

Translation

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

July 31, 2023

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  
 Scheduled date to file Quarterly Securities Report: August 9, 2023  
 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 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	12,127	(7.2)	(163)	–	(162)	–	(119)	–
Three months ended June 30, 2022	13,070	9.7	472	129.7	476	207.9	316	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	(17.86)		–	
Three months ended June 30, 2022	47.28		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	72,394	24,531	33.9	3,664.59
As of March 31, 2023	73,874	24,449	33.1	3,652.27

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	–	0.00	–	5.00	5.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	10.00	10.00

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
Six months ending September 30, 2023	28,000	8.1	300	(64.8)	200	(75.5)	200	(63.9)	29.88
Full year	58,000	10.3	1,200	(5.8)	1,100	(14.3)	800	(12.7)	119.50

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	6,700,000 shares	As of March 31, 2023	6,700,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	5,678 shares	As of March 31, 2023	5,678 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	6,694,322 shares	Three months ended June 30, 2022	6,694,343 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	8,040	7,757
Notes and accounts receivable - trade	8,937	7,688
Electronically recorded monetary claims - operating	4,820	5,344
Merchandise and finished goods	8,644	8,241
Work in process	5,171	5,364
Raw materials and supplies	1,924	1,915
Other	760	466
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,297	36,776
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,972	3,901
Machinery, equipment and vehicles, net	11,152	11,055
Land	16,230	16,232
Other, net	698	699
Total property, plant and equipment	32,053	31,889
Intangible assets	133	139
Investments and other assets		
Investment securities	2,377	2,588
Other	1,046	1,034
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	3,389	3,588
Total non-current assets	35,576	35,618
Total assets	73,874	72,394

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	10,283	8,699
Electronically recorded obligations - operating	4,338	4,036
Short-term borrowings	12,328	13,928
Provision for bonuses	340	113
Provision for product warranties	56	71
Other	3,992	4,067
<b>Total current liabilities</b>	<b>31,339</b>	<b>30,916</b>
<b>Non-current liabilities</b>		
Long-term borrowings	12,212	10,987
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,550	2,576
Provision for environmental measures	48	47
Other	232	292
<b>Total non-current liabilities</b>	<b>18,085</b>	<b>16,945</b>
<b>Total liabilities</b>	<b>49,424</b>	<b>47,862</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	9,364	9,211
Treasury shares	(10)	(10)
<b>Total shareholders' equity</b>	<b>17,197</b>	<b>17,044</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	983	1,134
Revaluation reserve for land	6,077	6,077
Foreign currency translation adjustment	408	485
Remeasurements of defined benefit plans	(217)	(209)
<b>Total accumulated other comprehensive income</b>	<b>7,251</b>	<b>7,487</b>
<b>Total net assets</b>	<b>24,449</b>	<b>24,531</b>
<b>Total liabilities and net assets</b>	<b>73,874</b>	<b>72,394</b>

## 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	13,070	12,127
Cost of sales	11,303	11,001
Gross profit	1,767	1,126
Selling, general and administrative expenses		
Freight and packing costs	298	245
Remuneration, salaries and allowances for directors (and other officers)	588	583
Provision for bonuses	30	29
Retirement benefit expenses	35	38
Depreciation	50	45
Other	292	346
Total selling, general and administrative expenses	1,295	1,290
Operating profit (loss)	472	(163)
Non-operating income		
Interest income	0	0
Dividend income	34	39
Rental income	9	9
Sales of scraps income	13	9
Other	5	6
Total non-operating income	62	64
Non-operating expenses		
Interest expenses	43	50
Foreign exchange losses	7	5
Other	7	7
Total non-operating expenses	58	64
Ordinary profit (loss)	476	(162)
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	–	104
Total extraordinary income	0	104
Extraordinary losses		
Loss on retirement of non-current assets	8	12
Loss on valuation of investment securities	17	–
Total extraordinary losses	26	12
Profit (loss) before income taxes	451	(71)
Income taxes - current	123	69
Income taxes - deferred	11	(21)
Total income taxes	134	48
Profit (loss)	316	(119)
Profit (loss) attributable to owners of parent	316	(119)

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	316	(119)
Other comprehensive income		
Valuation difference on available-for-sale securities	(69)	150
Foreign currency translation adjustment	180	76
Remeasurements of defined benefit plans, net of tax	2	7
Total other comprehensive income	112	235
Comprehensive income	429	115
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	429	115
Comprehensive income attributable to non-controlling interests	–	–