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Consolidated Financial Results For the Six Months Ended September 30, 2023 (Under Japanese GAAP)

November 14, 2023

Company Name: NPR-RIKEN CORPORATION (for Nippon Piston Ring Co., Ltd.)
 Listing: Tokyo Stock Exchange
 Securities Code: 6209
 URL: <https://www.npr-riken.co.jp>
 Representative: Yasunori Maekawa, Chairman and CEO
 Inquiries: Takeshi Shida, General Manager, Accounting and Finance Department, Nippon Piston Ring Co., Ltd.
 Telephone: +81-48-856-5011
 Scheduled date to file quarterly securities report: -
 Scheduled date to commence dividend payments: December 6, 2023
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated Financial Results For the Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	30,001	8.0	1,863	95.0	2,030	46.7	1,540	168.4
September 30, 2022	27,788	9.0	955	(44.8)	1,384	(25.5)	573	(55.1)

(Note) Comprehensive income: Six months ended September 30, 2023: 4,952 million yen (39.0%)
 Six months ended September 30, 2022: 3,562 million yen (8.9 %)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	197.43	196.33
September 30, 2022	74.05	73.64

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	72,240	42,545	55.8	5,161.03
As of March 31, 2023	68,843	38,117	52.4	4,632.77

(Reference) Shareholders' equity As of September 30, 2023: 40,302 million yen As of March 31, 2023: 36,091 million yen

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
Fiscal year ended March 31, 2023	-	20.00	-	50.00	70.00
Fiscal year ending March 31, 2024	-	35.00	-	-	-

(Note 1) Revisions to the forecast of cash dividends most recently announced: No

(Note 2) The year-end dividend of NPR-RIKEN CORPORATION will be announced once it is decided.

* Notes

(1) Changes in significant subsidiaries during this period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly 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)

As of September 30, 2023	7,808,957	As of March 31, 2023	8,374,157
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2) Number of treasury shares at the end of the period

As of September 30, 2023	-	As of March 31, 2023	583,728
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3) Average number of shares outstanding during the period (cumulative from the beginning of this fiscal year)

Six months ended September 30, 2023	7,800,321	Six months ended September 30, 2022	7,747,914
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* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present. Please note that a variety of factors could cause actual results to differ from the forecasts

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	5,606	5,209
Notes and accounts receivable - trade, and contract assets	11,719	12,199
Inventories	13,304	14,748
Other	2,048	1,940
Allowance for doubtful accounts	(24)	(26)
Total current assets	32,654	34,071
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,351	7,385
Machinery, equipment and vehicles, net	13,715	13,598
Land	5,784	5,833
Construction in Progress	723	1,011
Other, net	807	870
Total Property, plant and equipment	28,382	28,699
Intangible assets	930	932
Investments and other assets		
Investment securities	5,198	6,770
Retirement benefit asset	1,408	1,512
Deferred tax assets	95	111
Other	175	152
Allowance for doubtful accounts	(2)	(7)
Total investments and other assets	6,875	8,538
Total non-current assets	36,188	38,169
Total assets	68,843	72,240

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,725	3,479
Electronically recorded obligations - operating	4,326	3,965
Short-term borrowings	5,940	5,833
Current portion of long-term borrowings	2,720	2,614
Lease liabilities	142	140
Income taxes payable	380	412
Notes payable - facilities	116	249
Electronically recorded obligations - non-operating	1,034	925
Other	4,029	4,762
Total current liabilities	22,416	22,383
Non-current liabilities		
Long-term borrowings	3,939	2,645
Lease liabilities	364	322
Deferred tax liabilities	1,034	1,465
Retirement benefit liability	2,819	2,836
Other	151	43
Total non-current liabilities	8,309	7,312
Total liabilities	30,725	29,695
Net assets		
Shareholders' equity		
Share capital	9,839	9,839
Capital surplus	6,080	6,080
Retained earnings	16,265	16,520
Treasury shares	(767)	—
Total shareholders' equity	31,417	32,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,743	3,966
Foreign currency translation adjustment	3,060	4,978
Remeasurements of defined benefit plans	(1,130)	(1,082)
Total accumulated other comprehensive income	4,673	7,861
Share acquisition rights	67	67
Non-controlling interests	1,958	2,175
Total net assets	38,117	42,545
Total liabilities and net assets	68,843	72,240

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30,2022	Six months ended September 30,2023
Net Sales	27,788	30,001
Cost of sales	22,013	23,086
Gross profit	5,775	6,915
Selling, general and administrative expenses	4,820	5,052
Operating profit	955	1,863
Non-operating income		
Interest income	5	34
Dividend income	79	89
Foreign exchange gains	230	149
Other	210	292
Total non-operating income	526	565
Non-operating expenses		
Interest expenses	47	69
Management integration expenses	—	262
Other	49	65
Total non-operating expenses	97	398
Ordinary profit	1,384	2,030
Extraordinary income		
Gain on sale of investment securities	—	247
Total extraordinary income	—	247
Extraordinary losses		
Impairment losses	23	15
Total extraordinary losses	23	15
Profit before income taxes	1,361	2,262
Income taxes - current	597	602
Income taxes for prior periods	—	164
Income taxes - deferred	139	(117)
Total income taxes	737	649
Profit	623	1,612
Profit attributable to non-controlling interests	49	72
Profit attributable to owners of parent	573	1,540

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30,2022	Six months ended September 30,2023
Profit	623	1,612
Other comprehensive income		
Valuation difference on available-for-sale securities	(564)	1,222
Foreign currency translation adjustment	3,446	2,069
Remeasurements of defined benefit plans, net of tax	57	48
Total other comprehensive income	2,938	3,340
Comprehensive income	3,562	4,952
Comprehensive income attributable to owners of parent	3,311	4,728
Comprehensive income attributable to non-controlling interests	251	224

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30,2022	Six months ended September 30,2023
Cash flows from operating activities		
Profit before income taxes	1,361	2,262
Depreciation	2,184	2,122
Impairment losses	23	15
Increase (decrease) allowance for doubtful accounts	(4)	6
Increase (decrease) in retirement benefit liability	(17)	388
Interest and dividend income	(84)	(123)
Interest expenses	47	69
Foreign exchange losses (gains)	(230)	(149)
Loss (gain) on sale of investment securities	—	(247)
Decrease (increase) in trade receivables	1,457	206
Decrease (increase) in inventories	(524)	(583)
Increase (decrease) in trade payables	537	(1,099)
Other, net	(809)	206
Subtotal	3,940	3,075
Interest and dividends received	84	123
Interest paid	(49)	(60)
Income taxes refund (paid)	(508)	(548)
Net cash provided by (used in) operating activities	3,466	2,589
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,603)	(1,352)
Purchase of intangible assets	(15)	(75)
Other, net	49	310
Net cash provided by (used in) investing activities	(1,569)	(1,117)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	160	(200)
Repayments of long-term borrowings	(1,809)	(1,399)
Purchase of treasury shares	(0)	(333)
Dividends paid	(398)	(398)
Dividends paid to non-controlling interests	—	(10)
Other, net	(51)	142
Net cash provided by (used in) financing activities	(2,099)	(2,200)
Effect of exchange rate exchange on cash and cash equivalents	1,023	330
Net increase (decrease) in cash and cash equivalents	821	(397)
Cash and cash equivalents at beginning of period	5,989	5,606
Cash and cash equivalents at end of period	6,811	5,209