

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 3, 2018

Company name: NIKKON Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9072 URL <http://www.nikkon-hd.co.jp>
 Representative: President & Representative Director Masakatsu Kuroiwa
 Director, Executive Officer, and General
 Inquiries: Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330
 Scheduled date to file Quarterly Securities Report: August 10, 2018
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	47,220	3.6	4,229	2.1	4,726	3.4	3,135	2.7
Three months ended June 30, 2017	45,592	5.0	4,143	(1.4)	4,569	4.9	3,053	19.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	46.63	46.47
Three months ended June 30, 2017	45.19	45.04

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	281,432	181,658	64.4
As of March 31, 2018	286,013	182,627	63.7

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, 2018	–	30.00	–	35.00	65.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		32.00	–	33.00	65.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018	95,000	3.7	9,300	3.2	10,000	2.7	6,900	(1.3)	102.62
Full year	195,000	3.8	19,500	2.6	21,200	2.3	14,600	0.4	217.14

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
(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, 2018	68,239,892 shares	As of March 31, 2018	68,239,892 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	1,002,152 shares	As of March 31, 2018	856,202 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, 2018	67,237,506 shares	Three months ended June 30, 2017	67,575,089 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	17,755	18,466
Notes and accounts receivable - trade	33,032	31,377
Electronically recorded monetary claims - operating	3,249	3,588
Securities	14,105	7,999
Merchandise and finished goods	4	4
Raw materials and supplies	366	490
Other	4,102	5,644
Allowance for doubtful accounts	(10)	(10)
Total current assets	72,606	67,560
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,694	74,434
Machinery, equipment and vehicles, net	8,649	8,454
Tools, furniture and fixtures, net	1,293	1,310
Land	88,717	90,279
Leased assets, net	368	339
Construction in progress	3,005	3,810
Total property, plant and equipment	175,727	178,629
Intangible assets	1,918	1,867
Investments and other assets		
Investment securities	27,760	25,510
Long-term loans receivable	129	135
Deferred tax assets	3,090	3,072
Other	4,864	4,740
Allowance for doubtful accounts	(84)	(83)
Total investments and other assets	35,760	33,375
Total non-current assets	213,406	213,871
Total assets	286,013	281,432

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,573	11,217
Electronically recorded obligations - operating	3,962	4,330
Short-term loans payable	3,800	3,800
Current portion of bonds	10,000	10,000
Lease obligations	118	115
Income taxes payable	3,379	1,485
Provision for bonuses	3,627	4,112
Provision for directors' bonuses	186	52
Notes payable - facilities	383	331
Electronically recorded obligations - non-operating	863	2,091
Other	14,918	13,388
Total current liabilities	52,813	50,924
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	26,200	25,250
Lease obligations	284	256
Deferred tax liabilities	6,633	5,940
Net defined benefit liability	5,113	5,096
Provision for directors' retirement benefits	276	248
Other	2,063	2,057
Total non-current liabilities	50,572	48,849
Total liabilities	103,385	99,774
Net assets		
Shareholders' equity		
Capital stock	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	148,112	148,886
Treasury shares	(1,716)	(2,140)
Total shareholders' equity	170,044	170,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,437	11,877
Foreign currency translation adjustment	(777)	(573)
Remeasurements of defined benefit plans	(603)	(546)
Total accumulated other comprehensive income	12,056	10,757
Share acquisition rights	321	308
Non-controlling interests	204	197
Total net assets	182,627	181,658
Total liabilities and net assets	286,013	281,432

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, 2017	Three months ended June 30, 2018
Net sales	45,592	47,220
Cost of sales	39,094	40,566
Gross profit	6,497	6,654
Selling, general and administrative expenses	2,354	2,424
Operating profit	4,143	4,229
Non-operating income		
Interest income	20	25
Dividend income	198	219
Rent income	24	20
Share of profit of entities accounted for using equity method	129	151
Foreign exchange gains	34	7
Miscellaneous income	92	136
Total non-operating income	500	561
Non-operating expenses		
Interest expenses	49	41
Miscellaneous expenses	25	23
Total non-operating expenses	74	64
Ordinary profit	4,569	4,726
Extraordinary income		
Gain on sales of non-current assets	25	24
Total extraordinary income	25	24
Extraordinary losses		
Loss on sales of non-current assets	1	1
Loss on retirement of non-current assets	0	21
Impairment loss	0	0
Other	0	–
Total extraordinary losses	2	23
Profit before income taxes	4,592	4,727
Income taxes	1,538	1,592
Profit	3,054	3,135
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	3,053	3,135

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	3,054	3,135
Other comprehensive income		
Valuation difference on available-for-sale securities	56	(1,560)
Foreign currency translation adjustment	177	225
Remeasurements of defined benefit plans, net of tax	73	56
Share of other comprehensive income of entities accounted for using equity method	(13)	(23)
Total other comprehensive income	294	(1,302)
Comprehensive income	3,348	1,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,360	1,835
Comprehensive income attributable to non-controlling interests	(11)	(2)