

**Consolidated Financial Results (Japanese Accounting Standards)
for the Fiscal Year Ending March 31, 2018**

May 14, 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) General Manager, Corporate Division (Name) Toshiko Kono Telephone 03-5333-1711

Scheduled date of ordinary shareholders' meeting: June 27, 2018

Scheduled date for filing of annual securities report: June 27, 2018

Scheduled date of commencement of dividend payment: June 28, 2018

Supplementary documents for financial results: Yes

Financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 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	%
FY03/2018	54,172	(0.7)	1,292	32.6	1,506	168.0	1,188	140.9
FY03/2017	54,581	(12.2)	974	(49.8)	561	(58.4)	493	31.5

Note: Comprehensive income FY03/2018 1,398 million yen (490.1%) FY03/2017 (236) million yen (-%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY03/2018	69.28	69.28	22.8	5.9	2.4
FY03/2017	25.26	25.25	10.1	2.2	1.8

Reference: Share of (profit) loss of entities accounted for using equity method FY03/2018 — million yen FY03/2017 — million yen

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	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2018	26,496	6,150	21.8	336.76
FY03/2017	24,559	4,960	18.9	269.97

Reference: Shareholders' equity FY03/2018 5,779 million yen FY03/2017 4,633 million yen

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 assets per share, calculated based on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
FY03/2018	2,266	(87)	(1,133)	4,449
FY03/2017	1,595	(417)	(469)	3,253

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen			
FY03/2017	—	0.00	—	7.00	7.00	60	13.9	1.3
FY03/2018	—	0.00	—	4.50	4.50	77	6.5	1.5
FY03/2019 (forecast)	—	0.00	—	5.00	5.00		7.8	

Note: Conducted stock split which shall split of common stock at a ratio of 1:2 as the effective date of March 1, 2018. Cash dividends per share forecasted at the consolidated financial forecast of the fiscal year ending March, 2017 is referring the amount before the stock split.

(Note) The annual dividend for the year ended March 31, 2018 comprises an ordinary dividend of 3.50 yen and a commemorative dividend of 1.00 yen. The annual dividend for the year ended March 31, 2017 comprises an ordinary dividend of 5.00 yen and a commemorative dividend of 2.00 yen.

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

* Notes

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): No

(2) 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

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

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

FY03/2018	21,611,000shares	FY03/2017	21,611,000shares
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(2) Number of treasury shares at end of period

FY03/2018	4,449,726shares	FY03/2017	4,449,544shares
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(3) Average number of shares outstanding during the term

FY03/2018	17,161,319shares	FY03/2017	19,540,634shares
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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.

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Non-consolidated operating results

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2018	605	(95.4)	121	(59.9)	113	13.2	115	—
FY03/2017	13,229	5.2	303	77.3	100	202.4	(5)	—

	Net income per share	Diluted net income per share
	Yen	Yen
FY03/2018	6.74	6.74
FY03/2017	(0.27)	—

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) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2018	8,956	781	8.7	45.56
FY03/2017	8,606	726	8.4	42.32

Reference: Shareholders' equity FY03/2018 781million yen FY03/2017 726million yen

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 assets per share ,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 financial summary falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of said Act were not completed at the time this 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.

(Availability of the supplementary documents for financial results)

The Company plans to hold a results briefing for institutional investors and analysts on Thursday, May 18, 2018.

The supplementary materials on financial results delivered in the briefing will be disclosed at TDnet immediately after the briefing

4. Consolidated financial statements

(1) Consolidated balance sheet

(Thousand yen)

	FY03/2017 (March 31,2017)	FY03/2018 (March 31,2018)
Assets		
Current assets		
Cash and deposits	3,655,507	4,537,266
Notes and accounts receivable - trade	9,093,721	10,062,001
Finished goods	1,135,329	983,567
Work in process	439,969	517,593
Raw materials and supplies	3,158,808	3,537,620
Others	831,514	1,029,658
Allowance for doubtful accounts	(6,676)	(1,649)
Total current assets	18,308,174	20,666,058
Non-current assets		
Property, plant and equipment		
Land	1,084,959	1,048,201
Other, net	3,112,443	3,457,019
Total property, plant and equipment	4,197,404	4,505,220
Intangible assets		
Other	526,656	503,570
Total intangible assets	526,656	503,570
Investment and other assets		
Other	1,536,631	831,228
Allowance for doubtful accounts	(9,444)	(9,444)
Total investments and other accounts	1,527,189	821,784
Total non-current assets	6,251,250	5,830,575
Total assets	24,559,425	26,496,633
Liability		
Current liability		
Notes and accounts payable - trade	3,427,983	4,319,685
Short-term loans payable	8,868,006	4,795,478
Accounts payable - other	1,801,804	1,529,491
Income tax payable	155,759	470,527
Accrued consumption taxes	230,479	687,596
Provision for bonuses	351,830	409,872
Other	1,043,653	1,377,701
Total current liabilities	15,879,518	13,590,355
Non-current liabilities		
Long-term loans payable	2,796,816	5,840,178
Deferred tax liability	74,159	72,101
Provision for directors' retirement benefits	105,290	—
Non defined benefit liabilities	425,033	430,418
Other	318,234	412,832
Total non-current liabilities	3,719,533	6,755,531
Total liabilities	19,599,052	20,345,886

(Thousand yen)

	FY03/2017 (March 31,2017)	FY03/2018 (March 31,2018)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	415,679	415,679
Retained earnings	4,875,592	5,856,772
Treasury shares	(909,753)	(909,838)
Total shareholders' equity	4,882,208	5,863,302
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	118,859	572
Foreign currency translation adjustment	(367,915)	(84,669)
Total other accumulated comprehensive income	(249,056)	(84,096)
Subscription rights to shares	—	—
Non-controlling interests	327,220	371,540
Total net assets	4,960,373	6,150,747
Total liabilities and net assets	24,559,425	26,496,633

(2) Consolidated statements of income/quarterly consolidated statement of comprehensive income
(Consolidated statements of income) (FY03/2018)

(Thousand yen)

	FY03/2017 (From April 1, 2016 to March 31, 2017)	FY03/2018 (From April 1, 2017 to March 31, 2018)
Net sales	54,581,103	54,172,349
Cost of sales	47,487,083	46,377,996
Gross profit	7,094,020	7,794,353
Selling, general and administrative expenses		
Salaries and bonuses	2,148,865	2,262,374
Provision for bonuses	151,782	174,631
Other	3,819,155	4,065,333
Total selling, general and administrative expenses	6,119,804	6,502,345
Operating income	974,216	1,292,008
Non-operating income		
Interest income	25,922	22,561
Dividend income	5,054	4,531
Real estate rent	14,261	31,873
Other	67,191	409,688
Total non-operating income	112,429	468,655
Non-operating expenses		
Interest expenses	78,521	129,769
Foreign exchange losses	257,271	22,660
Rent cost of real estate	3,738	26,551
Foreign withholding tax	15,983	7,525
Other	169,265	68,115
Total non-operating expenses	524,780	254,621
Ordinary income	561,865	1,506,041
Extraordinary income		
Gain on sales of non-current assets	622,442	60,701
Subsidies for employment adjustment	7,215	—
Other	2,809	161,747
Total extraordinary income	632,466	222,448
Extraordinary losses		
Loss on sales of non-current assets	369	438
Loss on retirement of non-current assets	6,735	15,413
Leave allowance	6,258	—
Loss on liquidation of subsidiaries	180,966	33,080
Business structure reform expenses	24,783	—
Organization restructuring expenses	29,539	—
Head office relocation expenses	47,887	—
Office relocation expenses	—	15,446
Other	43,435	—
Total extraordinary losses	339,976	64,378
Income before income taxes	854,356	1,664,111
Income taxes	316,966	439,650
Net income/loss (-)	537,389	1,224,461
Profit attributable to owners of parent	43,879	35,517
Profit/Loss (-) attributable to owners of parent	493,510	1,188,944

(Consolidated statement of comprehensive income) (FY03/2018)

(Thousand yen)

	FY03/2017 (From April 1, 2016 to March 31, 2017)	FY03/2018 (From April 1, 2017 to March 31, 2018)
Net income/loss (-)	537,389	1,224,461
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	20,934	(124,946)
Foreign currency translation adjustment	(321,392)	298,671
Total other comprehensive income/loss (-)	(300,457)	173,725
Comprehensive income/loss (-)	236,931	1,398,186
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	204,932	1,353,904
Comprehensive income/loss (-) attributable to non-controlling interests	31,998	44,281