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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 08, 2022

Company name: Nakayama Steel Works, Ltd.

Stock exchange listing: Tokyo

Code number: 5408

URL: <https://www.nakayama-steel.co.jp/>

Representative: Kazuaki Hakomori

,President

Contact: Mitsuaki Sakaguchi

,Managing Executive Officer

Phone: 06-6555-3035

Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: December 01, 2022

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: Yes

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

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

## (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	93,273	27.1	7,780	235.3	7,711	272.5	5,976	370.4
September 30, 2021	73,361	40.3	2,320	138.4	2,069	92.8	1,270	46.0

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 5,960 million [ 335.4%]  
Six months ended September 30, 2021: ¥ 1,369 million [ 42.1%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	110.39		-	
September 30, 2021	23.46		-	

## (2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of September 30, 2022	156,958		94,242		60.0	
March 31, 2022	143,618		88,931		61.9	

(Reference) Equity: As of September 30, 2022: ¥ 94,242 million  
As of March 31, 2022: ¥ 88,931 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	4.00	-	12.00	16.00
Fiscal year ending March 31, 2023	-	33.00			
Fiscal year ending March 31, 2023 (Forecast)			-	14.00	47.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	187,000	12.2	12,800	76.5	12,500	87.8	9,600	99.3	177.33

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

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

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New - (Company name: )

Exclusion: 1 (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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: No

4) Retrospective restatement: No

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

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

September 30, 2022: 63,079,256 shares

March 31, 2022: 63,079,256 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 8,942,757 shares

March 31, 2022: 8,942,656 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 54,136,565 shares

Six months ended September 30, 2021: 54,136,730 shares

Quarterly Consolidated Financial Statements  
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	15,765	17,520
Notes and accounts receivable - trade, and contract assets	31,538	38,019
Electronically recorded monetary claims - operating	7,386	9,494
Merchandise and finished goods	17,338	18,670
Work in process	3,284	5,631
Raw materials and supplies	15,815	16,185
Other	1,654	747
Allowance for doubtful accounts	(94)	(82)
Total current assets	92,688	106,188
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,823	6,807
Machinery and equipment, net	12,992	13,371
Land	23,033	23,022
Other, net	1,247	1,483
Total property, plant and equipment	44,097	44,685
Intangible assets	273	547
Investments and other assets		
Investment securities	2,785	2,808
Guarantee deposits	2,352	1,351
Other	1,463	1,418
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	6,559	5,537
Total non-current assets	50,929	50,770
Total assets	143,618	156,958

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,750	24,089
Electronically recorded obligations - operating	1,356	1,751
Short-term borrowings	7,674	11,634
Current portion of bonds payable	42	48
Accounts payable - other	2,040	2,366
Accrued expenses	1,444	1,653
Income taxes payable	1,565	2,694
Provision for bonuses	853	895
Provision for environmental measures	9	44
Other	638	1,105
Total current liabilities	37,375	46,283
Non-current liabilities		
Bonds payable	27	-
Long-term borrowings	8,249	7,934
Deferred tax liabilities	3,472	2,692
Deferred tax liabilities for land revaluation	1,001	1,001
Provision for environmental measures	415	399
Provision for decommissioning and removal	404	404
Provision for loss on business of subsidiaries and associates	42	58
Retirement benefit liability	2,577	2,624
Other	1,121	1,316
Total non-current liabilities	17,311	16,432
Total liabilities	54,686	62,716
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,826	7,826
Retained earnings	58,364	63,700
Treasury shares	(775)	(775)
Total shareholders' equity	85,459	90,795
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,043	1,021
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	2,444	2,435
Remeasurements of defined benefit plans	(16)	(9)
Total accumulated other comprehensive income	3,471	3,446
Total net assets	88,931	94,242
Total liabilities and net assets	143,618	156,958

Quarterly Consolidated Statements of Income and Comprehensive Income  
 Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	73,361	93,273
Cost of sales	64,915	79,477
Gross profit	8,446	13,796
Selling, general and administrative expenses		
Selling expenses	3,035	2,612
General and administrative expenses	3,091	3,403
Total selling, general and administrative expenses	6,126	6,016
Operating profit	2,320	7,780
Non-operating income		
Interest income	29	28
Dividend income	34	45
Share of profit of entities accounted for using equity method	65	94
Amortization of negative goodwill	1	-
Other	66	87
Total non-operating income	197	256
Non-operating expenses		
Interest expenses	48	123
Rental expenses	73	74
Other	325	127
Total non-operating expenses	447	325
Ordinary profit	2,069	7,711
Extraordinary income		
Gain on sales of scraps	-	539
Insurance claim income	-	152
Gain on sale of non-current assets	11	3
Other	36	11
Total extraordinary income	48	707
Extraordinary losses		
Loss on retirement of non-current assets	203	478
Compensation for damage	-	152
Other	4	38
Total extraordinary losses	207	669
Profit before income taxes	1,910	7,748
Income taxes - current	682	2,548
Income taxes - deferred	(42)	(775)
Total income taxes	640	1,772
Profit	1,270	5,976
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,270	5,976

## Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	1,270	5,976
Other comprehensive income		
Valuation difference on available-for-sale securities	88	(22)
Deferred gains or losses on hedges	0	0
Remeasurements of defined benefit plans, net of tax	10	6
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	98	(15)
Comprehensive income	1,369	5,960
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,369	5,960
Comprehensive income attributable to non-controlling interests	-	-