

Consolidated Financial Results for the Six Months Ended June,30 2019 (IFRS) (Q2 FY ending December 2019)

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 13, 2019
 Scheduled date of commencement of dividend payment: September 9, 2019
 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, 2019 (January 1, 2019 - June 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	%
Six months ended Jun.30, 2019	78,956	4.5	3,558	12.3	2,999	8.6	2,003	(4.8)
Jun.30, 2018	75,578	20.1	3,168	29.7	2,762	19.2	2,104	16.6

	Profit for the year attributable to owners of the company		Total amount of comprehensive income	
	Million yen	%	Million yen	%
Six months ended Jun.30, 2019	1,905	(6.3)	(932)	-
Jun.30, 2018	2,033	15.4	(1,142)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		%	
Six months ended Jun.30, 2019	26.76		26.72	
Jun.30, 2018	28.57		25.18	

(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, 2019	264,157	76,261	74,566	28.2
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	8,200	10.1	115.19

(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 June 30, 2019 | 74,286,464 shares |
| As of December 31, 2018 | 74,286,464 shares |
| (ii) Treasury shares as of term-end | |
| As of June 30, 2019 | 3,067,399 shares |
| As of December,31 2018 | 3,098,991 shares |
| (iii) Average number of shares outstanding | |
| Six months ended June 30, 2019 | 71,203,213 shares |
| Six months ended June 30, 2018 | 71,187,951 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 six-month period of consolidated FY 2019 (as of June 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	29,269	34,389
Trade and other receivables	54,077	48,250
Other short-term financial assets	1,107	652
Inventories	33,297	34,156
Income tax refund receivable	186	824
Other current assets	3,403	3,113
Subtotal	121,342	121,387
Assets held for sale	-	3,876
Total current assets	121,342	125,264
Non-current assets		
Property, plant and equipment	44,920	43,955
Goodwill and Intangible assets	64,255	62,611
Right-of-use assets	-	14,631
Investments accounted for using the equity method	1,299	1,288
Long-term financial assets	13,825	13,067
Deferred tax assets	2,735	2,655
Other non-current assets	1,409	682
Total non-current assets	128,446	138,892
Total assets	249,788	264,157

(Unit: million yen)

	End of consolidated FY2018 (as of December 31, 2018)	End of the first six-month period of consolidated FY 2019 (as of June 30, 2019)
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and short-term borrowings	40,056	45,303
Trade and other payables	27,380	24,601
Lease liabilities	—	2,570
Other short-term financial liabilities	626	744
Income tax payable	1,977	1,083
Provisions	1,347	1,454
Other current liabilities	15,658	14,340
Subtotal	87,045	90,097
Liabilities related to assets held for sale	-	1,653
Total current liabilities	87,045	91,750
Non-current liabilities		
Bonds and long-term borrowings	76,996	77,501
Lease liabilities	—	11,744
Other long-term financial liabilities	1,050	1,002
Net defined benefit liabilities	3,217	3,106
Provisions	213	278
Deferred tax liabilities	2,807	2,393
Other non-current liabilities	118	118
Total non-current liabilities	84,404	96,145
Total liabilities	171,450	187,895
Equity		
Share capital	6,544	6,544
Capital surplus	11,069	11,001
Treasury shares	(2,544)	(2,518)
Other components of equity	1,851	(1,124)
Retained earnings	59,703	60,664
Equity attributable to owners of the company	76,624	74,566
Non-controlling interests	1,714	1,695
Total equity	78,338	76,261
Total liabilities and equity	249,788	264,157

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

(Consolidated Statement of Profit or Loss)

(Unit: million yen)

	First three-month period of consolidated FY 2018 (From January 1, 2018 to March 31, 2018)	First six-month period of consolidated FY 2019 (From January 1, 2019 to June 30, 2019)
Revenue	75,578	78,956
Cost of sales	(49,805)	(53,293)
Gross profit	25,772	25,663
Selling, general and administrative expense	(22,967)	(22,366)
Other income	430	307
Other expenses	(67)	(45)
Operating profit	3,168	3,558
Financial income	342	385
Financial costs	(864)	(1,058)
Share of profit of associates and joint venture accounted for using the equity method	116	112
Profit before tax	2,762	2,999
Income tax expense	(657)	(995)
Profit for the year	2,104	2,003
Profit for the year attributable to:		
Owners of the company	2,033	1,905
Non-controlling interests	70	98
Profit for the year	2,104	2,003
Earnings per share		
Basic (Yen)	28.57	26.76
Diluted (Yen)	25.18	26.72

(Consolidated Statement of Other Comprehensive Income)

(Unit: million yen)

	First six-month period of consolidated FY 2018 (From January 1, 2018 to June 30, 2018)	First three-month period of consolidated FY 2019 (From January 1, 2019 to June 30, 2019)
Profit for the year	2,104	2,003
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through other comprehensive income	(100)	(427)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	1	(2)
Total	(99)	(430)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(2,849)	(2,357)
Gain (loss) on cash flow hedges	(262)	(124)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(35)	(23)
Total	(3,147)	(2,505)
Other comprehensive income, net of tax	(3,247)	(2,935)
Total comprehensive income	(1,142)	(932)
Total comprehensive income attributable to:		
Owners of the company	(1,151)	(1,069)
Non-controlling interests	8	137
Total comprehensive income	(1,142)	(932)