

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

May 15, 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 ordinary shareholders' meeting: June 24, 2020

Scheduled date for filing of annual securities report: June 24, 2020

Scheduled date of commencement of dividend payment: June 25, 2020

Supplementary documents for financial results: Yes

Financial results briefing: None

(Amounts in millions of yen rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)**

**(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	%
FY03/2020	62,611	8.4	920	67.8	541	(4.8)	280	(32.5)
FY03/2019	57,759	6.6	548	(57.5)	569	(62.2)	415	(65.0)

Note: Comprehensive income FY03/2020 195 million yen (–%) FY03/2019 (0) million yen (–%)

	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	%	%	%
FY03/2020	16.34	–	4.8	1.7	1.5
FY03/2019	24.22	–	7.2	2.0	0.9

Reference: Share of (profit) loss of entities accounted for using equity method FY03/2020 – million yen FY03/2019 – million yen

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2020	33,470	5,849	17.4	340.18
FY03/2019	29,462	5,744	19.5	334.13

Reference: Shareholders' equity FY03/2020 5,837 million yen FY03/2019 5,734 million 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
FY03/2020	1,816	(2,833)	976	4,156
FY03/2019	(1,272)	(2,100)	3,154	4,195

**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			
FY03/2019	–	0.00	–	5.00	5.00	85	20.6	1.5
FY03/2020	–	0.00	–	5.00	5.00	85	30.6	1.5
FY03/2021 (forecast)	–	–	–	–	–		–	

**3. Consolidated forecasts for year ending March 2021 (April 1, 2020 to March 31, 2021)**

With regard to the outlook for consolidated business performance in the next term, at the present stage in time, it is difficult to gauge the full impact of the COVID-19 that have followed on global economic activity as well as on the performance of the nms Holdings Group itself.

For ramifications for performance outlook, therefore, we will be scrutinizing the situation from here on out and pledge to disclose figures as soon as the results of those studies have been compiled.

\* Notes

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes

(2) 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

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

(1) Number of shares outstanding at end of period (including treasury shares)

FY03/2020	21,611,000shares	FY03/2019	21,611,000shares
FY03/2020	4,449,759shares	FY03/2019	4,449,726shares
FY03/2020	17,161,263shares	FY03/2019	17,161,274shares

(2) Number of treasury shares at end of period

(3) Average number of shares outstanding during the term

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	%
FY03/2020	624	(37.0)	121	(72.9)	184	(57.2)	126	(69.1)
FY03/2019	990	63.6	449	270.2	432	280.4	409	254.1

  

	Net income per share	Diluted net income per share
	Yen	Yen
FY03/2020	7.37	—
FY03/2019	23.88	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2020	12,984	1,158	8.9	67.31
FY03/2019	11,721	1,117	9.5	64.94

Reference: Shareholders' equity FY03/2020 1,155million yen FY03/2019 1,114million 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.

(Availability of the supplementary documents for financial results)

The Company plans to hold a results briefing for institutional investors and analysts on Thursday, May 18, 2018.

The supplementary materials on financial results delivered in the briefing will be disclosed at TDnet immediately after the briefing

#### 4. Consolidated financial statements

##### (1) Consolidated balance sheet

(Thousand yen)

	FY03/2019 (March 31,2019)	FY03/2020 (March 31,2020)
<b>Assets</b>		
Current assets		
Cash and deposits	4,246,966	4,177,174
Notes and accounts receivable - trade	10,761,029	11,812,540
Finished goods	1,324,952	1,472,875
Work in process	589,589	514,158
Raw materials and supplies	4,181,589	4,037,383
Others	978,784	1,113,115
Allowance for doubtful accounts	(681)	(11,982)
Total current assets	22,082,231	23,115,265
Non-current assets		
Property, plant and equipment		
Land	1,174,187	1,166,687
Other, net	4,438,310	6,893,475
Total property, plant and equipment	5,612,497	8,060,162
Intangible assets		
Other	540,104	1,095,508
Total intangible assets	540,104	1,095,508
Investment and other assets		
Other	1,233,957	1,139,241
Allowance for doubtful accounts	(6,119)	(6,119)
Total investments and other accounts	1,227,838	1,133,122
Total non-current assets	7,380,441	10,288,794
Total assets	29,462,672	33,470,166
<b>Liability</b>		
Current liability		
Notes and accounts payable - trade	4,486,367	4,443,103
Short-term loans payable	13,073,800	7,018,201
Accounts payable - other	1,914,296	1,854,258
Income tax payable	193,065	172,312
Accrued consumption taxes	269,845	833,584
Provision for bonuses	477,113	472,090
Other	1,329,616	1,496,521
Total current liabilities	21,744,105	16,290,069
Non-current liabilities		
Bonds payable	—	2,000,000
Long-term loans payable	1,212,540	6,758,018
Deferred tax liability	140,636	65,824
Net defined benefit liabilities	263,325	363,628
Lease obligations	227,052	641,154
Other	130,041	1,501,793
Total non-current liabilities	1,973,595	11,330,419
Total liabilities	23,717,701	27,620,488

(Thousand yen)

	FY03/2019 (March 31,2019)	FY03/2020 (March 31,2020)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	527,182	527,182
Retained earnings	6,118,794	6,307,834
Treasury shares	(909,838)	(909,859)
Total shareholders' equity	6,236,828	6,425,848
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(51,807)	(7,076)
Foreign currency translation adjustment	(450,920)	(580,843)
Total other accumulated comprehensive income	(502,728)	(587,919)
Subscription rights to shares	3,056	3,056
Non-controlling interests	7,813	8,692
Total net assets	5,744,970	5,849,677
Total liabilities and net assets	29,462,672	33,470,166

**(2) Consolidated statements of income/quarterly consolidated statement of comprehensive income**  
**(Consolidated statements of income) (FY03/2020)**

(Thousand yen)

	FY03/2019 (From April 1, 2018 to March 31, 2019)	FY03/2020 (From April 1, 2019 to March 31, 2020)
Net sales	57,759,364	62,611,297
Cost of sales	49,796,497	54,526,023
Gross profit	7,962,866	8,085,273
Selling, general and administrative expenses		
Salaries and bonuses	2,621,780	2,883,694
Provision for bonuses	222,796	142,374
Other	4,569,624	4,138,768
Total selling, general and administrative expenses	7,414,200	7,164,836
Operating income	548,666	920,437
Non-operating income		
Interest income	30,634	16,254
Dividend income	2,719	1,078
Real estate rent	38,838	39,864
Subsidy income	—	127,500
Other	470,514	89,991
Total non-operating income	542,707	274,689
Non-operating expenses		
Interest expenses	185,624	269,490
Foreign exchange losses	185,103	157,899
Rent cost of real estate	35,516	22,800
Foreign withholding tax	4,706	4,763
Other	111,055	198,345
Total non-operating expenses	522,006	653,299
Ordinary income	569,367	541,827
Extraordinary income		
Gain on sales of non-current assets	126,438	24,618
Gain on sales of investment securities	38,794	—
Other	107,269	168,663
Total extraordinary income	272,502	193,281
Extraordinary losses		
Loss on sales of non-current assets	—	662
Loss on retirement of non-current assets	367	6,982
Business structure reform expenses	47,172	—
Loss on liquidation of business	99,533	—
Loss on abandonment of inventories	—	40,790
Total extraordinary losses	147,614	48,435
Income before income taxes	694,255	686,673
Income taxes	276,418	405,858
Net income/loss ( - )	417,837	280,815
Profit attributable to owners of parent	2,205	429
Profit/Loss ( - ) attributable to owners of parent	415,632	280,385

**(Consolidated statement of comprehensive income) (FY03/2020)**

(Thousand yen)

	FY03/2019 (From April 1, 2018 to March 31, 2019)	FY03/2020 (From April 1, 2019 to March 31, 2020)
Net income/loss ( - )	417,837	280,815
Other comprehensive income/loss ( - )		
Valuation difference on available-for-sale securities	(52,839)	44,730
Foreign currency translation adjustment	(365,608)	(129,969)
Total other comprehensive income/loss ( - )	(418,448)	(85,238)
Comprehensive income/loss ( - )	(611)	195,576
Comprehensive income attributable to		
Comprehensive income/loss ( - ) attributable to owners of parent	(2,999)	195,193
Comprehensive income/loss ( - ) attributable to non-controlling interests	2,388	382

**(3) Quarterly consolidated statement of cash flows**

(Thousand yen)

	FY03/2019 (From April 1, 2018 to March 31, 2019)	FY03/2020 (From April 1, 2019 to March 31, 2020)
<b>Cash flows from operating activities</b>		
Income before income taxes	694,255	686,673
Depreciation	828,570	1,169,146
Increase (decrease) in allowance for doubtful accounts	(968)	1,336
Increase (decrease) in provision for bonuses	70,359	(5,401)
Increase (decrease) in net defined benefit liability	(167,095)	100,581
Interest and dividend income	(33,353)	(17,332)
Interest expenses	185,624	269,490
Subsidy income	—	(127,500)
Foreign exchange losses (gains)	13,435	4,663
Loss on retirement of non-current assets	367	6,982
Loss (gain) on sales of non-current assets	(126,438)	(23,956)
Loss (gain) on sales of investment securities	(38,794)	—
Loss (gain) on sales of golf club memberships	(15,430)	—
Gain on reversal of foreign currency translation adjustment account	(91,839)	(168,663)
Business structure reform expenses	47,712	—
Loss on liquidation of business	99,533	—
Decrease (increase) in notes and accounts receivable - trade	(885,228)	(1,062,079)
Decrease (increase) in accounts receivable-other	(14,667)	(130,408)
Decrease (increase) in inventories	(1,210,836)	245,839
Increase (decrease) in notes and accounts payable - trade	243,143	(45,481)
Increase (decrease) in accounts payable - other	412,613	(102,334)
Increase (decrease) in accrued expenses	7,970	(50,874)
Increase (decrease) in accrued consumption taxes	(509,047)	596,341
Increase (decrease) in deposits received	(12,500)	(120,905)
Increase (decrease) in Long-term accounts payable	72,858	(41,213)
Increase (decrease) in other non-current liabilities	—	941,188
Other	47,062	192,974
Subtotal	(382,692)	2,319,066
Proceeds from subsidy income	—	81,000
Interest and dividend income received	25,706	16,007
Interest expenses paid	(185,252)	(263,624)
Income taxes paid	(782,252)	(344,306)
Income taxes refund	99,281	8,659
Business structure reform expenses paid	(47,712)	—
Net cash provided by (used in) operating activities	(1,272,922)	1,816,802

(Thousand yen)

	FY03/2019 (From April 1, 2018 to March 31, 2019)	FY03/2020 (From April 1, 2019 to March 31, 2020)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(77,225)	(43,276)
Proceeds from withdrawal of time deposits	113,353	74,304
Purchase of property, plant and equipment	(2,171,361)	(1,984,357)
Proceeds from sales of property, plant and equipment	311,630	72,637
Purchase of intangible assets	(83,998)	(91,190)
Proceeds from sales of investment securities	78,703	1,679
Purchase of stocks of subsidiaries and affiliates	(19,984)	—
Payments for lease and guarantee deposits	(64,937)	(42,472)
Proceeds from collection of lease and guarantee deposits	48,445	23,956
Net decrease (increase) in short-term loans receivable	(14,596)	(991)
Payments of long-term loans receivable	(16,939)	—
Collection of long-term loans receivable	16,863	—
Purchase of long-term prepaid expenses	(227,439)	—
Payments for transfer of business	—	(845,433)
Other	6,800	1,712
Net cash provided by (used in) investing activities	(2,100,686)	(2,833,432)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	3,164,677	(1,236,755)
Proceeds from long-term loans payable	1,235,000	6,426,277
Repayments of long-term loans payable	(722,782)	(5,673,608)
Repayments of finance lease obligations	(147,196)	(328,252)
Repayments of installment payables	(43,356)	(59,156)
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	(247,929)	—
Purchase of investments in capital of subsidiaries resulting in no change in scope of consolidation	(9,190)	—
Purchase of treasury shares	—	(20)
Proceeds from issuance of subscription rights to shares	3,056	—
Proceeds from issuance of bonds	—	1,933,893
Cash dividends paid	(77,374)	(85,393)
Net cash provided by (used in) financing activities	3,154,903	976,984
Effect of exchange rate change on cash and cash equivalents	(82,424)	(19,672)
Net increase (decrease) in cash and cash equivalents	(301,130)	(59,318)
Cash and cash equivalents at beginning of period	4,449,109	4,195,496
Increase in cash and cash equivalents from newly consolidated subsidiary	47,517	20,696
Cash and cash equivalents at end of period	4,195,496	4,156,874