

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 27, 2023

Company name: Nippon Sharyo, Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 7102 URL <https://www.n-sharyo.co.jp>  
 Representative: President and CEO Mamoru Tanaka  
 Executive Officer and General Manager,  
 Inquiries: General Affairs Department Shinichi Take TEL 052-882-3316  
 Scheduled date to file Quarterly Securities Report: August 8, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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, 2023 (from April 1, 2023 to June 30, 2023)

#### (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, 2023	21,029	(8.4)	1,452	8.2	1,581	9.9	1,501	15.5
Three months ended June 30, 2022	22,953	21.0	1,342	26.9	1,439	26.8	1,300	18.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	104.08	–
Three months ended June 30, 2022	90.10	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	126,579	54,222	42.8
As of March 31, 2023	124,363	51,123	41.0

### 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, 2023	–	10.00	–	10.00	20.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		10.00	–	10.00	20.00

### 3. Forecast of consolidated financial results for the 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	88,000	(10.2)	4,100	(8.1)	4,200	(6.5)	3,200	2.6	221.74

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
 (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, 2023	14,675,012 shares	As of March 31, 2023	14,675,012 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	243,757 shares	As of March 31, 2023	243,535 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, 2023	14,431,375 shares	Three months ended June 30, 2022	14,431,988 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,570	3,306
Notes and accounts receivable - trade, and contract assets	19,556	17,152
Electronically recorded monetary claims - operating	2,381	1,751
Merchandise and finished goods	1,602	2,088
Semi-finished goods	1,169	1,177
Work in process	22,229	21,162
Raw materials and supplies	1,826	1,934
Short-term loans receivable	19,893	23,698
Other	701	705
Allowance for doubtful accounts	(5)	(6)
Total current assets	72,925	72,972
Non-current assets		
Property, plant and equipment		
Land	14,142	14,100
Other, net	13,409	13,196
Total property, plant and equipment	27,551	27,297
Intangible assets	423	404
Investments and other assets		
Investment securities	17,144	19,735
Retirement benefit asset	5,302	5,338
Other	1,024	840
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	23,462	25,905
Total non-current assets	51,437	53,607
Total assets	124,363	126,579
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,045	6,118
Electronically recorded obligations - operating	8,915	9,141
Current portion of long-term borrowings	3,194	3,208
Income taxes payable	486	283
Advances received	497	1,051
Provision for bonuses	1,976	2,832
Provision for loss on construction contracts	487	303
Other	6,908	5,261
Total current liabilities	29,510	28,202
Non-current liabilities		
Long-term borrowings	38,165	38,010
Provision for compensation for health damage from asbestos	75	73
Retirement benefit liability	291	298
Other	5,197	5,772
Total non-current liabilities	43,729	44,154
Total liabilities	73,240	72,356

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	11,810	11,810
Capital surplus	–	156
Retained earnings	33,225	34,583
Treasury shares	(523)	(524)
Total shareholders' equity	44,513	46,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,732	8,531
Foreign currency translation adjustment	(2,240)	(2,240)
Remeasurements of defined benefit plans	1,956	1,904
Total accumulated other comprehensive income	6,448	8,195
Non-controlling interests	162	–
Total net assets	51,123	54,222
Total liabilities and net assets	124,363	126,579

**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, 2022	Three months ended June 30, 2023
Net sales	22,953	21,029
Cost of sales	19,629	17,643
Gross profit	3,324	3,386
Selling, general and administrative expenses	1,981	1,933
Operating profit	1,342	1,452
Non-operating income		
Interest income	11	8
Dividend income	144	183
Share of profit of entities accounted for using equity method	18	4
Other	21	16
Total non-operating income	197	212
Non-operating expenses		
Interest expenses	86	69
Other	14	15
Total non-operating expenses	100	84
Ordinary profit	1,439	1,581
Extraordinary income		
Gain on sale of non-current assets	0	19
Gain on sale of investment securities	3	-
Total extraordinary income	4	19
Extraordinary losses		
Loss on sale and retirement of non-current assets	11	30
Other	1	-
Total extraordinary losses	13	30
Profit before income taxes	1,430	1,569
Income taxes	126	68
Profit	1,303	1,501
Profit attributable to non-controlling interests	3	-
Profit attributable to owners of parent	1,300	1,501

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,303	1,501
Other comprehensive income		
Valuation difference on available-for-sale securities	(113)	1,786
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	(8)	(51)
Share of other comprehensive income of entities accounted for using equity method	1	12
Total other comprehensive income	(119)	1,747
Comprehensive income	1,183	3,249
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,180	3,249
Comprehensive income attributable to non-controlling interests	3	—