

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year 2023 (Japanese GAAP)

January 31, 2024

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 FY2023 (from April 1, 2023 to December 31, 2023)

(1) Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2023	23,069	(3.9)	(36)	–	125	(77.1)	104	(84.8)
December 31, 2022	24,015	(2.9)	192	(82.5)	549	(52.3)	684	(28.1)

(Note) Comprehensive income: Nine months ended December 31, 2023: 410 million yen (down 51.9 %)
 Nine months ended December 31, 2022: 852 million yen (down 8.7%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2023	28.89	–
December 31, 2022	189.62	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2023	50,943	18,744	36.8	5,194.33
March 31, 2023	48,571	18,534	38.1	5,130.65

(Reference) Equity: As of December 31, 2023: 18,744 million yen As of March 31, 2023: 18,517 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, 2023	–	0.00	–	50.00	50.00
Year ending March 31, 2024	–	0.00	–		
Year ending March 31, 2024 (forecast)				50.00	50.00

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

3. Forecast of Consolidated Financial Results for the FY2023 (from April 1, 2023 to March 31, 2024)

(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	32,700	3.6	200	–	100	70.4	60	(82.3)	16.62

(Note) Revision to the financial results forecast announced most recently: None

* 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, 2023: | 4,261,420 shares | As of March 31, 2023: | 4,261,420 shares |
| (ii) Number of treasury shares at the end of the period | | | |
| As of December 31, 2023: | 652,714 shares | As of March 31, 2023: | 652,254 shares |
| (iii) Average number of outstanding shares during the period (cumulative from the beginning of the period) | | | |
| Nine months ended December 31, 2023: | 3,608,934 shares | Nine months ended December 31, 2022: | 3,609,494 shares |

4. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY2022 (As of March 31, 2023)	Q3 of FY2023 (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	10,529	10,594
Notes and accounts receivable—trade, and contract assets	7,516	7,691
Electronically recorded monetary claims—operating	3,738	3,857
Merchandise and finished goods	6,468	6,905
Work in process	1,277	1,335
Raw materials and supplies	3,010	3,389
Income taxes refund receivable	220	17
Others	675	628
Total current assets	33,436	34,421
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	4,786	4,694
Machinery, equipment, and vehicles, net	1,636	1,387
Tools, furniture and fixtures, net	379	415
Land	4,344	4,344
Leased assets, net	170	160
Construction in progress	200	1,358
Total property, plant and equipment	11,518	12,362
Intangible assets		
Patent rights	15	12
Trademark rights	54	49
Sales rights	383	170
Leased assets	47	63
Software	59	43
Telephone subscription rights	9	9
Total intangible assets	569	348
Investments and other assets		
Investment securities	1,385	2,054
Long-term prepaid expenses	496	505
Retirement benefit assets	401	527
Leasehold and guarantee deposits	57	53
Deferred tax assets	353	310
Others	414	420
Allowance for doubtful accounts	(61)	(61)
Total investments and other assets	3,046	3,810
Total non-current assets	15,134	16,521
Total assets	48,571	50,943

(Millions of yen)

	FY2022 (As of March 31, 2023)	Q3 of FY2023 (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	2,545	2,255
Electronically recorded obligations—operating	6,399	5,846
Short-term borrowings	392	560
Current portion of long-term borrowings	2,650	2,786
Lease obligations	77	80
Accounts payable—other	84	36
Income taxes payable	81	26
Accrued consumption taxes	91	185
Accrued expenses	1,678	1,482
Deposits received	175	309
Refund liabilities	221	232
Others	369	372
Total current liabilities	14,766	14,174
Non-current liabilities		
Long-term borrowings	11,950	14,080
Lease obligations	161	163
Provision for retirement benefits for directors	457	477
Net defined benefit liability	139	141
Deferred tax liabilities for land revaluation	915	915
Others	1,645	2,246
Total non-current liabilities	15,270	18,024
Total liabilities	30,037	32,198
Net assets		
Shareholders' equity		
Capital stock	4,304	4,304
Capital surplus	1,263	1,263
Retained earnings	13,636	13,558
Treasury shares	(3,110)	(3,111)
Total shareholders' equity	16,093	16,015
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335	448
Revaluation reserve for land	2,072	2,072
Foreign currency translation adjustment	(20)	185
Remeasurements of defined benefit plans	35	23
Total accumulated other comprehensive income	2,423	2,729
Share acquisition rights	17	—
Total net assets	18,534	18,744
Total liabilities and net assets	48,571	50,943

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	24,015	23,069
Cost of sales	17,665	17,224
Gross profit	6,349	5,845
Selling, general and administrative expenses	6,156	5,881
Operating profit (loss)	192	(36)
Non-operating income		
Interest income	1	2
Dividend income	30	35
Rental income from non-current assets	5	5
Share of profit of entities accounted for using equity method	20	19
Foreign exchange gains	398	203
Dividend income of insurance	1	1
Others	8	17
Total non-operating income	465	286
Non-operating expenses		
Interest expenses	97	106
Commission expense	5	5
Others	6	12
Total non-operating expenses	108	124
Ordinary profit	549	125
Extraordinary income		
Gain on sales of non-current assets	10	–
Gain on sales of investment securities	411	–
Gain on reversal of share acquisition rights	–	17
Total extraordinary income	422	17
Profit before income taxes	971	142
Income taxes—current	124	35
Income taxes—deferred	162	3
Total income taxes	286	38
Profit	684	104
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	684	104

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	684	104
Other comprehensive income		
Valuation difference on available-for-sale securities	(224)	112
Foreign currency translation adjustment	406	205
Remeasurements of defined benefit plans	(13)	(12)
Total other comprehensive income	168	306
Comprehensive income	852	410
Comprehensive income attributable to:		
Owners of parent	852	410
Non-controlling interests	–	–