

Consolidated Financial Results

For the First Quarter of the Fiscal Year Ending March 31, 2020 (Japanese GAAP)



August 7, 2019
Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.
 Code number : 5991
 URL : <https://www.nhkspg.co.jp/>
 Representative : Takashi Kayamoto, President & Chief Executive Officer, Representative Member of the Board
 Contact person : Zen-ichi Nojima, Director, General Affairs Dept, Corporate Planning & Control Division
 TEL +81-45-786-7511

Filing date of quarterly securities report : August 8, 2019
 Payment date of cash dividends : —
 Supplemental materials prepared for financial results : No
 Earnings announcement for financial results : No

(Amounts less than one million yen are rounded down)

1. Consolidated Results for the First Quarter of Fiscal Year 2020 (April 1, 2019 through June 30, 2019)

(1) Consolidated Financial Results (Percentage indicates change from the same period of 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	%
FY2020 1st quarter	162,509	(3.5)	2,704	(70.3)	2,765	(72.8)	(1,561)	—
FY2019 1st quarter	168,378	5.7	9,102	(3.0)	10,179	(4.2)	6,858	(6.0)

Note: Comprehensive income: FY2020 1st quarter (1,305) million yen (— %) FY2019 1st quarter 4,443 million yen (13.4 %)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY2020 1st quarter	(6.59)	—
FY2019 1st quarter	28.93	28.65

Note: Diluted earnings per share for FY2020 First Quarter are not presented because of the current net loss.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
FY2020 1st quarter	560,691	291,716	49.3
FY2019	573,198	296,061	49.0

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

: FY2020 1st quarter 276,631 million yen FY2019 281,134 million yen

2. Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2019	—	12.00	—	12.00	24.00
FY2020	—	—	—	—	—
FY2020 (Forecast)	—	—	—	—	—

Notes 1. Revisions to the forecast of dividends since the latest announcement: No
 2. Forecasts of dividend for FY2020 are currently undecided.

3. Forecast of Consolidated Results for Fiscal Year 2020 (April 1, 2019 through March 31, 2020)

(Percentage indicates change from the same period of the previous fiscal year)

	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	330,000	(1.7)	5,000	(67.4)	6,000	(67.6)	500	(96.1)	2.11
Full year	690,000	1.3	20,000	(25.0)	22,000	(30.1)	10,900	53.4	45.97

Note: Revisions to the forecast of consolidated results since the latest announcement: Yes

4. Others

- (1) Changes of significant subsidiaries in the first quarter of fiscal year 2020 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements : No
- (3) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements
- [1] Changes due to revisions of accounting standards : Yes
 - [2] Changes due to other reasons : No
 - [3] Changes of estimation due to accounting issues : No
 - [4] Restatements : No

(4) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares	As of June 30, 2020	244,066,144 shares	As of March 31, 2019	244,066,144 shares
[2] Number of treasury stock	As of June 30, 2020	6,975,141 shares	As of March 31, 2019	6,975,024 shares
[3] Average number of shares	1st quarter of FY2020	237,091,098 shares	1st quarter of FY2019	237,091,766 shares

* This quarterly report is out of the scope of the quarterly review.

* 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.

Quarterly consolidated Financial Statements

(1) Quarterly consolidated Balance Sheets

(Unit: Millions of yen)

	FY2019 (As of 31 March, 2019)	FY2020 (As of 30 June, 2019)
Assets		
Current assets		
Cash and deposits	98,573	96,238
Notes and accounts receivable - trade	139,689	132,658
Merchandise and finished goods	19,959	20,086
Work in process	9,888	10,873
Raw materials and supplies	18,785	18,028
Partly-finished goods	6,058	6,153
Other	25,417	24,050
Allowance for doubtful accounts	(117)	(114)
Total current assets	318,254	307,974
Non-current assets		
Property, plant and equipment		
Buildings and structures	148,399	152,331
Accumulated depreciation	(95,447)	(96,385)
Buildings and structures, net	52,952	55,945
Machinery, equipment and vehicles	249,525	254,468
Accumulated depreciation	(196,022)	(197,795)
Machinery, equipment and vehicles, net	53,502	56,672
Land	31,006	31,080
Leased assets	1,373	1,428
Accumulated depreciation	(714)	(770)
Leased assets, net	658	657
Construction in progress	25,088	23,086
Other	73,319	74,690
Accumulated depreciation	(63,689)	(65,013)
Other, net	9,630	9,677
Total property, plant and equipment	172,839	177,119
Intangible assets	2,902	2,919
Investments and other assets		
Investment securities	55,214	49,911
Long-term loans receivable	3,995	3,285
Deferred tax assets	8,161	8,085
Net defined benefit asset	4,669	4,873
Other	7,936	7,298
Allowance for doubtful accounts	(775)	(776)
Total investments and other assets	79,201	72,677
Total non-current assets	254,944	252,717
Total assets	573,198	560,691

(Unit: Millions of yen)

	FY2019 (As of 31 March, 2019)	FY2020 (As of 30 June, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	84,003	76,162
Electronically recorded obligations - operating	43,301	42,657
Short-term loans payable	18,418	16,346
Income taxes payable	2,933	2,127
Provision for directors' bonuses	269	126
Notes payable - facilities	7,308	8,259
Current position of convertible bond-type bonds with subscription rights to shares	11,099	10,779
Other	43,899	48,257
Total current liabilities	211,234	204,718
Non-current liabilities		
Long-term loans payable	32,697	32,272
Lease obligations	537	524
Deferred tax liabilities	7,356	5,775
Net defined benefit liability	19,394	19,853
Provision for directors' retirement benefits	586	545
Provision for officers' retirement benefits	779	780
Other	4,550	4,505
Total non-current liabilities	65,902	64,257
Total liabilities	277,137	268,975
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,579
Retained earnings	228,016	223,733
Treasury stock	(7,517)	(7,517)
Total shareholders' equity	257,087	252,804
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,349	18,753
Foreign currency translation adjustment	5,625	7,934
Remeasurements of defined benefit plans	(2,927)	(2,860)
Total accumulated other comprehensive income	24,047	23,827
Non-controlling interests	14,926	15,084
Total net assets	296,061	291,716
Total liabilities and net assets	573,198	560,691

(2) Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Three Months Ended June 30, 2019)

(Unit: Millions of yen)

	FY2019 (3 months ended June 30, 2018)	FY2020 (3 months ended June 30, 2019)
Net sales	168,378	162,509
Cost of sales	147,767	148,263
Gross profit	20,610	14,246
Selling, general and administrative expenses	11,508	11,541
Operating income	9,102	2,704
Non-operating income		
Interest income	217	235
Dividend income	843	822
Other	796	480
Total non-operating income	1,857	1,538
Non-operating expenses		
Interest expenses	75	74
Foreign exchanges losses	271	1,118
Other	432	284
Total non-operating expenses	780	1,476
Ordinary income	10,179	2,765
Extraordinary losses		
Provision for loss on anti-monopoly act	—	3,134
Total extraordinary losses	—	3,134
Profit(loss) before income taxes	10,179	(369)
Income taxes	2,779	880
Profit(loss)	7,400	(1,249)
Profit attributable to non-controlling interests	541	311
Profit(loss) attributable to owners of parent	6,858	(1,561)

(Quarterly Consolidated Statements of Comprehensive Income)
 (Three Months Ended June 30, 2019)

	(Unit: Millions of yen)	
	FY2019 (3 months ended June 30, 2018)	FY2020 (3 months ended June 30, 2019)
Profit(loss)	7,400	(1,249)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,427)	(2,598)
Foreign currency translation adjustment	(1,387)	2,537
Remeasurements of defined benefit plans, net of tax	40	67
Share of other comprehensive income of entities accounted for using equity method	(182)	(61)
Total other comprehensive income	(2,956)	(55)
Comprehensive income	4,443	(1,305)
Comprehensive income attributable to:		
Owners of parent	4,065	(1,781)
Non-controlling interests	378	475