

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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)

	Jan.-Dec. 2019	Apr.-Dec. 2018	Change
Net sales	509,660	416,221	-
Operating income	6,482	(2,505)	-
Ordinary income	11,703	1,566	-
Net income	(6,604)	(7,182)	-
Net income/share (yen)	(39.45)	(43.26)	
Diluted net income/share (yen)	-	-	
Return on equity (%)	(2.7)	(2.8)	
Ordinary income to total assets (%)	1.9	0.2	
Operating income to net sales (%)	1.3	(0.6)	

(Note) Comprehensive income

Fiscal year ended December 31, 2019: (¥1,888) million

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

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

Fiscal year ended December 31, 2019: ¥3,654 million

Fiscal year ended December 31, 2018: ¥3,942 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. 2019	Dec. 2018
Total assets	617,527	622,381
Net assets	252,535	264,849
Shareholders' equity to total assets	38.6%	40.1%
Net assets/share (yen)	1,431.35	1,457.26

(Reference) Shareholders' equity at end of period

December 31, 2019: ¥238,104 million

December 31, 2018: ¥249,617 million

(3) Cash Flows

	Dec. 2019	Dec. 2018
Operating activities	26,249	15,495
Investing activities	(21,759)	(20,723)
Financing activities	(10,065)	11,935
Cash and cash equivalents at the end of period	37,268	42,434

DIVIDENDS

		Dec. 2019	Dec. 2018	Dec. 2020 (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)		4,990	5,138	
Dividends payout ratio (consolidated)		-	-	38.4%
Dividends to net assets ratio (consolidated)		2.1%	1.9%	

FORECAST OF RESULTS FOR THE YEAR ENDING DEC. 31, 2020

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

	Year ending Dec. 31, 2020	
	Full-year	Change
Net sales	540,000	6.0%
Operating income	14,000	116.0%
Ordinary income	18,000	53.8%
Net income	13,000	-
Net income/share (Yen)	78.15	

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, 2019:	178,834,764 shares
As of December 31, 2018:	178,834,769 shares
 - (ii) Number of treasury stock shares

As of December 31, 2019:	12,545,648 shares
As of December 31, 2018:	7,542,144 shares
 - (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2019:	167,386,942 shares
Fiscal year ended December 31, 2018:	166,051,356 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.