

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

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, 2021
 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, 2021 (from January 1, 2021 to March 31, 2021)

(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, 2021	9,684	18.8	668	69.2	746	94.9	448	97.7
Three months ended March 31, 2020	8,149	(3.0)	394	(45.5)	383	(49.5)	227	(55.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2021	12.19		–	
Three months ended March 31, 2020	6.17		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2021	48,443	30,749	56.6
As of December 31, 2020	46,222	29,858	58.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2020	–	4.00	–	4.50	8.50
Year ending December 31, 2021	–	–	–	–	–
Year ending December 31, 2021 (Forecast)	–	6.50	–	6.50	13.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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, 2021	19,600	23.4	1,400	145.9	1,500	138.7	900	156.0	24.37
Full year	38,000	15.5	2,400	84.1	2,600	83.3	1,600	109.2	43.32

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2021
(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: No
- 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, 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 March 31, 2021	3,048,988 shares	As of December 31, 2020	3,166,909 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, 2021	36,836,501 shares	Three months ended March 31, 2020	36,797,268 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	9,287,052	10,057,208
Notes and accounts receivable - trade	8,027,676	8,571,409
Electronically recorded monetary claims - operating	2,515,482	2,591,205
Securities	–	149,305
Merchandise and finished goods	2,503,691	2,783,190
Work in process	2,181,590	2,420,418
Raw materials and supplies	2,231,370	2,324,563
Accounts receivable - other	724,253	781,266
Other	239,134	467,663
Allowance for doubtful accounts	(5,722)	(7,331)
Total current assets	27,704,529	30,138,901
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,618,797	3,605,115
Machinery, equipment and vehicles, net	2,334,199	2,616,925
Land	5,285,690	5,311,354
Construction in progress	1,208,096	951,984
Other, net	486,438	492,667
Total property, plant and equipment	12,933,221	12,978,047
Intangible assets		
Software	406,178	444,284
Goodwill	647,406	624,939
Customer related assets	80,675	76,500
Technology related assets	271,950	264,600
Other	15,690	10,898
Total intangible assets	1,421,900	1,421,222
Investments and other assets		
Investment securities	1,820,031	1,618,564
Deferred tax assets	828,006	758,031
Retirement benefit asset	884,154	897,085
Long-term time deposits	80,000	80,000
Other	551,433	552,554
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	4,162,626	3,905,235
Total non-current assets	18,517,748	18,304,506
Total assets	46,222,277	48,443,407

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,054,768	4,769,730
Electronically recorded obligations - operating	2,619,652	3,340,370
Short-term borrowings	2,847,302	2,732,945
Accounts payable - other	237,115	241,837
Income taxes payable	407,441	290,306
Provision for bonuses	182,064	436,595
Other	1,269,967	1,173,504
Total current liabilities	11,618,312	12,985,291
Non-current liabilities		
Long-term borrowings	897,501	942,661
Provision for directors' retirement benefits	83,992	87,164
Provision for share-based remuneration for directors (and other officers)	40,488	44,113
Deferred tax liabilities	437,701	419,986
Retirement benefit liability	2,681,596	2,624,590
Other	604,657	590,432
Total non-current liabilities	4,745,937	4,708,949
Total liabilities	16,364,250	17,694,240
Net assets		
Shareholders' equity		
Share capital	3,522,580	3,522,580
Capital surplus	2,637,467	2,670,306
Retained earnings	22,565,069	22,846,638
Treasury shares	(1,279,736)	(1,252,818)
Total shareholders' equity	27,445,380	27,786,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86,514	112,539
Foreign currency translation adjustment	(597,824)	(405,095)
Remeasurements of defined benefit plans	(65,749)	(61,847)
Total accumulated other comprehensive income	(577,058)	(354,402)
Non-controlling interests	2,989,706	3,316,863
Total net assets	29,858,027	30,749,166
Total liabilities and net assets	46,222,277	48,443,407

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, 2020	Three months ended March 31, 2021
Net sales	8,149,712	9,684,399
Cost of sales	6,323,922	7,349,452
Gross profit	1,825,790	2,334,947
Selling, general and administrative expenses	1,430,974	1,666,728
Operating profit	394,815	668,218
Non-operating income		
Interest income	10,113	7,410
Dividend income	2,900	2,192
Rental income	22,689	23,651
Foreign exchange gains	–	46,212
Share of profit of entities accounted for using equity method	1,662	8,437
Other	75,395	38,768
Total non-operating income	112,761	126,673
Non-operating expenses		
Interest expenses	6,790	5,530
Rental costs	17,077	21,154
Foreign exchange losses	43,655	–
Loss on valuation of securities	44,666	–
Other	12,127	21,246
Total non-operating expenses	124,317	47,931
Ordinary profit	383,259	746,960
Extraordinary income		
Gain on sales of non-current assets	–	1,239
Gain on sales of investment securities	–	121,762
Total extraordinary income	–	123,002
Extraordinary losses		
Loss on disposal of non-current assets	1,899	1,832
Total extraordinary losses	1,899	1,832
Profit before income taxes	381,360	868,129
Income taxes - current	110,427	243,794
Income taxes - deferred	20,021	29,078
Total income taxes	130,449	272,872
Profit	250,911	595,257
Profit attributable to non-controlling interests	23,815	146,360
Profit attributable to owners of parent	227,095	448,896

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	250,911	595,257
Other comprehensive income		
Valuation difference on available-for-sale securities	(70,917)	27,483
Foreign currency translation adjustment	(418,353)	309,594
Remeasurements of defined benefit plans, net of tax	4,410	3,902
Share of other comprehensive income of entities accounted for using equity method	(2,883)	165
Total other comprehensive income	(487,743)	341,145
Comprehensive income	(236,832)	936,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(180,533)	671,552
Comprehensive income attributable to non-controlling interests	(56,299)	264,850