

**Consolidated Financial Results (Japanese Accounting Standards)
for the First Half of Fiscal Year Ending March 31, 2021**

November 13, 2020

Listings: Tokyo Stock Exchange

Listed Company nms Holdings Corporation (nms HD)

Securities code 2162 URL <http://www.n-ms.co.jp/>

Representative (Title) President and CEO (Name) Fumiaki Ono

Contact (Title) Managing Director General Manager, Corporate Division (Name) Toshiko Kono 03(5333)1711

Scheduled Date of Filing Quarterly Securities Report: November 13, 2020

Scheduled date of commencement of dividend payment: —

Supplementary Documents for Quarterly Financial Results: Yes

Quarterly Financial Results Briefing: None

(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, 2021 (April 1, 2020 – September 30, 2020)

(1) Consolidated results of operations (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 FY03/2021	26,049	(16.3)	139	(49.6)	(68)	—	(499)	—
1H FY03/2020	31,108	12.2	276	15.1	203	(7.7)	34	(45.7)

Note: Comprehensive income 1H FY03/2021 (785) million yen (-%) 1H FY03/2020 (80) million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
1H FY03/2021	(29.98)	—
1H FY03/2020	1.99	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1H FY03/2021	31,256	4,842	15.5
FY03/2020	33,470	5,849	17.4

Reference: Shareholders' equity 1H FY03/2021 4,833 million yen FY03/2020 5,837 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY03/2020	—	0.00	—	5.00	5.00
FY03/2021	—	0.00			
FY03/2021 (forecast)			—	4.00	4.00

Note: Revision of the latest released dividend forecast: None

3. Consolidated forecasts for year ending March 2021 (April 1, 2020 to March 31, 2021)

(% shows the year-on-year change)

	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	56,500	(9.8)	600	(34.8)	350	(35.4)	(300)	—	(18.01)

Note: Revision of the latest released business performance forecast: None

* Notes

- (1) Changes in significant subsidiaries during the consolidated 1H (three months) under review
(changes of specific subsidiaries in accordance with changes 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.: None
- (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)
- (2) Number of treasury shares at end of period
- (3) Average number of shares outstanding during the term

1H FY03/2021	21,611,000shares	FY03/2020	21,611,000shares
1H FY03/2021	4,949,759shares	FY03/2020	4,449,759shares
1H FY03/2021	16,680,454shares	1H FY03/2020	17,161,274shares

* Statement relating to the execution status for audit 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.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Thousand yen)

	FY03/2020 (March 31,2020)	1H FY03/2021 (September 30,2020)
Assets		
Current assets		
Cash and deposits	4,177,174	4,501,172
Notes and accounts receivable - trade	11,812,540	9,055,241
Finished goods	1,472,875	901,836
Work in process	514,158	526,295
Raw materials and supplies	4,037,383	4,883,132
Others	1,113,115	1,082,004
Allowance for doubtful accounts	(11,982)	(9,950)
Total current assets	23,115,265	20,939,731
Non-current assets		
Property, plant and equipment		
Land	1,166,687	1,166,687
Other, net	6,893,475	7,054,367
Total property, plant and equipment	8,060,162	8,221,054
Intangible assets		
Other	1,095,508	916,100
Total intangible assets	1,095,508	916,100
Investment and other assets		
Other	1,139,242	1,126,181
Allowance for doubtful accounts	(6,119)	(6,119)
Total investments and other accounts	1,133,122	1,120,061
Total non-current assets	10,288,794	10,257,216
Deferred assets		
Bond issuance cost	66,106	59,495
Total deferred assets	66,106	59,495
Total assets	33,470,166	31,256,443
Liability		
Current liability		
Notes and accounts payable - trade	4,443,103	3,821,542
Short-term loans payable	7,018,201	8,262,100
Accounts payable - other	1,854,258	1,673,909
Income tax payable	172,312	131,873
Accrued consumption taxes	833,584	297,561
Provision for bonuses	472,090	482,295
Other	1,496,517	1,430,333
Total current liabilities	16,290,069	16,099,616
Non-current liabilities		
Bonds payable	2,000,000	2,000,000
Long-term loans payable	6,758,018	6,353,713
Deferred tax liability	65,824	63,810
Non defined benefit liabilities	363,628	353,650
Other	2,142,947	1,543,469
Total non-current liabilities	11,330,419	10,314,644
Total liabilities	27,620,488	26,414,260

(Thousand yen)

	FY03/2020 (March 31,2020)	1H FY03/2021 (September 30,2020)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	527,182	527,182
Retained earnings	6,307,834	5,722,029
Treasury shares	(909,859)	(1,043,513)
Total shareholders' equity	6,425,848	5,706,388
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(7,076)	(8,394)
Foreign currency translation adjustment	(580,843)	(864,140)
Total other accumulated comprehensive income	(587,919)	(872,534)
Subscription rights to shares	3,056	—
Non-controlling interests	8,692	8,329
Total net assets	5,849,677	4,842,182
Total liabilities and net assets	33,470,166	31,256,443

(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income
(Quarterly consolidated statements of income) (1H FY03/2021)

(Thousand yen)

	1H FY03/2020 (From April 1, 2019 to September 30, 2019)	1H FY03/2021 (From April 1, 2020 to September 30, 2020)
Net sales	31,108,438	26,049,332
Cost of sales	27,193,155	23,042,490
Gross profit	3,915,282	3,006,842
Selling, general and administrative expenses		
Salaries and bonuses	1,391,103	1,324,399
Provision for bonuses	121,643	85,853
Other	2,126,531	1,457,574
Total selling, general and administrative expenses	3,639,278	2,867,826
Operating income	276,004	139,015
Non-operating income		
Interest income	8,201	7,348
Dividend income	687	636
Real estate rent	20,658	20,206
Subsidy income	127,500	—
Other	48,416	44,178
Total non-operating income	205,464	72,370
Non-operating expenses		
Interest expenses	102,345	122,113
Amortization of bond issuance cost	—	6,610
Foreign exchange losses	143,230	112,423
Rent cost of real estate	13,642	9,939
Foreign withholding tax	1,887	747
Other	17,204	27,854
Total non-operating expenses	278,310	279,688
Ordinary income	203,157	(68,303)
Extraordinary income		
Gain on sales of non-current assets	3,622	837
Gain on sale of investment securities	—	3,056
Total extraordinary income	3,622	3,893
Extraordinary losses		
Loss on disposal of property	1,809	9,369
Loss on COVID-19	—	367,925
Total extraordinary losses	1,809	377,295
Income before income taxes	204,970	(441,704)
Income taxes	170,749	59,109
Net income/loss (-)	34,221	(500,814)
Profit attributable to owners of parent	65	(814)
Profit/Loss (-) attributable to owners of parent	34,155	(499,999)

(Quarterly consolidated statement of comprehensive income)

(1H FY03/2021)

(Thousand yen)

	1H FY03/2020 (From April 1, 2019 to September 30, 2019)	1H FY03/2021 (From April 1, 2020 to September 30, 2020)
Net income/loss (-)	34,221	(500,814)
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	(1,271)	(1,317)
Foreign currency translation adjustment	(113,832)	(283,725)
Total other comprehensive income/loss (-)	(115,103)	(285,043)
Comprehensive income/loss (-)	(80,882)	(785,857)
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	(80,752)	(784,614)
Comprehensive income/loss (-) attributable to non-controlling interests	(129)	(1,242)

(3) Quarterly consolidated statement of cash flows

(Thousand yen)

	1H FY03/2020 (From April 1, 2019 to September 30, 2019)	1H FY03/2021 (From April 1, 2020 to September 30, 2020)
Cash flows from operating activities		
Income before income taxes	204,970	(441,704)
Depreciation	483,261	627,580
Increase (decrease) in allowance for doubtful accounts	149	(1,901)
Increase (decrease) in provision for bonuses	138,028	12,969
Increase (decrease) in net defined benefit liability	10,901	(8,549)
Interest and dividend income	(8,889)	(7,985)
Subsidy income	(127,500)	—
Interest expenses	102,345	122,113
Amortization of bond issuance cost	—	6,610
Foreign exchange losses (gains)	(3,390)	(11,502)
Loss on retirement of non-current assets	—	9,369
Loss (gain) on sales of fixed assets	(3,622)	(837)
Gain on reversal of share acquisition rights	—	(3,056)
Loss on COVID-19	—	367,925
Decrease (increase) in notes and accounts receivable - trade	(630,400)	2,551,627
Decrease (increase) in accounts receivable-other	(84,992)	76,169
Decrease (increase) in inventories	141,588	(444,527)
Increase (decrease) in notes and accounts payable - trade	(940,963)	(543,569)
Increase (decrease) in accounts payable - other	(261,471)	(196,944)
Increase (decrease) in accrued expenses	(102,291)	(78,935)
Increase (decrease) in accrued consumption taxes	233,644	(481,562)
Increase (decrease) in deposits received	(69,196)	9,630
Increase (decrease) in Long-term accounts payable	386,924	(29,968)
Increase (decrease) in other non-current liabilities	1,312,979	(444,539)
Other	(51,158)	165,224
Subtotal	730,915	1,253,637
Interest and dividend income received	8,102	6,667
Proceeds from subsidy income	65,500	15,500
Interest expenses paid	(102,606)	(125,983)
Income taxes paid	(153,965)	(158,787)
Income taxes refund	8,659	—
Proceeds from subsidies for employment adjustment	—	200,933
Payments for loss on COVID-19	—	(541,788)
Net cash provided by (used in) operating activities	556,605	650,179

(Thousand yen)

	1H FY03/2020 (From April 1, 2019 to September 30, 2019)	1H FY03/2021 (From April 1, 2020 to September 30, 2020)
Cash flows from investing activities		
Payments into time deposits	(29,928)	(22,597)
Proceeds from withdrawal of time deposits	23,699	18,978
Purchase of property, plant and equipment	(952,048)	(773,048)
Proceeds from sales of property, plant and equipment	3,622	777
Purchase of intangible assets	(39,572)	(14,541)
Proceeds from sales of investment securities	—	4,288
Payments for lease and guarantee deposits	(17,261)	(3,643)
Proceeds from collection of lease and guarantee deposits	13,500	15,669
Decrease (increase) in short-term loans receivable	(1,591)	480
Payments of long-term loans receivable	—	(3,802)
Payments for transfer of business	(845,433)	—
Other	6,912	(7,122)
Net cash provided by (used in) investing activities	(1,838,102)	(784,561)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,140,265	1,406,330
Proceeds from long-term loans payable	626,888	—
Repayments of long-term loans payable	(406,583)	(446,278)
Repayments of finance lease obligations	(78,992)	(184,944)
Repayments of installment payables	(26,611)	(29,784)
Purchase of treasury shares	—	(133,654)
Cash dividends paid	(85,270)	(85,619)
Net cash provided by (used in) financing activities	1,169,695	526,048
Effect of exchange rate change on cash and cash equivalents	(60,234)	(71,044)
Net increase (decrease) in cash and cash equivalents	(172,035)	320,622
Cash and cash equivalents at beginning of period	4,195,496	4,156,874
Increase in cash and cash equivalents from newly consolidated subsidiary	20,696	—
Cash and cash equivalents at end of period	4,044,157	4,477,496