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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 10, 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: August 12, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 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	%
Three months ended June 30, 2022	13,262	6.1	41	(65.3)	799	44.0	338	31.2
June 30, 2021	12,501	51.6	120	–	555	–	257	–

(Note) Comprehensive income Three months ended June 30, 2022: ¥1,343 million [(14.7)%]

Three months ended June 30, 2021: ¥1,575 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	15.58	–
June 30, 2021	11.88	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	79,553	50,218	56.1
As of March 31, 2022	79,792	49,725	55.5

(Reference) Equity As of June 30, 2022: ¥44,612 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	–				
Fiscal year ending March 31, 2023 (forecast)		20.00	–	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
First half	28,500	13.6	350	146.8	1,250	60.5	750	535.1	34.53
Full year	60,500	10.4	2,450	65.3	4,000	52.4	2,700	107.6	124.31

(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):

June 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:

June 30, 2022:	1,891,804 shares
March 31, 2022:	1,891,100 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2022:	21,719,739 shares
Three months ended June 30, 2021:	21,705,063 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	8,948	8,081
Notes and accounts receivable - trade, and contract assets	13,802	13,317
Electronically recorded monetary claims - operating	2,987	2,885
Merchandise and finished goods	1,824	1,968
Work in process	1,409	1,462
Raw materials and supplies	1,431	1,489
Income taxes refund receivable	—	201
Other	1,456	1,588
Allowance for doubtful accounts	(3)	(3)
Total current assets	31,857	30,991
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,028	10,055
Machinery, equipment and vehicles, net	8,481	8,229
Land	4,703	4,701
Construction in progress	483	673
Other, net	1,374	1,417
Total property, plant and equipment	25,071	25,076
Intangible assets		
Other	1,265	1,312
Total intangible assets	1,265	1,312
Investments and other assets		
Investment securities	18,255	18,329
Long-term loans receivable	1,504	1,661
Deferred tax assets	99	104
Other	1,793	2,136
Allowance for doubtful accounts	(55)	(57)
Total investments and other assets	21,597	22,174
Total non-current assets	47,934	48,562
Total assets	79,792	79,553

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,649	8,564
Electronically recorded obligations - operating	3,376	3,093
Short-term borrowings	5,617	6,296
Lease liabilities	6	7
Income taxes payable	601	277
Provision for bonuses for directors (and other officers)	72	—
Other	3,949	3,682
Total current liabilities	22,273	21,922
Non-current liabilities		
Long-term borrowings	3,209	2,880
Lease liabilities	17	19
Retirement benefit liability	3,313	3,282
Deferred tax liabilities	1,147	1,114
Other	105	116
Total non-current liabilities	7,792	7,413
Total liabilities	30,066	29,335
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	4,194	4,199
Retained earnings	30,547	30,406
Treasury shares	(1,112)	(1,112)
Total shareholders' equity	38,383	38,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,989	4,542
Foreign currency translation adjustment	702	1,638
Remeasurements of defined benefit plans	191	184
Total accumulated other comprehensive income	5,883	6,365
Non-controlling interests	5,458	5,605
Total net assets	49,725	50,218
Total liabilities and net assets	79,792	79,553

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

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	12,501	13,262
Cost of sales	10,167	10,898
Gross profit	2,334	2,363
Selling, general and administrative expenses	2,214	2,321
Operating profit	120	41
Non-operating income		
Dividend income	79	102
Share of profit of entities accounted for using equity method	276	415
Subsidies for employment adjustment	5	10
Foreign exchange gains	18	194
Other	76	60
Total non-operating income	456	783
Non-operating expenses		
Interest expenses	18	12
Other	2	13
Total non-operating expenses	21	25
Ordinary profit	555	799
Extraordinary income		
Gain on sale of non-current assets	0	20
Insurance claim income	0	—
Gain on sale of investment securities	117	—
Total extraordinary income	118	20
Extraordinary losses		
Loss on disposal of non-current assets	17	1
Total extraordinary losses	17	1
Profit before income taxes	656	818
Income taxes	242	227
Profit	414	590
Profit attributable to non-controlling interests	156	252
Profit attributable to owners of parent	257	338

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	414	590
Other comprehensive income		
Valuation difference on available-for-sale securities	185	(445)
Foreign currency translation adjustment	372	568
Remeasurements of defined benefit plans, net of tax	8	(7)
Share of other comprehensive income of entities accounted for using equity method	595	636
Total other comprehensive income	1,161	752
Comprehensive income	1,575	1,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,234	820
Comprehensive income attributable to non-controlling interests	341	523