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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 7, 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

Contact: Mitsuaki Sakaguchi, Director

Phone: +81-6-6555-3035

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

Scheduled date of commencing dividend payments: December 1, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 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	%
Six months ended								
September 30, 2023	92,883	(0.4)	6,558	(15.7)	6,527	(15.3)	4,395	(26.4)
September 30, 2022	93,273	27.1	7,780	235.3	7,711	272.5	5,976	370.4

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 4,770 million [ (20.0)%]  
Six months ended September 30, 2022: ¥ 5,960 million [ 335.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	81.18	-
September 30, 2022	110.39	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	153,887	100,456	65.3
March 31, 2023	148,787	96,859	65.1

(Reference) Equity: As of September 30, 2023: ¥ 100,456 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	-	19.00			
Fiscal year ending March 31, 2024 (Forecast)			-	19.00	38.00

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

(Note) Breakdown of the 2nd 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	%	Yen
Full year	180,000	(4.5)	11,400	(16.4)	11,000	(17.7)	6,800	(33.5)	125.56

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 30, 2023:	63,079,256 shares
March 31, 2023:	63,079,256 shares

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

September 30, 2023:	8,921,566 shares
March 31, 2023:	8,942,937 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023:	54,143,527 shares
Six months ended September 30, 2022:	54,136,565 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	16,775	16,603
Notes and accounts receivable - trade, and contract assets	35,908	36,675
Electronically recorded monetary claims - operating	9,472	8,838
Merchandise and finished goods	16,705	15,378
Work in process	5,632	5,726
Raw materials and supplies	12,465	16,560
Other	680	756
Allowance for doubtful accounts	(57)	(32)
Total current assets	97,582	100,507
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,770	7,116
Machinery and equipment, net	13,474	13,714
Land	22,992	22,616
Other, net	1,665	2,292
Total property, plant and equipment	44,903	45,739
Intangible assets	544	490
Investments and other assets		
Investment securities	3,150	3,626
Guarantee deposits	1,364	2,380
Other	1,283	1,182
Allowance for doubtful accounts	(41)	(40)
Total investments and other assets	5,756	7,149
Total non-current assets	51,204	53,379
<b>Total assets</b>	<b>148,787</b>	<b>153,887</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,577	24,130
Electronically recorded obligations - operating	1,631	2,106
Short-term borrowings	2,620	2,590
Current portion of bonds payable	27	-
Accounts payable - other	1,726	3,042
Accrued expenses	1,876	1,839
Income taxes payable	3,270	2,160
Provision for bonuses	1,135	1,072
Provision for environmental measures	237	11
Provision for decommissioning and removal	41	41
Other	2,697	575
Total current liabilities	35,842	37,571
Non-current liabilities		
Long-term borrowings	7,629	7,343
Deferred tax liabilities	2,985	3,119
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	165
Retirement benefit liability	2,437	2,379
Other	1,314	1,255
Total non-current liabilities	16,085	15,859
Total liabilities	51,927	53,431
Net assets		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,826	7,841
Retained earnings	66,179	69,402
Treasury shares	(775)	(774)
Total shareholders' equity	93,274	96,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,213	1,586
Deferred gains or losses on hedges	0	-
Revaluation reserve for land	2,421	2,402
Remeasurements of defined benefit plans	(49)	(47)
Total accumulated other comprehensive income	3,585	3,941
Total net assets	96,859	100,456
Total liabilities and net assets	148,787	153,887

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	93,273	92,883
Cost of sales	79,477	79,981
Gross profit	13,796	12,902
Selling, general and administrative expenses		
Selling expenses	2,612	2,687
General and administrative expenses	3,403	3,655
Total selling, general and administrative expenses	6,016	6,343
Operating profit	7,780	6,558
Non-operating income		
Interest income	28	27
Dividend income	45	51
Share of profit of entities accounted for using equity method	94	83
Insurance claim income	8	66
Other	78	57
Total non-operating income	256	285
Non-operating expenses		
Interest expenses	123	71
Rental expenses	74	69
Other	127	175
Total non-operating expenses	325	316
Ordinary profit	7,711	6,527
Extraordinary income		
Gain on sale of non-current assets	3	551
Gain on sales of scraps	539	189
Other	164	106
Total extraordinary income	707	847
Extraordinary losses		
Loss on retirement of non-current assets	478	947
Other	190	46
Total extraordinary losses	669	994
Profit before income taxes	7,748	6,380
Income taxes - current	2,548	2,023
Income taxes - deferred	(775)	(38)
Total income taxes	1,772	1,985
Profit	5,976	4,395
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	5,976	4,395

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	5,976	4,395
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	373
Deferred gains or losses on hedges	0	(0)
Remeasurements of defined benefit plans, net of tax	6	1
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	(15)	374
Comprehensive income	5,960	4,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,960	4,770
Comprehensive income attributable to non-controlling interests	-	-