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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 13, 2025

Company name: DaikyoNishikawa Corporation

Listing: Tokyo Stock Exchange

Securities code: 4246

URL: <https://www.daikyonishikawa.co.jp/en/>

Representative: Ikuo Sugiyama

Representative Director and President

Inquiries: Hironori Matsuo

Managing Executive Officer and Corporate Planning Division
Manager

Telephone: +81-82-493-5610

Scheduled date of annual general meeting of shareholders: June 18, 2025

Scheduled date to commence dividend payments: June 19, 2025

Scheduled date to file annual securities report: June 17, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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 | % |
| Fiscal year ended March 31, 2025 | 168,561 | 6.0 | 10,004 | 15.1 | 9,688 | 10.4 | 6,498 | 12.4 |
| March 31, 2024 | 159,019 | 9.1 | 8,690 | 151.6 | 8,775 | 206.3 | 5,782 | - |

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 9,261 million [33.5%]

Fiscal year ended March 31, 2024: ¥ 6,938 million [92.4%]

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2025 | 91.36 | - | 7.7 | 6.1 | 5.9 |
| March 31, 2024 | 81.34 | - | 7.4 | 5.4 | 5.5 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 36 million

Fiscal year ended March 31, 2024: ¥ 56 million

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2025 | 154,554 | 89,949 | 56.5 | 1,227.65 |
| March 31, 2024 | 161,225 | 83,254 | 50.1 | 1,135.11 |

(Reference) Equity: As of March 31, 2025: ¥ 87,337 million

As of March 31, 2024: ¥ 80,711 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 the end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended March 31, 2025 | 16,783 | (7,582) | (18,348) | 23,999 |
| March 31, 2024 | 20,372 | 1,593 | (8,801) | 32,123 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|-----------------|-----------------------------|--|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| March 31, 2024 | - | 15.00 | - | 17.00 | 32.00 | 2,275 | 39.3 | 2.9 |
| March 31, 2025 | - | 17.00 | - | 19.00 | 36.00 | 2,561 | 39.4 | 3.0 |
| Fiscal year ending March 31, 2026 (Forecast) | - | 19.00 | - | 19.00 | 38.00 | | 52.0 | |

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend 2.00 yen

The dividend payout ratio (consolidated) for the year ended Mar. 31, 2026 does not include the impact of the acquisition of treasury stock resolved at the Board of Directors' meeting held on May. 13, 2025.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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 | 165,800 | (1.6) | 7,100 | (29.0) | 6,900 | (28.8) | 5,200 | (20.0) | 73.09 |

The computation of basic earnings per share does not include the impact of the repurchase of treasury stock resolved at the Board of Directors meeting held on May. 13, 2025.

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)
Excluded: - (Company name:)

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 73,896,400 shares
March 31, 2024: 73,896,400 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 2,754,608 shares
March 31, 2024: 2,791,736 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 71,130,373 shares
Fiscal Year ended March 31, 2024: 71,094,643 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|-------------------|-----------------|-----|------------------|------|-----------------|--------|-----------------|--------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 108,070 | 0.6 | 6,072 | 45.1 | 8,749 | (18.4) | 6,727 | (32.6) |
| March 31, 2024 | 107,429 | 2.1 | 4,185 | 8.4 | 10,720 | 127.2 | 9,985 | - |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen | Yen |
| March 31, 2025 | 94.57 | - |
| March 31, 2024 | 140.45 | - |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 102,205 | 69,887 | 68.4 | 982.36 |
| March 31, 2024 | 104,419 | 65,953 | 63.2 | 927.55 |

(Reference) Equity: As of March 31, 2025: ¥ 69,887 million
As of March 31, 2024: ¥ 65,953 million

*This financial results report is not subject to audit by certified public accountants or audit firm.

*Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The earnings forecasts and other descriptions of the future presented in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

(Supplementary materials for financial results)

Supplementary materials will be posted on our website later.

○Attachment

Table of Contents

| | |
|--|----|
| 1. Overview of Operating Results | 2 |
| (1) Overview of Operating Results for the Fiscal Year under Review..... | 2 |
| (2) Overview of Financial Position for the Fiscal Year under Review..... | 3 |
| (3) Overview of cash flows for the fiscal year under review..... | 3 |
| (4) Future Outlook..... | 4 |
| 2. Basic Rationale for the Selection of Accounting Standards | 4 |
| 3. Consolidated Financial Statements and Major Notes | 5 |
| (1) Consolidated Balance Sheets | 5 |
| (2) Consolidated Statements of Income and Comprehensive Income | 7 |
| Consolidated Statements of Income..... | 7 |
| Consolidated Statements of Comprehensive Income..... | 8 |
| (3) Consolidated Statements of Changes in Equity..... | 9 |
| (4) Consolidated Statements of Cash Flows..... | 11 |
| (5) Notes for Consolidated Financial Statements | 13 |
| (Notes on Going Concern Assumption) | 13 |
| (Notes on Changes in Accounting Policies) | 13 |
| (Changes in Presentation Method) | 13 |
| (Segment Informations) | 14 |
| (Information on Amounts Per Share of Common Stock) | 17 |
| (Significant Subsequent Events)) | 18 |

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review (Apr. 1, 2024 to Mar. 31, 2025), the global economy remained uncertain due to factors such as persistently high resource prices reflecting heightened geopolitical risks and ongoing inflation worldwide.

In the automotive parts business, which is our Group's main business, we are steadily advancing our efforts for the cyclical economy and the electrification of automobiles as a response to environmental issues. We are facing rapid changes in the environment, including the advancement of emerging Chinese manufacturers in China and Southeast Asia, as well as U.S. policy trends.

Under these circumstances, our Group has promoted the four management strategies of the Medium-Term Management Plan.

In terms of our client strategy, we approached a wide range of automotive OEM and Tier 1 manufacturers, leading to orders for new products utilizing the world's first transparency decoration technology and high-voltage bus bars for electric vehicles.

Under our product strategy, we completed technological development to realize a recycling cycle for resins, and we also achieved commercialization of products for electric vehicles that have evolved our existing technologies.

In the Monozukuri Strategy, in order to realize a smart factory that aims to improve quality and profitability, we are promoting the creation of processes that are fully autonomous, no-production, and zero defects.

Under the Management Foundation Strategy, we are working to streamline management through human capital-based management and DX so that diverse human resources can develop their capabilities and maximize their capabilities.

Our Group will continue to review the implementation timing and speed of the implementation of the four management strategies in order to make changes in the business environment an opportunity to reform our corporate structure, and at the same time pursue technological innovation and efficiency so that we can secure a market advantage despite the challenging business environment.

Consolidated net sales for the fiscal year under review increased by 9.541 billion yen (6.0%) to 168.561 billion yen, mainly due to the full-year contribution of two direct production at a U.S. production base and the impact of yen conversions. Operating income increased by 1.314 billion yen (15.1%) to 10.004 billion yen compared to the previous fiscal year, mainly due to cost improvement activities and a decrease in depreciation expenses, despite a deterioration due to the impact of the exchange rate between the Mexican peso and the U.S. dollar. Ordinary income increased by 912 million yen (10.4%) year on year to 9.688 billion yen. Net income attributable to owners of the parent increased by 715 million yen (12.4%) year on year to 6.498 billion yen.

Results by business segment are as follows.

(Japan)

In Japan, sales increased by 823 million yen (0.8%) to 108.855 billion yen compared to the previous consolidated fiscal year, due to an increase in sales of molds and other products, despite a decrease in the number of units produced by major customers. Segment profit (operating income) increased ¥2.083 billion, or 44.2%, to ¥6.797 billion compared with the previous fiscal year, mainly due to cost improvement activities and a decrease in depreciation and amortization.

(Central America and North America)

In Central America and North America, net sales increased by 8.134 billion yen (21.3%) to 46.336 billion yen compared to the previous fiscal year, due to the full-year contribution of two direct production at U.S. production bases and the impact of yen conversions. Segment income (operating income) decreased by 739 million yen (20.0%) to 2.957 billion yen compared to the previous fiscal year, mainly due to a decrease in other sales and the impact of the exchange rate between the Mexican peso and the U.S. dollar.

(ASEAN)

In ASEAN, net sales decreased by 1.31 billion yen (10.6%) to 11.044 billion yen compared to the previous fiscal year due to a decrease in the number of units produced by customers in both Thailand and Indonesia. Segment profit (operating income) decreased by 198 million yen (26.7%) to 544 million yen compared to the previous fiscal year, mainly due to the impact of the decrease in sales.

(China, Korea)

In China and South Korea, net sales increased by 1.687 billion yen (22.5%) to 9.185 billion yen compared to the previous fiscal year due to an increase in product sales to local customers and mold sales, as well as the impact of yen conversions. Segment loss (operating income) was a loss of ¥98 million (compared with a loss of ¥352 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets for the fiscal year under review decreased by 6.67 billion yen (4.1%) from the previous fiscal year to 154.554 billion yen. This was mainly due to decreases in cash and deposits and machinery, equipment and vehicles, while there was an increase in construction in progress.

Liabilities decreased by 13.365 billion yen (17.1%) compared to the previous consolidated fiscal year to 64.605 billion yen. This was mainly due to a decrease in long-term loans payable, while accounts payable-other and notes and accounts payable-trade increased.

Net assets increased 6.695 billion yen (8.0%) from the previous consolidated fiscal year to 89.949 billion yen. This was mainly due to an increase in retained earnings and foreign currency translation adjustments.

This resulted in an increase of 92 to 54 per capita by 1227 to 65 per capita, and an increase of 6.4 percentage points from 50.1 per cent in the previous year to 56.5 per cent in the self-capita ratio, compared with the previous year.

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

Cash and cash equivalents decreased by ¥8.123 billion, or 25.3%, to ¥23.999 billion compared with the end of the previous fiscal year.

①Net cash provided by operating activities

Net cash provided by operating activities was ¥16.783 billion (compared with net cash provided of ¥20.372 billion in the previous fiscal year). This was mainly due to the recording of ¥10.998 billion in depreciation and amortization and ¥9.543 billion in income before income taxes and minority interests, while there was ¥3.861 billion in income taxes paid.

②Cash flow from investing activities

Net cash used in investing activities was ¥7.582 billion (compared with net cash provided by investing activities of ¥1.593 billion in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of ¥7.369 billion.

③Cash flow from financing activities

Net cash used in financing activities was 18.348 billion yen (compared with 8.801 billion yen used in the previous fiscal year). This was mainly due to the repayment of long-term debt of ¥13.266 billion as a result of the efficient use of funds throughout the Group.

Reference: Trend of cash flow indicators

| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Shareholders' equity ratio (%) | 48.5 | 47.5 | 46.4 | 50.1 | 56.5 |
| Shareholders' equity ratio on market value basis (%) | 34.5 | 24.6 | 28.1 | 34.0 | 27.5 |
| Interest-bearing debt to cash flow ratio (years) | 2.2 | 12.4 | 3.2 | 2.0 | 1.6 |
| Interest coverage ratio (times) | 53.1 | 8.3 | 12.5 | 13.9 | 12.3 |

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio on market value basis: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

Notes: 1. All indicators are calculated on a consolidated basis.

2. Market capitalization is based on the year-end share price multiplied by the number of shares issued and outstanding at year-end (after deducting treasury shares).

3. Cash flow is based on the cash flows from operating activities in the Consolidated Statements of Cash Flows.

4. Interest-bearing debt covers all interest-bearing debt in the Consolidated Balance Sheets. Interest payments are based on the amount shown in the Consolidated Statements of Cash Flows.

(4) Future Outlook

For the next fiscal year, although there are uncertainties that may affect business performance, such as customs duties in the United States, we independently calculate based on the following assumptions: net sales of 165.8 billion yen (down 1.6% year on year), operating income of 7.1 billion yen (down 29.0% year on year), ordinary income of 6.9 billion yen (down 28.8% year on year), and profit attributable to owners of parent of 5.2 billion yen (down 20.0% year on year). We expect lower sales and profits due to factors such as recent production trends and the impact of foreign exchange rates, as well as an increase in mass production preparation costs associated with orders for new products. However, we will strive to improve our business results by pursuing the essence of our ability to eliminate all forms of waste and earn profits.

Regarding the quantitative impact of U.S. tariffs on sales, products exported from Japan and the Mexican subsidiary to the U.S. account for around 1% of consolidated net sales. In terms of material procurement, we do not expect a direct impact as the value of import transactions subject to customs duties at our U.S. subsidiaries is less than 1% compared to consolidated net sales.

On the other hand, indirect impacts on automobiles and automotive parts exported to the United States through customers may occur to a certain extent.

2. Basic Rationale for the Selection of Accounting Standards

We have adopted the accounting principles generally accepted in Japan (Japanese GAAP).

With regard to future accounting standards, we will compare and examine accounting standards that we believe are useful as a means for investors to make decisions based on the status of application of the systems in our country.

3.Consolidated Financial Statements and Major Notes

(1)Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 39,079 | 30,922 |
| Notes receivable - trade | 632 | - |
| Accounts receivable - trade | 27,472 | 28,093 |
| Contract assets | 634 | 751 |
| Electronically recorded monetary claims - operating | 1,542 | 2,666 |
| Merchandise and finished goods | 1,750 | 2,443 |
| Work in process | 1,470 | 1,163 |
| Raw materials and supplies | 5,128 | 4,639 |
| Accounts receivable - other | 624 | 281 |
| Other | 1,992 | 2,175 |
| Allowance for doubtful accounts | (0) | (41) |
| Total current assets | 80,327 | 73,097 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 28,955 | 29,499 |
| Machinery, equipment and vehicles, net | 25,337 | 22,978 |
| Tools, furniture and fixtures, net | 2,571 | 2,443 |
| Land | 12,328 | 12,367 |
| Leased assets, net | 4,971 | 2,661 |
| Construction in progress | 1,506 | 5,893 |
| Total property, plant and equipment | 75,670 | 75,843 |
| Intangible assets | 1,105 | 1,555 |
| Investments and other assets | | |
| Investment securities | 2,004 | 1,480 |
| Deferred tax assets | 812 | 1,077 |
| Retirement benefit asset | 74 | 28 |
| Other | 1,229 | 1,472 |
| Allowance for doubtful accounts | (0) | - |
| Total investments and other assets | 4,121 | 4,058 |
| Total non-current assets | 80,898 | 81,457 |
| Total assets | 161,225 | 154,554 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Electronically recorded obligations - operating | - | 180 |
| Notes and accounts payable - trade | 22,278 | 23,232 |
| Short-term borrowings | 1,498 | 1,550 |
| Current portion of long-term borrowings | 5,779 | 5,052 |
| Lease liabilities | 2,846 | 1,589 |
| Accounts payable - other | 3,467 | 4,614 |
| Accrued expenses | 1,464 | 1,444 |
| Income taxes payable | 1,969 | 959 |
| Contract liabilities | 688 | 772 |
| Provision for bonuses | 2,362 | 2,241 |
| Provision for product warranties | 55 | 52 |
| Notes payable - facilities | 121 | 24 |
| Electronically recorded obligations - facilities | - | 47 |
| Other | 2,261 | 1,270 |
| Total current liabilities | 44,793 | 43,031 |
| Non-current liabilities | | |
| Long-term borrowings | 28,068 | 18,106 |
| Lease liabilities | 2,102 | 724 |
| Retirement benefit liability | 2,116 | 1,894 |
| Provision for retirement benefits for directors (and other officers) | 21 | 2 |
| Provision for share-based payments | 4 | 3 |
| Asset retirement obligations | 164 | 170 |
| Deferred tax liabilities | 97 | 121 |
| Other | 602 | 551 |
| Total non-current liabilities | 33,178 | 21,573 |
| Total liabilities | 77,971 | 64,605 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,426 | 5,426 |
| Capital surplus | 10,620 | 10,573 |
| Retained earnings | 61,222 | 65,302 |
| Treasury shares | (4,050) | (3,996) |
| Total shareholders' equity | 73,218 | 77,306 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 421 | 21 |
| Foreign currency translation adjustment | 6,558 | 9,944 |
| Remeasurements of defined benefit plans | 512 | 65 |
| Total accumulated other comprehensive income | 7,492 | 10,031 |
| Non-controlling interests | 2,542 | 2,611 |
| Total net assets | 83,254 | 89,949 |
| Total liabilities and net assets | 161,225 | 154,554 |

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Net sales | 159,019 | 168,561 |
| Cost of sales | 138,550 | 146,186 |
| Gross profit | 20,469 | 22,375 |
| Selling, general and administrative expenses | | |
| Packing and transportation costs | 2,065 | 2,025 |
| Salaries and allowances | 2,377 | 2,564 |
| Provision for bonuses | 208 | 223 |
| Provision of allowance for doubtful accounts | 0 | 39 |
| Retirement benefit expenses | 51 | (30) |
| Provision for retirement benefits for directors (and other officers) | 2 | 1 |
| Research and development expenses | 1,275 | 1,266 |
| Other | 5,798 | 6,280 |
| Total selling, general and administrative expenses | 11,778 | 12,370 |
| Operating profit | 8,690 | 10,004 |
| Non-operating income | | |
| Interest income | 269 | 394 |
| Dividend income | 36 | 43 |
| Share of profit of entities accounted for using equity method | 56 | 36 |
| Revenue of development discontinuation | 107 | 1,677 |
| Foreign exchange gains | 845 | - |
| Other | 319 | 239 |
| Total non-operating income | 1,634 | 2,391 |
| Non-operating expenses | | |
| Interest expenses | 1,469 | 1,374 |
| Expense of compensation for development discontinuation | 55 | 902 |
| Foreign exchange losses | - | 386 |
| Other | 23 | 44 |
| Total non-operating expenses | 1,548 | 2,707 |
| Ordinary profit | 8,775 | 9,688 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 24 | 10 |
| Gain on sale of shares of subsidiaries and associates | 809 | - |
| Compensation income | 1,017 | - |
| Total extraordinary income | 1,851 | 10 |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 48 | 62 |
| Impairment losses | 1,382 | 93 |
| Closedown cost | 941 | - |
| Total extraordinary losses | 2,371 | 155 |
| Profit before income taxes | 8,255 | 9,543 |
| Income taxes - current | 3,808 | 2,791 |
| Income taxes - deferred | (936) | 173 |
| Total income taxes | 2,872 | 2,964 |
| Profit | 5,383 | 6,578 |
| Profit (loss) attributable to non-controlling interests | (399) | 80 |
| Profit attributable to owners of parent | 5,782 | 6,498 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Profit | 5,383 | 6,578 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 268 | (400) |
| Foreign currency translation adjustment | 1,085 | 3,497 |
| Remeasurements of defined benefit plans, net of tax | 513 | (450) |
| Share of other comprehensive income of entities accounted for using equity method | (312) | 36 |
| Total other comprehensive income | 1,555 | 2,682 |
| Comprehensive income | 6,938 | 9,261 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 7,214 | 9,036 |
| Comprehensive income attributable to non-controlling interests | (275) | 224 |

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities |
| Balance at beginning of period | 5,426 | 10,642 | 57,572 | (4,097) | 69,543 | 153 |
| Changes during period | | | | | | |
| Dividends of surplus | | | (2,132) | | (2,132) | |
| Profit attributable to owners of parent | | | 5,782 | | 5,782 | |
| Purchase of treasury shares | | | | | - | |
| Disposal of treasury shares | | (21) | | 47 | 25 | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | - | |
| Net changes in items other than shareholders' equity | | | | | | 268 |
| Total changes during period | - | (21) | 3,649 | 47 | 3,675 | 268 |
| Balance at end of period | 5,426 | 10,620 | 61,222 | (4,050) | 73,218 | 421 |

| | Accumulated other comprehensive income | | | Non-controlling interests | Total net assets |
|---|---|---|--|---------------------------|------------------|
| | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 5,905 | 1 | 6,060 | 2,818 | 78,422 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (2,132) |
| Profit attributable to owners of parent | | | | | 5,782 |
| Purchase of treasury shares | | | | | - |
| Disposal of treasury shares | | | | | 25 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | - |
| Net changes in items other than shareholders' equity | 652 | 511 | 1,432 | (275) | 1,156 |
| Total changes during period | 652 | 511 | 1,432 | (275) | 4,831 |
| Balance at end of period | 6,558 | 512 | 7,492 | 2,542 | 83,254 |

For the fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | | Accumulated other comprehensive income |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities |
| Balance at beginning of period | 5,426 | 10,620 | 61,222 | (4,050) | 73,218 | 421 |
| Changes during period | | | | | | |
| Dividends of surplus | | | (2,418) | | (2,418) | |
| Profit attributable to owners of parent | | | 6,498 | | 6,498 | |
| Purchase of treasury shares | | | | (0) | (0) | |
| Disposal of treasury shares | | (28) | | 53 | 25 | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (17) | | | (17) | |
| Net changes in items other than shareholders' equity | | | | | | (400) |
| Total changes during period | - | (46) | 4,080 | 53 | 4,087 | (400) |
| Balance at end of period | 5,426 | 10,573 | 65,302 | (3,996) | 77,306 | 21 |

| | Accumulated other comprehensive income | | | Non-controlling interests | Total net assets |
|---|---|---|--|---------------------------|------------------|
| | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 6,558 | 512 | 7,492 | 2,542 | 83,254 |
| Changes during period | | | | | |
| Dividends of surplus | | | | | (2,418) |
| Profit attributable to owners of parent | | | | | 6,498 |
| Purchase of treasury shares | | | | | (0) |
| Disposal of treasury shares | | | | | 25 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | (17) |
| Net changes in items other than shareholders' equity | 3,386 | (447) | 2,538 | 69 | 2,607 |
| Total changes during period | 3,386 | (447) | 2,538 | 69 | 6,695 |
| Balance at end of period | 9,944 | 65 | 10,031 | 2,611 | 89,949 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 8,255 | 9,543 |
| Depreciation | 11,625 | 10,998 |
| Impairment losses | 1,382 | 93 |
| Share-based payment expenses | 25 | 25 |
| Increase (decrease) in allowance for doubtful accounts | (14) | 39 |
| Increase (decrease) in provision for bonuses | 516 | (131) |
| Increase (decrease) in provision for share-based payments | 0 | (1) |
| Increase (decrease) in provision for product warranties | (23) | (2) |
| Increase or decrease in net defined benefit asset and liability | (667) | (221) |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 2 | (18) |
| Interest and dividend income | (305) | (437) |
| Interest expenses | 1,469 | 1,374 |
| Share of loss (profit) of entities accounted for using equity method | (56) | (36) |
| Loss (gain) on sale and retirement of non-current assets | 23 | 52 |
| Loss (gain) on sale of shares of subsidiaries and associates | (809) | - |
| Subsidy income | (42) | (51) |
| Compensation income | (1,017) | - |
| Decrease (increase) in trade receivables | 4,754 | (142) |
| Decrease (increase) in inventories | (40) | 474 |
| Increase (decrease) in trade payables | (3,120) | 283 |
| Other, net | 967 | (618) |
| Subtotal | 22,924 | 21,220 |
| Interest and dividends received | 418 | 419 |
| Interest paid | (1,467) | (1,365) |
| Income taxes refund (paid) | (2,845) | (3,861) |
| Proceeds from compensation | 1,000 | 18 |
| Subsidies received | 342 | 351 |
| Net cash provided by (used in) operating activities | 20,372 | 16,783 |
| Cash flows from investing activities | | |
| Payments into long-term time deposits | (396) | (210) |
| Proceeds from withdrawal of long term deposit | 4,284 | 1,074 |
| Net decrease (increase) in time deposits | 1,596 | (378) |
| Proceeds from sale of shares of subsidiaries and associates | 1,471 | - |
| Purchase of property, plant and equipment | (5,064) | (7,369) |
| Proceeds from sale of property, plant and equipment | 46 | 11 |
| Purchase of intangible assets | (324) | (689) |
| Proceeds from sale of intangible assets | - | 0 |
| Other, net | (20) | (21) |
| Net cash provided by (used in) investing activities | 1,593 | (7,582) |

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (5,771) | (13,266) |
| Proceeds from sale and leaseback transactions | 1,937 | 219 |
| Repayments of lease liabilities | (2,813) | (2,697) |
| Purchase of treasury shares | - | (0) |
| Dividends paid | (2,154) | (2,430) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | - | (173) |
| Net cash provided by (used in) financing activities | (8,801) | (18,348) |
| Effect of exchange rate change on cash and cash equivalents | 13 | 1,024 |
| Net increase (decrease) in cash and cash equivalents | 13,178 | (8,123) |
| Cash and cash equivalents at beginning of period | 18,944 | 32,123 |
| Cash and cash equivalents at end of period | 32,123 | 23,999 |

(5) Notes for consolidated financial statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

Accounting Standard for Income Taxes, Resident Taxes and Enterprise Taxes" (ASBJ Statement No. 27, Oct. 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the current consolidated fiscal year.

Revisions to the classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the proviso of Article 20-3 of the Revised Accounting Standard for 2022 and the transitional treatment stipulated in Article 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, Oct. 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidance"). This change in accounting policy had no impact on the consolidated financial statements.

The Company has applied the revised guidance for 2022 from the beginning of the current fiscal year to revise the treatment of deferral of gains and losses on sales of shares of subsidiaries and others among the Companies for tax purposes in the consolidated financial statements. This change in accounting policy was applied retrospectively, and the consolidated financial statements for the previous fiscal year have been retrospectively applied. This change in accounting policy had no impact on the consolidated financial statements for the previous fiscal year.

(Changes in Presentation Method)

(Consolidated Statements of Income)

"Expense of compensation for development discontinuation," which were included in "Other" under "Non-operating expenses" in the previous fiscal year, are presented separately from the current fiscal year due to an increase in their monetary materiality.

As a result, ¥55 million presented as "Other" under "Non-operating expenses" in the Consolidated Statement of Income for the previous fiscal year has been reclassified as 55 million yen for "Expense of compensation for development discontinuation".

(Segment Informations)

[Segment Information]

1) Overview of Reportable Segments

Our reportable segments are our constituent units for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and assess performance.

Our group mainly manufactures and sells automotive parts. Domestically, we and our domestic subsidiaries are in charge of overseas operations. Overseas, our overseas subsidiaries are in charge of Central America and North America (Mexico and the United States), ASEAN (Thailand and Indonesia), and China and South Korea. Each overseas subsidiary is an independent management unit and develops a comprehensive strategy for the products it handles and conducts business activities in each region.

Accordingly, we have four reportable segments based on our manufacturing and sales structure: Japan, Central America and North America, ASEAN, and China and South Korea.

2) Measurement of Sales, Income or Loss, Assets, and Other Items by Reportable Segments

Income of reportable segments is based on operating income. Intersegment sales and transfers are based on prevailing market prices.

3) Sales, Income or Loss, Assets, and Other Items by Reportable Segments

FY2023 (April 1, 2023 to March 31, 2024)

(Millions of Yen)

| | Reportable Segments | | | | | Adjustment (Note 1) | Consolidated (Note 2) |
|---|---------------------|--------------------------|--------|-------------|---------|------------------------|--------------------------|
| | Japan | Central/North America | ASEAN | China/Korea | Total | | |
| Net sales: | | | | | | | |
| Product sales | 97,376 | 34,309 | 11,158 | 5,029 | 147,873 | — | 147,873 |
| Mold sales | 5,578 | 1,690 | 800 | 421 | 8,491 | — | 8,491 |
| Other sales | 336 | 2,182 | 5 | 130 | 2,654 | — | 2,654 |
| Revenue from contracts with customers | 103,292 | 38,181 | 11,965 | 5,580 | 159,019 | — | 159,019 |
| Sales to third parties | 103,292 | 38,181 | 11,965 | 5,580 | 159,019 | — | 159,019 |
| Intersegment sales and transactions | 4,740 | 20 | 389 | 1,917 | 7,068 | (7,068) | — |
| Total | 108,032 | 38,202 | 12,354 | 7,498 | 166,087 | (7,068) | 159,019 |
| Segment profit (or loss) | 4,713 | 3,697 | 742 | (352) | 8,800 | (110) | 8,690 |
| Segment assets | 111,260 | 49,076 | 12,329 | 9,133 | 181,800 | (20,575) | 161,225 |
| Segment liabilities | 41,423 | 35,678 | 2,427 | 4,206 | 83,735 | (5,764) | 77,971 |
| Other items | | | | | | | |
| Depreciation and amortization | 7,645 | 3,179 | 500 | 306 | 11,631 | (5) | 11,625 |
| Interest income | 114 | 104 | 80 | 85 | 384 | (114) | 269 |
| Interest expenses | 162 | 1,454 | 4 | 25 | 1,646 | (176) | 1,469 |
| Share of loss of entities accounted for using equity method | 56 | — | — | — | 56 | — | 56 |
| Investments in affiliated companies on the equity method | 721 | — | — | — | 721 | — | 721 |
| Increase in tangible and intangible fixed assets | 4,053 | 515 | 141 | 101 | 4,810 | — | 4,810 |

Notes:

- 1 Adjustment amount of segment profit(or loss), adjustment for segment assets and liabilities refers to the elimination of intersegment transactions.
- 2 Segment profit (or loss) is reconciled to operating income in the consolidated statements of income.

FY2024 (April 1, 2024 to March 31, 2025)

(Millions of Yen)

| | Reportable Segments | | | | | Adjustment (Note 1) | Consolidated (Note 2) |
|---|---------------------|--------------------------|--------|-------------|---------|------------------------|--------------------------|
| | Japan | Central/North America | ASEAN | China/Korea | Total | | |
| Net sales: | | | | | | | |
| Product sales | 96,959 | 43,172 | 10,284 | 6,294 | 156,710 | — | 156,710 |
| Mold sales | 5,654 | 2,347 | 482 | 1,133 | 9,617 | — | 9,617 |
| Other sales | 1,177 | 788 | 40 | 226 | 2,233 | — | 2,233 |
| Revenue from contracts with customers | 103,791 | 46,308 | 10,807 | 7,654 | 168,561 | — | 168,561 |
| Sales to third parties | 103,791 | 46,308 | 10,807 | 7,654 | 168,561 | — | 168,561 |
| Intersegment sales and transactions | 5,064 | 28 | 237 | 1,531 | 6,861 | (6,861) | — |
| Total | 108,855 | 46,336 | 11,044 | 9,185 | 175,422 | (6,861) | 168,561 |
| Segment profit (or loss) | 6,797 | 2,957 | 544 | (98) | 10,200 | (196) | 10,004 |
| Segment assets | 108,956 | 53,656 | 12,350 | 8,670 | 183,633 | (29,078) | 154,554 |
| Segment liabilities | 34,903 | 28,189 | 2,463 | 3,688 | 69,245 | (4,639) | 64,605 |
| Other items | | | | | | | |
| Depreciation and amortization | 6,827 | 3,482 | 388 | 302 | 11,000 | (1) | 10,998 |
| Interest income | 107 | 203 | 131 | 55 | 497 | (102) | 394 |
| Interest expenses | 128 | 1,400 | 3 | 26 | 1,558 | (184) | 1,374 |
| Share of loss of entities accounted for using equity method | 36 | — | — | — | 36 | — | 36 |
| Investments in affiliated companies on the equity method | 773 | — | — | — | 773 | — | 773 |
| Increase in tangible and intangible fixed assets | 7,943 | 736 | 204 | 172 | 9,057 | — | 9,057 |

Notes:

- 1 Adjustment amount of segment profit(or loss), adjustment for segment assets and liabilities refers to the elimination of intersegment transactions.
- 2 Segment profit (or loss) is reconciled to operating income in the consolidated statements of income.

[Related Information]

FY2023 (April 1, 2023 to March 31, 2024)

1. Information by Product/Service

This information is not presented because sales to outside customers exceed 90% of net sales on the consolidated statements of income.

2. Geographic Information

(1) Net sales

(Millions of yen)

| Japan | Central/North America | | ASEAN | China/Korea | Total |
|---------|-----------------------|----------|--------|-------------|---------|
| | Mexico | America. | | | |
| 103,292 | 25,889 | 12,292 | 11,965 | 5,580 | 159,019 |

(2) Property, plants and equipment

(Millions of yen)

| Japan | Central/North America | | ASEAN | China/Korea | Total |
|--------|-----------------------|----------|-------|-------------|--------|
| | Mexico | America. | | | |
| 40,918 | 6,473 | 23,829 | 1,995 | 2,452 | 75,670 |

3. Major Customer Information

(Millions of yen)

| Name of the Customer | Net sales | Relevant Segment Name |
|---|-----------|-----------------------|
| Mazda Motor Corporation | 79,947 | Japan |
| Mazda Motor Manufacturing de Mexico, S.A. de C.V. | 37,902 | Central/North America |
| Daihatsu Motor Co., Ltd. | 7,675 | Japan |

FY2024 (April 1, 2024 to March 31, 2025)

1. Information by Product/Service

This information is not presented because sales to outside customers in Japan exceed 90% of net sales on the consolidated statements of income.

2. Geographic Information

(1) Net sales

(Millions of yen)

| Japan | Central/North America | | ASEAN | China/Korea | Total |
|---------|-----------------------|----------|--------|-------------|---------|
| | Mexico | America. | | | |
| 103,791 | 27,800 | 18,507 | 10,807 | 7,654 | 168,561 |

(2) Property, plants and equipment

(Millions of yen)

| Japan | Central/North America | | ASEAN | China/Korea | Total |
|--------|-----------------------|----------|-------|-------------|--------|
| | Mexico | America. | | | |
| 40,482 | 6,323 | 24,630 | 2,036 | 2,371 | 75,843 |

3. Major Customer Information

(Millions of yen)

| Name of the Customer | Net sales | Relevant Segment Name |
|---|-----------|-----------------------|
| Mazda Motor Corporation | 80,011 | Japan |
| Mazda Motor Manufacturing de Mexico, S.A. de C.V. | 26,191 | Central/North America |
| Daihatsu Motor Co., Ltd. | 7,965 | Japan |

(Information on Amounts Per Share of Common Stock)

| | FY2023 (April 1, 2023 to March 31, 2024) | FY2024 (April 1, 2024 to March 31, 2025) |
|--|---|---|
| Net assets per share of common stock (Yen) | 1,135.11 | 1,227.65 |
| Net income per share of common stock (Basic) (Yen) | 81.34 | 91.36 |

Note1: Diluted net income per share is not presented because there are no dilutive shares.

2: The calculation basis of Net income per share of common stock is as follows.

| | FY2023 (April 1, 2023 to March 31, 2024) | FY2024 (April 1, 2024 to March 31, 2025) |
|--|---|---|
| Net income per share of common stock: | | |
| Net income attributable to owners of the parent (Millions of Yen) | 5,782 | 6,498 |
| Amount not attribute to common stock shareholders (Millions of Yen) | — | — |
| Net income attributable to owners of the parent related to common stock (Millions of Yen) | 5,782 | 6,498 |
| Average number of shares outstanding during the period(shares) | 71,094,643 | 71,130,373 |

Note3: The calculation basis of Net assets per share of common stock is as follows.

| | FY2023 (April 1, 2023 to March 31, 2024) | FY2024 (April 1, 2024 to March 31, 2025) |
|--|---|---|
| Total Net assets (Millions of Yen) | 83,254 | 89,949 |
| Amount deducted from total Net assets (Millions of Yen) | 2,542 | 2,611 |
| (of which Non-controlling Interests (Millions of Yen)) | (2,542) | (2,611) |
| Net assets related to common stock (Millions of Yen) | 80,711 | 87,337 |
| Number of common stock used in the calculation of net assets per share(Thousands of shares) | 71,104,664 | 71,141,792 |

(Significant Subsequent Events)

At the meeting of the Board of Directors held on May. 13, 2025, we hereby notify you that we have resolved to repurchase our own shares in accordance with the provisions of Article 156 of the Companies Act as applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and to retire our own shares in accordance with the provisions of Article 178 of the Companies Act.

1. Reasons for repurchase and retirement of treasury stock

In order to improve capital efficiency and increase earnings per share and further return profits to shareholders, the Company will acquire treasury stock and retire treasury stock.

2. Contents of matters pertaining to the acquisition

(1) Class of Shares Subject to Acquisition Our Common Stock

(2) Total number of shares that can be acquired: 4,250,000 shares (maximum)

(6.0% of the total number of issued shares (excluding treasury stock))

(3) Total purchase price of shares: ¥2 billion (maximum)

(4) Period to be acquired From May. 14, 2025 to Oct. 31, 2025

(5) Method of acquisition: Market purchase on the Tokyo Stock Exchange

3. Contents of matters pertaining to cancellation

(1) Class of shares to be cancelled Our common stock

(2) Total number of shares to be cancelled: Total number of treasury shares to be acquired based on the above 2

(3) Scheduled date of cancellation: Nov. 28, 2025