

Translation

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

February 2, 2024

Company name: NIKKON Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9072 URL <https://www.nikkon-hd.co.jp>
 Representative: President & Representative Director Masakatsu Kuroiwa
 Director, Managing Executive Officer, and
 Inquiries: General Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330
 Scheduled date to file Quarterly Securities Report: February 13, 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	166,551	4.9	15,997	10.5	18,049	9.0	12,288	7.9
Nine months ended December 31, 2022	158,822	8.4	14,479	(0.8)	16,555	3.7	11,393	5.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	192.52		192.19	
Nine months ended December 31, 2022	176.25		175.83	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	376,326	236,175	62.6
As of March 31, 2023	360,748	229,399	63.4

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	–	48.00	–	51.00	99.00
Year ending March 31, 2024	–	50.00	–		
Year ending March 31, 2024 (Forecast)				50.00	100.00

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	230,000	8.5	22,000	12.4	23,500	6.2	16,000	0.5	251.42

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: Yes
- (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	65,739,892 shares	As of March 31, 2023	65,739,892 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	2,675,980 shares	As of March 31, 2023	1,563,591 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	63,829,392 shares	Nine months ended December 31, 2022	64,644,204 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	40,221	40,007
Notes and accounts receivable - trade	33,408	32,523
Electronically recorded monetary claims - operating	3,647	6,392
Securities	265	–
Raw materials and supplies	562	708
Other	4,935	5,289
Allowance for doubtful accounts	(14)	(18)
Total current assets	83,026	84,902
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	110,320	115,227
Machinery, equipment and vehicles, net	7,545	8,744
Tools, furniture and fixtures, net	1,771	1,775
Land	116,849	118,442
Leased assets, net	146	117
Construction in progress	6,037	7,117
Total property, plant and equipment	242,671	251,425
Intangible assets	2,368	2,449
Investments and other assets		
Investment securities	22,248	27,101
Long-term loans receivable	388	271
Deferred tax assets	3,603	3,666
Other	6,469	6,539
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	32,681	37,549
Total non-current assets	277,721	291,424
Total assets	360,748	376,326

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,240	10,307
Electronically recorded obligations - operating	6,682	7,933
Short-term borrowings	13,151	2,025
Current portion of bonds payable	–	10,000
Lease liabilities	60	33
Income taxes payable	4,467	2,340
Provision for bonuses	3,930	2,231
Provision for bonuses for directors (and other officers)	213	161
Notes payable - facilities	99	168
Electronically recorded obligations - non-operating	4,299	5,935
Other	14,215	16,958
Total current liabilities	58,358	58,095
Non-current liabilities		
Bonds payable	50,000	40,000
Long-term borrowings	10,059	27,789
Lease liabilities	81	95
Deferred tax liabilities	5,481	6,773
Retirement benefit liability	5,399	5,468
Provision for retirement benefits for directors (and other officers)	454	450
Other provisions	13	18
Other	1,501	1,459
Total non-current liabilities	72,990	82,055
Total liabilities	131,349	140,151
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,341
Retained earnings	194,873	200,690
Treasury shares	(3,596)	(7,346)
Total shareholders' equity	214,926	217,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,423	13,465
Foreign currency translation adjustment	3,490	5,155
Remeasurements of defined benefit plans	32	62
Total accumulated other comprehensive income	13,947	18,683
Share acquisition rights	210	161
Non-controlling interests	314	327
Total net assets	229,399	236,175
Total liabilities and net assets	360,748	376,326

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	158,822	166,551
Cost of sales	136,026	141,853
Gross profit	22,796	24,698
Selling, general and administrative expenses	8,317	8,700
Operating profit	14,479	15,997
Non-operating income		
Interest income	67	146
Dividend income	675	867
Rental income	55	55
Share of profit of entities accounted for using equity method	458	459
Foreign exchange gains	331	114
Miscellaneous income	720	673
Total non-operating income	2,308	2,317
Non-operating expenses		
Interest expenses	168	195
Miscellaneous expenses	64	69
Total non-operating expenses	232	264
Ordinary profit	16,555	18,049
Extraordinary income		
Gain on sale of non-current assets	46	51
Total extraordinary income	46	51
Extraordinary losses		
Loss on sale of non-current assets	5	3
Loss on retirement of non-current assets	113	126
Total extraordinary losses	119	129
Profit before income taxes	16,482	17,971
Income taxes	5,106	5,668
Profit	11,376	12,303
Profit (loss) attributable to non-controlling interests	(17)	14
Profit attributable to owners of parent	11,393	12,288

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	11,376	12,303
Other comprehensive income		
Valuation difference on available-for-sale securities	(860)	3,041
Foreign currency translation adjustment	944	1,533
Remeasurements of defined benefit plans, net of tax	86	30
Share of other comprehensive income of entities accounted for using equity method	129	137
Total other comprehensive income	300	4,742
Comprehensive income	11,676	17,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,692	17,024
Comprehensive income attributable to non-controlling interests	(15)	20