

Note: This is an excerpt translation of the “Kessan Tanshin” for the convenience of overseas stakeholders. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail. F-TECH INC. assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2024
<under Japanese GAAP>**

F-TECH INC.

19, Showanuma, Shobu-cho, Kuki City, Saitama, JAPAN

1. Overview of Operating Results and Others

(1) Overview of operating results for the fiscal year under review

The global economy during the fiscal year ended March 31, 2024 continued to face an uncertain outlook due to the protracted situation in Ukraine, increased tension in the Middle East, and persistently high resource and energy prices, as well as the tightening of monetary policy in Europe and the U.S. and the economic slowdown in China. In the automotive industry, although the semiconductor shortage has eased, the business environment remained challenging due to the tight supply-demand balance for labor in the U.S. and the late start of Japanese automakers in the shift to EVs in Chinese market.

In this business environment, the Group launched the 15th medium-term management plan in April 2023 under the slogan “We contribute to society by improving earning power and achieving sustainable growth.” With the basic policies “Back to Basics” and “Challenge for New,” the Group has been working on a company-wide basis to achieve “Pursuing the essence of Monozukuri (manufacturing)” and “Providing our customers with new value.” As a result, the Group received many inquiries about new models from various customers, which led to the winning of orders. The Group was able to further increase its corporate value, including receiving recognition and awards for production and quality from a number of customers.

As a result of these efforts, during the fiscal year under review, net sales increased by 14.4% year on year to 298,759 million yen, operating profit increased by 81.9% year on year to 3,708 million yen, and ordinary profit increased by 56.3% year on year to 3,001 million yen, while profit attributable to owners of parent decreased by 2.9% year on year to 1,683 million yen.

Operating results by segment are as follows.

(Japan)

Net sales increased by 31.1% year on year to 30,612 million yen due partly to an uptrend in production volume at major customers amid the easing of semiconductor shortages, and the effect of mass production of products ordered by new customers. On the other hand, in terms of profit and loss, operating profit increased by 224.1% year on year to 1,352 million yen due to the effect of higher net sales.

(North America)

Net sales increased by 21.7% year on year to 206,501 million yen due partly to an uptrend in production volume at major customers amid the easing of semiconductor shortages, the effect of mass production of newly ordered products, and the impact of a weaker yen. In terms of profit and loss, operating profit was 758 million yen (an operating loss of 1,040 million yen in the previous fiscal year). The Group returned to profitability due partly to the effect of higher net sales, improvements in the production structure and initiatives to pass on higher costs to product prices, despite the impact of rising labor costs amid the tight labor market in the U.S.

(Asia)

The production volume of major customers remained solid in Southeast Asian countries, however, decreased in the Chinese region. As a result, net sales decreased by 9.5% year on year to 61,645 million yen. In terms of profit and loss, operating profit decreased by 35.4% year on year to 1,511 million yen.

(2) Overview of financial position for the fiscal year under review

As of March 31, 2024, total assets increased by 15,634 million yen from the end of the previous fiscal year to 191,772 million yen, reflecting increases in cash and deposits, accounts receivable - trade, and machinery, equipment and vehicles, net, offsetting decreases in merchandise and finished goods. In spite of a decrease in long-term loans payable, liabilities increased by 8,648 million yen from the end of the previous fiscal year to 120,029 million yen, reflecting increases in notes and accounts payable - trade, short-term loans payable, and accounts payable - other. Net assets increased by 6,985 million yen from the end of the previous fiscal year to 71,742 million yen, reflecting increases in retained earnings and foreign currency translation adjustment.

(3) Overview of cash flows for the fiscal year under review

As of March 31, 2024, cash and cash equivalents increased by 6,712 million yen from the end of the previous fiscal year to 12,204 million yen (up 122.2% year on year).

Cash flows in the fiscal year under review and factors in increase or decrease from the previous fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 19,466 million yen. The main factors were 3,100 million yen in profit before income taxes, 14,559 million yen in depreciation, a decrease in inventories of 2,440 million yen, 2,816 million yen in interest expenses paid, and 2,940 million yen in income taxes paid.

Compared with the previous fiscal year, cash flows from operating activities changed from 17,433 million yen provided to 19,466 million yen provided. This was mainly due to a decrease in inventories and increases in depreciation and notes and accounts payable - trade.

(Cash flows from investing activities)

Net cash used in investing activities was 8,902 million yen. The main factor was 8,809 million yen in purchase of property, plant and equipment.

Compared with the previous fiscal year, cash flows from investing activities changed from 16,342 million yen used to 8,902 million yen used. This was mainly due to decreases in the purchase of property, plant and equipment and the purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 4,263 million yen. The main factors were 7,616 million yen in net increase in short-term loans payable, 3,400 million yen in proceeds from long-term loans payable, and 13,562 million yen in repayments of long-term loans payable.

Compared with the previous fiscal year, cash flows from financing activities changed from 2,340 million yen provided to 4,263 million yen used. This was mainly due to an increase in short-term loans payable and a decrease in proceeds from long-term loans payable.

(Reference) Transition of cash flow indicators

	66th term Fiscal year ended March 31, 2021	67th term Fiscal year ended March 31, 2022	68th term Fiscal year ended March 31, 2023	69th term Fiscal year ended March 31, 2024
Equity ratio (%)	29.5	28.0	28.4	29.1
Market value-based equity ratio (%)	10.2	6.3	7.0	7.4
Ratio of interest-bearing debt to cash flows (year)	5.0	36.2	4.2	3.9
Interest coverage ratio (times)	12.3	2.2	10.1	6.9

(Notes) Equity ratio: equity / total assets

Market value-based equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio (year): interest-bearing debt / cash flow

Interest coverage ratio: cash flow / paid interest

* All indicators are calculated using consolidated-based financial figures.

* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares as of the end of the period (excluding treasury shares).

* The figure used for cash flow is “net cash provided by (used in) operating activities” on the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which we paid interest. Furthermore, regarding the paid interest, we use the interest expenses paid recorded on the consolidated statements of cash flows.

(4) Forward-looking statements

For the earnings forecasts for the next fiscal year, although we expect revenue to remain mostly unchanged from the previous fiscal year due to the uncertain outlook, including rising geopolitical risks and trends in the Chinese market, we forecast net sales of 302,000 million yen, operating profit of 4,700 million yen, ordinary profit of 2,500 million yen, and profit attributable to owners of parent of 600 million yen, reflecting factors such as improvements in the production structure and initiatives to pass on higher labor costs to product prices. Our assumptions for the exchange rate are 145 yen to the U.S. dollar, and 20.50 yen to the Chinese yuan.

2. Basic Rationale for Selecting the Accounting Standards

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against previous fiscal year and against other companies.

With regard to adoption of International Financial Reporting Standards (IFRS), it is the Group's policy to respond to this issue appropriately based on consideration of various domestic and international circumstances.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,491	12,204
Notes receivable - trade	628	604
Accounts receivable - trade	37,177	41,317
Merchandise and finished goods	5,296	4,423
Work in process	7,632	7,623
Raw materials and supplies	12,702	13,438
Other	3,729	3,502
Allowance for doubtful accounts	(55)	(44)
Total current assets	72,603	83,069
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,884	21,735
Machinery, equipment and vehicles, net	45,363	50,507
Dies and tools, net	2,785	2,646
Land	6,059	6,239
Leased assets, net	724	371
Construction in progress	13,005	7,171
Other, net	5,461	5,361
Total property, plant and equipment	92,284	94,033
Intangible assets		
Software	248	290
Other	36	28
Total intangible assets	285	319
Investments and other assets		
Investment securities	7,464	9,485
Retirement benefit asset	253	269
Deferred tax assets	1,963	3,427
Other	1,283	1,167
Total investments and other assets	10,965	14,350
Total non-current assets	103,534	108,702
Total assets	176,137	191,772

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,169	27,902
Short-term loans payable	27,832	38,537
Current portion of long-term loans payable	12,995	12,782
Lease obligations	1,247	1,029
Income taxes payable	942	769
Accounts payable - other	1,845	2,214
Notes payable - facilities	228	177
Provision for directors' bonuses	85	49
Other	6,198	8,590
Total current liabilities	75,544	92,053
Non-current liabilities		
Long-term loans payable	29,908	22,043
Lease obligations	1,942	1,671
Deferred tax liabilities	2,707	2,994
Provision for directors' retirement benefits	53	56
Net defined benefit liability	1,003	956
Negative goodwill	33	28
Other	187	226
Total non-current liabilities	35,836	27,975
Total liabilities	111,380	120,029
Net assets		
Shareholders' equity		
Capital stock	6,790	6,790
Capital surplus	6,733	6,404
Retained earnings	27,979	29,288
Treasury shares	(60)	(79)
Total shareholders' equity	41,443	42,404
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543	1,154
Deferred gains or losses on hedges	386	237
Foreign currency translation adjustment	7,731	11,937
Remeasurements of defined benefit plans	(65)	92
Total accumulated other comprehensive income	8,595	13,421
Non-controlling interests	14,717	15,916
Total net assets	64,756	71,742
Total liabilities and net assets	176,137	191,772

(2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	261,156	298,759
Cost of sales	242,414	276,435
Gross profit	18,741	22,323
Selling, general and administrative expenses	16,702	18,615
Operating profit	2,038	3,708
Non-operating income		
Interest income	97	149
Dividend income	59	69
Share of profit of entities accounted for using equity method	306	600
Foreign exchange gains	880	1,232
Other	343	276
Total non-operating income	1,688	2,328
Non-operating expenses		
Interest expenses	1,758	2,825
Other	47	209
Total non-operating expenses	1,806	3,034
Ordinary profit	1,921	3,001
Extraordinary income		
Gain on sales of non-current assets	26	14
Gain on bargain purchase	1,237	—
Gain on change in equity	153	157
Total extraordinary income	1,416	172
Extraordinary losses		
Loss on sales of non-current assets	12	3
Loss on retirement of non-current assets	24	69
Total extraordinary losses	36	73
Profit before income taxes	3,300	3,100
Income taxes - current	2,398	3,139
Income taxes - deferred	(754)	(1,662)
Total income taxes	1,643	1,477
Profit	1,657	1,623
Profit (loss) attributable to		
Profit attributable to owners of parent	1,734	1,683
Loss attributable to non-controlling interests	(77)	(59)
Other comprehensive income		
Valuation difference on available-for-sale securities	13	676
Deferred gains or losses on hedges	397	(153)
Foreign currency translation adjustment	3,530	5,198
Remeasurements of defined benefit plans, net of tax	(79)	143
Share of other comprehensive income of entities accounted for using equity method	259	211
Total other comprehensive income	4,121	6,076
Comprehensive income	5,778	7,700
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,305	6,509
Comprehensive income attributable to non-controlling interests	472	1,190

(3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,790	6,733	26,619	(62)	40,081
Changes of items during period					
Dividends of surplus			(374)		(374)
Profit attributable to owners of parent			1,734		1,734
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		1	1
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,360	1	1,361
Balance at end of period	6,790	6,733	27,979	(60)	41,443

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	518	-	4,498	7	5,025	15,472	60,578
Changes of items during period							
Dividends of surplus							(374)
Profit attributable to owners of parent							1,734
Purchase of treasury shares							(0)
Disposal of treasury shares							1
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes of items other than shareholders' equity	24	386	3,232	(73)	3,570	(754)	2,816
Total changes of items during period	24	386	3,232	(73)	3,570	(754)	4,178
Balance at end of period	543	386	7,731	(65)	8,595	14,717	64,756

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,790	6,733	27,979	(60)	41,443
Changes of items during period					
Dividends of surplus			(374)		(374)
Profit attributable to owners of parent			1,683		1,683
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		(329)			(329)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(329)	1,309	(18)	960
Balance at end of period	6,790	6,404	29,288	(79)	42,404

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	543	386	7,731	(65)	8,595	14,717	64,756
Changes of items during period							
Dividends of surplus							(374)
Profit attributable to owners of parent							1,683
Purchase of treasury shares							(18)
Disposal of treasury shares							-
Change in ownership interest of parent due to transactions with non-controlling interests							(329)
Net changes of items other than shareholders' equity	611	(149)	4,205	158	4,826	1,198	6,025
Total changes of items during period	611	(149)	4,205	158	4,826	1,198	6,985
Balance at end of period	1,154	237	11,937	92	13,421	15,916	71,742

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,300	3,100
Depreciation	13,112	14,559
Loss (gain) on change in equity	(153)	(157)
Gain on bargain purchase	(1,237)	—
Amortization of goodwill	(5)	(5)
Increase (decrease) in assets and liabilities related to retirement benefits	(255)	81
Increase (decrease) in provision for directors' retirement benefits	2	3
Increase (decrease) in provision for directors' bonuses	40	(36)
Interest and dividend income	(157)	(219)
Interest expenses	1,758	2,825
Foreign exchange losses (gains)	(752)	(854)
Share of loss (profit) of entities accounted for using equity method	(306)	(600)
Loss (gain) on sales of property, plant and equipment	(13)	(11)
Loss on retirement of property, plant and equipment	24	69
Decrease (increase) in notes and accounts receivable - trade	885	(827)
Decrease (increase) in inventories	5,253	2,440
Increase (decrease) in notes and accounts payable - trade	(278)	1,926
Increase (decrease) in contract liabilities	603	701
Decrease (increase) in accounts receivable - other	282	211
Other, net	(902)	1,759
Subtotal	21,201	24,966
Interest and dividend income received	190	256
Interest expenses paid	(1,730)	(2,816)
Income taxes paid	(2,227)	(2,940)
Net cash provided by (used in) operating activities	17,433	19,466
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,651)	(8,809)
Proceeds from sales of property, plant and equipment	33	70
Purchase of intangible assets	(37)	(57)
Purchase of investment securities	(47)	(164)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(632)	—
Other, net	(6)	57
Net cash provided by (used in) investing activities	(16,342)	(8,902)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(11,830)	7,616
Proceeds from long-term loans payable	26,721	3,400
Repayments of long-term loans payable	(11,465)	(13,562)
Purchase of treasury shares	(0)	(18)
Cash dividends paid	(373)	(373)
Dividends paid to non-controlling interests	(685)	(306)
Repayments of lease obligations	(821)	(1,017)
Proceeds from sales of treasury shares	1	—
Other, net	794	—
Net cash provided by (used in) financing activities	2,340	(4,263)
Effect of exchange rate change on cash and cash equivalents	79	413
Net increase (decrease) in cash and cash equivalents	3,510	6,712
Cash and cash equivalents at beginning of period	1,981	5,491
Cash and cash equivalents at end of period	5,491	12,204

(5) Notes to consolidated financial statements

Uncertainties of entity's ability to continue as going concern

Not applicable.

Basis of presentation and significant accounting policies for preparation of consolidated financial statements

1. Disclosure of scope of consolidation

(1) Number of consolidated subsidiaries: 18

Fukuda Engineering Co., Ltd.
Kyushu F.tech Inc.
Reterra Inc.
F&P Mfg., Inc.
F&P America Mfg., Inc.
F.tech R&D North America Inc.
F-TECH NORTH AMERICA INC.
F&P MFG. DE MEXICO S.A. DE C.V.
F.E.G. DE QUERETARO, S.A. DE C.V.
F.tech Zhongshan Inc.
F.tech Wuhan Inc.
F.tech R&D (Guangzhou) Inc.
Yantai Fuyan Mould Co., Ltd.
F.tech Philippines Mfg., Inc.
F.tech R&D Philippines Inc.
F.tech Mfg. (Thailand) Ltd.
PT. F.tech INDONESIA
India Steel Summit Private Limited

(2) Number of non-consolidated subsidiaries: Two

Laguna Greenland Corp.
F.tech Automotive Components Private Limited

Reason for exclusion from scope of consolidation

The non-consolidated subsidiaries are small in scale and the amounts of their total assets, net sales, profit (loss) (for the Company's equity interest), retained earnings (for the Company's equity interest) and other financial statement items do not have a significant impact on the Company's consolidated financial statements.

2. Disclosure about application of equity method

(1) Non-consolidated subsidiaries accounted for using the equity method

Not applicable.

(2) Number of associates accounted for using the equity method: Five

Johnan Manufacturing Inc.
JOHNAN AMERICA, Inc.
JOHNAN F.TECH (THAILAND) LTD.
JOHNAN DE MEXICO, S.A. DE C.V.
VEEGEE Auto Components Private Limited

- (3) Number of non-consolidated subsidiaries not accounted for using the equity method: Two
Laguna Greenland Corp.
F.tech Automotive Components Private Limited

Number of associates not accounted for using the equity method: Five
Progressive Tools & Components Pvt Ltd.
PT. JFD INDONESIA
JOHNAN WUHAN INC.
Johnan Kyushu Manufacturing Inc.
Johnan Foshan Inc.

Reason for exclusion from scope of equity method

The non-consolidated subsidiaries and associates that are not accounted for using the equity method are excluded from the application of the equity method since such exclusion has no significant impact on the Company's consolidated financial statements in terms of profit (loss) (for the Company's equity interest), retained earnings (for the Company's equity interest) and other financial statement items, and overall they are of minor significance.

- (4) The fiscal year ends of certain companies accounted for using the equity method are different from the consolidated fiscal year end. In preparing the consolidated financial statements, the Company uses the financial statements of these companies as of their fiscal year end.

3. Disclosure about fiscal years, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year end of F.tech Philippines Mfg., Inc. and F.tech R&D Philippines Inc. is January 31 and the fiscal year end of F&P MFG.DE MEXICO S.A. DE C.V., F.E.G. DE QUERETARO, S.A. DE C.V., F.tech Zhongshan Inc., F.tech Wuhan Inc., Yantai Fuyan Mould Co., Ltd., F.tech R&D (Guangzhou) Inc., and PT. F.tech INDONESIA is December 31.

In the preparation of the consolidated financial statements, the financial statements as of the fiscal year ends of the respective subsidiaries are used. However, for major transactions that occurred between these fiscal year ends and the consolidated fiscal year end, necessary adjustments are made in the consolidated financial statements.

Changes in presentation

(Consolidated statements of cash flows)

Since the amount of "Increase (decrease) in contract liabilities" included in "Other, net" presented under "Cash flows from operating activities" in the previous fiscal year became material in terms of amount, it has been separately presented from the fiscal year under review. To reflect this change in presentation, the Company has made certain reclassifications to its consolidated financial statements for the previous fiscal year.

As a result, the amount of "Other, net" of (298) million yen, which was presented under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified into the amount of "Increase (decrease) in contract liabilities" of 603 million yen and the amount of "Other, net" of (902) million yen.

Segment information, etc.

Segment information

1. Description of reportable segments

The reportable segments of the Company are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and assess their performance.

The Company is engaged in the manufacture and sale of auto parts, etc. As of the end of the current fiscal year, four companies including the Company in Japan as well as six local corporations in North America and nine local corporations in Asia each conduct the business operations. These local corporations, which are independent management units, formulate comprehensive strategies and develop business activities in each area.

For this reason, the Company consists of regional segments based on the manufacturing and sales systems and has three reportable segments, namely Japan, North America and Asia.

2. Explanation of measurements of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting procedures for reportable segments are consistent with those stated in “Basis of presentation and significant accounting policies for preparation of consolidated financial statements.”

Profit of reportable segments is based on operating profit (before amortization of goodwill).

Intersegment sales and transfers are based on prevailing market prices.

3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	23,355	169,650	68,149	261,156
Intersegment sales and transfers	13,989	1,312	2,162	17,464
Total	37,345	170,962	70,311	278,620
Segment profit (loss)	417	(1,040)	2,340	1,716
Segment assets	69,588	105,623	45,404	220,616

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments			Total
	Japan	North America	Asia	
Net sales				
Net sales to external customers	30,612	206,501	61,645	298,759
Intersegment sales and transfers	11,231	1,611	2,915	15,759
Total	41,844	208,113	64,560	314,518
Segment profit	1,352	758	1,511	3,622
Segment assets	74,877	114,086	49,148	238,112

4. Differences between total amounts for reportable segments and amounts in the consolidated financial statements and main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segments total	278,620	314,518
Elimination of intersegment transactions	(17,464)	(15,759)
Net sales in the consolidated financial statements	261,156	298,759

(Millions of yen)

Profit	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segments total	1,716	3,622
Elimination of intersegment transactions	321	85
Operating profit in the consolidated financial statements	2,038	3,708

(Millions of yen)

Assets	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Reportable segments total	220,616	238,112
Elimination of intersegment transactions	(44,472)	(46,335)
Other adjustments	(6)	(5)
Total assets in the consolidated financial statements	176,137	191,772

5. Disclosure of impairment loss on non-current assets and goodwill, etc. for each reportable segment
Not applicable.

Business combinations, etc.

Transactions under common control, etc.

(Additional acquisition of shares in a consolidated subsidiary)

On December 21, 2023, the Company decided on and implemented an acquisition of shares in F&P America Mfg., Inc., a consolidated subsidiary of the Company, through a debt-equity swap in which the Company converted the subsidiary's debt into a contribution in kind in exchange for equity.

(1) Summary of transaction

1) Name and business description of the combined company

Name of company: F&P America Mfg., Inc.

Description of business: Manufacturing and sale of auto parts and dies, equipment, tools, etc. for these parts

2) Date of business combination

December 21, 2023

3) Legal form of business combination

Acquisition of shares through a debt-equity swap

4) Name of company after business combination

No change

5) Other matters relating to summary of transaction

The Company performed a debt-equity swap for the capital increase of F&P America Mfg., Inc. to stabilize its financial position.

(2) Summary of accounting treatment

The transaction was accounted for as a transaction with non-controlling shareholders, which is a transaction under common control in accordance with the "Accounting Standard for Business Combinations" and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures."

(3) Matters concerning the additional acquisition of shares in a subsidiary

Acquisition cost of the acquired company and breakdown by type of consideration		
Consideration for acquisition	Aggregate face value of debt converted into contribution in kind	46 million U.S. dollars (6,601 million yen)
Acquisition cost		46 million U.S. dollars (6,601 million yen)

Per share information

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	2,691.60	3,006.59
Basic earnings per share	93.30	90.62

(Notes) 1. Diluted basic earnings per share is not presented since no potential shares exist.

2. Since the second quarter of the fiscal year ended March 31, 2021, the Company has acquired the Company's shares through the "Officers' Stock Benefit Trust." The Company's shares held by the Officers' Stock Benefit Trust are included in the number of treasury shares deducted in the calculation of the average number of shares during the period, to calculate basic earnings per share.

3. Basis for calculating basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,734	1,683
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	1,734	1,683
Average number of shares (Thousands of shares)	18,589	18,575
Diluted earnings per share		
Adjustment on profit attributable to owners of parent (Millions of yen)	–	–
Increase in number of common shares (Thousands of shares)	–	–
[Of the above, convertible bond-type bonds with subscription rights to shares (Thousands of shares)]	[-]	[-]
Outline of potential shares that were not used in calculating diluted earnings per share because they have no dilutive effects	–	–

Significant events after reporting period

Not applicable.

4. Other information

(1) Changes in officers

1) Changes in representatives

Not applicable.

2) Changes in other officers

Not applicable.