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May 9, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)



Company name: NISSIN CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 9066
 URL: <https://www.nissin-tw.com/english/>
 Representative: Masahiro Tsutsui, President and Chief Operating Officer
 Inquiries: Motohisa Tsukioka, Operating Officer and General Manager of Accounting Department
 Telephone: +81-3-3238-6631
 Scheduled date of annual general meeting of shareholders: June 23, 2023
 Scheduled date to commence dividend payments: June 8, 2023
 Scheduled date to file annual securities report: June 26, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	194,165	0.8	12,643	39.0	13,634	38.3	10,528	65.4
March 31, 2022	192,699	23.6	9,098	248.4	9,859	130.0	6,365	217.1

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥12,166 million [26.5%]
 For the fiscal year ended March 31, 2022: ¥9,619 million [37.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	540.47	-	13.7	9.1	6.5
March 31, 2022	329.61	-	9.4	7.1	4.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: ¥630 million
 For the fiscal year ended March 31, 2022: ¥511 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	153,263	85,263	53.6	4,201.29
March 31, 2022	144,898	74,406	49.4	3,693.10

Reference: Equity
 As of March 31, 2023: ¥82,134 million
 As of March 31, 2022: ¥71,594 million

(3) Consolidated 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	17,922	(5,557)	(8,615)	22,466
March 31, 2022	9,540	(3,586)	(5,438)	18,168

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	-	28.00	-	32.00	60.00	1,162	18.2	1.7
Fiscal year ended March 31, 2023	-	40.00	-	50.00	90.00	1,759	16.7	2.3
Fiscal year ending March 31, 2024 (Forecast)	-	50.00	-	50.00	100.00		30.0	

Note: Total cash dividends do not include dividends paid to the Employee Stock Ownership Trust (Fiscal year ended March 31, 2022: ¥26 million, Fiscal year ended March 31, 2023: ¥26 million).

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
First half	95,000	(11.7)	4,250	(44.6)	4,500	(45.6)	3,250	(44.5)	166.84
Full year	190,000	(2.1)	8,500	(32.8)	9,000	(34.0)	6,500	(38.3)	333.67

*** Notes**

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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	20,272,769 shares
As of March 31, 2022	20,272,769 shares

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

As of March 31, 2023	722,919 shares
As of March 31, 2022	886,738 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	19,480,191 shares
Fiscal year ended March 31, 2022	19,313,620 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.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	113,186	0.7	5,901	39.4	7,377	43.3	6,123	129.3
March 31, 2022	112,350	14.6	4,234	92.6	5,146	77.7	2,670	14.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	313.86	-
March 31, 2022	138.04	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	98,172	48,155	49.1	2,459.39
March 31, 2022	98,807	43,368	43.9	2,233.57

Reference: Equity

As of March 31, 2023: ¥48,155 million
As of March 31, 2022: ¥43,368 million

* Financial results reports are exempt from audit 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 a financial results briefing session for institutional investors and analysts on Friday, May 26, 2023. The supplementary material on financial results for the session will be posted on the Company's website.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	19,834	25,923
Notes and accounts receivable - trade	35,021	29,169
Raw materials and supplies	138	132
Other	7,307	7,375
Allowance for doubtful accounts	(91)	(115)
Total current assets	62,209	62,485
Non-current assets		
Property, plant and equipment		
Buildings and structures	72,378	81,094
Accumulated depreciation	(46,049)	(49,803)
Buildings and structures, net	26,329	31,291
Machinery, equipment and vehicles	15,130	15,593
Accumulated depreciation	(11,150)	(11,485)
Machinery, equipment and vehicles, net	3,979	4,108
Land	25,569	26,379
Other	3,598	5,767
Accumulated depreciation	(2,860)	(2,843)
Other, net	737	2,923
Total property, plant and equipment	56,616	64,703
Intangible assets		
Leasehold interests in land	500	497
Other	795	883
Total intangible assets	1,296	1,380
Investments and other assets		
Investment securities	18,088	18,156
Long-term loans receivable	394	242
Retirement benefit asset	1,563	1,426
Deferred tax assets	462	563
Other	4,407	4,376
Allowance for doubtful accounts	(140)	(71)
Total investments and other assets	24,776	24,693
Total non-current assets	82,688	90,777
Total assets	144,898	153,263

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,973	11,066
Current portion of bonds payable	1,000	-
Short-term borrowings	7,398	7,738
Lease liabilities	2,208	3,222
Income taxes payable	2,069	2,527
Provision for bonuses	2,578	2,816
Provision for bonuses for directors (and other officers)	68	83
Other	8,518	8,425
Total current liabilities	38,815	35,880
Non-current liabilities		
Bonds payable	-	1,000
Long-term borrowings	21,592	16,934
Lease liabilities	3,201	7,733
Long-term accounts payable - other	58	56
Deferred tax liabilities	1,769	1,204
Retirement benefit liability	3,252	3,209
Other	1,801	1,981
Total non-current liabilities	31,676	32,120
Total liabilities	70,491	68,000
Net assets		
Shareholders' equity		
Share capital	6,097	6,097
Capital surplus	4,707	4,712
Retained earnings	54,328	63,428
Treasury shares	(1,284)	(1,056)
Total shareholders' equity	63,848	73,182
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,673	5,565
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	1,496	2,772
Remeasurements of defined benefit plans	576	613
Total accumulated other comprehensive income	7,746	8,952
Non-controlling interests	2,812	3,129
Total net assets	74,406	85,263
Total liabilities and net assets	144,898	153,263

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

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	192,699	194,165
Cost of sales	170,590	167,560
Gross profit	22,108	26,605
Selling, general and administrative expenses	13,009	13,961
Operating profit	9,098	12,643
Non-operating income		
Interest income	69	168
Dividend income	458	611
Share of profit of entities accounted for using equity method	511	630
Subsidy income	240	67
Other	391	410
Total non-operating income	1,672	1,889
Non-operating expenses		
Interest expenses	410	456
Foreign exchange losses	205	146
Other	294	294
Total non-operating expenses	911	898
Ordinary profit	9,859	13,634
Extraordinary income		
Gain on sale of investment securities	436	961
Subsidy income	90	59
Gain on sale of non-current assets	66	50
Total extraordinary income	593	1,071
Extraordinary losses		
Environmental expenses	-	169
Extra retirement payments	291	104
Loss on retirement of non-current assets	401	59
Loss on sale of non-current assets	13	0
Impairment losses	292	-
Loss on valuation of investment securities	73	-
Total extraordinary losses	1,072	333
Profit before income taxes	9,380	14,371
Income taxes - current	3,011	4,057
Income taxes - deferred	(197)	(599)
Total income taxes	2,813	3,458
Profit	6,567	10,913
Profit attributable to non-controlling interests	201	385
Profit attributable to owners of parent	6,365	10,528

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	6,567	10,913
Other comprehensive income		
Valuation difference on available-for-sale securities	587	(113)
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	1,598	1,343
Remeasurements of defined benefit plans, net of tax	684	37
Share of other comprehensive income of entities accounted for using equity method	181	(14)
Total other comprehensive income	3,052	1,253
Comprehensive income	9,619	12,166
Comprehensive income attributable to		
Owners of parent	9,294	11,734
Non-controlling interests	325	432

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,097	4,736	49,208	(1,512)	58,529
Cumulative effects of changes in accounting policies			(136)		(136)
Restated balance	6,097	4,736	49,072	(1,512)	58,393
Changes during period					
Dividends of surplus			(1,109)		(1,109)
Profit attributable to owners of parent			6,365		6,365
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		229	228
Change in ownership interest of parent due to transactions with non-controlling interests		(29)			(29)
Net changes in items other than shareholders' equity					
Total changes during period	-	(29)	5,256	228	5,454
Balance at end of period	6,097	4,707	54,328	(1,284)	63,848

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,081	-	(173)	(108)	4,799	2,518	65,848
Cumulative effects of changes in accounting policies							(136)
Restated balance	5,081	-	(173)	(108)	4,799	2,518	65,711
Changes during period							
Dividends of surplus							(1,109)
Profit attributable to owners of parent							6,365
Purchase of treasury shares							(0)
Disposal of treasury shares							228
Change in ownership interest of parent due to transactions with non-controlling interests							(29)
Net changes in items other than shareholders' equity	591	-	1,670	684	2,946	293	3,239
Total changes during period	591	-	1,670	684	2,946	293	8,694
Balance at end of period	5,673	-	1,496	576	7,746	2,812	74,406

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,097	4,707	54,328	(1,284)	63,848
Cumulative effects of changes in accounting policies					
Restated balance	6,097	4,707	54,328	(1,284)	63,848
Changes during period					
Dividends of surplus			(1,428)		(1,428)
Profit attributable to owners of parent			10,528		10,528
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		228	233
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	-	4	9,100	228	9,333
Balance at end of period	6,097	4,712	63,428	(1,056)	73,182

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,673	-	1,496	576	7,746	2,812	74,406
Cumulative effects of changes in accounting policies							
Restated balance	5,673	-	1,496	576	7,746	2,812	74,406
Changes during period							
Dividends of surplus							(1,428)
Profit attributable to owners of parent							10,528
Purchase of treasury shares							(0)
Disposal of treasury shares							233
Change in ownership interest of parent due to transactions with non-controlling interests							0
Net changes in items other than shareholders' equity	(107)	0	1,276	37	1,206	316	1,523
Total changes during period	(107)	0	1,276	37	1,206	316	10,856
Balance at end of period	5,565	0	2,772	613	8,952	3,129	85,263

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	9,380	14,371
Depreciation	5,878	5,571
Impairment losses	292	-
Extra retirement payments	291	104
Environmental expenses	-	169
Subsidy income (Non-operating income)	(240)	(67)
Subsidy income (Extraordinary income)	(90)	(59)
Loss (gain) on sale of non-current assets	(52)	(50)
Loss on retirement of non-current assets	401	59
Loss (gain) on sale of investment securities	(436)	(961)
Loss (gain) on valuation of investment securities	73	-
Share of loss (profit) of entities accounted for using equity method	(511)	(630)
Increase (decrease) in allowance for doubtful accounts	(18)	(51)
Increase (decrease) in provision for bonuses for directors (and other officers)	53	14
Decrease (increase) in retirement benefit asset	(184)	(192)
Increase (decrease) in retirement benefit liability	66	355
Interest and dividend income	(528)	(780)
Interest expenses	410	456
Decrease (increase) in trade receivables	(3,914)	7,081
Decrease (increase) in other current assets	(2,458)	900
Increase (decrease) in trade payables	1,785	(4,522)
Increase (decrease) in other current liabilities	1,139	(627)
Other, net	297	456
Subtotal	11,633	21,598
Interest and dividends received	656	1,011
Interest paid	(411)	(460)
Extra retirement payments	(291)	(104)
Subsidies received	240	67
Subsidies received	90	59
Income taxes paid	(2,379)	(4,248)
Net cash provided by (used in) operating activities	9,540	17,922

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(1,050)	(4,128)
Proceeds from withdrawal of time deposits	1,780	2,446
Purchase of property, plant and equipment	(3,479)	(4,664)
Proceeds from sale of property, plant and equipment	87	80
Purchase of intangible assets	(158)	(333)
Purchase of investment securities	(173)	(71)
Proceeds from sale of investment securities	536	1,174
Purchase of shares of subsidiaries and associates	-	(30)
Proceeds from the liquidation of subsidiaries and associates	-	81
Loan advances	(5)	(11)
Proceeds from collection of loans receivable	16	26
Payments of leasehold and guarantee deposits	(819)	(501)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(439)	-
Other, net	118	375
Net cash provided by (used in) investing activities	(3,586)	(5,557)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,109	(1,996)
Proceeds from long-term borrowings	2,060	-
Repayments of long-term borrowings	(3,704)	(2,432)
Proceeds from issuance of bonds	-	1,000
Redemption of bonds	(1,000)	(1,000)
Repayments of lease liabilities	(2,961)	(2,876)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	228	233
Dividends paid	(1,121)	(1,448)
Dividends paid to non-controlling interests	(49)	(93)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(0)
Net cash provided by (used in) financing activities	(5,438)	(8,615)
Effect of exchange rate change on cash and cash equivalents	703	548
Net increase (decrease) in cash and cash equivalents	1,219	4,298
Cash and cash equivalents at beginning of period	16,949	18,168
Cash and cash equivalents at end of period	18,168	22,466