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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 5, 2024

Company name: NIPPO LTD.

Listing: Tokyo, Nagoya

Securities code: 9913

URL: <https://www.nip.co.jp/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

Representative Director and President

Executive Officer, Chief of Corporate Headquarters

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(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	10,839	6.8	344	(29.3)	446	(15.5)	284	(15.2)
June 30, 2023	10,148	10.8	487	11.2	528	66.8	335	145.9

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 671 million [(13.5)%]
Three months ended June 30, 2023: ¥ 776 million [(10.9)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	31.74	-
June 30, 2023	37.65	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	31,263	14,795	47.3
March 31, 2024	30,755	14,792	48.1

(Reference) Equity: As of June 30, 2024: ¥ 14,794 million

As of March 31, 2024: ¥ 14,791 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	-	0.00	-	74.00	74.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		0.00	-	76.00	76.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	42,000	0.2	1,950	1.7	1,950	(9.3)	1,380	(5.3)	154.18

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024:	9,127,338 shares
March 31, 2024:	9,127,338 shares

2) Number of treasury shares at the end of the period:

June 30, 2024:	143,560 shares
March 31, 2024:	152,191 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024:	8,978,624 shares
Three months ended June 30, 2023:	8,923,037 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,679	5,777
Notes and accounts receivable - trade	7,330	7,271
Electronically recorded monetary claims - operating	586	590
Merchandise and finished goods	1,770	1,966
Work in process	425	451
Raw materials and supplies	1,078	1,002
Accounts receivable - other	350	312
Other	534	550
Allowance for doubtful accounts	(2)	(2)
Total current assets	17,753	17,920
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,634	10,930
Accumulated depreciation	(6,669)	(6,934)
Buildings and structures, net	3,965	3,996
Machinery, equipment and vehicles	12,551	13,058
Accumulated depreciation	(10,515)	(10,949)
Machinery, equipment and vehicles, net	2,035	2,109
Tools, furniture and fixtures	1,547	1,607
Accumulated depreciation	(1,207)	(1,270)
Tools, furniture and fixtures, net	340	337
Land	1,831	1,850
Construction in progress	204	346
Total property, plant and equipment	8,376	8,639
Intangible assets		
Other	512	514
Total intangible assets	512	514
Investments and other assets		
Investment securities	2,642	2,706
Deferred tax assets	216	220
Other	1,266	1,276
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	4,113	4,189
Total non-current assets	13,002	13,343
Total assets	30,755	31,263

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,212	7,956
Short-term borrowings	1,600	1,600
Current portion of long-term borrowings	286	281
Lease liabilities	112	119
Income taxes payable	203	168
Provision for bonuses	338	272
Accounts payable-installment purchase	187	162
Other	1,616	2,384
Total current liabilities	12,557	12,944
Non-current liabilities		
Long-term borrowings	593	546
Lease liabilities	198	194
Deferred tax liabilities	337	435
Deferred tax liabilities for land revaluation	2	2
Retirement benefit liability	1,756	1,794
Asset retirement obligations	227	241
Long-term accounts payable - installment purchase	236	244
Other	52	62
Total non-current liabilities	3,405	3,523
Total liabilities	15,963	16,468
Net assets		
Shareholders' equity		
Share capital	3,137	3,137
Capital surplus	612	612
Retained earnings	8,152	7,763
Treasury shares	(102)	(96)
Total shareholders' equity	11,799	11,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	419	464
Revaluation reserve for land	5	5
Foreign currency translation adjustment	2,592	2,933
Remeasurements of defined benefit plans	(26)	(25)
Total accumulated other comprehensive income	2,991	3,377
Non-controlling interests	1	1
Total net assets	14,792	14,795
Total liabilities and net assets	30,755	31,263

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	10,148	10,839
Cost of sales	8,370	9,102
Gross profit	1,777	1,737
Selling, general and administrative expenses	1,289	1,392
Operating profit	487	344
Non-operating income		
Interest income	5	9
Dividend income	5	5
Foreign exchange gains	44	59
Gain on sale of scraps	15	16
Other	20	37
Total non-operating income	92	129
Non-operating expenses		
Interest expenses	25	12
Loss on sale of electronically recorded monetary claims	8	12
Other	17	3
Total non-operating expenses	52	27
Ordinary profit	528	446
Extraordinary income		
Gain on sale of non-current assets	0	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on disposal of non-current assets	1	0
Total extraordinary losses	1	0
Profit before income taxes	526	448
Income taxes - current	93	85
Income taxes - deferred	97	77
Total income taxes	190	163
Profit	335	284
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	335	284

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	335	284
Other comprehensive income		
Valuation difference on available-for-sale securities	196	45
Foreign currency translation adjustment	243	340
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	440	386
Comprehensive income	776	671
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	776	671
Comprehensive income attributable to non-controlling interests	0	0