



## Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2015

May 15, 2015

Listed Company Nippon Manufacturing Service Corporation

Listings: Tokyo Stock Exchange

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

Representative (Title) President and CEO (Name) Fumiaki Ono  
Executive Managing Director, General

Contact (Title) Manager of Accounting and Finance Division (Name) Norihiko Suehiro Telephone 03-5333-1711

Scheduled date of ordinary shareholders' meeting: June 25, 2015  
Scheduled date of commencement of dividend payment: June 26, 2015

Scheduled date for filing of annual securities report: June 25, 2015

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 year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

#### (1) Consolidated operating results

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2015	49,245	17.5	493	—	733	—	571	-11.8
FY03/2014	41,905	7.8	-643	—	-175	—	648	175.4

(Note) Comprehensive income FY03/2015 788million yen (-8.6%) FY03/2014 862million yen (19.0%)

	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	%	%	%
FY03/2015	61.67	61.15	12.2	3.1	1.0
FY03/2014	63.43	61.15	15.5	-0.9	-1.5

(Reference) Share of (profit) loss of entities accounted for using equity method  
FY03/2015 — million yen FY03/2014 — million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2015	27,703	5,065	17.1	537.16
FY03/2014	19,462	5,384	23.7	451.79

(Reference) Shareholders' equity FY03/2015 4,725million yen FY03/2014 4,619million yen

#### (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
FY03/2015	-3,160	-839	4,653	3,859
FY03/2014	-464	-1,347	1,020	3,087

## 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	Million yen	%	%
FY03/2014	— —	0.00	— —	3.00	3.00	30	4.7	0.7
FY03/2015	— —	0.00	— —	5.00	5.00	43	8.1	1.0
FY03/2016 (forecast)	— —	0.00	— —	5.00	5.00		9.4	

(Note) The annual dividend for the year ended March 31, 2015 comprises an ordinary dividend of 3.00 yen and a commemorative dividend of 2.00 yen.

## 3. Consolidated forecasts for year ending March 2016 (April 1, 2015 to March 31, 2016)

(% 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	32,180	35.3	390	64.6	270	83.7	85	2.6	8.60
Full year	67,380	36.8	1,100	122.8	930	26.8	525	-8.2	53.15

\* Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes

New: 1 company (Company name: TKR HUANAN ELECTRONICS (FOSHAN) CO., LTD.)

Exception: – (Company name: –)

(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)	FY03/2015	10,805,500shares	FY03/2014	10,805,500shares
(2) Number of treasury shares at end of period	FY03/2015	2,008,000shares	FY03/2014	581,500shares
(3) Average number of shares outstanding during the term	FY03/2015	9,274,303shares	FY03/2014	10,224,000shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(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	%
FY03/2015	12,813	8.2	14	-49.2	76	-30.0	76	121.2
FY03/2014	11,837	-6.0	29	-39.7	109	22.7	34	-37.1

  

	Net income per share	Diluted net income per share
	Yen	Yen
FY03/2015	8.25	8.18
FY03/2014	3.38	3.26

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2015	11,225	1,022	9.1	115.76
FY03/2014	6,773	1,594	23.2	153.72

(Reference) Shareholders' equity FY03/2015 1,018million yen FY03/2014 1,571million yen

\* 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 materials on financial results)

The Company plans to hold a results briefing for institutional investors and analysts on Monday, June 1, 2015. The supplementary materials on financial results delivered in the briefing will be disclosed at TDnet immediately after the briefing.

## 5. Consolidated Financial Statements

### (1) Consolidated balance sheets

(Thousand yen)

	FY03/2014 (March 31, 2014)	FY03/2015 (March 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	3,209,244	3,993,209
Notes and accounts receivable - trade	6,912,569	11,223,826
Merchandise and finished goods	529,443	1,627,783
Work in process	343,745	521,690
Raw materials and supplies	2,162,079	3,536,447
Deferred tax assets	121,177	203,029
Other	430,729	571,405
Allowance for doubtful accounts	-441	-3,376
Total current assets	13,708,547	21,674,016
Non-current assets		
Property, plant and equipment		
Buildings and structures	* <sub>3</sub> 4,954,630	* <sub>3</sub> 5,145,332
Accumulated depreciation	* <sub>3</sub> -3,830,798	* <sub>3</sub> -3,973,113
Buildings and structures, net	* <sub>3</sub> 1,123,831	* <sub>3</sub> 1,172,218
Machinery, equipment and vehicles	6,818,793	7,131,646
Accumulated depreciation	-5,683,569	-5,994,385
Machinery, equipment and vehicles, net	1,135,224	1,137,260
Land	* <sub>3</sub> 1,786,301	* <sub>3</sub> 1,786,301
Other	1,842,734	1,912,992
Accumulated depreciation	-1,596,060	-1,674,739
Other, net	246,673	238,252
Total property, plant and equipment	4,292,031	4,334,033
Intangible assets		
Other	406,165	581,958
Total intangible assets	406,165	581,958
Investments and other assets		
Investment securities	236,437	262,995
Investments in capital of subsidiaries and associates	90,782	90,782
Deferred tax assets	298,349	288,348
Lease and guarantee deposits	114,352	132,765
Other	* <sub>1</sub> 328,696	* <sub>1</sub> 351,132
Allowance for doubtful accounts	-12,969	-12,969
Total investments and other assets	1,055,648	1,113,054
Total non-current assets	5,753,845	6,029,045
Total assets	19,462,392	27,703,061

(Thousand yen)

	FY03/2014 (March 31, 2014)	FY03/2015 (March 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,934,625	5,554,435
Short-term loans payable	*2, *3 5,981,487	*2, *3 9,435,763
Accounts payable - other	1,334,362	1,891,854
Accrued expenses	254,219	308,485
Income taxes payable	45,091	334,836
Accrued consumption taxes	87,262	525,252
Deposits received	165,909	184,658
Provision for bonuses	157,552	287,857
Deferred tax liabilities	—	4,467
Other	33,532	60,002
Total current liabilities	11,994,044	18,587,613
Non-current liabilities		
Long-term loans payable	*3 1,345,666	*3 3,318,132
Deferred tax liabilities	101,668	87,534
Provision for directors' retirement benefits	103,415	107,199
Net defined benefit liability	484,417	477,319
Other	49,018	59,714
Total non-current liabilities	2,084,185	4,049,900
Total liabilities	14,078,230	22,637,514
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	231,184	231,184
Retained earnings	3,578,579	4,119,850
Treasury shares	-29,686	-628,816
Total shareholders' equity	4,280,767	4,222,908
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	52,624	71,774
Foreign currency translation adjustment	285,746	430,960
Total other accumulated comprehensive income	338,371	502,735
Subscription rights to shares	22,705	3,675
Minority interests	742,318	336,227
Total net assets	5,384,162	5,065,547
Total liabilities and net assets	19,462,392	27,703,061

## (2) Consolidated statements of income / consolidated statement of comprehensive income

## Consolidated statements of income

(Thousand yen)

	FY03/2014 (From April 1, 2013 to March 31, 2014)	FY03/2015 (From April 1, 2014 to March 31, 2015)
Net sales	41,905,488	49,245,070
Cost of sales	38,223,253	43,431,042
Gross profit	3,682,235	5,814,028
Selling, general and administrative expenses		
Directors' compensations	205,695	195,200
Salaries and bonuses	1,838,416	2,315,982
Provision for bonuses	42,342	113,653
Provision for directors' retirement benefits	10,000	8,983
Legal welfare expenses	268,882	332,499
Provision of allowance for doubtful accounts	-3,790	2,540
Offering expenses	176,627	215,438
Rents	224,763	271,286
Rent expenses	37,217	33,403
Communication expenses	63,541	76,436
Traveling and transportation expenses	253,366	281,352
Commission fee	37,339	88,753
Business consignment expenses	154,746	237,651
Taxes and dues	163,526	114,475
Depreciation	117,235	128,652
Other	*1 736,273	*1 903,984
Total selling, general and administrative expenses	4,326,184	5,320,295
Operating income (loss)	-643,949	493,733
Non-operating income		
Interest income	14,139	15,577
Dividend income	4,713	4,064
Foreign exchange gains	358,861	270,117
Real estate rent	66,987	59,238
Gain on valuation of derivatives	42,132	34,287
Other	77,513	23,410
Total non-operating income	564,347	406,695
Non-operating expenses		
Interest expenses	39,626	51,024
Rent cost of real estate	25,714	28,899
Commission fee	—	22,500
Foreign withholding tax	12,547	20,317
Other	17,839	44,241
Total non-operating expenses	95,728	166,983
Ordinary income (loss)	-175,330	733,445

(Thousand yen)

	FY03/2014 (From April 1, 2013 to March 31, 2014)	FY03/2015 (From April 1, 2014 to March 31, 2015)
<b>Extraordinary income</b>		
Subsidies for employment adjustment	32,596	98
Gain on sales of non-current assets	*2 60,552	*2 13,639
Gain on bargain purchase	1,093,476	395,093
Subsidy income	47,702	—
Gain on reversal of subscription rights to shares	—	19,029
Other	784	447
<b>Total extraordinary income</b>	<b>1,235,113</b>	<b>428,309</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	*3 5,610	*3 13,972
Impairment loss	*4 256,543	—
Leave allowance	35,246	996
Loss on reduction of non-current assets	47,702	—
Compensation expenses	92,268	202,195
Loss on valuation of investments in capital of subsidiaries and associates	45,356	—
Loss on liquidation of business	—	20,655
Plant relocation expenses	—	10,012
Other	19,262	17,730
<b>Total extraordinary losses</b>	<b>501,990</b>	<b>265,563</b>
Income before income taxes	557,793	896,191
Income taxes - current	52,810	349,325
Income taxes - deferred	47,733	-64,348
<b>Total income taxes</b>	<b>100,544</b>	<b>284,976</b>
Income before minority interests	457,248	611,214
Minority interests in income (loss)	-191,267	39,271
<b>Net income</b>	<b>648,516</b>	<b>571,943</b>

## Consolidated statement of comprehensive income

(Thousand yen)

	FY03/2014 (From April 1, 2013 to March 31, 2014)	FY03/2015 (From April 1, 2014 to March 31, 2015)
Income before minority interests	457,248	611,214
Other comprehensive income		
Valuation difference on available-for-sale securities	82,982	22,009
Foreign currency translation adjustment	322,413	154,868
Total other comprehensive income	*1, *2 405,395	*1, *2 176,877
Comprehensive income	862,644	788,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	943,429	736,307
Comprehensive income attributable to minority interests	-80,785	51,784