

Nov 7,2023

Notice Regarding Differences Between Consolidated Financial Results Forecasts and Actual Results for First Six Months of Fiscal Year Ending March 2024, Dividends of Surplus (interim dividends) and Revision of Year-end Dividend Forecast

NIPPON CORPORATION (the "Company") announces that differences have arisen between consolidated financial results forecasts for the first six months of the fiscal year ending March 31, 2024 published on May 12, 2023 and actual results for the same period.

The Company also announces that, in consideration of the actual results, etc., it resolved at the meeting of the Board of Directors held on November 7, 2023 to revise full-year consolidated financial results forecasts as well as forecasts for dividends of surplus (interim dividends) as of the record date (September 30, 2023) and year-end dividend for the fiscal year ending March 2024.

1. Differences between the consolidated financial results forecasts and the results for the first six months of the fiscal year ending March 31, 2024 (April 1, 2023 - September 30, 2023)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	191,000	6,300	7,400	5,100	65.45
Results (B)	198,973	11,035	12,544	8,489	108.90
Change (B-A)	7,973	4,735	5,144	3,389	
Change (%)	4.2	75.2	69.5	66.5	
(Reference) Actual results for previous fiscal year (2nd quarter of fiscal year ended March 31, 2023)	176,488	5,829	7,211	4,963	64.17

2. Revision of consolidated financial forecast for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	387,000	12,500	14,600	10,800	138.60
Revised forecast (B)	400,000	17,500	20,000	14,500	186.00
Change (B-A)	13,000	5,000	5,400	3,700	
Change (%)	3.4	40.0	37.0	34.3	
(Reference) Actual results for previous fiscal year (Fiscal year ended March 31, 2023)	365,525	12,288	14,816	10,260	132.16

3. Reasons for differences and revisions

Regarding consolidated financial results for the first six months of the fiscal year under review, net sales exceeded the previous forecast, attributable to increased demand mainly reflecting recovery in personal consumption and inbound consumption in addition to price revisions implemented in response to rises in raw material prices and various other costs. Profits exceeded the previous forecasts, mainly owing to growth in sales volume of frozen foods and robust performance of the ready-made meal business, despite rises in raw material prices and various other costs and an increase in costs for sales expansion strategies.

Financial results forecasts for the fiscal year ending March 31, 2024 have been revised by taking into account effects of the changes in net sales and profits in the first six months and the outlook for the latter half.

4. Dividends of surplus (interim dividends) and revision of year-end dividend forecast

(1) Details of dividends from surplus (Interim dividend)

	Amount determined	Most recent dividend forecast (Announced on May 12, 2023)	Dividends in the previous fiscal year (Interim dividend for fiscal year ended March 31, 2023)
Record date	September 30, 2023	Same as left	September 30, 2022
Dividend per share	28.00 yen	20.00 yen	19.00 yen
Total dividends	2,194 million yen	—	1,484 million yen
Effective date	December 4, 2023	—	December 5, 2022
Source of dividends	Retained earnings	—	Retained earnings

(2) Details of revision to year-end dividend forecast

Record date	Dividend per share		
	End of 2nd quarter	End of fiscal year	Full year
Previous forecast	20.00 yen	20.00 yen	40.00 yen
Revised forecast		28.00 yen	56.00 yen
Result	28.00 yen		
Dividends in the previous fiscal year (Fiscal year ended March 31, 2023)	19.00 yen	21.00 yen	40.00 yen

5. Reason

The Company positions the return of profits to shareholders as an important management issue and adopts a basic policy to maintain stable and sustained payment of dividends in consideration of business development in the future, management environment, etc., while securing sufficient internal reserves to fund growth investment for strengthening its corporate structure and achieving future business expansion. Based on this policy, the Company has set a target of 30% or higher for its consolidated dividend payout ratio, with special and extraordinary profit/loss due to the sale of assets and other factors excluded from calculations, and determines dividends by taking into account financial results, management environment in the future, etc.

With regard to dividends for the fiscal year ending March 31, 2024, the Company has decided to increase both interim and year-end dividends forecasts by ¥8 per share from the immediately preceding forecasts to ¥28 per share, respectively, based on recent favorable financial results in addition to the future outlook for management environment. As a result, the forecast for annual dividend for the fiscal year under review is ¥56 per share, representing an increase of ¥16 compared to the actual result of the previous fiscal year.

(Note) The above financial results forecasts have been prepared based on information available as of the date on which this material was announced, and actual results may differ from the forecasts due to a variety of factors going forward.

(Reference)

1. Changes in consolidated results

(Million yen)

	Year ended March 2019	Year ended March 2020	Year ended March 2021	Year ended March 2022	Year ended March 2023	Year ending March 2024 (forecast)
Net sales	335,399	344,839	288,324	321,317	365,525	400,000
Operating income	11,222	11,101	10,370	11,282	12,288	17,500
Ordinary income	13,065	12,740	12,659	14,270	14,816	20,000
Profit attributable to owners of parent	8,455	8,941	8,636	9,327	10,260	14,500
Payout ratio (consolidated)	29.4%	29.1%	32.0%	31.3%	30.3%	30.1%

(Note) The figures for the fiscal year ended March 31, 2021 reflect those to which retrospective accounting has been applied due to accounting policy changes.

2. Changes in dividend per share

