

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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 to file Quarterly Securities Report: May 12, 2023  
 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, 2023 (from January 1, 2023 to March 31, 2023)

(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, 2023	10,912	15.7	675	15.6	748	12.4	439	2.2
Three months ended March 31, 2022	9,428	△2.6	584	△12.5	665	△10.9	430	△4.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2023	11.90	–
Three months ended March 31, 2022	11.66	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	53,357	34,894	58.2
As of December 31, 2022	53,408	34,501	57.6

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, 2022	–	8.00	–	8.00	16.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		9.00	–	9.00	18.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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, 2023	22,500	7.7	1,600	31.0	1,700	16.4	1,000	20.0	27.06
Full year	46,500	5.6	3,500	19.4	3,700	14.4	2,200	20.3	59.54

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023  
 (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: Yes
- (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, 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 March 31, 2023	3,034,790 shares	As of December 31, 2022	3,034,386 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, 2023	36,950,531 shares	Three months ended March 31, 2022	36,932,899 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	9,098,940	9,493,039
Notes and accounts receivable - trade	9,890,226	9,335,042
Electronically recorded monetary claims - operating	4,096,689	3,614,552
Merchandise and finished goods	4,359,638	4,771,828
Work in process	2,835,323	3,149,628
Raw materials and supplies	2,886,760	3,018,089
Accounts receivable - other	873,875	607,864
Other	307,505	271,263
Allowance for doubtful accounts	(6,458)	(6,657)
Total current assets	34,342,500	34,254,651
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,240,912	4,259,652
Machinery, equipment and vehicles, net	3,007,907	3,291,511
Land	5,608,449	5,628,778
Construction in progress	712,956	406,565
Other, net	515,733	507,059
Total property, plant and equipment	14,085,959	14,093,566
Intangible assets		
Software	408,588	385,277
Goodwill	467,671	445,204
Customer related assets	47,275	43,100
Technology related assets	213,150	205,800
Other	9,985	12,805
Total intangible assets	1,146,669	1,092,186
Investments and other assets		
Investment securities	1,168,756	1,223,786
Deferred tax assets	678,324	668,830
Retirement benefit asset	1,350,119	1,378,766
Other	636,857	646,790
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	3,833,058	3,917,173
Total non-current assets	19,065,687	19,102,926
Total assets	53,408,188	53,357,577

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,468,705	4,881,390
Electronically recorded obligations - operating	4,546,412	4,444,324
Short-term borrowings	2,436,836	2,268,800
Accounts payable - other	529,316	269,297
Income taxes payable	758,998	306,050
Provision for bonuses	263,798	512,169
Other	1,597,245	1,578,547
<b>Total current liabilities</b>	<b>14,601,312</b>	<b>14,260,579</b>
<b>Non-current liabilities</b>		
Long-term borrowings	559,973	496,184
Provision for directors' retirement benefits	193,762	195,681
Provision for share-based remuneration for directors (and other officers)	62,237	66,813
Deferred tax liabilities	395,051	385,312
Retirement benefit liability	2,585,929	2,564,930
Other	507,925	493,817
<b>Total non-current liabilities</b>	<b>4,304,880</b>	<b>4,202,738</b>
<b>Total liabilities</b>	<b>18,906,193</b>	<b>18,463,318</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,522,580	3,522,580
Capital surplus	2,674,370	2,674,370
Retained earnings	25,534,331	25,676,591
Treasury shares	(1,246,518)	(1,246,728)
<b>Total shareholders' equity</b>	<b>30,484,763</b>	<b>30,626,813</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	60,050	89,953
Foreign currency translation adjustment	81,013	213,302
Remeasurements of defined benefit plans	131,562	125,588
<b>Total accumulated other comprehensive income</b>	<b>272,627</b>	<b>428,845</b>
<b>Non-controlling interests</b>	<b>3,744,604</b>	<b>3,838,600</b>
<b>Total net assets</b>	<b>34,501,994</b>	<b>34,894,259</b>
<b>Total liabilities and net assets</b>	<b>53,408,188</b>	<b>53,357,577</b>

**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, 2022	Three months ended March 31, 2023
Net sales	9,428,066	10,912,224
Cost of sales	7,175,986	8,394,303
Gross profit	2,252,080	2,517,920
Selling, general and administrative expenses	1,667,314	1,841,936
Operating profit	584,765	675,983
Non-operating income		
Interest income	5,487	5,738
Dividend income	470	480
Rental income	22,678	22,736
Foreign exchange gains	33,183	24,543
Share of profit of entities accounted for using equity method	9,116	11,861
Other	60,770	60,452
Total non-operating income	131,707	125,813
Non-operating expenses		
Interest expenses	5,105	4,036
Rental costs	17,991	18,460
Other	27,731	31,272
Total non-operating expenses	50,828	53,770
Ordinary profit	665,644	748,026
Extraordinary income		
Gain on sales of non-current assets	2,564	—
Gain on sales of investment securities	—	91
Total extraordinary income	2,564	91
Extraordinary losses		
Loss on disposal of non-current assets	3,077	15,052
Total extraordinary losses	3,077	15,052
Profit before income taxes	665,131	733,066
Income taxes - current	119,978	245,235
Income taxes - deferred	63,800	△11,514
Total income taxes	183,779	233,720
Profit	481,352	499,345
Profit attributable to non-controlling interests	50,891	59,621
Profit attributable to owners of parent	430,460	439,723

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	481,352	499,345
Other comprehensive income		
Valuation difference on available-for-sale securities	△5,984	30,902
Foreign currency translation adjustment	390,437	175,661
Remeasurements of defined benefit plans, net of tax	△4,318	△5,974
Share of other comprehensive income of entities accounted for using equity method	△3,498	220
Total other comprehensive income	376,636	200,810
Comprehensive income	857,988	700,156
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	673,763	595,941
Comprehensive income attributable to non-controlling interests	184,225	104,214

**(Segment Information)****1. 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.

**2. Three Months Ended March 31, 2023 (From January 1, 2023 to March 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	7,980,590	1,593,063	1,328,246	10,324	10,912,224	10,912,224
Intersegment sales and transfers	—	—	—	—	—	—
Total	7,980,590	1,593,063	1,328,246	10,324	10,912,224	10,912,224
Segment profit (loss)	410,436	256,538	30,847	△21,838	675,983	675,983

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