

Consolidated Financial Results
For the Fiscal Year Ended March 31, 2021
(Japanese GAAP)



May 14, 2021

Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.
 Code number : 5991
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Date of the annual general shareholder's meeting : June 25, 2021
 Payment date of cash dividends : June 28, 2021
 Filing date of financial statements : June 28, 2021
 Supplemental materials prepared for financial results : Yes
 Earnings announcement for financial results : Yes

(Amounts less than one million yen are rounded down)

1. Consolidated Results for the Fiscal Year 2021 (April 1, 2020 through March 31, 2021)

(1) Consolidated Financial Results (Percentage indicates change from the previous fiscal year)

	Net sales		Operating income		Ordinary Income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2021	572,639	(13.8)	10,463	(49.5)	14,533	(31.7)	9,396	103.7
FY2020	664,499	(2.4)	20,715	(22.3)	21,266	(32.4)	4,612	(35.1)

Note: Comprehensive income FY2021 21,730 million yen (— %) FY2020 (2,019) million yen ((11.2) %)

	Net income per share, Basic	Net income per share, Diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY2021	40.45	—	3.4	2.7	1.8
FY2020	19.46	—	1.7	3.8	3.1

Reference: Equity in earnings (losses) of affiliates

FY2021 982 million yen FY2020 983 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2021	560,769	299,975	50.6	1,245.48
FY2020	532,615	286,553	50.9	1,151.04

Reference: Shareholders' equity (Net assets excluding non-controlling interests)

FY2021 283,993 million yen FY2020 270,988 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by investing activities	Net cash provided by financing activities	Cash & cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2021	29,636	(24,107)	2,792	78,986
FY2020	36,621	(45,809)	(16,950)	74,314

2. Dividends

	Cash dividends per share					Amount of dividends paid (Annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2020	—	12.00	—	5.00	17.00	4,022	87.3	1.5
FY2021	—	5.00	—	12.00	17.00	3,904	42.0	1.4
FY2022 (Forecast)	—	—	—	—	—	—	—	—

Note: Dividend forecast for the fiscal year ending March 31, 2022 is currently undetermined.

3. Forecast of Consolidated Results for Fiscal Year 2022 (April 1, 2021 through March 31, 2022)

(Percentage indicates change from the previous fiscal year / period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share, Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)	0.00
Full year	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)	0.00

4. Others

(1) Changes of significant subsidiaries in fiscal year 2021 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)

(2) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements

- [1] Changes due to revisions of accounting standards : No
 [2] Changes due to other reasons : No
 [3] Changes of estimation due to accounting issues : No
 [4] Restatements : No

(3) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares	As of March 31, 2021	244,066,144 shares	As of March 31, 2020	244,066,144 shares
[2] Number of treasury stock	As of March 31, 2021	16,047,128 shares	As of March 31, 2020	8,637,279 shares
[3] Average number of shares	FY2021	232,307,849 shares	FY2020	236,957,766 shares

(Reference) Non-consolidated Financial Results Highlights (April 1, 2020 through March 31, 2021)

(1) Non-consolidated Financial Results (Percentage indicates change from the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2021	264,687	(11.8)	4,320	(38.0)	11,071	9.0	4,961	—
FY2020	300,149	(4.0)	6,974	(32.6)	10,155	(50.3)	(6,807)	—

	Net income per share, Basic		Net income per share, Diluted	
	Yen	Yen	Yen	Yen
FY2021	21.36	—	—	—
FY2020	(28.73)	—	—	—

(2) Non-consolidated Financial Position

	Total assets		Net assets		Shareholders' equity to total assets		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%	Yen	
FY2021	358,804	161,221	161,221	155,289	44.9	45.9	707.05	
FY2020	338,273	155,289	155,289	155,289	45.9	45.9	659.60	

Reference: Shareholders' equity FY2021 161,221 million yen FY2020 155,289 million yen

* This earnings report is out of the scope of Audit by Independent Auditor.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecast of financial results, were based on the information available as of the date when this document was released.

Therefore, actual results may differ considerably due to various factors that might occur in the future.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2020 (As of 31 March, 2020)	FY2021 (As of 31 March, 2021)
Assets		
Current assets		
Cash and deposits	74,593	79,331
Notes and accounts receivable - trade	134,315	140,633
Merchandise and finished goods	20,236	18,855
Work in process	9,412	9,585
Raw materials and supplies	18,016	18,969
Partly-finished goods	7,119	7,407
Other	20,865	19,970
Allowance for doubtful accounts	(136)	(193)
Total current assets	284,423	294,560
Non-current assets		
Property, plant and equipment		
Buildings and structures	153,589	154,326
Accumulated depreciation	(97,106)	(100,418)
Buildings and structures, net	56,483	53,907
Machinery, equipment and vehicles	261,246	277,127
Accumulated depreciation	(200,100)	(209,660)
Machinery, equipment and vehicles, net	61,146	67,466
Land	31,149	29,444
Leased assets	1,427	1,476
Accumulated depreciation	(753)	(889)
Leased assets, net	674	586
Construction in progress	19,943	13,997
Other	77,904	80,470
Accumulated depreciation	(66,997)	(70,206)
Other, net	10,906	10,263
Total property, plant and equipment	180,302	175,667
Intangible assets	3,187	3,032
Investments and other assets		
Investment securities	42,853	55,756
Long-term loans receivable	2,760	2,938
Deferred tax assets	9,081	9,952
Net defined benefit asset	1,941	10,195
Other	9,117	9,787
Allowance for doubtful accounts	(1,052)	(1,121)
Total investments and other assets	64,701	87,508
Total non-current assets	248,192	266,208
Total assets	532,615	560,769

(Unit: Millions of yen)

	FY2020 (As of 31 March, 2020)	FY2021 (As of 31 March, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	78,999	80,555
Electronically recorded obligations - operating	37,880	33,114
Short-term loans payable	20,363	43,053
Income taxes payable	3,038	3,702
Provision for directors' bonuses	236	244
Notes payable - facilities	3,380	2,557
Other	35,000	31,446
Total current liabilities	178,899	194,675
Non-current liabilities		
Long-term loans payable	33,228	26,211
Lease obligations	547	467
Deferred tax liabilities	3,811	9,837
Net defined benefit liability	23,190	23,331
Provision for directors' retirement benefits	615	630
Provision for officers' retirement benefits	875	791
Other	4,893	4,848
Total non-current liabilities	67,162	66,118
Total liabilities	246,061	260,793
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,579
Retained earnings	227,062	234,113
Treasury stock	(8,868)	(14,295)
Total shareholders' equity	254,782	256,407
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,642	23,740
Foreign currency translation adjustment	8,117	4,497
Remeasurements of defined benefit plans	(6,555)	(652)
Total accumulated other comprehensive income	16,205	27,585
Non-controlling interests	15,565	15,982
Total net assets	286,553	299,975
Total liabilities and net assets	532,615	560,769

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statements of Income)

(Unit: Millions of yen)

	FY2020 (12 months ended March 31, 2020)	FY2021 (12 months ended March 31, 2021)
Net sales	664,499	572,639
Cost of sales	596,787	517,479
Gross profit	67,712	55,159
Selling, general and administrative expenses	46,996	44,695
Operating profit	20,715	10,463
Non-operating income		
Interest income	870	525
Dividend income	1,851	1,187
Share of profit of entities accounted for using equity method	983	982
Real estate rent	618	884
Subsidy income	17	2,195
Foreign exchange gains	—	1,229
Other	1,980	1,676
Total non-operating income	6,323	8,681
Non-operating expenses		
Interest expenses	303	333
Loss on disaster	7	2,294
Foreign exchange losses	3,866	—
Other	1,595	1,983
Total non-operating expenses	5,772	4,611
Ordinary profit	21,266	14,533
Extraordinary income		
Gain on sales of investment securities	—	659
Total extraordinary income	—	659
Extraordinary losses		
Impairment loss	4,687	433
Loss on valuation of investment securities	467	—
Loss on valuation of shares of subsidiaries and associates	694	—
Loss of antitrust law	3,202	—
Total extraordinary losses	9,052	433
Profit before income taxes	12,213	14,759
Income taxes - current	6,258	5,597
Income taxes - deferred	87	(1,279)
Total income taxes	6,345	4,318
Profit	5,868	10,441
Profit attributable to non-controlling interests	1,256	1,044
Profit attributable to owners of parent	4,612	9,396

(Consolidated Statements of Comprehensive Income)

	(Unit: Millions of yen)	
	FY2020 (For the year ended March 31, 2020)	FY2021 (For the year ended March 31, 2021)
Profit	5,868	10,441
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,733)	9,122
Foreign currency translation adjustment	2,954	(3,685)
Remeasurements of defined benefit plans, net of tax	(3,719)	5,928
Share of other comprehensive income of entities accounted for using equity method	(388)	(76)
Total other comprehensive income	(7,887)	11,289
Comprehensive income	(2,019)	21,730
Comprehensive income attributable to:		
Owners of parent	(3,229)	20,777
Non-controlling interests	1,210	953

(3) Consolidated Statement of Changes in Net Assets
FY2020 (April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,009	19,579	228,016	(7,517)	257,087
Changes of items during period					
Dividends of surplus			(5,690)		(5,690)
Profit attributable to owners of parent			4,612		4,612
Change of scope of consolidation			123		123
Purchase of treasury stock				(1,350)	(1,350)
Disposal of treasury stock		0		0	0
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	(954)	(1,350)	(2,304)
Balance at end of current period	17,009	19,579	227,062	(8,868)	254,782

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	21,349	5,625	(2,927)	24,047	14,926	296,061
Changes of items during period						
Dividends of surplus						(5,690)
Profit attributable to owners of parent						4,612
Change of scope of consolidation						123
Purchase of treasury stock						(1,350)
Disposal of treasury stock						0
Change in treasury shares of parent arising from transactions with non-controlling shareholders						—
Net changes of items other than shareholders' equity	(6,706)	2,492	(3,627)	(7,841)	638	(7,202)
Total changes of items during period	(6,706)	2,492	(3,627)	(7,841)	638	(9,507)
Balance at end of current period	14,642	8,117	(6,555)	16,205	15,565	286,553

FY2021 (April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,009	19,579	227,062	(8,868)	254,782
Changes of items during period					
Dividends of surplus			(2,345)		(2,345)
Profit attributable to owners of parent			9,396		9,396
Change of scope of consolidation					—
Purchase of treasury stock				(5,427)	(5,427)
Disposal of treasury stock		0		0	0
Change in treasury shares of parent arising from transactions with non-controlling shareholders		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	7,051	(5,427)	1,625
Balance at end of current period	17,009	19,579	234,113	(14,295)	256,407

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	14,642	8,117	(6,555)	16,205	15,565	286,553
Changes of items during period						
Dividends of surplus						(2,345)
Profit attributable to owners of parent						9,396
Change of scope of consolidation						—
Purchase of treasury stock						(5,427)
Disposal of treasury stock						0
Change in treasury shares of parent arising from transactions with non-controlling shareholders						0
Net changes of items other than shareholders' equity	9,097	(3,620)	5,903	11,380	416	11,796
Total changes of items during period	9,097	(3,620)	5,903	11,380	416	13,421
Balance at end of current period	23,740	4,497	(652)	27,585	15,982	299,975

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2020 (For the year ended March 31, 2020)	FY2021 (For the year ended March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	12,213	14,759
Depreciation	26,408	27,498
Impairment loss	4,687	433
Increase or decrease in net defined benefit asset and liability	507	863
Interest and dividend income	(2,722)	(1,713)
Interest expenses	303	333
Foreign exchange losses (gains)	3,135	(205)
Share of (profit) loss of entities accounted for using equity method	(983)	(982)
Loss (gain) on sales and retirement of property, plant and equipment	44	190
Loss (gain) on valuation of investment securities	—	(659)
Decrease (increase) in notes and accounts receivable - trade	8,980	(7,030)
Decrease (increase) in inventories	348	(337)
Increase (decrease) in notes and accounts payable - trade	(13,604)	(2,598)
Other, net	819	2,368
Subtotal	40,139	32,920
Interest and dividend income received	3,206	1,980
Interest expenses paid	(302)	(355)
Income taxes paid	(6,421)	(4,908)
Net cash provided by (used in) operating activities	36,621	29,636
Cash flows from investing activities		
Decrease (increase) in time deposits	(95)	(79)
Purchase of property, plant and equipment	(46,691)	(26,435)
Proceeds from sales of property, plant and equipment	1,392	1,970
Purchase of intangible assets	(727)	(478)
Purchase of investment securities	(21)	(22)
Proceeds from sales of investment securities	22	990
Payments of loans receivable	(450)	(720)
Collection of loans receivable	596	481
Other, net	166	186
Net cash provided by (used in) investing activities	(45,809)	(24,107)

Cash flows from financing activities

Proceeds from short-term loans payable	1,317	24,217
Repayments of short-term loans payable	(149)	(1,595)
Proceeds from long-term loans payable	18,600	10,000
Repayments of long-term loans payable	(16,133)	(17,084)
Proceeds from issuance of commercial papers	28,000	8,000
Redemption of commercial papers	(30,000)	(12,000)
Redemption of convertible bond-type bonds with subscription rights to shares	(10,646)	—
Purchase of treasury stock	(1,350)	(5,427)
Proceeds from sales of treasury stock	—	0
Repayments of lease obligations	(327)	(441)
Cash dividends paid	(5,690)	(2,345)
Dividends paid to non-controlling interests	(571)	(531)
Net cash provided by (used in) financing activities	(16,950)	2,792
Effect of exchange rate change on cash and cash equivalents	993	(3,649)
Net increase (decrease) in cash and cash equivalents	(25,145)	4,671
Cash and cash equivalents at beginning of period	98,403	74,314
Increase in cash and cash equivalents from newly consolidated subsidiary	844	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	212	—
Cash and cash equivalents at end of period	74,314	78,986