

Q&As at the financial results briefing meeting for analysts on November 28
(1st half of the year ending March 2024)

Q. Automotive Suspension Springs looks slow to recover. Could you tell us in a little more detail about what the segment would do into the second half and the next fiscal year?

A. We are now in the process of negotiating on auxiliary material costs and material price hikes, and recoveries for them were assumed for the second half.

Q. I note fixed costs are on the rise in the second half. Could you tell us whether climbing fixed costs in comparison to the past is a reflection of the fact that your firm is not doing well in North America?

A. The numbers involved take labor costs and employment securement into account.

Q. It appears profitability is projected to be achieved in the second half. Am I right to think that it has yet to be actually achieved and that it was projected on the assumption of collections toward the end of the period? If that is the case, what should we expect for the next fiscal year?

A. You are right to think so. The next fiscal year should see profits increase in the form of unit price reflections.

Q. Could you tell us what to make of the plan with regard to whether the second half plan expects a buffer?

A. No buffer was expected. We had previously expected HDDs and semiconductors to recover from the second half. However, despite a moderate recent recovery, we now do not expect them to surge from the second half. The Automotive Suspension Springs business will likely see its North American fixed costs improve compared to the first half of FY2023 despite deteriorating compared to the second half of FY2022. Although recoveries for selling prices were factored into our second half plan, there will be no buffer, in our view.

Q. Could you tell us about the state of the order intake for motor cores and your readiness for it.

A. We have begun to take motor core orders related to car models that will be rolled out in 2025 and 2026. There has been a long delivery time on new buildings and press facilities, but we are seeking to shorten the delivery times for buildings and have placed advance orders for press facilities. Through taking such steps, we are currently managing to meet delivery dates that customers require.

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