

July 28, 2022

Notice of Extraordinary Income and Revision to Business Forecasts

NICHIREKI CO.,LTD. announces that the Company plans to record extraordinary income in the first quarter of the fiscal year ending March 2023, associated with the transition of its retirement benefit plans, as described below. With this, the Company has revised the business forecasts for the fiscal year ending March 2023, which was announced on May 10, 2022.

1. Transition of retirement benefit plans

Effective April 1, 2022, the Company and certain consolidated subsidiaries have transitioned part of the retirement benefit plans to a defined contribution pension plan.

Regarding the accounting treatment associated with the transition to this plan, the Company has applied the "Accounting for Transition between Retirement Benefit Plans" (ASBJ Guidance No. 1, December 16, 2016) and the "Practical Treatment of Accounting for Transfers between Retirement Benefit Plans" (ASBJ Practical Issues Task Force No. 2, February 7, 2007). As a result of this transition, a gain on revision of the retirement benefit plan of 1,200 million yen is expected to be recorded as extraordinary income in the first quarter of the current fiscal year.

2. Revisions to business forecasts

(1) Revision to business forecasts for the first half of the fiscal year ending March 2023

(April 1, 2022 – September 30, 2022)

(Amounts are rounded down to the nearest million yen.)

	Net sales	Operating Profit	Ordinary Profit	Profit attributable to owners of the parent company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	34,000	2,900	3,000	2,000	65.45
Revised forecasts (B)	34,000	2,900	3,000	3,200	104.68
Increase/decrease (B-A)	-	-	-	1,200	
Percentage change (%)	-	-	-	60.0	
(Reference) Previous results (Q2 FY3/22)	32,416	2,779	2,947	2,002	65.54

July 28, 2022

(2) Revisions to consolidated full-year business forecasts for the fiscal year ending March 2023
(April 1, 2022 to March 31, 2023)

(Amounts are rounded down to the nearest million yen.)

	Net sales	Operating Profit	Ordinary Profit	Profit attributable to owners of the parent company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	82,000	9,000	9,300	6,000	196.35
Revised forecasts (B)	82,000	9,000	9,300	7,200	235.54
Increase/decrease (B-A)	-	-	-	1,200	
Percentage change (%)	-	-	-	20.0	
(Reference) Previous results (FY3/22)	78,001	8,566	9,311	6,811	222.91

(3) Reasons for the revision

Profit attributable to owners of the parent company is expected to exceed the previously announced forecast due to the recording of extraordinary income accompanying the transition to the retirement benefit plan.