

# Summary of Consolidated Financial Results for the Fiscal Year ended March 31, 2022 (Japanese GAAP)

May 13, 2022

Company name: Nippon Chemiphar Co., Ltd. Listing: Tokyo Stock Exchange  
 Securities code: 4539 URL: <https://www.chemiphar.co.jp/english/>  
 Representative: Kazushiro Yamaguchi, President & CEO  
 Contact: Shinji Nakajima, Corporate Officer and Senior Manager of Accounts & Finance Department  
 Phone: 03-3863-1211  
 Scheduled date of annual shareholders' meeting: June 24, 2022  
 Scheduled date of dividend payout: June 27, 2022  
 Supplementary documents for financial results: Yes  
 Financial results briefing: Yes (for institutional investors and securities analysts)

\*Amounts less than one million yen are rounded down

## 1. Consolidated Financial Results for the Year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

### (1) Consolidated Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended								
March 31, 2022	32,506	–	825	–	1,022	–	700	–
March 31, 2021	31,541	(0.7)	564	54.8	582	89.8	495	13.4

(Note) Comprehensive income: Year ended March 31, 2022: 611 million yen (–%) Year ended March 31, 2021: 812 million yen (–%)

	Earnings per share		Diluted earnings per share		Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	%	Yen	%	%	%	%
Year ended							
March 31, 2022	194.33	–	–	–	3.8	2.1	2.5
March 31, 2021	137.75	–	–	–	2.8	1.3	1.8

(Reference) Loss (gain) on entities accounted for using equity method: Year ended March 31, 2022: 27 million yen

Year ended March 31, 2021: 17 million yen

(Note) From the beginning of the fiscal year ended March 31, 2022, the Company began adopting the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. The figures for the fiscal year ended March 31, 2022 are the figures after the application of the relevant accounting standards and percentages for year-on-year changes are not indicated.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2022	49,453	18,501	37.4	5,119.99
March 31, 2021	47,124	18,014	38.2	5,006.49

(Reference) Equity: As of March 31, 2022: 18,478 million yen As of March 31, 2021: 17,997 million yen

(Note) The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from beginning of the fiscal year under review and the figures for the year ended March 31, 2022 are figures after application of the standard and guidance.

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
	Million yen	Million yen	Million yen	Million yen
Year ended				
March 31, 2022	1,801	35	(793)	11,645
March 31, 2021	1,503	(1,024)	29	10,505

## 2. Dividends

	Dividend per share					Dividends total (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of fiscal year	Annual			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	–	0.00	–	50.00	50.00	181	36.3	1.0
March 31, 2022	–	0.00	–	50.00	50.00	182	25.7	1.0
Year ending								
March 31, 2023 (forecast)	–	0.00	–	50.00	50.00		60.1	

## 3. Forecast of Consolidated Financial Results for the Year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	35,000	7.7	300	(63.7)	500	(51.1)	300	(57.2)	83.18

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): No

(2) Changes in accounting policies and changes or restatement of accounting estimates

(i) Changes in accounting policies accompanying amendments to accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury shares)

As of March 31, 2022	4,261,420 shares	As of March 31, 2021	4,261,420 shares
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(ii) Number of treasury shares at the end of the period

As of March 31, 2022	651,170 shares	As of March 31, 2021	666,511 shares
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(iii) Average number of outstanding shares during the period

Year ended March 31, 2022	3,606,523 shares	Year ended March 31, 2021	3,594,981 shares
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#### 4. Consolidated Financial Statements and Primary Notes

##### (1) Consolidated Balance Sheets

(Unit: Million yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,584	11,645
Notes and accounts receivable - trade	7,978	–
Notes and accounts receivable - trade, and contract assets	–	8,100
Electronically recorded monetary claims - operating	4,043	4,544
Merchandise and finished goods	4,720	4,942
Work in process	1,132	1,484
Raw materials and supplies	1,647	2,385
Other	339	391
<b>Total current assets</b>	<b>30,446</b>	<b>33,495</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	15,938	15,745
Accumulated depreciation	(10,799)	(10,774)
Buildings and structures, net	5,139	4,971
Machinery, equipment and vehicles	8,837	9,072
Accumulated depreciation	(6,999)	(7,140)
Machinery, equipment and vehicles, net	1,838	1,931
Tools, furniture and fixtures	2,381	2,519
Accumulated depreciation	(2,092)	(2,200)
Tools, furniture and fixtures, net	289	319
Land	4,831	4,345
Leased assets	433	347
Accumulated depreciation	(234)	(179)
Leased assets, net	198	168
Construction in progress	12	112
<b>Total property, plant and equipment</b>	<b>12,309</b>	<b>11,848</b>
<b>Intangible assets</b>		
Patent right	21	17
Trademark right	68	61
Sales right	949	666
Leased assets	30	23
Software	162	105
Telephone subscription right	9	9
<b>Total intangible assets</b>	<b>1,242</b>	<b>884</b>
<b>Investments and other assets</b>		
Investment securities	2,026	1,810
Long-term prepaid expenses	270	359
Retirement benefit asset	128	309
Leasehold and guarantee deposits	74	68
Deferred tax assets	267	329
Other	418	410
Allowance for doubtful accounts	(61)	(61)
<b>Total investments and other assets</b>	<b>3,124</b>	<b>3,225</b>
<b>Total non-current assets</b>	<b>16,676</b>	<b>15,957</b>
<b>Deferred assets</b>		
Bond issuance cost	0	0
<b>Total deferred assets</b>	<b>0</b>	<b>0</b>
<b>Total assets</b>	<b>47,124</b>	<b>49,453</b>

(Unit: Million yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,777	2,146
Electronically recorded obligations - operating	5,750	7,420
Short-term borrowings	384	400
Current portion of bonds payable	–	200
Current portion of long-term borrowings	2,420	2,581
Lease obligations	84	73
Accounts payable - other	209	107
Income taxes payable	262	292
Accrued consumption taxes	91	200
Accrued expenses	2,057	1,950
Deposits received	137	164
Provision for sales returns	1	–
Provision for sales promotion expenses	415	–
Refund liabilities	–	300
Other	512	913
<b>Total current liabilities</b>	<b>14,102</b>	<b>16,750</b>
<b>Non-current liabilities</b>		
Bonds payable	200	–
Long-term borrowings	12,114	11,399
Lease obligations	165	135
Provision for retirement benefits for directors	461	469
Net defined benefit liability	140	132
Deferred tax liabilities for land revaluation	1,047	915
Other	876	1,149
<b>Total non-current liabilities</b>	<b>15,006</b>	<b>14,202</b>
<b>Total liabilities</b>	<b>29,109</b>	<b>30,952</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,304	4,304
Capital surplus	1,303	1,263
Retained earnings	12,655	13,482
Treasury shares	(3,187)	(3,110)
<b>Total shareholders' equity</b>	<b>15,076</b>	<b>15,939</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	714	547
Revaluation reserve for land	2,357	2,070
Foreign currency translation adjustment	(223)	(170)
Remeasurements of defined benefit plans	72	98
<b>Total accumulated other comprehensive income</b>	<b>2,921</b>	<b>2,545</b>
Share acquisition rights	17	17
<b>Total net assets</b>	<b>18,014</b>	<b>18,501</b>
<b>Total liabilities and net assets</b>	<b>47,124</b>	<b>49,453</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Unit: Million yen)

	FY2020 (from April 1, 2020 to March 31, 2021)	FY2021 (from April 1, 2021 to March 31, 2022)
Net sales	31,541	32,506
Cost of sales	20,097	23,432
Gross profit	11,443	9,073
Reversal of provision for sales returns	0	–
Gross profit - net	11,444	9,073
Selling, general and administrative expenses	10,879	8,248
Operating profit	564	825
Non-operating income		
Interest income	1	0
Dividend income	34	29
Rental income from non-current assets	6	6
Share of profit of entities accounted for using equity method	17	27
Foreign exchange gains	11	355
Dividend income of insurance	12	8
Income from contribution to facilities	7	–
Subsidies for employment adjustment	52	–
Other	29	21
Total non-operating income	172	449
Non-operating expenses		
Interest expenses	122	118
Commission expense	9	31
Costs related to the suspension of operation	–	66
Other	22	35
Total non-operating expenses	154	251
Ordinary profit	582	1,022
Extraordinary income		
Gain on sales of non-current assets	56	141
Gain on sales of investment securities	232	–
Gain on reversal of share acquisition rights	9	–
Total extraordinary income	299	141
Extraordinary loss		
Impairment losses	–	14
Loss on valuation of investment securities	–	10
Loss on valuation of inventories	–	162
Business restructuring expenses	167	–
Total extraordinary losses	167	187
Profit before income taxes	713	976
Income taxes - current	320	414
Income taxes - deferred	(101)	(138)
Total income taxes	218	275
Profit	495	700
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	495	700

## Consolidated Statement of Comprehensive Income

(Unit: Million yen)

	FY2020 (from April 1, 2020 to March 31, 2021)	FY2021 (from April 1, 2021 to March 31, 2022)
Profit	495	700
Other comprehensive income		
Valuation difference on available-for-sale securities	143	(167)
Foreign currency translation adjustment	(161)	52
Remeasurements of defined benefit plans	335	25
Total other comprehensive income	317	(89)
Comprehensive income	812	611
Comprehensive income attributable to		
Owners of parent	812	611
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity  
 FY2020 (from April 1, 2020 to March 31, 2021)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,304	1,303	12,186	(3,187)	14,607
Changes during period					
Dividends of surplus			(181)		(181)
Profit attributable to owners of parent			495		495
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Reversal of revaluation reserve for land			155		155
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	469	(0)	468
Balance at end of period	4,304	1,303	12,655	(3,187)	15,076

(Unit: Million yen)

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	571	2,513	(62)	(262)	2,759	25	17,392
Changes during period							
Dividends of surplus							(181)
Profit attributable to owners of parent							495
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Reversal of revaluation reserve for land							155
Net changes in items other than shareholders' equity	143	(155)	(161)	335	161	(8)	153
Total changes during period	143	(155)	(161)	335	161	(8)	622
Balance at end of period	714	2,357	(223)	72	2,921	17	18,014

FY2021 (from April 1, 2021 to March 31, 2022)

(Unit: Million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	4,304	1,303	12,655	(3,187)	15,076
Cumulative effect of changes in accounting policies			20		20
Restated balance	4,304	1,303	12,675	(3,187)	15,096
Changes during period					
Dividends of surplus			(181)		(181)
Profit attributable to owners of parent			700		700
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(40)		78	37
Reversal of revaluation reserve for land			287		287
Net changes in items other than shareholders' equity					
Total changes during period	-	(40)	806	77	843
Balance at end of period	4,304	1,263	13,482	(3,110)	15,939

(Unit: Million yen)

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	714	2,357	(223)	72	2,921	17	18,014
Cumulative effect of changes in accounting policies							20
Restated balance	714	2,357	(223)	72	2,921	17	18,034
Changes during period							
Dividends of surplus							(181)
Profit attributable to owners of parent							700
Purchase of treasury shares							(0)
Disposal of treasury shares							37
Reversal of revaluation reserve for land							287
Net changes in items other than shareholders' equity	(167)	(287)	52	25	(376)	-	(376)
Total changes during period	(167)	(287)	52	25	(376)	-	460
Balance at end of period	547	2,070	(170)	98	2,545	17	18,501



## (4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	FY2020 (from April 1, 2020 to March 31, 2021)	FY2021 (from April 1, 2021 to March 31, 2022)
Cash flows from operating activities:		
Profit before income taxes	713	976
Depreciation	1,393	1,586
Increase (decrease) in provision for sales promotion expenses	19	–
Increase (decrease) in refund liabilities	–	17
Increase (decrease) in provision for retirement benefits for directors	16	8
Increase (decrease) in net defined benefit liability	(121)	(2)
Decrease (increase) in net defined benefit asset	–	(150)
Interest and dividend income	(35)	(29)
Subsidies for employment adjustment	(52)	–
Interest expenses	122	118
Foreign exchange losses (gains)	(11)	(355)
Loss (gain) on sale of non-current assets	(56)	(141)
Loss (gain) on sales of investment securities	(232)	–
Loss (gain) on valuation of investment securities	–	10
Gain on reversal of share acquisition rights	(9)	–
Impairment losses	–	14
Loss on valuation of inventories	–	162
Business restructuring expenses	167	–
Decrease (increase) in notes and accounts receivable - trade	(665)	–
Decrease (increase) in trade receivables and contract assets	–	(1,136)
Decrease (increase) in inventories	(255)	(1,618)
Decrease (increase) in other current assets	22	8
Decrease (increase) in long-term prepaid expenses	32	(36)
Increase (decrease) in notes and accounts payable - trade	341	2,020
Increase (decrease) in accrued consumption taxes	24	99
Increase (decrease) in other current liabilities	(88)	475
Increase (decrease) in other non-current liabilities	233	272
Other	99	(30)
Subtotal	1,658	2,272
Interest and dividends received	44	38
Interest paid	(122)	(118)
Amount of employment adjustment subsidy received	52	–
Payments of structural reform expenses	(154)	–
Income taxes paid	(136)	(390)
Income taxes refund	161	–
Net cash provided by (used in) operating activities	1,503	1,801

(Unit: Million yen)

	FY2020 (from April 1, 2020 to March 31, 2021)	FY2021 (from April 1, 2021 to March 31, 2022)
Cash flows from investing activities:		
Payments into time deposits	(96)	(40)
Proceeds from withdrawal of time deposits	96	119
Purchase of property, plant and equipment	(381)	(725)
Purchase of intangible assets	(1,207)	(2)
Proceeds from sale of property, plant and equipment	285	700
Purchase of investment securities	(54)	(14)
Proceeds from sale of investment securities	326	–
Proceeds from refund of guarantee deposits	24	14
Other	(16)	(15)
Net cash provided by (used in) investing activities	(1,024)	35
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(16)	16
Proceeds from long-term borrowings	3,210	2,000
Repayments of long-term borrowings	(2,872)	(2,553)
Cash dividends paid	(182)	(182)
Other	(108)	(73)
Net cash provided by (used in) financing activities	29	(793)
Effect of exchange rate change on cash and cash equivalents	(4)	96
Net increase (decrease) in cash and cash equivalents	505	1,139
Cash and cash equivalents at beginning of period	10,000	10,505
Cash and cash equivalents at end of period	10,505	11,645