Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

January 31, 2025

Company name: NIPPON SHARYO, LTD.
Stock exchange listing: Tokyo, Nagoya
Stock code: 7102 URL https://www.n-sharyo.co.jp
Representative: President and CEO Mamoru Tanaka
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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, 2024	70,873	20.3	4,598	11.8	4,955	13.8	4,011	11.0
Nine months ended December 31, 2023	58,937	(12.6)	4,111	83.8	4,353	85.7	3,614	120.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	278.00	–
Nine months ended December 31, 2023	250.44	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	130,496	63,276	48.5
As of March 31, 2024	136,397	62,228	45.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	10.00	–	15.00	25.00
Year ending March 31, 2025	–	15.00	–		
Year ending March 31, 2025 (Forecast)				15.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	91,000	3.3	5,500	(9.2)	5,700	(9.6)	5,000	(7.1)	346.49

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: 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:	Yes
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, 2024	14,675,012 shares	As of March 31, 2024	14,675,012 shares

Number of treasury shares at the end of the period

As of December 31, 2024	245,032 shares	As of March 31, 2024	244,270 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	14,430,408 shares	Nine months ended December 31, 2023	14,431,203 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	3,906	3,751
Notes and accounts receivable - trade, and contract assets	27,938	22,025
Electronically recorded monetary claims - operating	2,202	2,393
Merchandise and finished goods	1,302	1,981
Semi-finished goods	1,300	1,298
Work in process	24,519	24,178
Raw materials and supplies	2,027	2,191
Short-term loans receivable	11,641	14,010
Other	941	1,178
Allowance for doubtful accounts	(8)	(9)
Total current assets	75,771	72,999
Non-current assets		
Property, plant and equipment		
Land	14,100	14,100
Other, net	13,568	13,365
Total property, plant and equipment	27,669	27,466
Intangible assets	361	293
Investments and other assets		
Investment securities	21,910	19,013
Retirement benefit asset	9,783	9,459
Other	907	1,270
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	32,595	29,737
Total non-current assets	60,626	57,496
Total assets	136,397	130,496
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,480	6,574
Electronically recorded obligations - operating	10,319	6,192
Current portion of long-term borrowings	3,210	3,213
Income taxes payable	606	141
Advances received	619	1,076
Provision for bonuses	1,919	981
Provision for loss on construction contracts	270	248
Other	7,286	6,864
Total current liabilities	31,714	25,292
Non-current liabilities		
Long-term borrowings	34,454	34,177
Provision for compensation for health damage from asbestos	72	97
Retirement benefit liability	304	332
Other	7,624	7,319
Total non-current liabilities	42,455	41,926
Total liabilities	74,169	67,219

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	11,810	11,810
Capital surplus	156	156
Retained earnings	38,319	41,897
Treasury shares	(525)	(526)
Total shareholders' equity	49,761	53,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,112	8,035
Deferred gains or losses on hedges	–	7
Foreign currency translation adjustment	(2,238)	(2,243)
Remeasurements of defined benefit plans	4,592	4,138
Total accumulated other comprehensive income	12,466	9,938
Total net assets	62,228	63,276
Total liabilities and net assets	136,397	130,496

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, 2023	Nine months ended December 31, 2024
Net sales	58,937	70,873
Cost of sales	48,924	60,518
Gross profit	10,013	10,355
Selling, general and administrative expenses	5,901	5,757
Operating profit	4,111	4,598
Non-operating income		
Interest income	18	41
Dividend income	338	397
Share of profit of entities accounted for using equity method	31	84
Other	108	57
Total non-operating income	496	580
Non-operating expenses		
Interest expenses	197	185
Other	57	38
Total non-operating expenses	254	223
Ordinary profit	4,353	4,955
Extraordinary income		
Gain on sale of non-current assets	24	9
Gain on sale of investment securities	497	0
Total extraordinary income	521	9
Extraordinary losses		
Loss on sale and retirement of non-current assets	498	65
Total extraordinary losses	498	65
Profit before income taxes	4,376	4,899
Income taxes	761	888
Profit	3,614	4,011
Profit attributable to owners of parent	3,614	4,011

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	3,614	4,011
Other comprehensive income		
Valuation difference on available-for-sale securities	2,770	(2,028)
Deferred gains or losses on hedges	–	7
Foreign currency translation adjustment	5	(4)
Remeasurements of defined benefit plans, net of tax	(155)	(453)
Share of other comprehensive income of entities accounted for using equity method	21	(48)
Total other comprehensive income	2,641	(2,528)
Comprehensive income	6,255	1,483
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,255	1,483