

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 Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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  
 General Manager, Finance Department  
 Scheduled date to file Quarterly Securities Report: February 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

#### (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	%
Nine months ended December 31, 2022	39,321	8.2	1,065	24.6	1,013	19.6	626	(74.0)
Nine months ended December 31, 2021	36,337	26.5	855	–	846	–	2,407	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	93.63		–	
Nine months ended December 31, 2021	359.57		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	72,666	24,363	33.5	3,639.40
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				
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 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
Full year	55,000	12.0	1,300	(9.6)	1,300	(2.8)	700	(72.2)	104.57

4. Notes

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

As of December 31, 2022	6,700,000 shares	As of March 31, 2022	6,700,000 shares
-------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of December 31, 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)

Nine months ended December 31, 2022	6,694,329 shares	Nine months ended December 31, 2021	6,694,418 shares
-------------------------------------	------------------	-------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	10,134	6,343
Notes and accounts receivable - trade	9,102	9,720
Electronically recorded monetary claims - operating	5,123	4,761
Merchandise and finished goods	5,153	8,008
Work in process	4,936	5,568
Raw materials and supplies	1,531	1,955
Other	601	566
Allowance for doubtful accounts	(2)	(1)
Total current assets	36,580	36,922
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,956	3,993
Machinery, equipment and vehicles, net	11,113	10,711
Land	16,245	16,231
Other, net	977	1,528
Total property, plant and equipment	32,292	32,464
Intangible assets	152	124
Investments and other assets		
Investment securities	2,120	2,285
Other	1,068	904
Allowance for doubtful accounts	(35)	(35)
Total investments and other assets	3,153	3,154
Total non-current assets	35,598	35,744
Total assets	72,179	72,666

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	13,323	11,274
Electronically recorded obligations - operating	1,080	4,532
Short-term borrowings	10,922	15,600
Provision for bonuses	337	110
Provision for product warranties	46	73
Provision for environmental measures	37	–
Other	6,030	2,889
<b>Total current liabilities</b>	<b>31,778</b>	<b>34,480</b>
<b>Non-current liabilities</b>		
Long-term borrowings	11,520	8,162
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,237	2,344
Provision for environmental measures	21	48
Other	266	225
<b>Total non-current liabilities</b>	<b>17,087</b>	<b>13,822</b>
<b>Total liabilities</b>	<b>48,865</b>	<b>48,303</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	8,465	9,074
Treasury shares	(10)	(10)
<b>Total shareholders' equity</b>	<b>16,298</b>	<b>16,907</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	804	925
Revaluation reserve for land	6,059	6,077
Foreign currency translation adjustment	163	458
Remeasurements of defined benefit plans	(12)	(5)
<b>Total accumulated other comprehensive income</b>	<b>7,015</b>	<b>7,455</b>
<b>Total net assets</b>	<b>23,314</b>	<b>24,363</b>
<b>Total liabilities and net assets</b>	<b>72,179</b>	<b>72,666</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	36,337	39,321
Cost of sales	31,690	34,388
Gross profit	4,647	4,933
Selling, general and administrative expenses		
Freight and packing costs	934	856
Remuneration, salaries and allowances for directors (and other officers)	1,666	1,813
Provision for bonuses	29	30
Retirement benefit expenses	113	103
Depreciation	183	148
Other	864	915
Total selling, general and administrative expenses	3,791	3,867
Operating profit	855	1,065
Non-operating income		
Interest income	2	3
Dividend income	51	69
Rental income	28	28
Foreign exchange gains	1	–
Sale of scraps income	33	35
Other	39	33
Total non-operating income	157	169
Non-operating expenses		
Interest expenses	104	126
Foreign exchange losses	–	73
Depreciation	41	–
Other	20	22
Total non-operating expenses	166	222
Ordinary profit	846	1,013
Extraordinary income		
Gain on sale of non-current assets	3	4
Insurance claim income	2,448	–
Total extraordinary income	2,452	4
Extraordinary losses		
Loss on retirement of non-current assets	30	31
Loss on valuation of investment securities	–	16
Total extraordinary losses	30	47
Profit before income taxes	3,268	969
Income taxes - current	549	217
Income taxes - deferred	312	125
Total income taxes	861	343
Profit	2,407	626
Profit attributable to owners of parent	2,407	626

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,407	626
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	120
Foreign currency translation adjustment	(59)	294
Remeasurements of defined benefit plans, net of tax	26	6
Total other comprehensive income	(104)	422
Comprehensive income	2,302	1,049
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,302	1,049
Comprehensive income attributable to non-controlling interests	—	—