

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: NISSEI PLASTIC INDUSTRIAL CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6293 URL <http://www.nisseijushi.co.jp>
 Representative: President & Representative Director Hozumi Yoda
 Inquiries: Managing Director Hiroshi Miyashita TEL 0268-82-3000
 Scheduled date of ordinary general meeting of shareholders: June 23, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 26, 2023
 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 year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	52,205	7.1	2,682	4.0	2,427	(17.4)	1,835	(31.5)
Year ended March 31, 2022	48,731	17.1	2,577	125.1	2,940	174.6	2,680	347.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	94.13	92.07	4.8	3.3	5.1
Year ended March 31, 2022	137.43	134.71	7.7	4.4	5.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	77,645	39,663	50.7	2,017.08
As of March 31, 2022	68,852	36,938	52.9	1,868.26

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(4,152)	(1,576)	6,127	11,301
Year ended March 31, 2022	1,619	(777)	(4,238)	10,601

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	15.00	—	15.00	30.00	585	21.8	1.7
Year ended March 31, 2023	—	20.00	—	15.00	35.00	682	37.2	1.8
Year ending March 31, 2024 (Forecast)	—	15.00	—	20.00	35.00		75.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 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 September 30, 2023	21,000	(15.9)	400	(75.0)	500	(70.7)	400	(68.2)	20.51
Full year	46,000	(11.9)	1,200	(55.3)	1,300	(46.5)	900	(51.0)	46.15

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	22,272,000 shares	As of March 31, 2022	22,272,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	2,768,705 shares	As of March 31, 2022	2,768,705 shares
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Average number of shares during the period

Year ended March 31, 2023	19,503,295 shares	Year ended March 31, 2022	19,503,334 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	10,781	11,301
Notes and accounts receivable - trade, and contract assets	10,606	8,015
Electronically recorded monetary claims - operating	638	606
Merchandise and finished goods	9,419	13,070
Work in process	4,413	6,415
Raw materials and supplies	11,672	13,717
Accounts receivable - other	2,390	3,438
Other	1,380	1,783
Allowance for doubtful accounts	(469)	(406)
Total current assets	50,834	57,941
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,833	15,436
Accumulated depreciation	(8,620)	(9,026)
Buildings and structures, net	6,212	6,409
Machinery, equipment and vehicles	5,937	6,284
Accumulated depreciation	(4,393)	(4,740)
Machinery, equipment and vehicles, net	1,543	1,543
Tools, furniture and fixtures	3,799	4,413
Accumulated depreciation	(3,519)	(4,138)
Tools, furniture and fixtures, net	279	275
Land	4,625	4,774
Leased assets	429	701
Accumulated depreciation	(76)	(304)
Leased assets, net	353	396
Construction in progress	382	937
Total property, plant and equipment	13,397	14,336
Intangible assets		
Leased assets	9	8
Other	562	515
Total intangible assets	572	524
Investments and other assets		
Investment securities	1,939	2,223
Deferred tax assets	1,848	2,380
Retirement benefit asset	38	36
Other	224	204
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	4,048	4,842
Total non-current assets	18,018	19,703
Total assets	68,852	77,645

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,252	13,386
Short-term borrowings	433	4,503
Current portion of long-term borrowings	1,744	2,254
Lease liabilities	156	190
Income taxes payable	742	417
Provision for bonuses	96	95
Provision for product warranties	233	241
Other	4,828	5,139
Total current liabilities	22,489	26,229
Non-current liabilities		
Long-term borrowings	5,869	8,325
Lease liabilities	226	264
Deferred tax liabilities	14	17
Retirement benefit liability	3,140	2,979
Long-term accounts payable - other	110	110
Other	62	53
Total non-current liabilities	9,424	11,752
Total liabilities	31,913	37,981
Net assets		
Shareholders' equity		
Share capital	5,362	5,362
Capital surplus	5,334	5,295
Retained earnings	25,944	27,097
Treasury shares	(1,539)	(1,539)
Total shareholders' equity	35,102	36,215
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	711	908
Deferred gains or losses on hedges	(3)	(0)
Foreign currency translation adjustment	607	2,199
Remeasurements of defined benefit plans	18	16
Total accumulated other comprehensive income	1,335	3,123
Share acquisition rights	282	322
Non-controlling interests	218	1
Total net assets	36,938	39,663
Total liabilities and net assets	68,852	77,645

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	48,731	52,205
Cost of sales	34,330	36,005
Gross profit	14,400	16,200
Selling, general and administrative expenses	11,822	13,518
Operating profit	2,577	2,682
Non-operating income		
Interest income	48	37
Dividend income	62	88
Purchase discounts	25	28
Foreign exchange gains	274	–
Gain on valuation of derivatives	25	84
Rental income	28	27
Commission income	20	18
Electricity sale income	24	24
Other	79	179
Total non-operating income	589	489
Non-operating expenses		
Interest expenses	161	121
Foreign exchange losses	–	535
Electricity sale expenses	7	6
Loss on cancellation of leases	38	–
Other	19	79
Total non-operating expenses	226	743
Ordinary profit	2,940	2,427
Extraordinary income		
Gain on sale of non-current assets	1,165	–
Total extraordinary income	1,165	–
Extraordinary losses		
Subsidiaries relocation expenses	80	–
Extra retirement payments	20	–
Total extraordinary losses	100	–
Profit before income taxes	4,005	2,427
Income taxes - current	1,377	1,178
Income taxes - deferred	(78)	(563)
Total income taxes	1,299	615
Profit	2,705	1,812
Profit (loss) attributable to non-controlling interests	25	(23)
Profit attributable to owners of parent	2,680	1,835

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,705	1,812
Other comprehensive income		
Valuation difference on available-for-sale securities	79	196
Deferred gains or losses on hedges	(5)	3
Foreign currency translation adjustment	868	1,591
Remeasurements of defined benefit plans, net of tax	(29)	(2)
Total other comprehensive income	912	1,788
Comprehensive income	3,618	3,601
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,592	3,624
Comprehensive income attributable to non-controlling interests	25	(23)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,362	5,394	23,863	(1,538)	33,081
Cumulative effects of changes in accounting policies			(14)		(14)
Restated balance	5,362	5,394	23,848	(1,538)	33,066
Changes during period					
Dividends of surplus			(585)		(585)
Profit attributable to owners of parent			2,680		2,680
Purchase of treasury shares				(0)	(0)
Capital increase of consolidated subsidiaries		(59)			(59)
Net changes in items other than shareholders' equity					
Total changes during period	-	(59)	2,095	(0)	2,035
Balance at end of period	5,362	5,334	25,944	(1,539)	35,102

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	632	1	(262)	48	420	239	110	33,851
Cumulative effects of changes in accounting policies								(14)
Restated balance	632	1	(262)	48	420	239	110	33,837
Changes during period								
Dividends of surplus								(585)
Profit attributable to owners of parent								2,680
Purchase of treasury shares								(0)
Capital increase of consolidated subsidiaries								(59)
Net changes in items other than shareholders' equity	79	(4)	870	(29)	915	42	108	1,066
Total changes during period	79	(4)	870	(29)	915	42	108	3,101
Balance at end of period	711	(3)	607	18	1,335	282	218	36,938

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,362	5,334	25,944	(1,539)	35,102
Changes during period					
Dividends of surplus			(682)		(682)
Profit attributable to owners of parent			1,835		1,835
Capital increase of consolidated subsidiaries		(39)			(39)
Net changes in items other than shareholders' equity					
Total changes during period	–	(39)	1,153	–	1,113
Balance at end of period	5,362	5,295	27,097	(1,539)	36,215

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	711	(3)	607	18	1,335	282	218	36,938
Changes during period								
Dividends of surplus								(682)
Profit attributable to owners of parent								1,835
Capital increase of consolidated subsidiaries								(39)
Net changes in items other than shareholders' equity	196	2	1,591	(2)	1,788	40	(217)	1,611
Total changes during period	196	2	1,591	(2)	1,788	40	(217)	2,725
Balance at end of period	908	(0)	2,199	16	3,123	322	1	39,663

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,005	2,427
Depreciation	1,287	1,518
Gain on sale of non-current assets	(1,165)	–
Increase (decrease) in allowance for doubtful accounts	(29)	(97)
Increase (decrease) in provision for bonuses	16	(1)
Increase (decrease) in retirement benefit liability	(80)	(174)
Interest and dividend income	(111)	(124)
Interest expenses	161	101
Decrease (increase) in inventories and contract assets	(978)	2,625
Decrease (increase) in inventories	(5,755)	(6,486)
Decrease (increase) in consumption taxes refund receivable	(260)	(642)
Decrease (increase) in accounts receivable - other	16	60
Increase (decrease) in trade payables	2,916	(2,032)
Increase (decrease) in accounts payable - other	188	16
Other, net	2,263	(49)
Subtotal	2,475	(2,857)
Interest and dividends received	95	125
Interest paid	(183)	(54)
Income taxes paid	(768)	(1,365)
Net cash provided by (used in) operating activities	1,619	(4,152)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	4	194
Purchase of property, plant and equipment	(1,957)	(1,463)
Proceeds from sale of property, plant and equipment	1,363	–
Purchase of intangible assets	(190)	(307)
Proceeds from sale of securities	2	–
Net cash provided by (used in) investing activities	(777)	(1,576)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,943)	3,685
Proceeds from long-term borrowings	1,700	5,413
Repayments of long-term borrowings	(2,288)	(1,950)
Dividends paid	(584)	(682)
Purchase of treasury shares	(0)	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(238)
Repayments of finance lease liabilities	(121)	(99)
Net cash provided by (used in) financing activities	(4,238)	6,127
Effect of exchange rate change on cash and cash equivalents	(122)	301
Net increase (decrease) in cash and cash equivalents	(3,518)	700
Cash and cash equivalents at beginning of period	14,119	10,601
Cash and cash equivalents at end of period	10,601	11,301