

# **Consolidated Financial Results** **for the Third Quarter of the Fiscal Year Ending December 31, 2023**

November 13, 2023

Company name: **ICHIKOH INDUSTRIES, LTD.**  
 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 at the end of the Third Quarter as of September 30, 2023 (January 1, 2023 to September 30, 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
	%	%	%	%
3rd Quarter (ended on Sep. 30, 2023)	110,239 12.0	4,965 95.3	5,187 59.2	5,479 147.4
3rd Quarter (ended on Sep. 30, 2022)	98,457 5.8	2,543 Δ 45.4	3,258 Δ 42.0	2,214 Δ 42.8

(Note) Comprehensive income:

Sep. 30, 2023 7,557 million yen ( 61.5%) Sep. 30, 2022 4,679 million yen (Δ11.7%)

	Net income per share (Yen)	Net income per share-diluted (Yen)
3rd Quarter (ended on Sep. 30, 2023)	56.99	-
3rd Quarter (ended on Sep. 30, 2022)	23.04	-

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

	Total Assets	Net Assets	Equity Ratio (%)
			%
3rd Quarter (as of Sep. 30, 2023)	127,080	61,624	47.9
FY2021(as of Dec. 31, 2022)	125,915	55,007	43.2

[Reference] Equity: Third Quarter as of Sep. 30, 2023 60,855 million yen

Fiscal Year as of Dec. 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
FY2021 (ended on Dec. 31, 2022)	-	4.50	-	4.50	9.00
FY2022 (ended on Dec. 31, 2023)	-	5.50	-		
FY2022 (ended on Dec. 31, 2023) [plan]				5.50	11.00

Note: Revision to previous 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	net income (loss) attributable to the shareholder parent company	Net Income per Share (Yen)
	%	%	%	%	yen
Full Year	143,500 5.9	6,400 62.5	7,200 34.5	7,000 58.2	72.81

Note: Revision to previous consolidated performance forecast : Yes

#### 4. Other

- (1) Principal affiliates' transfer in this fiscal term (in accordance with the change of consolidated financial statements) Yes

Added - (Corporate name)

Excluded 1 (Corporate name) Ichikoh (Wuxi) Automotive Parts Co., Ltd.

- (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 September 30, 2023 96,334,226

As of December 31, 2022 96,292,401

② Number of shares of treasury stock at the end of period

As of September 30, 2023 180,858

As of December 31, 2022 179,414

③ Average number of shares during the period (cumulative)

FY2023 3rd quarter: 96,137,656

FY2022 3rd quarter: 96,114,965

\*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

The Japanese economy of the consolidated cumulative third quarter of this fiscal year gradually recovered owing to strong capital investment and inbound demand in addition to improvement of personal consumption caused by downgrade of the legal status of the COVID-19. On the other hand, there were concerns about the risk of downward pressure on the Japanese economy by deteriorating overseas economies due to ongoing inflation caused by yen depreciation, sharp price increase of resources and global monetary tightening.

In the U.S., personal consumption remained strong and inflation rate declined, and the economy showed recovery. The Chinese economic recovery was at a standstill due to deterioration of the real estate market but measures to stimulate consumption adopted in July helped improve personal consumption. In ASEAN, Indonesia maintained an economic recovery led by domestic demand due to a recovery in inbound demand and upswing in consumer sentiment. In Malaysia and Thailand, while domestic demand continued to recover due to inbound demand and private consumption, the pace of economic recovery was slowing due to sluggish exports due to sluggish external demand. In Malaysia and Thailand, while active consumption and inbound demand continued, exports tended to be weak due to a slump in external demand and the pace of economic recovery weakened.

Under these circumstances, sales for the cumulative third quarter, a sales increase rate in mainstay Japan achieved the level of the growth rate of the automotive production market, and a sales increase rate in ASEAN achieved an exceeding growth rate of the automotive production market.

As a result, for the cumulative third quarter, the sales was 110,239 million yen (up 12.0% year-on-year) which increased by overcoming the impact of decrease in sales of the mirror business due to transfer of mirror business to SMR Group as of August 1, 2023. Due to favorable impact of sales increase and progress in pass-through on the sharp rise in raw materials costs, etc. the operating income was 4,965 million yen (up 95.3% year-on-year) and the ordinary income was 5,187 million yen (up 59.2% year-on-year). The net income attributable to shareholders of the parent company increased sharply to 5,479 million yen (up 147.4% year on-year) impacted by recording 3,971 million yen gain on disposal of fixed assets through a partial sale of the land of the Isehara Plant, and others.

Results by each segment are as follows

#### 1. Auto-Components business

By overcoming the impact of the decrease in sales due to the transfer of mirror business, a sales increase rate in mainstay Japan achieved the level of the growth rate of the automotive production market, and a sales increase rate in ASEAN achieved an exceeding growth rate of the automotive production market. The sales was 104,463 million yen (up 12.1% year-on-year) and the operating income was 4,767 million yen (up 107.9% year-on-year).

#### 2. After-Market business

Sales for automotive accessory stores and for the dealer options remained strong, and the sales increased to 7,051 million yen (up 9.7% year-on-year), but the operating income decreased to 197 million yen (down 19.9% year-on-year) due to rise in purchase price caused by yen depreciation.



(3) Description of future outlooks such as consolidated earnings forecast

The Company revised earnings forecast for the FY2023 as follows in consideration of recording gain on disposal of fixed assets through a partial sale of the land of the Isehara Plant.

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Shareholders of the Parent Company	Net Income per Share
	million yen	million yen	million yen	million yen	
Previous Forecast (A)	143,500	6,400	7,200	5,300	57.22 yen
Revised Forecast (B)	143,500	6,400	7,200	7,000	72.81 yen
Difference (B－A)	0	0	0	1,700	
Ratio (%)	0.00%	0.00%	0.00%	32.10%	
(Ref) Results of Previous full of the Term ending December 2022	135,451	3,937	5,351	4,423	46.02 yen

As for the future statements of performance forecast, etc. contained in this material, the statements are based on the information currently available to the company and certain information that the company deems reasonable. Please note that actual results may differ due to various factors.



## 2. Consolidated Financial Statement

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year End (As of December 31, 2022)	Third Quarter End (As of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	8,631	10,362
Notes and accounts receivable-trade	27,121	24,957
Electronically recorded monetary claims-operating	388	208
Merchandise and finished goods	5,438	5,340
Work in process	2,776	2,035
Raw materials and supplies	5,284	4,832
Short-term loans receivable	10,841	16,100
Other	2,857	2,232
Allowance for doubtful accounts	(60)	(85)
Total current assets	63,280	65,982
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	12,332	11,071
Machinery, equipment and vehicles, net	17,753	17,241
Tools, furniture and fixtures, net	2,633	2,477
Land	2,788	2,499
Lease assets, net	2,983	3,511
Construction in progress	3,164	2,278
Total property, plant and equipment	41,656	39,078
Intangible assets		
Other	859	148
Total intangible assets	859	148
Investments and other assets		
Investment securities	2,268	3,036
Long-term loans receivable	1,128	746
Deferred tax assets	5,569	5,366
Other	11,155	12,723
Allowance for doubtful accounts	(3)	(2)
Total investments and other assets	20,118	21,870
Total noncurrent assets	62,634	61,097
Total assets	125,915	127,080



(Millions of yen)

	Previous Fiscal Year End (As of December 31, 2022)	Third Quarter End (As of September 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	36,982	34,806
Short-term loans payable	1,400	1,450
Current portion of long-term loans payable	2,022	920
Lease obligations	541	640
Income taxes payable	453	1,591
Accrued expenses	5,112	5,715
Provision for bonuses	1,113	1,449
Provision for bonuses for directors	36	38
Provision for product warranties	1,983	1,973
Other	8,840	6,170
Total current liabilities	58,485	54,758
Noncurrent liabilities		
Long-term loans payable	920	-
Lease obligations	2,892	3,434
Deferred tax liabilities	153	-
Retirement benefits	8,182	7,186
Asset retirement obligations	172	24
Provision for environmental measures	23	23
Other	76	27
Total noncurrent liabilities	12,421	10,697
Total liabilities	70,907	65,455
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,986	8,996
Capital surplus	2,505	2,515
Retained earnings	44,660	49,177
Treasury stock	(55)	(55)
Total shareholders' equity	56,096	60,634
Accumulated other comprehensive income		
Valuation difference on other securities.	91	109
Foreign currency translation adjustment	41	1,894
Adjustment retirement benefits	(1,895)	(1,783)
Total accumulated other comprehensive income	(1,762)	220
Minority interests	673	768
Total net assets	55,007	61,624
Total liabilities and net assets	125,915	127,080

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

## Consolidated Statements of Income

(Millions of yen)

	Previous 3rd Quarter (January 1, 2022 ~ September 30, 2022)	Current 3rd Quarter (January 1, 2023 ~ September 30, 2023)
Net sales	98,457	110,239
Cost of sales	82,390	90,005
Gross profit	16,066	20,233
Selling, general and administrative expenses	13,523	15,268
Operating income	2,543	4,965
Non-operating income		
Interest income	115	121
Dividends income	6	5
Equity in earnings of affiliates	1,084	575
Other	17	11
Total Non-operating income	1,223	714
Non-operating expenses		
Interest expenses	138	80
Commission paid	5	5
Foreign exchange losses	351	362
Other	12	44
Total Non-operating expenses	508	492
Ordinary income	3,258	5,187
Extraordinary income		
Gain on sales of noncurrent assets	0	3,971
Total Extraordinary income	0	3,971
Extraordinary loss		
Loss on disposal of noncurrent assets	431	583
Business structure improvement expenses	258	300
Impairment Loss	-	40
Loss on sale of shares of subsidiaries and affiliates	-	1,237
Total Extraordinary loss	690	2,162
Income (loss) before income taxes	2,567	6,996
Income taxes	287	1,461
Income (loss) before minority interests	2,280	5,535
Minority interests in income	65	56
Quarterly net income (loss) attributable to the shareholder parent company	2,214	5,479

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous 3rd Quarter (January 1, 2022 ~ September 30, 2022)	Current 3rd Quarter (January 1, 2023 ~ September 30, 2023)
Income (loss) before minority interests	2,280	5,535
Other comprehensive income		
Valuation difference on other securities	9	18
Foreign currency translation adjustment	987	835
Adjustment retirement benefits	60	111
Share of other comprehensive income of associates accounted for using equity method	1,341	1,056
Total other comprehensive income	2,399	2,022
Comprehensive income	4,679	7,557
Comprehensive income attributable to		
Owners of the parent	4,540	7,462
Minority interests	138	95

(3) Note on assumptions for going concern

There is no item to be reported.

(4) Segment Information

I . Previous Third Quarter (January 1, 2022 to September 30, 2022)

1. Sales and profits or losses for each reportable segment and disaggregation of revenue information

(Millions of yen)

	Segments		Total
	Automotive Parts	Automotive Aftermarket	
Net sales			
Domestic	65,956	4,787	70,744
Oversea	27,175	537	27,713
Revenue from contracts with customers	93,131	5,325	98,457
Other income	-	-	-
Sales to Outside Customers	93,131	5,325	98,457
Intersegment Sales or Transfers	41	1,101	1,142
TOTAL	93,173	6,426	99,600
Segment income	2,292	246	2,539

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	2,539
Elimination for intersegment	3
Operating income in quarterly consolidated statement	2,543

II . Current Third Quarter (January 1, 2023 to September 30, 2023)

1. Sales and profits or losses for each reportable segment and disaggregation of revenue information

(Millions of yen)

	Segments		Total
	Automotive Parts	Automotive Aftermarket	
Net sales			
Domestic	74,344	5,202	79,546
Oversea	30,100	592	30,692
Revenue from contracts with customers	104,444	5,794	110,239
Other income	-	-	-
Sales to Outside Customers	104,444	5,794	110,239
Intersegment Sales or Transfers	18	1,257	1,275
TOTAL	104,463	7,051	111,515
Segment income	4,767	197	4,964

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	4,964
Elimination for intersegment	0
Operating income in quarterly consolidated statement	4,965