

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

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 14, 2022
 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, 2022 (from January 1, 2022 to September 30, 2022)

(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, 2022	32,265	6.7	2,011	△24.5	2,357	△16.9	1,462	△19.1
Nine months ended September 30, 2021	30,227	28.9	2,665	272.6	2,837	240.8	1,807	304.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2022	39.60	–
Nine months ended September 30, 2021	48.98	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	52,607	34,505	58.3
As of December 31, 2021	50,924	32,702	57.4

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, 2021	–	7.50	–	8.50	16.00
Year ending December 31, 2022	–	8.00	–		
Year ending December 31, 2022 (Forecast)				8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	42,500	4.9	3,400	4.6	3,500	0.3	2,200	0.0	59.54

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022
(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: Yes
- 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, 2022	39,985,017 shares	As of December 31, 2021	39,985,017 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	3,034,005 shares	As of December 31, 2021	3,051,981 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, 2022	36,938,378 shares	Nine months ended September 30, 2021	36,892,938 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	11,415,551	8,777,775
Notes and accounts receivable - trade	8,577,471	9,275,118
Electronically recorded monetary claims - operating	3,506,977	3,646,213
Securities	391,926	140,288
Merchandise and finished goods	3,162,404	4,391,978
Work in process	2,189,604	2,986,968
Raw materials and supplies	2,574,345	2,886,931
Accounts receivable - other	646,769	632,368
Other	187,987	363,185
Allowance for doubtful accounts	(6,820)	(7,931)
Total current assets	32,646,217	33,092,895
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,992,679	4,374,422
Machinery, equipment and vehicles, net	2,808,414	2,992,790
Land	5,330,524	5,660,474
Construction in progress	484,064	654,129
Other, net	476,330	475,916
Total property, plant and equipment	13,092,013	14,157,734
Intangible assets		
Software	387,061	362,857
Goodwill	557,538	492,038
Customer related assets	63,975	51,450
Technology related assets	242,550	220,500
Other	30,237	22,660
Total intangible assets	1,281,362	1,149,506
Investments and other assets		
Investment securities	1,425,150	1,618,871
Deferred tax assets	669,565	589,242
Retirement benefit asset	1,161,762	1,263,035
Long-term time deposits	80,000	80,000
Other	568,947	657,551
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	3,904,425	4,207,701
Total non-current assets	18,277,801	19,514,943
Total assets	50,924,018	52,607,838

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,421,022	4,583,315
Electronically recorded obligations - operating	3,648,408	3,826,884
Short-term borrowings	2,610,540	2,528,160
Accounts payable - other	298,624	257,977
Income taxes payable	866,491	470,608
Provision for bonuses	213,525	630,958
Other	1,616,682	1,331,557
Total current liabilities	13,675,295	13,629,461
Non-current liabilities		
Long-term borrowings	758,233	687,842
Provision for directors' retirement benefits	96,755	190,834
Provision for share-based remuneration for directors (and other officers)	55,213	57,662
Deferred tax liabilities	409,695	388,600
Retirement benefit liability	2,685,480	2,603,588
Other	541,205	544,068
Total non-current liabilities	4,546,584	4,472,596
Total liabilities	18,221,880	18,102,058
Net assets		
Shareholders' equity		
Share capital	3,522,580	3,522,580
Capital surplus	2,674,370	2,674,370
Retained earnings	24,319,204	25,168,471
Treasury shares	(1,254,713)	(1,246,318)
Total shareholders' equity	29,261,441	30,119,104
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	100,776	72,543
Foreign currency translation adjustment	(196,858)	410,682
Remeasurements of defined benefit plans	86,075	73,118
Total accumulated other comprehensive income	(10,006)	556,344
Non-controlling interests	3,450,703	3,830,332
Total net assets	32,702,138	34,505,780
Total liabilities and net assets	50,924,018	52,607,838

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, 2021	Nine months ended September 30, 2022
Net sales	30,227,849	32,265,078
Cost of sales	22,421,949	24,633,942
Gross profit	7,805,899	7,631,136
Selling, general and administrative expenses	5,140,246	5,619,308
Operating profit	2,665,652	2,011,828
Non-operating income		
Interest income	22,893	17,712
Dividend income	9,565	9,626
Rental income	69,524	65,991
Foreign exchange gains	31,492	193,620
Share of profit of entities accounted for using equity method	23,798	27,048
Other	124,227	150,469
Total non-operating income	281,502	464,468
Non-operating expenses		
Interest expenses	16,497	18,123
Rental costs	62,537	50,608
Other	30,648	50,548
Total non-operating expenses	109,683	119,280
Ordinary profit	2,837,471	2,357,016
Extraordinary income		
Gain on sales of non-current assets	4,676	5,022
Gain on sales of investment securities	121,762	5,897
Total extraordinary income	126,439	10,920
Extraordinary losses		
Loss on disposal of non-current assets	4,394	19,299
Total extraordinary losses	4,394	19,299
Profit before income taxes	2,959,516	2,348,637
Income taxes - current	886,134	639,728
Income taxes - deferred	17,629	33,529
Total income taxes	903,764	673,257
Profit	2,055,752	1,675,379
Profit attributable to non-controlling interests	248,581	212,591
Profit attributable to owners of parent	1,807,170	1,462,788

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	2,055,752	1,675,379
Other comprehensive income		
Valuation difference on available-for-sale securities	29,670	△22,169
Foreign currency translation adjustment	396,392	891,569
Remeasurements of defined benefit plans, net of tax	11,707	△12,956
Share of other comprehensive income of entities accounted for using equity method	880	△5,502
Total other comprehensive income	438,650	850,941
Comprehensive income	2,494,403	2,526,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,103,567	2,029,139
Comprehensive income attributable to non-controlling interests	390,835	497,181

(Segment Information)**1. 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.

**2. Nine Months Ended September 30, 2022 (From January 1, 2022 to September 30, 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	23,769,902	4,637,327	3,849,798	8,049	32,265,078	32,265,078
Intersegment sales and transfers	—	—	—	—	—	—
Total	23,769,902	4,637,327	3,849,798	8,049	32,265,078	32,265,078
Segment profit (loss)	1,154,257	861,359	70,198	△73,986	2,011,828	2,011,828

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