

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 27, 2022

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 of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 30, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	%
Year ended March 31, 2022	44,795	31.3	4,596	93.1	4,599	76.7	3,177	74.1
Year ended March 31, 2021	34,108	(2.3)	2,380	23.5	2,602	30.1	1,825	30.8

Note: Comprehensive income Year ended March 31, 2022 ¥3,531 million [72.3%]
 Year ended March 31, 2021 ¥2,049 million [55.8%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	518.10	–	9.4	9.5	10.3
Year ended March 31, 2021	297.66	–	5.7	5.8	7.0

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2022 ¥– million
 Year ended March 31, 2021 ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	51,230	35,452	68.2	5,700.58
As of March 31, 2021	46,071	32,974	70.7	5,309.46

Reference: Equity As of March 31, 2022 ¥34,961 million
 As of March 31, 2021 ¥32,564 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	4,473	(1,700)	(1,337)	14,928
Year ended March 31, 2021	3,965	(1,787)	(702)	13,299

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	40.00	–	70.00	110.00	674	37.0	2.1
Year ended March 31, 2022	–	100.00	–	110.00	210.00	1,287	40.5	3.8
Year ending March 31, 2023 (Forecast)	–	105.00	–	105.00	210.00		41.8	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 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
Six months ending September 30, 2022	24,000	12.1	2,200	(7.7)	2,200	(11.0)	1,540	(11.5)	251.10
Full year	48,500	8.3	4,400	(4.3)	4,400	(4.3)	3,080	(3.1)	502.19

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	359,255 shares	As of March 31, 2021	359,054 shares
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Average number of shares during the period

Year ended March 31, 2022	6,133,148 shares	Year ended March 31, 2021	6,133,397 shares
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(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net Sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	39,958	26.9	4,090	85.9	3,951	68.4	2,809	72.3
Year ended March 31, 2021	31,490	(1.6)	2,200	33.8	2,347	41.7	1,630	42.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2022	458.16		—	
Year ended March 31, 2021	265.85		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	45,806	31,558	68.9	5,145.73
As of March 31, 2021	41,894	29,812	71.2	4,860.89

Reference: Equity As of March 31, 2022 ¥31,558 million

As of March 31, 2021 ¥29,812 million

* Financial results reports are exempt from audit 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.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	13,776	15,640
Notes and accounts receivable - trade	8,210	9,170
Electronically recorded monetary claims - operating	537	840
Merchandise and finished goods	1,856	2,354
Work in process	3,457	4,060
Raw materials and supplies	1,618	2,398
Other	174	220
Total current assets	29,631	34,685
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,298	14,038
Accumulated depreciation	(8,834)	(9,104)
Buildings and structures, net	4,464	4,933
Machinery, equipment and vehicles	31,042	31,047
Accumulated depreciation	(24,639)	(24,667)
Machinery, equipment and vehicles, net	6,402	6,380
Land	1,630	1,637
Leased assets	18	35
Accumulated depreciation	(8)	(11)
Leased assets, net	10	23
Construction in progress	959	834
Other	2,473	2,630
Accumulated depreciation	(1,873)	(2,015)
Other, net	599	614
Total property, plant and equipment	14,067	14,423
Intangible assets		
Software	203	199
Software in progress	20	–
Other	32	29
Total intangible assets	255	229
Investments and other assets		
Investment securities	326	66
Deferred tax assets	1,583	1,630
Other	206	194
Total investments and other assets	2,116	1,892
Total non-current assets	16,439	16,545
Total assets	46,071	51,230

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,494	7,470
Short-term borrowings	440	355
Lease liabilities	3	7
Income taxes payable	700	1,086
Accrued consumption taxes	165	163
Provision for bonuses	580	723
Provision for bonuses for directors (and other officers)	26	36
Other	866	1,042
Total current liabilities	8,277	10,886
Non-current liabilities		
Long-term borrowings	194	–
Lease liabilities	7	18
Provision for retirement benefits for directors (and other officers)	63	57
Provision for environmental measures	0	136
Retirement benefit liability	4,544	4,672
Other	9	5
Total non-current liabilities	4,820	4,891
Total liabilities	13,097	15,777
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,442	5,442
Retained earnings	22,880	25,006
Treasury shares	(849)	(849)
Total shareholders' equity	32,473	34,598
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	15
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	174	453
Remeasurements of defined benefit plans	(109)	(104)
Total accumulated other comprehensive income	90	363
Non-controlling interests	409	491
Total net assets	32,974	35,452
Total liabilities and net assets	46,071	51,230

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	34,108	44,795
Cost of sales	28,589	36,851
Gross profit	5,518	7,944
Selling, general and administrative expenses	3,138	3,348
Operating profit	2,380	4,596
Non-operating income		
Interest income	7	12
Dividend income	12	14
Purchase discounts	15	21
Rental income	24	24
Compensation income	36	45
Foreign exchange gains	30	111
Subsidies for employment adjustment	128	–
Other	13	6
Total non-operating income	269	237
Non-operating expenses		
Interest expenses	5	4
Sales discounts	16	–
Compensation expenses	7	13
Loss on retirement of non-current assets	9	75
Provision for environmental measures	–	136
Other	7	3
Total non-operating expenses	47	233
Ordinary profit	2,602	4,599
Extraordinary income		
Gain on sale of non-current assets	–	0
Gain on sale of investment securities	–	68
Total extraordinary income	–	68
Extraordinary losses		
Loss on sale of investment securities	–	24
Loss on valuation of golf club membership	5	–
Total extraordinary losses	5	24
Profit before income taxes	2,597	4,644
Income taxes - current	891	1,467
Income taxes - deferred	(137)	(42)
Total income taxes	754	1,425
Profit	1,842	3,219
Profit attributable to non-controlling interests	16	41
Profit attributable to owners of parent	1,825	3,177

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,842	3,219
Other comprehensive income		
Valuation difference on available-for-sale securities	58	(10)
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	64	318
Remeasurements of defined benefit plans, net of tax	84	4
Total other comprehensive income	207	312
Comprehensive income	2,049	3,531
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,027	3,450
Comprehensive income attributable to non-controlling interests	21	81

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	5,442	21,575	(847)	31,170
Changes during period					
Dividends of surplus			(521)		(521)
Profit attributable to owners of parent			1,825		1,825
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,304	(1)	1,303
Balance at end of period	5,000	5,442	22,880	(849)	32,473

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(33)	0	115	(193)	(111)	387	31,446
Changes during period							
Dividends of surplus							(521)
Profit attributable to owners of parent							1,825
Purchase of treasury shares							(1)
Net changes in items other than shareholders' equity	58	(0)	59	84	202	21	224
Total changes during period	58	(0)	59	84	202	21	1,527
Balance at end of period	25	(0)	174	(109)	90	409	32,974

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	5,442	22,880	(849)	32,473
Cumulative effects of changes in accounting policies			(9)		(9)
Restated balance	5,000	5,442	22,871	(849)	32,464
Changes during period					
Dividends of surplus			(1,042)		(1,042)
Profit attributable to owners of parent			3,177		3,177
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,134	(0)	2,134
Balance at end of period	5,000	5,442	25,006	(849)	34,598

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	25	(0)	174	(109)	90	409	32,974
Cumulative effects of changes in accounting policies							(9)
Restated balance	25	(0)	174	(109)	90	409	32,965
Changes during period							
Dividends of surplus							(1,042)
Profit attributable to owners of parent							3,177
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	(10)	(1)	279	4	272	81	353
Total changes during period	(10)	(1)	279	4	272	81	2,487
Balance at end of period	15	(1)	453	(104)	363	491	35,452

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,597	4,644
Depreciation	1,531	1,582
Loss on valuation of golf club membership	5	–
Increase (decrease) in retirement benefit liability	267	122
Increase (decrease) in provision for retirement benefits for directors (and other officers)	15	(5)
Increase (decrease) in provision for bonuses	30	142
Increase (decrease) in provision for bonuses for directors (and other officers)	3	10
Increase (decrease) in provision for environmental measures	(0)	136
Interest and dividend income	(20)	(26)
Interest expenses	5	4
Foreign exchange losses (gains)	(33)	(83)
Loss (gain) on sale of property, plant and equipment	–	(0)
Loss on retirement of property, plant and equipment	9	75
Loss (gain) on sale of investment securities	–	(44)
Decrease (increase) in trade receivables	(983)	(1,330)
Increase (decrease) in advances received	25	12
Decrease (increase) in inventories	215	(1,683)
Decrease (increase) in other current assets	2	(13)
Increase (decrease) in trade payables	511	1,931
Increase (decrease) in accrued consumption taxes	(58)	0
Increase (decrease) in other current liabilities	100	69
Other, net	0	0
Subtotal	4,224	5,543
Interest and dividends received	20	26
Interest paid	(5)	(4)
Income taxes paid	(274)	(1,091)
Net cash provided by (used in) operating activities	3,965	4,473
Cash flows from investing activities		
Payments into time deposits	(477)	(951)
Proceeds from withdrawal of time deposits	217	738
Purchase of property, plant and equipment	(1,480)	(1,714)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(51)	(68)
Proceeds from sale of investment securities	–	292
Other, net	4	2
Net cash provided by (used in) investing activities	(1,787)	(1,700)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(110)
Repayments of long-term borrowings	(178)	(178)
Repayments of lease liabilities	(3)	(6)
Decrease (increase) in treasury shares	(1)	(0)
Dividends paid	(520)	(1,041)
Net cash provided by (used in) financing activities	(702)	(1,337)
Effect of exchange rate change on cash and cash equivalents	58	192
Net increase (decrease) in cash and cash equivalents	1,533	1,628
Cash and cash equivalents at beginning of period	11,766	13,299
Cash and cash equivalents at end of period	13,299	14,928