

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

July 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 Kazuhiro Toshimitsu
 Inquiries: General Manager, Accounting Department Shuichi Nagasawa TEL 06-6222-5432
 Scheduled date to file Quarterly Securities Report: August 8, 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	10,812	(11.5)	900	(44.8)	984	(41.7)	692	(41.2)
Three months ended June 30, 2022	12,217	14.8	1,632	31.8	1,689	30.1	1,176	28.3

Note: Comprehensive income Three months ended June 30, 2023 ¥922 million [(38.7)%]
 Three months ended June 30, 2022 ¥1,505 million [61.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	112.85		–	
Three months ended June 30, 2022	191.79		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2023	53,757		37,872		69.4	
As of March 31, 2023	54,054		37,605		68.5	

Reference: Equity As of June 30, 2023 ¥37,301 million
 As of March 31, 2023 ¥37,046 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2023	Yen –	Yen 105.00	Yen –	Yen 105.00	Yen 210.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	105.00	–	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, 2024 (from April 1, 2023 to March 31, 2024)

	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, 2023	22,500	(9.0)	1,900	(2.2)	1,900	(6.8)	1,330	(6.1)	216.87
Full year	47,500	(3.2)	3,800	(9.1)	3,800	(12.0)	2,660	(13.8)	433.73

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: 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 June 30, 2023	6,253,038 shares	As of March 31, 2023	6,253,038 shares
---------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2023	120,260 shares	As of March 31, 2023	120,250 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2023	6,132,782 shares	Three months ended June 30, 2022	6,132,995 shares
----------------------------------	------------------	----------------------------------	------------------

* 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	14,657	14,660
Notes and accounts receivable - trade	8,810	7,973
Electronically recorded monetary claims - operating	1,340	1,533
Merchandise and finished goods	2,871	2,994
Work in process	5,080	5,113
Raw materials and supplies	3,280	3,454
Other	291	243
Total current assets	36,332	35,974
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,380	5,355
Machinery, equipment and vehicles, net	6,623	6,864
Land	1,646	1,653
Leased assets, net	16	15
Construction in progress	1,342	1,226
Other, net	590	571
Total property, plant and equipment	15,601	15,685
Intangible assets	202	201
Investments and other assets	1,918	1,895
Total non-current assets	17,721	17,782
Total assets	54,054	53,757
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,660	7,154
Short-term borrowings	315	259
Income taxes payable	540	323
Provision for bonuses	703	371
Provision for bonuses for directors (and other officers)	33	–
Other	1,759	2,290
Total current liabilities	11,012	10,398
Non-current liabilities		
Long-term borrowings	338	338
Provision for share awards for directors (and other officers)	33	41
Retirement benefit liability	4,739	4,806
Provision for environmental measures	172	172
Other	153	128
Total non-current liabilities	5,436	5,486
Total liabilities	16,448	15,884

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,558	5,558
Retained earnings	26,201	26,244
Treasury shares	(400)	(400)
Total shareholders' equity	36,359	36,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	19
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	765	967
Remeasurements of defined benefit plans	(95)	(86)
Total accumulated other comprehensive income	686	899
Non-controlling interests	559	571
Total net assets	37,605	37,872
Total liabilities and net assets	54,054	53,757

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	12,217	10,812
Cost of sales	9,706	9,052
Gross profit	2,511	1,760
Selling, general and administrative expenses	878	859
Operating profit	1,632	900
Non-operating income		
Interest income	2	3
Dividend income	0	0
Purchase discounts	5	5
Compensation income	12	6
Rental income	6	6
Foreign exchange gains	35	31
Subsidies for employment adjustment	–	33
Other	0	0
Total non-operating income	63	88
Non-operating expenses		
Interest expenses	0	1
Compensation expenses	4	2
Loss on retirement of non-current assets	0	0
Other	1	0
Total non-operating expenses	6	4
Ordinary profit	1,689	984
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Profit before income taxes	1,689	984
Income taxes - current	381	207
Income taxes - deferred	114	83
Total income taxes	496	290
Profit	1,193	693
Profit attributable to non-controlling interests	16	1
Profit attributable to owners of parent	1,176	692

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,193	693
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	2
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	305	218
Remeasurements of defined benefit plans, net of tax	9	9
Total other comprehensive income	312	228
Comprehensive income	1,505	922
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,459	904
Comprehensive income attributable to non-controlling interests	46	17