

# Consolidated Financial Results for the Six Months of Fiscal Year Ended September 30, 2024 (J-GAAP)

November 5, 2024

Company name: T.RAD Co., Ltd.

Code No.: 7236

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Scheduled date of filing of semi-annual securities report:

Scheduled date of start of dividend payments:

Supplemental materials prepared for consolidated financial results: None

Briefing on consolidated financial results: Yes

Listing: Tokyo Stock Exchange, Prime Market

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November 6, 2024

November 29, 2024

(Amounts less than one million yen have been truncated)

## 1. Consolidated Financial Performance for the Six Months of Fiscal Year Ended September 30, 2024

(April 1, 2024 to September 30, 2024)

### (1) Consolidated operating performance

(Percentage figures indicate year-on-year change)

|                                     | Net sales       |      | Operating income |       | Ordinary income |      | Profit attributable to owners of parent |       |
|-------------------------------------|-----------------|------|------------------|-------|-----------------|------|---|-------|
|                                     | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %    | Millions of yen                         | %     |
| Six months ended September 30, 2024 | 79,044          | -1.5 | 2,561            | 20.5  | 2,881           | 10.1 | 722                                     | -37.2 |
| Six months ended September 30, 2023 | 80,225          | 8.4  | 2,125            | 158.6 | 2,617           | 35.7 | 1,151                                   | 276.2 |

Note: Comprehensive income

Six months ended September 30, 2024: ¥ 2,923 million (-13.1%)

Six months ended September 30, 2023: ¥ 3,363 million (-29.9%)

|                                     | Net income per share |  | Diluted net income per share |  |
|-------------------------------------|----------------------|--|------------------------------|--|
|                                     | Yen                  |  | Yen                          |  |
| Six months ended September 30, 2024 | 110.42               |  | —                            |  |
| Six months ended September 30, 2023 | 176.41               |  | —                            |  |

### (2) Consolidated financial position

|                                     | Total assets    | Net assets      | Equity ratio | Net assets per share |
|-------------------------------------|-----------------|-----------------|--------------|----------------------|
|                                     | Millions of yen | Millions of yen | %            | Yen                  |
| Six months ended September 30, 2024 | 99,137          | 47,169          | 47.5         | 7,185.91             |
| Fiscal year ended March 31, 2024    | 103,087         | 45,286          | 43.5         | 6,860.31             |

Reference: Shareholders' equity

As of September 30, 2024: ¥47,119 million

As of March 31, 2024 : ¥44,890 million

## 2. Dividends

|   | Dividends per Share |       |     |          |        |
|---|---------------------|-------|-----|----------|--------|
|   | 1Q                  | 2Q    | 3Q  | Year-end | Total  |
|   | Yen                 | Yen   | Yen | Yen      | Yen    |
| Fiscal year ended March 31, 2024            | —                   | 80.00 | —   | 100.00   | 180.00 |
| Fiscal year ending March 31, 2025           | —                   | 90.00 |     |          |        |
| Fiscal year ending March 31, 2025(Forecast) |                     |       | —   | 90.00    | 180.00 |

Note: Revisions to the forecast of dividends since the latest official announcement: No

### 3. Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

(Percentage figures indicate changes from the same period of the previous year)

|                                   | Net sales       |     | Operating income |      | Ordinary income |       | Profit attributable to owners of parent |      | Net income per share |
|-----------------------------------|-----------------|-----|------------------|------|-----------------|-------|---|------|----------------------|
|                                   | Millions of yen | %   | Millions of yen  | %    | Millions of yen | %     | Millions of yen                         | %    | Yen                  |
| Fiscal year ending March 31, 2025 | 159,000         | 0.2 | 4,000            | -8.0 | 4,500           | -15.7 | 1,500                                   | 20.5 | 229.24               |

Note: Revisions to forecast of consolidated financial performance since the latest official announcement: No

#### 4. Other

(1) Changes in significant subsidiaries during the semi-annual period

(changes in specific subsidiaries resulting in changes in the scope of consolidation): No

(2) Adoption of specific accounting policies for semi-annual consolidated financial statements: None

(3) Changes in accounting principles, estimation procedures or presentation methods

1) Changes associated with revision of accounting standards: Yes

2) Changes other than 1): None

3) Changes accounting estimation procedures: None

4) Changes in presentation methods: None

For details, please refer to attached materials P.9 “2. Semi-annual Consolidated Financial Statements and main notes and (4) Notes to semi-annual consolidated financial statements (Notes regarding changes in accounting policies)”.

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at end of period (including treasury stock)

As of September 30, 2024: 6,592,411 shares

As of March 31, 2024: 6,592,411 shares

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

As of September 30, 2024: 35,259 shares

As of March 31, 2024: 48,944 shares

3) Average number of shares outstanding during the semi-annual period

Six months ended September 30, 2024: 6,547,416 shares

Six months ended September 30, 2023: 6,528,829 shares

\* Semi-annual consolidated financial results presented herein are not subject to the audit procedures by certified public accountant or audit firm.

\* Explanations for proper use of forecasts and other specific affairs

The forward-looking statement such as forecast of financial performance etc. described in this report based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ significantly from these projections due to various factors.

## Table of Contents

|   |    |
|---|----|
| 1. Qualitative Information for the Six Months of Fiscal Year Ended September 30, 2024 .....                               | 4  |
| (1) Consolidated financial performance .....  | 4  |
| (2) Consolidated financial position .....   | 5  |
| (3) Future projections including forecasts of consolidated financial performance .....                                    | 5  |
| 2. Semi-annual Consolidated Financial Statements and main notes.....  | 6  |
| (1) Semi-annual consolidated balance sheets .....   | 6  |
| (2) Semi-annual consolidated statements of income and<br>semi-annual consolidated statement of comprehensive income ..... | 8  |
| (Semi-annual consolidated statements of income).....  | 8  |
| (Semi-annual consolidated statement of comprehensive income).....   | 10 |
| (3) Semi-annual consolidated statements of cash flows.....  | 11 |
| (4) Notes to semi-annual consolidated financial statements.....   | 13 |
| (Going concern assumptions).....  | 13 |
| (Notes in the event of significant changes in shareholders' equity).....  | 13 |
| (Notes regarding changes in accounting policies) .....  | 13 |
| (Segment information).....  | 14 |
| 3. Supplementary information  |    |
| Sales states (consolidated) .....   | 16 |

## 1. Qualitative Information for the Six Months of Fiscal Year Ended September 30, 2024

### (1) Consolidated financial performance

During this semi-annual consolidated accounting period, the financial policies of advanced countries reached a turning point, bringing changes in interest rate and exchange rate conditions. While a Recession had been feared in the United States, its economic environment remained generally stable. In contrast, the economic downturn and slowing growth in China have become increasingly severe, impacting our production and sales activities in that region. Additionally, heightened tensions in the Middle East have contributed to continued uncertainty in the global business environment.

Under the circumstances, the net sales of the T.RAD Group (on a foreign currency basis) decreased from the same period of the previous year except United States region. Operating income increased from the same period of the previous year due to improved productivity etc. The profit attributable to owner of parent decreased from the same period of the previous year due to the increase of loss on retirement of noncurrent assets

As a result, net sales during the semi-annual consolidated fiscal year decreased by 1,180 million yen from the previous fiscal year, amounting to 79,044 million yen (down 1.5% year on year), operating income increased by 436 million yen, amounting to 2,561 million yen (up 20.5% year on year), ordinary income increased by 263 million yen, amounting to 2,881 million yen (up 10.1% year on year) and profit attributable to owners of parent decreased by 428 million yen, amounting to 722 million yen (down 37.2% year on year).

The book-closing date for the consolidated subsidiaries for the first six months of the fiscal year under review is June 30. In preparing the consolidated financial statements, the financial statements as of, and for the six-month period ended on this date were used. With respect to material transactions conducted during the period between this date and the book-closing date for consolidated accounting, we have made adjustments as necessary for consolidated accounting. The segments relevant to such adjustments include the United States, Europe, Asia and China.

Domestic subsidiaries have the same settlement date that coincides with the last day of the consolidated fiscal year. The corresponding segment is Other.

|                                 | Net Sales                           |                                     |                    |  | Operating Income (Loss)             |                                     |                    |  |
|---------------------------------|-------------------------------------|-------------------------------------|--------------------|--|-------------------------------------|-------------------------------------|--------------------|--|
|                                 | Six months ended September 30, 2023 | Six months ended September 30, 2024 | Increase/ Decrease | Percentage change (on a foreign currency basis)* | Six months ended September 30, 2023 | Six months ended September 30, 2024 | Increase/ Decrease | Percentage change (on a foreign currency basis)* |
|                                 | (Millions of yen)                   | (Millions of yen)                   | (Millions of yen)  | (%)  | (Millions of yen)                   | (Millions of yen)                   | (Millions of yen)  | (%)  |
| Japan                           | 34,542                              | 34,029                              | -512               | -1.5   | 917                                 | 689                                 | -228               | -24.9  |
| United States                   | 21,324                              | 23,973                              | 2,648              | 1.2  | (1,526)                             | (550)                               | 975                | -  |
| Europe                          | 3,140                               | 2,630                               | -509               | -19.1  | 29                                  | (71)                                | -100               | -  |
| Asia                            | 10,931                              | 10,344                              | -586               | -8.8   | 1,756                               | 1,937                               | 180                | 5.0  |
| China                           | 10,136                              | 7,914                               | -2,221             | -30.2  | 872                                 | 305                                 | -567               | -68.4  |
| Others (including eliminations) | 150                                 | 150                                 | 0                  | 0.4  | 75                                  | 252                                 | 176                | 232.0  |
| <b>Total</b>                    | <b>80,225</b>                       | <b>79,044</b>                       | <b>-1,180</b>      | <b>-6.2</b>                                      | <b>2,125</b>                        | <b>2,561</b>                        | <b>436</b>         | <b>19.8</b>                                      |

\*The percentage changes (on a foreign currency basis) in the chart are the percentage changes after correcting for differences arising from fluctuations in the foreign exchange rates applicable to overseas net sales.

#### (i) Japan

Net sales of products for automobile industry increased from the same period of the previous fiscal year due to increases in orders etc. However, net sales of products for construction industrial machines decreased from the same period of the previous fiscal year due to decreases in orders etc. As a result, the net sales in the Japan segment decreased by 512 million yen, resulting in 34,029 million yen.

Operating income decreased by 228 million yen from the same period last year, reaching 689 million yen due to decreased of net sales etc.

#### (ii) United States

Net sales of products for automobile industry increased year on year due to the start of mass production of newly ordered models and an increase in orders received etc. As a result, the net sales in the United States segment increased by 2,648 million yen from the same period of the previous year, resulting in 23,973 million yen. On a foreign currency basis, it increased by 1.2%.

Operating income increased by 975 million yen year-on-year, resulting in operating loss of 550 million yen due to improved productivity from support by domestic mother factories and a reduction in depreciation costs.

(iii) Europe

Net sales of products for automobile industry in the Czech Republic were decreased from the same period of the previous year due to decreases in orders etc. As a result, the net sales in this segment decreased by 509 million yen year-on-year to 2,630 million yen. On a foreign currency basis, it decreased by 19.1%.

Operating income decreased by 100 million yen year-on-year, resulting in operating loss of 71 million yen due to decreased of net sales etc.

(iv) Asia

Net sales of products for automobile industry decreased from the same period of the previous year due to a decrease in orders etc. As a result, the net sales in the Asia segment decreased by 586 million yen from the same period of the previous year, resulting in 10,344 million yen. On a foreign currency basis, it decreased by 8.8%.

Operating income increased by 180 million yen from the same period of the previous year, resulting in 1,937 million yen due to improved productivity etc. On a foreign currency basis, it increased by 5.0%.

(v) China

Net sales of products for automobile industry decreased from the same period of the previous year due to a decline in commercial vehicle sales and a decrease in the number of models ordered due to the sluggish market etc. Net sales of products for construction industrial machines decreased from the same period of the previous year due to a decrease in orders etc. As a result, the net sales in this segment decreased by 2,221 million yen from the same period of the previous year, to 7,914 million yen. On a foreign currency basis, it decreased by 30.2%.

Operating income decreased by 567 million yen from the same period of the previous year due to decreased of net sales etc., resulting in 305 million yen. On a foreign currency basis, it decreased by 68.4%.

(2) Consolidated financial position

1) Assets, liabilities and net assets

Total assets at the end of current the semi-annual consolidated fiscal year resulted in 99,137 million yen (down 3,950 million yen from the end of the previous fiscal year) due to the decrease of cash and deposits, intangible fixed assets etc.

Total liabilities resulted in 51,967 million yen (down 5,833 million yen) due to the decrease of accounts payable-trade and interest-bearing liabilities etc.

Net assets resulted in 47,169 million yen (up 1,883 million yen) due to the increase of foreign currency translation adjustment etc.

2) Cash flows

The balance of cash and cash equivalents at the end of the current the semi-annual consolidated fiscal year was 15,910 million yen, a decrease of 4,294 million yen (21.3%) compared to the balance at the end of the previous consolidated fiscal year (beginning balance).

The cash flow status for the current the semi-annual consolidated fiscal year and the changes in cash flow compared to the same period of the previous fiscal year are as follows:

Cash flow from operating activities

Cash flow from operating activities for the current semi-annual consolidated fiscal year increased by 1,601 million yen. Due to the period-end falling on a holiday, accounts payable-trade were carried over to the following period, resulting in a decrease of 6,597 million yen compared to an increase of 8,198 million yen in the same period of the previous year.

Cash flow from investment activities

Cash flow from investing activities for the current semi-annual consolidated fiscal year decreased by 3,790 million yen, an increase of 32 million yen compared to the decrease of 3,822 million yen in the same period of the previous fiscal year.

Cash flow from financing activities

Cash flow from financing activities for the current semi-annual consolidated fiscal year decreased by 3,484 million yen, mainly due to a decrease in short-term borrowings and an increase in cash dividends paid. This represents a decrease of 4,483 million yen compared to the increase of 999 million yen in the same period of the previous fiscal year.

(3) Future projections including forecasts of consolidated financial performance

We did not revise the forecast of consolidated financial performance released on May 13, 2024.

## 2. Semi-annual Consolidated Financial Statements and main notes

### (1) Semi-annual consolidated balance sheets

(Millions of yen)

|   | FY2023               | FY2024_2Q                |
|---|----------------------|--------------------------|
|   | As of March 31, 2024 | As of September 30, 2024 |
|   | Amount               | Amount                   |
| (Assets)  |                      |                          |
| Current assets                                    |                      |                          |
| Cash and deposits                                 | 20,332               | 16,985                   |
| Notes receivable-trade                            | 1,080                | 566                      |
| Electronically recorded monetary claims-operating | 3,191                | 2,454                    |
| Accounts receivable-trade                         | 25,587               | 26,084                   |
| Short-term investment securities                  | 299                  | —                        |
| Merchandise and finished goods                    | 3,572                | 3,354                    |
| Work in process                                   | 991                  | 1,159                    |
| Raw materials and supplies                        | 8,985                | 9,335                    |
| Others  | 2,703                | 2,598                    |
| Allowance for doubtful accounts                   | (127)                | (518)                    |
| Total current assets                              | 66,617               | 62,021                   |
| Noncurrent assets                                 |                      |                          |
| Tangible fixed assets                             |                      |                          |
| Building and structures, net                      | 6,175                | 6,427                    |
| Machinery, equipment and vehicles, net            | 12,694               | 13,558                   |
| Land  | 2,509                | 2,566                    |
| Lease assets, net                                 | 1,422                | 1,457                    |
| Construction in progress                          | 3,650                | 3,980                    |
| Other tangible fixed assets, net                  | 1,682                | 1,809                    |
| Total tangible fixed assets                       | 28,135               | 29,800                   |
| Intangible assets                                 |                      |                          |
| Others  | 3,125                | 2,086                    |
| Total intangible assets                           | 3,125                | 2,086                    |
| Investments and other assets                      |                      |                          |
| Investment securities                             | 1,998                | 1,954                    |
| Net defined benefit asset                         | 2,431                | 2,465                    |
| Deferred tax assets                               | 226                  | 271                      |
| Others  | 558                  | 538                      |
| Allowance for doubtful accounts                   | (5)                  | —                        |
| Total investments and other assets                | 5,210                | 5,229                    |
| Total noncurrent assets                           | 36,470               | 37,116                   |
| Total assets                                      | 103,087              | 99,137                   |

(Millions of yen)

|   | FY2023               | FY2024_2Q                |
|---|----------------------|--------------------------|
|   | As of March 31, 2024 | As of September 30, 2024 |
|   | Amount               | Amount                   |
| (Liabilities)   |                      |                          |
| Current liabilities                                   |                      |                          |
| Notes and accounts payable-trade                      | 15,685               | 13,495                   |
| Electronically recorded obligations – operating       | 5,917                | 4,289                    |
| Short-term loans payable                              | 7,531                | 9,486                    |
| Lease obligations                                     | 447                  | 493                      |
| Income taxes payable                                  | 1,089                | 569                      |
| Accrued expenses                                      | 3,793                | 4,077                    |
| Provision for bonuses                                 | 1,667                | 1,716                    |
| Provision for directors' bonuses                      | 32                   | 15                       |
| Provision for product warranties                      | 787                  | 656                      |
| Provision for loss on order received                  | 228                  | 246                      |
| Electronically recorded obligations - non-operating   | 482                  | 326                      |
| Others  | 1,380                | 956                      |
| Total current liabilities                             | 39,043               | 36,329                   |
| Noncurrent liabilities                                |                      |                          |
| Long-term loans payable                               | 14,340               | 11,120                   |
| Lease obligations                                     | 2,596                | 2,689                    |
| Deferred tax liabilities                              | 1,315                | 1,300                    |
| Net defined benefit liability                         | 294                  | 327                      |
| Provision for share awards                            | 44                   | 60                       |
| Asset retirement obligations                          | 93                   | 93                       |
| Others  | 73                   | 47                       |
| Total noncurrent liabilities                          | 18,758               | 15,638                   |
| Total liabilities                                     | 57,801               | 51,967                   |
| (Net assets)  |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Capital stock   | 8,570                | 8,570                    |
| Capital surplus                                       | 6,911                | 6,863                    |
| Retained earnings                                     | 22,510               | 22,566                   |
| Treasury stock  | (114)                | (81)                     |
| Total shareholders' equity                            | 37,877               | 37,918                   |
| Accumulated other comprehensive income                |                      |                          |
| Valuation difference on available-for-sale securities | 19                   | 17                       |
| Foreign currency translation adjustment               | 5,012                | 7,325                    |
| Remeasurements of defined benefit plans               | 1,980                | 1,857                    |
| Total accumulated other comprehensive income          | 7,012                | 9,200                    |
| Non-controlling interests                             | 396                  | 50                       |
| Total net assets                                      | 45,286               | 47,169                   |
| Total liabilities and net assets                      | 103,087              | 99,137                   |

(2) Semi-annual consolidated statements of income and semi-annual consolidated statement of comprehensive income (Semi-annual consolidated statements of income)

(Millions of yen)

|  | Six months ended<br>September 30, 2023<br>(Apr. 1, 2023–September 30, 2023) | Six months ended<br>September 30, 2024<br>(Apr. 1, 2024–September 30, 2024) |
|--|---|---|
|  | Amount  | Amount  |
| Net sales  | 80,225  | 79,044  |
| Cost of sales                                      | 73,122  | 70,303  |
| Gross profit                                       | 7,103   | 8,740   |
| Selling, general and administrative expenses       |   |   |
| Packing and delivery expenses                      | 757   | 826   |
| Salaries and allowances                            | 1,117   | 1,196   |
| Provision for bonuses                              | 364   | 458   |
| Provision for directors' bonuses                   | 16  | 15  |
| Retirement benefit expenses                        | 18  | (9)   |
| Welfare expenses                                   | 681   | 781   |
| Provision for product warranties                   | 125   | 112   |
| Provision of allowance for doubtful accounts       | 3   | 376   |
| Research and development expenses                  | 533   | 864   |
| Provision for share awards                         | 7   | 16  |
| Others   | 1,351   | 1,541   |
| Total selling, general and administrative expenses | 4,977   | 6,179   |
| Operating income (loss)                            | 2,125   | 2,561   |
| Non-operating income                               |   |   |
| Interest income                                    | 119   | 150   |
| Dividends income                                   | 3   | 3   |
| Equity in earnings of affiliates                   | 320   | 239   |
| Foreign exchange gains                             | 269   | —   |
| Others   | 111   | 226   |
| Total non-operating income                         | 824   | 619   |
| Non-operating expenses                             |   |   |
| Interest expenses                                  | 329   | 229   |
| Foreign exchange losses                            | —   | 68  |
| Others   | 3   | 2   |
| Total non-operating expenses                       | 332   | 300   |
| Ordinary income (loss)                             | 2,617   | 2,881   |



(Millions of yen)

|   | Six months ended<br>September 30, 2023<br>(Apr. 1, 2023–September 30, 2023) | Six months ended<br>September 30, 2024<br>(Apr. 1, 2024–September 30, 2024) |
|---|---|---|
|   | Amount  | Amount  |
| Extraordinary income                                    |   |   |
| Gain on sales of noncurrent assets                      | 92  | 15  |
| Total extraordinary income                              | 92  | 15  |
| Extraordinary loss                                      |   |   |
| Loss on sales of noncurrent assets                      | 10  | 7   |
| Loss on retirement of noncurrent assets                 | 24  | 1,083   |
| Total extraordinary loss                                | 34  | 1,091   |
| Income (loss) before income taxes                       | 2,676   | 1,804   |
| Income taxes-current                                    | 1,525   | 1,048   |
| Income taxes-deferred                                   | (3)   | 26  |
| Total income taxes                                      | 1,521   | 1,075   |
| Profit (loss)   | 1,154   | 729   |
| Profit (loss) attributable to non-controlling interests | 2   | 6   |
| Profit (loss) attributable to owners of parent          | 1,151   | 722   |

## (Semi-annual consolidated statement of comprehensive income)

(Millions of yen)

|   | Six months ended<br>September 30, 2023<br>(Apr. 1, 2023–September 30, 2023) | Six months ended<br>September 30, 2024<br>(Apr. 1, 2024–September 30, 2024) |
|---|---|---|
|   | Amount  | Amount  |
| Profit (loss)   | 1,154   | 729   |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities                               | 5   | (1)   |
| Foreign currency translation adjustment   | 2,000   | 2,419   |
| Remeasurements of defined benefit plans, net of tax                                 | (34)  | (111)   |
| Share of other comprehensive income of associates accounted for using equity method | 237   | (112)   |
| Total other comprehensive income  | 2,208   | 2,193   |
| Comprehensive income  | 3,363   | 2,923   |
| (Breakdown)   |   |   |
| Comprehensive income attributable to owners of the parent                           | 3,255   | 2,911   |
| Comprehensive income attributable to non-controlling interests                      | 108   | 12  |

## (3) Semi-annual consolidated statements of cash flows

(Millions of yen)

|   | Six months ended<br>September 30, 2023<br>(Apr. 1, 2023–September 30, 2023) | Six months ended<br>September 30, 2024<br>(Apr. 1, 2024–September 30, 2024) |
|---|---|---|
|   | Amount  | Amount  |
| Net cash provided by (used in) operating activities       |   |   |
| Profit (loss) before income taxes                         | 2,676   | 1,804   |
| Depreciation and amortization                             | 2,968   | 2,671   |
| Retirement benefit expenses                               | (49)  | (159)   |
| Increase(decrease) in net defined benefit liability       | (10)  | (17)  |
| Increase (decrease) in allowance for doubtful accounts    | 3   | 370   |
| Increase (decrease) in provision for bonuses              | (22)  | 45  |
| Increase (decrease) in provision for directors' bonuses   | (9)   | (17)  |
| Increase (decrease) in provision for product warranties   | (136)   | (182)   |
| Loss on retirement of noncurrent assets                   | 24  | 1,083   |
| Loss(gain) on sales of tangible fixed assets              | (82)  | (7)   |
| Interest and dividends income                             | (123)   | (154)   |
| Interest expenses   | 329   | 229   |
| Foreign exchange losses (gains)                           | (154)   | (141)   |
| Equity in (earnings) losses of affiliates                 | (320)   | (239)   |
| Decrease(increase) in notes and accounts receivable-trade | (2,507)   | 2,202   |
| Decrease(increase) in inventories                         | 3,033   | 726   |
| Increase(decrease) in notes and accounts payable-trade    | 1,471   | (5,085)   |
| Decrease(increase) in other current assets                | 227   | 67  |
| Increase (decrease) in other current liabilities          | 505   | (185)   |
| Other, net  | 21  | 44  |
| Subtotal  | 7,844   | 3,058   |
| Interest and dividends income received                    | 1,808   | 334   |
| Interest expenses paid                                    | (314)   | (244)   |
| Income taxes paid   | (1,139)   | (1,546)   |
| Net cash provided by (used in) operating activities       | 8,198   | 1,601   |

(Millions of yen)

|   | Six months ended<br>September 30, 2023<br>(Apr. 1, 2023–September 30, 2023) | Six months ended<br>September 30, 2024<br>(Apr. 1, 2024–September 30, 2024) |
|---|---|---|
|   | Amount  | Amount  |
| Net cash provided by (used in) investing activities   |   |   |
| Purchase of tangible fixed assets   | (3,116)   | (3,056)   |
| Proceeds from sales of tangible fixed assets  | 149   | 13  |
| Purchase of intangible assets   | (481)   | (254)   |
| Purchase of investment securities   | (0)   | —   |
| Payments into time deposits   | (1,211)   | (1,648)   |
| Proceeds from withdrawal of time deposits   | 854   | 1,032   |
| Others  | (16)  | 122   |
| Net cash provided by (used in) investing activities   | (3,822)   | (3,790)   |
| Net cash provided by (used in) financing activities   |   |   |
| Net increase (decrease) in short-term loans payable   | 270   | (2,183)   |
| Proceeds from long-term loans payable   | 3,210   | 650   |
| Repayment of long-term loans payable  | (2,201)   | (580)   |
| Cash dividends paid   | —   | (656)   |
| Cash dividends paid to non-controlling shareholders   | (112)   | (101)   |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | —   | (381)   |
| Others  | (167)   | (230)   |
| Net cash provided by (used in) financing activities   | 999   | (3,484)   |
| Effect of exchange rate change on cash and cash equivalents   | 731   | 1,379   |
| Net increase (decrease) in cash and cash equivalents  | 6,107   | (4,294)   |
| Cash and cash equivalents at beginning of period  | 10,361  | 20,204  |
| Cash and cash equivalents at end of period  | 16,468  | 15,910  |

(4) Notes to semi-annual consolidated financial statements  
(Going concern assumptions)  
Not applicable

(Notes in the event of significant changes in shareholders' equity)

Based on the resolution of the Board of Directors' meeting held on July 16, 2024, we disposed of 13,716 shares of treasury stock on August 16, 2024, as restricted stock compensation for Directors, Corporate Auditors and Managing Executive Officers.

As a result, treasury stock decreased by 32 million yen and retained earnings decreased by 11 million yen in the current semi-annual consolidated accounting period. Moreover, the additional purchase of shares of subsidiaries led to a 47 million yen decrease in capital surplus. As of the end of current semi-annual consolidated accounting period, the treasury stock amounted to 81 million yen, the capital surplus amounted to 6,863 million yen and retained earnings amounted to 22,566 million yen.

(Notes Regarding Changes in Accounting Policies)

(Application of Accounting Standards for Income Taxes – Current, etc.)

The Accounting Standard for Income Taxes – Current (Accounting Standards Board of Japan Statement No. 27, issued on October 28, 2022, hereinafter referred to as the “2022 Revised Accounting Standard”) has been applied from the beginning of this semi-annual consolidated accounting period.

Regarding the revisions to the classification of income taxes (taxation on other comprehensive income), we follow the transitional treatments specified in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of Paragraph 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan Guidance No. 28, issued on October 28, 2022, hereinafter referred to as the “2022 Revised Implementation Guidance”). This has no impact on the semi-annual consolidated financial statements.

In addition, regarding the revisions related to the review of handling in the consolidated financial statements for deferred tax treatment of gains and losses on the sales of shares of subsidiaries etc., between consolidated companies, the 2022 Revised Implementation Guidance has been applied from the beginning of this semi-annual consolidated accounting period. This change in accounting policies has been applied retrospectively, and the semi-annual consolidated financial statements for the previous semi-annual consolidated accounting period and the consolidated financial statements for the prior consolidated fiscal year reflect the retrospective application. This has no impact on the semi-annual consolidated financial statements for the previous semi-annual consolidated accounting period or the consolidated financial statements for the prior fiscal year.

(Segment information)  
 I Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)  
 1. Net sales and profit (loss) by reportable segments

(Millions of yen)

|                                 | Reportable segment |               |        |        |        |        | Others<br>(Note 3) | Total  |
|---------------------------------|--------------------|---------------|--------|--------|--------|--------|--------------------|--------|
|                                 | Japan              | United States | Europe | Asia   | China  | Total  |                    |        |
| Net Sales:                      |                    |               |        |        |        |        |                    |        |
| Sales to outside customers      | 34,542             | 21,324        | 3,140  | 10,931 | 10,136 | 80,075 | 150                | 80,225 |
| Intersegment sales or transfers | 3,289              | 20            | 49     | 188    | 952    | 4,500  | 1,010              | 5,511  |
| Total                           | 37,832             | 21,345        | 3,189  | 11,120 | 11,088 | 84,576 | 1,160              | 85,736 |
| Segment income (loss)           | 917                | (1,526)       | 29     | 1,756  | 872    | 2,049  | 51                 | 2,100  |

Note: 1. Our Group consists of the Company and these overseas corporations which are based on a manufacturing and sales structure. As such, “Japan”, “the United States”, “Europe”, “Asia” and “China” are our five reportable segments.

2. Major countries or regions belong to each reportable segment

Europe..... the Czech Republic, Germany

Asia ..... Thailand, Indonesia, Vietnam

3. “Others” comprises business operations that are not categorized as reportable segments and includes the business activities of domestic subsidiaries, such as the transportation business.

2. Difference between total segment income (loss) for reportable segments and operating income on semi-annual consolidated statements of income, and details of the difference (reconciliation of the difference)

(Millions of yen)

| Income or loss  | Amount |
|---|--------|
| Total segment income  | 2,049  |
| Income for “Others”   | 51     |
| Intersegment eliminations   | 24     |
| Operating income on semi-annual consolidated statements of income | 2,125  |

3. Impairment loss on noncurrent assets and goodwill, etc., by reportable segment

(Significant impairment loss on noncurrent assets)

Not applicable

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

II Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Net sales and profit (loss) by reportable segments

(Millions of yen)

|                                 | Reportable segment |               |        |        |       |        | Others<br>(Note 3) | Total  |
|---------------------------------|--------------------|---------------|--------|--------|-------|--------|--------------------|--------|
|                                 | Japan              | United States | Europe | Asia   | China | Total  |                    |        |
| Net Sales:                      |                    |               |        |        |       |        |                    |        |
| Sales to outside customers      | 34,029             | 23,973        | 2,630  | 10,344 | 7,914 | 78,893 | 150                | 79,044 |
| Intersegment sales or transfers | 3,973              | 45            | 15     | 709    | 786   | 5,530  | 1,077              | 6,607  |
| Total                           | 38,003             | 24,018        | 2,646  | 11,053 | 8,700 | 84,423 | 1,228              | 85,652 |
| Segment income (loss)           | 689                | (550)         | (71)   | 1,937  | 305   | 2,309  | 55                 | 2,364  |

Note: 1. Our Group consists of the Company and these overseas corporations which are based on a manufacturing and sales structure. As such, “Japan”, “the United States”, “Europe”, “Asia” and “China” are our five reportable segments.

2. Major countries or regions belong to each reportable segment

Europe..... the Czech Republic, Germany

Asia ..... Thailand, Indonesia, Vietnam

3. “Others” comprises business operations that are not categorized as reportable segments and includes the business activities of domestic subsidiaries, such as the transportation business.

2. Difference between total segment income (loss) for reportable segments and operating income on semi-annual consolidated statements of income, and details of the difference (reconciliation of the difference)

(Millions of yen)

| Income or loss  | Amount |
|---|--------|
| Total segment income  | 2,309  |
| Income for “Others”   | 55     |
| Intersegment eliminations   | 196    |
| Operating income on semi-annual consolidated statements of income | 2,561  |

3. Impairment loss on noncurrent assets and goodwill, etc., by reportable segment

(Significant impairment loss on noncurrent assets)

Not applicable

(Significant change in goodwill amount)

Not applicable

(Significant gain on bargain purchase)

Not applicable

### 3. Supplementary information

#### Sales states (consolidated)

(Millions of yen)

|  | Six months ended<br>September 30, 2023<br>(Apr. 1, 2023–September 30, 2023) |       | Six months ended<br>September 30, 2024<br>(Apr. 1, 2024–September 30, 2024) |       | Increase/Decrease |       | FY2023<br>(Apr 1, 2023–Mar 31, 2024) |       |
|--|---|-------|---|-------|-------------------|-------|--------------------------------------|-------|
|  | Amount  | %     | Amount  | %     | Amount            | %     | Amount                               | %     |
| For Automobile                           | 62,152  | 77.5  | 63,086  | 79.8  | 934               | 1.5   | 124,318                              | 78.4  |
| For Construction &<br>Industrial machine | 15,803  | 19.7  | 13,567  | 17.2  | -2,236            | -14.2 | 29,550                               | 18.6  |
| For Air conditioner                      | 1,044   | 1.3   | 1,212   | 1.5   | 168               | 16.1  | 2,340                                | 1.5   |
| Other                                    | 1,224   | 1.5   | 1,178   | 1.5   | -46               | -3.8  | 2,450                                | 1.5   |
| Total                                    | 80,225  | 100.0 | 79,044  | 100.0 | -1,180            | -1.5  | 158,659                              | 100.0 |

Notes: Amounts less than one million yen have been truncated.