

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 27, 2023

Company name: NIPPON SHARYO, LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7102 URL <https://www.n-sharyo.co.jp>
 Representative: President and CEO Kazuhiro Igarashi
 General Manager, Kenichi Nagata
 General Affairs Department TEL 052-882-3316
 Inquiries: TEL 052-882-3316
 Scheduled date to file Quarterly Securities Report: February 6, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	67,438	0.4	2,237	(47.0)	2,345	(45.7)	1,642	(54.2)
Nine months ended December 31, 2021	67,177	(5.7)	4,220	(9.0)	4,320	(11.3)	3,585	(4.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	113.82		–	
Nine months ended December 31, 2021	248.42		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	131,661	49,398	37.4
As of March 31, 2022	132,868	48,018	36.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	10.00	–	10.00	20.00
Year ending March 31, 2023	–	10.00	–		
Year ending March 31, 2023 (Forecast)				10.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	97,000	3.2	3,900	(37.5)	3,900	(38.3)	3,100	(40.7)	214.80

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: No
- 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, 2022	14,675,012 shares	As of March 31, 2022	14,675,012 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	243,385 shares	As of March 31, 2022	242,928 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	14,431,819 shares	Nine months ended December 31, 2021	14,432,667 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,559	3,481
Notes and accounts receivable - trade, and contract assets	18,720	15,862
Electronically recorded monetary claims - operating	1,392	2,361
Merchandise and finished goods	965	1,573
Semi-finished goods	1,147	1,165
Work in process	27,431	28,869
Raw materials and supplies	1,486	1,609
Short-term loans receivable	25,752	24,891
Other	935	1,083
Allowance for doubtful accounts	(30)	(2)
Total current assets	81,362	80,896
Non-current assets		
Property, plant and equipment		
Land	14,171	14,142
Other, net	14,191	13,391
Total property, plant and equipment	28,363	27,533
Intangible assets	529	448
Investments and other assets		
Investment securities	16,601	16,669
Retirement benefit asset	5,127	5,152
Other	892	970
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	22,612	22,783
Total non-current assets	51,505	50,765
Total assets	132,868	131,661
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,230	5,873
Electronically recorded obligations - operating	10,513	11,123
Current portion of long-term borrowings	3,370	3,376
Income taxes payable	711	70
Advances received	1,076	686
Provision for bonuses	1,785	977
Provision for loss on construction contracts	271	762
Other	5,014	5,629
Total current liabilities	30,973	28,499
Non-current liabilities		
Long-term borrowings	48,762	48,204
Provision for compensation for health damage from asbestos	105	81
Retirement benefit liability	280	306
Other	4,728	5,170
Total non-current liabilities	53,875	53,762
Total liabilities	84,849	82,262

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	11,810	11,810
Retained earnings	30,396	31,750
Treasury shares	(521)	(522)
Total shareholders' equity	41,685	43,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,329	6,369
Deferred gains or losses on hedges	–	(2)
Foreign currency translation adjustment	(2,243)	(2,236)
Remeasurements of defined benefit plans	2,096	2,071
Total accumulated other comprehensive income	6,182	6,202
Non-controlling interests	151	158
Total net assets	48,018	49,398
Total liabilities and net assets	132,868	131,661

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, 2021	Nine months ended December 31, 2022
Net sales	67,177	67,438
Cost of sales	57,662	59,228
Gross profit	9,514	8,209
Selling, general and administrative expenses	5,294	5,971
Operating profit	4,220	2,237
Non-operating income		
Interest income	30	26
Dividend income	220	263
Share of profit of entities accounted for using equity method	52	70
Other	113	65
Total non-operating income	416	425
Non-operating expenses		
Interest expenses	264	250
Other	52	67
Total non-operating expenses	316	317
Ordinary profit	4,320	2,345
Extraordinary income		
Gain on sale of non-current assets	8	138
Gain on sale of investment securities	37	10
Gain on sale of golf membership	18	–
Total extraordinary income	64	149
Extraordinary losses		
Loss on sale and retirement of non-current assets	134	64
Impairment losses	1	–
Loss on valuation of investment securities	38	–
Other	0	1
Total extraordinary losses	175	66
Profit before income taxes	4,209	2,427
Income taxes	610	773
Profit	3,599	1,654
Profit attributable to non-controlling interests	13	11
Profit attributable to owners of parent	3,585	1,642

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,599	1,654
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,323)	23
Deferred gains or losses on hedges	–	(2)
Foreign currency translation adjustment	(19)	6
Remeasurements of defined benefit plans, net of tax	34	(24)
Share of other comprehensive income of entities accounted for using equity method	(1)	16
Total other comprehensive income	(2,309)	20
Comprehensive income	1,289	1,674
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,275	1,662
Comprehensive income attributable to non-controlling interests	13	11