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## Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 5, 2024

Company name: NIPPO LTD.

Listing: Tokyo, Nagoya

Securities code: 9913

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

Representative: Yasuchika Iwasa

Representative Director and President

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Executive Officer, Chief of Corporate Headquarters

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Scheduled date to file semi-annual securities report: November 8, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 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	%
Six months ended September 30, 2024	22,116	9.4	839	(10.7)	979	(10.7)	672	(11.1)
September 30, 2023	20,215	8.6	939	1.2	1,097	21.1	755	28.0

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 1,496 million [ (18.7)%]  
Six months ended September 30, 2023: ¥ 1,841 million [ (7.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	74.75	-
September 30, 2023	84.56	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	32,780	15,637	47.7
March 31, 2024	30,755	14,792	48.1

(Reference) Equity: As of September 30, 2024: ¥ 15,635 million  
As of March 31, 2024: ¥ 14,791 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	-	0.00	-	74.00	74.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	76.00	76.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd 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
Full year	42,000	0.2	1,950	1.7	1,950	(9.3)	1,380	(5.3)	154.18

(Note) Revision to the financial results forecast announced most recently: None

\* 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 semi-annual consolidated financial statements: None

(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: None
- 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):

September 30, 2024:	9,127,338 shares
March 31, 2024:	9,127,338 shares

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

September 30, 2024:	118,424 shares
March 31, 2024:	152,191 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	8,990,867 shares
Six months ended September 30, 2023:	8,935,953 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,679	6,185
Notes and accounts receivable - trade	7,330	7,693
Electronically recorded monetary claims - operating	586	625
Merchandise and finished goods	1,770	2,101
Work in process	425	491
Raw materials and supplies	1,078	1,043
Accounts receivable - other	350	419
Other	534	506
Allowance for doubtful accounts	(2)	(2)
Total current assets	17,753	19,063
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,634	11,430
Accumulated depreciation	(6,669)	(7,363)
Buildings and structures, net	3,965	4,067
Machinery, equipment and vehicles	12,551	13,725
Accumulated depreciation	(10,515)	(11,533)
Machinery, equipment and vehicles, net	2,035	2,191
Tools, furniture and fixtures	1,547	1,777
Accumulated depreciation	(1,207)	(1,345)
Tools, furniture and fixtures, net	340	432
Land	1,831	1,908
Construction in progress	204	715
Total property, plant and equipment	8,376	9,314
Intangible assets		
Other	512	503
Total intangible assets	512	503
Investments and other assets		
Investment securities	2,642	2,413
Deferred tax assets	216	220
Other	1,266	1,277
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	4,113	3,899
Total non-current assets	13,002	13,716
<b>Total assets</b>	<b>30,755</b>	<b>32,780</b>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,212	8,469
Short-term borrowings	1,600	1,800
Current portion of long-term borrowings	286	359
Lease liabilities	112	136
Income taxes payable	203	184
Provision for bonuses	338	401
Accounts payable-installment purchase	187	131
Other	1,616	1,650
Total current liabilities	12,557	13,134
Non-current liabilities		
Long-term borrowings	593	924
Lease liabilities	198	262
Deferred tax liabilities	337	379
Deferred tax liabilities for land revaluation	2	2
Retirement benefit liability	1,756	1,842
Asset retirement obligations	227	255
Long-term accounts payable - installment purchase	236	242
Other	52	98
Total non-current liabilities	3,405	4,008
Total liabilities	15,963	17,143
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,137	3,137
Capital surplus	612	612
Retained earnings	8,152	8,150
Treasury shares	(102)	(79)
Total shareholders' equity	11,799	11,820
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	419	259
Revaluation reserve for land	5	5
Foreign currency translation adjustment	2,592	3,574
Remeasurements of defined benefit plans	(26)	(24)
Total accumulated other comprehensive income	2,991	3,815
Non-controlling interests	1	1
Total net assets	14,792	15,637
Total liabilities and net assets	30,755	32,780

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	20,215	22,116
Cost of sales	16,696	18,486
Gross profit	3,518	3,629
Selling, general and administrative expenses	2,578	2,789
Operating profit	939	839
Non-operating income		
Interest income	14	21
Dividend income	49	34
Foreign exchange gains	106	40
Gain on sale of scraps	30	37
Other	62	66
Total non-operating income	264	200
Non-operating expenses		
Interest expenses	39	25
Loss on sale of electronically recorded monetary claims	18	25
Other	48	9
Total non-operating expenses	107	60
Ordinary profit	1,097	979
Extraordinary income		
Gain on sale of non-current assets	2	3
Total extraordinary income	2	3
Extraordinary losses		
Loss on disposal of non-current assets	1	0
Total extraordinary losses	1	0
Profit before income taxes	1,098	982
Income taxes - current	244	194
Income taxes - deferred	97	115
Total income taxes	342	310
Profit	755	672
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	755	672

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	755	672
Other comprehensive income		
Valuation difference on available-for-sale securities	195	(160)
Foreign currency translation adjustment	890	982
Remeasurements of defined benefit plans, net of tax	0	1
Total other comprehensive income	1,085	824
Comprehensive income	1,841	1,496
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,841	1,495
Comprehensive income attributable to non-controlling interests	0	0

## Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,098	982
Depreciation	685	734
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in retirement benefit liability	78	44
Interest and dividend income	(64)	(55)
Interest expenses	39	25
Foreign exchange losses (gains)	11	-
Loss (gain) on disposal of non-current assets	(0)	(3)
Decrease (increase) in trade receivables	(132)	(92)
Decrease (increase) in inventories	200	(206)
Increase (decrease) in trade payables	405	10
Decrease (increase) in other current assets	(86)	(141)
Increase (decrease) in other current liabilities	(11)	(228)
Other, net	41	63
Subtotal	2,264	1,134
Interest and dividends received	63	60
Interest paid	(30)	(20)
Income taxes paid	(156)	(195)
Net cash provided by (used in) operating activities	2,140	979
<b>Cash flows from investing activities</b>		
Payments into time deposits	(0)	(0)
Proceeds from withdrawal of time deposits	0	0
Purchase of property, plant and equipment	(651)	(611)
Proceeds from sale of property, plant and equipment	3	3
Purchase of intangible assets	(72)	(42)
Other payments	(74)	(40)
Other proceeds	78	85
Net cash provided by (used in) investing activities	(716)	(604)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(144)	200
Proceeds from long-term borrowings	-	600
Repayments of long-term borrowings	(204)	(195)
Proceeds from sale and leaseback transactions	-	4
Proceeds from sales and installment back	26	-
Repayments of lease liabilities	(74)	(71)
Repayments of installment payables	(178)	(122)
Proceeds from sale of treasury shares	27	22
Purchase of treasury shares	(0)	(0)
Dividends paid	(299)	(671)
Other, net	(1)	(1)
Net cash provided by (used in) financing activities	(849)	(236)
Effect of exchange rate change on cash and cash equivalents	305	367
Net increase (decrease) in cash and cash equivalents	881	506
Cash and cash equivalents at beginning of period	4,903	5,673
Cash and cash equivalents at end of period	5,785	6,179