

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 9, 2022

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: August 10, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	9,711	(4.5)	905	(38.3)	1,000	(33.0)	698	(35.4)
Three months ended June 30, 2021	10,172	20.5	1,468	90.3	1,493	94.3	1,081	93.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	79.37	–
Three months ended June 30, 2021	123.01	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	69,862	41,834	59.9
As of March 31, 2022	70,431	41,867	59.4

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, 2022	–	35.00	–	50.00	85.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	35.00	–	35.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	38,000	1.9	2,100	(46.4)	2,200	(43.1)	1,400	(62.5)	159.06

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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 June 30, 2022	8,922,775 shares	As of March 31, 2022	8,922,775 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	121,086 shares	As of March 31, 2022	121,086 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	8,801,689 shares	Three months ended June 30, 2021	8,795,706 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, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	9,012	7,271
Notes receivable - trade	756	680
Accounts receivable - trade	10,239	10,528
Merchandise and finished goods	3,946	4,655
Work in process	3,098	3,563
Raw materials and supplies	2,758	3,682
Consumption taxes refund receivable	171	1
Other	1,226	1,079
Allowance for doubtful accounts	(491)	(491)
Total current assets	30,718	30,972
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,764	36,796
Accumulated depreciation	(23,224)	(23,465)
Buildings and structures, net	13,539	13,330
Machinery, equipment and vehicles	15,492	16,428
Accumulated depreciation	(8,261)	(9,459)
Machinery, equipment and vehicles, net	7,231	6,969
Land	7,466	7,466
Construction in progress	2,772	2,920
Other	6,415	6,441
Accumulated depreciation	(5,561)	(5,640)
Other, net	854	800
Total property, plant and equipment	31,864	31,487
Intangible assets		
Other	448	416
Total intangible assets	448	416
Investments and other assets		
Investment securities	6,385	5,960
Long-term loans receivable	1	0
Deferred tax assets	92	86
Retirement benefit asset	580	605
Other	362	355
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	7,399	6,985
Total non-current assets	39,712	38,890
Total assets	70,431	69,862

(Millions of yen)

As of March 31, 2022 As of June 30, 2022

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,390	3,847
Short-term borrowings	8,886	8,899
Income taxes payable	297	120
Accrued consumption taxes	20	17
Provision for bonuses	472	128
Accounts payable - facilities	1,580	1,304
Other	3,058	3,271
Total current liabilities	17,706	17,589
Non-current liabilities		
Long-term borrowings	7,033	6,630
Deferred tax liabilities	610	635
Retirement benefit liability	1,093	1,067
Other	2,118	2,104
Total non-current liabilities	10,857	10,438
Total liabilities	28,563	28,028
Net assets		
Shareholders' equity		
Share capital	5,757	5,757
Capital surplus	2,270	2,270
Retained earnings	30,809	31,067
Treasury shares	(337)	(337)
Total shareholders' equity	38,499	38,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,035	2,747
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	24	49
Remeasurements of defined benefit plans	307	279
Total accumulated other comprehensive income	3,368	3,076
Total net assets	41,867	41,834
Total liabilities and net assets	70,431	69,862

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	10,172	9,711
Cost of sales	7,327	7,568
Gross profit	2,845	2,143
Selling, general and administrative expenses	1,376	1,237
Operating profit	1,468	905
Non-operating income		
Interest and dividend income	61	73
Share of profit of entities accounted for using equity method	–	2
Foreign exchange gains	–	41
Other	37	33
Total non-operating income	98	150
Non-operating expenses		
Interest expenses	20	20
Share of loss of entities accounted for using equity method	12	–
Other	41	34
Total non-operating expenses	74	55
Ordinary profit	1,493	1,000
Extraordinary income		
Gain on sale of investment securities	–	11
Total extraordinary income	–	11
Extraordinary losses		
Loss on retirement of non-current assets	18	11
Total extraordinary losses	18	11
Profit before income taxes	1,474	1,000
Income taxes - current	193	133
Income taxes - deferred	199	168
Total income taxes	392	301
Profit	1,081	698
Profit attributable to owners of parent	1,081	698

Consolidated statements of comprehensive income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,081	698
Other comprehensive income		
Valuation difference on available-for-sale securities	(221)	(288)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	19	24
Remeasurements of defined benefit plans, net of tax	(160)	(27)
Total other comprehensive income	(362)	(291)
Comprehensive income	719	406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	719	406