

Consolidated Financial Results for the Three Months Ended March,31 2019 (IFRS) (Q1 FY ending December 2019)

Company name: NIKKISO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6376
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 Supplementary documents for quarterly results: Yes
 Financial results briefing: None

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended March 31, 2019 (January 1, 2019 - March 31, 2019)

(1) Consolidated Results of Operations

(Percentages show year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar.31, 2019	37,480	8.7	2,154	149.4	1,927	—	1,468	—
Mar.31, 2018	34,492	16.8	864	(30.3)	83	(88.7)	79	(80.0)

	Profit for the year attributable to owners of the company		Total amount of comprehensive income	
	Million yen	%	Million yen	%
Three months ended Mar.31, 2019	1,402	—	1,461	-
Mar.31, 2018	37	(89.8)	(4,476)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		%	
Three months ended Mar.31, 2019	19.70		19.67	
Mar.31, 2018	0.53		0.24	

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the company	Equity ratio
	Million yen	Million yen	Million yen	%
Three months ended Mar.31, 2019	264,814	78,761	76,962	29.1
Financial period ended in December 2018	249,788	78,338	76,624	30.7

2. Dividend Conditions

	Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	Term-end	Total
Financial period ended in December 2018	Yen -	Yen 8.00	Yen -	Yen 10.00	Yen 18.00
Financial period ending in December 2019	-				
Financial period ending in December 2019 (Forecast)		10.00	-	10.00	20.00

(Note) Revisions to dividend forecasts made during the quarter under review: None

3. Consolidated Financial Results Forecast for the Financial Period ending in December 2019 (January 1, 2019 - December 31, 2019)

(Percentages represent year-over-year change)

	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
The second quarter (cumulative)	80,500	6.5	3,100	(2.1)	3,000	8.6	2,000	(1.7)	28.09
Annual	172,000	4.0	11,000	6.8	10,600	8.8	7,800	4.7	109.57

(Note) Revisions to consolidated financial forecasts made during the quarter under review: None

* Note

(1) Important changes in subsidiaries during the period

(change of specific subsidiaries in accordance with changes in the scope of consolidation)

Newly included: None, Excluded: None

(2) Application of particular accounts procedures to the preparation of consolidated financial statements

(i) Changes in accounting policies required by IFRSs:	Yes
(ii) Changes other than (i) in accounting methods:	None
(iii) Changes in accounting estimates:	None

(3) Number of ordinary shares issued

(i) Number of shares issued as of term-end (including treasury shares)	
As of March 31, 2019	74,286,464 shares
As of December 31, 2018	74,286,464 shares
(ii) Treasury shares as of term-end	
As of March 31, 2019	3,099,120 shares
As of December,31 2018	3,098,991 shares
(iii) Average number of shares outstanding	
Three months ended March 31, 2019	71,187,408 shares
Three months ended March 31, 2018	71,187,975 shares

* Immediate report of financial results is out of the scope of audit.

* Disclaimer regarding forward-looking information including appropriate use of forecast financial results

The forecast statements shown in these materials are based on information currently available and certain assumptions that the Company regards as reasonable. Actual performance and other results may differ from these forecast figures due to various factors.

3. Consolidated Financial Statements
 (1) Consolidated Statement of Financial Position

(Unit: million yen)

	End of consolidated FY2018 (as of December 31, 2018)	End of the first three-month period of consolidated FY 2019 (as of March 31, 2019)
Assets		
Current assets		
Cash and cash equivalents	29,269	33,729
Trade and other receivables	54,077	48,333
Other short-term financial assets	1,107	663
Inventories	33,297	37,605
Income tax refund receivable	186	401
Other current assets	3,403	2,952
Total current assets	121,342	123,686
Non-current assets		
Property, plant and equipment	44,920	45,015
Goodwill and Intangible assets	64,255	64,002
Right-of-use assets	—	13,233
Investments accounted for using the equity method	1,299	1,362
Long-term financial assets	13,825	13,908
Deferred tax assets	2,735	2,913
Other non-current assets	1,409	692
Total non-current assets	128,446	141,128
Total assets	249,788	264,814

(Unit: million yen)

	End of consolidated FY2018 (as of December 31, 2018)	End of the first three-month period of consolidated FY 2019 (as of March 31, 2019)
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and short-term borrowings	40,056	46,343
Trade and other payables	27,380	24,957
Lease liabilities	—	2,112
Other short-term financial liabilities	626	630
Income tax payable	1,977	867
Provisions	1,347	1,402
Other current liabilities	15,658	14,952
Total current liabilities	87,045	91,265
Non-current liabilities		
Bonds and long-term borrowings	76,996	76,817
Lease liabilities	—	10,753
Other long-term financial liabilities	1,050	835
Net defined benefit liabilities	3,217	3,176
Provisions	213	287
Deferred tax liabilities	2,807	2,799
Other non-current liabilities	118	118
Total non-current liabilities	84,404	94,787
Total liabilities	171,450	186,053
Equity		
Share capital	6,544	6,544
Capital surplus	11,069	10,994
Treasury shares	(2,544)	(2,544)
Other components of equity	1,851	1,808
Retained earnings	59,703	60,160
Equity attributable to owners of the company	76,624	76,962
Non-controlling interests	1,714	1,798
Total equity	78,338	78,761
Total liabilities and equity	249,788	264,814

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Other Comprehensive Income

(Consolidated Statement of Profit or Loss)

(Unit: million yen)

	First three-month period of consolidated FY 2018 (From January 1, 2018 to March 31, 2018)	First three-month period of consolidated FY 2019 (From January 1, 2019 to March 31, 2019)
Revenue	34,492	37,480
Cost of sales	(22,680)	(24,630)
Gross profit	11,812	12,849
Selling, general and administrative expense	(11,038)	(10,843)
Other income	134	156
Other expenses	(44)	(7)
Operating profit	864	2,154
Financial income	144	39
Financial costs	(986)	(336)
Share of profit of associates and joint venture accounted for using the equity method	62	70
Profit before tax	83	1,927
Income tax expense	(4)	(459)
Profit for the year	79	1,468
Profit for the year attributable to:		
Owners of the company	37	1,402
Non-controlling interests	41	65
Profit for the year	79	1,468
Earnings per share		
Basic (Yen)	0.53	19.70
Diluted (Yen)	0.24	19.67

(Consolidated Statement of Other Comprehensive Income)

(Unit: million yen)

	First three-month period of consolidated FY 2018 (From January 1, 2018 to March 31, 2018)	First three-month period of consolidated FY 2019 (From January 1, 2019 to March 31, 2019)
Profit for the year	79	1,468
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	(257)	68
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	0	(1)
Total	(256)	67
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(4,315)	(93)
Gain (loss) on cash flow hedges	36	(4)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(19)	23
Total	(4,298)	(74)
Other comprehensive income, net of tax	(4,555)	(7)
Total comprehensive income	(4,476)	1,461
Total comprehensive income attributable to:		
Owners of the company	(4,482)	1,359
Non-controlling interests	5	101
Total comprehensive income	(4,476)	1,461