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Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]

August 06, 2021

Company name: The Nisshin OilliO Group, Ltd.

Stock exchange listing: Tokyo

Code number: 2602

URL: <https://www.nisshin-oillio.com>

Representative: Takahisa Kuno

Representative Director President
General Manager, Financial Dept.

Contact: Osamu Kawabe

Phone: 03(3206)5036

Scheduled date of filing quarterly securities report: August 10, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 01, 2021 to June 30, 2021)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	95,175	17.4	3,311	(29.3)	3,948	(17.9)	2,815	(16.7)
June 30, 2020	81,059	(4.3)	4,685	18.6	4,809	27.1	3,378	37.4

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ 4,039 million [24.0%]
Three months ended June 30, 2020: ¥ 3,256 million [115.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	86.88	-
June 30, 2020	101.28	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2021	304,338	156,051	48.8
March 31, 2021	292,154	153,259	49.8

(Reference) Equity: As of June 30, 2021: ¥ 148,384 million
As of March 31, 2021: ¥ 145,552 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2022	-				
Fiscal year ending March 31, 2022 (Forecast)		45.00	-	45.00	90.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2022 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	400,000	18.9	11,500	(6.7)	12,000	(13.3)	7,700	(16.7)	237.63

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2021
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2021: 33,716,257 shares

March 31, 2021: 34,667,857 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 1,310,626 shares

March 31, 2021: 2,263,963 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 32,404,956 shares

Three months ended June 30, 2020: 33,355,457 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of June 30,2021
Assets		
Current assets		
Cash and deposits	11,036	10,559
Notes and accounts receivable - trade	68,379	72,818
Inventories	60,154	67,660
Other	11,367	10,358
Allowance for doubtful accounts	(19)	(48)
Total current assets	150,918	161,349
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,630	30,713
Machinery, equipment and vehicles, net	28,192	34,030
Land	28,115	28,124
Other, net	17,010	9,200
Total property, plant and equipment	100,948	102,068
Intangible assets		
Goodwill	244	244
Other	1,459	1,436
Total intangible assets	1,703	1,681
Investments and other assets		
Investment securities	29,516	29,874
Retirement benefit asset	4,941	5,255
Other	4,074	4,062
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	38,505	39,165
Total non-current assets	141,158	142,915
Deferred assets		
Bond issuance costs	76	73
Total deferred assets	76	73
Total assets	292,154	304,338

(Million yen)

	As of March 31,2021	As of June 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,984	36,502
Short-term borrowings	9,411	27,224
Income taxes payable	1,964	734
Provisions	53	65
Other	28,218	23,087
Total current liabilities	78,633	87,614
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	25,806	25,840
Provisions	531	453
Retirement benefit liability	1,962	1,984
Other	11,959	12,394
Total non-current liabilities	60,260	60,672
Total liabilities	138,894	148,287
Net assets		
Shareholders' equity		
Share capital	16,332	16,332
Capital surplus	22,849	21,669
Retained earnings	106,318	106,062
Treasury shares	(7,081)	(4,083)
Total shareholders' equity	138,418	139,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,670	8,661
Deferred gains or losses on hedges	662	471
Foreign currency translation adjustment	(1,555)	(145)
Remeasurements of defined benefit plans	(643)	(582)
Total accumulated other comprehensive income	7,133	8,403
Non-controlling interests	7,707	7,667
Total net assets	153,259	156,051
Total liabilities and net assets	292,154	304,338

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Net sales	81,059	95,175
Cost of sales	64,831	80,754
Gross profit	16,227	14,421
Selling, general and administrative expenses	11,542	11,109
Operating profit	4,685	3,311
Non-operating income		
Interest income	24	14
Dividend income	138	128
Share of profit of entities accounted for using equity method	26	402
Foreign exchange gains	124	175
Other	31	68
Total non-operating income	346	788
Non-operating expenses		
Interest expenses	109	108
Loss on disposal of inventories	22	17
Other	90	25
Total non-operating expenses	221	151
Ordinary profit	4,809	3,948
Extraordinary income		
Gain on sale of investment securities	7	48
Total extraordinary income	7	48
Extraordinary losses		
Loss on retirement of non-current assets	55	82
Loss on the spread of infectious disease	51	-
Loss on cancellation of business consignment agreement	-	34
Total extraordinary losses	107	116
Profit before income taxes	4,709	3,880
Income taxes	1,384	1,095
Profit	3,324	2,784
Loss attributable to non-controlling interests	(53)	(30)
Profit attributable to owners of parent	3,378	2,815

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Profit	3,324	2,784
Other comprehensive income		
Valuation difference on available-for-sale securities	937	(34)
Deferred gains or losses on hedges	191	(223)
Foreign currency translation adjustment	(1,219)	1,300
Remeasurements of defined benefit plans, net of tax	55	60
Share of other comprehensive income of entities accounted for using equity method	(32)	151
Total other comprehensive income	(67)	1,254
Comprehensive income	3,256	4,039
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,392	4,084
Comprehensive income attributable to non-controlling interests	(135)	(45)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30,2020	For the three months ended June 30,2021
Cash flows from operating activities		
Profit before income taxes	4,709	3,880
Depreciation	1,983	2,036
Amortization of goodwill	7	8
Interest and dividend income	(162)	(142)
Interest expenses	109	108
Share of loss (profit) of entities accounted for using equity method	(26)	(402)
Loss (gain) on sale and retirement of non-current assets	55	82
Loss (gain) on sale of investment securities	(7)	(48)
Decrease (increase) in trade receivables	(1,226)	(3,842)
Decrease (increase) in inventories	(1,670)	(6,497)
Increase (decrease) in trade payables	(6,001)	(2,832)
Decrease (increase) in retirement benefit asset	(179)	(314)
Increase (decrease) in retirement benefit liability	12	21
Other, net	(2,813)	(2,551)
Subtotal	(5,209)	(10,493)
Interest and dividends received	147	130
Interest paid	(114)	(113)
Income taxes paid	(2,472)	(1,808)
Net cash provided by (used in) operating activities	(7,648)	(12,285)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,981)	(4,331)
Proceeds from sale of property, plant and equipment	0	0
Purchase of investment securities	(10)	(5)
Proceeds from sale of investment securities	10	81
Other, net	(53)	(26)
Net cash provided by (used in) investing activities	(4,034)	(4,281)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,208	17,665
Proceeds from long-term borrowings	25	0
Repayments of long-term borrowings	(62)	(67)
Dividends paid	(1,336)	(1,298)
Proceeds from sale of treasury shares	2	2
Purchase of treasury shares	(0)	(1)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(599)	-
Dividends paid to non-controlling interests	(35)	(13)
Other, net	(119)	(130)
Net cash provided by (used in) financing activities	82	16,156
Effect of exchange rate change on cash and cash equivalents	(238)	155
Net increase (decrease) in cash and cash equivalents	(11,838)	(254)
Cash and cash equivalents at beginning of period	23,552	9,256
Increase/decrease in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	(75)	(319)
Cash and cash equivalents at end of period	11,638	8,682