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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 07, 2023

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: February 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 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	%
Nine months ended December 31, 2022	141,353	17.1	11,274	130.7	11,166	141.5	8,442	149.0
December 31, 2021	120,714	49.6	4,887	163.6	4,623	125.9	3,390	109.3

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 8,539 million [146.7%]
 Nine months ended December 31, 2021: ¥ 3,461 million [80.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	155.94	-
December 31, 2021	62.63	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	152,827	95,035	62.2
March 31, 2022	143,618	88,931	61.9

(Reference) Equity: As of December 31, 2022: ¥ 95,035 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)				22.00	55.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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	13,800	90.3	13,500	102.9	10,000	107.7	184.72

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

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

Exclusion: 1 (Company name: Nakayama Mitsuboshi Steel Products,Ltd.)

(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):

December 31, 2022: 63,079,256 shares

March 31, 2022: 63,079,256 shares

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

December 31, 2022: 8,942,811 shares

March 31, 2022: 8,942,656 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 54,136,536 shares

Nine months ended December 31, 2021: 54,136,711 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	15,765	14,781
Notes and accounts receivable - trade, and contract assets	31,538	37,369
Electronically recorded monetary claims - operating	7,386	9,830
Merchandise and finished goods	17,338	18,307
Work in process	3,284	5,891
Raw materials and supplies	15,815	14,436
Other	1,654	1,018
Allowance for doubtful accounts	(94)	(68)
Total current assets	92,688	101,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,823	6,806
Machinery and equipment, net	12,992	13,677
Land	23,033	23,022
Other, net	1,247	1,469
Total property, plant and equipment	44,097	44,977
Intangible assets	273	559
Investments and other assets		
Investment securities	2,785	3,005
Guarantee deposits	2,352	1,364
Other	1,463	1,395
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	6,559	5,724
Total non-current assets	50,929	51,260
Total assets	143,618	152,827

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,750	21,240
Electronically recorded obligations - operating	1,356	2,187
Short-term borrowings	7,674	7,625
Current portion of bonds payable	42	48
Accounts payable - other	2,040	2,224
Accrued expenses	1,444	2,478
Income taxes payable	1,565	3,062
Provision for bonuses	853	406
Provision for environmental measures	9	75
Other	638	2,123
Total current liabilities	37,375	41,472
Non-current liabilities		
Bonds payable	27	-
Long-term borrowings	8,249	7,781
Deferred tax liabilities	3,472	2,755
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	78
Retirement benefit liability	2,577	2,609
Other	1,121	1,289
Total non-current liabilities	17,311	16,319
Total liabilities	54,686	57,792
Net assets		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,826	7,826
Retained earnings	58,364	64,379
Treasury shares	(775)	(775)
Total shareholders' equity	85,459	91,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,043	1,131
Deferred gains or losses on hedges	(0)	(0)
Revaluation reserve for land	2,444	2,435
Remeasurements of defined benefit plans	(16)	(6)
Total accumulated other comprehensive income	3,471	3,560
Total net assets	88,931	95,035
Total liabilities and net assets	143,618	152,827

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	120,714	141,353
Cost of sales	106,482	120,934
Gross profit	14,232	20,419
Selling, general and administrative expenses		
Selling expenses	4,667	3,937
General and administrative expenses	4,676	5,206
Total selling, general and administrative expenses	9,344	9,144
Operating profit	4,887	11,274
Non-operating income		
Interest income	41	41
Dividend income	63	77
Share of profit of entities accounted for using equity method	97	137
Amortization of negative goodwill	2	-
Other	132	127
Total non-operating income	337	384
Non-operating expenses		
Interest expenses	78	168
Rental expenses	110	111
Other	411	212
Total non-operating expenses	601	492
Ordinary profit	4,623	11,166
Extraordinary income		
Gain on sales of scraps	-	789
Insurance claim income	-	152
Gain on sale of non-current assets	28	4
Other	261	29
Total extraordinary income	289	975
Extraordinary losses		
Loss on retirement of non-current assets	169	532
Compensation for damage	-	152
Other	11	94
Total extraordinary losses	180	779
Profit before income taxes	4,732	11,362
Income taxes - current	1,424	3,684
Income taxes - deferred	(82)	(764)
Total income taxes	1,341	2,920
Profit	3,390	8,442
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,390	8,442

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	3,390	8,442
Other comprehensive income		
Valuation difference on available-for-sale securities	56	87
Deferred gains or losses on hedges	0	(0)
Remeasurements of defined benefit plans, net of tax	15	9
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	71	97
Comprehensive income	3,461	8,539
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,461	8,539
Comprehensive income attributable to non-controlling interests	-	-