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Consolidated Financial Results for the Three Months Ended June 30, 2024 (under IFRS)

August 8, 2024

Company name: NIPPON SEIKI CO., LTD. Stock exchange listing: Tokyo Stock Exchange
 Stock code: 7287 URL: <https://www.nippon-seiki.co.jp/>
 Representative: Koichi Sato, President
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 Scheduled date of commencement of dividend payment: —
 Preparation of supplementary explanatory material: None
 Quarterly results briefing: None

(Amounts of less than one million yen are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(1) Consolidated Financial Results (Cumulative)

(%: year-on-year change)

| | Revenue | | Operating profit | | Profit before tax | | Profit | | Profit attributable to owners of parent | | Total comprehensive income | |
|--------------------|-------------|------|------------------|-------|-------------------|--------|-------------|--------|---|--------|----------------------------|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended | | | | | | | | | | | | |
| June 30, 2024 | 76,383 | 2.7 | 2,181 | (5.4) | 1,608 | (64.8) | 257 | (91.5) | 196 | (93.4) | 5,728 | (67.1) |
| June 30, 2023 | 74,397 | 32.4 | 2,305 | — | 4,570 | — | 3,032 | — | 2,971 | — | 17,389 | 41.4 |

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen coin | Yen coin |
| June 30, 2024 | 3.31 | 3.31 |
| June 30, 2023 | 49.24 | 49.19 |

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets |
|----------------|--------------|--------------|---|--|
| As of | Million yen | Million yen | Million yen | % |
| June 30, 2024 | 337,733 | 232,020 | 224,709 | 66.5 |
| March 31, 2024 | 338,632 | 229,054 | 221,537 | 65.4 |

2. Cash Dividends

| | Annual cash dividends per share | | | | |
|---------------------------|---------------------------------|-----------|-----------|-------------|----------|
| | End of 1Q | End of 2Q | End of 3Q | End of year | Total |
| | Yen coin | Yen coin | Yen coin | Yen coin | Yen coin |
| Fiscal year ended | | | | | |
| March 31, 2024 | — | 20.00 | — | 25.00 | 45.00 |
| Fiscal year ended | | | | | |
| March 31, 2025 | — | — | — | — | — |
| Fiscal year ended | | | | | |
| March 31, 2025 (forecast) | — | 25.00 | — | 25.00 | 50.00 |

(Note) Revision from the most recent announcement of cash dividends forecasts: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(%: year-on-year change)

| | Revenue | | Operating profit | | profit attributable to owners of parent | | Basic earnings per share |
|--------------------|-------------|-------|------------------|-----|---|------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Yen coin |
| Fiscal year ending | | | | | | | |
| March 31, 2025 | 310,000 | (0.8) | 9,300 | 9.6 | 6,600 | 24.5 | 110.73 |

(Note) Revision from the most recent announcement of consolidated financial forecasts: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
 Newly included — companies Excluded — company
- (2) Changes in accounting policies and accounting estimates
- 1) Changes in accounting policies required by IFRS: None
- 2) Changes other than 1): None
- 3) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

| | | | | |
|--|-------------------------------------|----------------------|-------------------------------------|----------------------|
| 1) Number of shares issued at the end of the term including treasury stock | As of June 30, 2024 | 60,907,599 Shares | As of March 31, 2024 | 60,907,599 Shares |
| 2) Number of treasury stock at the end of the term | As of June 30, 2024 | 1,773,641 shares | As of March 31, 2024 | 1,305,026 shares |
| 3) Average number of shares during the term (cumulative) | Three months ended June 30, 2024 | 59,358,737 shares | Three months ended June 30, 2023 | 60,347,990 shares |

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an auditing firm: None

*Explanation regarding the appropriate use of forecasts of financial results and other notes

The consolidated forecasts presented on the previous page are projections made by management at NIPPON SEIKI CO., LTD. (hereinafter the “Company”) on the basis of information available at the time of preparation. For that reason, they involve risks and uncertainties.

○Table of Contents

| | |
|---|----|
| Condensed Quarterly Consolidated Financial Statements | 2 |
| 1. Condensed Quarterly Consolidated Statements of Financial Position | 2 |
| 2. Condensed Quarterly Consolidated Statements of Profit and Comprehensive Income | 4 |
| 3. Condensed Quarterly Consolidated Statements of Changes in Equity | 6 |
| 4. Condensed Quarterly Consolidated Statements of Cash Flows | 8 |
| 5. Notes Concerning Condensed Quarterly Consolidated Financial Statements | 10 |

Condensed Quarterly Consolidated Financial Statements

1. Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Million yen)

| | March 31, 2024 | June 30, 2024 |
|---------------------------------|----------------|----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 33,257 | 33,702 |
| Trade and other receivables | 53,487 | 47,134 |
| Other financial assets | 11,999 | 14,769 |
| Inventories | 101,540 | 104,396 |
| Other current assets | 12,950 | 10,505 |
| Total current assets | 213,235 | 210,509 |
| Non-current assets | | |
| Property, plant and equipment | 74,393 | 77,767 |
| Goodwill and Intangible assets | 8,088 | 7,595 |
| Trade and other receivables | 3 | 3 |
| Other financial assets | 37,018 | 35,623 |
| Deferred tax assets | 5,691 | 6,020 |
| Other non-current assets | 200 | 213 |
| Total non-current assets | 125,396 | 127,224 |
| Total assets | 338,632 | 337,733 |

(Unit: Million yen)

| | March 31, 2024 | June 30, 2024 |
|---|----------------|----------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 47,545 | 47,827 |
| Bonds and borrowings | 12,491 | 12,725 |
| Other financial liabilities | 1,936 | 2,263 |
| Income taxes payable | 4,686 | 1,861 |
| Short-term employee benefits | 5,532 | 5,802 |
| Provisions | 412 | 395 |
| Other current liabilities | 1,865 | 1,317 |
| Total current liabilities | 74,470 | 72,193 |
| Non-current liabilities | | |
| Bonds and borrowings | 12,699 | 11,192 |
| Other financial liabilities | 5,498 | 5,166 |
| Long-term employee benefits | 4,122 | 4,240 |
| Provisions | 303 | 310 |
| Deferred tax liabilities | 11,973 | 12,131 |
| Other non-current liabilities | 509 | 477 |
| Total non-current liabilities | 35,107 | 33,519 |
| Total liabilities | 109,577 | 105,713 |
| Equity | | |
| Share capital | 14,494 | 14,494 |
| Capital surplus | 4,421 | 4,424 |
| Retained earnings | 152,134 | 151,702 |
| Treasury shares | (1,940) | (2,609) |
| Other components of equity | 52,427 | 56,697 |
| Equity attributable to owners of parent | 221,537 | 224,709 |
| Non-controlling interests | 7,517 | 7,311 |
| Total equity | 229,054 | 232,020 |
| Total liabilities and equity | 338,632 | 337,733 |

2. Condensed Quarterly Consolidated Statements of Profit and Comprehensive income
 Comprehensive Quarterly Consolidated Statements of Profit
 For the three months ended June 30, 2023 and 2024

(Unit: Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 74,397 | 76,383 |
| Cost of sales | (63,446) | (65,047) |
| Gross profit | 10,950 | 11,336 |
| Selling, general and administrative expenses | (8,508) | (9,146) |
| Other income | 183 | 100 |
| Other expenses | (319) | (108) |
| Operating profit | 2,305 | 2,181 |
| Finance income | 2,311 | 787 |
| Finance costs | (46) | (1,360) |
| Profit before tax | 4,570 | 1,608 |
| Income tax expense | (1,538) | (1,350) |
| Profit | 3,032 | 257 |
| Profit attributable to | | |
| Owners of parent | 2,971 | 196 |
| Non-controlling interests | 60 | 60 |
| Profit | 3,032 | 257 |
| Earnings per share | | |
| Basic earnings per share (yen) | 49.24 | 3.31 |
| Diluted earnings per share (yen) | 49.19 | 3.31 |

Condensed Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2023 and 2024

(Unit: Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit | 3,032 | 257 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss-OCI | | |
| Gains (losses) of financial assets measured at fair value through other comprehensive income | 2,602 | (93) |
| Total of items that will not be reclassified to profit or loss | 2,602 | (93) |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | 11,754 | 5,564 |
| Total of items that may be reclassified to profit or loss | 11,754 | 5,564 |
| Other comprehensive income, net of tax | 14,357 | 5,470 |
| Comprehensive income | 17,389 | 5,728 |
| Comprehensive income attributable to | | |
| Owners of parent | 16,936 | 5,327 |
| Non-controlling interests | 452 | 400 |
| Comprehensive income | 17,389 | 5,728 |

3. Condensed Quarterly Consolidated Statements of Changes in Equity
For the three months ended June 30, 2023

(Unit: Million yen)

| | Equity attributable to owners of parent | | | | | |
|---|---|-----------------|-------------------|-----------------|--|--|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Other components of equity | |
| | | | | | Financial assets measured at fair value through other comprehensive income | Remeasurement of defined benefit liability (asset) |
| Balance at beginning of period | 14,494 | 4,435 | 149,233 | (972) | 8,637 | — |
| Comprehensive income | | | | | | |
| Profit | — | — | 2,971 | — | — | — |
| Other comprehensive income | — | — | — | — | 2,602 | — |
| Total comprehensive income | — | — | 2,971 | — | 2,602 | — |
| Transactions with owners | | | | | | |
| Dividends | — | — | (1,206) | — | — | — |
| Share-based shares | — | 3 | — | — | — | — |
| Purchase of treasury shares | — | — | — | (0) | — | — |
| Transfer from other components of equity to retained earnings | — | — | — | — | — | — |
| Total transactions with owners | — | 3 | (1,206) | (0) | — | — |
| Balance at end of period | 14,494 | 4,439 | 150,998 | (972) | 11,240 | — |

| | Equity attributable to owners of parent | | | Non-controlling interests | Total equity |
|---|---|--------|---|---------------------------|--------------|
| | Other components of equity | | Total equity attributable to owners of parent | | |
| | Exchange differences on translation of foreign operations | Total | | | |
| Balance at beginning of period | 23,713 | 32,351 | 199,542 | 6,832 | 206,375 |
| Comprehensive income | | | | | |
| Profit | — | — | 2,971 | 60 | 3,032 |
| Other comprehensive income | 11,362 | 13,965 | 13,965 | 391 | 14,357 |
| Total comprehensive income | 11,362 | 13,965 | 16,936 | 452 | 17,389 |
| Transactions with owners | | | | | |
| Dividends | — | — | (1,206) | (6) | (1,213) |
| Share-based shares | — | — | 3 | — | 3 |
| Purchase of treasury shares | — | — | (0) | — | (0) |
| Transfer from other components of equity to retained earnings | — | — | — | — | — |
| Total transactions with owners | — | — | (1,203) | (6) | (1,209) |
| Balance at end of period | 35,075 | 46,316 | 215,276 | 7,278 | 222,554 |

For the three months ended June 30, 2024

(Unit: Million yen)

| | Equity attributable to owners of parent | | | | | |
|---|---|-----------------|-------------------|-----------------|--|--|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Other components of equity | |
| | | | | | Financial assets measured at fair value through other comprehensive income | Remeasurement of defined benefit liability (asset) |
| Balance at beginning of period | 14,494 | 4,421 | 152,134 | (1,940) | 15,327 | — |
| Comprehensive income | | | | | | |
| Profit | — | — | 196 | — | — | — |
| Other comprehensive income | — | — | — | — | (93) | — |
| Total comprehensive income | — | — | 196 | — | (93) | — |
| Transactions with owners | | | | | | |
| Dividends | — | — | (1,490) | — | — | — |
| Share-based shares | — | 3 | — | — | — | — |
| Purchase of treasury shares | — | — | — | (668) | — | — |
| Transfer from other components of equity to retained earnings | — | — | 861 | — | (861) | — |
| Total transactions with owners | — | 3 | (628) | (668) | (861) | — |
| Balance at end of period | 14,494 | 4,424 | 151,702 | (2,609) | 14,372 | — |

| | Equity attributable to owners of parent | | | Non-controlling interests | Total equity |
|---|---|--------|---|---------------------------|--------------|
| | Other components of equity | | Total equity attributable to owners of parent | | |
| | Exchange differences on translation of foreign operations | Total | | | |
| Balance at beginning of period | 37,100 | 52,427 | 221,537 | 7,517 | 229,054 |
| Comprehensive income | | | | | |
| Profit | — | — | 196 | 60 | 257 |
| Other comprehensive income | 5,224 | 5,131 | 5,131 | 339 | 5,470 |
| Total comprehensive income | 5,224 | 5,131 | 5,327 | 400 | 5,728 |
| Transactions with owners | | | | | |
| Dividends | — | — | (1,490) | (606) | (2,096) |
| Share-based shares | — | — | 3 | — | 3 |
| Purchase of treasury shares | — | — | (668) | — | (668) |
| Transfer from other components of equity to retained earnings | — | (861) | — | — | — |
| Total transactions with owners | — | (861) | (2,155) | (606) | (2,762) |
| Balance at end of period | 42,325 | 56,697 | 224,709 | 7,311 | 232,020 |

4. Condensed Quarterly Consolidated Statements of Cash Flows
For the three months ended June 30, 2023 and 2024

(Unit: Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 4,570 | 1,608 |
| Depreciation and amortization | 3,130 | 3,294 |
| Impairment losses | 126 | 39 |
| Interest and dividend income | (1,148) | (787) |
| Interest expenses | 46 | 58 |
| Loss (gain) on sale of fixed assets | (28) | (3) |
| Decrease (increase) in trade and other receivables | 5,188 | 9,067 |
| Decrease (increase) in inventories | (186) | (227) |
| Increase (decrease) in trade and other payables | (4,716) | (4,663) |
| Increase (decrease) in provisions | (30) | (23) |
| Increase (decrease) in retirement benefit liability | 82 | 33 |
| Loss (gain) on foreign exchange | (318) | 638 |
| Other | 5,444 | 3,082 |
| Subtotal | 12,159 | 12,117 |
| Interest and dividend of received | 1,224 | 782 |
| Interest paid | (77) | (96) |
| Income taxes paid | (1,290) | (3,489) |
| Net cash provided by (used in) operating activities | 12,016 | 9,314 |
| Cash flows from investing activities | | |
| Net decrease (increase) in time deposits | (1,772) | (2,315) |
| Purchase of property, plant and equipment, and intangible assets | (2,700) | (4,224) |
| Proceeds from sales of property, plant and equipment, and intangible assets | 111 | 25 |
| Purchase of investment securities | (36) | (70) |
| Proceeds from sales of investment securities | — | 946 |
| Collection of loans receivable | 1 | 2 |
| Other | (3) | (0) |
| Net cash provided by (used in) investing activities | (4,400) | (5,636) |

(Unit: Million yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financial activities | | |
| Net increase (decrease) in short-term borrowings | (8,000) | 300 |
| Repayments of long-term borrowings | (2,011) | (1,770) |
| Repayments of lease liabilities | (502) | (488) |
| Dividends paid to non-controlling interests | (36) | (353) |
| Net decrease (increase) in treasury shares | 0 | (703) |
| Dividends paid | (1,207) | (1,490) |
| Redemption of bonds | (10) | — |
| Net cash provided by (used in) financial activities | (11,767) | (4,507) |
| Effect of exchange rate changes on cash and cash equivalents | 1,291 | 1,274 |
| Net increase (decrease) in cash and cash equivalents | (2,860) | 445 |
| Cash and cash equivalents at beginning of period | 30,043 | 33,257 |
| Cash and cash equivalents at end of period | 27,183 | 33,702 |

5. Notes to Condensed Quarterly Consolidated Financial Statements

(1) Segment Information

For the three months ended June 30, 2023

(Unit: Million yen)

| | Reportable segments | | | | | Other (Note1) | Total | Adjustments (Note2) | Amounts stated in consolidated F/S (Note3) |
|------------------------|------------------------|----------------------|-------------------------------|-----------|----------|------------------|--------|------------------------|--|
| | Automotive Business | Consumer Business | Resin Compound Business | Car Sales | Subtotal | | | | |
| Revenue | | | | | | | | | |
| Customers | 59,478 | 5,210 | 2,132 | 5,923 | 72,745 | 1,652 | 74,397 | – | 74,397 |
| Intersegment | – | – | 337 | 2 | 339 | 2,710 | 3,050 | (3,050) | – |
| Total revenue | 59,478 | 5,210 | 2,469 | 5,926 | 73,084 | 4,362 | 77,447 | (3,050) | 74,397 |
| Segment profits (loss) | 1,335 | 548 | (12) | 203 | 2,074 | 209 | 2,283 | 22 | 2,305 |
| Finance income | – | – | – | – | – | – | – | – | 2,311 |
| Finance costs | – | – | – | – | – | – | – | – | (46) |
| Profit before tax | – | – | – | – | – | – | – | – | 4,570 |

(Notes)

1. “Other” is the business segment that is not categorized as reportable segment and includes production and sales of liquid crystal display devices and modules, transportation of cargoes, development and sales of software, and entrusted accounting business etc.
2. Segment profit (loss) totaling 22 million is elimination of inter-segment transactions, etc.
3. Segment profit (loss) is adjusted to operating profit in the condensed quarterly consolidated statements of profit.

For the three months ended June 30, 2024

(Unit: Million yen)

| | Reportable segments | | | | | Other (Note1) | Total | Adjustments (Note2) | Amounts stated in consolidated F/S (Note3) |
|-----------------------|------------------------|----------------------|-------------------------------|-----------|----------|------------------|--------|------------------------|--|
| | Automotive Business | Consumer Business | Resin Compound Business | Car Sales | Subtotal | | | | |
| Revenue | | | | | | | | | |
| External customers | 62,554 | 3,305 | 2,243 | 6,488 | 74,591 | 1,791 | 76,383 | – | 76,383 |
| Intersegment | – | – | 416 | 3 | 420 | 2,784 | 3,204 | (3,204) | – |
| Total revenue | 62,554 | 3,305 | 2,660 | 6,492 | 75,012 | 4,576 | 79,588 | (3,204) | 76,383 |
| Segment profit (loss) | 1,470 | (8) | 235 | 319 | 2,016 | 206 | 2,222 | (41) | 2,181 |
| Finance income | – | – | – | – | – | – | – | – | 787 |
| Finance costs | – | – | – | – | – | – | – | – | (1,360) |
| Profit before tax | – | – | – | – | – | – | – | – | 1,608 |

(Notes)

1. “Other” is the business segment that is not categorized as reportable segment and includes production and sales of liquid crystal display devices and modules, transportation of cargoes, development and sales of software, and entrusted accounting business etc.
2. Segment profit (loss) totaling (41) million is elimination of inter-segment transactions, etc.
3. Segment profit (loss) is adjusted to operating profit in the condensed quarterly consolidated statements of profit.