

December 20, 2021

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Announcement on Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending December 2021

Nikkiso Co., Ltd. (the "Company") hereby announces that it has revised its consolidated earnings forecasts for the fiscal year ending December 20, 2021 (January 1, 2021- December 31, 2021) , previously announced on August 12, 2021, as follows.

1. Revision to Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2021(January 1, 2021-December 31, 2021)

	Revenue	Operating profit	Profit before tax	Profit for the year attributable to owners of the company	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	174,500	9,000	8,700	4,700	65.97
Revised forecast (B)	170,000	4,000	4,100	900	12.63
Change (B-A)	△4,500	△5,000	△4,600	△3,800	
Change (%)	△2.6%	△55.6%	△52.9%	△80.9%	
(Ref.) Previous FY Results (Ended December 2020)	158,542	10,229	9,045	6,560	92.08

2. Reasons for the Revisions in Earnings Forecasts

The business environment surrounding the Company continues to be increasingly challenging, due in part to the deterioration of the external environment, including disruptions in global supply chains and soaring procurement and logistics costs. At our blood tubing lines plant in Ho Chi Minh City, Vietnam, the company have been forced to restrict plant operations since July 2021 due to regulatory guidance from the spread of the new Corona viral infectious disease. The rate of operation is gradually recovering, the outlook for normal operations in the next fiscal year and beyond has become clearer. However, operating profit in the medical segment is expected to decrease significantly, due to the impact of an increase in expenses associated with the procurement of products from other companies and soaring logistics costs caused by the use of air flights, which is the main reason for the downward revision of operating profit. In the healthcare business, although the company tried to expand sales by introducing new products, but sales of stand-alone equipment were sluggish, and sales were also week due to delays in overseas market development. In the industrial segment, two of its main overseas subsidiaries (LEWA GmbH and Clean Energy & Industrial Gases Group) were affected by project delays and other factors, and in Japan, product shipments were sluggish due to delays in the operation of some of the Miyazaki industrial plants, and sales revenue is expected to decline.

Based on these business conditions, the Company has revised downward its forecasts for revenue, operating

profit, profit before taxes, and profit for the year attributable to owners of the company from the previous announcement made on August 12, 2021.

The revised forecasts are based on exchange rates assumptions of ¥110/US\$ (previously ¥109/US\$) and ¥130/EUR (previously ¥129/EUR).

There is no change in the dividend forecast due to this revision.

Although the Company's business environment is expected to continue to be adversely affected by external environmental factors in the next fiscal year 2022 and beyond, the medical segment is expected to reduce emergency response expenditures incurred in the current fiscal year as the Vietnam Blood tubing lines Plant returns to normal operations. In business, domestic and overseas demand for dialysis machines is expected to remain strong, and full-scale expansion into the North American market is scheduled to start. In the industrial segment, the aerospace business is expected to see a certain improvement in profitability as product shipments are on recovery track, and the industrial business is aiming to improve its performance by ensuring the execution of production and shipments in a favorable order environment, including fuel gas supply system for LNG fueled ship. Amid the anticipated upturn in each business environment as described above, the Company will work to steadily improve the profitability of the entire company.

NOTE)Forecasts in this document are forward-looking statements made based on information available at the time of publication and include uncertainties.Various factors, including future business operations and exchange rate fluctuations, may cause actual results to differ from the forecasts.

(Reference)

Consolidated Performance

(Billions of yen)	Year ended December 31, 2020	Fiscal Year 2021		Year on year Change	Change from previous forecast
	Actual	Previous Forecast	Revised Forecast		
Orders received	161.1	185.0	185.0	+23.8	-
Revenue	158.5	174.5	170.0	+11.4	△4.5
Operating Profit	10.2	9.0	4.0	△6.2	△5.0
Profit ratio	6.5%	5.2%	2.4%		
Profit before tax	9.0	8.7	4.1	△4.9	△4.6
Profit ratio	5.7%	5.0%	2.4%		
Attributable to owners of the company					
Profit for the year	6.5	4.7	0.9	△5.6	△3.8
Profit ratio	4.1%	2.7%	0.5%		
Average /Forecast					
Against the U.S. dollar (yen)	107.82	109.00	110.00	+2.18	+1.00
Against the euro (yen)	129.89	120.00	130.00	+0.11	+1.00
Forex Sensitivity					
U.S. dollar (yen)	Revenue +390 million yen	Operating Profit +10 million yen			
Euro (yen)	Revenue +370 million yen	Operating Profit + 70 million yen			

Performance by Business Segment

(Billions of yen)	Year ended December 31, 2020 Actual	Fiscal Year 2021		Year on year Change	Change from previous forecast
		Previous Forecast	Revised Forecast		
Orders received	161.1	185.0	185.0	+23.8	-
Industrial Segment	93.2	110.7	110.7	+17.4	-
Industrial Division	81.7	97.2	97.2	+15.4	-
Aerospace Division	9.6	10.1	10.1	+0.4	-
Medical Segment	68.1	76.0	76.0	+7.8	-
Revenue	158.5	174.5	170.0	+11.4	△4.5
Industrial Segment	91.7	100.2	98.2	+6.4	△2.0
Industrial Division	80.5	86.5	85.0	+4.4	△1.5
Aerospace Division	9.5	10.3	9.8	+0.2	△0.5
Medical Segment	66.9	76.0	73.5	+6.5	△2.5
Operating profit	10.2	9.0	4.0	△6.2	△5.0
Industrial Segment	6.4	4.6	4.2	△2.2	△0.4
Medical Segment	7.6	8.7	4.3	△3.3	△4.4
Corporate expenses, etc.	△3.9	△4.2	△4.2	△0.2	-

※Figures for the deep UV LED business are included in the Industrial segment total column.

※The Medical Division includes figures for the Healthcare field.