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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 6, 2024

Company name: Nakayama Steel Works, Ltd.
Listing: Tokyo
Securities code: 5408
URL: https://www.nakayama-steel.co.jp/
Representative: Kazuaki Hakomori ,President
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Scheduled date to file semi-annual securities report: November 13, 2024
Scheduled date to commence dividend payments: December 1, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	89,533	(3.6)	4,783	(27.1)	4,699	(28.0)	3,215	(26.8)
September 30, 2023	92,883	(0.4)	6,558	(15.7)	6,527	(15.3)	4,395	(26.4)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 2,936 million [(38.4) %]
Six months ended September 30, 2023: ¥ 4,770 million [(20.0) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	59.36	-
September 30, 2023	81.18	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	152,296	105,828	69.5
March 31, 2024	152,087	104,553	68.7

(Reference) Equity: As of September 30, 2024: ¥ 105,828 million
As of March 31, 2024: ¥ 104,553 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, 2024	-	19.00	-	31.00	50.00
Fiscal year ending March 31, 2025	-	18.00			
Fiscal year ending March 31, 2025 (Forecast)			-	22.00	40.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	172,000	(6.7)	8,100	(34.3)	7,500	(38.7)	5,500	(38.2)	101.52

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 63,079,256 shares

March 31, 2024: 63,079,256 shares

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

September 30, 2024: 8,903,838 shares

March 31, 2024: 8,921,772 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 54,163,455 shares

Six months ended September 30, 2023: 54,143,527 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	16,487	15,316
Notes and accounts receivable - trade, and contract assets	37,960	34,022
Electronically recorded monetary claims - operating	9,142	9,005
Merchandise and finished goods	16,074	17,595
Work in process	5,270	5,105
Raw materials and supplies	10,648	14,879
Other	929	1,008
Allowance for doubtful accounts	(40)	(42)
Total current assets	96,472	96,892
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,605	7,695
Machinery and equipment, net	15,590	15,629
Land	22,603	22,603
Other, net	1,333	1,531
Total property, plant and equipment	47,132	47,459
Intangible assets	454	499
Investments and other assets		
Investment securities	3,607	3,388
Guarantee deposits	2,367	1,952
Other	2,084	2,135
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	8,028	7,445
Total non-current assets	55,615	55,404
Total assets	152,087	152,296

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,742	19,641
Electronically recorded obligations - operating	1,654	1,624
Short-term borrowings	9,565	9,302
Accounts payable - other	3,042	2,038
Accrued expenses	1,987	1,694
Income taxes payable	1,629	1,642
Provision for bonuses	1,074	1,068
Provision for environmental measures	57	56
Provision for decommissioning and removal	109	97
Other	909	554
Total current liabilities	38,772	37,720
Non-current liabilities		
Long-term borrowings	62	37
Deferred tax liabilities	3,412	3,291
Deferred tax liabilities for land revaluation	1,001	1,001
Provision for environmental measures	19	18
Provision for decommissioning and removal	187	187
Provision for loss on business of subsidiaries and associates	627	627
Retirement benefit liability	2,214	2,270
Other	1,237	1,313
Total non-current liabilities	8,762	8,748
Total liabilities	47,534	46,468
Net assets		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,841	7,857
Retained earnings	72,895	74,431
Treasury shares	(774)	(773)
Total shareholders' equity	100,007	101,560
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,565	1,311
Deferred gains or losses on hedges	0	-
Revaluation reserve for land	2,389	2,389
Remeasurements of defined benefit plans	591	566
Total accumulated other comprehensive income	4,545	4,267
Total net assets	104,553	105,828
Total liabilities and net assets	152,087	152,296

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	92,883	89,533
Cost of sales	79,981	77,951
Gross profit	12,902	11,581
Selling, general and administrative expenses		
Selling expenses	2,687	2,913
General and administrative expenses	3,655	3,884
Total selling, general and administrative expenses	6,343	6,798
Operating profit	6,558	4,783
Non-operating income		
Interest income	27	26
Dividend income	51	49
Share of profit of entities accounted for using equity method	83	28
Rental income from real estate	36	37
Other	86	30
Total non-operating income	285	173
Non-operating expenses		
Interest expenses	71	86
Rental expenses	69	67
Other	175	103
Total non-operating expenses	316	257
Ordinary profit	6,527	4,699
Extraordinary income		
Gain on sale of non-current assets	551	0
Other	295	-
Total extraordinary income	847	0
Extraordinary losses		
Loss on retirement of non-current assets	947	20
Other	46	-
Total extraordinary losses	994	20
Profit before income taxes	6,380	4,679
Income taxes	1,985	1,464
Profit	4,395	3,215
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	4,395	3,215

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	4,395	3,215
Other comprehensive income		
Valuation difference on available-for-sale securities	373	(253)
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans, net of tax	1	(24)
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	374	(278)
Comprehensive income	4,770	2,936
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,770	2,936
Comprehensive income attributable to non-controlling interests	-	-