

Translation

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

October 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: November 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 six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	24,266	(6.3)	(747)	–	(796)	–	(803)	–
Six months ended September 30, 2022	25,894	8.8	852	83.3	817	97.4	553	417.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	(120.02)	–
Six months ended September 30, 2022	82.70	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	70,613	23,986	34.0	3,583.07
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	–	0.00			
Year ending March 31, 2024 (Forecast)			–	0.00	0.00

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	50,000	(4.9)	(1,250)	–	(1,350)	–	(1,500)	–	(224.07)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2023	5,684 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)

Six months ended September 30, 2023	6,694,319 shares	Six months ended September 30, 2022	6,694,332 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	8,040	5,540
Notes and accounts receivable - trade	8,937	8,179
Electronically recorded monetary claims - operating	4,820	6,134
Merchandise and finished goods	8,644	7,699
Work in process	5,171	5,134
Raw materials and supplies	1,924	2,164
Other	760	306
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,297	35,157
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,972	3,892
Machinery, equipment and vehicles, net	11,152	10,873
Land	16,230	16,235
Other, net	698	676
Total property, plant and equipment	32,053	31,678
Intangible assets	133	145
Investments and other assets		
Investment securities	2,377	2,628
Other	1,046	1,037
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	3,389	3,631
Total non-current assets	35,576	35,455
Total assets	73,874	70,613

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,283	8,675
Electronically recorded obligations - operating	4,338	3,767
Short-term borrowings	12,328	15,535
Provision for bonuses	340	348
Provision for product warranties	56	71
Other	3,992	2,487
Total current liabilities	31,339	30,885
Non-current liabilities		
Long-term borrowings	12,212	9,781
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,550	2,594
Provision for environmental measures	48	47
Other	232	277
Total non-current liabilities	18,085	15,741
Total liabilities	49,424	46,626
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	9,364	8,527
Treasury shares	(10)	(10)
Total shareholders' equity	17,197	16,360
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	983	1,158
Revaluation reserve for land	6,077	6,077
Foreign currency translation adjustment	408	591
Remeasurements of defined benefit plans	(217)	(201)
Total accumulated other comprehensive income	7,251	7,625
Total net assets	24,449	23,986
Total liabilities and net assets	73,874	70,613

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	25,894	24,266
Cost of sales	22,486	22,361
Gross profit	3,407	1,904
Selling, general and administrative expenses		
Freight and packing costs	567	502
Remuneration, salaries and allowances for directors (and other officers)	1,127	1,111
Provision for bonuses	106	107
Retirement benefit expenses	69	76
Depreciation	100	91
Other	584	762
Total selling, general and administrative expenses	2,555	2,652
Operating profit (loss)	852	(747)
Non-operating income		
Interest income	3	4
Dividend income	35	40
Rental income	19	19
Sales of scraps income	23	17
Other	25	20
Total non-operating income	106	103
Non-operating expenses		
Interest expenses	85	100
Foreign exchange losses	38	38
Other	16	14
Total non-operating expenses	141	152
Ordinary profit (loss)	817	(796)
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	–	104
Total extraordinary income	3	104
Extraordinary losses		
Loss on retirement of non-current assets	14	17
Loss on valuation of investment securities	17	–
Total extraordinary losses	32	17
Profit (loss) before income taxes	789	(710)
Income taxes - current	199	133
Income taxes - deferred	35	(39)
Total income taxes	235	93
Profit (loss)	553	(803)
Profit (loss) attributable to owners of parent	553	(803)

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss)	553	(803)
Other comprehensive income		
Valuation difference on available-for-sale securities	(78)	175
Foreign currency translation adjustment	281	182
Remeasurements of defined benefit plans, net of tax	4	15
Total other comprehensive income	207	373
Comprehensive income	760	(429)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	760	(429)
Comprehensive income attributable to non-controlling interests	–	–