

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 30, 2019

Company name: NICHIIHA CORPORATION  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 7943 URL <https://www.nichiha.co.jp>  
 Representative: PRESIDENT TATSUO YAMANAKA  
 Inquiries: DIRECTOR SENIOR EXECUTIVE KAZUSHI TONOI TEL 052-220-5111  
 OFFICER  
 Scheduled date to file Quarterly Securities Report: August 8, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

#### (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	%
Three months ended June 30, 2019	29,135	5.0	2,713	14.0	2,618	5.7	1,809	(1.2)
Three months ended June 30, 2018	27,742	1.2	2,381	(9.1)	2,477	(8.5)	1,830	(3.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	48.93		48.83	
Three months ended June 30, 2018	49.51		49.42	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	134,783	87,992	65.6	2,389.39
As of March 31, 2019	136,068	87,404	64.5	2,374.08

### 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, 2019	–	28.00	–	28.00	56.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		30.00	–	30.00	60.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	61,500	8.7	6,500	19.6	6,600	15.4	5,100	21.4	137.90
Full year	128,000	7.4	14,500	14.0	14,800	12.7	11,000	10.9	297.44

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019  
 (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 June 30, 2019	37,324,264 shares	As of March 31, 2019	37,324,264 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	341,516 shares	As of March 31, 2019	341,495 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	36,982,754 shares	Three months ended June 30, 2018	36,976,555 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	33,172	33,551
Notes and accounts receivable - trade	29,200	26,555
Merchandise and finished goods	12,525	14,440
Work in process	2,343	2,485
Raw materials and supplies	3,230	3,241
Other	921	930
Allowance for doubtful accounts	(49)	(60)
Total current assets	81,343	81,142
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,135	11,973
Machinery, equipment and vehicles, net	9,930	9,853
Tools, furniture and fixtures, net	353	336
Land	20,380	20,380
Leased assets, net	271	252
Construction in progress	294	382
Total property, plant and equipment	43,366	43,179
Intangible assets		
Leased assets	57	52
Software	1,306	1,204
Other	231	236
Total intangible assets	1,595	1,493
Investments and other assets		
Investment securities	5,728	5,146
Deferred tax assets	2,458	2,301
Retirement benefit asset	233	229
Other	1,366	1,314
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	9,762	8,967
Total non-current assets	54,725	53,640
Total assets	136,068	134,783

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	14,905	15,972
Short-term borrowings	2,763	2,461
Lease obligations	116	114
Income taxes payable	1,898	275
Provision for bonuses	1,481	590
Provision for bonuses for directors (and other officers)	104	25
Provision for product warranties	595	559
Other	9,685	10,051
<b>Total current liabilities</b>	<b>31,551</b>	<b>30,049</b>
<b>Non-current liabilities</b>		
Long-term borrowings	13,416	13,027
Lease obligations	239	216
Deferred tax liabilities	379	377
Provision for retirement benefits for directors (and other officers)	162	152
Provision for product warranties	1,154	1,154
Retirement benefit liability	1,565	1,616
Other	195	196
<b>Total non-current liabilities</b>	<b>17,113</b>	<b>16,741</b>
<b>Total liabilities</b>	<b>48,664</b>	<b>46,790</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,136	8,136
Capital surplus	10,933	10,933
Retained earnings	67,417	68,191
Treasury shares	(319)	(319)
<b>Total shareholders' equity</b>	<b>86,167</b>	<b>86,941</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,162	1,828
Foreign currency translation adjustment	(237)	(123)
Remeasurements of defined benefit plans	(292)	(281)
<b>Total accumulated other comprehensive income</b>	<b>1,632</b>	<b>1,424</b>
Share acquisition rights	112	116
Non-controlling interests	(507)	(489)
<b>Total net assets</b>	<b>87,404</b>	<b>87,992</b>
<b>Total liabilities and net assets</b>	<b>136,068</b>	<b>134,783</b>

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	27,742	29,135
Cost of sales	16,840	17,560
Gross profit	10,901	11,574
Selling, general and administrative expenses	8,519	8,861
Operating profit	2,381	2,713
Non-operating income		
Interest income	23	38
Dividend income	10	6
Rental income from real estate	22	22
Foreign exchange gains	36	–
Insurance claim income	20	5
Other	22	22
Total non-operating income	135	96
Non-operating expenses		
Interest expenses	35	31
Foreign exchange losses	–	149
Other	2	10
Total non-operating expenses	38	191
Ordinary profit	2,477	2,618
Extraordinary income		
Gain on sales of non-current assets	4	3
Total extraordinary income	4	3
Extraordinary losses		
Loss on retirement of non-current assets	8	12
Loss on valuation of investment securities	–	103
Total extraordinary losses	8	115
Profit before income taxes	2,473	2,505
Income taxes - current	244	381
Income taxes - deferred	382	297
Total income taxes	627	678
Profit	1,845	1,826
Profit attributable to		
Profit attributable to owners of parent	1,830	1,809
Profit attributable to non-controlling interests	15	17
Other comprehensive income		
Valuation difference on available-for-sale securities	(112)	(333)
Foreign currency translation adjustment	(815)	114
Remeasurements of defined benefit plans, net of tax	14	11
Total other comprehensive income	(912)	(207)
Comprehensive income	933	1,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	922	1,601
Comprehensive income attributable to non-controlling interests	10	17