

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: NICHIIHA CORPORATION
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7943 URL <https://www.nichiha.co.jp>
 Representative: PRESIDENT TATSUO YAMANAKA
 Inquiries: DIRECTOR SENIOR EXECUTIVE KAZUSHI TONOI TEL 052-220-5111
 OFFICER
 Scheduled date to file Quarterly Securities Report: February 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	89,580	(4.0)	8,714	(13.3)	8,493	(18.1)	6,230	(22.0)
Nine months ended December 31, 2019	93,294	4.4	10,049	4.7	10,373	5.1	7,985	9.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	170.17	169.75
Nine months ended December 31, 2019	216.31	215.86

(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, 2020	144,158	98,630	68.6	2,699.99
As of March 31, 2020	141,483	94,135	66.7	2,579.04

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, 2020	–	30.00	–	30.00	60.00
Year ending March 31, 2021	–	27.50	–		
Year ending March 31, 2021 (Forecast)				38.50	66.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	119,000	(3.8)	11,400	(13.0)	11,300	(16.3)	8,000	(25.7)	218.51

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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: No
- 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, 2020	37,324,264 shares	As of March 31, 2020	37,324,264 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	711,276 shares	As of March 31, 2020	716,376 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, 2020	36,611,511 shares	Nine months ended December 31, 2019	36,918,335 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	36,725	33,257
Notes and accounts receivable - trade	26,034	28,725
Merchandise and finished goods	13,021	9,695
Work in process	2,142	1,611
Raw materials and supplies	3,122	3,206
Other	887	1,783
Allowance for doubtful accounts	(48)	(41)
Total current assets	81,883	78,239
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,069	10,405
Machinery, equipment and vehicles, net	10,013	10,045
Tools, furniture and fixtures, net	344	393
Land	20,396	20,394
Leased assets, net	214	197
Construction in progress	6,968	13,036
Total property, plant and equipment	49,007	54,471
Intangible assets		
Leased assets	41	30
Software	914	1,005
Other	350	272
Total intangible assets	1,307	1,309
Investments and other assets		
Investment securities	4,624	5,727
Deferred tax assets	3,209	2,547
Retirement benefit asset	211	211
Other	1,268	1,678
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	9,285	10,138
Total non-current assets	59,600	65,919
Total assets	141,483	144,158

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,682	14,741
Short-term borrowings	1,509	1,396
Lease obligations	107	97
Income taxes payable	2,150	113
Provision for bonuses	1,586	678
Provision for bonuses for directors (and other officers)	112	67
Provision for product warranties	396	247
Other	9,370	9,318
Total current liabilities	29,916	26,660
Non-current liabilities		
Long-term borrowings	13,427	14,732
Lease obligations	169	149
Deferred tax liabilities	341	419
Provision for retirement benefits for directors (and other officers)	159	143
Provision for product warranties	1,162	1,162
Retirement benefit liability	1,973	2,068
Other	198	191
Total non-current liabilities	17,431	18,868
Total liabilities	47,348	45,528
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,933	10,934
Retained earnings	76,049	80,174
Treasury shares	(1,300)	(1,291)
Total shareholders' equity	93,818	97,954
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,502	2,274
Foreign currency translation adjustment	(504)	(1,019)
Remeasurements of defined benefit plans	(403)	(354)
Total accumulated other comprehensive income	594	899
Share acquisition rights	138	155
Non-controlling interests	(415)	(379)
Total net assets	94,135	98,630
Total liabilities and net assets	141,483	144,158

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	93,294	89,580
Cost of sales	55,930	55,119
Gross profit	37,363	34,460
Selling, general and administrative expenses	27,314	25,746
Operating profit	10,049	8,714
Non-operating income		
Interest income	117	16
Dividend income	80	72
Rental income from real estate	66	65
Foreign exchange gains	15	—
Other	185	118
Total non-operating income	464	272
Non-operating expenses		
Interest expenses	92	87
Foreign exchange losses	—	376
Other	47	29
Total non-operating expenses	140	493
Ordinary profit	10,373	8,493
Extraordinary income		
Gain on sales of non-current assets	554	5
Gain on sales of investment securities	—	0
Total extraordinary income	554	6
Extraordinary losses		
Loss on retirement of non-current assets	26	56
Loss on sales of investment securities	94	—
Infectious Disease Related Cost	—	17
Total extraordinary losses	121	74
Profit before income taxes	10,806	8,425
Income taxes - current	2,431	1,826
Income taxes - deferred	329	330
Total income taxes	2,761	2,157
Profit	8,044	6,268
Profit attributable to		
Profit attributable to owners of parent	7,985	6,230
Profit attributable to non-controlling interests	58	38
Other comprehensive income		
Valuation difference on available-for-sale securities	61	772
Foreign currency translation adjustment	(663)	(518)
Remeasurements of defined benefit plans, net of tax	33	49
Total other comprehensive income	(568)	302
Comprehensive income	7,476	6,571
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,419	6,535
Comprehensive income attributable to non-controlling interests	56	35