



Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2016

May 13, 2016

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

Contact (Title) Operating Officer (Name) Shin Nakamura Telephone 03-5333-1711

Scheduled date of ordinary shareholders' meeting: June 24, 2016
Scheduled date of commencement of dividend payment: June 27, 2016

Scheduled date for filing of annual securities report: June 24, 2016

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, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2016	62,179	26.3	1,940	292.9	1,350	84.2	375	-34.4
FY03/2015	49,245	17.5	493	—	733	—	571	-11.8

(Note) Comprehensive income FY03/2016 -43 million yen (-%) FY03/2015 788 million yen (-8.6%)

	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		%	%	%
FY03/2016	38.00		37.89		7.6	5.0	3.1
FY03/2015	61.67		61.15		12.2	3.1	1.0

(Reference) Share of (profit) loss of entities accounted for using equity method FY03/2016 -million yen FY03/2015 -million yen

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
FY03/2016	26,234		5,419		19.5		516.47	
FY03/2015	27,703		5,065		17.1		537.16	

(Reference) Shareholders' equity FY03/2016 5,103million yen FY03/2015 4,725million 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
FY03/2016	942	-1,038	-838	2,748
FY03/2015	-3,160	-839	4,653	3,859

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	%	%
FY03/2015	— —	0. 00	— —	5. 00	5. 00	43	8.1	1.0
FY03/2016	— —	0. 00	— —	7. 00	7. 00	69	18.4	1.3
FY03/2017 (forecast)	— —	0. 00	— —	5. 00	5. 00		8.2	

(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 2017 (April 1, 2016 to March 31, 2017)

(% 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	29,200	-8.9	380	-57.3	320	-66.1	200	-60.8	20.	24
Full year	58,000	-6.7	1,000	-48.5	900	-33.4	600	59.8	60.	72

* 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.: Yes

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

For more details, see "5. Consolidated Financial Statements"

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

(1) Number of shares outstanding at end of period (including treasury shares)	FY03/2016	10,805,500shares	FY03/2015	10,805,500shares
(2) Number of treasury shares at end of period	FY03/2016	924,772shares	FY03/2015	2,008,000shares
(3) Average number of shares outstanding during the term	FY03/2016	9,879,714shares	FY03/2015	9,274,303shares

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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	%
FY03/2016	12,577	-1.8	170	—	33	-56.6	1	-98
FY03/2015	12,813	8.2	14	-49.2	76	-30.0	76	121.2

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY03/2016	0.	15	0.	15
FY03/2015	8.	25	8.	18

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
FY03/2016	10,144		1,423		14.0		143.	78
FY03/2015	11,225		1,022		9.1		115.	76

(Reference) Shareholders' equity FY03/2016 1,420million yen FY03/2015 1,018million 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. For assumptions for the results forecasts and notes to the results forecasts, see “1.

(Availability of the supplementary materials on financial results)

The Company plans to hold a results briefing for institutional investors and analysts on Monday, May 30, 2016. 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)

	FY03/2015 (March 31, 2015)	FY03/2016 (March 31, 2016)
Assets		
Current assets		
Cash and deposits	3,993,209	2,869,948
Notes and accounts receivable - trade	11,223,826	10,487,549
Finished goods	1,627,783	1,736,612
Work in process	521,690	446,499
Raw materials and supplies	3,536,447	3,550,079
Deferred tax assets	203,029	142,245
Other	571,405	908,692
Allowance for doubtful accounts	-3,376	-8,019
Total current assets	21,674,016	20,133,608
Non-current assets		
Property, plant and equipment		
Buildings and structures	※ ₃ 5,145,332	※ ₃ 4,935,129
Accumulated depreciation	※ ₃ -3,973,113	※ ₃ -3,848,498
Buildings and structures, net	※ ₃ 1,172,218	※ ₃ 1,086,630
Machinery, equipment and vehicles	7,131,646	6,277,947
Accumulated depreciation	-5,994,385	-5,092,629
Machinery, equipment and vehicles, net	1,137,260	1,185,317
Land	※ ₃ 1,786,301	※ ₃ 1,600,989
Leased assets	77,880	374,531
Accumulated depreciation	-20,625	-57,123
Leased assets, net	57,255	317,407
Other	1,835,111	1,856,413
Accumulated depreciation	-1,654,114	-1,570,724
Other, net	180,996	285,689
Total property, plant and equipment	4,334,033	4,476,035
Intangible assets		
Other	581,958	560,007
Total intangible assets	581,958	560,007
Investments and other assets		
Investment securities	262,995	302,948
Investments in capital of subsidiaries and associates	90,782	130,270
Deferred tax assets	288,348	150,284
Lease and guarantee deposits	132,765	148,325
Other	※ ₁ 351,132	※ ₁ 345,890
Allowance for doubtful accounts	-12,969	-12,969
Total investments and other assets	1,113,054	1,064,749
Total non-current assets	6,029,045	6,100,792
Total assets	27,703,061	26,234,401

(Thousand yen)

	FY03/2015 (March 31, 2015)	FY03/2016 (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,554,435	5,299,777
Short-term loans payable	※ 2, ※ 3 9,435,763	※ 2, ※ 3 8,823,673
Accounts payable - other	1,891,854	1,532,814
Accrued expenses	308,485	393,482
Income taxes payable	334,836	166,599
Accrued consumption taxes	525,252	209,052
Deposits received	184,658	211,138
Provision for bonuses	287,857	349,939
Deferred tax liabilities	4,467	8,905
Other	60,002	237,759
Total current liabilities	18,587,613	17,233,142
Non-current liabilities		
Long-term loans payable	※ 3 3,318,132	※ 3 2,639,528
Deferred tax liabilities	87,534	88,177
Provision for directors' retirement benefits	107,199	95,616
Net defined benefit liability	477,319	442,352
Lease obligations	53,536	312,192
Other	6,178	3,633
Total non-current liabilities	4,049,900	3,581,499
Total liabilities	22,637,514	20,814,641
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	231,184	401,262
Retained earnings	4,119,850	4,451,247
Treasury shares	-628,816	-289,653
Total shareholders' equity	4,222,908	5,063,546
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	71,774	99,040
Foreign currency translation adjustment	430,960	-59,519
Total other accumulated comprehensive income	502,735	39,520
Subscription rights to shares	3,675	2,809
Non-controlling interests	336,227	313,883
Total net assets	5,065,547	5,419,760
Total liabilities and net assets	27,703,061	26,234,401

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

Consolidated statements of income

(Thousand yen)

	FY03/2015 (From April 1, 2014 to March 31, 2015)	FY03/2016 (From April 1, 2015 to March 31, 2016)
Net sales	49,245,070	62,179,503
Cost of sales	43,431,042	53,736,326
Gross profit	5,814,028	8,443,177
Selling, general and administrative expenses		
Directors' compensations	195,200	200,375
Salaries and bonuses	2,315,982	2,402,545
Provision for bonuses	113,653	100,496
Provision for directors' retirement benefits	8,983	8,218
Legal welfare expenses	332,499	379,891
Provision of allowance for doubtful accounts	2,540	4,915
Offering expenses	215,438	216,307
Rents	271,286	363,815
Rent expenses	33,403	32,599
Communication expenses	76,436	96,301
Traveling and transportation expenses	281,352	362,878
Freightage and packing expenses	349,429	650,933
Commission fee	88,753	135,983
Business consignment expenses	237,651	219,956
Taxes and dues	114,475	167,041
Depreciation	128,652	137,918
Other	※ 1 554,554	※ 1 1,022,898
Total selling, general and administrative expenses	5,320,295	6,503,077
Operating income	493,733	1,940,100
Non-operating income		
Interest income	15,577	12,760
Dividend income	4,064	4,505
Foreign exchange gains	270,117	—
Real estate rent	59,238	23,608
Gain on valuation of derivatives	34,287	—
Other	23,410	38,393
Total non-operating income	406,695	79,268
Non-operating expenses		
Interest expenses	51,024	89,050
Foreign exchange losses	—	449,841
Rent cost of real estate	28,899	21,345
Commission fee	22,500	16,000
Foreign withholding tax	20,317	17,671
Other	44,241	74,652
Total non-operating expenses	166,983	668,562
Ordinary income	733,445	1,350,805

(Thousand yen)

	FY03/2015 (From April 1, 2014 to March 31, 2015)	FY03/2016 (From April 1, 2015 to March 31, 2016)
Extraordinary income		
Subsidies for employment adjustment	98	25,127
Gain on sales of non-current assets	*2 13,639	*2 7,148
Gain on bargain purchase	395,093	—
Gain on reversal of subscription rights to shares	19,029	234
Other	447	—
Total extraordinary income	428,309	32,509
Extraordinary losses		
Loss on sales of non-current assets	—	*3 344
Loss on retirement of non-current assets	*4 13,972	*4 1,212
Impairment loss	—	*5 241,224
Tax-related losses of overseas subsidiaries	—	35,711
Business restructuring expenses	—	*6 52,933
Leave allowance	996	78
Compensation expenses	202,195	—
Loss on valuation of investments in capital of subsidiaries and associates	—	20,064
Loss on liquidation of business	20,655	—
Plant relocation expenses	10,012	—
Other	17,730	23,773
Total extraordinary losses	265,563	375,343
Income before income taxes	896,191	1,007,971
Income taxes - current	349,325	384,839
Income taxes - deferred	-64,348	172,413
Total income taxes	284,976	557,253
Net income	571,943	375,384
Profit attributable to non-controlling interests	39,271	75,334
Profit attributable to owners of parent	571,943	375,384

Consolidated statement of comprehensive income

(Thousand yen)

	FY03/2015 (From April 1, 2014 to March 31, 2015)	FY03/2016 (From April 1, 2015 to March 31, 2016)
Net income	611,214	450,718
Other comprehensive income		
Valuation difference on available-for-sale securities	22,009	28,800
Foreign currency translation adjustment	154,868	-523,376
Total other comprehensive income	※ 1, ※ 2 176,877	※ 1, ※ 2 -494,575
Comprehensive income	788,092	-43,857
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	736,307	-87,830
Comprehensive income attributable to non-controlling interests	51,784	43,972