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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 9, 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

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Scheduled date of filing quarterly securities report: February 13, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(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	%
Nine months ended December 31, 2023	48,977	9.7	2,883	222.2	4,387	112.2	3,014	238.5
December 31, 2022	44,639	11.9	894	18.3	2,067	39.0	890	64.6

(Note) Comprehensive income Nine months ended December 31, 2023: ¥7,055 million [80.9%]

Nine months ended December 31, 2022: ¥3,899 million [62.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	138.63	–
December 31, 2022	40.98	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	88,621	57,656	58.1
As of March 31, 2023	82,033	52,211	56.3

(Reference) Equity As of December 31, 2023: ¥51,513 million

As of March 31, 2023: ¥46,193 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, 2023	—	20.00	—	22.00	42.00
Fiscal year ending March 31, 2024	—	21.00	—		
Fiscal year ending March 31, 2024 (forecast)				25.00	46.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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	64,600	6.4	3,500	114.5	5,400	71.9	3,450	64.0	158.67

(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):

December 31, 2023:	23,611,200 shares
March 31, 2023:	23,611,200 shares
 - 2) Total number of treasury shares at the end of the period:

December 31, 2023:	1,865,337 shares
March 31, 2023:	1,873,135 shares
 - 3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Nine months ended December 31, 2023:	21,742,011 shares
Nine months ended December 31, 2022:	21,729,511 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,870	14,850
Notes and accounts receivable - trade, and contract assets	15,131	14,907
Electronically recorded monetary claims - operating	3,362	4,228
Merchandise and finished goods	1,670	1,741
Work in process	888	1,336
Raw materials and supplies	1,583	1,508
Income taxes refund receivable	37	2
Other	2,470	558
Allowance for doubtful accounts	(2)	(2)
Total current assets	36,013	39,130
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,234	10,033
Machinery, equipment and vehicles, net	7,732	7,106
Land	4,679	4,679
Construction in progress	466	203
Other, net	1,187	1,090
Total property, plant and equipment	24,299	23,113
Intangible assets		
Other	1,247	1,302
Total intangible assets	1,247	1,302
Investments and other assets		
Investment securities	18,423	22,545
Long-term loans receivable	156	146
Deferred tax assets	88	101
Other	1,863	2,339
Allowance for doubtful accounts	(57)	(57)
Total investments and other assets	20,473	25,075
Total non-current assets	46,020	49,491
Total assets	82,033	88,621

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,882	11,011
Electronically recorded obligations - operating	3,921	4,015
Short-term borrowings	5,314	4,924
Lease liabilities	7	11
Income taxes payable	469	756
Provision for bonuses for directors (and other officers)	75	–
Other	3,924	3,818
Total current liabilities	23,595	24,537
Non-current liabilities		
Long-term borrowings	2,045	1,299
Lease liabilities	17	21
Retirement benefit liability	3,213	3,265
Deferred tax liabilities	842	1,721
Other	107	118
Total non-current liabilities	6,226	6,426
Total liabilities	29,822	30,964
Net assets		
Shareholders' equity		
Share capital	4,753	4,753
Capital surplus	4,207	4,212
Retained earnings	31,734	33,809
Treasury shares	(1,102)	(1,099)
Total shareholders' equity	39,592	41,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,273	5,873
Foreign currency translation adjustment	2,180	3,829
Remeasurements of defined benefit plans	147	134
Total accumulated other comprehensive income	6,601	9,837
Non-controlling interests	6,017	6,143
Total net assets	52,211	57,656
Total liabilities and net assets	82,033	88,621

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

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	44,639	48,977
Cost of sales	36,648	38,646
Gross profit	7,990	10,331
Selling, general and administrative expenses	7,095	7,447
Operating profit	894	2,883
Non-operating income		
Dividend income	198	189
Share of profit of entities accounted for using equity method	741	1,055
Subsidies for employment adjustment	22	–
Foreign exchange gains	85	128
Other	207	200
Total non-operating income	1,256	1,574
Non-operating expenses		
Interest expenses	46	34
Other	36	36
Total non-operating expenses	83	70
Ordinary profit	2,067	4,387
Extraordinary income		
Gain on sale of non-current assets	68	11
Insurance claim income	–	23
Gain on sale of investment securities	15	–
Compensation income	40	–
Total extraordinary income	124	34
Extraordinary losses		
Loss on disposal of non-current assets	88	16
Total extraordinary losses	88	16
Profit before income taxes	2,103	4,405
Income taxes	656	1,016
Profit	1,446	3,389
Profit attributable to non-controlling interests	555	375
Profit attributable to owners of parent	890	3,014

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	1,446	3,389
Other comprehensive income		
Valuation difference on available-for-sale securities	(715)	1,594
Foreign currency translation adjustment	1,172	858
Remeasurements of defined benefit plans, net of tax	(21)	(13)
Share of other comprehensive income of entities accounted for using equity method	2,016	1,225
Total other comprehensive income	2,452	3,665
Comprehensive income	3,899	7,055
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,772	6,250
Comprehensive income attributable to non-controlling interests	1,127	804