

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: Howa Machinery, Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 6203 URL <https://www.howa.co.jp/>  
 Representative: President, Managing Director Takahiro Tsukamoto  
 Inquiries: Director Makoto Kitamura TEL 052-408-1001  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2024	4,558	(1.1)	128	197.7	264	98.5	201	93.3
Three months ended June 30, 2023	4,610	19.8	43	(41.2)	133	(45.3)	104	(52.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	16.70	–
Three months ended June 30, 2023	8.64	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	32,295	17,773	55.0
As of March 31, 2024	30,289	17,334	57.2

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	20.00	20.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		0.00	–	20.00	20.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,100	21.8	760	95.6	790	69.5	680	–	56.41

#### 4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

#### (4) Number of issued shares (common shares)

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

As of June 30, 2024	12,548,134 shares	As of March 31, 2024	12,548,134 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	500,698 shares	As of March 31, 2024	500,678 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	12,047,443 shares	Three months ended June 30, 2023	12,045,324 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,897	4,641
Notes and accounts receivable - trade, and contract assets	6,300	5,643
Electronically recorded monetary claims - operating	2,340	1,608
Investments in leases	1,068	1,060
Merchandise and finished goods	1,242	1,798
Work in process	4,196	4,941
Raw materials and supplies	1,420	1,445
Other	567	793
Allowance for doubtful accounts	(0)	(0)
Total current assets	21,033	21,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,192	1,647
Other, net	2,001	2,028
Total property, plant and equipment	3,193	3,675
Intangible assets	406	386
Investments and other assets		
Investment securities	5,035	5,676
Retirement benefit asset	245	243
Other	407	413
Allowance for doubtful accounts	(32)	(32)
Total investments and other assets	5,655	6,300
Total non-current assets	9,255	10,362
Total assets	30,289	32,295
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,429	2,957
Electronically recorded obligations - operating	796	889
Short-term borrowings	2,032	2,188
Accounts payable - other	101	100
Accrued expenses	601	877
Income taxes payable	62	64
Accrued consumption taxes	48	20
Contract liabilities	218	263
Provision for bonuses	304	162
Provision for loss on construction contracts	0	—
Provision for product warranties	73	72
Other	65	73
Total current liabilities	6,733	7,670

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Non-current liabilities		
Long-term borrowings	4,066	4,527
Deferred tax liabilities	799	967
Retirement benefit liability	819	822
Asset retirement obligations	93	93
Other	443	440
Total non-current liabilities	6,222	6,851
Total liabilities	12,955	14,522
Net assets		
Shareholders' equity		
Share capital	9,019	9,019
Capital surplus	0	–
Retained earnings	6,231	6,188
Treasury shares	(416)	(411)
Total shareholders' equity	14,835	14,796
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,341	2,778
Deferred gains or losses on hedges	0	3
Foreign currency translation adjustment	113	129
Remeasurements of defined benefit plans	42	65
Total accumulated other comprehensive income	2,498	2,977
Total net assets	17,334	17,773
Total liabilities and net assets	30,289	32,295

# Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

## Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	4,610	4,558
Cost of sales	3,758	3,688
Gross profit	851	869
Selling, general and administrative expenses	808	741
Operating profit	43	128
Non-operating income		
Interest income	1	0
Dividend income	61	75
Foreign exchange gains	29	66
Miscellaneous income	16	13
Total non-operating income	108	155
Non-operating expenses		
Interest expenses	3	6
Maintenance cost for idle assets	4	5
Insurance expenses	4	3
Miscellaneous losses	5	3
Total non-operating expenses	17	19
Ordinary profit	133	264
Extraordinary income		
Gain on sale of non-current assets	1	1
Total extraordinary income	1	1
Extraordinary losses		
Impairment losses	—	22
Loss on sale and retirement of non-current assets	0	0
Total extraordinary losses	0	22
Profit before income taxes	135	243
Income taxes	31	41
Profit	104	201
Profit attributable to owners of parent	104	201

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	104	201
Other comprehensive income		
Valuation difference on available-for-sale securities	406	436
Deferred gains or losses on hedges	(2)	2
Foreign currency translation adjustment	2	16
Remeasurements of defined benefit plans, net of tax	(0)	23
Total other comprehensive income	405	479
Comprehensive income	509	680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	509	680