

Consolidated Financial Results
For the Second Quarter of the Year Ending March 31, 2021
(Japan GAAP)

October 30, 2020

Company name : Nippon Light Metal Holdings Company, Ltd.
 Stock exchange listing : First Section of Tokyo
 Code number : 5703
 URL : <https://www.nikkeikinholdings.com/>
 Representative : Ichiro OKAMOTO, President & Chief Executive Officer
 The expected date for filing of securities report : November 6, 2020
 The expected date of dividends payment : -
 Additional documents to supplement quarterly financial results : Yes
 Quarterly IR presentation : Yes(for analysts and institutional investors)

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Six Months Ended September 30, 2020

(April 1, 2020 – September 30, 2020)

(1) Consolidated Results of Operations (Accumulated Total)

(% : changes from the same period of the previous fiscal year)

Six months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2020	198,499	(14.3)	7,895	(32.6)	7,660	(33.2)	4,720	(38.5)
September 30, 2019	231,585	(5.6)	11,718	(17.4)	11,462	(21.9)	7,681	(24.2)

(Note) Comprehensive income: ¥5,875million / (17.7%) for the Six months ended September 30, 2020
 ¥7,140million / (32.5%) for the Six months ended September 30, 2019

Six months ended	Net profit per share (basic)	Net profit per share (diluted)
	Yen	Yen
September 30, 2020	76.23	—
September 30, 2019	124.04	—

(Note) Because the Company conducted a share consolidation at a ratio of 10 shares to 1 share of its common stock on October 1, 2020, net profit per share is calculated on the assumption that this share consolidation was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

Six months ended	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2020	476,971	203,263	39.5
Year ended March 31, 2020	470,004	201,198	39.6

(Reference) Shareholder's equity: ¥188,580million as of the Six months ended September 30, 2020
 ¥186,275million as of the Year ended March 31, 2020

2. Dividends

	Annual dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	—	4.00	—	5.00	9.00
Year ending March 31, 2021	—	0.00			
Year ending March 31, 2021 (forecasts)			—	65.00	65.00

(Note) Revisions to dividend forecasts published most recently : Yes

Because the Company conducted a share consolidation at a ratio of 10 shares to 1 share of its common stock on October 1, 2020, forecasts of dividend per share for the fiscal year ending March 31, 2021 indicate amounts that take the effect of this share consolidation into consideration. For details, please refer to “Explanations and other special notes concerning the appropriate use of business performance forecasts.”

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2021

(April 1, 2020—March 31, 2021)

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2021	415,000	(10.9)	18,000	(26.9)	17,000	(27.6)	10,000	33.8	161.50

(Note) Revisions to financial forecasts published most recently : Yes

The net profit per share in the forecasts of consolidated financial results for the year ending March 31, 2021 takes the effect of the share consolidation into consideration. For details, please refer to “Explanations and other special notes concerning the appropriate use of business performance forecasts.”

*Notes

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation) : None
 Newly added: — (Company name: —) Excluded : — (Company name : —)

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies caused by revision of accounting standards : None
- (ii) Changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury stock)

As of the Six months ended September 30, 2020	61,993,750 shares
As of the Year ended March 31, 2020	61,993,750 shares

(ii) Number of treasury stock at end of period

As of the Six months ended September 30, 2020	72,720shares
As of the Year ended March 31, 2020	72,576shares

(iii) Average number of shares outstanding during the term

For the Six months ended September 30, 2020	61,921,113 shares
For the Six months ended September 30, 2019	61,921,573shares

(Note) Because the Company conducted a share consolidation at a ratio of 10 shares to 1 share of its common stock on October 1, 2020, the number of shares outstanding (common stock) is calculated on the assumption that this share consolidation was conducted at the beginning of the previous fiscal year.

* This financial summary does not need to undergo a quarterly review

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(1) The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

(2)The Company conducted a share consolidation at a ratio of 10 shares to 1 share of its common stock on October 1, 2020. Dividend forecast and forecast of consolidated financial results for the year ending March 31, 2021 that do not take this share consolidation into consideration would be as follows.

1. Dividend forecast for the year ending March 31, 2021

Year-end dividend per share: 6.50 yen

2. Forecast of consolidated financial results for the year ending March 31, 2021

Net profit per share for the full year: 16.15 yen

【Attached documents】 Quarterly Consolidated Financial Statements

1: Quarterly Consolidated Balance Sheets

(Millions of yen)

	Year ended (March 31,2020)	Six months ended (September 30, 2020)
Assets		
Current assets		
Cash and deposits	36,349	58,102
Notes and accounts receivable – trade	133,033	116,587
Finished products	28,513	28,177
Work-in-progress, including costs related to construction-type contracts	19,309	18,977
Raw material and supplies	18,788	18,056
Other current assets	10,767	12,379
Allowance for doubtful accounts	(385)	(318)
Total current assets	246,374	251,960
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	55,514	56,575
Machinery and equipment, net	49,104	49,784
Tools, furniture and fixtures, net	5,658	6,322
Land	54,587	54,586
Construction-in-progress	8,894	7,742
Total property, plant and equipment	173,757	175,009
Intangible assets		
Goodwill	1,555	1,333
Other intangible assets	4,312	4,700
Total intangible assets	5,867	6,033
Investments and other assets		
Other assets	44,273	44,340
Allowance for doubtful accounts	(267)	(371)
Total investments and other assets	44,006	43,969
Total fixed assets	223,630	225,011
Total assets	470,004	476,971

(Millions of yen)

	Year ended (March 31, 2020)	Six months ended (September 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	63,826	57,778
Short-term borrowings	62,670	62,146
Income taxes payable	2,654	3,455
Other current liabilities	33,191	29,387
Total current liabilities	162,341	152,766
Long-term liabilities		
Bonds	653	635
Long-term debt	69,299	84,572
Liabilities for retirement benefits	20,115	20,270
Provision for environmental measures	10,609	9,646
Other long-term liabilities	5,789	5,819
Total long-term liabilities	106,465	120,942
Total liabilities	268,806	273,708
Net assets		
Shareholders' equity		
Common stock	46,525	46,525

Additional paid-in capital	18,983	18,992
Retained earnings	119,108	120,731
Treasury stock, at cost	(69)	(70)
Total shareholders' equity	184,547	186,178
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities	2,230	2,819
Net unrealized gains(losses) on hedges	(120)	4
Land revaluation surplus	145	145
Foreign currency translation adjustments	1,084	933
Remeasurements of defined benefits plans	(1,611)	(1,499)
Total accumulated other comprehensive income	1,728	2,402
Non-controlling interests	14,923	14,683
Total net assets	201,198	203,263
Total liabilities and net assets	470,004	476,971

2: Quarterly Consolidated Statements of Income and
Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Six months ended (September 30, 2019)	Six months ended (September 30, 2020)
Net sales	231,585	198,499
Cost of sales	185,754	158,755
Gross profit	45,831	39,744
Selling, general and administrative expenses	34,113	31,849
Operating profit	11,718	7,895
Non-operating profit		
Other	1,910	1,952
Total non-operating profit	1,910	1,952
Non-operating expenses		
Interest expense	622	548
Other	1,544	1,639
Total non-operating expenses	2,166	2,187
Ordinary profit	11,462	7,660
Profit before income taxes and minority interests	11,462	7,660
Income taxes - current	2,825	2,270
Income taxes - deferred	130	194
Total income taxes	2,955	2,464
Net profit	8,507	5,196
Profit attributable to non-controlling interests	826	476
Profit attributable to owners of parent	7,681	4,720

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended (September 30, 2019)	Six months ended (September 30, 2020)
Net profit	8,507	5,196
Other comprehensive income (losses)		
Net unrealized gains (losses) on securities	17	620
Net unrealized gains (losses) on hedges	(75)	124
Foreign currency translation adjustments	(1,048)	50
Remeasurements of defined benefit plans	79	122
Equity of other comprehensive income (losses) of affiliates	(340)	(237)
Total other comprehensive income (losses)	(1,367)	679
Comprehensive income	7,140	5,875
Comprehensive income attributable to owners of parent	6,533	5,394

3: Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended (September 30, 2019)	Six months ended (September 30, 2020)
Cash flows from operating activities		
Profit before income taxes	11,462	7,660
Depreciation and amortization	9,193	9,268
Amortization of goodwill	222	222
Increase (decrease) in allowance for doubtful accounts	(113)	37
Increase (decrease) in net defined benefit liability	104	310
Interest and dividend income	(216)	(220)
Interest expenses	622	547
Decrease (increase) in notes and accounts receivable - trade	19,128	16,206
Decrease (increase) in inventories	435	1,403
Increase (decrease) in notes and accounts payable - trade	(10,420)	(5,602)
Other	(784)	(2,718)
Subtotal	29,633	27,113
Interest and dividend income received	459	300
Interest paid	(588)	(548)
Income taxes paid	(5,387)	(2,681)
Net cash provided by operating activities	24,117	24,184
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(15,296)	(12,575)
Other	(281)	(134)
Net cash used in investing activities	(15,577)	(12,709)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,478	2,091
Proceeds from long-term debt	2,618	19,092
Repayments of long-term debt	(7,762)	(6,364)
Cash dividends paid	(3,114)	(3,113)
Dividends paid to non-controlling interests	(692)	(702)
Other	(426)	(599)
Net cash used in financing activities	(6,898)	10,405
Effect of exchange rate changes on cash and cash equivalents	(331)	(127)
Net increase (decrease) in cash and cash equivalents	1,311	21,753
Cash and cash equivalents at beginning of the year	33,345	36,296
Cash and cash equivalents at end of the quarter	34,656	58,049