

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

May 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 to file Quarterly Securities Report: May 14, 2024
 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, 2024 (from January 1, 2024 to March 31, 2024)

(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, 2024	10,717	(1.8)	655	(3.0)	711	(4.9)	472	7.4
Three months ended March 31, 2023	10,912	15.7	675	15.6	748	12.4	439	2.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	12.93	–
Three months ended March 31, 2023	11.90	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	53,603	36,890	61.1
As of December 31, 2023	53,344	36,402	60.7

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, 2023	–	9.00	–	9.00	18.00
Year ending December 31, 2024	–				
Year ending December 31, 2024 (Forecast)		9.50	–	9.50	19.00

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 three months ended March 31, 2024
(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, 2024	39,985,017 shares	As of December 31, 2023	39,985,017 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	3,438,761 shares	As of December 31, 2023	3,438,383 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, 2024	36,546,515 shares	Three months ended March 31, 2023	36,950,531 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,849,940	8,843,544
Notes and accounts receivable - trade	8,722,766	8,577,418
Electronically recorded monetary claims - operating	4,071,362	4,138,132
Merchandise and finished goods	4,729,069	5,113,207
Work in process	3,184,409	3,147,215
Raw materials and supplies	3,110,265	3,172,219
Accounts receivable - other	622,622	544,769
Other	535,239	462,540
Allowance for doubtful accounts	(2,725)	(2,919)
Total current assets	33,822,950	33,996,129
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,075,488	4,101,342
Machinery, equipment and vehicles, net	3,105,785	3,109,376
Land	5,671,521	5,694,006
Construction in progress	756,533	744,987
Other, net	520,656	531,853
Total property, plant and equipment	14,129,985	14,181,565
Intangible assets		
Software	361,332	357,134
Goodwill	392,569	376,867
Customer related assets	36,875	35,400
Technology related assets	183,750	176,400
Other	25,227	32,327
Total intangible assets	999,754	978,129
Investments and other assets		
Investment securities	1,161,896	1,241,377
Deferred tax assets	663,219	630,047
Retirement benefit asset	1,968,354	1,968,354
Other	599,077	608,530
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	4,391,547	4,447,310
Total non-current assets	19,521,287	19,607,005
Total assets	53,344,237	53,603,135

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,333,229	4,379,279
Electronically recorded obligations - operating	4,282,701	4,141,860
Short-term borrowings	1,574,380	1,552,867
Accounts payable - other	323,614	354,168
Income taxes payable	558,472	278,677
Provision for bonuses	263,123	523,219
Other	1,565,761	1,507,880
Total current liabilities	12,901,282	12,737,952
Non-current liabilities		
Long-term borrowings	358,469	325,820
Provision for directors' retirement benefits	159,236	143,637
Provision for share-based remuneration for directors (and other officers)	93,303	101,037
Deferred tax liabilities	584,378	598,208
Retirement benefit liability	1,869,882	1,784,385
Other	974,885	1,021,098
Total non-current liabilities	4,040,155	3,974,187
Total liabilities	16,941,438	16,712,140
Net assets		
Shareholders' equity		
Share capital	3,522,580	3,522,580
Capital surplus	2,767,848	2,767,848
Retained earnings	26,632,568	26,769,731
Treasury shares	(1,562,112)	(1,562,332)
Total shareholders' equity	31,360,884	31,497,827
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	114,013	157,233
Foreign currency translation adjustment	456,875	650,241
Remeasurements of defined benefit plans	472,214	464,217
Total accumulated other comprehensive income	1,043,103	1,271,692
Non-controlling interests	3,998,810	4,121,475
Total net assets	36,402,799	36,890,995
Total liabilities and net assets	53,344,237	53,603,135

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, 2023	Three months ended March 31, 2024
Net sales	10,912,224	10,717,854
Cost of sales	8,394,303	8,205,383
Gross profit	2,517,920	2,512,471
Selling, general and administrative expenses	1,841,936	1,856,471
Operating profit	675,983	655,999
Non-operating income		
Interest income	5,738	8,012
Dividend income	480	478
Rental income	22,736	21,880
Foreign exchange gains	24,543	37,413
Share of profit of entities accounted for using equity method	11,861	9,529
Other	60,452	41,744
Total non-operating income	125,813	119,058
Non-operating expenses		
Interest expenses	4,036	4,471
Rental costs	18,460	24,118
Other	31,272	34,957
Total non-operating expenses	53,770	63,547
Ordinary profit	748,026	711,511
Extraordinary income		
Gain on sales of non-current assets	—	6,203
Gain on sales of investment securities	91	—
Total extraordinary income	91	6,203
Extraordinary losses		
Loss on disposal of non-current assets	15,052	1,047
Total extraordinary losses	15,052	1,047
Profit before income taxes	733,066	716,667
Income taxes - current	245,235	189,537
Income taxes - deferred	(11,514)	26,344
Total income taxes	233,720	215,882
Profit	499,345	500,784
Profit attributable to non-controlling interests	59,621	28,349
Profit attributable to owners of parent	439,723	472,435

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Profit	499,345	500,784
Other comprehensive income		
Valuation difference on available-for-sale securities	30,902	47,649
Foreign currency translation adjustment	175,661	287,941
Remeasurements of defined benefit plans, net of tax	(5,974)	(7,997)
Share of other comprehensive income of entities accounted for using equity method	220	(396)
Total other comprehensive income	200,810	327,197
Comprehensive income	700,156	827,982
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	595,941	701,023
Comprehensive income attributable to non-controlling interests	104,214	126,958

(Segment Information)**1. 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.

**2. Three Months Ended March 31, 2024 (From January 1, 2024 to March 31, 2024)
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	7,716,616	1,320,842	1,680,288	108	10,717,854	10,717,854
Intersegment sales and transfers	—	—	—	—	—	—
Total	7,716,616	1,320,842	1,680,288	108	10,717,854	10,717,854
Segment profit (loss)	328,402	154,110	205,797	(32,310)	655,999	655,999

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