

Summary of Consolidated Financial Results  
for the Year Ended March 31, 2021(Unaudited)

May 14, 2021

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 second section of Tokyo Stock Exchange  
 Securities Code: 5729  
 Company Representative: Michifumi Watanabe, President & CEO  
 Contact Information: Takenori Wakabayashi, Managing Director, General Manager, Corporate Planning  
 & Administration Dept. Tel +81-3-3235-0021

## 1.Consolidated Financial Results for the Years Ended March 31,2021 and 2020

## (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 31,2021	11,247	3.1	1,194	166.4	1,207	178.5	813	184.3
March 31,2020	10,913	(22.5)	448	(64.2)	433	(64.5)	286	(65.5)

Note: Comprehensive income:

Fiscal year ended March 31, 2021: 833 million yen 215.9%

Fiscal year ended March 31, 2020: 263 million yen (67.4%)

	EPS	Return on equity	Recurring profit to total assets ratio	Operating income to net sales ratio
	Yen	%	%	%
For the years ended				
March 31,2021	333.40	10.7	10.5	10.6
March 31,2020	117.25	3.9	3.8	4.1

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

Fiscal year ended March 31, 2021: – million yen

Fiscal year ended March 31, 2020: – 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 31,2021	12,213	7,966	65.2	3,264.29
March 31,2020	10,784	7,286	67.6	2,985.41

Note: Shareholders' equity As of March 31, 2021: 7,966 million yen

As of March 31, 2020: 7,286 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 31,2021	1,394	(486)	(321)	3,500
March 31,2020	1,452	(657)	(621)	2,905

## 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 31,2020	—	37.50	—	37.50	75.00	183	64.0	2.5
March 31,2021	—	25.00	—	40.00	65.00	158	19.5	2.1
March 31,2022 (expected)	—	40.00	—	40.00	80.00		22.2	

## 3. Consolidated Earnings Forecast for the Year Ending March 2022 (April 1, 2021 ~ March 31, 2022):

(%: Change from the previous fiscal half year for First half 2020)

(%: Change from the previous fiscal year for Year ending March 31,2021)

	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 2021	6,560	33.0	830	71.2	810	67.1	560	66.2	229.46
Year ending March 31,2022	12,700	12.9	1,320	10.5	1,290	6.8	880	8.2	360.59

## 4. Others

(1) Changes in major subsidiaries during the fiscal year ended March 31,2021 : 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, 2021: 2,605,900

As of March 31, 2020: 2,605,900

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

As of March 31, 2021: 165,423

As of March 31, 2020: 165,331

3. Average number of outstanding shares during period:

As of March 31, 2021: 2,440,531

As of March 31, 2020: 2,440,765

## 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, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,905,207	3,500,628
Notes and accounts receivable – trade	1,602,997	1,936,520
Merchandise and finished goods	1,061,471	1,112,549
Work in process	234,670	324,598
Raw materials and supplies	566,576	699,045
Other	131,545	191,374
Allowance for doubtful accounts	(4,793)	(5,338)
Total current assets	6,497,675	7,759,378
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,097,588	4,312,056
Accumulated depreciation	(2,572,665)	(2,628,626)
Buildings and structures, net	1,524,923	1,683,430
Machinery, equipment and vehicles	6,361,304	6,568,316
Accumulated depreciation	(5,666,205)	(5,857,995)
Machinery, equipment and vehicles, net	695,098	710,320
Tools, furniture and fixtures	609,098	652,710
Accumulated depreciation	(519,180)	(554,962)
Tools, furniture and fixtures, net	89,917	97,747
Land	1,474,191	1,436,191
Leased assets	—	12,247
Accumulated depreciation	—	(1,624)
Leased assets, net	—	10,622
Construction in progress	108,587	28,509
Total property, plant and equipment	3,892,719	3,966,821
Intangible assets		
Other	46,520	81,404
Total intangible assets	46,520	81,404
Investments and other assets		
Investment securities	112,613	139,808
Deferred tax assets	78,860	74,877
Retirement benefit asset	12,195	44,660
Other	144,333	146,131
Total investments and other assets	348,003	405,477
Total non-current assets	4,287,243	4,453,704
Total assets	10,784,918	12,213,082

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	627,157	1,039,150
Electronically recorded obligations – operating	241,512	293,684
Short-term borrowings	1,450,000	1,298,000
Accounts payable – other	119,946	194,174
Income taxes payable	11,161	358,967
Provision for bonuses	110,627	142,562
Provision for bonuses for directors (and other officers)	—	16,400
Other	257,482	245,705
Total current liabilities	2,817,888	3,588,645
Non-current liabilities		
Long-term borrowings	240,000	225,000
Deferred tax liabilities	21,095	—
Retirement benefit liability	347,423	351,295
Asset retirement obligations	36,792	37,090
Other	35,630	44,634
Total non-current liabilities	680,942	658,020
Total liabilities	3,498,831	4,246,665
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	5,843,835	6,504,985
Treasury shares	(153,575)	(153,787)
Total shareholders' equity	7,273,112	7,934,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,382	31,257
Foreign currency translation adjustment	592	1,109
Total accumulated other comprehensive income	12,975	32,366
Total net assets	7,286,087	7,966,417
Total liabilities and net assets	10,784,918	12,213,082

## Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	10,913,552	11,247,358
Cost of sales	9,528,838	9,129,877
Gross profit	1,384,714	2,117,480
Selling, general and administrative expenses		
Freight-out and storage expense	156,053	159,670
Salaries and allowances	352,253	348,833
Provision for bonuses	20,208	30,911
Provision for bonuses for directors (and other officers)	—	16,400
Retirement benefit expenses	13,402	1,293
Welfare expenses	61,006	55,534
Depreciation	8,649	14,249
Travel and communication expenses	34,410	19,758
Rent expenses	26,472	26,056
Other	263,808	249,956
Total selling, general and administrative expenses	936,265	922,664
Operating profit	448,449	1,194,816
Non-operating income		
Interest income	978	630
Dividend income	3,559	3,305
Foreign exchange gains	—	3,790
Insurance claim income	11,780	—
Subsidy income	5,760	17,153
Other	11,489	10,348
Total non-operating income	33,568	35,228
Non-operating expenses		
Interest expenses	13,846	11,288
Sales discounts	2,742	3,369
Foreign exchange losses	9,078	—
Care and maintenance costs of suspended mine	22,554	6,341
Other	114	1,176
Total non-operating expenses	48,336	22,175
Ordinary profit	433,681	1,207,868
Extraordinary income		
Gain on sale of non-current assets	5	1,922
Total extraordinary income	5	1,922
Extraordinary losses		
Impairment losses	—	22,977
Loss on retirement of non-current assets	1,653	2,823
Total extraordinary losses	1,653	25,800
Profit before income taxes	432,033	1,183,990
Income taxes – current	119,066	395,738
Income taxes – deferred	26,795	(25,432)
Total income taxes	145,862	370,306
Profit	286,170	813,684
Profit attributable to owners of parent	286,170	813,684

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	286,170	813,684
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,574)	18,875
Foreign currency translation adjustment	(1,881)	516
Total other comprehensive income	(22,456)	19,391
Comprehensive income	263,714	833,076
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	263,714	833,076

## Consolidated statements of changes in net assets

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' 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	5,740,730	(152,619)	7,170,963	32,957	2,474	35,431	7,206,395
Changes during period									
Dividends of surplus			(183,065)		(183,065)				(183,065)
Profit attributable to owners of parent			286,170		286,170				286,170
Purchase of treasury shares				(956)	(956)				(956)
Net changes in items other than shareholders' equity						(20,574)	(1,881)	(22,456)	(22,456)
Total changes during period	—	—	103,105	(956)	102,148	(20,574)	(1,881)	(22,456)	79,692
Balance at end of period	1,018,126	564,725	5,843,835	(153,575)	7,273,112	12,382	592	12,975	7,286,087

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' 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	5,843,835	(153,575)	7,273,112	12,382	592	12,975	7,286,087
Changes during period									
Dividends of surplus			(152,535)		(152,535)				(152,535)
Profit attributable to owners of parent			813,684		813,684				813,684
Purchase of treasury shares				(211)	(211)				(211)
Net changes in items other than shareholders' equity						18,875	516	19,391	19,391
Total changes during period	—	—	661,149	(211)	660,937	18,875	516	19,391	680,329
Balance at end of period	1,018,126	564,725	6,504,985	(153,787)	7,934,050	31,257	1,109	32,366	7,966,417

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	432,033	1,183,990
Depreciation	456,459	414,096
Impairment losses	–	22,977
Increase (decrease) in provision for bonuses	(44,805)	31,935
Increase (decrease) in provision for bonuses for directors (and other officers)	(28,800)	16,400
Increase (decrease) in allowance for doubtful accounts	(1,927)	544
Increase (decrease) in retirement benefit liability	(13,895)	3,871
Decrease (increase) in retirement benefit asset	21,957	(32,464)
Interest and dividend income	(4,538)	(3,935)
Interest expenses	13,846	11,288
Foreign exchange losses (gains)	181	(7,545)
Loss (gain) on sale of property, plant and equipment	(5)	(1,922)
Loss on retirement of property, plant and equipment	1,653	2,823
Decrease (increase) in trade receivables	464,467	(332,767)
Decrease (increase) in inventories	706,122	(273,610)
Increase (decrease) in trade payables	(234,640)	463,370
Other, net	56,572	(100,268)
Subtotal	1,824,681	1,398,783
Interest and dividends received	4,519	3,941
Interest paid	(14,323)	(11,072)
Income taxes paid	(362,567)	(83,214)
Income taxes refund	–	86,410
Net cash provided by (used in) operating activities	1,452,310	1,394,848
Cash flows from investing activities		
Purchase of property, plant and equipment	(651,448)	(452,143)
Proceeds from sale of property, plant and equipment	6	19,119
Payments for retirement of property, plant and equipment	(2,138)	(2,204)
Purchase of intangible assets	(3,676)	(43,949)
Other, net	(14)	(6,970)
Net cash provided by (used in) investing activities	(657,271)	(486,148)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(200,000)	(20,000)
Proceeds from long-term borrowings	100,000	200,000
Repayments of long-term borrowings	(337,500)	(347,000)
Repayments of lease obligations	–	(1,787)
Purchase of treasury shares	(956)	(211)
Dividends paid	(183,065)	(152,534)
Net cash provided by (used in) financing activities	(621,521)	(321,533)
Effect of exchange rate change on cash and cash equivalents	(2,087)	8,256
Net increase (decrease) in cash and cash equivalents	171,429	595,421
Cash and cash equivalents at beginning of period	2,733,777	2,905,207
Cash and cash equivalents at end of period	2,905,207	3,500,628



## Segment Information

## (1) For the Year ended March 31, 2020

(Thousands of yen)

	Reportable segments			Other	Total	Reconciling items	Per consolidated financial statements
	Antimony products	Atomized metal powders	Reportable segments				
Sales							
Revenues from external customers	5,620,081	5,271,153	10,891,234	22,318	10,913,552	—	10,913,552
Transactions with other segments	—	29,039	29,039	—	29,039	(29,039)	—
Net sales	5,620,081	5,300,192	10,920,273	22,318	10,942,592	(29,039)	10,913,552
Operating profit (loss)	100,917	302,636	403,553	21,909	425,462	22,986	448,449
Assets	4,703,291	6,042,173	10,745,464	39,453	10,784,918	—	10,784,918
Other items							
Depreciation	120,504	334,360	454,865	1,594	456,459	—	456,459
Increase in property, plant and equipment and intangible assets	212,659	246,953	459,612	—	459,612	—	459,612

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

## (2) For the Year ended March 31, 2021

(Thousands of yen)

	Reportable segments			Other	Total	Reconciling items	Per consolidated financial statements
	Antimony products	Atomized metal powders	Reportable segments				
Sales							
Revenues from external customers	4,620,713	6,604,470	11,225,184	22,174	11,247,358	—	11,247,358
Transactions with other segments	—	28,745	28,745	—	28,745	(28,745)	—
Net sales	4,620,713	6,633,215	11,253,929	22,174	11,276,103	(28,745)	11,247,358
Operating profit (loss)	71,057	1,093,014	1,164,072	21,823	1,185,896	8,919	1,194,816
Assets	5,188,332	6,986,816	12,175,148	37,934	12,213,082	—	12,213,082
Other items							
Depreciation	119,285	293,292	412,577	1,519	414,096	—	414,096
Increase in property, plant and equipment and intangible assets	172,717	385,469	558,187	—	558,187	—	558,187

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