

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 9, 2024

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 of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	142,790	3.4	10,205	(12.8)	11,856	(7.4)	8,066	(10.7)
Year ended March 31, 2023	138,063	7.4	11,704	(6.9)	12,805	(5.8)	9,037	(10.9)

	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, 2024	223.57	223.13	6.6	6.9	7.1
Year ended March 31, 2023	247.21	246.67	7.8	7.7	8.5

(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, 2024	175,688	126,303	72.0	3,570.27
As of March 31, 2023	169,337	119,619	70.7	3,294.99

(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, 2024	6,919	(6,039)	(7,121)	26,700
Year ended March 31, 2023	5,543	(12,619)	(4,894)	32,740

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, 2023	–	48.50	–	48.50	97.00	3,541	39.2	3.1
Year ended March 31, 2024	–	57.00	–	57.00	114.00	4,080	51.0	3.3
Year ending March 31, 2025 (Forecast)	–	57.00	–	57.00	114.00		47.5	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	72,000	5.3	4,500	18.3	4,800	(8.7)	3,400	1.9	95.94
Full year	148,500	4.0	11,500	12.7	12,000	1.2	8,500	5.4	239.85

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	37,324,264 shares	As of March 31, 2023	37,324,264 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	1,885,331 shares	As of March 31, 2023	986,120 shares
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Average number of shares during the period

Year ended March 31, 2024	36,081,217 shares	Year ended March 31, 2023	36,557,712 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	32,740	26,700
Notes and accounts receivable - trade	25,227	27,376
Electronically recorded monetary claims - operating	1,768	1,810
Merchandise and finished goods	14,470	18,316
Work in process	2,222	3,609
Raw materials and supplies	6,668	6,688
Other	2,494	1,554
Allowance for doubtful accounts	(35)	(30)
Total current assets	85,556	86,025
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,203	49,346
Accumulated depreciation	(33,705)	(34,916)
Buildings and structures, net	14,498	14,430
Machinery, equipment and vehicles	119,237	128,022
Accumulated depreciation	(89,077)	(91,908)
Machinery, equipment and vehicles, net	30,159	36,114
Tools, furniture and fixtures	6,427	6,515
Accumulated depreciation	(5,798)	(5,945)
Tools, furniture and fixtures, net	628	570
Land	20,403	20,393
Leased assets	485	517
Accumulated depreciation	(179)	(258)
Leased assets, net	306	258
Construction in progress	5,157	428
Total property, plant and equipment	71,152	72,196
Intangible assets		
Leased assets	6	2
Software	532	446
Other	350	186
Total intangible assets	890	634
Investments and other assets		
Investment securities	6,866	11,075
Deferred tax assets	757	427
Retirement benefit asset	582	1,733
Other	3,559	3,622
Allowance for doubtful accounts	(27)	(28)
Total investments and other assets	11,736	16,831
Total non-current assets	83,780	89,662
Total assets	169,337	175,688

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,601	16,057
Short-term borrowings	280	220
Current portion of long-term borrowings	2,928	3,000
Lease liabilities	89	106
Accrued expenses	6,014	5,970
Income taxes payable	578	1,941
Provision for bonuses	1,716	1,799
Provision for bonuses for directors (and other officers)	66	72
Provision for product warranties	72	90
Other	5,491	3,724
Total current liabilities	34,839	32,982
Non-current liabilities		
Long-term borrowings	11,925	11,621
Lease liabilities	257	199
Deferred tax liabilities	174	1,964
Provision for retirement benefits for directors (and other officers)	182	170
Provision for product warranties	869	740
Retirement benefit liability	1,264	1,334
Other	203	371
Total non-current liabilities	14,877	16,401
Total liabilities	49,717	49,384
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,925	10,944
Retained earnings	95,027	99,271
Treasury shares	(2,059)	(4,775)
Total shareholders' equity	112,030	113,577
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,754	5,686
Foreign currency translation adjustment	4,429	6,040
Remeasurements of defined benefit plans	519	1,222
Total accumulated other comprehensive income	7,703	12,949
Share acquisition rights	150	161
Non-controlling interests	(264)	(384)
Total net assets	119,619	126,303
Total liabilities and net assets	169,337	175,688

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	138,063	142,790
Cost of sales	85,753	92,050
Gross profit	52,310	50,740
Selling, general and administrative expenses		
Freight and packing costs	19,489	18,298
Advertising and promotion expenses	3,243	3,487
Provision of allowance for doubtful accounts	6	1
Salaries and allowances and welfare expenses	8,431	8,828
Provision for bonuses	828	856
Provision for bonuses for directors (and other officers)	66	72
Retirement benefit expenses	197	169
Provision for retirement benefits for directors (and other officers)	26	24
Depreciation	530	460
Experimentation and research expenses	1,234	1,153
Provision for product warranties	(121)	(62)
Other	6,671	7,245
Total selling, general and administrative expenses	40,606	40,534
Operating profit	11,704	10,205
Non-operating income		
Interest income	80	152
Dividend income	260	282
Rental income from real estate	90	88
Foreign exchange gains	547	1,133
Other	286	229
Total non-operating income	1,265	1,885
Non-operating expenses		
Interest expenses	116	121
Other	47	112
Total non-operating expenses	164	234
Ordinary profit	12,805	11,856

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	7	3
Gain on sale of investment securities	0	46
Total extraordinary income	7	49
Extraordinary losses		
Loss on retirement of non-current assets	81	37
Impairment losses	11	379
Loss on valuation of investment securities	1	–
Loss on valuation of inventories	41	–
Total extraordinary losses	135	417
Profit before income taxes	12,678	11,488
Income taxes - current	2,408	2,863
Income taxes - deferred	1,218	515
Total income taxes	3,627	3,378
Profit	9,050	8,109
Profit attributable to		
Profit attributable to owners of parent	9,037	8,066
Profit attributable to non-controlling interests	13	42
Other comprehensive income		
Valuation difference on available-for-sale securities	193	2,932
Foreign currency translation adjustment	3,701	1,631
Remeasurements of defined benefit plans, net of tax	131	702
Total other comprehensive income	4,025	5,266
Comprehensive income	13,076	13,375
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,043	13,312
Comprehensive income attributable to non-controlling interests	33	63

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,136	10,934	89,789	(1,293)	107,567
Changes during period					
Dividends of surplus			(3,792)		(3,792)
Profit attributable to owners of parent			9,037		9,037
Purchase of treasury shares				(883)	(883)
Disposal of treasury shares		(16)		117	100
Transfer from retained earnings to capital surplus		6	(6)		–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(9)	5,238	(766)	4,462
Balance at end of period	8,136	10,925	95,027	(2,059)	112,030

	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	2,561	748	388	3,697	210	(298)	111,177
Changes during period							
Dividends of surplus							(3,792)
Profit attributable to owners of parent							9,037
Purchase of treasury shares							(883)
Disposal of treasury shares							100
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	193	3,681	131	4,005	(59)	33	3,979
Total changes during period	193	3,681	131	4,005	(59)	33	8,442
Balance at end of period	2,754	4,429	519	7,703	150	(264)	119,619

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,136	10,925	95,027	(2,059)	112,030
Changes during period					
Dividends of surplus			(3,822)		(3,822)
Profit attributable to owners of parent			8,066		8,066
Purchase of treasury shares				(2,738)	(2,738)
Disposal of treasury shares		2		22	24
Net changes in items other than shareholders' equity		16			16
Total changes during period	–	19	4,243	(2,716)	1,546
Balance at end of period	8,136	10,944	99,271	(4,775)	113,577

	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	2,754	4,429	519	7,703	150	(264)	119,619
Changes during period							
Dividends of surplus							(3,822)
Profit attributable to owners of parent							8,066
Purchase of treasury shares							(2,738)
Disposal of treasury shares							24
Net changes in items other than shareholders' equity	2,932	1,610	702	5,245	11	(119)	5,153
Total changes during period	2,932	1,610	702	5,245	11	(119)	6,683
Balance at end of period	5,686	6,040	1,222	12,949	161	(384)	126,303

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,678	11,488
Depreciation	3,400	5,347
Impairment losses	11	379
Loss (gain) on valuation of investment securities	1	–
Loss on valuation of inventories	41	–
Increase (decrease) in provision for product warranties	(230)	(114)
Increase (decrease) in retirement benefit liability	158	69
Decrease (increase) in retirement benefit asset	(290)	(1,151)
Interest and dividend income	(340)	(434)
Interest expenses	116	121
Foreign exchange losses (gains)	(94)	(469)
Loss (gain) on sale of investment securities	(0)	(46)
Gain on sale of non-current assets	(7)	(3)
Loss on retirement of non-current assets	81	37
Decrease (increase) in trade receivables	(183)	(2,029)
Decrease (increase) in inventories	(5,653)	(4,746)
Increase (decrease) in trade payables	(38)	(1,883)
Other, net	(422)	1,564
Subtotal	9,227	8,130
Interest and dividends received	332	427
Interest paid	(117)	(109)
Income taxes paid	(3,944)	(1,851)
Income taxes refund	46	321
Net cash provided by (used in) operating activities	5,543	6,919
Cash flows from investing activities		
Payments into time deposits	(2,000)	–
Purchase of property, plant and equipment	(10,088)	(5,893)
Proceeds from sale of property, plant and equipment	14	3
Purchase of intangible assets	(97)	(207)
Purchase of investment securities	(461)	(2)
Proceeds from sale of investment securities	14	63
Other, net	(1)	(2)
Net cash provided by (used in) investing activities	(12,619)	(6,039)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	80	(60)
Proceeds from long-term borrowings	1,911	2,696
Repayments of long-term borrowings	(2,111)	(2,928)
Repayments of lease liabilities	(98)	(97)
Purchase of treasury shares	(883)	(2,738)
Dividends paid	(3,792)	(3,822)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(172)
Other, net	0	2
Net cash provided by (used in) financing activities	(4,894)	(7,121)
Effect of exchange rate change on cash and cash equivalents	500	201
Net increase (decrease) in cash and cash equivalents	(11,470)	(6,040)
Cash and cash equivalents at beginning of period	44,210	32,740
Cash and cash equivalents at end of period	32,740	26,700