

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

Company name: NICHIIHA CORPORATION
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7943 URL <https://www.nichiha.co.jp>
 Representative: PRESIDENT NARUMITSU YOSHIOKA
 Director: DIRECTOR SENIOR EXECUTIVE KAZUSHI TONOI TEL 052-220-5111
 Officer: OFFICER
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	32,100	5.7	2,648	(14.7)	3,552	13.3	2,525	15.5
Three months ended June 30, 2021	30,357	6.2	3,106	54.1	3,134	55.6	2,186	50.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	68.95		68.74	
Three months ended June 30, 2021	59.73		59.57	

(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, 2022	162,384	112,731	69.5	3,078.13
As of March 31, 2022	161,845	111,177	68.7	3,039.02

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	42.00	–	55.00	97.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		48.50	–	48.50	97.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	68,000	8.5	5,200	(21.4)	5,300	(22.8)	3,700	(29.3)	101.06
Full year	141,000	9.6	13,500	7.3	13,700	0.7	9,700	(4.4)	264.94

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(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: Yes
 - Changes in accounting estimates: Yes
 - 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, 2022	37,324,264 shares	As of March 31, 2022	37,324,264 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	647,460 shares	As of March 31, 2022	711,876 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, 2022	36,628,487 shares	Three months ended June 30, 2021	36,612,758 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	44,210	41,056
Notes and accounts receivable - trade	24,451	24,180
Electronically recorded monetary claims - operating	2,089	2,036
Merchandise and finished goods	11,156	12,786
Work in process	1,895	2,065
Raw materials and supplies	3,992	4,261
Other	1,554	1,512
Allowance for doubtful accounts	(38)	(38)
Total current assets	89,311	87,860
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,511	10,570
Machinery, equipment and vehicles, net	9,939	10,015
Tools, furniture and fixtures, net	384	428
Land	20,399	20,404
Leased assets, net	204	179
Construction in progress	20,114	22,668
Total property, plant and equipment	61,555	64,267
Intangible assets		
Leased assets	20	16
Software	466	651
Other	521	325
Total intangible assets	1,008	992
Investments and other assets		
Investment securities	6,141	5,777
Deferred tax assets	1,915	1,602
Retirement benefit asset	291	291
Other	1,648	1,620
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	9,969	9,264
Total non-current assets	72,533	74,524
Total assets	161,845	162,384

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,987	17,814
Short-term borrowings	2,311	2,234
Lease liabilities	116	103
Income taxes payable	2,080	170
Provision for bonuses	1,681	666
Provision for bonuses for directors (and other officers)	99	22
Provision for product warranties	89	104
Other	11,577	12,785
Total current liabilities	34,943	33,901
Non-current liabilities		
Long-term borrowings	12,942	12,884
Lease liabilities	127	106
Deferred tax liabilities	97	148
Provision for retirement benefits for directors (and other officers)	173	180
Provision for product warranties	1,081	1,081
Retirement benefit liability	1,106	1,156
Other	195	195
Total non-current liabilities	15,723	15,752
Total liabilities	50,667	49,653
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,934	10,925
Retained earnings	89,789	90,294
Treasury shares	(1,293)	(1,176)
Total shareholders' equity	107,567	108,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,561	2,308
Foreign currency translation adjustment	748	2,034
Remeasurements of defined benefit plans	388	372
Total accumulated other comprehensive income	3,697	4,715
Share acquisition rights	210	120
Non-controlling interests	(298)	(284)
Total net assets	111,177	112,731
Total liabilities and net assets	161,845	162,384

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	30,357	32,100
Cost of sales	17,926	19,572
Gross profit	12,430	12,528
Selling, general and administrative expenses	9,323	9,880
Operating profit	3,106	2,648
Non-operating income		
Interest income	7	11
Dividend income	12	13
Rental income from real estate	21	22
Foreign exchange gains	–	851
Other	41	37
Total non-operating income	82	936
Non-operating expenses		
Interest expenses	28	29
Foreign exchange losses	22	–
Other	3	3
Total non-operating expenses	55	32
Ordinary profit	3,134	3,552
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	7	9
Loss on valuation of investment securities	10	–
Total extraordinary losses	17	9
Profit before income taxes	3,118	3,545
Income taxes - current	439	479
Income taxes - deferred	478	532
Total income taxes	918	1,011
Profit	2,199	2,533
Profit attributable to		
Profit attributable to owners of parent	2,186	2,525
Profit attributable to non-controlling interests	12	7
Other comprehensive income		
Valuation difference on available-for-sale securities	(207)	(252)
Foreign currency translation adjustment	1,741	1,292
Remeasurements of defined benefit plans, net of tax	(10)	(15)
Total other comprehensive income	1,523	1,023
Comprehensive income	3,723	3,557
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,701	3,543
Comprehensive income attributable to non-controlling interests	21	13