

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 28, 2022

Company name: Nippon Seisen Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5659 URL <https://www.n-seisen.co.jp/>
 Representative: President and CEO Motoshi Shinkai
 Inquiries: General Manager, Accounting Department Shuichi Nagasawa TEL 06-6222-5432
 Scheduled date to file Quarterly Securities Report: February 10, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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	%
Nine months ended December 31, 2021	32,905	36.8	3,711	141.5	3,800	119.8	2,669	119.9
Nine months ended December 31, 2020	24,049	(8.1)	1,536	12.3	1,728	21.8	1,214	21.7

Note: Comprehensive income
 Nine months ended December 31, 2021 ¥2,726 million [114.2%]
 Nine months ended December 31, 2020 ¥1,272 million [11.3%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	435.23		–	
Nine months ended December 31, 2020	197.95		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	48,926	34,648	69.9
As of March 31, 2021	46,071	32,974	70.7

Reference: Equity
 As of December 31, 2021 ¥34,192 million
 As of March 31, 2021 ¥32,564 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	40.00	–	70.00	110.00
Year ending March 31, 2022	–	100.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	100.00	200.00

Note: Revisions to the cash dividend forecasts most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Full year	42,000	23.1	4,200	76.5	4,200	61.4	2,940	61.0	479.37

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(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
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|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| 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 December 31, 2021	6,492,293 shares	As of March 31, 2021	6,492,293 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	359,214 shares	As of March 31, 2021	359,054 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	359,112 shares	Nine months ended December 31, 2020	6,133,443 shares
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* 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	13,776	14,055
Notes and accounts receivable - trade	8,210	8,950
Electronically recorded monetary claims - operating	537	943
Merchandise and finished goods	1,856	2,451
Work in process	3,457	3,833
Raw materials and supplies	1,618	1,847
Other	174	239
Total current assets	29,631	32,321
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,464	4,879
Machinery, equipment and vehicles, net	6,402	6,500
Land	1,630	1,627
Leased assets, net	10	25
Construction in progress	959	656
Other, net	599	615
Total property, plant and equipment	14,067	14,304
Intangible assets	255	225
Investments and other assets	2,116	2,075
Total non-current assets	16,439	16,605
Total assets	46,071	48,926
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,494	6,744
Short-term borrowings	440	332
Income taxes payable	700	659
Provision for bonuses	580	403
Provision for bonuses for directors (and other officers)	26	-
Other	1,034	1,254
Total current liabilities	8,277	9,394
Non-current liabilities		
Long-term borrowings	194	105
Provision for retirement benefits for directors (and other officers)	63	54
Retirement benefit liability	4,544	4,699
Provision for environmental measures	0	-
Other	17	25
Total non-current liabilities	4,820	4,884
Total liabilities	13,097	14,278

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,442	5,442
Retained earnings	22,880	24,497
Treasury shares	(849)	(849)
Total shareholders' equity	32,473	34,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25	28
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	174	154
Remeasurements of defined benefit plans	(109)	(81)
Total accumulated other comprehensive income	90	102
Non-controlling interests	409	455
Total net assets	32,974	34,648
Total liabilities and net assets	46,071	48,926

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	24,049	32,905
Cost of sales	20,222	26,744
Gross profit	3,826	6,161
Selling, general and administrative expenses	2,289	2,449
Operating profit	1,536	3,711
Non-operating income		
Interest income	6	10
Dividend income	12	13
Purchase discounts	11	16
Compensation income	22	32
Subsidies for employment adjustment	127	–
Foreign exchange gains	17	64
Other	26	21
Total non-operating income	223	159
Non-operating expenses		
Interest expenses	4	3
Sales discounts	11	–
Compensation expenses	4	9
Loss on retirement of non-current assets	5	56
Other	5	1
Total non-operating expenses	31	70
Ordinary profit	1,728	3,800
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on valuation of golf club membership	5	–
Total extraordinary losses	5	–
Profit before income taxes	1,723	3,801
Income taxes - current	490	1,068
Income taxes - deferred	8	32
Total income taxes	498	1,100
Profit	1,224	2,700
Profit attributable to non-controlling interests	10	30
Profit attributable to owners of parent	1,214	2,669

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,224	2,700
Other comprehensive income		
Valuation difference on available-for-sale securities	14	3
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(41)	(4)
Remeasurements of defined benefit plans, net of tax	75	28
Total other comprehensive income	48	26
Comprehensive income	1,272	2,726
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,265	2,680
Comprehensive income attributable to non-controlling interests	7	45