

# Consolidated Financial Results

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



February 5, 2020  
Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.  
 Code number : 5991  
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Filing date of quarterly securities report : February 6, 2020  
 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 Third Quarter of Fiscal Year 2020 (April 1, 2019 through December 31, 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 3rd quarter	493,000	(3.9)	11,933	(49.1)	13,511	(49.9)	5,061	(73.8)
FY2019 3rd quarter	513,003	6.6	23,459	(8.3)	26,970	(2.2)	19,293	(5.3)

Note: Comprehensive income: FY2020 3rd quarter 7,411 million yen ( (46.6) %) FY2019 3rd quarter 13,874 million yen ( (47.8) %)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY2020 3rd quarter	21.35	—
FY2019 3rd quarter	81.37	79.07

Note: Diluted earnings per share for FY2020 Third Quarter are not presented because of no dilutive shares.

### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
FY2020 3rd quarter	552,266	297,587	51.1
FY2019	573,198	296,061	49.0

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

: FY2020 3rd quarter 282,200 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	—	12.00	—	—	—
FY2020 (Forecast)	—	—	—	—	—

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

2. Forecasts of year-end 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
Full year	660,000	(3.1)	17,000	(36.2)	18,000	(42.8)	7,500	5.6	31.63

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

#### 4. Others

- (1) Changes of significant subsidiaries in the third 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 December 31, 2019	244,066,144 shares	As of March 31, 2019	244,066,144 shares
[2] Number of treasury stock	As of December 31, 2019	6,975,564 shares	As of March 31, 2019	6,975,024 shares
[3] Average number of shares	3rd quarter of FY2020	237,090,875 shares	3rd quarter of FY2019	237,091,495 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 31 December, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	98,573	78,277
Notes and accounts receivable - trade	139,689	131,129
Merchandise and finished goods	19,959	19,932
Work in process	9,888	11,216
Raw materials and supplies	18,785	18,278
Partly-finished goods	6,058	6,963
Other	25,417	22,158
Allowance for doubtful accounts	(117)	(124)
<b>Total current assets</b>	<b>318,254</b>	<b>287,833</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	148,399	154,591
Accumulated depreciation	(95,447)	(96,581)
Buildings and structures, net	52,952	58,009
Machinery, equipment and vehicles	249,525	258,648
Accumulated depreciation	(196,022)	(197,586)
Machinery, equipment and vehicles, net	53,502	61,062
Land	31,006	31,102
Leased assets	1,373	1,421
Accumulated depreciation	(714)	(756)
Leased assets, net	658	665
Construction in progress	25,088	21,071
Other	73,319	76,751
Accumulated depreciation	(63,689)	(66,029)
Other, net	9,630	10,721
<b>Total property, plant and equipment</b>	<b>172,839</b>	<b>182,633</b>
Intangible assets	2,902	2,887
Investments and other assets		
Investment securities	55,214	55,512
Long-term loans receivable	3,995	3,125
Deferred tax assets	8,161	7,564
Net defined benefit asset	4,669	5,322
Other	7,936	8,153
Allowance for doubtful accounts	(775)	(768)
<b>Total investments and other assets</b>	<b>79,201</b>	<b>78,911</b>
<b>Total non-current assets</b>	<b>254,944</b>	<b>264,433</b>
<b>Total assets</b>	<b>573,198</b>	<b>552,266</b>

(Unit: Millions of yen)

	FY2019 (As of 31 March, 2019)	FY2020 (As of 31 December, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	84,003	76,338
Electronically recorded obligations - operating	43,301	41,908
Short-term loans payable	18,418	17,306
Income taxes payable	2,933	867
Provision for directors' bonuses	269	200
Notes payable - facilities	7,308	3,409
Current position of convertible bond-type bonds with subscription rights to shares	11,099	-
Other	43,899	39,691
Total current liabilities	211,234	179,722
Non-current liabilities		
Long-term loans payable	32,697	38,102
Lease obligations	537	545
Deferred tax liabilities	7,356	9,152
Net defined benefit liability	19,394	20,640
Provision for directors' retirement benefits	586	589
Provision for officers' retirement benefits	779	847
Other	4,550	5,078
Total non-current liabilities	65,902	74,956
Total liabilities	277,137	254,678
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,579
Retained earnings	228,016	227,511
Treasury stock	(7,517)	(7,518)
Total shareholders' equity	257,087	256,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,349	22,877
Foreign currency translation adjustment	5,625	5,440
Remeasurements of defined benefit plans	(2,927)	(2,699)
Total accumulated other comprehensive income	24,047	25,617
Non-controlling interests	14,926	15,387
Total net assets	296,061	297,587
Total liabilities and net assets	573,198	552,266

(2) Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(Nine Months Ended December 31, 2019)

(Unit: Millions of yen)

	FY2019 (9 months ended December 31, 2018)	FY2020 (9 months ended December 31, 2019)
Net sales	513,003	493,000
Cost of sales	455,085	446,443
Gross profit	57,918	46,557
Selling, general and administrative expenses	34,458	34,624
Operating income	23,459	11,933
Non-operating income		
Interest income	767	674
Dividend income	1,538	1,778
Foreign exchanges gains	1,048	—
Other	1,616	2,003
Total non-operating income	4,971	4,456
Non-operating expenses		
Interest expenses	233	217
Foreign exchanges losses	—	1,653
Other	1,227	1,007
Total non-operating expenses	1,461	2,878
Ordinary income	26,970	13,511
Extraordinary income		
Gain on sales of non-current assets	1,400	—
Total extraordinary income	1,400	—
Extraordinary losses		
Loss on valuation of investment securities	364	—
Loss of antitrust law	—	3,122
Total extraordinary losses	364	3,122
Profit before income taxes	28,006	10,389
Income taxes	7,263	4,396
Profit	20,742	5,992
Profit attributable to non-controlling interests	1,449	930
Profit attributable to owners of parent	19,293	5,061

(Quarterly Consolidated Statements of Comprehensive Income)  
(Nine Months Ended December 31, 2019)

	(Unit: Millions of yen)	
	FY2019 (9 months ended December 31, 2018)	FY2020 (9 months ended December 31, 2019)
Profit	20,742	5,992
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,088)	1,535
Foreign currency translation adjustment	201	89
Remeasurements of defined benefit plans, net of tax	90	232
Share of other comprehensive income of entities accounted for using equity method	(71)	(438)
Total other comprehensive income	(6,868)	1,419
Comprehensive income	13,874	7,411
Comprehensive income attributable to:		
Owners of parent	12,605	6,632
Non-controlling interests	1,269	779