

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE 2nd QUARTER OF FISCAL YEAR ENDING 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; percentages indicate year-on-year change)

| | Jan.-Jun. 2019 | Apr.-Sep. 2018 | Change |
|---------------------------------------|----------------|----------------|--------|
| Net sales | 256,807 | 291,000 | -% |
| Operating income | 929 | (868) | -% |
| Ordinary income | 3,718 | 1,931 | -% |
| 2Q Net Income | 2,743 | (83) | -% |
| 2Q Net Income per Share (Yen) | 16.29 | (0.51) | |
| Diluted 2Q Net Income per Share (Yen) | - | - | |

(Note)

1. Comprehensive income

Jan.-Jun. 2019: (¥1,157 million) Apr.-Sep. 2018: (¥1,936) million

2. 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

| | Jun. 2019 | Dec. 2018 |
|--------------------------------------|-----------|-----------|
| Total Assets (Millions of yen) | 614,315 | 622,381 |
| Net Assets (Millions of yen) | 258,282 | 264,849 |
| Shareholders' Equity to Total Assets | 39.7% | 40.1% |

(Reference)

Shareholders' equity at end of period

Jun. 30, 2019: ¥243,639 million Dec. 31, 2018: ¥249,617 million

DIVIDENDS

| | | The fiscal year ending | |
|---------------------|----------------|------------------------|-----------|
| | | Dec. 2019 (Forecast) | Dec. 2018 |
| Dividends per Share | Interim (Yen) | 15.00 | 15.00 |
| | Year-end (Yen) | 15.00 | 15.00 |
| | Annual (Yen) | 30.00 | 30.00 |

Note: Revisions to the latest dividend forecast: None

FORECAST OF RESULTS

(Millions of yen, unless otherwise stated)

| | Fiscal year ending Dec. 2019 | |
|----------------------------|------------------------------|------------|
| | Full-year | y/y Change |
| Net sales | 540,000 | -% |
| Operating income | 8,000 | -% |
| Ordinary income | 12,000 | -% |
| Net Income | 7,400 | -% |
| Net Income per Share (Yen) | 44.17 | |

Note: Revisions to the latest financial forecasts: None

OTHER IMPORTANT INFORMATION

Number of shares issued (common stock)

- (i) Number of shares issued including treasury stock shares
 - As of Jun. 30, 2019: 178,894,764 shares
 - As of Dec. 31, 2018 178,834,769 shares
- (ii) Number of treasury stock shares
 - As of Jun. 30, 2019 12,539,303 shares
 - As of Dec. 31, 2018 7,542,144 shares
- (iii) Average number of shares outstanding during the period
 - Jan.-Jun. 2019: 168,434,522 shares
 - Apr.-Sep. 2018: 163,416,582 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.