

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended December 31, 2023 (Based on Japanese GAAP)

February 13, 2024

Company name: Nittoseiko Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 5957 URL <https://www.nittoseiko.co.jp/>  
 Representative: President Makoto Araga  
 Inquiries: Director, Accounting & Finance Division Shinichi Matsumoto TEL (0773)42-3111  
 Scheduled date of ordinary general meeting of shareholders: March 27, 2024  
 Scheduled date to file Securities Report: March 28, 2024  
 Scheduled date to commence dividend payments: March 28, 2024  
 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, 2023 (from January 1, 2023 to December 31, 2023)

(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, 2023	44,744	1.6	2,614	(10.8)	2,835	(12.4)	1,734	(5.1)
Year ended December 31, 2022	44,021	8.6	2,931	(9.8)	3,235	(7.2)	1,828	(16.9)

	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, 2023	46.95	–	5.5	5.3	5.8
Year ended December 31, 2022	49.50	–	6.1	6.2	6.7

(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, 2023	53,344	36,402	60.7	886.65
As of December 31, 2022	53,408	34,501	57.6	832.39

(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, 2023	3,151	(1,187)	(2,074)	8,027
Year ended December 31, 2022	999	(1,987)	(1,301)	8,305

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, 2022	–	8.00	–	8.00	16.00	594	32.3	2.0
Year ended December 31, 2023	–	9.00	–	9.00	18.00	674	38.3	2.1
Year ending December 31, 2024 (Forecast)	–	9.50	–	9.50	19.00		33.1	

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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, 2024	23,000	2.5	1,500	15.5	1,600	8.4	1,000	19.9	27.36
Full year	48,200	7.7	3,300	26.2	3,500	23.4	2,100	21.1	57.46

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(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, 2023	39,985,017 shares	As of December 31, 2022	39,985,017 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	3,438,383 shares	As of December 31, 2022	3,034,386 shares
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Average number of shares during the period

Year ended December 31, 2023	36,946,218 shares	Year ended December 31, 2022	36,940,948 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	9,098,940	8,849,940
Notes and accounts receivable - trade	9,890,226	8,722,766
Electronically recorded monetary claims - operating	4,096,689	4,071,362
Merchandise and finished goods	4,359,638	4,729,069
Work in process	2,835,323	3,184,409
Raw materials and supplies	2,886,760	3,110,265
Accounts receivable - other	873,875	622,622
Other	307,505	535,239
Allowance for doubtful accounts	(6,458)	(2,725)
Total current assets	34,342,500	33,822,950
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,240,912	4,075,488
Machinery, equipment and vehicles, net	3,007,907	3,105,785
Land	5,608,449	5,671,521
Construction in progress	712,956	756,533
Other, net	515,733	520,656
Total property, plant and equipment	14,085,959	14,129,985
Intangible assets		
Software	408,588	361,332
Goodwill	467,671	392,569
Customer related assets	47,275	36,875
Technology related assets	213,150	183,750
Other	9,985	25,227
Total intangible assets	1,146,669	999,754
Investments and other assets		
Investment securities	1,168,756	1,161,896
Deferred tax assets	678,324	663,219
Retirement benefit asset	1,350,119	1,968,354
Other	636,857	599,077
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	3,833,058	4,391,547
Total non-current assets	19,065,687	19,521,287
Total assets	53,408,188	53,344,237

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,468,705	4,333,229
Electronically recorded obligations - operating	4,546,412	4,282,701
Short-term borrowings	2,436,836	1,574,380
Accounts payable - other	529,316	323,614
Income taxes payable	758,998	558,472
Provision for bonuses	263,798	263,123
Other	1,597,245	1,565,761
<b>Total current liabilities</b>	<b>14,601,312</b>	<b>12,901,282</b>
<b>Non-current liabilities</b>		
Long-term borrowings	559,973	358,469
Provision for directors' retirement benefits	193,762	159,236
Provision for share-based remuneration for directors (and other officers)	62,237	93,303
Deferred tax liabilities	395,051	584,378
Retirement benefit liability	2,585,929	1,869,882
Other	507,925	974,885
<b>Total non-current liabilities</b>	<b>4,304,880</b>	<b>4,040,155</b>
<b>Total liabilities</b>	<b>18,906,193</b>	<b>16,941,438</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,522,580	3,522,580
Capital surplus	2,674,370	2,767,848
Retained earnings	25,534,331	26,632,568
Treasury shares	(1,246,518)	(1,562,112)
<b>Total shareholders' equity</b>	<b>30,484,763</b>	<b>31,360,884</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	60,050	114,013
Foreign currency translation adjustment	81,013	456,875
Remeasurements of defined benefit plans	131,562	472,214
<b>Total accumulated other comprehensive income</b>	<b>272,627</b>	<b>1,043,103</b>
<b>Non-controlling interests</b>	<b>3,744,604</b>	<b>3,998,810</b>
<b>Total net assets</b>	<b>34,501,994</b>	<b>36,402,799</b>
<b>Total liabilities and net assets</b>	<b>53,408,188</b>	<b>53,344,237</b>

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

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	44,021,468	44,744,163
Cost of sales	33,644,218	34,561,117
Gross profit	10,377,249	10,183,046
Selling, general and administrative expenses	7,445,452	7,568,829
Operating profit	2,931,796	2,614,216
Non-operating income		
Interest income	23,540	31,611
Dividend income	12,729	14,010
Rental income	87,966	92,076
Foreign exchange gains	125,657	57,570
Sales scrap	42,434	14,165
Share of profit of entities accounted for using equity method	37,290	28,429
Other	143,198	131,154
Total non-operating income	472,816	369,020
Non-operating expenses		
Interest expenses	25,060	17,252
Rental costs	67,634	77,066
Other	76,721	53,417
Total non-operating expenses	169,416	147,736
Ordinary profit	3,235,197	2,835,499
Extraordinary income		
Gain on sales of non-current assets	8,053	19,674
Gain on sales of investment securities	41,424	30,024
Gain on bargain purchase	352,455	—
Gain on revision of retirement benefit plan	—	36,357
Total extraordinary income	401,933	86,055
Extraordinary losses		
Loss on disposal of non-current assets	21,000	39,785
Loss on valuation of investment securities	421,848	50,912
Total extraordinary losses	442,849	90,698
Profit before income taxes	3,194,281	2,830,857
Income taxes - current	1,173,810	832,420
Income taxes - deferred	(59,295)	23,243
Total income taxes	1,114,515	855,664
Profit	2,079,766	1,975,192
Profit attributable to non-controlling interests	251,119	240,617
Profit attributable to owners of parent	1,828,647	1,734,574

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit	2,079,766	1,975,192
Other comprehensive income		
Valuation difference on available-for-sale securities	(35,803)	60,868
Foreign currency translation adjustment	441,760	515,829
Remeasurements of defined benefit plans, net of tax	45,487	340,651
Share of other comprehensive income of entities accounted for using equity method	(5,192)	(1,888)
Total other comprehensive income	446,251	915,461
Comprehensive income	2,526,018	2,890,654
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,111,281	2,505,051
Comprehensive income attributable to non-controlling interests	414,736	385,602

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,522,580	2,674,370	24,319,204	(1,254,713)	29,261,441
Changes during period					
Dividends of surplus			(613,521)		(613,521)
Profit attributable to owners of parent			1,828,647		1,828,647
Purchase of treasury shares				(2,227)	(2,227)
Disposal of treasury shares				10,422	10,422
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,215,126	8,195	1,223,321
Balance at end of period	3,522,580	2,674,370	25,534,331	(1,246,518)	30,484,763

	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	100,776	(196,858)	86,075	(10,006)	3,450,703	32,702,138
Changes during period						
Dividends of surplus						(613,521)
Profit attributable to owners of parent						1,828,647
Purchase of treasury shares						(2,227)
Disposal of treasury shares						10,422
Net changes in items other than shareholders' equity	(40,726)	277,872	45,487	282,633	293,900	576,534
Total changes during period	(40,726)	277,872	45,487	282,633	293,900	1,799,856
Balance at end of period	60,050	81,013	131,562	272,627	3,744,604	34,501,994

Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,522,580	2,674,370	25,534,331	(1,246,518)	30,484,763
Changes during period					
Dividends of surplus			(636,336)		(636,336)
Profit attributable to owners of parent			1,734,574		1,734,574
Purchase of treasury shares				(222,116)	(222,116)
Disposal of treasury shares		93,478		(93,478)	—
Net changes in items other than shareholders' equity					
Total changes during period	—	93,478	1,098,237	(315,594)	876,121
Balance at end of period	3,522,580	2,767,848	26,632,568	(1,562,112)	31,360,884

	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	60,050	81,013	131,562	272,627	3,744,604	34,501,994
Changes during period						
Dividends of surplus						(636,336)
Profit attributable to owners of parent						1,734,574
Purchase of treasury shares						(222,116)
Disposal of treasury shares						—
Net changes in items other than shareholders' equity	53,963	375,861	340,651	770,476	254,206	1,024,683
Total changes during period	53,963	375,861	340,651	770,476	254,206	1,900,804
Balance at end of period	114,013	456,875	472,214	1,043,103	3,998,810	36,402,799



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,194,281	2,830,857
Depreciation	1,421,905	1,489,734
Increase (decrease) in provision for bonuses	47,179	(6,105)
Increase (decrease) in retirement benefit liability	(40,898)	(7,970)
Decrease (increase) in retirement benefit asset	(207,056)	(275,311)
Interest and dividend income	(36,269)	(45,621)
Interest expenses	25,060	17,252
Share of loss (profit) of entities accounted for using equity method	(37,290)	(28,429)
Gain on bargain purchase	(352,455)	—
Loss (gain) on sales of investment securities	(41,424)	(30,024)
Loss (gain) on valuation of investment securities	421,848	50,912
Loss (gain) on disposal of non-current assets	21,000	39,785
Loss (gain) on sales of non-current assets	(8,053)	(19,674)
Decrease (increase) in trade receivables	(892,284)	1,348,746
Decrease (increase) in inventories	(1,150,062)	(829,440)
Increase (decrease) in trade payables	(13,308)	(428,020)
Increase (decrease) in accrued consumption taxes	(176,909)	(2,634)
Increase (decrease) in accrued expenses	31,804	26,312
Other, net	139,931	35,645
Subtotal	2,346,996	4,166,012
Interest and dividends received	36,994	45,032
Interest paid	(22,763)	(19,449)
Income taxes paid	(1,362,043)	(1,040,145)
Net cash provided by (used in) operating activities	999,184	3,151,449
Cash flows from investing activities		
Payments into time deposits	(638,219)	(453,816)
Proceeds from withdrawal of time deposits	951,395	436,694
Purchase of property, plant and equipment	(1,039,093)	(1,131,196)
Proceeds from sales of property, plant and equipment	8,943	23,984
Payments for retirement of property, plant and equipment	(21,000)	(39,785)
Purchase of investment securities	(205,228)	(5,839)
Proceeds from sales of investment securities	64,420	109,802
Proceeds from redemption of investment securities	390,000	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,351,790)	—
Loan advances	(3,061)	(1,075)
Collection of loans receivable	1,412	1,561
Other, net	(144,794)	(128,043)
Net cash provided by (used in) investing activities	(1,987,015)	(1,187,714)

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(170,100)	(807,500)
Proceeds from long-term borrowings	33,340	—
Repayments of long-term borrowings	(415,416)	(256,460)
Proceeds from sales of treasury shares	10,422	286,230
Purchase of treasury shares	(192)	(506,218)
Dividends paid	(613,521)	(636,336)
Dividends paid to non-controlling interests	(120,836)	(131,396)
Other, net	(25,094)	(22,967)
Net cash provided by (used in) financing activities	(1,301,397)	(2,074,648)
Effect of exchange rate change on cash and cash equivalents	159,454	(167,868)
Net increase (decrease) in cash and cash equivalents	(2,129,774)	(278,782)
Cash and cash equivalents at beginning of period	10,435,701	8,305,927
Cash and cash equivalents at end of period	8,305,927	8,027,144

**(Segment Information)****1. Year Ended December 31, 2022 (From January 1, 2022 to December 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	32,199,349	6,515,644	5,296,018	10,456	44,021,468	44,021,468
Intersegment sales and transfers	—	—	—	—	—	—
Total	32,199,349	6,515,644	5,296,018	10,456	44,021,468	44,021,468
Segment profit (loss)	1,648,790	1,227,237	157,843	(102,074)	2,931,796	2,931,796

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

**2. Year Ended December 31, 2023 (From January 1, 2023 to December 31, 2023)****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	32,855,853	5,955,847	5,915,303	17,158	44,744,163	44,744,163
Intersegment sales and transfers	—	—	—	—	—	—
Total	32,855,853	5,955,847	5,915,303	17,158	44,744,163	44,744,163
Segment profit (loss)	1,625,972	822,071	278,449	(112,277)	2,614,216	2,614,216

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