

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended May 31, 2023 (Based on Japanese GAAP)

July 13, 2023

Company name: NACHI-FUJIKOSHI CORP.  
 Stock exchange listing: Tokyo  
 Stock code: 6474 URL <http://www.nachi-fujikoshi.co.jp/>  
 Representative: Director and President Tsutomu Kurosawa  
 Director, Managing Corporate Officer and  
 Inquiries: General Manager of Corporate Planning Tetsu Furusawa TEL +81-(0)3-5568-5210  
 Dept.  
 Scheduled date to file Quarterly Securities Report: July 13, 2023  
 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, 2023 (from December 1, 2022 to May 31, 2023)

#### (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, 2023	135,264	10.8	7,612	(6.0)	7,047	(19.6)	4,727	(18.9)
Six months ended May 31, 2022	122,092	9.0	8,100	25.9	8,769	34.8	5,830	30.3

Note: Comprehensive income Six months ended May 31, 2023 ¥6,721 million [(49.9)%]  
 Six months ended May 31, 2022 ¥13,428 million [24.7%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended May 31, 2023	201.91		–	
Six months ended May 31, 2022	244.76		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2023	358,802	158,667	42.3
As of November 30, 2022	357,457	156,367	41.7

Reference: Equity As of May 31, 2023 ¥151,927 million  
 As of November 30, 2022 ¥148,906 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, 2022	–	0.00	–	110.00	110.00
Year ending November 30, 2023	–	0.00	–	–	–
Year ending November 30, 2023 (Forecast)	–	–	–	110.00	110.00

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

3. Forecast of consolidated financial results for the year ending November 30, 2023 (from December 1, 2022 to November 30, 2023)

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	270,000	4.6	16,500	(3.1)	15,500	(9.4)	11,000	(10.1)	470.84

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, 2023  
(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, 2023	24,919,343 shares	As of November 30, 2022	24,919,343 shares
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Number of treasury shares at the end of the period

As of May 31, 2023	1,610,400 shares	As of November 30, 2022	1,395,964 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, 2023	23,416,543 shares	Six months ended May 31, 2022	23,822,563 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, 2022	As of May 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	36,042	34,238
Notes and accounts receivable - trade, and contract assets	60,365	60,090
Electronically recorded monetary claims - operating	7,600	7,487
Merchandise and finished goods	36,029	37,607
Work in process	14,641	15,098
Raw materials and supplies	26,248	26,852
Income taxes refund receivable	453	404
Other	6,169	6,176
Allowance for doubtful accounts	(188)	(181)
Total current assets	187,363	187,774
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,321	33,366
Machinery, equipment and vehicles, net	71,782	71,201
Other, net	20,404	20,480
Total property, plant and equipment	123,508	125,049
Intangible assets	3,497	3,202
Investments and other assets		
Investment securities	28,357	28,358
Retirement benefit asset	8,849	8,853
Other	5,889	5,572
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	43,088	42,776
Total non-current assets	170,094	171,028
Total assets	357,457	358,802
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,967	20,962
Electronically recorded obligations - operating	30,093	27,778
Short-term borrowings	18,152	24,372
Commercial papers	5,000	10,000
Current portion of long-term borrowings	22,971	21,396
Income taxes payable	3,025	726
Other	20,862	17,649
Total current liabilities	125,072	122,886
Non-current liabilities		
Long-term borrowings	53,703	54,451
Provision for retirement benefits for directors (and other officers)	24	27
Provision for share awards	476	503
Retirement benefit liability	9,533	9,280
Other	12,280	12,985
Total non-current liabilities	76,018	77,248
Total liabilities	201,090	200,135

(Millions of yen)

	As of November 30, 2022	As of May 31, 2023
Net assets		
Shareholders' equity		
Share capital	16,074	16,074
Capital surplus	11,408	11,408
Retained earnings	106,758	108,832
Treasury shares	(5,892)	(6,706)
Total shareholders' equity	128,349	129,609
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,616	13,574
Foreign currency translation adjustment	7,891	9,871
Remeasurements of defined benefit plans	(951)	(1,128)
Total accumulated other comprehensive income	20,556	22,318
Non-controlling interests	7,460	6,739
Total net assets	156,367	158,667
Total liabilities and net assets	357,457	358,802

## 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, 2022	Six months ended May 31, 2023
Net sales	122,092	135,264
Cost of sales	93,428	105,941
Gross profit	28,663	29,323
Selling, general and administrative expenses	20,563	21,710
Operating profit	8,100	7,612
Non-operating income		
Interest income	62	105
Dividend income	289	422
Share of profit of entities accounted for using equity method	9	4
Foreign exchange gains	1,009	68
Refund of social contributions for prior periods	–	213
Other	400	221
Total non-operating income	1,771	1,034
Non-operating expenses		
Interest expenses	451	746
Sales discounts	263	246
Other	387	607
Total non-operating expenses	1,102	1,600
Ordinary profit	8,769	7,047
Extraordinary income		
Gain on sale of non-current assets	7	10
Gain on liquidation of subsidiaries and associates	275	–
Gain on sale of shares of subsidiaries and associates	–	30
Total extraordinary income	282	41
Extraordinary losses		
Loss on sale of non-current assets	1	1
Loss on retirement of non-current assets	29	35
Loss on valuation of investment securities	122	4
Total extraordinary losses	153	42
Profit before income taxes	8,897	7,046
Income taxes - current	2,932	1,547
Income taxes - deferred	101	603
Total income taxes	3,033	2,151
Profit	5,864	4,895
Profit attributable to non-controlling interests	33	167
Profit attributable to owners of parent	5,830	4,727

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended May 31, 2022	Six months ended May 31, 2023
Profit	5,864	4,895
Other comprehensive income		
Valuation difference on available-for-sale securities	383	(31)
Foreign currency translation adjustment	7,616	2,012
Remeasurements of defined benefit plans, net of tax	(450)	(176)
Share of other comprehensive income of entities accounted for using equity method	14	22
Total other comprehensive income	7,564	1,826
Comprehensive income	13,428	6,721
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,096	6,489
Comprehensive income attributable to non-controlling interests	332	232

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended May 31, 2022	Six months ended May 31, 2023
Cash flows from operating activities		
Profit before income taxes	8,897	7,046
Depreciation and amortization	8,791	9,537
Amortization of goodwill	57	–
Increase (decrease) in allowance for doubtful accounts	8	(10)
Increase (decrease) in retirement benefit liability	(41)	(230)
Decrease (increase) in retirement benefit asset	103	(3)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5)	3
Interest and dividend income	(351)	(527)
Interest expenses	451	746
Share of loss (profit) of entities accounted for using equity method	(9)	(4)
Loss (gain) on sale of property, plant and equipment	(5)	(9)
Loss on retirement of property, plant and equipment	29	35
Loss (gain) on valuation of investment securities	122	4
Decrease (increase) in trade receivables	(1,046)	(1,810)
Decrease (increase) in inventories	(6,317)	(1,682)
Increase (decrease) in trade payables	(1,209)	(6,092)
Other, net	(1,825)	(2,134)
Subtotal	7,651	4,868
Interest and dividends received	348	519
Interest paid	(439)	(703)
Income taxes paid	(3,670)	(3,869)
Income taxes refund	89	88
Net cash provided by (used in) operating activities	3,980	902
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,047)	(8,454)
Proceeds from sale of property, plant and equipment	57	5
Purchase of intangible assets	(591)	(580)
Purchase of investment securities	(19)	(22)
Payments of loans receivable	(3)	(4)
Proceeds from collection of loans receivable	29	28
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	431
Other, net	(200)	316
Net cash provided by (used in) investing activities	(10,775)	(8,278)

(Millions of yen)

	Six months ended May 31, 2022	Six months ended May 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,223	5,987
Increase (decrease) in commercial papers	–	5,000
Proceeds from long-term borrowings	9,040	10,914
Repayments of long-term borrowings	(11,734)	(11,954)
Repayments of lease liabilities	(509)	(557)
Dividends paid	(2,410)	(2,607)
Dividends paid to non-controlling interests	(1,245)	(379)
Proceeds from sale of treasury shares	324	57
Purchase of treasury shares	(109)	(940)
Net cash provided by (used in) financing activities	(3,421)	5,521
Effect of exchange rate change on cash and cash equivalents	1,527	442
Net increase (decrease) in cash and cash equivalents	(8,688)	(1,412)
Cash and cash equivalents at beginning of period	40,374	34,754
Cash and cash equivalents at end of period	31,685	33,342