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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 3, 2023

Company name: NIPPO LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 9913

URL: <https://www.nip.co.jp/>

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Scheduled date of filing quarterly securities report: August 8, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

Representative Director and President

Executive Officer, Chief of Corporate Headquarters

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	10,148	10.8	487	11.2	528	66.8	335	145.9
June 30, 2022	9,162	4.1	438	11.7	316	(23.0)	136	(52.4)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 776 million [(10.9)%]
Three months ended June 30, 2022: ¥ 870 million [6.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	37.65	-
June 30, 2022	15.00	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	29,169	13,017	44.6
March 31, 2023	28,674	12,530	43.7

(Reference) Equity: As of June 30, 2023: ¥ 13,016 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	-				
Fiscal year ending March 31, 2024 (Forecast)		0.00	-	40.00	40.00

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

(Note) Breakdown of the 1st 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)	1,810	(3.3)	1,270	0.1	141.22

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 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):

June 30, 2023: 9,127,338 shares

March 31, 2023: 9,127,338 shares

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

June 30, 2023: 194,026 shares

March 31, 2023: 211,826 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 8,923,037 shares

Three months ended June 30, 2022: 9,108,052 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,910	5,161
Notes and accounts receivable - trade	6,695	6,971
Electronically recorded monetary claims - operating	645	552
Merchandise and finished goods	2,105	1,803
Work in process	368	397
Raw materials and supplies	1,049	839
Accounts receivable - other	468	500
Other	341	408
Allowance for doubtful accounts	(2)	(2)
Total current assets	16,582	16,632
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,841	10,151
Accumulated depreciation	(5,916)	(6,118)
Buildings and structures, net	3,924	4,032
Machinery, equipment and vehicles	11,248	11,663
Accumulated depreciation	(9,185)	(9,517)
Machinery, equipment and vehicles, net	2,063	2,146
Tools, furniture and fixtures	1,333	1,407
Accumulated depreciation	(1,050)	(1,085)
Tools, furniture and fixtures, net	283	322
Land	1,736	1,776
Construction in progress	222	90
Total property, plant and equipment	8,230	8,369
Intangible assets		
Other	380	393
Total intangible assets	380	393
Investments and other assets		
Investment securities	2,037	2,318
Deferred tax assets	169	180
Retirement benefit asset	19	18
Other	1,267	1,269
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,480	3,773
Total non-current assets	12,091	12,536
Total assets	28,674	29,169

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,725	7,746
Short-term borrowings	2,133	2,000
Current portion of long-term borrowings	348	357
Lease liabilities	114	120
Income taxes payable	160	176
Provision for bonuses	346	270
Other	1,883	1,813
Total current liabilities	12,713	12,484
Non-current liabilities		
Long-term borrowings	920	859
Lease liabilities	199	268
Deferred tax liabilities	223	412
Deferred tax liabilities for land revaluation	2	2
Retirement benefit liability	1,590	1,644
Asset retirement obligations	192	208
Other	301	272
Total non-current liabilities	3,430	3,667
Total liabilities	16,144	16,152
Net assets		
Shareholders' equity		
Share capital	3,137	3,137
Capital surplus	612	612
Retained earnings	6,995	7,030
Treasury shares	(142)	(130)
Total shareholders' equity	10,603	10,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162	358
Revaluation reserve for land	5	5
Foreign currency translation adjustment	1,744	1,988
Remeasurements of defined benefit plans	12	12
Total accumulated other comprehensive income	1,925	2,365
Non-controlling interests	1	1
Total net assets	12,530	13,017
Total liabilities and net assets	28,674	29,169

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	9,162	10,148
Cost of sales	7,548	8,370
Gross profit	1,613	1,777
Selling, general and administrative expenses	1,174	1,289
Operating profit	438	487
Non-operating income		
Interest income	2	5
Dividend income	4	5
Foreign exchange gains	-	44
Gain on sale of scraps	16	15
Other	11	20
Total non-operating income	33	92
Non-operating expenses		
Interest expenses	18	25
Loss on sale of electronically recorded monetary claims	5	8
Foreign exchange losses	117	-
Other	13	17
Total non-operating expenses	155	52
Ordinary profit	316	528
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on disposal of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	317	526
Income taxes - current	104	93
Income taxes - deferred	76	97
Total income taxes	180	190
Profit	136	335
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	136	335

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	136	335
Other comprehensive income		
Valuation difference on available-for-sale securities	71	196
Foreign currency translation adjustment	661	243
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	734	440
Comprehensive income	870	776
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	870	776
Comprehensive income attributable to non-controlling interests	0	0