

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 2021

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 Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330
 Inquiries: Director, Executive Officer, and General Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330
 Scheduled date to file Quarterly Securities Report: August 10, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	47,573	16.1	4,838	70.4	5,275	65.1	3,358	70.1
Three months ended June 30, 2020	40,970	(19.2)	2,839	(46.8)	3,196	(43.9)	1,974	(56.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	51.08		50.92	
Three months ended June 30, 2020	30.03		29.93	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	318,427	209,731	65.7
As of March 31, 2021	322,139	208,290	64.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	33.00	–	34.00	67.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		34.00	–	35.00	69.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	96,000	12.1	9,800	39.3	10,500	32.8	7,100	36.7	108.01
Full year	200,000	9.6	21,000	15.4	22,400	8.9	15,000	3.1	228.19

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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: Yes
- 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, 2021	68,239,892 shares	As of March 31, 2021	68,239,892 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	2,496,912 shares	As of March 31, 2021	2,506,469 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, 2021	65,743,008 shares	Three months ended June 30, 2020	65,733,510 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	31,399	26,521
Notes and accounts receivable - trade	33,380	31,916
Electronically recorded monetary claims - operating	3,704	3,732
Securities	951	946
Raw materials and supplies	408	435
Other	4,713	5,723
Allowance for doubtful accounts	(15)	(15)
Total current assets	74,542	69,260
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	92,114	95,315
Machinery, equipment and vehicles, net	8,298	9,077
Tools, furniture and fixtures, net	1,220	1,197
Land	103,966	103,962
Leased assets, net	92	81
Construction in progress	8,236	5,788
Total property, plant and equipment	213,928	215,421
Intangible assets	2,073	2,051
Investments and other assets		
Investment securities	22,191	22,585
Long-term loans receivable	668	666
Deferred tax assets	3,409	3,356
Other	5,399	5,158
Allowance for doubtful accounts	(73)	(73)
Total investments and other assets	31,595	31,693
Total non-current assets	247,596	249,166
Total assets	322,139	318,427

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,799	9,333
Electronically recorded obligations - operating	5,521	5,713
Short-term borrowings	3,843	3,333
Lease obligations	67	62
Income taxes payable	4,186	1,833
Provision for bonuses	3,785	4,298
Provision for bonuses for directors (and other officers)	183	55
Notes payable - facilities	242	442
Electronically recorded obligations - non-operating	6,470	5,194
Other	12,168	11,305
Total current liabilities	46,269	41,572
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term borrowings	15,033	14,577
Lease obligations	34	28
Deferred tax liabilities	5,570	5,596
Retirement benefit liability	5,088	5,057
Provision for retirement benefits for directors (and other officers)	395	361
Other	1,457	1,502
Total non-current liabilities	67,579	67,123
Total liabilities	113,848	108,695
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	180,131	181,246
Treasury shares	(6,187)	(6,163)
Total shareholders' equity	197,593	198,731
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,295	10,691
Foreign currency translation adjustment	(187)	(282)
Remeasurements of defined benefit plans	46	67
Total accumulated other comprehensive income	10,154	10,476
Share acquisition rights	320	305
Non-controlling interests	222	217
Total net assets	208,290	209,731
Total liabilities and net assets	322,139	318,427

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, 2020	Three months ended June 30, 2021
Net sales	40,970	47,573
Cost of sales	35,763	40,221
Gross profit	5,206	7,352
Selling, general and administrative expenses	2,366	2,514
Operating profit	2,839	4,838
Non-operating income		
Interest income	23	20
Dividend income	221	275
Rental income	21	19
Share of profit of entities accounted for using equity method	21	105
Miscellaneous income	138	108
Total non-operating income	426	529
Non-operating expenses		
Interest expenses	47	49
Foreign exchange losses	10	29
Miscellaneous expenses	12	13
Total non-operating expenses	70	91
Ordinary profit	3,196	5,275
Extraordinary income		
Gain on sale of non-current assets	15	19
Gain on sale of investment securities	3	0
Total extraordinary income	19	19
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	0	52
Impairment losses	0	-
Total extraordinary losses	0	53
Profit before income taxes	3,215	5,241
Income taxes	1,244	1,881
Profit	1,971	3,360
Profit (loss) attributable to non-controlling interests	(2)	2
Profit attributable to owners of parent	1,974	3,358

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	1,971	3,360
Other comprehensive income		
Valuation difference on available-for-sale securities	1,361	396
Foreign currency translation adjustment	544	(153)
Remeasurements of defined benefit plans, net of tax	50	21
Share of other comprehensive income of entities accounted for using equity method	(9)	56
Total other comprehensive income	1,946	320
Comprehensive income	3,918	3,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,906	3,680
Comprehensive income attributable to non-controlling interests	11	(0)