

Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2023 (Unaudited)

February 6, 2024

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>
 Stock exchange listing: Tokyo
 Securities Code: 5729
 Company Representative: Noritaka Ueda, President & CEO
 Contact Information: Yoshitaro Oonishi, Director, General Manager, Corporate Planning & Administration Dept.
 Tel +81-3-3235-0021

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2023 and 2022

(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 Third quarter ended								
December 31, 2023	11,519	(6.5)	420	(44.2)	441	(40.5)	316	(38.5)
December 31, 2022	12,322	(4.1)	754	(58.1)	741	(58.7)	514	(58.6)

Note: Comprehensive income:

As of December 31, 2023: 336 million yen (33.9%) As of December 31, 2022: 510 million yen (59.4%)

	EPS
	Yen
For the Third quarter ended	
December 31, 2023	129.66
December 31, 2022	210.93

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
	Millions of Yen	Millions of Yen	%
As of			
December 31, 2023	14,544	9,509	65.4
March 31, 2023	13,953	9,408	67.4

Note: Shareholders' equity As of December 31, 2023: 9,509 million yen As of March 31, 2023: 9,408 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, 2023	-	60.00	-	60.00	120.00
March 31, 2024	-	40.00			
March 31, 2024(expected)			-	30.00	70.00

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

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

(%: Change from the previous fiscal year for Year ending March 31,2024)

	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
For the year ending March 31, 2024									
Full year	16,100	1.1	470	(41.5)	480	(39.4)	320	(33.6)	130.98

Note: Change in the forecast from the latest announcement : No

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 December 31, 2023: 2,605,900	As of March 31, 2023: 2,605,900
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 2. Number of treasury shares at the end of the period:

As of December 31, 2023: 162,711	As of March 31, 2023: 165,561
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 3. Average number of outstanding shares during period:

For the 3rd Quarter ending March 31, 2024: 2,442,067	For the 3rd Quarter ended March 31, 2023: 2,440,359
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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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,276,200	2,512,275
Notes and accounts receivable – trade	2,539,247	2,908,170
Merchandise and finished goods	1,815,975	1,838,620
Work in process	322,846	364,597
Raw materials and supplies	1,566,420	1,154,780
Other	316,914	189,220
Allowance for doubtful accounts	(8,521)	(8,835)
Total current assets	8,829,084	8,958,829
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,717,767	1,651,414
Machinery, equipment and vehicles, net	781,691	689,864
Land	1,436,191	1,436,191
Other, net	625,909	1,252,349
Total property, plant and equipment	4,561,560	5,029,819
Intangible assets	149,773	146,530
Investments and other assets	413,505	409,269
Total non-current assets	5,124,839	5,585,619
Total assets	13,953,923	14,544,449

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	954,696	928,919
Electronically recorded obligations – operating	206,838	280,142
Short-term borrowings	1,445,200	1,532,050
Income taxes payable	75,782	47,396
Provision for bonuses	161,545	70,359
Other	623,264	610,507
Total current liabilities	3,467,328	3,469,376
Non-current liabilities		
Long-term borrowings	287,700	787,750
Retirement benefit liability	350,770	354,781
Asset retirement obligations	37,607	37,814
Other	401,646	385,037
Total non-current liabilities	1,077,724	1,565,382
Total liabilities	4,545,052	5,034,759
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	570,142
Retained earnings	7,942,134	8,014,617
Treasury shares	(154,242)	(151,653)
Total shareholders' equity	9,370,743	9,451,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,567	43,882
Foreign currency translation adjustment	10,560	14,574
Total accumulated other comprehensive income	38,127	58,457
Total net assets	9,408,871	9,509,690
Total liabilities and net assets	13,953,923	14,544,449

Consolidated statements of income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	12,322,266	11,519,804
Cost of sales	10,743,384	10,274,932
Gross profit	1,578,882	1,244,872
Selling, general and administrative expenses	824,296	823,978
Operating profit	754,586	420,893
Non-operating income		
Dividend income	3,252	3,136
Foreign exchange gains	—	12,329
Subsidy income	268	10,888
Other	8,914	17,899
Total non-operating income	12,434	44,253
Non-operating expenses		
Interest expenses	13,391	12,938
Care and maintenance costs of suspended mine	7,795	9,664
Other	4,099	1,310
Total non-operating expenses	25,286	23,913
Ordinary profit	741,734	441,234
Extraordinary income		
Gain on sale of non-current assets	59	—
Total extraordinary income	59	—
Extraordinary losses		
Loss on retirement of non-current assets	828	12,717
Total extraordinary losses	828	12,717
Profit before income taxes	740,965	428,516
Income taxes – current	188,144	86,153
Income taxes – deferred	38,073	25,732
Total income taxes	226,218	111,885
Profit	514,746	316,631
Profit attributable to owners of parent	514,746	316,631

Consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	514,746	316,631
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,276)	16,315
Foreign currency translation adjustment	7,580	4,013
Total other comprehensive income	(4,695)	20,329
Comprehensive income	510,050	336,960
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	510,050	336,960

Segment Information

(1) Nine months ended December 31, 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	7,654,409	4,644,233	12,298,642	23,623	12,322,266	—	12,322,266
Transactions with other segments	—	50,848	50,848	1,151	52,000	(52,000)	—
Net sales	7,654,409	4,695,082	12,349,491	24,775	12,374,267	(52,000)	12,322,266
Operating profit	686,536	42,516	729,053	16,850	745,903	8,683	754,586

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

(2) Nine months ended December 31, 2023

(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	6,179,410	5,316,672	11,496,082	23,722	11,519,804	—	11,519,804
Transactions with other segments	—	42,083	42,083	1,166	43,249	(43,249)	—
Net sales	6,179,410	5,358,755	11,538,165	24,888	11,563,053	(43,249)	11,519,804
Operating profit (loss)	196,451	191,318	387,769	16,962	404,732	16,161	420,893

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