

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	103,694	6.7	8,409	(19.7)	9,238	(15.4)	6,530	(19.7)
Nine months ended December 31, 2021	97,197	7.6	10,468	20.1	10,922	28.6	8,128	30.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	178.32		177.93	
Nine months ended December 31, 2021	222.03		221.38	

(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, 2022	170,606	120,385	70.6	3,315.84
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	–	48.50	–		
Year ending March 31, 2023 (Forecast)				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
Full year	139,000	8.1	12,000	(4.6)	13,000	(4.4)	9,300	(8.3)	253.93

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	986,120 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)

Nine months ended December 31, 2022	36,623,583 shares	Nine months ended December 31, 2021	36,612,583 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	44,210	30,644
Notes and accounts receivable - trade	24,451	29,181
Electronically recorded monetary claims - operating	2,089	2,549
Merchandise and finished goods	11,156	14,085
Work in process	1,895	1,789
Raw materials and supplies	3,992	5,312
Other	1,554	2,168
Allowance for doubtful accounts	(38)	(39)
Total current assets	89,311	85,693
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,511	10,752
Machinery, equipment and vehicles, net	9,939	11,087
Tools, furniture and fixtures, net	384	434
Land	20,399	20,418
Leased assets, net	204	137
Construction in progress	20,114	30,057
Total property, plant and equipment	61,555	72,888
Intangible assets		
Leased assets	20	9
Software	466	568
Other	521	349
Total intangible assets	1,008	928
Investments and other assets		
Investment securities	6,141	6,190
Deferred tax assets	1,915	1,060
Retirement benefit asset	291	315
Other	1,648	3,558
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	9,969	11,097
Total non-current assets	72,533	84,913
Total assets	161,845	170,606

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,987	18,286
Short-term borrowings	2,311	2,258
Lease liabilities	116	70
Income taxes payable	2,080	30
Provision for bonuses	1,681	769
Provision for bonuses for directors (and other officers)	99	67
Provision for product warranties	89	141
Other	11,577	12,617
Total current liabilities	34,943	34,241
Non-current liabilities		
Long-term borrowings	12,942	12,953
Lease liabilities	127	86
Deferred tax liabilities	97	222
Provision for retirement benefits for directors (and other officers)	173	194
Provision for product warranties	1,081	1,081
Retirement benefit liability	1,106	1,245
Other	195	197
Total non-current liabilities	15,723	15,979
Total liabilities	50,667	50,221
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,934	10,925
Retained earnings	89,789	92,521
Treasury shares	(1,293)	(2,059)
Total shareholders' equity	107,567	109,523
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,561	2,594
Foreign currency translation adjustment	748	8,032
Remeasurements of defined benefit plans	388	341
Total accumulated other comprehensive income	3,697	10,967
Share acquisition rights	210	140
Non-controlling interests	(298)	(246)
Total net assets	111,177	120,385
Total liabilities and net assets	161,845	170,606

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	97,197	103,694
Cost of sales	57,408	64,661
Gross profit	39,789	39,033
Selling, general and administrative expenses	29,320	30,624
Operating profit	10,468	8,409
Non-operating income		
Interest income	23	65
Dividend income	102	132
Rental income from real estate	65	67
Foreign exchange gains	201	501
Other	177	174
Total non-operating income	570	942
Non-operating expenses		
Interest expenses	86	87
Other	29	26
Total non-operating expenses	116	114
Ordinary profit	10,922	9,238
Extraordinary income		
Gain on sale of non-current assets	4	4
Gain on forgiveness of debts	470	–
Total extraordinary income	474	4
Extraordinary losses		
Loss on retirement of non-current assets	25	25
Loss on valuation of investment securities	10	–
Total extraordinary losses	35	25
Profit before income taxes	11,361	9,217
Income taxes - current	2,428	1,548
Income taxes - deferred	762	1,125
Total income taxes	3,191	2,673
Profit	8,170	6,543
Profit attributable to		
Profit attributable to owners of parent	8,128	6,530
Profit attributable to non-controlling interests	41	13
Other comprehensive income		
Valuation difference on available-for-sale securities	(96)	32
Foreign currency translation adjustment	1,943	7,322
Remeasurements of defined benefit plans, net of tax	(31)	(47)
Total other comprehensive income	1,815	7,308
Comprehensive income	9,985	13,852
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,934	13,800
Comprehensive income attributable to non-controlling interests	50	51