

Consolidated Financial Results for the Nine Months Ended September,30 2020 (IFRS) (Q3 FY ending December 2020)

Company name: NIKKISO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6376
 URL: <https://www.nikkiso.com>.
 Representative: Toshihiko Kai, President & CEO
 Contact: Susumu Koito, Director, Executive Officer
 Tel. +81-3-3443-3711

Scheduled date for filling of securities report: November 13, 2020
 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, 2020 (January 1, 2020 - September 30, 2020)

(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								
September 30, 2020	111,698	(7.8)	5,918	(37.8)	5,476	(34.5)	4,458	(7.1)
September 30, 2019	121,193	5.0	9,511	50.8	8,359	35.4	4,797	8.7

	Profit for the year attributable to owners of the company		Total amount of comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	%
Nine months ended						
September 30, 2020	4,253	(8.3)	2,898	114.3	59.71	59.63
September 30, 2019	4,638	8.0	1,352	(62.7)	65.14	65.04

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the company	Equity ratio
As of	Million yen	Million yen	Million yen	%
September 30, 2020	270,318	84,822	82,942	30.7
December 31, 2019	252,984	83,413	81,537	32.2

2. Dividend Conditions

	Dividends				
	End of the first quarter	End of the second quarter	End of the third quarter	Term-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31,2019	-	10.00	-	10.00	20.00
Fiscal year ending December 31,2020	-	10.00	-		
Fiscal year ending December 31, 2020 (Forecast)				10.00	20.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2020 (January 1, 2020 - December 31, 2020)

(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
Annual	158,000	(4.7)	9,000	(27.8)	7,700	(32.3)	5,200	(23.7)	73.02

(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

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|---|------|
| (i) Changes in accounting policies required by IFRSs: | None |
| (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, 2020 | 74,286,464 shares |
| As of December 31, 2019 | 74,286,464 shares |
| (ii) Treasury shares as of term-end | |
| As of September 30, 2020 | 3,037,968 shares |
| As of December 31, 2019 | 3,067,681 shares |
| (iii) Average number of shares outstanding | |
| Nine months ended September 30, 2020 | 71,238,740 shares |
| Nine months ended September 30, 2019 | 71,208,533 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)

	As of December 31, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	20,303	30,996
Trade and other receivables	53,256	43,666
Other short-term financial assets	468	427
Inventories	35,523	42,769
Income tax refund receivable	470	982
Other current assets	2,997	4,005
Total current assets	113,020	122,848
Non-current assets		
Property, plant and equipment	41,849	48,563
Goodwill and Intangible assets	61,105	60,344
Right-of-use assets	14,696	14,864
Investments accounted for using the equity method	2,947	3,587
Long-term financial assets	15,392	16,048
Deferred tax assets	3,315	3,475
Other non-current assets	657	585
Total non-current assets	139,964	147,470
Total assets	252,984	270,318

(Unit: million yen)

As of December 31, 2019

As of September 30, 2020

Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings	21,680	25,225
Trade and other payables	28,231	25,459
Lease liabilities	2,550	2,383
Other short-term financial liabilities	820	712
Income taxes payable	869	1,023
Provisions	1,355	1,300
Other current liabilities	12,117	13,120
Total current liabilities	67,625	69,225
Non-current liabilities		
Long-term borrowings	83,050	96,801
Lease liabilities	11,830	12,177
Other long-term financial liabilities	949	1,104
Net defined benefit liabilities	3,315	3,358
Provisions	284	277
Deferred tax liabilities	2,399	2,471
Other non-current liabilities	115	80
Total non-current liabilities	101,946	116,270
Total liabilities	169,571	185,496
Equity		
Share capital	6,544	6,544
Capital surplus	11,001	10,976
Treasury shares	(2,519)	(2,494)
Other components of equity	1,447	(25)
Retained earnings	65,063	67,942
Equity attributable to owners of the Company	81,537	82,942
Non-controlling interests	1,875	1,879
Total equity	83,413	84,822
Total liabilities and equity	252,984	270,318

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

(Consolidated Statement of Profit or Loss)

(Unit: million yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Revenue	121,193	111,698
Cost of sales	(80,412)	(75,243)
Gross profit	40,780	36,454
Selling, general and administrative expense	(33,109)	(31,353)
Other income	4,127	970
Other expenses	(2,286)	(153)
Operating profit	9,511	5,918
Financial income	434	309
Financial costs	(1,436)	(834)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	(150)	82
Profit before tax	8,359	5,476
Income tax expenses	(3,561)	(1,017)
Profit for the year	4,797	4,458
Profit for the year attributable to:		
Owners of the Company	4,638	4,253
Non-controlling interests	159	205
Profit for the year	4,797	4,458
Earnings per share		
Basic (Yen)	65.14	59.71
Diluted (Yen)	65.04	59.63

(Consolidated Statement of Other Comprehensive Income)

(Unit: million yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit for the year	4,797	4,458
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income (loss)	(76)	760
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(2)	2
Total	(78)	762
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(3,097)	(2,164)
Gain (loss) on cash flow hedges	(104)	(134)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(164)	(23)
Total	(3,366)	(2,322)
Other comprehensive income (loss), net of tax	(3,445)	(1,560)
Total comprehensive income	1,352	2,898
Total comprehensive income attributable to:		
Owners of the Company	1,140	2,830
Non-controlling interests	212	68
Total comprehensive income	1,352	2,898