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Consolidated Financial Results for the Six Months Ended September 30, 2024 (under IFRS)

November 11, 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 for filing of Semi-annual securities report: November 14, 2024
 Scheduled date of commencement of dividend payment: December 6, 2024
 Preparation of supplementary explanatory material: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 – September 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	%
Six months ended												
September 30, 2024	152,447	1.5	3,445	(28.1)	2,368	(74.7)	900	(49.7)	750	(55.3)	(4,467)	–
September 30, 2023	150,192	17.4	4,791	–	9,352	612.0	1,791	–	1,677	–	17,875	(11.9)

	Basic earnings per share		Diluted earnings per share	
	Yen coin		Yen coin	
Six months ended				
September 30, 2024	12.69		12.68	
September 30, 2023	27.80		27.77	

(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
	Million yen	Million yen	Million yen	%
As of				
September 30, 2024	323,074	221,199	214,198	66.3
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	–	25.00	–	–	–
Fiscal year ended					
March 31, 2025 (forecast)	–	–	–	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 ended							
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 September30, 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 September30, 2024	2,251,186 Shares	As of March 31, 2024	1,305,026 Shares
3) Average number of shares during the term (cumulative)	Six months ended September 30, 2024	59,121,019 shares	Six months ended September 30, 2023	60,355,905 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.

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Condensed Quarterly Consolidated Financial Statements

1. Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Million yen)

	March 31, 2024	September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	33,257	30,510
Trade and other receivables	53,487	44,987
Other financial assets	11,999	15,191
Inventories	101,540	100,845
Other current assets	12,950	11,163
Total current assets	213,235	202,699
Non-current assets		
Property, plant and equipment	74,393	76,721
Goodwill and Intangible assets	8,088	7,181
Trade and other receivables	3	3
Other financial assets	37,018	30,599
Deferred tax assets	5,691	5,655
Other non-current assets	200	215
Total non-current assets	125,396	120,375
Total assets	338,632	323,074

(Unit: Million yen)

	March 31, 2024	September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	47,545	37,810
Bonds and borrowings	12,491	19,489
Other financial liabilities	1,936	1,538
Income taxes payable	4,686	1,396
Short-term employee benefits	5,532	6,798
Provisions	412	391
Other current liabilities	1,865	1,175
Total current liabilities	74,470	68,599
Non-current liabilities		
Bonds and borrowings	12,699	13,262
Other financial liabilities	5,498	4,800
Long-term employee benefits	4,122	4,182
Provisions	303	301
Deferred tax liabilities	11,973	10,240
Other non-current liabilities	509	488
Total non-current liabilities	35,107	33,275
Total liabilities	109,577	101,875
Equity		
Share capital	14,494	14,494
Capital surplus	4,421	4,409
Retained earnings	152,134	153,428
Treasury shares	(1,940)	(3,219)
Other components of equity	52,427	45,085
Equity attributable to owners of parent	221,537	214,198
Non-controlling interests	7,517	7,001
Total equity	229,054	221,199
Total liabilities and equity	338,632	323,074

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

(Unit: Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	150,192	152,447
Cost of sales	(128,096)	(131,026)
Gross profit	22,095	21,420
Selling, general and administrative expenses	(17,350)	(18,294)
Other income	481	500
Other expenses	(434)	(180)
Operating profit	4,791	3,445
Finance income	4,646	1,008
Finance costs	(85)	(2,085)
Profit before tax	9,352	2,368
Income tax expense	(7,560)	(1,467)
Profit	1,791	900
Profit attributable to		
Owners of parent	1,677	750
Non-controlling interests	113	150
Profit	1,791	900
Earnings per share		
Basic earnings per share (yen)	27.80	12.69
Diluted earnings per share (yen)	27.77	12.68

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

(Unit: Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,791	900
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	4,679	(1,864)
Total of items that will not be reclassified to profit or loss	4,679	(1,864)
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	11,403	(3,503)
Total of items that may be reclassified to profit or loss	11,403	(3,503)
Other comprehensive income, net of tax	16,083	(5,368)
Comprehensive income	17,875	(4,467)
Comprehensive income attributable to		
Owners of parent	17,289	(4,558)
Non-controlling interests	685	90
Comprehensive income	17,875	(4,467)

3. Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 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	—	—	1,677	—	—	—
Other comprehensive income	—	—	—	—	4,679	—
Total comprehensive income	—	—	1,677	—	4,679	—
Transactions with owners						
Dividends	—	—	(1,206)	—	—	—
Share-based remuneration transaction	—	6	—	—	—	—
Purchase of treasury shares	—	—	—	(0)	—	—
Disposal of treasury shares	—	(28)	—	28	—	—
Change in scope of consolidation	—	—	6	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Total transactions with owners	—	(21)	(1,200)	27	—	—
Balance at end of period	14,494	4,414	149,711	(944)	13,317	—

	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	—	—	1,677	113	1,791
Other comprehensive income	10,931	15,611	15,611	471	16,083
Total comprehensive income	10,931	15,611	17,289	585	17,875
Transactions with owners					
Dividends	—	—	(1,206)	(81)	(1,288)
Share-based remuneration transaction	—	—	6	—	6
Purchase of treasury shares	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	0	—	—
Change in scope of consolidation	—	—	6	(72)	(65)
Transfer from other components of equity to retained earnings	—	—	—	—	—
Total transactions with owners	—	—	(1,193)	(154)	(1,347)
Balance at end of period	34,645	47,962	215,638	7,264	222,903

For the six months ended September 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	—	—	750	—	—	—
Other comprehensive income	—	—	—	—	(1,864)	—
Total comprehensive income	—	—	750	—	(1,864)	—
Transactions with owners						
Dividends	—	—	(1,490)	—	—	—
Share-based remuneration transaction	—	3	—	—	—	—
Purchase of treasury shares	—	—	—	(1,298)	—	—
Disposal of treasury shares	—	(15)	—	19	—	—
Change in scope of consolidation	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,033	—	(2,033)	—
Total transactions with owners	—	(12)	543	(1,278)	(2,033)	—
Balance at end of period	14,494	4,409	153,428	(3,219)	11,429	—

	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	—	—	750	150	900
Other comprehensive income	(3,443)	(5,308)	(5,308)	(59)	(5,368)
Total comprehensive income	(3,443)	(5,308)	(4,558)	90	(4,467)
Transactions with owners					
Dividends	—	—	(1,490)	(606)	(2,096)
Share-based remuneration transaction	—	—	3	—	3
Purchase of treasury shares	—	—	(1,298)	—	(1,298)
Disposal of treasury shares	—	—	4	—	4
Change in scope of consolidation	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	(2,033)	0	—	0
Total transactions with owners	—	(2,033)	(2,780)	(606)	(3,387)
Balance at end of period	33,656	45,085	214,198	7,001	221,199

4. Condensed Quarterly Consolidated Statements of Cash Flows

(Unit: Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before tax	9,352	2,368
Depreciation and amortization	6,396	6,430
Impairment losses	211	96
Interest and dividend income	(1,902)	(1,008)
Interest expenses	85	124
Loss (gain) on sale of fixed assets	(81)	(1)
Decrease (increase) in trade and other receivables	7,854	7,272
Decrease (increase) in inventories	(3,628)	(1,137)
Increase (decrease) in trade and other payables	(5,321)	(7,767)
Increase (decrease) in provisions	(39)	(15)
Increase (decrease) in retirement benefit liability	90	40
Loss (gain) on foreign exchange	(118)	(276)
Other	5,481	2,568
Subtotal	18,370	8,693
Interest and dividend received	2,226	1,011
Interest paid	(44)	(124)
Income taxes paid	(2,504)	(5,378)
Net cash provided by (used in) operating activities	18,048	4,202
Cash flows from investing activities		
Net decrease (increase) in time deposits	47,039	(3,043)
Purchase of property, plant and equipment, and intangible assets	(5,206)	(9,801)
Proceeds from sales of property, plant and equipment, and intangible assets	148	55
Purchase of investment securities	(39)	(73)
Proceeds from sales of investment securities	—	2,888
Payments for loans receivable	(1)	—
Collection of loans receivable	26	4
Other	(3)	(2)
Net cash provided by (used in) investing activities	41,962	(9,971)

(Unit: Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financial activities		
Net increase (decrease) in short-term borrowings	(48,200)	6,997
Proceeds from long-term borrowings	—	4,000
Repayments of long-term borrowings	(3,969)	(3,413)
Repayments of lease liabilities	(981)	(869)
Dividends paid to non-controlling interests	(81)	(603)
Net decrease (increase) in treasury shares	0	(1,450)
Dividends paid	(1,206)	(1,489)
Redemption of bonds	(30)	(20)
Other	(85)	—
Net cash provided by (used in) financial activities	(54,555)	3,150
Effect of exchange rate change on cash and cash equivalents	1,279	(127)
Net increase (decrease) in cash and cash equivalents	6,734	(2,746)
Cash and cash equivalents at beginning of period	30,043	33,257
Cash and cash equivalents at end of period	36,777	30,510

5. Notes to Condensed Quarterly Consolidated Financial Statements

(1) Segment Information

For the six months ended September 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	120,967	9,036	4,224	12,379	146,606	3,585	150,192	–	150,192
Intersegment	–	–	678	5	684	5,545	6,230	(6,230)	–
Total revenue	120,967	9,036	4,902	12,384	147,291	9,131	156,422	(6,230)	150,192
Segment profit	2,572	728	233	493	4,027	537	4,565	226	4,791
Finance income	–	–	–	–	–	–	–	–	4,646
Finance costs	–	–	–	–	–	–	–	–	(85)
Profit before tax	–	–	–	–	–	–	–	–	9,352

(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 totaling 226 million is elimination of inter-segment transactions, etc.
3. Segment profit is adjusted to operating profit in the condensed quarterly consolidated statements of profit.

For the six months ended September 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									
Customers	123,790	6,511	4,743	12,856	147,901	4,545	152,447	–	152,447
Intersegment	–	–	686	11	698	5,818	6,516	(6,516)	–
Total revenue	123,790	6,511	5,429	12,868	148,600	10,364	158,964	(6,516)	152,447
Segment profit (loss)	1,930	(189)	392	710	2,844	727	3,571	(126)	3,445
Finance income	–	–	–	–	–	–	–	–	1,008
Finance costs	–	–	–	–	–	–	–	–	(2,085)
Profit before tax	–	–	–	–	–	–	–	–	2,368

(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 (126) 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.