

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 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: November 12, 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 nine months ended September 30, 2021 (from January 1, 2021 to September 30, 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	%
Nine months ended September 30, 2021	30,227	28.9	2,665	272.6	2,837	240.8	1,807	304.9
Nine months ended September 30, 2020	23,459	(8.0)	715	(62.9)	832	(59.8)	446	(67.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	48.98	–
Nine months ended September 30, 2020	12.13	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	49,785	31,911	57.4
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	Yen	Yen	Yen	Yen
Year ended December 31, 2020	–	4.00	–	4.50	8.50
Year ending December 31, 2021	–	7.50	–		
Year ending December 31, 2021 (Forecast)				7.50	15.00

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
Full year	41,000	24.6	3,200	145.4	3,300	132.7	2,000	161.5	54.15

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 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 September 30, 2021	3,051,444 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)

Nine months ended September 30, 2021	36,892,938 shares	Nine months ended September 30, 2020	36,802,723 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	9,287,052	10,813,363
Notes and accounts receivable - trade	8,027,676	8,335,423
Electronically recorded monetary claims - operating	2,515,482	3,383,008
Securities	–	250,792
Merchandise and finished goods	2,503,691	3,156,195
Work in process	2,181,590	2,136,622
Raw materials and supplies	2,231,370	2,413,618
Accounts receivable - other	724,253	566,584
Other	239,134	501,234
Allowance for doubtful accounts	(5,722)	(7,370)
Total current assets	27,704,529	31,549,472
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,618,797	3,990,869
Machinery, equipment and vehicles, net	2,334,199	2,637,876
Land	5,285,690	5,313,472
Construction in progress	1,208,096	599,035
Other, net	486,438	469,573
Total property, plant and equipment	12,933,221	13,010,827
Intangible assets		
Software	406,178	403,070
Goodwill	647,406	580,005
Customer related assets	80,675	68,150
Technology related assets	271,950	249,900
Other	15,690	21,190
Total intangible assets	1,421,900	1,322,316
Investments and other assets		
Investment securities	1,820,031	1,579,711
Deferred tax assets	828,006	769,290
Retirement benefit asset	884,154	922,947
Long-term time deposits	80,000	80,000
Other	551,433	552,075
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	4,162,626	3,903,025
Total non-current assets	18,517,748	18,236,170
Total assets	46,222,277	49,785,642

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,054,768	4,378,617
Electronically recorded obligations - operating	2,619,652	3,430,429
Short-term borrowings	2,847,302	2,579,394
Accounts payable - other	237,115	221,348
Income taxes payable	407,441	706,723
Provision for bonuses	182,064	563,675
Other	1,269,967	1,332,223
Total current liabilities	11,618,312	13,212,411
Non-current liabilities		
Long-term borrowings	897,501	903,279
Provision for directors' retirement benefits	83,992	94,109
Provision for share-based remuneration for directors (and other officers)	40,488	51,513
Deferred tax liabilities	437,701	408,360
Retirement benefit liability	2,681,596	2,641,118
Other	604,657	563,807
Total non-current liabilities	4,745,937	4,662,187
Total liabilities	16,364,250	17,874,599
Net assets		
Shareholders' equity		
Share capital	3,522,580	3,522,580
Capital surplus	2,637,467	2,674,360
Retained earnings	22,565,069	23,926,103
Treasury shares	(1,279,736)	(1,254,354)
Total shareholders' equity	27,445,380	28,868,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	86,514	114,252
Foreign currency translation adjustment	(597,824)	(340,873)
Remeasurements of defined benefit plans	(65,749)	(54,042)
Total accumulated other comprehensive income	(577,058)	(280,662)
Non-controlling interests	2,989,706	3,323,015
Total net assets	29,858,027	31,911,043
Total liabilities and net assets	46,222,277	49,785,642

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	23,459,561	30,227,849
Cost of sales	18,073,969	22,421,949
Gross profit	5,385,591	7,805,899
Selling, general and administrative expenses	4,670,133	5,140,246
Operating profit	715,457	2,665,652
Non-operating income		
Interest income	27,142	22,893
Dividend income	12,796	9,565
Rental income	70,530	69,524
Foreign exchange gains	–	31,492
Share of profit of entities accounted for using equity method	5,256	23,798
Other	188,318	124,227
Total non-operating income	304,045	281,502
Non-operating expenses		
Interest expenses	18,798	16,497
Rental costs	58,794	62,537
Foreign exchange losses	48,985	–
Loss on valuation of securities	35,931	–
Other	24,452	30,648
Total non-operating expenses	186,961	109,683
Ordinary profit	832,541	2,837,471
Extraordinary income		
Gain on sales of non-current assets	157	4,676
Gain on sales of investment securities	1,441	121,762
Total extraordinary income	1,598	126,439
Extraordinary losses		
Loss on disposal of non-current assets	2,158	4,394
Loss on sales of investment securities	103	–
Total extraordinary losses	2,262	4,394
Profit before income taxes	831,877	2,959,516
Income taxes - current	279,260	886,134
Income taxes - deferred	38,110	17,629
Total income taxes	317,370	903,764
Profit	514,506	2,055,752
Profit attributable to non-controlling interests	68,170	248,581
Profit attributable to owners of parent	446,336	1,807,170

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	514,506	2,055,752
Other comprehensive income		
Valuation difference on available-for-sale securities	(41,887)	29,670
Foreign currency translation adjustment	(262,598)	396,392
Remeasurements of defined benefit plans, net of tax	13,232	11,707
Share of other comprehensive income of entities accounted for using equity method	1,251	880
Total other comprehensive income	(290,001)	438,650
Comprehensive income	224,505	2,494,403
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	220,823	2,103,567
Comprehensive income attributable to non-controlling interests	3,681	390,835

(Segment Information)**1. Nine Months Ended September 30, 2020 (From January 1, 2020 to September 30, 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	16,577,032	4,165,257	2,702,566	14,705	23,459,561	23,459,561
Intersegment sales and transfers	—	—	—	—	—	—
Total	16,577,032	4,165,257	2,702,566	14,705	23,459,561	23,459,561
Segment profit (loss)	204,379	664,757	△153,814	134	715,457	715,457

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

**2. Nine Months Ended September 30, 2021 (From January 1, 2021 to September 30, 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	20,748,937	5,501,592	3,953,489	23,828	30,227,849	30,227,849
Intersegment sales and transfers	—	—	—	—	—	—
Total	20,748,937	5,501,592	3,953,489	23,828	30,227,849	30,227,849
Segment profit (loss)	1,215,527	1,359,596	107,932	△17,404	2,665,652	2,665,652

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