Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 7, 2024

Company name: NICHIHA CORPORATION
Stock exchange listing: Tokyo, Nagoya
Stock code: 7943 URL https://www.nichiha.co.jp
Representative: PRESIDENT NARUMITSU YOSHIOKA
Inquiries: DIRECTOR SENIOR EXECUTIVE OFFICER KAZUSHI TONOI TEL 052-220-5111

Scheduled date to file Semi-annual Securities Report: November 13, 2024
Scheduled date to commence dividend payments: December 2, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	73,019	6.7	3,435	(9.7)	3,235	(38.5)	1,829	(45.2)
Six months ended September 30, 2023	68,408	1.8	3,804	(30.4)	5,258	(22.3)	3,335	(30.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	52.46	52.35
Six months ended September 30, 2023	91.90	91.73

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	176,330	127,932	72.7	3,748.30
As of March 31, 2024	175,688	126,303	72.0	3,570.27

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, 2024	–	57.00	–	57.00	114.00
Year ending March 31, 2025	–	57.00			
Year ending March 31, 2025 (Forecast)			–	57.00	114.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	148,500	4.0	7,000	(31.4)	7,300	(38.4)	4,500	(44.2)	129.03

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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, 2024	37,324,264 shares	As of March 31, 2024	37,324,264 shares

Number of treasury shares at the end of the period

As of September 30, 2024	3,139,744 shares	As of March 31, 2024	1,885,331 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	34,874,650 shares	Six months ended September 30, 2023	36,298,399 shares

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	26,700	21,972
Notes and accounts receivable - trade	27,376	23,967
Electronically recorded monetary claims - operating	1,810	4,963
Merchandise and finished goods	18,316	19,767
Work in process	3,609	3,701
Raw materials and supplies	6,688	6,011
Other	1,554	2,241
Allowance for doubtful accounts	(30)	(29)
Total current assets	86,025	82,596
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,430	15,128
Machinery, equipment and vehicles, net	36,114	38,336
Tools, furniture and fixtures, net	570	557
Land	20,393	20,405
Leased assets, net	258	292
Construction in progress	428	762
Total property, plant and equipment	72,196	75,482
Intangible assets		
Leased assets	2	0
Software	446	349
Other	186	203
Total intangible assets	634	553
Investments and other assets		
Investment securities	11,075	12,142
Deferred tax assets	427	311
Retirement benefit asset	1,733	1,692
Other	3,622	3,589
Allowance for doubtful accounts	(28)	(38)
Total investments and other assets	16,831	17,697
Total non-current assets	89,662	93,734
Total assets	175,688	176,330

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,057	15,174
Short-term borrowings	3,220	3,230
Lease liabilities	106	110
Income taxes payable	1,941	689
Provision for bonuses	1,799	1,748
Provision for bonuses for directors (and other officers)	72	27
Provision for product warranties	90	61
Other	9,695	9,845
Total current liabilities	32,982	30,887
Non-current liabilities		
Long-term borrowings	11,621	11,521
Lease liabilities	199	228
Deferred tax liabilities	1,964	3,146
Provision for retirement benefits for directors (and other officers)	170	169
Provision for product warranties	740	740
Retirement benefit liability	1,334	1,334
Other	371	369
Total non-current liabilities	16,401	17,510
Total liabilities	49,384	48,398
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,944	10,950
Retained earnings	99,271	99,081
Treasury shares	(4,775)	(9,176)
Total shareholders' equity	113,577	108,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,686	6,428
Foreign currency translation adjustment	6,040	11,598
Remeasurements of defined benefit plans	1,222	1,115
Total accumulated other comprehensive income	12,949	19,142
Share acquisition rights	161	169
Non-controlling interests	(384)	(371)
Total net assets	126,303	127,932
Total liabilities and net assets	175,688	176,330

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	68,408	73,019
Cost of sales	44,551	47,950
Gross profit	23,856	25,069
Selling, general and administrative expenses	20,052	21,633
Operating profit	3,804	3,435
Non-operating income		
Interest income	57	92
Dividend income	139	153
Rental income from real estate	44	43
Foreign exchange gains	1,203	–
Other	75	113
Total non-operating income	1,520	402
Non-operating expenses		
Interest expenses	34	156
Foreign exchange losses	–	416
Other	32	30
Total non-operating expenses	66	603
Ordinary profit	5,258	3,235
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	–	42
Total extraordinary income	0	42
Extraordinary losses		
Loss on retirement of non-current assets	17	205
Impairment losses	279	–
Loss on retirement of inventories	–	72
Extra retirement payments	–	159
Total extraordinary losses	297	436
Profit before income taxes	4,961	2,841
Income taxes - current	1,550	598
Income taxes - deferred	51	399
Total income taxes	1,601	998
Profit	3,359	1,843
Profit attributable to		
Profit attributable to owners of parent	3,335	1,829
Profit attributable to non-controlling interests	23	13
Other comprehensive income		
Valuation difference on available-for-sale securities	1,400	741
Foreign currency translation adjustment	2,573	5,558
Remeasurements of defined benefit plans, net of tax	(45)	(106)
Total other comprehensive income	3,928	6,193
Comprehensive income	7,288	8,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,250	8,022
Comprehensive income attributable to non-controlling interests	37	13

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,961	2,841
Depreciation	2,572	2,690
Impairment losses	279	–
Loss on retirement of inventories	–	72
Extra retirement payments	–	159
Increase (decrease) in provision for product warranties	11	(36)
Increase (decrease) in retirement benefit liability	33	0
Decrease (increase) in retirement benefit asset	35	40
Interest and dividend income	(197)	(245)
Interest expenses	34	156
Foreign exchange losses (gains)	(523)	377
Loss (gain) on sale of investment securities	–	(42)
Gain on sale of non-current assets	(0)	(0)
Loss on retirement of non-current assets	17	205
Decrease (increase) in trade receivables	(3,189)	693
Decrease (increase) in inventories	(4,271)	615
Increase (decrease) in trade payables	306	(1,519)
Other, net	1,042	(455)
Subtotal	1,111	5,553
Interest and dividends received	203	244
Interest paid	(34)	(156)
Income taxes paid	(1,020)	(1,816)
Income taxes refund	321	3
Net cash provided by (used in) operating activities	582	3,828
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,132)	(2,313)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(53)	(13)
Purchase of investment securities	(1)	(1)
Other, net	(57)	(114)
Net cash provided by (used in) investing activities	(3,243)	(2,442)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	60	10
Proceeds from long-term borrowings	1,996	2,900
Repayments of long-term borrowings	(1,896)	(3,000)
Repayments of lease liabilities	(21)	(63)
Purchase of treasury shares	(634)	(4,443)
Dividends paid	(1,762)	(2,020)
Other, net	0	41
Net cash provided by (used in) financing activities	(2,258)	(6,575)
Effect of exchange rate change on cash and cash equivalents	235	461
Net increase (decrease) in cash and cash equivalents	(4,683)	(4,727)
Cash and cash equivalents at beginning of period	32,740	26,700
Cash and cash equivalents at end of period	28,056	21,972