

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

May 13, 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 ordinary general meeting of shareholders: June 21, 2024

Scheduled date of dividend payout: June 24, 2024

Supplementary documents for annual financial results: Yes

Annual financial results briefing: None

\*Amounts less than one million yen are rounded down

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

### (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	%
Year ended								
March 31, 2024	30,748	(2.6)	(494)	–	(219)	–	(180)	–
March 31, 2023	31,559	(2.9)	(241)	–	58	(94.3)	339	(51.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: 126 million yen (down 41.4 %)

Fiscal year ended March 31, 2023: 216 million yen (down 64.7%)

	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, 2024	(50.14)	–	(1.0)	(0.4)	(1.6)
March 31, 2023	94.07	–	1.8	0.1	(0.8)

(Reference) Share of profit/loss of entities accounted for using equity method: As of March 31, 2024: 23 million yen

As of March 31, 2023: 27 million yen

### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2024	49,548	18,460	37.3	5,116.02
March 31, 2023	48,571	18,534	38.1	5,130.65

(Reference) Equity: As of March 31, 2024: 18,460 million yen

As of March 31, 2023: 18,517 million yen

### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended				
March 31, 2024	296	(3,139)	1,447	9,200
March 31, 2023	(916)	(394)	144	10,529

## 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, 2023	–	0.00	–	50.00	50.00	182	53.2	1.0
March 31, 2024	–	0.00	–	50.00	50.00	182	–	1.0
March 31, 2025 (forecast)	–	0.00	–	50.00	50.00		300.7	

### 3. Forecast of Consolidated Financial Results for the FY2024 (from April 1, 2024 to March 31, 2025)

(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	31,500	2.4	200	—	100	—	60	—	16.63

\* 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.: No
  - (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 the end of the period (including treasury shares)
 

As of March 31, 2024:	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 March 31, 2024:	652,976 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)
 

Fiscal year ended March 31, 2024:	3,608,835 shares	Fiscal year ended March 31, 2023:	3,609,412 shares
-----------------------------------	------------------	-----------------------------------	------------------

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,529	9,200
Notes and accounts receivable—trade, and contract assets	7,516	7,736
Electronically recorded monetary claims—operating	3,738	3,790
Merchandise and finished goods	6,468	5,785
Work in process	1,277	1,476
Raw materials and supplies	3,010	3,461
Income taxes refund receivable	220	20
Others	675	364
<b>Total current assets</b>	<b>33,436</b>	<b>31,836</b>
<b>Non-current assets</b>		
<b>Property, plant, and equipment</b>		
Buildings and structures	15,956	16,139
Accumulated depreciation	(11,170)	(11,598)
Buildings and structures, net	4,786	4,541
Machinery, equipment, and vehicles	9,353	9,457
Accumulated depreciation	(7,717)	(8,120)
Machinery, equipment, and vehicles, net	1,636	1,337
Tools, furniture and fixtures	2,755	2,936
Accumulated depreciation	(2,376)	(2,549)
Tools, furniture and fixtures, net	379	387
Land	4,344	4,344
Leased assets	376	398
Accumulated depreciation	(205)	(227)
Leased assets, net	170	171
Construction in progress	200	2,442
<b>Total property, plant and equipment</b>	<b>11,518</b>	<b>13,224</b>
<b>Intangible assets</b>		
Patent rights	15	10
Trademark rights	54	47
Sales rights	383	100
Leased assets	47	73
Software	59	40
Telephone subscription rights	9	9
<b>Total intangible assets</b>	<b>569</b>	<b>281</b>
<b>Investments and other assets</b>		
Investment securities	1,385	2,066
Long-term prepaid expenses	496	492
Retirement benefit assets	401	967
Leasehold and guarantee deposits	57	52
Deferred tax assets	353	267
Others	414	420
Allowance for doubtful accounts	(61)	(61)
<b>Total investments and other assets</b>	<b>3,046</b>	<b>4,206</b>
<b>Total non-current assets</b>	<b>15,134</b>	<b>17,712</b>
<b>Total assets</b>	<b>48,571</b>	<b>49,548</b>

(Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable—trade	2,545	2,020
Electronically recorded obligations—operating	6,399	4,958
Short-term borrowings	392	568
Current portion of long-term borrowings	2,650	2,801
Lease obligations	77	86
Accounts payable—other	84	82
Income taxes payable	81	73
Accrued consumption taxes	91	301
Accrued expenses	1,678	2,032
Deposits received	175	213
Refund liabilities	221	210
Others	369	437
<b>Total current liabilities</b>	<b>14,766</b>	<b>13,786</b>
<b>Non-current liabilities</b>		
Long-term borrowings	11,950	13,344
Lease obligations	161	182
Provision for retirement benefits for directors	457	483
Net defined benefit liability	139	128
Deferred tax liabilities for land revaluation	915	915
Others	1,645	2,246
<b>Total non-current liabilities</b>	<b>15,270</b>	<b>17,301</b>
<b>Total liabilities</b>	<b>30,037</b>	<b>31,087</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,304	4,304
Capital surplus	1,263	1,263
Retained earnings	13,636	13,273
Treasury shares	(3,110)	(3,111)
<b>Total shareholders' equity</b>	<b>16,093</b>	<b>15,729</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	335	455
Revaluation reserve for land	2,072	2,072
Foreign currency translation adjustment	(20)	(95)
Remeasurements of defined benefit plans	35	298
<b>Total accumulated other comprehensive income</b>	<b>2,423</b>	<b>2,731</b>
Share acquisition rights	17	—
<b>Total net assets</b>	<b>18,534</b>	<b>18,460</b>
<b>Total liabilities and net assets</b>	<b>48,571</b>	<b>49,548</b>

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

## Consolidated Statements of Income

(Millions of yen)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)
Net sales	31,559	30,748
Cost of sales	23,374	23,010
Gross profit	8,184	7,737
Selling, general and administrative expenses	8,425	8,232
Operating profit (loss)	(241)	(494)
Non-operating income		
Interest income	2	3
Dividend income	30	36
Rental income from non-current assets	6	6
Share of profit of entities accounted for using equity method	27	23
Foreign exchange gains	386	349
Dividend income of insurance	8	8
Others	13	19
Total non-operating income	475	449
Non-operating expenses		
Interest expenses	122	150
Commission expense	39	8
Others	13	15
Total non-operating expenses	175	174
Ordinary profit (loss)	58	(219)
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 (loss) before income taxes	480	(202)
Income taxes—current	79	57
Income taxes—deferred	61	(78)
Total income taxes	141	(21)
Profit (loss)	339	(180)
Profit attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	339	(180)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)
Profit (loss)	339	(180)
Other comprehensive income		
Valuation difference on available-for-sale securities	(211)	119
Foreign currency translation adjustment	150	(75)
Remeasurements of defined benefit plans	(62)	263
Total other comprehensive income	(123)	307
Comprehensive income	216	126
Comprehensive income attributable to:		
Owners of parent	216	126
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity  
FY2022 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,304	1,263	13,482	(3,110)	15,939
Changes during period					
Dividends of surplus			(182)		(182)
Profit attributable to owners of parent			339		339
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			(1)		(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	154	(0)	154
Balance at end of period	4,304	1,263	13,636	(3,110)	16,093

(Millions of 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	547	2,070	(170)	98	2,545	17	18,501
Changes during period							
Dividends of surplus							(182)
Profit attributable to owners of parent							339
Purchase of treasury shares							(0)
Reversal of revaluation reserve for land							(1)
Net changes in items other than shareholders' equity	(211)	1	150	(62)	(121)	–	(121)
Total changes during period	(211)	1	150	(62)	(121)	–	32
Balance at end of period	335	2,072	(20)	35	2,423	17	18,534

FY2023 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,304	1,263	13,636	(3,110)	16,093
Changes during period					
Dividends of surplus			(182)		(182)
Loss attributable to owners of parent			(180)		(180)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(363)	(0)	(364)
Balance at end of period	4,304	1,263	13,273	(3,111)	15,729

(Millions of 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	335	2,072	(20)	35	2,423	17	18,534
Changes during period							
Dividends of surplus							(182)
Loss attributable to owners of parent							(180)
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	119	–	(75)	263	307	(17)	290
Total changes during period	119	–	(75)	263	307	(17)	(73)
Balance at end of period	455	2,072	(95)	298	2,731	–	18,460



## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)
Cash flows from operating activities:		
Profit (loss) before income taxes	480	(202)
Depreciation	1,500	1,459
Increase (decrease) in refund liabilities	(79)	(10)
Increase (decrease) in provision for retirement benefits for directors	(11)	25
Increase (decrease) in net defined benefit liability	11	(11)
Decrease (increase) in net defined benefit asset	(186)	(186)
Interest and dividend income	(32)	(40)
Interest expenses	122	150
Foreign exchange losses (gains)	(386)	(349)
Loss (gain) on sales of non-current assets	(10)	–
Loss (gain) on sales of investment securities	(411)	–
Decrease (increase) in trade receivables and contract assets	1,392	(262)
Gain on reversal of share acquisition rights	–	(17)
Decrease (increase) in inventories	(1,859)	74
Decrease (increase) in other current assets	(166)	137
Decrease (increase) in long-term prepaid expenses	(95)	24
Increase (decrease) in notes and accounts payable - trade	(641)	(2,011)
Increase (decrease) in accrued consumption taxes	(98)	220
Increase (decrease) in other current liabilities	(313)	449
Increase (decrease) in other non-current liabilities	495	601
Other	(62)	206
Subtotal	(354)	260
Interest and dividends received	43	51
Interest paid	(120)	(145)
Income taxes paid	(484)	(90)
Income taxes refund	–	220
Net cash provided by (used in) operating activities	(916)	296
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,005)	(2,627)
Purchase of intangible assets	(9)	(9)
Proceeds from sales of property, plant and equipment	29	–
Purchase of investment securities	(24)	(500)
Proceeds from sales of investment securities	611	–
Proceeds from refund of guarantee deposits	11	4
Other	(7)	(7)
Net cash provided by (used in) investing activities	(394)	(3,139)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(8)	176
Proceeds from long-term borrowings	3,400	4,350
Repayments of long-term borrowings	(2,779)	(2,805)
Redemption of bonds	(200)	–
Cash dividends paid	(183)	(182)
Other	(84)	(90)
Net cash provided by (used in) financing activities	144	1,447
Effect of exchange rate change on cash and cash equivalents	51	66
Net increase (decrease) in cash and cash equivalents	(1,115)	(1,329)
Cash and cash equivalents at beginning of period	11,645	10,529
Cash and cash equivalents at end of period	10,529	9,200