Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

Company name: NIPPON KINZOKU CO., LTD.

Stock exchange listing: Tokyo

Stock code: 5491 URL https://www.nipponkinzoku.co.jp/

Representative: President Yasushi Shimokawa

Managing Executive Officer, Inquiries:

Hisashi Maruyama TEL 03-5765-8105

General Manager, Finance Department

Scheduled date to file Quarterly Securities Report: November 10, 2022

Scheduled date to commence dividend payments: Preparation of supplementary material on quarterly financial results: No

Holding of quarterly financial results meeting:

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	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, 2022	25,894	8.8	852	83.3	817	97.4	553	417.0
Six months ended September 30, 2021	23,798	32.2	464	-	414	_	107	(78.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	82.70	=
Six months ended September 30, 2021	15.99	_

(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, 2022	71,096	24,075	33.9	3,596.34
As of March 31, 2022	72,179	23,314	32.3	3,482.66

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, 2022	_	0.00	_	0.00	0.00		
Year ending March 31, 2023	_	0.00					
Year ending March 31, 2023 (Forecast)			-	5.00	5.00		

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

									, ,
	Net sales		Operating pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	55,000	12.0	1,300	(9.6)	1,300	(2.8)	700	(72.2)	

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2022 (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)

Total number of issued shares at the end of the period (including treasury shares)								
As of September 30, 2022	6,700,000 shares As of March 31, 2022		6,700,000 shares					
Number of treasury shares at the end of the	e period							
As of September 30, 2022	5,678 shares	As of March 31, 2022	5,654 shares					
Average number of shares during the period (cumulative from the beginning of the fiscal year)								
Six months ended September 30, 2022	6,694,332 shares	Six months ended September 30, 2021	6,694,428 shares					

Quarterly consolidated financial statements Consolidated balance sheets

(Millions of yen)

		(Millions of yell)
	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	10,134	6,781
Notes and accounts receivable - trade	9,102	9,464
Electronically recorded monetary claims - operating	5,123	4,641
Merchandise and finished goods	5,153	6,952
Work in process	4,936	5,465
Raw materials and supplies	1,531	1,847
Other	601	371
Allowance for doubtful accounts	(2)	(1
Total current assets	36,580	35,523
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,956	3,986
Machinery, equipment and vehicles, net	11,113	10,789
Land	16,245	16,231
Other, net	977	1,417
Total property, plant and equipment	32,292	32,424
Intangible assets	152	133
Investments and other assets		
Investment securities	2,120	1,995
Other	1,068	1,054
Allowance for doubtful accounts	(35)	(35
Total investments and other assets	3,153	3,015
Total non-current assets	35,598	35,573
Total assets	72,179	71,096

	A CM 1 21 2022	(Willions of yell)
~	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,323	10,454
Electronically recorded obligations - operating	1,080	4,577
Short-term borrowings	10,922	13,960
Provision for bonuses	337	344
Provision for product warranties	46	73
Provision for environmental measures	37	-
Other	6,030	2,744
Total current liabilities	31,778	32,155
Non-current liabilities		
Long-term borrowings	11,520	9,230
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,237	2,329
Provision for environmental measures	21	48
Other	266	217
Total non-current liabilities	17,087	14,866
Total liabilities	48,865	47,021
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	8,465	9,001
Treasury shares	(10)	(10)
Total shareholders' equity	16,298	16,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	804	725
Revaluation reserve for land	6,059	6,077
Foreign currency translation adjustment	163	445
Remeasurements of defined benefit plans	(12)	(7)
Total accumulated other comprehensive income	7,015	7,240
Total net assets	23,314	24,075
Total liabilities and net assets	72,179	71,096
1 our maintes and not assets	72,177	71,070

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

Consolidated statements of income (cumulative)

Net sales 23,798 25, Cost of sales 20,844 22, Gross profit 2,953 3, Selling, general and administrative expenses 615 3 Freight and packing costs 615 5 Remuneration, salaries and allowances for directors (and other officers) 97 1,037 1,037 Provision for bonuses 97 5 1,037 1,03			(Millions of yen)
Net sales 23,798 25, Cost of sales 20,844 22, Gross profit 2,953 3, Selling, general and administrative expenses 615 3, Freight and packing costs 615 1,037 1, Remuneration, salaries and allowances for directors (and other officers) 1,037 1, Provision for bonuses 97 8, Retirement benefit expenses 75 9, Depreciation 121 1, Other 541 1 Total selling, general and administrative expenses 2,489 2, Depreciation of the selling, general and administrative expenses 2,489 2, Operating profit 464 Non-operating mome 1 Interest expenser income 19 Other 30 Total non-operating expenses 71 Interest exphange losses 33 Depreciation 30 Other 1		Six months ended	Six months ended
Cost of sales 20,844 22, Gross profit 2,953 3, Selling, general and administrative expenses 615 Freight and packing costs 615 Remuneration, salaries and allowances for directors (and other officers) 1,037 1, Provision for bonuses 97 7 Retirement benefit expenses 75 75 Depreciation 121 1 Other 541 1 Total selling, general and administrative expenses 2,489 2, Operating profit 464 1 Non-operating income 2 1 Interest income 25 2 Rental income 25 2 Rental income 19 30 Other 30 19 Other 30 10 Total non-operating income 98 10 Non-operating expenses 71 11 Interest expenses 71 14 14 Foreign exchange losses 33 <t< th=""><th></th><th></th><th>_</th></t<>			_
2,953 3,			25,894
Selling, general and administrative expenses 615 Preight and packing costs 615 Remuneration, salaries and allowances for directors (and other officers) 1,037 1, Provision for bonuses 97 Retirement benefit expenses 75 Depreciation 121 1 Other 541 1 Total selling, general and administrative expenses 2,489 2, Operating profit 464 1 Non-operating income 2 1 Interest income 25 2 Povidend income 19 2 Sales of scraps income 19 30 Other 30 30 30 Total non-operating income 98 8 Non-operating expenses 71 71 Interest expenses 71 71 Foreign exchange losses 33 30 Depreciation 30 30 Other 14 41 Total non-operating expenses 148 414 <t< td=""><td>Cost of sales</td><td></td><td>22,486</td></t<>	Cost of sales		22,486
Freight and packing costs Remuneration, salaries and allowances for directors (and other officers) 1,037 1,037 1,0	Gross profit	2,953	3,407
Remuneration, salaries and allowances for directors (and other officers) 1,037 1, 037 Provision for bonuses 97 Retirement benefit expenses 75 Depreciation 121 Other 541 Total selling, general and administrative expenses 2,489 2, Operating profit 464 1 Non-operating income 2 2 1 Interest income 25 2 2 1 <td>Selling, general and administrative expenses</td> <td></td> <td></td>	Selling, general and administrative expenses		
1,037 1, 1,044 1, 1,04	Freight and packing costs	615	567
officers) Provision for bonuses Retirement benefit expenses Depreciation Other Total selling, general and administrative expenses Operating profit Non-operating income Interest income Interest income Interest income Sales of scraps income Other Total non-operating income Interest expenses Interest e	·	1 037	1,127
Retirement benefit expenses 75 Depreciation 121 Other 541 Total selling, general and administrative expenses 2,489 2, Operating profit 464 1 Non-operating income 2 1 Interest income 25 2 Povidend income 19 30 Sales of scraps income 19 30 Other 30 30 Total non-operating income 98 8 Non-operating expenses 71 71 Foreign exchange losses 33 30 Depreciation 30 30 Other 14 44 Total non-operating expenses 148 Ordinary profit 414 44 Extraordinary income 3 3 Gain on sale of non-current assets 29 2 Loss on retirement of non-current assets 29 2 Loss on valuation of investment securities - - Total extraordinary losses		1,037	1,127
Depreciation	Provision for bonuses	97	106
Other 541 Total selling, general and administrative expenses 2,489 2, Operating profit 464 Non-operating income 2 Interest income 25 Rental income 19 Sales of scraps income 19 Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 2 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29	-	75	69
Total selling, general and administrative expenses 2,489 2, Operating profit 464 464 Non-operating income 2 2 Interest income 25 Rental income 19 Sales of scraps income 19 0 Other 30 19 Total non-operating income 98 8 Non-operating expenses 71 Foreign exchange losses 33 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 0 0 Other 14 14 14 Total non-operating expenses 148 0 148 0 Ordinary profit 414 14	Depreciation	121	100
Operating profit 464 Non-operating income 2 Interest income 25 Bividend income 19 Sales of scraps income 19 Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Other	541	584
Non-operating income 2 Interest income 25 Providend income 19 Sales of scraps income 19 Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities — Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Total selling, general and administrative expenses	2,489	2,555
Interest income	Operating profit	464	852
Dividend income 25 Rental income 19 Sales of scraps income 19 Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Non-operating income		
Rental income 19 Sales of scraps income 19 Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities — Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Interest income	2	3
Sales of scraps income 19 Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Dividend income	25	35
Other 30 Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Rental income	19	19
Total non-operating income 98 Non-operating expenses 71 Interest expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities — Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Sales of scraps income	19	23
Non-operating expenses 71 Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Other	30	25
Interest expenses	Total non-operating income	98	106
Foreign exchange losses 33 Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Non-operating expenses		
Depreciation 30 Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Interest expenses	71	85
Other 14 Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Foreign exchange losses	33	38
Total non-operating expenses 148 Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Depreciation	30	_
Ordinary profit 414 Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Other	14	16
Extraordinary income 3 Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Total non-operating expenses	148	141
Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Ordinary profit	414	817
Gain on sale of non-current assets 3 Total extraordinary income 3 Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities - Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Extraordinary income		
Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities – Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107		3	3
Extraordinary losses 29 Loss on retirement of non-current assets 29 Loss on valuation of investment securities — Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Total extraordinary income	3	3
Loss on retirement of non-current assets 29 Loss on valuation of investment securities – Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107			
Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	•	29	14
Total extraordinary losses 29 Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107	Loss on valuation of investment securities	-	17
Profit before income taxes 388 Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107		29	32
Income taxes - current 167 Income taxes - deferred 113 Total income taxes 280 Profit 107		388	789
Income taxes - deferred 113 Total income taxes 280 Profit 107	-		199
Total income taxes 280 Profit 107			35
Profit 107			235
			553
Profit attributable to owners of parent	Profit attributable to owners of parent	107	553

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

		(Millions of Jen)
	Six months ended	Six months ended
	September 30, 2021	September 30, 2022
Profit	107	553
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	(78)
Foreign currency translation adjustment	10	281
Remeasurements of defined benefit plans, net of tax	17	4
Total other comprehensive income	(13)	207
Comprehensive income	93	760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	93	760
Comprehensive income attributable to non-controlling		
interests	_	_