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May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: N I C H I H A C O R P O R A T I O N
Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
Securities code: 7943
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Representative: Narumitsu Yoshioka, President and Representative Director
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Scheduled date of annual general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file annual securities report: June 24, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	148,478	4.0	6,951	(31.9)	7,254	(38.8)	2,706	(66.4)
March 31, 2024	142,790	3.4	10,205	(12.8)	11,856	(7.4)	8,066	(10.7)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥6,768 million [(49.4)%]
For the fiscal year ended March 31, 2024: ¥13,375 million [2.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	78.49	78.32	2.2	4.1	4.7
March 31, 2024	223.57	223.13	6.6	6.9	7.1

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	177,455	124,157	70.2	3,659.66
March 31, 2024	175,688	126,303	72.0	3,570.27

Reference: Equity
As of March 31, 2025: ¥124,518 million
As of March 31, 2024: ¥126,526 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	10,413	(3,036)	(8,008)	26,481
March 31, 2024	6,919	(6,039)	(7,121)	26,700

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	57.00	-	57.00	114.00	4,080	51.0	3.3
Fiscal year ended March 31, 2025	-	57.00	-	57.00	114.00	3,887	145.2	3.2
Fiscal year ending March 31, 2026 (Forecast)		57.00		57.00	114.00		53.9	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	71,500	(2.1)	3,500	1.9	3,700	14.4	2,500	36.6	73.48
Fiscal year ending March 31, 2026	147,500	(0.7)	10,000	43.8	10,300	42.0	7,200	166.0	211.61

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	37,324,264 shares
As of March 31, 2024	37,324,264 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	3,299,644 shares
As of March 31, 2024	1,885,331 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	34,484,213 shares
Fiscal year ended March 31, 2024	36,081,217 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and other matters related to earnings forecasts, please refer to Appendix P.3 "1. Summary of Operating Results (4) Outlook for the Next Fiscal Year."

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	26,700	26,481
Notes and accounts receivable - trade	27,376	23,444
Electronically recorded monetary claims - operating	1,810	5,349
Merchandise and finished goods	18,316	19,485
Work in process	3,609	3,664
Raw materials and supplies	6,688	6,283
Other	1,554	1,326
Allowance for doubtful accounts	(30)	(31)
Total current assets	86,025	86,002
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,346	51,061
Accumulated depreciation	(34,916)	(36,417)
Buildings and structures, net	14,430	14,644
Machinery, equipment and vehicles	128,022	131,124
Accumulated depreciation	(91,908)	(93,079)
Machinery, equipment and vehicles, net	36,114	38,045
Tools, furniture and fixtures	6,515	6,616
Accumulated depreciation	(5,945)	(6,121)
Tools, furniture and fixtures, net	570	495
Land	20,393	20,403
Leased assets	517	487
Accumulated depreciation	(258)	(242)
Leased assets, net	258	244
Construction in progress	428	462
Total property, plant and equipment	72,196	74,295
Intangible assets		
Leased assets	2	30
Software	446	275
Other	186	176
Total intangible assets	634	482
Investments and other assets		
Investment securities	11,075	10,210
Deferred tax assets	427	361
Retirement benefit asset	1,733	2,594
Other	3,622	3,545
Allowance for doubtful accounts	(28)	(36)
Total investments and other assets	16,831	16,674
Total non-current assets	89,662	91,452
Total assets	175,688	177,455

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,057	14,871
Short-term borrowings	220	1,185
Current portion of long-term borrowings	3,000	3,034
Lease liabilities	106	107
Accrued expenses	5,970	6,529
Income taxes payable	1,941	2,962
Provision for bonuses	1,799	1,871
Provision for bonuses for directors (and other officers)	72	47
Provision for product warranties	90	84
Other	3,724	4,117
Total current liabilities	32,982	34,813
Non-current liabilities		
Long-term borrowings	11,621	11,641
Lease liabilities	199	215
Deferred tax liabilities	1,964	3,191
Provision for retirement benefits for directors (and other officers)	170	137
Provision for product warranties	740	1,094
Retirement benefit liability	1,334	1,375
Other	371	827
Total non-current liabilities	16,401	18,484
Total liabilities	49,384	53,297
Net assets		
Shareholders' equity		
Share capital	8,136	8,136
Capital surplus	10,944	10,950
Retained earnings	99,271	98,008
Treasury shares	(4,775)	(9,733)
Total shareholders' equity	113,577	107,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,686	5,067
Foreign currency translation adjustment	6,040	10,445
Remeasurements of defined benefit plans	1,222	1,644
Total accumulated other comprehensive income	12,949	17,157
Share acquisition rights	161	169
Non-controlling interests	(384)	(530)
Total net assets	126,303	124,157
Total liabilities and net assets	175,688	177,455

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	142,790	148,478
Cost of sales	92,050	97,626
Gross profit	50,740	50,851
Selling, general and administrative expenses		
Freight and packing costs	18,298	20,519
Advertising and promotion expenses	3,487	3,459
Provision of allowance for doubtful accounts	1	(16)
Salaries and allowances and welfare expenses	8,828	9,708
Provision for bonuses	856	933
Provision for bonuses for directors (and other officers)	72	47
Retirement benefit expenses	169	85
Provision for retirement benefits for directors (and other officers)	24	17
Depreciation	460	465
Experimentation and research expenses	1,153	1,075
Provision for product warranties	(62)	23
Other	7,245	7,580
Total selling, general and administrative expenses	40,534	43,900
Operating profit	10,205	6,951
Non-operating income		
Interest income	152	154
Dividend income	282	319
Rental income from real estate	88	60
Foreign exchange gains	1,133	-
Other	229	227
Total non-operating income	1,885	762
Non-operating expenses		
Interest expenses	121	326
Foreign exchange losses	-	68
Other	112	65
Total non-operating expenses	234	460
Ordinary profit	11,856	7,254

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	3	6
Gain on sale of investment securities	46	432
Gain on sale of investment property	-	305
Total extraordinary income	49	744
Extraordinary losses		
Loss on retirement of non-current assets	37	329
Impairment losses	379	-
Loss on retirement of inventories	-	167
Extra retirement payments	-	218
Provision for product warranties	-	450
Total extraordinary losses	417	1,165
Profit before income taxes	11,488	6,832
Income taxes - current	2,863	1,558
Income taxes for prior periods	-	2,051
Income taxes - deferred	515	662
Total income taxes	3,378	4,272
Profit	8,109	2,560
Profit attributable to		
Profit attributable to owners of parent	8,066	2,706
Profit attributable to non-controlling interests	42	(145)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,932	(619)
Foreign currency translation adjustment	1,631	4,405
Remeasurements of defined benefit plans, net of tax	702	421
Total other comprehensive income	5,266	4,207
Comprehensive income	13,375	6,768
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,312	6,914
Comprehensive income attributable to non-controlling interests	63	(145)

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,136	10,925	95,027	(2,059)	112,030
Dividends of surplus			(3,822)		(3,822)
Change in scope of consolidation					
Profit attributable to owners of parent			8,066		8,066
Purchase of treasury shares				(2,738)	(2,738)
Disposal of treasury shares		2		22	24
Purchase of shares of consolidated subsidiaries		16			16
Net changes in items other than shareholders' equity					-
Total changes during period	-	19	4,243	(2,716)	1,546
Balance at end of period	8,136	10,944	99,271	(4,775)	113,577

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,754	4,429	519	7,703	150	(264)	119,619
Dividends of surplus							(3,822)
Change in scope of consolidation							
Profit attributable to owners of parent							8,066
Purchase of treasury shares							(2,738)
Disposal of treasury shares							24
Purchase of shares of consolidated subsidiaries							16
Net changes in items other than shareholders' equity	2,932	1,610	702	5,245	11	(119)	5,137
Total changes during period	2,932	1,610	702	5,245	11	(119)	6,683
Balance at end of period	5,686	6,040	1,222	12,949	161	(384)	126,303

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,136	10,944	99,271	(4,775)	113,577
Dividends of surplus			(3,968)		(3,968)
Change in scope of consolidation			(1)		(1)
Profit attributable to owners of parent			2,706		2,706
Purchase of treasury shares				(5,000)	(5,000)
Disposal of treasury shares		5		41	47
Net changes in items other than shareholders' equity					-
Total changes during period	-	5	(1,262)	(4,958)	(6,215)
Balance at end of period	8,136	10,950	98,008	(9,733)	107,361

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,686	6,040	1,222	12,949	161	(384)	126,303
Dividends of surplus							(3,968)
Change in scope of consolidation							(1)
Profit attributable to owners of parent							2,706
Purchase of treasury shares							(5,000)
Disposal of treasury shares							47
Net changes in items other than shareholders' equity	(619)	4,405	421	4,207	7	(145)	4,069
Total changes during period	(619)	4,405	421	4,207	7	(145)	(2,145)
Balance at end of period	5,067	10,445	1,644	17,157	169	(530)	124,157

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	11,488	6,832
Depreciation	5,347	5,446
Impairment losses	379	-
Extra retirement payments	-	218
Gain on sale of investment property	-	(305)
Loss on retirement of non-current assets	37	329
Gain on sale of non-current assets	(3)	(6)
Loss (gain) on sale of investment securities	(46)	(432)
Increase (decrease) in provision for product warranties	(114)	340
Increase (decrease) in retirement benefit liability	69	41
Decrease (increase) in retirement benefit asset	(1,151)	(861)
Interest and dividend income	(434)	(474)
Interest expenses	121	326
Foreign exchange losses (gains)	(469)	(95)
Decrease (increase) in trade receivables	(2,029)	747
Decrease (increase) in inventories	(4,746)	508
Increase (decrease) in trade payables	(1,883)	(1,692)
Other, net	1,564	2,072
Subtotal	8,130	12,995
Interest and dividends received	427	463
Interest paid	(109)	(316)
Extra retirement payments	-	(166)
Income taxes paid	(1,851)	(2,566)
Income taxes refund	321	3
Net cash provided by (used in) operating activities	6,919	10,413

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,893)	(4,352)
Proceeds from sale of property, plant and equipment	3	7
Purchase of intangible assets	(207)	(62)
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	63	499
Proceeds from sale of investment property	-	972
Other, net	(2)	(98)
Net cash provided by (used in) investing activities	(6,039)	(3,036)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(60)	965
Proceeds from long-term borrowings	2,696	3,055
Repayments of long-term borrowings	(2,928)	(3,000)
Repayments of lease liabilities	(97)	(101)
Purchase of treasury shares	(2,738)	(5,000)
Dividends paid	(3,822)	(3,968)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(172)	-
Other, net	2	41
Net cash provided by (used in) financing activities	(7,121)	(8,008)
Effect of exchange rate change on cash and cash equivalents	201	412
Net increase (decrease) in cash and cash equivalents	(6,040)	(219)
Cash and cash equivalents at beginning of period	32,740	26,700
Cash and cash equivalents at end of period	26,700	26,481

(Notes on segment information, etc.)

1. Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate performance.

The Company conducts business activities centered on the exterior materials business, and has adopted a management style in which the Company and its consolidated subsidiaries (hereinafter referred to as "business operating companies") are engaged in a single business as independent management units for each business segmented by industry.

Accordingly, the Group is comprised of industry-specific segments based on the operating companies, with the Exterior Materials Business as the reporting segment.

The Exterior Materials segment manufactures and sells ceramic and metal exterior materials, as well as related products and exterior accessories.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is generally the same as that described in the "Fundamental Important Matters for the Preparation of Consolidated Financial Statements".

Profit in the reporting segment is a figure based on operating income.

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Reportable segments	Others (Note 1)	Total	Adjustment amount (Note 2 and 4)	Amount recorded in consolidated financial statements (Note 3)
	Exterior building materials business				
Sales					
Revenues from external customers	133,153	9,637	142,790	-	142,790
Transactions with other segments	991	2,079	3,070	(3,070)	-
Total	134,144	11,716	145,861	(3,070)	142,790
Segment profit (loss)	13,005	68	13,073	(2,868)	10,205
Segment Assets	143,776	7,267	151,043	24,644	175,688
Other items					
Depreciation	4,991	93	5,085	262	5,347
Impairment losses	99	279	379	-	379
Increase in property, plant and equipment and intangible assets	4,295	235	4,530	245	4,776

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments and includes the fiberboard business, construction business, FP business, and other businesses.

2. Adjustments for segment profits or losses of (2,868) million yen include (2,908) million yen in corporate expenses and 39 million yen in adjustments that have not been allocated to each reporting segment. Company-wide expenses are mainly expenses related to the Company's general affairs and other administrative divisions that are not attributable to the reporting segment.

3. Segment profit or loss is adjusted to operating income in the consolidated financial statements.

4. Adjustments to segment assets of ¥24,644 million include ¥27,193 million in company-wide assets and other adjustments that have not been allocated to each reporting segment and ¥(2,549) million.

5. Depreciation and amortization and increases in property, plant and equipment and intangible assets include long-term prepaid expenses and amortization.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Reportable segments	Others (Note 1)	Total	Adjustment amount (Note 2 and 4)	Amount recorded in consolidated financial statements (Note 3)
	Exterior building materials business				
Sales					
Revenues from external customers	138,891	9,587	148,478	-	148,478
Transactions with other segments	1,061	1,974	3,035	(3,035)	-
Total	139,952	11,561	151,513	(3,035)	148,478
Segment profit (loss)	9,685	47	9,732	(2,780)	6,951
Segment Assets	144,734	6,482	151,216	26,238	177,455
Other items					
Depreciation	5,095	82	5,178	268	5,446
Increase in property, plant and equipment and intangible assets	4,200	100	4,301	113	4,414

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments and includes the fiberboard business, construction business, FP business, and other businesses.

2. Adjustments for segment profits or losses of (2,780) million yen include (2,824) million yen in corporate expenses and 44 million yen in adjustments that have not been allocated to each reporting segment. Company-wide expenses are mainly expenses related to the Company's general affairs and other administrative divisions that are not attributable to the reporting segment.

3. Segment profit or loss is adjusted to operating income in the consolidated financial statements.

4. Adjustments to segment assets of ¥26,238 million include ¥28,467 million in company-wide assets and other adjustments that have not been allocated to each reporting segment and ¥(2,228) million.

5. Depreciation and amortization and increases in property, plant and equipment and intangible assets include long-term prepaid expenses and amortization.