

Summary of Consolidated Financial Results
for the Second Quarter Ended September 30, 2023 (Unaudited)

November 6, 2023

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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 URL: <https://www.nihonseiko.co.jp>
 Stock exchange listing: Tokyo
 Securities Code: 5729
 Company Representative: Noritaka Ueda, President & CEO
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1. Consolidated Financial Results for the Second Quarter Ended September 30, 2023 and 2022

(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, 2023	7,883	(8.4)	207	(65.8)	234	(62.6)	161	(63.1)
September 30, 2022	8,606	(1.8)	608	(53.3)	626	(51.5)	437	(51.3)

Note: Comprehensive income:

As of September 30, 2023: 167 million yen (61.6)% As of September 30, 2022: 436 million yen (51.9)%

	EPS
For the Second quarter ended	Yen
September 30, 2023	66.15
September 30, 2022	179.14

(2) Financial Position

	Total assets	Total net assets	Shareholders' equity ratio
As of	Millions of Yen	Millions of Yen	%
September 30, 2023	14,712	9,438	64.2
March 31, 2023	13,953	9,408	67.4

Note: Shareholders' equity As of September 30, 2023: 9,438 million yen As of March 31, 2023: 9,408 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, 2023	-	60.00	-	60.00	120.00
March 31, 2024	-	40.00			
March 31, 2024(expected)			-	30.00	70.00

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

3. Consolidated Earnings Forecast for the Year Ending March 2024(April 1, 2023 ~ March 31, 2024):

(%: Change from the previous fiscal year for Year ending March 31,2024)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	EPS
For the year ending March 31, 2024	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Full year	16,100 1.1	470 (41.5)	480 (39.4)	320 (33.6)	130.98

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 : 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 September 30, 2023: 2,605,900	As of March 31, 2023: 2,605,900
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 - 2. Number of treasury shares at the end of the period:

As of September 30, 2023: 162,711	As of March 31, 2023: 165,561
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 - 3. Average number of outstanding shares during period:

For the 2nd Quarter ending March 31, 2024: 2,441,503	For the 2nd Quarter ended March 31, 2023: 2,440,363
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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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	2,276,200	2,493,683
Notes and accounts receivable – trade	2,539,247	2,879,185
Merchandise and finished goods	1,815,975	1,839,269
Work in process	322,846	317,857
Raw materials and supplies	1,566,420	1,473,095
Other	316,914	118,385
Allowance for doubtful accounts	(8,521)	(8,705)
Total current assets	8,829,084	9,112,770
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,717,767	1,675,221
Machinery, equipment and vehicles, net	781,691	749,329
Land	1,436,191	1,436,191
Other, net	625,909	1,174,362
Total property, plant and equipment	4,561,560	5,035,104
Intangible assets	149,773	151,985
Investments and other assets	413,505	412,255
Total non-current assets	5,124,839	5,599,345
Total assets	13,953,923	14,712,115

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	954,696	1,355,966
Electronically recorded obligations – operating	206,838	246,769
Short-term borrowings	1,445,200	1,484,600
Income taxes payable	75,782	81,419
Provision for bonuses	161,545	154,890
Other	623,264	420,733
Total current liabilities	3,467,328	3,744,379
Non-current liabilities		
Long-term borrowings	287,700	767,200
Retirement benefit liability	350,770	342,902
Asset retirement obligations	37,607	37,775
Other	401,646	381,728
Total non-current liabilities	1,077,724	1,529,605
Total liabilities	4,545,052	5,273,985
Net assets		
Shareholders' equity		
Share capital	1,018,126	1,018,126
Capital surplus	564,725	570,142
Retained earnings	7,942,134	7,957,218
Treasury shares	(154,242)	(151,653)
Total shareholders' equity	9,370,743	9,393,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,567	31,008
Foreign currency translation adjustment	10,560	13,287
Total accumulated other comprehensive income	38,127	44,295
Total net assets	9,408,871	9,438,129
Total liabilities and net assets	13,953,923	14,712,115

Consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	8,606,532	7,883,937
Cost of sales	7,447,212	7,125,078
Gross profit	1,159,319	758,858
Selling, general and administrative expenses	550,518	550,938
Operating profit	608,801	207,919
Non-operating income		
Dividend income	2,258	2,136
Foreign exchange gains	22,632	23,303
Other	7,271	19,689
Total non-operating income	32,162	45,129
Non-operating expenses		
Interest expenses	9,084	9,178
Care and maintenance costs of suspended mine	5,075	8,343
Other	697	1,302
Total non-operating expenses	14,856	18,824
Ordinary profit	626,107	234,224
Extraordinary losses		
Loss on retirement of non-current assets	828	11,760
Total extraordinary losses	828	11,760
Profit before income taxes	625,279	222,464
Income taxes – current	172,797	63,315
Income taxes – deferred	15,309	(2,356)
Total income taxes	188,107	60,959
Profit	437,171	161,505
Profit attributable to owners of parent	437,171	161,505

Consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	437,171	161,505
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,620)	3,441
Foreign currency translation adjustment	7,354	2,726
Total other comprehensive income	(265)	6,167
Comprehensive income	436,906	167,672
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	436,906	167,672

Segment Information

(1) Six months ended September 30, 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	5,060,055	3,530,690	8,590,746	15,786	8,606,532	—	8,606,532
Transactions with other segments	—	41,425	41,425	751	42,176	(42,176)	—
Net sales	5,060,055	3,572,115	8,632,171	16,537	8,648,709	(42,176)	8,606,532
Operating profit	459,219	132,462	591,681	11,249	602,931	5,870	608,801

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

(2) Six months ended September 30, 2023

(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	4,279,398	3,588,762	7,868,161	15,776	7,883,937	—	7,883,937
Transactions with other segments	—	26,372	26,372	771	27,143	(27,143)	—
Net sales	4,279,398	3,615,135	7,894,533	16,547	7,911,080	(27,143)	7,883,937
Operating profit (loss)	136,576	50,786	187,363	10,967	198,330	9,588	207,919

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