

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: Nittoseiko Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5957 URL <https://www.nittoseiko.co.jp/>
 Representative: President Masami Zaiki
 Inquiries: Director, Accounting & Finance Division Shinichi Matsumoto TEL (0773)42-3111
 Scheduled date to file Quarterly Securities Report: May 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2022	9,428	△2.6	584	△12.5	665	△10.9	430	△4.1
Three months ended March 31, 2021	9,684	18.8	668	69.2	746	94.9	448	97.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	11.66	–
Three months ended March 31, 2021	12.19	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	50,516	33,230	58.6
As of December 31, 2021	50,924	32,702	57.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2021	–	7.50	–	8.50	16.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		8.00	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2022	20,000	△1.2	1,300	△30.9	1,400	△30.4	800	△35.1	21.66
Full year	42,500	4.9	3,400	4.6	3,500	0.3	2,200	0.0	59.57

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	39,985,017 shares	As of December 31, 2021	39,985,017 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	3,052,521 shares	As of December 31, 2021	3,051,981 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	36,932,899 shares	Three months ended March 31, 2021	36,836,501 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,415,551	10,888,010
Notes and accounts receivable - trade	8,577,471	8,033,538
Electronically recorded monetary claims - operating	3,506,977	2,978,114
Securities	391,926	391,133
Merchandise and finished goods	3,162,404	3,583,826
Work in process	2,189,604	2,680,357
Raw materials and supplies	2,574,345	2,733,578
Accounts receivable - other	646,769	624,757
Other	187,987	293,716
Allowance for doubtful accounts	(6,820)	(7,253)
Total current assets	32,646,217	32,199,779
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,992,679	3,998,532
Machinery, equipment and vehicles, net	2,808,414	2,796,213
Land	5,330,524	5,362,446
Construction in progress	484,064	581,730
Other, net	476,330	462,717
Total property, plant and equipment	13,092,013	13,201,641
Intangible assets		
Software	387,061	372,300
Goodwill	557,538	535,071
Customer related assets	63,975	59,800
Technology related assets	242,550	235,200
Other	30,237	32,543
Total intangible assets	1,281,362	1,234,915
Investments and other assets		
Investment securities	1,425,150	1,423,798
Deferred tax assets	669,565	597,496
Retirement benefit asset	1,161,762	1,195,519
Long-term time deposits	80,000	80,000
Other	568,947	583,966
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	3,904,425	3,879,781
Total non-current assets	18,277,801	18,316,338
Total assets	50,924,018	50,516,118

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,421,022	4,714,351
Electronically recorded obligations - operating	3,648,408	3,281,576
Short-term borrowings	2,610,540	2,700,270
Accounts payable - other	298,624	271,789
Income taxes payable	866,491	201,640
Provision for bonuses	213,525	430,592
Other	1,616,682	1,242,622
Total current liabilities	13,675,295	12,842,843
Non-current liabilities		
Long-term borrowings	758,233	748,020
Provision for directors' retirement benefits	96,755	99,173
Provision for share-based remuneration for directors (and other officers)	55,213	58,913
Deferred tax liabilities	409,695	406,860
Retirement benefit liability	2,685,480	2,590,756
Other	541,205	538,941
Total non-current liabilities	4,546,584	4,442,665
Total liabilities	18,221,880	17,285,509
Net assets		
Shareholders' equity		
Share capital	3,522,580	3,522,580
Capital surplus	2,674,370	2,674,370
Retained earnings	24,319,204	24,433,608
Treasury shares	(1,254,713)	(1,254,997)
Total shareholders' equity	29,261,441	29,375,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	100,776	89,763
Foreign currency translation adjustment	(196,858)	61,775
Remeasurements of defined benefit plans	86,075	81,756
Total accumulated other comprehensive income	(10,006)	233,295
Non-controlling interests	3,450,703	3,621,751
Total net assets	32,702,138	33,230,608
Total liabilities and net assets	50,924,018	50,516,118

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	9,684,399	9,428,066
Cost of sales	7,349,452	7,175,986
Gross profit	2,334,947	2,252,080
Selling, general and administrative expenses	1,666,728	1,667,314
Operating profit	668,218	584,765
Non-operating income		
Interest income	7,410	5,487
Dividend income	2,192	470
Rental income	23,651	22,678
Foreign exchange gains	46,212	33,183
Share of profit of entities accounted for using equity method	8,437	9,116
Other	38,768	60,770
Total non-operating income	126,673	131,707
Non-operating expenses		
Interest expenses	5,530	5,105
Rental costs	21,154	17,991
Other	21,246	27,731
Total non-operating expenses	47,931	50,828
Ordinary profit	746,960	665,644
Extraordinary income		
Gain on sales of non-current assets	1,239	2,564
Gain on sales of investment securities	121,762	—
Total extraordinary income	123,002	2,564
Extraordinary losses		
Loss on disposal of non-current assets	1,832	3,077
Total extraordinary losses	1,832	3,077
Profit before income taxes	868,129	665,131
Income taxes - current	243,794	119,978
Income taxes - deferred	29,078	63,800
Total income taxes	272,872	183,779
Profit	595,257	481,352
Profit attributable to non-controlling interests	146,360	50,891
Profit attributable to owners of parent	448,896	430,460

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	595,257	481,352
Other comprehensive income		
Valuation difference on available-for-sale securities	27,483	△5,984
Foreign currency translation adjustment	309,594	390,437
Remeasurements of defined benefit plans, net of tax	3,902	△4,318
Share of other comprehensive income of entities accounted for using equity method	165	△3,498
Total other comprehensive income	341,145	376,636
Comprehensive income	936,402	857,988
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	671,552	673,763
Comprehensive income attributable to non-controlling interests	264,850	184,225

(Segment Information)**1. Three Months Ended March 31, 2021 (From January 1, 2021 to March 31, 2021)
Information concerning net sales and profit or loss by reporting segment**

(Thousands of yen)

	Reportable segments					Consolidated
	Fastener	Assembly Machine	Control System	Medical	Total	
Net sales						
Sales to external customers	6,948,837	1,401,734	1,319,770	14,056	9,684,399	9,684,399
Intersegment sales and transfers	—	—	—	—	—	—
Total	6,948,837	1,401,734	1,319,770	14,056	9,684,399	9,684,399
Segment profit (loss)	401,061	210,974	58,296	△2,113	668,218	668,218

Notes: Segment profit is adjusted for operating income reported in the consolidated statements of income.

**2. Three Months Ended March 31, 2022 (From January 1, 2022 to March 31, 2022)
Information concerning net sales and profit or loss by reporting segment**

(Thousands of yen)

	Reportable segments					Consolidated
	Fastener	Assembly Machine	Control System	Medical	Total	
Net sales						
Sales to external customers	6,931,162	1,234,979	1,260,627	1,297	9,428,066	9,428,066
Intersegment sales and transfers	—	—	—	—	—	—
Total	6,931,162	1,234,979	1,260,627	1,297	9,428,066	9,428,066
Segment profit (loss)	365,337	205,639	38,603	△24,816	584,765	584,765

Notes: Segment profit is adjusted for operating income reported in the consolidated statements of income.