

Translation

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Summary of Consolidated Financial Results for the Six Months Ended May 31, 2024 (Based on Japanese GAAP)

July 11, 2024

Company name: NACHI-FUJIKOSHI CORP.
 Stock exchange listing: Tokyo
 Stock code: 6474 URL <https://www.nachi-fujikoshi.co.jp/>
 Representative: Director and President Tsutomu Kurosawa
 Inquiries: General Manager of Corporate Planning Dept. Haruhiko Sakamoto TEL +81-(0)3-5568-5210
 Scheduled date to file Quarterly Securities Report: July 11, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended May 31, 2024 (from December 1, 2023 to May 31, 2024)

(1) Consolidated operating results (cumulative)

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 May 31, 2024	118,712	(12.2)	2,342	(69.2)	1,452	(79.4)	779	(83.5)
Six months ended May 31, 2023	135,264	10.8	7,612	(6.0)	7,047	(19.6)	4,727	(18.9)

Note: Comprehensive income Six months ended May 31, 2024 ¥8,888 million [32.2%]
 Six months ended May 31, 2023 ¥6,721 million [(49.9)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended May 31, 2024	33.43		–	
Six months ended May 31, 2023	201.91		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2024	366,135	175,693	46.1
As of November 30, 2023	370,324	169,520	43.9

Reference: Equity As of May 31, 2024 ¥168,770 million
 As of November 30, 2023 ¥162,715 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended November 30, 2023	–	0.00	–	110.00	110.00
Year ending November 30, 2024	–	0.00			
Year ending November 30, 2024 (Forecast)			–	100.00	100.00

Note: Revisions to the cash dividends forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	238,000	(10.3)	6,000	(49.5)	5,000	(54.7)	3,000	(53.6)	128.78

Note: Revisions to the financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended May 31, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 Changes in accounting policies due to revisions to accounting standards and other regulations: No
 Changes in accounting policies due to other reasons: No
 Changes in accounting estimates: No
 Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of May 31, 2024	24,919,343 shares	As of November 30, 2023	24,919,343 shares
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Number of treasury shares at the end of the period

As of May 31, 2024	1,642,137 shares	As of November 30, 2023	1,610,918 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended May 31, 2024	23,314,691 shares	Six months ended May 31, 2023	23,416,543 shares
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* Quarterly financial results reports are exempt from quarterly review conducted by an audit corporation.

* Proper use of financial results forecasts, and other special matters

(Caution concerning forward-looking statements)

The financial results forecasts shown in this document are based on data as of the announcement of this document. Actual earnings results may differ from the forecast figures due to various inherent uncertainties.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of November 30, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	34,619	34,468
Notes and accounts receivable - trade, and contract assets	58,805	52,503
Electronically recorded monetary claims - operating	8,337	7,501
Merchandise and finished goods	37,623	38,702
Work in process	14,799	14,066
Raw materials and supplies	27,707	26,370
Income taxes refund receivable	1,708	781
Other	6,054	5,719
Allowance for doubtful accounts	(250)	(232)
Total current assets	189,406	179,882
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,457	33,322
Machinery, equipment and vehicles, net	72,573	73,432
Other, net	21,589	20,162
Total property, plant and equipment	127,620	126,917
Intangible assets	3,672	4,062
Investments and other assets		
Investment securities	34,124	39,776
Retirement benefit asset	9,922	9,892
Other	5,587	5,612
Allowance for doubtful accounts	(9)	(7)
Total investments and other assets	49,625	55,273
Total non-current assets	180,917	186,252
Total assets	370,324	366,135
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,094	15,350
Electronically recorded obligations - operating	26,021	21,603
Short-term borrowings	23,063	17,504
Commercial papers	10,000	15,000
Current portion of long-term borrowings	22,127	19,968
Income taxes payable	709	1,004
Other	18,554	16,699
Total current liabilities	119,569	107,131
Non-current liabilities		
Long-term borrowings	54,578	55,316
Provision for retirement benefits for directors	29	31
Provision for share awards	561	525
Retirement benefit liability	9,317	9,082
Other	16,747	18,355
Total non-current liabilities	81,234	83,310
Total liabilities	200,804	190,441

(Millions of yen)

	As of November 30, 2023	As of May 31, 2024
Net assets		
Shareholders' equity		
Share capital	16,074	16,074
Capital surplus	11,408	11,408
Retained earnings	110,593	108,780
Treasury shares	(6,681)	(6,790)
Total shareholders' equity	131,395	129,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,547	21,482
Foreign currency translation adjustment	14,408	18,611
Remeasurements of defined benefit plans	(636)	(796)
Total accumulated other comprehensive income	31,319	39,297
Non-controlling interests	6,804	6,922
Total net assets	169,520	175,693
Total liabilities and net assets	370,324	366,135

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Six months ended May 31, 2023	Six months ended May 31, 2024
Net sales	135,264	118,712
Cost of sales	105,941	94,265
Gross profit	29,323	24,447
Selling, general and administrative expenses	21,710	22,104
Operating profit	7,612	2,342
Non-operating income		
Interest income	105	156
Dividend income	422	451
Share of profit of entities accounted for using equity method	4	–
Foreign exchange gains	68	242
Refund of social contributions for prior periods	213	–
Other	221	230
Total non-operating income	1,034	1,081
Non-operating expenses		
Interest expenses	746	780
Sales discounts	246	247
Share of loss of entities accounted for using equity method	–	16
Depreciation of inactive non-current assets	84	406
Other	522	520
Total non-operating expenses	1,600	1,972
Ordinary profit	7,047	1,452
Extraordinary income		
Gain on sale of non-current assets	10	558
Gain on sale of shares of subsidiaries and associates	30	–
Gain on sale of investment securities	–	26
Total extraordinary income	41	584
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on retirement of non-current assets	35	7
Loss on valuation of investment securities	4	50
Other	–	54
Total extraordinary losses	42	112
Profit before income taxes	7,046	1,924
Income taxes - current	1,547	1,014
Income taxes - deferred	603	179
Total income taxes	2,151	1,193
Profit	4,895	731
Profit (loss) attributable to non-controlling interests	167	(48)
Profit attributable to owners of parent	4,727	779

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended May 31, 2023	Six months ended May 31, 2024
Profit	4,895	731
Other comprehensive income		
Valuation difference on available-for-sale securities	(31)	3,963
Foreign currency translation adjustment	2,012	4,340
Remeasurements of defined benefit plans, net of tax	(176)	(160)
Share of other comprehensive income of entities accounted for using equity method	22	13
Total other comprehensive income	1,826	8,157
Comprehensive income	6,721	8,888
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,489	8,757
Comprehensive income attributable to non-controlling interests	232	131

Consolidated statements of cash flows

(Millions of yen)

	Six months ended May 31, 2023	Six months ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,046	1,924
Depreciation and amortization	9,537	9,845
Increase (decrease) in allowance for doubtful accounts	(10)	(28)
Increase (decrease) in retirement benefit liability	(230)	(206)
Decrease (increase) in retirement benefit asset	(3)	(912)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	1
Interest and dividend income	(527)	(608)
Interest expenses	746	780
Share of loss (profit) of entities accounted for using equity method	(4)	16
Loss (gain) on sale of property, plant and equipment	(9)	(558)
Loss on retirement of property, plant and equipment	35	7
Loss (gain) on valuation of investment securities	4	50
Decrease (increase) in trade receivables	(1,810)	8,899
Decrease (increase) in inventories	(1,682)	3,079
Increase (decrease) in trade payables	(6,092)	(9,263)
Other, net	(2,134)	207
Subtotal	4,868	13,235
Interest and dividends received	519	618
Interest paid	(703)	(795)
Income taxes paid	(3,869)	(1,398)
Income taxes refund	88	1,605
Net cash provided by (used in) operating activities	902	13,265
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,454)	(7,749)
Proceeds from sale of property, plant and equipment	5	673
Purchase of intangible assets	(580)	(634)
Purchase of investment securities	(22)	(23)
Payments of loans receivable	(4)	(8)
Proceeds from collection of loans receivable	28	11
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	431	—
Other, net	316	(447)
Net cash provided by (used in) investing activities	(8,278)	(8,178)

(Millions of yen)

	Six months ended May 31, 2023	Six months ended May 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,987	(6,111)
Increase (decrease) in commercial papers	5,000	5,000
Proceeds from long-term borrowings	10,914	10,055
Repayments of long-term borrowings	(11,954)	(11,843)
Repayments of lease liabilities	(557)	(565)
Dividends paid	(2,607)	(2,592)
Dividends paid to non-controlling interests	(379)	(13)
Proceeds from sale of treasury shares	57	88
Purchase of treasury shares	(940)	(198)
Net cash provided by (used in) financing activities	5,521	(6,180)
Effect of exchange rate change on cash and cash equivalents	442	391
Net increase (decrease) in cash and cash equivalents	(1,412)	(702)
Cash and cash equivalents at beginning of period	34,754	32,824
Cash and cash equivalents at end of period	33,342	32,122