

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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. 2022	Jan.-Dec. 2021	Change
Net sales	516,085	510,643	1.1%
Operating income	15,435	21,788	(29.2%)
Ordinary income	20,397	25,358	(19.6%)
Net income	19,740	24,816	(20.5%)
Net income/share (yen)	121.06	149.08	
Diluted net income/share (yen)	-	-	
Return on equity (%)	7.6	10.2	
Ordinary income to total assets (%)	3.3	4.3	
Operating income to net sales (%)	3.0	4.3	

(Note) Comprehensive income

Fiscal year ended December 31, 2022: ¥21,143 million

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

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

Fiscal year ended December 31, 2022: ¥3,656 million

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

(2) Financial Position

	Dec. 2022	Dec. 2021
Total assets	616,273	604,799
Net assets	278,498	272,631
Shareholders' equity to total assets	42.8%	42.8%
Net assets/share (yen)	1,679.53	1,556.01

(Reference) Shareholders' equity at end of period

December 31, 2022: ¥263,749 million

December 31, 2021: ¥259,060 million

(3) Cash Flows

	Dec. 2022	Dec. 2021
Operating activities	19,585	39,827
Investing activities	(11,692)	(16,767)
Financing activities	(8,888)	(30,818)
Cash and cash equivalents at the end of period	45,092	42,596

DIVIDENDS

		Dec. 2022	Dec. 2021	Dec. 2023 (Forecast)
Dividends per share	Interim (yen)	17.00	15.00	18.00
	Year-end (yen)	17.00	15.00	18.00
	Annual (yen)	34.00	30.00	36.00
Total amount of dividend payment (mil. of yen)		5,462	4,994	
Dividends payout ratio (consolidated)		28.1%	20.1%	31.4%
Dividends to net assets ratio (consolidated)		2.1%	2.0%	

FORECAST OF RESULTS FOR THE YEAR ENDING DEC. 31, 2023

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

	Year ending Dec. 31, 2023	
	Full-year	Change
Net sales	557,000	7.9%
Operating income	24,000	55.5%
Ordinary income	27,000	32.4%
Net income	18,000	-8.8%
Net income/share (Yen)	114.62	

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.: Yes
 - (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, 2022:	169,120,014 shares
As of December 31, 2021:	179,042,894 shares
 - (ii) Number of treasury stock shares

As of December 31, 2022:	12,081,848 shares
As of December 31, 2021:	12,552,280 shares
 - (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2022:	163,065,449 shares
Fiscal year ended December 31, 2021:	166,460,911 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.