

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

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: February 9, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	37,920	(3.6)	(1,136)	–	(1,170)	–	1,964	213.4
Nine months ended December 31, 2022	39,321	8.2	1,065	24.6	1,013	19.6	626	(74.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	293.46		–	
Nine months ended December 31, 2022	93.63		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	75,782	26,794	35.4	4,002.68
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				
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)	–	1,700	85.4	253.95

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	5,850 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)

Nine months ended December 31, 2023	6,694,300 shares	Nine months ended December 31, 2022	6,694,329 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	8,040	13,237
Notes and accounts receivable - trade	8,937	8,264
Electronically recorded monetary claims - operating	4,820	6,902
Merchandise and finished goods	8,644	7,198
Work in process	5,171	5,339
Raw materials and supplies	1,924	1,974
Other	760	252
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,297	43,168
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,972	3,358
Machinery, equipment and vehicles, net	11,152	10,694
Land	16,230	13,871
Other, net	698	764
Total property, plant and equipment	32,053	28,688
Intangible assets	133	136
Investments and other assets		
Investment securities	2,377	2,683
Other	1,046	1,138
Allowance for doubtful accounts	(34)	(33)
Total investments and other assets	3,389	3,787
Total non-current assets	35,576	32,613
Total assets	73,874	75,782

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,283	10,108
Electronically recorded obligations - operating	4,338	4,046
Short-term borrowings	12,328	16,683
Income taxes payable	166	790
Provision for bonuses	340	106
Provision for product warranties	56	71
Other	3,826	2,627
Total current liabilities	31,339	34,433
Non-current liabilities		
Long-term borrowings	12,212	8,551
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,550	2,561
Provision for environmental measures	48	45
Other	232	354
Total non-current liabilities	18,085	14,553
Total liabilities	49,424	48,987
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	9,364	11,295
Treasury shares	(10)	(10)
Total shareholders' equity	17,197	19,128
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	983	1,191
Revaluation reserve for land	6,077	6,077
Foreign currency translation adjustment	408	591
Remeasurements of defined benefit plans	(217)	(194)
Total accumulated other comprehensive income	7,251	7,665
Total net assets	24,449	26,794
Total liabilities and net assets	73,874	75,782

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	39,321	37,920
Cost of sales	34,388	35,053
Gross profit	4,933	2,866
Selling, general and administrative expenses		
Freight and packing costs	856	783
Remuneration, salaries and allowances for directors (and other officers)	1,813	1,786
Provision for bonuses	30	30
Retirement benefit expenses	103	114
Depreciation	148	139
Other	915	1,148
Total selling, general and administrative expenses	3,867	4,003
Operating profit (loss)	1,065	(1,136)
Non-operating income		
Interest income	3	5
Dividend income	69	79
Rental income	28	32
Sale of scraps income	35	25
Other	33	25
Total non-operating income	169	167
Non-operating expenses		
Interest expenses	126	148
Foreign exchange losses	73	29
Other	22	22
Total non-operating expenses	222	201
Ordinary profit (loss)	1,013	(1,170)
Extraordinary income		
Gain on sale of non-current assets	4	4,232
Gain on sale of investment securities	–	104
Total extraordinary income	4	4,336
Extraordinary losses		
Loss on retirement of non-current assets	31	45
Loss on valuation of investment securities	16	–
Settlement payments	–	200
Total extraordinary losses	47	245
Profit before income taxes	969	2,919
Income taxes - current	217	899
Income taxes - deferred	125	55
Total income taxes	343	955
Profit	626	1,964
Profit attributable to owners of parent	626	1,964

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	626	1,964
Other comprehensive income		
Valuation difference on available-for-sale securities	120	208
Foreign currency translation adjustment	294	182
Remeasurements of defined benefit plans, net of tax	6	22
Total other comprehensive income	422	414
Comprehensive income	1,049	2,378
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,049	2,378
Comprehensive income attributable to non-controlling interests	—	—