

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 2, 2023

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, 2023
 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, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	62,450	(4.5)	2,854	(8.6)	3,283	(6.7)	2,514	4.0
Six months ended September 30, 2022	65,380	10.5	3,124	30.9	3,518	32.1	2,418	27.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	80.78		–	
Six months ended September 30, 2022	77.02		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	120,772	85,459	70.8
As of March 31, 2023	122,806	86,319	70.3

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, 2023	–	0.00	–	65.00	65.00
Year ending March 31, 2024	–	0.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	65.00	65.00

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	132,000	0.3	5,600	(10.9)	6,200	(8.2)	4,300	(13.4)	138.12

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2023	31,886,000 shares	As of March 31, 2023	31,886,000 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2023	1,203,991 shares	As of March 31, 2023	482,542 shares
--------------------------	------------------	----------------------	----------------

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

Six months ended September 30, 2023	31,132,608 shares	Six months ended September 30, 2022	31,403,458 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	15,872	16,388
Notes and accounts receivable - trade, and contract assets	22,428	20,498
Electronically recorded monetary claims - operating	18,272	17,927
Securities	8,000	9,003
Merchandise and finished goods	16,543	16,687
Other	1,067	809
Allowance for doubtful accounts	(5)	(4)
Total current assets	82,179	81,310
Non-current assets		
Property, plant and equipment	19,064	18,961
Intangible assets	557	371
Investments and other assets		
Investment securities	19,529	18,860
Other	1,474	1,270
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	21,003	20,130
Total non-current assets	40,626	39,462
Total assets	122,806	120,772
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,803	10,760
Electronically recorded obligations - operating	12,980	13,469
Income taxes payable	1,452	1,192
Provision for bonuses	596	618
Other	1,749	1,382
Total current liabilities	28,582	27,423
Non-current liabilities		
Retirement benefit liability	79	86
Other	7,825	7,802
Total non-current liabilities	7,904	7,888
Total liabilities	36,486	35,312
Net assets		
Shareholders' equity		
Share capital	5,368	5,368
Capital surplus	7,283	7,283
Retained earnings	68,460	69,094
Treasury shares	(672)	(2,408)
Total shareholders' equity	80,439	79,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,721	5,892
Foreign currency translation adjustment	158	229
Total accumulated other comprehensive income	5,880	6,122
Total net assets	86,319	85,459
Total liabilities and net assets	122,806	120,772

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, 2022	Six months ended September 30, 2023
Net sales	65,380	62,450
Cost of sales	55,786	53,092
Gross profit	9,594	9,358
Selling, general and administrative expenses	6,470	6,503
Operating profit	3,124	2,854
Non-operating income		
Dividend income	134	144
Purchase discounts	183	158
Foreign exchange gains	163	149
Other	79	85
Total non-operating income	561	537
Non-operating expenses		
Interest expenses	84	79
Loss on disposal of non-current assets	75	1
Other	6	27
Total non-operating expenses	167	108
Ordinary profit	3,518	3,283
Extraordinary income		
Gain on sale of investment securities	–	459
Gain on sale of non-current assets	–	6
Total extraordinary income	–	465
Extraordinary losses		
Retirement benefits for directors (and other officers)	–	50
Total extraordinary losses	–	50
Profit before income taxes	3,518	3,699
Income taxes - current	1,110	1,133
Income taxes - deferred	(10)	50
Total income taxes	1,099	1,184
Profit	2,418	2,514
Profit attributable to owners of parent	2,418	2,514

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,418	2,514
Other comprehensive income		
Valuation difference on available-for-sale securities	(678)	171
Foreign currency translation adjustment	146	70
Total other comprehensive income	(531)	241
Comprehensive income	1,886	2,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,886	2,756

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,518	3,699
Depreciation	802	673
Decrease (increase) in trade receivables	(379)	2,082
Decrease (increase) in inventories	(2,180)	(107)
Increase (decrease) in trade payables	(456)	(296)
Other, net	(876)	(572)
Subtotal	427	5,478
Interest and dividends received	180	191
Interest paid	(84)	(79)
Payments of retirement benefits for directors (and other officers)	–	(112)
Income taxes paid	(1,315)	(1,377)
Net cash provided by (used in) operating activities	(792)	4,099
Cash flows from investing activities		
Payments into time deposits	(26)	(2)
Proceeds from withdrawal of time deposits	11	18
Proceeds from redemption of securities	2,000	–
Purchase of property, plant and equipment	(1,181)	(443)
Purchase of investment securities	(1,986)	(249)
Proceeds from sale and redemption of investment securities	23	643
Other, net	(24)	(50)
Net cash provided by (used in) investing activities	(1,185)	(83)
Cash flows from financing activities		
Dividends paid	(2,039)	(2,034)
Repayments of lease liabilities	(231)	(177)
Purchase of treasury shares	–	(1,740)
Net cash provided by (used in) financing activities	(2,271)	(3,952)
Effect of exchange rate change on cash and cash equivalents	122	114
Net increase (decrease) in cash and cash equivalents	(4,126)	178
Cash and cash equivalents at beginning of period	15,652	15,368
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	353
Cash and cash equivalents at end of period	11,526	15,899