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NITTO KOGYO GROUP

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

February 10, 2025

Company name: NITTO KOGYO CORPORATION
Listing: Tokyo, Nagoya
Securities code: 6651
URL: https://www.nito.co.jp/
Representative: Toru Kurono President and COO
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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 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	133,354	14.1	9,298	3.3	9,503	(0.0)	9,014	36.3
December 31, 2023	116,907	11.4	8,996	68.9	9,506	55.9	6,612	75.4

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 9,185 million [9.7%]
Nine months ended December 31, 2023: ¥ 8,370 million [60.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	237.64	-
December 31, 2023	174.33	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	180,693	112,505	60.9
March 31, 2024	161,742	108,696	67.1

(Reference) Equity: As of December 31, 2024: ¥ 110,086 million
As of March 31, 2024: ¥ 108,488 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	-	72.00	-	158.00	230.00
Fiscal year ending March 31, 2025	-	64.00	-		
Fiscal year ending March 31, 2025 (Forecast)				68.00	132.00

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

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	178,000	10.8	12,000	0.3	12,000	(4.5)	10,000	14.7	263.64

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 (Company name: Tempearl Industrial Co., Ltd. , TEMPEARL INDUSTRIAL (VIETNAM) CO., LTD)

Excluded: - (Company name:)

(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: None
2) Changes in accounting policies due to other reasons: Yes
3) Changes in accounting estimates: Yes
4) Restatement: None

(Note)

Depreciation method has been changed from the first quarter consolidated accounting period, which falls under 'Cases in which changes in accounting policies are difficult to distinguish from changes in accounting estimates'.

(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: 40,458,000 shares
March 31, 2024: 40,458,000 shares

(Note)

The Company has introduced "Board Benefit Trust (BBT)". The Company's shares in the BBT, which are reported as treasury shares under Shareholders' equity, are counted as the number of treasury shares as of the average number of shares outstanding for the period for the purpose of not including for computing earnings per share.

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

December 31, 2024: 2,521,848 shares
March 31, 2024: 2,527,613 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 37,933,740 shares
Nine months ended December 31, 2023: 37,930,746 shares

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

* Proper use of earnings forecasts, and other special matters

The financial results forecast and other forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions that the Company deemed reasonable and the Company does not promise the achievement of those forecasts. Actual results may differ materially due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	26,475	28,647
Notes and accounts receivable - trade, and contract assets	39,617	42,818
Merchandise and finished goods	9,526	13,075
Work in process	3,629	5,835
Raw materials and supplies	9,068	11,323
Other	2,720	2,598
Allowance for doubtful accounts	(210)	(249)
Total current assets	90,826	104,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,699	26,188
Machinery, equipment and vehicles, net	7,635	10,923
Land	17,413	19,012
Leased assets, net	209	214
Construction in progress	4,565	2,360
Other, net	1,591	2,113
Total property, plant and equipment	56,114	60,812
Intangible assets		
Goodwill	583	467
Other	2,976	2,851
Total intangible assets	3,560	3,319
Investments and other assets		
Investment securities	5,557	6,139
Deferred tax assets	369	474
Retirement benefit asset	3,912	4,172
Other	1,439	1,764
Allowance for doubtful accounts	(36)	(39)
Total investments and other assets	11,241	12,513
Total non-current assets	70,916	76,644
Total assets	161,742	180,693

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,389	19,018
Short-term borrowings	8	13,013
Current portion of long-term borrowings	1,848	4,021
Lease liabilities	154	112
Income taxes payable	3,034	1,615
Provision for bonuses	3,184	1,965
Provision for bonuses for directors (and other officers)	-	48
Provision for loss on liquidation of subsidiaries and associates	64	46
Building demolition cost allowance	147	230
Asset retirement obligations	55	738
Other	9,899	8,707
Total current liabilities	33,785	49,517
Non-current liabilities		
Long-term borrowings	16,221	15,010
Long-term accounts payable - other	36	36
Lease liabilities	325	358
Deferred tax liabilities	571	992
Provision for share awards	101	94
Building demolition cost allowance	230	-
Provision for retirement benefits for directors (and other officers)	-	20
Retirement benefit liability	1,538	1,951
Asset retirement obligations	154	42
Other	80	163
Total non-current liabilities	19,260	18,669
Total liabilities	53,046	68,187
Net assets		
Shareholders' equity		
Share capital	6,578	6,578
Capital surplus	6,986	7,811
Retained earnings	91,728	92,299
Treasury shares	(3,205)	(3,195)
Total shareholders' equity	102,088	103,493
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,223	2,055
Foreign currency translation adjustment	2,150	2,832
Remeasurements of defined benefit plans	2,025	1,705
Total accumulated other comprehensive income	6,399	6,592
Non-controlling interests	208	2,419
Total net assets	108,696	112,505
Total liabilities and net assets	161,742	180,693

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	116,907	133,354
Cost of sales	84,991	97,232
Gross profit	31,916	36,122
Selling, general and administrative expenses	22,919	26,823
Operating profit	8,996	9,298
Non-operating income		
Interest income	54	51
Dividend income	170	193
Rental income from buildings	64	106
Foreign exchange gains	152	371
Other	146	319
Total non-operating income	588	1,043
Non-operating expenses		
Interest expenses	37	116
Depreciation	12	669
Other	28	52
Total non-operating expenses	78	838
Ordinary profit	9,506	9,503
Extraordinary income		
Gain on sale of non-current assets	4	330
Gain on sale of investment securities	-	7
Gain on liquidation of subsidiaries and associates	64	-
Gain on bargain purchase	-	2,395
Gain on transfer from business divestitures	-	18
Total extraordinary income	68	2,752
Extraordinary losses		
Loss on sale and retirement of non-current assets	23	84
Loss on sale of investment securities	1	-
Total extraordinary losses	24	84
Profit before income taxes	9,550	12,170
Income taxes - current	2,878	3,338
Income taxes - deferred	66	(96)
Total income taxes	2,945	3,241
Profit	6,604	8,929
Loss attributable to non-controlling interests	(7)	(84)
Profit attributable to owners of parent	6,612	9,014

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	6,604	8,929
Other comprehensive income		
Valuation difference on available-for-sale securities	499	(162)
Foreign currency translation adjustment	1,250	700
Remeasurements of defined benefit plans, net of tax	15	(282)
Total other comprehensive income	1,765	255
Comprehensive income	8,370	9,185
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,366	9,207
Comprehensive income attributable to non-controlling interests	3	(22)