

**Consolidated Financial Results**  
**For the Second Quarter of the Fiscal Year Ending March 31, 2022**  
**(Japanese GAAP)**



November 10, 2021  
Tokyo Stock Exchanges in Japan

Company name : NHK SPRING CO., LTD.  
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Filing date of quarterly securities report : November 11, 2021  
Payment date of cash dividends : December 2, 2021  
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 the Second Quarter of Fiscal Year 2022 (April 1, 2021 through September 30, 2021)**

(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	%
FY2022 2nd quarter	278,927	—	10,292	—	13,542	—	8,414	—
FY2021 2nd quarter	236,254	(27.0)	(8,816)	—	(9,720)	—	(7,979)	—

Note: Comprehensive income: FY2022 2nd quarter 14,880 million yen ( — %) FY2021 2nd quarter (8,952) million yen ( — %)

	Net income per share, Basic	Net income per share, Diluted
	Yen	Yen
FY2022 2nd quarter	36.90	—
FY2021 2nd quarter	(34.08)	—

Note: Since “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. are applied from the beginning of the fiscal year ending March 31, 2022, the above amounts of consolidated results for the second quarter of fiscal year 2022 reflect the application of the accounting standard, etc. Therefore, the rate of change in “Net sales” compared to the previous second quarter of fiscal year is not stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
FY2022 2nd quarter	552,659	311,029	53.4
FY2021	560,769	299,975	50.6

Reference: Shareholders' equity (Net assets excluding non-controlling interests)  
: FY2022 2nd quarter 295,275 million yen FY2021 283,993 million yen

**2. Dividends**

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2021	—	5.00	—	12.00	17.00
FY2022	—	12.00	—	—	—
FY2022 (Forecast)	—	—	—	12.00	24.00

Note: Revisions to the forecast of dividends since the latest announcement: Yes

**3. Forecast of Consolidated Results for Fiscal Year 2022 (April 1, 2021 through March 31, 2022)**

(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	600,000	—	25,000	138.9	27,000	85.8	18,000	91.6	78.94

Notes: Revisions to the forecast of consolidated results since the latest announcement: No  
: Since “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. are applied from the beginning of the fiscal year ending March 31, 2022, the above amounts of forecast of consolidated results for the full year reflect the application of the accounting standard, etc. Therefore, the rate of change in “Net sales” compared to the previous full year of fiscal year is not stated.

#### 4. Others

- (1) Changes of significant subsidiaries in the second quarter of fiscal year 2022 : 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 September 30, 2021	244,066,144 shares	As of March 31, 2021	244,066,144 shares
[2] Number of treasury stock	As of September 30, 2021	16,047,566 shares	As of March 31, 2021	16,047,128 shares
[3] Average number of shares	2nd quarter of FY2022	228,018,827 shares	2nd quarter of FY2021	234,112,465 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)

	FY2021 (As of 31 March, 2021)	FY2022 (As of 30 September, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	79,331	82,286
Notes and accounts receivable - trade	140,633	—
Notes, accounts receivable - trade and contract assets	—	119,756
Merchandise and finished goods	18,855	21,370
Work in process	9,585	11,991
Raw materials and supplies	18,969	19,862
Partly-finished goods	7,407	10,223
Other	19,970	18,247
Allowance for doubtful accounts	(193)	(157)
Total current assets	294,560	283,581
Non-current assets		
Property, plant and equipment		
Buildings and structures	154,326	155,341
Accumulated depreciation	(100,418)	(102,283)
Buildings and structures, net	53,907	53,057
Machinery, equipment and vehicles	277,127	284,845
Accumulated depreciation	(209,660)	(216,162)
Machinery, equipment and vehicles, net	67,466	68,682
Land	29,444	30,493
Leased assets	1,476	1,294
Accumulated depreciation	(889)	(797)
Leased assets, net	586	497
Construction in progress	13,997	12,157
Other	80,470	82,815
Accumulated depreciation	(70,206)	(72,319)
Other, net	10,263	10,495
Total property, plant and equipment	175,667	175,384
Intangible assets	3,032	2,908
Investments and other assets		
Investment securities	55,756	59,359
Long-term loans receivable	2,938	2,583
Deferred tax assets	9,952	9,472
Net defined benefit asset	10,195	10,717
Other	9,787	9,559
Allowance for doubtful accounts	(1,121)	(906)
Total investments and other assets	87,508	90,785
Total non-current assets	266,208	269,077
Total assets	560,769	552,659

(Unit: Millions of yen)

	FY2021 (As of 31 March, 2021)	FY2022 (As of 30 September, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	80,555	69,108
Electronically recorded obligations - operating	33,114	31,420
Short-term loans payable	43,053	36,307
Income taxes payable	3,702	3,635
Provision for directors' bonuses	244	137
Notes payable - facilities	2,557	1,964
Other	31,446	29,453
Total current liabilities	194,675	172,027
Non-current liabilities		
Bonds payable	—	10,000
Long-term loans payable	26,211	18,120
Lease obligations	467	686
Deferred tax liabilities	9,837	10,905
Net defined benefit liability	23,331	23,912
Provision for directors' retirement benefits	630	582
Provision for officers' retirement benefits	791	867
Other	4,848	4,526
Total non-current liabilities	66,118	69,601
Total liabilities	260,793	241,629
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,579	19,679
Retained earnings	234,113	239,845
Treasury stock	(14,295)	(14,295)
Total shareholders' equity	256,407	262,239
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,740	25,661
Foreign currency translation adjustment	4,497	7,833
Remeasurements of defined benefit plans	(652)	(458)
Total accumulated other comprehensive income	27,585	33,036
Non-controlling interests	15,982	15,754
Total net assets	299,975	311,029
Total liabilities and net assets	560,769	552,659

(2) Quarterly consolidated Statement of Comprehensive Income  
(Quarterly consolidated Statements of Income)  
(Six Months Ended September 30, 2021)

(Unit: Millions of yen)

	FY2021 (6 months Ended September 30, 2020)	FY2022 (6 months Ended September 30, 2021)
Net sales	236,254	278,927
Cost of sales	223,068	242,745
Gross profit	13,185	36,181
Selling, general and administrative expenses	22,002	25,889
Operating profit (loss)	(8,816)	10,292
Non-operating income		
Interest income	304	241
Dividend income	685	862
Share of profit of entities accounted for using equity method	—	614
Foreign exchange gains	—	1,600
Other	2,377	1,263
Total non-operating income	3,366	4,582
Non-operating expenses		
Interest expenses	181	160
Share of loss of entities accounted for using equity method	90	—
Loss on disaster	1,067	418
Foreign exchange losses	1,659	—
Other	1,272	753
Total non-operating expenses	4,270	1,332
Ordinary profit (loss)	(9,720)	13,542
Extraordinary losses		
Loss on sales of investments in capital of subsidiaries and affiliates	—	288
Total extraordinary losses	—	288
Profit (Loss) before income taxes	(9,720)	13,254
Total income taxes	(1,926)	4,180
Profit (Loss)	(7,793)	9,073
Profit attributable to non-controlling interests	185	658
Profit (Loss) attributable to owners of parent	(7,979)	8,414

(Consolidated Statements of Comprehensive Income)  
(Six Months Ended September 30, 2021)

	(Unit: Millions of yen)	
	FY2021 (6 months ended September 30, 2020)	FY2022 (6 months ended September 30, 2021)
Profit (Loss)	(7,793)	9,073
Other comprehensive income		
Valuation difference on available-for-sale securities	1,686	1,927
Foreign currency translation adjustment	(2,845)	3,312
Remeasurements of defined benefit plans, net of tax	349	165
Share of other comprehensive income of entities accounted for using equity method	(349)	401
Total other comprehensive income	(1,158)	5,807
Comprehensive income	(8,952)	14,880
Comprehensive income attributable to:		
Owners of parent	(8,881)	13,832
Non-controlling interests	(71)	1,048

(3) Quarterly Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	FY2020 (6 months ended September 30, 2020)	FY2021 (6 months ended September 30, 2021)
<b>Cash flows from operating activities</b>		
Profit (Loss) before income taxes	(9,720)	13,254
Depreciation	13,007	14,027
Increase or decrease in net defined benefit asset and liability	466	437
Interest and dividend income	(989)	(1,104)
Interest expenses	181	160
Foreign exchange losses (gains)	(472)	(770)
Share of (profit) loss of entities accounted for using equity method	90	(614)
Loss (gain) on sales and retirement of property, plant and equipment	(95)	88
Loss on sales of investments in capital of subsidiaries and affiliates	—	288
Decrease (increase) in notes and accounts receivable - trade	17,610	—
Decrease (increase) in notes, accounts receivable - trade and contract assets	—	20,560
Decrease (increase) in inventories	160	(7,490)
Increase (decrease) in notes and accounts payable - trade	(24,984)	(12,324)
Other, net	4,893	(109)
Subtotal	148	26,403
Interest and dividend income received	1,268	1,125
Interest expenses paid	(167)	(168)
Income taxes paid	(1,772)	(3,372)
Cash flows from operating activities	(522)	23,987
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,941)	(14,018)
Proceeds from sales of property, plant and equipment	1,939	78
Purchase of intangible assets	(113)	(395)
Purchase of investment securities	(14)	(8)
Proceeds from sale of investments in capital of subsidiaries and affiliates resulting in change in scope of consolidation	—	1,320
Payments of loans receivable	(807)	(146)
Collection of loans receivable	188	596
Other, net	92	(138)
Cash flows from investing activities	(13,656)	(12,711)

Cash flows from financing activities		
Proceeds from short-term loans payable	42,000	11,766
Repayments of short-term loans payable	(1,571)	(16,032)
Proceeds from long-term loans payable	5,000	—
Repayments of long-term loans payable	(8,246)	(11,426)
Proceeds from issuance of bonds	—	10,000
Proceeds from issuance of commercial papers	8,000	6,000
Redemption of commercial papers	(12,000)	(6,000)
Purchase of treasury stock	(1,340)	(0)
Proceeds from sales of treasury stock	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(1,012)
Repayments of lease obligations	(219)	(205)
Cash dividends paid	(1,177)	(2,736)
Dividends paid to non-controlling interests	(260)	(197)
Cash flows from financing activities	30,184	(9,843)
Effect of exchange rate change on cash and cash equivalents	(31)	1,580
Net increase (decrease) in cash and cash equivalents	15,973	3,013
Cash and cash equivalents at beginning of period	74,314	78,986
Cash and cash equivalents at end of period	90,288	81,999