

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 2, 2019

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 9, 2019
 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, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	50,728	7.4	5,337	26.2	5,693	20.5	4,529	44.5
Three months ended June 30, 2018	47,220	3.6	4,229	2.1	4,726	3.4	3,135	2.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	68.50	68.25
Three months ended June 30, 2018	46.63	46.47

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	292,044	186,396	63.6
As of March 31, 2019	294,213	186,900	63.3

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, 2019	–	32.00	–	35.00	67.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		35.00	–	35.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	103,000	8.0	10,000	13.0	10,800	10.6	7,900	20.3	119.61
Full year	208,000	5.2	20,500	2.4	22,100	0.4	15,400	4.3	233.30

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
(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, 2019	68,239,892 shares	As of March 31, 2019	68,239,892 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	2,266,339 shares	As of March 31, 2019	1,943,839 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, 2019	66,121,886 shares	Three months ended June 30, 2018	67,237,506 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	16,940	22,236
Notes and accounts receivable - trade	33,389	32,529
Electronically recorded monetary claims - operating	3,711	4,301
Securities	10,276	4,077
Merchandise and finished goods	5	15
Raw materials and supplies	429	559
Other	4,663	5,925
Allowance for doubtful accounts	(15)	(17)
Total current assets	69,401	69,628
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	84,936	87,027
Machinery, equipment and vehicles, net	8,540	8,615
Tools, furniture and fixtures, net	1,422	1,504
Land	91,226	91,214
Leased assets, net	262	236
Construction in progress	3,921	3,423
Total property, plant and equipment	190,310	192,022
Intangible assets	1,937	1,876
Investments and other assets		
Investment securities	23,542	19,844
Long-term loans receivable	533	543
Deferred tax assets	3,646	3,638
Other	4,942	4,590
Allowance for doubtful accounts	(100)	(99)
Total investments and other assets	32,563	28,516
Total non-current assets	224,811	222,416
Total assets	294,213	292,044

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,330	11,006
Electronically recorded obligations - operating	4,401	4,533
Short-term borrowings	3,905	3,903
Commercial Paper	—	5,000
Lease obligations	115	112
Income taxes payable	3,927	1,808
Provision for bonuses	3,860	4,459
Provision for bonuses for directors (and other officers)	196	50
Notes payable - facilities	1,585	1,189
Electronically recorded obligations - non-operating	8,266	6,604
Other	13,868	12,898
Total current liabilities	51,458	51,566
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	22,616	21,648
Lease obligations	172	147
Deferred tax liabilities	5,332	4,621
Retirement benefit liability	5,699	5,630
Provision for retirement benefits for directors (and other officers)	303	315
Other	1,728	1,717
Total non-current liabilities	55,853	54,081
Total liabilities	107,312	105,647
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	158,372	160,581
Treasury shares	(4,767)	(5,568)
Total shareholders' equity	177,253	178,661
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,291	8,710
Foreign currency translation adjustment	(375)	(770)
Remeasurements of defined benefit plans	(831)	(767)
Total accumulated other comprehensive income	9,084	7,172
Share acquisition rights	354	354
Non-controlling interests	208	207
Total net assets	186,900	186,396
Total liabilities and net assets	294,213	292,044

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, 2018	Three months ended June 30, 2019
Net sales	47,220	50,728
Cost of sales	40,566	42,789
Gross profit	6,654	7,939
Selling, general and administrative expenses	2,424	2,602
Operating profit	4,229	5,337
Non-operating income		
Interest income	25	32
Dividend income	219	255
Rental income	20	23
Share of profit of entities accounted for using equity method	151	95
Foreign exchange gains	7	—
Miscellaneous income	136	126
Total non-operating income	561	532
Non-operating expenses		
Interest expenses	41	47
Foreign exchange losses	—	116
Miscellaneous expenses	23	12
Total non-operating expenses	64	175
Ordinary profit	4,726	5,693
Extraordinary income		
Gain on sales of non-current assets	24	17
Gain on sales of investment securities	—	940
Total extraordinary income	24	958
Extraordinary losses		
Loss on sales of non-current assets	1	8
Loss on retirement of non-current assets	21	2
Impairment loss	0	0
Other	—	0
Total extraordinary losses	23	11
Profit before income taxes	4,727	6,641
Income taxes	1,592	2,109
Profit	3,135	4,531
Profit attributable to non-controlling interests	0	2
Profit attributable to owners of parent	3,135	4,529

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	3,135	4,531
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,560)	(1,581)
Foreign currency translation adjustment	225	(390)
Remeasurements of defined benefit plans, net of tax	56	63
Share of other comprehensive income of entities accounted for using equity method	(23)	(4)
Total other comprehensive income	(1,302)	(1,912)
Comprehensive income	1,832	2,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,835	2,617
Comprehensive income attributable to non-controlling interests	(2)	1