

Summary of Financial Results: 3rd Quarter of FY2023

- 1 . FY2023 3Q Financial Overview**
- 2 . FY2023 Full-Year Forecast**

3Q Overview

- **Quarterly sales reached a record historical high for the fifth consecutive quarter** due to recovery in production volume and foreign exchange effects.
- Operating profit increased in both YoY and QoQ due to increased revenue and fixed cost control.
- Operating profit margin of 11.4% in the first half of FY2023, showing enhancement of our earning power.
- Most of the treasury stocks were cancelled in the first half of FY2023.

FY2023 Full-year Forecast

- Progress has been generally as planned, and no revision in our guidance for FY2023.
(Currently we have been in negotiations on divestiture of subsidiary.
If it is fixed, we will promptly revise the forecast.)
- **Dividend forecast for FY2023 year also remains unchanged** (64 yen/share).

1 . FY2023 3Q Financial Overview

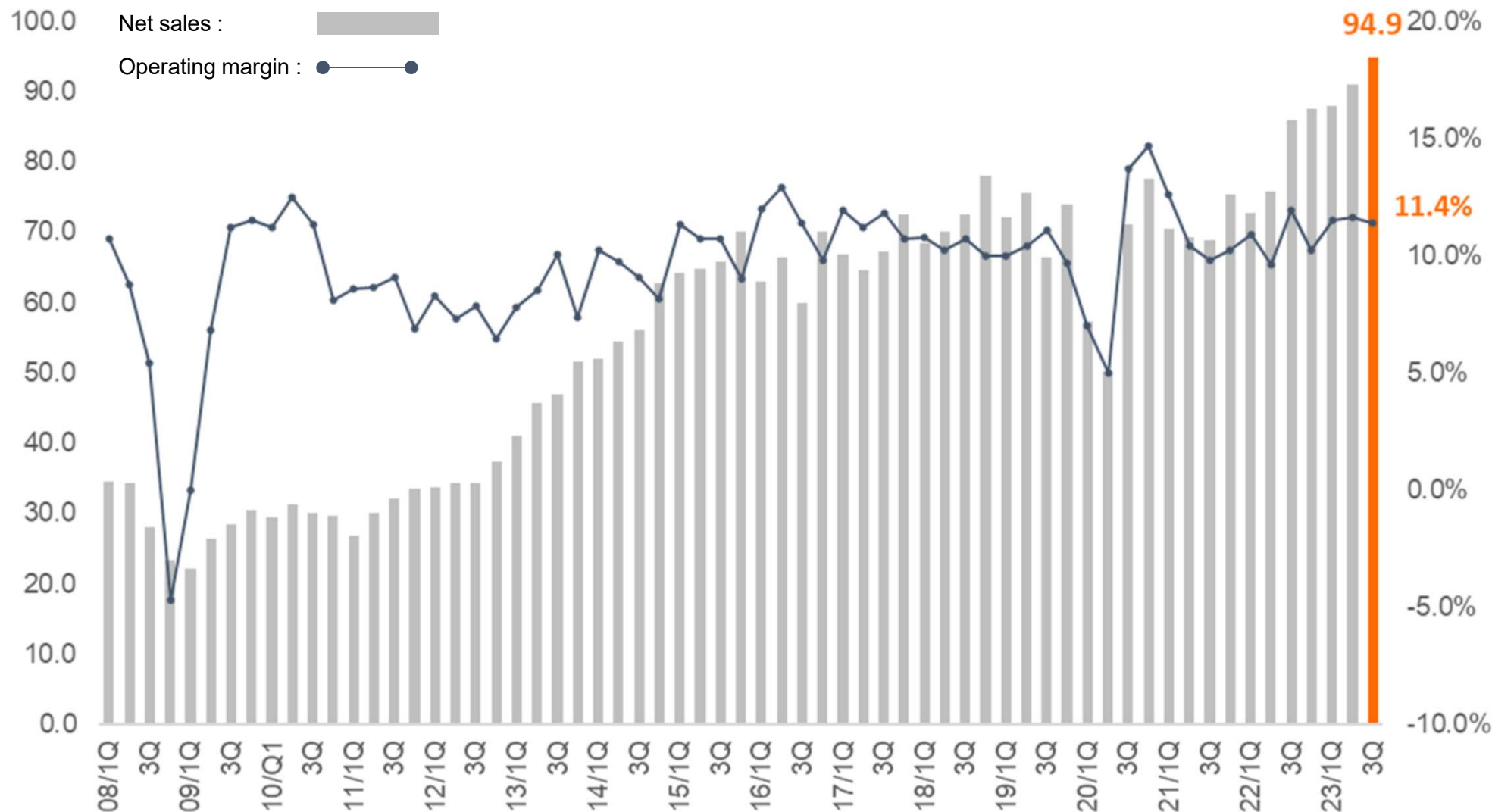
2 . FY2023 Full-Year Forecast

1. Financial Highlights

Historical Sales and Operating Profit (OP)

- Record-high sales were recorded in 3Q following 2Q.
- OPM remained steady 11% level.

(Billions of yen)



2. Overview of FY2022 3Q Consolidated Highest Level of Sales, OP and OP Margin in The Past Year

- Both sales and OP increased QoQ, mainly due to yen depreciation and strong performance in Japan.
- Net income decreased from the previous quarter mainly due to foreign exchange gains.

(JPN)	FY2022	FY2023			
	3Q	1Q	2Q	3Q	YoY
Net Sales	85.9bn	87.9bn	90.9bn	94.9bn	+10.6%
Operating profit	10.3bn	10.1bn	10.5bn	10.8bn	+5.6%
OP margin	11.9%	11.5%	11.6%	11.4%	-0.5%pts
Net income ¹⁾	4.7bn	9.7bn	7.6bn	6.1bn	+29.5%
EPS	46.77yen	97.50yen	76.22yen	61.02yen	+30.5%
FX rates	1USD=128.3yen 1EUR=136.1yen	1USD=132.4yen 1EUR=142.1yen	1USD=135.0yen 1EUR=145.9yen	1USD=138.2yen 1EUR=149.8yen	1USD=+9.9yen 1EUR=+13.7yen

3. Overview of FY2023 3Q Consolidated Sales And OP Increased YoY. OPM Remained Solid at 11.5%

- Both sales and OP increased YoY mainly due to yen depreciation and strong performance in Japan
- OPM remained steady at 11.5%

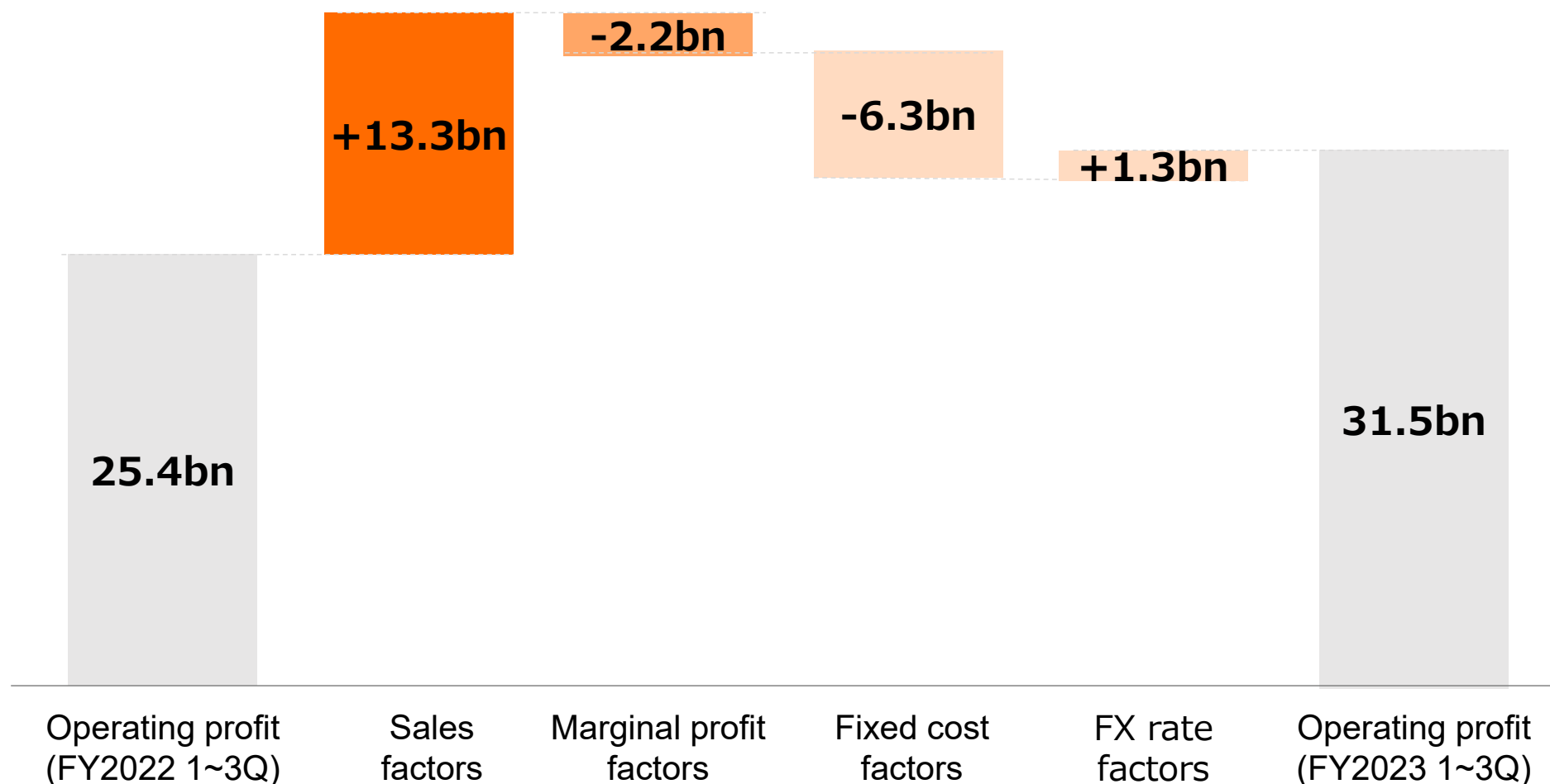
(JPN)	FY2021	FY2022	FY2023	
	3Q cumulative	3Q cumulative	3Q cumulative	YoY
Net Sales	208.4bn	234.2bn	273.7bn	+16.9%
Operating profit	22.8bn	25.4bn	31.5bn	+23.7%
OP margin	10.9%	10.8%	11.5%	+0.6%pts
Net income ¹⁾	16.5bn	18.5bn	23.4bn	+26.3%
EPS	163.64yen	184.87yen	234.82yen	+27.0%
FX rates	1USD=108.5yen 1EUR=129.8yen	1USD=128.3yen 1EUR=136.1yen	1USD=138.2yen 1EUR=149.8yen	1USD=+9.9yen 1EUR=+13.7yen

4. FY2023 3Q Consolidated OP (YoY)¹

Operating Profit Analysis (YoY)

- OP increased driven by sales increase due to recovery in production volume.
- Both variable and fixed costs increased due to inflation, but were controlled to a certain level.

(JPY)



1) Overseas: January - June, Japan: April - September

5. FY2023 H1 by Segment (Sales) ¹

Achieved Revenue Growth in All Regions and All Segments

- Japan and the U.S., where recovery in production volume by JPN OEMs is remarkable, led the increase in sales
- Sluggish sales in China due to lower production volume caused by struggle of JPN OEMs

(JPN)	2022FY (3Q cumulative)	FY2023 (3Q cumulative)	YoY	Note
Consolidated	234.2bn	273.7bn	+16.9%	
Plastics	210.5bn	247.6bn	+17.6%	
Japan	56.6bn	66.3bn	+17.1%	Automobile production recovery
North America	52.6bn	65.2bn	+23.8%	Automobile production recovery of Japanese OEMs
Europe	27.2bn	34.6bn	+27.2%	Automobile production recovery
Asia	74.1bn	81.5bn	+10.1%	Strong production of Korean OEMs
China	24.6bn	21.5bn	-12.5%	Decreased automobile production of Japanese OEMs
Bed	23.7bn	26.1bn	+10.4%	Sales to hotels recovery
Japan	12.7bn	13.6bn	+7.5%	
Asia	11.0bn	12.5bn	+13.7%	

6. FY2023 H1 by Segment (OP) ¹

Achieved Revenue Growth in All Regions Except China

- Margin improvement in North America, Europe and Japan, drove the rise in OPM
- China continues to face a difficult business environment due to the impact of declining sales

(JPN)	2022FY (3Q cumulative)	2022FY (3Q cumulative)	YoY	Note
Consolidated	25.4bn (10.8%)	31.5bn (11.5%)	+23.7%	
Plastics	25.2bn (11.9%)	31.0bn (12.5%)	+23.3%	
Japan	9.4bn (16.6%)	12.9bn (19.5%)	+38.1%	Improvement due to increased sales and fixed cost management
North America	1.6bn (3.0%)	2.2bn (3.3%)	+35.9%	Improvement due to increased sales and fixed cost management
Europe	0.6bn (2.3%)	1.9bn (5.5%)	+204.3%	Improved utilization ratio due to increased production volume
Asia	13.6bn (18.3%)	14.0bn (17.2%)	+3.2%	Remain strong performance
China	4.3bn (17.4%)	3.3bn (15.2%)	-23.4%	Thoroughly strengthen fixed cost control
Bed	4.1bn (17.2%)	4.4bn (16.8%)	+8.0%	
Japan	1.7bn (13.6%)	1.9bn (14.2%)	+12.7%	
Asia	2.3bn (21.3%)	2.5bn (19.6%)	+4.6%	

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7. FY2023 Full Year Guidance

No Revision in Full-Year Guidance

- We have been in negotiations on divestiture of German subsidiary disclosed on Jan. 4th, and forecast remains unchanged.
- If it is fixed, we are planning to disclose necessary information promptly.

(JPN)	FY2022	FY2023	FY2023	
	3Q cumulative	3Q cumulative	Full-Year Forecasts	Achievement rate
Net Sales	234.2bn	273.7bn	343.0bn	79.8%
Operating profit	25.4bn	31.5bn	38.0bn	82.9%
OP Margin	10.8%	11.5%	11.1%	–
Recurring Profit	29.0bn	34.6bn	38.3bn	90.3%
Net Income ¹⁾	18.5bn	23.4bn	23.5bn	99.5%
EPS ²⁾	184.87yen	234.82yen	235.59yen	99.6%

8. CAPEX and Depreciation

Free Cashflow Will Steadily Increase

- Operating cashflow progressed as planned (82%)
- Progress of CAPEX is 49% of the original plan, planning acceleration of growth investment next fiscal year.

(JPN)	<u>FY2022(1~3Q)</u>	<u>FY2023(1~3Q)</u>	<u>Change</u>	<u>Plan(FY2023)</u>
CAPEX	6.3bn	6.6bn	+0.3bn	13.3bn
Depreciation	10.1bn	10.5bn	+0.4bn	13.8bn
R&D	2.8bn	2.8bn	- bn	3.6bn
Operating CF	22.8bn	29.5bn	+6.7bn	36.0bn
Investment CF	-10.8bn	-4.6bn	+6.2bn	-13.3bn
Free CF	12.0bn	24.9bn	+12.9bn	22.7bn
Financial CF	-10.3bn	-25.0bn	-14.7bn	-19.5bn
Cash equivalent balance	116.8bn	128.4bn	+11.6bn	124.2bn

9. Shareholder returns

Plan to remain DPS the same level as FY3/2023, consider flexible buybacks

- Cancelled 7,251,901 shares of treasury stock at the end of September
- Plans to maintain the dividend at 64 yen per share, unchanged from the previous year (dividend payout ratio of 30%)
- Flexible share buybacks will continue to be considered for this fiscal year.

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023e
Dividend (full year)	62 yen/share	62 yen/share	53 yen/share	62 yen/share	64 yen/share	64 yen/share (Plan)
Share buy-back	1mn shares (2.8bn yen)	790k shares (1.4bn yen)	710k shares (1.4bn yen)	1.38mn shares (4.8bn yen)	360k shares (1.2bn yen)	670k shares (2.5bn yen)
Target (payout ratio)	30%	30%	30%	30%	30%	30%
Sshareholder return	<div style="display: flex; justify-content: space-around; align-items: center;"> ■ Dividends ■ : Share buybacks </div>					
	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>45%</p> <p>14%</p> <p>31%</p> </div> <div style="text-align: center;"> <p>43%</p> <p>8%</p> <p>35%</p> </div> <div style="text-align: center;"> <p>37%</p> <p>8%</p> <p>29%</p> </div> <div style="text-align: center;"> <p>48%</p> <p>20%</p> <p>27%</p> </div> <div style="text-align: center;"> <p>36%</p> <p>6%</p> <p>30%</p> </div> </div>					
Results						

End



Forward - looking statements or projections included in this document, including earnings projections, are based on currently available information and certain premises that are judged to be rational at the time of this writing. Actual results may differ greatly from the forecast figures depending on various factors.