

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

This consolidated financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures are in Japanese yen rounded down to the nearest million.

PERFORMANCE

(1) Business Results

(Millions of yen, except per share figures)

	Jan.-Dec. 2021	Jan.-Dec. 2020	Change
Net sales	510,643	457,051	11.7%
Operating income	21,788	1,248	-
Ordinary income	25,358	3,466	631.5%
Net income	24,816	13,540	83.3%
Net income/share (yen)	149.08	81.38	
Diluted net income/share (yen)	-	-	
Return on equity (%)	10.2	5.8	
Ordinary income to total assets (%)	4.3	0.6	
Operating income to net sales (%)	4.3	0.3	

(Note) Comprehensive income

Fiscal year ended December 31, 2021: ¥38,114 million

Fiscal year ended December 31, 2020: (¥5,168) million

(Reference) Equity in earnings of non-consolidated subsidiaries and affiliates

Fiscal year ended December 31, 2021: ¥2,674 million

Fiscal year ended December 31, 2020: ¥2,574 million

(2) Financial Position

	Dec. 2021	Dec. 2020
Total assets	604,799	581,204
Net assets	272,631	242,067
Shareholders' equity to total assets	42.8%	39.4%
Net assets/share (yen)	1,556.01	1,375.19

(Reference) Shareholders' equity at end of period

December 31, 2021: ¥259,060 million

December 31, 2020: ¥228,872 million

(3) Cash Flows

	Dec. 2021	Dec. 2020
Operating activities	39,827	42,590
Investing activities	(16,767)	(6,321)
Financing activities	(30,818)	(24,230)
Cash and cash equivalents at the end of period	42,596	48,699

DIVIDENDS

		Dec. 2021	Dec. 2020	Dec. 2022 (Forecast)
Dividends per share	Interim (yen)	15.00	15.00	17.00
	Year-end (yen)	15.00	15.00	17.00
	Annual (yen)	30.00	30.00	34.00
Total amount of dividend payment (mil. of yen)		4,994	4,992	
Dividends payout ratio (consolidated)		20.1%	36.9%	33.3%
Dividends to net assets ratio (consolidated)		2.0%	2.1%	

FORECAST OF RESULTS FOR THE YEAR ENDING DEC. 31, 2022

Millions of yen, except per share figures; percentages indicate year-on-year change)

	Year ending Dec. 31, 2022	
	Full-year	Change
Net sales	513,000	0.5%
Operating income	23,000	5.6%
Ordinary income	26,000	2.5%
Net income	17,000	-31.5%
Net income/share (Yen)	102.11	

OTHER IMPORTANT INFORMATION

- (1) Important subsidiary changes during term under review (changes to specific subsidiaries pursuant to changes in scope of consolidation): No
Inclusion: — (company name)
Exclusion: — (company name)
- (2) Changes in accounting policy, changes in accounting estimation, amended restatement
 - (i) Changes in accounting policy due to revision of accounting standards, etc.: No
 - (ii) Changes in accounting policy for reasons other than (i): No
 - (iii) Changes in accounting estimation: No
 - (iv) Amended restatement: No
- (3) Number of shares issued (common stock)
 - (i) Number of shares issued including treasury stock shares

As of December 31, 2021:	179,042,894 shares
As of December 31, 2020:	178,978,479 shares
 - (ii) Number of treasury stock shares

As of December 31, 2021:	12,552,280 shares
As of December 31, 2020:	12,549,457 shares
 - (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2021:	166,460,911 shares
Fiscal year ended December 31, 2020:	166,398,351 shares

(Notes)

Explanation of appropriate use of performance forecasts and other special items

This document contains forecasts of performance and other projections based on information currently available and certain assumptions judged by Nisshinbo to be reasonable. Actual performance may materially differ from these projections as a result of changes in the economic environment and other risks and uncertainties.