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

August 6, 2024

Company name: Nakayama Steel Works, Ltd.
 Listing: Tokyo
 Securities code: 5408
 URL: <https://www.nakayama-steel.co.jp/>
 Representative: Kazuaki Hakomori, President
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(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	47,682	0.5	2,593	(31.3)	2,568	(32.9)	1,699	(41.1)
June 30, 2023	47,430	(0.8)	3,777	15.3	3,827	15.9	2,885	(6.8)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 1,693 million [(45.1) %]
 Three months ended June 30, 2023: ¥ 3,086 million [(0.5) %]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
June 30, 2024	31.38		-	
June 30, 2023	53.31		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2024	153,980	104,567	67.9
March 31, 2024	152,087	104,553	68.7

(Reference) Equity: As of June 30, 2024: ¥ 104,567 million
 As of March 31, 2024: ¥ 104,553 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	-	19.00	-	31.00	50.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		18.00	-	22.00	40.00

(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
Six months ending September 30, 2024	90,000	(3.1)	4,600	(29.9)	4,400	(32.6)	3,300	(24.9)	60.93
Full year	178,000	(3.5)	10,700	(13.2)	10,000	(18.3)	7,200	(19.1)	132.95

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

* 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: Yes

(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: Yes
- 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:	63,079,256 shares
March 31, 2024:	63,079,256 shares

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

June 30, 2024:	8,921,997 shares
March 31, 2024:	8,921,772 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024:	54,157,398 shares
Three months ended June 30, 2023:	54,136,288 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	16,487	16,382
Notes and accounts receivable - trade, and contract assets	37,960	37,351
Electronically recorded monetary claims - operating	9,142	10,006
Merchandise and finished goods	16,074	16,693
Work in process	5,270	5,360
Raw materials and supplies	10,648	12,091
Other	929	714
Allowance for doubtful accounts	(40)	(52)
Total current assets	96,472	98,548
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,605	7,685
Machinery and equipment, net	15,590	15,690
Land	22,603	22,603
Other, net	1,333	1,307
Total property, plant and equipment	47,132	47,287
Intangible assets	454	436
Investments and other assets		
Investment securities	3,607	3,583
Guarantee deposits	2,367	1,966
Other	2,084	2,188
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	8,028	7,707
Total non-current assets	55,615	55,431
Total assets	152,087	153,980

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,742	21,571
Electronically recorded obligations - operating	1,654	1,811
Short-term borrowings	9,565	9,432
Accounts payable - other	3,042	2,801
Accrued expenses	1,987	2,292
Income taxes payable	1,629	965
Provision for bonuses	1,074	479
Provision for environmental measures	57	57
Provision for decommissioning and removal	109	97
Other	909	1,115
Total current liabilities	38,772	40,626
Non-current liabilities		
Long-term borrowings	62	50
Deferred tax liabilities	3,412	3,407
Deferred tax liabilities for land revaluation	1,001	1,001
Provision for environmental measures	19	18
Provision for decommissioning and removal	187	187
Provision for loss on business of subsidiaries and associates	627	627
Retirement benefit liability	2,214	2,248
Other	1,237	1,245
Total non-current liabilities	8,762	8,786
Total liabilities	47,534	49,412
Net assets		
Shareholders' equity		
Share capital	20,044	20,044
Capital surplus	7,841	7,841
Retained earnings	72,895	72,915
Treasury shares	(774)	(774)
Total shareholders' equity	100,007	100,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,565	1,571
Deferred gains or losses on hedges	0	-
Revaluation reserve for land	2,389	2,389
Remeasurements of defined benefit plans	591	578
Total accumulated other comprehensive income	4,545	4,539
Total net assets	104,553	104,567
Total liabilities and net assets	152,087	153,980

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	47,430	47,682
Cost of sales	40,552	41,683
Gross profit	6,878	5,998
Selling, general and administrative expenses		
Selling expenses	1,295	1,460
General and administrative expenses	1,805	1,944
Total selling, general and administrative expenses	3,101	3,404
Operating profit	3,777	2,593
Non-operating income		
Interest income	13	11
Dividend income	49	46
Share of profit of entities accounted for using equity method	46	22
Other	72	24
Total non-operating income	181	105
Non-operating expenses		
Interest expenses	31	47
Rental expenses	34	33
Other	64	49
Total non-operating expenses	131	130
Ordinary profit	3,827	2,568
Extraordinary income		
Gain on sale of non-current assets	531	0
Other	177	-
Total extraordinary income	709	0
Extraordinary losses		
Loss on retirement of non-current assets	287	7
Other	20	-
Total extraordinary losses	307	7
Profit before income taxes	4,229	2,561
Income taxes	1,343	861
Profit	2,885	1,699
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,885	1,699

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	2,885	1,699
Other comprehensive income		
Valuation difference on available-for-sale securities	199	6
Deferred gains or losses on hedges	0	(0)
Remeasurements of defined benefit plans, net of tax	0	(12)
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	200	(6)
Comprehensive income	3,086	1,693
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,086	1,693
Comprehensive income attributable to non-controlling interests	-	-