

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

This consolidated financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures are in Japanese yen rounded down to the nearest million.

PERFORMANCE

(1) Business Results

(Millions of yen, except per share figures)

	Jan.-Dec. 2023	Jan.-Dec. 2022	Change
Net sales	541,211	516,085	4.9%
Operating income	12,453	15,435	(19.3%)
Ordinary income	15,785	20,397	(22.6%)
Net income	(20,045)	19,740	-
Net income/share (yen)	(127.61)	121.06	
Diluted net income/share (yen)	-	121	
Return on equity (%)	(7.8)	7.6	
Ordinary income to total assets (%)	2.5	3.3	
Operating income to net sales (%)	2.3	3.0	

(Note) Comprehensive income

Fiscal year ended December 31, 2023: (¥6,523) million

Fiscal year ended December 31, 2022: ¥21,143 million

(Reference) Equity in earnings of non-consolidated subsidiaries and affiliates

Fiscal year ended December 31, 2023: ¥4,639 million

Fiscal year ended December 31, 2022: ¥3,656 million

(2) Financial Position (Millions of yen, except per share figures)

	Dec. 2023	Dec. 2022
Total assets	672,217	616,273
Net assets	276,578	278,498
Shareholders' equity to total assets	37.3%	42.8%
Net assets/share (yen)	1,595.00	1,679.53

(Reference) Shareholders' equity at end of period

December 31, 2023: ¥250,597 million

December 31, 2022: ¥263,749 million

(3) Cash Flows (Millions of yen)

	Dec. 2023	Dec. 2022
Operating activities	24,158	19,585
Investing activities	(48,725)	(11,692)
Financing activities	26,954	(8,888)
Cash and cash equivalents at the end of period	49,918	45,092

DIVIDENDS

		Dec. 2022	Dec. 2023	Dec. 2024 (Forecast)
Dividends per share	Interim (yen)	17.00	18.00	18.00
	Year-end (yen)	17.00	18.00	18.00
	Annual (yen)	34.00	36.00	36.00
Total amount of dividend payment (mil. of yen)		5,462	5,656	
Dividends payout ratio (consolidated)		28.1%	-	29.8%
Dividends to net assets ratio (consolidated)		2.1%	2.2%	

FORECAST OF RESULTS FOR THE YEAR ENDING DEC. 31, 2024

Millions of yen, except per share figures; percentages indicate year-on-year change)

	Year ending Dec. 31, 2024	
	Full-year	Change
Net sales	513,000	(5.2%)
Operating income	24,000	92.7%
Ordinary income	26,000	64.7%
Net income	19,000	-
Net income/share (Yen)	120.93	

OTHER IMPORTANT INFORMATION

- (1) Important subsidiary changes during term under review (changes to specific subsidiaries pursuant to changes in scope of consolidation): Yes
 Inclusion: 1 (company name) Hitachi Kokusai Electric Inc.
 Exclusion: 4 (company name) TMD FRICTION HOLDINGS (UK) LTD.
 TMD FRICTION UK LTD.
 TMD FRICTION DO BRASIL S.A.
 TMD FRICTION MEXICO S.A. DE C.V.
- (2) Changes in accounting policy, changes in accounting estimation, amended restatement
 - (i) Changes in accounting policy due to revision of accounting standards, etc.: Yes
 - (ii) Changes in accounting policy for reasons other than (i): No
 - (iii) Changes in accounting estimation: No
 - (iv) Amended restatement: No
- (3) Number of shares issued (common stock)
 - (i) Number of shares issued including treasury stock shares

As of December 31, 2023:	169,192,654 shares
As of December 31, 2022:	169,120,014 shares
 - (ii) Number of treasury stock shares

As of December 31, 2023:	12,077,767 shares
As of December 31, 2022:	12,081,848 shares
 - (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2023:	157,085,857 shares
Fiscal year ended December 31, 2022:	163,065,449 shares

(Notes)

Explanation of appropriate use of performance forecasts and other special items

This document contains forecasts of performance and other projections based on information currently available and certain assumptions judged by Nisshinbo to be reasonable. Actual performance may materially differ from these projections as a result of changes in the economic environment and other risks and uncertainties.