

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

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
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	51,411	(2.2)	(1,095)	–	(1,261)	–	1,545	68.6
Year ended March 31, 2023	52,566	7.0	1,273	(11.4)	1,283	(4.0)	916	(63.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	230.84	–	6.0	(1.7)	(2.1)
Year ended March 31, 2023	136.94	–	3.8	1.8	2.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	75,085	26,863	35.8	4,012.92
As of March 31, 2023	73,874	24,449	33.1	3,652.27

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(203)	4,197	(502)	11,875
Year ended March 31, 2023	(1,513)	(2,716)	2,021	8,035

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	5.00	5.00	33	3.7	0.1
Year ended March 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	0.00	–	0.00	0.00	–	–	–

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
Six months ending September 30, 2024	26,000	7.1	(200)	–	(300)	–	(200)	–	(29.88)
Full year	54,000	5.0	300	–	150	–	100	(93.5)	14.94

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

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

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	6,700,000 shares	As of March 31, 2023	6,700,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	5,862 shares	As of March 31, 2023	5,678 shares
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Average number of shares during the period

Year ended March 31, 2024	6,694,259 shares	Year ended March 31, 2023	6,694,327 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,040	12,040
Notes and accounts receivable - trade	8,937	8,406
Electronically recorded monetary claims - operating	4,820	7,095
Merchandise and finished goods	8,644	7,300
Work in process	5,171	5,220
Raw materials and supplies	1,924	2,030
Other	760	458
Allowance for doubtful accounts	(1)	(1)
Total current assets	38,297	42,551
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,972	3,464
Machinery, equipment and vehicles, net	11,152	10,320
Land	16,230	13,792
Construction in progress	175	175
Other, net	523	511
Total property, plant and equipment	32,053	28,264
Intangible assets	133	120
Investments and other assets		
Investment securities	2,377	3,002
Long-term loans receivable	4	5
Deferred tax assets	833	771
Other	207	403
Allowance for doubtful accounts	(34)	(33)
Total investments and other assets	3,389	4,148
Total non-current assets	35,576	32,533
Total assets	73,874	75,085

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,283	10,152
Electronically recorded obligations - operating	4,338	4,205
Short-term borrowings	12,328	12,412
Lease liabilities	69	111
Income taxes payable	166	784
Provision for bonuses	340	300
Provision for product warranties	56	52
Provision for environmental measures	–	0
Other	3,757	2,425
Total current liabilities	31,339	30,444
Non-current liabilities		
Long-term borrowings	12,212	11,710
Lease liabilities	143	227
Deferred tax liabilities	46	118
Deferred tax liabilities for land revaluation	3,041	3,041
Retirement benefit liability	2,550	2,593
Provision for environmental measures	48	43
Asset retirement obligations	41	41
Other	0	0
Total non-current liabilities	18,085	17,777
Total liabilities	49,424	48,222
Net assets		
Shareholders' equity		
Share capital	6,857	6,857
Capital surplus	986	986
Retained earnings	9,364	11,128
Treasury shares	(10)	(10)
Total shareholders' equity	17,197	18,961
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	983	1,424
Revaluation reserve for land	6,077	6,077
Foreign currency translation adjustment	408	651
Remeasurements of defined benefit plans	(217)	(251)
Total accumulated other comprehensive income	7,251	7,901
Total net assets	24,449	26,863
Total liabilities and net assets	73,874	75,085

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	52,566	51,411
Cost of sales	46,100	47,145
Gross profit	6,466	4,265
Selling, general and administrative expenses		
Freight and packing costs	1,111	1,049
Remuneration, salaries and allowances for directors (and other officers)	2,351	2,335
Provision for bonuses	108	91
Retirement benefit expenses	147	152
Depreciation	195	182
Provision of allowance for doubtful accounts	(2)	(1)
Bad debt expenses	–	1
Other	1,279	1,548
Total selling, general and administrative expenses	5,192	5,360
Operating profit (loss)	1,273	(1,095)
Non-operating income		
Interest income	6	13
Dividend income	74	80
Rental income	39	41
Compensation income	28	5
Sales of scraps income	45	31
Other	41	31
Total non-operating income	235	204
Non-operating expenses		
Interest expenses	169	195
Rental expenses	14	14
Foreign exchange losses	24	59
Commission for syndicated loans	–	56
Other	16	44
Total non-operating expenses	225	371
Ordinary profit (loss)	1,283	(1,261)
Extraordinary income		
Gain on sale of non-current assets	4	4,232
Gain on sale of investment securities	–	104
Subsidy income	1,844	–
Total extraordinary income	1,848	4,336

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary losses		
Loss on retirement of non-current assets	54	47
Loss on tax purpose reduction entry of non-current assets	1,536	–
Loss on valuation of investment securities	16	–
Impairment losses	181	436
Settlement payments	–	200
Total extraordinary losses	1,789	684
Profit before income taxes	1,342	2,390
Income taxes - current	388	883
Income taxes - deferred	37	(37)
Total income taxes	425	845
Profit	916	1,545
Profit attributable to owners of parent	916	1,545

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	916	1,545
Other comprehensive income		
Valuation difference on available-for-sale securities	178	441
Foreign currency translation adjustment	245	242
Remeasurements of defined benefit plans, net of tax	(204)	(34)
Total other comprehensive income	218	650
Comprehensive income	1,135	2,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,135	2,195
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,857	986	8,465	(10)	16,298
Changes during period					
Dividends of surplus					–
Profit (loss) attributable to owners of parent			916		916
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			(17)		(17)
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	898	(0)	898
Balance at end of period	6,857	986	9,364	(10)	17,197

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	804	6,059	163	(12)	7,015	23,314
Changes during period						
Dividends of surplus					–	–
Profit (loss) attributable to owners of parent					–	916
Purchase of treasury shares					–	(0)
Reversal of revaluation reserve for land					–	(17)
Change in scope of consolidation					–	–
Net changes in items other than shareholders' equity	178	17	245	(204)	236	236
Total changes during period	178	17	245	(204)	236	1,135
Balance at end of period	983	6,077	408	(217)	7,251	24,449

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,857	986	9,364	(10)	17,197
Changes during period					
Dividends of surplus			(33)		(33)
Profit (loss) attributable to owners of parent			1,545		1,545
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			–		–
Change in scope of consolidation			251		251
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	1,763	(0)	1,763
Balance at end of period	6,857	986	11,128	(10)	18,961

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	983	6,077	408	(217)	7,251	24,449
Changes during period						
Dividends of surplus					–	(33)
Profit (loss) attributable to owners of parent					–	1,545
Purchase of treasury shares					–	(0)
Reversal of revaluation reserve for land					–	–
Change in scope of consolidation					–	251
Net changes in items other than shareholders' equity	441	–	242	(34)	650	650
Total changes during period	441	–	242	(34)	650	2,413
Balance at end of period	1,424	6,077	651	(251)	7,901	26,863

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,342	2,390
Depreciation	1,797	1,823
Impairment losses	181	436
Increase (decrease) in provision for product warranties	9	(3)
Increase (decrease) in provision for environmental measures	(10)	(5)
Increase (decrease) in allowance for doubtful accounts	(2)	(1)
Increase (decrease) in provision for bonuses	3	(39)
Increase (decrease) in retirement benefit liability	0	(54)
Interest and dividend income	(80)	(94)
Interest expenses	169	195
Loss (gain) on sale of non-current assets	(4)	(4,232)
Loss on retirement of property, plant and equipment	54	47
Loss (gain) on sale of investment securities	–	(104)
Loss (gain) on valuation of investment securities	16	–
Subsidy income	(1,844)	–
Loss on tax purpose reduction entry of non-current assets	1,536	–
Settlement payments	–	200
Decrease (increase) in trade receivables	554	(1,639)
Decrease (increase) in inventories	(3,976)	1,412
Increase (decrease) in trade payables	84	(519)
Increase (decrease) in accrued consumption taxes	(25)	344
Other, net	(354)	215
Subtotal	(547)	373
Interest and dividends received	80	92
Interest paid	(170)	(194)
Settlement paid	–	(200)
Income taxes paid	(876)	(378)
Income taxes refund	–	104
Net cash provided by (used in) operating activities	(1,513)	(203)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,620)	(2,705)
Proceeds from sale of property, plant and equipment	26	7,090
Purchase of intangible assets	(10)	(7)
Purchase of investment securities	(20)	(20)
Proceeds from sale of investment securities	–	116
Payments for retirement of property, plant and equipment	(1)	(0)
Loan advances	–	(1)
Proceeds from collection of loans receivable	7	0
Subsidies received	1,844	–
Payments of leasehold deposits	–	(190)
Other, net	58	(85)
Net cash provided by (used in) investing activities	(2,716)	4,197

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,130	(20)
Proceeds from long-term borrowings	6,600	5,500
Repayments of long-term borrowings	(5,630)	(5,898)
Repayments of lease liabilities	(77)	(131)
Proceeds from sale and leaseback transactions	–	81
Dividends paid	–	(33)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	2,021	(502)
Effect of exchange rate change on cash and cash equivalents	178	140
Net increase (decrease) in cash and cash equivalents	(2,030)	3,632
Cash and cash equivalents at beginning of period	10,065	8,035
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	208
Cash and cash equivalents at end of period	8,035	11,875