

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 27, 2023

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: February 10, 2023
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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	%
Nine months ended December 31, 2022	37,215	13.1	3,366	(9.3)	3,488	(8.2)	2,429	(9.0)
Nine months ended December 31, 2021	32,905	36.8	3,711	141.5	3,800	119.8	2,669	119.9

Note: Comprehensive income
 Nine months ended December 31, 2022 ¥2,817 million [3.3%]
 Nine months ended December 31, 2021 ¥2,726 million [114.2%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	396.07	–
Nine months ended December 31, 2021	435.23	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	52,112	36,939	69.8
As of March 31, 2022	51,230	35,452	68.2

Reference: Equity
 As of December 31, 2022 ¥36,371 million
 As of March 31, 2022 ¥34,961 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 March 31, 2022	–	100.00	–	110.00	210.00
Year ending March 31, 2023	–	105.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	105.00	210.00

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

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
Full year	48,500	8.3	4,400	(4.3)	4,400	(4.3)	3,080	(3.1)	502.21

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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
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| 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 December 31, 2022	6,253,038 shares	As of March 31, 2022	6,492,293 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	120,140 shares	As of March 31, 2022	359,255 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	6,132,958 shares	Nine months ended December 31, 2021	6,133,181 shares
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* The Company has introduced "Board Benefit Trust (BBT)" and shares of the Company held by the Trust have been included in treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

* 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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	15,640	13,808
Notes and accounts receivable - trade	9,170	9,213
Electronically recorded monetary claims - operating	840	1,014
Merchandise and finished goods	2,354	2,919
Work in process	4,060	4,791
Raw materials and supplies	2,398	3,291
Other	220	323
Total current assets	34,685	35,362
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,933	5,325
Machinery, equipment and vehicles, net	6,380	6,518
Land	1,637	1,643
Leased assets, net	23	18
Construction in progress	834	710
Other, net	614	582
Total property, plant and equipment	14,423	14,798
Intangible assets	229	192
Investments and other assets	1,892	1,758
Total non-current assets	16,545	16,749
Total assets	51,230	52,112
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,470	7,906
Short-term borrowings	355	271
Income taxes payable	1,086	214
Provision for bonuses	723	384
Provision for bonuses for directors (and other officers)	36	–
Other	1,213	1,340
Total current liabilities	10,886	10,116
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	57	–
Provision for share awards for directors (and other officers)	–	24
Retirement benefit liability	4,672	4,740
Provision for environmental measures	136	136
Other	23	154
Total non-current liabilities	4,891	5,056
Total liabilities	15,777	15,173

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,442	5,558
Retained earnings	25,006	25,544
Treasury shares	(849)	(400)
Total shareholders' equity	34,598	35,702
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15	13
Deferred gains or losses on hedges	(1)	0
Foreign currency translation adjustment	453	730
Remeasurements of defined benefit plans	(104)	(75)
Total accumulated other comprehensive income	363	669
Non-controlling interests	491	567
Total net assets	35,452	36,939
Total liabilities and net assets	51,230	52,112

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	32,905	37,215
Cost of sales	26,744	31,261
Gross profit	6,161	5,953
Selling, general and administrative expenses	2,449	2,587
Operating profit	3,711	3,366
Non-operating income		
Interest income	10	9
Dividend income	13	1
Purchase discounts	16	17
Compensation income	32	18
Rental income	18	18
Foreign exchange gains	64	72
Reversal of provision for environmental measures	0	–
Other	2	5
Total non-operating income	159	144
Non-operating expenses		
Interest expenses	3	2
Compensation expenses	9	8
Loss on retirement of non-current assets	56	7
Other	1	4
Total non-operating expenses	70	22
Ordinary profit	3,800	3,488
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on liquidation of investment securities	–	2
Total extraordinary income	0	2
Profit before income taxes	3,801	3,491
Income taxes - current	1,068	902
Income taxes - deferred	32	119
Total income taxes	1,100	1,022
Profit	2,700	2,468
Profit attributable to non-controlling interests	30	39
Profit attributable to owners of parent	2,669	2,429

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,700	2,468
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(1)
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	(4)	319
Remeasurements of defined benefit plans, net of tax	28	29
Total other comprehensive income	26	348
Comprehensive income	2,726	2,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,680	2,734
Comprehensive income attributable to non-controlling interests	45	82