

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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: February 10, 2023  
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	29,470	3.7	1,561	(54.0)	1,718	(50.2)	1,140	(60.1)
Nine months ended December 31, 2021	28,426	15.0	3,393	92.7	3,453	89.9	2,860	122.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	129.47		–	
Nine months ended December 31, 2021	325.06		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	71,010	41,785	58.8
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				
Year ended March 31, 2022	–	35.00	–	50.00	85.00
Year ending March 31, 2023	–	35.00	–		
Year ending March 31, 2023 (Forecast)				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 nine months ended December 31, 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 December 31, 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 December 31, 2022	110,155 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)

Nine months ended December 31, 2022	8,808,248 shares	Nine months ended December 31, 2021	8,799,346 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	9,012	6,853
Notes receivable - trade	756	804
Accounts receivable - trade	10,239	11,209
Merchandise and finished goods	3,946	4,474
Work in process	3,098	4,053
Raw materials and supplies	2,758	4,511
Consumption taxes refund receivable	171	—
Other	1,226	551
Allowance for doubtful accounts	(491)	(14)
Total current assets	30,718	32,444
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,764	37,064
Accumulated depreciation	(23,224)	(23,907)
Buildings and structures, net	13,539	13,156
Machinery, equipment and vehicles	15,492	18,551
Accumulated depreciation	(8,261)	(10,369)
Machinery, equipment and vehicles, net	7,231	8,181
Land	7,466	7,466
Construction in progress	2,772	1,796
Other	6,415	6,556
Accumulated depreciation	(5,561)	(5,751)
Other, net	854	804
Total property, plant and equipment	31,864	31,405
Intangible assets		
Other	448	418
Total intangible assets	448	418
Investments and other assets		
Investment securities	6,385	5,672
Long-term loans receivable	1	0
Deferred tax assets	92	94
Retirement benefit asset	580	654
Other	362	341
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	7,399	6,741
Total non-current assets	39,712	38,565
Total assets	70,431	71,010

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,390	4,592
Short-term borrowings	8,886	10,274
Income taxes payable	297	8
Accrued consumption taxes	20	85
Provision for bonuses	472	114
Accounts payable - facilities	1,580	1,519
Other	3,058	3,228
Total current liabilities	17,706	19,822
Non-current liabilities		
Long-term borrowings	7,033	5,414
Deferred tax liabilities	610	803
Retirement benefit liability	1,093	1,104
Other	2,118	2,081
Total non-current liabilities	10,857	9,402
Total liabilities	28,563	29,225
Net assets		
Shareholders' equity		
Share capital	5,757	5,757
Capital surplus	2,270	2,267
Retained earnings	30,809	31,194
Treasury shares	(337)	(307)
Total shareholders' equity	38,499	38,912
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,035	2,528
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	24	121
Remeasurements of defined benefit plans	307	223
Total accumulated other comprehensive income	3,368	2,873
Total net assets	41,867	41,785
Total liabilities and net assets	70,431	71,010

**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, 2021	Nine months ended December 31, 2022
Net sales	28,426	29,470
Cost of sales	21,054	24,129
Gross profit	7,372	5,340
Selling, general and administrative expenses	3,979	3,778
Operating profit	3,393	1,561
Non-operating income		
Interest and dividend income	119	131
Share of profit of entities accounted for using equity method	–	38
Other	94	145
Total non-operating income	214	316
Non-operating expenses		
Interest expenses	59	61
Share of loss of entities accounted for using equity method	10	–
Other	83	96
Total non-operating expenses	153	158
Ordinary profit	3,453	1,718
Extraordinary income		
Gain on sale of investment securities	–	22
Gain on sale of shares of subsidiaries and associates	551	–
Total extraordinary income	551	22
Extraordinary losses		
Loss on retirement of non-current assets	109	81
Total extraordinary losses	109	81
Profit before income taxes	3,895	1,659
Income taxes - current	849	68
Income taxes - deferred	186	450
Total income taxes	1,035	519
Profit	2,860	1,140
Profit attributable to owners of parent	2,860	1,140

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,860	1,140
Other comprehensive income		
Valuation difference on available-for-sale securities	23	(507)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	23	96
Remeasurements of defined benefit plans, net of tax	(204)	(83)
Total other comprehensive income	(157)	(494)
Comprehensive income	2,702	645
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,702	645