



May 12, 2021

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Notice Regarding the Recording of Reversal of Allowance for Doubtful Accounts in the Non-consolidated Financial Statement

In the company's non-consolidated financial statement for the fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021), a reversal of allowance for doubtful accounts was recorded for the loans made to a consolidated subsidiary.

1. Details of the reversal of allowance for doubtful accounts

As announced on February 4, 2021 in the "Notice Regarding the Recording of Provision of Allowance for Doubtful Accounts in the Non-consolidated Financial Statement", provision of allowance for doubtful accounts was recorded in FY2020 Q3 in the non-consolidated financial statement for the loans made to the company's consolidated subsidiary Furukawa Automotive Systems Inc. However, as a result of conducting a capital increase of JPY 7,500 million to Furukawa Automotive Systems Inc., it was decided to draw down the allowance for doubtful accounts and record a reversal of JPY 6,042 million in FY2020 Q4 in the non-consolidated financial statement.

2. Impact on the financial results

The above reversal of allowance for doubtful accounts was recorded as non-operating income in the non-consolidated financial statement, but because it will be written off in the consolidated financial statement, there will be no impact on the consolidated results.

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