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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 13, 2024

Company name: NIHON TOKUSHU TORYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4619

URL: <https://www.nttoryo.co.jp>

Representative: Hiroshi Onda, President, COO

Contact: Yosuke Rikitake, CFO & Managing Executive Officer

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Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date of commencing dividend payments: November 29, 2024

Availability of supplementary explanatory materials on financial results: No

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

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2024	32,567	3.9	1,916	36.4	2,980	15.0	2,114	17.6
September 30, 2023	31,348	12.3	1,404	—	2,590	166.4	1,798	429.8

(Note) Comprehensive income Six months ended September 30, 2024: ¥3,477 million [(26.1)%]

Six months ended September 30, 2023: ¥4,707 million [68.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	97.21	—
September 30, 2023	82.71	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	84,300	62,025	65.9
As of March 31, 2024	87,456	59,565	61.1

(Reference) Equity As of September 30, 2024: ¥55,577 million

As of March 31, 2024: ¥53,397 million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	21.00	—	25.00	46.00
Fiscal year ending March 31, 2025	—	22.00			
Fiscal year ending March 31, 2025 (forecast)			—	26.00	48.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% 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
Full year	63,700	(1.5)	3,250	(16.8)	4,850	(18.7)	3,400	(13.9)	156.34

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

* Notes:

(1) Significant changes in the scope of consolidation during the period under review: No

Newly included: — (Company name: —)

Excluded: — (Company name: —)

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: Yes

(3) 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

(4) Total number of issued and outstanding shares (common shares)

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

September 30, 2024: 23,611,200 shares

March 31, 2024: 23,611,200 shares

2) Total number of treasury shares at the end of the period:

September 30, 2024: 1,858,242 shares

March 31, 2024: 1,865,799 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended September 30, 2024: 21,747,314 shares

Six months ended September 30, 2023: 21,740,199 shares

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	15,894	12,866
Notes and accounts receivable - trade, and contract assets	13,443	13,493
Electronically recorded monetary claims - operating	3,876	3,784
Merchandise and finished goods	1,768	1,808
Work in process	1,123	1,335
Raw materials and supplies	1,623	1,549
Income taxes refund receivable	1	—
Other	827	446
Allowance for doubtful accounts	(2)	(1)
Total current assets	38,555	35,282
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,792	9,839
Machinery, equipment and vehicles, net	6,730	6,193
Land	4,679	4,863
Construction in progress	242	333
Other, net	977	896
Total property, plant and equipment	22,422	22,126
Intangible assets		
Other	1,236	1,295
Total intangible assets	1,236	1,295
Investments and other assets		
Investment securities	23,167	23,216
Long-term loans receivable	127	109
Deferred tax assets	102	126
Other	1,902	2,206
Allowance for doubtful accounts	(58)	(63)
Total investments and other assets	25,241	25,595
Total non-current assets	48,900	49,018
Total assets	87,456	84,300

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,896	8,533
Electronically recorded obligations - operating	3,469	1,406
Short-term borrowings	2,794	2,675
Lease liabilities	11	11
Income taxes payable	1,007	566
Provision for bonuses for directors (and other officers)	61	—
Other	4,165	3,324
Total current liabilities	21,405	16,518
Non-current liabilities		
Long-term borrowings	1,151	854
Lease liabilities	19	16
Retirement benefit liability	2,895	2,939
Deferred tax liabilities	2,303	1,831
Other	115	114
Total non-current liabilities	6,485	5,757
Total liabilities	27,890	22,275
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	4,212	4,217
Retained earnings	34,742	36,310
Treasury shares	(1,099)	(1,095)
Total shareholders' equity	42,608	44,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,166	5,858
Foreign currency translation adjustment	3,220	5,147
Remeasurements of defined benefit plans	401	385
Total accumulated other comprehensive income	10,789	11,391
Non-controlling interests	6,168	6,447
Total net assets	59,565	62,025
Total liabilities and net assets	87,456	84,300

Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	31,348	32,567
Cost of sales	25,016	25,677
Gross profit	6,331	6,889
Selling, general and administrative expenses	4,926	4,972
Operating profit	1,404	1,916
Non-operating income		
Dividend income	117	180
Share of profit of entities accounted for using equity method	729	797
Foreign exchange gains	233	—
Other	145	150
Total non-operating income	1,225	1,128
Non-operating expenses		
Interest expenses	26	15
Foreign exchange losses	—	7
Compensation expenses	—	31
Other	13	10
Total non-operating expenses	40	64
Ordinary profit	2,590	2,980
Extraordinary income		
Gain on sale of non-current assets	11	2
Insurance claim income	23	0
Gain on sale of investment securities	—	95
Total extraordinary income	34	98
Extraordinary losses		
Loss on disposal of non-current assets	13	11
Settlement payments	—	1
Total extraordinary losses	13	12
Profit before income taxes	2,612	3,066
Income taxes	607	669
Profit	2,004	2,397
Profit attributable to non-controlling interests	206	283
Profit attributable to owners of parent	1,798	2,114

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	2,004	2,397
Other comprehensive income		
Valuation difference on available-for-sale securities	1,124	(1,293)
Foreign currency translation adjustment	667	981
Remeasurements of defined benefit plans, net of tax	(8)	(16)
Share of other comprehensive income of entities accounted for using equity method	919	1,409
Total other comprehensive income	2,702	1,080
Comprehensive income	4,707	3,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,162	2,716
Comprehensive income attributable to non-controlling interests	544	761

Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,612	3,066
Depreciation	1,589	1,501
Increase (decrease) in allowance for doubtful accounts	—	4
Increase (decrease) in retirement benefit liability	12	17
Interest and dividend income	(177)	(228)
Interest expenses	26	15
Share of loss (profit) of entities accounted for using equity method	(729)	(797)
Loss (gain) on sale of non-current assets	(7)	(2)
Loss (gain) on disposal of non-current assets	9	11
Loss (gain) on sale of investment securities	—	(95)
Insurance claim income	(23)	(0)
Decrease (increase) in trade receivables	510	183
Decrease (increase) in inventories	(320)	(148)
Increase (decrease) in trade payables	103	(3,487)
Other, net	(19)	(1,032)
Subtotal	3,585	(992)
Interest and dividends received	772	783
Interest paid	(25)	(15)
Proceeds from insurance income	23	0
Income taxes paid	(606)	(1,088)
Income taxes refund	31	1
Net cash provided by (used in) operating activities	3,781	(1,311)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(694)	(615)
Proceeds from sale of property, plant and equipment and intangible assets	9	3
Purchase of investment securities	(5)	(8)
Proceeds from sale of investment securities	—	101
Loan advances	—	(7)
Proceeds from collection of loans receivable	1,518	15
Other, net	(6)	(9)
Net cash provided by (used in) investing activities	822	(519)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(950)	100
Repayments of long-term borrowings	(642)	(515)
Purchase of treasury shares	(0)	—
Dividends paid	(479)	(544)
Dividends paid to non-controlling interests	(733)	(565)
Other, net	(3)	(5)
Net cash provided by (used in) financing activities	(2,810)	(1,531)
Effect of exchange rate change on cash and cash equivalents	335	335
Net increase (decrease) in cash and cash equivalents	2,128	(3,027)
Cash and cash equivalents at beginning of period	10,853	15,876
Cash and cash equivalents at end of period	12,982	12,849