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Consolidated Financial Results for the Six Months Ended September 30, 2018 [Japanese GAAP]

October 30, 2018

Company name: Nissui Pharmaceutical Co., Ltd.

Stock exchange listing: Tokyo

Code number: 4550

URL: <https://www.nissui-pharm.co.jp>

Representative: Tokuya Ono

President

Contact: Seiichi Yatsu

Board Member, Executive Officer

Phone: 03-5846-5611

Scheduled date of filing quarterly securities report: November 08, 2018

Scheduled date of commencing dividend payments: November 30, 2018

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2018 (April 01, 2018 to September 30, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2018	6,174	0.4	663	(15.0)	698	(16.9)	229	(65.9)
September 30, 2017	6,152	(1.4)	780	15.4	840	(16.2)	672	90.6

(Note) Comprehensive income: Six months ended September 30, 2018: ¥ 212 million [(70.2)%]
Six months ended September 30, 2017: ¥ 712 million [176.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2018	10.23	-
September 30, 2017	30.03	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of			
September 30, 2018	35,850	32,738	91.3
March 31, 2018	35,809	32,974	92.1

(Reference) Equity: As of September 30, 2018: ¥ 32,738 million
As of March 31, 2018: ¥ 32,974 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2019	-	20.00			
Fiscal year ending March 31, 2019 (Forecast)			-	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2019 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019(April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	13,000	5.4	1,550	8.6	1,570	2.3	860	(26.9)	38.40

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2018

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2018: 22,547,140 shares

March 31, 2018: 22,547,140 shares

2) Total number of treasury shares at the end of the period:

September 30, 2018: 152,290 shares

March 31, 2018: 151,997 shares

3) Average number of shares during the period:

Six months ended September 30, 2018: 22,394,948 shares

Six months ended September 30, 2017: 22,395,302 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of September 30,2018
Assets		
Current assets		
Cash and deposits	7,565	7,328
Notes and accounts receivable - trade	3,214	3,205
Securities	-	502
Merchandise and finished goods	1,882	1,749
Work in process	371	300
Raw materials and supplies	873	1,040
Deposit paid in subsidiaries and associates	14,964	14,976
Other	144	148
Allowance for doubtful accounts	(47)	(33)
Total current assets	28,966	29,219
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,487	1,480
Machinery, equipment and vehicles, net	362	368
Land	1,752	1,752
Leased assets, net	54	44
Construction in progress	70	120
Other, net	164	210
Total property, plant and equipment	3,893	3,977
Intangible assets		
Software	38	66
Leased assets	43	36
Software in progress	23	-
Other	6	6
Total intangible assets	111	109
Investments and other assets		
Investment securities	2,513	2,236
Deferred tax assets	61	33
Other	300	309
Allowance for doubtful accounts	(39)	(35)
Total investments and other assets	2,836	2,544
Total non-current assets	6,842	6,630
Total assets	35,809	35,850

(Million yen)

	As of March 31,2018	As of September 30,2018
Liabilities		
Current liabilities		
Accounts payable - trade	1,458	1,389
Lease obligations	37	37
Income taxes payable	246	282
Accrued consumption taxes	-	51
Provision for bonuses	196	193
Provision for directors' bonuses	17	16
Provision for rebates	2	5
Other	420	506
Total current liabilities	2,380	2,482
Non-current liabilities		
Net defined benefit liability	2	2
Lease obligations	68	49
Deferred tax liabilities	-	195
Long-term guarantee deposited	372	372
Other	10	9
Total non-current liabilities	454	629
Total liabilities	2,834	3,112
Net assets		
Shareholders' equity		
Capital stock	4,449	4,449
Capital surplus	5,378	5,378
Retained earnings	23,071	22,852
Treasury shares	(99)	(100)
Total shareholders' equity	32,799	32,580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	174	157
Total accumulated other comprehensive income	174	157
Total net assets	32,974	32,738
Total liabilities and net assets	35,809	35,850

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2017	For the six months ended September 30,2018
Net sales	6,152	6,174
Cost of sales	3,140	3,306
Gross profit	3,011	2,867
Selling, general and administrative expenses	2,231	2,204
Operating profit	780	663
Non-operating income		
Interest income	19	20
Dividend income	18	9
Gain on valuation of derivatives	3	-
Compensation income	10	-
Other	13	15
Total non-operating income	65	45
Non-operating expenses		
Interest expenses	0	0
Loss on valuation of derivatives	-	5
Foreign exchange losses	5	1
Other	0	2
Total non-operating expenses	5	9
Ordinary profit	840	698
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	161	-
Total extraordinary income	161	-
Extraordinary losses		
Loss on sales of non-current assets	0	-
Loss on disposal of non-current assets	1	0
Total extraordinary losses	1	0
Profit before income taxes	1,000	697
Income taxes - current	306	237
Income taxes - deferred	22	231
Total income taxes	328	468
Profit	672	229
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	672	229

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2017	For the six months ended September 30,2018
Profit	672	229
Other comprehensive income		
Valuation difference on available-for-sale securities	39	(16)
Total other comprehensive income	39	(16)
Comprehensive income	712	212
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	712	212
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2017	For the six months ended September 30,2018
Cash flows from operating activities		
Profit before income taxes	1,000	697
Depreciation	183	178
Increase (decrease) in provision	(8)	(19)
Interest and dividend income	(38)	(29)
Interest expenses	0	0
Loss (gain) on valuation of derivatives	(3)	5
Loss (gain) on sales of non-current assets	0	-
Loss (gain) on sales of shares of subsidiaries and associates	(161)	-
Decrease (increase) in notes and accounts receivable - trade	49	9
Decrease (increase) in inventories	(241)	35
Increase (decrease) in notes and accounts payable - trade	173	(69)
Other, net	(62)	63
Subtotal	891	873
Income taxes paid	(272)	(200)
Net cash provided by (used in) operating activities	619	672
Cash flows from investing activities		
Decrease increase deposit paid in subsidiaries and affiliates	3,350	(2,300)
Proceeds from sales and redemption of securities	300	-
Purchase of property, plant and equipment	(145)	(171)
Proceeds from sales of property, plant and equipment	68	-
Purchase of intangible assets	(10)	(35)
Proceeds from sales and redemption of investment securities	818	100
Purchase of investment securities	-	(355)
Interest and dividend income received	41	31
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	805	-
Other, net	1	0
Net cash provided by (used in) investing activities	5,228	(2,731)
Cash flows from financing activities		
Repayments of lease obligations	(18)	(18)
Cash dividends paid	(445)	(446)
Decrease (increase) in treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(464)	(465)
Net increase (decrease) in cash and cash equivalents	5,383	(2,524)
Cash and cash equivalents at beginning of period	14,731	15,029
Cash and cash equivalents at end of period	20,115	12,505