

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 13, 2025

Company name: NIPPON KINZOKU CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 5491 URL <https://www.nipponkinzoku.co.jp/>
 Representative: President Yasushi Shimokawa
 General Manager of Financial Affairs
 Inquiries: Yoshinobu Sato TEL 03-5765-8105
 Department
 Scheduled date of ordinary general meeting of shareholders: June 27, 2025
 Scheduled date to file Securities Report: June 26, 2025
 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 year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

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	%
Year ended March 31, 2025	51,298	(0.2)	(189)	–	(474)	–	703	(54.5)
Year ended March 31, 2024	51,411	(2.2)	(1,095)	–	(1,261)	–	1,545	68.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	105.08	–	2.6	(0.7)	(0.4)
Year ended March 31, 2024	230.84	–	6.0	(1.7)	(2.1)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	69,897	27,856	39.9	4,161.40
As of March 31, 2024	75,085	26,863	35.8	4,012.92

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	1,209	1,708	(3,187)	11,834
Year ended March 31, 2024	(203)	4,197	(502)	11,875

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2025	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2026 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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, 2025	26,000	0.8	250	—	100	—	0	—	0.00
Full year	53,400	4.1	900	—	600	—	500	(28.9)	74.69

4. Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2025: No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	6,700,000 shares	As of March 31, 2024	6,700,000 shares
----------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of March 31, 2025	5,964 shares	As of March 31, 2024	5,862 shares
----------------------	--------------	----------------------	--------------

Average number of shares during the period

Year ended March 31, 2025	6,694,088 shares	Year ended March 31, 2024	6,694,259 shares
---------------------------	------------------	---------------------------	------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,040	12,013
Notes and accounts receivable - trade	8,406	6,472
Electronically recorded monetary claims - operating	7,095	6,201
Merchandise and finished goods	7,300	6,875
Work in process	5,220	4,856
Raw materials and supplies	2,030	1,678
Other	458	597
Allowance for doubtful accounts	(1)	(1)
Total current assets	42,551	38,693
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,464	3,573
Machinery, equipment and vehicles, net	10,320	10,124
Land	13,792	13,100
Construction in progress	175	57
Other, net	511	511
Total property, plant and equipment	28,264	27,368
Intangible assets	120	106
Investments and other assets		
Investment securities	3,002	2,881
Long-term loans receivable	5	5
Deferred tax assets	771	474
Other	403	400
Allowance for doubtful accounts	(33)	(32)
Total investments and other assets	4,148	3,729
Total non-current assets	32,533	31,204
Total assets	75,085	69,897

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,152	8,079
Electronically recorded obligations - operating	4,205	3,767
Short-term borrowings	12,412	14,150
Lease liabilities	111	111
Income taxes payable	784	140
Provision for bonuses	300	278
Provision for product warranties	52	43
Provision for environmental measures	0	—
Other	2,425	2,415
Total current liabilities	30,444	28,987
Non-current liabilities		
Long-term borrowings	11,710	6,930
Lease liabilities	227	315
Deferred tax liabilities	118	142
Deferred tax liabilities for land revaluation	3,041	3,129
Retirement benefit liability	2,593	2,450
Provision for environmental measures	43	41
Asset retirement obligations	41	41
Other	0	0
Total non-current liabilities	17,777	13,053
Total liabilities	48,222	42,040
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	11,128	11,831
Treasury shares	(10)	(10)
Total shareholders' equity	18,961	19,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,424	1,343
Revaluation reserve for land	6,077	5,988
Foreign currency translation adjustment	651	1,064
Remeasurements of defined benefit plans	(251)	(204)
Total accumulated other comprehensive income	7,901	8,191
Total net assets	26,863	27,856
Total liabilities and net assets	75,085	69,897

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	51,411	51,298
Cost of sales	47,145	46,151
Gross profit	4,265	5,147
Selling, general and administrative expenses		
Freight and packing costs	1,049	1,065
Remuneration, salaries and allowances for directors (and other officers)	2,335	2,310
Provision for bonuses	91	90
Retirement benefit expenses	152	158
Depreciation	182	197
Provision of allowance for doubtful accounts	(1)	0
Bad debt expenses	1	—
Other	1,548	1,515
Total selling, general and administrative expenses	5,360	5,337
Operating loss	(1,095)	(189)
Non-operating income		
Interest income	13	23
Dividend income	80	92
Rental income	41	36
Sales of scraps income	31	37
Other	36	68
Total non-operating income	204	258
Non-operating expenses		
Interest expenses	195	255
Rental expenses	14	14
Foreign exchange losses	59	216
Commission for syndicated loans	56	2
Other	44	55
Total non-operating expenses	371	543
Ordinary loss	(1,261)	(474)
Extraordinary income		
Gain on sale of non-current assets	4,232	1,822
Gain on sale of investment securities	104	175
Total extraordinary income	4,336	1,998
Extraordinary losses		
Loss on retirement of non-current assets	47	68
Impairment losses	436	94
Settlement payments	200	—
Total extraordinary losses	684	163
Profit before income taxes	2,390	1,360
Income taxes - current	883	339
Income taxes - deferred	(37)	317
Total income taxes	845	657
Profit	1,545	703
Profit attributable to owners of parent	1,545	703

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	1,545	703
Other comprehensive income		
Valuation difference on available-for-sale securities	441	(80)
Revaluation reserve for land	—	(88)
Foreign currency translation adjustment	242	412
Remeasurements of defined benefit plans, net of tax	(34)	47
Total other comprehensive income	650	290
Comprehensive income	2,195	993
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,195	993
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,857	986	9,364	(10)	17,197
Changes during period					
Dividends of surplus			(33)		(33)
Profit (loss) attributable to owners of parent			1,545		1,545
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			251		251
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	1,763	(0)	1,763
Balance at end of period	6,857	986	11,128	(10)	18,961

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	983	6,077	408	(217)	7,251	24,449
Changes during period						
Dividends of surplus					—	(33)
Profit (loss) attributable to owners of parent					—	1,545
Purchase of treasury shares					—	(0)
Change in scope of consolidation					—	251
Net changes in items other than shareholders' equity	441	—	242	(34)	650	650
Total changes during period	441	—	242	(34)	650	2,413
Balance at end of period	1,424	6,077	651	(251)	7,901	26,863

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,857	986	11,128	(10)	18,961
Changes during period					
Dividends of surplus			–		–
Profit (loss) attributable to owners of parent			703		703
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			–		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	703	(0)	703
Balance at end of period	6,857	986	11,831	(10)	19,664

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,424	6,077	651	(251)	7,901	26,863
Changes during period						
Dividends of surplus					–	–
Profit (loss) attributable to owners of parent					–	703
Purchase of treasury shares					–	(0)
Change in scope of consolidation					–	–
Net changes in items other than shareholders' equity	(80)	(88)	412	47	290	290
Total changes during period	(80)	(88)	412	47	290	993
Balance at end of period	1,343	5,988	1,064	(204)	8,191	27,856

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,390	1,360
Depreciation	1,823	1,716
Impairment losses	436	94
Increase (decrease) in provision for product warranties	(3)	(9)
Increase (decrease) in provision for environmental measures	(5)	(1)
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in provision for bonuses	(39)	(21)
Increase (decrease) in retirement benefit liability	(54)	(134)
Interest and dividend income	(94)	(116)
Interest expenses	195	255
Loss (gain) on sale of non-current assets	(4,232)	(1,822)
Loss on retirement of property, plant and equipment	47	68
Loss (gain) on sale of investment securities	(104)	(175)
Settlement payments	200	–
Decrease (increase) in trade receivables	(1,639)	2,947
Decrease (increase) in inventories	1,412	1,291
Increase (decrease) in trade payables	(519)	(2,623)
Increase (decrease) in accrued consumption taxes	344	(271)
Other, net	215	(169)
Subtotal	373	2,386
Interest and dividends received	92	115
Interest paid	(194)	(251)
Settlement paid	(200)	–
Income taxes paid	(378)	(1,041)
Income taxes refund	104	–
Net cash provided by (used in) operating activities	(203)	1,209
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,705)	(1,106)
Proceeds from sale of property, plant and equipment	7,090	2,616
Purchase of intangible assets	(7)	(2)
Purchase of investment securities	(20)	(8)
Proceeds from sale of investment securities	116	219
Payments for retirement of property, plant and equipment	(0)	(7)
Loan advances	(1)	(1)
Proceeds from collection of loans receivable	0	0
Payments of leasehold deposits	(190)	–
Other, net	(85)	(2)
Net cash provided by (used in) investing activities	4,197	1,708

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(20)	2,960
Proceeds from long-term borrowings	5,500	—
Repayments of long-term borrowings	(5,898)	(6,002)
Repayments of lease liabilities	(131)	(145)
Proceeds from sale and leaseback transactions	81	—
Dividends paid	(33)	(0)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(502)	(3,187)
Effect of exchange rate change on cash and cash equivalents	140	228
Net increase (decrease) in cash and cash equivalents	3,632	(41)
Cash and cash equivalents at beginning of period	8,035	11,875
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	208	—
Cash and cash equivalents at end of period	11,875	11,834