

**For the Fiscal Year Ended March 31, 2022**

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**Annual Select<sup>®</sup> 2022**

# **NISSEI PLASTIC INDUSTRIAL CO., LTD.**

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**2110 Minamijo, Sakaki-machi, Hanishina-gun, Nagano-ken, Japan**

**(Securities Code: 6293)**

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## **Corporate Profile**



In the 75 years since the founding of the Company, concepts of manufacturing have constantly changed and shifted with the times, and the meaning of the Company's approach to management, as well as its outcomes, have always been questioned. At a time when modern society is pursuing the enrichment of living standards in a material sense, we as a company have arrived at the point where we must transform our focus from "achieving a society characterized by low costs, convenience, comfort," to "achieving a

society filled with genuine caring and prosperity.” Our mission has become one of realizing an approach to manufacturing that protects the planet’s ecosystems, with the need to address environmental problems such as that of marine pollution caused by microplastics, and enables them to be handed on to the next generation in a healthy state. We will work to achieve manufacturing methods that achieve a balance between the convenience offered by plastic and harmonious coexistence with the environment, such as by recycling plastics, or proposing new injection molding techniques that utilize biodegradable resins.

This corporate profile provides information about the Group (the Company and its subsidiaries)’s business activities in its 66th term (fiscal year ended March 31, 2022). Thank you for your interest.

## I. Summary of Selected Financial Data (Consolidated)

|   | 62 <sup>nd</sup> term<br>Fiscal year ended<br>March 31, 2018 | 63 <sup>rd</sup> term<br>Fiscal year ended<br>March 31, 2019 | 64 <sup>th</sup> term<br>Fiscal year ended<br>March 31, 2020 | 65 <sup>th</sup> term<br>Fiscal year ended<br>March 31, 2021 | 66 <sup>th</sup> term<br>Fiscal year ended<br>March 31, 2022 |
|---|--|--|--|--|--|
| Net sales<br>(Millions of yen)  | 42,321   | 44,065   | 38,801   | 41,604   | 48,731   |
| Ordinary profit<br>(Millions of yen)  | 3,354  | 3,593  | 1,130  | 1,070  | 2,940  |
| Profit attributable to owners of parent<br>(Millions of yen)                          | 1,476  | 2,589  | 644  | 598  | 2,680  |
| Comprehensive income<br>(Millions of yen)   | 1,760  | 2,368  | 381  | 716  | 3,618  |
| Net assets<br>(Millions of yen)   | 31,857   | 33,860   | 33,501   | 33,851   | 36,938   |
| Total assets<br>(Millions of yen)   | 56,476   | 56,841   | 63,255   | 64,364   | 68,852   |
| Net assets per share<br>(Yen)   | 1,586.63   | 1,685.13   | 1,681.06   | 1,717.73   | 1,868.26   |
| Basic earnings per share<br>(Yen)   | 73.85  | 129.56   | 32.30  | 30.71  | 137.43   |
| Diluted earnings per share<br>(Yen)   | 72.89  | 127.69   | 31.77  | 30.15  | 134.71   |
| Equity-to-asset ratio<br>(%)  | 56.2   | 59.3   | 52.3   | 52.0   | 52.9   |
| Rate of return on equity (ROE)<br>(%)   | 4.8  | 7.9  | 1.9  | 1.8  | 7.7  |
| Price-earnings ratio (PER)<br>(Times)   | 19.6   | 7.0  | 28.6   | 33.3   | 7.3  |
| Net cash provided by (used in) operating activities<br>(Millions of yen)              | 6,278  | 2,607  | (5,044)  | 4,693  | 1,619  |
| Net cash provided by (used in) investing activities<br>(Millions of yen)              | (3,043)  | (1,596)  | (1,238)  | (540)  | (777)  |
| Net cash provided by (used in) financing activities<br>(Millions of yen)              | (1,660)  | (1,186)  | 2,081  | 1,831  | (4,238)  |
| Cash and cash equivalents at end of period<br>(Millions of yen)                       | 12,436   | 12,201   | 7,932  | 14,119   | 10,601   |
| Number of employees<br>[Separately, average number of temporary workers]<br>(Persons) | 970<br>[99]  | 1,020<br>[107]   | 1,330<br>[119]   | 1,306<br>[112]   | 1,304<br>[110]   |

- Notes: 1. The number of employees indicates the number of personnel actually working in the Group (excluding those who have been seconded to organizations outside the Group). The number of temporary workers is not included in this figure, but is given in parentheses as an average number for the year.
2. Temporary workers include dispatched workers, temporary contract employees, and part-timers.
3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), and relevant ASBJ regulations from the beginning of the current fiscal year. The key management indices for the current fiscal year are those after applying the accounting standard and relevant ASBJ regulations.

## II. Overview of Business in the Fiscal Year Ended March 31, 2022

During the current fiscal year (the fiscal year ended March 31, 2022), in global trends, economic activity initially began to recover after stalling due to the COVID-19, but in the second half of the fiscal year the situation became uncertain, mainly due to global shortages of components such as semiconductors and a sharp depreciation of the yen sparked by the deteriorating situation in Ukraine.

The injection molding machine industry to which the Group belongs experienced a recovery trend in demand, which had stalled due to the spread of COVID-19, mainly in the automotive related field. However, in the second half of the fiscal year the management environment became adverse, mainly due to procurement issues caused by a global shortage of components. Under these conditions, the Group developed its business based on the Third Medium-Term Management Plan, which finishes in the fiscal year ending March 31, 2026, looking ahead to growth strategies and performance targets from a long-term perspective.

In development of business sites, the Group conducted an absorption-type merger of its US sales subsidiary NISSEI AMERICA, INC., which was the surviving company, and its US production subsidiary NISSEI PLASTIC MACHINERY AMERICA INC., in July 2021 with for the purpose of strengthening its global production and sales structure. NISSEI AMERICA, INC. will establish a new head office in the city of San Antonio, Texas, enabling streamlining of manufacturing, sales, and finance, as well as consolidated planning, production, management, modification, and sales of injection molding machines catered to the US market. Furthermore, in China, the Company decided in January 2022 to establish the production subsidiary NISSEI PLASTIC MACHINERY (HAIYAN) CO., LTD. in Haiyan County, Zhejiang Province. The establishment of this company will enable the Group to supply soaring demand for injection molding machinery centered in Asia as it continues to strengthen its global production and sales structure even further.

In regard to the Group's products, the Group's in-house brand "N-PLA jet" for injection molding technology of the environmentally friendly material Polylactic Acid (PLA) was awarded the grand prize in the "Shiawase Shinshu" category of the "Shinshu Brand Award 2021." The Group started R&D on usage and application technologies for biodegradable plastics in the 1990s, and has developed practical applications for heat-resistant applications, thin transparent applications, molding of composite material made from woodchips and PLA, and 2-color molding of PLA. In being selected for the prize, the Company was highly rated for its alignment with the theme of zero-carbon initiatives and its continuous effort on research on biodegradable plastics since the 1990s.

With regard to exhibitions at trade shows, from the current fiscal year, the Company has adopted the unified theme for exhibitions of "NISSEI RED." NISSEI RED stands for "NISSEI Reinforcing an Engineering Design," and the Company intends to use trade shows as spaces for promotion where it can communicate its passion and ideas as a specialist injection molding machinery manufacturer, the unique value that it can deliver to customers, its solution strategies, and its consideration for the next generation. The Company used this theme to exhibit at the Nagoya Plastic Industrial Fair 2021, as well as private exhibitions at its head office and at the NISSEI West Japan Technical Center in Hyogo Prefecture. At the Nagoya Plastic Industrial Fair 2021, held at Port Messe Nagoya in September 2021, the Company exhibited its new model, TWX-300RIII, and the 2-color molding machine, DCE-140III-9E. The TWX-300RIII demonstrated molding of different products under same molding conditions using low-pressure molding technology, N-SAPLI, while the DCE140III-9E demonstrated 2-color molding of PLA, promoting the Company's technological capabilities. Moreover, at the NISSEI West Japan Technical Center in October 2021, the Company held its West Japan Private Fair, followed in December by the

NISSEI RED EXHIBITION in NAGANO at the head office in Nagano Prefecture. At these private exhibitions, under the theme of NISSEI RED, the Company impressed its guests by demonstrating the FWX970III-200B, which is a next-generation hybrid machine capable of mounting a 680t class mold on a machine with the length of a 360t class machine, and also unveiling an injection blow method for molding with a generic injection molding machine, which is a new proposal for the bottle industry, as an evolution of the NEX electric-type injection molding machine.

On the sales front, in overseas markets, the Company developed new markets in Europe in the automotive industry using NEGRI BOSSI S.P.A. and local subsidiaries and responded to the move to EVs, as well as strengthening sales of environmentally friendly technology systems such as PLA. In the Asian markets, the Company build a sales expansion structure for the Asian plants of European companies and strengthen sales expansion of special machines and dedicated machines for important industries. In the Japanese market, the Company strengthened sales of medium- to large-sized machines, vertical machines, and 2-color machines, and promoted global sales for overseas delivery projects.

In operating results for the current fiscal year, net sales were ¥48,731 million (up 17.1% year on year), mainly due to recovery in demand for the injection molding machines that are our mainstay products. Of these, domestic net sales were ¥12,808 million and overseas net sales were ¥35,923 million, for an overseas sales ratio of 73.7% (74.0% in the previous fiscal year).

In terms of profits, mainly due to the recovery in demand for mainstay injection molding machines, operating profit was ¥2,577 million (up 125.1% year on year) and ordinary profit was ¥2,940 million (up 174.6% year on year). As a result, profit attributable to owners of parent was ¥2,680 million (up 347.6% year on year).

### III. Business Development in the Fiscal Year Ending March 31, 2023

Although the recovery of economic activity, which stagnated due to the COVID-19), is expected going forward, the outlook for the economy is uncertain due to concerns regarding semiconductor shortages, soaring steel prices, plastic material shortages, price increases, etc.

In the fiscal year ending March 31, 2023, the Company will carry out various measures to promote conformance for the Company's R&D and product sales to scope 3 based on SBT (Science Based Targets) for the issues of plastics in the ocean, the realization of a decarbonized society and the establishment of a resource circulation system as it has thought about the basics of management from an environmental perspective that uses a global point of view for the management target of "carry out final stages for the achievement of Future Design 2026 through the further evolution of global environmental management" in the Fourth Medium-Term Management Plan, which will last three years starting from the fiscal year ending March 31, 2023.

Specifically, the Company will promote education about environmental response and establish new methods, which will "commercialize technologies for environmental response," which thinks about all corporate activities, such as sales, manufacturing, products and risk from an environmental point of view, leading to an increase in sales. In terms of sales, the Company will modify misleading about plastics, and provide choices to improve the environment and increase corporate value, such as the moving from the utilization and application of petroleum-derived resins to plant-derived resins as a proposal to balance environmental response and economic activities. In terms of manufacturing structure, the Company will improve the response to quality, cost and delivery schedule as well as reduce foreign exchange risk by strengthening the global supply chain, and advance the stabilization of quality, costs and delivery schedule for parts that are difficult to procure, such as semiconductor-related products, components using metal materials, etc., through planned procurement and the reestablishment of a supply structure. With regard to product development, the Company will carry out planned product development and R&D based on the medium- to long-term road map, and promote and launch commercialized IoT technologies, such as technologies for environmental response and remote maintenance, in a timely manner.

The Group intends to work to strengthen the sales structure for its five global manufacturing bases to achieve management targets, and increase corporate value, which will be rooted in solving social issues, including organizational activities that work to protect the global environment for the industry overall. We look forward to your continued support and cooperation.

Forecast of consolidated financial results for the year ending March 31, 2023

|                               | Net sales<br>(Millions of yen) | Operating profit<br>(Millions of yen) | Ordinary profit<br>(Millions of yen) | Profit attributable to<br>owners of parent<br>(Millions of yen) | Earnings per share<br>(Yen) |
|-------------------------------|--------------------------------|---------------------------------------|--------------------------------------|---|-----------------------------|
| Year ending<br>March 31, 2023 | 51,000                         | 3,000                                 | 3,100                                | 1,900   | 97.42                       |

## IV. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

|  | As of March 31, 2021 | As of March 31, 2022 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Current assets   |                      |                      |
| Cash and deposits  | 14,124               | 10,781               |
| Notes and accounts receivable - trade                      | 10,639               | –                    |
| Notes and accounts receivable - trade, and contract assets | –                    | 10,606               |
| Electronically recorded monetary claims - operating        | 534                  | 638                  |
| Merchandise and finished goods                             | 6,547                | 9,419                |
| Work in process  | 4,348                | 4,413                |
| Raw materials and supplies                                 | 8,525                | 11,672               |
| Accounts receivable - other                                | 1,463                | 2,390                |
| Other  | 1,120                | 1,380                |
| Allowance for doubtful accounts                            | (472)                | (469)                |
| Total current assets                                       | 46,832               | 50,834               |
| Non-current assets   |                      |                      |
| Property, plant and equipment                              |                      |                      |
| Buildings and structures                                   | 14,578               | 14,833               |
| Accumulated depreciation                                   | (8,479)              | (8,620)              |
| Buildings and structures, net                              | 6,098                | 6,212                |
| Machinery, equipment and vehicles                          | 5,847                | 5,937                |
| Accumulated depreciation                                   | (4,158)              | (4,393)              |
| Machinery, equipment and vehicles, net                     | 1,688                | 1,543                |
| Tools, furniture and fixtures                              | 3,673                | 3,799                |
| Accumulated depreciation                                   | (3,361)              | (3,519)              |
| Tools, furniture and fixtures, net                         | 311                  | 279                  |
| Land   | 4,462                | 4,625                |
| Leased assets  | 698                  | 429                  |
| Accumulated depreciation                                   | (528)                | (76)                 |
| Leased assets, net   | 170                  | 353                  |
| Construction in progress                                   | 274                  | 382                  |
| Total property, plant and equipment                        | 13,006               | 13,397               |
| Intangible assets  |                      |                      |
| Leased assets  | 12                   | 9                    |
| Other  | 661                  | 562                  |
| Total intangible assets                                    | 674                  | 572                  |
| Investments and other assets                               |                      |                      |
| Investment securities                                      | 1,826                | 1,939                |
| Deferred tax assets  | 1,760                | 1,848                |
| Retirement benefit asset                                   | 49                   | 38                   |
| Other  | 216                  | 224                  |
| Allowance for doubtful accounts                            | (1)                  | (1)                  |
| Total investments and other assets                         | 3,851                | 4,048                |
| Total non-current assets                                   | 17,531               | 18,018               |
| Total assets   | 64,364               | 68,852               |

(Millions of yen)

|   | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                                    |                      |                      |
| Current liabilities                                   |                      |                      |
| Notes and accounts payable - trade                    | 10,640               | 14,252               |
| Short-term borrowings                                 | 3,310                | 433                  |
| Current portion of long-term borrowings               | 1,563                | 1,744                |
| Lease liabilities                                     | 972                  | 156                  |
| Income taxes payable                                  | 53                   | 742                  |
| Provision for bonuses                                 | 79                   | 96                   |
| Provision for product warranties                      | 171                  | 233                  |
| Other   | 4,227                | 4,828                |
| Total current liabilities                             | 21,017               | 22,489               |
| Non-current liabilities                               |                      |                      |
| Long-term borrowings                                  | 5,931                | 5,869                |
| Lease liabilities                                     | 190                  | 226                  |
| Deferred tax liabilities                              | 7                    | 14                   |
| Retirement benefit liability                          | 3,173                | 3,140                |
| Long-term accounts payable - other                    | 110                  | 110                  |
| Other   | 81                   | 62                   |
| Total non-current liabilities                         | 9,494                | 9,424                |
| Total liabilities                                     | 30,512               | 31,913               |
| <b>Net assets</b>                                     |                      |                      |
| Shareholders' equity                                  |                      |                      |
| Share capital   | 5,362                | 5,362                |
| Capital surplus                                       | 5,394                | 5,334                |
| Retained earnings                                     | 23,863               | 25,944               |
| Treasury shares                                       | (1,538)              | (1,539)              |
| Total shareholders' equity                            | 33,081               | 35,102               |
| Accumulated other comprehensive income                |                      |                      |
| Valuation difference on available-for-sale securities | 632                  | 711                  |
| Deferred gains or losses on hedges                    | 1                    | (3)                  |
| Foreign currency translation adjustment               | (262)                | 607                  |
| Remeasurements of defined benefit plans               | 48                   | 18                   |
| Total accumulated other comprehensive income          | 420                  | 1,335                |
| Share acquisition rights                              | 239                  | 282                  |
| Non-controlling interests                             | 110                  | 218                  |
| Total net assets                                      | 33,851               | 36,938               |
| Total liabilities and net assets                      | 64,364               | 68,852               |



**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

**(Consolidated Statements of Income)**

(Millions of yen)

|   | Fiscal year ended<br>March 31, 2021 | Fiscal year ended<br>March 31, 2022 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 41,604                              | 48,731                              |
| Cost of sales   | 29,384                              | 34,330                              |
| Gross profit  | 12,219                              | 14,400                              |
| Selling, general and administrative expenses            | 11,073                              | 11,822                              |
| Operating profit  | 1,145                               | 2,577                               |
| Non-operating income                                    |                                     |                                     |
| Interest income   | 43                                  | 48                                  |
| Dividend income   | 123                                 | 62                                  |
| Purchase discounts                                      | 21                                  | 25                                  |
| Foreign exchange gains                                  | –                                   | 274                                 |
| Rental income   | 30                                  | 28                                  |
| Commission income                                       | 20                                  | 20                                  |
| Electricity sale income                                 | 24                                  | 24                                  |
| Other   | 152                                 | 104                                 |
| Total non-operating income                              | 416                                 | 589                                 |
| Non-operating expenses                                  |                                     |                                     |
| Interest expenses                                       | 200                                 | 161                                 |
| Foreign exchange losses                                 | 103                                 | –                                   |
| Electricity sale expenses                               | 7                                   | 7                                   |
| Loss on cancellation of leases                          | 148                                 | 38                                  |
| Other   | 30                                  | 19                                  |
| Total non-operating expenses                            | 490                                 | 226                                 |
| Ordinary profit   | 1,070                               | 2,940                               |
| 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                              | 1,070                               | 4,005                               |
| Income taxes - current                                  | 425                                 | 1,377                               |
| Income taxes - deferred                                 | 191                                 | (78)                                |
| Total income taxes                                      | 617                                 | 1,299                               |
| Profit  | 453                                 | 2,705                               |
| Profit (loss) attributable to non-controlling interests | (145)                               | 25                                  |
| Profit attributable to owners of parent                 | 598                                 | 2,680                               |

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2021 | Fiscal year ended<br>March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 453                                 | 2,705                               |
| Other comprehensive income                                     |                                     |                                     |
| Valuation difference on available-for-sale securities          | 298                                 | 79                                  |
| Deferred gains or losses on hedges                             | 2                                   | (5)                                 |
| Foreign currency translation adjustment                        | (82)                                | 868                                 |
| Remeasurements of defined benefit plans, net of tax            | 44                                  | (29)                                |
| Total other comprehensive income                               | 263                                 | 912                                 |
| Comprehensive income   | 716                                 | 3,618                               |
| Comprehensive income attributable to                           |                                     |                                     |
| Comprehensive income attributable to owners of parent          | 859                                 | 3,592                               |
| Comprehensive income attributable to non-controlling interests | (142)                               | 25                                  |

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 5,362                | 5,477           | 23,460            | (1,348)         | 32,952                     |
| Changes during period                                |                      |                 |                   |                 |                            |
| Dividends of surplus                                 |                      |                 | (196)             |                 | (196)                      |
| Profit attributable to owners of parent              |                      |                 | 598               |                 | 598                        |
| Purchase of treasury shares                          |                      |                 |                   | (199)           | (199)                      |
| Disposal of treasury shares                          |                      | 3               |                   | 8               | 12                         |
| Capital increase of consolidated subsidiaries        |                      | (86)            |                   |                 | (86)                       |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | -                    | (82)            | 402               | (190)           | 129                        |
| Balance at end of period                             | 5,362                | 5,394           | 23,863            | (1,538)         | 33,081                     |

|  | 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                       | 333   | -                                  | (178)                                   | 4                                       | 159  | 221                      | 167                       | 33,501           |
| Changes during period                                |   |                                    |   |   |  |                          |                           |                  |
| Dividends of surplus                                 |   |                                    |   |   |  |                          |                           | (196)            |
| Profit attributable to owners of parent              |   |                                    |   |   |  |                          |                           | 598              |
| Purchase of treasury shares                          |   |                                    |   |   |  |                          |                           | (199)            |
| Disposal of treasury shares                          |   |                                    |   |   |  |                          |                           | 12               |
| Capital increase of consolidated subsidiaries        |   |                                    |   |   |  |                          |                           | (86)             |
| Net changes in items other than shareholders' equity | 298   | 1                                  | (84)                                    | 44                                      | 260  | 17                       | (57)                      | 221              |
| Total changes during period                          | 298   | 1                                  | (84)                                    | 44                                      | 260  | 17                       | (57)                      | 350              |
| Balance at end of period                             | 632   | 1                                  | (262)                                   | 48                                      | 420  | 239                      | 110                       | 33,851           |

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           |

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

|  | Fiscal year ended<br>March 31, 2021 | Fiscal year ended<br>March 31, 2022 |
|--|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                  |                                     |                                     |
| Profit before income taxes                                   | 1,070                               | 4,005                               |
| Depreciation   | 1,121                               | 1,287                               |
| Gain on sale of non-current assets                           | –                                   | (1,165)                             |
| Increase (decrease) in allowance for doubtful accounts       | 39                                  | (29)                                |
| Increase (decrease) in provision for bonuses                 | (105)                               | 16                                  |
| Increase (decrease) in retirement benefit liability          | (135)                               | (80)                                |
| Interest and dividend income                                 | (167)                               | (111)                               |
| Interest expenses  | 200                                 | 161                                 |
| Decrease (increase) in trade receivables                     | 2,069                               | –                                   |
| Decrease (increase) in trade receivables and contract assets | –                                   | (978)                               |
| Decrease (increase) in inventories                           | 2,454                               | (5,755)                             |
| Decrease (increase) in consumption taxes refund receivable   | 535                                 | (260)                               |
| Decrease (increase) in accounts receivable - other           | 10                                  | 16                                  |
| Increase (decrease) in trade payables                        | (2,831)                             | 2,916                               |
| Increase (decrease) in accounts payable - other              | 61                                  | 188                                 |
| Other, net   | 585                                 | 2,263                               |
| Subtotal   | 4,909                               | 2,475                               |
| Interest and dividends received                              | 173                                 | 95                                  |
| Interest paid  | (207)                               | (183)                               |
| Income taxes paid  | (181)                               | (768)                               |
| Net cash provided by (used in) operating activities          | 4,693                               | 1,619                               |
| <b>Cash flows from investing activities</b>                  |                                     |                                     |
| Proceeds from withdrawal of time deposits                    | –                                   | 4                                   |
| Purchase of property, plant and equipment                    | (309)                               | (1,957)                             |
| Proceeds from sale of property, plant and equipment          | –                                   | 1,363                               |
| Purchase of intangible assets                                | (231)                               | (190)                               |
| Proceeds from sale of securities                             | –                                   | 2                                   |
| Net cash provided by (used in) investing activities          | (540)                               | (777)                               |
| <b>Cash flows from financing activities</b>                  |                                     |                                     |
| Net increase (decrease) in short-term borrowings             | 442                                 | (2,943)                             |
| Proceeds from long-term borrowings                           | 3,651                               | 1,700                               |
| Repayments of long-term borrowings                           | (1,799)                             | (2,288)                             |
| Dividends paid   | (196)                               | (584)                               |
| Purchase of treasury shares                                  | (199)                               | (0)                                 |
| Repayments of finance lease liabilities                      | (66)                                | (121)                               |
| Net cash provided by (used in) financing activities          | 1,831                               | (4,238)                             |
| Effect of exchange rate change on cash and cash equivalents  | 202                                 | (122)                               |
| Net increase (decrease) in cash and cash equivalents         | 6,186                               | (3,518)                             |
| Cash and cash equivalents at beginning of period             | 7,932                               | 14,119                              |
| Cash and cash equivalents at end of period                   | 14,119                              | 10,601                              |

## V. Topics

○Received Grand Prize in the “Shiawase Shinshu” category of the Shinshu Brand Award 2021



Photo explanation: Example of PLA-specific injection molding system (for thin, transparent applications, champagne flutes)

In February 2022, the Company was awarded the grand prize for its in-house brand “N-PLAjet” for its polylactic acid (PLA) injection plastic technologies, which is an eco-friendly material, in the “Shiawase Shinshu” category of the “Shinshu Brand Award 2021” (sponsored by the Shinshu Brand Forum Committee), which selects and awards exceptional brands that have originated from Nagano Prefecture.

The committee sets a theme every year and invites companies to participate in the “Shiawase Shinshu” category of this award, and selects brands that have been evaluated as leading to the increase of value of the Shinshu brand based on this theme.

The Company worked to research and develop utilization technologies and applied technologies for biodegradable resins, which are eco-friendly materials, from the 1990’s, and provides “N-PLAjet,” which is a technology that can be implemented practically, as a turnkey system. For the selection, whether or not it

conforms with the theme of initiatives that take “zero carbon” into consideration as well as the vision and intention of continuous use of this technology were evaluated, and the grand prize was awarded.

○Holding of private exhibitions



Photo explanation: Private exhibition

The Company held the private exhibition, NISSEI RED EXHIBITION 2021 in NAGANO, at its head office in Nagano Prefecture. NISSEI RED began at this exhibition, and is a form of integrated promotion that links the PR of the event and each product. It will develop a story that is consistent across various events in Japan and overseas going forward, and conveys the notion of “NISSEI Reinforcing an Engineering Design.”

## VI. Corporate Data

### Basic Information (as of March 31, 2022)

|                            |  |
|----------------------------|--|
| Trade name:                | NISSEI PLASTIC INDUSTRIAL CO., LTD.  |
| Established:               | October 1947   |
| Listed market:             | The Prime Market of Tokyo Stock Exchange and the Premier Market of Nagoya Stock Exchange<br>(Securities Code: 6293)  |
| Listed:                    | March 2001   |
| Business year:             | From April 1 to March 31   |
| Capital stock:             | ¥5,362 million   |
| Number of employees:       | 1,304 persons (Consolidated)   |
| Head office:               | 2110 Minamijo, Sakaki-machi, Hanishina-gun,<br>Nagano-ken, Japan   |
| Telephone:                 | +81-268-82-3000  |
| Consolidated subsidiaries: | NISSEI AMERICA, INC.<br>NISSEI PLASTIC SINGAPORE PTE LTD<br>NISSEI (MALAYSIA) SDN.BHD.<br>TAIWAN NISSEI MACHINERY CORPORATION<br>NISSEI MEXICO, S. A. DE C.V.<br>NISSEI PLASTIC (HONG KONG) LTD.<br>NISSEI PLASTIC (THAILAND) CO., LTD.<br>NISSEI PLASTIC (SHANGHAI) CO., LTD.<br>NISSEI PLASTIC (TAICANG) CO., LTD.<br>NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD.<br>NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.<br>NEGRI BOSSI S.P.A.<br>NISSEI TECHNICA CO., LTD.<br>NISSEI METAL WORKS CO., LTD.<br>NISSEI HOMMA MACHINERY CO., LTD.<br>NISSEI PLASTIC MACHINERY (HAIYAN) CO., LTD.<br>Seven Other companies |

### Directors and Audit & Supervisory Board Members (as of June 24, 2022)

|                                       |                     |
|---------------------------------------|---------------------|
| President and Representative Director | Hozumi Yoda         |
| Managing Director                     | Kiyoto Takizawa     |
| Managing Director                     | Hiroshi Miyashita   |
| Director                              | Kazuo Usui          |
| Director                              | Hiroshi Shimizu     |
| Director                              | Takahiro Kobayashi  |
| Director                              | Kazuyoshi Horiuchi  |
| Director                              | Hidetoshi Ogiwara   |
| Director*                             | Yosuke Taira        |
| Director*                             | Stephen Bruce Moore |
| Director                              | Yoshinao Handa      |
| Director*                             | Kazuyuki Narusawa   |
| Director*                             | Haruko Nishida      |

\* Outside Director



**Stock Status (as of March 31, 2022)**

|                                    |                   |
|------------------------------------|-------------------|
| Total number of authorized shares: | 54,000,000 shares |
| Total number of issued shares:     | 22,272,000 shares |
| Number of shareholders:            | 12,200            |

**Major shareholders (Top 10)**

| Name  | Number of shares held<br>(Thousands) | Shareholding ratio<br>(excluding treasury<br>shares) (%) |
|---|--------------------------------------|--|
| Aoki Agency Ltd.  | 1,889                                | 9.69   |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                            | 1,677                                | 8.60   |
| NOMURA PB NOMINEES TK1 LIMITED<br>(Standing Proxy: Nomura Securities Co., Ltd.) | 1,585                                | 8.13   |
| NISSEI PLASTIC INDUSTRIAL Trading-Partner<br>Shareholding Association           | 1,449                                | 7.43   |
| The Hachijuni Bank, Ltd.  | 966                                  | 4.95   |
| Hozumi Yoda   | 668                                  | 3.43   |
| Yota Maeda  | 408                                  | 2.09   |
| NISSEI PLASTIC INDUSTRIAL Employee<br>Shareholding Association                  | 360                                  | 1.85   |
| Mitsubishi UFJ Trust and Banking Corporation                                    | 346                                  | 1.77   |
| THE NAGANO BANK,LTD.  | 343                                  | 1.76   |

(Note) A change report dated February 1, 2021, was submitted by Tower Investment Management Co., Ltd. in relation to a large shareholding report for shares held as of January 29, 2021. We had been unable to ascertain the actual number of shares held as of March 31, 2022, and thus the list of major shareholders does not include this information. The details of said change report are as follows.

|   |  |
|---|--|
| Large volume holder:  | Tower Investment Management Co., Ltd.                              |
| Address:  | 2F, Noyori Building, 1-2-18 Shibadaimon, Minatoku,<br>Tokyo, Japan |
| Number of share certificates, etc. held:  | 1,518,500 shares   |
| Number of share certificates, etc. held as a<br>percentage of total shares outstanding: | 6.82%  |

\* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.