as rationalization activities, and strove to secure revenues.

As a result of the above, in the current fiscal year, the Company recorded net sales of 184,844 million yen (up 15.5% year on year), operating profit of 13,110 million yen (up 5.5% year on year), and ordinary profit of 13,714 million yen (up 8.2% year on year). Profit attributable to owners of parent was 6,793 million yen (down 4.4% year on year) due to the recording of impairment losses on buildings and equipment, etc. of consolidated subsidiaries in China.

Business performance by segment is as follows.

#### (Automotive-Related Business)

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Domestic demand for heavy- and medium-duty trucks decreased by 22,300 vehicles year on year, to 55,000 vehicles, and domestic demand for light-duty trucks decreased by 1,900 vehicles year on year, to 72,600 vehicles. Although total exports of heavy- and medium-duty trucks and light-duty trucks increased year on year, domestic production of the Group was on the same level as the same period of the previous fiscal year.

[Thailand]

Due to increased domestic demand and exports of 1-ton pick-up trucks, production increased year on year at the TSPK Group.

[U.S.A.]

Production at PK U.S.A., INC. increased year on year due to new start-ups and so forth, despite a decrease in domestic demand.

[Indonesia]

Owing to increased domestic demand and exports of commercial vehicles, production increased year on year at PT. PK Manufacturing Indonesia.

[Sweden]

In Europe, demand for commercial vehicles increased, and ordered products performed well. As a result, production increased year on year at PRESS KOGYO SWEDEN AB.

As a result of the above, net sales in this segment amounted to 150,403 million yen (up 19.6% year on year), and segment profit amounted to 15,661 million yen (up 13.1% year on year).

## **(Construction Machinery-Related Business)**

The business environment and business performance in Japan and overseas in this segment was as follows.

[Japan]

Production at the Company's Onomichi Plant and at KYOWA MFG. CO., LTD. increased year on year due to firm domestic demand and exports of hydraulic excavators.

[China]

Production at PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. decreased year on year due to sluggish domestic demand. PM CABIN MANUFACTURING CO., LTD. was dissolved on September 28, 2021, and is currently in liquidation.

As a result of the above, net sales in this segment amounted to 34,461 million yen (up 1.0% year on year), and segment profit amounted to 813 million yen (down 52.1% year on year).

### **Issues to be addressed**

Although global demand for vehicles and construction machinery remains steady, restricted parts supply has not recovered completely, and FY2023 was expected to still face sudden production fluctuations and their influence. In addition, the business environment remains uncertain and unpredictable, with resource prices and logistics costs soaring and remaining high with increased geopolitical risks. The Group will improve the ability to respond to changes to minimize the impact on business performance and streamline operational activities.

The medium-term business plan (for FY2019 to FY2023) proposes "Focus on the Quality Management" to survive and grow in this rapidly changing era. The plan sets the pillars of (i) Building strong management structure, (ii) Leading products and high competitiveness of core products, and (iii) Securing and expanding existing core business / new business. Since the plan started, the business environment has changed significantly. Accordingly, we added and modified focused actions to implement the plan and have company-wide commitments to achieve the targets in the final year of the medium-term business plan.

#### **1) Building strong management structure**

The "activity for monozukuri mindset" aimed at safety, 5S, equipment maintenance, and skill transfer, which are the fundamentals of manufacturing, are becoming firmly established as part of our corporate culture, and we will continue these activities in our daily management.

We are also promoting productivity improvement activities, the creation of a flexible system to cope with fluctuations in production volume, company-wide cross-sectional business improvement activities including staff divisions, diversity and activation of human resources and work styles, and the review of systems in response to changes in employment policies.

Additionally, we extended compliance education and strengthened information security measures including defending against cyber-attacks.

For the realization of carbon neutrality, we will make efforts to achieve the goal in FY2050. The Group will address climate change problems as a critical management challenge under the leadership of the CN Promotion Committee. We will perform scenario analysis based on the TCFD framework and will incorporate the results into our management strategy to pave the way to the goal.

#### **2) Leading products and high competitiveness of core products**

In automotive parts, amid rapid progress in development targeting next-generation models and the shift to EVs and FCVs, we are focusing on development proposals that will contribute to enhancing the capabilities of the Group's core products, including weight saving qualities, high strength, multi-functionalized properties, and better coating performance.

In construction machinery cabins, we are striving to ensure weight reduction and higher robustness as well as developing functional improvements, such as improved visibility and window/door systems. We are also aiming to strengthen the competitiveness of the Onomichi Plant, which specializes in construction machinery cabins, by reorganizing the overall production lines and optimizing logistics within the plant.

In addition, we will further advance manufacturing and increase our competitiveness as a specialized manufacturer through research and development of new technologies and methods for practical application, consideration of the use of new materials, and production line automation and efficiency, and the introduction of IT such as IoT/RPA.

### 3) Securing and expanding existing core business / new business

While global demand is firm, supported by construction demand such as infrastructure development and increased logistics, domestic demand is said to be facing future demand contraction factors such as driver shortages, modal shifts, and a declining population. Particularly, the “2024 Issue” is a pressing challenge that confronts the logistics industry, and its response has attracted wide attention. Furthermore, the automotive industry as a whole is at a stage of major change, including the reorganization and alliances across the industry and the accelerating shift toward EVs and FCVs.

In the automotive-related business, we are leveraging our ability to make proposals based on customer needs to enhance the value of core products, as we work to secure and expand our existing business.

In construction machinery cabins, we are making development proposals for various sizes of hydraulic excavators, from small to large sizes, and thus steadily increasing our market share toward achieving the sales expansion target of the medium-term business plan. Furthermore, we are also promoting activities aimed at expanding sales, including cabins for construction machinery other than hydraulic excavators and cabins for agricultural and industrial machinery.

In addition, we will also actively take on the challenge of developing applications for proprietary technologies, as well as new business development.

Management targets for the fiscal year ending March 31, 2024 in the medium-term business plan are as follows: operating profit margin: 7%, ROE: 7%, and total return ratio: 35% or more.

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

### 1) Assets, liabilities and net assets

Total assets at the end of the current fiscal year increased 5,784 million yen from the end of the previous fiscal year to 178,402 million yen. This was mainly due to an increase in inventories, an increase in machinery, equipment and vehicles, and an increase in tools, furniture and fixtures.

Total liabilities at the end of the current fiscal year decreased 2,082 million yen from the end of the previous fiscal year to 67,315 million yen. This was mainly due to a decrease in short-term borrowings.

Net assets at the end of the current fiscal year increased 7,867 million yen from the end of the previous fiscal year to 111,087 million yen. This was mainly due to an increase in retained earnings. As a result, the equity ratio was 56.2%.

### 2) Overview of cash flows

Cash and cash equivalents (“funds”) at the end of the current fiscal year increased 773 million yen from the end of the previous fiscal year to 22,329 million yen.

The status of cash flows and their factors during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities increased 5,796 million yen year on year to 21,187 million yen. This was mainly due to an increase in profit before income taxes, etc.

(Cash flows from investing activities)

Net cash used in investing activities decreased 700 million yen year on year to 9,783 million yen. This was mainly due to income from affiliate liquidation.

(Cash flows from financing activities)

Net cash used in financing activities increased 10,247 million yen year on year to 10,841 million yen. This was mainly due to a net decrease in short-term borrowings, etc.

### **(3) Basic policy on profit appropriation and dividends for the current and next fiscal years**

The fundamental policy of the Press Kogyo Group is to aim for sustainable growth and to increase corporate value over the medium- to long-term through business activities, while maintaining the necessary level of shareholders' equity and providing sustainable and stable returns to shareholders.

The medium-term target for total shareholder return is 35% or more.

#### **1. Maintenance of necessary shareholders' equity level**

Financial soundness shall be ensured by comprehensively considering investment for growth, the ability to respond to operational risks, maintenance of ratings, etc.

#### **2. Dividend policy**

The dividend amount for each period is determined by comprehensively considering performance and capital demands, among other factors. The frequency of dividend payments shall be twice a year, in principle.

#### **3. Acquisition of treasury shares, etc.**

Changes in the business environment will be responded to flexibly, and financial measures leading to increased corporate value, such as the acquisition or cancellation of treasury shares, will be implemented.

The Company plans to pay a dividend of 10.5 yen per share at the end of the fiscal year ended March 31, 2023, to be proposed to the Annual Shareholders' Meeting. An interim dividend of 10.5 yen per share has been paid, bringing the annual dividend to 21 yen per share.

For the fiscal year ending March 31, 2024, the Company expects to pay an annual dividend of 26 yen per share (interim dividend of 13 yen and year-end dividend of 13 yen).

## **2. Basic rationale for selection of accounting standards**

In order to ensure comparability with other domestic companies in the same industry, the Group applies Japanese GAAP for accounting standards.

The Company's policy is to respond appropriately to the application of International Financial Reporting Standards (IFRS), taking into consideration various conditions in Japan and overseas.

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	21,569	22,344
Notes receivable - trade	2,821	2,991
Accounts receivable - trade	41,430	41,097
Merchandise and finished goods	1,384	1,662
Work in process	11,228	11,993
Raw materials and supplies	1,664	2,011
Income taxes refund receivable	31	20
Other	4,240	4,958
Allowance for doubtful accounts	(12)	(14)
Total current assets	84,359	87,065
Non-current assets		
Property, plant and equipment		
Buildings and structures	40,878	41,662
Accumulated depreciation	(28,867)	(30,489)
Buildings and structures, net	12,011	11,172
Machinery, equipment and vehicles	102,800	109,725
Accumulated depreciation	(86,985)	(92,193)
Machinery, equipment and vehicles, net	15,815	17,531
Tools, furniture and fixtures	36,156	39,936
Accumulated depreciation	(31,344)	(33,257)
Tools, furniture and fixtures, net	4,811	6,678
Land	32,263	32,441
Construction in progress	9,457	9,970
Total property, plant and equipment	74,359	77,794
Intangible assets	588	538
Investments and other assets		
Investment securities	6,977	6,970
Deferred tax assets	1,294	1,388
Retirement benefit asset	3,745	3,561
Other	1,373	1,159
Allowance for doubtful accounts	(79)	(76)
Total investments and other assets	13,311	13,003
Total non-current assets	88,258	91,336
Total assets	172,617	178,402



As of March 31, 2022

As of March 31, 2023

Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,820	25,541
Electronically recorded obligations - operating	4,138	5,945
Short-term borrowings	11,865	6,441
Lease liabilities	33	117
Income taxes payable	2,184	956
Contract liabilities	18	230
Provision for bonuses	3,285	3,486
Provision for bonuses for directors (and other officers)	163	130
Other	8,226	8,797
Total current liabilities	54,736	51,646
Non-current liabilities		
Long-term borrowings	1,804	2,511
Lease liabilities	237	299
Deferred tax liabilities	2,075	2,198
Deferred tax liabilities for land revaluation	7,601	7,601
Retirement benefit liability	2,147	2,276
Provision for environmental measures	171	140
Asset retirement obligations	405	405
Other	218	234
Total non-current liabilities	14,661	15,668
Total liabilities	69,398	67,315
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus	2,074	2,074
Retained earnings	64,224	67,980
Treasury shares	(1,838)	(1,936)
Total shareholders' equity	72,530	76,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,192	2,219
Revaluation reserve for land	17,255	17,255
Foreign currency translation adjustment	1,760	3,858
Remeasurements of defined benefit plans	1,055	745
Total accumulated other comprehensive income	22,263	24,078
Non-controlling interests	8,425	10,819
Total net assets	103,219	111,087
Total liabilities and net assets	172,617	178,402

**(2) Consolidated statements of income and consolidated statements of comprehensive income****Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	160,060	184,844
Cost of sales	134,267	157,132
Gross profit	25,793	27,711
Selling, general and administrative expenses	13,369	14,601
Operating profit	12,424	13,110
Non-operating income		
Interest income	25	25
Dividend income	211	307
Rental income from non-current assets	65	54
Foreign exchange gains	106	436
Other	48	110
Total non-operating income	457	935
Non-operating expenses		
Interest expenses	158	263
Commitment fees	28	28
Other	21	38
Total non-operating expenses	208	330
Ordinary profit	12,673	13,714
Extraordinary income		
Gain on sale of non-current assets	18	22
Economic compensation benefits from abandonment of land use rights	–	216
Gain on sale of investment securities	41	–
Gain on liquidation of subsidiaries and associates	–	885
Total extraordinary income	60	1,124
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	300	155
Impairment losses	137	1,849
Loss on liquidation of subsidiaries	546	–
Total extraordinary losses	986	2,005
Profit before income taxes	11,747	12,833
Income taxes - current	3,109	3,067
Income taxes - deferred	(783)	283
Total income taxes	2,325	3,351
Profit	9,421	9,482
Profit attributable to non-controlling interests	2,314	2,689
Profit attributable to owners of parent	7,107	6,793

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	9,421	9,482
Other comprehensive income		
Valuation difference on available-for-sale securities	631	26
Foreign currency translation adjustment	1,143	3,021
Remeasurements of defined benefit plans, net of tax	24	(309)
Total other comprehensive income	1,798	2,738
Comprehensive income	11,220	12,220
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,893	8,608
Comprehensive income attributable to non-controlling interests	2,326	3,612

**(3) Consolidated statements of changes in equity**

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,070	2,074	59,941	(1,619)	68,466
Changes during period					
Dividends of surplus			(1,842)		(1,842)
Profit attributable to owners of parent			7,107		7,107
Purchase of treasury shares				(1,200)	(1,200)
Cancellation of treasury shares		(0)	(981)	981	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	4,283	(218)	4,064
Balance at end of period	8,070	2,074	64,224	(1,838)	72,530

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,561	17,255	629	1,031	20,477	6,660	95,604
Changes during period							
Dividends of surplus							(1,842)
Profit attributable to owners of parent							7,107
Purchase of treasury shares							(1,200)
Cancellation of treasury shares							(0)
Net changes in items other than shareholders' equity	631	–	1,131	24	1,786	1,764	3,551
Total changes during period	631	–	1,131	24	1,786	1,764	7,615
Balance at end of period	2,192	17,255	1,760	1,055	22,263	8,425	103,219

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,070	2,074	64,224	(1,838)	72,530
Changes during period					
Dividends of surplus			(2,189)		(2,189)
Profit attributable to owners of parent			6,793		6,793
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares		7		47	54
Cancellation of treasury shares		(7)	(847)	855	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,755	(97)	3,658
Balance at end of period	8,070	2,074	67,980	(1,936)	76,189

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,192	17,255	1,760	1,055	22,263	8,425	103,219
Changes during period							
Dividends of surplus							(2,189)
Profit attributable to owners of parent							6,793
Purchase of treasury shares							(1,000)
Disposal of treasury shares							54
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	26	–	2,097	(309)	1,815	2,393	4,208
Total changes during period	26	–	2,097	(309)	1,815	2,393	7,867
Balance at end of period	2,219	17,255	3,858	745	24,078	10,819	111,087

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,747	12,833
Depreciation	9,680	9,822
Impairment losses	137	1,849
Increase (decrease) in allowance for doubtful accounts	16	(2)
Increase (decrease) in provision for bonuses	647	68
Increase (decrease) in provision for bonuses for directors (and other officers)	85	(33)
Increase (decrease) in retirement benefit liability	29	43
Decrease (increase) in retirement benefit asset	(139)	(319)
Interest and dividend income	(236)	(333)
Interest expenses	158	263
Payments for loss on subsidiary liquidation	546	–
Loss (gain) on sale of investment securities	(41)	–
Loss (gain) on liquidation of subsidiaries and associates	–	(885)
Gain on sale of property, plant and equipment	(18)	(22)
Loss on sale of property, plant and equipment	0	0
Loss on retirement of property, plant and equipment	300	155
Economic compensation benefits from abandonment of land use rights	–	(216)
Decrease (increase) in trade receivables	(9,682)	2,309
Increase (decrease) in trade payables	4,604	1,202
Decrease (increase) in inventories	1,803	(391)
Increase (decrease) in contract liabilities	(65)	220
Other, net	(2,836)	(1,171)
Subtotal	16,737	25,392
Interest and dividends received	237	333
Interest paid	(159)	(250)
Income taxes refund	5	27
Income taxes paid	(1,430)	(4,316)
Net cash provided by (used in) operating activities	15,390	21,187
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3)	(3)
Proceeds from withdrawal of time deposits	8	2
Purchase of property, plant and equipment	(10,463)	(11,499)
Proceeds from sale of property, plant and equipment	85	34
Economic compensation benefits from abandonment of land use rights	–	914
Purchase of investment securities	(43)	(60)
Proceeds from sale of investment securities	108	–
Gain on liquidation of affiliates	–	960
Loan advances	(5)	(5)
Proceeds from collection of loans receivable	6	5
Other, net	(177)	(130)
Net cash provided by (used in) investing activities	(10,483)	(9,783)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,096	(6,475)
Proceeds from long-term borrowings	10	1,314
Repayments of long-term borrowings	(1,068)	(1,195)
Purchase of treasury shares	(1,200)	(1,000)
Dividends paid to non-controlling interests	(561)	(1,218)
Dividends paid	(1,842)	(2,189)
Other, net	(27)	(77)
Net cash provided by (used in) financing activities	(594)	(10,841)
Effect of exchange rate change on cash and cash equivalents	109	211
Net increase (decrease) in cash and cash equivalents	4,422	773
Cash and cash equivalents at beginning of period	17,132	21,555
Cash and cash equivalents at end of period	21,555	22,329

## (5) Notes to consolidated financial statements

### (Notes on premise of going concern)

Not applicable.

### (Segment information)

#### 1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Company is composed of segments by product and service, and has two reportable segments: "Automotive-Related Business" and "Construction Machinery-Related Business."

Automotive-Related Business is engaged in the manufacture and sale of automotive parts, automotive assembly, and automotive molds.

Construction Machinery-Related Business is engaged in the manufacture and sale of parts for construction machinery.

#### 2. Method for calculating amounts of net sales, profit or loss, assets and other items by reportable segment

The accounting method for the operating segments that are reportable is almost same as the accounting method used for the preparation of consolidated financial statements.

Intersegment sales or transfers are based on current market price.

#### 3. Information on the amounts of net sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Other (Note)	Total
	(Automotive-Related Business)	(Construction Machinery-Related Business)	Total		
Net sales					
Sales to external customers	124,946	32,266	157,212	2,847	160,060
Intersegment sales or transfers	829	1,869	2,698	–	2,698
Total	125,775	34,136	159,911	2,847	162,759
Segment profit	13,852	1,697	15,550	192	15,743
Segment assets	145,543	24,449	169,992	1,659	171,651
Others					
Depreciation	8,704	921	9,626	6	9,632
Impairment loss	137	–	137	–	137
Increase in property, plant and equipment and intangible assets	10,623	411	11,034	0	11,035

Note: "Other" segment is a business segment that is not included in the reportable segments and includes the automated parking system business, etc.



Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Other (Note)	Total
	(Automotive-Related Business)	(Construction Machinery-Related Business)	Total		
Net sales					
Sales to external customers	149,836	32,377	182,214	2,630	184,844
Intersegment sales or transfers	567	2,083	2,651	–	2,651
Total	150,403	34,461	184,865	2,630	187,495
Segment profit	15,661	813	16,474	99	16,574
Segment assets	152,250	22,820	175,070	1,350	176,420
Others					
Depreciation	9,023	749	9,772	6	9,778
Impairment loss	–	1,849	1,849	–	1,849
Increase in property, plant and equipment and intangible assets	10,983	749	11,733	0	11,734

Note: The “Other” segment is a business segment that is not included in the reportable segments and includes the automated parking system business, etc.

4. Difference between the aggregate amount of a reportable segment and the amount posted in the consolidated financial statements and major descriptions of such difference (difference adjustments and related matters)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segment total	159,911	184,865
Net sales in "Other"	2,847	2,630
Inter-segment transaction eliminations	(2,698)	(2,651)
Net sales in the consolidated financial statements	160,060	184,844

(Millions of yen)

Profit	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segment total	15,550	16,474
Profit in "Other"	192	99
Inter-segment transaction eliminations	0	8
Corporate expenses (Note)	(3,318)	(3,472)
Operating profit in the consolidated financial statements	12,424	13,110

Note: Corporate expenses mainly consist of general and administrative expenses of holding companies not attributable to the reportable segments.

(Millions of yen)

Assets	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Reportable segment total	169,992	175,070
Assets in "Other"	1,659	1,350
Inter-segment transaction eliminations	634	1,667
Corporate assets (Note)	331	314
Total assets in the consolidated financial statements	172,617	178,402

Note: Corporate assets mainly consist of general and administrative assets of holding companies not attributable to the reportable segments.

(Millions of yen)

Others	Reportable segment total		Other		Adjustments		Consolidated financial statement amounts	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Depreciation	9,626	9,772	6	6	47	43	9,680	9,822
Increase in property, plant and equipment and intangible assets	11,034	11,733	0	0	270	53	11,305	11,788

**(Per share information)**

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net assets per share	899.34 yen	972.37 yen
Earnings per share	66.17 yen	65.54 yen

Note: 1. Diluted earnings per share is not shown because there are no potential shares.  
2. The basis for calculating earnings per share is as follows.

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	7,107	6,793
Value not attributable to shareholders of common shares (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	7,107	6,793
Average number of shares outstanding during the period (Shares)	107,409,765	103,639,811

**(Significant subsequent events)***Acquisition of treasury shares and cancellation of treasury shares*

At a meeting of the Board of Directors held on May 11, 2023, the Company resolved on matters relating to the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, Paragraph (3) of the same Act. The Company also resolved to conduct a cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act.

## 1. Reason for the acquisition and cancellation of treasury shares

In addition to conducting an acquisition of treasury shares as part of shareholder returns, the same acquisition and the cancellation was conducted for the purpose of pursuing a flexible capital policy.

## 2. Details of acquisition

- |  |   |
|--|---|
| (1) Type of shares to be acquired:         | Common stock of the Company                                   |
| (2) Total number of shares to be acquired: | 2,000,000 shares (upper limit)                                |
| (3) Total value of shares to be acquired   | 1,000,000,000 yen (upper limit)                               |
| (4) Period of acquisition of shares        | From May 12, 2023 to September 15, 2023                       |
| (5) Method of acquisition                  | Market purchases on the Tokyo Stock Exchange                  |
|  | 1. Purchases through ToSTNeT-3                                |
|  | 2. Market purchases based on a discretionary trading contract |

## 3. Details of cancellation

- |  |  |
|--|--|
| (1) Type of shares to be cancelled         | Common stock of the Company                            |
| (2) Total number of shares to be cancelled | Total number of treasury shares purchased by 2. above. |
| (3) Scheduled date of cancellation         | September 29, 2023                                     |

## 4. Non-consolidated financial statements

### (1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	16,682	13,805
Notes receivable - trade	2,517	2,673
Accounts receivable - trade	20,814	22,558
Work in process	3,184	4,054
Raw materials and supplies	745	881
Prepaid expenses	105	114
Other	2,460	3,225
Total current assets	46,510	47,312
Non-current assets		
Property, plant and equipment		
Buildings	4,567	4,943
Structures	426	432
Machinery and equipment	5,536	6,016
Vehicles	64	78
Tools, furniture and fixtures	1,055	810
Land	29,126	29,126
Construction in progress	1,443	3,481
Total property, plant and equipment	42,220	44,890
Intangible assets		
Software	392	355
Other	5	5
Total intangible assets	398	360
Investments and other assets		
Investment securities	6,675	6,716
Shares of subsidiaries and associates	7,917	7,842
Investments in capital of subsidiaries and associates	3,129	2,209
Long-term loans receivable from subsidiaries and associates	1,133	824
Prepaid pension costs	2,224	2,544
Other	469	405
Allowance for doubtful accounts	(76)	(76)
Total investments and other assets	21,474	20,467
Total non-current assets	64,093	65,717
<b>Total assets</b>	<b>110,603</b>	<b>113,030</b>

As of March 31, 2022

As of March 31, 2023

Liabilities		
Current liabilities		
Notes payable - trade	1	23
Accounts payable - trade	10,540	10,242
Electronically recorded obligations - operating	4,096	5,514
Lease liabilities	7	10
Accounts payable - other	170	859
Accrued expenses	1,247	1,399
Income taxes payable	1,500	354
Contract liabilities	624	331
Deposits received	2,770	2,277
Provision for bonuses	1,683	1,636
Provision for bonuses for directors (and other officers)	140	111
Other	796	910
<b>Total current liabilities</b>	<b>23,579</b>	<b>23,672</b>
Non-current liabilities		
Lease liabilities	31	37
Deferred tax liabilities	379	519
Deferred tax liabilities for land revaluation	7,601	7,601
Provision for retirement benefits	520	517
Provision for environmental measures	171	140
Asset retirement obligations	333	334
Other	3	3
<b>Total non-current liabilities</b>	<b>9,041</b>	<b>9,154</b>
<b>Total liabilities</b>	<b>32,620</b>	<b>32,827</b>
Net assets		
Shareholders' equity		
Share capital	8,070	8,070
Capital surplus		
Legal capital surplus	2,074	2,074
Total capital surplus	2,074	2,074
Retained earnings		
Legal retained earnings	25	25
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	20	18
General reserve	11,000	11,000
Retained earnings brought forward	39,229	41,529
Total retained earnings	50,274	52,574
Treasury shares	(1,838)	(1,936)
Total shareholders' equity	58,580	60,782
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,145	2,164
Revaluation reserve for land	17,255	17,255
Total valuation and translation adjustments	19,401	19,420
<b>Total net assets</b>	<b>77,982</b>	<b>80,202</b>
<b>Total liabilities and net assets</b>	<b>110,603</b>	<b>113,030</b>

**(2) Non-consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	65,450	69,189
Cost of sales	53,406	56,852
Gross profit	12,044	12,336
Selling, general and administrative expenses		
Delivery expenses of finished goods	1,011	1,103
Employees' salaries and allowances	2,293	2,284
Employees' bonuses	354	384
Provision for bonuses	402	389
Provision for bonuses for directors (and other officers)	140	111
Retirement benefit expenses	141	101
Welfare expenses	656	698
Depreciation	123	208
Research and development expenses	366	338
Other	1,153	1,263
Total selling, general and administrative expenses	6,643	6,884
Operating profit	5,400	5,451
Non-operating income		
Interest income	13	49
Dividend income	1,052	1,614
Rental income from non-current assets	90	77
Foreign exchange gains	212	247
Other	18	19
Total non-operating income	1,386	2,007
Non-operating expenses		
Interest expenses	15	12
Commitment fees	28	28
Other	14	19
Total non-operating expenses	58	61
Ordinary profit	6,728	7,398
Extraordinary income		
Gain on sale of non-current assets	0	3
Gain on sale of investment securities	41	–
Gain on liquidation of subsidiaries and associates	–	885
Total extraordinary income	41	888
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	112	123
Loss on valuation of investments in capital of subsidiaries and associates	1,190	919
Impairment losses	137	–
Total extraordinary losses	1,441	1,043
Profit before income taxes	5,328	7,243
Income taxes - current	1,960	1,741
Income taxes - deferred	(467)	164
Total income taxes	1,493	1,906
Profit	3,834	5,336

### (3) Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	8,070	2,074	0	2,074	25	21	11,000	38,217	49,263	(1,619)	57,789
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	-		-
Dividends of surplus								(1,842)	(1,842)		(1,842)
Profit								3,834	3,834		3,834
Purchase of treasury shares										(1,200)	(1,200)
Cancellation of treasury shares			(0)	(0)				(981)	(981)	981	-
Net changes in items other than shareholders' equity											
Total changes during period	-	-	(0)	(0)	-	(1)	-	1,012	1,010	(218)	791
Balance at end of period	8,070	2,074	-	2,074	25	20	11,000	39,229	50,274	(1,838)	58,580

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	1,519	17,255	18,775	76,564
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				-
Dividends of surplus				(1,842)
Profit				3,834
Purchase of treasury shares				(1,200)
Cancellation of treasury shares				-
Net changes in items other than shareholders' equity	626	-	626	626
Total changes during period	626	-	626	1,418
Balance at end of period	2,145	17,255	19,401	77,982

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	8,070	2,074	–	2,074	25	20	11,000	39,229	50,274	(1,838)	58,580
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	–		–
Dividends of surplus								(2,189)	(2,189)		(2,189)
Profit								5,336	5,336		5,336
Purchase of treasury shares										(1,000)	(1,000)
Disposal of treasury shares			7	7						47	54
Cancellation of treasury shares			(7)	(7)				(847)	(847)	855	–
Net changes in items other than shareholders' equity											
Total changes during period	–	–	–	–	–	(1)	–	2,300	2,299	(97)	2,201
Balance at end of period	8,070	2,074	–	2,074	25	18	11,000	41,529	52,574	(1,936)	60,782

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	2,145	17,255	19,401	77,982
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				–
Dividends of surplus				(2,189)
Profit				5,336
Purchase of treasury shares				(1,000)
Disposal of treasury shares				54
Cancellation of treasury shares				–
Net changes in items other than shareholders' equity	18	–	18	18
Total changes during period	18	–	18	2,220
Balance at end of period	2,164	17,255	19,420	80,202