

Translation

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

February 10, 2021

Company name: Nippon Chemical Industrial CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 4092 URL <http://www.nippon-chem.co.jp/>
 Representative: President Hirota Tanahashi
 Inquiries: General Manager, Accounting Department Manabu Sato TEL 03-3636-8038
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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	24,708	(9.5)	1,761	(12.2)	1,819	(11.9)	1,286	(16.6)
Nine months ended December 31, 2019	27,303	0.8	2,006	(17.0)	2,065	(17.1)	1,543	(11.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	146.26	–
Nine months ended December 31, 2019	175.45	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	69,850	38,022	54.4
As of March 31, 2020	65,950	35,768	54.2

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	–	35.00	–	35.00	70.00
Year ending March 31, 2021	–	35.00	–		
Year ending March 31, 2021 (Forecast)				35.00	70.00

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	34,000	(6.2)	2,600	4.8	2,600	2.1	1,800	(3.1)	204.64

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	8,922,775 shares	As of March 31, 2020	8,922,775 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	127,069 shares	As of March 31, 2020	126,963 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	8,795,776 shares	Nine months ended December 31, 2019	8,795,973 shares
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*This financial results report is exempt from audit by certified public accountants or accounting firm.

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	9,392	9,428
Notes and accounts receivable - trade	10,820	10,913
Merchandise and finished goods	4,474	4,162
Work in process	2,196	2,459
Raw materials and supplies	2,170	2,447
Consumption taxes receivable	–	22
Other	665	742
Allowance for doubtful accounts	(24)	(19)
Total current assets	29,696	30,156
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,487	34,783
Accumulated depreciation	(22,320)	(22,932)
Buildings and structures, net	12,166	11,851
Machinery, equipment and vehicles	13,135	14,226
Accumulated depreciation	(6,058)	(7,100)
Machinery, equipment and vehicles, net	7,076	7,125
Land	7,730	7,730
Construction in progress	1,381	2,699
Other	6,553	6,543
Accumulated depreciation	(5,630)	(5,639)
Other, net	923	904
Total property, plant and equipment	29,279	30,311
Intangible assets		
Goodwill	47	36
Other	597	536
Total intangible assets	644	573
Investments and other assets		
Investment securities	5,735	8,070
Long-term loans receivable	22	15
Deferred tax assets	153	131
Other	441	614
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	6,329	8,808
Total non-current assets	36,254	39,693
Total assets	65,950	69,850

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,194	4,105
Short-term borrowings	7,825	9,433
Income taxes payable	296	44
Accrued consumption taxes	363	225
Provision for bonuses	416	117
Accounts payable - facilities	1,904	2,684
Other	1,928	2,161
Total current liabilities	15,930	18,772
Non-current liabilities		
Long-term borrowings	8,161	6,090
Deferred tax liabilities	1,706	2,597
Retirement benefit liability	1,999	1,992
Other	2,384	2,375
Total non-current liabilities	14,251	13,056
Total liabilities	30,181	31,828
Net assets		
Shareholders' equity		
Share capital	5,757	5,757
Capital surplus	2,269	2,269
Retained earnings	26,126	26,797
Treasury shares	(354)	(354)
Total shareholders' equity	33,799	34,469
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,467	4,076
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	20	(1)
Remeasurements of defined benefit plans	(519)	(522)
Total accumulated other comprehensive income	1,968	3,552
Total net assets	35,768	38,022
Total liabilities and net assets	65,950	69,850

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	27,303	24,708
Cost of sales	21,373	19,257
Gross profit	5,929	5,450
Selling, general and administrative expenses	3,923	3,689
Operating profit	2,006	1,761
Non-operating income		
Interest and dividend income	122	121
Share of profit of entities accounted for using equity method	33	28
Other	74	97
Total non-operating income	230	247
Non-operating expenses		
Interest expenses	56	61
Environmental expenses	45	67
Other	70	60
Total non-operating expenses	172	189
Ordinary profit	2,065	1,819
Extraordinary income		
Gain on sales of investment securities	180	-
Total extraordinary income	180	-
Extraordinary losses		
Loss on retirement of non-current assets	143	68
Total extraordinary losses	143	68
Profit before income taxes	2,102	1,750
Income taxes - current	464	256
Income taxes - deferred	94	207
Total income taxes	559	463
Profit	1,543	1,286
Profit attributable to owners of parent	1,543	1,286

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	1,543	1,286
Other comprehensive income		
Valuation difference on available-for-sale securities	317	1,609
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	–	(22)
Remeasurements of defined benefit plans, net of tax	(62)	(3)
Share of other comprehensive income of entities accounted for using equity method	(7)	–
Total other comprehensive income	248	1,583
Comprehensive income	1,791	2,869
Comprehensive income attributable to Comprehensive income attributable to owners of parent	1,791	2,869