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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 6, 2023

Company name: NIPPO LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 9913

URL: <https://www.nip.co.jp/>

Representative: Yasuchika Iwasa

Representative Director and President

Contact: Kanjo Nishitomi

Executive Officer, Chief of Corporate Headquarters

Phone: +81-52-218-3161

Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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	20,215	8.6	939	1.2	1,097	21.1	755	28.0
September 30, 2022	18,606	6.9	929	44.8	905	39.2	590	26.3

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 1,841 million [ (7.4)%]  
Six months ended September 30, 2022: ¥ 1,988 million [ 136.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	84.56	-
September 30, 2022	65.04	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	30,809	14,098	45.8
March 31, 2023	28,674	12,530	43.7

(Reference) Equity: As of September 30, 2023: ¥ 14,096 million  
As of March 31, 2023: ¥ 12,528 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, 2023	-	0.00	-	33.00	33.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	42.00	42.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,900	0.0	1,830	(4.3)	1,950	4.2	1,340	5.6	149.96

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

\* Notes:

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

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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):

September 30, 2023: 9,127,338 shares

March 31, 2023: 9,127,338 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 171,336 shares

March 31, 2023: 211,826 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 8,935,953 shares

Six months ended September 30, 2022: 9,076,366 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,910	5,791
Notes and accounts receivable - trade	6,695	7,151
Electronically recorded monetary claims - operating	645	588
Merchandise and finished goods	2,105	1,997
Work in process	368	404
Raw materials and supplies	1,049	1,046
Accounts receivable - other	468	504
Other	341	454
Allowance for doubtful accounts	(2)	(1)
Total current assets	16,582	17,935
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,841	10,586
Accumulated depreciation	(5,916)	(6,454)
Buildings and structures, net	3,924	4,132
Machinery, equipment and vehicles	11,248	12,411
Accumulated depreciation	(9,185)	(10,196)
Machinery, equipment and vehicles, net	2,063	2,214
Tools, furniture and fixtures	1,333	1,473
Accumulated depreciation	(1,050)	(1,142)
Tools, furniture and fixtures, net	283	331
Land	1,736	1,836
Construction in progress	222	136
Total property, plant and equipment	8,230	8,649
Intangible assets		
Other	380	438
Total intangible assets	380	438
Investments and other assets		
Investment securities	2,037	2,314
Deferred tax assets	169	193
Retirement benefit asset	19	18
Other	1,267	1,271
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,480	3,785
Total non-current assets	12,091	12,873
Total assets	28,674	30,809

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,725	8,342
Short-term borrowings	2,133	2,000
Current portion of long-term borrowings	348	317
Lease liabilities	114	115
Income taxes payable	160	227
Provision for bonuses	346	381
Other	1,883	1,663
Total current liabilities	12,713	13,047
Non-current liabilities		
Long-term borrowings	920	746
Lease liabilities	199	256
Deferred tax liabilities	223	416
Deferred tax liabilities for land revaluation	2	2
Retirement benefit liability	1,590	1,713
Asset retirement obligations	192	241
Other	301	286
Total non-current liabilities	3,430	3,663
Total liabilities	16,144	16,710
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,137	3,137
Capital surplus	612	612
Retained earnings	6,995	7,450
Treasury shares	(142)	(115)
Total shareholders' equity	10,603	11,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162	357
Revaluation reserve for land	5	5
Foreign currency translation adjustment	1,744	2,634
Remeasurements of defined benefit plans	12	12
Total accumulated other comprehensive income	1,925	3,011
Non-controlling interests	1	1
Total net assets	12,530	14,098
Total liabilities and net assets	28,674	30,809

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	18,606	20,215
Cost of sales	15,296	16,696
Gross profit	3,310	3,518
Selling, general and administrative expenses	2,381	2,578
Operating profit	929	939
Non-operating income		
Interest income	5	14
Dividend income	56	49
Foreign exchange gains	-	106
Gain on sale of scraps	26	30
Other	25	62
Total non-operating income	112	264
Non-operating expenses		
Interest expenses	47	39
Loss on sale of electronically recorded monetary claims	15	18
Foreign exchange losses	50	-
Other	22	48
Total non-operating expenses	135	107
Ordinary profit	905	1,097
Extraordinary income		
Gain on sale of non-current assets	1	2
Total extraordinary income	1	2
Extraordinary losses		
Loss on disposal of non-current assets	1	1
Total extraordinary losses	1	1
Profit before income taxes	906	1,098
Income taxes - current	214	244
Income taxes - deferred	100	97
Total income taxes	315	342
Profit	590	755
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	590	755

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	590	755
Other comprehensive income		
Valuation difference on available-for-sale securities	141	195
Foreign currency translation adjustment	1,255	890
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	1,398	1,085
Comprehensive income	1,988	1,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,988	1,841
Comprehensive income attributable to non-controlling interests	0	0

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	906	1,098
Depreciation	592	685
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in retirement benefit liability	44	78
Interest and dividend income	(61)	(64)
Interest expenses	47	39
Foreign exchange losses (gains)	388	11
Loss (gain) on disposal of non-current assets	(0)	(0)
Decrease (increase) in trade receivables	932	(132)
Decrease (increase) in inventories	(653)	200
Increase (decrease) in trade payables	(79)	405
Decrease (increase) in other current assets	(228)	(86)
Increase (decrease) in other current liabilities	4	(11)
Other, net	55	41
Subtotal	1,947	2,264
Interest and dividends received	61	63
Interest paid	(40)	(30)
Income taxes paid	(186)	(156)
Net cash provided by (used in) operating activities	1,781	2,140
<b>Cash flows from investing activities</b>		
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	-	0
Purchase of property, plant and equipment	(579)	(651)
Proceeds from sale of property, plant and equipment	2	3
Purchase of intangible assets	(26)	(72)
Purchase of investment securities	(57)	-
Loan advances	(1)	-
Proceeds from collection of loans receivable	1	0
Other payments	(41)	(74)
Other proceeds	15	78
Net cash provided by (used in) investing activities	(686)	(716)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(675)	(144)
Proceeds from long-term borrowings	408	-
Repayments of long-term borrowings	(156)	(204)
Proceeds from sales and installment back	17	26
Repayments of lease liabilities	(135)	(74)
Repayments of installment payables	(169)	(178)
Proceeds from sale of treasury shares	-	27
Purchase of treasury shares	(149)	(0)
Dividends paid	(198)	(299)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	(1,060)	(849)
Effect of exchange rate change on cash and cash equivalents	320	305
Net increase (decrease) in cash and cash equivalents	354	881
Cash and cash equivalents at beginning of period	4,574	4,903
Cash and cash equivalents at end of period	4,929	5,785