

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 5, 2020

Company name: NITTO KOHKI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6151 URL <https://www.nitto-kohki.co.jp>
 Representative: Representative Director, President CEO Akinobu Ogata
 Inquiries: Executive Officer, Investor Relations Hiromi Noguchi TEL 03-3755-1111
 Scheduled date to file Quarterly Securities Report: August 7, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	5,120	(26.3)	381	(67.4)	414	(65.2)	297	(63.1)
Three months ended June 30, 2019	6,944	(3.9)	1,169	(14.5)	1,189	(18.4)	805	(22.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	14.49	–
Three months ended June 30, 2019	37.98	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	60,136	53,300	88.6	2,606.99
As of March 31, 2020	61,809	54,107	87.5	2,620.66

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	31.50	–	21.50	53.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2020	21,803,295 shares	As of March 31, 2020	21,803,295 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	1,361,007 shares	As of March 31, 2020	1,159,707 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	20,541,263 shares	Three months ended June 30, 2019	21,215,531 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	25,399	25,617
Notes and accounts receivable - trade	4,481	3,535
Electronically recorded monetary claims - operating	2,459	2,343
Securities	5,499	4,099
Merchandise and finished goods	3,766	4,199
Work in process	256	307
Raw materials and supplies	2,298	2,400
Other	396	473
Allowance for doubtful accounts	(2)	(2)
Total current assets	44,555	42,973
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,257	11,229
Accumulated depreciation	(5,952)	(6,007)
Buildings and structures, net	5,304	5,222
Machinery, equipment and vehicles	4,324	4,257
Accumulated depreciation	(3,117)	(3,124)
Machinery, equipment and vehicles, net	1,206	1,132
Tools, furniture and fixtures	7,195	7,261
Accumulated depreciation	(6,616)	(6,662)
Tools, furniture and fixtures, net	578	599
Land	3,674	3,666
Leased assets	2,057	2,025
Accumulated depreciation	(844)	(887)
Leased assets, net	1,213	1,137
Construction in progress	271	348
Total property, plant and equipment	12,249	12,106
Intangible assets		
Other	666	644
Total intangible assets	666	644
Investments and other assets		
Investment securities	2,693	2,803
Long-term loans receivable	46	43
Deferred tax assets	1,368	1,328
Other	244	252
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	4,337	4,412
Total non-current assets	17,253	17,163
Total assets	61,809	60,136

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	798	772
Lease obligations	256	240
Income taxes payable	557	137
Provision for bonuses	561	237
Provision for bonuses for directors (and other officers)	21	6
Other	1,361	1,337
Total current liabilities	3,557	2,731
Non-current liabilities		
Lease obligations	953	894
Retirement benefit liability	2,624	2,636
Provision for retirement benefits for directors (and other officers)	227	235
Asset retirement obligations	11	11
Other	326	326
Total non-current liabilities	4,144	4,105
Total liabilities	7,701	6,836
Net assets		
Shareholders' equity		
Share capital	1,850	1,850
Capital surplus	1,924	1,924
Retained earnings	52,201	52,055
Treasury shares	(2,216)	(2,588)
Total shareholders' equity	53,759	53,241
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	509	586
Foreign currency translation adjustment	(3)	(380)
Remeasurements of defined benefit plans	(165)	(154)
Total accumulated other comprehensive income	340	51
Non-controlling interests	7	7
Total net assets	54,107	53,300
Total liabilities and net assets	61,809	60,136

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	6,944	5,120
Cost of sales	3,369	2,560
Gross profit	3,575	2,560
Selling, general and administrative expenses		
Salaries and allowances	621	609
Provision for bonuses	178	126
Retirement benefit expenses	41	51
Provision for retirement benefits for directors (and other officers)	8	9
Promotion expenses	262	188
Research and development expenses	212	215
Other	1,080	977
Total selling, general and administrative expenses	2,405	2,179
Operating profit	1,169	381
Non-operating income		
Interest income	8	5
Dividend income	34	27
Subsidies for employment adjustment	—	13
Rental income from buildings	8	9
Other	8	11
Total non-operating income	59	67
Non-operating expenses		
Sales discounts	25	22
Foreign exchange losses	11	8
Other	2	3
Total non-operating expenses	39	34
Ordinary profit	1,189	414
Profit before income taxes	1,189	414
Income taxes	383	116
Profit	806	297
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	805	297

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	806	297
Other comprehensive income		
Valuation difference on available-for-sale securities	(84)	76
Foreign currency translation adjustment	76	(377)
Remeasurements of defined benefit plans, net of tax	2	11
Total other comprehensive income	(5)	(289)
Comprehensive income	800	8
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	800	9
Comprehensive income attributable to non-controlling interests	0	(0)