

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

Company name: NIKKON Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9072 URL <https://www.nikkon-hd.co.jp>
 Representative: President & Representative Director Masakatsu Kuroiwa
 Director, Managing Executive Officer, and
 Inquiries: General Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	158,822	8.4	14,479	(0.8)	16,555	3.7	11,393	5.6
Nine months ended December 31, 2021	146,562	9.1	14,602	12.8	15,963	12.9	10,792	12.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	176.25		175.83	
Nine months ended December 31, 2021	164.15		163.71	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	349,318	222,323	63.5
As of March 31, 2022	339,475	219,035	64.4

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, 2022	–	34.00	–	35.00	69.00
Year ending March 31, 2023	–	48.00	–		
Year ending March 31, 2023 (Forecast)				48.00	96.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	217,000	9.5	20,200	3.5	22,300	3.3	15,400	4.5	238.66

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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, 2022	65,739,892 shares	As of March 31, 2022	68,239,892 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,563,426 shares	As of March 31, 2022	2,723,278 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, 2022	64,644,204 shares	Nine months ended December 31, 2021	65,746,467 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	30,227	31,955
Notes and accounts receivable - trade	35,110	35,558
Electronically recorded monetary claims - operating	3,545	4,086
Securities	456	262
Raw materials and supplies	531	598
Other	4,797	5,022
Allowance for doubtful accounts	(12)	(15)
Total current assets	74,655	77,470
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	103,224	111,328
Machinery, equipment and vehicles, net	8,825	7,855
Tools, furniture and fixtures, net	1,323	1,495
Land	110,792	115,326
Leased assets, net	180	150
Construction in progress	7,981	3,729
Total property, plant and equipment	232,328	239,886
Intangible assets	2,173	2,343
Investments and other assets		
Investment securities	20,911	19,766
Long-term loans receivable	559	447
Deferred tax assets	3,485	3,464
Other	5,390	5,987
Allowance for doubtful accounts	(29)	(48)
Total investments and other assets	30,317	29,617
Total non-current assets	264,819	271,847
Total assets	339,475	349,318

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,537	10,612
Electronically recorded obligations - operating	6,200	6,807
Short-term borrowings	1,823	13,474
Lease liabilities	85	51
Income taxes payable	3,645	2,283
Provision for bonuses	3,977	1,950
Provision for bonuses for directors (and other officers)	196	163
Notes payable - facilities	489	347
Electronically recorded obligations - non-operating	3,929	3,604
Other	12,482	14,822
Total current liabilities	44,367	54,117
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	13,210	10,192
Lease liabilities	88	81
Deferred tax liabilities	5,138	4,789
Retirement benefit liability	5,696	5,842
Provision for retirement benefits for directors (and other officers)	435	431
Other	1,502	1,538
Total non-current liabilities	76,072	72,876
Total liabilities	120,440	126,994
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	190,340	190,354
Treasury shares	(6,609)	(3,596)
Total shareholders' equity	207,380	210,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,621	8,760
Foreign currency translation adjustment	1,807	2,880
Remeasurements of defined benefit plans	(330)	(244)
Total accumulated other comprehensive income	11,098	11,396
Share acquisition rights	227	210
Non-controlling interests	328	308
Total net assets	219,035	222,323
Total liabilities and net assets	339,475	349,318

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, 2021	Nine months ended December 31, 2022
Net sales	146,562	158,822
Cost of sales	124,534	136,026
Gross profit	22,028	22,796
Selling, general and administrative expenses	7,425	8,317
Operating profit	14,602	14,479
Non-operating income		
Interest income	52	67
Dividend income	596	675
Rental income	55	55
Share of profit of entities accounted for using equity method	310	458
Foreign exchange gains	144	331
Miscellaneous income	395	720
Total non-operating income	1,554	2,308
Non-operating expenses		
Interest expenses	154	168
Miscellaneous expenses	39	64
Total non-operating expenses	193	232
Ordinary profit	15,963	16,555
Extraordinary income		
Gain on sale of non-current assets	79	46
Gain on sale of investment securities	3	–
Compensation income	17	–
Total extraordinary income	100	46
Extraordinary losses		
Loss on sale of non-current assets	12	5
Loss on retirement of non-current assets	56	113
Loss on sale of investment securities	4	–
Total extraordinary losses	72	119
Profit before income taxes	15,991	16,482
Income taxes	5,193	5,106
Profit	10,798	11,376
Profit (loss) attributable to non-controlling interests	5	(17)
Profit attributable to owners of parent	10,792	11,393

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	10,798	11,376
Other comprehensive income		
Valuation difference on available-for-sale securities	(969)	(860)
Foreign currency translation adjustment	333	944
Remeasurements of defined benefit plans, net of tax	34	86
Share of other comprehensive income of entities accounted for using equity method	75	129
Total other comprehensive income	(525)	300
Comprehensive income	10,272	11,676
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,264	11,692
Comprehensive income attributable to non-controlling interests	7	(15)