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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 31, 2023

Company name: OKUMA Corporation
Stock exchange listing: Tokyo, Nagoya
Code number: 6103
URL: <https://www.okuma.co.jp>
Representative: Atsushi Ieki

Representative Director, President
Member of the Board, Managing Executive Officer;
Division Manager, Administration Division

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: November 27, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | 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, 2023 | 110,512 | 1.5 | 11,975 | 13.5 | 12,510 | (1.0) | 8,751 | (5.3) |
| September 30, 2022 | 108,899 | 40.7 | 10,555 | 103.9 | 12,634 | 131.5 | 9,236 | 133.3 |

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 17,597 million [2.1%]
Six months ended September 30, 2022: ¥ 17,232 million [238.7%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Six months ended | Yen | Yen |
| September 30, 2023 | 283.86 | - |
| September 30, 2022 | 296.00 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|--------------------|-----------------|-----------------|------------------------|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2023 | 295,689 | 226,774 | 73.3 |
| March 31, 2023 | 287,538 | 212,850 | 70.8 |

(Reference) Equity: As of September 30, 2023: ¥ 216,866 million
As of March 31, 2023: ¥ 203,516 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, 2023 | - | 90.00 | - | 90.00 | 180.00 |
| Fiscal year ending March 31, 2024 | - | 100.00 | | | |
| Fiscal year ending March 31, 2024 (Forecast) | | | - | 100.00 | 200.00 |

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to 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 |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|--|-----|-----------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 230,000 | 1.0 | 25,500 | 2.8 | 26,500 | 0.2 | 19,500 | 1.6 | 632.88 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially 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 shares (common shares)

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

September 30, 2023: 33,755,154 shares

March 31, 2023: 33,755,154 shares

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

September 30, 2023: 2,943,439 shares

March 31, 2023: 2,795,280 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 30,828,569 shares

Six months ended September 30, 2022: 31,203,150 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2023 | As of September 30, 2023 |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 69,703 | 55,282 |
| Notes and accounts receivable - trade | 38,125 | 41,242 |
| Electronically recorded monetary claims - operating | 709 | 1,061 |
| Inventories | 79,141 | 91,855 |
| Other | 8,705 | 8,643 |
| Allowance for doubtful accounts | (367) | (400) |
| Total current assets | 196,017 | 197,684 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 23,957 | 26,790 |
| Other, net | 26,417 | 25,240 |
| Total property, plant and equipment | 50,375 | 52,030 |
| Intangible assets | 7,543 | 8,849 |
| Investments and other assets | | |
| Investment securities | 26,937 | 29,942 |
| Other | 6,672 | 7,190 |
| Allowance for doubtful accounts | (6) | (9) |
| Total investments and other assets | 33,603 | 37,123 |
| Total non-current assets | 91,521 | 98,004 |
| Total assets | 287,538 | 295,689 |

(Millions of yen)

| | As of March 31, 2023 | As of September 30, 2023 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 18,788 | 16,065 |
| Electronically recorded obligations - operating | 17,923 | 15,785 |
| Income taxes payable | 4,403 | 4,262 |
| Provision for bonuses | 4,078 | 3,718 |
| Provision for bonuses for directors (and other officers) | 146 | 89 |
| Provision for product warranties | 413 | 441 |
| Other | 19,611 | 19,258 |
| Total current liabilities | 65,364 | 59,621 |
| Non-current liabilities | | |
| Bonds payable | 5,000 | 5,000 |
| Retirement benefit liability | 161 | 175 |
| Other | 4,163 | 4,118 |
| Total non-current liabilities | 9,324 | 9,293 |
| Total liabilities | 74,688 | 68,915 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 18,000 | 18,000 |
| Capital surplus | 41,715 | 41,749 |
| Retained earnings | 139,321 | 145,286 |
| Treasury shares | (12,960) | (13,833) |
| Total shareholders' equity | 186,077 | 191,202 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 9,829 | 11,918 |
| Foreign currency translation adjustment | 8,061 | 14,236 |
| Remeasurements of defined benefit plans | (451) | (489) |
| Total accumulated other comprehensive income | 17,439 | 25,664 |
| Non-controlling interests | 9,333 | 9,907 |
| Total net assets | 212,850 | 226,774 |
| Total liabilities and net assets | 287,538 | 295,689 |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

| | For the six months ended September 30, 2022 | For the six months ended September 30, 2023 |
|---|--|--|
| Net sales | 108,899 | 110,512 |
| Cost of sales | 74,704 | 74,486 |
| Gross profit | 34,194 | 36,026 |
| Selling, general and administrative expenses | 23,638 | 24,050 |
| Operating profit | 10,555 | 11,975 |
| Non-operating income | | |
| Interest income | 86 | 227 |
| Dividend income | 428 | 494 |
| Foreign exchange gains | 1,638 | - |
| Other | 178 | 237 |
| Total non-operating income | 2,331 | 959 |
| Non-operating expenses | | |
| Interest expenses | 29 | 30 |
| Foreign exchange losses | - | 69 |
| Other | 223 | 325 |
| Total non-operating expenses | 253 | 424 |
| Ordinary profit | 12,634 | 12,510 |
| Profit before income taxes | 12,634 | 12,510 |
| Income taxes | 3,300 | 3,765 |
| Profit | 9,333 | 8,745 |
| Profit (loss) attributable to non-controlling interests | 97 | (6) |
| Profit attributable to owners of parent | 9,236 | 8,751 |

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

(Millions of yen)

| | For the six months ended September 30, 2022 | For the six months ended September 30, 2023 |
|--|--|--|
| Profit | 9,333 | 8,745 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (387) | 2,087 |
| Foreign currency translation adjustment | 8,283 | 6,800 |
| Remeasurements of defined benefit plans, net of tax | 3 | (35) |
| Total other comprehensive income | 7,898 | 8,852 |
| Comprehensive income | 17,232 | 17,597 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 16,190 | 16,976 |
| Comprehensive income attributable to non-controlling interests | 1,041 | 621 |

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

| | For the six months ended September 30, 2022 | For the six months ended September 30, 2023 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 12,634 | 12,510 |
| Depreciation | 3,844 | 4,619 |
| Increase (decrease) in allowance for doubtful accounts | 146 | 0 |
| Increase (decrease) in provision for bonuses | (429) | (432) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (18) | (60) |
| Decrease (increase) in retirement benefit asset | (323) | (301) |
| Increase (decrease) in retirement benefit liability | 66 | 31 |
| Interest and dividend income | (514) | (722) |
| Interest expenses | 29 | 30 |
| Foreign exchange losses (gains) | (21) | (60) |
| Decrease (increase) in trade receivables | (2,539) | (1,065) |
| Decrease (increase) in inventories | (7,001) | (7,567) |
| Increase (decrease) in trade payables | 1,518 | (8,511) |
| Other, net | 3,130 | (297) |
| Subtotal | 10,521 | (1,828) |
| Interest and dividends received | 497 | 703 |
| Interest paid | (29) | (30) |
| Income taxes paid | (4,576) | (4,980) |
| Income taxes refund | 0 | 13 |
| Net cash provided by (used in) operating activities | 6,413 | (6,122) |
| Cash flows from investing activities | | |
| Net decrease (increase) in time deposits | (166) | (8) |
| Purchase of property, plant and equipment | (2,164) | (3,602) |
| Proceeds from sale of property, plant and equipment | 0 | 2 |
| Purchase of intangible assets | (1,542) | (2,746) |
| Purchase of investment securities | (272) | (120) |
| Other, net | (135) | (186) |
| Net cash provided by (used in) investing activities | (4,280) | (6,660) |
| Cash flows from financing activities | | |
| Repayments of lease liabilities | (314) | (385) |
| Purchase of treasury shares | (1,206) | (909) |
| Dividends paid | (1,727) | (2,786) |
| Dividends paid to non-controlling interests | (0) | (0) |
| Other, net | - | (1) |
| Net cash provided by (used in) financing activities | (3,248) | (4,082) |
| Effect of exchange rate change on cash and cash equivalents | 3,055 | 2,309 |
| Net increase (decrease) in cash and cash equivalents | 1,939 | (14,556) |
| Cash and cash equivalents at beginning of period | 60,954 | 64,696 |
| Cash and cash equivalents at end of period | 62,893 | 50,139 |