

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year 2022 (Japanese GAAP)

January 31, 2023

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 dividend payout: –
 Supplementary documents for quarterly financial results: Yes
 Quarterly financial results briefing: None

*Amounts less than one million yen are rounded down

1. Consolidated Financial Results for the Third Quarter of FY2022 (from April 1, 2022 to December 31, 2022)

(1) Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2022	24,015	(2.9)	192	(82.5)	549	(52.3)	684	(28.1)
December 31, 2021	24,727	–	1,099	–	1,152	–	952	–

(Note) Comprehensive income: Nine Months ended December 31, 2022: 852 million yen (down 8.7%)
 Nine Months ended December 31, 2021: 933 million yen (– %)

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	189.62	–
December 31, 2021	264.15	–

(Note) The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc., effective from the beginning of the fiscal year ended March 31, 2022. The figures for the nine months ended December 31, 2021 are the figures after the application of the relevant accounting standards and percentages for year-on-year changes are not indicated.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2022	50,035	19,171	38.3	5,307.03
March 31, 2022	49,453	18,501	37.4	5,119.99

(Reference) Equity: As of December 31, 2022: 19,154 million yen As of March 31, 2022: 18,484 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	50.00	50.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (forecast)				50.00	50.00

(Note) Revision to the forecast for dividends announced most recently: None

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 parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	32,500	(0.0)	300	(63.7)	500	(51.1)	550	(21.5)	152.38

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): No
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies and changes or restatement of accounting estimates
 - (i) Changes in accounting policies accompanying amendments to accounting standards, etc.: No
 - (ii) Changes in accounting policies other than (i): No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No
- (4) Number of shares outstanding (common stock)
 - (i) Number of shares outstanding at the end of the period (including treasury shares)

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

As of December 31, 2022:	652,241 shares	As of March 31, 2022:	651,170 shares
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 - (iii) Average number of outstanding shares during the period (cumulative from the beginning of the period)

Nine months ended December 31, 2022: 3,609,494 shares	Nine months ended December 31, 2021: 3,605,280 shares
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4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY2021 (As of March 31, 2022)	Q3 of FY2022 (As of December 31, 2022)
Assets		
Current assets		
Cash and deposits	11,645	12,034
Notes and accounts receivable—trade, and contract assets	8,100	7,709
Electronically recorded monetary claims—operating	4,544	3,823
Merchandise and finished goods	4,942	6,014
Work in process	1,484	1,482
Raw materials and supplies	2,385	2,829
Income taxes refund receivable	-	169
Others	391	558
Total current assets	33,495	34,621
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	4,971	4,981
Machinery, equipment, and vehicles, net	1,931	1,803
Tools, furniture and fixtures, net	319	344
Land	4,345	4,344
Leased assets, net	168	162
Construction in progress	112	221
Total property, plant and equipment	11,848	11,858
Intangible assets		
Patent rights	17	13
Trademark rights	61	56
Sales rights	666	454
Leased assets	23	51
Software	105	69
Telephone subscription rights	9	9
Total intangible assets	884	654
Investments and other assets		
Investment securities	1,810	1,357
Long-term prepaid expenses	359	462
Retirement benefit assets	309	433
Leasehold and guarantee deposits	68	56
Deferred tax assets	329	236
Others	410	415
Allowance for doubtful accounts	(61)	(61)
Total investments and other assets	3,225	2,901
Total non-current assets	15,957	15,414
Deferred assets		
Bond issuance costs	0	0
Total deferred assets	0	0
Total assets	49,453	50,035

(Millions of yen)

	FY2021 (As of March 31, 2022)	Q3 of FY2022 (As of December 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	2,146	2,322
Electronically recorded obligations—operating	7,420	6,613
Short-term borrowings	400	620
Current portion of bonds payable	200	200
Current portion of long-term borrowings	2,581	2,791
Lease obligations	73	77
Accounts payable—other	107	95
Income taxes payable	292	57
Accrued consumption taxes	200	114
Accrued expenses	1,950	1,588
Deposits received	164	267
Refund liabilities	300	243
Others	913	389
Total current liabilities	16,750	15,381
Non-current liabilities		
Long-term borrowings	11,399	12,172
Lease obligations	135	156
Provision for retirement benefits for directors	469	451
Net defined benefit liability	132	141
Deferred tax liabilities for land revaluation	915	915
Others	1,149	1,645
Total non-current liabilities	14,202	15,482
Total liabilities	30,952	30,864
Net assets		
Shareholders' equity		
Capital stock	4,304	4,304
Capital surplus	1,263	1,263
Retained earnings	13,482	13,981
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	15,939	16,438
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	547	322
Revaluation reserve for land	2,070	2,072
Foreign currency translation adjustment	(170)	235
Remeasurements of defined benefit plans	98	85
Total accumulated other comprehensive income	2,545	2,715
Share acquisition rights	17	17
Total net assets	18,501	19,171
Total liabilities and net assets	49,453	50,035

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	24,727	24,015
Cost of sales	17,642	17,665
Gross profit	7,085	6,349
Selling, general and administrative expenses	5,985	6,156
Operating profit	1,099	192
Non-operating income		
Interest income	0	1
Dividend income	27	30
Rental income from non-current assets	4	5
Share of profit of entities accounted for using equity method	21	20
Foreign exchange gains	155	398
Dividend income of insurance	2	1
Others	16	8
Total non-operating income	226	465
Non-operating expenses		
Interest expenses	93	97
Commission expense	5	5
Cost for idle operation	66	-
Others	8	6
Total non-operating expenses	174	108
Ordinary profit	1,152	549
Extraordinary income		
Gain on sales of non-current assets	141	10
Gain on sales of investment securities	-	411
Total extraordinary income	141	422
Extraordinary losses		
Impairment losses	14	-
Total extraordinary losses	14	-
Profit before income taxes	1,279	971
Income taxes—current	434	124
Income taxes—deferred	(107)	162
Total income taxes	326	286
Profit	952	684
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	952	684

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	952	684
Other comprehensive income		
Valuation difference on available-for-sale securities	(134)	(224)
Foreign currency translation adjustment	103	406
Remeasurements of defined benefit plans	12	(13)
Total other comprehensive income	(18)	168
Comprehensive income	933	852
Comprehensive income attributable to		
Owners of parent	933	852
Non-controlling interests	—	—