

# Consolidated Financial Results

## For the First Quarter of the Fiscal Year Ending March 31, 2019 (Japanese GAAP)



August 8, 2018  
Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.  
Code number : 5991  
URL : http://www.nhkspg.co.jp/  
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Filing date of quarterly securities report : August 9, 2018  
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 2019 (April 1, 2018 through June 30, 2018)

(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	%
FY2019 1st quarter	168,378	5.7	9,102	(3.0)	10,179	(4.2)	6,858	(6.0)
FY2018 1st quarter	159,253	5.8	9,384	10.9	10,623	75.9	7,297	56.2

Note: Comprehensive income: FY2019 1st quarter 4,443 million yen ( 13.4 %) FY2018 1st quarter 3,917 million yen ( — %)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY2019 1st quarter	28.93	28.65
FY2018 1st quarter	30.78	30.48

### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
FY2019 1st quarter	566,142	308,605	51.9
FY2018	568,380	307,648	51.5

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

: FY2019 1st quarter 294,057 million yen FY2018 292,836 million yen

Note: The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018)" from the beginning of this first quarter.

The figures for the year ended March 31, 2018 were adjusted retrospectively in accordance with this change.

### 2. Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2018	—	11.00	—	12.00	23.00
FY2019	—	—	—	—	—
FY2019 (Forecast)	—	12.00	—	—	—

Notes 1. Revisions to the forecast of dividends since the latest announcement: No

2. Forecasts of year-end dividend for FY2019 are currently undecided.

### 3. Forecast of Consolidated Results for Fiscal Year 2019 (April 1, 2018 through March 31, 2019)

(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	340,000	7.0	15,000	(9.9)	17,000	(9.1)	11,500	(9.4)	48.50
Full year	695,000	5.3	32,800	(7.7)	35,900	(1.4)	24,400	19.0	102.91

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 2019 : 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 : No
  - [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, 2018	244,066,144 shares	As of March 31, 2018	244,066,144 shares
[2] Number of treasury stock	As of June 30, 2018	6,974,519 shares	As of March 31, 2018	6,974,261 shares
[3] Average number of shares	1st quarter of FY2019	237,091,766 shares	1st quarter of FY2018	237,092,715 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)

	FY2018 (As of 31 March, 2018)	FY2019 (As of 30 June, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	95,251	92,687
Notes and accounts receivable - trade	146,781	144,450
Merchandise and finished goods	17,127	17,112
Work in process	8,685	9,802
Raw materials and supplies	16,729	17,099
Partly-finished goods	6,047	6,303
Other	24,427	23,670
Allowance for doubtful accounts	(88)	(94)
Total current assets	314,962	311,032
Non-current assets		
Property, plant and equipment		
Buildings and structures	143,498	144,678
Accumulated depreciation	(92,134)	(92,958)
Buildings and structures, net	51,364	51,720
Machinery, equipment and vehicles	241,938	244,068
Accumulated depreciation	(188,455)	(191,387)
Machinery, equipment and vehicles, net	53,483	52,680
Land	30,515	30,457
Leased assets	1,248	1,308
Accumulated depreciation	(630)	(681)
Leased assets, net	617	627
Construction in progress	12,071	14,216
Other	68,431	69,297
Accumulated depreciation	(60,974)	(62,033)
Other, net	7,456	7,263
Total property, plant and equipment	155,508	156,966
Intangible assets	3,089	2,973
Investments and other assets		
Investment securities	64,678	62,706
Long-term loans receivable	8,719	8,942
Deferred tax assets	7,739	6,977
Net defined benefit asset	4,619	4,851
Other	9,935	12,670
Allowance for doubtful accounts	(873)	(977)
Total investments and other assets	94,819	95,170
Total non-current assets	253,418	255,109
<b>Total assets</b>	<b>568,380</b>	<b>566,142</b>

	(Unit: Millions of yen)	
	FY2018	FY2019
	(As of 31 March, 2018)	(As of 30 June, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	87,507	80,561
Electronically recorded obligations - operating	43,637	45,377
Short-term loans payable	13,320	11,350
Income taxes payable	6,074	3,580
Provision for directors' bonuses	268	164
Notes payable - facilities	3,714	3,875
Other	37,515	45,813
Total current liabilities	192,038	190,723
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	10,624	11,054
Long-term loans payable	25,338	24,873
Lease obligations	563	553
Deferred tax liabilities	9,414	7,721
Net defined benefit liability	15,859	15,960
Provision for directors' retirement benefits	507	451
Provision for officers' retirement benefits	810	825
Other	5,574	5,373
Total non-current liabilities	68,692	66,813
Total liabilities	260,731	257,536
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,579
Retained earnings	229,163	233,176
Treasury stock	(7,516)	(7,517)
Total shareholders' equity	258,235	262,248
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27,935	26,512
Foreign currency translation adjustment	7,355	5,947
Remeasurements of defined benefit plans	(688)	(651)
Total accumulated other comprehensive income	34,601	31,808
Non-controlling interests	14,811	14,548
Total net assets	307,648	308,605
Total liabilities and net assets	568,380	566,142

(2) Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(Three Months Ended June 30, 2018)

(Unit: Millions of yen)

	FY2018 (3 months ended June 30, 2017)	FY2019 (3 months ended June 30, 2018)
Net sales	159,253	168,378
Cost of sales	138,772	147,767
Gross profit	20,480	20,610
Selling, general and administrative expenses	11,095	11,508
Operating income	9,384	9,102
Non-operating income		
Interest income	215	217
Dividend income	810	843
Foreign exchange gains	141	—
Other	465	796
Total non-operating income	1,633	1,857
Non-operating expenses		
Interest expenses	33	75
Foreign exchange losses	—	271
Other	360	432
Total non-operating expenses	394	780
Ordinary income	10,623	10,179
Profit before income taxes	10,623	10,179
Income taxes	2,835	2,779
Profit	7,788	7,400
Profit attributable to non-controlling interests	490	541
Profit attributable to owners of parent	7,297	6,858

(Consolidated Statements of Comprehensive Income)  
(Three Months Ended June 30, 2018)

	(Unit: Millions of yen)	
	FY2018 (3 months ended June 30, 2017)	FY2019 (3 months ended June 30, 2018)
Profit	7,788	7,400
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,127)	(1,427)
Foreign currency translation adjustment	(2,952)	(1,387)
Remeasurements of defined benefit plans, net of tax	245	40
Share of other comprehensive income of entities accounted for using equity method	(35)	(182)
Total other comprehensive income	(3,870)	(2,956)
Comprehensive income	3,917	4,443
Comprehensive income attributable to:		
Owners of parent	3,525	4,065
Non-controlling interests	392	378