

Consolidated Financial Highlights for the Year ended March 31, 2024 [under Japanese GAAP]

Company name : **SMC Corporation**
 Stock exchange listing : **Tokyo Stock Exchange, Prime Market**
 Security code : **6273**
 URL : <https://www.smcworld.com/ir/en/>
 Representative : **Yoshiki Takada, President**
 Contact person : **Masahiro Ota, Director and Executive Officer**
 Projected date of annual shareholders' meeting : **June 27, 2024**
 Projected date of filing Annual report : **June 27, 2024**
 Projected starting date of dividend payment : **June 28, 2024**

1. Consolidated Financial Highlights for the Year ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(Millions of yen, except per share figures)

(1) Consolidated Operating Results

Fiscal Year ended March 31	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	
2024	776,873 (5.8%)	196,226 (24.0%)	251,008 (18.0%)	178,321 (20.6%)	
2023	824,772 13.4%	258,200 13.3%	305,980 12.1%	224,609 16.4%	
Fiscal Year ended March 31	Net income per share (Yen)	Net income per share (diluted basis) (Yen)	Return on equity	Return on assets	Operating income ratio
2024	2,766.92	—	10.0%	12.5%	25.3%
2023	3,444.55	—	13.8%	16.5%	31.3%

(Note) Comprehensive income Year ended March 31, 2024 : ¥ 272,259 million 6.0%
 Year ended March 31, 2023 : ¥ 256,933 million (4.6%)

(2) Consolidated Financial Positions

As of March 31	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
2024	2,094,559	1,885,871	89.8%	29,338.63
2023	1,927,940	1,702,325	88.1%	26,331.72

(Reference) Shareholders' equity As of March 31, 2024 : ¥ 1,881,586 million
 As of March 31, 2023 : ¥ 1,698,413 million

(3) Consolidated Cash Flows

Fiscal Year ended March 31	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
2024	98,207	(131,900)	(87,928)	405,586
2023	101,617	(87,086)	(113,299)	491,324

2. Dividends

For the year ended March 31	Dividend per share (Yen)					Total dividends (Millions of yen)	Dividend ratio	Dividend on equity
	1Q	2Q	3Q	4Q	Total			
2023(Actual)	—	450.00	—	450.00	900.00	58,430	26.1%	3.6%
2024(Actual)	—	450.00	—	500.00	950.00	61,098	34.3%	3.4%
2024(Projected)	—	500.00	—	500.00	1,000.00		33.1%	

3. Forecasts of Consolidated Operating Results for the Year ending March 31, 2025

(Millions of yen, except per share figures)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share (Yen)
Year ending March 31, 2025	840,000	8.1%	234,000	19.3%	274,000	9.2%	194,000	8.8%	3,024.94

* Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1. Changes in accounting policies applied due to revisions of accounting standards: None
 2. Changes in accounting policies other than the above: None
 3. Changes in accounting estimates: None
 4. Retrospective restatement: None

(3) Number of shares issued

1. Number of common shares issued (including treasury shares)
2. Number of treasury shares
3. Average number of common shares for the year

	As of March 31, 2024	As of March 31, 2023
1. Number of common shares issued (including treasury shares)	67,369,359	67,369,359
2. Number of treasury shares	3,235,951	2,868,732
3. Average number of common shares for the year	64,447,483	65,207,145

(Note) The company's shares held by the Board Benefit Trust (BBT) for the Directors' Stock Compensation Plan (2,600 shares as of March 31, 2023, and 11,200 shares as of March 31, 2024) is included in the number of treasury shares, which is deducted in the calculation for the above: 2. Number of treasury shares and 3. Average number of common shares for the year.

< Reference >

Non-consolidated Financial Highlights for the Year ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(Millions of yen, except per share figures)

(1) Non-consolidated Operating Results

Fiscal Year ended March 31	Net sales		Operating profit		Ordinary profit		Profit		Net income per share (Yen)
2024	446,070	(12.6%)	99,575	(30.2%)	227,250	(11.6%)	180,018	(11.4%)	2,793.25
2023	510,431	9.3%	142,759	10.9%	257,002	42.3%	203,180	55.5%	3,115.92

(2) Non-consolidated Financial Positions

As of March 31	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
2024	1,329,020	1,201,517	90.4%	18,734.65
2023	1,253,875	1,103,130	88.0%	17,102.62

(Reference) Shareholders' equity As of March 31, 2024 : ¥ 1,201,517 million
As of March 31, 2023 : ¥ 1,103,130 million

These Consolidated Financial Highlights are not subject to audit procedures by the independent accounting auditor.

Explanation of appropriate use of financial forecasts; other special items

Forecasts are based on information and certain premises that we consider to be reasonable at the time we released these Consolidated Financial Highlights. Some factors could cause actual results to differ from expectations.

1. Overview of Operating Results

(1) Overview of the fiscal year 2023

During this fiscal year (April 1, 2023 to March 31, 2024) the outlook remains uncertain due to the situation of continued turmoil in Ukraine, the outbreak of conflict in the Middle East, the global monetary tightening, the delicate U.S.-China relations, and concerns about a slowdown in Chinese economy, which continued held backs in capital investments across a wide range of industry.

As for the demand for automatic control equipment, in the semi-conductor and electrical machinery-related industries, there was continued restraint and postponement of capital investment in Japan, Asia, and the U.S. In the automotive-related industry, there were capital investment in EV-related areas mainly in Europe and the U.S., however, the overall growth rate slowed down, due to the sharp fall in EV-battery demand in Greater China, which was high in the previous year. Machine tool-related industry continued to be in an adjustment phase due to the sluggish semi-conductor-related demand and the economic slowdown in China. Sales to medical equipment-related, food machinery-related, and other industries remained sluggish, despite new post-covid demand for labor-saving and automation.

Under these circumstances, the SMC Group has continued to make aggressive capital investments to enhance its supply capability of products to be ready for the mid- to long-term demand growth, has also continued developing new products and proposing solutions which contribute to a significant CO2 emission reduction for its customers, establishing a BCP system, and utilizing its global human resources.

Within the business environment described above, the summary of consolidated business results for the fiscal year ended March 31, 2024 is as follows:

Net sales were 776,873 million yen (decreased by 5.8%, yoy). From the geographic segment point of view, Greater China (China, Hong Kong, Taiwan) decreased 14.8% from the previous year. By the customer industry, the continued low tone in the semi-conductor market resulted the decrease in revenue.

Operating profit was 196,226 million yen (decreased by 24.0%, yoy) due to the decrease in sales volume, and increase in production costs and expenses resulted from the increases in raw material costs, personnel costs, and depreciation costs.

Ordinary profit was 251,008 million yen (decreased by 18.0%, yoy). Although the foreign exchange gains decreased, the larger increase in interest income contributed to narrow the yoy decline compared to the operating profit.

Profit before income taxes was 252,653 million yen (decreased by 18.2%, yoy) and profit attributable to owners of parent was 178,321 million yen (decreased by 20.6%, yoy). The gain on the sale of investment securities decreased, resulting extraordinary income and losses to decrease.

ROE became 10.0%, decreased by 3.8 points from the previous fiscal year end.

(2) Overview of financial positions

Total assets in SMC Group's consolidated balance sheet as of the end of this fiscal year was 2,094,559 million yen (a 166,619 million yen or 8.6% increase from the previous fiscal year end). Cash and deposits decreased by 92,313 million yen, mainly due to the payment of tax, build-up of inventories, acquisition of investment securities, payment of dividends, allocation of funds for capital investments, and acquisition of own shares. In addition, an 11,176 million yen decrease in trade receivables due to the decrease in business activity, a 100,956 million yen increase in inventories from increase in raw materials and parts, an 86,563 million yen increase in property, plant and equipment mainly from capital investments in the production bases, and an 80,015 million yen increase in investment securities from the acquisition of additional U.S. treasuries.

Total liabilities were 208,688 million yen (a 16,926 million yen or 7.5% decrease, yoy), mainly due to the decreases of 14,817 million yen in trade payables and 13,119 million yen in income taxes payable.

Total net assets were 1,885,871 million yen (a 183,546 million yen or 10.8% increase, yoy), mainly due to a 120,268 million yen increase in retained earnings, a 30,628 million yen increase in purchase of treasury shares, and an 83,233 million yen increase in foreign currency translation adjustment.

(3) Overview of cash flows

The balance of cash and cash equivalents as of the end of the fiscal year 2023 was 405,586 million yen, an 85,737 million yen decrease, yoy.

(Cash flows from operating activities)

Net cash provided by operating activities was 98,207 million yen (a 3,409 million yen revenue decrease, yoy).

The main factors were:- a revenue of 169,140 million yen (a 9,492 million yen decrease, yoy) gained from sales activities, a revenue of 18,820 million yen (a 4,128 million yen increase, yoy) gained from interest and dividends, and 89,671 million yen (a 1,910 million yen decrease, yoy) of income taxes paid.

(Cash flows from investing activities)

Net cash used by investing activities was 131,900 million yen (a 44,814 million yen increase, yoy).

The main factors were:- Net proceeds from time deposits of 15,060 million yen (a 1,994 million yen decrease, yoy), purchase of property, plant and equipment, and intangible assets of 104,308 million yen (a 29,931 million yen increase, yoy), and net purchase of securities of 43,138 million yen (a 1,074 million yen increase, yoy).

With the above factors, the free cash flow for this fiscal year was a negative of 33,693 million yen (a 48,224 million yen increase yoy).

(Cash flows from financing activities)

Net cash used in financing activities was 87,928 million yen (a 25,370 million yen decrease, yoy).

The main factor was the purchase of treasury shares of 30,628 million yen (a 24,401 million yen decrease, yoy).

(4) Outlook for the next fiscal year

We estimate that the FY2024 outlook will remain uncertain, due to the prolonged war in Ukraine and in the Middle East, the trade friction between the U.S. and China, concerns on the economic slowdown by the global monetary tightening in various countries, rising prices, and the impacts from the exchange fluctuations.

Looking by sectors, in the semi-conductor and electrical machinery-related industries, although the current capital investment is sluggish, we see some signs of gradual recovery that we expect to see a full recovery mainly in semi-conductor-related in the mid- to latter half of the year. In the automotive-related industry, we expect EV-related demand increase mainly in Europe and the U.S. In the machine-tool, food machinery and medical equipment-related industries, we expect the demands for automation and labor-savings to increase from shortages in labor.

Within this business environment, the SMC Group sets its mid-term sales target of "JPY 1 Trillion by FY2026" and will strive to achieve by increasing its market share, reduce costs and increase its productivity in each region by making aggressive capital investments, establishing SMC's Business Continuity Plan (BCP) structure, initiating sales expansion activities of its energy-saving products and non-pneumatic instruments, and proposing its customers with solutions such as lowering and reducing the air pressure used throughout the factory.

The consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar, the euro, the Chinese yuan against Japanese yen are 146 yen, 158 yen, and 20.50 yen respectively. Net sales 840,000 million yen, operating profit 234,000 million yen, ordinary profit 274,000 million yen and profit attributable to owners of parent 194,000 million yen.

2. Basic concept on selection of accounting standards

In order to maintain the adequacy in figure comparison at all times, SMC Group will continue to disclose consolidated financial statements in accordance with the accounting principles (GAAP) generally adopted in Japan.

We will appropriately consider adopting IFRS through addressing internal and external factors which affect both within and outside of Japan when necessary.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
[ASSETS]		
Current assets		
Cash and deposits	603,570	511,257
Notes and accounts receivable-trade	228,848	217,671
Securities	19,926	33
Merchandise and finished goods	165,288	197,300
Work in process	31,388	37,236
Raw materials and supplies	221,925	285,021
Other	53,641	60,500
Allowance for doubtful accounts	(740)	(1,030)
Total current assets	1,323,848	1,307,990
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	123,752	148,360
Machinery, equipment and vehicles, net	52,097	68,166
Tools, furniture and fixtures, net	13,897	21,288
Land	87,746	90,484
Construction in progress	49,501	85,258
Total property, plant and equipment	326,995	413,558
Intangible assets		
Leasehold interests in land	11,759	11,719
Other	4,832	5,612
Total intangible assets	16,591	17,332
Investments and other assets		
Investment securities	92,420	172,436
Retirement benefit asset	11,639	17,492
Insurance funds	143,902	147,188
Deferred tax assets	7,456	10,868
Other	6,540	9,366
Allowance for doubtful accounts	(1,454)	(1,675)
Total investments and other assets	260,505	355,677
Total non-current assets	604,092	786,568
Total assets	1,927,940	2,094,559

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
[LIABILITIES]		
Current liabilities		
Notes and accounts payable-trade	73,636	58,818
Short-term borrowings	7,137	7,342
Income taxes payable	42,435	29,316
Provision for bonuses	5,143	5,162
Other	60,494	63,960
Total current liabilities	188,847	164,600
Non-current liabilities		
Long-term borrowings	5,049	5,728
Deferred tax liabilities	16,094	21,802
Provision for retirement benefits for directors	458	720
Provision for share awards for directors	114	265
Retirement benefit liability	7,577	8,034
Other	7,472	7,538
Total non-current liabilities	36,767	44,088
Total liabilities	225,615	208,688
[NET ASSETS]		
Shareholders' equity		
Share capital	61,005	61,005
Capital surplus	73,342	73,342
Retained earnings	1,596,086	1,716,354
Treasury shares	(164,167)	(194,795)
Total shareholders' equity	1,566,266	1,655,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,573	14,777
Foreign currency translation adjustment	120,275	203,508
Remeasurements of defined benefit plans	4,298	7,394
Total accumulated other comprehensive income	132,146	225,680
Non-controlling interests	3,912	4,284
Total net assets	1,702,325	1,885,871
Total liabilities and net assets	1,927,940	2,094,559

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

1. Consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net sales	824,772	776,873
Cost of sales	403,613	413,796
Gross profit	421,159	363,077
Selling, general and administrative expenses	162,958	166,851
Operating profit	258,200	196,226
Non-operating income		
Interest income	11,722	18,461
Gain on sale of securities	2,368	6,114
Foreign exchange gains	28,203	24,486
Other	5,722	5,900
Total non-operating income	48,016	54,963
Non-operating expenses		
Interest expenses	105	82
Commission for purchase of treasury shares	20	19
Other	110	79
Total non-operating expenses	236	180
Ordinary profit	305,980	251,008
Extraordinary income		
Gain on sale of non-current assets	447	732
Gain on sale of investment securities	3,208	1,236
Other	7	—
Total extraordinary income	3,663	1,968
Extraordinary losses		
Loss on retirement of non-current assets	352	315
Impairment losses	35	—
Extra retirement payments	370	—
Other	109	8
Total extraordinary losses	867	324
Profit before income taxes	308,777	252,653
Income taxes-current	90,677	75,995
Income taxes-deferred	(6,806)	(1,695)
Total income taxes	83,871	74,300
Profit	224,905	178,353
Profit attributable to non-controlling interests	296	32
Profit attributable to owners of parent	224,609	178,321

2. Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Profit	224,905	178,353
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,650)	7,525
Foreign currency translation adjustment	32,383	83,274
Remeasurements of defined benefit plans, net of tax	3,295	3,106
Total other comprehensive income	32,028	93,906
Comprehensive income	256,933	272,259
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	256,616	271,854
Comprehensive income attributable to non-controlling interests	316	404

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of period	61,005	73,335	1,430,285	(109,136)	1,455,489
Changes during period					
Dividends of surplus			(58,808)		(58,808)
Profit attributable to owners of parent			224,609		224,609
Purchase of treasury shares				(55,030)	(55,030)
Change in ownership interest of parent due to transactions with non-controlling interests		6			6
Net changes in items other than shareholders' equity					
Total changes during period	—	6	165,801	(55,030)	110,777
Net assets at end of period	61,005	73,342	1,596,086	(164,167)	1,566,266

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of period	11,235	87,893	1,010	100,139	3,645	1,559,274
Changes during period						
Dividends of surplus						(58,808)
Profit attributable to owners of parent						224,609
Purchase of treasury shares						(55,030)
Change in ownership interest of parent due to transactions with non-controlling interests						6
Net changes in items other than shareholders' equity	(3,662)	32,381	3,288	32,007	266	32,273
Total changes during period	(3,662)	32,381	3,288	32,007	266	143,051
Net assets at end of period	7,573	120,275	4,298	132,146	3,912	1,702,325

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of period	61,005	73,342	1,596,086	(164,167)	1,566,266
Changes during period					
Dividends of surplus			(58,052)		(58,052)
Profit attributable to owners of parent			178,321		178,321
Purchase of treasury shares				(30,628)	(30,628)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	120,268	(30,628)	89,639
Net assets at end of period	61,005	73,342	1,716,354	(194,795)	1,655,906

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of period	7,573	120,275	4,298	132,146	3,912	1,702,325
Changes during period						
Dividends of surplus						(58,052)
Profit attributable to owners of parent						178,321
Purchase of treasury Shares						(30,628)
Net changes in items other than shareholders' equity	7,204	83,233	3,096	93,533	372	93,906
Total changes during Period	7,204	83,233	3,096	93,533	372	183,546
Net assets at end of period	14,777	203,508	7,394	225,680	4,284	1,885,871

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	308,777	252,653
Depreciation	25,767	33,355
Impairment losses	35	—
Extra retirement payments	370	—
Increase (decrease) in allowance for doubtful accounts	(517)	274
Increase (decrease) in provision for retirement benefits for directors	190	226
Increase (decrease) in retirement benefit liability	143	285
Interest and dividend income	(12,985)	(19,039)
Interest expenses	105	82
Foreign exchange losses (gains)	(21,874)	(11,998)
Loss (gain) on sale of investment securities	(3,203)	(1,235)
Loss (gain) on valuation of investment securities	34	—
Decrease (increase) in trade receivables	(10,014)	31,089
Decrease (increase) in inventories	(106,728)	(74,481)
Increase (decrease) in trade payables	6,332	(26,267)
Decrease (increase) in other current assets	(6,023)	(2,279)
Increase (decrease) in other current liabilities	3,690	(2,800)
Other, net	(5,467)	(10,723)
Subtotal	178,632	169,140
Interest and dividends received	14,692	18,820
Interest paid	(125)	(82)
Income taxes refund (paid)	(91,581)	(89,671)
Net cash provided by (used in) operating activities	101,617	98,207

(Millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(190,302)	(124,751)
Proceeds from withdrawal of time deposits	207,357	139,812
Purchase of property, plant and equipment	(72,180)	(102,347)
Purchase of intangible assets	(2,197)	(1,961)
Purchase of short-term and long-term investment securities	(60,795)	(67,278)
Proceeds from sale and redemption of short-term and long-term investment securities	18,731	24,140
Purchase of insurance funds	(9,553)	(8,819)
Proceeds from maturity of insurance funds	19,588	6,572
Other, net	2,265	2,733
Net cash provided by (used in) investing activities	(87,086)	(131,900)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,276	(181)
Proceeds from long-term borrowings	2,307	3,100
Repayments of long-term borrowings	(6,936)	(2,051)
Purchase of treasury shares	(55,030)	(30,628)
Purchase of treasury shares of subsidiaries	(44)	—
Dividends paid	(58,776)	(58,063)
Other, net	(95)	(103)
Net cash provided by (used in) financing activities	(113,299)	(87,928)
Effect of exchange rate change on cash and cash equivalents	30,796	35,884
Net increase (decrease) in cash and cash equivalents	(67,972)	(85,737)
Cash and cash equivalents at beginning of period	559,296	491,324
Cash and cash equivalents at the end of period	491,324	405,586

(Notes on going-concern assumption)

N/A

(Segment information)

The Company and its consolidated subsidiaries are composed of a single business segment, Automatic control equipment business. The disclosure of segment information is thereby omitted.

(Per share information)

	Year ended March 31, 2023	Year ended March 31, 2024
Net assets per share	26,331.72 yen	29,338.63 yen
Net income per share	3,444.55 yen	2,766.92 yen

(Notes) (1) Diluted net income per share is not presented as there is no dilutive shares.

(2) The basis for calculating the net assets per share is shown below.

(Millions of yen or thousand shares)

	Year ended March 31, 2023	Year ended March 31, 2024
Total net assets	1,702,325	1,885,871
Deductions from total net assets (within, non-controlling interests)	3,912 (3,912)	4,284 (4,284)
Net assets related to common shares at the end of the fiscal year	1,698,413	1,881,586
Number of common shares at the end of the fiscal year used to calculate net assets per share	64,500	64,133

(3) The basis for calculating net income per share is shown below.

(Millions of yen or thousand shares)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income per share		
Profit attributable to owners of parent	224,609	178,321
Amount not attributable to owners of common shares	—	—
Profit attributable to owners of parent related to common shares	224,609	178,321
Average number of common shares for the year	65,207	64,447

(4) The company shares held by the Board Benefit Trust (BBT) for the Directors' Stock Compensation Plan is included in the number of treasury shares, which is deducted from the number of common shares issued at the end of the fiscal year when calculating the net assets per share (2,600 shares as of March 31, 2023, and 11,200 shares as of March 31, 2024). The shares held by the trust are also included in the number of treasury shares, which is deducted from the average number of common shares for the year when calculating the net income per share (2,600 shares during April 1, 2022 to March 31, 2023, and 8,004 shares during April 1, 2023 to March 31, 2024).

(Significant subsequent events)

N/A

4. Supplementary Information

(1) Net sales by region

(Millions of yen)

Japan	U.S.	China	Asia (excl. China)	Europe	Other	Total
159,172	93,200	195,218	136,726	149,487	43,068	776,873

(Note) The above figures shows the sales amounts by the location of customers.

Japan, U.S. and China (including Hong Kong) are individually disclosed since they consist 10% or above the consolidated net sales respectively.

(2) Geographic segment information

(Millions of yen)

Japan	North America	Greater China	Other Asia	Europe	Other	Total
165,618	128,402	200,580	119,347	143,774	19,150	776,873

(Note) The above figures shows the sales amounts by the location of the Company and its consolidated subsidiaries.

“North America” includes the sales amount of U.S., Canada and Mexico, “Greater China” includes China (including Hong Kong) and Taiwan.

(3) Consolidated Capital expenditures, Depreciation and R&D expenses

(Millions of yen)

	Year ended March 31, 2024 (Actual)		Year ending March 31, 2025 (Forecast)	
Capital expenditures	105,522	29.3%	120,000	13.7%
Depreciation	33,355	29.4%	44,000	31.9%
R&D expenses	31,141	13.8%	35,000	12.4%

(4) Foreign currency exchange rates

	Year ended March 31, 2024 (Actual)		Year ending March 31, 2025 (Forecast)
	(average)	(at end)	(average)
U S \$	¥ 144.58	¥ 151.40	¥ 146.00
E U R	¥ 156.74	¥ 163.28	¥ 158.00
C N Y	¥ 20.13	¥ 20.84	¥ 20.50

(5) Consolidated Full-time employees and Temporary employees

(Number of personnel)

	Year ended March 31, 2024	Difference from last year end
Full-time employees (at end)	23,127	139
Temporary employees (average)	5,371	(872)

(Note) The decrease in the number of temporary employees is mainly due to a revision of the definition of temporary employees at overseas subsidiaries.