

nms Holdings Corporation

Overview of Consolidated Financial Results

for the Third Quarter of Fiscal Year Ending March 31, 2023

- Net sales increased and operating income also saw high YoY growth despite the impact of the lockdown in China on operations, the steep rise in parts and material prices, rising distribution costs, and other factors up to the second quarter. This growth resulted from the efforts of each business to secure sales and implement extensive measures to strengthen the business base, as well as action by customers to restore production levels from the third quarter onward.
- Improvement in operating income and a foreign exchange gain led to growth in both ordinary income and profit attributable to owners of parent, improving results.
- All businesses are steadily implementing measures aimed at next fiscal year amid the persistent severe business environment caused by the COVID-19 pandemic, steep rise in parts and material prices, and other factors. We anticipate continued strong performance and therefore expect substantial improvement full-year results compared to the previous fiscal year.

(Million yen)	Third Quarter FYE Mar. 31, 2022 Results (Apr. to Dec. 2021)	Third Quarter FYE Mar. 31, 2023 Results (Apr. to Dec. 2022)					YoY	Main Points
		1st Quarter	2nd Quarter	3rd Quarter	Total			
Net sales	45,741	16,444	19,374	21,493	57,311	25.3%	[Non-operating income/expenses] Non-operating income: ¥1,017 million (Up ¥492 million YoY) Non-operating expenses: ¥373 million (Up ¥133 million YoY) [Extraordinary income/losses] Extraordinary income: ¥1 million (Down ¥57 million YoY) Extraordinary losses: ¥34 million (Down ¥282 million YoY)	
Operating income	(628)	(249)	12	750	513	—		
Ordinary income	(343)	(21)	447	730	1,156	—		
Profit attributable to owners of parent	(744)	(138)	267	527	656	—		
EBITDA	516	77	374	1,100	1,552	—		

Financial Performance Highlights by Segment

(Million yen)		Third Quarter FYE Mar. 31, 2022 Results (Apr. to Dec. 2021)	Third Quarter FYE Mar. 31, 2023 Results (Apr. to Dec. 2022)					YoY	Main Points
			1st Quarter	2nd Quarter	3rd Quarter	Total	YoY		
HS Business	Net sales	16,404	5,706	5,800	5,798	17,305	5.5%	<ul style="list-style-type: none"> Progress on measures implemented to strengthen the business base improved profitability despite the lingering impact from the pandemic and parts shortages. There was YoY growth in both net sales and segment income due to an increase in the number of engineers registered and improvement in the profitability of the contracting business overseas. 	
	Segment Income	353	143	327	238	709	100.9%		
EMS Business	Net sales	20,307	7,426	9,584	10,608	27,618	36.0%	<ul style="list-style-type: none"> Demand was firm despite the lingering cumulative losses stemming from production cuts by customers and the steep rise in parts and material prices up to the second quarter. The EMS business returned to profitability from the third quarter, due in part to improvements in productivity and cost restructuring. We expect the business to record a profit for full year. 	
	Segment Income	(495)	(214)	(46)	244	(15)	–		
PS Business	Net sales	9,029	3,311	3,989	5,086	12,387	37.2%	<ul style="list-style-type: none"> Demand was firm, owing to action by customers to restore production levels. Net sales and segment income both increased owing to steady efforts to maintain stable production and implement measures to secure sales and profit. On the profit front, this included revising selling prices to cover the steep rise in parts and material prices and expanding procurement sources for parts and materials. 	
	Segment Income	(137)	(42)	(152)	380	185	–		
Segment Eliminations	Segment Income	(348)	(136)	(115)	(113)	(366)	–	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 incomes.	
Total	Net sales	45,741	16,444	19,374	21,493	57,311	25.3%		
	Segment Income	(628)	(249)	12	750	513	–		

*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

¥17,305 million

Up 5.5% YoY

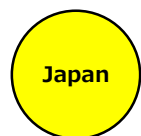
Segment Income

¥709 million

Up 100.9% YoY

[Business Entity]

Nippon Manufacturing
Service Group



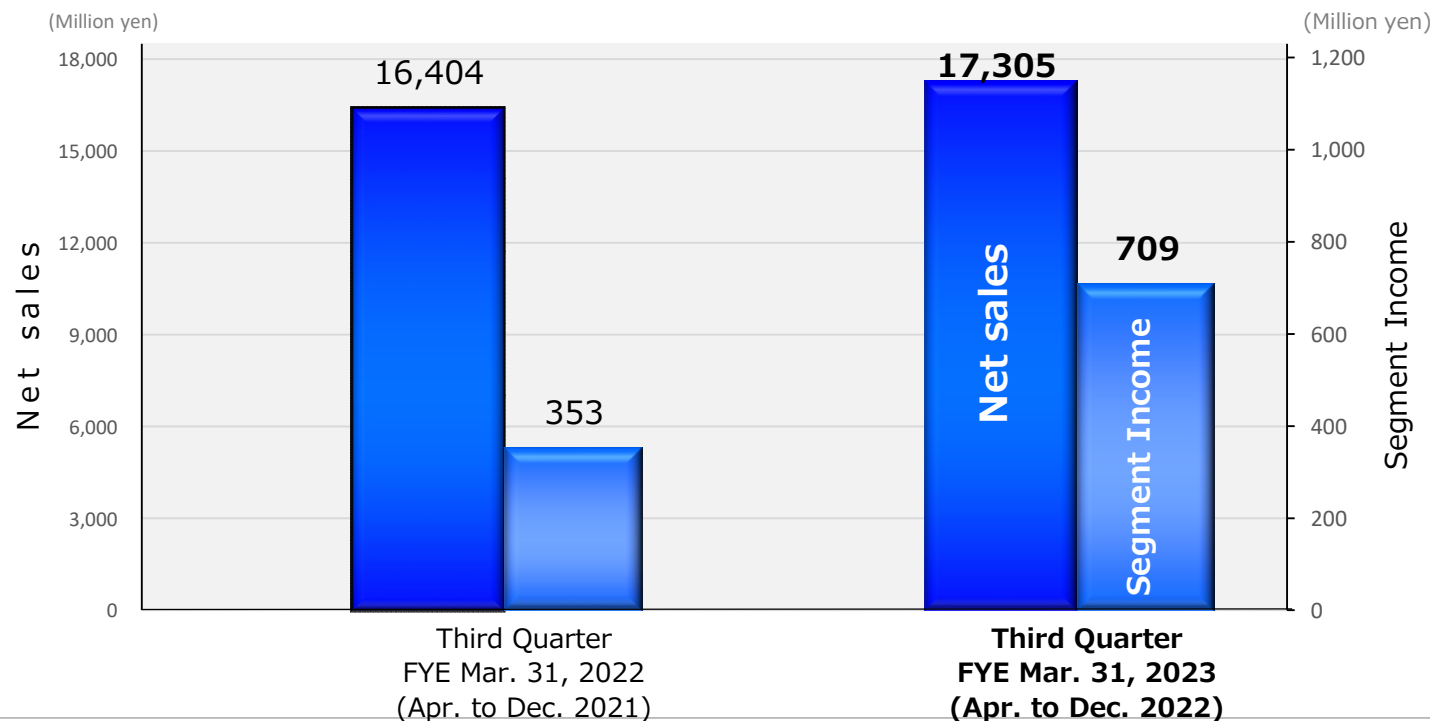
Japan

- Demand was firm and led to YoY growth in net sales and segment income, despite the impact on operations from the COVID-19 pandemic and parts shortages related to semiconductors and other segments.
- We continue to work on improving profitability by implementing measures to strengthen the business base, including improving the cost-to-sales ratio in existing transactions and stronger management to maintain appropriate SG&A expenses.



Overseas

Although the lock down in China did impact business, overall performance improved, owing to the positive effects from increased number of engineers registered overseas and the benefit from improvement in the profit margin in the contracting business in Vietnam.



(For Reference) Financial Performance by Segment: EMS Business

Net sales

¥27,618 million

Up 36.0% YoY

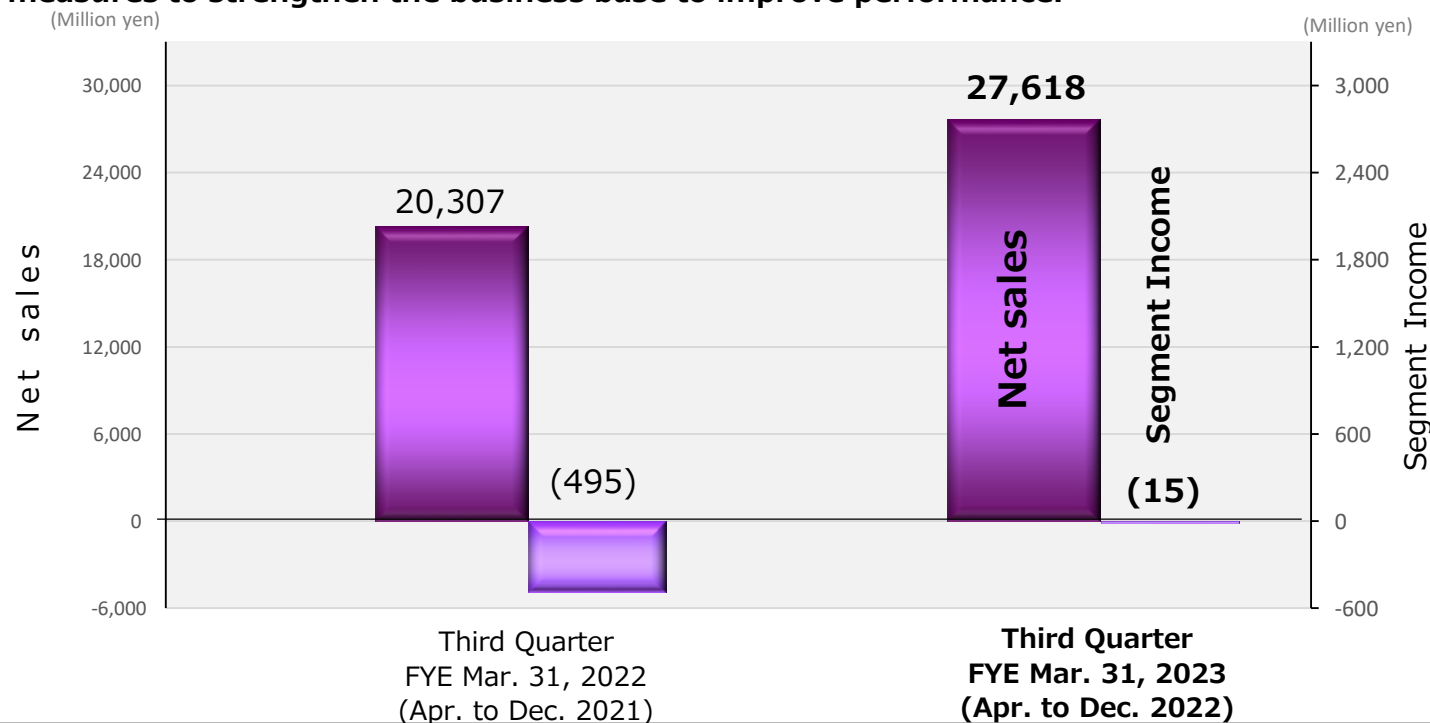
**Segment
income**

(¥15 million)

[Business Entity]

TKR Group

- The EMS Business has production operations in China, ASEAN countries, and North America. There were lingering impacts from the lockdowns due to government policies in each country, shortages of parts, and other factors due to the resurgence of COVID-19 infections. However, firm demand, 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, benefits from improvements in productivity and cost restructuring led to improvement in profit. However, the segment still posted a loss due to production cuts by customers and higher manufacturing costs stemming from the steep rise in parts and material prices in the North America EMS business.
- The North America business is a strategic measure accompanying expansion of market domains and inquiries from customers are also increasing so we are implementing measures to strengthen the business base to improve performance.



(For Reference) Financial Performance by Segment: PS Business

Net sales

¥12,387 million

Up 37.2% YoY

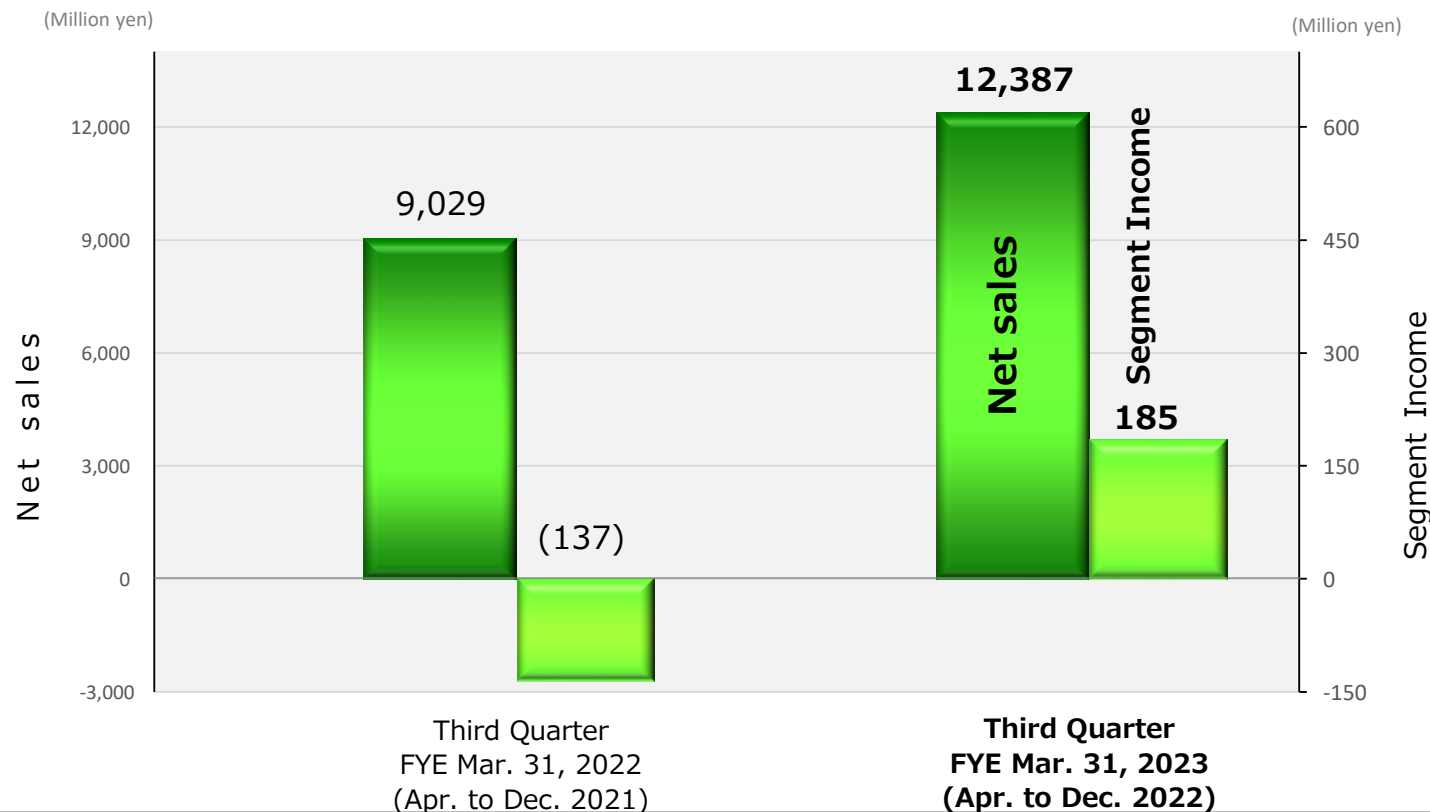
Segment Income

¥185 million

[Business Entity]

Power Supply
Technology CO., LTD.

- The impact on operations from the lockdown in China, disruptions in the supply chain, parts shortages, and the steep rise in parts and material prices caused by the COVID-19 pandemic persisted. However, the situation improved from the third quarter as parts shortages eased, customers acted to restore production levels, and foreign exchange rates improved, leading to growth in net sales.
- Segment income increased YoY owing to steady efforts to maintain stable production and implement measures to secure sales and profit. This included revising selling prices to cover the steep rise in parts and material prices and expanding procurement sources for parts and materials, in addition to the growth in net sales.



■ Financial Performance Highlights (B/S)

(Million yen)	FYE Mar. 31, 2022 (March 31, 2022)	Third Quarter of FYE Mar. 31, 2023 (Dec 31, 2022)	Change
Current assets	26,349	32,639	6,290
Non-current assets	8,453	9,667	1,213
Property, plant and equipment	6,697	7,805	1,107
Intangible assets	722	701	(20)
Investments and other assets	1,033	1,160	126
Deferred assets	39	29	(9)
Total assets	34,842	42,336	7,494
Total liabilities	32,148	39,021	6,872
Current liabilities	26,333	33,175	6,841
Non-current liabilities	5,814	5,845	31
Total net assets	2,693	3,315	621
Total liabilities and net assets	34,842	42,336	7,494

■ Full-year Earnings Forecasts for Fiscal Year Ending March 31, 2023 (announced Jan. 30, 2023) and Dividend Forecast (announced Feb. 13, 2023)

- We forecast substantial YoY growth in both net sales and profit despite the impact of the lockdown in China on operations, the steep rise in parts and material prices, rising distribution costs, and other factors up to the second quarter. This growth will result from efforts by each business to secure sales and make steady progress on extensive measures to strengthen the business base, as well as action by customers to restore production levels from the third quarter onward.
- Each business segment is steadily implementing measures to access new areas and new markets and expand procurement sources for parts and materials for next fiscal year, in addition to achieving efficiencies by strengthening the business base. We expect the strong performance to continue.
- After collective consideration of consolidated performance in fiscal year ending Mar. 31, 2023 and the business environment, we revised our year-end dividend forecast from five yen per share to six yen per share, increasing the year-end dividend by one yen.
- We also plan to formulate a new medium-term business plan for the next three years, beginning in FY2023 (ending March 31, 2024), and intend to monitor changes in the business environment and disclose the new plan at the proper time. Our goal is to secure net sales and profit while sowing seeds of growth for the Group as a whole.

(Million yen)	FYE Mar. 31, 2021 Results	FYE Mar. 31, 2022 Results	FYE Mar. 31, 2023 Forecasts	vs. FYE Mar. 31, 2022
Net sales	54,856	63,277	79,000	24.8%
Operating income	689	(361)	1,200	+1,561
Ordinary income	158	122	1,100	+978
Profit attributable to owners of parent	(735)	(1,980)	300	+2,280
Dividends per share (Year-end dividends)	¥4	¥5	¥6	

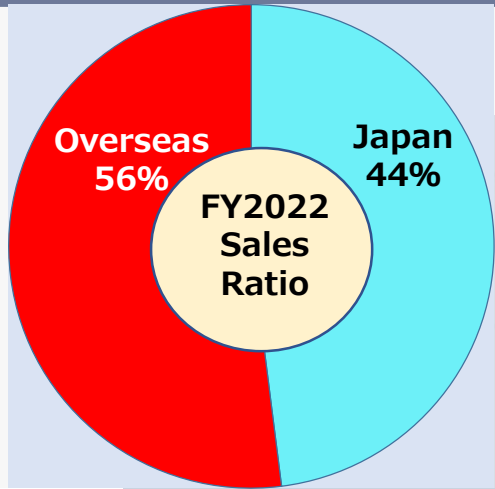
nms Holdings Corporation

<https://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 December 31, 2022)
Stock Exchange Listings	Tokyo Securities Exchange (Standard market) Securities Code 2162
Number of group employees	14,033 people (as of December 31, 2022)
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
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 Suzhou 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.

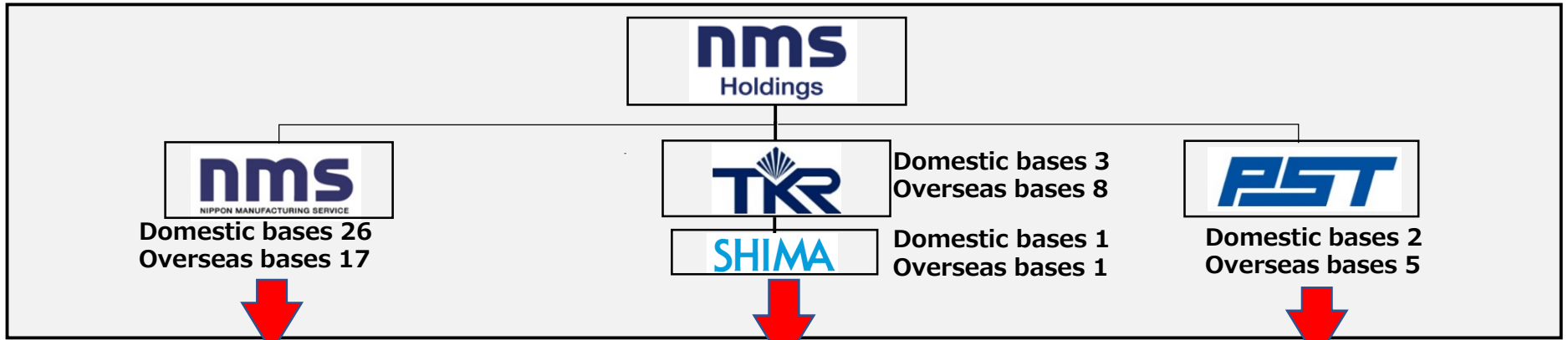


Indonesia

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 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) • 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 • Technical service business (various repairs, rework and analysis / general customer services)
Electronics Manufacturing Service Business (EMS Business)		
<ul style="list-style-type: none"> • TKR Corporation • TKR Huanan Electronics (Dongguan) 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 (Malaysia) Sdn. Bhd. 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.

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

