



## Consolidated Financial Results (Japanese Accounting Standards) for the Third Quarter of Fiscal Year Ending March 31, 2017

February 10, 2017

**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 Filing Quarterly Securities Report February 10, 2017 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 Third Quarter of Fiscal Year Ending March 31, 2017 (April 1, 2016 – December 31, 2016)

#### (1) Consolidated results of operations (nine months) (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 FY03/2017	42,115	-10.8	853	-36.0	53	-94.5	166	-29.8
3Q FY03/2016	47,227	36.5	1,332	956.9	973	414.3	236	490.4

Note: Comprehensive income 3Q FY03/2017 -248 million yen(-%) 3Q FY03/2016 -454 million yen(-%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY03/2017	16.83	16.83
3Q FY03/2016	23.97	23.90

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3Q FY03/2017	25,494	5,097	18.8
FY03/2016	26,234	5,419	19.5

Reference: Shareholders' equity 3Q FY03/2017 4,780million yen FY03/2016 5,103million 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
FY03/2016	—	0.00	—	7.00	7.00
FY03/2017	—	0.00	—	—	—
FY03/2017 (forecast)	—	—	—	5.00	5.00

Note: Revision of the latest released dividend forecast: None

### 3. Consolidated forecasts for year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% 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	58,000	-6.7	1,000	-48.5	900	-33.4	600	59.8	60.72

Note: Revision of the latest released business performance forecast: None

\* 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 (Newly included :1)
- (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.: Yes
  - (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 FY03/2017	10,805,500shares	FY03/2016	10,805,500shares
(2) Number of treasury shares at end of period	3Q FY03/2017	924,772shares	FY03/2016	924,772shares
(3) Average number of shares outstanding during the period	3Q FY03/2017	9,880,728shares	3Q FY03/2016	9,878,676shares

\* 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 Company plans to hold a results briefing for institutional investors and analysts on Tuesday, December 6, 2016.

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)

	FY03/2016 (March 31,2016)	3Q FY03/2017 (December 31,2016)
<b>Assets</b>		
Current assets		
Cash and deposits	2,869,948	5,282,033
Notes and accounts receivable - trade	10,487,549	9,076,884
Finished goods	1,736,612	1,178,798
Work in process	446,499	436,809
Raw materials and supplies	3,550,079	2,853,375
Others	1,050,937	912,476
Allowance for doubtful accounts	-8,019	-6,485
Total current assets	20,133,608	19,733,893
Non-current assets		
Property, plant and equipment		
Land	1,600,989	1,084,959
Other, net	2,875,045	2,612,164
Total property, plant and equipment	4,476,035	3,697,123
Intangible assets		
Other	560,007	531,422
Total intangible assets	560,007	531,422
Investment and other assets		
Other	1,077,719	1,537,853
Allowance for doubtful accounts	-12,969	-6,119
Total investments and other accounts	1,064,749	1,531,733
Total non-current assets	6,100,792	5,760,279
Total assets	26,234,401	25,494,172
<b>Liability</b>		
Current liability		
Notes and accounts payable - trade	5,299,777	3,793,379
Short-term loans payable	8,823,673	10,564,620
Accounts payable - other	1,532,814	1,538,978
Income tax payable	166,599	135,351
Accrued consumption taxes	209,052	285,581
Provision for bonuses	349,939	376,884
Other	851,285	1,141,620
Total current liabilities	17,233,142	17,836,417
Non-current liabilities		
Long-term loans payable	2,639,528	1,642,038
Deferred tax liability	88,177	79,070
Provision for directors' retirement benefits	95,616	103,165
Non defined benefit liabilities	442,352	413,276
Other	315,825	322,970
Total non-current liabilities	3,581,499	2,560,522
Total liabilities	20,814,641	20,396,939

(Thousand yen)

	FY03/2016 (March 31,2016)	3Q FY03/2017 (December 31,2016)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	401,262	415,679
Retained earnings	4,451,247	4,548,397
Treasury shares	-289,653	-289,653
Total shareholders' equity	5,063,546	5,175,114
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	99,040	93,758
Foreign currency translation adjustment	-59,519	-488,240
Total other accumulated comprehensive income	39,520	-394,482
Subscription rights to shares	2,809	2,598
Non-controlling interests	313,883	314,002
Total net assets	5,419,760	5,097,233
Total liabilities and net assets	26,234,401	25,494,172

**(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income**  
**(Quarterly consolidated statements of income) (3Q FY03/2017)**

(Thousand yen)

	3Q FY03/2016 (From April 1, 2015 to December 31, 2015)	3Q FY03/2017 (From April 1, 2016 to December 31, 2016)
Net sales	47,227,457	42,115,758
Cost of sales	40,921,371	36,675,722
Gross profit	6,306,086	5,440,036
Selling, general and administrative expenses		
Salaries and bonuses	1,776,051	1,598,253
Provision for bonuses	228,644	163,341
Other	2,968,454	2,824,824
Total selling, general and administrative expenses	4,973,150	4,586,418
Operating income	1,332,936	853,617
Non-operating income		
Interest income	8,949	17,981
Dividend income	2,146	2,673
Real estate rent	17,574	10,696
Other	31,977	47,611
Total non-operating income	60,648	78,962
Non-operating expenses		
Interest expenses	71,673	60,216
Foreign exchange losses	267,344	768,038
Rent cost of real estate	16,235	5,706
Foreign withholding tax	14,327	19,081
Other	50,200	26,187
Total non-operating expenses	419,787	879,230
Ordinary income	973,797	53,349
Extraordinary income		
Gain on sales of non-current assets	7,795	622,979
Subsidies for employment adjustment	24,677	7,860
Other	—	210
Total extraordinary income	32,472	631,050
Extraordinary losses		
Loss on sales of non-current assets	928	—
Loss on retirement of non-current assets	1,081	6,676
Leave allowance	74	6,528
Impairment loss	163,167	—
Overseas subsidiaries tax-related losses	31,497	—
Loss on liquidation of subsidiaries	—	224,891
Business structure reform expenses	42,359	21,721
Organization restructuring expenses	—	18,849
Head office relocation expenses	—	47,871
Other	—	12,983
Total extraordinary losses	239,108	339,522
Income before income taxes	767,161	344,876
Income taxes	451,306	140,745
Net income/loss ( - )	315,854	204,130
Profit attributable to owners of parent	79,019	37,830
Profit/Loss ( - ) attributable to owners of parent	236,834	166,300

**(Quarterly consolidated statement of comprehensive income) (3Q FY03/2017)**

(Thousand yen)

	3Q FY03/2016 (From April 1, 2015 to December 31, 2015)	3Q FY03/2017 (From April 1, 2016 to December 31, 2016)
Net income/loss ( - )	315,854	204,130
Other comprehensive income/loss ( - )		
Valuation difference on available-for-sale securities	21,794	-5,579
Foreign currency translation adjustment	-792,422	-446,616
Total other comprehensive income/loss ( - )	-770,627	-452,196
Comprehensive income/loss ( - )	-454,772	-248,065
Comprehensive income attributable to		
Comprehensive income/loss ( - ) attributable to owners of parent	-498,393	-267,702
Comprehensive income/loss ( - ) attributable to non-controlling interests	43,620	19,636