

## Consolidated Financial Results (Japanese Accounting Standards) for the First Quarter of Fiscal Year Ending March 31, 2019

Aug 9, 2018

**Listed Company** nms Holdings Corporation (nms HD)

Listings: Tokyo Stock Exchange

Securities code 2162 URL <http://www.n-ms.co.jp/>

Representative (Title) President and CEO (Name) Fumiaki Ono

Contact (Title) Director, General Manager, Corporate Division (Name) Toshiko Kono Telephone 03-5333-1711

Scheduled Date of Filing Quarterly Securities Report: August 9, 2018

Scheduled date of commencement of dividend payment: —

Supplementary Documents for Quarterly Financial Results: Yes

Quarterly Financial Results Briefing: None

(Amounts in millions of yen rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2019 (April 1, 2018 – June 30, 2018)

#### (1) Consolidated results of operations

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY03/2019	13,742	6.3	258	18.5	203	27.9	63	(78.4)
1Q FY03/2018	12,932	(8.6)	218	(13.1)	159	—	293	—

Note: Comprehensive income 1Q FY03/2019 12 million yen (90.6%) 1Q FY03/2018 136 million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY03/2019	3.70	3.69
1Q FY03/2018	17.09	17.09

Note: Conducted stock split which shall split of common stock at a ratio of 1:2 as the effective date of March 1, 2018. For net income per share and diluted net income per share, calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q FY03/2019	27,875	5,839	20.8
FY03/2018	26,496	6,150	21.8

Reference: Shareholders' equity 1Q FY03/2019 5,808 million yen FY03/2018 5,779 million yen

### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY03/2018	—	0.00	—	4.50	4.50
FY03/2019	—				
FY03/2019 (forecast)		0.00	—	5.00	5.00

Note: Revision of the latest released dividend forecast: None

### 3. Consolidated forecasts for year ending March 2019 (April 1, 2018 to March 31, 2019)

(% shows the year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	28,500	5.8	400	(33.0)	500	(17.1)	350	(38.7)	20.39
Full year	61,000	12.6	1,300	0.6	1,550	2.9	1,100	(7.5)	64.10

Note: Revision of the latest released business performance forecast: None

\* Notes

- (1) Changes in significant subsidiaries during the consolidated 1Q (three months) under review (changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes
- (2) Application of accounting procedures specific to creation of quarterly consolidated financial statements: Yes

- (3) Changes in accounting principles and changes or restatement of accounting estimates
- (i) Changes in accounting principles associated with revision of accounting standards, etc.: None
- (ii) Changes in accounting principles other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of shares outstanding (common shares):

(1) Number of shares outstanding at end of period (including treasury shares)	1Q FY03/2019	21,611,000shares	FY03/2018	21,611,000shares
(2) Number of treasury shares at end of period	1Q FY03/2019	4,449,726shares	FY03/2018	4,449,726shares
(3) Average number of shares outstanding during the term	1Q FY03/2019	17,161,274shares	1Q FY03/2018	17,161,422shares

Note: Conducted stock split which shall split of common stock at a ratio of 1:2 as the effective date of March 1,2018. For number of shares,calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

\* Statement relating to the execution status for audit procedures

This quarterly financial summary falls outside the scope of the quarterly report review based on the stipulations of the Financial Instruments and Exchange Act. The review procedures for the quarterly consolidated financial statements based on the stipulations of the said Act were conducted at the time when this quarterly financial summary was disclosed.

\* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes concerning the forward-looking statements)

The results forecasts and forward-looking statements included in this document are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors.

#### 4. Consolidated financial statements

##### (1) Consolidated balance sheet

	(Thousand yen)	
	FY03/2018 (March 31,2018)	1Q FY03/2019 (June 30,2018)
<b>Assets</b>		
Current assets		
Cash and deposits	4,537,266	4,367,852
Notes and accounts receivable - trade	10,062,001	10,228,899
Finished goods	983,567	896,856
Work in process	517,593	577,760
Raw materials and supplies	3,537,620	3,752,430
Others	798,399	1,096,819
Allowance for doubtful accounts	(1,649)	(502)
Total current assets	20,434,799	20,920,117
Non-current assets		
Property, plant and equipment		
Land	1,048,201	1,368,267
Other, net	3,457,018	4,073,022
Total property, plant and equipment	4,505,220	5,441,289
Intangible assets		
Other	503,570	516,037
Total intangible assets	503,570	516,037
Investment and other assets		
Other	1,062,489	1,007,132
Allowance for doubtful accounts	(9,444)	(9,444)
Total investments and other accounts	1,053,044	997,687
Total non-current assets	6,061,834	6,955,014
Total assets	26,496,633	27,875,131
<b>Liability</b>		
Current liability		
Notes and accounts payable - trade	4,319,685	3,813,720
Short-term loans payable	4,795,478	6,643,376
Accounts payable - other	1,529,491	1,729,382
Income tax payable	470,527	106,974
Accrued consumption taxes	687,596	250,918
Provision for bonuses	409,872	384,634
Other	1,371,796	1,441,646
Total current liabilities	13,584,449	14,370,653
Non-current liabilities		
Long-term loans payable	5,840,178	6,850,565
Deferred tax liability	78,007	65,406
Non defined benefit liabilities	430,418	255,831
Other	412,832	493,266
Total non-current liabilities	6,761,437	7,665,069
Total liabilities	20,345,886	22,035,723

	(Thousand yen)	
	FY03/2018 (March 31,2018)	1Q FY03/2019 (June 30,2018)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	415,679	528,452
Retained earnings	5,856,772	5,827,019
Treasury shares	(909,838)	(909,838)
Total shareholders' equity	5,863,302	5,946,322
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	572	(5,487)
Foreign currency translation adjustment	(84,669)	(132,129)
Total other accumulated comprehensive income	(84,096)	(137,617)
Subscription rights to shares	-	3,056
Non-controlling interests	371,540	27,647
Total net assets	6,150,747	5,839,408
Total liabilities and net assets	26,496,633	27,875,131

**(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income**  
**(Quarterly consolidated statements of income) (1Q FY03/2019)**

(Thousand yen)

	1Q FY03/2018 (From April 1, 2017 to June 30, 2017)	1Q FY03/2019 (From April 1, 2018 to June 30, 2018)
Net sales	12,932,075	13,742,186
Cost of sales	11,155,163	11,814,108
Gross profit	1,776,911	1,928,078
Selling, general and administrative expenses		
Salaries and bonuses	536,123	574,570
Provision for bonuses	63,660	73,808
Other	958,803	1,020,909
Total selling, general and administrative expenses	1,558,587	1,669,288
Operating income	218,323	258,789
Non-operating income		
Interest income	3,950	7,008
Dividend income	300	300
Real estate rent	3,565	9,649
Other	96,697	115,738
Total non-operating income	104,514	132,696
Non-operating expenses		
Interest expenses	24,726	44,699
Foreign exchange losses	124,809	115,908
Rent cost of real estate	1,867	7,033
Other	12,210	20,126
Total non-operating expenses	163,614	187,768
Ordinary income/loss ( - )	159,223	203,717
Extraordinary income		
Gain on sales of non-current assets	58,506	170
Gain on sale of investment securities	161,747	-
Total extraordinary income	220,253	170
Extraordinary losses		
Loss on retirement of non-current assets	30	14
Organization restructuring expenses	-	48,113
Other	425	-
Total extraordinary losses	455	48,127
Income before income/loss ( - ) taxes	379,021	155,760
Income taxes	72,978	90,185
Net income/loss ( - )	306,043	65,574
Profit attributable to owners of parent	12,782	2,117
Profit/Loss ( - ) attributable to owners of parent	293,261	63,456

**(Quarterly consolidated statement of comprehensive income)**

**(1Q FY03/2019)**

(Thousand yen)

	1Q FY03/2018 (From April 1, 2017 to June 30, 2017)	1Q FY03/2019 (From April 1, 2018 to June 30, 2018)
Net income/loss ( - )	306,043	65,574
Other comprehensive income/loss ( - )		
Valuation difference on available-for-sale securities	(136,739)	(6,402)
Foreign currency translation adjustment	(32,484)	(46,274)
Total other comprehensive income/loss ( - )	(169,224)	(52,676)
Comprehensive income/loss ( - )	136,818	12,897
Comprehensive income attributable to		
Comprehensive income/loss ( - ) attributable to owners of parent	133,804	9,935
Comprehensive income/loss ( - ) attributable to non-controlling interests	3,014	2,962