

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 Six Months Ended September 30, 2024 [Japanese GAAP]



October 31, 2024

Company name: Nippon Yakin Kogyo Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 5480
 URL: <https://www.nyk.co.jp>
 Representative: Shigemi Urata, President and Representative Director
 Contact: Takahiro Araki, General Manager, Accounting Department
 Phone: +81-3-3273-3613
 Scheduled date to file semi-annual securities report: November 14, 2024
 Scheduled date of commencing dividend payments: December 2, 2024
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of 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, 2024 (April 1, 2024 - September 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2024	88,834	(5.4)	8,543	(33.8)	8,298	(35.5)	5,807	(35.7)
September 30, 2023	93,907	(2.6)	12,901	2.0	12,858	4.4	9,032	4.2

(Note) Comprehensive income: Six months ended September 30, 2024: ¥5,897 million [(38.9) %]
 Six months ended September 30, 2023: ¥9,655 million [11.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	409.61	—
September 30, 2023	619.11	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	217,561	92,284	42.3
As of March 31, 2024	219,988	89,785	40.7

(Reference) Equity: As of September 30, 2024: ¥92,081 million
 As of March 31, 2024: ¥89,534 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	—	100.00	—	100.00	200.00
Fiscal year ending March 31, 2025	—	100.00			
Fiscal year ending March 31, 2025 (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, 2025 (April 1, 2024 - March 31, 2025)

(% 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	173,000	(4.1)	18,000	(10.0)	17,000	(11.1)	12,000	(11.5)
								849.25

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

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period under review: None
Newly included: — (Company name: —), Excluded: — (Company name: —)
- (2) Accounting methods adopted particularly for the preparation of semi-annual 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: Yes
 - 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, 2024:	15,497,333 shares
March 31, 2024:	15,497,333 shares
 - 2) Total number of treasury shares at the end of the period:

September 30, 2024:	1,413,369 shares
March 31, 2024:	1,028,536 shares
 - 3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	14,176,236 shares
Six months ended September 30, 2023:	14,589,037 shares

* Semi-annual financial results reports are exempt from review conducted 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 semi-annual financial results)

The Company will hold a semi-annual financial results briefing session for institutional investors and analysts on Thursday, November 21, 2024. The materials for the session will be posted on the Company's website immediately after the session.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	17,034	10,384
Notes and accounts receivable - trade	26,888	27,837
Merchandise and finished goods	14,730	14,595
Work in process	32,907	32,918
Raw materials and supplies	16,469	15,814
Other	3,950	2,221
Allowance for doubtful accounts	(172)	(156)
Total current assets	111,804	103,613
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,727	15,157
Machinery, equipment and vehicles, net	35,731	38,456
Land	36,432	36,355
Other, net	11,794	13,872
Total property, plant and equipment	98,683	103,840
Intangible assets	2,278	3,031
Investments and other assets		
Investment securities	6,217	6,227
Other	982	833
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	7,184	7,045
Total non-current assets	108,146	113,916
Deferred assets		
Bond issuance costs	39	31
Total deferred assets	39	31
Total assets	219,988	217,561

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,883	18,167
Notes payable - facilities	1,137	730
Short-term borrowings	31,832	33,456
Current portion of bonds payable	5,000	5,000
Current portion of long-term borrowings	5,207	3,881
Income taxes payable	828	2,464
Provision for bonuses	1,478	1,475
Provision for environmental measures	83	61
Other	8,310	6,416
Total current liabilities	76,758	71,650
Non-current liabilities		
Bonds payable	8,000	8,000
Long-term borrowings	27,817	26,940
Retirement benefit liability	10,559	10,756
Provision for environmental measures	248	248
Provision for preventing environmental pollution	6	6
Provision for loss on business liquidation	22	22
Other	6,792	7,654
Total non-current liabilities	53,444	53,626
Total liabilities	130,203	125,277
Net assets		
Shareholders' equity		
Share capital	24,301	24,301
Capital surplus	9,542	9,542
Retained earnings	53,892	58,073
Treasury shares	(3,231)	(5,057)
Total shareholders' equity	84,504	86,859
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,919	2,848
Deferred gains or losses on hedges	16	(64)
Revaluation reserve for land	1,585	1,790
Foreign currency translation adjustment	509	648
Total accumulated other comprehensive income	5,029	5,222
Non-controlling interests	252	203
Total net assets	89,785	92,284
Total liabilities and net assets	219,988	217,561

(2) Semi-annual Consolidated Statements of Operations and Comprehensive Income

Semi-annual Consolidated Statements of Operations

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	93,907	88,834
Cost of sales	74,682	73,643
Gross profit	19,224	15,191
Selling, general and administrative expenses	6,323	6,648
Operating profit	12,901	8,543
Non-operating income		
Dividend income	138	317
Rental income from non-current assets	64	64
Foreign exchange gains	440	—
Other	34	91
Total non-operating income	676	472
Non-operating expenses		
Interest expenses	327	325
Foreign exchange losses	—	66
Other	392	327
Total non-operating expenses	719	718
Ordinary profit	12,858	8,298
Extraordinary income		
Gain on sale of non-current assets	5	2
Total extraordinary income	5	2
Extraordinary losses		
Loss on sale of non-current assets	—	109
Total extraordinary losses	—	109
Profit before income taxes	12,862	8,190
Income taxes	3,830	2,335
Profit	9,032	5,855
Profit attributable to non-controlling interests	0	48
Profit attributable to owners of parent	9,032	5,807

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	9,032	5,855
Other comprehensive income		
Valuation difference on available-for-sale securities	533	(71)
Deferred gains or losses on hedges	(64)	(80)
Foreign currency translation adjustment	153	193
Share of other comprehensive income of entities accounted for using equity method	1	0
Total other comprehensive income	623	42
Comprehensive income	9,655	5,897
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,655	5,795
Comprehensive income attributable to non-controlling interests	0	102

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	12,862	8,190
Depreciation	2,469	2,812
Increase (decrease) in retirement benefit liability	127	197
Interest and dividend income	(140)	(321)
Interest expenses	327	325
Decrease (increase) in trade receivables	2,352	(950)
Decrease (increase) in inventories	1,676	778
Increase (decrease) in trade payables	(1,342)	(4,716)
Other, net	508	(2,074)
Subtotal	18,839	4,241
Interest and dividends received	140	321
Interest paid	(326)	(337)
Income taxes paid	(7,663)	(583)
Net cash provided by (used in) operating activities	10,989	3,643
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,576)	(6,955)
Other, net	2	(90)
Net cash provided by (used in) investing activities	(2,574)	(7,046)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	662	1,613
Proceeds from long-term borrowings	1,400	1,042
Repayments of long-term borrowings	(4,965)	(3,245)
Purchase of treasury shares	(2,003)	(1,851)
Dividends paid	(1,939)	(1,445)
Proceeds from sale and leaseback transactions	—	914
Other, net	(283)	(451)
Net cash provided by (used in) financing activities	(7,128)	(3,424)
Effect of exchange rate change on cash and cash equivalents	111	176
Net increase (decrease) in cash and cash equivalents	1,398	(6,650)
Cash and cash equivalents at beginning of period	11,797	16,918
Cash and cash equivalents at end of period	13,196	10,267