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November 9, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)



Company name: NISSIN CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 9066
 URL: <https://www.nissin-tw.com/english/>
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 Scheduled date to file quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (to be held online for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	82,359	(23.4)	4,125	(46.3)	4,815	(41.8)	3,641	(37.8)
September 30, 2022	107,557	25.2	7,675	113.0	8,277	90.5	5,852	147.6

Note: Comprehensive income For the six months ended September 30, 2023: ¥8,591 million [7.6%]
 For the six months ended September 30, 2022: ¥7,986 million [186.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	188.16	-
September 30, 2022	301.09	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	158,926	91,917	55.7
March 31, 2023	153,263	85,263	53.6

Reference: Equity
 As of September 30, 2023: ¥88,587 million
 As of March 31, 2023: ¥82,134 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	40.00	-	50.00	90.00
Fiscal year ending March 31, 2024	-	50.00			
Fiscal year ending March 31, 2024 (Forecast)			-	50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	165,000	(15.0)	8,500	(32.8)	9,300	(31.8)	7,000	(33.5)	361.66

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	20,272,769 shares
As of March 31, 2023	20,272,769 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	1,059,571 shares
As of March 31, 2023	722,919 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	19,355,095 shares
Six months ended September 30, 2022	19,437,646 shares

Note: The Company has introduced the "Employee Stock Ownership Trust Plan (ESOP)." Accordingly, the number of treasury shares deducted to calculate the number of treasury shares at the end of the period and the average number of shares outstanding during the period includes the Company's shares held by the said Trust.

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Explanation of the proper use of earnings forecasts and other special notes

The earnings forecasts are prepared based on assessments derived from information currently available to the Company. Accordingly, some risks and uncertain factors may be involved, and actual results may differ from these forecasts.

(To receive supplementary material on financial results)

The Company will hold an online financial results briefing session for institutional investors and analysts on Friday, November 24, 2023. The supplementary material on financial results for the session will be posted on the Company's website.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	25,923	23,624
Notes and accounts receivable - trade	29,169	29,142
Raw materials and supplies	132	150
Other	7,375	8,408
Allowance for doubtful accounts	(115)	(116)
Total current assets	62,485	61,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	81,094	86,591
Accumulated depreciation	(49,803)	(52,037)
Buildings and structures, net	31,291	34,554
Machinery, equipment and vehicles	15,593	16,418
Accumulated depreciation	(11,485)	(11,983)
Machinery, equipment and vehicles, net	4,108	4,434
Land	26,379	26,520
Construction in progress	2,181	1,346
Other	3,586	3,602
Accumulated depreciation	(2,843)	(2,779)
Other, net	742	823
Total property, plant and equipment	64,703	67,679
Intangible assets		
Leasehold interests in land	497	495
Other	883	987
Total intangible assets	1,380	1,482
Investments and other assets		
Investment securities	18,156	21,519
Long-term loans receivable	242	241
Retirement benefit asset	1,426	1,511
Deferred tax assets	563	572
Other	4,376	4,781
Allowance for doubtful accounts	(71)	(72)
Total investments and other assets	24,693	28,554
Total non-current assets	90,777	97,716
Total assets	153,263	158,926

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,066	11,467
Short-term borrowings	7,738	6,242
Lease liabilities	3,222	3,254
Income taxes payable	2,527	1,430
Provision for bonuses	2,816	2,505
Provision for bonuses for directors (and other officers)	83	44
Other	8,425	9,204
Total current liabilities	35,880	34,148
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	16,934	16,058
Lease liabilities	7,733	7,876
Long-term accounts payable - other	56	57
Deferred tax liabilities	1,204	2,535
Retirement benefit liability	3,209	3,308
Other	1,981	2,024
Total non-current liabilities	32,120	32,860
Total liabilities	68,000	67,008
Net assets		
Shareholders' equity		
Share capital	6,097	6,097
Capital surplus	4,712	4,721
Retained earnings	63,428	66,078
Treasury shares	(1,056)	(1,950)
Total shareholders' equity	73,182	74,946
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,565	7,785
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,772	5,232
Remeasurements of defined benefit plans	613	622
Total accumulated other comprehensive income	8,952	13,640
Non-controlling interests	3,129	3,330
Total net assets	85,263	91,917
Total liabilities and net assets	153,263	158,926

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	107,557	82,359
Cost of sales	92,771	70,901
Gross profit	14,786	11,458
Selling, general and administrative expenses	7,110	7,332
Operating profit	7,675	4,125
Non-operating income		
Interest income	60	154
Dividend income	367	304
Share of profit of entities accounted for using equity method	371	369
Other	401	367
Total non-operating income	1,200	1,195
Non-operating expenses		
Interest expenses	246	190
Foreign exchange losses	314	267
Other	36	47
Total non-operating expenses	597	505
Ordinary profit	8,277	4,815
Extraordinary income		
Gain on sale of investment securities	115	461
Gain on sale of non-current assets	20	36
Total extraordinary income	136	497
Extraordinary losses		
Extra retirement payments	61	26
Loss on retirement of non-current assets	27	7
Loss on sale of non-current assets	0	2
Total extraordinary losses	89	35
Profit before income taxes	8,324	5,276
Income taxes - current	2,323	1,169
Income taxes - deferred	(79)	334
Total income taxes	2,244	1,503
Profit	6,080	3,773
Profit attributable to non-controlling interests	227	131
Profit attributable to owners of parent	5,852	3,641

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	6,080	3,773
Other comprehensive income		
Valuation difference on available-for-sale securities	(528)	2,212
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	2,336	2,489
Remeasurements of defined benefit plans, net of tax	(10)	9
Share of other comprehensive income of entities accounted for using equity method	108	105
Total other comprehensive income	1,906	4,818
Comprehensive income	7,986	8,591
Comprehensive income attributable to		
Owners of parent	7,646	8,330
Non-controlling interests	339	261

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	8,324	5,276
Depreciation	2,796	3,032
Extra retirement payments	61	26
Loss (gain) on sale of non-current assets	(20)	(33)
Loss on retirement of non-current assets	27	7
Loss (gain) on sale of investment securities	(115)	(461)
Share of loss (profit) of entities accounted for using equity method	(371)	(369)
Increase (decrease) in allowance for doubtful accounts	(74)	(8)
Increase (decrease) in provision for bonuses for directors (and other officers)	(26)	(39)
Decrease (increase) in retirement benefit asset	(96)	(84)
Increase (decrease) in retirement benefit liability	219	49
Interest and dividend income	(427)	(458)
Interest expenses	246	190
Decrease (increase) in trade receivables	2,853	1,161
Decrease (increase) in other current assets	(1,255)	(279)
Increase (decrease) in trade payables	(2,825)	(104)
Increase (decrease) in other current liabilities	405	295
Other, net	(133)	(725)
Subtotal	9,589	7,474
Interest and dividends received	665	618
Interest paid	(248)	(192)
Extra retirement payments	(61)	(26)
Income taxes paid	(2,335)	(2,309)
Net cash provided by (used in) operating activities	7,608	5,564

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from investing activities		
Payments into time deposits	(2,569)	(1,433)
Proceeds from withdrawal of time deposits	783	1,631
Purchase of property, plant and equipment	(2,589)	(3,894)
Proceeds from sale of property, plant and equipment	42	45
Purchase of intangible assets	(194)	(220)
Purchase of investment securities	(16)	(17)
Proceeds from sale of investment securities	225	652
Loan advances	(6)	(5)
Proceeds from collection of loans receivable	2	18
Payments of leasehold and guarantee deposits	(280)	(309)
Other, net	298	166
Net cash provided by (used in) investing activities	(4,305)	(3,365)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	608	(64)
Repayments of long-term borrowings	(1,396)	(2,430)
Redemption of bonds	(1,000)	-
Repayments of lease liabilities	(1,477)	(1,532)
Purchase of treasury shares	(0)	(1,009)
Proceeds from sale of treasury shares	134	123
Dividends paid	(655)	(989)
Dividends paid to non-controlling interests	(6)	(62)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	-
Net cash provided by (used in) financing activities	(3,792)	(5,965)
Effect of exchange rate change on cash and cash equivalents	1,225	1,310
Net increase (decrease) in cash and cash equivalents	736	(2,455)
Cash and cash equivalents at beginning of period	18,168	22,466
Cash and cash equivalents at end of period	18,904	20,011