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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 5, 2024

Company name: NIPPO LTD.
Stock exchange listing: Tokyo, Nagoya
Code number: 9913
URL: <https://www.nip.co.jp/>
Representative: Yasuchika Iwasa
Contact: Kanjo Nishitomi
Phone: +81-52-218-3161

Representative Director and President
Executive Officer, Chief of Corporate Headquarters

Scheduled date of filing quarterly securities report: February 9, 2024
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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	30,946	5.5	1,483	0.6	1,656	14.4	1,128	13.8
December 31, 2022	29,336	11.3	1,474	63.4	1,448	47.2	991	35.4

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 2,318 million [(13.4) %]
Nine months ended December 31, 2022: ¥ 2,677 million [190.3 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	126.18	-
December 31, 2022	109.95	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	31,458	14,583	46.4
March 31, 2023	28,674	12,530	43.7

(Reference) Equity: As of December 31, 2023: ¥ 14,581 million
As of March 31, 2023: ¥ 12,528 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	33.00	33.00
Fiscal year ending March 31, 2024	-	0.00	-		
Fiscal year ending March 31, 2024 (Forecast)				42.00	42.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,900	0.0	1,830	(4.3)	1,950	4.2	1,340	5.6	149.96

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

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

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2023: 9,127,338 shares

March 31, 2023: 9,127,338 shares

2) Number of treasury shares at the end of the period:

December 31, 2023: 159,091 shares

March 31, 2023: 211,826 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 8,944,033 shares

Nine months ended December 31, 2022: 9,018,000 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	4,910	6,245
Notes and accounts receivable - trade	6,695	7,234
Electronically recorded monetary claims - operating	645	598
Merchandise and finished goods	2,105	2,025
Work in process	368	446
Raw materials and supplies	1,049	1,043
Accounts receivable - other	468	481
Other	341	452
Allowance for doubtful accounts	(2)	(2)
Total current assets	16,582	18,524
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,841	10,715
Accumulated depreciation	(5,916)	(6,633)
Buildings and structures, net	3,924	4,081
Machinery, equipment and vehicles	11,248	12,688
Accumulated depreciation	(9,185)	(10,503)
Machinery, equipment and vehicles, net	2,063	2,185
Tools, furniture and fixtures	1,333	1,488
Accumulated depreciation	(1,050)	(1,170)
Tools, furniture and fixtures, net	283	318
Land	1,736	1,841
Construction in progress	222	295
Total property, plant and equipment	8,230	8,722
Intangible assets		
Other	380	532
Total intangible assets	380	532
Investments and other assets		
Investment securities	2,037	2,226
Deferred tax assets	169	190
Retirement benefit asset	19	18
Other	1,267	1,257
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,480	3,679
Total non-current assets	12,091	12,934
Total assets	28,674	31,458

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,725	8,408
Short-term borrowings	2,133	2,000
Current portion of long-term borrowings	348	307
Lease liabilities	114	116
Income taxes payable	160	281
Provision for bonuses	346	370
Other	1,883	1,700
Total current liabilities	12,713	13,185
Non-current liabilities		
Long-term borrowings	920	695
Lease liabilities	199	227
Deferred tax liabilities	223	446
Deferred tax liabilities for land revaluation	2	2
Retirement benefit liability	1,590	1,741
Asset retirement obligations	192	244
Other	301	331
Total non-current liabilities	3,430	3,689
Total liabilities	16,144	16,875
Net assets		
Shareholders' equity		
Share capital	3,137	3,137
Capital surplus	612	612
Retained earnings	6,995	7,823
Treasury shares	(142)	(106)
Total shareholders' equity	10,603	11,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162	300
Revaluation reserve for land	5	5
Foreign currency translation adjustment	1,744	2,796
Remeasurements of defined benefit plans	12	12
Total accumulated other comprehensive income	1,925	3,114
Non-controlling interests	1	1
Total net assets	12,530	14,583
Total liabilities and net assets	28,674	31,458

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	29,336	30,946
Cost of sales	24,248	25,554
Gross profit	5,087	5,391
Selling, general and administrative expenses	3,613	3,908
Operating profit	1,474	1,483
Non-operating income		
Interest income	7	20
Dividend income	61	55
Foreign exchange gains	-	110
Gain on sale of scraps	40	48
Other	36	71
Total non-operating income	146	305
Non-operating expenses		
Interest expenses	88	53
Loss on sale of electronically recorded monetary claims	23	26
Foreign exchange losses	17	-
Other	41	52
Total non-operating expenses	171	132
Ordinary profit	1,448	1,656
Extraordinary income		
Gain on sale of non-current assets	5	5
Gain on sale of investment securities	0	0
Total extraordinary income	5	6
Extraordinary losses		
Loss on disposal of non-current assets	2	4
Total extraordinary losses	2	4
Profit before income taxes	1,451	1,658
Income taxes - current	316	372
Income taxes - deferred	143	157
Total income taxes	460	529
Profit	991	1,128
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	991	1,128

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	991	1,128
Other comprehensive income		
Valuation difference on available-for-sale securities	67	137
Foreign currency translation adjustment	1,616	1,051
Remeasurements of defined benefit plans, net of tax	2	0
Total other comprehensive income	1,686	1,189
Comprehensive income	2,677	2,318
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,677	2,317
Comprehensive income attributable to non-controlling interests	0	0