

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 27, 2021

Company name: Nippon Seisen Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 5659 URL <https://www.n-seisen.co.jp/>  
 Representative: President and CEO Motoshi Shinkai  
 Inquiries: General Manager, Accounting Department Shuichi Nagasawa TEL 06-6222-5432  
 Scheduled date to file Quarterly Securities Report: November 10, 2021  
 Scheduled date to commence dividend payments: December 7, 2021  
 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, 2021 (from April 1, 2021 to September 30, 2021)

#### (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, 2021	21,408	39.1	2,383	165.9	2,473	136.7	1,740	137.6
Six months ended September 30, 2020	15,391	(10.5)	896	17.9	1,044	31.4	732	31.0

Note: Comprehensive income Six months ended September 30, 2021 ¥1,637 million [133.4%]  
 Six months ended September 30, 2020 ¥701 million [33.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	283.73		-	
Six months ended September 30, 2020	119.39		-	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2021	48,155		34,172		70.1	
As of March 31, 2021	46,071		32,974		70.7	

Reference: Equity As of September 30, 2021 ¥33,736 million  
 As of March 31, 2021 ¥32,564 million

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	-	40.00	-	70.00	110.00
Year ending March 31, 2022	-	100.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	100.00	200.00

Note: Revisions to the cash dividend forecasts most recently announced: No

### 3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	42,000	23.1	4,200	76.5	4,200	61.4	2,940	61.0	479.36

Note: Revisions to the earnings forecasts most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(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: Yes
- 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, 2021	6,492,293 shares	As of March 31, 2021	6,492,293 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	359,134 shares	As of March 31, 2021	359,054 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	6,133,204 shares	Six months ended September 30, 2020	6,133,502 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The above forecasts of financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Consequently, actual business and other results may differ substantially due to various factors.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	13,776	14,631
Notes and accounts receivable - trade	8,210	8,500
Electronically recorded monetary claims - operating	537	864
Merchandise and finished goods	1,856	2,292
Work in process	3,457	3,631
Raw materials and supplies	1,618	1,608
Other	174	213
Total current assets	29,631	31,742
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,464	4,921
Machinery, equipment and vehicles, net	6,402	6,386
Land	1,630	1,621
Leased assets, net	10	24
Construction in progress	959	454
Other, net	599	610
Total property, plant and equipment	14,067	14,019
Intangible assets	255	233
Investments and other assets	2,116	2,159
Total non-current assets	16,439	16,412
Total assets	46,071	48,155
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,494	6,410
Short-term borrowings	440	328
Income taxes payable	700	816
Provision for bonuses	580	603
Provision for bonuses for directors (and other officers)	26	-
Other	1,034	977
Total current liabilities	8,277	9,136
Non-current liabilities		
Long-term borrowings	194	105
Provision for retirement benefits for directors (and other officers)	63	50
Retirement benefit liability	4,544	4,666
Provision for environmental measures	0	-
Other	17	24
Total non-current liabilities	4,820	4,846
Total liabilities	13,097	13,982

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,442	5,442
Retained earnings	22,880	24,181
Treasury shares	(849)	(849)
Total shareholders' equity	32,473	33,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	39
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	174	13
Remeasurements of defined benefit plans	(109)	(90)
Total accumulated other comprehensive income	90	(38)
Non-controlling interests	409	436
Total net assets	32,974	34,172
Total liabilities and net assets	46,071	48,155

## 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, 2020	Six months ended September 30, 2021
Net sales	15,391	21,408
Cost of sales	12,986	17,424
Gross profit	2,404	3,983
Selling, general and administrative expenses	1,507	1,600
Operating profit	896	2,383
Non-operating income		
Interest income	3	5
Dividend income	6	6
Purchase discounts	7	10
Compensation income	15	23
Rental income	12	12
Subsidies for employment adjustment	109	–
Foreign exchange gains	14	45
Reversal of provision for environmental measures	–	0
Other	1	0
Total non-operating income	168	105
Non-operating expenses		
Interest expenses	2	2
Sales discounts	8	–
Compensation expenses	3	7
Loss on retirement of non-current assets	3	4
Other	3	1
Total non-operating expenses	20	16
Ordinary profit	1,044	2,473
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on valuation of golf club membership	5	–
Total extraordinary losses	5	–
Profit before income taxes	1,038	2,473
Income taxes - current	370	749
Income taxes - deferred	(75)	(37)
Total income taxes	294	712
Profit	744	1,760
Profit attributable to non-controlling interests	11	20
Profit attributable to owners of parent	732	1,740

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	744	1,760
Other comprehensive income		
Valuation difference on available-for-sale securities	9	13
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(102)	(156)
Remeasurements of defined benefit plans, net of tax	50	18
Total other comprehensive income	(42)	(123)
Comprehensive income	701	1,637
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	699	1,611
Comprehensive income attributable to non-controlling interests	2	26

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,038	2,473
Depreciation	751	780
Loss on valuation of golf club membership	5	–
Increase (decrease) in retirement benefit liability	205	148
Increase (decrease) in provision for retirement benefits for directors (and other officers)	7	(13)
Increase (decrease) in provision for bonuses	30	19
Increase (decrease) in provision for bonuses for directors (and other officers)	(23)	(26)
Increase (decrease) in provision for environmental measures	(0)	(0)
Interest and dividend income	(9)	(12)
Interest expenses	2	2
Foreign exchange losses (gains)	(11)	(57)
Loss (gain) on sale of property, plant and equipment	–	(0)
Loss on retirement of property, plant and equipment	3	4
Decrease (increase) in trade receivables	1,139	(753)
Increase (decrease) in advances received	47	23
Decrease (increase) in inventories	141	(524)
Decrease (increase) in other current assets	(94)	(40)
Increase (decrease) in trade payables	(1,018)	939
Increase (decrease) in accrued consumption taxes	(159)	(46)
Increase (decrease) in other current liabilities	(1)	(2)
Other, net	0	0
Subtotal	2,056	2,914
Interest and dividends received	9	11
Interest paid	(2)	(2)
Income taxes paid	(16)	(635)
Net cash provided by (used in) operating activities	2,047	2,288
Cash flows from investing activities		
Payments into time deposits	(142)	(244)
Proceeds from withdrawal of time deposits	27	432
Purchase of property, plant and equipment	(706)	(760)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(19)	(27)
Other, net	(0)	2
Net cash provided by (used in) investing activities	(841)	(597)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(99)
Repayments of long-term borrowings	(89)	(89)
Repayments of lease obligations	(1)	(3)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(275)	(429)
Net cash provided by (used in) financing activities	(366)	(620)
Effect of exchange rate change on cash and cash equivalents	(27)	(2)
Net increase (decrease) in cash and cash equivalents	812	1,067
Cash and cash equivalents at beginning of period	11,766	13,299
Cash and cash equivalents at end of period	12,578	14,366