

Consolidated Financial Results
For the Fiscal Year 2018 Ended March 31, 2019
(Japan GAAP)

May 14, 2019

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 of the ordinary general shareholders' meeting : June 25, 2019
 The expected date of dividends payment : June 26, 2019d
 The expected date for filing of securities report : June 25, 2019
 Additional documents to supplement financial results : Yes
 IR presentation : Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded off)

1. Consolidated Financial Results for the Year Ended March 31, 2019

(April 1, 2018–March 31, 2019)

(1) Consolidated Results of Operations

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

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, 2019	500,451	3.9	30,052	0.5	31,084	5.3	20,560	14.1
March 31, 2018	481,439	7.4	29,893	(1.1)	29,533	12.5	18,012	(7.7)

(Note) Comprehensive income: ¥19,675 million / (10.2%) for the Year ended March 31, 2019
 ¥21,912 million / 10.5% for the Year ended March 31, 2018

Year ended	Net profit per share (basic)	Net profit per share (diluted)	Return on equity (ROE)	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2019	33.20	—	11.4	6.6	6.0
March 31, 2018	29.09	—	10.8	6.4	6.2

(Reference) Equity in net profit of affiliates: ¥680 million for the Year ended March 31, 2019
 ¥998 million for the Year ended March 31, 2018

(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, 2019	481,303	202,735	39.0	303.37
As of March 31, 2018	467,199	189,322	37.2	280.93

(Reference) Shareholder's equity: ¥187,854 million as of the Year ended March 31, 2019
 ¥173,957 million as of the Year ended March 31, 2018

(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
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	34,644	(22,777)	(8,904)	33,545
March 31, 2018	25,868	(14,948)	(17,040)	30,517

2. Dividends

	Annual dividend 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	Annual			
Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2018	—	4.00	—	4.00	8.00	4,955	27.5	3.0
March 31, 2019	—	4.00	—	5.00	9.00	5,574	27.1	3.1
Year ending March 31, 2020 (forecast)	—	4.00	—	5.00	9.00		27.9	

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2020

(April 1, 2019–March 31, 2020)

(%: 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
Six months ending September 30, 2019	245,000	(0.1)	13,000	(8.4)	12,500	(14.8)	8,500	(16.1)	13.73
Year ending March 31, 2019	510,000	1.9	31,000	3.2	30,500	(1.9)	20,000	(2.7)	32.30

*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) 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) Restatements : None

(3) Number of shares outstanding (common stock)

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

As of the Year ended March 31, 2019	619,937,500 shares
As of the Year ended March 31, 2018	619,937,500 shares

(ii) Number of treasury stock at end of period

As of the Year ended March 31, 2019	720,629 shares
As of the Year ended March 31, 2018	714,480 shares

(iii) Average number of shares outstanding during the term

For the Year ended March 31, 2019	619,220,839 shares
For the Year ended March 31, 2018	619,227,270 shares

*This financial summary is not subject to audit.

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

- 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.

* Supplementary materials and IR meetings on financial results:

-We will hold an IR meeting on financial results for analysts and institutional investors on May 22, 2019. Contents of the meeting in both English and Japanese will be posted on our website immediately after the meeting.

【Attached documents】 Consolidated Financial Statements**1: Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	30,722	33,417
Notes and accounts receivable – trade	136,021	123,039
Electronically recorded monetary claims – operating	18,764	29,642
Finished products	28,276	30,453
Work-in-progress, including costs related to construction-type contracts	17,675	19,105
Raw material and supplies	20,690	22,231
Other current assets	11,612	9,848
Allowance for doubtful accounts	(1,089)	(497)
Total current assets	<u>262,671</u>	<u>267,238</u>
Fixed assets		
Property, plant and equipment		
Buildings and structures	45,824	45,994
Machinery and equipment	41,875	44,164
Tools, furniture and fixtures	4,402	4,724
Land	54,659	54,663
Construction-in-progress	7,242	15,023
Total property, plant and equipment	<u>154,002</u>	<u>164,568</u>
Intangible assets		
Goodwill	–	1,999
Other intangible assets	3,187	3,555
Total intangible assets	<u>3,187</u>	<u>5,554</u>
Investments and other assets		
Investment securities	32,276	29,623
Deferred tax assets	7,788	6,618
Other assets	7,530	7,924
Allowance for doubtful accounts	(255)	(222)
Total investments and other assets	<u>47,339</u>	<u>43,943</u>
Total fixed assets	<u>204,528</u>	<u>214,065</u>
Total assets	<u>467,199</u>	<u>481,303</u>

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable – trade	78,630	76,244
Short-term borrowings	56,148	55,411
Current portion of long-term debt	19,363	14,496
Income taxes payable	2,110	3,422
Other current liabilities	35,478	34,791
Total current liabilities	191,729	184,364
Long-term liabilities		
Bonds	637	666
Long-term debt	63,849	68,997
Liabilities for retirement benefits	19,775	19,741
Other long-term liabilities	1,887	4,800
Total long-term liabilities	86,148	94,204
Total liabilities	277,877	278,568
Net assets		
Shareholders' equity		
Common stock	46,525	46,525
Additional paid-in capital	19,064	19,500
Retained earnings	101,593	117,206
Treasury stock, at cost	(67)	(68)
Total shareholders' equity	167,115	183,163
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities	4,181	3,322
Net unrealized gains (losses) on hedges	(144)	(9)
Land revaluation surplus	145	145
Foreign currency translation adjustments	3,111	2,434
Remeasurements of defined benefits plans	(451)	(1,201)
Total accumulated other comprehensive income	6,842	4,691
Non-controlling interests	15,365	14,881
Total net assets	189,322	202,735
Total liabilities and net assets	467,199	481,303

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

Consolidated Statements of Income	(Millions of yen)	
	Year ended (March 31, 2018)	Year ended (March 31, 2019)
Net sales	481,439	500,451
Cost of sales	387,404	403,194
Gross profit	94,035	97,257
Selling, general and administrative expenses	64,142	67,205
Operating profit	29,893	30,052
Non-operating profit		
Interest income	90	81
Dividend income	670	289
Equity in earnings of affiliates	998	680
Rental income	758	804
Technical support fee	432	666
Other	1,254	2,354
Total non-operating profit	4,202	4,874
Non-operating expenses		
Interest expense	1,363	1,301
Loss on disposal of fixed assets	564	575
Rental expense	599	758
Other	2,036	1,208
Total non-operating expenses	4,562	3,842
Ordinary profit	29,533	31,084
Special gains		
Gain on step acquisitions	—	1,371
Gain on bargain purchase	300	—
Total special gains	300	1,371
Special losses		
Loss on valuation of investment securities	—	386
Loss on impairment of fixed assets	933	957
Settlement package	2,029	—
Loss on step acquisitions	117	—
Total special losses	3,079	1,343
Profit before income taxes	26,754	31,112
Income taxes - current	4,932	7,342
Income taxes - deferred	1,819	1,764
Total income taxes	6,751	9,106
Net profit	20,003	22,006
Profit attributable to non-controlling interests	1,991	1,446
Profit attributable to owners of parent	18,012	20,560

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended (March 31, 2018)	Year ended (March 31, 2019)
Net profit	20,003	22,006
Other comprehensive income		
Net unrealized gains (losses) on securities	(14)	(890)
Net unrealized gains (losses) on hedges	(218)	135
Foreign currency translation adjustments	900	(413)
Remeasurements of defined benefit plans	782	(766)
Equity of other comprehensive income (losses) of affiliates	459	(397)
Total other comprehensive income (losses)	1,909	(2,331)
Comprehensive income	21,912	19,675
Comprehensive income attributable to owners of parent	19,801	18,409
Comprehensive income attributable to non-controlling interests	2,111	1,266

3: Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended (March 31, 2018)	Year ended (March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	26,754	31,112
Depreciation and amortization	17,126	17,294
Amortization of goodwill	—	222
Loss (gain) on step acquisitions	117	(1,371)
Loss on impairment of fixed assets	933	957
Loss (gain) on valuation of investment securities	—	386
Gain on bargain purchase	(300)	—
Settlement package	2,029	—
Decrease in allowance for doubtful accounts	(417)	(625)
Increase (decrease) in liability for retirement benefit	413	(1,110)
Interest and dividend income	(760)	(370)
Interest expenses	1,363	1,301
Equity in earnings of affiliates	(998)	(680)
Decrease (Increase) in notes and accounts receivable - trade	(18,327)	3,812
Increase in inventories	(7,075)	(4,186)
Increase (decrease) in notes and accounts payable - trade	10,594	(3,721)
Other	(24)	(1,131)
Subtotal	31,428	41,890
Interest and dividend income received	1,332	658
Interest paid	(1,349)	(1,345)
Settlement package paid	—	(2,029)
Income taxes paid	(5,543)	(4,530)
Net cash provided by operating activities	25,868	34,644
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(19,395)	(22,262)
Proceeds from sales of fixed assets	816	251
Payments for purchase of intangible assets	(933)	(1,373)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	1,201
Proceeds from sales of investment securities	4,096	—
Other	468	(594)
Net cash used in investing activities	(14,948)	(22,777)
Cash flows from financing activities		
Net decrease in short-term borrowings	(4,176)	(852)
Proceeds from long-term debt	15,294	20,145
Repayments of long-term debt	(21,174)	(19,926)
Proceeds from issuance of bonds	665	—
Redemption of bonds	(665)	—
Cash dividends paid	(5,578)	(4,971)
Dividends paid to non-controlling interests	(687)	(691)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(1,857)
Other	(719)	(752)
Net cash used in financing activities	(17,040)	(8,904)
Effect of exchange rate changes on cash and cash equivalents	293	(135)
Net increase (decrease) in cash and cash equivalents	(5,827)	2,828
Cash and cash equivalents at beginning of year	36,286	30,517
Increase in cash and cash equivalents from newly consolidated subsidiary	58	—

Cash and cash equivalents at end of year

30,517	33,345
--------	--------