

## Consolidated Financial Results for the Nine Months Ended September 30, 2018 (IFRS) (Q3 FY ending December 2018)

Company name: NIKKISO CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 6376  
 URL: <https://www.nikkiso.co.jp>  
 Representative: Toshihiko Kai, President & CEO  
 Contact: Hiroshi Nakamura, Director, Executive Vice President  
 Tel. +81-3-3443-3711  
 Scheduled date for filling of securities report: November 14, 2018  
 Scheduled date of commencement of dividend payment: -  
 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 Nine Months Ended September 30, 2018 (January 1, 2018 - September 30, 2018)

#### (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	%
Nine months ended Sep.30, 2018	115,437	18.8	6,308	26.9	6,175	43.2	4,413	67.1
Sep.30, 2017	97,199	-	4,972	-	4,311	-	2,642	-

	Profit for the year attributable to owners of the company		Total amount of comprehensive income	
	Million yen	%	Million yen	%
Nine months ended Sep.30, 2018	4,296	69.5	3,629	(44.3)
Sep.30, 2017	2,535	-	6,519	-

	Basic earnings per share		Diluted earnings per share	
	Yen		%	
Nine months ended Sep.30, 2018	60.35		54.72	
Sep.30, 2017	35.63		30.91	

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the company	Equity ratio
	Million yen	Million yen	Million yen	%
Nine months ended Sep.30, 2018	252,120	78,857	77,128	30.6
Financial period ended in December 2017	244,692	76,787	75,051	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 2017	Yen -	Yen 8.00	Yen -	Yen 8.00	Yen 16.00
Financial period ending in December 2018	-	8.00	-		
Financial period ending in December 2018 (Forecast)				8.00	16.00

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

## 3. Consolidated Financial Results Forecast for the Financial Period ending in December 2018 (January 1, 2018 - December 31, 2018)

(percentages show year-over-year changes)

	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
Annual	162,000	15.0	10,000	14.7	9,000	8.3	5,900	13.8	82.89

(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 September 30, 2018   | 74,286,464 shares |
| As of December 31, 2017  | 74,286,464 shares |
| (ii) Treasury shares as of term-end                                    |                   |
| As of September 30, 2018   | 3,098,826 shares  |
| As of December 31, 2017  | 3,098,489 shares  |
| (iii) Average number of shares outstanding                             |                   |
| Nine months ended September 30, 2018                                   | 71,187,882 shares |
| Nine months ended September 30, 2017                                   | 71,145,689 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 FY2017 (as of December 31, 2017)	End of the first nine-month period of consolidated FY 2018 (as of September 30, 2018)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	34,095	32,541
Trade and other receivables	50,434	48,165
Other short-term financial assets	1,698	1,198
Inventories	30,363	37,147
Income tax refund receivable	359	848
Other current assets	2,152	3,301
<b>Total current assets</b>	<b>119,103</b>	<b>123,204</b>
Non-current assets		
Property, plant and equipment	38,454	42,722
Goodwill and Intangible assets	67,792	66,080
Investments accounted for using the equity method	1,198	1,224
Long-term financial assets	15,354	15,438
Deferred tax assets	1,913	1,964
Other non-current assets	875	1,485
<b>Total non-current assets</b>	<b>125,588</b>	<b>128,916</b>
<b>Total assets</b>	<b>244,692</b>	<b>252,120</b>

(Unit: million yen)

	End of consolidated FY2017 (as of December 31, 2017)	End of the first nine-month period of consolidated FY 2018 (as of September 30, 2018)
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bonds and short-term borrowings	76,975	41,309
Trade and other payables	22,624	26,402
Other short-term financial liabilities	573	551
Income tax payable	1,237	1,305
Provisions	1,513	1,406
Other current liabilities	11,006	15,264
<b>Total current liabilities</b>	<b>113,930</b>	<b>86,241</b>
<b>Non-current liabilities</b>		
Bonds and long-term borrowings	45,553	78,952
Other long-term financial liabilities	569	850
Net defined benefit liabilities	3,287	3,133
Provisions	176	172
Deferred tax liabilities	4,269	3,797
Other non-current liabilities	117	115
<b>Total non-current liabilities</b>	<b>53,974</b>	<b>87,021</b>
<b>Total liabilities</b>	<b>167,905</b>	<b>173,263</b>
<b>Equity</b>		
Share capital	6,544	6,544
Capital surplus	11,099	11,069
Treasury shares	(2,543)	(2,544)
Other components of equity	6,268	5,468
Retained earnings	53,682	56,590
Equity attributable to owners of the company	75,051	77,128
Non-controlling interests	1,736	1,728
<b>Total equity</b>	<b>76,787</b>	<b>78,857</b>
<b>Total liabilities and equity</b>	<b>244,692</b>	<b>252,120</b>

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

(Consolidated Statement of Profit or Loss)

(Unit: million yen)

	First nine-month period of consolidated FY 2017 (From January 1, 2017 to september 30, 2017)	First nine-month period of consolidated FY 2018 (From January 1, 2018 to September 30, 2018)
Revenue	97,199	115,437
Cost of sales	(63,626)	(75,000)
Gross profit	33,573	40,437
Selling, general and administrative expense	(30,482)	(34,536)
Other income	2,020	493
Other expenses	(138)	(85)
Operating profit	4,972	6,308
Financial income	397	524
Financial costs	(1,180)	(829)
Share of profit of associates and joint venture accounted for using the equity method	121	171
Profit before tax	4,311	6,175
Income tax expense	(1,669)	(1,761)
Profit for the year	2,642	4,413
Profit for the year attributable to:		
Owners of the company	2,535	4,296
Non-controlling interests	106	117
Profit for the year	2,642	4,413
Earnings per share		
Basic (Yen)	35.63	60.35
Diluted (Yen)	30.91	54.72

## (Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	First nine-month period of consolidated FY 2017 (From January 1, 2017 to September 30, 2017)	First nine-month period of consolidated FY 2018 (From January 1, 2018 to September 30, 2018)
Profit for the year	2,642	4,413
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	898	9
Remeasurement of defined benefit pension plans	188	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(0)	3
Total	1,085	13
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	2,761	(624)
Gain (loss) on cash flow hedges	18	(134)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	12	(37)
Total	2,791	(797)
Other comprehensive income, net of tax	3,877	(784)
Total comprehensive income	6,519	3,629
Total comprehensive income attributable to:		
Owners of the company	6,346	3,496
Non-controlling interests	172	133
Total comprehensive income	6,519	3,629