

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

February 14, 2020

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) General Manager, Corporate Division (Name) Toshiko Kono Telephone 03-5333-1711
 Scheduled Date of Filing Quarterly Securities Report February 14, 2020
 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, 2020 (April 1, 2019 – December 31, 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	%
3Q FY03/2020	46,593	10.2	607	102.1	369	18.1	257	22.1
3Q FY03/2019	42,269	3.8	300	(69.3)	312	(71.9)	211	(77.2)

Note: Comprehensive income 3Q FY03/2020 (64) million yen(-%) 3Q FY03/2019 (121) million yen(-%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY03/2020	15.02	—
3Q FY03/2019	12.31	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
3Q FY03/2020	32,092	5,589	17.4
FY03/2019	29,462	5,744	19.5

Reference: Shareholders' equity 3Q FY03/2020 5,578million yen FY03/2019 5,734million 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
FY03/2019	—	0.00	—	5.00	5.00
FY03/2020	—	0.00	—	—	—
FY03/2020 (forecast)	—	—	—	5.00	5.00

Note: Revision of the latest released dividend forecast: None

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

(% 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	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 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 FY03/2020	21,611,000shares	FY03/2019	21,611,000shares
(2) Number of treasury shares at end of period	3Q FY03/2020	4,449,759shares	FY03/2019	4,449,726shares
(3) Average number of shares outstanding during the period	3Q FY03/2020	17,161,270shares	3Q FY03/2019	17,161,274shares

* 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)

	FY03/2019 (March 31,2019)	3Q FY03/2020 (December 31,2019)
Assets		
Current assets		
Cash and deposits	4,246,966	4,884,155
Notes and accounts receivable - trade	10,761,029	10,824,505
Finished goods	1,324,952	1,222,330
Work in process	589,589	565,619
Raw materials and supplies	4,181,589	3,969,216
Others	978,784	1,211,341
Allowance for doubtful accounts	(681)	(10,346)
Total current assets	22,082,231	22,666,822
Non-current assets		
Property, plant and equipment		
Land	1,174,187	1,166,687
Other, net	4,438,310	5,995,036
Total property, plant and equipment	5,612,497	7,161,724
Intangible assets		
Other	540,104	987,985
Total intangible assets	540,104	987,985
Investment and other assets		
Other	1,233,958	1,281,756
Allowance for doubtful accounts	(6,119)	(6,119)
Total investments and other accounts	1,227,838	1,275,636
Total non-current assets	7,380,441	9,425,345
Total assets	29,462,672	32,092,168
Liability		
Current liability		
Notes and accounts payable - trade	4,486,367	3,668,059
Short-term loans payable	13,073,800	14,343,360
Accounts payable - other	1,914,296	1,994,942
Income tax payable	193,065	114,477
Accrued consumption taxes	269,845	673,808
Provision for bonuses	477,113	513,936
Other	1,329,616	1,311,148
Total current liabilities	21,744,105	22,619,734
Non-current liabilities		
Long-term loans payable	1,212,540	1,549,741
Deferred tax liability	140,636	93,122
Net defined benefit liabilities	263,325	270,759
Other	357,093	1,969,475
Total non-current liabilities	1,973,595	3,883,099
Total liabilities	23,717,701	26,502,833

(Thousand yen)

	FY03/2019 (March 31,2019)	3Q FY03/2020 (December 31,2019)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	527,182	527,182
Retained earnings	6,118,794	6,285,276
Treasury shares	(909,838)	(909,859)
Total shareholders' equity	6,236,828	6,403,289
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(51,807)	(52,768)
Foreign currency translation adjustment	(450,920)	(772,406)
Total other accumulated comprehensive income	(502,728)	(825,174)
Subscription rights to shares	3,056	3,056
Non-controlling interests	7,813	8,163
Total net assets	5,744,970	5,589,334
Total liabilities and net assets	29,462,672	32,092,168

(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income
(Quarterly consolidated statements of income) (3Q FY03/2020)

(Thousand yen)

	3Q FY03/2019 (From April 1, 2018 to December 31, 2018)	3Q FY03/2020 (From April 1, 2019 to December 31, 2019)
Net sales	42,269,584	46,593,474
Cost of sales	36,474,874	40,570,841
Gross profit	5,794,710	6,022,632
Selling, general and administrative expenses		
Salaries and bonuses	1,852,797	2,061,399
Provision for bonuses	176,928	154,678
Other	3,464,474	3,199,366
Total selling, general and administrative expenses	5,494,200	5,415,445
Operating income	300,509	607,187
Non-operating income		
Interest income	19,682	14,571
Dividend income	2,331	690
Real estate rent	29,106	29,654
Consumption tax gain	296,009	—
Subsidy income	—	127,500
Other	57,024	76,016
Total non-operating income	404,153	248,433
Non-operating expenses		
Interest expenses	143,469	161,790
Foreign exchange losses	164,895	198,522
Rent cost of real estate	22,373	19,690
Foreign withholding tax	4,965	2,736
Other	56,286	103,635
Total non-operating expenses	391,989	486,375
Ordinary income	312,673	369,244
Extraordinary income		
Gain on sales of non-current assets	10,414	20,256
Gain on sales of investment securities	38,794	—
Gain on reversal of foreign currency translation adjustment	91,839	168,663
Gain on sales of golf memberships	15,430	—
Total extraordinary income	156,478	188,920
Extraordinary losses		
Loss on sales of non-current assets	—	190
Loss on retirement of non-current assets	14	2,050
Business structure reform expenses paid	47,904	—
Loss on liquidation of subsidiaries	—	41,000
Total extraordinary losses	47,918	43,241
Income before income taxes	421,233	514,923
Income taxes	207,890	257,189
Net income/loss (-)	213,342	257,733
Profit attributable to owners of parent	2,133	(93)
Profit/Loss (-) attributable to owners of parent	211,208	257,826

(Quarterly consolidated statement of comprehensive income) (3Q FY03/2020)

(Thousand yen)

	3Q FY03/2019 (From April 1, 2018 to December 31, 2018)	3Q FY03/2020 (From April 1, 2019 to December 31, 2019)
Net income/loss (-)	213,342	257,733
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	(49,073)	(961)
Foreign currency translation adjustment	(285,799)	(321,767)
Total other comprehensive income/loss (-)	(334,873)	(322,728)
Comprehensive income/loss (-)	(121,530)	(64,994)
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	(124,088)	(64,620)
Comprehensive income/loss (-) attributable to non-controlling interests	2,557	(374)