

July 31, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: N I C H I H A C O R P O R A T I O N
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 7943
 URL: <https://www.nichiha.co.jp>
 Representative: Narumitsu Yoshioka, President and Representative Director
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(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 | % |
| Three months ended June 30, 2025 | 34,869 | (2.9) | 1,164 | (31.7) | 951 | (59.3) | 695 | (58.0) |
| June 30, 2024 | 35,925 | 9.4 | 1,704 | 4.8 | 2,335 | (8.8) | 1,656 | (5.7) |

Note: Comprehensive income For the three months ended June 30, 2025: ¥(1,665) million [-%]
 For the three months ended June 30, 2024: ¥3,677 million [51.9%]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2025 | 20.52 | 20.48 |
| June 30, 2024 | 47.02 | 46.92 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|---------------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2025 | 169,712 | 119,562 | 70.7 | 3,560.30 |
| March 31, 2025 | 177,455 | 124,157 | 70.2 | 3,659.66 |

Reference: Equity
 As of June 30, 2025: ¥119,936 million
 As of March 31, 2025: ¥124,518 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, 2025 | - | 57.00 | - | 57.00 | 114.00 |
| Fiscal year ending March 31, 2026 | - | | | | |
| Fiscal year ending March 31, 2026 (Forecast) | | 57.00 | | 57.00 | 114.00 |

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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 |
| Six months ending September 30, 2025 | 71,500 | (2.1) | 3,500 | 1.9 | 3,700 | 14.4 | 2,500 | 36.6 | 73.48 |
| Fiscal year ending March 31, 2026 | 147,500 | (0.7) | 10,000 | 43.8 | 10,300 | 42.0 | 7,200 | 166.0 | 211.61 |

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (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 June 30, 2025 | 37,324,264 shares |
| As of March 31, 2025 | 37,324,264 shares |

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

| | |
|----------------------|------------------|
| As of June 30, 2025 | 3,637,097 shares |
| As of March 31, 2025 | 3,299,644 shares |

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

| | |
|----------------------------------|-------------------|
| Three months ended June 30, 2025 | 33,902,706 shares |
| Three months ended June 30, 2024 | 35,237,923 shares |

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

- * Proper use of earnings forecasts, and other special matters
(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 26,481 | 21,487 |
| Notes and accounts receivable - trade | 23,444 | 22,545 |
| Electronically recorded monetary claims - operating | 5,349 | 4,857 |
| Merchandise and finished goods | 19,485 | 19,999 |
| Work in process | 3,664 | 3,706 |
| Raw materials and supplies | 6,283 | 6,296 |
| Other | 1,326 | 1,405 |
| Allowance for doubtful accounts | (31) | (31) |
| Total current assets | 86,002 | 80,267 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 14,644 | 14,013 |
| Machinery, equipment and vehicles, net | 38,045 | 36,670 |
| Tools, furniture and fixtures, net | 495 | 442 |
| Land | 20,403 | 20,398 |
| Leased assets, net | 244 | 258 |
| Construction in progress | 462 | 661 |
| Total property, plant and equipment | 74,295 | 72,445 |
| Intangible assets | | |
| Leased assets | 30 | 28 |
| Software | 275 | 245 |
| Other | 176 | 175 |
| Total intangible assets | 482 | 449 |
| Investments and other assets | | |
| Investment securities | 10,210 | 10,254 |
| Deferred tax assets | 361 | 276 |
| Retirement benefit asset | 2,594 | 2,587 |
| Other | 3,545 | 3,467 |
| Allowance for doubtful accounts | (36) | (36) |
| Total investments and other assets | 16,674 | 16,550 |
| Total non-current assets | 91,452 | 89,445 |
| Total assets | 177,455 | 169,712 |

| | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 14,871 | 14,870 |
| Short-term borrowings | 4,219 | 4,179 |
| Lease liabilities | 107 | 115 |
| Income taxes payable | 2,962 | 687 |
| Provision for bonuses | 1,871 | 731 |
| Provision for bonuses for directors (and other officers) | 47 | 8 |
| Provision for product warranties | 84 | 49 |
| Other | 10,647 | 11,264 |
| Total current liabilities | 34,813 | 31,907 |
| Non-current liabilities | | |
| Long-term borrowings | 11,641 | 11,635 |
| Lease liabilities | 215 | 213 |
| Deferred tax liabilities | 3,191 | 3,077 |
| Provision for retirement benefits for directors (and other officers) | 137 | 106 |
| Provision for product warranties | 1,094 | 1,094 |
| Retirement benefit liability | 1,375 | 1,396 |
| Other | 827 | 718 |
| Total non-current liabilities | 18,484 | 18,243 |
| Total liabilities | 53,297 | 50,150 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 8,136 | 8,136 |
| Capital surplus | 10,950 | 10,950 |
| Retained earnings | 98,008 | 96,791 |
| Treasury shares | (9,733) | (10,750) |
| Total shareholders' equity | 107,361 | 105,127 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,067 | 5,100 |
| Foreign currency translation adjustment | 10,445 | 8,142 |
| Remeasurements of defined benefit plans | 1,644 | 1,566 |
| Total accumulated other comprehensive income | 17,157 | 14,809 |
| Share acquisition rights | 169 | 169 |
| Non-controlling interests | (530) | (544) |
| Total net assets | 124,157 | 119,562 |
| Total liabilities and net assets | 177,455 | 169,712 |

Quarterly consolidated statement of income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 35,925 | 34,869 |
| Cost of sales | 23,643 | 22,826 |
| Gross profit | 12,281 | 12,043 |
| Selling, general and administrative expenses | 10,576 | 10,878 |
| Operating profit | 1,704 | 1,164 |
| Non-operating income | | |
| Interest income | 42 | 29 |
| Dividend income | 17 | 6 |
| Rental income from real estate | 22 | 8 |
| Foreign exchange gains | 546 | - |
| Other | 61 | 47 |
| Total non-operating income | 689 | 91 |
| Non-operating expenses | | |
| Interest expenses | 31 | 106 |
| Foreign exchange losses | - | 187 |
| Other | 27 | 10 |
| Total non-operating expenses | 58 | 304 |
| Ordinary profit | 2,335 | 951 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 0 | 6 |
| Total extraordinary income | 0 | 6 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 21 | 28 |
| Loss on retirement of inventories | - | 9 |
| Total extraordinary losses | 21 | 38 |
| Profit before income taxes | 2,314 | 919 |
| Income taxes - current | 162 | 122 |
| Income taxes - deferred | 487 | 114 |
| Total income taxes | 649 | 237 |
| Profit | 1,665 | 682 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 1,656 | 695 |
| Profit attributable to non-controlling interests | 8 | (13) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (230) | 33 |
| Foreign currency translation adjustment | 2,296 | (2,303) |
| Remeasurements of defined benefit plans, net of tax | (53) | (77) |
| Total other comprehensive income | 2,012 | (2,347) |
| Comprehensive income | 3,677 | (1,665) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,669 | (1,651) |
| Comprehensive income attributable to non-controlling interests | 8 | (13) |

(Notes on segment information, etc.)

Segment Information

I. the three months of the previous fiscal year (April 1, 2024 to June 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

| | Reportable segments | Others (Note 1) | Total | Adjustment amount (Note 2) | Amount recorded in consolidated financial statements (Note 3) |
|----------------------------------|--------------------------------------|-----------------|--------|----------------------------|---|
| | Exterior building materials business | | | | |
| Sales | | | | | |
| Revenues from external customers | 33,623 | 2,301 | 35,925 | - | 35,925 |
| Transactions with other segments | 252 | 456 | 709 | (709) | - |
| Total | 33,875 | 2,758 | 36,634 | (709) | 35,925 |
| Segment profit | 2,439 | (25) | 2,413 | (708) | 1,704 |

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments and includes the fiberboard business, construction business, FP business, and other businesses.

2. Adjustments for segment profits or losses include ¥(722) million in corporate expenses and ¥13 million in adjustments that have not been allocated to each reporting segment. Company-wide expenses are mainly expenses related to the Company's general affairs and other administrative divisions that are not attributable to the reporting segment.

3. Segment profit or loss is adjusted for operating income in the quarterly consolidated income and comprehensive income statement.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. the three months of the current fiscal year (April 1, 2025 to June 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

| | Reportable segments | Others (Note 1) | Total | Adjustment amount (Note 2) | Amount recorded in consolidated financial statements (Note 3) |
|----------------------------------|--------------------------------------|-----------------|--------|----------------------------|---|
| | Exterior building materials business | | | | |
| Sales | | | | | |
| Revenues from external customers | 32,550 | 2,319 | 34,869 | - | 34,869 |
| Transactions with other segments | 271 | 475 | 746 | (746) | - |
| Total | 32,821 | 2,794 | 35,616 | (746) | 34,869 |
| Segment profit | 1,845 | 6 | 1,851 | (687) | 1,164 |

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments and includes the fiberboard business, construction business, FP business, and other businesses.

2. Adjustments for segment profits or losses include ¥(690) million in corporate expenses and ¥3 million in adjustments that have not been allocated to each reporting segment. Company-wide expenses are mainly expenses related to the Company's general affairs and other administrative divisions that are not attributable to the reporting segment.

3. Segment profit or loss is adjusted for operating income in the quarterly consolidated income and comprehensive income statement.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.