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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 5, 2024

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 Listing: Tokyo, Nagoya
 Securities code: 6651
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

President and COO
 General Manager of Accounting Department

(Note)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	38,742	12.6	1,601	(9.6)	1,996	(2.6)	3,704	167.8
June 30, 2023	34,416	12.6	1,771	428.0	2,049	130.8	1,383	257.7

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 4,024 million [77.7%]
 Three months ended June 30, 2023: ¥ 2,264 million [152.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	97.67	-
June 30, 2023	36.47	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	171,392	109,958	62.6
March 31, 2024	161,742	108,696	67.1

(Reference) Equity: As of June 30, 2024: ¥ 107,332 million
 As of March 31, 2024: ¥ 108,488 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	72.00	-	158.00	230.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		64.00	-	64.00	128.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Explanation of the proper use of financial results forecast and other notes

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	83,000	13.4	4,700	(1.5)	4,900	(5.5)	5,600	57.1	147.64
Full year	180,000	12.0	12,500	4.4	12,500	(0.5)	9,700	11.3	255.73

(Note) Revision to the financial results forecast announced most recently: Yes

The financial results forecast and other forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions that the Company deemed reasonable and the Company does not promise the achievement of those forecasts. Actual results may differ materially due to various factors.

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 (Company name: Tempearl Industrial Co., Ltd. ,)
TEMPEARL INDUSTRIAL (VIETNAM) CO., LTD)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: Yes
- 3) Changes in accounting estimates: Yes
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 40,458,000 shares

March 31, 2024: 40,458,000 shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 2,527,712 shares

March 31, 2024: 2,527,613 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 37,930,327 shares

Three months ended June 30, 2023: 37,930,995 shares

(Note)

The Company has introduced “Board Benefit Trust (BBT)”. The Company’s shares in the BBT, which are reported as treasury shares under Shareholders’ equity, are counted as the number of treasury shares as of the average number of shares outstanding for the period for the purpose of not including for computing earnings per share.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The financial results forecast and other forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions that the Company deemed reasonable and the Company does not promise the achievement of those forecasts. Actual results may differ materially due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	26,475	26,991
Notes and accounts receivable - trade, and contract assets	39,617	35,843
Merchandise and finished goods	9,526	12,323
Work in process	3,629	5,949
Raw materials and supplies	9,068	11,491
Other	2,720	3,092
Allowance for doubtful accounts	(210)	(218)
Total current assets	90,826	95,473
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,699	26,023
Machinery, equipment and vehicles, net	7,635	11,282
Land	17,413	19,094
Leased assets, net	209	189
Construction in progress	4,565	1,060
Other, net	1,591	2,089
Total property, plant and equipment	56,114	59,740
Intangible assets		
Goodwill	583	545
Other	2,976	3,166
Total intangible assets	3,560	3,711
Investments and other assets		
Investment securities	5,557	6,221
Deferred tax assets	369	491
Retirement benefit asset	3,912	4,114
Other	1,439	1,679
Allowance for doubtful accounts	(36)	(40)
Total investments and other assets	11,241	12,467
Total non-current assets	70,916	75,919
Total assets	161,742	171,392

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,389	14,875
Short-term borrowings	8	9,018
Current portion of long-term borrowings	1,848	3,042
Lease liabilities	154	140
Income taxes payable	3,034	1,319
Provision for bonuses	3,184	1,630
Provision for bonuses for directors (and other officers)	-	16
Provision for loss on liquidation of subsidiaries and associates	64	63
Building Demolition cost allowance	147	147
Asset retirement obligations	55	55
Other	9,899	10,063
Total current liabilities	33,785	40,372
Non-current liabilities		
Long-term borrowings	16,221	17,014
Long-term accounts payable - other	36	36
Lease liabilities	325	319
Deferred tax liabilities	571	1,004
Provision for share awards	101	75
Reserve for dismantling of buildings	230	230
Provision for retirement benefits for directors (and other officers)	-	17
Retirement benefit liability	1,538	2,045
Asset retirement obligations	154	154
Other	80	162
Total non-current liabilities	19,260	21,061
Total liabilities	53,046	61,434
Net assets		
Shareholders' equity		
Share capital	6,578	6,578
Capital surplus	6,986	7,793
Retained earnings	91,728	89,423
Treasury shares	(3,205)	(3,206)
Total shareholders' equity	102,088	100,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,223	2,043
Foreign currency translation adjustment	2,150	2,750
Remeasurements of defined benefit plans	2,025	1,949
Total accumulated other comprehensive income	6,399	6,742
Non-controlling interests	208	2,625
Total net assets	108,696	109,958
Total liabilities and net assets	161,742	171,392

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	34,416	38,742
Cost of sales	25,239	28,301
Gross profit	9,176	10,441
Selling, general and administrative expenses	7,405	8,840
Operating profit	1,771	1,601
Non-operating income		
Interest income	14	2
Dividend income	89	121
Rental income from buildings	21	36
Foreign exchange gains	132	182
Other	46	79
Total non-operating income	304	423
Non-operating expenses		
Interest expenses	10	14
Depreciation	4	7
Other	11	5
Total non-operating expenses	26	27
Ordinary profit	2,049	1,996
Extraordinary income		
Gain on sale of non-current assets	3	2
Gain on liquidation of subsidiaries and associates	64	-
Gain on bargain purchase	-	2,665
Total extraordinary income	68	2,667
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	2
Loss on sale of investment securities	1	-
Total extraordinary losses	6	2
Profit before income taxes	2,111	4,661
Income taxes - current	719	1,001
Income taxes - deferred	16	(16)
Total income taxes	736	984
Profit	1,375	3,676
Loss attributable to non-controlling interests	(8)	(27)
Profit attributable to owners of parent	1,383	3,704

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	1,375	3,676
Other comprehensive income		
Valuation difference on available-for-sale securities	427	(174)
Foreign currency translation adjustment	455	613
Remeasurements of defined benefit plans, net of tax	5	(91)
Total other comprehensive income	888	347
Comprehensive income	2,264	4,024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,267	4,047
Comprehensive income attributable to non-controlling interests	(3)	(23)