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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



October 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: November 14, 2023

Scheduled date of commencing dividend payments: December 1, 2023

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts are rounded to the nearest million yen.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 - September 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	%
Six months ended September 30, 2023	93,907	(2.6)	12,901	2.0	12,858	4.4	9,032	4.2
Six months ended September 30, 2022	96,366	50.2	12,651	91.0	12,316	97.4	8,665	51.8

(Note) Comprehensive income: Six months ended September 30, 2023: ¥9,655 million [11.5%]

Six months ended September 30, 2022: ¥8,657 million [49.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	619.11	—
Six months ended September 30, 2022	578.76	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	219,764	85,354	38.8
As of March 31, 2023	222,294	79,619	35.8

(Reference) Equity: As of September 30, 2023: ¥85,349 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	—	100.00			
Fiscal year ending March 31, 2024 (Forecast)			—	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
Full year	180,000	(9.7)	21,000	(28.2)	19,000	(31.5)	13,000	(34.0)	894.75

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

**\* 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):

September 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:

September 30, 2023:	1,027,979 shares
March 31, 2023:	545,700 shares
  - 3) Average number of shares outstanding during the period:

Six months ended September 30, 2023:	14,589,037 shares
Six months ended September 30, 2022:	14,972,289 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.

(Information about the supplementary explanatory materials on quarterly financial results)

The Company will hold a quarterly financial results briefing session for institutional investors and analysts on Tuesday, November 21, 2023. The materials for the session will be posted on the Company's website immediately after the session.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	11,910	13,297
Notes and accounts receivable - trade	29,829	27,477
Merchandise and finished goods	18,958	15,345
Work in process	34,670	34,347
Raw materials and supplies	19,200	21,461
Other	3,080	2,233
Allowance for doubtful accounts	(146)	(191)
Total current assets	117,501	113,969
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,193	15,040
Machinery, equipment and vehicles, net	36,086	36,236
Land	36,430	36,439
Other, net	8,794	8,958
Total property, plant and equipment	96,503	96,672
Intangible assets	2,825	3,052
Investments and other assets		
Investment securities	4,300	5,005
Other	1,128	1,036
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	5,413	6,026
Total non-current assets	104,741	105,749
Deferred assets		
Bond issuance costs	53	46
Total deferred assets	53	46
<b>Total assets</b>	<b>222,294</b>	<b>219,764</b>

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,627	20,285
Notes payable - facilities	814	1,061
Short-term borrowings	35,055	35,761
Current portion of long-term borrowings	7,215	5,369
Income taxes payable	8,020	3,755
Provision for bonuses	1,774	1,837
Provision for environmental measures	87	62
Other	7,196	6,876
Total current liabilities	81,788	75,005
Non-current liabilities		
Bonds payable	13,000	13,000
Long-term borrowings	30,853	29,135
Retirement benefit liability	10,472	10,599
Provision for environmental measures	322	323
Provision for preventing environmental pollution	5	6
Provision for loss on business liquidation	22	22
Other	6,212	6,321
Total non-current liabilities	60,887	59,405
Total liabilities	142,675	134,410
Net assets		
Shareholders' equity		
Share capital	24,301	24,301
Capital surplus	9,542	9,542
Retained earnings	43,548	50,643
Treasury shares	(1,246)	(3,229)
Total shareholders' equity	76,145	81,258
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,540	2,074
Deferred gains or losses on hedges	6	(58)
Revaluation reserve for land	1,572	1,572
Foreign currency translation adjustment	351	504
Total accumulated other comprehensive income	3,469	4,092
Non-controlling interests	5	5
Total net assets	79,619	85,354
Total liabilities and net assets	222,294	219,764

## (2) Quarterly Consolidated Statements of Operations and Comprehensive Income

### Quarterly Consolidated Statements of Operations

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	96,366	93,907
Cost of sales	77,726	74,682
Gross profit	18,640	19,224
Selling, general and administrative expenses	5,988	6,323
Operating profit	12,651	12,901
Non-operating income		
Dividend income	72	138
Rental income from non-current assets	47	64
Foreign exchange gains	162	440
Other	76	34
Total non-operating income	357	676
Non-operating expenses		
Interest expenses	309	327
Other	383	392
Total non-operating expenses	693	719
Ordinary profit	12,316	12,858
Extraordinary income		
Gain on sale of non-current assets	2	5
Gain on liquidation of subsidiaries and associates	26	–
Total extraordinary income	28	5
Profit before income taxes	12,344	12,862
Income taxes	3,678	3,830
Profit	8,665	9,032
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	8,665	9,032

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	8,665	9,032
Other comprehensive income		
Valuation difference on available-for-sale securities	(159)	533
Deferred gains or losses on hedges	31	(64)
Foreign currency translation adjustment	120	153
Share of other comprehensive income of entities accounted for using equity method	(0)	1
Total other comprehensive income	(8)	623
Comprehensive income	8,657	9,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,657	9,655
Comprehensive income attributable to non-controlling interests	0	0

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,344	12,862
Depreciation	2,333	2,469
Increase (decrease) in retirement benefit liability	31	127
Interest and dividend income	(73)	(140)
Interest expenses	309	327
Decrease (increase) in trade receivables	(5,180)	2,352
Decrease (increase) in inventories	(15,004)	1,676
Increase (decrease) in trade payables	2,082	(1,342)
Other, net	45	508
Subtotal	(3,113)	18,839
Interest and dividends received	73	140
Interest paid	(305)	(326)
Income taxes paid	(1,857)	(7,663)
Net cash provided by (used in) operating activities	(5,203)	10,989
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(6,425)	(2,576)
Other, net	33	2
Net cash provided by (used in) investing activities	(6,392)	(2,574)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	6,492	662
Proceeds from long-term borrowings	5,169	1,400
Repayments of long-term borrowings	(3,330)	(4,965)
Other, net	(1,748)	(4,225)
Net cash provided by (used in) financing activities	6,583	(7,128)
Effect of exchange rate change on cash and cash equivalents	78	111
Net increase (decrease) in cash and cash equivalents	(4,934)	1,398
Cash and cash equivalents at beginning of period	12,545	11,797
Cash and cash equivalents at end of period	7,611	13,196