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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 15, 2024

Company name: NIPPO LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 9913

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

Representative: Yasuchika Iwasa

Representative Director and President

Contact: Kanjo Nishitomi

Executive Officer, Chief of Corporate Headquarters

Phone: +81-52-218-3161

Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of commencing dividend payments: July 16, 2024

Scheduled date of filing annual securities report: June 26, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	%
Fiscal year ended March 31, 2024	41,922	7.8	1,918	0.3	2,150	14.9	1,457	14.8
March 31, 2023	38,886	9.6	1,912	42.5	1,871	31.4	1,269	23.1

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 2,523 million [1.1%]
Fiscal year ended March 31, 2023: ¥ 2,495 million [71.0%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	162.80	-	10.7	7.2	4.6
March 31, 2023	141.12	-	11.1	6.8	4.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	30,755	14,792	48.1	1,648.02
March 31, 2023	28,674	12,530	43.7	1,405.26

(Reference) Equity: As of March 31, 2024: ¥ 14,791 million
As of March 31, 2023: ¥ 12,528 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	3,682	(1,558)	(1,644)	5,673
March 31, 2023	2,978	(1,608)	(1,377)	4,903

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	33.00	33.00	300	23.4	2.6
March 31, 2024	-	0.00	-	74.00	74.00	673	45.5	4.8
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	76.00	76.00		49.3	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

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)

(% 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	42,000	0.2	1,950	1.7	1,950	(9.3)	1,380	(5.3)	154.18

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) 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

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

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

March 31, 2024: 9,127,338 shares

March 31, 2023: 9,127,338 shares

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

March 31, 2024: 152,191 shares

March 31, 2023: 211,826 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 8,950,682 shares

Fiscal Year ended March 31, 2023: 8,993,341 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	21,817	13.2	807	62.9	1,808	167.5	1,584	199.8
March 31, 2023	19,270	(0.2)	495	60.1	676	131.9	528	120.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	176.99	-
March 31, 2023	58.76	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	17,623	6,892	39.1	767.97
March 31, 2023	16,461	5,311	32.3	595.78

(Reference) Equity: As of March 31, 2024: ¥ 6,892 million
As of March 31, 2023: ¥ 5,311 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,910	5,679
Notes and accounts receivable - trade	6,695	7,330
Electronically recorded monetary claims - operating	645	586
Merchandise and finished goods	2,105	1,770
Work in process	368	425
Raw materials and supplies	1,049	1,078
Accounts receivable - other	468	350
Other	341	534
Allowance for doubtful accounts	(2)	(2)
Total current assets	16,582	17,753
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,841	10,634
Accumulated depreciation	(5,916)	(6,669)
Buildings and structures, net	3,924	3,965
Machinery, equipment and vehicles	11,248	12,551
Accumulated depreciation	(9,185)	(10,515)
Machinery, equipment and vehicles, net	2,063	2,035
Tools, furniture and fixtures	1,333	1,547
Accumulated depreciation	(1,050)	(1,207)
Tools, furniture and fixtures, net	283	340
Land	1,736	1,831
Construction in progress	222	204
Total property, plant and equipment	8,230	8,376
Intangible assets		
Other	380	512
Total intangible assets	380	512
Investments and other assets		
Investment securities	2,037	2,642
Deferred tax assets	169	216
Retirement benefit asset	19	-
Other	1,267	1,266
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	3,480	4,113
Total non-current assets	12,091	13,002
Total assets	28,674	30,755

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,725	8,212
Short-term borrowings	2,133	1,600
Current portion of long-term borrowings	348	286
Lease liabilities	114	112
Income taxes payable	160	203
Provision for bonuses	346	338
Other	1,883	1,804
Total current liabilities	12,713	12,557
Non-current liabilities		
Long-term borrowings	920	593
Lease liabilities	199	198
Deferred tax liabilities	223	337
Deferred tax liabilities for land revaluation	2	2
Retirement benefit liability	1,590	1,756
Asset retirement obligations	192	227
Other	301	288
Total non-current liabilities	3,430	3,405
Total liabilities	16,144	15,963
Net assets		
Shareholders' equity		
Share capital	3,137	3,137
Capital surplus	612	612
Retained earnings	6,995	8,152
Treasury shares	(142)	(102)
Total shareholders' equity	10,603	11,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162	419
Revaluation reserve for land	5	5
Foreign currency translation adjustment	1,744	2,592
Remeasurements of defined benefit plans	12	(26)
Total accumulated other comprehensive income	1,925	2,991
Non-controlling interests	1	1
Total net assets	12,530	14,792
Total liabilities and net assets	28,674	30,755

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	38,886	41,922
Cost of sales	32,076	34,751
Gross profit	6,809	7,170
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	1,913	2,013
Provision for bonuses	437	418
Retirement benefit expenses	52	107
Legal and other welfare expenses	420	424
Provision of allowance for doubtful accounts	0	0
Rent expenses on land and buildings	244	256
Supplies expenses	57	60
Communication expenses	35	32
Packing and transportation costs	528	449
Vehicle expenses	71	76
Transportation expenses	99	129
Taxes and dues	78	107
Depreciation	184	236
Other	772	938
Total selling, general and administrative expenses	4,897	5,252
Operating profit	1,912	1,918
Non-operating income		
Interest income	11	31
Dividend income	62	56
Foreign exchange gains	-	119
Gain on sale of scraps	55	65
Other	36	102
Total non-operating income	165	375
Non-operating expenses		
Interest expenses	125	68
Loss on sale of electronically recorded monetary claims	30	36
Foreign exchange losses	12	-
Other	37	38
Total non-operating expenses	206	143
Ordinary profit	1,871	2,150

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	8	7
Gain on sale of investment securities	0	0
Other	-	0
Total extraordinary income	8	7
Extraordinary losses		
Loss on disposal of non-current assets	5	13
Impairment losses	55	94
Loss on withdrawal from business	35	76
Loss on business restructuring	-	24
Total extraordinary losses	96	208
Profit before income taxes	1,783	1,948
Income taxes - current	488	507
Income taxes - deferred	25	(16)
Total income taxes	514	491
Profit	1,269	1,457
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,269	1,457

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	1,269	1,457
Other comprehensive income		
Valuation difference on available-for-sale securities	103	257
Foreign currency translation adjustment	1,089	847
Remeasurements of defined benefit plans, net of tax	34	(39)
Total other comprehensive income	1,226	1,065
Comprehensive income	2,495	2,523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,495	2,522
Comprehensive income attributable to non-controlling interests	0	0

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,137	612	5,926	(12)	9,664
Changes during period					
Dividends of surplus			(200)		(200)
Profit attributable to owners of parent			1,269		1,269
Purchase of treasury shares				(157)	(157)
Disposal of treasury shares				27	27
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,068	(130)	938
Balance at end of period	3,137	612	6,995	(142)	10,603

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	59	5	655	(21)	699	1	10,364
Changes during period							
Dividends of surplus							(200)
Profit attributable to owners of parent							1,269
Purchase of treasury shares							(157)
Disposal of treasury shares							27
Net changes in items other than shareholders' equity	103	-	1,089	34	1,226	0	1,226
Total changes during period	103	-	1,089	34	1,226	0	2,165
Balance at end of period	162	5	1,744	12	1,925	1	12,530

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,137	612	6,995	(142)	10,603
Changes during period					
Dividends of surplus			(300)		(300)
Profit attributable to owners of parent			1,457		1,457
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				40	40
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,156	40	1,196
Balance at end of period	3,137	612	8,152	(102)	11,799

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	162	5	1,744	12	1,925	1	12,530
Changes during period							
Dividends of surplus							(300)
Profit attributable to owners of parent							1,457
Purchase of treasury shares							(0)
Disposal of treasury shares							40
Net changes in items other than shareholders' equity	257	-	847	(39)	1,065	0	1,065
Total changes during period	257	-	847	(39)	1,065	0	2,262
Balance at end of period	419	5	2,592	(26)	2,991	1	14,792

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,783	1,948
Depreciation	1,240	1,444
Impairment losses	55	94
Increase (decrease) in allowance for doubtful accounts	(3)	0
Increase (decrease) in retirement benefit liability	(32)	67
Interest and dividend income	(73)	(87)
Interest expenses	125	68
Foreign exchange losses (gains)	257	11
Loss (gain) on disposal of non-current assets	(3)	5
Decrease (increase) in operating guarantee deposits	-	0
Decrease (increase) in trade receivables	600	(312)
Decrease (increase) in inventories	(562)	368
Increase (decrease) in trade payables	20	280
Loss (gain) on sale of investment securities	(0)	(0)
Decrease (increase) in other current assets	(282)	(35)
Increase (decrease) in other current liabilities	361	186
Other, net	2	31
Subtotal	3,487	4,072
Interest and dividends received	73	87
Interest paid	(105)	(56)
Income taxes paid	(477)	(419)
Net cash provided by (used in) operating activities	2,978	3,682
Cash flows from investing activities		
Payments into time deposits	(44)	(8)
Proceeds from withdrawal of time deposits	-	6
Purchase of property, plant and equipment	(1,099)	(1,109)
Proceeds from sale of property, plant and equipment	8	1
Purchase of intangible assets	(234)	(203)
Purchase of investment securities	(157)	(248)
Proceeds from sale of investment securities	0	6
Loan advances	(1)	-
Proceeds from collection of loans receivable	2	0
Other payments	(146)	(166)
Other proceeds	63	162
Net cash provided by (used in) investing activities	(1,608)	(1,558)

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(969)	(544)
Proceeds from long-term borrowings	808	-
Repayments of long-term borrowings	(335)	(388)
Proceeds from sales and installment back	57	26
Repayments of lease liabilities	(227)	(150)
Repayments of installment payables	(376)	(313)
Proceeds from sale of treasury shares	27	40
Purchase of treasury shares	(157)	(0)
Dividends paid	(199)	(299)
Other, net	(5)	(13)
Net cash provided by (used in) financing activities	(1,377)	(1,644)
Effect of exchange rate change on cash and cash equivalents	337	289
Net increase (decrease) in cash and cash equivalents	329	769
Cash and cash equivalents at beginning of period	4,574	4,903
Cash and cash equivalents at end of period	4,903	5,673