

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

February 8, 2019

Listed Company nms Holdings Corporation (nms HD) Listings: Tokyo Stock Exchange
 Securities code 2162 URL <http://www.n-ms.co.jp/>
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 Scheduled Date of Filing Quarterly Securities Report February 8, 2019
 Scheduled date of commencement of dividend payment: —
 Supplementary Documents for Quarterly Financial Results: Yes
 Quarterly Financial Results Briefing: None None

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

1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2019 (April 1, 2018 – December 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	%
3Q FY03/2019	42,269	3.8	300	(69.3)	312	(71.9)	211	(77.2)
3Q FY03/2018	40,728	(3.3)	980	14.8	1,113	—	924	456.1

Note: Comprehensive income 3Q FY03/2019 (121) million yen(-%) 3Q FY03/2018 966 million yen(-%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY03/2019	12.31	—
3Q FY03/2018	53.89	53.89

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3Q FY03/2019	29,164	5,623	19.2
FY03/2018	26,496	6,150	21.8

Reference: Shareholders' equity 3Q FY03/2019 5,613million yen FY03/2018 5,779million yen

2. Dividends

	Dividends 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	—	0.00	—		
FY03/2019 (forecast)				5.00	5.00

Note: Revision of the latest released dividend forecast: None

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

(% shows change from previous term)

	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
Full year	57,500	6.1	520	(59.8)	510	(66.1)	430	(66.8)	25.06

Note: Revision of the latest released business performance forecast: Yes

* Notes

- (1) Changes in significant subsidiaries during the consolidated 3Q (nine months) under review (changes in subsidiaries accompanying change 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)	3Q FY03/2019	21,611,000shares	FY03/2018	21,611,000shares
(2) Number of treasury shares at end of period	3Q FY03/2019	4,449,726shares	FY03/2018	4,449,726shares
(3) Average number of shares outstanding during the period	3Q FY03/2019	17,161,274shares	3Q FY03/2018	17,161,341shares

* Statement relating to the execution status for the quarterly review 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.

(Availability of the supplementary documents for quarterly financial results)

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

4. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Thousand yen)

	FY03/2018 (March 31,2018)	3Q FY03/2019 (December 31,2018)
Assets		
Current assets		
Cash and deposits	4,537,266	4,445,227
Notes and accounts receivable - trade	10,062,001	10,559,229
Finished goods	983,567	1,070,389
Work in process	517,593	610,716
Raw materials and supplies	3,537,620	4,123,947
Others	798,399	999,159
Allowance for doubtful accounts	(1,649)	(502)
Total current assets	20,434,799	21,808,237
Non-current assets		
Property, plant and equipment		
Land	1,048,201	1,375,753
Other, net	3,457,018	4,285,038
Total property, plant and equipment	4,505,220	5,660,791
Intangible assets		
Other	503,570	539,632
Total intangible assets	503,570	539,632
Investment and other assets		
Other	1,062,489	1,162,040
Allowance for doubtful accounts	(9,444)	(6,119)
Total investments and other accounts	1,053,044	1,155,920
Total non-current assets	6,061,834	7,356,344
Total assets	26,496,633	29,164,581
Liability		
Current liability		
Notes and accounts payable - trade	4,319,685	4,245,926
Short-term loans payable	4,795,478	7,911,763
Accounts payable - other	1,529,491	1,853,699
Income tax payable	470,527	83,710
Accrued consumption taxes	687,596	226,554
Provision for bonuses	409,872	478,050
Other	1,371,796	1,420,804
Total current liabilities	13,584,449	16,220,508
Non-current liabilities		
Long-term loans payable	5,840,178	6,512,750
Deferred tax liability	78,007	134,646
Net defined benefit liabilities	430,418	262,909
Other	412,832	409,958
Total non-current liabilities	6,761,437	7,320,264
Total liabilities	20,345,886	23,540,773

(Thousand yen)

	FY03/2018 (March 31,2018)	3Q FY03/2019 (December 31,2018)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	415,679	527,182
Retained earnings	5,856,772	5,914,371
Treasury shares	(909,838)	(909,838)
Total shareholders' equity	5,863,302	6,032,404
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	572	(48,040)
Foreign currency translation adjustment	(84,669)	(371,352)
Total other accumulated comprehensive income	(84,096)	(419,393)
Subscription rights to shares	—	3,056
Non-controlling interests	371,540	7,740
Total net assets	6,150,747	5,623,808
Total liabilities and net assets	26,496,633	29,164,581

(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income
(Quarterly consolidated statements of income) (3Q FY03/2019)

(Thousand yen)

	3Q FY03/2018 (From April 1, 2017 to December 31, 2017)	3Q FY03/2019 (From April 1, 2018 to December 31, 2018)
Net sales	40,728,605	42,269,584
Cost of sales	34,895,896	36,474,874
Gross profit	5,832,708	5,794,710
Selling, general and administrative expenses		
Salaries and bonuses	1,648,489	1,852,797
Provision for bonuses	171,364	176,928
Other	3,032,706	3,464,474
Total selling, general and administrative expenses	4,852,559	5,494,200
Operating income	980,149	300,509
Non-operating income		
Interest income	13,720	19,682
Dividend income	2,685	2,331
Real estate rent	20,047	29,106
Consumption tax gain	269,041	296,009
Other	32,511	57,024
Total non-operating income	338,005	404,153
Non-operating expenses		
Interest expenses	95,963	143,469
Foreign exchange losses	59,108	164,895
Rent cost of real estate	16,564	22,373
Foreign withholding tax	6,505	4,965
Other	26,045	56,286
Total non-operating expenses	204,186	391,989
Ordinary income	1,113,968	312,673
Extraordinary income		
Gain on sales of non-current assets	59,913	10,414
Gain on sales of investment securities	161,747	38,794
Gain on reversal of foreign currency translation adjustment	—	91,839
Gain on sales of golf memberships	—	15,430
Total extraordinary income	221,661	156,478
Extraordinary losses		
Loss on retirement of non-current assets	15,340	14
Business structure reform expenses paid	—	47,904
Loss on liquidation of subsidiaries	34,842	—
Other	4,299	—
Total extraordinary losses	54,482	47,918
Income before income taxes	1,281,147	421,233
Income taxes	324,184	207,890
Net income/loss (-)	956,962	213,342
Profit attributable to owners of parent	32,085	2,133
Profit/Loss (-) attributable to owners of parent	924,876	211,208

(Quarterly consolidated statement of comprehensive income) (3Q FY03/2019)

(Thousand yen)

	3Q FY03/2018 (From April 1, 2017 to December 31, 2017)	3Q FY03/2019 (From April 1, 2018 to December 31, 2018)
Net income/loss (-)	956,962	213,342
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	(131,948)	(49,073)
Foreign currency translation adjustment	141,566	(285,799)
Total other comprehensive income/loss (-)	9,617	(334,873)
Comprehensive income/loss (-)	966,580	(121,530)
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	934,000	(124,088)
Comprehensive income/loss (-) attributable to non-controlling interests	32,579	2,557