

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

This consolidated financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures are in Japanese yen rounded down to the nearest million.

PERFORMANCE

(1) Business Results

(Millions of yen, except per share figures)

	Apr.-Dec. 2018	Apr.-Dec. 2017	Change
Net sales	416,221	512,047	-
Operating income	(2,505)	15,085	-
Ordinary income	1,566	19,700	-
Net income	(7,182)	26,352	-
Net income/share (yen)	(43.26)	160.59	
Diluted net income/share (yen)	-	160.44	
Return on equity (%)	(2.8)	10.6	
Ordinary income to total assets (%)	0.2	3.0	
Operating income to net sales (%)	(0.6)	2.9	

(Note) Comprehensive income

Fiscal year ended December 31, 2018: (¥21,021) million

Fiscal year ended March 31, 2018: ¥37,441 million

(Reference) Equity in earnings of non-consolidated subsidiaries and affiliates

Fiscal year ended December 31, 2018: ¥3,942 million

Fiscal year ended March 31, 2018: ¥4,375 million

Effective from the fiscal year ended December 31, 2018, the Company changed the fiscal year end date from March 31 to December 31. Therefore, figures indicating changes from corresponding quarter of the previous fiscal year are not provided, as the current fiscal year is transitional and irregular.

(2) Financial Position

	Dec. 2018	Mar. 2018
Total assets	622,381	651,958
Net assets	264,849	290,434
Shareholders' equity to total assets	40.1%	41.2%
Net assets/share (yen)	1,457.26	1,659.29

(Reference) Shareholders' equity at end of period

December 31, 2018: ¥249,617 million

March 31, 2018: ¥268,771 million

(3) Cash Flows

	Dec. 2018	Mar. 2018
Operating activities	15,495	32,414
Investing activities	(20,723)	(1,797)
Financing activities	11,935	(34,784)
Cash and cash equivalents at the end of period	42,434	36,478

DIVIDENDS

		Mar. 2018	Dec. 2018	Dec. 2019 (Forecast)
Dividends per share	Interim (yen)	15.00	15.00	15.00
	Year-end (yen)	15.00	15.00	15.00
	Annual (yen)	30.00	30.00	30.00
Total amount of dividend payment (mil. of yen)		4,812	5,138	
Dividends payout ratio (consolidated)		18.7%	-	67.9%
Dividends to net assets ratio (consolidated)		1.9%	1.9%	

FORECAST OF RESULTS FOR THE YEAR ENDING DEC. 31, 2018

Millions of yen, except per share figures; percentages indicate year-on-year change)

	Year ending Dec. 31, 2019	
	Full-year	Change
Net sales	540,000	-
Operating income	8,000	-
Ordinary income	12,000	-
Net income	7,400	-
Net income/share (Yen)	44.17	

OTHER IMPORTANT INFORMATION

- (1) Important subsidiary changes during term under review (changes to specific subsidiaries pursuant to changes in scope of consolidation): No
Inclusion: — (company name)
Exclusion: — (company name)
- (2) Changes in accounting policy, changes in accounting estimation, amended restatement
 - (i) Changes in accounting policy due to revision of accounting standards, etc.: Yes
 - (ii) Changes in accounting policy for reasons other than (i): No
 - (iii) Changes in accounting estimation: No
 - (iv) Amended restatement: No
- (3) Number of shares issued (common stock)
 - (i) Number of shares issued including treasury stock shares

As of December 31, 2018:	178,834,769 shares
As of March 31, 2018:	178,798,939 shares
 - (ii) Number of treasury stock shares

As of December 31, 2018:	7,542,144 shares
As of March 31, 2018:	16,818,957 shares
 - (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2018:	166,051,356 shares
Fiscal year ended March 31, 2018:	164,100,138 shares

(Notes)

Explanation of appropriate use of performance forecasts and other special items

This document contains forecasts of performance and other projections based on information currently available and certain assumptions judged by Nisshinbo to be reasonable. Actual performance may materially differ from these projections as a result of changes in the economic environment and other risks and uncertainties.