



## Consolidated Financial Results (Japanese Accounting Standards) for the First Half of Fiscal Year Ending March 31, 2016

November 13, 2015

Listed Company Nippon Manufacturing Service Corporation Listings: Tokyo Stock Exchange  
 Securities code 2162 URL <http://www.n-ms.co.jp/>  
 Representative (Title) President and CEO (Name) Fumiaki Ono  
 General Manager of  
 Contact (Title) Accounting and Finance (Name) Shin Nakamura Telephone 03-5333-1711  
 Division  
 Scheduled Date of Filing November 13, 2015 Scheduled date of commencement of dividend payment: —  
 Quarterly Securities Report  
 Supplementary Documents for Quarterly Financial Results: Yes  
 Quarterly Financial Results Briefing: Yes (for institutional investors and analysts)

(Amounts in millions of yen rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the First half of Fiscal Year Ending March 31, 2016 (April 1, 2015 – September 30, 2015)

(1) Consolidated results of operations (six months) (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1H FY03/2016	32,043	34.7	890	275.6	944	542.7	510	516.4
1H FY03/2015	23,787	14.2	236	—	146	—	82	—

(Note)

Comprehensive income 1H FY03/2016 501million yen (-%) 1H FY03/2015 6million yen (-95.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
1H FY03/2016	51.70	51.55
1H FY03/2015	8.50	8.38

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1H FY03/2016	28,441	5,963	19.8
FY03/2015	27,703	5,065	17.1

(Reference)

Shareholders' equity 1H FY03/2016 5,620million yen FY03/2015 4,725million yen

### 2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY03/2015	—	0.00	—	5.00	5.00
FY03/2016	—	0.00			
FY03/2016 (forecast)			—	7.00	7.00

Note: Revision of the latest released dividend forecast: Yes

3. Consolidated forecasts for year ending March 2016 (April 1, 2015 to March 31, 2016)

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	65,000	32.0	1,500	203.8	1,300	77.2	580	1.4	58.71

Note: Revision of the latest released business performance forecast: Yes

\* Notes

(1) Changes in significant subsidiaries during the consolidated quarter (six months) under review (changes in subsidiaries accompanying change in the scope of consolidation): None

(2) Application of accounting procedures specific to creation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles associated with revision of accounting standards, etc.: Yes

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of shares outstanding (common shares):

(1) Number of shares outstanding at end of period (including treasury shares)

1H FY03/2016	10,805,500shares	FY03/2015	10,805,500shares
1H FY03/2016	926,572shares	FY03/2015	2,008,000shares
1H FY03/2016	9,878,676shares	1H FY03/2015	9,748,500shares

(2) Number of treasury shares at end of period

(3) Average number of shares outstanding during the period

\* Statement relating to the execution status for the quarterly review procedures

This quarterly financial summary falls outside the scope of the quarterly report review based on the stipulations of the Financial Instruments and Exchange Act. The review procedures for the quarterly consolidated financial statements based on the stipulations of the said Act were conducted at the time when this quarterly financial summary was disclosed.

\* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes concerning the forward-looking statements)

The results forecasts and forward-looking statements included in this document are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors.

### 3. Quarterly consolidated financial statements

#### (1) Quarterly consolidated balance sheet

(Thousand yen)

	FY03/2015 (March 31, 2015)	1H FY03/2016 (September 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	3,993,209	3,431,934
Notes and accounts receivable - trade	11,223,826	12,139,815
Finished goods	1,627,783	1,423,152
Work in process	521,690	570,351
Raw materials and supplies	3,536,447	3,683,235
Other	774,434	847,495
Allowance for doubtful accounts	-3,376	-1,365
Total current assets	21,674,016	22,094,620
Non-current assets		
Property, plant and equipment		
Land	1,786,301	1,786,301
Other, net	2,547,731	2,786,880
Total property, plant and equipment	4,334,033	4,573,182
Intangible assets		
Other	581,958	571,491
Total intangible assets	581,958	571,491
Investments and other assets		
Other	1,126,024	1,215,204
Allowance for doubtful accounts	-12,969	-12,969
Total investments and other assets	1,113,054	1,202,234
Total non-current assets	6,029,045	6,346,908
Total assets	27,703,061	28,441,528
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,554,435	5,583,347
Short-term loans payable	9,435,763	9,442,479
Accounts payable - other	1,891,854	1,596,639
Income taxes payable	334,836	452,797
Accrued consumption taxes	525,252	226,087
Provision for bonuses	287,857	542,824
Other	557,614	657,068
Total current liabilities	18,587,613	18,501,245
Non-current liabilities		
Long-term loans payable	3,318,132	3,116,066
Deferred tax liabilities	87,534	103,162
Provision for directors' retirement benefits	107,199	92,286
Net defined benefit liability	477,319	489,006
Other	59,714	176,101
Total non-current liabilities	4,049,900	3,976,622
Total liabilities	22,637,514	22,477,868

(Thousand yen)

	FY03/2015 (March 31, 2015)	1H FY03/2016 (September 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	231,184	400,621
Retained earnings	4,119,850	4,586,429
Treasury shares	-628,816	-290,216
Total shareholders' equity	4,222,908	5,197,524
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	71,774	133,695
Foreign currency translation adjustment	430,960	289,047
Total other accumulated comprehensive income	502,735	422,743
Subscription rights to shares	3,675	3,464
Non-controlling interests	336,227	339,927
Total net assets	5,065,547	5,963,660
Total liabilities and net assets	27,703,061	28,441,528

(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income  
(Quarterly consolidated statements of income)  
(1H FY03/2016)

(Thousand yen)

	1H FY03/2015 (From April 1, 2014 to September 30, 2014)	1H FY03/2016 (From April 1, 2015 to September 30, 2015)
Net sales	23,787,229	32,043,456
Cost of sales	21,158,924	27,819,521
Gross profit	2,628,305	4,223,934
Selling, general and administrative expenses		
Salaries and bonuses	1,008,097	1,087,697
Provision for bonuses	68,300	225,674
Other	1,314,926	2,020,406
Total selling, general and administrative expenses	2,391,324	3,333,777
Operating income	236,981	890,156
Non-operating income		
Dividend income	2,580	2,146
Foreign exchange gains	—	113,736
Real estate rent	36,138	11,554
Other	20,733	24,927
Total non-operating income	59,452	152,365
Non-operating expenses		
Interest expenses	21,242	42,343
Foreign exchange losses	84,744	—
Rent cost of real estate	14,546	11,124
Other	28,956	44,580
Total non-operating expenses	149,489	98,048
Ordinary income	146,944	944,473
Extraordinary income		
Gain on sales of non-current assets	3,296	1,726
Subsidies for employment adjustment	98	23,750
Gain on reversal of subscription rights to shares	18,487	—
Total extraordinary income	21,882	25,476
Extraordinary losses		
Loss on sales of non-current assets	3,910	344
Loss on retirement of non-current assets	1,278	0
Plant relocation expenses	9,238	—
Overseas subsidiaries tax-related losses	—	31,335
Business structure reform expenses	—	39,073
Other	783	37
Total extraordinary losses	15,210	70,792
Income before income taxes	153,616	899,158
Income taxes	72,056	313,307
Net income	81,560	585,851
Profit (loss) attributable to owners of parent	-1,297	75,106
Profit attributable to owners of parent	82,857	510,745

(Quarterly consolidated statement of comprehensive income)  
(1H FY03/2016)

(Thousand yen)

	1H FY03/2015 (From April 1, 2014 to September 30, 2014)	1H FY03/2016 (From April 1, 2015 to September 30, 2015)
Net income	81,560	585,851
Other comprehensive income		
Valuation difference on available-for-sale securities	-22,473	65,407
Foreign currency translation adjustment	-52,403	-150,212
Total other comprehensive income	-74,877	-84,804
Comprehensive income	6,683	501,046
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,273	430,753
Comprehensive income attributable to non-controlling interests	-6,590	70,292

## (3) Quarterly consolidated statement of cash flows

(Thousand yen)

	1H FY03/2015 (From April 1, 2014 to September 30, 2014)	1H FY03/2016 (From April 1, 2015 to September 30, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes	153,616	899,158
Depreciation	282,782	277,571
Increase (decrease) in allowance for doubtful accounts	149	-2,010
Increase (decrease) in provision for bonuses	153,531	255,158
Increase (decrease) in provision for directors' retirement benefits	5,000	-14,913
Increase (decrease) in net defined benefit liability	-16,331	11,686
Interest and dividend income	-7,888	-7,219
Interest expenses	21,242	42,343
Loss (gain) on sales of property, plant and equipment	614	-1,381
Subsidies for employment adjustment	-98	-23,750
Leave allowance	783	—
Gain on reversal of subscription rights to shares	-18,487	—
Plant relocation expenses	9,238	—
Overseas subsidiaries tax-related losses	—	31,335
Business structure reform expenses	—	39,073
Decrease (increase) in notes and accounts receivable - trade	-956,657	-964,077
Decrease (increase) in inventories	-68,186	-28,411
Increase (decrease) in notes and accounts payable - trade	-142,718	14,056
Increase (decrease) in accounts payable - other	-56,283	-200,663
Increase (decrease) in accrued expenses	29,877	87,013
Increase (decrease) in accrued consumption taxes	227,120	-306,779
Increase (decrease) in deposits received	-8,159	-20,491
Other	63,430	42,411
Subtotal	-327,425	130,111
Interest and dividend income received	8,253	7,266
Interest expenses paid	-20,869	-41,916
Income taxes paid	-36,142	-239,208
Income taxes refund	20,108	—
Subsidies for employment adjustment received	98	23,750
Leave allowance paid	-783	—
Plant relocation expenses paid	-9,238	—
Compensation expenses paid	—	-144,875
Overseas subsidiaries tax-related losses paid	—	-10,051
Net cash provided by (used in) operating activities	-365,998	-274,924



(Thousand yen)

	1H FY03/2015 (From April 1, 2014 to September 30, 2014)	1H FY03/2016 (From April 1, 2015 to September 30, 2015)
<b>Cash flows from investing activities</b>		
Payments into time deposits	-24,854	-91,792
Proceeds from withdrawal of time deposits	52,667	30,168
Purchase of property, plant and equipment	-227,083	-381,182
Proceeds from sales of property, plant and equipment	15,988	1,951
Purchase of intangible assets	-8,364	-5,071
Payments of loans receivable	-646	-57,280
Collection of loans receivable	1,839	1,472
Other	-25,688	-26,840
Net cash provided by (used in) investing activities	-216,142	-528,575
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	1,817,530	357,782
Proceeds from long-term loans payable	800,000	1,120,000
Repayments of long-term loans payable	-284,398	-1,653,279
Proceeds from sales of treasury shares	—	443,046
Purchase of treasury shares	-599,130	-78
Cash dividends paid	-30,994	-43,779
Other	-6,918	-14,282
Net cash provided by (used in) financing activities	1,696,088	209,408
Effect of exchange rate change on cash and cash equivalents	-27,505	-27,015
Net increase (decrease) in cash and cash equivalents	1,086,442	-621,105
Cash and cash equivalents at beginning of period	3,087,746	3,859,148
Cash and cash equivalents at end of period	4,174,188	3,238,042