

Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2021(Unaudited)

February 4, 2022

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 Third Quarter Ended December 31, 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 Third quarter ended								
December 31, 2021	12,853	66.6	1,801	139.5	1,794	140.7	1,243	149.0
December 31, 2020	7,713	(5.3)	752	241.4	745	256.4	499	271.6

Note: Comprehensive income:

As of December 31, 2021: 1,255 million yen 145.2% As of December 31, 2020: 512 million yen 314.6%

	EPS
For the Third quarter ended	Yen
December 31, 2021	509.42
December 31, 2020	204.56

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2021	13,879	9,002	64.9
March 31, 2021	12,213	7,966	65.2

Note: Shareholders' equity As of December 31, 2021: 9,002 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)				90.00	140.00

Note: Change in the estimation of divided from the latest announcement : Yes

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	16,800 49.4	2,000 67.4	2,000 65.6	1,400 72.1	573.68

Note: Change in the forecast from the latest announcement : Yes

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 December 31, 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 December 31, 2021: 165,530	As of March 31, 2021: 165,423
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 3. Average number of outstanding shares during period:

For the 3rd Quarter ending March 31, 2022: 2,440,434	For the 3rd Quarter ended March 31, 2021: 2,440,547
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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 December 31, 2021
Assets		
Current assets		
Cash and deposits	3,500,628	2,831,634
Notes and accounts receivable – trade	1,936,520	2,616,694
Merchandise and finished goods	1,112,549	1,652,562
Work in process	324,598	419,584
Raw materials and supplies	699,045	1,204,836
Other	191,374	177,275
Allowance for doubtful accounts	(5,338)	(8,152)
Total current assets	7,759,378	8,894,435
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,683,430	1,745,086
Machinery, equipment and vehicles, net	710,320	701,120
Land	1,436,191	1,436,191
Other, net	136,879	563,607
Total property, plant and equipment	3,966,821	4,446,005
Intangible assets	81,404	110,770
Investments and other assets	405,477	427,938
Total non-current assets	4,453,704	4,984,715
Total assets	12,213,082	13,879,151

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,039,150	1,143,886
Electronically recorded obligations – operating	293,684	333,288
Short-term borrowings	1,298,000	1,253,000
Income taxes payable	358,967	328,562
Provision for bonuses	142,562	82,113
Other	456,279	547,259
Total current liabilities	3,588,645	3,688,110
Non-current liabilities		
Long-term borrowings	225,000	382,000
Retirement benefit liability	351,295	365,475
Asset retirement obligations	37,090	37,225
Other	44,634	404,126
Total non-current liabilities	658,020	1,188,827
Total liabilities	4,246,665	4,876,938
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	6,504,985	7,528,559
Treasury shares	(153,787)	(154,143)
Total shareholders' equity	7,934,050	8,957,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,257	39,554
Foreign currency translation adjustment	1,109	5,390
Total accumulated other comprehensive income	32,366	44,945
Total net assets	7,966,417	9,002,212
Total liabilities and net assets	12,213,082	13,879,151

Consolidated statements of income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	7,713,883	12,853,826
Cost of sales	6,305,460	10,288,434
Gross profit	1,408,423	2,565,391
Selling, general and administrative expenses	656,161	763,927
Operating profit	752,261	1,801,463
Non-operating income		
Dividend income	3,305	2,556
Foreign exchange gains	—	6,166
Subsidy income	14,359	797
Other	9,783	6,226
Total non-operating income	27,448	15,745
Non-operating expenses		
Interest expenses	8,805	10,749
Foreign exchange losses	17,307	—
Care and maintenance costs of suspended mine	4,941	8,527
Other	2,941	3,310
Total non-operating expenses	33,994	22,587
Ordinary profit	745,715	1,794,621
Extraordinary income		
Gain on sale of non-current assets	15	1,387
Total extraordinary income	15	1,387
Extraordinary losses		
Impairment losses	22,977	—
Loss on retirement of non-current assets	2,823	931
Total extraordinary losses	25,800	931
Profit before income taxes	719,930	1,795,077
Income taxes – current	227,493	542,894
Income taxes – deferred	(6,799)	8,970
Total income taxes	220,693	551,864
Profit	499,236	1,243,212
Profit attributable to owners of parent	499,236	1,243,212

Consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	499,236	1,243,212
Other comprehensive income		
Valuation difference on available-for-sale securities	13,377	8,296
Foreign currency translation adjustment	(454)	4,281
Total other comprehensive income	12,922	12,578
Comprehensive income	512,159	1,255,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	512,159	1,255,791

Segment Information

(1) Nine months ended December 31, 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	3,213,032	4,484,389	7,697,421	16,461	7,713,883	—	7,713,883
Transactions with other segments	—	22,688	22,688	—	22,688	(22,688)	—
Net sales	3,213,032	4,507,077	7,720,110	16,461	7,736,572	(22,688)	7,713,883
Operating profit (loss)	18,679	710,921	729,601	16,209	745,810	6,451	752,261

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

(2) Nine months ended December 31, 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	5,996,565	6,833,598	12,830,164	23,661	12,853,826	—	12,853,826
Transactions with other segments	—	38,527	38,527	1,154	39,681	(39,681)	—
Net sales	5,996,565	6,872,126	12,868,692	24,816	12,893,508	(39,681)	12,853,826
Operating profit (loss)	595,507	1,182,365	1,777,872	17,586	1,795,459	6,004	1,801,463

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