

**Consolidated Financial Results (Japanese Accounting Standards)
for the First Quarter of Fiscal Year Ending March 31, 2020**

Aug 9, 2019

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, 2019

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, 2020 (April 1, 2019 – June 30, 2019)

(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 FY03/2020	15,249	11.0	63	(75.6)	96	(52.8)	34	(46.3)
1Q FY03/2019	13,742	6.3	258	18.5	203	27.9	63	(78.4)

Note: Comprehensive income 1Q FY03/2020 113 million yen (776.7%) 1Q FY03/2019 12 million yen ((90.6)%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY03/2020	1.99	—
1Q FY03/2019	3.70	3.69

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q FY03/2020	31,042	5,766	18.5
FY03/2019	29,462	5,744	19.5

Reference: Shareholders' equity 1Q FY03/2020 5,755 million yen FY03/2019 5,734 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
FY03/2019	—	0.00	—	5.00	5.00
FY03/2020	—				
FY03/2020 (forecast)		0.00	—	5.00	5.00

Note: Revision of the latest released dividend forecast: None

3. Consolidated forecasts for year ending March 2020 (April 1, 2019 to March 31, 2020)

(% 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	32,000	15.4	100	(58.3)	60	(72.7)	165	162.5	9.61
Full year	72,000	24.7	1,300	136.9	1,000	75.6	850	104.5	49.53

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 FY03/2020	21,611,000shares	FY03/2019	21,611,000shares
(2) Number of treasury shares at end of period	1Q FY03/2020	4,449,726shares	FY03/2019	4,449,726shares
(3) Average number of shares outstanding during the term	1Q FY03/2020	17,161,274shares	1Q FY03/2019	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)	
	FY03/2019 (March 31,2019)	1Q FY03/2020 (June 30,2019)
Assets		
Current assets		
Cash and deposits	4,246,966	3,614,499
Notes and accounts receivable - trade	10,761,029	11,158,359
Finished goods	1,324,952	1,395,357
Work in process	589,589	600,806
Raw materials and supplies	4,181,589	4,395,526
Others	978,784	1,701,778
Allowance for doubtful accounts	(681)	(10,797)
Total current assets	22,082,231	22,855,530
Non-current assets		
Property, plant and equipment		
Land	1,174,187	1,166,687
Other, net	4,438,310	4,856,405
Total property, plant and equipment	5,612,497	6,023,092
Intangible assets		
Other	540,104	923,166
Total intangible assets	540,104	923,166
Investment and other assets		
Other	1,233,958	1,247,228
Allowance for doubtful accounts	(6,119)	(6,119)
Total investments and other accounts	1,227,838	1,241,108
Total non-current assets	7,380,441	8,187,366
Total assets	29,462,672	31,042,896
Liability		
Current liability		
Notes and accounts payable - trade	4,486,367	3,953,648
Short-term loans payable	13,073,800	13,084,058
Accounts payable - other	1,914,296	1,905,589
Income tax payable	193,065	140,215
Accrued consumption taxes	269,845	355,180
Provision for bonuses	477,113	389,545
Other	1,329,616	1,537,389
Total current liabilities	21,744,105	21,365,626
Non-current liabilities		
Long-term loans payable	1,212,540	1,702,427
Deferred tax liability	140,636	139,492
Non defined benefit liabilities	263,325	266,417
Other	357,093	1,801,941
Total non-current liabilities	1,973,595	3,910,279
Total liabilities	23,717,701	25,275,906

	(Thousand yen)	
	FY03/2019 (March 31,2019)	1Q FY03/2020 (June 30,2019)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	527,182	527,182
Retained earnings	6,118,794	6,061,544
Treasury shares	(909,838)	(909,838)
Total shareholders' equity	6,236,828	6,179,578
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(51,807)	(52,861)
Foreign currency translation adjustment	(450,920)	(371,310)
Total other accumulated comprehensive income	(502,728)	(424,171)
Subscription rights to shares	3,056	3,056
Non-controlling interests	7,813	8,527
Total net assets	5,744,970	5,766,990
Total liabilities and net assets	29,462,672	31,042,896

(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income
(Quarterly consolidated statements of income) (1Q FY03/2020)

(Thousand yen)

	1Q FY03/2019 (From April 1, 2018 to June 30, 2018)	1Q FY03/2020 (From April 1, 2019 to June 30, 2019)
Net sales	13,742,186	15,249,375
Cost of sales	11,814,108	13,317,088
Gross profit	1,928,078	1,932,287
Selling, general and administrative expenses		
Salaries and bonuses	574,570	703,855
Provision for bonuses	73,808	35,423
Other	1,020,909	1,129,735
Total selling, general and administrative expenses	1,669,288	1,869,014
Operating income	258,789	63,272
Non-operating income		
Interest income	7,008	11,208
Dividend income	300	300
Foreign exchange gains	—	30,911
Real estate rent	9,649	9,692
Other	115,738	37,980
Total non-operating income	132,696	90,093
Non-operating expenses		
Interest expenses	44,699	48,400
Foreign exchange losses	115,908	—
Rent cost of real estate	7,033	7,091
Other	20,126	1,742
Total non-operating expenses	187,768	57,235
Ordinary income/loss (-)	203,717	96,130
Extraordinary income		
Gain on sales of non-current assets	170	2,732
Total extraordinary income	170	2,732
Extraordinary losses		
Loss on retirement of non-current assets	14	1,303
Organization restructuring expenses	48,113	—
Total extraordinary losses	48,127	1,303
Income before income/loss (-) taxes	155,760	97,558
Income taxes	90,185	63,205
Net income/loss (-)	65,574	34,353
Profit attributable to owners of parent	2,117	258
Profit/Loss (-) attributable to owners of parent	63,456	34,904

(Quarterly consolidated statement of comprehensive income)

(1Q FY03/2020)

(Thousand yen)

	1Q FY03/2019 (From April 1, 2018 to June 30, 2018)	1Q FY03/2020 (From April 1, 2019 to June 30, 2019)
Net income/loss (-)	65,574	34,353
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	(6,402)	(1,054)
Foreign currency translation adjustment	(46,274)	79,771
Total other comprehensive income/loss (-)	(52,676)	78,717
Comprehensive income/loss (-)	12,897	113,070
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	9,935	112,651
Comprehensive income/loss (-) attributable to non-controlling interests	2,962	419