

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 2020

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: February 14, 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	150,590	2.1	15,562	6.1	16,679	5.0	12,743	18.1
Nine months ended December 31, 2018	147,557	5.2	14,662	2.1	15,889	1.4	10,791	(4.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	193.49	192.80
Nine months ended December 31, 2018	161.09	160.50

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	296,108	193,565	65.2
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	–	38.00	–		
Year ending March 31, 2020 (Forecast)				38.00	76.00

### 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
Full year	205,000	3.7	21,500	7.3	23,000	4.5	16,600	12.4	252.16

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2019	2,506,192 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)

Nine months ended December 31, 2019	65,863,280 shares	Nine months ended December 31, 2018	66,989,929 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	16,940	18,891
Notes and accounts receivable - trade	33,389	32,033
Electronically recorded monetary claims - operating	3,711	4,032
Securities	10,276	9,098
Merchandise and finished goods	5	1
Raw materials and supplies	429	512
Other	4,663	4,484
Allowance for doubtful accounts	(15)	(30)
Total current assets	69,401	69,025
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	84,936	85,919
Machinery, equipment and vehicles, net	8,540	8,375
Tools, furniture and fixtures, net	1,422	1,396
Land	91,226	92,601
Leased assets, net	262	213
Construction in progress	3,921	5,695
Total property, plant and equipment	190,310	194,202
Intangible assets	1,937	1,985
Investments and other assets		
Investment securities	23,542	22,021
Long-term loans receivable	533	843
Deferred tax assets	3,646	3,577
Other	4,942	4,526
Allowance for doubtful accounts	(100)	(74)
Total investments and other assets	32,563	30,894
Total non-current assets	224,811	227,082
Total assets	294,213	296,108

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,330	11,159
Electronically recorded obligations - operating	4,401	4,469
Short-term borrowings	3,905	3,875
Current portion of bonds	—	10,000
Lease obligations	115	105
Income taxes payable	3,927	2,100
Provision for bonuses	3,860	1,786
Provision for bonuses for directors (and other officers)	196	150
Notes payable - facilities	1,585	1,757
Electronically recorded obligations - non-operating	8,266	870
Other	13,868	13,895
Total current liabilities	51,458	50,172
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	22,616	19,713
Lease obligations	172	130
Deferred tax liabilities	5,332	5,244
Retirement benefit liability	5,699	5,561
Provision for retirement benefits for directors (and other officers)	303	361
Other	1,728	1,356
Total non-current liabilities	55,853	52,369
Total liabilities	107,312	102,542
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	158,372	166,276
Treasury shares	(4,767)	(6,186)
Total shareholders' equity	177,253	183,738
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,291	10,090
Foreign currency translation adjustment	(375)	(164)
Remeasurements of defined benefit plans	(831)	(635)
Total accumulated other comprehensive income	9,084	9,290
Share acquisition rights	354	320
Non-controlling interests	208	216
Total net assets	186,900	193,565
Total liabilities and net assets	294,213	296,108

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

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	147,557	150,590
Cost of sales	125,631	127,519
Gross profit	21,926	23,070
Selling, general and administrative expenses	7,263	7,508
Operating profit	14,662	15,562
Non-operating income		
Interest income	79	85
Dividend income	493	537
Rental income	62	68
Share of profit of entities accounted for using equity method	461	387
Miscellaneous income	385	407
Total non-operating income	1,482	1,486
Non-operating expenses		
Interest expenses	126	136
Foreign exchange losses	15	66
Bond issuance cost	52	55
Miscellaneous expenses	61	111
Total non-operating expenses	255	369
Ordinary profit	15,889	16,679
Extraordinary income		
Gain on sales of non-current assets	70	878
Gain on sales of investment securities	–	941
Total extraordinary income	70	1,819
Extraordinary losses		
Loss on sales of non-current assets	45	23
Loss on retirement of non-current assets	89	9
Loss on valuation of investment securities	–	0
Impairment loss	0	0
Total extraordinary losses	135	32
Profit before income taxes	15,824	18,466
Income taxes	5,027	5,714
Profit	10,796	12,751
Profit attributable to non-controlling interests	5	7
Profit attributable to owners of parent	10,791	12,743

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	10,796	12,751
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,187)	(201)
Foreign currency translation adjustment	227	247
Remeasurements of defined benefit plans, net of tax	169	195
Share of other comprehensive income of entities accounted for using equity method	(34)	(31)
Total other comprehensive income	(3,825)	209
Comprehensive income	6,971	12,961
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,967	12,949
Comprehensive income attributable to non-controlling interests	4	11