Consolidated Financial Results for the quarter ended June 30, 2024

(Consolidated financial information has been prepared in accordance with J-GAAP)
English translation from the original Japanese-language document

August 6, 2024

Company name	: Sanoh Industrial Co., Ltd.
Stock exchange listings	: Tokyo Stock Exchange, Japan
Code number	: 6584
URL	: https://www.sanoh.com/
Representative	: Genya Takeda, Representative Director & President
Contact person	: Munetoshi Sasaki, Corporate Vice President and
	: CFO, General Manager of Financial Headquarters
	: Tel. 0280-48-1111
Payment date of Dividend	: Not Applicable
Explanatory Material for Financial Statements	: Available
Schedule for Financial Results Briefing Session	: Not Available

(Amounts are rounded to the nearest million yen)

1. Consolidated Results for FY2024 First Quarter (April 1, 2024 to June 30, 2024)

(1) Consolidated Financial Results

(% are change from previous year)

	Net sales		Operating Income		Ordinary Income		Net income attributable to shareholders of the holding company		Earnings per share	Diluted EPS
Quarter ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
June 2024	39,143	7.4	1,713	54.0	1,695	60.9	1,014	–	28.32	–
June 2023	36,446	17.4	1,112	737.1	1,054	172.0	(139)	–	(3.86)	–

Ref. Comprehensive Income: FY2024 Q1: 3,158 million yen (72.6%) | FY2023 Q1: 1,829 million yen (726.9%)

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As on June 30, 2024	113,352	50,183	41.5	1,315.43
As on March 31, 2024	111,245	48,288	40.2	1,248.37

Ref. Shareholders' Equity: FY2024 Q1: 47,084 million yen | FY2023 Q4: 44,684 million yen

2. Dividends

	Annual cash dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 2024	–	12.50	–	14.00	26.50
Year ending March 2025	–				
Year ending March 2025 (Forecast)		14.00	–	14.00	28.00

※ Modifications from most recent dividend forecast: No

3. Forecast of Consolidated Results for year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% are change from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2024Q2 accumulated	—	—	—	—	—	—	—	—	—
Full Year	162,000	3.3	8,000	(0.7)	7,000	(4.1)	4,200	(0.4)	116.97

※ Any modifications from the most recently published business forecast: No

Notes

(1) Significant Changes in the scope of consolidation during the period: No
Newly included: 0 companies | Excluded: 0 companies

(2) Application of Special Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements: No

(3) Changes in accounting policies, accounting estimates, and restatement
① Changes in accounting policies due to revisions of Accounting Standards: Yes
② Changes in accounting policies other than ① above: No
③ Changes in accounting estimates: No
④ Restatement: No

For more details, please refer to Note '4.a Changes in Accounting Policies', in 'Notes to the Consolidated Financial Statements' on page 11 of this document.

(4) Number of shares issued & outstanding (common shares)

① Number of issued shares at the end of the period (including treasury stock):	FY24Q1	37,112,000	FY23Q4	37,112,000
② Number of treasury shares at the end of the period:	FY24Q1	1,318,324	FY23Q4	1,318,303
③ Average number of shares outstanding during the period:	FY24Q1	35,793,690	FY23Q1	36,070,873

※ Review of the Quarterly Consolidated Financial Statements by a Certified Public Accountant or Auditing Firm: No

※ Explanation on the Appropriate Use of Earnings Forecasts and Other Special Notes

Cautionary Note on Forward-Looking Statements

The earnings forecasts are based on information currently available to the Company and on certain assumptions deemed reasonable. These forecasts are not a guarantee of performance. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts and cautionary notes, please refer to 'A.3 Explanation Regarding Future Forecasts Information such as Consolidated Earnings Forecasts' in 'Overview of Business Performance' on page 5 of this document.

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1. Overview of Business Performance for the Quarter ended June 30, 2024

(1) Overview of Operating Results

In the first quarter of the consolidated results, the macro-economic environment in Japan showed a moderate recovery, supported by improved employment and income conditions as well as increased domestic demand, despite the impact of rising prices. On the other hand, the outlook for foreign exchange remains uncertain, due to recessionary outlook of the U.S. interest rate cuts, contributing to the yen's historic depreciation against U.S. Dollars.

Overseas, in the United States, although inflation and monetary tightening has continued to raise concerns about economic slowdown, the market has remained stable, with a robust employment and strong personal consumption. In China, the economy showed signs of recovery, particularly in personal consumption, aided by the Chinese New Year and other factors. However, the situation in China remains uncertain due to continued declines in prices and sluggish recovery in consumption. In Europe, while there were signs of bottoming out amidst a persistent economic downturn, uncertainties continue with rising energy and material costs. In Asia, economic growth remains solid, driven by the recovery of the tourism industry and the strong performance of the electronics industry.

In the automobile industry, to which our group belongs, although issues such as temporary suspension of shipments for certain models due to certification irregularities affected the domestic market, the impact of production cuts due to semiconductor shortages was mitigated, resulting in an increase in automobile production year-on-year. Overseas, automobile sales have generally increased in the United States, Europe, China, and Asia. However, the situation remains uncertain due to factors such as rising raw material prices, sustained high energy prices due to the prolonged Russia-Ukraine conflict, rapid exchange rate fluctuations, and the potential for supply chain disruptions due to heightened tensions in the Middle East.

As a result, the group’s consolidated net sales for the first quarter increased to JPY 39.143 billion (up 7.4% YoY), driven by strong production performance of Japanese OEMs in North America and the favorable exchange rate impact of the depreciating yen, despite sharp decline in market share of the Japanese OEMs in China.

Regarding profitability, despite the surging costs of raw material, labor, and energy; profitability improved due to the effects of successful implementation of price adjustments and the stabilized operations, particularly in North America. Consequently, Operating Income increased to JPY 1.713 billion (up 54.0% YoY), and Ordinary Income increased to JPY 1.695 billion (up 60.9% YoY). As a result, Net income attributable to the shareholders of the Parent Company recovered from a deficit to JPY 1.014 billion, compared to a net loss of JPY 139 million in the same period last year.

Overview of operating results by segment is as follows:

① Japan
Revenue remained stable at JPY 6.893 billion, (slightly down by 0.3% YoY), supported by steady domestic and export sales. However, operating income decreased to JPY 81 million (down 53.2% YoY) primarily due to increased labor costs from wage hikes and higher spending towards new business investments.

② Americas
Revenue surged to JPY 16.507 billion (up 26.3% YoY), driven by robust sales of Japanese OEMs in North America and the favorable exchange rate impact of the yen depreciation. Operating income improved significantly at JPY 794 million, recovering from an operating loss of JPY 85 million in the same period last year. This was achieved through successful price adjustments, improved production efficiency, and effective cost control.

③ Europe
Revenue remained stable at JPY 5.562 billion (up 0.2% YoY), despite the delays in launching new projects. The positive impact of price adjustments and favorable exchange rate impact of the depreciating yen, offset rising inflation in material, labor, and energy costs. resulting in operating income of JPY 266 million (up 20.8% YoY).

④ China
Revenue declined sharply to JPY 3.045 billion (down 24.9% YoY) due to significant drop in production by Japanese OEMs in China. Despite rigorous cost-cutting measures, including labor cost control, the sharp decrease in production volume led to an operating loss of JPY 150 million, compared to an operating income of JPY 69 million in the same period last year.

⑤ Asia
Revenue increased to JPY 7.136 billion (up 4.2% YoY), driven primarily by higher production at Indian subsidiary, which outweighed the revenue declines in Thailand and Indonesia due to sluggish market conditions. Operating income rose to JPY 773 million (up 10.2% YoY), supported by revenue growth and effective cost management to mitigate production fluctuations.

(2) Overview of Financial Position

① Assets, Liabilities, and Net Assets

As of the end of the first quarter, total assets stood at JPY 113.352 billion, marking an increase of JPY 2.107 billion from the previous financial year-end. Key factors include:

- a decrease in cash and deposits by JPY 2.105 billion,
- an increase in finished goods by JPY 160 million,
- an increase in work-in-progress by JPY 1.177 billion,
- an increase in raw materials and supplies by JPY 564 million,
- an increase in other current assets such as advances and prepaid expenses by JPY 494 million,
- an increase in tangible fixed assets such as machinery, equipment, and vehicles by JPY 1.331 billion, and
- an increase in investment securities by JPY 183 million.

Total liabilities amounted to JPY 63.169 billion, an increase of JPY 212 million from the end of the previous financial year-end. Key factors include:

- an increase in notes & trade payable by JPY 601 million,
- a decrease in electronically recorded obligations by JPY 591 million,
- a decrease in short-term borrowings by JPY 765 million,
- a decrease in accounts payable by JPY 408 million,
- an increase in provision for bonuses by JPY 636 million, and
- an increase in other current liabilities, such as accrued expenses, by JPY 765 million.

Net assets rose to JPY 50.183 billion, increased by JPY 1.895 billion from the previous financial year-end. Key factors include:

- an increase in foreign currency translation adjustments of JPY 1.758 billion,
- an increase in valuation differences on available-for-sale securities by JPY 122 million, and
- an increase in retained earnings by JPY 504 million.

② Cash Flow

As of the end of the first quarter, cash and cash equivalents stood at JPY 15.548 billion, reflecting a decrease of JPY 2.105 billion from the end of the previous financial year. This decrease was driven by an increase of JPY 2.042 billion increase in cash flow from operating activities, offset by a JPY 1.952 billion outflow from investing activities, and a JPY 2.713 billion outflow from financing activities.

i. Cash flow from Operating Activities:
Net cash provided by operating activities increased to JPY 2.042 billion, a rise of JPY 1.364 billion compared to the same period last year.
This increase was primarily driven by:
- Income Before Income Taxes of JPY 1.669 billion (JPY 611 million YoY)
- Depreciation of JPY 1.551 billion (JPY 1.442 billion YoY)
- A decrease in Accounts Receivable by JPY 891 million (increase of JPY 3.371 billion YoY)
- An increase in Inventories by JPY 671 million (decrease of JPY 1.660 billion YoY)
- A decrease in Trade Payables by JPY 700 million (decrease of JPY 195 million YoY)
- A decrease in Accounts Payable by JPY 631 million (decrease of JPY 525 million YoY)
- Corporate tax payments amounting to JPY 426 million (JPY 1.157 billion YoY)

ii. Cash flow from investing Activities:
Net cash used in investing activities totaled JPY 1.952 billion (JPY 1.654 billion YoY).
The primary outflow was related to the acquisition of tangible fixed assets amounting to JPY 1.856 billion (JPY 1.687 YoY).

iii. Cash flow from financing Activities:
Net cash used in financing activities amounted to JPY 2.713 billion (JPY 520 million YoY).
The primary factors include:
- A JPY 1.043 billion decrease in short-term borrowings (compared to an inflow of JPY 980 million YoY)
- A JPY 294 million outflow due to repayment of long-term borrowings (JPY 342 million YoY)
- A JPY 501 million outflow for dividend payments (JPY 455 million YoY)
- A JPY 754 million outflow for dividend payments to non-controlling interests (JPY 615 million YoY)

(3) Explanation of Future Forecasts and Forward-Looking Statements

Taking into consideration recent business trends and other factors, we have decided to maintain the consolidated earnings forecast for the financial year ending March 2025, as announced in the "Consolidated Financial Results for the Financial Year Ended March 2024 [Japanese GAAP]" published on May 10, 2024.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Amounts are rounded to the nearest million)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	17,653	15,548
Notes and accounts receivable - trade, and contract assets	19,490	19,593
Electronically recorded monetary claims - operating	863	870
Finished goods	5,119	5,279
Work in process	5,421	6,598
Raw materials and supplies	12,254	12,818
Other	3,581	4,075
Allowance for doubtful accounts	△52	△55
Total current assets	64,329	64,725
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,946	20,727
Machinery, equipment and vehicles	87,588	92,017
Tools, furniture and fixtures	13,897	14,540
Land	2,859	2,901
Leased assets	3,269	3,436
Construction in progress	4,189	4,282
Accumulated depreciation	△86,420	△90,913
Accumulated impairment	△10,183	△10,515
Total property, plant and equipment	35,145	36,476
Intangible assets		
Leased assets	57	53
Other	471	561
Total intangible assets	528	614
Investments and other assets		
Investment securities	8,741	8,924
Retirement benefit asset	159	159
Deferred tax assets	1,873	1,988
Other	471	466
Total investments and other assets	11,244	11,536
Total non-current assets	46,916	48,627
Total assets	111,245	113,352

(Amounts are rounded to the nearest million)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,074	9,675
Electronically recorded obligations - operating	5,355	4,764
Short-term borrowings	17,648	16,883
Accounts payable - other	2,686	2,278
Lease liabilities	457	312
Income taxes payable	531	681
Accrued consumption taxes	588	450
Provision for bonuses	1,226	1,861
Provision for bonuses for directors (and other officers)	24	38
Provision for product warranties	96	98
Other	3,535	4,300
Total current liabilities	41,219	41,341
Non-current liabilities		
Long-term borrowings	14,392	14,358
Lease liabilities	515	534
Deferred tax liabilities	2,472	2,467
Provision for retirement benefits for directors (and other officers)	163	154
Retirement benefit liability	3,223	3,282
Provision for loss on litigation	494	523
Other	479	510
Total non-current liabilities	21,738	21,828
Total liabilities	62,957	63,169
Net assets		
Shareholders' equity		
Share capital	3,481	3,481
Capital surplus	2,362	2,362
Retained earnings	31,872	32,376
Treasury shares	△980	△980
Total shareholders' equity	36,735	37,239
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,671	4,793
Foreign currency translation adjustment	2,586	4,344
Remeasurements of defined benefit plans	692	708
Total accumulated other comprehensive income	7,949	9,845
Non-controlling interests	3,604	3,099
Total net assets	48,288	50,183
Total liabilities and net assets	111,245	113,352

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

Consolidated Income Statement

(Amounts are rounded to the nearest million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	36,446	39,143
Cost of sales	31,730	33,138
Gross profit	4,716	6,004
Selling, general and administrative expenses	3,604	4,292
Operating profit	1,112	1,713
Non-operating income		
Interest income	21	47
Dividend income	76	102
Subsidy income	5	—
Foreign exchange gains	55	204
Other	72	46
Total non-operating income	228	399
Non-operating expenses		
Interest expenses	150	219
Commission expenses	117	145
Other	19	51
Total non-operating expenses	286	416
Ordinary profit	1,054	1,695
Extraordinary income		
Gain on sale of non-current assets	8	2
Total extraordinary income	8	2
Extraordinary losses		
Loss on sale of non-current assets	2	10
Loss on retirement of non-current assets	118	19
Provision for loss on litigation	331	—
Total extraordinary losses	451	28
Profit before income taxes	611	1,669
Income taxes - current	536	538
Income taxes - deferred	△14	△64
Total income taxes	522	474
Profit	89	1,196
Profit attributable to non-controlling interests	229	182
Profit (loss) attributable to owners of parent	△139	1,014

Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	89	1,196
Other comprehensive income		
Valuation difference on available-for-sale securities	478	122
Foreign currency translation adjustment	1,266	1,825
Remeasurements of defined benefit plans, net of tax	△4	16
Total other comprehensive income	1,740	1,962
Comprehensive income	1,829	3,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,480	2,910
Comprehensive income attributable to non-controlling interests	350	249

(3) Consolidated Cash Flow Statement

(Amounts are rounded to the nearest million)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	611	1,669
Depreciation	1,442	1,551
Loss on retirement of property, plant and equipment	118	19
Loss (gain) on sale of property, plant and equipment	△6	7
Interest and dividend income	△97	△149
Interest expenses	150	219
Commission expenses	117	145
Provision for loss on litigation	331	—
Decrease (increase) in trade receivables	△3,371	891
Decrease (increase) in inventories	1,660	△671
Increase (decrease) in trade payables	△195	△700
Increase (decrease) in provision for bonuses	636	634
Increase (decrease) in accounts payable - other	△525	△631
Increase (decrease) in accrued expenses	412	307
Increase (decrease) in retirement benefit liability	32	△7
Other, net	736	△600
Subtotal	2,051	2,686
Interest and dividends received	97	149
Interest paid	△182	△241
Commission fee paid	△131	△127
Income taxes paid	△1,157	△426
Net cash provided by (used in) operating activities	678	2,042
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,687	△1,856
Proceeds from sale of property, plant and equipment	37	2
Purchase of investment securities	△56	△10
Other, net	52	△88
Net cash provided by (used in) investing activities	△1,654	△1,952
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	980	△1,043
Repayments of long-term borrowings	△342	△294
Dividends paid	△455	△501
Dividends paid to non-controlling interests	△615	△754
Repayments of lease liabilities	△89	△121
Purchase of treasury shares	—	△0
Net cash provided by (used in) financing activities	△520	△2,713
Effect of exchange rate change on cash and cash equivalents	401	518
Net increase (decrease) in cash and cash equivalents	△1,095	△2,105
Cash and cash equivalents at beginning of period	12,837	17,653
Cash and cash equivalents at end of period	11,741	15,548

(4) Notes to the Consolidated Financial Statements

(Changes in Accounting Policies)

Application of "Accounting Standard for Corporate, Residence, and Business Taxes"

We have applied the "Accounting Standards for Corporate Taxes, Local Resident Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; "2022 Revised Accounting Standards") and other standards from the beginning of this first quarter consolidated accounting period. Regarding the amendment to the classification of corporate taxes, etc. (taxation on other comprehensive income), we are following the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the "Guidelines for the Implementation of Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; "2022 Revised Implementation Guidelines"). There are no impacts of this change in accounting policy on the consolidated financial statements.

(Segment Information)

I. First quarter of the previous period (April 1, 2023 to June 30, 2023)

1. Information on Sales and Operating Income (Loss) by reportable segment.

	Reportable Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
Sales								
External Customers	6,916	13,073	5,554	4,055	6,848	36,446	—	36,446
Internal Sales & Transfers between segments	4,452	1	94	203	164	4,914	(4,914)	—
Total	11,369	13,075	5,648	4,258	7,011	41,360	(4,914)	36,446
Segment income (loss)	174	(85)	221	69	702	1,080	32	1,112

(Note 1) The adjustment amounts are as follows:
(1) The adjustment amount of ¥4,914 million yen for net sales is the amount for eliminating inter-segment transactions.
(2) The adjustment amount of 32 million yen in segment operating income (loss) includes inventory adjustments of JPY 40 million and fixed asset adjustments of JPY (9) million.

(Note 2) Segment income (loss) is adjusted to reconcile with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets or goodwill by reportable segment:
Not applicable

II. First quarter ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Information on net sales and income (loss) by reportable segment.

	Reporting Segments						Adjs. (Note 1)	Reported Amount (Note 2)
	Japan	Americas	Europe	China	Asia	Total		
Sales								
External Customers	6,893	16,507	5,562	3,045	7,136	39,143	—	39,143
Internal Sales & Transfers between segments	4,687	6	174	294	228	5,389	(5,389)	—
Total	11,580	16,513	5,736	3,340	7,364	44,532	(5,389)	39,143
Segment Income (loss)	81	794	266	(150)	773	1,765	(52)	1,713

(Note 1) The adjustment amounts are as follows:
(1) The adjustment amount of 5,389 million yen for net sales is the amount for eliminating inter-segment transactions.
(2) The adjustment amount of (52) million yen for segment profit or loss includes an adjustment amount of (86) million yen for inventories and an adjustment amount of 34 million yen for fixed assets.

(Note 2) Segment income (loss) is adjusted to reconcile with operating income in the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets or goodwill by reportable segment:
Not applicable

(Significant Changes Shareholders' Equity)
Not applicable

(Assumption of a going concern)
Not applicable

(Significant Subsequent Events)
Not applicable

(Additional Information)

1. Director Stock Grant Trust
   Pursuant to the resolution of the 112th Annual General Meeting of Shareholders held on June 22, 2020, the Company has implemented a stock-based remuneration system (hereinafter referred to as "the System") for directors who meet the eligibility criteria. The objective of this system is to enhance the medium to long-term performance and to foster a commitment increasing corporate value. The accounting treatment for this System follows the "Practical Treatment of Transactions Involving Granting of Own Shares to Employees, etc. through Trusts" (Practical Solution Report No. 30, March 26, 2015).

   - Overview of the Transaction
     This system involves the establishment of a trust (hereinafter referred to as "the Trust") funded by monetary contributions from the Company. The Trust acquires the Company's shares and allocates a number of shares equivalent to the points granted to each director under the Company's Director Stock Grant Regulations. In principle, shares are delivered to the directors upon on their retirement.

   - Remaining Shares in the Trust
     The Company's shares remaining in the Trust are recorded as treasury shares at the book value in the trust (excluding incidental expenses). As of the end of the previous financial year and the end of the first quarter of the current financial year, the book value and number of treasury shares were JPY 344 million and 411,000 shares, respectively.

2. Employee Stock Issuance Trust:
   Following the resolution of the Board of Directors on August 27, 2020, the Company has established a stock-based remuneration system (hereinafter referred to as "the System") for employees (excluding directors who also hold executive positions and other specified roles) who meet the eligibility criteria. The accounting treatment for this System follows the "Practical Treatment of Transactions Involving Granting of Own Shares to Employees, etc. through Trusts" (Practical Solution Report No. 30, March 26, 2015).

   - Overview of the Transaction
     This System involves the establishment of a trust (hereinafter referred to as "the Trust") funded by monetary contributions from the Company. This Trust acquires the Company's shares and allocates a number of shares equivalent to the points granted to each employee under the Company's Employee Stock Grant Regulations. In principle, shares are delivered to the employees upon on their retirement.

   - Remaining Shares in the Trust
     The Company's shares remaining in the Trust are recorded as treasury shares at the book value in the trust (excluding incidental expenses). As of the end of the previous financial year and the end of the first quarter of the current financial year, the book value and number of treasury shares were JPY 158 million and 189,700 shares, respectively.

(Earnings per Share)

The basis of calculating earnings (loss) per share for the quarter is as follows:

	FY23Q1 (April 1, 2023, to June 30, 2023)	FY24Q1 (April 1, 2024, to June 30, 2024)
Earnings (Loss) per Share	(3.86)	28.32
(Basis of Calculation)		
Net Income (Loss) Attributable to the Shareholders of the Parent Company	(139)	1,014
Not Attributable to Common Shareholders (in Million Yen)	—	—
Attributable to the Shareholders of the Parent Company Relating to Common Shares	(139)	1,014
Average Number of Common Shares Outstanding During the Period (in thousands)	36,071	35,794

Notes

1. Diluted earnings per share is not reported as there are no dilutive potential shares.
2. The Company has implemented a stock-based remuneration system using a share grant trust (the "Trust"). In calculating the average number of shares outstanding during the period, treasury shares held by the Trust for directors, executive officers, and senior management employees are included. The average number of treasury shares deducted in the calculation amounted to 323,743 shares in the first quarter of Financial Year ending March 2023 and 600,700 shares in the first quarter of Financial Year ending March 2024.