

Consolidated Financial Results
For the Fiscal Year Ended March 31, 2021
(Japanese GAAP)

May 14, 2021

Company name: Nippon Light Metal Holdings Company, Ltd.
Stock exchange listing: First Section of Tokyo Stock Exchange
Code number: 5703
URL: <https://www.nikkeikinholdings.com/>
Representative: Ichiro OKAMOTO, President & Chief Executive Officer
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Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2021
Scheduled date of commencement of dividend payment: June 28, 2021
Scheduled date of filing securities report: June 25, 2021
Preparation of supplementary materials for financial results: Yes
Holding of a briefing on financial results: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded off)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020–March 31, 2021)

(1) Consolidated Operating Results

(% figures show year-on-year change)

Fiscal year 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	%
March 31, 2021	432,568	(7.2)	24,194	(1.7)	24,030	2.4	3,366	(55.0)
March 31, 2020	465,946	(6.9)	24,607	(18.1)	23,475	(24.5)	7,476	(63.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥9,777 million / 59.4%
Fiscal year ended March 31, 2020: ¥6,135 million / (68.8%)

Fiscal year ended	Profit per share (basic)	Profit per share (diluted)	Return on equity (ROE)	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2021	54.37	—	1.8	4.9	5.6
March 31, 2020	120.73	—	4.0	4.9	5.3

(Reference) Share of loss (profit) of entities accounted for using equity method:

Fiscal year ended March 31, 2021: ¥623 million

Fiscal year ended March 31, 2020: ¥268 million

(Note) On October 1, 2020, the Company implemented a share consolidation in which ten shares of common stock were consolidated into one share. As a result, profit per share is calculated on the assumption that this share consolidation was carried out at the start of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	506,955	207,104	37.6	3,081.54
As of March 31, 2020	470,004	201,198	39.6	3,008.26

(Reference) Shareholders' equity: As of March 31, 2021: ¥190,712 million

As of March 31, 2020: ¥186,275 million

(Note) On October 1, 2020, the Company implemented a share consolidation in which ten shares of common stock were consolidated into one share. As a result, net assets per share is calculated on the assumption that this share consolidation was carried out at the start of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	41,942	(25,674)	8,194	61,176
March 31, 2020	48,676	(29,684)	(15,745)	36,296

2. Dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	—	4.00	—	5.00	9.00	5,574	74.6	3.0
Fiscal year ended March 31, 2021	—	0.00	—	65.00	65.00	4,024	119.6	2.1
Fiscal year ending March 31, 2022 (forecast)	—	40.00	—	45.00	85.00		29.2	

(Note) On October 1, 2020, the Company implemented a share consolidation in which ten shares of common stock were consolidated into one share. As a result, the amount noted here for dividends per share in the fiscal year ended in March 2021 takes into account the effect of this share consolidation. The dividends per share in the fiscal year ended in March 2021 when the share consolidation is not taken into account would be 6.50 yen.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022

(April 1, 2021—March 31, 2022)

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	230,000	15.9	12,000	52.0	12,000	56.7	8,000	69.5	129.22
Fiscal year ending March 31, 2021	470,000	8.7	27,000	11.6	27,000	12.4	18,000	434.8	290.74

*Notes

(1) Change in significant subsidiaries during the period

(changes in specified subsidiaries affecting the scope of consolidation): None

Newly added: — (Company name: —) Excluded: — (Company name: —)

(2) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revision of accounting standards: None

(ii) Changes in accounting policies other than item (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares outstanding (common stock)

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

As of March 31, 2021	61,993,750 shares
As of March 31, 2020	61,993,750 shares

(ii) Number of treasury stock at end of period

As of March 31, 2021	105,121 shares
As of March 31, 2020	72,576 shares

(iii) Average number of shares outstanding during the term

Fiscal year ended March 31, 2021	61,910,894 shares
Fiscal year ended March 31, 2020	61,921,443 shares

(Note) On October 1, 2020, the Company implemented a share consolidation in which ten shares of common stock were consolidated into one share. As a result, number of shares outstanding (common stock) is calculated on the assumption that this share consolidation was carried out at the start of the previous consolidated fiscal year.

* The consolidated financial results are not subject to auditing by a certified public accountant or an audit firm.

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

(Note of caution concerning forward-looking statements)

- 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.

【Attached documents】 Consolidated Financial Statements and Important Notes

1: Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	36,349	61,229
Notes and accounts receivable – trade	105,458	105,003
Electronically recorded monetary claims – operating	27,575	28,770
Merchandise and finished goods	28,513	27,394
Work in process	19,309	18,424
Raw material and supplies	18,788	19,776
Other current assets	10,767	10,570
Allowance for doubtful accounts	(385)	(385)
Total current assets	246,374	270,781
Non-current assets		
Property, plant and equipment		
Buildings and structures	152,507	159,141
Accumulated depreciation	(96,993)	(100,022)
Buildings and structures, net	55,514	59,119
Machinery and equipment	299,705	305,565
Accumulated depreciation	(250,601)	(256,058)
Machinery and equipment, net	49,104	49,507
Tools, furniture and fixtures	36,388	37,786
Accumulated depreciation	(30,730)	(31,552)
Tools, furniture and fixtures, net	5,658	6,234
Land	54,587	54,690
Construction in progress	8,894	9,555
Total property, plant and equipment	173,757	179,105
Intangible assets		
Goodwill	1,555	1,111
Other intangible assets	4,312	5,962
Total intangible assets	5,867	7,073
Investments and other assets		
Investment securities	27,560	30,241
Deferred tax assets	8,981	11,898
Other assets	7,732	8,402
Allowance for doubtful accounts	(267)	(545)
Total investments and other assets	44,006	49,996
Total non-current assets	223,630	236,174
Total assets	470,004	506,955

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	63,826	65,815
Short-term borrowings	52,602	55,020
Current portion of long-term borrowings	10,068	7,648
Income taxes payable	2,654	3,327
Other current liabilities	33,191	34,306
Total current liabilities	162,341	166,116
Non-current liabilities		
Bonds payable	653	664
Long-term borrowings	69,299	82,897
Retirement benefit liability	20,115	19,929
Provision for environmental measures	10,609	24,634
Other non-current liabilities	5,789	5,611
Total non-current liabilities	106,465	133,735
Total liabilities	268,806	299,851
Net assets		
Shareholders' equity		
Share capital	46,525	46,525
Capital surplus	18,983	18,992
Retained earnings	119,108	119,377
Treasury shares	(69)	(131)
Total shareholders' equity	184,547	184,763
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,230	3,642
Deferred gains or losses on hedges	(120)	24
Revaluation reserve for land	145	145
Foreign currency translation adjustment	1,084	2,665
Remeasurements of defined benefits plans	(1,611)	(527)
Total accumulated other comprehensive income	1,728	5,949
Non-controlling interests	14,923	16,392
Total net assets	201,198	207,104
Total liabilities and net assets	470,004	506,955

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

Consolidated Statements of Income	(Millions of yen)	
	FY ended March 31, 2020 (Apr. 1, 2019 - Mar. 31, 2020)	FY ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
Net sales	465,946	432,568
Cost of sales	372,337	342,499
Gross profit	93,609	90,069
Selling, general and administrative expenses	69,002	65,875
Operating profit	24,607	24,194
Non-operating income		
Interest income	85	84
Dividend income	302	309
Share of profit of entities accounted for using equity method	268	623
Rental income	760	700
Other	1,999	2,200
Total non-operating income	3,414	3,916
Non-operating expenses		
Interest expenses	1,211	1,033
Loss on disposal of non-current assets	466	581
Rental expenses	592	657
Other	2,277	1,809
Total non-operating expenses	4,546	4,080
Ordinary profit	23,475	24,030
Extraordinary losses		
Expense for environmental measures	11,000	16,200
Total extraordinary losses	11,000	16,200
Profit before income taxes	12,475	7,830
Income taxes - current	4,897	6,691
Income taxes - deferred	(1,707)	(3,958)
Total income taxes	3,190	2,733
Profit	9,285	5,097
Profit attributable to non-controlling interests	1,809	1,731
Profit attributable to owners of parent	7,476	3,366

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY ended March 31, 2020 (Apr. 1, 2019 - Mar. 31, 2020)	FY ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
Profit	9,285	5,097
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,088)	1,429
Deferred gains or losses on hedges	(111)	144
Foreign currency translation adjustment	(1,281)	1,817
Remeasurements of defined benefit plans	(438)	1,155
Share of other comprehensive income of entities accounted for using equity method	(232)	135
Total other comprehensive income (losses)	<u>(3,150)</u>	<u>4,680</u>
Comprehensive income	<u>6,135</u>	<u>9,777</u>
Comprehensive income attributable to owners of parent	4,513	7,587
Comprehensive income attributable to non-controlling interests	1,622	2,190

3: Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 31, 2020 (Apr. 1, 2019 - Mar. 31, 2020)	FY ended March 31, 2021 (Apr. 1, 2020 - Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	12,475	7,830
Depreciation	18,694	19,157
Amortization of goodwill	444	444
Increase (decrease) in allowance for doubtful accounts	(69)	277
Increase (decrease) in retirement benefit liability	(242)	388
Increase (decrease) in provision for environmental measures	10,609	14,025
Interest and dividend income	(387)	(393)
Interest expenses	1,211	1,033
Share of loss (profit) of entities accounted for using equity method	(268)	(623)
Loss on retirement of non-current assets	484	554
Decrease (increase) in trade receivables	18,854	(290)
Decrease (increase) in inventories	4,873	1,706
Increase (decrease) in trade payables	(10,359)	673
Other	322	2,309
Subtotal	56,641	47,090
Interest and dividends received	633	675
Interest paid	(1,165)	(1,059)
Income taxes paid	(7,433)	(4,764)
Net cash provided by operating activities	48,676	41,942
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,269)	(24,246)
Purchase of intangible assets	(1,487)	(2,438)
Other	72	1,010
Net cash used in investing activities	(29,684)	(25,674)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,918)	2,014
Proceeds from long-term borrowings	10,637	21,605
Repayments of long-term borrowings	(14,694)	(10,503)
Dividends paid	(5,586)	(3,122)
Dividends paid to non-controlling interests	(885)	(703)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,382)	(13)
Other	(917)	(1,084)
Net cash provided by (used in) financing activities	(15,745)	8,194
Effect of exchange rate change on cash and cash equivalents	(296)	418
Net increase (decrease) in cash and cash equivalents	2,951	24,880
Cash and cash equivalents at beginning of the year	33,345	36,296
Cash and cash equivalents at end of the year	36,296	61,176