

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]



April 28, 2022

Company name: Daihatsu Diesel Mfg. Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6023

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Scheduled date of Annual General Meeting of Shareholders: June 29, 2022

Scheduled date of commencing dividend payments: June 30, 2022

Scheduled date of filing annual securities report: June 29, 2022

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

|                   | Net sales   |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        |
|-------------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|
|                   | Million yen | %     | Million yen      | %      | Million yen     | %      | Million yen                             | %      |
| Fiscal year ended |             |       |                  |        |                 |        |   |        |
| March 31, 2022    | 57,599      | 1.5   | 2,092            | 110.4  | 2,506           | 118.1  | 1,968                                   | 176.4  |
| March 31, 2021    | 56,745      | (5.6) | 994              | (62.8) | 1,149           | (60.6) | 712                                     | (64.3) |

(Note) Comprehensive income: Fiscal year ended March 31, 2022: 2,330 million yen [135.0%]

Fiscal year ended March 31, 2021: 991 million yen [(47.2)%]

|                   | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets | Operating profit to net sales |
|-------------------|--------------------------|----------------------------|--------------------------|---------------------------------|-------------------------------|
| Fiscal year ended | Yen                      | Yen                        | %                        | %                               | %                             |
| March 31, 2022    | 62.01                    | -                          | 4.7                      | 3.0                             | 3.6                           |
| March 31, 2021    | 22.43                    | -                          | 1.7                      | 1.4                             | 1.8                           |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: 13 million yen

Fiscal year ended March 31, 2021: 43 million yen

### (2) Consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2022 | 89,268       | 43,069      | 48.2         | 1,354.99             |
| As of March 31, 2021 | 80,381       | 41,214      | 51.2         | 1,296.22             |

(Reference) Equity: As of March 31, 2022: 43,030 million yen

As of March 31, 2021: 41,166 million yen

### (3) Consolidated Cash Flows

|                   | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|-------------------|---|---|---|--|
| Fiscal year ended | Million yen   | Million yen   | Million yen   | Million yen                                |
| March 31, 2022    | 7,870   | (1,300)   | 84  | 26,354                                     |
| March 31, 2021    | 3,035   | (1,847)   | (2,310)   | 19,509                                     |

## 2. Dividends

|  | Annual dividends |                 |                 |          |       | Total dividends | Payout ratio<br>(consolidated) | Dividends to net assets<br>(consolidated) |
|--|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
|  | 1st quarter-end  | 2nd quarter-end | 3rd quarter-end | Year-end | Total |                 |                                |   |
| Fiscal year ended                                  | Yen              | Yen             | Yen             | Yen      | Yen   | Million yen     | %                              | %   |
| March 31, 2021                                     | -                | 0.00            | -               | 15.00    | 15.00 | 476             | 66.9                           | 1.2                                       |
| March 31, 2022                                     | -                | 0.00            | -               | 15.00    | 15.00 | 476             | 24.2                           | 1.1                                       |
| Fiscal year ending<br>March 31, 2023<br>(Forecast) | -                | 0.00            | -               | 15.00    | 15.00 |                 | 21.7                           |   |

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

|            | Net sales   |      | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        | Basic earnings per share |
|------------|-------------|------|------------------|--------|-----------------|--------|---|--------|--------------------------|
|            | Million yen | %    | Million yen      | %      | Million yen     | %      | Million yen                             | %      | Yen                      |
| First half | 29,000      | 24.1 | 200              | (38.3) | 200             | (67.6) | 200                                     | (66.6) | 6.27                     |
| Full year  | 65,000      | 12.8 | 2,700            | 29.0   | 2,700           | 7.7    | 2,200                                   | 11.8   | 69.07                    |

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - March 31, 2022: 31,850,000 shares
    - March 31, 2021: 31,850,000 shares
  - 2) Total number of treasury shares at the end of the period:
    - March 31, 2022: 93,335 shares
    - March 31, 2021: 90,935 shares
  - 3) Average number of shares during the period:
    - Fiscal Year ended March 31, 2022: 31,738,730 shares
    - Fiscal Year ended March 31, 2021: 31,740,671 shares

(Reference) Summary of Non-consolidated Financial Results

## 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

|                   | Net sales   |       | Operating profit |   | Ordinary profit |        | Profit      |        |
|-------------------|-------------|-------|------------------|---|-----------------|--------|-------------|--------|
| Fiscal year ended | Million yen | %     | Million yen      | % | Million yen     | %      | Million yen | %      |
| March 31, 2022    | 50,292      | 1.8   | (149)            | - | 1,936           | 403.8  | 2,188       | 201.5  |
| March 31, 2021    | 49,409      | (5.4) | (1,421)          | - | 384             | (76.1) | 725         | (51.1) |

|                   | Basic earnings per share |  | Diluted earnings per share |  |
|-------------------|--------------------------|--|----------------------------|--|
| Fiscal year ended | Yen                      |  | Yen                        |  |
| March 31, 2022    | 68.94                    |  | -                          |  |
| March 31, 2021    | 22.86                    |  | -                          |  |

(2) Non-consolidated Financial Position

|                      | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
|                      | Million yen  | Million yen | %            | Yen                  |
| As of March 31, 2022 | 81,167       | 35,417      | 43.6         | 1,115.26             |
| As of March 31, 2021 | 73,120       | 33,666      | 46.0         | 1,060.05             |

(Reference) Equity: As of March 31, 2022: 35,417 million yen  
As of March 31, 2021: 33,666 million yen

## 2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

|            | Net sales   |      | Ordinary profit |        | Profit      |        | Basic earnings per share |  |
|------------|-------------|------|-----------------|--------|-------------|--------|--------------------------|--|
|            | Million yen | %    | Million yen     | %      | Million yen | %      | Yen                      |  |
| First half | 25,000      | 24.9 | 700             | (58.6) | 1,000       | (45.6) | 31.39                    |  |
| Full year  | 57,000      | 13.3 | 1,700           | (12.2) | 1,800       | (17.7) | 56.51                    |  |

\* These consolidated financial results are outside the scope of audit conducted by a certified public accountant or audit corporation.

\* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements)

The financial results forecasts and other forward-looking statements herein are based on information and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “1. Summary of Operating Results and Others (4) Future Prospects” on page 4 (Japanese original) of the attached material for the assumptions the financial results forecasts are based on, and notes on their use.

(How to obtain supplementary briefing material on annual financial results and information on the briefing session)

A briefing session for institutional investors and analysts is scheduled to be held on Wednesday, May 25, 2022. The briefing materials will be posted on the Company’s website after the session.

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## 1. Summary of Operating Results, etc.

### (1) Summary of Operating Results for the Fiscal Year under Review

During the consolidated fiscal year under review, the Japanese economy continued to remain uncertain due to the rapid spread of the novel coronavirus (COVID-19) by new variant, manifestation of supply-demand imbalance of raw materials, etc., ongoing depreciation of the yen, increased geopolitical risks due to Russia's invasion of Ukraine, etc. while there were some signs of recovery due to the gradual resumption of economic activities owing to the spreading of vaccination against COVID-19, etc. and progress in economic stimulus measures.

In the shipbuilding and maritime industry, the primary industry in which the Company makes its sales, global new shipbuilding completions during 2021 was 60,000 thousand gross tons, a 2.9% increase year-on-year, while order volume for new vessels increased to 85,070 thousand gross tons, a 106.5% increase year-on-year, against the backdrop of an improvement in the willingness to invest by ship-owners who had restrained their orders last year, in response to the soaring marine transportation market and a sign of higher vessel prices due to increased cargo volume and disruptions in the marine transport network. Furthermore, in response to the global trend toward decarbonization and heightened environmental awareness, vessels equipped with conventional diesel engines powered by heavy fuel oil are being replaced by vessels equipped with dual fuel engines that can also be fueled by liquefied natural gas (LNG), which emits less CO<sub>2</sub> in the shipbuilding and maritime industry.

Under such a corporate environment, the Group has promoted sales activities that meet diversifying needs, and has made efforts to strengthen its competitiveness by such initiatives as developing new technologies for next-generation fuels to achieve a carbon-neutral society, in anticipation of the growing markets. As a result, consolidated net sales for the fiscal year under review increased by 1.5% year-on-year to 57,599 million yen. In terms of profit, operating profit increased by 110.4% year-on-year to 2,092 million yen, ordinary profit increased by 118.1% year-on-year to 2,506 million yen, and profit attributable to owners of parent increased by 176.4% year-on-year to 1,968 million yen due to recording income taxes-deferred of negative 525 million yen as a result of an increase due to temporary differences.

Performance by business segment of the Company and the consolidated Group for the fiscal year under review are as follows.

#### <Internal combustion engines>

##### 1. Marine-use

Amid a decrease in sales of engines, primarily to the Ministry of Defense, although maintenance-related sales increased, net sales decreased by 2.0% year-on-year to 43,685 million yen, and segment income decreased by 28.9% year-on-year to 2,316 million yen, due to the product lineup of dual fuel engines and advanced development of new fuel-compatible engines, etc.

##### 2. Land-use

Net sales increased by 19.0% year-on-year to 10,192 million yen while a segment income of 1,589 million yen was recorded (a segment loss of 697 million yen in the previous fiscal year) due to factors such as an increase in maintenance-related sales, in addition to an increase in sales of engines.

Consequently, net sales for the segment increased by 1.4% year-on-year to 53,877 million yen, and segment income increased by 52.5% year-on-year to 3,906 million yen.

#### <Other>

##### 1. Industrial machinery-related

In the aluminum wheel division, net sales increased due to the change of sales mix while segment income decreased due to soaring raw materials prices.

##### 2. Real estate leasing-related

In real estate leasing-related, both net sales and segment income decreased slightly.

##### 3. Electricity sales-related

In electricity sales-related, net sales decreased slightly while segment income decreased.

#### 4. Precision parts-related

In precision parts-related, both net sales and segment income decreased.

Consequently, net sales for the segment increased by 3.3% year-on-year to 3,722 million yen, and segment income decreased by 24.9% year-on-year to 418 million yen.

Under the Mid-term Management Plan covering the period from April 1, 2020 to March 31, 2023, the Group has promoted the following four key initiatives to respond to the needs of its customers and achieve sustainable growth.

1. Expand sales domains and increase our share strategically by introducing new products to the market
2. Develop technology with a view to the next-generation energy
3. Improve production efficiency through synergic effects among production bases
4. Establish a solid earnings base and pursue ESG management

During the consolidated fiscal year under review, we have developed and completed a lineup of four forms of dual fuel engines, which are able to operate switching between liquid fuel and gas fuel, in order to further reduce environmental impact. As a result, we received orders for approximately 100 engine units primarily for mega container ships for which conversion to dual fuel is progressing, and automobile carriers.

Furthermore, in order to respond to zero emission ships which are expected to emerge following dual fuel engines, we have focused on the advanced development of engines compatible with new fuels, including ammonia and hydrogen. We are actively working with industry, academia, and government to establish internal combustion engine technologies as the next-generation fuels, as evidenced by the fact that “technology development for hydrogen fuel promotion plants for ocean-going vessels,” proposed jointly with Mitsui E&S Machinery Co., Ltd., has been adopted for the technology development support project for promoting maritime industry intensive collaboration by the Ministry of Land, Infrastructure, Transport and Tourism.

In addition, our Himeji Factory, a newly- build factory constructed in 2018 in anticipation of the shift to large vessels aimed at more efficient marine transport, responds to the rush to build large container ships by enhancing its operating capacity. Through our dual-base production system, comprising the Moriyama Factory, which specializes in the manufacture of small and medium scale engines, and the Himeji Factory, we will strive to achieve more efficient production in the future.

The Group has worked on initiatives that contribute to the achievement of a sustainable society through trusted products and services, under our corporate philosophy of “Creating better society through the power of technology.” However, with the unprecedented pandemic brought on by COVID-19, we are already entering an era of uncertainty in which the future is difficult to predict. In such a volatile and uncertain business environment, we have decided to establish a new long-term vision and five-year plan to implement the management cycle in order to achieve the enhancement of corporate value.

We will endeavor to develop business operations with ESG as the core of our management, to continue to be a sustainable company.

## (2) Summary of Financial Position for the Fiscal Year under Review

In assets as of the end of the fiscal year under review, cash and deposits increased by 6,818 million yen from the end of the previous fiscal year. Notes and accounts receivable - trade, and contract assets increased by 366 million yen, while the turnover period of accounts receivable was 115.0 days (compared with 118.6 days at the end of the previous fiscal year). In addition, inventories increased by 1,960 million yen while the turnover period was 74.2 days (compared with 76.2 days at the end of the previous fiscal year). Meanwhile, property, plant and equipment decreased by 610 million yen compared with the end of the previous fiscal year. As a result, total assets as of March 31, 2022 amounted to 89,268 million yen, an increase of 8,886 million yen compared with the end of the previous fiscal year.

In liabilities, notes and accounts payable - trade and electronically recorded obligations - operating in total increased by 2,734 million yen from the end of the previous fiscal year while their turnover period was 69.2 days (compared with 74.0 days at the end of the previous fiscal year). In addition, short-term borrowings and long-term

borrowings in total increased by 1,054 million yen due to newly raising working capital, etc. The ratio of interest-bearing liabilities (excluding lease liabilities) to net sales at the end of the current fiscal year was 24.8%, an increase of 1.4 point from the end of the previous fiscal year. As a result, total liabilities increased by 7,031 million yen from the end of the previous fiscal year to 46,199 million yen.

In net assets, retained earnings increased by 1,491 million yen compared to the end of the previous fiscal year to 38,393 million yen. Total net assets increased by 1,854 million yen compared to the end of the previous fiscal year to 43,069 million yen. As a result, the equity ratio at the end of the fiscal year under review was 48.2%.

### (3) Summary of Cash Flows for the Fiscal Year under Review

Changes in cash and cash equivalents (hereinafter referred to as “capital”) at the end of the fiscal year under review are as follows.

Cash flows from operating activities resulted in a cash inflow of 7,870 million yen, cash flows from investing activities resulted in a cash outflow of 1,300 million yen, and cash flows from financing activities resulted in a cash inflow of 84 million yen. As a result, capital increased by 6,844 million yen (a decrease of 986 million yen as of the end of the previous fiscal year).

#### - Cash flows from operating activities

Cash flows from operating activities resulted in a cash inflow of 7,870 million yen (a cash inflow of 3,035 million yen as of the end of the previous fiscal year) due to securing profit before income taxes of 2,761 million yen by recording sales primarily of marine-use internal combustion engines, recording of depreciation of 2,808 million yen, and an increase in trade payables of 2,527 million yen while recording a decrease in inventories of 1,959 million yen, a decrease in trade receivables of 167 million yen, and a decrease in income taxes paid of 797 million yen.

#### - Cash flows from investing activities

Cash flows from investing activities resulted in a cash outflow of 1,300 million yen (a cash outflow of 1,847 million yen as of the end of the previous fiscal year) due to purchase of property, plant and equipment of 1,378 million yen as a result of capital investment, etc.

#### - Cash flows from financing activities

Cash flows from financing activities resulted in a cash inflow of 84 million yen (a cash outflow of 2,310 million yen as of the end of the previous fiscal year) due to proceeds from long-term borrowings of 4,300 million yen for the purpose of raising working capital, etc. while recording repayments of long-term borrowings of 3,325 million yen, repayments of finance lease liabilities of 455 million yen, and dividends paid of 476 million yen.

### (4) Outlook for the Future

Concerning the outlook of the Group for the next fiscal year, an overall year-on-year increase is expected in net sales.

Regarding sales of marine-use engines, in response to strong orders for large-scale auxiliary engines for container ships, we plan to increase production at the Himeji Factory, a dedicated large-scale engine factory. Sales of dual fuel engines have also increased significantly, replacing sales from conventional diesel engines. Average sales price per engine has risen and we expect a year-on-year increase in net sales for commercial-use engines. We also expect that net sales of engines to the Ministry of Defense will increase.

Sales and production of large-scale engines as a percentage of total classes of engine are expected to increase, and inventories at the end of March 2023 are expected to be higher than at the end of March 2022. Accordingly, we will continue to shorten production lead time and radically control inventories.

We assume that maintenance-related sales will not recover to the levels seen prior to the COVID-19 pandemic due to many unstable factors including the emergence of new COVID variant and lockdowns in China while there are signs of recovery from the plunge caused by COVID-19, mainly in Southeast Asia, partly due to the relaxation of restrictions on movement.

Regarding sales of land-use engines, we expect sales to be on the same level as the previous fiscal year, primarily for pumping stations in urban areas (for disaster relief).

The global trend toward decarbonization and responses to rapid digitalization has accelerated similar developments in the vessel sector. In order to respond quickly to such changes in the business environment, we will invest development resources in a focused manner toward the development of next-generation fuel engines and digitalization.

Amid increasing factors of performance instability, such as COVID-19 pandemic, situation in Ukraine, current weakening yen, soaring raw materials prices, we will speed up the strengthening of management structure and strive to enhance profitability through measures such as the selection and focus of management resources and further radical cost reductions while executing advanced investment in a timely manner.

For the six months ending September 30, 2022, the Group forecasts net sales of 29,000 million yen, operating profit of 200 million yen, ordinary profit of 200 million yen, and profit attributable to owners of parent of 200 million yen. For the fiscal year ending March 31, 2023, the Group forecasts net sales of 65,000 million yen, operating profit of 2,700 million yen, ordinary profit of 2,700 million yen, and profit attributable to owners of parent of 2,200 million yen.

## 2. Basic Stance Concerning Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements among companies, the Group prepares its consolidated financial statements using Japanese GAAP.

With regard to International Financial Reporting Standards, the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

|  | As of March 31, 2021 | As of March 31, 2022 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and deposits  | 20,327               | 27,146               |
| Notes and accounts receivable - trade                      | 17,970               | –                    |
| Notes and accounts receivable - trade, and contract assets | –                    | 18,336               |
| Inventories  | 10,725               | 12,685               |
| Other  | 1,639                | 1,896                |
| Allowance for doubtful accounts                            | (11)                 | (6)                  |
| Total current assets                                       | 50,651               | 60,058               |
| Non-current assets   |                      |                      |
| Property, plant and equipment                              |                      |                      |
| Buildings and structures, net                              | 9,646                | 9,133                |
| Machinery, equipment and vehicles, net                     | 5,914                | 5,792                |
| Land   | 5,084                | 5,084                |
| Construction in progress                                   | 387                  | 525                  |
| Other, net   | 891                  | 777                  |
| Total property, plant and equipment                        | 21,925               | 21,314               |
| Intangible assets  | 942                  | 628                  |
| Investments and other assets                               |                      |                      |
| Investment securities                                      | 2,669                | 2,707                |
| Long-term loans receivable                                 | 0                    | –                    |
| Deferred tax assets  | 3,677                | 4,096                |
| Other  | 570                  | 474                  |
| Allowance for doubtful accounts                            | (55)                 | (10)                 |
| Total investments and other assets                         | 6,862                | 7,267                |
| Total non-current assets                                   | 29,730               | 29,209               |
| Total assets   | 80,381               | 89,268               |

(Million yen)

|  | As of March 31, 2021 | As of March 31, 2022 |
|--|----------------------|----------------------|
| <b>Liabilities</b>   |                      |                      |
| Current liabilities  |                      |                      |
| Notes and accounts payable - trade                                   | 5,373                | 6,777                |
| Electronically recorded obligations - operating                      | 4,172                | 5,502                |
| Short-term borrowings  | 6,545                | 4,440                |
| Lease liabilities  | 441                  | 309                  |
| Income taxes payable   | 473                  | 869                  |
| Provision for bonuses  | 625                  | 671                  |
| Provision for bonuses for directors (and other officers)             | 6                    | 35                   |
| Accrued expenses   | 3,271                | 5,050                |
| Other  | 1,193                | 2,474                |
| Total current liabilities  | 22,103               | 26,132               |
| Non-current liabilities  |                      |                      |
| Long-term borrowings   | 6,711                | 9,871                |
| Lease liabilities  | 482                  | 271                  |
| Provision for retirement benefits for directors (and other officers) | 66                   | 34                   |
| Retirement benefit liability   | 7,225                | 7,216                |
| Asset retirement obligations   | 193                  | 194                  |
| Other  | 2,384                | 2,478                |
| Total non-current liabilities  | 17,063               | 20,066               |
| Total liabilities  | 39,167               | 46,199               |
| Net assets   |                      |                      |
| Shareholders' equity   |                      |                      |
| Share capital  | 2,434                | 2,434                |
| Capital surplus  | 2,171                | 2,173                |
| Retained earnings  | 36,901               | 38,393               |
| Treasury shares  | (42)                 | (43)                 |
| Total shareholders' equity   | 41,465               | 42,957               |
| Accumulated other comprehensive income                               |                      |                      |
| Valuation difference on available-for-sale securities                | 247                  | 295                  |
| Deferred gains or losses on hedges                                   | -                    | (7)                  |
| Foreign currency translation adjustment                              | (36)                 | 97                   |
| Remeasurements of defined benefit plans                              | (509)                | (313)                |
| Total accumulated other comprehensive income                         | (298)                | 72                   |
| Non-controlling interests  | 47                   | 39                   |
| Total net assets   | 41,214               | 43,069               |
| Total liabilities and net assets                                     | 80,381               | 89,268               |

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Million yen)

|   | For the fiscal year<br>ended March 31, 2021 | For the fiscal year<br>ended March 31, 2022 |
|---|---|---|
| Net sales   | 56,745                                      | 57,599                                      |
| Cost of sales   | 45,718                                      | 44,318                                      |
| Gross profit  | 11,027                                      | 13,281                                      |
| Selling, general and administrative expenses                  |   |   |
| Selling expenses  | 7,908                                       | 8,956                                       |
| General and administrative expenses                           | 2,124                                       | 2,232                                       |
| Total selling, general and administrative expenses            | 10,032                                      | 11,188                                      |
| Operating profit  | 994   | 2,092                                       |
| Non-operating income  |   |   |
| Interest income   | 8   | 5   |
| Dividend income   | 27  | 37  |
| Share of profit of entities accounted for using equity method | 43  | 13  |
| Foreign exchange gains  | 24  | 101   |
| Outsourcing service income                                    | 26  | 209   |
| Reversal of allowance for doubtful accounts                   | 2   | 5   |
| Miscellaneous income  | 140   | 163   |
| Total non-operating income                                    | 274   | 536   |
| Non-operating expenses  |   |   |
| Interest expenses   | 91  | 86  |
| Miscellaneous losses  | 27  | 35  |
| Total non-operating expenses                                  | 119   | 122   |
| Ordinary profit   | 1,149                                       | 2,506                                       |
| Extraordinary income  |   |   |
| Gain on sale of non-current assets                            | 1   | 4   |
| National subsidies  | 88  | 81  |
| Subsidy income  | 97  | 178   |
| Other   | 13  | –   |
| Total extraordinary income                                    | 200   | 264   |
| Extraordinary losses  |   |   |
| Loss on abandonment of non-current assets                     | 16  | 9   |
| Loss on sale of non-current assets                            | 0   | –   |
| Loss on valuation of investment securities                    | 7   | –   |
| Total extraordinary losses                                    | 24  | 9   |
| Profit before income taxes                                    | 1,325                                       | 2,761                                       |
| Income taxes - current  | 785   | 1,327                                       |
| Income taxes - deferred                                       | (173)                                       | (525)                                       |
| Total income taxes  | 612   | 802   |
| Profit  | 713   | 1,959                                       |
| Profit attributable to non-controlling interests              | 1   | (8)   |
| Profit attributable to owners of parent                       | 712   | 1,968                                       |

## Consolidated Statements of Comprehensive Income

(Million yen)

|  | For the fiscal year<br>ended March 31, 2021 | For the fiscal year<br>ended March 31, 2022 |
|--|---|---|
| Profit   | 713   | 1,959                                       |
| Other comprehensive income   |   |   |
| Valuation difference on available-for-sale securities                                | 91  | 47  |
| Deferred gains or losses on hedges   | –   | (8)   |
| Foreign currency translation adjustment  | 42  | 86  |
| Remeasurements of defined benefit plans, net of tax                                  | 82  | 195   |
| Share of other comprehensive income of entities<br>accounted for using equity method | 61  | 49  |
| Total other comprehensive income   | 278   | 370   |
| Comprehensive income   | 991   | 2,330                                       |
| Comprehensive income attributable to   |   |   |
| Comprehensive income attributable to owners of parent                                | 990   | 2,338                                       |
| Comprehensive income attributable to non-controlling<br>interests                    | 1   | (8)   |

(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2021

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                                     | 2,434                | 2,191           | 36,578            | (28)            | 41,175                     |
| Changes during period  |                      |                 |                   |                 |                            |
| Dividends of surplus   |                      |                 | (477)             |                 | (477)                      |
| Profit attributable to owners of parent                            |                      |                 | 712               |                 | 712                        |
| Purchase of treasury shares  |                      |                 |                   | (62)            | (62)                       |
| Disposal of treasury shares  |                      | (4)             |                   | 47              | 42                         |
| Transfer of loss on disposal of treasury shares                    |                      | 4               | (4)               |                 | –                          |
| Change from merger of consolidated and unconsolidated subsidiaries |                      | (19)            | 93                |                 | 73                         |
| Net changes in items other than shareholders' equity               |                      |                 |                   |                 |                            |
| Total changes during period  | –                    | (19)            | 323               | (14)            | 289                        |
| Balance at end of period   | 2,434                | 2,171           | 36,901            | (42)            | 41,465                     |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period                                     | 155   | –                                  | (141)                                   | (591)                                   | (576)  | 46                        | 40,645           |
| Changes during period  |   |                                    |   |   |  |                           |                  |
| Dividends of surplus   |   |                                    |   |   |  |                           | (477)            |
| Profit attributable to owners of parent                            |   |                                    |   |   |  |                           | 712              |
| Purchase of treasury shares  |   |                                    |   |   |  |                           | (62)             |
| Disposal of treasury shares  |   |                                    |   |   |  |                           | 42               |
| Transfer of loss on disposal of treasury shares                    |   |                                    |   |   |  |                           | –                |
| Change from merger of consolidated and unconsolidated subsidiaries |   |                                    |   |   |  |                           | 73               |
| Net changes in items other than shareholders' equity               | 91  | –                                  | 104                                     | 82                                      | 278  | 1                         | 279              |
| Total changes during period  | 91  | –                                  | 104                                     | 82                                      | 278  | 1                         | 569              |
| Balance at end of period   | 247   | –                                  | (36)                                    | (509)                                   | (298)  | 47                        | 41,214           |

For the fiscal year ended March 31, 2022

(Million yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                                     | 2,434                | 2,171           | 36,901            | (42)            | 41,465                     |
| Changes during period  |                      |                 |                   |                 |                            |
| Dividends of surplus   |                      |                 | (476)             |                 | (476)                      |
| Profit attributable to owners of parent                            |                      |                 | 1,968             |                 | 1,968                      |
| Purchase of treasury shares  |                      |                 |                   | (37)            | (37)                       |
| Disposal of treasury shares  |                      | 1               |                   | 36              | 38                         |
| Transfer of loss on disposal of treasury shares                    |                      |                 |                   |                 |                            |
| Change from merger of consolidated and unconsolidated subsidiaries |                      |                 |                   |                 |                            |
| Net changes in items other than shareholders' equity               |                      |                 |                   |                 |                            |
| Total changes during period  | —                    | 1               | 1,491             | (1)             | 1,492                      |
| Balance at end of period   | 2,434                | 2,173           | 38,393            | (43)            | 42,957                     |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period                                     | 247   | —                                  | (36)                                    | (509)                                   | (298)  | 47                        | 41,214           |
| Changes during period  |   |                                    |   |   |  |                           |                  |
| Dividends of surplus   |   |                                    |   |   |  |                           | (476)            |
| Profit attributable to owners of parent                            |   |                                    |   |   |  |                           | 1,968            |
| Purchase of treasury shares  |   |                                    |   |   |  |                           | (37)             |
| Disposal of treasury shares  |   |                                    |   |   |  |                           | 38               |
| Transfer of loss on disposal of treasury shares                    |   |                                    |   |   |  |                           | —                |
| Change from merger of consolidated and unconsolidated subsidiaries |   |                                    |   |   |  |                           | —                |
| Net changes in items other than shareholders' equity               | 47  | (7)                                | 134                                     | 195                                     | 370  | (8)                       | 362              |
| Total changes during period  | 47  | (7)                                | 134                                     | 195                                     | 370  | (8)                       | 1,854            |
| Balance at end of period   | 295   | (7)                                | 97                                      | (313)                                   | 72   | 39                        | 43,069           |

## (4) Consolidated Statements of Cash Flows

(Million yen)

|  | For the fiscal year<br>ended March 31, 2021 | For the fiscal year<br>ended March 31, 2022 |
|--|---|---|
| <b>Cash flows from operating activities</b>  |   |   |
| Profit before income taxes   | 1,325                                       | 2,761                                       |
| Depreciation   | 2,771                                       | 2,808                                       |
| Increase (decrease) in allowance for doubtful accounts   | (2)   | (50)  |
| Increase (decrease) in provision for bonuses   | (48)  | 45  |
| Increase (decrease) in provision for bonuses for directors<br>(and other officers)             | (45)  | 29  |
| Increase (decrease) in retirement benefit liability  | 268   | 116   |
| Increase (decrease) in provision for retirement benefits<br>for directors (and other officers) | (9)   | (32)  |
| Interest and dividend income   | (36)  | (43)  |
| Interest expenses  | 91  | 86  |
| Loss (gain) on valuation of investment securities  | 7   | –   |
| Loss (gain) on sale of property, plant and equipment   | (0)   | (4)   |
| Loss on abandonment of non-current assets  | 16  | 9   |
| Decrease (increase) in trade receivables   | 919   | (167)                                       |
| Decrease (increase) in inventories   | 2,249                                       | (1,959)                                     |
| Increase (decrease) in trade payables  | (3,989)                                     | 2,527                                       |
| Increase/decrease in consumption taxes<br>payable/consumption taxes refund receivable          | 428   | (467)                                       |
| Increase (decrease) in guarantee deposits received   | (3)   | 85  |
| Other, net   | 323   | 2,963                                       |
| Subtotal   | 4,266                                       | 8,709                                       |
| Interest and dividends received  | 36  | 43  |
| Interest paid  | (91)  | (84)  |
| Income taxes paid  | (1,176)                                     | (797)                                       |
| Net cash provided by (used in) operating activities  | 3,035                                       | 7,870                                       |
| <b>Cash flows from investing activities</b>  |   |   |
| Purchase of property, plant and equipment  | (1,785)                                     | (1,378)                                     |
| Proceeds from sale of property, plant and equipment  | 9   | 15  |
| Purchase of intangible assets  | (123)                                       | (61)  |
| Proceeds from sale of investment securities  | 31  | –   |
| Proceeds from collection of loans receivable   | 0   | 0   |
| Proceeds from withdrawal of time deposits  | 698   | 921   |
| Payments into time deposits  | (678)                                       | (797)                                       |
| Net cash provided by (used in) investing activities  | (1,847)                                     | (1,300)                                     |

(Million yen)

|  | For the fiscal year<br>ended March 31, 2021 | For the fiscal year<br>ended March 31, 2022 |
|--|---|---|
| Cash flows from financing activities   |   |   |
| Proceeds from long-term borrowings   | –   | 4,300                                       |
| Repayments of long-term borrowings   | (1,235)                                     | (3,325)                                     |
| Purchase of treasury shares  | (62)  | (37)  |
| Dividends paid   | (477)                                       | (476)                                       |
| Net increase (decrease) in short-term borrowings   | –   | 80  |
| Repayments of finance lease liabilities  | (535)                                       | (455)                                       |
| Net cash provided by (used in) financing activities  | (2,310)                                     | 84  |
| Effect of exchange rate change on cash and cash equivalents                                  | 67  | 190   |
| Net increase (decrease) in cash and cash equivalents   | (1,054)                                     | 6,844                                       |
| Cash and cash equivalents at beginning of period   | 20,495                                      | 19,509                                      |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | 68  | –   |
| Cash and cash equivalents at end of period   | 19,509                                      | 26,354                                      |

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in accounting policy)

(Application of Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the “Revenue Recognition Accounting Standard”) has been applied from the beginning of the fiscal year under review, whereby revenue shall be recognized by the amount of money expected to be received in exchange for goods or services at the point where control of the agreed goods or services is transferred to the customer.

Further, alternative treatments as stipulated in Paragraph 98 of the “Implementation Guidance on Accounting Standard for Revenue Recognition” have been applied to domestic sales of merchandise or products, for which revenue will be recognized at the point of shipment if the period from shipping to the point where control of the merchandise or products is transferred to the customer is a standard period.

The application of the Revenue Recognition Accounting Standard, etc. has been in accordance with the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard, whereby the cumulative effects of retroactively applying the new accounting policy prior to the beginning of the fiscal year under review has been added to, or subtracted from the retained earnings at the beginning of the fiscal year under review, with the new accounting policy being applied from the balance at the beginning of the fiscal year. However, by applying the method stipulated in Paragraph 86 of the Revenue Recognition Accounting Standard, the new accounting policy has not been retroactively applied to contracts for which almost all revenue amounts had been recognized in accordance with the previous treatment prior to the beginning of the fiscal year under review. In addition, by applying the methods stipulated in additional item (1) under Paragraph 86 of the Revenue Recognition Accounting Standard, accounting treatment has been applied to contract changes made prior to the beginning of the fiscal year under review in accordance with the contractual conditions after all the contract changes have been reflected, and the cumulative effects of this has been added to, or subtracted from, the retained earnings at the beginning of the fiscal year under review.

The impact to profit and loss for the fiscal year under review and retained earnings at the beginning of the fiscal year under review from applying the Revenue Recognition Accounting Standard, etc. is minor,

Due to the application of the Revenue Recognition Accounting Standard, etc., “Notes and accounts receivable - trade” as presented under “Current assets” on the “Consolidated Balance Sheets” for the previous fiscal year has been included in “Notes and accounts receivable - trade, and contract assets” from the fiscal year under review. In accordance with the transitional treatment as stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, reclassification of accounts under the new display method has not been made for the previous fiscal year.

(Application of accounting standards for calculating fair market values)

From the beginning of the fiscal year under review, the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the “Fair Value Measurement Accounting Standard”) has been applied, and in accordance with the transitional treatments stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), a new accounting policy as stipulated by the Fair Value Measurement Accounting Standard shall be applied going forward. This shall have no impact on the consolidated financial statements.

(Segment information, etc.)

(Segment information)

### 1. Description of reportable segments

The reportable segments of the Company categorize the business composition of the Company with respect to financial information and are based on the financial reporting for performance evaluation with regard to annual business plan for each business at periodical meetings of the Board of Directors.

The Company's main business is the manufacture and sale of internal combustion engines; it also provides products that are not related to internal combustion engines to certain affiliates, and conducts business to utilize the real estate held by the Company.

The operative conditions of internal combustion engines, which comprise the majority of the Company's business, are significantly different between marine-use and land-use, and the Company conducts management and evaluation by categorizing production, sales, and after-sales service business activities for engines into marine-use and land-use.

As a result, the Company's reportable segments are Marine-use engines and Land-use engines.

### 2. Method for calculating net sales, profit (loss), assets, liabilities, and other by reportable segment

The accounting method used for reportable business segments is a method that is in compliance with the accounting principles and procedures adopted for the preparation of consolidated financial statements.

Reportable segment income figures are based on operating profit.

Assets and liabilities are not stated because they are not subject to review by the Board of Directors to determine the allocation of management resources and evaluate achievement.

### 3. Information on net sales, profit (loss), assets, liabilities, and other by reportable segment

For the fiscal year ended March 31, 2021

|  | Reportable segment    |                     |        | Other<br>(Notes)*1 | Total  | Adjustment<br>(Notes) *2 | Amount<br>recorded in<br>Consolidated<br>Financial<br>Statements<br>(Notes)*3 |
|--|-----------------------|---------------------|--------|--------------------|--------|--------------------------|---|
|  | Marine-use<br>engines | Land-use<br>engines | Total  |                    |        |                          |   |
| Net sales                                |                       |                     |        |                    |        |                          |   |
| (1) Net sales to outside customers       | 44,573                | 8,567               | 53,140 | 3,605              | 56,745 | -                        | 56,745  |
| (2) Inter-segment net sales or transfers | -                     | -                   | -      | -                  | -      | -                        | -   |
| Total                                    | 44,573                | 8,567               | 53,140 | 3,605              | 56,745 | -                        | 56,745  |
| Segment income (loss)                    | 3,259                 | (697)               | 2,561  | 557                | 3,119  | (2,124)                  | 994   |
| Other                                    |                       |                     |        |                    |        |                          |   |
| Depreciation                             | 1,941                 | 385                 | 2,326  | 339                | 2,665  | 106                      | 2,771   |

(Notes) \*1 The "Other" category is a business segment that is not included in reportable segments, and includes the industrial machinery-related business, the real estate leasing-related business, the electricity sales-related business and the precision parts-related business.

\*2 The adjustment for segment income (loss) represents corporate expenses, largely consisting of selling, general and administrative expenses not attributable to the reportable segments.

\*3 Segment income (loss) is adjusted with operating profit on the Consolidated Statements of Income.

\*4 Assets are not allocated to the business segments.

For the fiscal year ended March 31, 2022

(Million yen)

|   | Reportable segment    |                     |        | Other<br>(Notes)*1 | Total  | Adjustment<br>(Notes) *2 | Amount<br>recorded in<br>Consolidated<br>Financial<br>Statements<br>(Notes)*3 |
|---|-----------------------|---------------------|--------|--------------------|--------|--------------------------|---|
|   | Marine-use<br>engines | Land-use<br>engines | Total  |                    |        |                          |   |
| Net sales                                   |                       |                     |        |                    |        |                          |   |
| (1) Net sales to outside<br>customers       | 43,685                | 10,192              | 53,877 | 3,722              | 57,599 | -                        | 57,599  |
| (2) Inter-segment net<br>sales or transfers | -                     | -                   | -      | -                  | -      | -                        | -   |
| Total                                       | 43,685                | 10,192              | 53,877 | 3,722              | 57,599 | -                        | 57,599  |
| Segment income                              | 2,316                 | 1,589               | 3,906  | 418                | 4,324  | (2,232)                  | 2,092   |
| Other<br>Depreciation                       | 1,933                 | 427                 | 2,360  | 341                | 2,702  | 106                      | 2,808   |

(Notes) \*1 The "Other" category is a business segment that is not included in reportable segments, and includes the industrial machinery-related business, the real estate leasing-related business, the electricity sales-related business and the precision parts-related business.

\*2 The adjustment for segment income represents corporate expenses, largely consisting of selling, general and administrative expenses not attributable to the reportable segments.

\*3 Segment income is adjusted with operating profit on the Consolidated Statements of Income.

\*4 Assets are not allocated to the business segments.

(Related information)

For the fiscal year ended March 31, 2021

1. Information by product and service

This is omitted as similar information is disclosed in Segment information.

2. Information by geographical area

1) Net sales

(Million yen)

| Japan  | Asia   | Latin America | Other | Total  |
|--------|--------|---------------|-------|--------|
| 33,843 | 15,615 | 1,382         | 5,903 | 56,745 |

(Note) Country and region categories are based on geographic proximity.

2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of that stated in the consolidated balance sheet.

3. Information by major customer

This is omitted as there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

For the fiscal year ended March 31, 2022

1. Information by product and service

This is omitted, as similar information is disclosed in Segment information.

2. Information by geographical area

1) Net sales

(Million yen)

| Japan  | Asia   | Latin America | Other | Total  |
|--------|--------|---------------|-------|--------|
| 31,633 | 17,936 | 1,709         | 6,319 | 57,599 |

(Note) Country and region categories are based on geographic proximity.

2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of that stated in the consolidated balance sheet.

3. Information by major customer

This is omitted because there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

(Per share information)

| Category                 | For the fiscal year ended March 31, 2021 | For the fiscal year ended March 31, 2022 |
|--------------------------|--|--|
| Net assets per share     | 1,296.22 yen                             | 1,354.99 yen                             |
| Basic earnings per share | 22.43 yen                                | 62.01 yen                                |

(Note) The basis for the calculation of basic earnings per share is as follows.

| Category  | For the fiscal year ended March 31, 2021 | For the fiscal year ended March 31, 2022 |
|---|--|--|
| Basic earnings per share  |  |  |
| Profit attributable to owners of parent (Million yen)                           | 712                                      | 1,968                                    |
| Amount not attributable to shareholders of common shares (Million yen)          | -  | -  |
| Profit attributable to owners of parent relating to common shares (Million yen) | 712                                      | 1,968                                    |
| Average number of shares of common shares outstanding during each fiscal year   | 31,740,671 shares                        | 31,738,730 shares                        |

(Note) Diluted earnings per share are not presented as there is no share outstanding with dilutive effect.

(Significant subsequent events)

Not applicable.

#### 4. Other

##### (1) Status of Production, Orders Received, and Sales

###### 1) Production

Production by segment for the current fiscal year is as follows:

(Million yen)

| Segment                     | Volume     | Amount | Year-on-year change |
|-----------------------------|------------|--------|---------------------|
|                             |            |        | %                   |
| Internal combustion engines | Horsepower |        |                     |
| Marine-use engines          | 1,071,501  | 43,685 | (2.0)               |
| Land-use engines            | 77,106     | 10,192 | 19.0                |
| Other                       | -          | 3,096  | 4.0                 |
| Total                       |            | 56,973 | 1.5                 |

(Notes)

\*1 Amounts are based on sales prices.

\*2 The figures above do not include consumption taxes.

###### 2) Orders received

Orders by segment for the current fiscal year are as follows:

(Million yen)

| Segment                    | Orders received |                    |                     | Order backlogs |                    |                     |
|----------------------------|-----------------|--------------------|---------------------|----------------|--------------------|---------------------|
|                            | Volume          | Amount             | Year-on-year change | Volume         | Amount             | Year-on-year change |
| Internal combustion engine | Horsepower      |                    | %                   | Horsepower     |                    | %                   |
| Marine-use engines         | 1,661,208       | 61,911<br>[36,717] | 46.9                | 1,822,845      | 42,993<br>[23,002] | 73.6                |
| Land-use engines           | 89,136          | 11,012<br>[175]    | 35.3                | 92,179         | 5,557<br>[13]      | 17.3                |
| Other                      | -               | 3,016<br>[-]       | 1.7                 | -              | 598<br>[-]         | (11.8)              |
| Total                      |                 | 75,940<br>[36,892] | 42.6                |                | 49,149<br>[23,016] | 62.8                |

(Notes)

\*1 Amounts are based on sales prices.

\*2 Figures in brackets [ ] indicate export orders received and the balance of export orders outstanding, and are included in totals.

\*3 The figures above do not include consumption taxes.

### 3) Sales results

Sales by segment for the current fiscal year are as follows:

(Million yen)

| Segment                    | Volume     | Amount             | Export ratio | Year-on-year change |
|----------------------------|------------|--------------------|--------------|---------------------|
|                            | Horsepower |                    | %            | %                   |
| Internal combustion engine |            |                    |              |                     |
| Marine-use engines         | 1,071,501  | 43,685<br>[25,490] | 58.4         | (2.0)               |
| Land-use engines           | 77,106     | 10,192<br>[475]    | 4.7          | 19.0                |
| Other                      | -          | 3,722<br>[-]       | -            | 3.3                 |
| Total                      |            | 57,599<br>[25,966] | 45.1         | 1.5                 |

(Notes)

\*1 Figures in brackets [ ] indicate export volume, and are included in totals.

\*2 Major export destinations and compositions are as follows:

Asia (69.1%), Europe (19.9%), Latin America (6.6%), North America (2.6%), Others (1.8%)

\*3 The “Other” segment includes precision parts-related (1,367 million yen), industrial machinery-related (1,728 million yen) and real estate leasing-related (626 million yen).

\*4 The figures above do not include consumption taxes.

### (2) Changes in Directors and Corporate Auditors (Scheduled on June 29, 2022)

#### 1. Retiring Directors:

Shinichi Nanba (currently Director and Managing Executive Officer)

Tomohiro Miyoshi (currently Director and Managing Executive Officer)

Noriyoshi Matsushita (currently Director)

(Reference)

New Management Team (Scheduled on June 29, 2022)

(Directors)

Chairman Shigeki Kinoshita

President and Representative Yoshinobu Hotta

Director

Director and Managing Executive Officer Takashi Mizushina

Director and Managing Executive Officer Toshiki Sanaga

Outside Director Tamon Tsuda (currently Representative, Tsuda CPA Office)

Outside Director Kazuo Komatsu (currently Attorney-at-law, Kitahama Partners, Foreign Law Joint Enterprise)

Outside Director Hiroko Ameno (currently Professor, Faculty of Business and Commerce, Kansai University)

(Statutory Auditors)

Standing Statutory Auditor

Atsumi Masada

Outside Statutory Auditor

Norihide Bessyo (currently Standing Statutory Auditor,  
Daihatsu Motor Co., Ltd.)

Outside Statutory Auditor

Kunihiro Morimoto (currently General Manager, Sales CS Division,  
Daihatsu Motor Co., Ltd.)

(Executive Officers)

Managing Executive Officer

Yoichi Hayata

Managing Executive Officer

Hideki Asada

Managing Executive Officer

Shinichi Nanba

Managing Executive Officer

Tomohiro Miyoshi

Managing Executive Officer

Masaki Hama

Executive Officer

Tetsuya Bando

Executive Officer

Shuji Kawano

Executive Officer

Shunji Minami

Executive Officer

Norihiko Kashimura

Executive Officer

Takahiko Masuda

Executive Officer

Hideharu Nagasawa