

Consolidated Financial Results for the Six Months Ended June,30 2018 (IFRS) (Q2 FY ending December 2018)

Company name: NIKKISO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6376
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 Scheduled date for filling of securities report: August 14, 2018
 Scheduled date of commencement of dividend payment: September 9, 2018
 Supplementary documents for quarterly results: Yes
 Financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2018 (January 1, 2018 - June 30, 2018)

(1) Consolidated Results of Operations

Consolidated Results of Operations

	Revenue		Operating profit		Profit before tax		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Jun.30, 2018	75,578	20.1	3,168	29.7	2,762	19.2	2,104	16.6
Jun.30, 2017	62,910	-	2,441	-	2,316	-	1,804	-

	Profit for the year attributable to owners of the company		Total amount of comprehensive income	
	Million yen	%	Million yen	%
Six months ended Jun.30, 2018	2,033	15.4	(1,142)	-
Jun.30, 2017	1,762	-	2,709	-

	Basic earnings per share		Diluted earnings per share	
	Yen		%	
Six months ended Jun.30, 2018	28.57		25.18	
Jun.30, 2017	24.77		21.14	

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the company	Equity ratio
	Million yen	Million yen	Million yen	%
Six months ended Jun.30, 2018	249,372	74,661	73,050	29.3
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 ended 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 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	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

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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 June 30, 2018 | 74,286,464 shares |
| As of December 31, 2017 | 74,286,464 shares |
| (ii) Treasury shares as of term-end | |
| As of June 30, 2018 | 3,098,609 shares |
| As of December,31 2017 | 3,098,489 shares |
| (iii) Average number of shares outstanding | |
| Six months ended June 30, 2018 | 71,187,951 shares |
| Financial period ended March 31, 2017 | 71,166,778 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 six-month period of consolidated FY 2018 (as of June 30, 2018)
Assets		
Current assets		
Cash and cash equivalents	34,095	35,794
Trade and other receivables	50,434	49,698
Other short-term financial assets	1,698	1,191
Inventories	30,363	33,987
Income tax refund receivable	359	815
Other current assets	2,152	3,413
Total current assets	119,103	124,900
Non-current assets		
Property, plant and equipment	38,454	39,532
Goodwill and Intangible assets	67,792	65,102
Investments accounted for using the equity method	1,198	1,242
Long-term financial assets	15,354	15,237
Deferred tax assets	1,913	1,932
Other non-current assets	875	1,423
Total non-current assets	125,588	124,472
Total assets	244,692	249,372

(Unit: million yen)

	End of consolidated FY2017 (as of December 31, 2017)	End of the first six-month period of consolidated FY 2018 (as of June 30, 2018)
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and short-term borrowings	76,975	42,361
Trade and other payables	22,624	23,727
Other short-term financial liabilities	573	687
Income tax payable	1,237	1,186
Provisions	1,513	1,480
Other current liabilities	11,006	16,679
Total current liabilities	113,930	86,123
Non-current liabilities		
Bonds and long-term borrowings	45,553	80,200
Other long-term financial liabilities	569	986
Net defined benefit liabilities	3,287	3,358
Provisions	176	168
Deferred tax liabilities	4,269	3,760
Other non-current liabilities	117	114
Total non-current liabilities	53,974	88,588
Total liabilities	167,905	174,711
Equity		
Share capital	6,544	6,544
Capital surplus	11,099	11,069
Treasury shares	(2,543)	(2,544)
Other components of equity	6,268	3,083
Retained earnings	53,682	54,897
Equity attributable to owners of the company	75,051	73,050
Non-controlling interests	1,736	1,610
Total equity	76,787	74,661
Total liabilities and equity	244,692	249,372

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

(Consolidated Statement of Profit or Loss)

(Unit: million yen)

	First six-month period of consolidated FY 2017 (From January 1, 2017 to June 30, 2017)	First six-month period of consolidated FY 2018 (From January 1, 2018 to June 30, 2018)
Revenue	62,910	75,578
Cost of sales	(41,224)	(49,805)
Gross profit	21,685	25,772
Selling, general and administrative expense	(19,830)	(22,967)
Other income	685	430
Other expenses	(97)	(67)
Operating profit	2,441	3,168
Financial income	346	342
Financial costs	(554)	(864)
Share of profit of associates and joint venture accounted for using the equity method	82	116
Profit before tax	2,316	2,762
Income tax expense	(511)	(657)
Profit for the year	1,804	2,104
Profit for the year attributable to:		
Owners of the company	1,762	2,033
Non-controlling interests	42	70
Profit for the year	1,804	2,104
Earnings per share		
Basic (Yen)	24.77	28.57
Diluted (Yen)	21.14	25.18

(Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	First six-month period of consolidated FY 2017 (From January 1, 2017 to June 30, 2017)	First six-month period of consolidated FY 2018 (From January 1, 2018 to June 30, 2018)
Profit for the year	1,804	2,104
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	276	(100)
Remeasurement of defined benefit pension plans	188	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(0)	1
Total	464	(99)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	475	(2,849)
Gain (loss) on cash flow hedges	(24)	(262)
Share of other comprehensive income (loss) of associates and joint venture accounted for using the equity method	(10)	(35)
Total	440	(3,147)
Other comprehensive income, net of tax	905	(3,247)
Total comprehensive income	2,709	(1,142)
Total comprehensive income attributable to:		
Owners of the company	2,647	(1,151)
Non-controlling interests	62	8
Total comprehensive income	2,709	(1,142)