

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 26, 2024

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 of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	44,727	(8.8)	3,537	(15.4)	3,699	(14.3)	2,592	(16.0)
Year ended March 31, 2023	49,055	9.5	4,179	(9.1)	4,317	(6.1)	3,086	(2.9)

Note: Comprehensive income Year ended March 31, 2024 ¥3,187 million [(8.5)%
 Year ended March 31, 2023 ¥3,484 million [(1.3)%]

	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, 2024	84.52	–	6.8	6.9	7.9
Year ended March 31, 2023	100.65	–	8.6	8.2	8.5

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2024 ¥– million
 Year ended March 31, 2023 ¥– million

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Earnings per share was calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(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, 2024	53,402	39,489	72.8	1,268.02
As of March 31, 2023	54,054	37,605	68.5	1,208.13

Reference: Equity As of March 31, 2024 ¥38,886 million
 As of March 31, 2023 ¥37,046 million

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Net assets per share was calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(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, 2024	4,682	(2,823)	(1,537)	14,608
Year ended March 31, 2023	1,861	(1,781)	(1,046)	14,122

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, 2023	–	105.00	–	105.00	210.00	1,299	41.7	3.6
Year ended March 31, 2024	–	105.00	–	105.00	210.00	1,299	49.7	3.4
Year ending March 31, 2025 (Forecast)	–	23.00	–	23.00	46.00		50.4	

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. The amount of actual dividend prior to the share split is shown for the year ended March 31, 2023 and the year ended March 31, 2024, and the amount of dividend after the share split is shown for the year ending March 31, 2025 (forecast).

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	22,500	3.4	2,000	23.1	2,000	14.8	1,400	14.6	45.65
Full year	45,000	0.6	4,000	13.1	4,000	8.1	2,800	8.0	91.30

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Earnings per share in the forecast of consolidated financial results for the year ending March 31, 2025 takes into account the effect of the share split.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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: No

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, 2024	31,265,190 shares	As of March 31, 2023	31,265,190 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	598,565 shares	As of March 31, 2023	601,250 shares
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Average number of shares during the period

Year ended March 31, 2024	30,666,103 shares	Year ended March 31, 2023	30,664,653 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.

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Total number of issued shares at the end of the period (including treasury shares), number of treasury shares at the end of the period, and average number of shares during the period were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	40,192	(8.4)	3,425	(5.0)	3,631	(3.1)	2,594	(4.8)
Year ended March 31, 2023	43,874	9.8	3,603	(11.9)	3,749	(5.1)	2,724	(3.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	84.60		—	
Year ended March 31, 2023	88.85		—	

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Earnings per share was calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(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, 2024	47,415	34,279	72.3	1,117.83
As of March 31, 2023	48,315	32,960	68.2	1,074.90

Reference: Equity As of March 31, 2024 ¥34,279 million
 As of March 31, 2023 ¥32,960 million

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Net assets per share was calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

* 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	14,657	15,238
Notes and accounts receivable - trade	8,810	8,037
Electronically recorded monetary claims - operating	1,340	1,711
Merchandise and finished goods	2,871	2,629
Work in process	5,080	4,898
Raw materials and supplies	3,280	2,756
Other	291	212
Total current assets	36,332	35,484
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,918	15,391
Accumulated depreciation	(9,537)	(9,995)
Buildings and structures, net	5,380	5,395
Machinery, equipment and vehicles	32,095	33,234
Accumulated depreciation	(25,472)	(26,425)
Machinery, equipment and vehicles, net	6,623	6,809
Land	1,646	1,657
Leased assets	35	42
Accumulated depreciation	(18)	(19)
Leased assets, net	16	22
Construction in progress	1,342	1,390
Other	2,807	2,940
Accumulated depreciation	(2,217)	(2,415)
Other, net	590	525
Total property, plant and equipment	15,601	15,800
Intangible assets		
Software	120	161
Software in progress	56	0
Other	25	23
Total intangible assets	202	185
Investments and other assets		
Investment securities	69	100
Deferred tax assets	1,651	1,583
Other	197	247
Total investments and other assets	1,918	1,931
Total non-current assets	17,721	17,917
Total assets	54,054	53,402

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,660	5,946
Short-term borrowings	315	260
Lease liabilities	6	8
Income taxes payable	540	620
Accrued consumption taxes	6	375
Provision for bonuses	703	693
Provision for bonuses for directors (and other officers)	33	39
Other	1,746	884
Total current liabilities	11,012	8,828
Non-current liabilities		
Long-term borrowings	338	176
Lease liabilities	12	16
Provision for share awards for directors (and other officers)	33	67
Provision for environmental measures	172	171
Retirement benefit liability	4,739	4,535
Other	140	117
Total non-current liabilities	5,436	5,083
Total liabilities	16,448	13,912
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,558	5,558
Retained earnings	26,201	27,494
Treasury shares	(400)	(398)
Total shareholders' equity	36,359	37,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17	40
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	765	1,120
Remeasurements of defined benefit plans	(95)	72
Total accumulated other comprehensive income	686	1,232
Non-controlling interests	559	603
Total net assets	37,605	39,489
Total liabilities and net assets	54,054	53,402

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	49,055	44,727
Cost of sales	41,429	37,663
Gross profit	7,625	7,064
Selling, general and administrative expenses	3,446	3,526
Operating profit	4,179	3,537
Non-operating income		
Interest income	12	21
Dividend income	2	3
Purchase discounts	23	21
Rental income	24	24
Compensation income	31	16
Foreign exchange gains	104	93
Subsidies for employment adjustment	–	33
Other	6	4
Total non-operating income	205	219
Non-operating expenses		
Interest expenses	3	4
Compensation expenses	9	13
Loss on retirement of non-current assets	14	33
Provision for environmental measures	36	–
Other	3	5
Total non-operating expenses	67	56
Ordinary profit	4,317	3,699
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on liquidation of investment securities	2	–
Total extraordinary income	3	1
Profit before income taxes	4,321	3,701
Income taxes - current	1,213	1,102
Income taxes - deferred	(25)	(12)
Total income taxes	1,188	1,090
Profit	3,133	2,610
Profit attributable to non-controlling interests	46	18
Profit attributable to owners of parent	3,086	2,592

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,133	2,610
Other comprehensive income		
Valuation difference on available-for-sale securities	1	22
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	339	385
Remeasurements of defined benefit plans, net of tax	9	168
Total other comprehensive income	351	576
Comprehensive income	3,484	3,187
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,409	3,137
Comprehensive income attributable to non-controlling interests	74	49

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(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	25,006	(849)	34,598
Changes during period					
Dividends of surplus			(1,324)		(1,324)
Profit attributable to owners of parent			3,086		3,086
Purchase of treasury shares				(248)	(248)
Cancellation of treasury shares			(566)	566	–
Disposal of treasury shares		115		132	247
Net changes in items other than shareholders' equity					
Total changes during period	–	115	1,195	449	1,760
Balance at end of period	5,000	5,558	26,201	(400)	36,359

	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	15	(1)	453	(104)	363	491	35,452
Changes during period							
Dividends of surplus							(1,324)
Profit attributable to owners of parent							3,086
Purchase of treasury shares							(248)
Cancellation of treasury shares							–
Disposal of treasury shares							247
Net changes in items other than shareholders' equity	1	0	311	9	323	68	391
Total changes during period	1	0	311	9	323	68	2,152
Balance at end of period	17	(0)	765	(95)	686	559	37,605

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,000	5,558	26,201	(400)	36,359
Changes during period					
Dividends of surplus			(1,299)		(1,299)
Profit attributable to owners of parent			2,592		2,592
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				3	3
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,292	2	1,294
Balance at end of period	5,000	5,558	27,494	(398)	37,653

	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	17	(0)	765	(95)	686	559	37,605
Changes during period							
Dividends of surplus							(1,299)
Profit attributable to owners of parent							2,592
Purchase of treasury shares							(0)
Disposal of treasury shares							3
Net changes in items other than shareholders' equity	22	(0)	354	168	545	43	589
Total changes during period	22	(0)	354	168	545	43	1,883
Balance at end of period	40	(1)	1,120	72	1,232	603	39,489

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,321	3,701
Depreciation	1,601	1,694
Gain on liquidation of investment securities	(2)	–
Increase (decrease) in retirement benefit liability	207	(18)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(57)	–
Increase (decrease) in provision for share awards for directors (and other officers)	33	36
Increase (decrease) in provision for bonuses	(21)	(10)
Increase (decrease) in provision for bonuses for directors (and other officers)	(3)	6
Increase (decrease) in provision for environmental measures	35	(0)
Interest and dividend income	(14)	(24)
Interest expenses	3	4
Foreign exchange losses (gains)	(62)	(66)
Loss (gain) on sale of property, plant and equipment	(1)	(1)
Loss on retirement of property, plant and equipment	14	33
Decrease (increase) in trade receivables	(57)	477
Decrease (increase) in inventories	(2,300)	1,087
Increase (decrease) in trade payables	221	(1,765)
Other, net	(327)	553
Subtotal	3,590	5,707
Interest and dividends received	13	23
Interest paid	(3)	(4)
Income taxes paid	(1,738)	(1,044)
Net cash provided by (used in) operating activities	1,861	4,682
Cash flows from investing activities		
Payments into time deposits	(525)	(611)
Proceeds from withdrawal of time deposits	757	557
Purchase of property, plant and equipment	(1,956)	(2,637)
Proceeds from sale of property, plant and equipment	3	1
Other, net	(61)	(134)
Net cash provided by (used in) investing activities	(1,781)	(2,823)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(15)	(62)
Repayments of long-term borrowings	(194)	(162)
Proceeds from long-term borrowings	500	–
Repayments of lease liabilities	(7)	(8)
Proceeds from sale of treasury shares	247	–
Purchase of treasury shares	(248)	(0)
Dividends paid	(1,322)	(1,297)
Dividends paid to non-controlling interests	(6)	(6)
Net cash provided by (used in) financing activities	(1,046)	(1,537)
Effect of exchange rate change on cash and cash equivalents	159	165
Net increase (decrease) in cash and cash equivalents	(806)	486
Cash and cash equivalents at beginning of period	14,928	14,122
Cash and cash equivalents at end of period	14,122	14,608