

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

Company name: Nippon Chemical Industrial CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4092 URL: <https://www.nippon-chem.co.jp/>  
 Representative: President Hirota Tanahashi  
 Inquiries: General Manager, Accounting Department Yuji Kumada TEL 03-3636-8038  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: December 6, 2021  
 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	19,397	20.4	2,312	153.0	2,322	150.9	2,025	211.3
Six months ended September 30, 2020	16,112	(12.0)	914	(44.3)	925	(45.3)	650	(42.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	230.27	—
Six months ended September 30, 2020	73.99	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	70,350	40,969	58.2
As of March 31, 2021	70,196	39,075	55.7

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, 2021	—	35.00	—	35.00	70.00
Year ending March 31, 2022	—	35.00	—	—	—
Year ending March 31, 2022 (Forecast)	—	—	—	35.00	70.00

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	36,000	3.9	4,000	43.7	4,000	72.7	2,600	19.1	295.60

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(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: 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 September 30, 2021	8,922,775 shares	As of March 31, 2021	8,922,775 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	121,006 shares	As of March 31, 2021	127,069 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	8,798,319 shares	Six months ended September 30, 2020	8,795,798 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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	10,004	10,405
Notes and accounts receivable - trade	11,297	–
Notes and accounts receivable - trade, and contract assets	–	10,310
Merchandise and finished goods	4,374	3,789
Work in process	2,393	2,115
Raw materials and supplies	2,021	1,989
Consumption taxes receivable	–	367
Other	531	944
Allowance for doubtful accounts	(23)	(147)
Total current assets	30,598	29,773
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,885	36,781
Accumulated depreciation	(23,154)	(23,199)
Buildings and structures, net	11,731	13,582
Machinery, equipment and vehicles	14,668	15,424
Accumulated depreciation	(7,466)	(8,219)
Machinery, equipment and vehicles, net	7,201	7,204
Land	7,730	7,466
Construction in progress	3,271	2,645
Other	6,634	6,344
Accumulated depreciation	(5,695)	(5,504)
Other, net	938	840
Total property, plant and equipment	30,874	31,739
Intangible assets		
Goodwill	33	–
Other	556	497
Total intangible assets	589	497
Investments and other assets		
Investment securities	7,044	7,496
Long-term loans receivable	8	1
Deferred tax assets	147	77
Retirement benefit asset	351	401
Other	604	384
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	8,133	8,338
Total non-current assets	39,598	40,576
Total assets	70,196	70,350

(Millions of yen)

As of March 31, 2021 As of September 30, 2021

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,802	3,225
Short-term borrowings	8,300	8,776
Income taxes payable	658	170
Accrued consumption taxes	256	18
Provision for bonuses	435	440
Accounts payable - facilities	2,092	3,151
Other	1,979	2,010
Total current liabilities	17,525	17,793
Non-current liabilities		
Long-term borrowings	7,283	5,335
Deferred tax liabilities	2,173	2,485
Retirement benefit liability	1,387	1,329
Liabilities from application of equity method	424	288
Other	2,326	2,147
Total non-current liabilities	13,595	11,587
Total liabilities	31,120	29,380
Net assets		
Shareholders' equity		
Share capital	5,757	5,757
Capital surplus	2,269	2,270
Retained earnings	27,693	29,411
Treasury shares	(354)	(337)
Total shareholders' equity	35,365	37,101
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,445	3,767
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(7)	11
Remeasurements of defined benefit plans	270	88
Total accumulated other comprehensive income	3,709	3,867
Total net assets	39,075	40,969
Total liabilities and net assets	70,196	70,350

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	16,112	19,397
Cost of sales	12,707	14,360
Gross profit	3,404	5,037
Selling, general and administrative expenses	2,490	2,724
Operating profit	914	2,312
Non-operating income		
Interest and dividend income	68	67
Share of profit of entities accounted for using equity method	6	–
Other	73	61
Total non-operating income	147	129
Non-operating expenses		
Interest expenses	41	41
Share of loss of entities accounted for using equity method	–	8
Environmental expenses	48	8
Other	46	60
Total non-operating expenses	136	119
Ordinary profit	925	2,322
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	552
Total extraordinary income	–	552
Extraordinary losses		
Loss on retirement of non-current assets	41	45
Total extraordinary losses	41	45
Profit before income taxes	884	2,829
Income taxes - current	148	744
Income taxes - deferred	85	59
Total income taxes	233	803
Profit	650	2,025
Profit attributable to owners of parent	650	2,025

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	650	2,025
Other comprehensive income		
Valuation difference on available-for-sale securities	503	321
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(17)	19
Remeasurements of defined benefit plans, net of tax	(4)	(182)
Total other comprehensive income	479	157
Comprehensive income	1,130	2,183
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,130	2,183

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	884	2,829
Depreciation	1,405	1,510
Amortization of goodwill	7	7
Increase (decrease) in allowance for doubtful accounts	(7)	134
Increase (decrease) in provision for bonuses	(7)	40
Increase (decrease) in retirement benefit liability	(13)	20
Interest and dividend income	(68)	(67)
Share of loss (profit) of entities accounted for using equity method	(6)	8
Interest expenses	41	41
Loss (gain) on sale of shares of subsidiaries and associates	–	(552)
Loss on retirement of non-current assets	41	45
Decrease (increase) in trade receivables	1,321	(343)
Decrease (increase) in inventories	74	458
Increase (decrease) in trade payables	(144)	(858)
Increase (decrease) in accrued consumption taxes	(199)	(581)
Other, net	(297)	(356)
Subtotal	3,030	2,337
Interest and dividends received	69	68
Interest paid	(41)	(41)
Income taxes paid	(259)	(1,154)
Income taxes refund	25	7
Net cash provided by (used in) operating activities	2,824	1,217
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,977)	(1,670)
Proceeds from sale of property, plant and equipment	6	0
Purchase of intangible assets	(19)	(23)
Purchase of investment securities	(1)	(1)
Loan advances	(0)	(136)
Proceeds from collection of loans receivable	8	7
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	2,227
Other, net	(63)	178
Net cash provided by (used in) investing activities	(2,047)	582
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(28)	70
Proceeds from long-term borrowings	360	800
Repayments of long-term borrowings	(731)	(1,939)
Repayments of finance lease obligations	(4)	(1)
Purchase of treasury shares	(0)	(0)
Dividends paid	(307)	(306)
Net cash provided by (used in) financing activities	(711)	(1,378)
Effect of exchange rate change on cash and cash equivalents	(4)	10
Net increase (decrease) in cash and cash equivalents	61	432
Cash and cash equivalents at beginning of period	9,315	9,962
Cash and cash equivalents at end of period	9,377	10,395