

August 12, 2021

Company name: Nikkiso Co., Ltd.  
 Representative: Toshihiko Kai, President & CEO  
 (Stock code: 6376 First section of the Tokyo Stock Exchange)  
 Contact: Susumu Koito, Director, General Manager of Corporate Unit  
 (Tel. +81-3-3443-3717)

**Announcement of Differences between Financial Forecasts and Actual Results for the First Half of the Fiscal Year  
 Ending December 31, 2021 and Revision of Financial Forecasts**

Nikkiso Co., Ltd. has announced differences between the financial forecasts for the first half (January 1, 2021 to June 30, 2021) of the fiscal ending December 31, 2021 announced on February 12, 2021 and the actual results. The details are as follows.

In addition, in light of recent financial results trends, the Company has announced that the financial forecasts for the fiscal year ending December 31, 2021 (January 1, 2021 to December 31, 2021) have been revised as follows.

1. Differences between consolidated financial forecasts and actual results for the first half of the fiscal year ending December 31, 2021

	Revenue	Operating profit	Profit before tax	Profit for the year attributable to owners of the company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	81,000	3,000	2,300	1,600	22.46
Results (B)	77,578	3,584	4,120	754	10.59
Change (B-A)	(3,421)	+584	+1,820	(845)	
Change (%)	(4.2)	+19.5	+79.2	(52.8)	
(Reference) Consolidated results for the previous year	74,833	4,162	3,863	2,844	39.93

2. Revision of full-year consolidated financial forecasts for the fiscal year ending December 31, 2021 (January 1, 2021 to December 31, 2021)

	Revenue	Operating profit	Profit before tax	Profit for the year attributable to owners of the company	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	184,000	10,500	9,400	6,800	95.44
Revised forecast (B)	174,500	9,000	8,700	4,700	65.97
Change (B-A)	(9,500)	(1,500)	(700)	(2,100)	
Change (%)	(5.2)	(14.3)	(7.4)	(30.9)	
(Reference) Consolidated results for the previous year	158,542	10,229	9,045	6,560	92.08

### 3. Reason for revision

In the Industrial sector, although the amount of orders received has increased significantly due to improvements in the market environment, including large-scale orders for LNG-fueled ships in the Industrial Business, revenue and operating profit are expected to progress largely in line with projections. On the other hand, in the Medical sector, while the hemodialysis-related business is expected to remain strong both in Japan and overseas, the healthcare business is facing an increasingly competitive environment in stand-alone equipment sales. In addition, it is taking time to collaborate with business operators on development and deployment of applications of the Company's deep UV-LED technology and functions, including embedding them in equipment. As a result, both revenue and operating profit are expected to fall short of the initial plan. From the third quarter of the current fiscal year, the Company will implement various initiatives, including the launch of new products and expansion into the Chinese, European, and U.S. markets. However, based on the current trends, sales plan will be revised downwards.

In addition to these business trends, consolidated profit before tax increased significantly in the first half of the current fiscal year, mainly due to foreign exchange gains of about 800 million yen from the valuation of euro-denominated assets and liabilities, as the euro continued to appreciate against the yen. In addition, income tax expenses of 1,726 million yen related to income tax of a consolidated subsidiary were recorded due to penalty charges resulting from reassessment by the tax authorities. As a result, profit attributable to owners of the Company decreased. The Group will assert its legitimacy, including the filing of an examination request.

Besides the aforementioned factors, the Company has revised its forecasts for revenue, operating profit, profit before tax, and profit attributable to owners of the Company in light of non-recurring expenditures such as the dismantling and retirement of existing facilities related to the establishment of the new Biomedical Engineering Center, which is currently underway as part of the Company's efforts to strengthen its business foundation, as well as changes in the exchange rates (from 105 yen to 109 yen for the U.S. dollar and from 125 yen to 129 yen for the euro), which are the assumptions underlying the financial forecast.

Note: The forecasts contained in this document are based on judgements made using information available at the time of publication and include uncertainties.

Actual results may differ from forecast figures due to various factors, including future business operations and exchange rate fluctuations.