

**Consolidated Financial Results (Japanese Accounting Standards)
for the First Quarter of Fiscal Year Ending March 31, 2018**

Aug 8, 2017

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) Mitsuyoshi Tanno Telephone 03-5333-1711

Scheduled Date of Filing Quarterly Securities Report: August 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 First Quarter of Fiscal Year Ending March 31, 2018 (April 1, 2017 – June 30, 2017)

(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	%
1Q FY03/2018	12,932	(8.6)	218	(13.1)	159	—	293	—
1Q FY03/2017	14,156	(8.7)	251	(45.3)	(61)	—	(85)	—

Note: Comprehensive income 1Q FY03/2018 136 million yen (-%) 1Q FY03/2017 (31) million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY03/2018	34.18	34.17
1Q FY03/2017	(8.65)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q FY03/2018	27,695	4,888	16.5
FY03/2017	24,559	4,960	18.9

Reference: Shareholders' equity 1Q FY03/2018 4,559 million yen FY03/2017 4,633 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY03/2017	—	0.00	—	7.00	7.00
FY03/2018	—				
FY03/2018 (forecast)		0.00	—	5.00	5.00

(Note)

1: The annual dividend for the year ended March 31, 2017 comprises an ordinary dividend of 5.00 yen and a commemorative dividend of 2.00 yen.

2: Revision of the latest released dividend forecast: None

3. Consolidated forecasts for year ending March 2018 (April 1, 2017 to March 31, 2018)

(% 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	27,000	(6.7)	630	(8.5)	690	—	650	—	75.75
Full year	52,000	(4.7)	1,100	12.9	1,000	78.0	850	72.2	99.06

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

* Notes

- (1) Changes in significant subsidiaries during the consolidated 1Q (three months) under review
(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None
- (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)
- (2) Number of treasury shares at end of period
- (3) Average number of shares outstanding during the term

1Q FY03/2018	10,805,500shares	FY03/2017	10,805,500shares
1Q FY03/2018	2,224,823shares	FY03/2017	2,224,772shares
1Q FY03/2018	8,580,711shares	1Q FY03/2017	9,880,728shares

* Statement relating to the execution status for audit 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.

4. Consolidated financial statements

(1) Consolidated balance sheet

	(Thousand yen)	
	FY03/2017 (March 31,2017)	1Q FY03/2018 (June 30,2017)
Assets		
Current assets		
Cash and deposits	3,655,507	6,516,009
Notes and accounts receivable - trade	9,093,721	9,403,904
Finished goods	1,135,329	1,070,049
Work in process	439,969	540,599
Raw materials and supplies	3,158,808	3,489,577
Others	831,514	1,113,654
Allowance for doubtful accounts	(6,676)	(6,389)
Total current assets	18,308,174	22,126,405
Non-current assets		
Property, plant and equipment		
Land	1,084,959	1,003,766
Other, net	3,112,443	3,202,147
Total property, plant and equipment	4,197,404	4,205,913
Intangible assets		
Other	526,656	584,691
Total intangible assets	526,656	584,691
Investment and other assets		
Other	1,536,634	788,194
Allowance for doubtful accounts	(9,444)	(9,444)
Total investments and other accounts	1,527,189	778,749
Total non-current assets	6,251,250	5,569,354
Total assets	24,559,425	27,695,760
Liability		
Current liability		
Notes and accounts payable - trade	3,427,983	3,960,842
Short-term loans payable	8,868,006	8,001,112
Accounts payable - other	1,801,804	1,510,249
Income tax payable	155,759	117,802
Accrued consumption taxes	230,479	204,694
Provision for bonuses	351,830	315,134
Other	1,043,653	1,072,384
Total current liabilities	15,879,518	15,182,220
Non-current liabilities		
Long-term loans payable	2,796,816	6,568,686
Deferred tax liability	74,159	67,805
Provision for directors' retirement benefits	105,290	107,357
Non defined benefit liabilities	425,033	426,051
Other	318,234	455,031
Total non-current liabilities	3,719,533	7,624,932
Total liabilities	19,599,052	22,807,152

	(Thousand yen)	
	FY03/2017 (March 31,2017)	1Q FY03/2018 (June 30,2017)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	415,679	415,679
Retained earnings	4,875,592	4,961,858
Treasury shares	(909,753)	(909,785)
Total shareholders' equity	4,882,208	4,968,443
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	118,859	(10,592)
Foreign currency translation adjustment	(367,915)	(367,920)
Total other accumulated comprehensive income	(249,056)	(408,513)
Non-controlling interests	327,220	328,677
Total net assets	4,960,373	4,888,607
Total liabilities and net assets	24,559,425	27,695,760

(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income
(Quarterly consolidated statements of income) (1Q FY03/2018)

(Thousand yen)

	1Q FY03/2017 (From April 1, 2016 to June 30, 2016)	1Q FY03/2018 (From April 1, 2017 to June 30, 2017)
Net sales	14,156,538	12,932,075
Cost of sales	12,373,639	11,155,163
Gross profit	1,782,898	1,776,911
Selling, general and administrative expenses		
Salaries and bonuses	547,139	536,123
Provision for bonuses	53,491	63,660
Other	930,973	958,803
Total selling, general and administrative expenses	1,531,604	1,558,587
Operating income	251,294	218,323
Non-operating income		
Interest income	7,906	3,950
Dividend income	300	300
Real estate rent	3,565	3,565
Other	23,541	96,697
Total non-operating income	35,313	104,514
Non-operating expenses		
Interest expenses	22,661	24,726
Foreign exchange losses	308,480	124,809
Rent cost of real estate	3,158	1,867
Other	13,338	12,210
Total non-operating expenses	347,640	163,614
Ordinary income/loss (-)	(61,032)	159,223
Extraordinary income		
Gain on sales of non-current assets	33,119	58,506
Gain on sale of investment securities	-	161,747
Total extraordinary income	33,119	220,253
Extraordinary losses		
Loss on retirement of non-current assets	831	30
Leave allowance	6,528	-
Organization restructuring expenses	3,789	-
Other	2,557	425
Total extraordinary losses	13,705	455
Income before income/loss (-) taxes	(41,619)	379,021
Income taxes	39,327	72,978
Net income/loss (-)	(80,946)	306,043
Profit attributable to owners of parent	4,505	12,782
Profit/Loss (-) attributable to owners of parent	(85,452)	293,261

(Quarterly consolidated statement of comprehensive income)

(1Q FY03/2018)

(Thousand yen)

	1Q FY03/2017 (From April 1, 2016 to June 30, 2016)	1Q FY03/2018 (From April 1, 2017 to June 30, 2017)
Net income/loss (-)	(80,946)	306,543
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	(27,366)	(136,739)
Foreign currency translation adjustment	76,931	(32,484)
Total other comprehensive income/loss (-)	49,565	(169,224)
Comprehensive income/loss (-)	(31,381)	136,818
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	(39,730)	133,804
Comprehensive income/loss (-) attributable to non-controlling interests	8,349	3,014