

Translation

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Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 (Japanese GAAP)

February 13, 2024
Tokyo Stock Exchanges in Japan

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Code number : 5991
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Filing date of quarterly securities report : February 14, 2024
Payment date of cash dividends : -
Supplemental materials prepared for financial results : No
Earnings announcement for financial results : No

(Amounts less than one million yen are rounded down)

1. Consolidated Results for the Third Quarter of Fiscal Year Ending March 31, 2024 (April 1, 2023 through December 31, 2023)

(1) Consolidated Financial Results (Percentage indicates change from the same period of the previous fiscal year)

	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, 2023	562,288	10.0	17,695	(28.5)	28,425	(18.0)	20,981	(11.4)
December 31, 2022	511,332	19.5	24,754	51.6	34,677	56.4	23,681	66.8

Note: Comprehensive income
 Nine months ended December 31, 2023 (41,647 million 14.3 %)
 Nine months ended December 31, 2022 (36,433 million 88.3 %)

	Earnings per share, Basic	Earnings per share, Diluted
	Yen	Yen
Nine months ended		
December 31, 2023	92.62	—
December 31, 2022	103.86	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
As of			
December 31, 2023	658,188	398,089	58.0
March 31, 2023	606,039	365,860	57.6

Reference: Shareholders' equity (Net assets excluding non-controlling interests)
 As of December 31, 2023 381,922 million yen
 As of March 31, 2023 349,221 million yen

2. Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	15.00	—	17.00	32.00
Fiscal year ending March 31, 2024	—	17.00	—		
Fiscal year ending March 31, 2024 (Forecast)				23.00	40.00

Note : Revisions to the forecast of dividends since the latest announcement: Yes

3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2024 (April 1, 2023 through March 31, 2024)

(Percentage indicates change from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share, Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	760,000	9.6	27,000	(6.4)	40,000	7.2	35,000	62.5	154.51

Note : Revisions to the forecast of consolidated results since the latest announcement: Yes

4. Others

- (1) Changes of significant subsidiaries in the third quarter of fiscal year ending March 31, 2024 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements : No
- (3) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements
- [1] Changes due to revisions of accounting standards : No
 - [2] Changes due to other reasons : No
 - [3] Changes of estimation due to accounting issues : No
 - [4] Restatements : No

(4) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares

As of December 31, 2023	244,066,144 shares
As of March 31, 2023	244,066,144 shares

[2] Number of treasury stock

As of December 31, 2023	17,545,618 shares
As of March 31, 2023	17,548,689 shares

[3] Average number of shares (Cumulative)

Nine months ended December 31, 2023	226,519,276 shares
Nine months ended December 31, 2022	228,017,775 shares

* This quarterly report is out of the scope of the quarterly review.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters
Statements related to the future, including the forecast of financial results, were based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	72,948	94,834
Notes and accounts receivable - trade, and contract assets	146,793	154,290
Merchandise and finished goods	33,396	28,625
Work in process	13,114	15,163
Raw materials and supplies	33,339	31,061
Partly-finished goods	11,648	11,841
Other	26,024	26,939
Allowance for doubtful accounts	△27	△37
Total current assets	337,237	362,719
Non-current assets		
Property, plant and equipment		
Buildings and structures	160,712	170,433
Accumulated depreciation	△108,933	△113,958
Buildings and structures, net	51,779	56,475
Machinery, equipment and vehicles	296,394	312,188
Accumulated depreciation	△237,348	△252,137
Machinery, equipment and vehicles, net	59,045	60,050
Land	31,520	32,021
Leased assets	1,258	1,040
Accumulated depreciation	△787	△554
Leased assets, net	470	485
Construction in progress	14,314	19,217
Other	86,964	94,093
Accumulated depreciation	△77,825	△83,217
Other, net	9,138	10,875
Total property, plant and equipment	166,269	179,126
Intangible assets	3,317	3,573
Investments and other assets		
Investment securities	62,287	74,577
Long-term loans receivable	1,796	1,999
Deferred tax assets	10,161	9,382
Retirement benefit asset	14,410	15,421
Other	12,200	13,074
Allowance for doubtful accounts	△1,642	△1,687
Total investments and other assets	99,214	112,768
Total non-current assets	268,801	295,469
Total assets	606,039	658,188

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	91,525	95,506
Electronically recorded obligations - operating	18,147	19,739
Short-term borrowings	21,167	15,532
Lease liabilities	484	488
Income taxes payable	4,400	3,165
Provision for bonuses	10,038	7,690
Provision for bonuses for directors (and other officers)	261	194
Notes payable - facilities	1,273	1,718
Other	24,316	30,070
Total current liabilities	171,615	174,106
Non-current liabilities		
Bonds payable	11,000	12,000
Long-term borrowings	17,090	24,756
Lease liabilities	759	904
Deferred tax liabilities	12,351	17,663
Retirement benefit liability	22,506	23,954
Provision for retirement benefits for directors (and other officers)	578	509
Provision for officers' retirement benefits	843	996
Other	3,435	5,209
Total non-current liabilities	68,563	85,992
Total liabilities	240,179	260,099
Net assets		
Shareholders' equity		
Share capital	17,009	17,009
Capital surplus	19,826	19,903
Retained earnings	275,386	288,659
Treasury shares	△15,703	△15,701
Total shareholders' equity	296,518	309,870
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,217	35,310
Foreign currency translation adjustment	21,018	32,225
Remeasurements of defined benefit plans	4,468	4,514
Total accumulated other comprehensive income	52,703	72,051
Non-controlling interests	16,638	16,167
Total net assets	365,860	398,089
Total liabilities and net assets	606,039	658,188

(2) Quarterly Consolidated Statement of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Nine Months ended December 31, 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	511,332	562,288
Cost of sales	448,301	504,445
Gross profit	63,031	57,843
Selling, general and administrative expenses	38,276	40,147
Operating profit	24,754	17,695
Non-operating income		
Interest income	503	1,151
Dividend income	2,095	2,709
Share of profit of entities accounted for using equity method	704	1,066
Foreign exchange gains	6,611	5,288
Other	1,275	1,480
Total non-operating income	11,191	11,697
Non-operating expenses		
Interest expenses	251	172
Loss on retirement of non-current assets	209	250
Loss on disaster	257	—
Other	550	545
Total non-operating expenses	1,268	968
Ordinary profit	34,677	28,425
Extraordinary income		
Gain on sale of investment securities	—	1,091
Gain on sale of shares of subsidiaries and associates	—	289
Total extraordinary income	—	1,381
Extraordinary losses		
Litigation settlement	1,388	—
Total extraordinary losses	1,388	—
Profit before income taxes	33,288	29,806
Income taxes	8,369	8,133
Profit	24,919	21,672
Profit attributable to non-controlling interests	1,237	691
Profit attributable to owners of parent	23,681	20,981

(Quarterly Consolidated Statements of Comprehensive Income)
 (Nine Months ended December 31, 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	24,919	21,672
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,761	8,099
Foreign currency translation adjustment	12,068	10,863
Remeasurements of defined benefit plans, net of tax	161	49
Share of other comprehensive income of entities accounted for using equity method	1,046	962
Total other comprehensive income	11,514	19,974
Comprehensive income	36,433	41,647
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,299	40,330
Comprehensive income attributable to non-controlling interests	2,134	1,316