

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 14, 2025

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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	16,563	14.8	1,033	427.0	1,195	342.6	850	300.9
Nine months ended December 31, 2023	14,423	8.0	196	(45.2)	270	(50.4)	212	(54.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	70.54	–
Nine months ended December 31, 2023	17.61	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	33,096	18,621	56.3
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	–	0.00	–		
Year ending March 31, 2025 (Forecast)				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	1,120	188.7	1,250	168.2	870	–	72.16

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 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 December 31, 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 December 31, 2024	487,351 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)

Nine months ended December 31, 2024	12,056,351 shares	Nine months ended December 31, 2023	12,053,906 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	3,897	2,887
Notes and accounts receivable - trade, and contract assets	6,300	6,354
Electronically recorded monetary claims - operating	2,340	1,858
Investments in leases	1,068	1,044
Merchandise and finished goods	1,242	1,796
Work in process	4,196	4,959
Raw materials and supplies	1,420	1,405
Other	567	941
Allowance for doubtful accounts	(0)	(0)
Total current assets	21,033	21,248
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,192	1,695
Other, net	2,001	3,002
Total property, plant and equipment	3,193	4,697
Intangible assets	406	334
Investments and other assets		
Investment securities	5,035	6,162
Retirement benefit asset	245	239
Other	407	440
Allowance for doubtful accounts	(32)	(25)
Total investments and other assets	5,655	6,816
Total non-current assets	9,255	11,848
Total assets	30,289	33,096
Liabilities		
Current liabilities		
Accounts payable - trade	2,429	2,551
Electronically recorded obligations - operating	796	868
Short-term borrowings	2,032	2,189
Accounts payable - other	101	308
Accrued expenses	601	660
Income taxes payable	62	200
Accrued consumption taxes	48	28
Contract liabilities	218	260
Provision for bonuses	304	144
Provision for loss on construction contracts	0	3
Provision for product warranties	73	74
Other	65	138
Total current liabilities	6,733	7,428

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Non-current liabilities		
Long-term borrowings	4,066	4,600
Deferred tax liabilities	799	1,100
Retirement benefit liability	819	815
Asset retirement obligations	93	93
Provision for share awards	–	4
Other	443	431
Total non-current liabilities	6,222	7,046
Total liabilities	12,955	14,475
Net assets		
Shareholders' equity		
Share capital	9,019	9,019
Capital surplus	0	–
Retained earnings	6,231	6,837
Treasury shares	(416)	(400)
Total shareholders' equity	14,835	15,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,341	3,016
Deferred gains or losses on hedges	0	(7)
Foreign currency translation adjustment	113	119
Remeasurements of defined benefit plans	42	36
Total accumulated other comprehensive income	2,498	3,165
Total net assets	17,334	18,621
Total liabilities and net assets	30,289	33,096

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	14,423	16,563
Cost of sales	11,854	13,302
Gross profit	2,569	3,260
Selling, general and administrative expenses	2,372	2,227
Operating profit	196	1,033
Non-operating income		
Interest income	2	2
Dividend income	139	170
Subsidy income	0	4
Foreign exchange gains	42	22
Miscellaneous income	28	36
Total non-operating income	212	236
Non-operating expenses		
Interest expenses	12	24
Maintenance cost for idle assets	15	16
Insurance expenses	12	11
Commission for syndicated loans	66	1
Miscellaneous losses	31	19
Total non-operating expenses	137	73
Ordinary profit	270	1,195
Extraordinary income		
Gain on sale of non-current assets	5	4
Other	—	0
Total extraordinary income	5	4
Extraordinary losses		
Impairment losses	—	151
Loss on sale and retirement of non-current assets	0	0
Total extraordinary losses	0	151
Profit before income taxes	276	1,048
Income taxes	63	197
Profit	212	850
Profit attributable to owners of parent	212	850

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	212	850
Other comprehensive income		
Valuation difference on available-for-sale securities	624	674
Deferred gains or losses on hedges	(1)	(8)
Foreign currency translation adjustment	19	6
Remeasurements of defined benefit plans, net of tax	(2)	(5)
Total other comprehensive income	639	666
Comprehensive income	851	1,517
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	851	1,517