

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 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 of ordinary general meeting of shareholders: March 30, 2022  
 Scheduled date to file Securities Report: March 31, 2022  
 Scheduled date to commence dividend payments: March 31, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Consolidated operating results

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	%
Year ended December 31, 2021	40,518	23.1	3,249	149.3	3,487	145.9	2,200	187.7
Year ended December 31, 2020	32,904	(5.6)	1,303	(49.8)	1,418	(50.3)	764	(60.5)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2021	59.63	–	7.8	7.2	8.0
Year ended December 31, 2020	20.78	–	2.9	3.1	4.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	50,924	32,702	57.4	792.01
As of December 31, 2020	46,222	29,858	58.1	729.76

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2021	3,650	(993)	(704)	10,435
Year ended December 31, 2020	3,368	(3,164)	(871)	8,299

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2020	–	4.00	–	4.50	8.50	316	40.9	1.2
Year ended December 31, 2021	–	7.50	–	8.50	16.00	594	26.8	2.1
Year ending December 31, 2022 (Forecast)	–	8.00	–	8.00	16.00		26.9	

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 year ended December 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of December 31, 2021	39,985,017 shares	As of December 31, 2020	39,985,017 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	3,051,981 shares	As of December 31, 2020	3,166,909 shares
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Average number of shares during the period

Year ended December 31, 2021	36,902,489 shares	Year ended December 31, 2020	36,805,455 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	9,287,052	11,415,551
Notes and accounts receivable - trade	8,027,676	8,577,471
Electronically recorded monetary claims - operating	2,515,482	3,506,977
Securities	—	391,926
Merchandise and finished goods	2,503,691	3,162,404
Work in process	2,181,590	2,189,604
Raw materials and supplies	2,231,370	2,574,345
Accounts receivable - other	724,253	646,769
Other	239,134	187,987
Allowance for doubtful accounts	(5,722)	(6,820)
Total current assets	27,704,529	32,646,217
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,618,797	3,992,679
Machinery, equipment and vehicles, net	2,334,199	2,808,414
Land	5,285,690	5,330,524
Construction in progress	1,208,096	484,064
Other, net	486,438	476,330
Total property, plant and equipment	12,933,221	13,092,013
Intangible assets		
Software	406,178	387,061
Goodwill	647,406	557,538
Customer related assets	80,675	63,975
Technology related assets	271,950	242,550
Other	15,690	30,237
Total intangible assets	1,421,900	1,281,362
Investments and other assets		
Investment securities	1,820,031	1,425,150
Deferred tax assets	828,006	669,565
Retirement benefit asset	884,154	1,161,762
Long-term time deposits	80,000	80,000
Other	551,433	568,947
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	4,162,626	3,904,425
Total non-current assets	18,517,748	18,277,801
Total assets	46,222,277	50,924,018

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,054,768	4,421,022
Electronically recorded obligations - operating	2,619,652	3,648,408
Short-term borrowings	2,847,302	2,610,540
Accounts payable - other	237,115	298,624
Income taxes payable	407,441	866,491
Provision for bonuses	182,064	213,525
Other	1,269,967	1,616,682
<b>Total current liabilities</b>	<b>11,618,312</b>	<b>13,675,295</b>
<b>Non-current liabilities</b>		
Long-term borrowings	897,501	758,233
Provision for directors' retirement benefits	83,992	96,755
Provision for share-based remuneration for directors (and other officers)	40,488	55,213
Deferred tax liabilities	437,701	409,695
Retirement benefit liability	2,681,596	2,685,480
Other	604,657	541,205
<b>Total non-current liabilities</b>	<b>4,745,937</b>	<b>4,546,584</b>
<b>Total liabilities</b>	<b>16,364,250</b>	<b>18,221,880</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,522,580	3,522,580
Capital surplus	2,637,467	2,674,370
Retained earnings	22,565,069	24,319,204
Treasury shares	(1,279,736)	(1,254,713)
<b>Total shareholders' equity</b>	<b>27,445,380</b>	<b>29,261,441</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	86,514	100,776
Foreign currency translation adjustment	(597,824)	(196,858)
Remeasurements of defined benefit plans	(65,749)	86,075
<b>Total accumulated other comprehensive income</b>	<b>(577,058)</b>	<b>(10,006)</b>
<b>Non-controlling interests</b>	<b>2,989,706</b>	<b>3,450,703</b>
<b>Total net assets</b>	<b>29,858,027</b>	<b>32,702,138</b>
<b>Total liabilities and net assets</b>	<b>46,222,277</b>	<b>50,924,018</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales	32,904,538	40,518,817
Cost of sales	25,263,579	30,233,349
Gross profit	7,640,959	10,285,467
Selling, general and administrative expenses	6,337,228	7,035,842
Operating profit	1,303,731	3,249,625
Non-operating income		
Interest income	35,582	28,528
Dividend income	16,418	12,519
Rental income	93,995	92,213
Foreign exchange gains	—	45,355
Surrender value of insurance policies	61,651	—
Sales scrap	15,271	40,914
Share of profit of entities accounted for using equity method	11,610	29,192
Other	146,793	130,588
Total non-operating income	381,325	379,314
Non-operating expenses		
Interest expenses	23,246	20,358
Rental costs	89,826	84,467
Foreign exchange losses	80,693	—
Other	73,091	36,138
Total non-operating expenses	266,857	140,964
Ordinary profit	1,418,199	3,487,975
Extraordinary income		
Gain on sales of non-current assets	1,686	5,356
Gain on sales of investment securities	45,478	121,762
Total extraordinary income	47,164	127,119
Extraordinary losses		
Loss on disposal of non-current assets	8,214	8,800
Loss on sales of investment securities	103	—
Impairment loss	97,413	—
Total extraordinary losses	105,731	8,800
Profit before income taxes	1,359,632	3,606,294
Income taxes - current	473,637	1,069,901
Income taxes - deferred	(16,163)	42,381
Total income taxes	457,474	1,112,282
Profit	902,157	2,494,012
Profit attributable to non-controlling interests	137,244	293,671
Profit attributable to owners of parent	764,912	2,200,340

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Profit	902,157	2,494,012
Other comprehensive income		
Valuation difference on available-for-sale securities	(63,102)	15,321
Foreign currency translation adjustment	(150,608)	621,749
Remeasurements of defined benefit plans, net of tax	12,190	151,824
Share of other comprehensive income of entities accounted for using equity method	4,042	1,346
Total other comprehensive income	(197,477)	790,242
Comprehensive income	704,680	3,284,254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	601,613	2,767,392
Comprehensive income attributable to non-controlling interests	103,066	516,861

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,522,580	2,636,899	22,171,998	(1,288,779)	27,042,698
Changes during period					
Dividends of surplus			(371,841)		(371,841)
Profit attributable to owners of parent			764,912		764,912
Purchase of treasury shares				(894)	(894)
Disposal of treasury shares		567		9,938	10,505
Net changes in items other than shareholders' equity					
Total changes during period		567	393,070	9,043	402,681
Balance at end of period	3,522,580	2,637,467	22,565,069	(1,279,736)	27,445,380

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	143,993	(479,812)	(77,940)	(413,760)	2,971,975	29,600,913
Changes during period						
Dividends of surplus					–	(371,841)
Profit attributable to owners of parent					–	764,912
Purchase of treasury shares					–	(894)
Disposal of treasury shares					–	10,505
Net changes in items other than shareholders' equity	(57,478)	(118,011)	12,190	(163,298)	17,730	(145,567)
Total changes during period	(57,478)	(118,011)	12,190	(163,298)	17,730	257,113
Balance at end of period	86,514	(597,824)	(65,749)	(577,058)	2,989,706	29,858,027

Fiscal year ended December 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,522,580	2,637,467	22,565,069	(1,279,736)	27,445,380
Changes during period					
Dividends of surplus			(446,205)		(446,205)
Profit attributable to owners of parent			2,200,340		2,200,340
Purchase of treasury shares				(2,116)	(2,116)
Disposal of treasury shares		32,849		27,139	59,988
Change in treasury shares of parent arising from transactions with non-controlling shareholders		4,054			4,054
Net changes in items other than shareholders' equity					
Total changes during period		36,903	1,754,134	25,023	1,816,061
Balance at end of period	3,522,580	2,674,370	24,319,204	(1,254,713)	29,261,441

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	86,514	(597,824)	(65,749)	(577,058)	2,989,706	29,858,027
Changes during period						
Dividends of surplus					–	(446,205)
Profit attributable to owners of parent					–	2,200,340
Purchase of treasury shares					–	(2,116)
Disposal of treasury shares					–	59,988
Change in treasury shares of parent arising from transactions with non-controlling shareholders						4,054
Net changes in items other than shareholders' equity	14,261	400,965	151,824	567,052	460,997	1,028,049
Total changes during period	14,261	400,965	151,824	567,052	460,997	2,844,111
Balance at end of period	100,776	(196,858)	86,075	(10,006)	3,450,703	32,702,138



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,359,632	3,606,294
Depreciation	1,176,945	1,294,434
Impairment loss	97,413	—
Increase (decrease) in provision for bonuses	(64,904)	25,347
Increase (decrease) in retirement benefit liability	(42,497)	20,972
Decrease (increase) in retirement benefit asset	(3,226)	(148,667)
Interest and dividend income	(52,001)	(41,048)
Interest expenses	23,246	20,358
Share of loss (profit) of entities accounted for using equity method	(11,610)	(29,192)
Loss (gain) on sales of investment securities	(45,374)	(121,762)
Loss (gain) on disposal of non-current assets	8,214	8,800
Loss (gain) on sales of non-current assets	(1,686)	(5,356)
Decrease (increase) in trade receivables	1,466,251	(1,325,737)
Decrease (increase) in inventories	506,530	(917,252)
Increase (decrease) in trade payables	(637,304)	1,298,259
Increase (decrease) in accrued consumption taxes	(31,548)	113,778
Increase (decrease) in accrued expenses	(3,340)	34,038
Other, net	96,852	414,372
Subtotal	3,841,593	4,247,638
Interest and dividends received	53,146	42,828
Interest paid	(23,252)	(20,487)
Income taxes paid	(502,926)	(619,843)
Net cash provided by (used in) operating activities	3,368,561	3,650,135
Cash flows from investing activities		
Payments into time deposits	(463,647)	(640,792)
Proceeds from withdrawal of time deposits	547,040	671,883
Purchase of property, plant and equipment	(1,457,103)	(922,543)
Proceeds from sales of property, plant and equipment	24,570	8,202
Payments for retirement of property, plant and equipment	(8,409)	(8,800)
Purchase of investment securities	(4,734)	(149,306)
Proceeds from sales of investment securities	110,938	3,600
Proceeds from redemption of investment securities	190,000	200,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,986,378)	—
Loan advances	(1,260)	(44)
Collection of loans receivable	4,284	1,724
Other, net	(119,444)	(157,030)
Net cash provided by (used in) investing activities	(3,164,145)	(993,107)

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(405,000)	(229,000)
Proceeds from long-term borrowings	395,294	118,038
Repayments of long-term borrowings	(386,499)	(265,068)
Proceeds from sales of treasury shares	14,547	263,963
Purchase of treasury shares	(136)	(447)
Dividends paid	(371,841)	(446,205)
Dividends paid to non-controlling interests	(87,116)	(95,657)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(21,600)
Other, net	(31,182)	(29,009)
Net cash provided by (used in) financing activities	(871,934)	(704,986)
Effect of exchange rate change on cash and cash equivalents	(45,162)	184,226
Net increase (decrease) in cash and cash equivalents	(712,681)	2,136,268
Cash and cash equivalents at beginning of period	9,012,114	8,299,433
Cash and cash equivalents at end of period	8,299,433	10,435,701

**(Segment Information)****1. Year Ended December 31, 2020 (From January 1, 2020 to December 31, 2020)****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	23,366,111	5,454,288	4,010,811	73,328	32,904,538	32,904,538
Intersegment sales and transfers	—	—	—	—	—	—
Total	23,366,111	5,454,288	4,010,811	73,328	32,904,538	32,904,538
Segment profit (loss)	557,728	911,921	(164,360)	(1,557)	1,303,731	1,303,731

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

**2. Year Ended December 31, 2021 (From January 1, 2021 to December 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	27,896,709	7,182,078	5,416,200	23,828	40,518,817	40,518,817
Intersegment sales and transfers	—	—	—	—	—	—
Total	27,896,709	7,182,078	5,416,200	23,828	40,518,817	40,518,817
Segment profit (loss)	1,545,730	1,608,197	156,771	(61,074)	3,249,625	3,249,625

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