

Summary of Consolidated Financial Results
for the Second Quarter Ended September 30, 2021(Unaudited)

November 5, 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
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1. Consolidated Financial Results for the Second Quarter Ended September 30, 2021 and 2020

(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, 2021	8,767	77.8	1,302	168.7	1,292	166.6	897	166.2
September 30, 2020	4,931	(10.9)	484	292.8	484	373.4	337	465.5

Note: Comprehensive income:

As of September 30, 2021: 908 million yen 162.4% As of September 30, 2020: 346 million yen 601.8%

	EPS
For the Second quarter ended	Yen
September 30, 2021	367.61
September 30, 2020	138.09

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2021	13,539	8,776	64.8
March 31, 2021	12,213	7,966	65.2

Note: Shareholders' equity As of September 30, 2021: 8,776 million yen As of March 31, 2021: 7,966 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, 2021	-	25.00	-	40.00	65.00
March 31, 2022	-	50.00			
March 31, 2022(expected)			-	50.00	100.00

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

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

(%: Change from the previous fiscal year for Year ending March 31,2022)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	EPS				
For the year ending March 31, 2022	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen				
Full year	15,800	40.5	1,800	50.7	1,760	45.7	1,200	47.5	491.71

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 : Yes
 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, 2021: 2,605,900	As of March 31, 2021: 2,605,900
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 2. Number of treasury shares at the end of the period:

As of September 30, 2021: 165,505	As of March 31, 2021: 165,423
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 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2022: 2,440,458	For the 2nd Quarter ended March 31, 2021: 2,440,556
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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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	3,500,628	3,364,633
Notes and accounts receivable – trade	1,936,520	2,659,218
Merchandise and finished goods	1,112,549	1,483,170
Work in process	324,598	370,278
Raw materials and supplies	699,045	1,002,367
Other	191,374	117,381
Allowance for doubtful accounts	(5,338)	(8,111)
Total current assets	7,759,378	8,988,939
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,683,430	1,736,161
Machinery, equipment and vehicles, net	710,320	697,977
Land	1,436,191	1,436,191
Other, net	136,879	175,234
Total property, plant and equipment	3,966,821	4,045,564
Intangible assets	81,404	78,979
Investments and other assets	405,477	425,749
Total non-current assets	4,453,704	4,550,294
Total assets	12,213,082	13,539,233

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,039,150	1,264,182
Electronically recorded obligations – operating	293,684	380,296
Short-term borrowings	1,298,000	1,253,000
Income taxes payable	358,967	410,328
Provision for bonuses	142,562	140,144
Other	456,279	460,194
Total current liabilities	3,588,645	3,908,145
Non-current liabilities		
Long-term borrowings	225,000	416,000
Retirement benefit liability	351,295	357,714
Asset retirement obligations	37,090	37,166
Other	44,634	43,294
Total non-current liabilities	658,020	854,175
Total liabilities	4,246,665	4,762,321
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	6,504,985	7,304,495
Treasury shares	(153,787)	(154,053)
Total shareholders' equity	7,934,050	8,733,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,257	38,816
Foreign currency translation adjustment	1,109	4,801
Total accumulated other comprehensive income	32,366	43,617
Total net assets	7,966,417	8,776,912
Total liabilities and net assets	12,213,082	13,539,233

Consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	4,931,909	8,767,261
Cost of sales	4,010,434	6,958,721
Gross profit	921,475	1,808,539
Selling, general and administrative expenses	436,750	506,055
Operating profit	484,725	1,302,484
Non-operating income		
Dividend income	2,444	1,626
Subsidy income	9,281	614
Other	7,888	3,040
Total non-operating income	19,614	5,280
Non-operating expenses		
Interest expenses	5,822	6,174
Foreign exchange losses	8,300	9
Care and maintenance costs of suspended mine	3,324	7,259
Other	2,191	2,210
Total non-operating expenses	19,638	15,654
Ordinary profit	484,701	1,292,110
Extraordinary income		
Gain on sale of non-current assets	15	1,299
Total extraordinary income	15	1,299
Extraordinary losses		
Loss on retirement of non-current assets	1,097	726
Total extraordinary losses	1,097	726
Profit before income taxes	483,620	1,292,684
Income taxes – current	157,901	402,060
Income taxes – deferred	(11,304)	(6,505)
Total income taxes	146,597	395,554
Profit	337,022	897,129
Profit attributable to owners of parent	337,022	897,129

Consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	337,022	897,129
Other comprehensive income		
Valuation difference on available-for-sale securities	10,524	7,558
Foreign currency translation adjustment	(1,415)	3,692
Total other comprehensive income	9,108	11,251
Comprehensive income	346,131	908,380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	346,131	908,380

Segment Information

(1) Six months ended September 30, 2020

(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	2,133,694	2,787,085	4,920,779	11,129	4,931,909	—	4,931,909
Transactions with other segments	—	14,028	14,028	—	14,028	(14,028)	—
Net sales	2,133,694	2,801,114	4,934,808	11,129	4,945,938	(14,028)	4,931,909
Operating profit (loss)	12,889	456,816	469,705	10,955	480,660	4,064	484,725

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

(2) 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.