

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 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: August 8, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	12,217	14.8	1,632	31.8	1,689	30.1	1,176	28.3
Three months ended June 30, 2021	10,641	29.8	1,239	122.5	1,298	117.4	916	120.0

Note: Comprehensive income Three months ended June 30, 2022 ¥1,505 million [61.3%]
 Three months ended June 30, 2021 ¥933 million [168.7%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	191.79	–
Three months ended June 30, 2021	149.45	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	52,585	36,277	68.0
As of March 31, 2022	51,230	35,452	68.2

Reference: Equity As of June 30, 2022 ¥35,746 million
 As of March 31, 2022 ¥34,961 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, 2022	–	100.00	–	110.00	210.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		105.00	–	105.00	210.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	24,000	12.1	2,200	(7.7)	2,200	(11.0)	1,540	(11.5)	251.10
Full year	48,500	8.3	4,400	(4.3)	4,400	(4.3)	3,080	(3.1)	502.20

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(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
- 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 June 30, 2022	6,253,038 shares	As of March 31, 2022	6,492,293 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	120,070 shares	As of March 31, 2022	359,255 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	6,132,995 shares	Three months ended June 30, 2021	6,133,229 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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	15,640	15,222
Notes and accounts receivable - trade	9,170	9,202
Electronically recorded monetary claims - operating	840	934
Merchandise and finished goods	2,354	2,738
Work in process	4,060	4,769
Raw materials and supplies	2,398	2,767
Other	220	259
Total current assets	34,685	35,893
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,933	5,242
Machinery, equipment and vehicles, net	6,380	6,534
Land	1,637	1,645
Leased assets, net	23	21
Construction in progress	834	649
Other, net	614	609
Total property, plant and equipment	14,423	14,703
Intangible assets	229	213
Investments and other assets	1,892	1,775
Total non-current assets	16,545	16,692
Total assets	51,230	52,585
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,470	8,153
Short-term borrowings	355	361
Income taxes payable	1,086	499
Provision for bonuses	723	369
Provision for bonuses for directors (and other officers)	36	–
Other	1,213	1,962
Total current liabilities	10,886	11,346
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	57	–
Retirement benefit liability	4,672	4,666
Provision for environmental measures	136	136
Other	23	157
Total non-current liabilities	4,891	4,961
Total liabilities	15,777	16,308

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,442	5,442
Retained earnings	25,006	24,941
Treasury shares	(849)	(284)
Total shareholders' equity	34,598	35,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15	13
Deferred gains or losses on hedges	(1)	(2)
Foreign currency translation adjustment	453	730
Remeasurements of defined benefit plans	(104)	(94)
Total accumulated other comprehensive income	363	646
Non-controlling interests	491	530
Total net assets	35,452	36,277
Total liabilities and net assets	51,230	52,585

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	10,641	12,217
Cost of sales	8,589	9,706
Gross profit	2,052	2,511
Selling, general and administrative expenses	813	878
Operating profit	1,239	1,632
Non-operating income		
Interest income	4	2
Dividend income	6	0
Purchase discounts	5	5
Compensation income	13	12
Rental income	6	6
Foreign exchange gains	30	35
Reversal of provision for environmental measures	0	-
Other	0	0
Total non-operating income	66	63
Non-operating expenses		
Interest expenses	1	0
Compensation expenses	4	4
Loss on retirement of non-current assets	1	0
Other	0	1
Total non-operating expenses	7	6
Ordinary profit	1,298	1,689
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Profit before income taxes	1,299	1,689
Income taxes - current	286	381
Income taxes - deferred	84	114
Total income taxes	371	496
Profit	927	1,193
Profit attributable to non-controlling interests	10	16
Profit attributable to owners of parent	916	1,176

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	927	1,193
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(1)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(6)	305
Remeasurements of defined benefit plans, net of tax	9	9
Total other comprehensive income	6	312
Comprehensive income	933	1,505
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	912	1,459
Comprehensive income attributable to non-controlling interests	20	46