

nms Holdings Corporation

Overview of Consolidated Financial Results

for the First Quarter of Fiscal Year Ending March 31, 2022

- Movement toward a rally in the manufacturing was seen. However, the resurgence of infections, mainly in Asia, resulted in local lockdowns and suspension of production activities. In addition to this, shortages of semiconductors and other parts and materials arose, and prices of raw materials surged to high levels due to tight supply. A shortage of transport containers for import/export, rising distribution costs, and other elements of uncertainty in the environment persisted.
- In the EMS Business, a slowdown in logistics and other aspects of the supply chain impacted business, along with lockdowns and suspension of plant operations and revisions to production plans by customers due to parts and materials shortages in Malaysia and Mexico. However, domestic HS Business was firm, and the benefits derived from a stronger structure from extensive cost restructuring in the PS Business also contributed, resulting in overall growth in net sales and income.
- 156 million yen in expenses for business structure reform in the U.S. and Mexico locations of the EMS Business were posted as an extraordinary losses.

(Million yen)	First Quarter of FYE Mar. 31, 2021 Results	First Quarter of FYE Mar. 31, 2022 Results		
		Results	YoY	Main Points
Net sales	13,725	14,944	8.9%	[Non-operating income/expenses] Non-operating income: ¥425 million (Up ¥392 million YoY) Non-operating expenses: ¥63 million (Down ¥97 million YoY) [Extraordinary income/losses] Extraordinary income: ¥1 million (Down ¥1 million YoY) Extraordinary losses: ¥178 million (Down ¥14 million YoY)
Operating income	(29)	40	—	
Ordinary income	(157)	402	—	
Profit attributable to owners of parent	(349)	75	—	
EBITDA	292	413	41.5%	

Financial Performance Highlights by Segment

(Million yen)		First Quarter of FYE Mar. 31, 2021 Results	First Quarter of FYE Mar. 31, 2022 Results		
			Results	YoY	Main Points
HS Business	Net sales	4,695	5,367	14.3%	Domestic contract manufacturing business rebounded. Overseas, business in China and Thailand improved despite the impact from adjustments to operations from the resurgence of COVID-19 infections in the ASEAN region. Both net sales and segment income increased for the segment overall, due in part to reducing fixed costs.
	Segment income	133	181	35.3%	
EMS Business	Net sales	6,280	6,441	2.6%	The underlying tone trended toward a rebound in demand. However, the cost of advance investments in locations in Vietnam and Mexico in addition to the impact from COVID-19 infections in ASEAN and North and Central America, and parts and materials shortages pressured profit, resulting in a decline in segment income.
	Segment income	(45)	(78)	—	
PS Business	Net sales	2,749	3,134	14.0%	Both net sales and segment income increased despite the impact of the parts and materials supply shortage on production activities of customers and our company. The growth was due to a rally in demand and the benefits derived from a stronger structure from extensive cost restructuring.
	Segment income	(1)	55	—	
Segment Eliminations	Segment income	(115)	(116)	—	Company-wide expenses attributable to the holding company * These expenses not allocated to the individual segments were due to the migration to a holding company structure and have thus been eliminated from segment profits.
Total	Net sales	13,725	14,944	8.9%	
	Segment income	(29)	40	—	

*HS Business: Human Resource Solution Business; EMS Business: Electronics Manufacturing Service Business; PS Business: Power Supply Business

(For Reference) Financial Performance by Segment: HS Business

Net sales

¥**5,367** million

Up 14.3% YoY

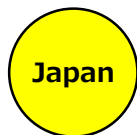
Segment income

¥**181** million

Up 35.3% YoY

[Business Entity]

**Nippon Manufacturing
Service Group**



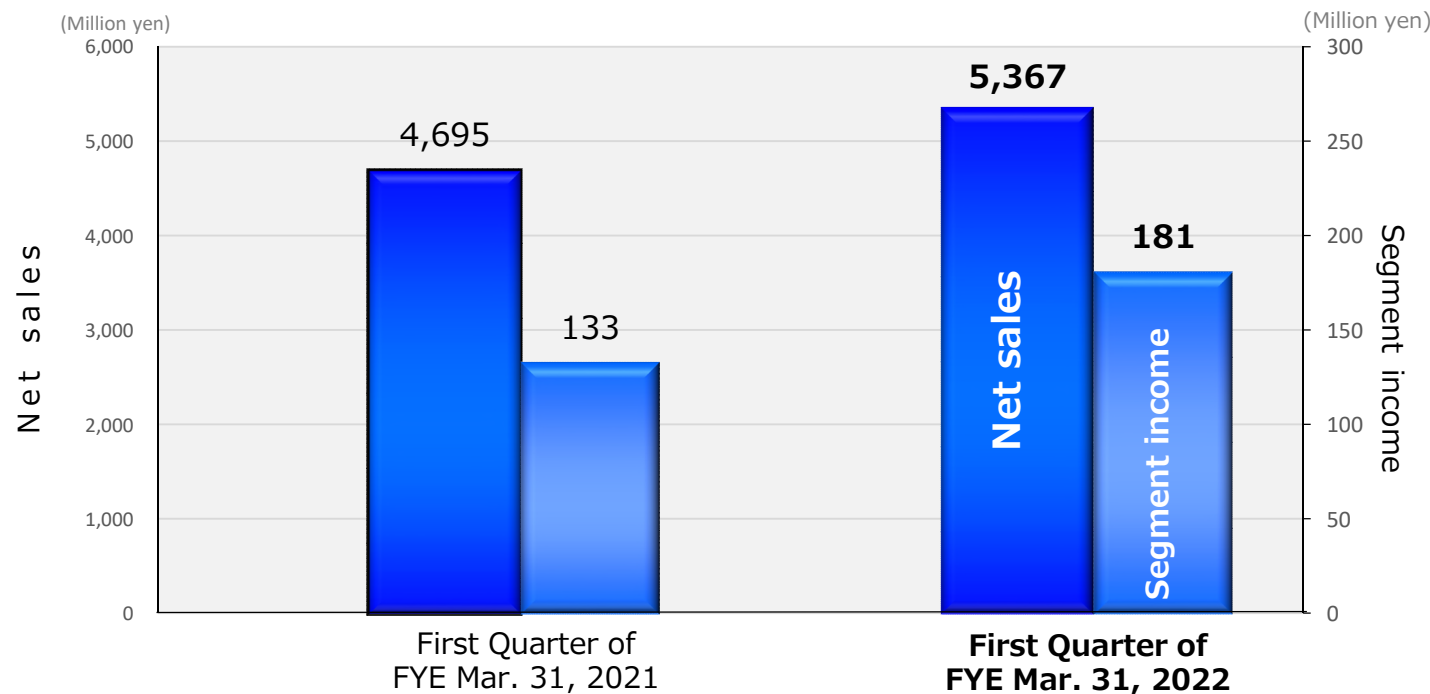
Japan

- Overall profitability of the business segment improved despite the impact from the resurgence in COVID-19 infections and shortages of semiconductors and other parts and materials. The improvement resulted from a rebound in the contract manufacturing business and improvement in net sales, as well as an extensive review of expenses that continued from last fiscal year and efforts to shrink fixed costs in the domestic business overall.
- While the technician dispatch business saw sales limited by the impact from adjustments to operations by corporate customers, the benefits derived from integration of the technician dispatch business in the Group in January 2020 led to growth in segment income.



Overseas

Adjustments to operations and other changes amid the resurgence of COVID-19 infections in the ASEAN region affected overseas business operations. However, the impact from this was minor compared to the first quarter of last fiscal year, and performance improved, particularly in China and Thailand.



(For Reference) Financial Performance by Segment: EMS Business

Net sales

¥6,441 million

Up 2.6% YoY

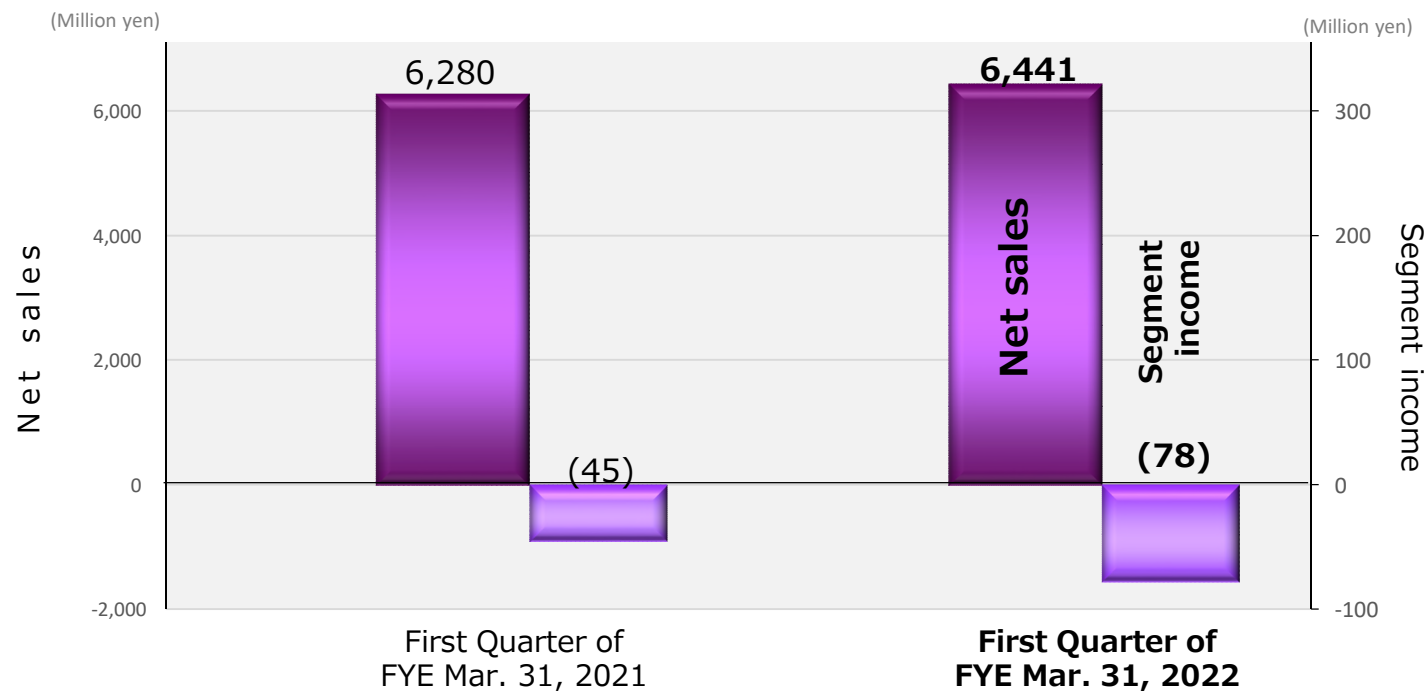
Segment income

(¥78 million)

[Business Entity]

TKR Group

- The EMS Business has global production operations in China, the ASEAN region, and North and Central America. In addition to the impact from lockdowns implemented by Malaysia, Mexico and other countries as a matter of government policy in response to a resurgence of COVID-19 infections in various countries and regions, shortages of parts and materials led to suspension of plant operations and revisions to production plans by customers. Logistics and other aspects of the supply chain also experienced a slowdown and will take more time to rebound.
- On the profit front, we continued to make strategic investments needed as we did last year and the costs of advance investment and other strategic measures at locations in Vietnam and Mexico put downward pressure on profit, resulting in a segment loss.



(For Reference) Financial Performance by Segment: PS Business

Net sales

¥3,134 million

Up 14.0% YoY

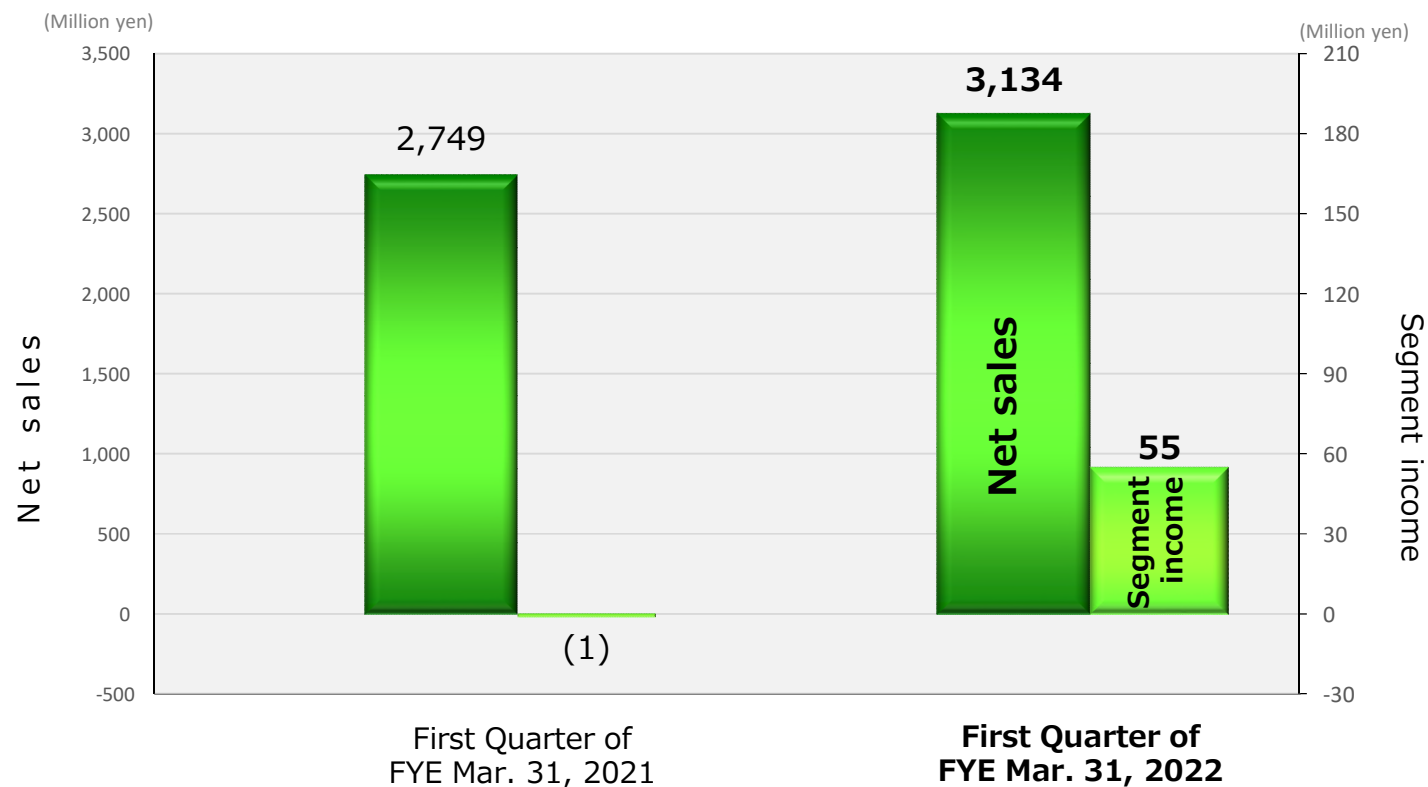
Segment income

¥55 million

[Business Entity]

Power Supply
Technology CO., LTD.

- In the first quarter of last fiscal year, production locations in China were forced to temporarily suspend operations due to the impact from the COVID-19 pandemic and disruptions in the supply chain also occurred, leading to a decline in production. However, the impact from such factors was minor in the first quarter of this fiscal year and the underlying tone trended toward a rebound.
- Despite the impact on production activities of customers and our company due to shortages of parts and materials, the PS Business segment achieved overall growth in net sales and segment income, due in part to the benefits derived from a stronger structure from extensive cost restructuring.



■ Financial Performance Highlights (B/S)

(Million yen)	March 31, 2021	June 30, 2021	Change
Current assets	21,658	21,753	+95
Non-current assets	9,796	10,150	+354
Property, plant and equipment	7,890	8,109	+219
Intangible assets	883	960	+76
Investments and other assets	1,022	1,080	+58
Deferred assets	52	49	(3)
Total assets	31,507	31,953	+446
Total liabilities	26,804	27,043	+238
Current liabilities	17,460	17,824	+363
Non-current liabilities	9,344	9,219	(124)
Total net assets	4,702	4,910	+207
Total liabilities and net assets	31,507	31,953	+446

nms Holdings Corporation

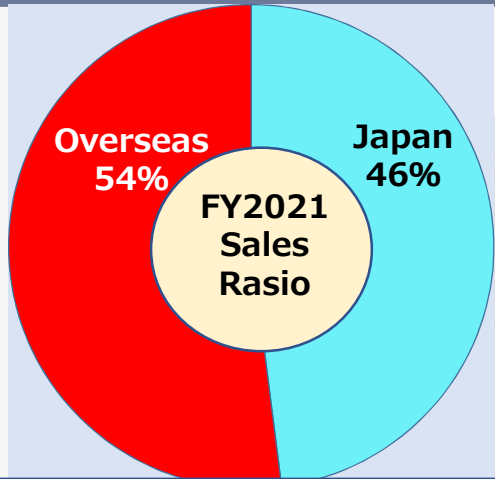
<http://www.n-ms.co.jp/english/>

Head Office	Tokyo Opera City Tower 45F, 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo 163-1445, Japan
Representative	Fumiaki Ono, President and CEO
Capital	500,690,000 yen (as of June 30, 2021)
Stock Exchange Listings	Tokyo Securities Exchange (JASDAQ market) Securities Code 2162
Numbers of employees	13,122 people (as of June 30, 2021)
Business Activities	Integration of group businesses, management of operations, etc. in the Human Resource Solution (HS) Business, Electronics Manufacturing Service (EMS) Business, and Power Supply (PS) Business
Main Consolidated Subsidiaries	Nippon Manufacturing Service Corporation TKR Corporation Power Supply Technology CO., LTD.

Group Company Total

27

(For Reference) nms Holdings Group Overseas Expansion



Integrate the unique characteristics of each business and capture new demand

China (Hong Kong)

HS EMS PS



Sino-Japan Stafftraining and Dispatch Co., Ltd.
Sino Manufacturing Service Corporation
Wuxi office Shenzhen office Shanghai office
Dongguan office Guangzhou office
TKR HUANAN ELECTRONICS CO., LTD (DONG GUAN)
PST HUANAN ELECTRONICS CO., LTD (Foshan)
Shenzhen office Suzhou office

Thailand · Cambodia · Laos

HS PS



nms(Thailand) Co., Ltd.
Power Supply Technology (Thailand) Co., Ltd.



Representative office of nms (Thailand) Co., Ltd.



NMS Lao Sole Co., LTD.



TKR HONG KONG LIMITED
Power Supply Technology (HONG KONG) Co., Limited

Vietnam

HS EMS



NMS INTERNATIONAL RESOURCES CO.,LTD.
NMS VIETNAM CO., LTD.
TKR MANUFACTURING VIETNAM CO., LTD

U.S.A · Mexico

EMS



TKR USA, Inc.



TKR de México S.A. de C.V.

Malaysia

EMS



SHIMA ELECTRONIC INDUSTRY(MALAYSIA)SDN.BHD.
TKR MANUFACTURING (MALAYSIA) SDN. BHD.
TKR PRECISION (MALAYSIA) SDN. BHD.

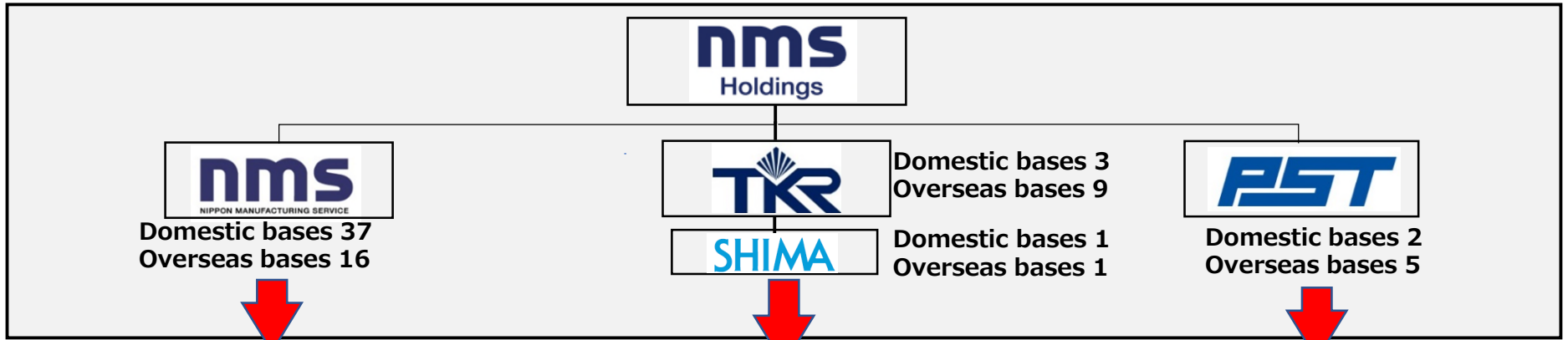


Indonesia

HS

PT. NMS CONSULTING INDONESIA

Bringing Japanese Manufacturing Quality to the World



HS

Human Resource Solution Business

Staff members who are highly knowledgeable about products, manufacturing processes and production sites are taking an active role in each region of Japan, China and ASEAN member countries.

Legal Entity

Nippon Manufacturing Service Corporation

EMS

Electronics Manufacturing Service Business

This business implements total solutions that help customers to improve their competitive strength.

Legal Entity

TKR Corporation
SHIMA ELECTRONIC INDUSTRY CO., LTD.

PS

Power Supply Business

This business offers improved solutions that are a step above the rest with our technical expertise as a dedicated power source manufacturer.

Legal Entity

Power Supply Technology CO., LTD.

(For Reference) nms Holdings Group Business Structure

Main Consolidated Subsidiaries	Countries/ Regions Entered	Main Business Activities
Human Resource Solution Business (HS Business)		
<ul style="list-style-type: none"> • Nippon Manufacturing Service Corporation • nms Logistics and Technical solution Co., Ltd. • nms Engineering Co., Ltd. • Japan Technical Education organization (JATEO) • Sino-Japan Staff training and Dispatch Co., Ltd. • Sino Manufacturing Service Corporation • NMS VIETNAM CO.,LTD. • NMS INTERNATIONAL RESOURCES CO.,LTD. • nms (Thailand) Co., Ltd. • PT. NMS CONSULTING INDONESIA • NMS Lao Sole Co., LTD etc. 	Japan China Vietnam Thailand Laos Indonesia Cambodia	General manufacturing services in Japan and overseas <ul style="list-style-type: none"> • Contract manufacturing business (contracting [on-premises contract manufacturing] and contract manufacturing staffing and recruitment services) • IT production engineering business (staffing and recruitment services) • IT and design development engineering business (staffing, recruitment services and contracting) • Technical service business (various repairs, rework and analysis / general customer services) • Logistics service business (distribution 3PL / flow surface processing / staffing) • Contract education/training after entering Japan for technical interns and business support for companies accepting interns concerning the technical intern training program for foreigners
Electronics Manufacturing Service Business (EMS Business)		
<ul style="list-style-type: none"> • TKR Corporation • TKR HUANAN ELECTRONICS CO.,LTD • TKR Manufacturing (Malaysia) SDN. BHD. • TKR Precision (Malaysia) SDN. BHD. • TKR Manufacturing Vietnam Co., Ltd. • TKR USA, Inc. • TKR de México S.A. de C.V. • SHIMA ELECTRONIC INDUSTRY CO., LTD. etc. 	Japan China Malaysia Vietnam U.S.A. Mexico	<ul style="list-style-type: none"> • Electronics Manufacturing Service business (substrate mounting, substrate assembling, simple pressing, resin molding, assembly, etc.) • Labor-saving Device Manufacturing/Sales business • Energy-saving Device Manufacturing/Sales business • Business initiatives shared with the customer, and design, development and sales efforts related to such • Startup solutions business • 3D Printer business (design, manufacture, sales, repair and maintenance)
Power Supply Business (PS Business)		
<ul style="list-style-type: none"> • Power Supply Technology CO., LTD. • PST Huanan Electronics (Foshan) Co., Ltd. • Power Supply Technology (Thailand) Co., Ltd. • Power Supply Technology (Hong Kong) Co., Limited 	Japan China Hong Kong (China) Thailand	<ul style="list-style-type: none"> • Custom power supply (switching and high-voltage): development, design, manufacturing, sales • Magnet roll: development, design, manufacturing, sales • A wide variety of transformers (switching/high-voltage transformers): development, design, manufacturing, sales • Development, design, manufacture and sale of battery management system related products

None of the information in these materials constitutes a solicitation to purchase or sell shares in nms Holdings Corporation.

The financial forecasts and other forward-looking statements in these materials are based on information available at the time these materials were produced as well as certain assumptions deemed reasonable by the company. Actual results may differ substantially due to various risks and uncertainties.

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