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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 9, 2022

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, Corporate Officer, General Manager of Financial & Accounting Division and General Manager of General Administration Division, Operation Planning & Coordination Group  
 Phone: +81-3-3913-6134  
 Scheduled date of filing quarterly securities report: November 11, 2022  
 Scheduled date of commencing dividend payments: November 25, 2022  
 Availability of supplementary explanatory materials on quarterly financial results: No  
 Schedule of quarterly 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, 2022 (April 1, 2022 - September 30, 2022)

(1) Consolidated Operating Results (cumulative) (% 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	%
Six months ended September 30, 2022	27,916	11.3	2	(98.1)	972	24.9	339	187.4
September 30, 2021	25,085	24.9	141	—	778	—	118	—

(Note) Comprehensive income Six months ended September 30, 2022: ¥2,791 million [49.4%]

Six months ended September 30, 2021: ¥1,868 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	15.62	—
September 30, 2021	5.44	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	81,058	51,713	56.4
As of March 31, 2022	79,792	49,725	55.5

(Reference) Equity As of September 30, 2022: ¥45,740 million

As of March 31, 2022: ¥44,266 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, 2022	–	18.00	–	22.00	40.00
Fiscal year ending March 31, 2023	–	20.00			
Fiscal year ending March 31, 2023 (forecast)			–	22.00	42.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - 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
Full year	60,500	10.4	1,900	28.2	3,550	35.2	2,300	76.8	105.84

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

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review: No  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
Newly included: – (Company name: –)  
Excluded: – (Company name: –)
- (2) Accounting methods adopted particularly for the preparation of quarterly 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: No
  - 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, 2022:	23,611,200 shares
March 31, 2022:	23,611,200 shares
  - 2) Total number of treasury shares at the end of the period:
 

September 30, 2022:	1,871,451 shares
March 31, 2022:	1,891,100 shares
  - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year):
 

Six months ended September 30, 2022:	21,725,365 shares
Six months ended September 30, 2021:	21,709,758 shares

## Quarterly Consolidated Financial Statements

### Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	8,948	9,127
Notes and accounts receivable - trade, and contract assets	13,802	13,556
Electronically recorded monetary claims - operating	2,987	2,993
Merchandise and finished goods	1,824	1,718
Work in process	1,409	1,423
Raw materials and supplies	1,431	1,468
Income taxes refund receivable	–	105
Other	1,456	778
Allowance for doubtful accounts	(3)	(3)
Total current assets	31,857	31,167
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,028	10,127
Machinery, equipment and vehicles, net	8,481	8,115
Land	4,703	4,679
Construction in progress	483	1,128
Other, net	1,374	1,344
Total property, plant and equipment	25,071	25,396
Intangible assets		
Other	1,265	1,356
Total intangible assets	1,265	1,356
Investments and other assets		
Investment securities	18,255	18,990
Long-term loans receivable	1,504	1,719
Deferred tax assets	99	106
Other	1,793	2,379
Allowance for doubtful accounts	(55)	(58)
Total investments and other assets	21,597	23,138
Total non-current assets	47,934	49,890
Total assets	79,792	81,058

(Million yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,649	8,923
Electronically recorded obligations - operating	3,376	3,123
Short-term borrowings	5,617	6,053
Lease liabilities	6	7
Income taxes payable	601	452
Provision for bonuses for directors (and other officers)	72	-
Other	3,949	3,690
Total current liabilities	22,273	22,252
Non-current liabilities		
Long-term borrowings	3,209	2,566
Lease liabilities	17	20
Retirement benefit liability	3,313	3,286
Deferred tax liabilities	1,147	1,099
Other	105	117
Total non-current liabilities	7,792	7,091
Total liabilities	30,066	29,344
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	4,194	4,190
Retained earnings	30,547	30,407
Treasury shares	(1,112)	(1,100)
Total shareholders' equity	38,383	38,250
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,989	4,442
Foreign currency translation adjustment	702	2,870
Remeasurements of defined benefit plans	191	178
Total accumulated other comprehensive income	5,883	7,490
Non-controlling interests	5,458	5,973
Total net assets	49,725	51,713
Total liabilities and net assets	79,792	81,058

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	25,085	27,916
Cost of sales	20,580	23,209
Gross profit	4,504	4,707
Selling, general and administrative expenses	4,362	4,704
Operating profit	141	2
Non-operating income		
Dividend income	108	130
Share of profit of entities accounted for using equity method	345	495
Subsidies for employment adjustment	22	17
Foreign exchange gains	46	255
Other	169	119
Total non-operating income	692	1,019
Non-operating expenses		
Interest expenses	48	28
Other	6	20
Total non-operating expenses	55	49
Ordinary profit	778	972
Extraordinary income		
Gain on sale of non-current assets	5	68
Insurance claim income	0	–
Gain on sale of investment securities	138	7
Compensation income	–	40
Total extraordinary income	144	116
Extraordinary losses		
Loss on disposal of non-current assets	46	74
Total extraordinary losses	46	74
Profit before income taxes	876	1,015
Income taxes	398	366
Profit	478	648
Profit attributable to non-controlling interests	360	309
Profit attributable to owners of parent	118	339

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	478	648
Other comprehensive income		
Valuation difference on available-for-sale securities	372	(540)
Foreign currency translation adjustment	464	1,107
Remeasurements of defined benefit plans, net of tax	(18)	(14)
Share of other comprehensive income of entities accounted for using equity method	571	1,590
Total other comprehensive income	1,390	2,142
Comprehensive income	1,868	2,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,281	1,946
Comprehensive income attributable to non-controlling interests	587	845

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	876	1,015
Depreciation	1,559	1,629
Increase (decrease) in retirement benefit liability	(70)	(39)
Interest and dividend income	(170)	(185)
Interest expenses	48	28
Share of loss (profit) of entities accounted for using equity method	(345)	(495)
Loss (gain) on sale of non-current assets	(5)	(67)
Loss (gain) on disposal of non-current assets	45	72
Loss (gain) on sale of investment securities	(138)	(7)
Insurance claim income	(0)	–
Decrease (increase) in trade receivables	1,685	454
Decrease (increase) in inventories	(748)	125
Increase (decrease) in trade payables	(706)	(55)
Other, net	174	(582)
Subtotal	2,206	1,893
Interest and dividends received	655	747
Interest paid	(48)	(30)
Proceeds from insurance income	0	–
Income taxes paid	(512)	(656)
Income taxes refund	210	128
Net cash provided by (used in) operating activities	2,511	2,081
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(1,316)	(1,303)
Proceeds from sale of property, plant and equipment and intangible assets	8	92
Purchase of investment securities	(4)	(5)
Proceeds from sale of investment securities	177	10
Proceeds from collection of loans receivable	–	29
Other, net	(87)	36
Net cash provided by (used in) investing activities	(1,222)	(1,139)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	549	539
Repayments of long-term borrowings	(779)	(747)
Dividends paid	(456)	(476)
Dividends paid to non-controlling interests	(325)	(435)
Other, net	(3)	1
Net cash provided by (used in) financing activities	(1,015)	(1,119)
Effect of exchange rate change on cash and cash equivalents	165	355
Net increase (decrease) in cash and cash equivalents	439	178
Cash and cash equivalents at beginning of period	6,518	8,931
Cash and cash equivalents at end of period	6,957	9,109