



Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 5, 2025

Company name: OKUMA Corporation

Listing: Tokyo, Nagoya

Securities code: 6103

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	148,967	(11.0)	10,127	(44.4)	11,295	(38.6)	7,498	(42.7)
December 31, 2023	167,290	(0.2)	18,221	4.0	18,390	(4.3)	13,086	(6.9)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 6,974 million [(66.4) %]

Nine months ended December 31, 2023: ¥ 20,771 million [0.5 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	123.88	-
December 31, 2023	212.29	-

(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 December 31, 2024	296,678	237,488	76.7
March 31, 2024	297,774	237,846	76.6

(Reference) Equity: As of December 31, 2024: ¥ 227,667 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)	206.61

(Note) Revision to the financial results forecast announced most recently: None

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 quarterly 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):

December 31, 2024: 67,510,308 shares

March 31, 2024: 67,510,308 shares

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

December 31, 2024: 7,008,616 shares

March 31, 2024: 6,675,586 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 60,529,711 shares

Nine months ended December 31, 2023: 61,646,862 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2024, the Group's business environment continued to face uncertainties in the global economy, such as ongoing geopolitical risks and inflation. Under these circumstances, the demand for machine tools remained firm for major corporations; however, medium- and small-sized businesses held off from capital investments and continued to monitor the market. As a result, both domestic and overseas demand remained sluggish overall.

Under these business conditions, the Group has positioned our machine tools that autonomously achieve high precision, high efficiency production and exceptional energy-saving performance contributing to decarbonization as "Green-Smart Machines" based on the "Medium-Term Management Plan 2025." We rolled them out globally, along with automation and Monozukuri DX solutions. In addition, we focused on obtaining orders as well as improving profitability and capital efficiency, and worked to enhance corporate value by solving social issues concerning manufacturing services.

In terms of market conditions by region, inquiries have begun to gradually increase across various industries and customer segments in Japan. However, medium- and small-sized businesses maintained a wait-and-see stance toward capital investment as they tried to determine the trends of the industry and the actions of major corporations. Under these circumstances, we exhibited at JIMTOF (Japan International Machine Tool Fair, November 2024) held in Tokyo, and actively proposed a solution to improve productivity through "automation, labor saving, and process integration" in order to address both the worsening labor shortage and improvement in productivity. In December 2024, we opened the Kyushu CS Center (Kumamoto Prefecture) as our seventh CS (Communication & Solution) center in Japan to serve as a place for "Collaborative Creation with Customers" and began providing cutting-edge production machining solutions in areas where semiconductor-related companies are concentrated. Through these efforts, we steadily proceeded with "developing Monozukuri DX solutions."

In the U.S., demand from major corporations remained firm, while medium- and small-sized businesses continued to postpone capital investment with an eye to the timing and scale of monetary easing and the impact of the economic policies of the next administration. Under these circumstances, we exhibited at IMTS (International Manufacturing Technology Show, September 2024) held in Chicago, and promoted the expansion of sales for process-intensive machine tools such as 5-axis machining centers and multitasking machines, and automation specifications, for which demand has grown.

In Europe, as the relocation of supply chains has been completed, the demand for machine tools remained weak due to factors such as recessions in major countries like Germany and the stagnation in European export industries, which have been negatively impacted by the slowdown in overseas economies like China. Under such circumstances, we exhibited at AMB (International Exhibition for Metal Working, September 2024) held in Stuttgart, Germany, and sought to boost demand by promoting technologies and solutions that contribute to productivity improvement.

In China, the real estate downturn continued to lead to a reluctance to invest in plants and equipment. In some industries, movements to resume capital investments due to industrial policies have been observed, underpinned by large-scale investments from major EV manufacturers. We achieved stable orders even in the tough market conditions as a result of our efforts in sales promotion activities, such as participating in an exhibition at CCMT (China CNC Machine Tool Fair, April 2024) held in Shanghai, China.

In Asia, excluding China, although there are differences in levels of strength by country and region, the market has continued to see a modest recovery.

Regarding profitability, despite the continued lack of growth in the demand for machine tools, we also strived to pass on cost increases to sales prices due to persistently high material costs as well as focused on improving production efficiency through measures such as increasing in-house manufacturing. On the other hand, in the continued lack of growth in demand, we have not achieved a full-scale recovery in factory capacity utilization, resulting in a downward pressure on profits.

As a result, consolidated orders received during the nine months ended December 31, 2024, were ¥151,976 million (down 1.6% year on year), consolidated net sales were ¥148,967 million (down 11.0% year on year), operating profit was ¥10,127 million (down 44.4% year on year), ordinary profit was ¥11,295 million (down 38.6% year on year), and profit attributable to owners of parent was ¥7,498 million (down 42.7% year on year).

(2) Explanation of Financial Position

The total assets at the end of the third quarter under review decreased by ¥1,096 million compared to the end of the previous fiscal year, reaching ¥296,678 million. This was due to the increases of inventories by ¥7,344 million, intangible assets by ¥2,896 million, and electronically recorded monetary claims - operating by ¥247 million, and the decreases of notes and accounts receivable - trade by ¥8,217 million, cash and deposits by ¥2,470 million and investment securities by ¥1,500 million, etc.

In addition, the total liabilities at the end of the third quarter under review decreased by ¥738 million compared to the end of the previous fiscal year, reaching ¥59,189 million. This was due to the increases of long-term borrowings by ¥5,000 million and notes and accounts payable - trade by ¥3,245 million, and the decreases of electronically recorded obligations - operating by ¥5,830 million, income taxes payable by ¥1,708 million and provision for bonuses by ¥1,513 million, etc.

The total net assets at the end of the third quarter under review decreased by ¥358 million compared to the end of the previous fiscal year, reaching ¥237,488 million. This was due to the increase of foreign currency translation adjustment by ¥1,938 million and the decrease of valuation difference on available-for-sale securities by ¥2,336 million, etc. As a result, the capital adequacy ratio at the end of the third quarter under review was 76.7%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The outlook for the global economy remains uncertain due to ongoing geopolitical risks, persistent inflation, etc., and demand for machine tools is expected to remain weak. However, demand related to solving social issues, such as the declining labor force and decarbonization, is expected to remain firm in the medium to long term. Therefore, there are no changes to the full-year consolidated financial results forecast announced on October 31, 2024. There are also no changes to the dividend forecast announced.

The forward-looking statements, including the financial forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual performance and other results may differ materially from these forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	54,528	52,058
Notes and accounts receivable - trade	42,872	34,654
Electronically recorded monetary claims - operating	684	931
Inventories	81,844	89,189
Other	8,290	8,521
Allowance for doubtful accounts	(443)	(424)
Total current assets	187,776	184,929
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,087	27,933
Other, net	25,456	25,547
Total property, plant and equipment	53,544	53,481
Intangible assets	10,795	13,692
Investments and other assets		
Investment securities	35,909	34,408
Other	9,755	10,173
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	45,657	44,574
Total non-current assets	109,997	111,748
Total assets	297,774	296,678

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,233	14,479
Electronically recorded obligations - operating	11,070	5,240
Income taxes payable	3,389	1,680
Provision for bonuses	3,639	2,125
Provision for bonuses for directors (and other officers)	149	87
Provision for product warranties	473	497
Other	16,859	19,017
Total current liabilities	46,814	43,127
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	-	5,000
Retirement benefit liability	186	194
Other	7,926	5,867
Total non-current liabilities	13,113	16,062
Total liabilities	59,928	59,189
Net assets		
Shareholders' equity		
Share capital	18,000	18,000
Capital surplus	41,777	41,784
Retained earnings	152,835	154,270
Treasury shares	(16,614)	(17,805)
Total shareholders' equity	195,999	196,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,855	13,518
Foreign currency translation adjustment	15,251	17,189
Remeasurements of defined benefit plans	850	710
Total accumulated other comprehensive income	31,957	31,418
Non-controlling interests	9,890	9,820
Total net assets	237,846	237,488
Total liabilities and net assets	297,774	296,678

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	167,290	148,967
Cost of sales	112,568	100,688
Gross profit	54,721	48,278
Selling, general and administrative expenses	36,500	38,150
Operating profit	18,221	10,127
Non-operating income		
Interest income	328	477
Dividend income	824	881
Other	368	297
Total non-operating income	1,520	1,656
Non-operating expenses		
Interest expenses	37	54
Foreign exchange losses	744	38
Other	569	395
Total non-operating expenses	1,351	488
Ordinary profit	18,390	11,295
Extraordinary income		
Gain on sale of investment securities	-	394
Total extraordinary income	-	394
Extraordinary losses		
Factory rebuilding expense	-	64
Total extraordinary losses	-	64
Profit before income taxes	18,390	11,625
Income taxes	5,266	4,016
Profit	13,123	7,609
Profit attributable to non-controlling interests	36	111
Profit attributable to owners of parent	13,086	7,498

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	13,123	7,609
Other comprehensive income		
Valuation difference on available-for-sale securities	2,760	(2,336)
Foreign currency translation adjustment	4,877	1,843
Remeasurements of defined benefit plans, net of tax	10	(141)
Total other comprehensive income	7,648	(634)
Comprehensive income	20,771	6,974
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,083	6,959
Comprehensive income attributable to non-controlling interests	688	15

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by multiplying profit before income taxes for the period under review by a reasonably estimated effective tax rate for profit before income taxes for the fiscal year including the third quarter under review, after the application of tax effect accounting.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan ("ASBJ") Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant regulations from the beginning of the first quarter of the current fiscal year.

Revisions to categories for recording Corporate Taxes, etc. (taxation on other comprehensive income) conform to the transitional treatment in the proviso to Paragraph 20-3 of the Revised Accounting Standard of 2022 and the proviso to Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; "the Revised Guidance of 2022"). This has no effect on the quarterly consolidated financial statements.

In addition, for revisions related to the review of the accounting treatment in consolidated financial statements when a gain or loss on sales arising from the sale of shares in subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter of the current fiscal year. This change in accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year. This change has no impact on the quarterly consolidated financial statements of the previous fiscal year or the consolidated financial statements of the previous fiscal year.

(Segment information, etc.)

I For the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe	Asia/Pacific	Total		
Net sales							
Sales to outside customers	73,190	51,527	30,881	11,691	167,290	—	167,290
Intersegment sales or transfers	61,911	9	168	10,327	72,417	(72,417)	—
Total	135,101	51,536	31,050	22,019	239,708	(72,417)	167,290
Segment profit (loss)	13,274	4,398	1,979	971	20,623	(2,402)	18,221

(Notes) 1. The ¥(2,402) million adjustment in segment profit represents the elimination of unrealized profit, etc.

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

II. For the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Japan	Americas	Europe	Asia/Pacific	Total		
Net sales							
Sales to outside customers	69,008	44,978	25,000	9,979	148,967	—	148,967
Intersegment sales or transfers	50,192	110	104	6,428	56,835	(56,835)	—
Total	119,201	45,088	25,104	16,408	205,802	(56,835)	148,967
Segment profit (loss)	6,657	1,857	637	702	9,855	271	10,127

(Notes) 1. The ¥271 million adjustment in segment profit represents the elimination of unrealized profit, etc.

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

(Notes on statements of cash flows)

No quarterly consolidated statements of cash flows are prepared for the nine months ended December 31, 2024.

The depreciation (including amortization related to intangible assets other than goodwill) and the amortization of goodwill in the nine months ended December 31 are as follows.

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	7,092	7,106
Amortization of goodwill	71	81

3. Other

(1) Order and Sales Status

1) Order status

(Millions of yen)

	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024	
	Orders Received	Order Backlog	Orders Received	Order Backlog
NC lathes	30,291	24,709	22,021	19,220
Machining centers	74,708	53,581	79,686	53,815
Multitasking machines	43,829	18,247	43,081	15,702
NC grinders	2,009	1,104	1,580	799
Others	3,602	1,129	5,606	1,118
Total	154,441	98,772	151,976	90,655

2) Sales results

(Millions of yen)

	For the nine months ended December 31, 2023		For the nine months ended December 31, 2024	
	Net Sales	Composition (%)	Net Sales	Composition (%)
NC lathes	30,107	18.0	24,114	16.2
Machining centers	85,319	51.0	73,160	49.1
Multitasking machines	45,594	27.3	44,346	29.8
NC grinders	2,673	1.6	1,800	1.2
Others	3,596	2.1	5,545	3.7
Total	167,290	100.0	148,967	100.0

(2) Overseas Sales

For the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(Millions of yen)

	US	Americas (other than the US)	Europe	China	Asia/Pacific (other than China)	Total
I Overseas sales	42,296	8,775	30,894	22,960	10,592	115,518
II Consolidated net sales	—	—	—	—	—	167,290
III Percentage of overseas sales in consolidated net sales (%)	25.3	5.3	18.5	13.7	6.3	69.1

For the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(Millions of yen)

	US	Americas (other than the US)	Europe	China	Asia/Pacific (other than China)	Total
I Overseas sales	38,650	6,342	24,536	25,038	9,814	104,382
II Consolidated net sales	—	—	—	—	—	148,967
III Percentage of overseas sales in consolidated net sales (%)	25.9	4.3	16.5	16.8	6.6	70.1