

Consolidated Financial Results for the Three Months Ended March,31 2018 (IFRS) (Q1 FY ending December 2018)

Company name: NIKKISO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6376
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 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 Three Months Ended March 31, 2018 (January 1, 2018 - March 31, 2018)

(1) Consolidated Results of Operations

Consolidated Results of Operations

	Net sales		Operating income		Profit before tax		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar.31, 2018	34,492	16.8	864	(30.3)	83	(88.7)	79	(80.0)
Mar.31, 2017	29,522	-	1,238	-	742	-	395	-

	Net income attributable to owners of parent		Total amount of comprehensive income	
	Million yen	%	Million yen	%
Three months ended Mar.31, 2018	37	(89.8)	(4,476)	-
Mar.31, 2017	365	-	(190)	-

	Basic earnings per share		Diluted earnings per share	
	Yen	%	Yen	%
Three months ended Mar.31, 2018	0.53			0.24
Mar.31, 2017	5.14			3.64

(2) Consolidated Financial Position

	Total assets	Net assets	Equity attributable to owners of parent	Equity ratio
	Million yen	Million yen	Million yen	%
Three months ended Mar.31, 2018	240,328	71,426	69,689	29.0
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	-				
Financial period ending in December 2018 (Forecast)		8.00	-	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)

	Net sales		Operating income		Profit before tax		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
The second quarter (cumulative)	78,000	-	3,500	-	3,000	-	1,900	-	26.69
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 March 31, 2018 | 74,286,464 shares |
| As of December 31, 2017 | 74,286,464 shares |
| (ii) Treasury shares as of term-end | |
| As of March 31, 2018 | 3,098,489 shares |
| As of December,31 2017 | 3,098,489 shares |
| (iii) Average number of shares outstanding | |
| Three months ended March 31, 2018 | 71,187,975 shares |
| Financial period ended March 31, 2017 | 71,145,668 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 and Important Notes
 (1) Consolidated Statement of Financial Position

(Unit: million yen)

	End of consolidated FY2017 (as of December 31, 2017)	End of the first three-month period of consolidated FY 2018 (as of March 31, 2018)
Assets		
Current assets		
Cash and cash equivalents	34,095	33,224
Trade and other receivables	50,434	46,442
Other current assets	1,698	1,181
Inventories	30,363	33,275
Corporate tax receivable	359	692
Other current assets	2,152	2,638
Total current assets	119,103	117,455
Non-current assets		
Property, plant and equipment	38,454	39,389
Intangible assets and goodwill	67,792	63,919
Investments accounted for using equity method	1,198	1,213
Non-current financial assets	15,354	15,001
Deferred tax assets	1,913	1,935
Other non-current assets	875	1,414
Total non-current assets	125,588	122,873
Total assets	244,692	240,328

(Unit: million yen)

	End of consolidated FY2017 (as of December 31, 2017)	End of the first three-month period of consolidated FY 2018 (as of March 31, 2018)
Liabilities and equity		
Liabilities		
Current liabilities		
Corporate bond and current borrowings	76,975	72,874
Trade and other payables	22,624	22,334
Other current financial liabilities	573	609
Accrued income tax payable	1,237	343
Provisions	1,513	1,439
Other current liabilities	11,006	13,804
Total non-current liabilities	113,930	111,405
Non-current liabilities		
Corporate bonds and non-current borrowings	45,553	49,483
Other non-current financial liabilities	569	559
Retirement benefit liabilities	3,287	3,325
Provisions	176	161
Deferred tax liabilities	4,269	3,852
Other non-current liabilities	117	114
Total non-current liabilities	53,974	57,496
Total liabilities	167,905	168,902
Equity		
Capital stock	6,544	6,544
Share premium	11,099	11,038
Treasury shares	△2,543	△2,543
Other components of equity	6,268	1,749
Retained earnings	53,682	52,901
Equity attributable to owners of parent	75,051	69,689
Non-controlling interests	1,736	1,737
Net assets	76,787	71,426
Total liabilities and equity	244,692	240,328

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

(Unit: million yen)

	First three-month period of consolidated FY 2017 (From January 1, 2017 to March 31, 2017)	First three-month period of consolidated FY 2018 (From January 1, 2018 to March 31, 2018)
Net sales	29,522	34,492
Cost of sales	(19,146)	(22,680)
Gross profit	10,375	11,812
Selling, general and administrative expense	(9,379)	(11,038)
Other income	261	134
Other expenses	(18)	(44)
Operating income	1,238	864
Finance income	131	144
Finance costs	(649)	(986)
Share of profit from investment accounted for using equity method	22	62
Profit before tax	742	83
Income tax expense	(347)	(4)
Net income	395	79
Profit attributable to:		
Owners of parent	365	37
Non-controlling interests	29	41
Net income	395	79
Net income attributable to owners of parent per share		
Basic earnings per share (Yen)	5.14	0.53
Diluted earnings (loss) per share (Yen)	3.64	0.24

(Consolidated Statement of Comprehensive Income)

(Unit: million yen)

	First three-month period of consolidated FY 2017 (From January 1, 2017 to March 31, 2017)	First three-month period of consolidated FY 2018 (From January 1, 2018 to March 31, 2018)
Net income	395	79
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets at fair value through other comprehensive income	204	(257)
Financial assets		
Remeasurement of defined benefit plans	2	-
Share of other comprehensive income of associates accounted for using equity method	(0)	0
Total	206	(256)
Items that may be reclassified to profit or loss		
Exchange difference of foreign operations	(762)	(4,315)
Cash flow hedges loss	(10)	36
Share of other comprehensive income of associates accounted for using equity method	(18)	(19)
Total	(791)	(4,298)
Other comprehensive income, after tax	(585)	(4,555)
Total comprehensive income	(190)	(4,476)
Comprehensive income attributable to:		
Owners of parent	(227)	(4,482)
Non-controlling interests	36	5
Total comprehensive income	(190)	(4,476)