

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

October 31, 2019

Company name: Nissin Sugar Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2117 URL <https://www.nissin-sugar.co.jp/>  
 Representative: President and Representative Director Yutaka Morita  
 Inquiries: General Manager, Finance Department Kenji Oba TEL 03 - 3668 - 1293  
 Scheduled date to file Quarterly Securities Report: November 13, 2019  
 Scheduled date to commence dividend payments: December 2, 2019  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 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	%
Six months ended September 30, 2019	24,439	(0.2)	1,664	(2.4)	1,825	1.6	1,209	(0.5)
Six months ended September 30, 2018	24,489	(0.2)	1,705	75.3	1,796	31.9	1,215	24.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	54.78		-	
Six months ended September 30, 2018	55.07		-	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2019	61,030		51,552		84.5	
As of March 31, 2019	62,235		51,188		82.2	

Notes: In the first quarter, ended June 30, 2019, the Company finalized a provisional accounting treatment related to business combinations. The figures for the fiscal year ended March 31, 2019 reflect the finalization of the provisional accounting treatment.

### 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, 2019	-	36.00	-	34.00	70.00
Year ending March 31, 2020	-	35.00	-	-	-
Year ending March 31, 2020 (Forecast)	-	-	-	35.00	70.00

### 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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	48,000	-	3,200	-	3,500	-	2,500	-	113.23

Notes: As the Company plans to adopt International Financial Reporting Standards (IFRS) from the filing of the annual report for the year ending March 31, 2020, the forecast of the financial earnings is prepared based on IFRS and thus changes from the same month of the previous year are not shown.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2019	22,673,883 shares	As of March 31, 2019	22,673,883 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	595,004 shares	As of March 31, 2019	594,935 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	22,078,907 shares	Six months ended September 30, 2018	22,079,479 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash on hand and in banks	10,900	10,526
Notes and accounts receivable-trade	4,955	3,724
Marketable securities	3,600	3,600
Merchandise and finished goods	3,353	3,115
Work in progress	496	510
Raw materials and supplies	2,196	2,512
Other	302	321
Allowance for doubtful accounts	(1)	(2)
Total current assets	25,803	24,310
Non-current assets		
Property, plant and equipment		
Land	8,606	8,606
Other, net	7,085	7,561
Total property, plant and equipment	15,692	16,167
Intangible assets		
Goodwill	1,815	1,648
Other	217	247
Total intangible assets	2,032	1,896
Investments and other assets		
Investment securities	16,493	16,392
Net defined benefit assets	451	518
Other	1,842	1,786
Allowance for doubtful accounts	(80)	(42)
Total investments and other assets	18,707	18,655
Total non-current assets	36,432	36,719
Total assets	62,235	61,030

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,676	2,662
Short-term loans payable	1,300	1,300
Income taxes payable	844	606
Provision	353	360
Other	2,008	1,824
<b>Total current liabilities</b>	<b>8,182</b>	<b>6,755</b>
<b>Non-current liabilities</b>		
Provision	198	113
Liability for retirement benefits	137	144
Other	2,529	2,465
<b>Total non-current liabilities</b>	<b>2,865</b>	<b>2,723</b>
<b>Total liabilities</b>	<b>11,047</b>	<b>9,478</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,000	7,000
Capital surplus	11,821	11,821
Retained earnings	29,486	29,945
Treasury shares	(299)	(300)
<b>Total shareholders' equity</b>	<b>48,008</b>	<b>48,467</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	896	815
Deferred gains or losses on hedges	2	9
Revaluation reserve for land	2,191	2,191
Remeasurements of defined benefit plans	89	68
<b>Total accumulated other comprehensive income</b>	<b>3,179</b>	<b>3,084</b>
<b>Total net assets</b>	<b>51,188</b>	<b>51,552</b>
<b>Total liabilities and net assets</b>	<b>62,235</b>	<b>61,030</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	24,489	24,439
Cost of sales	19,023	18,808
Gross profit	5,465	5,630
Selling, general and administrative expenses	3,759	3,966
Operating profit	1,705	1,664
Non-operating income		
Interest income	1	1
Dividend income	58	33
Share of profit of entities accounted for using equity method	35	91
Reversal of allowance for doubtful accounts	–	38
Other	16	17
Total non-operating income	112	181
Non-operating expenses		
Interest expenses	14	12
Commission fee	4	4
Other	2	3
Total non-operating expenses	21	20
Ordinary profit	1,796	1,825
Extraordinary income		
Gain on sales of non-current assets	–	0
Gain on sales of investment securities	3	–
Total extraordinary income	3	0
Extraordinary losses		
Loss on disposal of non-current assets	22	8
Loss on sales of investment securities	5	0
Loss on sales of golf club memberships	–	38
Total extraordinary losses	28	46
Profit before income taxes	1,771	1,778
Income taxes	555	569
Profit	1,215	1,209
Profit attributable to owners of parent	1,215	1,209

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

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	1,215	1,209
Other comprehensive income		
Valuation difference on available-for-sale securities	154	(80)
Deferred gains or losses on hedges	15	7
Remeasurements of defined benefit plans, net of tax	(6)	(21)
Share of other comprehensive income of entities accounted for using equity method	(3)	0
Total other comprehensive income	160	(94)
Comprehensive income	1,376	1,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,376	1,114
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	1,771	1,778
Depreciation	390	455
Amortization of goodwill	116	167
Loss on disposal of non-current assets	22	8
Decrease in allowance for doubtful accounts	(0)	(36)
(Decrease) increase in provision for bonuses	(2)	7
Increase (decrease) in provision for directors' retirement benefits	15	(85)
Increase in net defined benefit assets	(41)	(97)
Increase in liability for retirement benefits, net	6	6
Interest and dividend income	(59)	(34)
Interest expenses	14	12
Share of profit of entities accounted for using equity method	(35)	(91)
Gain on sales of non-current assets	–	(0)
Loss on sales of investment securities	2	0
Loss on sales of golf club memberships	–	38
Decrease in notes and accounts receivable-trade	155	1,230
Increase in inventories	(294)	(94)
Decrease in notes and accounts payable-trade	(33)	(1,013)
Decrease (increase) in other current assets	31	(21)
Decrease in other current liabilities	(228)	(232)
Decrease in other non-current liabilities	(1)	(0)
Other, net	6	0
Subtotal	1,836	1,997
Interest and dividend income received	87	61
Interest expenses paid	(15)	(13)
Income taxes paid	(165)	(784)
Net cash provided by operating activities	1,743	1,261
Cash flows from investing activities		
Increase in short-term investment securities, net	(1,000)	–
Purchase of property, plant and equipment	(447)	(848)
Payments for disposal of property, plant and equipment	(19)	(9)
Proceeds from sales of property, plant and equipment	–	0
Purchase of intangible assets	(15)	(24)
Purchase of investment securities	(7)	(7)
Proceeds from sales of investment securities	6	0
Proceeds from sales of golf club memberships	–	14
Proceeds from withdrawal of investment	–	60
Other, net	(2)	(11)
Net cash used in investing activities	(1,486)	(825)
Cash flows from financing activities		
Repayments of lease obligations	(51)	(56)
Cash dividends paid	(771)	(753)
Other, net	(0)	(0)
Net cash used in financing activities	(823)	(810)
Net decrease in cash and cash equivalents	(566)	(374)
Cash and cash equivalents at beginning of period	9,704	8,470
Cash and cash equivalents at end of period	9,137	8,096