

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

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: February 10, 2022  
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	97,197	7.6	10,468	20.1	10,922	28.6	8,128	30.5
Nine months ended December 31, 2020	90,324	–	8,714	(13.3)	8,493	(18.1)	6,230	(22.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	222.03	221.38
Nine months ended December 31, 2020	170.17	169.75

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	158,319	108,502	68.6	2,966.64
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	–	42.00	–		
Year ending March 31, 2022 (Forecast)				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 nine months ended December 31, 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 December 31, 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 December 31, 2021	711,856 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)

Nine months ended December 31, 2021	36,612,583 shares	Nine months ended December 31, 2020	36,611,511 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	39,688	41,048
Notes and accounts receivable - trade	23,651	27,869
Electronically recorded monetary claims - operating	1,669	2,686
Merchandise and finished goods	9,093	10,337
Work in process	2,129	1,648
Raw materials and supplies	3,323	3,823
Other	2,268	1,130
Allowance for doubtful accounts	(40)	(37)
Total current assets	81,784	88,507
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,636	10,509
Machinery, equipment and vehicles, net	9,545	9,113
Tools, furniture and fixtures, net	438	376
Land	20,392	20,398
Leased assets, net	240	199
Construction in progress	12,865	18,439
Total property, plant and equipment	54,120	59,037
Intangible assets		
Leased assets	36	24
Software	877	541
Other	290	421
Total intangible assets	1,204	987
Investments and other assets		
Investment securities	6,321	6,172
Deferred tax assets	2,305	1,779
Retirement benefit asset	275	278
Other	1,645	1,583
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	10,520	9,786
Total non-current assets	65,845	69,811
Total assets	147,630	158,319

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	14,477	16,008
Short-term borrowings	998	2,448
Lease obligations	114	120
Income taxes payable	992	1,160
Provision for bonuses	1,607	716
Provision for bonuses for directors (and other officers)	97	67
Provision for product warranties	158	157
Other	9,909	13,018
<b>Total current liabilities</b>	<b>28,354</b>	<b>33,698</b>
<b>Non-current liabilities</b>		
Long-term borrowings	14,587	13,000
Lease obligations	187	119
Deferred tax liabilities	42	124
Provision for retirement benefits for directors (and other officers)	152	166
Provision for product warranties	1,212	1,212
Retirement benefit liability	1,211	1,301
Other	192	193
<b>Total non-current liabilities</b>	<b>17,586</b>	<b>16,119</b>
<b>Total liabilities</b>	<b>45,941</b>	<b>49,817</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,136	8,136
Capital surplus	10,934	10,934
Retained earnings	82,846	87,771
Treasury shares	(1,291)	(1,292)
<b>Total shareholders' equity</b>	<b>100,626</b>	<b>105,550</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,687	2,590
Foreign currency translation adjustment	(1,688)	245
Remeasurements of defined benefit plans	260	229
<b>Total accumulated other comprehensive income</b>	<b>1,259</b>	<b>3,065</b>
Share acquisition rights	165	198
Non-controlling interests	(362)	(312)
<b>Total net assets</b>	<b>101,688</b>	<b>108,502</b>
<b>Total liabilities and net assets</b>	<b>147,630</b>	<b>158,319</b>

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

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	90,324	97,197
Cost of sales	54,553	57,408
Gross profit	35,771	39,789
Selling, general and administrative expenses	27,057	29,320
Operating profit	8,714	10,468
Non-operating income		
Interest income	16	23
Dividend income	72	102
Rental income from real estate	65	65
Foreign exchange gains	–	201
Other	118	177
Total non-operating income	272	570
Non-operating expenses		
Interest expenses	87	86
Foreign exchange losses	376	–
Other	29	29
Total non-operating expenses	493	116
Ordinary profit	8,493	10,922
Extraordinary income		
Gain on sale of non-current assets	5	4
Gain on sale of investment securities	0	–
Gain on forgiveness of debts	–	470
Total extraordinary income	6	474
Extraordinary losses		
Loss on retirement of non-current assets	56	25
Loss on valuation of investment securities	–	10
Infectious Disease Related Cost	17	–
Total extraordinary losses	74	35
Profit before income taxes	8,425	11,361
Income taxes - current	1,826	2,428
Income taxes - deferred	330	762
Total income taxes	2,157	3,191
Profit	6,268	8,170
Profit attributable to		
Profit attributable to owners of parent	6,230	8,128
Profit attributable to non-controlling interests	38	41
Other comprehensive income		
Valuation difference on available-for-sale securities	772	(96)
Foreign currency translation adjustment	(518)	1,943
Remeasurements of defined benefit plans, net of tax	49	(31)
Total other comprehensive income	302	1,815
Comprehensive income	6,571	9,985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,535	9,934
Comprehensive income attributable to non-controlling interests	35	50