

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2023

May 11, 2023

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 Listing: Tokyo Stock Exchange
 Code number: 7 2 4 4
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Date for starting dividends payment: -

Quarterly earnings supplementary explanatory documents: No

Quarterly earnings presentation: No

*Amounts under one million yen have been rounded down.

1. Performance in the First Quarter ended on March 31, 2023 (January 1, 2023 to March 31, 2023)

(1) Consolidated Financial Results (Millions of yen; percentage figures indicate year-on-year change)

	Net Sales	Operating Income	Ordinary Income	quarterly net income (loss) attributable to the shareholder parent company
	%	%	%	%
1st Quarter (ended on Mar. 31, 2023)	38,809 22.1	2,942 228.4	2,951 101.9	2,202 67.5
1st Quarter (ended on Mar. 31, 2022)	31,786 Δ 8.5	895 Δ 63.2	1,461 Δ 48.3	1,315 Δ 30.7

(Note) Comprehensive income:

Mar. 31, 2023 2,630 million yen (7.7%) Mar. 31, 2022 2,442 million yen (Δ 18.1%)

	Net income per share (Yen)	Net income per share-diluted (Yen)
1st Quarter (ended on Mar. 31, 2023)	22.92	-
1st Quarter (ended on Mar. 31, 2022)	13.68	-

(2) Consolidated Financial Position (Millions of yen; except for per share figures)

	Total Assets	Net Assets	Equity Ratio (%)
			%
1st Quarter (as of March 31, 2023)	124,017	57,205	45.6
FY2022 (as of December 31, 2022)	125,915	55,007	43.2

[Reference] Equity: First Quarter as of March 31, 2023 56,502 million yen
 Fiscal Year as of December 31, 2022 54,334 million yen

2. Cash Dividends

(Cut-off Date)	Cash Dividends per share (Yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Full Year
FY2022 (ended on December 31, 2022)	-	4.50	-	4.50	9.00
FY2023 (ended on December 31, 2023)	-	-	-	-	-
FY2023 (ended on Dec. 31, 2023) [plan]	-	5.50	-	5.50	11.00

Note: Revision to quarterly dividend forecast : No

3. Consolidated Performance Forecasts for the Fiscal Year 2023 (January 1, 2023 to December 31, 2023)

(Millions of yen; percentages indicate changes over the same period in the previous fiscal year)

	Net Sales	Operating Income	Ordinary Income	quarterly net income (loss) attributable to the shareholder parent company	Net Income per Share (Yen)
	%	%	%	%	yen
First Half	75,400 19.8	3,800 238.8	4,100 154.1	3,000 136.8	31.21
Full Year	143,500 5.9	6,400 62.5	7,200 34.5	5,300 19.8	55.14

Note: Revision to consolidated performance forecast : Yes

4. Other

- (1) Principal affiliates' transfer in this fiscal term (in accordance with the change of consolidation scope) No
- Added - (Corporate name)
- Excluded - (Corporate name)
- (2) Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements: Applied
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- ① Changes in accounting policies due to revisions to accounting standard: No
 - ② Changes in accounting policies due to other reasons: No
 - ③ Changes in accounting estimates: No
 - ④ Restatement: No
- (4) Number of issued shares (common stock)
- ① Number of shares outstanding at the end of the period (including treasury stock)

As of March 31, 2023	96,292,401
As of December 31, 2022	96,292,401
 - ② Number of shares of treasury stock at the end of period

As of March 31, 2023	176,464
As of December 31, 2022	179,414
 - ③ Average number of shares during the period (cumulative; consolidated)

FY2023 1st quarter:	96,112,974
FY2022 1st quarter:	96,115,761

*Quarterly review procedures:

This quarterly financial flash report is out of scope of the review procedures by certified public accountants or auditing firms

*Appropriate use of business forecast; other special items:

Performance Forecasts are based on judgments and estimated that have been made on the basis of currently available information. Change in the company's business environment and in market trends may cause actual result to differ materially from these forecast figures.

1. Qualitative Information on Quarterly Results

(1) Analysis of operating results

(1) Analysis of operating results

In the Japanese economy for the cumulative first quarter, economic activities further normalized with a recovery in personal consumption as the mood of self-restraint to avoid the risk of COVID-19 infection lessened. And inbound demand grew due to the abolishment of border measures on entry. On the other hand, exports were fragile due to the slowdown in overseas economies, mainly in Europe and the United States, and capital investment in the manufacturing industry remained restrained.

In the United States, although personal consumption remained strong as excess savings were drawn, concerns such as monetary tightening and the collapse of some US banks arose over the financial system.

The Chinese economy showed sharp recovery centering on personal consumption upon deregulation of the dynamic zero-COVID policy.

In ASEAN, both domestic and foreign demand was strong in Indonesia since restrictions on activities were lifted at the end of last year. In Malaysia, personal consumption grew while production activities were sluggish, and in Thailand, the economy trended toward recovery due to a recovery in inbound demand.

Under these circumstances, sales increased year-on-year in Japan as mainstay and ASEAN exceeded the market growth on an automotive production volume basis for the cumulative first quarter because of the sales situation in recovery trend. Sales in China decreased year-on-year, but the rate of sales decrease was lower than the rate of decrease in the market because the Chinese market decreased year-on-year due to a slump in automotive production volume in January. Consequently, the sales increase rate exceeded the market growth rate in all three regions, Japan, ASEAN and China.

As a result, for the cumulative first quarter, the sales was 38,809 million yen (up 22.1% year-on-year). The operating income was 2,942 million yen (up 228.4% year-on-year) due to favorable impact of sales increase, reduction in fixed costs, productivity improvement by capital investment and the impact of lump-sum recording of pass-on of soaring raw material costs for the previous fiscal years. The ordinary income was 2,951 million yen (up 101.9% year-on-year), and the net income attributable to the parent company was 2,147 million yen (up 63.3% year-on-year).

Results by each segment are as follows:

1. Auto-Components business

The sales in three regions, Japan as mainstay, ASEAN and China, achieved a level higher than the automotive production market growth and the sales was 36,880 million yen (up 22.2% year-on-year), and the operating income was 2,864 million yen (up 245.2% year-on-year).

2. After-Market business

In the after-market business, the market of the aftermarket remained strong due to supply shortage in new car sales and the sales was 2,366 million yen (up 16.6% year-on-year), and the operating income was 81 million yen (up 26.2% year-on-year).

2. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year End (As of December 31, 2022)	First Quarter End (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	8,631	9,172
Notes and accounts receivable-trade	27,121	27,968
Electronically recorded monetary claims-operating	388	105
Merchandise and finished goods	5,438	5,298
Work in process	2,776	3,357
Raw materials and supplies	5,284	5,549
Other	13,698	9,056
Allowance for doubtful accounts	(60)	(58)
Total current assets	63,280	60,450
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	12,332	12,233
Machinery, equipment and vehicles, net	17,753	18,155
Tools, furniture and fixtures, net	2,633	2,588
Land	2,788	2,796
Lease assets, net	2,983	3,577
Construction in progress	3,164	3,072
Total property, plant and equipment	41,656	42,424
Intangible assets		
Other	859	835
Total intangible assets	859	835
Investments and other assets		
Investment securities	2,268	2,457
Long-term loans receivable	1,128	683
Deferred tax assets	5,569	5,648
Other	11,155	11,520
Allowance for doubtful accounts	(3)	(2)
Total investments and other assets	20,118	20,307
Total noncurrent assets	62,634	63,566
Total assets	125,915	124,017

(Millions of yen)

	Previous Fiscal Year End (As of December 31, 2022)	First Quarter End (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	36,982	35,565
Short-term loans payable	1,400	1,100
Current portion of long-term loans payable	2,022	1,836
Lease obligations	541	512
Income taxes payable	453	991
Accrued expenses	5,112	4,036
Provision for bonuses	1,113	1,524
Provision for directors' bonuses	36	59
Provision for product warranties	1,983	2,003
Other	8,840	7,148
Total current liabilities	58,485	54,777
Noncurrent liabilities		
Long-term loans payable	920	-
Lease obligations	2,892	3,546
Deferred tax liabilities	153	165
Retirement benefits	8,182	8,096
Asset retirement obligations	172	167
Provision for environmental measures	23	23
Other	76	35
Total noncurrent liabilities	12,421	12,034
Total liabilities	70,907	66,811
Net assets		
Shareholders' equity		
Capital stock	8,986	8,986
Capital surplus	2,505	2,505
Retained earnings	44,660	46,430
Treasury stock	(55)	(55)
Total shareholders' equity	56,096	57,866
Accumulated other comprehensive income		
Valuation difference on other securities.	91	92
Foreign currency translation adjustment	41	401
Adjustment retirement benefits	(1,895)	(1,858)
Total accumulated other comprehensive income	(1,762)	(1,364)
Minority interests	673	703
Total net assets	55,007	57,205
Total liabilities and net assets	125,915	124,017

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

Consolidated Statements of Income

(Millions of yen)

	Previous 1st Quarter (January 1, 2022 ~ March 31, 2022)	Current 1st Quarter (January 1, 2023 ~ March 31, 2023)
Net sales	31,786	38,809
Cost of sales	25,678	30,871
Gross profit	6,108	7,938
Selling, general and administrative expenses	5,212	4,996
Operating income	895	2,942
Non-operating income		
Interest income	30	32
Dividends income	1	0
Equity in earnings of affiliates	614	55
Other	4	11
Non-operating income	651	100
Non-operating expenses		
Interest expenses	32	24
Commission paid	2	2
Foreign exchange losses	42	51
Other	7	13
Non-operating expenses	85	91
Ordinary income	1,461	2,951
Extraordinary income		
Gain on sales of noncurrent assets	-	0
Total extraordinary income	-	0
Extraordinary loss		
Loss on disposal of noncurrent assets	11	73
Impairment loss	-	39
Total Extraordinary loss	11	113
Income (loss) before income taxes	1,450	2,838
Income taxes	134	613
Income (loss) before minority interests	1,316	2,224
Minority interests in income	1	22
quarterly net income (loss) attributable to the shareholder parent company	1,315	2,202

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous 1st Quarter (January 1, 2022 ~ March 31, 2022)	Current 1st Quarter (January 1, 2023 ~ March 31, 2023)
Income (loss) before minority interests	1,316	2,224
Other comprehensive income		
Valuation difference on other securities	(6)	0
Foreign currency translation adjustment	455	182
Adjustment retirement benefits	22	37
Share of other comprehensive income of associates accounted for using equity method	654	185
Total other comprehensive income	1,125	405
Comprehensive income	2,442	2,630
(Details)		
Comprehensive income attributable to		
Owners of the parent	2,412	2,600
Minority interests	30	29

(3) Note on assumptions for going concern

There is no item to be reported.

(4) Segment Information

I . Previous First Quarter (January 1, 2022 to March 31, 2022)

1. Sales and profits or losses for each reportable segment

(Millions of yen)

	Segments		Total
	Automotive Parts	Automotive Aftermarket	
Net sales			
Domestic	23,229	1,488	24,718
Overseas	6,927	140	7,068
Revenue from Contracts with Customers	30,157	1,628	31,786
Other income	-	-	-
(1) Sales to Outside Customers	30,157	1,628	31,786
(2) Intersegment Sales or Transfers	27	400	428
TOTAL	30,185	2,029	32,214
Segment income	829	64	894

2. Total amount for profit and loss in reportable segment and

Details of adjustment in the quarterly consolidated statement (Adjustment amounts and items)

(Millions of yen)

Profit	Amount
Total amount for Segment	894
Elimination for intersegment	1
Operating income in quarterly consolidated statement	895

II . Current First Quarter (January 1, 2023 to March 31, 2023)

1. Sales and profits or losses for each reportable segment

(Millions of yen)

	Segments		Total
	Automotive Parts	Automotive Aftermarket	
Net sales			
Domestic	25,926	1,719	27,645
Overseas	10,954	210	11,164
Revenue from Contracts with Customers	36,880	1,929	38,809
Other income	-	-	-
(1) Sales to Outside Customers	36,880	1,929	38,809
(2) Intersegment Sales or Transfers	0	437	437
TOTAL	36,880	2,366	39,247
Segment income	2,864	81	2,945

2. Total amount for profit and loss in reportable segment and

Details of adjustment in the quarterly consolidated statement (Adjustment amounts and items)

(Millions of yen)

Profit	Amount
Total amount for Segment	2,945
Elimination for intersegment	(3)
Operating income in quarterly consolidated statement	2,942