

Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2021
(Japanese GAAP)



August 6, 2020
Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.
Code number : 5991
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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 2021 (April 1, 2020 through June 30, 2020)

(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	%
FY2021 1st quarter	99,971	(38.5)	(10,325)	—	(10,334)	—	(8,188)	—
FY2020 1st quarter	162,509	(3.5)	2,704	(70.3)	2,765	(72.8)	(1,561)	—

Note: Comprehensive income : FY2021 1st quarter (11,221) million yen (— %) FY2020 1st quarter (1,305) million yen (— %)

	Net income per share, Basic		Net income per share, Diluted	
	Yen	Yen	Yen	Yen
FY2021 1st quarter	(34.90)	—	—	—
FY2020 1st quarter	(6.59)	—	—	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
FY2021 1st quarter	521,797	272,553	49.3
FY2020	532,615	286,553	50.9

Reference: Shareholders' equity (Net assets excluding non-controlling interests)
: FY2021 1st quarter 257,441 million yen FY2020 270,988 million yen

2. Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2020	—	12.00	—	5.00	17.00
FY2021	—	—	—	—	—
FY2021 (Forecast)	—	—	—	—	—

Notes 1. Revisions to the forecast of dividends since the latest announcement: No
2. Forecasts of dividend for FY2021 are currently undecided.

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

(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	235,000	(27.4)	(10,500)	—	(11,000)	—	(9,000)	—	(38.44)
Full year	570,000	(14.2)	500	(97.6)	1,000	(95.3)	0	—	0.00

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 2021 : 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, 2020	244,066,144 shares	As of March 31, 2020	244,066,144 shares
[2] Number of treasury stock	As of June 30, 2020	10,487,409 shares	As of March 31, 2020	8,637,279 shares
[3] Average number of shares	1st quarter of FY2021	234,652,216 shares	1st quarter of FY2020	237,091,098 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)

	FY2020 (As of 31 March, 2020)	FY2021 (As of 30 June, 2020)
Assets		
Current assets		
Cash and deposits	74,593	98,536
Notes and accounts receivable - trade	134,315	100,609
Merchandise and finished goods	20,236	19,112
Work in process	9,412	9,380
Raw materials and supplies	18,016	18,945
Partly-finished goods	7,119	8,478
Other	20,865	19,213
Allowance for doubtful accounts	(136)	(125)
Total current assets	284,423	274,149
Non-current assets		
Property, plant and equipment		
Buildings and structures	153,589	152,180
Accumulated depreciation	(97,106)	(96,876)
Buildings and structures, net	56,483	55,304
Machinery, equipment and vehicles	261,246	261,470
Accumulated depreciation	(200,100)	(200,252)
Machinery, equipment and vehicles, net	61,146	61,218
Land	31,149	29,245
Leased assets	1,427	1,502
Accumulated depreciation	(753)	(791)
Leased assets, net	674	710
Construction in progress	19,943	19,910
Other	77,904	77,304
Accumulated depreciation	(66,997)	(66,772)
Other, net	10,906	10,531
Total property, plant and equipment	180,302	176,920
Intangible assets	3,187	3,128
Investments and other assets		
Investment securities	42,853	45,135
Long-term loans receivable	2,760	2,426
Deferred tax assets	9,081	9,234
Net defined benefit asset	1,941	2,174
Other	9,117	9,751
Allowance for doubtful accounts	(1,052)	(1,123)
Total investments and other assets	64,701	67,598
Total non-current assets	248,192	247,648
Total assets	532,615	521,797

	(Unit: Millions of yen)	
	FY2020	FY2021
	(As of 31 March, 2020)	(As of 30 June, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	78,999	55,498
Electronically recorded obligations - operating	37,880	29,190
Short-term loans payable	20,363	55,487
Income taxes payable	3,038	1,231
Provision for directors' bonuses	236	109
Notes payable - facilities	3,380	3,189
Other	35,000	37,104
Total current liabilities	178,899	181,812
Non-current liabilities		
Long-term loans payable	33,228	35,448
Lease obligations	547	621
Deferred tax liabilities	3,811	2,735
Net defined benefit liability	23,190	22,296
Provision for directors' retirement benefits	615	547
Provision for officers' retirement benefits	875	910
Other	4,893	4,873
Total non-current liabilities	67,162	67,432
Total liabilities	246,061	249,244
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,575
Retained earnings	227,062	217,696
Treasury stock	(8,868)	(10,208)
Total shareholders' equity	254,782	244,072
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,642	16,322
Foreign currency translation adjustment	8,117	3,316
Remeasurements of defined benefit plans	(6,555)	(6,268)
Total accumulated other comprehensive income	16,205	13,369
Non-controlling interests	15,565	15,111
Total net assets	286,553	272,553
Total liabilities and net assets	532,615	521,797

(2) Quarterly consolidated Statement of Comprehensive Income
(Quarterly consolidated Statements of Income)
(Three Months Ended June 30, 2020)

(Unit: Millions of yen)

	FY2020 (3 months ended June 30, 2019)	FY2021 (3 months ended June 30, 2020)
Net sales	162,509	99,971
Cost of sales	148,263	99,697
Gross profit	14,246	273
Selling, general and administrative expenses	11,541	10,599
Operating profit (loss)	2,704	(10,325)
Non-operating income		
Interest income	235	166
Dividend income	822	641
Other	480	848
Total non-operating income	1,538	1,657
Non-operating expenses		
Interest expenses	74	57
Share of loss of entities accounted for using equity method	—	19
Shutdown losses	—	244
Foreign exchange losses	1,118	367
Other	284	976
Total non-operating expenses	1,476	1,665
Ordinary profit (loss)	2,765	(10,334)
Extraordinary losses		
Loss of antitrust law	3,134	—
Total extraordinary losses	3,134	—
Loss before income taxes	(369)	(10,334)
Income taxes - current	880	(2,350)
Loss	(1,249)	(7,983)
Profit attributable to non-controlling interests	311	204
Loss attributable to owners of parent	(1,561)	(8,188)

(Quarterly Consolidated Statements of Comprehensive Income)
(Three Months Ended June 30, 2020)

	(Unit: Millions of yen)	
	FY2020 (3 months ended June 30, 2019)	FY2021 (3 months ended June 30, 2020)
Loss	(1,249)	(7,983)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,598)	1,690
Foreign currency translation adjustment	2,537	(5,060)
Remeasurements of defined benefit plans, net of tax	67	303
Share of other comprehensive income of entities accounted for using equity method	(61)	(170)
Total other comprehensive income	(55)	(3,237)
Comprehensive income	(1,305)	(11,221)
Comprehensive income attributable to:		
Owners of parent	(1,781)	(11,024)
Non-controlling interests	475	(196)