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February 8, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 3106
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 Scheduled date to file quarterly securities report: February 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(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	%
Nine months ended								
December 31, 2023	112,974	(0.8)	6,308	(2.7)	7,431	(8.2)	4,697	(16.1)
December 31, 2022	113,876	19.1	6,485	24.0	8,097	28.7	5,602	32.0

Note: Comprehensive income For the nine months ended December 31, 2023: ¥12,020 million [44.4%]
 For the nine months ended December 31, 2022: ¥8,324 million [142.6%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	250.43	–
December 31, 2022	289.71	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	191,278	111,589	57.7
March 31, 2023	174,086	102,907	58.2

Reference: Equity
 As of December 31, 2023: ¥110,378 million
 As of March 31, 2023: ¥101,334 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	35.00	–	35.00	70.00
Fiscal year ending March 31, 2024	–	40.00	–		
Fiscal year ending March 31, 2024 (Forecast)				40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	154,000	0.3	7,900	(8.9)	8,500	(15.2)	5,800	5.1	311.11

Note: Revisions to the forecast of financial results most recently announced: None

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For the details, please refer to “(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” of “(3) Notes to quarterly consolidated financial statements in 2. Quarterly consolidated financial statements and significant notes thereto” on page 8 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2023	19,000,000 shares
As of March 31, 2023	20,000,000 shares

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

As of December 31, 2023	744,603 shares
As of March 31, 2023	1,186,212 shares

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

Nine months ended December 31, 2023	18,759,244 shares
Nine months ended December 31, 2022	19,338,311 shares

Note: The Company has introduced the Board Benefit Trust, a share-based compensation plan for directors, etc. using a trust, and the Company’s shares held by the trust account are included in the number of treasury shares.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company’s actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For matters regarding the above earnings forecasts, please refer to “(3) Explanation of consolidated financial forecasts and other forward-looking statements” of “1. Qualitative information regarding financial results for the nine months ended December 31, 2023” on page 3 of the attached materials.

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1. Qualitative information regarding financial results for the nine months ended December 31, 2023

(1) Explanation of operating results

During the first nine months of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023), the Japanese economy recovered moderately as normalization of economic activities progressed due to the reclassification of COVID-19 to a Class V Infectious Disease. However, the overall outlook remained uncertain due to fluctuations in exchange rates and sluggish growth in private consumption caused by rising prices.

In this type of environment, the Group has strived to expand business operations of growth and priority businesses such as semiconductor production-related business and functional films, and to enhance the earning capability of core businesses such as textiles and flexible polyurethane foam based on the basic policy of “expand high-profit businesses and strengthen core businesses to achieve sustainable growth” in the medium-term corporate business plan “Progress’ 24” that came into effect in April 2022.

For the results for the nine months ended December 31, 2023, net sales were ¥112.9 billion (down 0.8% YoY), operating profit was ¥6.3 billion (down 2.7% YoY), ordinary profit was ¥7.43 billion (down 8.2% YoY), and profit attributable to owners of parent was ¥4.69 billion (down 16.1% YoY).

Results by segment are as follows.

(Textiles)

Yarns experienced decreased revenue due to weak performance of a Brazilian subsidiary resulting from market deterioration and decreased orders for denim at a Thai subsidiary and for underwear and socks at an Indonesian subsidiary despite steady sales of the high-performance product “NaTech,” which uses raw material reform technology, for underwear.

Fabrics experienced increased revenue due to additional orders of casual clothing materials generating favorable trade in stores despite weak sales of uniform materials due to increased cost resulting from the effect of foreign exchange, etc., and decreased orders resulting from the price pass-through.

Textile products (sewn products, etc.) experienced decreased revenue from decreased orders due to the impact of inventory adjustments by customers, etc.

As a result, net sales were ¥38.4 billion (down 11.3% YoY) with operating loss of ¥0.44 billion (operating profit of ¥0.69 billion in the same period of the previous fiscal year) due in part to increased costs.

(Chemical Products)

Flexible polyurethane foam for automotive interior experienced increased revenue due to steady orders at domestic and Brazilian subsidiaries, along with a recovery in automobile production and other factors, despite the sluggish sales at Chinese subsidiaries.

Functional resin products experienced decreased revenue due to a decrease in orders for high-performance plastic products for semiconductor production in line with a slowdown in semiconductor demand, despite a recovery in orders of functional films for solar cells and automobiles.

Housing construction products experienced decreased revenue due to a decline in heat-insulating work, despite steady sales of heat-insulating materials.

Nonwoven fabrics experienced decreased revenue due to weak orders for applications in masks and automotive filters.

As a result, net sales were ¥45.6 billion (up 1.7% YoY) with operating profit of ¥2.87 billion (up 5.3% YoY).

(Advanced Technology)

Electronics businesses experienced decreased revenue due to sluggish sales of AFVI systems for HDI/Flex PCB and a decrease in the amount of orders received at a subsidiary for silicon wafer cleaning equipment, despite steady sales of film thickness meters with the easing of component supply shortages.

Engineering businesses experienced increased revenue due to steady performance by exhaust gas treatment facilities and chemical supply systems for the semiconductor industry as well as large-scale facilities projects at a subsidiary for the pharmaceutical manufacturing industry.

Biomedical businesses experienced increased revenue due to strong overseas sales of mixer/deaerator, and machine tools experienced increased revenue due to solid performance in Japan and China.

As a result, net sales were ¥18.6 billion (up 18.3% YoY) with operating profit of ¥2.34 billion (up 57.6% YoY).

(Food and Services)

Freeze-dried foods experienced decreased revenue due to sluggish sales of instant noodle ingredients, molding soup, etc. because of the impact of restrained purchasing caused by increased retail sales prices as well as declining demand for in-home foods associated with the recovery of demand for eating out.

Hotels and their related services experienced increased revenue due in part to higher room occupancy rates resulting from the effects of abolishment of restrictions on activity and support measures for the tourism business, etc.

As a result, net sales were ¥7.2 billion (up 4.4% YoY) with operating profit of ¥0.54 billion (up 38.2% YoY).

(Real Estate)

Due to the start of rentals of new properties, real estate leasing recorded net sales of ¥2.8 billion (up 1.6% YoY), but operating profit totaled ¥1.74 billion (down 9.5% YoY) resulting from an increase in repair expenses, etc.

(2) Explanation of financial position

(Assets, liabilities and net assets)

Total assets at the end of the third quarter of the fiscal year ending March 31, 2024 increased by ¥17.1 billion from the end of the previous fiscal year to ¥191.2 billion mainly due to increases in investment securities, notes and accounts receivable - trade, and contract assets.

Liabilities increased by ¥8.5 billion from the end of the previous fiscal year to ¥79.6 billion mainly due to increases in deferred tax liabilities, which are included in “other” under non-current liabilities, and short-term borrowings.

Net assets increased by ¥8.6 billion from the end of the previous fiscal year to ¥111.5 billion mainly due to increases in valuation difference on available-for-sale securities and retained earnings.

As a result of the above, the equity-to-asset ratio was 57.7%, down by 0.5 percentage points.

(3) Explanation of consolidated financial forecasts and other forward-looking statements

At this point in time, there are no changes in consolidated earnings forecasts announced on November 9, 2023 for the full year (April 1, 2023 to March 31, 2024).

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,392	13,219
Notes and accounts receivable - trade, and contract assets	37,894	41,459
Merchandise and finished goods	16,561	17,063
Work in process	9,801	10,773
Raw materials and supplies	6,821	6,565
Other	3,345	3,988
Allowance for doubtful accounts	(45)	(48)
Total current assets	84,771	93,021
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,230	22,779
Other, net	23,945	24,298
Total property, plant and equipment	47,176	47,077
Intangible assets	1,447	1,671
Investments and other assets		
Investment securities	36,868	45,749
Other	4,058	4,001
Allowance for doubtful accounts	(236)	(243)
Total investments and other assets	40,690	49,507
Total non-current assets	89,315	98,256
Total assets	174,086	191,278
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,242	22,922
Short-term borrowings	13,002	16,172
Income taxes payable	1,636	1,040
Provision for bonuses	1,461	618
Other	8,687	10,243
Total current liabilities	46,030	50,996
Non-current liabilities		
Long-term borrowings	1,555	1,288
Provision for retirement benefits for directors (and other officers)	226	205
Provision for share-based payments	128	164
Retirement benefit liability	12,891	12,977
Other	10,348	14,055
Total non-current liabilities	25,149	28,692
Total liabilities	71,179	79,688

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	22,040	22,040
Capital surplus	15,210	15,245
Retained earnings	61,137	62,123
Treasury shares	(2,477)	(1,686)
Total shareholders' equity	95,910	97,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,193	19,494
Deferred gains or losses on hedges	(43)	(10)
Foreign currency translation adjustment	(7,523)	(6,635)
Remeasurements of defined benefit plans	(202)	(195)
Total accumulated other comprehensive income	5,424	12,654
Non-controlling interests	1,572	1,211
Total net assets	102,907	111,589
Total liabilities and net assets	174,086	191,278

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	113,876	112,974
Cost of sales	91,960	90,722
Gross profit	21,915	22,251
Selling, general and administrative expenses	15,430	15,943
Operating profit	6,485	6,308
Non-operating income		
Interest income	51	87
Dividend income	1,151	1,237
Share of profit of entities accounted for using equity method	28	30
Other	954	340
Total non-operating income	2,185	1,695
Non-operating expenses		
Interest expenses	243	262
Other	329	309
Total non-operating expenses	573	572
Ordinary profit	8,097	7,431
Extraordinary income		
Gain on sale of investment securities	431	771
Gain on sale of non-current assets	6	–
Total extraordinary income	438	771
Extraordinary losses		
Impairment losses	–	500
Loss on disposal of non-current assets	163	121
Loss on valuation of investment securities	–	18
Loss on sale of investment securities	0	12
Losses on fire disaster	293	–
Total extraordinary losses	456	653
Profit before income taxes	8,079	7,549
Income taxes	2,347	2,872
Profit	5,731	4,677
Profit (loss) attributable to non-controlling interests	129	(20)
Profit attributable to owners of parent	5,602	4,697

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	5,731	4,677
Other comprehensive income		
Valuation difference on available-for-sale securities	1,207	6,298
Deferred gains or losses on hedges	(179)	33
Foreign currency translation adjustment	1,500	973
Remeasurements of defined benefit plans, net of tax	28	6
Share of other comprehensive income of entities accounted for using equity method	35	31
Total other comprehensive income	2,592	7,343
Comprehensive income	8,324	12,020
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,039	11,927
Comprehensive income attributable to non-controlling interests	284	92

(3) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes on quarterly consolidated balance sheet)

(Contingent liabilities)

On June 30, 2022, a fire broke out at the logistics facility Ami No. 2 Logistics Center of SBS Flec Co., Ltd. (location: 6-1 Hoshinosato, Ami-machi, Inashiki-gun, Ibaraki) at which the Company's Chemical Products Division had conducted heat-insulating work. The fire was extinguished on July 5, 2022. Regarding this fire accident, SBS Flec Co., Ltd. filed a lawsuit on September 6, 2023 for around ¥4.4 billion in damages against three companies related to the fire including the Company (hereinafter the "Lawsuit").

The Company has evaluated the details of the claims in the Lawsuit and is responding as appropriate through our attorneys.

On December 19, 2022, SBS Flec Co., Ltd.'s parent company SBS Holdings, Inc. announced regarding the fire accident that it had received an insurance payment of ¥5,236 million for the fixed assets burnt and damaged by the fire, and it is possible that the insurance company could file a claim for recovery. Furthermore, related to the fire accident, for around ¥1.1 billion initially estimated for the demolition costs for the Ami No. 2 Logistics Center, we received a notification from the relevant companies that around ¥0.68 billion in costs had been incurred at the end of April 2023. Depending on the future proceedings of the Lawsuit and the results of discussion, the Company could incur damages.

(Additional information)

We believe that the incurrence of damages to the Company related to the Lawsuit, etc. as well as the impact on earnings will become clear as a result of the future proceedings of the Lawsuit and the results of discussion, and the details and amounts of any damages to the Company from the fire accident have not been determined at this point in time. The Company will announce any specific impact on earnings in the future as soon as it becomes clear.

(Notes on significant changes in the amount of shareholders' equity)

1. Purchase of treasury shares

At the board of directors meeting held on December 19, 2023, the Company resolved to acquire treasury shares based on the provisions in Article 156 of the Companies Act, applied by replacing the provisions of Article 165, Paragraph 3 of the same Act, and is proceeding with the acquisition of treasury shares through market purchases including the Tokyo Stock Exchange Trading Network System - Off-Auction Own Share Repurchase Trading (ToSTNeT-3) from December 20, 2023 to December 19, 2024, with up to a total of 1,700,000 shares to be acquired and up to a total acquisition value of ¥4.0 billion. As a result, treasury shares increased by ¥1,506 million (561,200 shares) during the nine months ended December 31, 2023.

2. Cancellation of treasury shares

At the board of directors meeting held on December 19, 2023, the Company resolved to cancel treasury shares based on the provisions of Article 178 of the Companies Act, and on December 27, 2023, the cancellation of 1,000,000 shares of treasury shares was carried out. This led to a decrease in retained earnings and treasury shares by ¥2,292 million each during the nine months ended December 31, 2023.

As a result, treasury shares were ¥1,686 million as of December 31, 2023.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of cost of tax)

The effective tax rate after applying the accounting effect of taxes on profit before taxes for the fiscal year including the quarter under review is reasonably estimated, and profit before taxes is multiplied by the estimated effective tax rate to calculate cost of tax. However, if the calculation of the cost of tax using the estimated effective tax rate results in significantly unreasonable results, the effective statutory tax rate is used.

(Segment information)

I Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	43,394	44,935	15,806	6,946	2,793	113,876	–	113,876
Intersegment sales or transfers	31	74	221	31	329	689	(689)	–
Total	43,426	45,010	16,028	6,977	3,123	114,566	(689)	113,876
Segment profit	692	2,735	1,488	395	1,928	7,240	(755)	6,485

- (Notes) 1. The segment profit adjustment of negative ¥755 million includes company-wide expenses of negative ¥759 million and other adjustments of ¥4 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information about impairment losses of non-current assets or goodwill by reportable segment
(Significant impairment losses on non-current assets)

Not applicable.

II Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the quarterly consolidated statement of income (Note 2)
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	38,488	45,697	18,697	7,251	2,839	112,974	–	112,974
Intersegment sales or transfers	38	17	212	32	332	633	(633)	–
Total	38,527	45,715	18,910	7,283	3,171	113,608	(633)	112,974
Segment profit (loss)	(440)	2,879	2,346	546	1,744	7,075	(767)	6,308

- (Notes) 1. The segment profit or loss adjustment of negative ¥767 million includes company-wide expenses of negative ¥767 million and other adjustments of ¥0 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
2. Segment profit or loss is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information about impairment losses of non-current assets or goodwill by reportable segment
(Significant impairment losses on non-current assets)

In the “Chemical Products” segment, the Company recorded impairment losses of ¥500 million on non-current assets related to business assets.

(Relationship to revenue recognition)

Information on disaggregation of revenue from contracts with customers

[Breakdown by type of goods or services]

Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(Millions of yen)

	Reportable segments					Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	
Yarns	14,056	–	–	–	–	14,056
Fabrics	19,413	–	–	–	–	19,413
Textile products (Sewn products, etc.)	15,477	–	–	–	–	15,477
Flexible polyurethane foam	–	15,860	–	–	–	15,860
Functional resin products	–	17,497	–	–	–	17,497
Housing construction products	–	8,039	–	–	–	8,039
Electronics businesses	–	–	8,313	–	–	8,313
Engineering businesses	–	–	3,444	–	–	3,444
Freeze-dried foods	–	–	–	5,184	–	5,184
Services	–	–	–	1,793	–	1,793
Others	–	6,669	4,985	–	–	11,655
Intersegment sales	(5,554)	(3,130)	(937)	(31)	–	(9,653)
Revenue from contracts with customers	43,394	44,935	15,806	6,946	–	111,082
Other revenue	–	–	–	–	2,793	2,793
Sales to outside customers	43,394	44,935	15,806	6,946	2,793	113,876

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segments					Total
	Textiles	Chemical Products	Advanced Technology	Food and Services	Real Estate	
Yarns	11,835	—	—	—	—	11,835
Fabrics	20,443	—	—	—	—	20,443
Textile products (Sewn products, etc.)	10,248	—	—	—	—	10,248
Flexible polyurethane foam	—	17,337	—	—	—	17,337
Functional resin products	—	17,349	—	—	—	17,349
Housing construction products	—	7,811	—	—	—	7,811
Electronics businesses	—	—	8,264	—	—	8,264
Engineering businesses	—	—	4,651	—	—	4,651
Freeze-dried foods	—	—	—	5,131	—	5,131
Services	—	—	—	2,151	—	2,151
Others	—	6,553	6,694	—	—	13,247
Intersegment sales	(4,038)	(3,354)	(913)	(32)	—	(8,337)
Revenue from contracts with customers	38,488	45,697	18,697	7,251	—	110,135
Other revenue	—	—	—	—	2,839	2,839
Sales to outside customers	38,488	45,697	18,697	7,251	2,839	112,974

(Subsequent events)

Business divestitures

(Transfer of subsidiary shares)

At the board of directors meeting held on September 6, 2023, the Company resolved to transfer all shares of KURAKI Co., Ltd. (a consolidated subsidiary) held by the Company and entered into a share transfer agreement on the same date. In addition, on December 19, 2023, we signed an agreement to amend some of the terms of the said agreement.

Based on the amended agreement, shares were transferred to DMG MORI CO., LTD. and DMG MORI Europe Holding GmbH on January 5, 2024.

1. Overview of the business divestiture

(1) Name of the successor entities

DMG MORI CO., LTD. and DMG MORI Europe Holding GmbH

(2) Description of the businesses divested

Manufacturing, sales, and after-sales service of machine tools and special machinery; development, sales, and after-sales service of CAD/CAM systems

(3) Main reason for the business divestiture

In order for KURAKI Co., Ltd. to achieve further growth and increase its corporate value in the future, DMG MORI CO., LTD. is the best owner because it has many years of experience in the global machine tool industry and know-how in sales network and business reform, and has already forged a sales alliance with KURAKI Co., Ltd. in the United States.

The decision to transfer the shares was made because the divestiture will enable the Group to increase management efficiency and improve profitability by concentrating management resources on priority businesses with a view to building an optimal business portfolio.

(4) Date of the business divestiture

January 5, 2024

(5) Overview of the transaction including legal form

Transfer of shares in which the consideration received is cash only

2. Overview of the accounting treatment adopted

(1) Amount of gain or loss on transfer

Loss on sale of shares of subsidiaries and associates: Around ¥0.5 billion

(2) Appropriate carrying amounts of assets and liabilities in relation to the businesses transferred and their major components

Current assets:	¥6,140 million
Non-current assets:	2,338
Total assets:	8,479
Current liabilities:	2,897
Non-current liabilities:	689
Total liabilities:	3,587

(3) Accounting treatment

The accounting treatment of the transaction will be based on the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

3. Name of reportable segment in which the divested business was included in the segment information disclosure

Advanced Technology

4. Approximate amounts of profits and losses related to the divested businesses recorded in the quarterly consolidated statement of income for the nine months ended December 31, 2023

Net sales: ¥4,577 million

Operating profit: ¥341 million