

Summary of Consolidated Financial Results
for the Year Ended March 31, 2023(Unaudited)

May 12, 2023

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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 URL: <https://www.nihonseiko.co.jp>
 Stock exchange listing: Tokyo
 Securities Code: 5729
 Company Representative: Noritaka Ueda, President & CEO
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1.Consolidated Financial Results for the Years Ended March 31,2023 and 2022

(1) Operating Results

(Rounded down to millions of Japanese Yen)

(%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the years ended								
March 31,2023	15,923	(6.9)	802	(63.4)	791	(64.8)	481	(68.7)
March 31,2022	17,097	52.0	2,191	83.4	2,246	86.0	1,540	89.4

Note: Comprehensive income:

Fiscal year ended March 31, 2023: 476 million yen (69.3%)

Fiscal year ended March 31, 2022: 1,552 million yen 86.3%

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31,2023	197.45	5.2	5.5	5.0
March 31,2022	631.45	17.9	16.6	12.8

Note: Equity in earnings of unconsolidated subsidiaries and affiliate during the period:

Fiscal year ended March 31, 2023: – million yen

Fiscal year ended March 31, 2022: – million yen

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
As of				
March 31,2023	13,953	9,408	67.4	3,855.56
March 31,2022	14,840	9,298	62.7	3,810.33

Note: Shareholders' equity As of March 31, 2023: 9,408 million yen

As of March 31, 2022: 9,298 million yen

(3) Statements of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash & cash equivalents at the end of the period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For the years ended				
March 31,2023	184	(744)	(252)	2,276
March 31,2022	386	(645)	(163)	3,085

2. Cash dividends

	Cash dividends per share					Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends to net assets ratio (consolidated)
	First Quarter	Second Quarter	Third Quarter	Year -end	Annual			
For the years ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
March 31,2022	—	50.00	—	90.00	140.00	341	22.2	4.0
March 31,2023	—	60.00	—	60.00	120.00	292	60.8	3.1
March 31,2024 (expected)	—	40.00	—	40.00	80.00		37.5	

3. Consolidated Earnings Forecast for the Year Ending March 2024 (April 1, 2023 ~ March 31, 2024):

(%: Change from the previous fiscal half year for First half 2022)

(%: Change from the previous fiscal year for Year ending March 31,2023)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		EPS
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half 2023	7,430	(13.7)	260	(57.3)	250	(60.1)	160	(63.4)	65.56
Year ending March 31,2024	15,910	(0.1)	800	(0.4)	770	(2.7)	520	7.9	213.09

4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2023 : No

(2) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements

1. Changes due to amendment of accounting standards : No

2. Changes due to other reasons : No

3. Changes in accounting estimates : No

4. Retrospective restatements : No

(3) Number of outstanding shares at the end of the period

1. Number of outstanding shares at the end of the period:

As of March 31, 2023: 2,605,900

As of March 31, 2022: 2,605,900

2. Number of treasury shares at the end of the period:

As of March 31, 2023: 165,561

As of March 31, 2022: 165,537

3. Average number of outstanding shares during period:

As of March 31, 2023: 2,440,355

As of March 31, 2022: 2,440,418

Note concerning the Appropriate Use of Forecast

The aforementioned forecasts are based on certain assumptions that Company has deemed relevant and appropriate as of the date of publication.

Actual results may differ materially from the forecast due to many factors.

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,085,883	2,276,200
Notes and accounts receivable – trade	2,755,550	2,539,247
Merchandise and finished goods	1,920,393	1,815,975
Work in process	371,838	322,846
Raw materials and supplies	1,427,658	1,566,420
Other	241,181	316,914
Allowance for doubtful accounts	(8,838)	(8,521)
Total current assets	9,793,667	8,829,084
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,447,289	4,552,596
Accumulated depreciation	(2,719,162)	(2,834,828)
Buildings and structures, net	1,728,126	1,717,767
Machinery, equipment and vehicles	6,749,455	7,132,081
Accumulated depreciation	(6,085,256)	(6,350,389)
Machinery, equipment and vehicles, net	664,198	781,691
Tools, furniture and fixtures	736,041	748,375
Accumulated depreciation	(588,543)	(652,350)
Tools, furniture and fixtures, net	147,498	96,024
Land	1,436,191	1,436,191
Leased assets	362,247	362,247
Accumulated depreciation	(15,729)	(41,500)
Leased assets, net	346,518	320,747
Construction in progress	146,478	209,137
Total property, plant and equipment	4,469,011	4,561,560
Intangible assets		
Other	111,046	149,773
Total intangible assets	111,046	149,773
Investments and other assets		
Investment securities	146,588	134,489
Retirement benefit asset	48,422	45,565
Deferred tax assets	114,009	79,142
Other	157,327	154,307
Total investments and other assets	466,348	413,505
Total non-current assets	5,046,406	5,124,839
Total assets	14,840,073	13,953,923

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,534,757	954,696
Electronically recorded obligations – operating	285,391	206,838
Short-term borrowings	1,343,000	1,445,200
Accounts payable – other	258,242	200,393
Lease liabilities	26,859	27,078
Income taxes payable	541,744	75,782
Provision for bonuses	210,630	161,545
Provision for bonuses for directors (and other officers)	44,961	26,240
Other	265,040	369,552
Total current liabilities	4,510,626	3,467,328
Non-current liabilities		
Long-term borrowings	249,500	287,700
Lease liabilities	355,136	328,057
Deferred tax liabilities	–	54,985
Retirement benefit liability	365,219	350,770
Asset retirement obligations	37,183	37,607
Other	23,815	18,603
Total non-current liabilities	1,030,855	1,077,724
Total liabilities	5,541,481	4,545,052
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	7,826,337	7,942,134
Treasury shares	(154,168)	(154,242)
Total shareholders' equity	9,255,020	9,370,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,964	27,567
Foreign currency translation adjustment	7,607	10,560
Total accumulated other comprehensive income	43,571	38,127
Total net assets	9,298,591	9,408,871
Total liabilities and net assets	14,840,073	13,953,923

Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	17,097,801	15,923,384
Cost of sales	13,814,962	13,998,363
Gross profit	3,282,838	1,925,020
Selling, general and administrative expenses		
Freight-out and storage expense	176,777	148,376
Salaries and allowances	371,421	412,283
Provision for bonuses	47,431	39,977
Provision for bonuses for directors (and other officers)	44,961	26,240
Retirement benefit expenses	10,488	9,312
Welfare expenses	67,082	81,474
Depreciation	15,579	25,312
Travel and communication expenses	23,474	31,128
Rent expenses	25,008	26,429
Research and development expenses	95,744	113,064
Other	213,319	208,443
Total selling, general and administrative expenses	1,091,287	1,122,043
Operating profit	2,191,550	802,976
Non-operating income		
Interest income	1,097	999
Dividend income	2,556	3,252
Foreign exchange gains	19,766	—
Insurance claim income	31,812	9,977
Surrender value of insurance policies	4,466	5,050
Debt prescription profit	11,815	—
Other	12,545	6,454
Total non-operating income	84,059	25,733
Non-operating expenses		
Interest expenses	15,390	17,229
Foreign exchange losses	—	9,117
Care and maintenance costs of suspended mine	9,856	9,332
Other	3,784	1,551
Total non-operating expenses	29,030	37,230
Ordinary profit	2,246,578	791,479
Extraordinary income		
Gain on sale of non-current assets	1,387	59
Total extraordinary income	1,387	59
Extraordinary losses		
Loss on retirement of non-current assets	4,074	1,258
Total extraordinary losses	4,074	1,258
Profit before income taxes	2,243,891	790,280
Income taxes – current	744,106	214,875
Income taxes – deferred	(41,205)	93,554
Total income taxes	702,900	308,429
Profit	1,540,990	481,850
Profit attributable to owners of parent	1,540,990	481,850

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,540,990	481,850
Other comprehensive income		
Valuation difference on available-for-sale securities	4,706	(8,396)
Foreign currency translation adjustment	6,497	2,953
Total other comprehensive income	11,204	(5,443)
Comprehensive income	1,552,195	476,407
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,552,195	476,407

Consolidated statements of changes in net assets

(1) Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,018,126	564,725	6,504,985	(153,787)	7,934,050	31,257	1,109	32,366	7,966,417
Changes during period									
Dividends of surplus			(219,638)		(219,638)				(219,638)
Profit attributable to owners of parent			1,540,990		1,540,990				1,540,990
Purchase of treasury shares				(381)	(381)				(381)
Net changes in items other than shareholders' equity						4,706	6,497	11,204	11,204
Total changes during period	—	—	1,321,352	(381)	1,320,970	4,706	6,497	11,204	1,332,174
Balance at end of period	1,018,126	564,725	7,826,337	(154,168)	9,255,020	35,964	7,607	43,571	9,298,591

(2) Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,018,126	564,725	7,826,337	(154,168)	9,255,020	35,964	7,607	43,571	9,298,591
Changes during period									
Dividends of surplus			(366,054)		(366,054)				(366,054)
Profit attributable to owners of parent			481,850		481,850				481,850
Purchase of treasury shares				(73)	(73)				(73)
Net changes in items other than shareholders' equity						(8,396)	2,953	(5,443)	(5,443)
Total changes during period	—	—	115,796	(73)	115,722	(8,396)	2,953	(5,443)	110,279
Balance at end of period	1,018,126	564,725	7,942,134	(154,242)	9,370,743	27,567	10,560	38,127	9,408,871

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,243,891	790,280
Depreciation	459,159	531,326
Increase (decrease) in provision for bonuses	68,067	(49,084)
Increase (decrease) in provision for bonuses for directors (and other officers)	28,561	(18,721)
Increase (decrease) in allowance for doubtful accounts	3,499	(317)
Increase (decrease) in retirement benefit liability	13,923	(14,449)
Decrease (increase) in retirement benefit asset	(3,762)	2,857
Interest and dividend income	(3,653)	(4,252)
Interest expenses	15,390	17,229
Foreign exchange losses (gains)	(864)	(178)
Loss (gain) on sale of property, plant and equipment	(1,387)	(59)
Loss on retirement of property, plant and equipment	4,074	1,258
Decrease (increase) in trade receivables	(815,052)	217,503
Decrease (increase) in inventories	(1,582,611)	17,797
Increase (decrease) in trade payables	479,207	(663,654)
Other, net	40,147	251,818
Subtotal	948,591	1,079,356
Interest and dividends received	3,653	4,251
Interest paid	(14,263)	(17,757)
Income taxes paid	(573,304)	(881,019)
Income taxes refund	21,579	—
Net cash provided by (used in) operating activities	386,256	184,831
Cash flows from investing activities		
Purchase of property, plant and equipment	(608,472)	(677,670)
Proceeds from sale of property, plant and equipment	1,526	65
Payments for retirement of property, plant and equipment	(563)	(3,844)
Purchase of intangible assets	(37,084)	(61,936)
Other, net	(894)	(706)
Net cash provided by (used in) investing activities	(645,489)	(744,092)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	200,000
Proceeds from long-term borrowings	300,000	200,000
Repayments of long-term borrowings	(230,500)	(259,600)
Repayments of lease liabilities	(12,683)	(26,841)
Purchase of treasury shares	(381)	(73)
Dividends paid	(219,638)	(366,053)
Net cash provided by (used in) financing activities	(163,203)	(252,568)
Effect of exchange rate change on cash and cash equivalents	7,690	2,146
Net increase (decrease) in cash and cash equivalents	(414,745)	(809,683)
Cash and cash equivalents at beginning of period	3,500,628	3,085,883
Cash and cash equivalents at end of period	3,085,883	2,276,200

Segment Information

(1) For the Year ended March 31, 2021

(Thousands of yen)

	Reportable segments			Others	Total	Reconciling items	Per consolidated financial statements
	Antimony products	Atomized metal powders	Reportable segments				
Sales							
Revenues from external customers	8,373,571	8,692,608	17,066,180	31,621	17,097,801	—	17,097,801
Transactions with other segments	—	49,705	49,705	1,548	51,254	(51,254)	—
Net sales	8,373,571	8,742,314	17,115,885	33,170	17,149,055	(51,254)	17,097,801
Operating profit (loss)	771,354	1,388,225	2,159,580	23,324	2,182,904	8,645	2,191,550
Assets	6,719,050	8,084,527	14,803,577	36,495	14,840,073	—	14,840,073
Other items							
Depreciation	129,132	328,587	457,720	1,439	459,159	—	459,159
Increase in property, plant and equipment and intangible assets	286,171	711,890	998,062	—	998,062	—	998,062

※The above-mentioned "Others" category is a real estate lease business, etc., not included in the reportable segments.

(2) For the Year ended March 31, 2023

(Thousands of yen)

	Reportable segments			Others	Total	Reconciling items	Per consolidated financial statements
	Antimony products	Atomized metal powders	Reportable segments				
Sales							
Revenues from external customers	9,737,510	6,154,323	15,891,834	31,549	15,923,384	—	15,923,384
Transactions with other segments	—	61,388	61,388	1,545	62,933	(62,933)	—
Net sales	9,737,510	6,215,712	15,953,222	33,095	15,986,317	(62,933)	15,923,384
Operating profit (loss)	781,048	(11,109)	769,938	21,985	791,923	11,052	802,976
Assets	6,720,300	7,198,494	13,918,794	35,129	13,953,923	—	13,953,923
Other items							
Depreciation	170,659	359,300	529,960	1,366	531,326	—	531,326
Increase in property, plant and equipment and intangible assets	183,816	486,757	670,574	—	670,574	—	670,574

※The above-mentioned "Others" category is a real estate lease business, etc., not included in the reportable segments.