Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

Company name: NPR-RIKEN CORPORATION (for RIKEN CORPORATION)
Stock exchange listing: Tokyo
Stock code: 6209 URL https://www.npr-riken.co.jp/
Representative: Chairman and CEO Yasunori Maekawa
Inquiries: General Manager of Accounting Division Takuya Ohashi TEL 03-3230-3911
Scheduled date to file Quarterly Securities Report: -
Scheduled date to commence dividend payments: December 6, 2023
Preparation of supplementary material on quarterly financial results: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 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 September 30, 2023	51,790	28.3	1,938	15.7	3,637	30.9	5,477	210.0
Six months ended September 30, 2022	40,361	2.2	1,675	(51.2)	2,779	(30.3)	1,767	(14.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	545.16	544.21
Six months ended September 30, 2022	176.67	176.26

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	140,402	104,248	70.2	9,799.43
As of March 31, 2023	123,728	94,983	71.5	8,810.30

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 March 31, 2023	–	60.00	–	60.00	120.00
Year ended March 31, 2024	–	60.00			

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(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 September 30, 2023	10,052,129 shares	As of March 31, 2023	10,688,866 shares

Number of treasury shares at the end of the period

As of September 30, 2023	— shares	As of March 31, 2023	646,482 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	10,048,100 shares	Six months ended September 30, 2022	10,002,675 shares

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	23,818	18,768
Notes and accounts receivable - trade, and contract assets	21,962	27,072
Merchandise and finished goods	10,598	13,560
Work in process	3,649	4,817
Raw materials and supplies	3,738	4,541
Other	2,611	1,682
Allowance for doubtful accounts	(57)	(57)
Total current assets	66,321	70,385
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,475	11,081
Machinery, equipment and vehicles, net	10,329	11,188
Land	2,514	5,118
Construction in progress	1,830	2,429
Other, net	985	1,406
Total property, plant and equipment	26,135	31,224
Intangible assets		
Leased assets	1,652	1,450
Other	595	709
Total intangible assets	2,248	2,159
Investments and other assets		
Investment securities	23,144	28,333
Deferred tax assets	1,205	1,284
Retirement benefit asset	3,576	5,818
Insurance funds	61	4
Other	1,038	1,196
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	29,022	36,633
Total non-current assets	57,406	70,017
Total assets	123,728	140,402

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,881	13,864
Current portion of long-term borrowings	3,000	300
Income taxes payable	512	580
Provision for bonuses	1,713	1,419
Other	3,956	5,618
Total current liabilities	19,063	21,782
Non-current liabilities		
Long-term borrowings	7,000	8,050
Retirement benefit liability	1,293	1,702
Provision for product warranties	285	285
Provision for environmental measures	9	9
Other	1,093	4,324
Total non-current liabilities	9,681	14,371
Total liabilities	28,745	36,153
Net assets		
Shareholders' equity		
Share capital	8,627	8,627
Capital surplus	7,178	4,505
Retained earnings	67,644	72,495
Treasury shares	(2,896)	—
Total shareholders' equity	80,554	85,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,908	4,285
Deferred gains or losses on hedges	10	(123)
Foreign currency translation adjustment	3,474	6,748
Remeasurements of defined benefit plans	2,529	1,966
Total accumulated other comprehensive income	7,922	12,877
Share acquisition rights	97	51
Non-controlling interests	6,409	5,692
Total net assets	94,983	104,248
Total liabilities and net assets	123,728	140,402

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	40,361	51,790
Cost of sales	32,442	41,981
Gross profit	7,918	9,809
Selling, general and administrative expenses	6,242	7,870
Operating profit	1,675	1,938
Non-operating income		
Interest and dividend income	249	322
Share of profit of entities accounted for using equity method	641	980
Foreign exchange gains	217	385
Dividend income of life insurance	0	0
Subsidy income	8	—
Other	98	202
Total non-operating income	1,214	1,891
Non-operating expenses		
Interest expenses	48	65
Other	62	127
Total non-operating expenses	110	192
Ordinary profit	2,779	3,637
Extraordinary income		
Gain on sale of non-current assets	10	7
Gain on bargain purchase	—	2,730
Total extraordinary income	10	2,737
Extraordinary losses		
Loss on retirement of non-current assets	10	55
Loss on sale of non-current assets	0	3
Loss on sale of investment securities	—	62
Impairment	—	83
System failure response costs	78	—
Total extraordinary losses	89	204
Profit before income taxes	2,700	6,170
Income taxes - current	662	912
Income taxes - deferred	39	111
Total income taxes	702	1,024
Profit	1,997	5,146
Profit attributable to non-controlling interests	230	(331)
Profit attributable to owners of parent	1,767	5,477

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,997	5,146
Other comprehensive income		
Valuation difference on available-for-sale securities	(616)	2,542
Deferred gains or losses on hedges	(25)	(127)
Foreign currency translation adjustment	3,843	2,563
Remeasurements of defined benefit plans, net of tax	(263)	(562)
Share of other comprehensive income of entities accounted for using equity method	1,539	975
Total other comprehensive income	4,477	5,392
Comprehensive income	6,475	10.539
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,611	10,484
Comprehensive income attributable to non-controlling interests	863	54

Consolidated statements of cash flows

	Six months ended September 30, 2022	Six months ended September 30, 2023
		(Millions of yen)
Cash flows from operating activities		
Profit before income taxes	2,700	6,170
Depreciation	2,330	2,329
Share of loss (profit) of entities accounted for using equity method	(641)	(980)
Gain on bargain purchase	—	(2,730)
Increase (decrease) in retirement benefit liability	81	(12)
Decrease (increase) in retirement benefit asset	(39)	(269)
Subsidy income	(8)	—
Interest and dividend income	(249)	(322)
Interest expenses	48	65
Loss (gain) on sale of investment securities	—	62
Loss on retirement of non-current assets	10	55
System failure response costs	78	—
Loss (gain) on sale of non-current assets	(9)	(3)
Decrease (increase) in trade receivables and contract assets	(128)	(294)
Decrease (increase) in inventories	(635)	946
Increase (decrease) in trade payables	(3,056)	1,000
Other, net	(1,215)	698
Subtotal	(734)	6,713
Subsidies received	8	—
Interest and dividends received	1,864	353
Interest paid	(48)	(58)
Income taxes paid	(1,722)	(439)
system failure response costs paid	(56)	—
Net cash provided by (used in) operating activities	(688)	6,568
Cash flows from investing activities		
Net decrease (increase) in time deposits	(194)	(113)
Purchase of property, plant and equipment	(1,402)	(2,329)
Proceeds from sale of property, plant and equipment	19	78
Purchase of intangible assets	(135)	(93)
Proceeds from sale and redemption of investment securities	–	775
Purchase of investment securities	(25)	–
Short-term loan advances	(389)	(472)
Proceeds from collection of short-term loans receivable	399	467
Purchase of shares of subsidiaries	–	(3,178)
Other payments	(8)	(36)
Other proceeds	9	74
Net cash provided by (used in) investing activities	(1,729)	(4,827)
Cash flows from financing activities		
Repayments from short-term borrowings	–	(2,782)
Proceeds from long-term borrowings	–	3,000
Repayments from short-term borrowings	–	(4,650)
Purchase of treasury shares	(0)	(2)
Dividends paid	(600)	(602)
Dividends paid to non-controlling interests	(154)	(157)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(2,697)
Repayments of lease liabilities	(68)	(34)
Other	—	(32)
Net cash provided by (used in) financing activities	(823)	(7,959)
Effect of exchange rate change on cash and cash equivalents	959	872

Net increase (decrease) in cash and cash equivalents	(2,282)	(5,345)
Cash and cash equivalents at beginning of period	13,886	20,205
Cash and cash equivalents at end of period	11,603	14,860