

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

July 29, 2024

Company name: NIPPON SHARYO, LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7102 URL <https://www.n-sharyo.co.jp>
 Representative: President and CEO Mamoru Tanaka
 Executive Officer and General Manager, Shigeru Araki
 Inquiries: General Affairs Department TEL 052-882-3316
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	21,409	1.8	276	(80.9)	451	(71.4)	534	(64.4)
Three months ended June 30, 2023	21,029	(8.4)	1,452	8.2	1,581	9.9	1,501	15.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	37.04	–
Three months ended June 30, 2023	104.08	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	133,566	61,210	45.8
As of March 31, 2024	136,397	62,228	45.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	10.00	–	15.00	25.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		15.00	–	15.00	30.00

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
Full year	91,000	3.3	5,500	(9.2)	5,700	(9.6)	5,000	(7.1)	346.48

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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: Yes
- 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 June 30, 2024	14,675,012 shares	As of March 31, 2024	14,675,012 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	244,416 shares	As of March 31, 2024	244,270 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	14,430,655 shares	Three months ended June 30, 2023	14,431,375 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	3,906	3,678
Notes and accounts receivable - trade, and contract assets	27,938	19,089
Electronically recorded monetary claims - operating	2,202	2,398
Merchandise and finished goods	1,302	2,079
Semi-finished goods	1,300	1,318
Work in process	24,519	24,960
Raw materials and supplies	2,027	2,161
Short-term loans receivable	11,641	18,255
Other	941	1,007
Allowance for doubtful accounts	(8)	(8)
Total current assets	75,771	74,941
Non-current assets		
Property, plant and equipment		
Land	14,100	14,100
Other, net	13,568	13,503
Total property, plant and equipment	27,669	27,604
Intangible assets	361	331
Investments and other assets		
Investment securities	21,910	20,237
Retirement benefit asset	9,783	9,433
Other	907	1,025
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	32,595	30,689
Total non-current assets	60,626	58,625
Total assets	136,397	133,566
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,480	7,117
Electronically recorded obligations - operating	10,319	9,555
Current portion of long-term borrowings	3,210	3,212
Income taxes payable	606	174
Advances received	619	1,091
Provision for bonuses	1,919	2,942
Provision for loss on construction contracts	270	552
Other	7,286	6,091
Total current liabilities	31,714	30,736
Non-current liabilities		
Long-term borrowings	34,454	34,333
Provision for compensation for health damage from asbestos	72	97
Retirement benefit liability	304	311
Other	7,624	6,877
Total non-current liabilities	42,455	41,619
Total liabilities	74,169	72,356

	(Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	11,810	11,810
Capital surplus	156	156
Retained earnings	38,319	38,637
Treasury shares	(525)	(525)
Total shareholders' equity	49,761	50,079
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,112	8,931
Foreign currency translation adjustment	(2,238)	(2,234)
Remeasurements of defined benefit plans	4,592	4,433
Total accumulated other comprehensive income	12,466	11,130
Total net assets	62,228	61,210
Total liabilities and net assets	136,397	133,566

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	21,029	21,409
Cost of sales	17,643	19,306
Gross profit	3,386	2,103
Selling, general and administrative expenses	1,933	1,826
Operating profit	1,452	276
Non-operating income		
Interest income	8	14
Dividend income	183	203
Share of profit of entities accounted for using equity method	4	7
Other	16	26
Total non-operating income	212	251
Non-operating expenses		
Interest expenses	69	64
Other	15	12
Total non-operating expenses	84	76
Ordinary profit	1,581	451
Extraordinary income		
Gain on sale of non-current assets	19	0
Gain on sale of investment securities	–	0
Total extraordinary income	19	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	30	8
Total extraordinary losses	30	8
Profit before income taxes	1,569	443
Income taxes	68	(91)
Profit	1,501	534
Profit attributable to owners of parent	1,501	534

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,501	534
Other comprehensive income		
Valuation difference on available-for-sale securities	1,786	(1,134)
Foreign currency translation adjustment	0	3
Remeasurements of defined benefit plans, net of tax	(51)	(159)
Share of other comprehensive income of entities accounted for using equity method	12	(46)
Total other comprehensive income	1,747	(1,336)
Comprehensive income	3,249	(801)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,249	(801)