

Summary of Consolidated Financial Results
for the Second Quarter Ended September 30, 2022(Unaudited)

November 8, 2022

English translation from the original Japanese-language document

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

Company name: Nihon Seiko Co., Ltd.
 URL: <https://www.nihonseiko.co.jp>
 Listed stock exchange: The standard market of Tokyo Stock Exchange
 Securities Code: 5729
 Company Representative: Noritaka Ueda, President & CEO
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1. Consolidated Financial Results for the Second Quarter Ended September 30, 2022 and 2021

(1) Operating Results (Rounded down to millions of Japanese Yen)

	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 Second quarter ended								
September 30, 2022	8,606	(1.8)	608	(53.3)	626	(51.5)	437	(51.3)
September 30, 2021	8,767	77.8	1,302	168.7	1,292	166.6	897	166.2

Note: Comprehensive income:

As of September 30, 2022: 436 million yen (51.9%) As of September 30, 2021: 908 million yen 162.4%

	EPS
For the Second quarter ended	Yen
September 30, 2022	179.14
September 30, 2021	367.61

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2022	14,399	9,515	66.1
March 31, 2022	14,840	9,298	62.7

Note: Shareholders' equity As of September 30, 2022: 9,515 million yen As of March 31, 2022: 9,298 million yen

2. Cash Dividends

	Cash Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
For the year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2022	-	50.00	-	90.00	140.00
March 31, 2023	-	60.00			
March 31, 2023(expected)			-	60.00	120.00

Note: Change in the estimation of divided from the latest announcement : No

3. Consolidated Earnings Forecast for the Year Ending March 2023(April 1, 2022 ~ March 31, 2023):

(%: 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				
For the year ending March 31, 2023	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen				
Full year	18,400	7.6	1,090	(50.3)	1,090	(51.5)	750	(51.3)	307.33

Note: Change in the forecast from the latest announcement : Yes

4. Others

- (1) Changes in major subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in scope of consolidation) : No
- (2) Application of special accounting for preparing quarterly consolidated financial statements : No
- (3) 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
- (4) Number of outstanding shares at the end of the period:
1. Number of outstanding shares at the end of the period:

As of September 30, 2022: 2,605,900	As of March 31, 2022: 2,605,900
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 2. Number of treasury shares at the end of the period:

As of September 30, 2022: 165,543	As of March 31, 2022: 165,537
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 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2023: 2,440,363	For the 2nd Quarter ended March 31, 2022: 2,440,458
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Explanation on appropriate use of business forecasts, and other special notes

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 September 30, 2022
Assets		
Current assets		
Cash and deposits	3,085,883	2,559,303
Notes and accounts receivable – trade	2,755,550	2,852,731
Merchandise and finished goods	1,920,393	2,017,366
Work in process	371,838	381,169
Raw materials and supplies	1,427,658	1,506,674
Other	241,181	78,843
Allowance for doubtful accounts	(8,838)	(9,637)
Total current assets	9,793,667	9,386,452
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,728,126	1,753,057
Machinery, equipment and vehicles, net	664,198	753,742
Land	1,436,191	1,436,191
Other, net	640,494	540,254
Total property, plant and equipment	4,469,011	4,483,245
Intangible assets	111,046	110,669
Investments and other assets	466,348	419,629
Total non-current assets	5,046,406	5,013,545
Total assets	14,840,073	14,399,997

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,534,757	1,226,519
Electronically recorded obligations – operating	285,391	226,619
Short-term borrowings	1,343,000	1,564,200
Income taxes payable	541,744	173,272
Provision for bonuses	210,630	203,931
Other	595,102	480,660
Total current liabilities	4,510,626	3,875,204
Non-current liabilities		
Long-term borrowings	249,500	251,800
Retirement benefit liability	365,219	359,471
Asset retirement obligations	37,183	37,447
Other	378,952	360,227
Total non-current liabilities	1,030,855	1,008,946
Total liabilities	5,541,481	4,884,151
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	7,826,337	8,043,876
Treasury shares	(154,168)	(154,187)
Total shareholders' equity	9,255,020	9,472,540
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,964	28,343
Foreign currency translation adjustment	7,607	14,961
Total accumulated other comprehensive income	43,571	43,305
Total net assets	9,298,591	9,515,846
Total liabilities and net assets	14,840,073	14,399,997

Consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	8,767,261	8,606,532
Cost of sales	6,958,721	7,447,212
Gross profit	1,808,539	1,159,319
Selling, general and administrative expenses	506,055	550,518
Operating profit	1,302,484	608,801
Non-operating income		
Dividend income	1,626	2,258
Foreign exchange gains	—	22,632
Other	3,654	7,271
Total non-operating income	5,280	32,162
Non-operating expenses		
Interest expenses	6,174	9,084
Care and maintenance costs of suspended mine	7,259	5,075
Other	2,220	697
Total non-operating expenses	15,654	14,856
Ordinary profit	1,292,110	626,107
Extraordinary income		
Gain on sale of non-current assets	1,299	—
Total extraordinary income	1,299	—
Extraordinary losses		
Loss on retirement of non-current assets	726	828
Total extraordinary losses	726	828
Profit before income taxes	1,292,684	625,279
Income taxes – current	402,060	172,797
Income taxes – deferred	(6,505)	15,309
Total income taxes	395,554	188,107
Profit	897,129	437,171
Profit attributable to owners of parent	897,129	437,171

Consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	897,129	437,171
Other comprehensive income		
Valuation difference on available-for-sale securities	7,558	(7,620)
Foreign currency translation adjustment	3,692	7,354
Total other comprehensive income	11,251	(265)
Comprehensive income	908,380	436,906
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	908,380	436,906

Segment Information

(1) Six months ended September 30, 2021

(Thousands of yen)

	Reportable segments			Others	Total	Reconciling items	Per quarterly consolidated financial statements
	Antimony products	Atomized metal powders	Reportable segments				
Sales							
Revenues from external customers	3,961,079	4,790,390	8,751,470	15,791	8,767,261	—	8,767,261
Transactions with other segments	—	26,349	26,349	725	27,075	(27,075)	—
Net sales	3,961,079	4,816,740	8,777,820	16,516	8,794,336	(27,075)	8,767,261
Operating profit (loss)	431,971	854,935	1,286,907	11,746	1,298,653	3,830	1,302,484

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

(2) Six months ended September 30, 2022

(Thousands of yen)

	Reportable segments			Others	Total	Reconciling items	Per quarterly consolidated financial statements
	Antimony products	Atomized metal powders	Reportable segments				
Sales							
Revenues from external customers	5,060,055	3,530,690	8,590,746	15,786	8,606,532	—	8,606,532
Transactions with other segments	—	41,425	41,425	751	42,176	(42,176)	—
Net sales	5,060,055	3,572,115	8,632,171	16,537	8,648,709	(42,176)	8,606,532
Operating profit (loss)	459,219	132,462	591,681	11,249	602,931	5,870	608,801

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