

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 30, 2021

Company name: NICHIIHA CORPORATION
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7943 URL <https://www.nichiha.co.jp>
 Representative: PRESIDENT NARUMITSU YOSHIOKA
 Inquiries: DIRECTOR SENIOR EXECUTIVE KAZUSHI TONOI TEL 052-220-5111
 OFFICER
 Scheduled date to file Quarterly Securities Report: August 10, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2021	30,357	6.2	3,106	54.1	3,134	55.6	2,186	50.0
Three months ended June 30, 2020	28,584	–	2,016	(25.7)	2,014	(23.0)	1,458	(19.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	59.73	59.57
Three months ended June 30, 2020	39.84	39.74

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	149,845	103,755	69.4	2,838.39
As of March 31, 2021	147,630	101,688	69.0	2,782.79

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	27.50	–	45.50	73.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		42.00	–	42.00	84.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	122,000	1.0	12,500	3.9	12,500	2.1	8,700	(2.3)	237.62

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2021	37,324,264 shares	As of March 31, 2021	37,324,264 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	711,566 shares	As of March 31, 2021	711,426 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	36,612,758 shares	Three months ended June 30, 2020	36,609,168 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	39,688	41,156
Notes and accounts receivable - trade	23,651	23,008
Electronically recorded monetary claims - operating	1,669	1,876
Merchandise and finished goods	9,093	9,867
Work in process	2,129	2,396
Raw materials and supplies	3,323	3,639
Other	2,268	1,151
Allowance for doubtful accounts	(40)	(38)
Total current assets	81,784	83,058
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,636	10,710
Machinery, equipment and vehicles, net	9,545	9,640
Tools, furniture and fixtures, net	438	448
Land	20,392	20,397
Leased assets, net	240	249
Construction in progress	12,865	14,262
Total property, plant and equipment	54,120	55,710
Intangible assets		
Leased assets	36	32
Software	877	761
Other	290	339
Total intangible assets	1,204	1,133
Investments and other assets		
Investment securities	6,321	6,012
Deferred tax assets	2,305	2,062
Retirement benefit asset	275	283
Other	1,645	1,611
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	10,520	9,943
Total non-current assets	65,845	66,786
Total assets	147,630	149,845

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,477	14,834
Short-term borrowings	998	817
Lease obligations	114	124
Income taxes payable	992	223
Provision for bonuses	1,607	633
Provision for bonuses for directors (and other officers)	97	22
Provision for product warranties	158	156
Other	9,909	11,703
Total current liabilities	28,354	28,515
Non-current liabilities		
Long-term borrowings	14,587	14,493
Lease obligations	187	178
Deferred tax liabilities	42	95
Provision for retirement benefits for directors (and other officers)	152	153
Provision for product warranties	1,212	1,212
Retirement benefit liability	1,211	1,248
Other	192	192
Total non-current liabilities	17,586	17,574
Total liabilities	45,941	46,090
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,934	10,934
Retained earnings	82,846	83,367
Treasury shares	(1,291)	(1,292)
Total shareholders' equity	100,626	101,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,687	2,479
Foreign currency translation adjustment	(1,688)	44
Remeasurements of defined benefit plans	260	250
Total accumulated other comprehensive income	1,259	2,774
Share acquisition rights	165	175
Non-controlling interests	(362)	(341)
Total net assets	101,688	103,755
Total liabilities and net assets	147,630	149,845

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	28,584	30,357
Cost of sales	17,738	17,926
Gross profit	10,845	12,430
Selling, general and administrative expenses	8,829	9,323
Operating profit	2,016	3,106
Non-operating income		
Interest income	9	7
Dividend income	8	12
Rental income from real estate	21	21
Other	43	41
Total non-operating income	83	82
Non-operating expenses		
Interest expenses	28	28
Foreign exchange losses	52	22
Other	3	3
Total non-operating expenses	84	55
Ordinary profit	2,014	3,134
Extraordinary income		
Gain on sale of non-current assets	2	2
Total extraordinary income	2	2
Extraordinary losses		
Loss on retirement of non-current assets	31	7
Loss on valuation of investment securities	–	10
Infectious Disease Related Cost	17	–
Total extraordinary losses	49	17
Profit before income taxes	1,967	3,118
Income taxes - current	148	439
Income taxes - deferred	344	478
Total income taxes	492	918
Profit	1,474	2,199
Profit attributable to		
Profit attributable to owners of parent	1,458	2,186
Profit attributable to non-controlling interests	15	12
Other comprehensive income		
Valuation difference on available-for-sale securities	94	(207)
Foreign currency translation adjustment	(201)	1,741
Remeasurements of defined benefit plans, net of tax	16	(10)
Total other comprehensive income	(91)	1,523
Comprehensive income	1,383	3,723
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,367	3,701
Comprehensive income attributable to non-controlling interests	15	21