

Consolidated Financial Results for the Three Months Ended June 30, 2021 (IFRS) (Q2 FY ending December 2021)

Company name: NIKKISO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6376
 URL: <https://www.nikkiso.com>.
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Scheduled date for filing of securities report: August 13, 2021
 Scheduled date of commencement of dividend payment: September 10, 2021
 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 Six Months Ended June 30, 2021 (January 1, 2021 - June 30, 2021)

(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 | % |
| Six months ended | | | | | | | | |
| Jun.30, 2021 | 77,578 | 3.7 | 3,584 | (13.9) | 4,120 | 6.7 | 858 | (71.1) |
| Jun.30, 2020 | 74,833 | (5.2) | 4,162 | 17.0 | 3,863 | 28.8 | 2,970 | 48.2 |

| | 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 | Yen |
| Six months ended | | | | | | |
| Jun.30, 2021 | 754 | (73.5) | 6,737 | 174.3 | 10.59 | 10.58 |
| Jun.30, 2020 | 2,844 | 49.3 | 2,456 | — | 39.93 | 39.88 |

(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.30,2021 | 290,161 | 94,135 | 92,204 | 31.8 |
| Year ended | | | | |
| Dec.31,2020 | 272,894 | 88,179 | 86,322 | 31.6 |

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 |
| FY 2020 | - | 10.00 | - | 10.00 | 20.00 |
| FY 2021 | - | 10.00 | | | |
| FY 2021(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, 2021 (January 1, 2021 - December 31, 2021)

(Percentages show year-on-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 | 174,500 | 10.1 | 9,000 | (12.0) | 8,700 | (3.8) | 4,700 | (28.4) | 65.97 |

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

| | |
|---|------|
| (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 June 30, 2021 | 74,286,464 shares |
| As of December 31, 2020 | 74,286,464 shares |
| (ii) Treasury shares as of term-end | |
| As of June 30, 2021 | 3,038,428 shares |
| As of December 31, 2020 | 3,038,263 shares |
| (iii) Average number of shares outstanding | |
| Six months ended June 30, 2021 | 71,248,119 shares |
| Six months ended June 30, 2020 | 71,233,766 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, 2020 | As of June 30, 2021 |
|---|-------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 28,570 | 30,487 |
| Trade and other receivables | 51,467 | 49,199 |
| Other short-term financial assets | 487 | 503 |
| Inventories | 40,300 | 45,309 |
| Income tax refund receivable | 421 | 341 |
| Other current assets | 3,314 | 5,182 |
| Total current assets | 124,562 | 131,024 |
| Non-current assets | | |
| Property, plant and equipment | 48,480 | 55,032 |
| Goodwill and Intangible assets | 59,090 | 61,555 |
| Right-of-use assets | 15,471 | 16,912 |
| Investments accounted for using the equity method | 3,269 | 3,121 |
| Long-term financial assets | 17,763 | 18,177 |
| Deferred tax assets | 3,650 | 3,799 |
| Other non-current assets | 605 | 537 |
| Total non-current assets | 148,332 | 159,136 |
| Total assets | 272,894 | 290,161 |

(Unit: million yen)

| | As of December 31, 2020 | As of June 30, 2021 |
|---|-------------------------|---------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Short-term borrowings | 20,992 | 35,415 |
| Trade and other payables | 26,769 | 26,258 |
| Lease liabilities | 2,359 | 2,703 |
| Other short-term financial liabilities | 790 | 944 |
| Income taxes payable | 1,094 | 3,436 |
| Provisions | 1,263 | 1,406 |
| Other current liabilities | 14,063 | 16,285 |
| Total current liabilities | 67,333 | 86,451 |
| Non-current liabilities | | |
| Long-term borrowings | 96,588 | 88,111 |
| Lease liabilities | 12,332 | 13,382 |
| Other long-term financial liabilities | 1,402 | 873 |
| Net defined benefit liabilities | 3,028 | 3,030 |
| Provisions | 265 | 284 |
| Deferred tax liabilities | 3,687 | 3,815 |
| Other non-current liabilities | 77 | 77 |
| Total non-current liabilities | 117,381 | 109,575 |
| Total liabilities | 184,715 | 196,026 |
| Equity | | |
| Share capital | 6,544 | 6,544 |
| Capital surplus | 10,976 | 10,976 |
| Treasury shares | (2,495) | (2,495) |
| Other components of equity | 794 | 6,635 |
| Retained earnings | 70,501 | 70,543 |
| Equity attributable to owners of the Company | 86,322 | 92,204 |
| Non-controlling interests | 1,856 | 1,930 |
| Total equity | 88,179 | 94,135 |
| Total liabilities and equity | 272,894 | 290,161 |

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

(Consolidated Statement of Profit or Loss)

(Unit: million yen)

| | FY 2020 (From January 1, 2020 to June 30, 2020) | FY 2021 (From January 1, 2021 to June 30, 2021) |
|---|---|---|
| Revenue | 74,833 | 77,578 |
| Cost of sales | (50,384) | (51,588) |
| Gross profit | 24,448 | 25,990 |
| Selling, general and administrative expense | (21,025) | (23,150) |
| Other income | 835 | 1,030 |
| Other expenses | (96) | (286) |
| Operating profit | 4,162 | 3,584 |
| Financial income | 279 | 1,143 |
| Financial costs | (592) | (520) |
| Share of profit (loss) of associates and joint ventures accounted for using the equity method | 13 | (86) |
| Profit before tax | 3,863 | 4,120 |
| Income tax expenses | (893) | (3,262) |
| Profit for the year | 2,970 | 858 |
| Profit for the year attributable to: | | |
| Owners of the Company | 2,844 | 754 |
| Non-controlling interests | 125 | 103 |
| Profit for the year | 2,970 | 858 |
| Earnings per share | | |
| Basic (Yen) | 39.93 | 10.59 |
| Diluted (Yen) | 39.88 | 10.58 |

(Consolidated Statement of Other Comprehensive Income)

(Unit: million yen)

| | FY 2020 (From January 1, 2020 to June 30, 2020) | FY 2021 (From January 1, 2021 to June 30, 2021) |
|---|---|---|
| Profit for the year | 2,970 | 858 |
| 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) | 1,234 | 273 |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | 1 | (1) |
| Total | 1,236 | 271 |
| Items that may be reclassified subsequently to profit or loss | | |
| Exchange differences on translation of foreign operations | (1,675) | 5,134 |
| Gain (loss) on cash flow hedges | (37) | 159 |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method | (37) | 313 |
| Total | (1,750) | 5,608 |
| Other comprehensive income (loss), net of tax | (514) | 5,879 |
| Total comprehensive income | 2,456 | 6,737 |
| Total comprehensive income attributable to: | | |
| Owners of the Company | 2,396 | 6,594 |
| Non-controlling interests | 59 | 142 |
| Total comprehensive income | 2,456 | 6,737 |