

Translation

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

November 2, 2022

Company name: NICHIDEN Corporation
 Stock exchange listing: Tokyo
 Stock code: 9902 URL <https://www.nichiden.com/>
 Representative: Representative Director and President Toshikazu Fuke
 Executive Officer
 Director and Managing Executive Officer
 Inquiries: Administration Department general manager Atsushi Sangawa TEL 06-7637-7000
 Scheduled date to file Quarterly Securities Report: November 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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, 2022 (from April 1, 2022 to September 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 | % |
| Six months ended September 30, 2022 | 65,380 | 10.5 | 3,124 | 30.9 | 3,518 | 32.1 | 2,418 | 27.6 |
| Six months ended September 30, 2021 | 59,151 | 23.4 | 2,387 | 59.5 | 2,662 | 66.1 | 1,894 | 74.8 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2022 | 77.02 | | – | |
| Six months ended September 30, 2021 | 60.34 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2022 | 118,004 | 83,153 | 70.5 |
| As of March 31, 2022 | 120,560 | 83,307 | 69.1 |

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 | – | 0.00 | – | 65.00 | 65.00 |
| Year ending March 31, 2023 | – | 0.00 | – | – | – |
| Year ending March 31, 2023 (Forecast) | – | – | – | 50.00 | 50.00 |

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 | 127,000 | 2.4 | 4,480 | (18.6) | 4,850 | (20.3) | 3,280 | (22.7) | 104.45 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: 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, 2022 | 31,886,000 shares | As of March 31, 2022 | 31,886,000 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|----------------|----------------------|----------------|
| As of September 30, 2022 | 482,542 shares | As of March 31, 2022 | 482,542 shares |
|--------------------------|----------------|----------------------|----------------|

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

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2022 | 31,403,458 shares | Six months ended September 30, 2021 | 31,403,478 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,142 | 12,034 |
| Notes and accounts receivable - trade, and contract assets | 24,016 | 23,128 |
| Electronically recorded monetary claims - operating | 16,274 | 17,417 |
| Securities | 11,406 | 9,402 |
| Merchandise and finished goods | 13,004 | 15,237 |
| Other | 665 | 456 |
| Allowance for doubtful accounts | (12) | (4) |
| Total current assets | 81,496 | 77,671 |
| Non-current assets | | |
| Property, plant and equipment | 18,923 | 19,409 |
| Intangible assets | 1,060 | 791 |
| Investments and other assets | | |
| Investment securities | 17,620 | 18,654 |
| Other | 1,459 | 1,476 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 19,079 | 20,131 |
| Total non-current assets | 39,063 | 40,332 |
| Total assets | 120,560 | 118,004 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 12,176 | 11,458 |
| Electronically recorded obligations - operating | 12,265 | 12,398 |
| Income taxes payable | 1,395 | 1,182 |
| Provision for bonuses | 514 | 583 |
| Other | 2,621 | 1,379 |
| Total current liabilities | 28,974 | 27,001 |
| Non-current liabilities | | |
| Retirement benefit liability | 84 | 87 |
| Other | 8,193 | 7,761 |
| Total non-current liabilities | 8,277 | 7,849 |
| Total liabilities | 37,252 | 34,850 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,368 | 5,368 |
| Capital surplus | 7,283 | 7,283 |
| Retained earnings | 65,533 | 65,911 |
| Treasury shares | (672) | (672) |
| Total shareholders' equity | 77,512 | 77,890 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,682 | 5,004 |
| Foreign currency translation adjustment | 112 | 258 |
| Total accumulated other comprehensive income | 5,795 | 5,263 |
| Total net assets | 83,307 | 83,153 |
| Total liabilities and net assets | 120,560 | 118,004 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Net sales | 59,151 | 65,380 |
| Cost of sales | 50,724 | 55,786 |
| Gross profit | 8,426 | 9,594 |
| Selling, general and administrative expenses | 6,038 | 6,470 |
| Operating profit | 2,387 | 3,124 |
| Non-operating income | | |
| Dividend income | 112 | 134 |
| Purchase discounts | 168 | 183 |
| Foreign exchange gains | 19 | 163 |
| Other | 80 | 79 |
| Total non-operating income | 380 | 561 |
| Non-operating expenses | | |
| Interest expenses | 89 | 84 |
| Loss on disposal of non-current assets | – | 75 |
| Other | 15 | 6 |
| Total non-operating expenses | 105 | 167 |
| Ordinary profit | 2,662 | 3,518 |
| Profit before income taxes | 2,662 | 3,518 |
| Income taxes - current | 847 | 1,110 |
| Income taxes - deferred | (79) | (10) |
| Total income taxes | 767 | 1,099 |
| Profit | 1,894 | 2,418 |
| Profit attributable to owners of parent | 1,894 | 2,418 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Profit | 1,894 | 2,418 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 239 | (678) |
| Foreign currency translation adjustment | 57 | 146 |
| Total other comprehensive income | 297 | (531) |
| Comprehensive income | 2,192 | 1,886 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,192 | 1,886 |

Consolidated statements of cash flows

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,662 | 3,518 |
| Depreciation | 712 | 802 |
| Decrease (increase) in trade receivables | (1,892) | (379) |
| Decrease (increase) in inventories | (1,496) | (2,180) |
| Increase (decrease) in trade payables | 1,168 | (456) |
| Other, net | 1,202 | (876) |
| Subtotal | 2,357 | 427 |
| Interest and dividends received | 149 | 180 |
| Interest paid | (89) | (84) |
| Income taxes paid | (505) | (1,315) |
| Net cash provided by (used in) operating activities | 1,911 | (792) |
| Cash flows from investing activities | | |
| Payments into time deposits | (23) | (26) |
| Proceeds from withdrawal of time deposits | 5 | 11 |
| Purchase of securities | (1,000) | – |
| Proceeds from redemption of securities | – | 2,000 |
| Purchase of property, plant and equipment | (1,946) | (1,181) |
| Purchase of investment securities | (43) | (1,986) |
| Proceeds from sale and redemption of investment securities | 1,702 | 23 |
| Other, net | (120) | (24) |
| Net cash provided by (used in) investing activities | (1,425) | (1,185) |
| Cash flows from financing activities | | |
| Dividends paid | (1,255) | (2,039) |
| Repayments of lease liabilities | (244) | (231) |
| Purchase of treasury shares | (0) | – |
| Net cash provided by (used in) financing activities | (1,499) | (2,271) |
| Effect of exchange rate change on cash and cash equivalents | 27 | 122 |
| Net increase (decrease) in cash and cash equivalents | (986) | (4,126) |
| Cash and cash equivalents at beginning of period | 17,967 | 15,652 |
| Cash and cash equivalents at end of period | 16,981 | 11,526 |