

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 7, 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 commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	13,022	7.4	(156)	–	(95)	–	(134)	–
Three months ended June 30, 2023	12,127	(7.2)	(163)	–	(162)	–	(119)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	(20.11)	–
Three months ended June 30, 2023	(17.86)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	72,283	27,020	37.4	4,036.44
As of March 31, 2024	75,085	26,863	35.8	4,012.92

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, 2024	–	0.00	–	0.00	0.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	26,000	7.1	(200)	–	(300)	–	(200)	–	(29.88)
Full year	54,000	5.0	300	–	150	–	100	(93.5)	14.94

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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 June 30, 2024	6,700,000 shares	As of March 31, 2024	6,700,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	5,899 shares	As of March 31, 2024	5,862 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	6,694,126 shares	Three months ended June 30, 2023	6,694,322 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	12,040	9,791
Notes and accounts receivable - trade	8,406	7,158
Electronically recorded monetary claims - operating	7,095	7,938
Merchandise and finished goods	7,300	7,006
Work in process	5,220	5,305
Raw materials and supplies	2,030	2,067
Other	458	408
Allowance for doubtful accounts	(1)	(1)
Total current assets	42,551	39,675
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,464	3,407
Machinery, equipment and vehicles, net	10,320	10,141
Land	13,792	13,792
Other, net	687	727
Total property, plant and equipment	28,264	28,069
Intangible assets	120	122
Investments and other assets		
Investment securities	3,002	3,295
Other	1,179	1,154
Allowance for doubtful accounts	(33)	(33)
Total investments and other assets	4,148	4,417
Total non-current assets	32,533	32,608
Total assets	75,085	72,283

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,152	9,527
Electronically recorded obligations - operating	4,205	4,208
Short-term borrowings	12,412	12,107
Income taxes payable	784	98
Provision for bonuses	300	99
Provision for product warranties	52	67
Other	2,536	2,531
Total current liabilities	30,444	28,639
Non-current liabilities		
Long-term borrowings	11,710	10,515
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,593	2,598
Provision for environmental measures	43	42
Other	388	426
Total non-current liabilities	17,777	16,623
Total liabilities	48,222	45,263
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	11,128	10,993
Treasury shares	(10)	(10)
Total shareholders' equity	18,961	18,826
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,424	1,627
Revaluation reserve for land	6,077	6,077
Foreign currency translation adjustment	651	732
Remeasurements of defined benefit plans	(251)	(243)
Total accumulated other comprehensive income	7,901	8,193
Total net assets	26,863	27,020
Total liabilities and net assets	75,085	72,283

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	12,127	13,022
Cost of sales	11,001	11,869
Gross profit	1,126	1,153
Selling, general and administrative expenses		
Freight and packing costs	245	255
Remuneration, salaries and allowances for directors (and other officers)	583	585
Provision for bonuses	29	24
Retirement benefit expenses	38	40
Depreciation	45	42
Other	346	361
Total selling, general and administrative expenses	1,290	1,310
Operating loss	(163)	(156)
Non-operating income		
Interest income	0	1
Dividend income	39	44
Rental income	9	8
Foreign exchange gains	–	27
Sales of scraps income	9	9
Other	6	39
Total non-operating income	64	130
Non-operating expenses		
Interest expenses	50	55
Foreign exchange losses	5	–
Other	7	12
Total non-operating expenses	64	68
Ordinary loss	(162)	(95)
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	104	0
Total extraordinary income	104	0
Extraordinary losses		
Loss on retirement of non-current assets	12	7
Total extraordinary losses	12	7
Loss before income taxes	(71)	(101)
Income taxes - current	69	60
Income taxes - deferred	(21)	(27)
Total income taxes	48	33
Loss	(119)	(134)
Loss attributable to owners of parent	(119)	(134)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Loss	(119)	(134)
Other comprehensive income		
Valuation difference on available-for-sale securities	150	202
Foreign currency translation adjustment	76	81
Remeasurements of defined benefit plans, net of tax	7	8
Total other comprehensive income	235	291
Comprehensive income	115	157
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	115	157
Comprehensive income attributable to non-controlling interests	–	–