



NOK CORPORATION and Consolidated Subsidiaries

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

February 5, 2025

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 Dividend payable date (as planned): -
 Supplemental material of quarterly results: Yes
 Convening briefing of quarterly results: None

(Fractions are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Nine Months of FY2024 (Q3FY2024: April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Q3/FY2024	589,106	3.8	31,173	77.2	41,306	36.3	28,926	36.9
Q3/FY2023	567,547	5.1	17,591	16.7	30,308	26.8	21,129	56.2

Note: Comprehensive income: 30,681 million yen, (35.7) % (Q3/FY2024); 47,692 million yen, 168.5 % (Q3/FY2023)

	Net income per share	Diluted net income per share
	yen	yen
Q3/FY2024	175.98	-
Q3/FY2023	125.15	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Book-value Per Share
	million yen	million yen	%	yen
End of Q3/FY2024	933,981	637,000	63.4	3,629.19
End of FY2023	952,379	639,001	61.5	3,561.00

Reference: Owner's equity: 591,923 million yen (end of Q3/FY2024); 586,055 million yen (end of FY2023)

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year end	Total
	yen	yen	yen	yen	yen
FY2023	-	37.50	-	50.00	87.50
FY2024	-	50.00	-		
FY2024 (Forecast)				50.00	100.00

Note: Correction of dividend forecast from the most recent dividend forecast: None

3. Consolidated Forecast for FY2024 (April 1, 2024 to March 31, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	755,700	0.7	35,300	54.1	45,800	13.7	30,200	(4.4)	183.73

Note: Correction of financial forecast from the most recent financial forecast: Yes

*Notes

(1) Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change in subsidiaries): None

(2) Applying of specific accounting of the consolidated quarterly financial statements: Yes

(Note) For details, please refer to “(3) Notes Concerning Consolidated Quarterly Financial Statements” in the attached document.

(3) Changes in accounting policies and accounting estimates, retrospective restatement

(1) Changes in accounting policies based on revisions of accounting standard : Yes

(2) Changes in accounting policies other than ones based on revisions of accounting standard : None

(3) Changes in accounting estimates : None

(4) Retrospective restatement : None

(4) Number of issued and outstanding shares (common stock)

(1) Number of issued and outstanding shares at the end of each period (including treasury stock)

(2) Number of shares of treasury stock at the end of each period

(3) Average number of shares (year to date)

Q3/FY2024	173,138,537	FY2023	173,138,537
Q3/FY2024	10,037,672	FY2023	8,562,394
Q3/FY2024	164,373,674	Q3/FY2023	168,835,849

*Review of the Japanese-original version of the consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of the forecasts for financial results, and other important matters:

Forward-looking statements such as forecasts of future financial results and other descriptions concerning our future business included in this document are based on currently available information and certain assumptions that we consider to be reasonable, and no representation or warranty is given with regard to the realization of such forecasts, etc. Actual financial results may differ significantly due to various factors. For assumptions, etc., used as the basis for the forecasts for financial results, please see “Explanation of Consolidated Financial Forecasts and Other Prospects for the Future” in the attached document.

* Supplemental material of quarterly results:

Supplemental material of quarterly results will be posted on the company’s website on February 5, 2025.

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1. Qualitative Information on the Consolidated Operating Results for the Nine Months Ended December 31, 2024

(1) Financial Position and Operating Results

For the first nine months of the current consolidated fiscal year, the Group posted the following operating results: Net sales totaled 589,106 million yen (up 3.8% year on year); operating income was 31,173 million yen (up 77.2% year on year); ordinary income ended at 41,306 million yen (up 36.3% year on year), resulting in 28,926 million yen in profit attributable to owners of the parent (up 36.9% year on year).

Compared to the same period of the previous fiscal year, net sales for the seal business decreased slightly while sales for the electronic product business increased. At the operating income stage, operating income increased for both the seal business and the electronic product business.

The business overview for each business segment is as follows.

<Seal business>

Net sales amounted to 273,002 million yen (down 0.8% year on year) and operating income was 18,991 million yen (up 16.0% year on year).

For automobile applications, the production volume of Japanese automobiles, which is a key indicator of sales, decreased compared to the same period of the previous fiscal year. In addition to the decrease in production volume in Japan, in overseas regions, sales of Japanese automobiles continued to be sluggish in the China market, where demand is growing for electric vehicles, and in the ASEAN region, the ongoing tightening of automobile loans in key market Thailand also impacted automobile demand. For general industrial machinery applications, sales were impacted by sluggish consumption and capital investment mainly due to inflation in Europe and America and the real estate downturn in China, and the slump in demand continues. Net sales for the segment only decreased slightly due to the positive effect of foreign exchange rates.

On the other hand, operating income increased due to an improvement in variable costs such as raw material prices in addition to the promotion of price revision activities such as passing on selling prices.

<Electronic product business>

As there was a positive effect on net sales due to the exchange rate, net sales amounted to 290,725 million yen (up 7.0% year on year). Operating income greatly increased compared to the same period of the previous fiscal year from 937 million yen to 10,291 million yen.

Excluding the effect of foreign exchange rates, net sales increased slightly compared to the same period of the previous fiscal year. Sales for hard disk drives increased mainly due to the recovery in demand for data centers, however sales for smartphones and automobiles decreased. Regarding sales for automobiles, sales increased for automotive batteries in electric vehicles for global automobile manufacturers, however sales for other purposes decreased.

Due to the increase in net sales and the change in the product mix, operating income greatly increased.

<Other business>

Net sales amounted to 25,378 million yen (up 22.5% year on year) and operating income greatly increased compared to the same period of the previous fiscal year from 297 million yen to 1,895 million yen.

Total assets as of December 31, 2024 stood at 933,981 million yen, a decrease of 18,398 million yen compared with March 31, 2024. This was mainly attributable to a decrease in investment securities because of revaluation based on the value as of the reporting date. Total liabilities as of December 31, 2024 amounted to 296,980 million yen, a decrease of 16,396 million yen compared with March 31, 2024. This was mainly due to decrease in income taxes payable. Net assets totaled 637,000 million yen, a decrease of 2,001 million yen compared with March 31, 2024. Consequently, the ratio of shareholders' equity to total assets stood at 63.4%. This mainly reflected a dividend payment and revaluation of investment securities as of the reporting date while there was an increase in retained earnings.

(2) Consolidated Financial Forecasts and Other Prospects for the Future

Regarding the consolidated financial forecasts for the fiscal year ending March 2025, due to revisions based on the business situation in the first nine months of the current consolidated fiscal year, the Group has revised the forecasts upward from the previous forecasts for net sales, operating income, ordinary income, and profit attributable to owners of the parent.

2. Consolidated Quarterly Financial Statements and Principal Notes**(1) Consolidated Quarterly Balance Sheet**

(million yen)

	FY2023 (as of March 31, 2024)	Q3/FY2024 (as of December 31, 2024)
Assets		
Current assets		
Cash and deposits	136,913	133,835
Notes and accounts receivable-trade	154,313	160,520
Electronically recorded monetary claims	22,552	23,923
Inventories	114,767	104,656
Other	12,616	15,362
Allowance for doubtful accounts	(185)	(183)
Total current assets	440,977	438,114
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	92,810	95,809
Machinery, equipment and vehicles, net	104,108	103,211
Other, net	52,834	55,051
Total property, plant and equipment	249,753	254,072
Intangible assets	14,874	14,519
Investments and other assets		
Investment securities	188,007	172,846
Net defined benefit asset	13,428	12,399
Other	45,483	42,168
Allowance for doubtful accounts	(145)	(141)
Total investments and other assets	246,774	227,274
Total noncurrent assets	511,401	495,866
Total assets	952,379	933,981

(million yen)

	FY2023 (as of March 31, 2024)	Q3/FY2024 (as of December 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	68,548	68,731
Short-term loans payable	56,593	48,449
Income taxes payable	13,441	3,046
Provision for bonuses	11,219	8,946
Other	63,420	68,893
Total current liabilities	213,222	198,065
Noncurrent liabilities		
Long-term loans payable	18,871	19,126
Deferred tax liabilities	24,332	21,702
Net defined benefit liabilities	46,945	48,301
Provision for share awards for directors (and other officers)	398	482
Other	9,607	9,301
Total noncurrent liabilities	100,155	98,914
Total liabilities	313,377	296,980
Net assets		
Shareholders' equity		
Capital stock	23,335	23,335
Capital surplus	26,203	27,343
Retained earnings	385,291	397,464
Treasury stock	(14,014)	(17,758)
Total shareholders' equity	420,815	430,385
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,971	61,959
Foreign currency translation adjustment	68,779	80,232
Remeasurements of defined benefit plans	24,487	19,345
Total accumulated other comprehensive income	165,239	161,537
Non-controlling interests	52,946	45,077
Total net assets	639,001	637,000
Total liabilities and net assets	952,379	933,981

(2) Consolidated Quarterly Income Statement and Consolidated Quarterly Comprehensive Income Statement
 (Consolidated Quarterly Income Statement)
 (Nine Months Ended December 31, 2024)

(million yen)

	Q3/FY2023	Q3/FY2024
Net sales	567,547	589,106
Cost of sales	479,811	484,122
Gross profit	87,735	104,983
Selling, general and administrative expenses	70,143	73,810
Operating income	17,591	31,173
Non-operating income		
Dividend income	3,035	3,266
Foreign exchange gains	2,291	596
Share of profit of entities accounted for using equity method	7,481	7,523
Other	3,881	4,131
Total non-operating income	16,689	15,518
Non-operating expenses		
Interest expenses	2,462	2,478
Loss on valuation of derivatives	253	1,265
Loss on derivatives	694	1,109
Other	562	531
Total non-operating expenses	3,972	5,385
Ordinary income	30,308	41,306
Extraordinary income		
Gain on sales of noncurrent assets	349	355
Gain on sales of investment securities	6,380	2,890
Gain on revision of retirement benefit plan	-	4,119
Other	262	8
Total extraordinary income	6,991	7,373
Extraordinary loss		
Loss on retirement of noncurrent assets	1,197	1,023
Impairment loss	249	849
Amortization of prior service cost	-	1,308
Other	1,568	47
Total extraordinary loss	3,016	3,229
Income before income taxes	34,284	45,450
Income taxes	10,023	12,838
Net income	24,260	32,612
Profit attributable to non-controlling interests	3,131	3,685
Profit attributable to owners of parent	21,129	28,926

(Consolidated Quarterly Comprehensive Income Statement)
(Nine Months Ended December 31, 2024)

(million yen)

	Q3/FY2023	Q3/FY2024
Net income	24,260	32,612
Other comprehensive income		
Valuation difference on available-for-sale securities	8,909	(9,976)
Foreign currency translation adjustment	12,035	13,357
Remeasurements of defined benefit plans, net of tax	142	(4,891)
Share of other comprehensive income of entities accounted for using equity method	2,344	(420)
Total other comprehensive income	23,431	(1,930)
Comprehensive income	47,692	30,681
(Detail)		
Comprehensive income attributable to owners of parent	43,060	25,225
Comprehensive income attributable to non-controlling interests	4,631	5,456

(3) Notes Concerning Consolidated Quarterly Financial Statements

(Notes on Changes in accounting policies)

(Application of the “Accounting Standard for Current Income Taxes,” etc.)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”), etc., have been applied from the beginning of the current fiscal year. Regarding the revisions to the categories in which current income taxes should be recorded (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). These changes in accounting policies have no impact on the quarterly consolidated financial statements.

In addition, with regard to revisions related to the treatment in consolidated financial statements when gains or losses arising from the sale of subsidiary shares, etc., among consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the current fiscal year. These changes in accounting policies have been applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the same period of the previous fiscal year and the previous fiscal year have been prepared on a retroactive basis. These changes in accounting policies have no impact on the quarterly consolidated financial statements of the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Accounting Treatments Specific to the Preparation of Consolidated Quarterly Financial Statements)

As for tax expenses, some consolidated subsidiaries estimated an effective tax rate in a reasonable manner applying tax effect accounting to income before income taxes for the consolidated fiscal year including the period under review, and multiplied the estimated effective tax rate by income before income taxes for the period under review.

(Segment Information)

I Q3/FY2023

1. Information regarding net sales and income (loss) by reportable segment

(million yen)

	Reportable segments			Total	Adjustments (Note 1)	Amount included in the consolidated quarterly income statement (Note 2)
	Seal	Electronic product	Other			
Net sales						
Net sales to external customers	275,141	271,691	20,713	567,547	—	567,547
Inter-segment sales/transfers	1,057	72	533	1,664	(1,664)	—
Total	276,199	271,764	21,246	569,211	(1,664)	567,547
Segment income	16,369	937	297	17,603	(12)	17,591

Notes: 1. The amount of (12) million yen in adjustments of segment income (loss) represents the result of the elimination of inter-segment transactions.

2. Segment income is adjusted for operating income stated in the consolidated quarterly income statement.

2. Information regarding impairment of fixed assets, goodwill etc. by reportable segment

(Significant Fluctuations in Goodwill)

In the other business segment, the amount of goodwill increased by 10,669 million yen as the company included Estoh into its scope of consolidation as a result of the acquisition of all the Estoh's shares during the third quarter of this fiscal year.

II Q3/FY2024

1. Information regarding net sales and income (loss) by reportable segment

(million yen)

	Reportable segments			Total	Adjustments (Note 1)	Amount included in the consolidated quarterly income statement (Note 2)
	Seal	Electronic product	Other			
Net sales						
Net sales to external customers	273,002	290,725	25,378	589,106	—	589,106
Inter-segment sales/transfers	1,214	16	548	1,780	(1,780)	—
Total	274,217	290,741	25,926	590,886	(1,780)	589,106
Segment income	18,991	10,291	1,895	31,178	(5)	31,173

Notes: 1. The amount of (5) million yen in adjustments of segment income (loss) represents the result of the elimination of inter-segment transactions.

2. Segment income is adjusted for operating income stated in the consolidated quarterly income statement.

2. Information regarding impairment of fixed assets, goodwill etc. by reportable segment

(Significant impairment loss on noncurrent assets)

In the electronic product business segment, the carrying amount of a part of machinery and equipment has been decreased to the recoverable amount and booked as impairment loss under extraordinary loss. The amount of said impairment loss booked was 849 million yen during the nine months ended December 31, 2024.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

The company repurchased 1,920,600 shares of its own shares based on the resolution at a meeting of the Board of Directors held on November 7, 2024. As a result of increases/decreases including the repurchase, treasury shares held by the company increased by 3,744 million yen during nine months from April 1, 2024 to December 31, 2024 to 17,758 million yen at the end of the period under review.

(Notes Concerning the Going Concern Assumption)

None.

(Notes on Consolidated Quarterly Cashflow Statement)

The company did not create consolidated quarterly cashflow statements for the period under review. Depreciation amounts for the nine months under review (including amortization for intangible assets other than goodwill) and amortization of goodwill are as follows.

	(million yen)	
	Q3/FY2023	Q3/FY2024
Depreciation	35,729	35,025
Amortization of Goodwill	147	470