Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 29, 2024

Company name: Nippon Seisen Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 5659 URL https://www.n-seisen.co.jp/
Representative: President and CEO Kazuhiro Toshimitsu
Inquiries: General Manager, Accounting Department Shuichi Nagasawa TEL 06-6222-5432
Scheduled date to file Semi-annual Securities Report: November 8, 2024
Scheduled date to commence dividend payments: December 3, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 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	%
Six months ended September 30, 2024	23,371	7.4	2,318	42.7	2,341	34.4	1,609	31.8
Six months ended September 30, 2023	21,755	(12.0)	1,625	(16.3)	1,742	(14.6)	1,221	(13.7)

Note: Comprehensive income Six months ended September 30, 2024 ¥2,105 million [35.7%]
Six months ended September 30, 2023 ¥1,551 million [(15.6)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	52.49	–
Six months ended September 30, 2023	39.85	–

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Earnings per share was calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	55,629	40,950	72.4
As of March 31, 2024	53,402	39,489	72.8

Reference: Equity As of September 30, 2024 ¥40,273 million
As of March 31, 2024 ¥38,886 million

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 March 31, 2024	–	105.00	–	105.00	210.00
Year ending March 31, 2025	–	28.00			
Year ending March 31, 2025 (Forecast)			–	28.00	56.00

Note: Revisions to the cash dividend forecasts most recently announced: No

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. The amount of actual dividend prior to the share split is shown for the year ended March 31, 2024, and the amount of dividend after the share split is shown for the year ending March 31, 2025 and the year ending March 31, 2025 (forecast).

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	47,700	6.6	4,900	38.5	4,900	32.4	3,430	32.3	111.83

Note: Revisions to the earnings forecasts most recently announced: No

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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, 2024	31,265,190 shares	As of March 31, 2024	31,265,190 shares

Number of treasury shares at the end of the period

As of September 30, 2024	592,340 shares	As of March 31, 2024	598,565 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	30,672,934 shares	Six months ended September 30, 2023	30,665,456 shares

* The Company has introduced “Board Benefit Trust (BBT)” and shares of the Company held by the Trust have been included in treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

(Note) The Company has split its shares at a ratio of five shares per share of common stock on April 1, 2024. Total number of issued shares at the end of the period (including treasury shares), number of treasury shares at the end of the period, and average number of shares during the period were calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The above forecasts of financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Consequently, actual business and other results may differ substantially due to various factors.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	15,238	16,251
Notes and accounts receivable - trade	8,037	8,047
Electronically recorded monetary claims - operating	1,711	1,930
Merchandise and finished goods	2,629	3,222
Work in process	4,898	4,810
Raw materials and supplies	2,756	3,048
Other	212	314
Total current assets	35,484	37,624
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,395	5,270
Machinery, equipment and vehicles, net	6,809	6,939
Land	1,657	1,667
Leased assets, net	22	18
Construction in progress	1,390	1,481
Other, net	525	497
Total property, plant and equipment	15,800	15,876
Intangible assets	185	171
Investments and other assets	1,931	1,956
Total non-current assets	17,917	18,004
Total assets	53,402	55,629
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,946	6,668
Electronically recorded obligations - operating	–	53
Short-term borrowings	260	264
Income taxes payable	620	794
Provision for bonuses	693	718
Provision for bonuses for directors (and other officers)	39	–
Other	1,268	1,023
Total current liabilities	8,828	9,522
Non-current liabilities		
Long-term borrowings	176	95
Provision for share awards for directors (and other officers)	67	90
Retirement benefit liability	4,535	4,666
Provision for environmental measures	171	171
Other	133	133
Total non-current liabilities	5,083	5,157
Total liabilities	13,912	14,679

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	5,558	5,558
Retained earnings	27,494	28,454
Treasury shares	(398)	(392)
Total shareholders' equity	37,653	38,619
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40	32
Deferred gains or losses on hedges	(1)	1
Foreign currency translation adjustment	1,120	1,548
Remeasurements of defined benefit plans	72	72
Total accumulated other comprehensive income	1,232	1,654
Non-controlling interests	603	676
Total net assets	39,489	40,950
Total liabilities and net assets	53,402	55,629

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	21,755	23,371
Cost of sales	18,400	19,244
Gross profit	3,354	4,127
Selling, general and administrative expenses	1,729	1,808
Operating profit	1,625	2,318
Non-operating income		
Interest income	7	15
Dividend income	1	1
Purchase discounts	10	12
Compensation income	9	8
Rental income	12	12
Foreign exchange gains	57	–
Subsidies for employment adjustment	33	–
Other	4	1
Total non-operating income	135	51
Non-operating expenses		
Interest expenses	2	2
Compensation expenses	10	1
Loss on retirement of non-current assets	2	3
Foreign exchange losses	–	17
Other	3	4
Total non-operating expenses	18	29
Ordinary profit	1,742	2,341
Extraordinary income		
Gain on sale of non-current assets	1	–
Total extraordinary income	1	–
Profit before income taxes	1,743	2,341
Income taxes - current	552	738
Income taxes - deferred	(37)	(28)
Total income taxes	515	709
Profit	1,228	1,632
Profit attributable to non-controlling interests	6	22
Profit attributable to owners of parent	1,221	1,609

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,228	1,632
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(7)
Deferred gains or losses on hedges	(0)	2
Foreign currency translation adjustment	298	479
Remeasurements of defined benefit plans, net of tax	18	(0)
Total other comprehensive income	322	473
Comprehensive income	1,551	2,105
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,517	2,031
Comprehensive income attributable to non-controlling interests	33	73

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,743	2,341
Depreciation	832	844
Increase (decrease) in retirement benefit liability	108	121
Increase (decrease) in provision for share awards for directors (and other officers)	18	28
Increase (decrease) in provision for bonuses	37	24
Increase (decrease) in provision for bonuses for directors (and other officers)	(33)	(39)
Increase (decrease) in provision for environmental measures	(0)	–
Interest and dividend income	(8)	(17)
Interest expenses	2	2
Foreign exchange losses (gains)	(42)	1
Loss (gain) on sale of property, plant and equipment	(1)	–
Loss on retirement of property, plant and equipment	2	3
Decrease (increase) in trade receivables	449	(155)
Decrease (increase) in inventories	(38)	(677)
Increase (decrease) in trade payables	(876)	722
Other, net	202	(419)
Subtotal	2,397	2,782
Interest and dividends received	5	12
Interest paid	(2)	(2)
Income taxes paid	(476)	(551)
Net cash provided by (used in) operating activities	1,923	2,241
Cash flows from investing activities		
Payments into time deposits	(156)	(448)
Proceeds from withdrawal of time deposits	157	325
Purchase of property, plant and equipment	(1,509)	(703)
Proceeds from sale of property, plant and equipment	1	–
Other, net	(100)	(15)
Net cash provided by (used in) investing activities	(1,607)	(842)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(61)	–
Repayments of long-term borrowings	(81)	(81)
Repayments of lease liabilities	(4)	(4)
Proceeds from sale of treasury shares	3	–
Purchase of treasury shares	(0)	(0)
Dividends paid	(648)	(648)
Dividends paid to non-controlling interests	(6)	(0)
Net cash provided by (used in) financing activities	(798)	(735)
Effect of exchange rate change on cash and cash equivalents	123	185
Net increase (decrease) in cash and cash equivalents	(359)	849
Cash and cash equivalents at beginning of period	14,122	14,608
Cash and cash equivalents at end of period	13,762	15,458