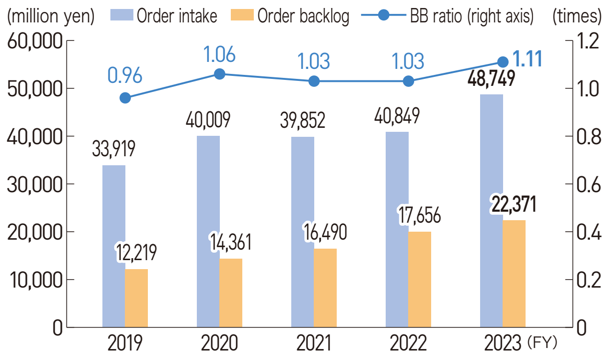
Financial and Sustainability Highlights

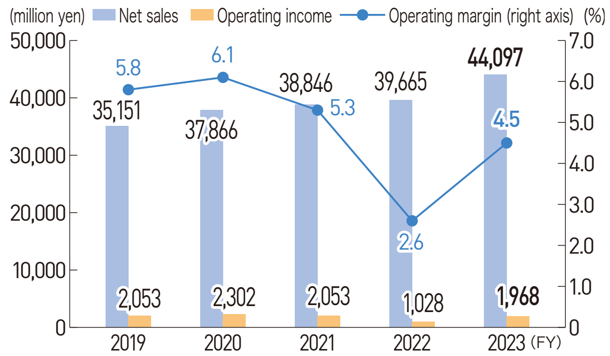
Financial Highlights

Order intake, Order backlog and BB ratio



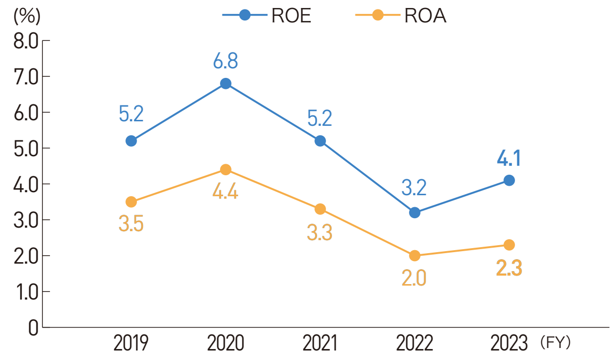
Order intake in FY 2023 continue strong to increase 19.3% year on year to 48.749 billion yen, and the order backlog at the end of the fiscal year remains at a high level of 22.371 billion yen (monthly sales of 6.1 months). BB ratio, calculated by dividing orders received by net sales, improved by 0.08 pp to 1.11.

Net sales, Operating income and Operating margin



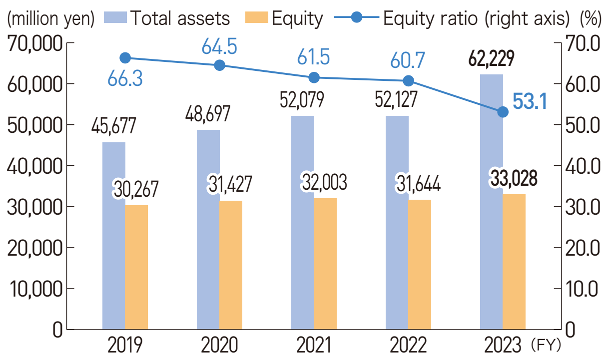
Net sales for FY 2023 increased 11.2% year on year to 44.097 billion yen. Operating income increased 91.4% year on year to 1.968 billion yen, as the increase in various expenses was absorbed by the effect of increased net sales and product price revisions. As a result, the operating margin improved by 1.9 pp to 4.5%.

ROE and ROA



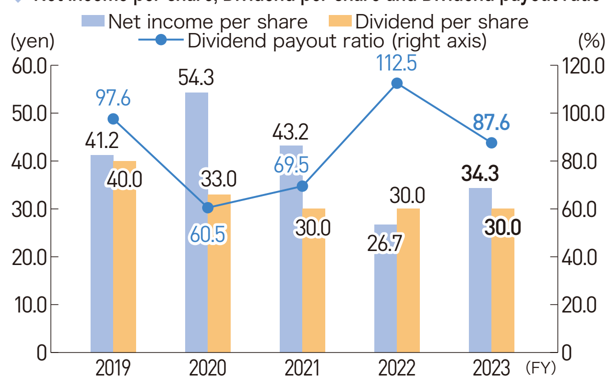
ROE (Return on Equity) for FY 2023 improved by 0.9 pp year on year to 4.1%, mainly due to a recovery in business performance. On the other hand, ROA (Return on Assets) improved by 0.3 pp year on year to 2.3%, mainly due to an increase in total assets against the backdrop of higher interest-bearing debts.

Total assets, Equity and Equity ratio



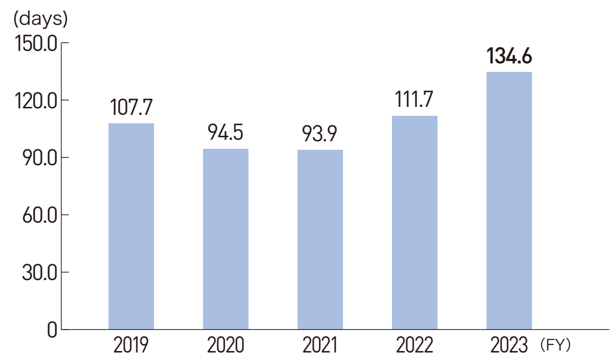
Equity ratio for FY 2023 decreased by 7.6 pp year on year to 53.1%. Equity increased by 1.384 billion yen year on year to 33.028 billion yen, mainly due to an increase in total assets of 10.102 billion yen year on year to 62.229 billion yen.

Net income per share, Dividend per share and Dividend payout ratio



The Company has pledged to a dividend payout ratio of 60% or more. The dividend per share for FY 2023 was 30 yen, the same amount as for the previous fiscal year, but the dividend payout ratio was 87.6%, exceeding the pledged dividend payout ratio. We will continue to strengthen shareholder returns, including share buybacks.

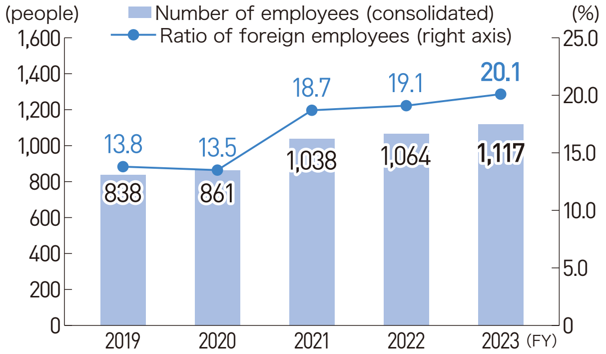
Cash conversion cycle



CCC (inventory turnover days + accounts receivable turnover days - accounts payable turnover days) for FY 2023 was 134.6 days, an increase of 22.9 days from the end of the previous fiscal year. Although there was an increase in advances received, inventories remain high and inventory turnover days are lengthened.

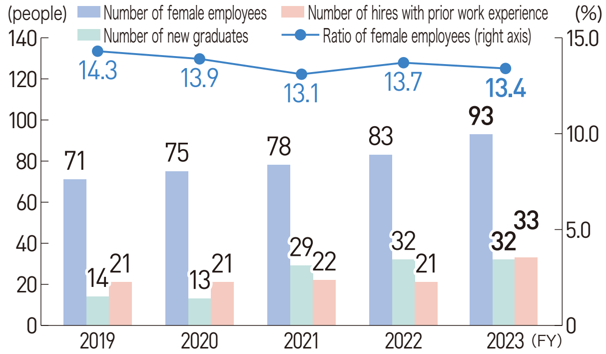
Sustainability Information Highlights

Number of consolidated employees, ratio of foreign employees



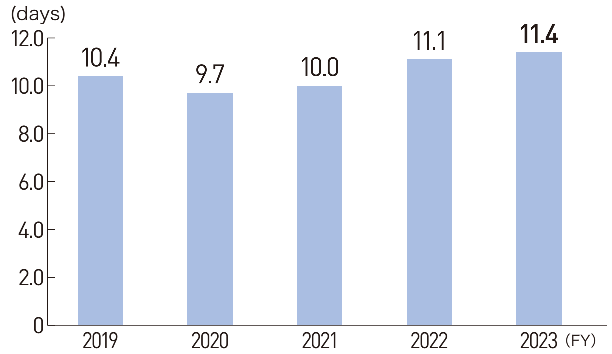
The number of employees (consolidated) in FY 2023 was 1,117, an increase of 53 over the previous fiscal year. Of these, the number of foreign employees increased by 20 over the previous fiscal year to 225, and the ratio of foreign employees has risen to 20.1%. We are currently strengthening our organization in preparation for future expansion into the ASEAN market.

Number of female employees, number of new-graduate hires, number of new hires with prior work experience (non-consolidated)



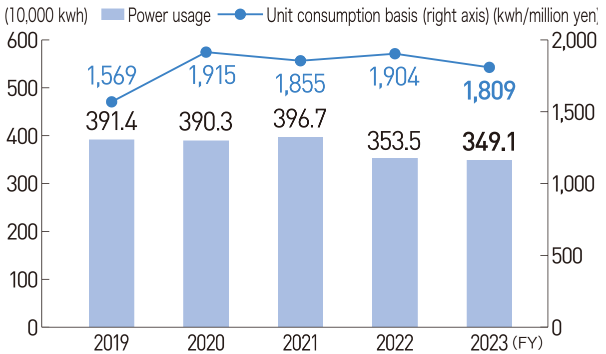
The number of female employees on a non-consolidated basis at the end of FY 2023 was 93, an increase of 10 from the end of the previous fiscal year. The ratio of female employees to the total number of non-consolidated employees remains generally unchanged at 13.4%. The number of new graduates hired was 32, the same as the previous fiscal year, and the number of hires with prior work experience increased by 12 year on year to 33.

Average number of annual paid holidays per employee (non-consolidated)



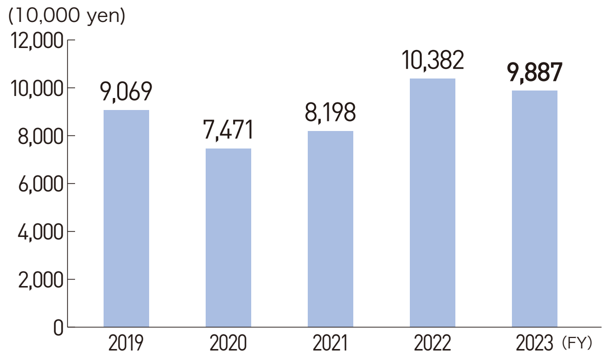
The average number of annual paid leave days taken on a non-consolidated basis in FY 2023 was 11.4 days, a slight increase from 11.1 days in the previous fiscal year. Taking paid leave is important from the perspective of improving employee satisfaction and work-life balance, and we will continue to make efforts to improve it.

Power usage, output (non-consolidated)



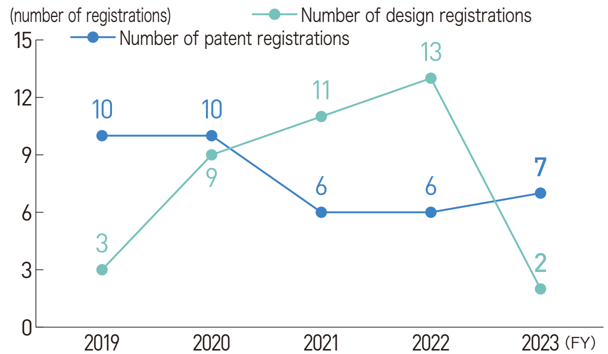
Power usage in FY 2023 was 349.1 kwh, down 1.2% year on year. Power usage on unit consumption basis divided by production output decreased by 5.0% year on year to 1,809 kWh/million yen. We will continue to strengthen our efforts towards achieving carbon neutrality.

Changes in expenses of ISO activity items (non-consolidated)



Total expenses of ISO activity items (electricity, water, waste, and paper) in FY 2023 came to 98.87 million yen, down 4.8% year on year. As net sales increase, the effects of strengthening ISO activities such as efficient resource utilization are becoming apparent.

Number of patent and design registrations



The number of patents in FY 2023 increased by one year on year to seven, while the number of design registrations decreased by 11 to two. Meanwhile, the number of patent applications was 16 and the number of design applications was 15.