

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

Company name: NIPPON KINZOKU CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 5491 URL <https://www.nipponkinzoku.co.jp/>
 Representative: President Yasushi Shimokawa
 Inquiries: Managing Executive Officer, Hisashi Maruyama TEL 03-5765-8105
 General Manager, Finance Department
 Scheduled date to file Quarterly Securities Report: August 9, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	13,070	9.7	472	129.7	476	207.9	316	–
Three months ended June 30, 2021	11,916	29.7	205	–	154	–	(12)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	47.28	–
Three months ended June 30, 2021	(1.92)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	72,431	23,743	32.8	3,546.81
As of March 31, 2022	72,179	23,314	32.3	3,482.66

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, 2022	–	0.00	–	0.00	0.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (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: No
- 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, 2022	6,700,000 shares	As of March 31, 2022	6,700,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	5,659 shares	As of March 31, 2022	5,654 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, 2022	6,694,343 shares	Three months ended June 30, 2021	6,694,431 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	10,134	8,754
Notes and accounts receivable - trade	9,102	9,345
Electronically recorded monetary claims - operating	5,123	5,253
Merchandise and finished goods	5,153	6,282
Work in process	4,936	5,152
Raw materials and supplies	1,531	1,683
Other	601	514
Allowance for doubtful accounts	(2)	(1)
Total current assets	36,580	36,984
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,956	3,916
Machinery, equipment and vehicles, net	11,113	10,992
Land	16,245	16,250
Other, net	977	1,092
Total property, plant and equipment	32,292	32,251
Intangible assets	152	141
Investments and other assets		
Investment securities	2,120	2,006
Other	1,068	1,082
Allowance for doubtful accounts	(35)	(35)
Total investments and other assets	3,153	3,052
Total non-current assets	35,598	35,446
Total assets	72,179	72,431

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,323	11,508
Electronically recorded obligations - operating	1,080	4,242
Short-term borrowings	10,922	12,690
Provision for bonuses	337	111
Provision for product warranties	46	73
Provision for environmental measures	37	37
Other	6,030	4,043
Total current liabilities	31,778	32,708
Non-current liabilities		
Long-term borrowings	11,520	10,375
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,237	2,303
Provision for environmental measures	21	21
Other	266	237
Total non-current liabilities	17,087	15,979
Total liabilities	48,865	48,687
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	8,465	8,782
Treasury shares	(10)	(10)
Total shareholders' equity	16,298	16,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	804	735
Revaluation reserve for land	6,059	6,059
Foreign currency translation adjustment	163	343
Remeasurements of defined benefit plans	(12)	(10)
Total accumulated other comprehensive income	7,015	7,128
Total net assets	23,314	23,743
Total liabilities and net assets	72,179	72,431

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, 2021	Three months ended June 30, 2022
Net sales	11,916	13,070
Cost of sales	10,467	11,303
Gross profit	1,449	1,767
Selling, general and administrative expenses		
Freight and packing costs	308	298
Remuneration, salaries and allowances for directors (and other officers)	546	588
Provision for bonuses	27	30
Retirement benefit expenses	35	35
Depreciation	49	50
Other	275	292
Total selling, general and administrative expenses	1,243	1,295
Operating profit	205	472
Non-operating income		
Interest income	0	0
Dividend income	24	34
Rental income	9	9
Sales of scraps income	8	13
Other	11	5
Total non-operating income	54	62
Non-operating expenses		
Interest expenses	36	43
Foreign exchange losses	31	7
Depreciation	30	–
Other	7	7
Total non-operating expenses	105	58
Ordinary profit	154	476
Extraordinary income		
Gain on sale of non-current assets	3	0
Total extraordinary income	3	0
Extraordinary losses		
Loss on retirement of non-current assets	5	8
Loss on valuation of investment securities	–	17
Total extraordinary losses	5	26
Profit before income taxes	153	451
Income taxes - current	81	123
Income taxes - deferred	84	11
Total income taxes	166	134
Profit (loss)	(12)	316
Profit (loss) attributable to owners of parent	(12)	316

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	(12)	316
Other comprehensive income		
Valuation difference on available-for-sale securities	(113)	(69)
Foreign currency translation adjustment	52	180
Remeasurements of defined benefit plans, net of tax	8	2
Total other comprehensive income	(51)	112
Comprehensive income	(64)	429
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(64)	429
Comprehensive income attributable to non-controlling interests	–	–