

Translation

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

October 31, 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: November 10, 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 six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	25,894	8.8	852	83.3	817	97.4	553	417.0
Six months ended September 30, 2021	23,798	32.2	464	–	414	–	107	(78.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	82.70		–	
Six months ended September 30, 2021	15.99		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	71,096	24,075	33.9	3,596.34
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				
Year ended March 31, 2022	–	0.00	–	0.00	0.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	5.00	5.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	55,000	12.0	1,300	(9.6)	1,300	(2.8)	700	(72.2)	104.57

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2022	5,678 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)

Six months ended September 30, 2022	6,694,332 shares	Six months ended September 30, 2021	6,694,428 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	10,134	6,781
Notes and accounts receivable - trade	9,102	9,464
Electronically recorded monetary claims - operating	5,123	4,641
Merchandise and finished goods	5,153	6,952
Work in process	4,936	5,465
Raw materials and supplies	1,531	1,847
Other	601	371
Allowance for doubtful accounts	(2)	(1)
Total current assets	36,580	35,523
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,956	3,986
Machinery, equipment and vehicles, net	11,113	10,789
Land	16,245	16,231
Other, net	977	1,417
Total property, plant and equipment	32,292	32,424
Intangible assets	152	133
Investments and other assets		
Investment securities	2,120	1,995
Other	1,068	1,054
Allowance for doubtful accounts	(35)	(35)
Total investments and other assets	3,153	3,015
Total non-current assets	35,598	35,573
Total assets	72,179	71,096

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,323	10,454
Electronically recorded obligations - operating	1,080	4,577
Short-term borrowings	10,922	13,960
Provision for bonuses	337	344
Provision for product warranties	46	73
Provision for environmental measures	37	–
Other	6,030	2,744
Total current liabilities	31,778	32,155
Non-current liabilities		
Long-term borrowings	11,520	9,230
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,237	2,329
Provision for environmental measures	21	48
Other	266	217
Total non-current liabilities	17,087	14,866
Total liabilities	48,865	47,021
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	8,465	9,001
Treasury shares	(10)	(10)
Total shareholders' equity	16,298	16,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	804	725
Revaluation reserve for land	6,059	6,077
Foreign currency translation adjustment	163	445
Remeasurements of defined benefit plans	(12)	(7)
Total accumulated other comprehensive income	7,015	7,240
Total net assets	23,314	24,075
Total liabilities and net assets	72,179	71,096

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	23,798	25,894
Cost of sales	20,844	22,486
Gross profit	2,953	3,407
Selling, general and administrative expenses		
Freight and packing costs	615	567
Remuneration, salaries and allowances for directors (and other officers)	1,037	1,127
Provision for bonuses	97	106
Retirement benefit expenses	75	69
Depreciation	121	100
Other	541	584
Total selling, general and administrative expenses	2,489	2,555
Operating profit	464	852
Non-operating income		
Interest income	2	3
Dividend income	25	35
Rental income	19	19
Sales of scraps income	19	23
Other	30	25
Total non-operating income	98	106
Non-operating expenses		
Interest expenses	71	85
Foreign exchange losses	33	38
Depreciation	30	–
Other	14	16
Total non-operating expenses	148	141
Ordinary profit	414	817
Extraordinary income		
Gain on sale of non-current assets	3	3
Total extraordinary income	3	3
Extraordinary losses		
Loss on retirement of non-current assets	29	14
Loss on valuation of investment securities	–	17
Total extraordinary losses	29	32
Profit before income taxes	388	789
Income taxes - current	167	199
Income taxes - deferred	113	35
Total income taxes	280	235
Profit	107	553
Profit attributable to owners of parent	107	553

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	107	553
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	(78)
Foreign currency translation adjustment	10	281
Remeasurements of defined benefit plans, net of tax	17	4
Total other comprehensive income	(13)	207
Comprehensive income	93	760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	93	760
Comprehensive income attributable to non-controlling interests	–	–