

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 28, 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  
 General Affairs Department TEL 052-882-3316  
 Inquiries:  
 Scheduled date to file Semi-annual Securities Report: November 8, 2024  
 Scheduled date to commence dividend payments: December 2, 2024  
 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 six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended September 30, 2024	45,551	9.0	3,224	11.2	3,419	13.3	2,919	38.1
Six months ended September 30, 2023	41,782	(5.9)	2,899	100.1	3,018	100.3	2,114	88.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	202.28	–
Six months ended September 30, 2023	146.50	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	129,440	62,411	48.2
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	–	15.00			
Year ending March 31, 2025 (Forecast)			–	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)	346.49

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	14,675,012 shares	As of March 31, 2024	14,675,012 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2024	244,746 shares	As of March 31, 2024	244,270 shares
--------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	14,430,548 shares	Six months ended September 30, 2023	14,431,281 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Semi-annual consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,906	4,132
Notes and accounts receivable - trade, and contract assets	27,938	20,346
Electronically recorded monetary claims - operating	2,202	2,427
Merchandise and finished goods	1,302	2,036
Semi-finished goods	1,300	1,308
Work in process	24,519	25,207
Raw materials and supplies	2,027	2,244
Short-term loans receivable	11,641	13,310
Other	941	980
Allowance for doubtful accounts	(8)	(8)
Total current assets	75,771	71,987
Non-current assets		
Property, plant and equipment		
Land	14,100	14,100
Other, net	13,568	13,624
Total property, plant and equipment	27,669	27,724
Intangible assets	361	313
Investments and other assets		
Investment securities	21,910	18,798
Retirement benefit asset	9,783	9,455
Other	907	1,167
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	32,595	29,415
Total non-current assets	60,626	57,453
Total assets	136,397	129,440
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,480	6,261
Electronically recorded obligations - operating	10,319	5,884
Current portion of long-term borrowings	3,210	3,212
Income taxes payable	606	451
Advances received	619	1,417
Provision for bonuses	1,919	1,958
Provision for loss on construction contracts	270	234
Other	7,286	5,750
Total current liabilities	31,714	25,170
Non-current liabilities		
Long-term borrowings	34,454	34,333
Provision for compensation for health damage from asbestos	72	97
Retirement benefit liability	304	323
Other	7,624	7,103
Total non-current liabilities	42,455	41,858
Total liabilities	74,169	67,028

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	11,810	11,810
Capital surplus	156	156
Retained earnings	38,319	41,021
Treasury shares	(525)	(526)
Total shareholders' equity	49,761	52,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,112	7,890
Deferred gains or losses on hedges	–	(0)
Foreign currency translation adjustment	(2,238)	(2,228)
Remeasurements of defined benefit plans	4,592	4,285
Total accumulated other comprehensive income	12,466	9,948
Total net assets	62,228	62,411
Total liabilities and net assets	136,397	129,440

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	41,782	45,551
Cost of sales	34,995	38,527
Gross profit	6,787	7,023
Selling, general and administrative expenses	3,888	3,798
Operating profit	2,899	3,224
Non-operating income		
Interest income	15	24
Dividend income	188	206
Share of profit of entities accounted for using equity method	17	68
Other	57	41
Total non-operating income	278	341
Non-operating expenses		
Interest expenses	129	120
Other	29	26
Total non-operating expenses	159	146
Ordinary profit	3,018	3,419
Extraordinary income		
Gain on sale of non-current assets	22	5
Gain on sale of investment securities	–	0
Total extraordinary income	22	6
Extraordinary losses		
Loss on sale and retirement of non-current assets	474	36
Total extraordinary losses	474	36
Profit before income taxes	2,567	3,389
Income taxes	453	470
Profit	2,114	2,919
Profit attributable to owners of parent	2,114	2,919

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,114	2,919
Other comprehensive income		
Valuation difference on available-for-sale securities	2,294	(2,171)
Deferred gains or losses on hedges	–	(0)
Foreign currency translation adjustment	4	9
Remeasurements of defined benefit plans, net of tax	(103)	(306)
Share of other comprehensive income of entities accounted for using equity method	6	(50)
Total other comprehensive income	2,200	(2,518)
Comprehensive income	4,315	400
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,315	400