

Consolidated Financial Results for the Nine Months Ended September 30, 2019 (IFRS) (Q3 FY ending December 2019)

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
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 Scheduled date for filling of securities report: November 14, 2019
 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, 2019 (January 1, 2019 - September 30, 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	%
Nine months ended Sep.30, 2019	121,193	5.0	9,511	50.8	8,359	35.4	4,797	8.7
Sep.30, 2018	115,437	18.8	6,308	26.9	6,175	43.2	4,413	67.1

	Profit for the year attributable to owners of the company		Total amount of comprehensive income	
	Million yen	%	Million yen	%
Nine months ended Sep.30, 2019	4,638	8.0	1,352	(62.7)
Sep.30, 2018	4,296	69.5	3,629	(44.3)

	Basic earnings per share		Diluted earnings per share	
	Yen		%	
Nine months ended Sep.30, 2019	65.14		65.04	
Sep.30, 2018	60.35		54.72	

(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, 2019	261,603	77,833	76,064	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	-	10.00	-		
Financial period ending in December 2019 (Forecast)				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
Annual	170,000	2.8	12,000	16.5	11,200	15.0	6,700	(10.1)	94.09

(Note) Revisions to consolidated financial forecasts made during the quarter under review: Yes

* 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: | 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, 2019 | 74,286,464 shares |
| As of December 31, 2018 | 74,286,464 shares |
| (ii) Treasury shares as of term-end | |
| As of September 30, 2019 | 3,067,566 shares |
| As of December,31 2018 | 3,098,991 shares |
| (iii) Average number of shares outstanding | |
| Nine months ended September 30, 2019 | 71,208,533 shares |
| Nine months ended September 30, 2018 | 71,187,882 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 nine-month period of consolidated FY 2019 (as of September 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	29,269	31,403
Trade and other receivables	54,077	51,154
Other short-term financial assets	1,107	465
Inventories	33,297	35,592
Income tax refund receivable	186	634
Other current assets	3,403	3,196
Total current assets	121,342	122,447
Non-current assets		
Property, plant and equipment	44,920	41,943
Goodwill and Intangible assets	64,255	62,287
Right-of-use assets	—	14,631
Investments accounted for using the equity method	1,299	2,873
Long-term financial assets	13,825	13,829
Deferred tax assets	2,735	2,931
Other non-current assets	1,409	659
Total non-current assets	128,446	139,156
Total assets	249,788	261,603

(Unit: million yen)

	End of consolidated FY2018 (as of December 31, 2018)	End of the first nine-month period of consolidated FY 2019 (as of September 30, 2019)
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and short-term borrowings	40,056	35,481
Trade and other payables	27,380	26,625
Lease liabilities	—	2,566
Other short-term financial liabilities	626	564
Income tax payable	1,977	1,835
Provisions	1,347	1,519
Other current liabilities	15,658	14,724
Total current liabilities	87,045	83,318
Non-current liabilities		
Bonds and long-term borrowings	76,996	81,497
Lease liabilities	—	11,760
Other long-term financial liabilities	1,050	990
Net defined benefit liabilities	3,217	3,182
Provisions	213	285
Deferred tax liabilities	2,807	2,617
Other non-current liabilities	118	117
Total non-current liabilities	84,404	100,450
Total liabilities	171,450	183,769
Equity		
Share capital	6,544	6,544
Capital surplus	11,069	11,001
Treasury shares	(2,544)	(2,519)
Other components of equity	1,851	(1,647)
Retained earnings	59,703	62,684
Equity attributable to owners of the company	76,624	76,064
Non-controlling interests	1,714	1,769
Total equity	78,338	77,833
Total liabilities and equity	249,788	261,603

(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 2018 (From January 1, 2018 to September 30, 2018)	First nine-month period of consolidated FY 2019 (From January 1, 2019 to September 30, 2019)
Revenue	115,437	121,193
Cost of sales	(75,000)	(80,412)
Gross profit	40,437	40,780
Selling, general and administrative expense	(34,536)	(33,109)
Other income	493	4,127
Other expenses	(85)	(2,286)
Operating profit	6,308	9,511
Financial income	524	434
Financial costs	(829)	(1,436)
Share of profit of associates and joint venture accounted for using the equity method	171	(150)
Profit before tax	6,175	8,359
Income tax expense	(1,761)	(3,561)
Profit for the year	4,413	4,797
Profit for the year attributable to:		
Owners of the company	4,296	4,638
Non-controlling interests	117	159
Profit for the year	4,413	4,797
Earnings per share		
Basic (Yen)	60.35	65.14
Diluted (Yen)	54.72	65.04

(Consolidated Statement of Other Comprehensive Income)

(Unit: million yen)

	First nine-month period of consolidated FY 2018 (From January 1, 2018 to September 30, 2018)	First nine-month period of consolidated FY 2019 (From January 1, 2019 to September 30, 2019)
Profit for the year	4,413	4,797
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	9	(76)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	3	(2)
Total	13	(78)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(624)	(3,097)
Gain (loss) on cash flow hedges	(134)	(104)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(37)	(164)
Total	(797)	(3,366)
Other comprehensive income, net of tax	(784)	(3,445)
Total comprehensive income	3,629	1,352
Total comprehensive income attributable to:		
Owners of the company	3,496	1,140
Non-controlling interests	133	212
Total comprehensive income	3,629	1,352