

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 7, 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 of ordinary general meeting of shareholders: June 24, 2021  
 Scheduled date to file Securities Report: June 25, 2021  
 Scheduled date to commence dividend payments: June 25, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2021	119,942	(3.1)	12,029	(8.2)	12,248	(9.3)	8,902	(17.4)
Year ended March 31, 2020	123,722	3.8	13,098	3.0	13,501	2.8	10,773	8.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	243.15	242.53	9.1	8.5	10.0
Year ended March 31, 2020	292.22	291.59	11.8	9.7	10.6

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	147,598	101,688	69.0	2,782.79
As of March 31, 2020	141,483	94,135	66.7	2,579.04

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	15,806	(11,162)	(1,566)	39,688
Year ended March 31, 2020	18,007	(9,140)	(4,483)	36,725

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	30.00	—	30.00	60.00	2,204	20.5	2.4
Year ended March 31, 2021	—	27.50	—	45.50	73.00	2,672	30.0	2.7
Year ending March 31, 2022 (Forecast)	—	42.00	—	42.00	84.00		35.4	

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	1.7	12,500	3.9	12,500	2.1	8,700	(2.3)	237.62

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

Yes

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2021	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 March 31, 2021	711,426 shares	As of March 31, 2020	716,376 shares
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Average number of shares during the period

Year ended March 31, 2021	36,611,832 shares	Year ended March 31, 2020	36,867,656 shares
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# Consolidated financial statements

## Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	36,725	39,688
Notes and accounts receivable - trade	24,364	23,651
Electronically recorded monetary claims - operating	1,670	1,669
Merchandise and finished goods	13,021	9,093
Work in process	2,142	2,097
Raw materials and supplies	3,122	3,323
Other	887	2,268
Allowance for doubtful accounts	(48)	(40)
Total current assets	81,883	81,752
Non-current assets		
Property, plant and equipment		
Buildings and structures	41,552	41,906
Accumulated depreciation	(30,482)	(31,270)
Buildings and structures, net	11,069	10,636
Machinery, equipment and vehicles	94,283	95,027
Accumulated depreciation	(84,270)	(85,481)
Machinery, equipment and vehicles, net	10,013	9,545
Tools, furniture and fixtures	5,939	6,067
Accumulated depreciation	(5,594)	(5,629)
Tools, furniture and fixtures, net	344	438
Land	20,396	20,392
Leased assets	459	429
Accumulated depreciation	(244)	(188)
Leased assets, net	214	240
Construction in progress	6,968	12,865
Total property, plant and equipment	49,007	54,120
Intangible assets		
Leased assets	41	36
Software	914	877
Other	350	290
Total intangible assets	1,307	1,204
Investments and other assets		
Investment securities	4,624	6,321
Deferred tax assets	3,209	2,305
Retirement benefit asset	211	275
Other	1,268	1,645
Allowance for doubtful accounts	(27)	(27)
Total investments and other assets	9,285	10,520
Total non-current assets	59,600	65,845
Total assets	141,483	147,598

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,682	14,477
Short-term borrowings	20	110
Current portion of long-term borrowings	1,489	888
Lease obligations	107	114
Accrued expenses	6,266	5,583
Income taxes payable	2,150	992
Provision for bonuses	1,586	1,607
Provision for bonuses for directors (and other officers)	112	97
Provision for product warranties	396	158
Other	3,103	4,293
Total current liabilities	29,916	28,322
Non-current liabilities		
Long-term borrowings	13,427	14,587
Lease obligations	169	187
Deferred tax liabilities	341	42
Provision for retirement benefits for directors (and other officers)	159	152
Provision for product warranties	1,162	1,212
Retirement benefit liability	1,973	1,211
Other	198	192
Total non-current liabilities	17,431	17,586
Total liabilities	47,348	45,909
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,933	10,934
Retained earnings	76,049	82,846
Treasury shares	(1,300)	(1,291)
Total shareholders' equity	93,818	100,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,502	2,687
Foreign currency translation adjustment	(504)	(1,688)
Remeasurements of defined benefit plans	(403)	260
Total accumulated other comprehensive income	594	1,259
Share acquisition rights	138	165
Non-controlling interests	(415)	(362)
Total net assets	94,135	101,688
Total liabilities and net assets	141,483	147,598

# Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	123,722	119,942
Cost of sales	74,298	73,315
Gross profit	49,424	46,627
Selling, general and administrative expenses		
Freight and packing costs	17,072	16,198
Advertising and promotion expenses	1,674	1,293
Provision of allowance for doubtful accounts	(0)	0
Salaries and allowances and welfare expenses	7,908	8,010
Provision for bonuses	604	667
Provision for bonuses for directors (and other officers)	113	87
Retirement benefit expenses	269	275
Provision for retirement benefits for directors (and other officers)	28	31
Depreciation	789	867
Experimentation and research expenses	1,170	1,170
Provision for product warranties	250	256
Other	6,444	5,737
Total selling, general and administrative expenses	36,326	34,598
Operating profit	13,098	12,029
Non-operating income		
Interest income	137	22
Dividend income	155	151
Rental income from real estate	88	87
Other	217	188
Total non-operating income	598	449
Non-operating expenses		
Interest expenses	113	116
Foreign exchange losses	26	69
Other	54	45
Total non-operating expenses	194	230
Ordinary profit	13,501	12,248

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary income		
Gain on sale of non-current assets	551	7
Gain on sale of investment securities	—	0
Settlement received	—	1,013
Total extraordinary income	551	1,021
Extraordinary losses		
Loss on retirement of non-current assets	51	98
Loss on sale of investment securities	94	—
Impairment losses	—	1,111
Infectious Disease Related Cost	—	17
Total extraordinary losses	146	1,227
Profit before income taxes	13,906	12,041
Income taxes - current	3,500	3,362
Income taxes - deferred	(459)	(282)
Total income taxes	3,040	3,079
Profit	10,866	8,962
Profit attributable to		
Profit attributable to owners of parent	10,773	8,902
Profit attributable to non-controlling interests	92	60
Other comprehensive income		
Valuation difference on available-for-sale securities	(659)	1,184
Foreign currency translation adjustment	(267)	(1,191)
Remeasurements of defined benefit plans, net of tax	(111)	664
Total other comprehensive income	(1,038)	658
Comprehensive income	9,827	9,620
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,735	9,567
Comprehensive income attributable to non-controlling interests	91	52

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,136	10,933	67,417	(319)	86,167
Changes during period					
Dividends of surplus			(2,141)		(2,141)
Profit attributable to owners of parent			10,773		10,773
Purchase of treasury shares				(980)	(980)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	0	8,631	(980)	7,651
Balance at end of period	8,136	10,933	76,049	(1,300)	93,818

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,162	(237)	(292)	1,632	112	(507)	87,404
Changes during period							
Dividends of surplus							(2,141)
Profit attributable to owners of parent							10,773
Purchase of treasury shares							(980)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(659)	(266)	(111)	(1,038)	26	91	(920)
Total changes during period	(659)	(266)	(111)	(1,038)	26	91	6,731
Balance at end of period	1,502	(504)	(403)	594	138	(415)	94,135

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,136	10,933	76,049	(1,300)	93,818
Changes during period					
Dividends of surplus			(2,105)		(2,105)
Profit attributable to owners of parent			8,902		8,902
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		1		9	11
Net changes in items other than shareholders' equity					–
Total changes during period	–	1	6,797	8	6,807
Balance at end of period	8,136	10,934	82,846	(1,291)	100,626

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,502	(504)	(403)	594	138	(415)	94,135
Changes during period							
Dividends of surplus							(2,105)
Profit attributable to owners of parent							8,902
Purchase of treasury shares							(1)
Disposal of treasury shares							11
Net changes in items other than shareholders' equity	1,184	(1,184)	664	665	27	52	745
Total changes during period	1,184	(1,184)	664	665	27	52	7,553
Balance at end of period	2,687	(1,688)	260	1,259	165	(362)	101,688



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	13,906	12,041
Depreciation	4,670	4,794
Impairment losses	—	1,111
Increase (decrease) in provision for product warranties	(190)	(187)
Increase (decrease) in retirement benefit liability	247	(761)
Interest and dividend income	(292)	(174)
Interest expenses	113	116
Settlement received	—	(1,013)
Foreign exchange losses (gains)	25	(23)
Loss (gain) on sale of investment securities	94	(0)
Gain on sale of non-current assets	(551)	(7)
Loss on retirement of non-current assets	51	98
Decrease (increase) in trade receivables	3,130	640
Decrease (increase) in inventories	(297)	3,564
Increase (decrease) in trade payables	(177)	(44)
Other, net	427	72
Subtotal	21,158	20,227
Interest and dividends received	299	188
Interest paid	(115)	(112)
Income taxes paid	(3,335)	(4,496)
Income taxes refund	0	—
Net cash provided by (used in) operating activities	18,007	15,806
Cash flows from investing activities		
Payments into time deposits	(178)	—
Proceeds from withdrawal of time deposits	874	—
Purchase of property, plant and equipment	(10,950)	(10,841)
Proceeds from sale of property, plant and equipment	407	7
Purchase of intangible assets	(216)	(420)
Proceeds from sale of intangible assets	648	—
Purchase of investment securities	(2)	(1)
Proceeds from sale of investment securities	60	8
Other, net	215	85
Net cash provided by (used in) investing activities	(9,140)	(11,162)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(190)	90
Proceeds from long-term borrowings	1,500	2,048
Repayments of long-term borrowings	(2,553)	(1,489)
Repayments of lease obligations	(117)	(119)
Purchase of treasury shares	(980)	(1)
Dividends paid	(2,141)	(2,105)
Other, net	(0)	9
Net cash provided by (used in) financing activities	(4,483)	(1,566)
Effect of exchange rate change on cash and cash equivalents	(183)	(114)
Net increase (decrease) in cash and cash equivalents	4,199	2,963
Cash and cash equivalents at beginning of period	32,525	36,725
Cash and cash equivalents at end of period	36,725	39,688