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

October 31, 2024

Company name: OKUMA Corporation

Listing: Tokyo, Nagoya

Securities code: 6103

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

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Scheduled date to file semi-annual securities report: November 8, 2024

Scheduled date to commence dividend payments: November 28, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

Representative Director, President

Senior Officer; Division Manager, Administration Division

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

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	95,247	(13.8)	5,626	(53.0)	5,421	(56.7)	3,580	(59.1)
September 30, 2023	110,512	1.5	11,975	13.5	12,510	(1.0)	8,751	(5.3)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 601 million [(96.6) %]

Six months ended September 30, 2023: ¥ 17,597 million [2.1 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	59.13	-
September 30, 2023	141.93	-

(Note) OKUMA (hereinafter, the "Company") implemented a 2-for-1 common stock split, effective October 1, 2024. Basic earnings per share were calculated on the assumption that the stock split had been implemented at the beginning of the year ended March 31, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	300,989	234,212	74.3
March 31, 2024	297,774	237,846	76.6

(Reference) Equity: As of September 30, 2024: ¥ 223,532 million

As of March 31, 2024: ¥ 227,956 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	100.00	-	100.00	200.00
Fiscal year ending March 31, 2025	-	100.00			
Fiscal year ending March 31, 2025 (Forecast)			-	50.00	-

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

The Company implemented a 2-for-1 common stock split, effective October 1, 2024. The dividend for the fiscal year ending March 31, 2024 and the 2nd quarter-end dividend for the fiscal year ending March 31, 2025 is presented in an amount before the stock split. The year-end dividend per share (forecast) for the fiscal year ending March 31, 2025 is presented in an amount that takes the impact of the stock split into consideration. The year-end dividend for the fiscal year ending March 31, 2025 (forecast), without taking the stock split into consideration, is 100 yen, and the annual dividend is 200 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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
Full year	210,000	(7.9)	17,500	(31.0)	17,500	(31.5)	12,500	(35.5)	206.60

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

The Company implemented a 2-for-1 common stock split, effective October 1, 2024. Basic earnings per share in the consolidated financial results forecast were calculated based on the number of shares issued and outstanding (excluding treasury stock) after the stock split.

* Notes:

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

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

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

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 67,510,308 shares

March 31, 2024: 67,510,308 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 7,008,118 shares

March 31, 2024: 6,675,586 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 60,541,667 shares

Six months ended September 30, 2023: 61,657,138 shares

(Note) The Company implemented a 2-for-1 common stock split, effective October 1, 2024. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period were calculated on the assumption that the stock split had been implemented at the beginning of the year ended March 31, 2024.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	54,528	63,616
Notes and accounts receivable - trade	42,872	32,919
Electronically recorded monetary claims - operating	684	761
Inventories	81,844	84,886
Other	8,290	8,404
Allowance for doubtful accounts	(443)	(395)
Total current assets	187,776	190,192
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,087	28,707
Other, net	25,456	25,028
Total property, plant and equipment	53,544	53,735
Intangible assets	10,795	12,937
Investments and other assets		
Investment securities	35,909	34,235
Other	9,755	9,895
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	45,657	44,124
Total non-current assets	109,997	110,797
Total assets	297,774	300,989

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,233	14,120
Electronically recorded obligations - operating	11,070	11,918
Income taxes payable	3,389	2,519
Provision for bonuses	3,639	3,348
Provision for bonuses for directors (and other officers)	149	67
Provision for product warranties	473	478
Other	16,859	18,380
Total current liabilities	46,814	50,834
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	-	5,000
Retirement benefit liability	186	189
Other	7,926	5,754
Total non-current liabilities	13,113	15,943
Total liabilities	59,928	66,777
Net assets		
Shareholders' equity		
Share capital	18,000	18,000
Capital surplus	41,777	41,769
Retained earnings	152,835	153,377
Treasury shares	(16,614)	(17,803)
Total shareholders' equity	195,999	195,343
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,855	13,371
Foreign currency translation adjustment	15,251	14,023
Remeasurements of defined benefit plans	850	794
Total accumulated other comprehensive income	31,957	28,188
Non-controlling interests	9,890	10,680
Total net assets	237,846	234,212
Total liabilities and net assets	297,774	300,989

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	110,512	95,247
Cost of sales	74,486	64,353
Gross profit	36,026	30,893
Selling, general and administrative expenses	24,050	25,266
Operating profit	11,975	5,626
Non-operating income		
Interest income	227	273
Dividend income	494	514
Other	237	187
Total non-operating income	959	974
Non-operating expenses		
Interest expenses	30	32
Foreign exchange losses	69	831
Other	325	315
Total non-operating expenses	424	1,180
Ordinary profit	12,510	5,421
Extraordinary income		
Gain on sale of investment securities	-	347
Total extraordinary income	-	347
Profit before income taxes	12,510	5,769
Income taxes	3,765	2,191
Profit	8,745	3,577
Loss attributable to non-controlling interests	(6)	(2)
Profit attributable to owners of parent	8,751	3,580

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	8,745	3,577
Other comprehensive income		
Valuation difference on available-for-sale securities	2,087	(2,484)
Foreign currency translation adjustment	6,800	(437)
Remeasurements of defined benefit plans, net of tax	(35)	(53)
Total other comprehensive income	8,852	(2,975)
Comprehensive income	17,597	601
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,976	(188)
Comprehensive income attributable to non-controlling interests	621	790

Semi-annual Consolidated Statements of Cash Flows

(Millions of 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	12,510	5,769
Depreciation	4,619	4,855
Increase (decrease) in allowance for doubtful accounts	(0)	(32)
Increase (decrease) in provision for bonuses	(432)	(284)
Increase (decrease) in provision for bonuses for directors (and other officers)	(60)	(81)
Decrease (increase) in retirement benefit asset	(301)	(308)
Increase (decrease) in retirement benefit liability	31	(79)
Interest and dividend income	(722)	(787)
Interest expenses	30	32
Foreign exchange losses (gains)	(60)	107
Loss (gain) on sale of investment securities	-	(347)
Decrease (increase) in trade receivables	(1,065)	10,022
Decrease (increase) in inventories	(7,567)	(4,248)
Increase (decrease) in trade payables	(8,511)	4,341
Other, net	(297)	1,887
Subtotal	(1,828)	20,847
Interest and dividends received	703	741
Interest paid	(30)	(33)
Income taxes paid	(4,980)	(3,063)
Income taxes refund	13	12
Net cash provided by (used in) operating activities	(6,122)	18,504
Cash flows from investing activities		
Net decrease (increase) in time deposits	(8)	(121)
Purchase of property, plant and equipment	(3,602)	(3,237)
Proceeds from sale of property, plant and equipment	2	0
Purchase of intangible assets	(2,746)	(3,782)
Purchase of investment securities	(120)	(2,160)
Proceeds from sale of investment securities	-	477
Other, net	(186)	(462)
Net cash provided by (used in) investing activities	(6,660)	(9,286)
Cash flows from financing activities		
Repayments of lease liabilities	(385)	(605)
Proceeds from long-term borrowings	-	5,000
Purchase of treasury shares	(909)	(1,226)
Dividends paid	(2,786)	(3,041)
Dividends paid to non-controlling interests	(0)	(0)
Other, net	(1)	-
Net cash provided by (used in) financing activities	(4,082)	126
Effect of exchange rate change on cash and cash equivalents	2,309	(526)
Net increase (decrease) in cash and cash equivalents	(14,556)	8,818
Cash and cash equivalents at beginning of period	64,696	49,242
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	94
Cash and cash equivalents at end of period	50,139	58,155