

**Summary of Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending March 31, 2021
(Nine Months Ended December 31, 2020)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: February 12, 2021

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on February 10, 2021, at 15:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter Ended December 31, 2020 (Apr. 1, 2020 – Dec. 31, 2020)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2020	14,993	(26.4)	850	(56.9)	903	(57.1)	899	(40.4)
Nine months ended Dec. 31, 2019	20,363	(4.6)	1,972	(9.7)	2,105	(7.2)	1,509	(2.2)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2020: 1,685 (up 7.3%)
 Nine months ended Dec. 31, 2019: 1,571 (up 65.6%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Dec. 31, 2020	49.81		-	
Nine months ended Dec. 31, 2019	83.56		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Dec. 31, 2020	40,496		30,486		74.8	
As of Mar. 31, 2020	37,594		29,359		77.6	

Reference: Shareholders' equity (million yen) As of Dec. 31, 2020: 30,282 As of Mar. 31, 2020: 29,191

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2021	-	15.00	-	-	-
Fiscal year ending Mar. 31, 2021 (forecast)	-	-	-	15.00	30.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021 (Apr. 1, 2020 – Mar. 31, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	22,500	(18.2)	1,450	(41.6)	1,550	(41.9)	1,200	(43.4)	66.42	

Note: Revisions to the most recently announced consolidated earnings forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: 1 (IMD CO., LTD.) Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2020:	18,098,923 shares	As of Mar. 31, 2020:	18,098,923 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2020:	31,529 shares	As of Mar. 31, 2020:	31,367 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2020:	18,067,480 shares	Nine months ended Dec. 31, 2019:	18,067,637 shares
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* The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information currently available to the Company's management at the time the materials were prepared.-As such, they do not constitute an assurance that the Company promises to achieve the future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the fiscal year ending March 31, 2021 (from April 1 through December 31, 2020), the continued global spread of the COVID-19 infection forced many countries to reimpose curfews and travel restrictions, dealing a considerable blow to economic activities across the globe. Meanwhile, China, which contained COVID-19, saw early signs of economic recovery, particularly in automobile production, and the related supply chain also began to show signs of recovery worldwide.

On another front, in the DX and renewable energy sectors, governments, mainly in developed countries, have launched a variety of new policies and initiatives. Companies have also actively taken actions in these sectors since before COVID-19, and are advancing their initiatives in a bid to achieve what looks to be ideal in the era of New Normal after COVID-19. These developments are expected to lead to further technological innovation and a recovery in capital investment going forward.

Under these circumstances, the NITTOKU Group's operating performance, although fluctuating from quarter to quarter, remained firm reflecting a gradual recovery in capital investment in the sectors related to automobile together with information and communications.

Under these circumstances, results by business segment were as follows.

Winding System & Mechatronics Business

We made efforts to inspect our products remotely in order to prevent a delay in pre-shipment inspection due to ongoing restrictions on travel and movement since the beginning of 2020. Further, to limit the mobility of people to the extent possible based on the idea of "local production for local consumption," we have continued to make efforts to improve its operating performance. More specifically, we have expanded the production capacity of its overseas subsidiaries, utilized remote technology, and transferred some orders and production to its subsidiaries in Europe and China, thereby further developing its unique strengths towards the era of New Normal.

As a result of the above, the Winding System & Mechatronics Business segment, which accounts for about 90% of the Group's total net sales, reported net sales of 13,398 million yen (down 31.0% year on year) and segment profit (operating profit) of 1,080 million yen (down 56.9% year on year) on a consolidated basis. On a non-consolidated basis, the segment reported orders received of 12,481 million yen (down 16.8% year on year), net sales (production) of 10,733 million yen (down 32.5% year on year), and the order backlog at the end of the third quarter of the current fiscal year of 11,942 million yen (down 7.9% year on year).

Contactless IC Tag & Card Business

Production remained robust, helped by a large-sized order for contactless IC cards received in the previous fiscal year. As a result, net sales of the Contactless IC Tag & Card Business were 1,594 million yen (up 69.1% year on year) and segment profit (operating profit) was 404 million yen (up 50.9% year on year) on a consolidated basis. On a non-consolidated basis, however, given a reactionary fall in demand due to the large-sized order received during the previous fiscal year, orders received decreased to 912 million yen (down 53.2% year on year), while net sales (production) soared to 1,594 million yen (up 69.1% year on year) and the order backlog at the end of the third quarter of the current fiscal year was 437 million yen (down 64.6% year on year).

As a result of the above, for the first nine months of the current fiscal year, the Group reported net sales of 14,993 million yen (down 26.4% year on year), operating profit of 850 million yen (down 56.9% year on year), ordinary profit of 903 million yen (down 57.1% year on year), and profit attributable to owners of parent of 899 million yen (down 40.4% year on year) on a consolidated basis.

(2) Explanation of Financial Position

Assets

Current assets increased 1,867 million yen from the end of the previous fiscal year to 26,493 million yen. This was mainly attributable to increases of 1,182 million yen in electronically recorded monetary claims-operating and 2,048 million yen in work in process, while there was a decrease of 1,457 million yen in notes and accounts receivable-trade.

Non-current assets increased 1,034 million yen from the end of the previous fiscal year to 14,003 million yen. This was mainly attributable to an increase of 901 million yen in investment securities.

As a result, total assets increased 2,902 million yen from the end of the previous fiscal year to 40,496 million yen.

Liabilities

Current liabilities increased 1,257 million yen from the end of the previous fiscal year to 8,856 million yen. This was mainly attributable to an increase of 1,501 million yen in advances received included in other.

Non-current liabilities increased 518 million yen from the end of the previous fiscal year to 1,154 million yen. This was mainly attributable to an increase of 332 million yen in deferred tax liabilities.

As a result, total liabilities increased 1,775 million yen from the end of the previous fiscal year to 10,010 million yen.

Net assets

Total net assets increased 1,126 million yen from the end of the previous fiscal year to 30,486 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

The earnings forecasts are based on information available at the time of the release of this report. Actual results may differ from these forecasts for a number of reasons. There are no revisions to the full-year consolidated earnings forecast that was announced on October 7, 2020.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	Prior fiscal year (As of Mar. 31, 2020)	Third quarter of current fiscal year (As of Dec. 31, 2020)
Assets		
Current assets		
Cash and deposits	10,264,802	10,884,501
Notes and accounts receivable-trade	6,534,039	5,076,070
Electronically recorded monetary claims-operating	533,105	1,715,788
Securities	200,055	-
Work in process	4,808,056	6,856,304
Raw materials and supplies	1,197,689	1,208,312
Other	1,215,495	854,157
Allowance for doubtful accounts	(127,656)	(101,933)
Total current assets	24,625,586	26,493,202
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,828,497	5,056,712
Machinery, equipment and vehicles, net	781,280	848,870
Land	2,812,027	2,812,027
Other, net	974,848	822,526
Total property, plant and equipment	9,396,653	9,540,136
Intangible assets		
Other	193,670	172,632
Total intangible assets	193,670	172,632
Investments and other assets		
Investment securities	2,204,366	3,105,677
Deferred tax assets	26,216	16,085
Other	1,147,986	1,169,100
Total investments and other assets	3,378,569	4,290,862
Total non-current assets	12,968,892	14,003,631
Total assets	37,594,479	40,496,834

	(Thousands of yen)	
	Prior fiscal year (As of Mar. 31, 2020)	Third quarter of current fiscal year (As of Dec. 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,464,017	1,789,517
Electronically recorded obligations-operating	2,889,566	2,586,144
Income taxes payable	91,071	83,039
Provision for bonuses	451,039	287,697
Other	2,703,693	4,110,277
Total current liabilities	7,599,390	8,856,676
Non-current liabilities		
Deferred tax liabilities	31,283	364,099
Retirement benefit liability	134,382	152,372
Other	470,248	637,628
Total non-current liabilities	635,914	1,154,100
Total liabilities	8,235,305	10,010,776
Net assets		
Shareholders' equity		
Share capital	6,884,928	6,884,928
Capital surplus	2,535,775	2,535,775
Retained earnings	19,187,343	19,545,195
Treasury shares	(25,668)	(26,221)
Total shareholders' equity	28,582,379	28,939,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	469,184	1,048,349
Foreign currency translation adjustment	122,522	273,387
Remeasurements of defined benefit plans	17,267	20,963
Total accumulated other comprehensive income	608,974	1,342,700
Non-controlling interests	167,820	203,680
Total net assets	29,359,174	30,486,058
Total liabilities and net assets	37,594,479	40,496,834

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

(Thousands of yen)

	First nine months of prior fiscal year (Apr. 1, 2019 – Dec. 31, 2019)	First nine months of current fiscal year (Apr. 1, 2020 – Dec. 31, 2020)
Net sales	20,363,479	14,993,001
Cost of sales	15,059,356	11,250,933
Gross profit	5,304,122	3,742,067
Selling, general and administrative expenses	3,331,565	2,891,519
Operating profit	1,972,557	850,548
Non-operating income		
Dividend income	48,339	40,557
Gain on insurance cancellation	-	68,010
Other	97,651	70,684
Total non-operating income	145,991	179,252
Non-operating expenses		
Foreign exchange losses	-	72,283
Other	13,290	53,682
Total non-operating expenses	13,290	125,965
Ordinary profit	2,105,258	903,835
Extraordinary income		
Subsidy income	-	327,503
Total extraordinary income	-	327,503
Profit before income taxes	2,105,258	1,231,339
Income taxes-current	495,993	210,403
Income taxes-deferred	68,555	106,424
Total income taxes	564,549	316,827
Profit	1,540,708	914,512
Profit attributable to non-controlling interests	30,895	14,634
Profit attributable to owners of parent	1,509,813	899,877

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

	(Thousands of yen)	
	First nine months of prior fiscal year (Apr. 1, 2019 – Dec. 31, 2019)	First nine months of current fiscal year (Apr. 1, 2020 – Dec. 31, 2020)
Profit	1,540,708	914,512
Other comprehensive income		
Valuation difference on available-for-sale securities	204,607	579,164
Foreign currency translation adjustment	(179,301)	188,384
Remeasurements of defined benefit plans, net of tax	5,341	3,695
Total other comprehensive income	30,646	771,244
Comprehensive income	1,571,355	1,685,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,539,453	1,665,196
Comprehensive income attributable to non-controlling interests	31,901	20,559

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

First nine months of current fiscal year (Apr. 1, 2020 – Dec. 31, 2020)

Not applicable.

Segment and Other Information**Segment Information****I. First nine months of previous fiscal year (Apr. 1, 2019 – Dec. 31, 2019)****1. Information related to net sales and profit or loss for each reportable segment** (Thousands of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	19,420,566	942,913	20,363,479
Inter-segment sales and transfers	-	-	-
Total	19,420,566	942,913	20,363,479
Segment profit	2,506,387	267,957	2,774,345

2. Reconciliation of amounts shown on the quarterly consolidated statement of income with total profit or loss for reportable segments (Thousands of yen)

Profit	Amount
Total for reportable segments	2,774,345
Corporate expenses (Note)	(801,787)
Operating profit on the quarterly consolidated statement of income	1,972,557

Note: Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segment.

II. First nine months of current fiscal year (Apr. 1, 2020 – Dec. 31, 2020)**1. Information related to net sales and profit or loss for each reportable segment** (Thousands of yen)

	Reportable segment		Total
	Winding System & Mechatronics Business	Contactless IC Tag & Card Business	
Net sales			
External sales	13,398,099	1,594,901	14,993,001
Inter-segment sales and transfers	-	-	-
Total	13,398,099	1,594,901	14,993,001
Segment profit	1,080,327	404,400	1,484,727

2. Reconciliation of amounts shown on the quarterly consolidated statement of income with total profit or loss for reportable segments (Thousands of yen)

Profit	Amount
Total for reportable segments	1,484,727
Corporate expenses (Note)	(634,178)
Operating profit on the quarterly consolidated statement of income	850,548

Note: Corporate expenses mainly include general and administrative expenses that cannot be attributed to any reportable segments.

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.