

11-Year Financial Summary

(Millions of JPY)

	FY2009.3	FY2010.3	FY2011.3	FY2012.3	FY2013.3	FY2014.3	FY2015.3	FY2016.3	FY2017.3	FY2017.12 9 months	FY2018.12
Fiscal Year											
Net sales	127,767	126,965	114,054	80,160	89,427	110,922	118,775	119,222	115,802	159,518	207,404
Japan	47,691	39,994	37,159	33,060	37,992	29,956	28,889	31,530	30,249	29,443	33,538
Overseas	80,075	86,972	76,895	47,100	51,435	80,966	89,885	87,692	85,552	130,075	173,866
Cost of sales	97,223	101,600	104,864	79,759	83,508	93,898	93,713	90,121	98,885	133,292	170,113
Selling, general and administrative expenses	14,240	14,107	14,136	12,117	12,702	15,089	16,311	18,558	20,820	19,948	29,220
Operating profit	16,302	11,257	-4,946	-11,716	-6,783	1,935	8,750	10,541	-3,904	6,278	8,071
Ordinary profit	15,494	12,061	-5,396	-11,320	-4,643	5,182	12,494	9,237	-4,914	7,578	7,370
Profit before income taxes	15,542	11,840	-3,788	-22,243	-5,010	5,151	10,761	7,883	-6,130	7,323	6,088
Total income taxes	6,853	4,911	-1,312	6,440	427	1,185	-482	985	1,299	594	1,911
Profit attributable to owners of parent	8,689	6,934	-2,464	-28,684	-5,438	3,967	11,245	6,898	-7,408	6,734	4,308
Net cash provided by (used in) operating activities	17,043	18,601	-722	3,541	13,864	14,413	21,590	14,815	-2,570	28,784	4,232
Net cash provided by (used in) investing activities	-20,099	-12,841	-6,672	-4,277	-7,206	-16,149	-4,141	-21,476	-23,290	-11,685	-14,181
Net cash provided by (used in) financing activities	4,697	-3,471	-378	3,076	-4,677	-4,634	-11,063	19,633	6,826	-11,216	-2,448
Capital expenditures	24,165	15,071	11,020	6,724	13,669	12,287	3,207	4,885	12,267	9,063	10,622
Depreciation	7,892	9,133	10,338	8,599	9,530	11,219	9,687	7,847	8,351	7,105	7,672
R&D expenses	1,365	2,601	2,477	2,543	2,699	2,351	2,334	2,519	2,422	2,387	3,865
At Year-End											
Net assets	82,266	88,700	80,396	48,986	44,491	51,676	66,313	70,096	74,606	94,054	89,633
Total assets	148,787	153,077	142,942	105,250	114,964	106,140	115,430	156,107	182,670	225,160	203,543
Cash and cash equivalents	22,761	25,473	17,107	19,490	23,692	20,272	29,484	41,688	22,090	29,291	16,757
Interest-bearing liabilities	19,454	18,078	24,278	28,336	23,668	19,209	10,393	18,340	36,851	27,474	27,703
Closing stock price (JPY)	3,130	3,650	1,795	1,083	1,663	1,359	2,195	1,648	2,638	3,280	1,312
Employees (number)	3,631	3,728	4,121	3,396	3,409	3,383	3,596	4,034	5,133	5,322	5,844
Financial Indicators											
Operating profit to net sales (%)	12.8	8.9	-4.3	-14.6	-7.6	1.7	7.4	8.8	-3.4	3.9	3.9
Return on assets (ROA) (%)	10.6	8.0	-3.6	-9.1	-4.2	4.7	11.3	6.8	-2.9	3.7	3.4
Return on equity (ROE) (%)	10.6	8.1	-2.9	-44.3	-11.6	8.3	19.1	10.1	-10.3	8.0	4.7
Return on invested capital (ROIC) (%)	9.5	6.4	-4.4	-12.2	-7.9	1.5	6.6	6.3	-2.9	2.9	3.8
Equity ratio (%)	55.3	57.9	56.2	46.5	38.7	48.7	57.4	44.9	40.7	41.7	44
Debt-equity ratio (%)	80.9	72.6	77.8	114.9	158.4	105.4	74.1	122.7	145.3	139.7	127.2
Current ratio (%)	152.8	135.3	134.3	103.5	97.0	107.3	148.8	172.5	119.0	117.0	117.1
Fixed ratio (%)	90.8	91.4	94.7	116.8	125.2	112.4	83.6	102.9	140.5	118.8	119.2
Per Share Information											
Basic earnings per share (JPY)	200.97	160.38	-57.25	-668.40	-126.72	92.46	262.05	160.75	-169.10	139.72	85.52
Net assets per share (JPY)	1,902.12	2,051.09	1,873.34	1,141.45	1,036.74	1,204.17	1,545.30	1,633.47	1,594.70	1,852.67	1,793.45
Dividend per share (JPY)	45	45	45	0	0	5	20	30	30	30	30
Diluted earnings per share (JPY)	-	-	-	-	-	-	-	158.46	-	129.37	83.39

From the fiscal year ended March 2017, we switched from the year-end rate to the average rate for converting the results of overseas subsidiaries, but the change has not been applied retroactively to results prior to the fiscal year ended March 2016.

Consolidated balance sheets

	(Millions of JPY)			(Millions of JPY)	
	As of December 31, 2017	As of December 31, 2018		As of December 31, 2017	As of December 31, 2018
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	29,790	16,762	Notes and accounts payable - trade	51,736	44,484
Notes and accounts receivable - trade	48,140	40,867	Electronically recorded obligations - operating	8,909	6,772
Securities	33	-	Short-term loans payable	10,669	10,858
Merchandise and finished goods	10,474	12,337	Current portion of long-term loans payable	1,356	1,716
Work in process	8,055	8,101	Lease obligations	268	206
Raw materials and supplies	7,095	7,144	Accrued expenses	6,918	7,101
Deferred tax assets	1,828	955	Income taxes payable	1,441	840
Consumption taxes receivable	4,099	3,739	Provision for bonuses	1,930	1,963
Other	4,481	7,183	Provision for directors' bonuses	60	71
Allowance for doubtful accounts	(292)	(277)	Provision for management board benefit trust	138	-
Total current assets	113,705	96,814	Provision for product warranties	25	74
Non-current assets			Other	13,735	8,620
Property, plant and equipment			Total current liabilities	97,190	82,709
Buildings and structures	53,764	58,453	Non-current liabilities		
Accumulated depreciation	(28,268)	(29,045)	Bonds payable	2,940	2,840
Buildings and structures, net	25,495	29,408	Long-term loans payable	13,514	13,525
Machinery, equipment and vehicles	52,307	53,196	Lease obligations	1,666	1,396
Accumulated depreciation	(41,576)	(41,517)	Deferred tax liabilities	10,509	7,736
Machinery, equipment and vehicles, net	10,731	11,678	Provision for management board benefit trust	-	46
Tools, furniture and fixtures	10,317	11,323	Net defined benefit liability	4,373	4,305
Accumulated depreciation	(7,815)	(8,260)	Other	912	1,350
Tools, furniture and fixtures, net	2,501	3,063	Total non-current liabilities	33,915	31,200
Land	6,099	6,192	Total liabilities	131,105	113,909
Leased assets	2,817	2,567	Net assets		
Accumulated depreciation	(1,023)	(1,092)	Shareholders' equity		
Leased assets, net	1,793	1,475	Capital stock	12,069	12,119
Construction in progress	5,934	2,406	Capital surplus	15,460	15,514
Total property, plant and equipment	52,555	54,225	Retained earnings	50,653	53,445
Intangible assets			Treasury shares	(327)	(1,911)
Trademark right	3,569	3,431	Total shareholders' equity	77,856	79,168
Software	944	1,026	Accumulated other comprehensive income		
Goodwill	23,645	22,199	Valuation difference on available-for-sale securities	11,875	8,216
Technical assets	2,269	1,965	Foreign currency translation adjustment	3,687	1,791
Customer related assets	6,306	6,791	Remeasurements of defined benefit plans	395	339
Other	891	995	Total accumulated other comprehensive income	15,958	10,347
Total intangible assets	37,627	36,409	Non-controlling interests	239	117
Investments and other assets			Total net assets	94,054	89,633
Investment securities	20,299	14,797	Total liabilities and net assets	225,160	203,543
Deferred tax assets	407	393			
Net defined benefit asset	-	227			
Other	1,049	1,142			
Allowance for doubtful accounts	(485)	(468)			
Total investments and other assets	21,271	16,093			
Total non-current assets	111,455	106,728			
Total assets	225,160	203,543			

Consolidated Financial Statements

Consolidated statements of income

	(Millions of JPY)	
	Fiscal Year ended December 31, 2017	Fiscal Year ended December 31, 2018
Net sales	159,518	207,404
Cost of sales	133,292	170,113
Gross profit	26,226	37,291
Selling, general and administrative expenses	19,948	29,220
Operating profit	6,278	8,071
Non-operating income		
Interest income	47	98
Dividend income	255	288
Foreign exchange gains	1,585	-
Gain on investments in partnership	10	78
Other	148	141
Total non-operating income	2,047	607
Non-operating expenses		
Interest expenses	576	842
Share of loss of entities accounted for using equity method	38	184
Foreign exchange losses	-	186
Other	131	95
Total non-operating expenses	747	1,308
Ordinary profit	7,578	7,370
Extraordinary income		
Gain on sales of non-current assets	26	133
Gain on sales of investment securities	215	-
Gain on sales of shares of subsidiaries and associates	-	354
State subsidy	44	142
Insurance income	-	640
Total extraordinary income	286	1,270
Extraordinary losses		
Loss on sales and retirement of non-current assets	80	642
Loss on valuation of investment securities	-	37
Impairment loss	191	246
Loss on disaster	-	478
Loss on closing of plants	145	351
Loss on the change of company name	124	-
Business structure improvement expenses	-	627
Business establishment transfer cost	-	167
Total extraordinary losses	542	2,552
Profit before income taxes	7,323	6,088
Income taxes - current	2,049	2,111
Income taxes - deferred	(1,455)	(199)
Total income taxes	594	1,911
Profit	6,728	4,176
Loss attributable to non-controlling interests	(5)	(132)
Profit attributable to owners of parent	6,734	4,308

Consolidated statements of comprehensive income

	(Millions of JPY)	
	Fiscal Year ended December 31, 2017	Fiscal Year ended December 31, 2018
Profit	6,728	4,176
Other comprehensive income		
Valuation difference on available-for-sale securities	4,098	(3,659)
Foreign currency translation adjustment	2,426	(1,853)
Remeasurements of defined benefit plans, net of tax	60	(57)
Share of other comprehensive income of entities accounted for using equity method	5	(40)
Total other comprehensive income	6,591	(5,611)
Comprehensive income	13,320	(1,434)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,319	(1,302)
Comprehensive income attributable to non-controlling interests	0	(131)

Consolidated statements of cash flows

	(Millions of JPY)	
	Fiscal Year ended December 31, 2017	Fiscal Year ended December 31, 2018
Cash flows from operating activities		
Profit before income taxes	7,323	6,088
Depreciation	7,105	7,672
Impairment loss	191	246
Amortization of goodwill	1,126	1,599
Loss on disaster	-	478
Loss on closing of plants	145	351
Loss on the change of company name	124	-
Business structure improvement expenses	-	627
Business establishment transfer cost	-	167
Insurance income	-	(640)
Increase (decrease) in provision for bonuses	293	45
Increase (decrease) in provision for directors' bonuses	(0)	10
Increase (decrease) in provision for management board benefit trust	36	(91)
Increase (decrease) in provision for product warranties	(5)	51
Increase (decrease) in net defined benefit asset/liability	56	(337)
Increase (decrease) in allowance for doubtful accounts	24	(0)
Interest and dividend income	(302)	(387)
Interest expenses	576	842
Foreign exchange losses (gains)	(1,107)	(237)
Share of loss (profit) of entities accounted for using equity method	38	184
Loss (gain) on valuation of investment securities	-	37
Gain on sales of shares of subsidiaries and affiliates	-	(354)
Loss (gain) on sales and retirement of non-current assets	54	509
Decrease (increase) in notes and accounts receivable - trade	(18,547)	7,166
Decrease (increase) in inventories	(8,774)	(2,462)
Increase (decrease) in notes and accounts payable - trade	36,711	(9,196)
Other, net	4,430	(5,837)
Subtotal	29,500	6,534
Interest and dividend income received	296	358
Interest expenses paid	(581)	(831)
Insurance income received	-	640
Income taxes paid	(1,237)	(2,597)
Income taxes refund	806	127
Net cash provided by (used in) operating activities	28,784	4,232

	(Millions of JPY)	
	Fiscal Year ended December 31, 2017	Fiscal Year ended December 31, 2018
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	477
Payments into time deposits	(370)	-
Purchase of property, plant and equipment	(9,377)	(11,697)
Payments for retirement of property, plant and equipment	(4)	(238)
Proceeds from sales of property, plant and equipment	95	7
Purchase of intangible assets	(588)	(687)
Purchase of investment securities	(88)	(26)
Proceeds from sales of investment securities	226	7
Purchase of investments in capital of subsidiaries and affiliates	(200)	-
Purchase of investments in other securities of subsidiaries and affiliates	(41)	-
Purchase of shares of subsidiaries and others resulting in change in scope of consolidation	(853)	(1,519)
Proceeds from sales of shares of subsidiaries and associates	-	317
Payments for transfer of business	(332)	(697)
Other, net	(149)	(125)
Net cash provided by (used in) investing activities	(11,685)	(14,181)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,971)	228
Proceeds from long-term loans payable	1,595	3,433
Repayments of long-term loans payable	(1,179)	(2,570)
Commission fee paid	(19)	(25)
Repayments of lease obligations	(202)	(281)
Purchase of treasury stock-net	(0)	(1,714)
Cash dividends paid	(1,437)	(1,519)
Net cash provided by (used in) financing activities	(11,216)	(2,448)
Effect of exchange rate change on cash and cash equivalents	1,606	(136)
Net increase (decrease) in cash and cash equivalents	7,489	(12,533)
Cash and cash equivalents at beginning of period	22,090	29,291
Decrease in cash and cash equivalents from change of accounting period	(289)	-
Cash and cash equivalents at end of period	29,291	16,757

Company Outline

Nissha Co., Ltd.

Global Headquarters
3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan

Chairman of the Board, President and CEO
Junya Suzuki

Founded
October 6, 1929

Established
December 28, 1946

Capital
JPY 12,119.79 million
*As of the end of March, 2019

Employees
814 (Consolidated number of employees :5,861)
*As of the end of March, 2019

Consolidated Subsidiaries
66

Bases (Subsidiaries included)
Domestic: 14
Overseas:41
(Equity method affiliates are not included)

End of Fiscal Year
December 31

Website
Corporate Information
www.nissha.com/english
IR Information
www.nissha.com/english/ir

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3 Mibu Hanai-cho, Nakagyo-ku, Kyoto 604-8551, Japan
T +81 75 811 8111 (Main Switch Board)

Status of Stocks

*As of the end of December 2018

Total number of authorized shares
180,000,000 shares

Total number of outstanding shares
50,855,638 shares

Number of shareholders
10,795

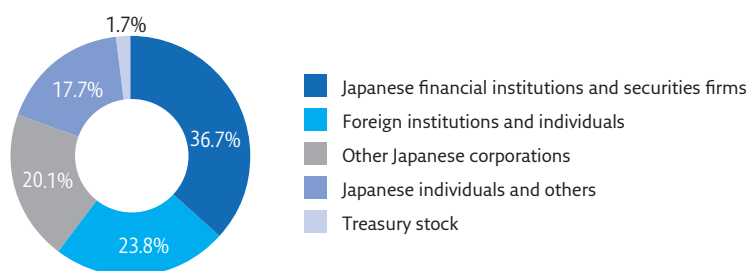
Number of shares per trading unit
100

Stock exchange listings
Tokyo Stock Exchange (First Section)
TSE Code: 7915

Large Shareholders

	Number of share held (thousands)	Percentage of shareholding (%)
Suzuki Kosan Co., Ltd.	2,563	5.03
TAIYO HANEI FUND,L.P.	2,478	4.87
Meiji Yasuda Life Insurance Company	2,341	4.60
Japan Trustee Services Bank, Ltd. (Trust Account)	2,240	4.40
Mizuho Bank, Ltd.	2,076	4.08
TAIYO FUND, L.P.	2,027	3.98
STATE STREET BANK AND TRUST COMPANY 505019	1,725	3.39
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,553	3.05
The Bank of Kyoto, Ltd.	1,442	2.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,128	2.21

Breakdown of Shareholders by Type (Ratio of shares owned)



Nissha Report 2019 (For the Year Ended December 31, 2018)

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Junya Suzuki
Chairman of the Board, President and CEO
Nissha Co., Ltd.

Editors

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Nissha F8, Inc.

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The results and forecast presented on this report are all consolidated basis except as otherwise noted.

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**EMPOWERING
YOUR VISION**

NISSHA

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