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Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 10, 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

Contact: Osamu Kawabe

General Manager, Financial Dept.

Phone: 03(3206)5036

Scheduled date of Annual General Meeting of Shareholders: June 29, 2021

Scheduled date of commencing dividend payments: June 30, 2021

Scheduled date of filing annual securities report: June 29, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 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	%
Fiscal year ended March 31, 2021	336,306	0.9	12,324	(6.2)	13,836	9.5	9,244	11.5
March 31, 2020	333,416	(2.8)	13,133	1.4	12,634	(7.9)	8,293	(8.3)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 10,607 million [77.9%]
Fiscal year ended March 31, 2020: ¥ 5,962 million [(32.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	278.34	-	6.5	4.9	3.7
March 31, 2020	244.66	-	5.9	4.7	3.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ 1,409 million
Fiscal year ended March 31, 2020: ¥ (576) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	292,154	153,259	49.8	4,491.81
March 31, 2020	277,425	149,324	50.2	4,177.69

(Reference) Equity: As of March 31, 2021: ¥ 145,552 million
As of March 31, 2020: ¥ 139,343 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 the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	6,340	(14,626)	(5,814)	9,256
March 31, 2020	22,421	(14,242)	2,244	23,552

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	40.00	-	40.00	80.00	2,705	32.7	1.9
March 31, 2021	-	40.00	-	40.00	80.00	2,635	28.7	1.8
Fiscal year ending								
March 31, 2022 (Forecast)	-	45.00	-	45.00	90.00		37.9	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2021 :

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	360,000	7.0	11,500	(6.7)	12,000	(13.3)	7,700	(16.7)	237.63

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

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

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

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

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

March 31, 2021:	34,667,857 shares
March 31, 2020:	34,667,857 shares

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

March 31, 2021:	2,263,963 shares
March 31, 2020:	1,313,681 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021:	33,214,149 shares
Fiscal Year ended March 31, 2020:	33,895,869 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	214,230	1.0	9,709	9.8	10,785	7.2	7,866	7.1
March 31, 2020	212,213	(1.6)	8,846	19.4	10,058	21.3	7,347	28.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	236.68	-
March 31, 2020	216.62	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	232,698	115,810	49.8	3,571.28
March 31, 2020	219,547	111,215	50.7	3,331.94

(Reference) Equity: As of March 31, 2021: ¥ 115,810 million
As of March 31, 2020: ¥ 111,215 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	23,317	11,036
Notes and accounts receivable - trade	62,893	68,379
Securities	2,000	-
Inventories	52,575	60,154
Short-term loans receivable	1	1
Other	8,550	11,366
Allowance for doubtful accounts	(18)	(19)
Total current assets	149,320	150,918
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,335	27,630
Machinery, equipment and vehicles, net	27,015	28,192
Land	27,613	28,115
Leased assets, net	966	1,554
Right-of-use assets	1,200	2,453
Construction in progress	5,938	13,002
Total property, plant and equipment	93,070	100,948
Intangible assets		
Goodwill	267	244
Other	1,602	1,459
Total intangible assets	1,869	1,703
Investments and other assets		
Investment securities	25,502	29,516
Long-term loans receivable	79	28
Retirement benefit asset	3,470	4,941
Deferred tax assets	699	764
Other	3,349	3,281
Allowance for doubtful accounts	(27)	(26)
Total investments and other assets	33,074	38,505
Total non-current assets	128,013	141,158
Deferred assets		
Bond issuance costs	90	76
Total deferred assets	90	76
Total assets	277,425	292,154

(Million yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,240	38,984
Short-term borrowings	3,048	9,411
Lease obligations	307	444
Accounts payable - other	15,586	18,118
Accrued expenses	5,489	4,769
Income taxes payable	2,576	1,964
Provision for bonuses for directors (and other officers)	55	53
Other	4,997	4,886
Total current liabilities	66,301	78,633
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	30,937	25,806
Lease obligations	2,012	3,860
Deferred tax liabilities	5,775	7,414
Provision for retirement benefits for directors (and other officers)	377	416
Provision for share awards	79	115
Retirement benefit liability	1,903	1,962
Other	712	684
Total non-current liabilities	61,799	60,260
Total liabilities	128,100	138,894
Net assets		
Shareholders' equity		
Share capital	16,332	16,332
Capital surplus	22,732	22,849
Retained earnings	99,768	106,318
Treasury shares	(4,085)	(7,081)
Total shareholders' equity	134,747	138,418
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,577	8,670
Deferred gains or losses on hedges	118	662
Foreign currency translation adjustment	(951)	(1,555)
Remeasurements of defined benefit plans	(1,148)	(643)
Total accumulated other comprehensive income	4,596	7,133
Non-controlling interests	9,981	7,707
Total net assets	149,324	153,259
Total liabilities and net assets	277,425	292,154

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	333,416	336,306
Cost of sales	271,899	275,916
Gross profit	61,516	60,389
Selling, general and administrative expenses	48,383	48,065
Operating profit	13,133	12,324
Non-operating income		
Interest income	109	75
Dividend income	412	391
Foreign exchange gains	44	-
Share of profit of entities accounted for using equity method	-	1,409
Other	365	350
Total non-operating income	930	2,227
Non-operating expenses		
Interest expenses	332	391
Loss on disposal of inventories	112	106
Foreign exchange losses	-	0
Share of loss of entities accounted for using equity method	576	-
Other	406	216
Total non-operating expenses	1,428	715
Ordinary profit	12,634	13,836
Extraordinary income		
Gain on sale of investment securities	-	289
Gain on sale of shares of subsidiaries and associates	50	-
Insurance claim income	260	-
Compensation income	202	235
Subsidy income	79	-
Total extraordinary income	593	525
Extraordinary losses		
Loss on retirement of non-current assets	496	510
Impairment losses	-	1,520
Loss on valuation of investment securities	6	-
Loss on the spread of infectious disease	-	137
Total extraordinary losses	503	2,168
Profit before income taxes	12,724	12,192
Income taxes - current	4,620	3,905
Income taxes - deferred	(395)	149
Total income taxes	4,224	4,054
Profit	8,499	8,138
Profit attributable to non-controlling interests	206	(1,106)
Profit attributable to owners of parent	8,293	9,244

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	8,499	8,138
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,868)	2,147
Deferred gains or losses on hedges	(135)	613
Foreign currency translation adjustment	(140)	(846)
Remeasurements of defined benefit plans, net of tax	(250)	505
Share of other comprehensive income of entities accounted for using equity method	(141)	50
Total other comprehensive income	(2,537)	2,469
Comprehensive income	5,962	10,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,733	11,781
Comprehensive income attributable to non-controlling interests	229	(1,174)

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,332	22,746	94,420	(1,094)	132,405
Cumulative effects of changes in accounting policies			(41)		(41)
Restated balance	16,332	22,746	94,379	(1,094)	132,364
Changes during period					
Dividends of surplus			(2,907)		(2,907)
Profit attributable to owners of parent			8,293		8,293
Purchase of treasury shares				(3,003)	(3,003)
Disposal of treasury shares				11	11
Change arising from changes of surplus in entities accounted for using equity method			3		3
Purchase of shares of consolidated subsidiaries		(14)			(14)
Increase (decrease) from accounting period changes of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(14)	5,388	(2,991)	2,382
Balance at end of period	16,332	22,732	99,768	(4,085)	134,747

	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	8,507	236	(690)	(897)	7,156	9,537	149,099
Cumulative effects of changes in accounting policies							(41)
Restated balance	8,507	236	(690)	(897)	7,156	9,537	149,058
Changes during period							
Dividends of surplus							(2,907)
Profit attributable to owners of parent							8,293
Purchase of treasury shares							(3,003)
Disposal of treasury shares							11

	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		
Change arising from changes of surplus in entities accounted for using equity method							3
Purchase of shares of consolidated subsidiaries							(14)
Increase (decrease) from accounting period changes of consolidated subsidiaries							-
Net changes in items other than shareholders' equity	(1,930)	(117)	(261)	(250)	(2,559)	443	(2,116)
Total changes during period	(1,930)	(117)	(261)	(250)	(2,559)	443	266
Balance at end of period	6,577	118	(951)	(1,148)	4,596	9,981	149,324

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,332	22,732	99,768	(4,085)	134,747
Cumulative effects of changes in accounting policies					-
Restated balance	16,332	22,732	99,768	(4,085)	134,747
Changes during period					
Dividends of surplus			(2,673)		(2,673)
Profit attributable to owners of parent			9,244		9,244
Purchase of treasury shares				(3,002)	(3,002)
Disposal of treasury shares		0		7	7
Change arising from changes of surplus in entities accounted for using equity method					-
Purchase of shares of consolidated subsidiaries		116			116
Increase (decrease) from accounting period changes of consolidated subsidiaries			(20)		(20)
Net changes in items other than shareholders' equity					-
Total changes during period	-	116	6,550	(2,995)	3,671
Balance at end of period	16,332	22,849	106,318	(7,081)	138,418

	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	6,577	118	(951)	(1,148)	4,596	9,981	149,324
Cumulative effects of changes in accounting policies							-
Restated balance	6,577	118	(951)	(1,148)	4,596	9,981	149,324
Changes during period							
Dividends of surplus							(2,673)
Profit attributable to owners of parent							9,244
Purchase of treasury shares							(3,002)
Disposal of treasury shares							7

	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		
Change arising from changes of surplus in entities accounted for using equity method							-
Purchase of shares of consolidated subsidiaries							116
Increase (decrease) from accounting period changes of consolidated subsidiaries							(20)
Net changes in items other than shareholders' equity	2,093	543	(604)	505	2,537	(2,273)	263
Total changes during period	2,093	543	(604)	505	2,537	(2,273)	3,934
Balance at end of period	8,670	662	(1,555)	(643)	7,133	7,707	153,259

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Profit before income taxes	12,724	12,192
Depreciation	7,485	8,061
Impairment losses	-	1,520
Amortization of goodwill	31	31
Interest and dividend income	(521)	(467)
Interest expenses	332	391
Share of loss (profit) of entities accounted for using equity method	576	(1,409)
Loss (gain) on sale and retirement of non-current assets	496	510
Loss (gain) on sale of investment securities	-	(289)
Loss (gain) on valuation of investment securities	6	-
Loss (gain) on sale of shares of subsidiaries and associates	(50)	-
Insurance claim income	(260)	-
Compensation income	(202)	(235)
Subsidy income	(79)	-
Decrease (increase) in trade receivables	4,994	(5,567)
Decrease (increase) in inventories	(3,710)	(7,961)
Increase (decrease) in trade payables	834	4,845
Decrease (increase) in retirement benefit asset	(130)	(1,470)
Increase (decrease) in retirement benefit liability	100	59
Other, net	3,294	38
Subtotal	25,922	10,251
Interest and dividends received	525	469
Interest paid	(330)	(391)
Income taxes paid	(4,239)	(4,223)
Proceeds from insurance income	260	-
Proceeds from compensation	202	235
Subsidies received	79	-
Net cash provided by (used in) operating activities	22,421	6,340
Cash flows from investing activities		
Decrease (increase) in time deposits	(63)	7
Purchase of property, plant and equipment	(11,942)	(14,153)
Proceeds from sale of property, plant and equipment	79	1
Purchase of investment securities	(952)	(291)
Proceeds from sale of investment securities	-	791
Proceeds from sale of shares of subsidiaries and associates	54	-
Proceeds from collection of loans receivable	-	52
Other, net	(1,417)	(1,034)
Net cash provided by (used in) investing activities	(14,242)	(14,626)

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,082)	1,528
Proceeds from long-term borrowings	15,791	25
Repayments of long-term borrowings	(370)	(252)
Redemption of bonds	(5,000)	-
Repayments of lease obligations	(375)	(503)
Dividends paid	(2,907)	(2,673)
Proceeds from sale of treasury shares	-	2
Purchase of treasury shares	(3,003)	(3,002)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(902)
Proceeds from share issuance to non-controlling shareholders	228	-
Dividends paid to non-controlling interests	(35)	(35)
Net cash provided by (used in) financing activities	2,244	(5,814)
Effect of exchange rate change on cash and cash equivalents	(11)	(120)
Net increase (decrease) in cash and cash equivalents	10,412	(14,220)
Cash and cash equivalents at beginning of period	13,140	23,552
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	-	(75)
Cash and cash equivalents at end of period	23,552	9,256