



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

August 9, 2016

Listed Company Nippon Manufacturing Service Corporation Listings: Tokyo Stock Exchange
 Securities code 2162 URL <http://www.n-ms.co.jp/>
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 Contact (Title) Operating Officer (Name) Shin Nakamura Telephone 03-5333-1711
 Scheduled Date of Filing August 9, 2016 Scheduled date of commencement of dividend payment: —
 Quarterly Securities Report
 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, 2017 (April 1, 2016 – June 30, 2016)

(1) Consolidated results of operations (three 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	%
1Q FY03/2017	14,156	-8.7	251	-45.3	-61	-	-85	-
1Q FY03/2016	15,512	33.4	459	426.6	466	-	251	-

(Note)

Comprehensive income 1Q FY03/2017 -31 Million yen (-%) 1Q FY03/2016 98 Million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY03/2017	-8.65	-
1Q FY03/2016	25.50	25.43

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q FY03/2017	26,133	5,318	19.1
FY03/2016	26,234	5,419	19.5

(Reference) Shareholders' equity 1Q FY03/2017 4,994 Million yen FY03/2016 5,103 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
FY03/2016	-	0.00	-	7.00	7.00
FY03/2017	-				
FY03/2017 (forecast)		0.00	-	5.00	5.00

Note: Revision of the latest released dividend forecast: None

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

(Percentages represent year-over-year changes)

	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

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

* Notes

(1) Changes in significant subsidiaries during the consolidated quarter (three months) under review (changes in subsidiaries accompanying change in the scope of consolidation): None

(2) Application of accounting procedures specific to creation of quarterly consolidated financial statements: Yes
(Note) For details, refer to "2. Summary (Other) Information: (2) Application of accounting procedures specific to creation of quarterly consolidated financial statements" on page 4 of the Attachment.

(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

(Note) For details, refer to "2. Summary (Other) Information: (3) Changes in accounting principles and changes or restatement of accounting estimates" on page 4 of the Attachment.

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

(1) Number of shares outstanding at end of period (including treasury shares)	1Q FY03/2017	10,805,500shares	FY03/2016	10,805,500shares
(2) Number of treasury shares at end of period	1Q FY03/2017	924,772 shares	FY03/2016	924,772 shares
(3) Average number of shares outstanding during the period	1Q FY03/2017	9,880,728shares	1Q FY03/2016	9,878,397shares

* 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. For notes regarding the use of the forecasts and assumptions for the forecasts, please see "1. Qualitative information about the quarterly financial results under review (3) Explanation of future prediction information including consolidated forecasts" on page 3 of the Attachment.

(Availability of the supplementary documents for quarterly financial results)

The supplementary documents for the quarterly financial results are disclosed at TDnet on the same day and published on the Company's website

4. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Thousand yen)

	FY03/2016 (March 31, 2016)	1QFY03/2017 (June 30, 2017)
Assets		
Current assets		
Cash and deposits	2,869,948	3,477,577
Notes and accounts receivable - trade	10,487,549	9,883,801
Finished goods	1,736,612	1,232,899
Work in process	446,499	535,278
Raw materials and supplies	3,550,079	3,707,653
Others	1,050,937	1,299,599
Allowance for doubtful accounts	-8,019	-7,258
Total current assets	20,133,608	20,129,552
Non-current assets		
Property, plant and equipment		
Land	1,600,989	1,581,133
Other, net	2,875,045	2,804,583
Total property, plant and equipment	4,476,035	4,385,717
Intangible assets		
Other	560,007	553,931
Total intangible assets	560,007	553,931
Investment and other assets		
Other	1,077,719	1,077,128
Allowance for doubtful accounts	-12,969	-12,969
Total investments and other accounts	1,064,749	1,064,158
Total non-current assets	6,100,792	6,003,807
Total assets	26,234,401	26,133,360
Liability		
Current liability		
Notes and accounts payable - trade	5,299,777	4,551,366
Short-term loans payable	8,823,673	9,897,042
Accounts payable - other	1,532,814	1,422,175
Income tax payable	166,599	111,530
Accrued consumption taxes	209,052	270,944
Provision for bonuses	349,939	321,611
Other	851,285	938,698
Total current liabilities	17,233,142	17,513,370
Non-current liabilities		
Long-term loans payable	2,639,528	2,382,831
Deferred tax liability	88,177	82,988
Provision for directors' retirement benefits	95,616	97,716
Non defined benefit liabilities	442,352	438,992
Other	315,825	299,018
Total non-current liabilities	3,581,499	3,301,548
Total liabilities	20,814,641	20,814,918

(Thousand yen)

	FY03/2016 (March 31, 2016)	1QFY03/2017 (June 30, 2017)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	401,262	401,262
Retained earnings	4,451,247	4,296,644
Treasury shares	△289,653	△289,653
Total shareholders' equity	5,063,546	4,908,944
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	99,040	73,132
Foreign currency translation adjustment	△59,519	12,109
Total other accumulated comprehensive income	39,520	85,242
Subscription rights to shares	2,809	2,809
Non-controlling interests	313,883	321,445
Total net assets	5,419,760	5,318,441
Total liabilities and net assets	26,234,401	26,133,360

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

(1Q FY03/2017)

(Thousand yen)

	1Q FY03/2016 (From April 1, 2015 to June 30, 2015)	1Q FY03/2017 (From April 1, 2016 to June 30, 2016)
Net sales	15,512,414	14,156,538
Cost of sales	13,410,196	12,373,639
Gross profit	2,102,218	1,782,898
Selling, general and administrative expenses		
Salaries and bonuses	529,942	547,139
Provision for bonuses	110,393	53,491
Other	1,002,273	930,973
Total selling, general and administrative expenses	1,642,609	1,531,604
Operating income	459,608	251,294
Non-operating income		
Interest income	1,780	7,906
Dividend income	300	300
Foreign exchange gains	21,828	-
Real estate rent	5,944	3,565
Other	10,260	23,541
Total non-operating income	40,112	35,313
Non-operating expenses		
Interest expenses	14,431	22,661
Foreign exchange losses	-	308,480
Total non-operating expenses	5,830	3,158
Other	13,015	13,338
Total non-operating expenses	33,277	347,640
Ordinary income/Ordinary loss(-)	466,443	-61,032
Extraordinary income		
Gain on sales of non-current assets	1,607	33,119
Subsidies for employment adjustment	450	-
Total extraordinary income	2,057	33,119
Extraordinary loss		
Loss on retirement of non-current assets	344	831
Tax-related losses of overseas subsidiaries	21,111	-
Leave allowance	32	6,528
Cost for organization restructuring	-	3,789
Other	-	2,557
Total extraordinary loss	21,488	13,705
Income/Loss(-) before income taxes	447,012	-41,619
Income taxes	146,543	39,327
Net income/loss(-)	300,468	-80,946
Profit attributable to non-controlling interests	48,523	4,505
Profit/Loss(-) attributable to owners of parent	251,944	-85,452

(Quarterly consolidated statement income)
(1Q FY03/2017)

(Thousand yen)

	1Q FY03/2016 (From April 1, 2015 to June 30, 2015)	1Q FY03/2017 (From April 1, 2016 to June 30, 2016)
Net income/loss(-)	300,468	-80,946
Other comprehensive income		
Valuation difference on available-for-sale securities	40,862	-27,366
Foreign currency translation adjustment	-242,331	76,931
Total other comprehensive income/loss	-201,469	49,565
Comprehensive income/loss(-)	98,998	-31,381
Comprehensive income attributable to		
Comprehensive income/loss(-) attributable to owners of parent	56,187	-39,730
Comprehensive income attributable to non-controlling interests	42,811	8,349