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Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2025 (Under Japanese GAAP)



February 6, 2025

Company name: Bunka Shutter Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5930
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the first nine months of the fiscal year ending March 31, 2025 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	159,943	3.7	8,174	(1.8)	8,484	(6.4)	5,967	6.6
December 31, 2023	154,164	12.4	8,326	57.3	9,063	80.5	5,599	35.9

Note: Comprehensive income For the nine months ended December 31, 2024: ¥5,605 million [(25.8)%]
 For the nine months ended December 31, 2023: ¥7,557 million [38.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	83.88	—
December 31, 2023	84.71	—

Note: At the end of the previous fiscal year, the provisional accounting treatment for business combination was settled. As a result, each figure for the nine months ended December 31, 2023 reflects the settlement of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	206,820	104,837	50.6
March 31, 2024	206,879	103,924	50.2

Reference: Equity

As of December 31, 2024: ¥104,676 million

As of March 31, 2024: ¥103,769 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	21.00	—	34.00	55.00
Fiscal year ending March 31, 2025	—	32.00	—		
Fiscal year ending March 31, 2025 (Forecast)				32.00	64.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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
Fiscal year ending March 31, 2025	230,000	4.0	15,000	3.6	15,400	(3.4)	13,200	24.7	185.51

Note: Revisions to the earnings forecasts most recently announced: Yes

Concerning the revisions to the consolidated earnings forecasts, please refer to the “Notice Concerning Revisions to Earnings Forecasts” announced today (February 6, 2025).

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of specific accounting treatment for preparing quarterly consolidated financial statements: Yes

Note: For more details, please refer to “2. Quarterly consolidated financial statements, (3) Notes to quarterly consolidated financial statements, (Notes to specific accounting treatment for preparing quarterly consolidated financial statements)” on page 8 of the attached material.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For more details, please refer to “2. Quarterly consolidated financial statements, (3) Notes to quarterly consolidated financial statements, (Notes on changes in accounting policies)” on page 8 of the attached material.

(4) Number of issued shares (common shares)

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

As of December 31, 2024	72,196,487 shares
As of March 31, 2024	72,196,487 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	1,041,314 shares
As of March 31, 2024	1,065,082 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2024	71,143,860 shares
Nine months ended December 31, 2023	66,110,631 shares

Note: The number of treasury shares at the end of the period includes the number of shares of Bunka Shutter Co., Ltd. (the “Company”) held by the Board Incentive Plan trust. The Company’s shares held by the trust are included in the treasury shares deducted in calculating the average number of shares outstanding during the period.

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

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Regarding earnings forecasts, please refer to “1. Overview of operating results, etc., (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 3 of the attached material.

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1. Overview of operating results, etc.

(1) Overview of operating results for the first nine months of the current fiscal year

In the first nine months of the fiscal year ending March 31, 2025, the Japanese economy maintained a moderate recovery trend, mainly owing to improvements in employment and income conditions buoyed by wage hikes and the like and expanded capital investment against a backdrop of improved corporate earnings.

On the other hand, the future outlook remains uncertain due to factors such as heightening geopolitical risks, including the situations in the Middle East and Ukraine, as well as skyrocketing energy and raw material prices due to the continued depreciation of the yen.

In the construction and housing industries too, in which the Bunka Shutter Group operates, private capital expenditure remains steady and construction demand remains firm, but the situation remains unclear mainly because of continued weak figures for new housing starts due to skyrocketing construction costs and other factors.

Under these circumstances, the Group posted consolidated net sales of 159,943 million yen (up 3.7% year on year) in the first nine months of the fiscal year ending March 31, 2025. With regard to profits, despite all Group segments exerting the utmost effort to secure profits, operating profit came to 8,174 million yen (down 1.8% year on year) and ordinary profit was 8,484 million yen (down 6.4% year on year), but profit attributable to owners of parent totaled 5,967 million yen (up 6.6% year on year) due mainly to recording of gain on sale of investment securities.

Operating results by segment are as follows:

1. Shutter Business

The inclusion in the scope of consolidation of Windsor Doors Limited and three other companies, and SPRINT ROLLER SHUTTERS PTY LTD led to net sales of 67,001 million yen (up 2.8% year on year) for the first nine months of the fiscal year ending March 31, 2025, and operating profit of 6,274 million yen (up 6.8% year on year).

2. Construction-Related Materials Business

Due to weakness in steel doors, etc., net sales for the first nine months of the fiscal year ending March 31, 2025 came to 61,132 million yen (up 2.6% year on year), but operating profit was 1,163 million yen (down 43.6% year on year).

3. Service Business

Due to strong results mainly from emergency repairs and periodic maintenance services, centering on the firm performance of consolidated subsidiary Bunka Shutter Service Co., Ltd., net sales for the first nine months of the fiscal year ending March 31, 2025 amounted to 22,346 million yen (up 8.2% year on year), and operating profit was 4,101 million yen (up 15.4% year on year).

4. Refurbishment Business

This segment focuses on the renewal business, which mainly engages in renovation of buildings, and the housing remodeling business. Due to weakness in the housing remodeling business, with BX Yutori Form Co., Ltd. as the main driver, net sales for the first nine months of the fiscal year ending March 31, 2025 amounted to 4,776 million yen (up 5.2% year on year), but operating loss was 16 million yen (compared to an operating loss of 1 million yen in the same period of the previous fiscal year).

5. Other

The other businesses, including the water-sealing business which handles water-sealing equipment for dealing with the social problems of torrential rain, etc., performed strongly. Accordingly, net sales for the first nine months of the fiscal year ending March 31, 2025 amounted to 4,686 million yen (up 10.9% year on year) and operating profit was 620 million yen (up 13.4% year on year).

(2) Overview of financial position for the first nine months of the current fiscal year

Total assets as of December 31, 2024 amounted to 206,820 million yen, a decrease of 59 million yen from the end of the previous fiscal year. Current assets amounted to 120,133 million yen, an increase of 84 million yen from the end of the previous fiscal year. This is attributed mainly to increases in merchandise and finished goods (6,125 million yen), “other” in current assets (2,072 million yen) and cash and deposits (1,330 million yen), which more than offset a decrease in notes and accounts receivable - trade, and contract assets (8,987 million yen). Non-current assets amounted to 86,686 million yen, a decrease of 143 million yen. This is attributed mainly to decreases in investment securities (1,280 million yen) and goodwill (635 million yen), which more than offset increases in buildings and structures (868 million yen) and “other” in property, plant and equipment (831 million yen).

Total liabilities as of December 31, 2024 amounted to 101,982 million yen, a decrease of 972 million yen from the end of the previous fiscal year. Current liabilities amounted to 64,655 million yen, a decrease of 904 million yen. This is attributed mainly to decreases in income taxes payable (2,963 million yen), provision for bonuses (2,267 million yen) and notes and accounts payable - trade (760 million yen), which more than offset increases in “other” in current liabilities (2,889 million yen), short-term borrowings (1,050 million yen) and electronically recorded obligations - operating (917 million yen). Non-current liabilities amounted to 37,327 million yen, a decrease of 67 million yen. This is attributed mainly to a decrease in long-term borrowings (554 million yen), which more than offset an increase in “other” in non-current liabilities (520 million yen).

Total net assets as of December 31, 2024 amounted to 104,837 million yen, an increase of 913 million yen from the end of the previous fiscal year. This is attributed mainly to an increase in profit attributable to owners of parent (5,967 million yen), which more than offset a decrease caused by dividends paid (4,716 million yen).

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The Company has revised the consolidated earnings forecasts for the fiscal year ending March 31, 2025 announced on May 14, 2024, as a result of taking into account the progress of operating results and future outlook in the first nine months of the fiscal year ending March 31, 2025.

For more details, please refer to the “Notice Concerning Revisions to Earnings Forecasts” announced today (February 6, 2025).

2. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	40,151	41,481
Notes and accounts receivable - trade, and contract assets	46,935	37,948
Electronically recorded monetary claims - operating	10,631	10,316
Merchandise and finished goods	9,818	15,944
Work in process	1,406	1,543
Raw materials and supplies	8,654	8,438
Other	2,752	4,825
Allowance for doubtful accounts	(302)	(365)
Total current assets	120,049	120,133
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,320	13,189
Land	13,121	13,489
Other, net	13,265	14,097
Total property, plant and equipment	38,707	40,775
Intangible assets		
Goodwill	11,318	10,682
Other	8,156	7,550
Total intangible assets	19,474	18,233
Investments and other assets		
Investment securities	19,940	18,659
Retirement benefit asset	1,397	1,397
Other	7,564	7,908
Allowance for doubtful accounts	(254)	(288)
Total investments and other assets	28,648	27,677
Total non-current assets	86,830	86,686
Total assets	206,879	206,820

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	15,604	14,844
Electronically recorded obligations - operating	21,552	22,470
Short-term borrowings	1,352	2,402
Current portion of long-term borrowings	817	873
Income taxes payable	4,334	1,371
Provision for bonuses	4,809	2,541
Provision for bonuses for directors (and other officers)	182	123
Provision for loss on construction contracts	373	606
Other	16,531	19,420
Total current liabilities	65,559	64,655
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	3,209	2,655
Provision for retirement benefits for directors (and other officers)	247	247
Provision for share awards for directors (and other officers)	69	63
Retirement benefit liability	16,433	16,405
Asset retirement obligations	53	54
Other	7,381	7,901
Total non-current liabilities	37,395	37,327
Total liabilities	102,954	101,982
Net assets		
Shareholders' equity		
Share capital	15,051	15,051
Capital surplus	11,292	11,292
Retained earnings	70,476	71,728
Treasury shares	(1,103)	(1,079)
Total shareholders' equity	95,716	96,992
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,026	4,481
Deferred gains or losses on hedges	–	11
Revaluation reserve for land	(46)	(46)
Foreign currency translation adjustment	908	1,201
Remeasurements of defined benefit plans	2,163	2,035
Total accumulated other comprehensive income	8,052	7,684
Non-controlling interests	155	161
Total net assets	103,924	104,837
Total liabilities and net assets	206,879	206,820

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	154,164	159,943
Cost of sales	112,908	116,302
Gross profit	41,255	43,641
Selling, general and administrative expenses	32,929	35,466
Operating profit	8,326	8,174
Non-operating income		
Interest income	26	60
Dividend income	265	346
Rental income	57	60
Foreign exchange gains	579	—
Other	341	360
Total non-operating income	1,269	827
Non-operating expenses		
Interest expenses	224	369
Share of loss of entities accounted for using equity method	170	35
Other	138	113
Total non-operating expenses	532	517
Ordinary profit	9,063	8,484
Extraordinary income		
Gain on sale of non-current assets	2	13
Gain on sale of investment securities	15	1,196
Total extraordinary income	18	1,210
Extraordinary losses		
Loss on sale of non-current assets	—	16
Loss on retirement of non-current assets	41	74
Total extraordinary losses	41	91
Profit before income taxes	9,041	9,603
Income taxes	3,429	3,629
Profit	5,611	5,974
Profit attributable to non-controlling interests	11	6
Profit attributable to owners of parent	5,599	5,967

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	5,611	5,974
Other comprehensive income		
Valuation difference on available-for-sale securities	1,268	(554)
Foreign currency translation adjustment	306	330
Remeasurements of defined benefit plans, net of tax	(101)	(148)
Share of other comprehensive income of entities accounted for using equity method	472	3
Total other comprehensive income	1,945	(368)
Comprehensive income	7,557	5,605
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,545	5,599
Comprehensive income attributable to non-controlling interests	11	6

(3) Notes to quarterly consolidated financial statements

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other standards)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter the “Revised 2022 Accounting Standard”) and relevant regulations have been applied from the beginning of the first quarter of the fiscal year.

Revisions to the category in which income tax, etc. is recorded (in cases where other comprehensive income is subject to tax) are subject to the transitional treatment stipulated in the provisos to paragraph 20-3 of the Revised 2022 Accounting Standard, and paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter the “Revised 2022 Guidance”). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

With regard to revisions related to changes in the treatment in the consolidated financial statement of cases involving the deferral of taxes associated with gains or losses arising from the sale of shares, etc. of subsidiaries between consolidated companies, the Revised 2022 Guidance has been applied from the beginning of the first quarter of the fiscal year. These changes to accounting policies have been applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the quarters of the previous fiscal year and for the previous fiscal year, respectively, reflect this retrospective application. These changes to accounting policies have no impact on quarterly consolidated financial statements for the quarters of the previous fiscal year or consolidated financial statements for the previous fiscal year.

(Notes to specific accounting treatment for preparing quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by estimating a reasonable effective tax rate after the application of tax-effect accounting to profit before income taxes for the consolidated fiscal year ending March 31, 2025, including the third quarter under review, and multiplying profit before income taxes by this estimated effective tax rate.

(Notes to segment information, etc.)**I For the nine months ended December 31, 2023**

1. Explanation of net sales, profit (loss), and other items, and information on disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Adjust- ments (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
	Shutter Business	Construction -Related Materials Business	Service Business	Refurbish- ment Business	Total				
Net sales									
Revenue from contracts with customers	65,157	59,589	20,651	4,541	149,940	4,224	154,164	—	154,164
Other revenue	—	—	—	—	—	—	—	—	—
Net sales to external customers	65,157	59,589	20,651	4,541	149,940	4,224	154,164	—	154,164
Inter-segment sales and transfers	3,869	95	361	5	4,331	665	4,997	(4,997)	—
Total	69,027	59,684	21,013	4,546	154,272	4,889	159,162	(4,997)	154,164
Segment profit (loss)	5,876	2,063	3,553	(1)	11,491	546	12,037	(3,711)	8,326

- Notes: 1. The category “Other” is an operating segment which is not included in the reportable segments, and it includes water-sealing business, solar power system business, real estate leasing business, insurance agency business and architecture design business.
2. The adjustment to segment profit (loss) of (3,711) million yen consists of (3,710) million yen for corporate expenses not allocated to any reportable segment and (0) million yen for inventory adjustments. Corporate expenses consist primarily of general and administrative expenses that do not belong to any reportable segment.
3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.
4. At the end of the previous fiscal year, the provisional accounting treatment for business combination was settled. Segment profit (loss) is based on the amount after reflecting the significant revision of the initial allocation of acquisition costs due to the settlement of the provisional accounting treatment for business combination.

2. Information of impairment loss or goodwill, etc. on non-current assets by reportable segment

(Significant changes in amount of goodwill)

In the Shutter Business segment, BX BUNKA AUSTRALIA PTY LTD, a consolidated subsidiary, newly acquired shares of DOORWORKS AUSTRALIA PTY LTD, and included the company in the scope of consolidation. The increase in goodwill due to this was 746 million yen for the first nine months of the fiscal year ended March 31, 2024. The amount of goodwill reflects the settlement of the provisional accounting treatment.

In the Shutter Business segment, BX BUNKA NEW ZEALAND LIMITED, a consolidated subsidiary, newly acquired shares of four companies: Windsor Doors Limited, Windsor Doors (South Island) Limited, Jones Door Company (2005) Limited, and Doors 2000 Limited (hereinafter the “Windsor Group”), and included the Windsor Group in the scope of consolidation. The increase in goodwill due to this was 4,655 million yen for the first nine months of the fiscal year ended March 31, 2024. The amount of goodwill reflects the settlement of the provisional accounting treatment.

In the Shutter Business segment, BX BUNKA AUSTRALIA PTY LTD, a consolidated subsidiary, newly acquired shares of SPRINT ROLLER SHUTTERS PTY LTD, and included the company in the scope of consolidation. The increase in goodwill due to this was 1,761 million yen for the first nine months of the fiscal year ended March 31, 2024. The amount of goodwill reflects the settlement of the provisional accounting treatment.

II For the nine months ended December 31, 2024

1. Explanation of net sales, profit (loss), and other items, and information on disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Adjust- ments (Note 2)	Amount recorded in quarterly consolidated statement of income (Note 3)
	Shutter Business	Construction -Related Materials Business	Service Business	Refurbish- ment Business	Total				
Net sales									
Revenue from contracts with customers	67,001	61,132	22,346	4,776	155,256	4,686	159,943	—	159,943
Other revenue	—	—	—	—	—	—	—	—	—
Net sales to external customers	67,001	61,132	22,346	4,776	155,256	4,686	159,943	—	159,943
Inter-segment sales and transfers	4,012	25	471	13	4,523	721	5,245	(5,245)	—
Total	71,014	61,158	22,818	4,789	159,780	5,408	165,188	(5,245)	159,943
Segment profit (loss)	6,274	1,163	4,101	(16)	11,522	620	12,142	(3,968)	8,174

Notes: 1. The category “Other” is an operating segment which is not included in the reportable segments, and it includes water-sealing business, solar power system business, real estate leasing business, insurance agency business and architecture design business.

2. The adjustment to segment profit (loss) of (3,968) million yen consists of (3,967) million yen for corporate expenses not allocated to any reportable segment and (0) million yen for inventory adjustments. Corporate expenses consist primarily of general and administrative expenses that do not belong to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information of impairment loss or goodwill, etc. on non-current assets by reportable segment

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on premise of going concern)

Not applicable.

(Notes to quarterly consolidated statement of cash flows)

No quarterly consolidated statement of cash flows has been prepared for the first nine months of the fiscal year ending March 31, 2025. Amounts of depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill associated with the nine months ended December 31, 2023 and 2024 are as follows.

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	3,404	3,937
Amortization of goodwill	478	814

(Significant subsequent events)**(Conclusion of lawsuit)**

In relation to an appellate court judgment in the lawsuit in which the Company sued IBM Japan, Ltd. for damages related to the cancellation of a system development project, the Company and IBM Japan, Ltd., being dissatisfied with the verdict, filed an appeal and a petition for certiorari with the Supreme Court, which was dismissed by the Supreme Court on January 10, 2025, with a judgment to the effect that the appeal would not be accepted. This brought the lawsuit to a conclusion.

As a result of these events, the Company will record extraordinary income of 2,782 million yen in relation to compensation for damages in the following quarter.