

**Consolidated Financial Results**  
**For the Fiscal Year Ended March 31, 2019**  
**(Japanese GAAP)**



May 10, 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  
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Date of the annual general shareholder's meeting : June 26, 2019  
Payment date of cash dividends : June 27, 2019  
Filing date of financial statements : June 27, 2019  
Supplemental materials prepared for financial results : Yes  
Earnings announcement for financial results : Yes (Intended for securities analysts)

(Amounts less than one million yen are rounded down)

**1. Consolidated Results for Fiscal Year 2019 (April 1, 2018 through March 31, 2019)**

(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	%
FY2019	681,006	3.2	26,650	(25.0)	31,457	(13.6)	7,104	(65.3)
FY2018	659,730	5.2	35,541	(12.5)	36,421	(12.5)	20,495	(18.3)

Note: Comprehensive income : FY2019 (2,273) million yen ( — %) FY2018 23,202 million yen ( (35.1) %)

	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	%	%	%
FY2019	29.97	28.85	2.5	5.5	3.9
FY2018	86.45	83.23	7.2	6.6	5.4

Reference: Equity in earnings (losses) of affiliates

: FY2019 1,103 million yen FY2018 883 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
FY2019	573,198	296,061	49.0	1,185.77
FY2018	568,380	307,648	51.5	1,235.12

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

: FY2019 281,134 million yen FY2018 292,836 million yen

Note: The Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No.28, February 16, 2018) from the beginning of the FY2019. The figure as of FY2018 is based on retroactive Application.

(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
FY2019	36,794	(42,299)	7,327	98,403
FY2018	49,811	(32,955)	(5,960)	95,007

**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	%	%
FY2018	—	11.00	—	12.00	23.00	5,453	26.6	1.9
FY2019	—	12.00	—	12.00	24.00	5,690	80.1	2.0
FY2020 (Forecast)	—	—	—	—	—	—	—	—

Note: Dividend forecast for the fiscal year ending March 31, 2020 is currently undetermined.

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

(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	330,000	(1.7)	5,000	(67.4)	6,000	(67.6)	3,600	(71.7)	15.18
Full year	690,000	1.3	20,000	(25.0)	22,000	(30.1)	14,000	97.1	59.05

#### 4. Others

(1) Changes of significant subsidiaries in fiscal year 2019 : Yes  
 (Transfer of subsidiaries resulting in changes in the scope of consolidation)  
 Newly consolidated companies: NHK SPRING HUNGARY KFT.  
 Excluded companies: None

(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, 2019	244,066,144 shares	As of March 31, 2018	244,066,144 shares
[2] Number of treasury stock	As of March 31, 2019	6,975,024 shares	As of March 31, 2018	6,974,261 shares
[3] Average number of shares	FY2019	237,091,403 shares	FY2018	237,092,339 shares

#### (Reference) Non-consolidated Financial Results Highlights (April 1, 2018 through March 31, 2019)

(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	%
FY2019	312,799	6.4	10,351	(17.0)	20,453	0.6	6,516	(52.8)
FY2018	293,996	4.4	12,468	(18.7)	20,336	(5.9)	13,815	(22.5)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY2019	27.49	26.46
FY2018	58.27	56.10

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2019	383,211	175,318	45.7	739.46
FY2018	369,842	180,610	48.8	761.78

Reference: Shareholders' equity : FY2019 175,318 million yen FY2018 180,610 million yen

Note : The Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) from the beginning of the FY2019. The figure as of FY2018 is based on retroactive Application.

\* 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)

	FY2018 (As of 31 March, 2018)	FY2019 (As of 31 March, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	95,251	98,573
Notes and accounts receivable - trade	146,781	139,689
Merchandise and finished goods	17,127	19,959
Work in process	8,685	9,888
Raw materials and supplies	16,729	18,785
Partly-finished goods	6,047	6,058
Other	24,427	25,417
Allowance for doubtful accounts	(88)	(117)
Total current assets	314,962	318,254
Non-current assets		
Property, plant and equipment		
Buildings and structures	143,498	148,399
Accumulated depreciation	(92,134)	(95,447)
Buildings and structures, net	51,364	52,952
Machinery, equipment and vehicles	241,938	249,525
Accumulated depreciation	(188,455)	(196,022)
Machinery, equipment and vehicles, net	53,483	53,502
Land	30,515	31,006
Leased assets	1,248	1,373
Accumulated depreciation	(630)	(714)
Leased assets, net	617	658
Construction in progress	12,071	25,088
Other	68,431	73,319
Accumulated depreciation	(60,974)	(63,689)
Other, net	7,456	9,630
Total property, plant and equipment	155,508	172,839
Intangible assets	3,089	2,902
Investments and other assets		
Investment securities	64,678	55,214
Long-term loans receivable	8,719	3,995
Deferred tax assets	7,739	8,161
Net defined benefit asset	4,619	4,669
Other	9,935	7,936
Allowance for doubtful accounts	(873)	(775)
Total investments and other assets	94,819	79,201
Total non-current assets	253,418	254,944
<b>Total assets</b>	<b>568,380</b>	<b>573,198</b>

(Unit: Millions of yen)

	FY2018 (As of 31 March, 2018)	FY2019 (As of 31 March, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	87,507	84,003
Electronically recorded obligations - operating	43,637	43,301
Short-term loans payable	13,320	18,418
Income taxes payable	6,074	2,933
Provision for directors' bonuses	268	269
Notes payable - facilities	3,714	7,308
Current portion of convertible bond-type bonds with subscription rights to shares	—	11,099
Other	37,515	43,899
<b>Total current liabilities</b>	<b>192,038</b>	<b>211,234</b>
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,624	—
Long-term loans payable	25,338	32,697
Lease obligations	563	537
Deferred tax liabilities	9,414	7,356
Net defined benefit liability	15,859	19,394
Provision for directors' retirement benefits	507	586
Provision for officers' retirement benefits	810	779
Other	5,574	4,550
<b>Total non-current liabilities</b>	<b>68,692</b>	<b>65,902</b>
<b>Total liabilities</b>	<b>260,731</b>	<b>277,137</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,579
Retained earnings	229,163	228,016
Treasury stock	(7,516)	(7,517)
<b>Total shareholders' equity</b>	<b>258,235</b>	<b>257,087</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,935	21,349
Foreign currency translation adjustment	7,355	5,625
Remeasurements of defined benefit plans	(688)	(2,927)
<b>Total accumulated other comprehensive income</b>	<b>34,601</b>	<b>24,047</b>
<b>Non-controlling interests</b>	<b>14,811</b>	<b>14,926</b>
<b>Total net assets</b>	<b>307,648</b>	<b>296,061</b>
<b>Total liabilities and net assets</b>	<b>568,380</b>	<b>573,198</b>

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

(Unit: Millions of yen)

	FY2018 (For the year ended March 31, 2018)	FY2019 (For the year ended March 31, 2019)
Net sales	659,730	681,006
Cost of sales	578,784	608,053
Gross profit	80,945	72,953
Selling, general and administrative expenses	45,404	46,302
Operating income	35,541	26,650
Non-operating income		
Interest income	941	1,011
Dividend income	1,578	1,553
Share of profit of entities accounted for using equity method	883	1,103
Real estate rent	632	626
Foreign exchange gains	—	961
Other	1,548	1,565
Total non-operating income	5,583	6,821
Non-operating expenses		
Interest expenses	334	296
Loss on retirement of non-current assets	455	271
Foreign exchange losses	1,945	—
Other	1,967	1,446
Total non-operating expenses	4,703	2,014
Ordinary income	36,421	31,457
Extraordinary income		
Gain on sales of non-current assets	—	1,400
Gain on sales of investment securities	2,385	—
Total extraordinary income	2,385	1,400
Extraordinary losses		
Impairment loss	3,929	11,525
Loss on valuation of investment securities	—	449
Loss on valuation of shares of subsidiaries and associates	831	611
Loss on valuation of investments in capital of subsidiaries and associates	10	—
Loss of antitrust law	1,392	155
Total extraordinary losses	6,162	12,740
Profit before income taxes	32,644	20,116
Income taxes - current	10,230	10,287
Income taxes - deferred	(198)	1,033
Total income taxes	10,031	11,320
Profit	22,612	8,796
Profit attributable to non-controlling interests	2,117	1,691
Profit attributable to owners of parent	20,495	7,104

(Consolidated Statements of Comprehensive Income)

	(Unit: Millions of yen)	
	FY2018 (For the year ended March 31, 2018)	FY2019 (For the year ended March 31, 2019)
Profit	22,612	8,796
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,231)	(6,610)
Foreign currency translation adjustment	1,359	(2,072)
Remeasurements of defined benefit plans, net of tax	1,692	(2,212)
Share of other comprehensive income of entities accounted for using equity method	(230)	(174)
Total other comprehensive income	589	(11,069)
Comprehensive income	23,202	(2,273)
Comprehensive income attributable to:		
Owners of parent	20,674	(3,604)
Non-controlling interests	2,528	1,331

(3) Consolidated Statement of Changes in Net Assets  
FY2018 (April 1, 2017 to March 31, 2018)

(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	216,232	(7,515)	245,305
Changes of items during period					
Dividends of surplus			(5,453)		(5,453)
Profit attributable to owners of parent			20,495		20,495
Change of scope of consolidation			(2,111)		(2,111)
Purchase of treasury stock				(1)	(1)
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)	12,930	(1)	12,929
Balance at end of current period	17,009	19,579	229,163	(7,516)	258,235

	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	30,176	6,570	(2,353)	34,394	13,077	292,777
Changes of items during period						
Dividends of surplus						(5,453)
Profit attributable to owners of parent						20,495
Change of scope of consolidation						(2,111)
Purchase of treasury stock						(1)
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	(2,241)	784	1,664	207	1,734	1,941
Total changes of items during period	(2,241)	784	1,664	207	1,734	14,871
Balance at end of current period	27,935	7,355	(688)	34,601	14,811	307,648

FY2019 (April 1, 2018 to March 31, 2019)

(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	229,163	(7,516)	258,235
Changes of items during period					
Dividends of surplus			(5,690)		(5,690)
Profit attributable to owners of parent			7,104		7,104
Change of scope of consolidation			(2,561)		(2,561)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock					—
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	(1,147)	(0)	(1,147)
Balance at end of current period	17,009	19,579	228,016	(7,517)	257,087

	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	27,935	7,355	(688)	34,601	14,811	307,648
Changes of items during period						
Dividends of surplus						(5,690)
Profit attributable to owners of parent						7,104
Change of scope of consolidation						(2,561)
Purchase of treasury stock						(0)
Disposal of treasury stock						—
Change in treasury shares of parent arising from transactions with non-controlling shareholders						0
Net changes of items other than shareholders' equity	(6,585)	(1,730)	(2,239)	(10,554)	115	(10,439)
Total changes of items during period	(6,585)	(1,730)	(2,239)	(10,554)	115	(11,587)
Balance at end of current period	21,349	5,625	(2,927)	24,047	14,926	296,061



(4) Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	FY2018 (For the year ended March 31, 2018)	FY2019 (For the year ended March 31, 2019)
<b>Cash flows from operating activities</b>		
Profit before income taxes	32,644	20,116
Depreciation	24,141	25,001
Impairment loss	3,929	11,525
Increase or decrease in net defined benefit asset and liability	(828)	(568)
Interest and dividend income	(2,519)	(2,564)
Interest expenses	334	296
Foreign exchange losses (gains)	1,314	(990)
Share of (profit) loss of entities accounted for using equity method	(883)	(1,103)
Loss (gain) on sales and retirement of property, plant and equipment	384	(1,169)
Loss (gain) on valuation of investment securities	(2,385)	—
Decrease (increase) in notes and accounts receivable - trade	(4,926)	6,675
Decrease (increase) in inventories	(4,243)	(5,416)
Increase (decrease) in notes and accounts payable - trade	14,064	(3,713)
Other, net	(2,344)	128
Subtotal	58,681	48,217
Interest and dividend income received	2,851	2,584
Interest expenses paid	(349)	(286)
Income taxes paid	(11,372)	(13,720)
Net cash provided by (used in) operating activities	49,811	36,794
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	(152)	71
Purchase of property, plant and equipment	(31,528)	(36,995)
Proceeds from sales of property, plant and equipment	1,562	1,645
Purchase of intangible assets	(556)	(584)
Purchase of investment securities	(3,098)	(4,849)
Proceeds from sales of investment securities	2,464	0
Payments of loans receivable	(5,546)	(2,086)
Collection of loans receivable	4,079	620
Other, net	(178)	(120)
Net cash provided by (used in) investing activities	(32,955)	(42,299)

Cash flows from financing activities

Proceeds from short-term loans payable	3,425	1,111
Repayments of short-term loans payable	(768)	(2,625)
Proceeds from long-term loans payable	15,024	25,000
Repayments of long-term loans payable	(13,112)	(10,972)
Proceeds from issuance of commercial papers	20,000	20,000
Redemption of commercial papers	(24,000)	(18,000)
Purchase of treasury stock	(1)	(0)
Proceeds from sales of treasury stock	0	—
Repayments of lease obligations	(281)	(280)
Cash dividends paid	(5,453)	(5,690)
Dividends paid to non-controlling interests	(793)	(1,214)
Net cash provided by (used in) financing activities	(5,960)	7,327
Effect of exchange rate change on cash and cash equivalents	216	932
Net increase (decrease) in cash and cash equivalents	11,112	2,755
Cash and cash equivalents at beginning of period	82,493	95,007
Increase in cash and cash equivalents from newly consolidated subsidiary	1,400	640
Cash and cash equivalents at end of period	95,007	98,403