

# nms Holdings Corporation

## Overview of Consolidated Financial Results

### for the First Quarter of Fiscal Year Ending March 31, 2023

- Demand in every business was firm despite the impact from the lockdown in China, resulting in YoY growth in net sales.
- Continuing large increases in distribution costs on top of the impact on local operations from the lockdown in China, the slowdown in logistics, parts shortages and steep price increases on parts and materials put pressure on profits and resulted in an operating loss.
- While we expect resolution of the parts shortages and rise in raw material and distribution costs to take some time, continuing robust demand leads us to anticipate continued firm demand for the nms Group overall going forward.
- We will continue initiatives directed at securing sales in each business and will steadily implement extensive measures to strengthen the business base and improve performance.

(Million yen)	First Quarter of FYE Mar. 31, 2022 Results	First Quarter of FYE Mar. 31, 2023 Results	
		Results	Main Points
Net sales	14,944	16,444	[Non-operating income/expenses] Non-operating income: ¥359 million (Down ¥65 million YoY) Non-operating expenses: ¥131 million (Up ¥67 million YoY)  [Extraordinary income/losses] Extraordinary income: ¥0 million (Down ¥0 million YoY) Extraordinary losses: ¥10 million (Down ¥168 million YoY)
Operating income	40	(249)	
Ordinary income	402	(21)	
Profit attributable to owners of parent	75	(138)	
EBITDA	413	77	

# Financial Performance Highlights by Segment

(Million yen)		First Quarter of FYE Mar. 31, 2022 Results	First Quarter of FYE Mar. 31, 2023 Results		
			Results	YoY	Main Points
<b>HS Business</b>	Net sales	<b>5,367</b>	<b>5,706</b>	6.3%	Despite the impact on operations from the lockdown in China and increase in recruiting and other expenses, demand was firm overall. The number of engineers registered overseas expanded, the positive effects from measures to strengthen the business base also emerged, and performance improved in Vietnam and Thailand.
	Segment Income (loss)	<b>181</b>	<b>143</b>	(20.8%)	
<b>EMS Business</b>	Net sales	<b>6,441</b>	<b>7,426</b>	15.3%	New orders in China and the commencement of mass production in Vietnam resulted in growth in net sales. However, profits were pressured by production cuts and postponement of production plans by customers due to the lockdown in China and parts shortages. These factors, combined with the steep price increase on parts and rising distribution costs, resulted in a segment loss.
	Segment Income (loss)	<b>(78)</b>	<b>(214)</b>	—	
<b>PS Business</b>	Net sales	<b>3,134</b>	<b>3,311</b>	5.6%	The impact from the lockdown in China, difficulty procuring parts and steep price increases, and the slowdown in logistics and increase in distribution costs resulted in a substantial segment loss. However, demand is trending at a high level. We expect demand to remain high in the future and will pursue price correction and work to secure profit.
	Segment income (loss)	<b>55</b>	<b>(42)</b>	—	
<b>Segment Eliminations</b>	Segment income (loss)	<b>(116)</b>	<b>(136)</b>	—	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.
<b>Total</b>	Net sales	<b>14,944</b>	<b>16,444</b>	10.0%	
	Segment income	<b>40</b>	<b>(249)</b>	—	

\*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

Japan

- Demand was firm and led to YoY growth in net sales, despite the impact from COVID-19 pandemic and parts shortages related to semiconductors and other segments.
- We worked to improve the profitability by implementing measures to expand the business base including the cost-to-sales ratio improvement, stronger management to maintain appropriate SG&A expenses, despite the impact on segment income from recruiting-related expenses and other advance investments to expand the scale of business.

Overseas

Although the lockdown in China did impact business, performance showed signs of improvement, particular in Vietnam and Thailand, owing to the positive effects from increased number of engineers registered as well as measures to strengthen the business.

## Net sales

¥5,706 million

Up 6.3% YoY

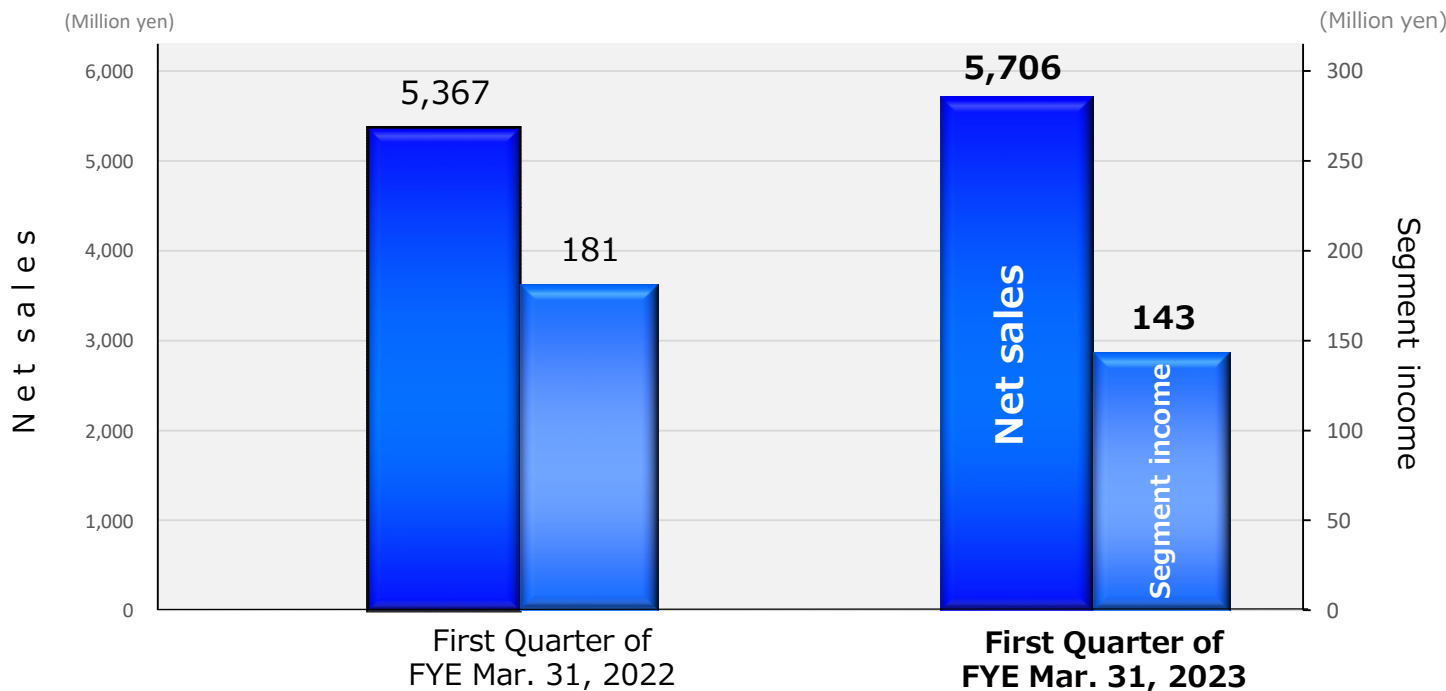
## Segment income

¥143 million

Down 20.8% YoY

[Business Entity]

Nippon Manufacturing Service Group



# (For Reference) Financial Performance by Segment: EMS Business

**Net sales**

**¥7,426 million**

Up 15.3% YoY

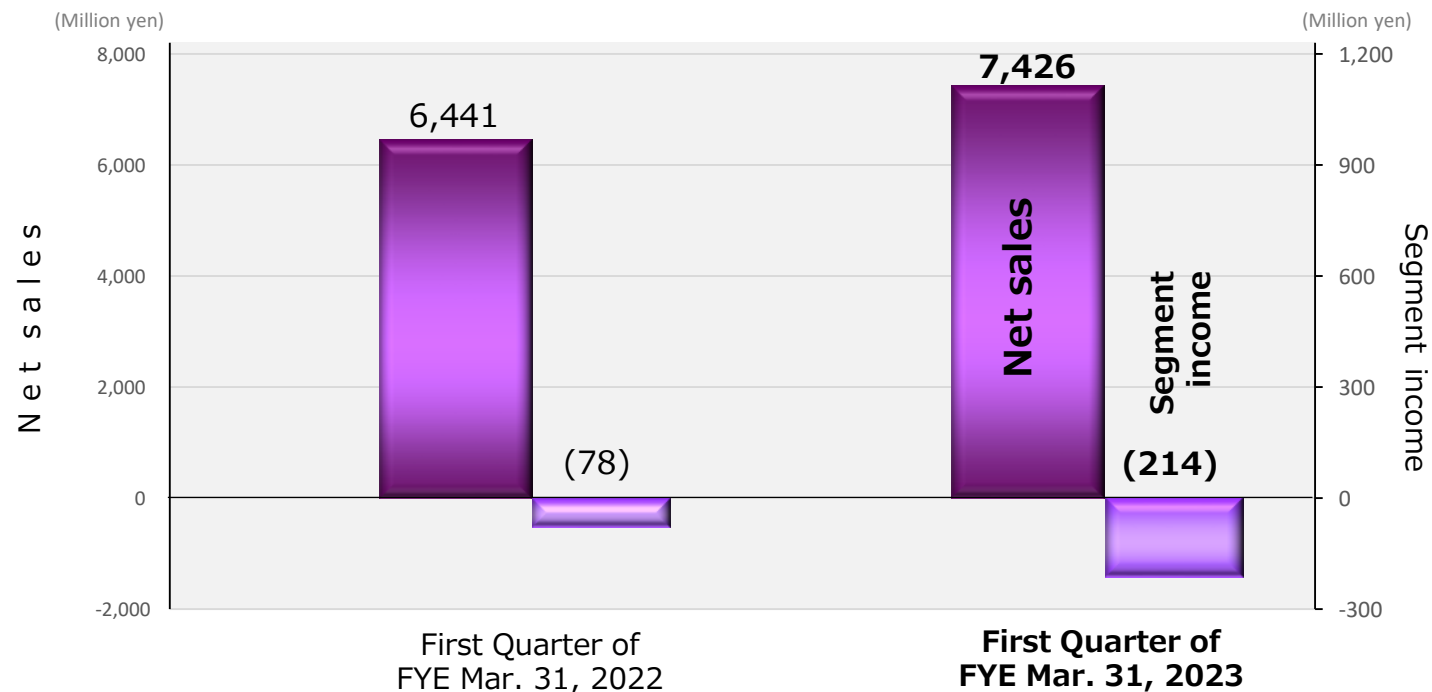
**Segment  
loss**

**(¥214 million)**

[Business Entity]

TKR Group

- The EMS Business has production operations in China, ASEAN countries, and North and Central America. While there were lingering impacts from lockdowns due to government policies in each country, shortages of parts, and other factors due to the resurgence of COVID-19 infections, new product orders in China, the launch of mass production in Vietnam, and other efforts to expand the business base led to YoY growth in net sales.
- On the profit front, a segment loss resulted from pressure on profits from production cuts and postponement of production plans by customers due to parts shortages, continuing steep price increases on parts and materials, and rising distribution costs.



# (For Reference) Financial Performance by Segment: PS Business

**Net sales**

**¥3,311 million**

Up 5.6% YoY

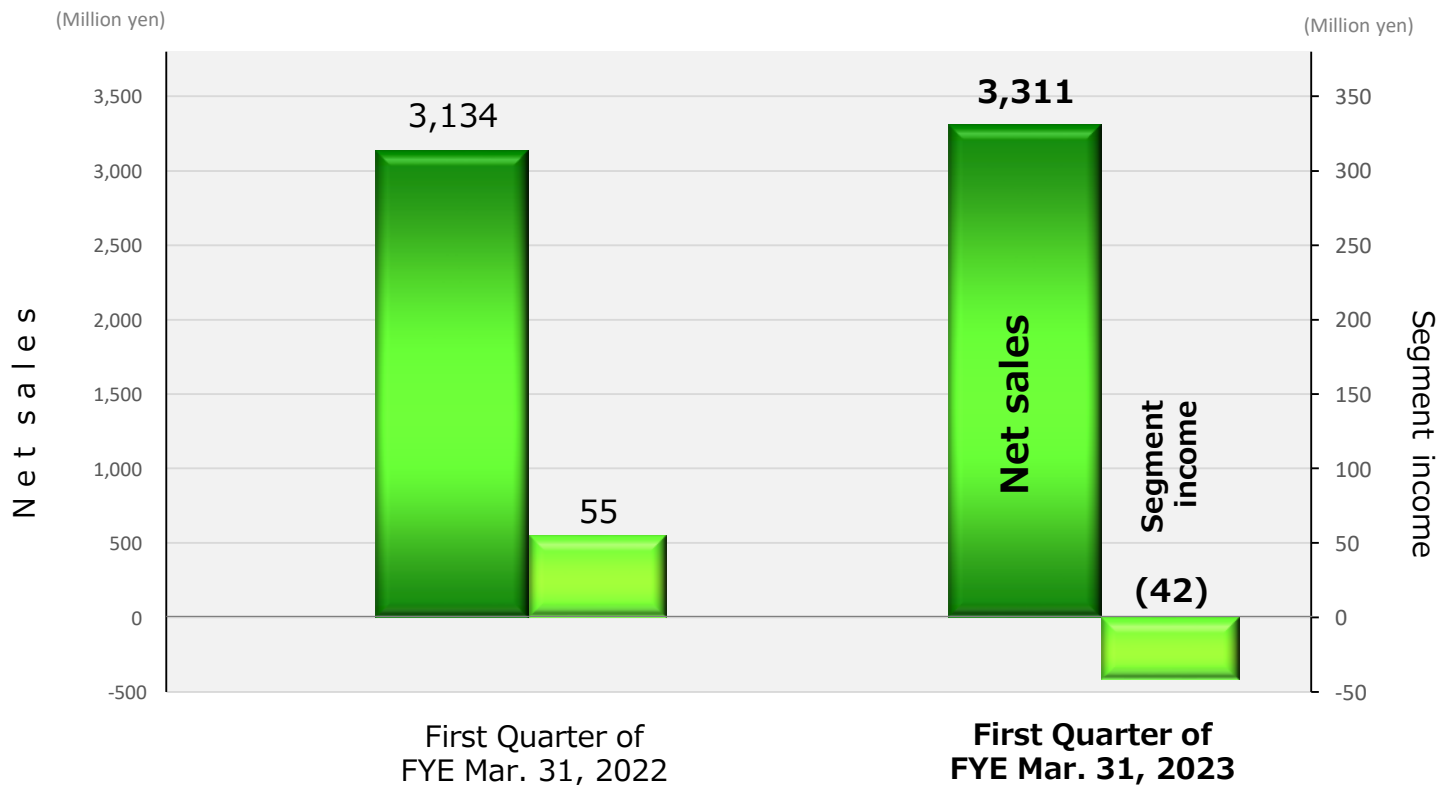
**Segment  
loss**

**(¥42 million)**

[Business Entity]

Power Supply  
Technology CO., LTD.

- Production adjustment by customers due to disruptions in the supply chain and parts shortages, on top of the impact from COVID-19 pandemic, including the lockdown in China, continued.
- There was pressure on profits due to the impact from difficulty in procuring parts, steep price increases on parts and materials, including secondary materials, and rising distribution costs. However, demand remains at a high.



# ■ Financial Performance Highlights (B/S)

(Million yen)	FYE Mar. 31, 2022 (March 31, 2022)	First Quarter of FYE Mar. 31, 2023 June 30, 2022	Change
Current assets	26,349	27,945	1,596
Non-current assets	8,453	9,040	586
Property, plant and equipment	6,697	7,253	556
Intangible assets	722	706	(15)
Investments and other assets	1,033	1,080	46
Deferred assets	39	36	(3)
Total assets	34,842	37,022	2,179
Total liabilities	32,148	34,496	2,348
Current liabilities	26,333	28,711	2,377
Non-current liabilities	5,814	5,784	(29)
Total net assets	2,693	2,525	(168)
Total liabilities and net assets	34,842	37,022	2,179

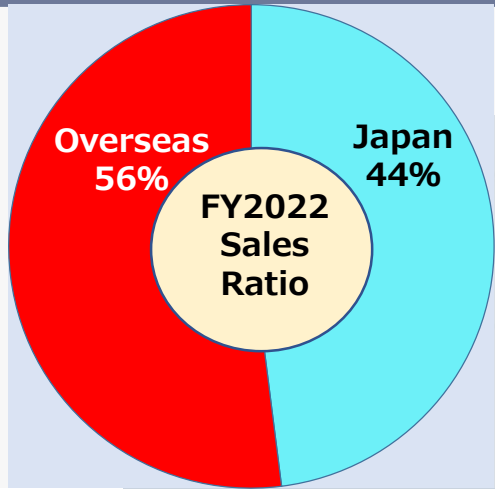
## nms Holdings Corporation

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

<b>Head Office</b>	<b>Tokyo Opera City Tower 45F, 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo 163-1445, Japan</b>
<b>Representative</b>	<b>Fumiaki Ono, President and CEO</b>
<b>Capital</b>	<b>500,690,000 yen (as of June 30, 2022)</b>
<b>Stock Exchange Listings</b>	<b>Tokyo Securities Exchange (Standard market) Securities Code 2162</b>
<b>Number of group employees</b>	<b>14,023 people (as of June 30, 2022)</b>
<b>Business Activities</b>	<b>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</b>
<b>Main Consolidated Subsidiaries</b>	<b>Nippon Manufacturing Service Corporation TKR Corporation Power Supply Technology Co., Ltd.</b>

**Group Company Total**  
**25**

# (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.



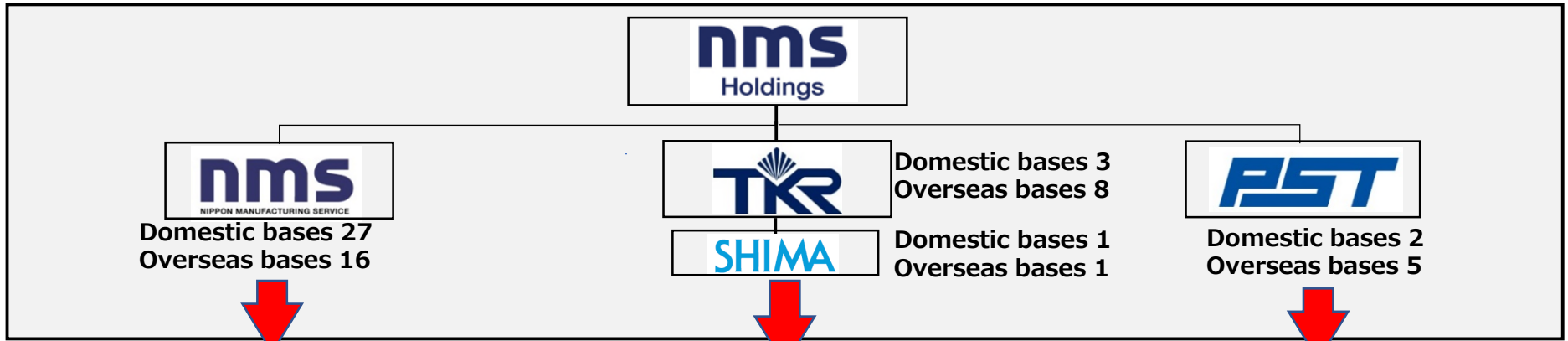
## Indonesia

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

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.

nms Holdings Corporation does not make any recommendations, warranties, etc. concerning the information contained in these materials, and accepts no liability whatsoever for any damages incurred.

Contact for inquiries:  
nms Holdings Corporation  
Corporate Communications & IR Dept.  
Tel: +81-3-5333-1737  
E-mail: [nms-ir@n-ms.co.jp](mailto:nms-ir@n-ms.co.jp)

