

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2023
(Based on Japanese GAAP)**

February 8, 2024

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 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	28,661	(2.7)	1,647	5.5	1,760	2.4	1,243	9.0
Nine months ended December 31, 2022	29,470	3.7	1,561	(54.0)	1,718	(50.2)	1,140	(60.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	140.96	–
Nine months ended December 31, 2022	129.47	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	74,456	43,413	58.3
As of March 31, 2023	72,897	42,241	57.9

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, 2023	–	35.00	–	35.00	70.00
Year ending March 31, 2024	–	35.00	–		
Year ending March 31, 2024 (Forecast)				35.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	40,000	5.1	1,600	23.8	1,600	13.3	1,000	16.9	113.47

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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, 2023	8,922,775 shares	As of March 31, 2023	8,922,775 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	100,710 shares	As of March 31, 2023	110,223 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, 2023	8,818,268 shares	Nine months ended December 31, 2022	8,808,248 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	7,841	6,835
Notes receivable - trade	945	1,280
Accounts receivable - trade	9,844	11,632
Merchandise and finished goods	5,087	4,851
Work in process	3,597	3,696
Raw materials and supplies	4,231	4,350
Consumption taxes refund receivable	101	–
Other	592	467
Allowance for doubtful accounts	(13)	(15)
Total current assets	32,228	33,099
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,212	38,142
Accumulated depreciation	(24,086)	(24,762)
Buildings and structures, net	13,125	13,379
Machinery, equipment and vehicles	19,963	20,705
Accumulated depreciation	(10,811)	(12,374)
Machinery, equipment and vehicles, net	9,152	8,331
Land	7,466	7,459
Construction in progress	2,122	2,368
Other	6,524	6,817
Accumulated depreciation	(5,639)	(5,852)
Other, net	884	965
Total property, plant and equipment	32,751	32,505
Intangible assets		
Other	411	472
Total intangible assets	411	472
Investments and other assets		
Investment securities	6,292	7,117
Long-term loans receivable	0	0
Deferred tax assets	102	97
Retirement benefit asset	848	917
Other	284	270
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	7,506	8,380
Total non-current assets	40,669	41,357
Total assets	72,897	74,456

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,618	4,451
Short-term borrowings	7,487	10,607
Income taxes payable	29	311
Accrued consumption taxes	12	263
Provision for bonuses	400	133
Accounts payable - facilities	2,957	1,862
Other	2,987	2,607
Total current liabilities	17,492	20,237
Non-current liabilities		
Long-term borrowings	9,289	6,562
Deferred tax liabilities	1,041	1,324
Retirement benefit liability	769	889
Other	2,063	2,028
Total non-current liabilities	13,163	10,805
Total liabilities	30,656	31,042
Net assets		
Shareholders' equity		
Share capital	5,757	5,757
Capital surplus	2,267	2,267
Retained earnings	30,910	31,527
Treasury shares	(307)	(280)
Total shareholders' equity	38,627	39,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,970	3,516
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	78	137
Remeasurements of defined benefit plans	565	488
Total accumulated other comprehensive income	3,614	4,142
Total net assets	42,241	43,413
Total liabilities and net assets	72,897	74,456

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, 2022	Nine months ended December 31, 2023
Net sales	29,470	28,661
Cost of sales	24,129	23,286
Gross profit	5,340	5,374
Selling, general and administrative expenses	3,778	3,727
Operating profit	1,561	1,647
Non-operating income		
Interest and dividend income	131	133
Share of profit of entities accounted for using equity method	38	33
Other	145	95
Total non-operating income	316	262
Non-operating expenses		
Interest expenses	61	75
Other	96	73
Total non-operating expenses	158	148
Ordinary profit	1,718	1,760
Extraordinary income		
Gain on sale of non-current assets	–	11
Gain on sale of investment securities	22	–
Total extraordinary income	22	11
Extraordinary losses		
Loss on retirement of non-current assets	81	114
Total extraordinary losses	81	114
Profit before income taxes	1,659	1,657
Income taxes - current	68	331
Income taxes - deferred	450	82
Total income taxes	519	414
Profit	1,140	1,243
Profit attributable to owners of parent	1,140	1,243

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,140	1,243
Other comprehensive income		
Valuation difference on available-for-sale securities	(507)	546
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	96	58
Remeasurements of defined benefit plans, net of tax	(83)	(76)
Total other comprehensive income	(494)	527
Comprehensive income	645	1,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	645	1,770