

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 4, 2020

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: February 13, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	37,661	(0.4)	3,163	12.2	3,287	12.1	1,603	(19.6)
Nine months ended December 31, 2018	37,824	(0.2)	2,819	49.0	2,933	25.8	1,994	19.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	72.61		–	
Nine months ended December 31, 2018	90.34		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2019	60,102		51,112		85.0	
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 nine months ended December 31, 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 December 31, 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 December 31, 2019	595,107 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)

Nine months ended December 31, 2019	22,078,870 shares	Nine months ended December 31, 2018	22,079,365 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash on hand and in banks	10,900	9,479
Notes and accounts receivable-trade	4,955	4,980
Marketable securities	3,600	3,600
Merchandise and finished goods	3,353	3,099
Work in progress	496	248
Raw materials and supplies	2,196	1,946
Other	302	324
Allowance for doubtful accounts	(1)	(1)
Total current assets	25,803	23,676
Non-current assets		
Property, plant and equipment		
Land	8,606	8,606
Other, net	7,085	7,621
Total property, plant and equipment	15,692	16,228
Intangible assets		
Goodwill	1,815	2,004
Other	217	258
Total intangible assets	2,032	2,262
Investments and other assets		
Investment securities	16,493	15,668
Net defined benefit assets	451	549
Other	1,842	1,728
Allowance for doubtful accounts	(80)	(10)
Total investments and other assets	18,707	17,935
Total non-current assets	36,432	36,425
Total assets	62,235	60,102

(Millions of yen)

As of March 31, 2019

As of December 31, 2019

Liabilities

Current liabilities

Notes and accounts payable-trade	3,676	2,360
Short-term loans payable	1,300	1,300
Income taxes payable	844	493
Provision	353	183
Other	2,008	2,168
Total current liabilities	8,182	6,505

Non-current liabilities

Provision	198	118
Liability for retirement benefits	137	147
Other	2,529	2,217
Total non-current liabilities	2,865	2,484

Total liabilities

11,047 8,990

Net assets

Shareholders' equity

Capital stock	7,000	7,000
Capital surplus	11,821	11,821
Retained earnings	29,486	29,566
Treasury shares	(299)	(300)
Total shareholders' equity	48,008	48,088

Accumulated other comprehensive income

Valuation difference on available-for-sale securities	896	773
Deferred gains or losses on hedges	2	1
Revaluation reserve for land	2,191	2,191
Remeasurements of defined benefit plans	89	57
Total accumulated other comprehensive income	3,179	3,024

Total net assets

51,188 51,112

Total liabilities and net assets

62,235 60,102

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, 2018	Nine months ended December 31, 2019
Net sales	37,824	37,661
Cost of sales	29,177	28,411
Gross profit	8,647	9,249
Selling, general and administrative expenses	5,827	6,085
Operating profit	2,819	3,163
Non-operating income		
Interest income	1	2
Dividend income	61	35
Share of profit of entities accounted for using equity method	58	89
Other	22	26
Total non-operating income	144	154
Non-operating expenses		
Interest expenses	20	17
Commission fee	6	6
Other	2	6
Total non-operating expenses	30	30
Ordinary profit	2,933	3,287
Extraordinary income		
Gain on sales of non-current assets	–	0
Gain on sales of investment securities	3	0
Total extraordinary income	3	0
Extraordinary losses		
Loss on disposal of non-current assets	30	25
Loss on sales of investment securities	5	0
Loss on valuation of investment securities	–	661
Total extraordinary losses	36	687
Profit before income taxes	2,900	2,600
Income taxes	906	997
Profit	1,994	1,603
Profit attributable to owners of parent	1,994	1,603

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	1,994	1,603
Other comprehensive income		
Valuation difference on available-for-sale securities	(85)	(123)
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans, net of tax	(9)	(31)
Share of other comprehensive income of entities accounted for using equity method	(5)	0
Total other comprehensive income	(102)	(155)
Comprehensive income	1,892	1,447
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,892	1,447
Comprehensive income attributable to non-controlling interests	—	—