

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

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



July 31, 2023

Company name: Nippon Yakin Kogyo Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 5480
 URL: <https://www.nyk.co.jp>
 Representative: Hisashi Kubota, Representative Director and President
 Contact: Takahiro Araki, General Manager, Accounting Department
 Phone: +81-3-3273-3613
 Scheduled date of filing quarterly securities report: August 14, 2023
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: None
 Schedule of quarterly financial results briefing session: None

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 - 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	48,524	3.5	6,727	54.6	7,054	75.4	4,672	84.2
June 30, 2022	46,905	49.0	4,352	15.5	4,022	9.9	2,537	(26.1)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥5,063 million [105.1%]

Three months ended June 30, 2022: ¥2,468 million [(28.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	317.61	–
June 30, 2022	169.20	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	220,895	80,736	36.5
As of March 31, 2023	222,294	79,619	35.8

(Reference) Equity: As of June 30, 2023: ¥80,732 million

As of March 31, 2023: ¥79,614 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	–	70.00	–	130.00	200.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		100.00	–	100.00	200.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	97,000	0.7	12,000	(5.1)	11,000	(10.7)	8,000	(7.7)	548.43
Full year	206,000	3.3	21,000	(28.2)	19,000	(31.5)	13,000	(34.0)	894.99

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: — (Company name: —), Excluded: — (Company name: —)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (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:	15,497,333 shares
March 31, 2023:	15,497,333 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2023:	1,033,874 shares
March 31, 2023:	545,700 shares
 - 3) Average number of shares outstanding during the period:

Three months ended June 30, 2023:	14,710,634 shares
Three months ended June 30, 2022:	14,991,534 shares

* These quarterly consolidated financial results are outside the scope of quarterly audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

(Cautionary note on forward-looking statements, etc.)

Forward-looking statements and other statements about the future in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not guarantee the achievement of the projections. Actual performance and other results may differ significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	11,910	10,751
Notes and accounts receivable - trade	29,829	29,661
Merchandise and finished goods	18,958	17,335
Work in process	34,670	37,756
Raw materials and supplies	19,200	18,732
Other	3,080	1,844
Allowance for doubtful accounts	(146)	(211)
Total current assets	117,501	115,868
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,193	15,076
Machinery, equipment and vehicles, net	36,086	35,788
Land	36,430	36,428
Other, net	8,794	8,822
Total property, plant and equipment	96,503	96,114
Intangible assets	2,825	2,966
Investments and other assets		
Investment securities	4,300	4,832
Other	1,128	1,081
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	5,413	5,898
Total non-current assets	104,741	104,978
Deferred assets		
Bond issuance costs	53	49
Total deferred assets	53	49
Total assets	222,294	220,895

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,627	21,518
Notes payable - facilities	814	997
Short-term borrowings	35,055	40,514
Current portion of long-term borrowings	7,215	7,198
Income taxes payable	8,020	1,527
Provision for bonuses	1,774	708
Provision for environmental measures	87	87
Other	7,196	6,505
Total current liabilities	81,788	79,052
Non-current liabilities		
Bonds payable	13,000	13,000
Long-term borrowings	30,853	30,382
Retirement benefit liability	10,472	10,535
Provision for environmental measures	322	323
Provision for preventing environmental pollution	5	5
Provision for loss on business liquidation	22	22
Other	6,212	6,840
Total non-current liabilities	60,887	61,107
Total liabilities	142,675	140,159
Net assets		
Shareholders' equity		
Share capital	24,301	24,301
Capital surplus	9,542	9,542
Retained earnings	43,548	46,276
Treasury shares	(1,246)	(3,247)
Total shareholders' equity	76,145	76,872
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,540	1,940
Deferred gains or losses on hedges	6	(84)
Revaluation reserve for land	1,572	1,572
Foreign currency translation adjustment	351	431
Total accumulated other comprehensive income	3,469	3,859
Non-controlling interests	5	5
Total net assets	79,619	80,736
Total liabilities and net assets	222,294	220,895

(2) Quarterly Consolidated Statements of Operations and Comprehensive Income

Quarterly Consolidated Statements of Operations

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	46,905	48,524
Cost of sales	39,552	38,608
Gross profit	7,353	9,915
Selling, general and administrative expenses	3,002	3,188
Operating profit	4,352	6,727
Non-operating income		
Dividend income	67	131
Rental income from non-current assets	22	34
Foreign exchange gains	–	481
Other	16	16
Total non-operating income	105	663
Non-operating expenses		
Interest expenses	145	168
Foreign exchange losses	168	–
Other	121	168
Total non-operating expenses	434	336
Ordinary profit	4,022	7,054
Extraordinary income		
Gain on sale of non-current assets	2	–
Total extraordinary income	2	–
Profit before income taxes	4,024	7,054
Income taxes	1,487	2,382
Profit	2,537	4,672
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,537	4,672

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	2,537	4,672
Other comprehensive income		
Valuation difference on available-for-sale securities	(216)	400
Deferred gains or losses on hedges	45	(90)
Foreign currency translation adjustment	103	80
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(69)	390
Comprehensive income	2,468	5,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,468	5,063
Comprehensive income attributable to non-controlling interests	0	0