

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)



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Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.
 Code number : 5991
 URL : <https://www.nhkspg.co.jp/>
 Representative : Kazuhisa Uemura, President & Chief Operating Officer, Representative Member of the Board
 Contact person : Kazuko Tachibana, Director, Corporate Communications Dept, Corporate Planning & Control Division
 TEL +81-45-786-7513

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 First Quarter of Fiscal Year Ending March 31, 2025 (April 1, 2024 through June 30, 2024)

(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	%
Three months ended								
June 30, 2024	193,783	8.1	12,164	146.2	19,206	86.7	15,058	110.5
June 30, 2023	179,293	15.6	4,940	(17.1)	10,285	(16.9)	7,151	(16.8)

Note: Comprehensive income
 Three months ended June 30, 2024 (16,820 million (19.2) %)
 Three months ended June 30, 2023 (20,829 million 25.5 %)

	Earnings per share, Basic	Earnings per share, Diluted
	Yen	Yen
Three months ended		
June 30, 2024	69.37	—
June 30, 2023	31.57	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
As of			
June 30, 2024	691,770	421,166	58.5
March 31, 2024	690,289	420,574	58.7

Reference: Shareholders' equity (Net assets excluding non-controlling interests)
 As of June 30, 2024 404,984 million yen
 As of March 31, 2024 405,021 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, 2024	—	17.00	—	25.00	42.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		30.00	—	33.00	63.00

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

3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2025 (April 1, 2024 through March 31, 2025)

(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
First half	395,000	9.1	22,000	176.7	27,500	46.7	20,000	39.4	92.62
Full year	800,000	4.3	48,000	38.5	55,000	15.0	45,000	14.8	208.93

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

4. Others

(1) Significant changes in the scope of consolidation during the period : No
Newly consolidated company : No
Excluded company : No

(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 : Yes
[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 June 30, 2024	244,066,144 shares
As of March 31, 2024	244,066,144 shares

[2] Number of treasury stock

As of June 30, 2024	29,244,561 shares
As of March 31, 2024	22,604,852 shares

[3] Average number of shares (Cumulative)

Three months ended June 30, 2024	217,072,277 shares
Three months ended June 30, 2023	226,517,310 shares

* Review by a certified public accountant or an auditing firm of the attached condensed quarterly : No

* 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.

Attached Documents

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1. Qualitative Information related to Consolidated Financial Results

(1) Explanation of Consolidated Financial Results

During the consolidated cumulative first quarter, the global economy showed a sign of gradual recovery in Japan and continued to expand in the U.S., despite the impact of continued high interest rates in the U.S. and Europe and concerns about the outlook for the Chinese economy.

In the automotive market, one of the main business fields of the Group, the production volume in Japan was 1,936 thousand units, down 5.9% from the same period last year, while in North America (U.S. and Canada), 3,189 thousand units were manufactured, down 0.7% from the same period last year. In China, 6,503 thousand units were manufactured, up 5.9% from the same period last year, and in Thailand, 424 thousand units were manufactured, down 16.7% from the same period last year. (All calculations are based on the figures of each region at the end of the quarter.)

In the data communications market, the Group's other main business field, the global production volume of hard disk drives (HDDs) declined year-on-year, while the production of HDDs for near line (NL) increased and that for PCs reduced, resulting in an increase in the total demand for suspensions, our main products.

As a result of the business environment mentioned above, the Group recorded net sales of 193,783 million yen (up 8.1% year-on-year), operating profit of 12,164 million yen (up 146.2% year-on-year), ordinary profit of 19,206 million yen (up 86.7% year-on-year), and profit attributable to owners of parent of 15,058 million yen (up 110.5% year-on-year).

Results by segment are as follows:

Effective from the first quarter of the current consolidated fiscal year, the Company has changed its reportable segment classification. The following year-on-year comparisons are comparative analyses based on the figures for the same period of the previous year, which have been reclassified into the new segments.

[Automotive Suspension Springs Business]

In the automotive suspension spring business, due to the reflection of increases in material and other material prices in product selling prices and an increase in the yen value of overseas subsidiaries due to the weaker yen, etc., net sales increased by 9.0% year-on-year to 42,984 million yen, and operating profit was 135 million yen (compared to an operating loss of 1,381 million yen in the same period last year).

[Automotive Seating Business]

In the automotive seating business, despite an increase in the yen equivalent amount of overseas subsidiaries, net sales increased by 0.1% year-on-year to 77,217 million yen, and operating profit decreased by 6.2% year-on-year to 3,879 million yen due to the impact of production cutbacks in Thailand and some customers.

[Precision Springs and Components Business]

In the precision springs and components business, demand for BEVs in the automotive business reached a plateau, while demand for HEVs was strong and demand for our products increased. In the information and data communications-related business, net sales increased by 10.7% year-on-year to 24,681 million yen, and operating profit was 1,020 million yen (compared to an operating loss of 390 million yen in the same period last year) due to an increase in volume due to recovery in demand for HDDs for NL.

[DDS Business]

In the DDS (Disk Drive Suspension) business, net sales increased by 49.7% year-on-year to 22,347 million yen, and operating profit increased by 503.6% year-on-year to 5,269 million yen as a result of recovery in demand for HDDs for NL and a sharp increase in demand for HDD suspensions.

[Industrial Machinery and Equipment, and Other Operations]

In the industrial machinery and equipment, and other operations business, net sales increased by 4.1% year-on-year to 26,552 million yen, and operating profit increased by 9.1% year-on-year to 1,859 million yen due primarily to a recovery in the volume of semiconductor process components, driven by the recovery in the semiconductor market.

(2) Explanation of Consolidated Financial Position

For total assets at the end of the first quarter of the current consolidated fiscal year, the depreciation of the yen increased the yen equivalent value of inventories and property, plant and equipment of overseas subsidiaries in particular. As a result, total assets increased by 1,480 million yen from the end of the previous consolidated fiscal year to 691,770 million yen.

Liabilities increased by 888 million yen from the end of the previous consolidated fiscal year to 270,604 million yen, mainly due to an increase in commercial paper included in other current liabilities.

Net assets increased by 591 million yen from the end of the previous consolidated fiscal year to 421,166 million yen, due to an increase in foreign currency translation adjustments resulting from the depreciation of the yen, in addition to an increase in retained earnings resulting from profit attributable to owners of parent, despite a decrease due to the acquisition of treasury stock.

(3) Explanation Regarding Future Projection Including Consolidated Financial Forecasts

As of today, the Company has revised its consolidated earnings forecasts for the first half and full year of the fiscal year ending March 31, 2025. For details, please refer to the "Notice Concerning Revisions to Earnings Forecasts and Dividend Forecasts" released on August 7, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	103,216	98,335
Notes and accounts receivable - trade, and contract assets	165,639	165,857
Merchandise and finished goods	27,621	30,051
Work in process	14,073	15,177
Raw materials and supplies	33,395	35,610
Partly-finished goods	11,806	11,346
Other	26,996	27,133
Allowance for doubtful accounts	△58	△37
Total current assets	382,690	383,474
Non-current assets		
Property, plant and equipment		
Buildings and structures	172,525	174,798
Accumulated depreciation	△114,904	△116,946
Buildings and structures, net	57,621	57,851
Machinery, equipment and vehicles	311,687	320,299
Accumulated depreciation	△254,127	△260,909
Machinery, equipment and vehicles, net	57,560	59,389
Land	32,131	33,350
Leased assets	1,281	1,249
Accumulated depreciation	△721	△723
Leased assets, net	560	525
Construction in progress	15,985	17,882
Other	96,081	99,092
Accumulated depreciation	△85,244	△88,275
Other, net	10,836	10,817
Total property, plant and equipment	174,694	179,816
Intangible assets	3,257	3,358
Investments and other assets		
Investment securities	73,491	68,217
Long-term loans receivable	1,953	2,035
Deferred tax assets	10,068	10,163
Retirement benefit asset	33,426	33,606
Other	12,211	12,534
Allowance for doubtful accounts	△1,504	△1,435
Total investments and other assets	129,646	125,120
Total non-current assets	307,599	308,295
Total assets	690,289	691,770

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	97,241	98,991
Electronically recorded obligations - operating	18,677	17,252
Short-term borrowings	11,985	10,263
Lease liabilities	550	567
Income taxes payable	12,087	5,732
Provision for bonuses	10,593	14,521
Provision for bonuses for directors (and other officers)	256	123
Notes payable - facilities	3,674	3,979
Other	27,551	34,078
Total current liabilities	182,618	185,510
Non-current liabilities		
Bonds payable	12,000	12,000
Long-term borrowings	22,009	21,659
Lease liabilities	869	861
Deferred tax liabilities	22,193	20,160
Retirement benefit liability	23,366	23,604
Provision for retirement benefits for directors (and other officers)	522	510
Provision for officers' retirement benefits	881	960
Other	5,253	5,338
Total non-current liabilities	87,096	85,094
Total liabilities	269,715	270,604
Net assets		
Shareholders' equity		
Share capital	17,009	17,009
Capital surplus	19,903	19,903
Retained earnings	306,866	316,422
Treasury shares	△23,055	△33,701
Total shareholders' equity	320,723	319,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,336	30,584
Foreign currency translation adjustment	32,801	37,931
Remeasurements of defined benefit plans	17,160	16,835
Total accumulated other comprehensive income	84,297	85,351
Non-controlling interests	15,552	16,181
Total net assets	420,574	421,166
Total liabilities and net assets	690,289	691,770

(2) Quarterly Consolidated Statement of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Three Months ended June 30, 2024)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	179,293	193,783
Cost of sales	161,165	166,274
Gross profit	18,128	27,508
Selling, general and administrative expenses	13,187	15,343
Operating profit	4,940	12,164
Non-operating income		
Interest income	309	483
Dividend income	1,512	1,220
Share of profit of entities accounted for using equity method	320	419
Foreign exchange gains	2,974	5,155
Other	449	492
Total non-operating income	5,566	7,771
Non-operating expenses		
Interest expenses	50	101
Expenses for product compensation	—	123
Other	170	504
Total non-operating expenses	221	730
Ordinary profit	10,285	19,206
Profit before income taxes	10,285	19,206
Income taxes	2,911	3,761
Profit	7,373	15,444
Profit attributable to non-controlling interests	221	386
Profit attributable to owners of parent	7,151	15,058

(Quarterly Consolidated Statements of Comprehensive Income)
 (Three Months ended June 30, 2024)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	7,373	15,444
Other comprehensive income		
Valuation difference on available-for-sale securities	6,951	△3,741
Foreign currency translation adjustment	6,086	4,724
Remeasurements of defined benefit plans, net of tax	21	△327
Share of other comprehensive income of entities accounted for using equity method	396	720
Total other comprehensive income	13,456	1,375
Comprehensive income	20,829	16,820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,426	16,111
Comprehensive income attributable to non-controlling interests	403	708

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. has been adopted from the beginning of the first quarter ended June 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Statement No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter ended June 30, 2024. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information)

I. Result of First Quarter of the Year ended March 2024 (Three Months ended June 30, 2023)

Information regarding the Amount of Net Sales and Profit or Loss by Business Segment

	Reportable Segment						Adjustments	Consolidated Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs & Components	DDS	Industrial Machinery & Equipment, & Other Operations	Total		
Sales:	(Millions of yen)							
Sales to External Customers	39,421	77,135	22,301	14,923	25,511	179,293	-	179,293
Inter-segment Sales	449	84	476	(98)	2,893	3,805	(3,805)	-
Net Sales	39,870	77,220	22,777	14,825	28,404	183,098	(3,805)	179,293
Segment Profit (Loss)	(1,381)	4,135	(390)	873	1,703	4,940	-	4,940

(Note 1) Adjustment for inter-segment sales of ¥3,805 million is elimination of the inter-segment transaction.
 (Note 2) Segment profit (loss) is in accordance with operating profit (loss) in the quarterly consolidated statement of income. There is no amount of the adjustment.

II. Result of First Quarter of the Year ending March 2025 (Three Months ended June 30, 2024)

1. Information regarding the Amount of Net Sales and Profit or Loss by Business Segment

	Reportable Segment						Adjustments	Consolidated Total
	Automotive Suspension Springs	Automotive Seating	Precision Springs & Components	DDS	Industrial Machinery & Equipment, & Other Operations	Total		
Sales:	(Millions of yen)							
Sales to External Customers	42,984	77,217	24,681	22,347	26,552	193,783	-	193,783
Inter-segment Sales	472	29	616	(262)	3,121	3,977	(3,977)	-
Net Sales	43,457	77,246	25,298	22,084	29,674	197,761	(3,977)	193,783
Segment profit (Loss)	135	3,879	1,020	5,269	1,859	12,164	-	12,164

(Note 1) Adjustment for inter-segment sales of ¥3,977 million is elimination of the inter-segment transaction.
 (Note 2) Segment profit (loss) is in accordance with operating profit (loss) in the quarterly consolidated statement of income. There is no amount of the adjustment.

2. Matters concerning changes in reportable segments, etc.

The Company resolved to implement the 2026 Medium-Term Management Plan, covering the period from FY2024 to FY2026, at the Board of Directors meeting on May 15, 2024.

Based on the Medium-Term Management Plan, decision-making on resource allocation, performance management classification, and the structure for reporting to management have been revised to a form more aligned with business realities. The classification of reporting segments has been changed from the existing "Automotive Suspension Springs Business," "Automotive Seating Business," "Precision Springs and Components Business," and "Industrial Machinery and Equipment, and Other Operations" to "Automotive Suspension Springs Business," "Automotive Seating Business," "Precision Springs and Components Business," "DDS (Disk Drive Suspension) Business," and "Industrial Machinery and Equipment, and Other Operations," effective from the first quarter ended June 30, 2024

Note that the segment information for the consolidated cumulative first quarter of the previous fiscal year, is disclosed based on the segment classifications after the change.

(Reference Information)

<Region Segment Information>

1. Result of First Quarter of the Year Ended March 2024 (Three Months ended June 30, 2023)

	Japan	Asia	America, Europe & Others	Total	Adjustments	Consolidated Total
Sales:	(Millions of yen)					
Sales to External Customers	99,355	48,699	31,239	179,293	-	179,293
Inter-segment Sales	5,672	891	496	7,060	(7,060)	-
Net Sales	105,028	49,590	31,735	186,354	(7,060)	179,293
Segment profit (Loss)	3,100	3,497	(1,658)	4,940	-	4,940

(Note 1) The countries are grouped depending on the geographical proximity.

(Note 2) Countries in the groups except Japan

(1) Asia Thailand, Malaysia, China, India

(2) America, Europe & Others … U.S., Mexico, Netherlands, Hungary

2. Result of First Quarter of the Year ending March 2025 (Three Months ended June 30, 2024)

	Japan	Asia	America, Europe & Others	Total	Adjustments	Consolidated Total
Sales:	(Millions of yen)					
Sales to External Customers	104,302	51,664	37,816	193,783	-	193,783
Inter-segment Sales	9,317	1,341	580	11,239	(11,239)	-
Net Sales	113,620	53,006	38,396	205,023	(11,239)	193,783
Segment profit (Loss)	5,395	7,453	(683)	12,164	-	12,164

(Note 1) The countries are grouped depending on the geographical proximity.

(Note 2) Countries in the groups except Japan

(1) Asia …………… Thailand, Malaysia, China, India

(2) America, Europe & Others … U.S., Mexico, Netherlands, Hungary

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

Not applicable

(Notes to Going Concern Assumption)

Not applicable

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the consolidated cumulative first quarter.

Depreciation and amortization (including amortization expenses related to intangible assets) for the consolidated cumulative first quarter of the current and previous fiscal years are as follows:

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation Expense	6,662	7,242