

Summary of Consolidated Financial Results
for the Third Quarter Ended December 31, 2022(Unaudited)

February 3, 2023

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 standard market of Tokyo Stock Exchange
 Securities Code: 5729
 Company Representative: Noritaka Ueda, President & CEO
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1. Consolidated Financial Results for the Third Quarter Ended December 31, 2022 and 2021

(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, 2022	12,322	(4.1)	754	(58.1)	741	(58.7)	514	(58.6)
December 31, 2021	12,853	66.6	1,801	139.5	1,794	140.7	1,243	149.0

Note: Comprehensive income:

As of December 31, 2022: 510 million yen (59.4)% As of December 31, 2021: 1,255 million yen 145.2%

	EPS
For the Third quarter ended	Yen
December 31, 2022	210.93
December 31, 2021	509.42

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
December 31, 2022	14,062	9,442	67.1
March 31, 2022	14,840	9,298	62.7

Note: Shareholders' equity As of December 31, 2022: 9,442 million yen As of March 31, 2022: 9,298 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, 2022	-	50.00	-	90.00	140.00
March 31, 2023	-	60.00	-		
March 31, 2023(expected)				60.00	120.00

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

3. Consolidated Earnings Forecast for the Year Ending March 2023(April 1, 2022 ~ March 31, 2023):

(%: Change from the previous fiscal year for Year ending March 31,2023)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	EPS				
For the year ending March 31, 2023	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen				
Full year	18,400	7.6	1,090	(50.3)	1,090	(51.5)	750	(51.3)	307.33

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 : No
 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, 2022: 2,605,900	As of March 31, 2022: 2,605,900
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 2. Number of treasury shares at the end of the period:

As of December 31, 2022: 165,549	As of March 31, 2022: 165,537
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 3. Average number of outstanding shares during period:

For the 3rd Quarter ending March 31, 2023: 2,440,359	For the 3rd Quarter ended March 31, 2022: 2,440,434
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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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,085,883	1,809,298
Notes and accounts receivable – trade	2,755,550	3,088,260
Merchandise and finished goods	1,920,393	1,956,658
Work in process	371,838	399,835
Raw materials and supplies	1,427,658	1,391,197
Other	241,181	296,760
Allowance for doubtful accounts	(8,838)	(10,694)
Total current assets	9,793,667	8,931,315
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,728,126	1,744,310
Machinery, equipment and vehicles, net	664,198	816,590
Land	1,436,191	1,436,191
Other, net	640,494	591,815
Total property, plant and equipment	4,469,011	4,588,908
Intangible assets	111,046	145,833
Investments and other assets	466,348	396,216
Total non-current assets	5,046,406	5,130,957
Total assets	14,840,073	14,062,273

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,534,757	1,054,537
Electronically recorded obligations – operating	285,391	184,346
Short-term borrowings	1,343,000	1,545,200
Income taxes payable	541,744	44,058
Provision for bonuses	210,630	76,640
Other	595,102	717,406
Total current liabilities	4,510,626	3,622,188
Non-current liabilities		
Long-term borrowings	249,500	236,800
Retirement benefit liability	365,219	369,772
Asset retirement obligations	37,183	37,509
Other	378,952	353,451
Total non-current liabilities	1,030,855	997,533
Total liabilities	5,541,481	4,619,722
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	564,725
Retained earnings	7,826,337	7,975,030
Treasury shares	(154,168)	(154,206)
Total shareholders' equity	9,255,020	9,403,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,964	23,687
Foreign currency translation adjustment	7,607	15,187
Total accumulated other comprehensive income	43,571	38,875
Total net assets	9,298,591	9,442,550
Total liabilities and net assets	14,840,073	14,062,273

Consolidated statements of income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	12,853,826	12,322,266
Cost of sales	10,288,434	10,743,384
Gross profit	2,565,391	1,578,882
Selling, general and administrative expenses	763,927	824,296
Operating profit	1,801,463	754,586
Non-operating income		
Dividend income	2,556	3,252
Foreign exchange gains	6,166	—
Surrender value of insurance policies	2,455	2,957
Other	4,567	6,224
Total non-operating income	15,745	12,434
Non-operating expenses		
Interest expenses	10,749	13,391
Care and maintenance costs of suspended mine	8,527	7,795
Other	3,310	4,099
Total non-operating expenses	22,587	25,286
Ordinary profit	1,794,621	741,734
Extraordinary income		
Gain on sale of non-current assets	1,387	59
Total extraordinary income	1,387	59
Extraordinary losses		
Loss on retirement of non-current assets	931	828
Total extraordinary losses	931	828
Profit before income taxes	1,795,077	740,965
Income taxes – current	542,894	188,144
Income taxes – deferred	8,970	38,073
Total income taxes	551,864	226,218
Profit	1,243,212	514,746
Profit attributable to owners of parent	1,243,212	514,746

Consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,243,212	514,746
Other comprehensive income		
Valuation difference on available-for-sale securities	8,296	(12,276)
Foreign currency translation adjustment	4,281	7,580
Total other comprehensive income	12,578	(4,695)
Comprehensive income	1,255,791	510,050
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,255,791	510,050

Segment Information

(1) 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.

(2) Nine months ended December 31, 2022

(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	7,654,409	4,644,233	12,298,642	23,623	12,322,266	—	12,322,266
Transactions with other segments	—	50,848	50,848	1,151	52,000	(52,000)	—
Net sales	7,654,409	4,695,082	12,349,491	24,775	12,374,267	(52,000)	12,322,266
Operating profit (loss)	686,536	42,516	729,053	16,850	745,903	8,683	754,586

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