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May 12, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Nittetsu Mining Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 1515
 URL: <https://www.nittetsukou.co.jp/>
 Representative: Reiichi Morikawa, Representative Director and President
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 Telephone: +81-3-3216-5255
 Scheduled date of annual general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file annual securities report: June 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(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	%
Fiscal year ended								
March 31, 2023	164,020	10.0	13,632	(13.3)	13,204	(20.5)	9,780	5.4
March 31, 2022	149,082	25.1	15,715	80.1	16,605	72.4	9,279	147.7

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥16,859 million [30.5%]
 For the fiscal year ended March 31, 2022: ¥12,921 million [3.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	587.89	—	7.7	6.5	8.3
March 31, 2022	557.73	—	8.0	8.6	10.5

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2023: ¥(1,192) million

For the fiscal year ended March 31, 2022: ¥123 million

* The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2022. The figures for earnings per share have been, therefore, calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended March 31, 2022.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	208,335	139,410	63.5	7,955.03
March 31, 2022	197,732	126,371	60.7	7,217.26

Reference: Equity

As of March 31, 2023: ¥132,345 million

As of March 31, 2022: ¥120,073 million

* The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2022. The figures for net assets per share have been, therefore, calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended March 31, 2022.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	15,818	(5,507)	(4,920)	39,729
March 31, 2022	8,539	(7,256)	(4,759)	32,949

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	135.00	–	200.00	335.00	2,786	30.0	2.4
Fiscal year ended March 31, 2023	–	135.00	–	110.00	–	2,953	30.2	2.3
Fiscal year ending March 31, 2024 (Forecast)	–	50.00	–	50.00	100.00		30.2	

* The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2022. The figure for the year-end dividends per share for the fiscal year ended March 31, 2023 is, therefore, presented in an amount after the stock split, and the figure for annual dividends per share for the fiscal year ended March 31, 2023 is presented as “–.”

3. Consolidated financial results forecast for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	158,000	(3.7)	8,000	(41.3)	9,000	(31.8)	5,500	(43.8)	330.60

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (Note) For details, please refer to “3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 13 of the attachment (Japanese only).

(3) Number of issued shares (common shares)

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

As of March 31, 2023	16,704,638 shares
As of March 31, 2022	16,704,638 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2023	67,976 shares
As of March 31, 2022	67,588 shares

(iii) Average number of shares outstanding during the period

Year ended March 31, 2023	16,636,871 shares
Year ended March 31, 2022	16,637,373 shares

- * The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2022. The figures for the total number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been, therefore, calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended March 31, 2022.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	132,254	10.3	7,983	(3.4)	10,442	(8.8)	10,902	25.6
March 31, 2022	119,908	27.0	8,262	83.9	11,446	104.1	8,680	324.6

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	655.31	—
March 31, 2022	521.74	—

- * The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2022. The figures for earnings per share have been, therefore, calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended March 31, 2022.

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	176,640	117,275	66.4	7,049.23
March 31, 2022	165,301	106,442	64.4	6,397.93

Reference: Equity

As of March 31, 2023: ¥117,275 million

As of March 31, 2022: ¥106,442 million

* The Company conducted a 2-for-1 stock split of its common shares effective October 1, 2022. The figures for net assets per share have been, therefore, calculated based on the assumption that the stock split had taken place at the beginning of the fiscal year ended March 31, 2022.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Notes on forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not guarantee their achievement. Actual performance and other results may be significantly different from the forecasts due to various factors. For details on the assumptions for financial results forecasts and notes on the use of financial results forecasts, etc., refer to “1. Overview of Operating Results, (4) Future Outlook” on page 4 of the attachment (Japanese only).

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	33,224	40,002
Notes and accounts receivable - trade, and contract assets	30,757	30,670
Lease investment assets	2,551	2,291
Merchandise and finished goods	5,825	6,578
Work in process	8,369	8,007
Raw materials and supplies	6,432	3,163
Other	2,992	4,085
Allowance for doubtful accounts	(448)	(621)
Total current assets	89,705	94,178
Non-current assets		
Property, plant and equipment		
Buildings and structures	94,103	95,466
Accumulated depreciation	(73,192)	(75,392)
Buildings and structures, net	20,911	20,073
Machinery, equipment and vehicles	99,224	101,983
Accumulated depreciation	(88,525)	(91,443)
Machinery, equipment and vehicles, net	10,699	10,540
Land used for mining operations	10,275	10,417
Accumulated depreciation	(6,572)	(6,734)
Land used for mining operations, net	3,702	3,682
Land for general use	16,299	16,308
Construction in progress	15,053	19,159
Other	4,619	4,787
Accumulated depreciation	(4,169)	(4,275)
Other, net	450	511
Total property, plant and equipment	67,117	70,276
Intangible assets		
Mining rights	3,111	3,542
Other	497	504
Total intangible assets	3,608	4,046
Investments and other assets		
Investment securities	29,172	30,855
Deferred tax assets	1,256	1,319
Other	7,031	7,803
Allowance for doubtful accounts	(151)	(140)
Allowance for investment loss	(8)	(3)
Total investments and other assets	37,301	39,833
Total non-current assets	108,027	114,156
Total assets	197,732	208,335

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,627	15,297
Short-term loans payable	15,922	19,700
Lease obligations	869	729
Accounts payable - other	7,061	7,918
Income taxes payable	2,939	492
Provision for bonuses	1,103	1,164
Provision for directors' bonuses	34	32
Provision for shareholder benefit program	10	16
Provision for product warranties	10	10
Other	4,358	2,896
Total current liabilities	46,938	48,258
Non-current liabilities		
Long-term loans payable	4,817	1,117
Lease obligations	1,348	1,311
Deferred tax liabilities	2,753	4,360
Provision for directors' retirement benefits	77	59
Provision for environmental safety measures	5	1
Provision for special repairs	226	79
Net defined benefit liability	3,799	1,948
Asset retirement obligations	4,639	5,082
Other	6,754	6,706
Total non-current liabilities	24,422	20,666
Total liabilities	71,360	68,924
Net assets		
Shareholders' equity		
Capital stock	4,176	4,176
Capital surplus	4,746	4,584
Retained earnings	99,391	106,385
Treasury shares	(169)	(170)
Total shareholders' equity	108,145	114,976
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,974	14,149
Deferred gains or losses on hedges	(778)	(180)
Foreign currency translation adjustment	808	1,937
Remeasurements of defined benefit plans	(75)	1,463
Total accumulated other comprehensive income	11,928	17,368
Non-controlling interests	6,297	7,065
Total net assets	126,371	139,410
Total liabilities and net assets	197,732	208,335

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
Net sales	149,082	164,020
Cost of sales	114,217	129,038
Gross profit	34,864	34,981
Selling, general and administrative expenses	19,149	21,349
Operating profit	15,715	13,632
Non-operating income		
Interest income	23	111
Dividend income	1,062	1,512
Share of profit of entities accounted for using equity method	123	—
Foreign exchange gains	127	—
Other	224	186
Total non-operating income	1,561	1,810
Non-operating expenses		
Interest expenses	261	490
Share of loss of entities accounted for using equity method	—	1,192
Foreign exchange losses	—	40
Maintenance fees for closed and abandoned mines	215	244
Depreciation of assets for rent and other	92	72
Other	102	196
Total non-operating expenses	671	2,238
Ordinary profit	16,605	13,204
Extraordinary income		
Gain on sales of non-current assets	46	33
Gain on sale of investment securities	145	1,660
Other	—	33
Total extraordinary income	191	1,726
Extraordinary losses		
Loss on sales and retirement of non-current assets	220	323
Impairment loss	106	427
Loss on fire	148	—
Other	16	0
Total extraordinary losses	493	751
Profit before income taxes	16,304	14,179
Income taxes - current	5,082	3,356
Income taxes - deferred	27	(191)
Total income taxes	5,110	3,164
Profit	11,193	11,015
Profit attributable to non-controlling interests	1,914	1,234
Profit attributable to owners of parent	9,279	9,780

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
Profit	11,193	11,015
Other comprehensive income		
Valuation difference on available-for-sale securities	987	2,176
Deferred gains or losses on hedges	(858)	598
Foreign currency translation adjustment	1,034	1,540
Remeasurements of defined benefit plans	564	1,529
Total other comprehensive income	1,727	5,843
Comprehensive income	12,921	16,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,723	15,220
Comprehensive income attributable to non-controlling interests	2,197	1,638

(3) Consolidated Statements of Changes in Equity
Year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,176	4,889	91,693	(167)	100,591
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		(143)			(143)
Dividends of surplus			(1,580)		(1,580)
Profit attributable to owners of parent			9,279		9,279
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	-	(143)	7,698	(1)	7,553
Balance at end of current period	4,176	4,746	99,391	(169)	108,145

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,986	79	53	(635)	10,483	5,336	116,411
Changes during period							
Change in ownership interest of parent due to transactions with non-controlling interests							(143)
Dividends of surplus							(1,580)
Profit attributable to owners of parent							9,279
Purchase of treasury shares							(1)
Net changes in items other than shareholders' equity	987	(858)	755	560	1,444	961	2,406
Total changes during period	987	(858)	755	560	1,444	961	9,960
Balance at end of current period	11,974	(778)	808	(75)	11,928	6,297	126,371

Year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,176	4,746	99,391	(169)	108,145
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		(161)			(161)
Dividends of surplus			(2,786)		(2,786)
Profit attributable to owners of parent			9,780		9,780
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	(161)	6,993	(1)	6,830
Balance at end of current period	4,176	4,584	106,385	(170)	114,976

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,974	(778)	808	(75)	11,928	6,297	126,371
Changes during period							
Change in ownership interest of parent due to transactions with non-controlling interests							(161)
Dividends of surplus							(2,786)
Profit attributable to owners of parent							9,780
Purchase of treasury shares							(1)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	2,175	598	1,128	1,538	5,440	767	6,208
Total changes during period	2,175	598	1,128	1,538	5,440	767	13,038
Balance at end of current period	14,149	(180)	1,937	1,463	17,368	7,065	139,410

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,304	14,179
Depreciation	5,426	5,485
Impairment losses	106	427
Increase (decrease) in allowance for doubtful accounts	(45)	91
Increase (decrease) in provision for bonuses	29	60
Increase (decrease) in other provisions	93	(170)
Increase (decrease) in retirement benefit liability	124	340
Interest and dividend income	(1,085)	(1,623)
Interest expenses	261	490
Foreign exchange losses (gains)	(652)	(596)
Share of loss (profit) of entities accounted for using equity method	(123)	1,192
Gain on sale of non-current assets	(46)	(33)
Loss on sale and retirement of non-current assets	220	323
Loss on fire	148	—
Decrease (increase) in trade receivables	(2,746)	653
Decrease (increase) in inventories	(1,276)	3,006
Decrease (increase) in advance payments to suppliers	21	(66)
Decrease (increase) in accounts receivable - other	593	(616)
Increase (decrease) in trade payables	(2,938)	670
Increase (decrease) in accounts payable - other	(157)	174
Increase (decrease) in accrued consumption taxes	694	(1,059)
Other, net	(2,371)	(1,382)
Subtotal	12,579	21,548
Interest and dividends received	1,044	1,637
Interest paid	(271)	(522)
Loss on fire paid	(1,471)	(48)
Income taxes refund (paid)	(3,340)	(6,797)
Net cash provided by (used in) operating activities	8,539	15,818
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	—	1
Purchase of property, plant and equipment	(7,987)	(7,401)
Proceeds from sale of property, plant and equipment	55	46
Purchase of intangible assets	(20)	(20)
Purchase of investment securities	(28)	(79)
Proceeds from sale of investment securities	688	2,030
Decrease (increase) in short-term loans receivable	16	(86)
Other, net	19	0
Net cash provided by (used in) investing activities	(7,256)	(5,507)

(Millions of yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(290)	800
Proceeds from long-term borrowings	334	—
Repayments of long-term borrowings	(1,052)	(945)
Purchase of treasury shares	(1)	(1)
Repayments of lease liabilities	(794)	(961)
Dividends paid	(1,576)	(2,780)
Dividends paid to non-controlling interests	(1,378)	(1,032)
Other, net	—	0
Net cash provided by (used in) financing activities	(4,759)	(4,920)
Effect of exchange rate change on cash and cash equivalents	1,190	1,389
Net increase (decrease) in cash and cash equivalents	(2,286)	6,779
Cash and cash equivalents at beginning of period	35,236	32,949
Cash and cash equivalents at end of period	32,949	39,729