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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 04, 2022

Company name: Nakayama Steel Works, Ltd.

Stock exchange listing: Tokyo

Code number: 5408

URL: <https://www.nakayama-steel.co.jp/>

Representative: Kazuaki Hakomori

,President

Contact: Mitsuaki Sakaguchi

,Managing Executive Officer

Phone: 06-6555-3035

Scheduled date of filing quarterly securities report: August 10, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	47,796	34.5	3,275	245.3	3,304	331.9	3,097	528.1
June 30, 2021	35,542	32.9	948	17.6	765	(5.4)	493	(45.9)

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 3,102 million [517.1%]
 Three months ended June 30, 2021: ¥ 502 million [(48.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	57.23	-
June 30, 2021	9.11	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	152,491	91,265	59.8
March 31, 2022	143,618	88,931	61.9

(Reference) Equity: As of June 30, 2022: ¥ 91,265 million
 As of March 31, 2022: ¥ 88,931 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, 2022	-	4.00	-	12.00	16.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		6.00	-	14.00	20.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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
Six months ended September 30, 2022	94,000	28.1	7,200	210.3	7,000	238.2	5,200	309.3	96.05
Full year	198,000	18.8	11,500	58.6	11,000	65.3	7,800	62.0	144.08

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

* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
- | | | | |
|------------|---|----------------|---|
| New | - | (Company name: |) |
| Exclusion: | 1 | (Company name: |) |

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2022:	63,079,256 shares
March 31, 2022:	63,079,256 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022:	8,942,678 shares
March 31, 2022:	8,942,656 shares

3) Average number of shares during the period:

Three months ended June 30, 2022:	54,136,600 shares
Three months ended June 30, 2021:	54,136,755 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	15,765	15,241
Notes and accounts receivable - trade, and contract assets	31,538	39,198
Electronically recorded monetary claims - operating	7,386	8,917
Merchandise and finished goods	17,338	17,039
Work in process	3,284	5,954
Raw materials and supplies	15,815	14,347
Other	1,654	901
Allowance for doubtful accounts	(94)	(69)
Total current assets	92,688	101,530
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,823	6,822
Machinery and equipment, net	12,992	13,126
Land	23,033	23,022
Other, net	1,247	1,344
Total property, plant and equipment	44,097	44,315
Intangible assets	273	255
Investments and other assets		
Investment securities	2,785	2,623
Guarantee deposits	2,352	2,351
Other	1,463	1,456
Allowance for doubtful accounts	(41)	(41)
Total investments and other assets	6,559	6,390
Total non-current assets	50,929	50,961
Total assets	143,618	152,491

(Million yen)

	As of March 31,2022	As of June 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,750	22,433
Electronically recorded obligations - operating	1,356	1,788
Short-term borrowings	7,674	13,649
Current portion of bonds payable	42	42
Accounts payable - other	2,040	2,270
Accrued expenses	1,444	1,659
Income taxes payable	1,565	1,353
Provision for bonuses	853	401
Provision for environmental measures	9	6
Other	638	1,305
Total current liabilities	37,375	44,909
Non-current liabilities		
Bonds payable	27	27
Long-term borrowings	8,249	8,092
Deferred tax liabilities	3,472	2,660
Deferred tax liabilities for land revaluation	1,001	1,001
Provision for environmental measures	415	417
Provision for decommissioning and removal	404	404
Provision for loss on business of subsidiaries and associates	42	43
Retirement benefit liability	2,577	2,598
Other	1,121	1,072
Total non-current liabilities	17,311	16,316
Total liabilities	54,686	61,225
Net assets		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,826	7,826
Retained earnings	58,364	60,822
Treasury shares	(775)	(775)
Total shareholders' equity	85,459	87,917
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,043	925
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	2,444	2,435
Remeasurements of defined benefit plans	(16)	(13)
Total accumulated other comprehensive income	3,471	3,348
Total net assets	88,931	91,265
Total liabilities and net assets	143,618	152,491

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

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	35,542	47,796
Cost of sales	31,619	41,504
Gross profit	3,922	6,291
Selling, general and administrative expenses		
Selling expenses	1,443	1,278
General and administrative expenses	1,530	1,737
Total selling, general and administrative expenses	2,974	3,016
Operating profit	948	3,275
Non-operating income		
Interest income	13	13
Dividend income	33	43
Share of profit of entities accounted for using equity method	25	47
Amortization of negative goodwill	0	-
Other	30	66
Total non-operating income	102	171
Non-operating expenses		
Interest expenses	22	50
Rental expenses	37	37
Other	226	55
Total non-operating expenses	286	142
Ordinary profit	765	3,304
Extraordinary income		
Gain on sales of scraps	-	315
Gain on sale of non-current assets	7	3
Reversal of provision for environmental measures	11	-
Reversal of provision for loss on business of subsidiaries and associates	7	-
Other	-	11
Total extraordinary income	27	331
Extraordinary losses		
Loss on retirement of non-current assets	41	10
Provision for loss on business of subsidiaries and associates	-	1
Loss on valuation of golf club membership	2	-
Other	1	-
Total extraordinary losses	44	12
Profit before income taxes	747	3,623
Income taxes - current	227	1,288
Income taxes - deferred	27	(763)
Total income taxes	254	525
Profit	493	3,097
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	493	3,097

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

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	493	3,097
Other comprehensive income		
Valuation difference on available-for-sale securities	4	1
Deferred gains or losses on hedges	0	0
Remeasurements of defined benefit plans, net of tax	5	3
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	9	4
Comprehensive income	502	3,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	502	3,102
Comprehensive income attributable to non-controlling interests	-	-