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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: Teikoku Tsushin Kogyo Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 6763

URL: <https://www.noble-j.co.jp/>

Representative: Masuo Hanyu

President

Contact: Rikuo Maruyama

Director, Senior Vice President

Phone: +81-44-422-3831

Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 27, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	15,223	(7.7)	947	(40.9)	1,559	(28.9)	1,362	(1.6)
March 31, 2023	16,493	9.2	1,601	(5.7)	2,192	8.4	1,385	(12.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 2,952 million [43.4%]
Fiscal year ended March 31, 2023: ¥ 2,058 million [8.2%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	141.13	-	5.3	5.0	6.2
March 31, 2023	141.53	141.52	5.7	7.4	9.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	32,085	27,410	83.5	2,813.15
March 31, 2023	30,306	25,697	82.9	2,567.03

(Reference) Equity: As of March 31, 2024: ¥ 26,782 million
As of March 31, 2023: ¥ 25,129 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	2,923	(87)	(1,272)	9,942
March 31, 2023	1,634	(534)	(750)	8,112

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	30.00	-	30.00	60.00	591	42.4	2.4
March 31, 2024	-	35.00	-	35.00	70.00	676	49.6	2.6
Fiscal year ending March 31, 2025 (Forecast)	-	50.00	-	50.00	100.00		86.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	7,800	(0.4)	500	(24.7)	550	(53.5)	500	(45.0)	52.52
Full year	16,200	6.4	1,100	16.1	1,200	(23.0)	1,100	(19.3)	115.54

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: Yes

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2024:	9,856,107 shares
March 31, 2023:	10,141,833 shares

2) Number of treasury shares at the end of the period:

March 31, 2024:	335,455 shares
March 31, 2023:	352,468 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	9,656,809 shares
Fiscal Year ended March 31, 2023:	9,789,726 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	10,546	(5.2)	(279)	-	1,234	30.3	1,413	142.5
March 31, 2023	11,121	2.3	27	(94.2)	947	(18.2)	582	(40.6)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	146.37	-
March 31, 2023	59.55	59.55

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	23,830	19,518	81.9	2,050.11
March 31, 2023	23,064	18,923	82.0	1,933.01

(Reference) Equity: As of March 31, 2024: ¥ 19,518 million
As of March 31, 2023: ¥ 18,922 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,400,128	12,337,790
Notes and accounts receivable - trade	3,788,719	3,122,788
Electronically recorded monetary claims - operating	728,743	604,958
Securities	171,743	-
Merchandise and finished goods	1,708,449	1,415,795
Work in process	795,343	704,469
Raw materials and supplies	1,058,348	967,483
Other	427,558	398,366
Allowance for doubtful accounts	(4,493)	(10,643)
Total current assets	19,074,540	19,541,009
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,932,128	1,862,744
Machinery, equipment and vehicles, net	1,308,225	1,400,905
Land	656,360	684,918
Leased assets, net	-	4,011
Construction in progress	278,383	81,595
Other, net	249,733	228,263
Total property, plant and equipment	4,424,830	4,262,438
Intangible assets	35,971	52,755
Investments and other assets		
Investment securities	2,982,252	3,466,931
Long-term loans receivable	2,383	1,790
Retirement benefit asset	3,269,527	4,230,802
Deferred tax assets	8,312	12,825
Other	512,150	520,467
Allowance for doubtful accounts	(3,216)	(3,216)
Total investments and other assets	6,771,410	8,229,600
Total non-current assets	11,232,212	12,544,794
Total assets	30,306,752	32,085,804

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	634,270	630,618
Electronically recorded obligations - operating	456,206	280,715
Short-term borrowings	41,776	45,781
Income taxes payable	230,877	124,700
Provision for bonuses	384,706	378,221
Provision for bonuses for directors (and other officers)	27,000	9,500
Other	887,516	788,343
Total current liabilities	2,662,353	2,257,879
Non-current liabilities		
Provision for share awards for directors (and other officers)	87,504	120,326
Retirement benefit liability	148,373	180,556
Deferred tax liabilities	1,661,068	2,078,452
Other	49,989	38,047
Total non-current liabilities	1,946,935	2,417,382
Total liabilities	4,609,289	4,675,262
Net assets		
Shareholders' equity		
Share capital	3,453,078	3,453,078
Capital surplus	5,456,313	5,456,313
Retained earnings	14,184,134	14,248,739
Treasury shares	(791,414)	(631,978)
Total shareholders' equity	22,302,112	22,526,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,558,797	1,886,804
Foreign currency translation adjustment	867,864	1,400,208
Remeasurements of defined benefit plans	400,837	969,809
Total accumulated other comprehensive income	2,827,499	4,256,822
Share acquisition rights	654	-
Non-controlling interests	567,196	627,565
Total net assets	25,697,462	27,410,542
Total liabilities and net assets	30,306,752	32,085,804

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	16,493,670	15,223,690
Cost of sales	11,272,760	10,576,019
Gross profit	5,220,910	4,647,670
Selling, general and administrative expenses		
Packing and transportation costs	306,889	276,634
Remuneration for directors (and other officers)	253,430	276,681
Employees' salaries and allowances	1,200,337	1,238,919
Legal welfare expenses	181,161	180,130
Provision of allowance for doubtful accounts	-	5,860
Provision for bonuses	141,498	130,615
Provision for bonuses for directors (and other officers)	27,000	9,500
Provision for share awards for directors (and other officers)	36,867	37,237
Retirement benefit expenses	(85,830)	(37,270)
Travel, transportation and communication expenses	131,835	171,086
Depreciation	141,023	135,257
Research and development expenses	492,249	540,749
Other	792,660	734,822
Total selling, general and administrative expenses	3,619,124	3,700,225
Operating profit	1,601,786	947,445
Non-operating income		
Interest income	52,368	91,113
Dividend income	118,899	145,600
Rental income	67,119	64,744
Foreign exchange gains	348,796	391,159
Other	55,125	42,782
Total non-operating income	642,308	735,399
Non-operating expenses		
Interest expenses	5,288	3,701
Rental expenses on non-current assets	33,467	35,822
Loss on retirement of non-current assets	9,358	8,843
Compensation for eviction	-	56,416
Other	3,875	18,647
Total non-operating expenses	51,989	123,431
Ordinary profit	2,192,105	1,559,413

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of investment securities	-	182,031
Gain on redemption of investment securities	51,420	109,187
Total extraordinary income	51,420	291,219
Extraordinary losses		
Loss on valuation of investment securities	200,000	-
Total extraordinary losses	200,000	-
Profit before income taxes	2,043,525	1,850,633
Income taxes - current	468,758	359,606
Income taxes - deferred	88,991	25,824
Total income taxes	557,750	385,431
Profit	1,485,775	1,465,202
Profit attributable to non-controlling interests	100,280	102,309
Profit attributable to owners of parent	1,385,495	1,362,893

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,485,775	1,465,202
Other comprehensive income		
Valuation difference on available-for-sale securities	441,478	336,218
Foreign currency translation adjustment	602,628	577,113
Remeasurements of defined benefit plans, net of tax	(471,502)	574,018
Total other comprehensive income	572,604	1,487,350
Comprehensive income	2,058,379	2,952,552
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,947,569	2,792,217
Comprehensive income attributable to non-controlling interests	110,810	160,335

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,453,078	5,456,313	13,439,445	(790,775)	21,558,062
Changes during period					
Dividends of surplus			(640,727)		(640,727)
Profit attributable to owners of parent			1,385,495		1,385,495
Purchase of treasury shares				(833)	(833)
Disposal of treasury shares			(79)	194	115
Net changes in items other than shareholders' equity					
Total changes during period	-	-	744,688	(639)	744,049
Balance at end of period	3,453,078	5,456,313	14,184,134	(791,414)	22,302,112

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,117,693	276,191	871,539	2,265,425	1,284	523,944	24,348,717
Changes during period							
Dividends of surplus							(640,727)
Profit attributable to owners of parent							1,385,495
Purchase of treasury shares							(833)
Disposal of treasury shares							115
Net changes in items other than shareholders' equity	441,103	591,673	(470,702)	562,074	(630)	43,251	604,696
Total changes during period	441,103	591,673	(470,702)	562,074	(630)	43,251	1,348,745
Balance at end of period	1,558,797	867,864	400,837	2,827,499	654	567,196	25,697,462

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,453,078	5,456,313	14,184,134	(791,414)	22,302,112
Changes during period					
Dividends of surplus			(636,546)		(636,546)
Profit attributable to owners of parent			1,362,893		1,362,893
Purchase of treasury shares				(502,305)	(502,305)
Cancellation of treasury shares			(661,741)	661,741	
Net changes in items other than shareholders' equity					
Total changes during period	-	-	64,605	159,435	224,041
Balance at end of period	3,453,078	5,456,313	14,248,739	(631,978)	22,526,153

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,558,797	867,864	400,837	2,827,499	654	567,196	25,697,462
Changes during period							
Dividends of surplus							(636,546)
Profit attributable to owners of parent							1,362,893
Purchase of treasury shares							(502,305)
Cancellation of treasury shares							-
Net changes in items other than shareholders' equity	328,007	532,343	568,972	1,429,323	(654)	60,369	1,489,038
Total changes during period	328,007	532,343	568,972	1,429,323	(654)	60,369	1,713,079
Balance at end of period	1,886,804	1,400,208	969,809	4,256,822	-	627,565	27,410,542

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,043,525	1,850,633
Depreciation	821,426	786,755
Decrease (increase) in retirement benefit asset	(263,373)	(145,814)
Increase (decrease) in retirement benefit liability	17,778	31,784
Increase (decrease) in provision for bonuses	10,438	(10,501)
Increase (decrease) in provision for bonuses for directors (and other officers)	2,250	(17,500)
Increase (decrease) in provision for share awards for directors (and other officers)	32,306	32,821
Increase (decrease) in allowance for doubtful accounts	8	5,860
Loss on retirement of non-current assets	9,358	8,843
Loss (gain) on sale of non-current assets	(738)	175
Loss (gain) on sale of investment securities	-	(182,031)
Loss (gain) on valuation of investment securities	200,000	1,855
Loss (gain) on redemption of investment securities	(51,420)	(109,187)
Interest and dividend income	(171,267)	(236,713)
Interest expenses	5,288	3,701
Decrease (increase) in trade receivables	(253,030)	921,612
Decrease (increase) in inventories	(238,821)	560,079
Increase (decrease) in trade payables	(442,492)	(189,066)
Increase (decrease) in accrued consumption taxes	(48,184)	65,502
Other, net	252,257	(275,670)
Subtotal	1,925,307	3,103,140
Interest and dividends received	169,557	232,967
Interest paid	(5,288)	(3,701)
Income taxes refund	1,192	61,741
Income taxes paid	(456,412)	(470,880)
Net cash provided by (used in) operating activities	1,634,357	2,923,269
Cash flows from investing activities		
Decrease (increase) in time deposits	(49,292)	52,312
Purchase of property, plant and equipment	(860,012)	(552,544)
Proceeds from sale of property, plant and equipment	872	2,896
Purchase of intangible assets	(7,243)	(31,662)
Purchase of investment securities	(11,910)	(11,737)
Proceeds from sale of investment securities	-	260,960
Proceeds from redemption of investment securities	400,007	200,050
Loan advances	(1,285)	-
Proceeds from collection of loans receivable	836	970
Other, net	(6,669)	(8,457)
Net cash provided by (used in) investing activities	(534,697)	(87,210)

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	-	4,004
Repayments of short-term borrowings	(1,614)	-
Repayments of finance lease liabilities	(43,528)	(35,659)
Purchase of treasury shares	(833)	(502,305)
Proceeds from sale of treasury shares	115	-
Dividends paid	(637,306)	(638,775)
Dividends paid to non-controlling interests	(67,489)	(99,864)
Net cash provided by (used in) financing activities	(750,656)	(1,272,601)
Effect of exchange rate change on cash and cash equivalents	253,435	266,779
Net increase (decrease) in cash and cash equivalents	602,438	1,830,237
Cash and cash equivalents at beginning of period	7,510,033	8,112,471
Cash and cash equivalents at end of period	8,112,471	9,942,709