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## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 4, 2023

Company name: Nakayama Steel Works, Ltd.

Stock exchange listing: Tokyo

Code number: 5408

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

Representative: Kazuaki Hakomori, President

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Scheduled date of filing quarterly securities report: August 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

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, 2023 (April 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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, 2023	47,430	(0.8)	3,777	15.3	3,827	15.9	2,885	(6.8)
June 30, 2022	47,796	34.5	3,275	245.3	3,304	331.9	3,097	528.1

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 3,086 million [ (0.5)%]  
Three months ended June 30, 2022: ¥ 3,102 million [ 517.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2023	53.31	-
June 30, 2022	57.23	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2023	148,166	98,754	66.7
March 31, 2023	148,787	96,859	65.1

(Reference) Equity: As of June 30, 2023: ¥ 98,754 million  
As of March 31, 2023: ¥ 96,859 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, 2023	-	33.00	-	22.00	55.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		19.00	-	19.00	38.00

(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, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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	%	
Six months ending September 30, 2023	92,000	(1.4)	6,100	(21.6)	5,900	(23.5)	3,400	(43.1)	62.80
Full year	180,000	(4.5)	11,400	(16.4)	11,000	(17.7)	6,800	(33.5)	125.61

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

\* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (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, 2023: 63,079,256 shares

March 31, 2023: 63,079,256 shares

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

June 30, 2023: 8,942,912 shares

March 31, 2023: 8,942,937 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 54,136,288 shares

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

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	16,775	17,485
Notes and accounts receivable - trade, and contract assets	35,908	35,973
Electronically recorded monetary claims - operating	9,472	9,451
Merchandise and finished goods	16,705	15,600
Work in process	5,632	5,789
Raw materials and supplies	12,465	11,540
Other	680	868
Allowance for doubtful accounts	(57)	(58)
Total current assets	97,582	96,650
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,770	7,078
Machinery and equipment, net	13,474	13,754
Land	22,992	22,627
Other, net	1,665	1,657
Total property, plant and equipment	44,903	45,117
Intangible assets	544	494
Investments and other assets		
Investment securities	3,150	3,337
Guarantee deposits	1,364	1,381
Other	1,283	1,224
Allowance for doubtful accounts	(41)	(40)
Total investments and other assets	5,756	5,902
Total non-current assets	51,204	51,515
<b>Total assets</b>	<b>148,787</b>	<b>148,166</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,577	20,645
Electronically recorded obligations - operating	1,631	1,804
Short-term borrowings	2,620	2,605
Current portion of bonds payable	27	27
Accounts payable - other	1,726	2,712
Accrued expenses	1,876	1,904
Income taxes payable	3,270	1,365
Provision for bonuses	1,135	489
Provision for environmental measures	237	222
Provision for decommissioning and removal	41	41
Other	2,697	1,640
Total current liabilities	35,842	33,458
Non-current liabilities		
Long-term borrowings	7,629	7,486
Deferred tax liabilities	2,985	3,040
Deferred tax liabilities for land revaluation	1,001	1,001
Provision for environmental measures	233	233
Provision for decommissioning and removal	362	362
Provision for loss on business of subsidiaries and associates	119	139
Retirement benefit liability	2,437	2,407
Other	1,314	1,280
Total non-current liabilities	16,085	15,952
Total liabilities	51,927	49,411
Net assets		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,826	7,826
Retained earnings	66,179	67,883
Treasury shares	(775)	(775)
Total shareholders' equity	93,274	94,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,213	1,412
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	2,421	2,412
Remeasurements of defined benefit plans	(49)	(48)
Total accumulated other comprehensive income	3,585	3,776
Total net assets	96,859	98,754
Total liabilities and net assets	148,787	148,166

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, 2022	For the three months ended June 30, 2023
Net sales	47,796	47,430
Cost of sales	41,504	40,552
Gross profit	6,291	6,878
Selling, general and administrative expenses		
Selling expenses	1,278	1,295
General and administrative expenses	1,737	1,805
Total selling, general and administrative expenses	3,016	3,101
Operating profit	3,275	3,777
Non-operating income		
Interest income	13	13
Dividend income	43	49
Share of profit of entities accounted for using equity method	47	46
Insurance claim income	6	48
Other	60	24
Total non-operating income	171	181
Non-operating expenses		
Interest expenses	50	31
Rental expenses	37	34
Other	55	64
Total non-operating expenses	142	131
Ordinary profit	3,304	3,827
Extraordinary income		
Gain on sale of non-current assets	3	531
Gain on sales of scraps	315	176
Other	11	0
Total extraordinary income	331	709
Extraordinary losses		
Loss on retirement of non-current assets	10	287
Other	1	20
Total extraordinary losses	12	307
Profit before income taxes	3,623	4,229
Income taxes - current	1,288	1,384
Income taxes - deferred	(763)	(40)
Total income taxes	525	1,343
Profit	3,097	2,885
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,097	2,885

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	3,097	2,885
Other comprehensive income		
Valuation difference on available-for-sale securities	1	199
Deferred gains or losses on hedges	0	0
Remeasurements of defined benefit plans, net of tax	3	0
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	4	200
Comprehensive income	3,102	3,086
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,102	3,086
Comprehensive income attributable to non-controlling interests	-	-