

## Consolidated Financial Results (Japanese Accounting Standards) for the First Half of Fiscal Year Ending March 31, 2023

November 14, 2022

**Listed Company** nms Holdings Corporation (nms HD)

Listings: Tokyo Stock Exchange

Securities code 2162 URL <https://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 14, 2022

Scheduled date of commencement of dividend payment: —

Supplementary Documents for Quarterly Financial Results: Yes

Quarterly Financial Results Briefing: Yes

(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, 2023 (April 1, 2022 – September 30, 2022)

#### (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 FY03/2023	35,818	17.7	(236)	—	426	731.7	129	—
1H FY03/2022	30,430	16.8	(237)	—	51	—	(282)	—

Note: Comprehensive income 1H FY03/2023 220 million yen (-%) 1H FY03/2022 (66) million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
1H FY03/2023	8.30	—
1H FY03/2022	(16.89)	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1H FY03/2023	40,987	2,836	6.9
FY03/2022	34,842	2,693	7.7

Reference: Shareholders' equity 1H FY03/2023 2,826 million yen FY03/2022 2,685 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
FY03/2022	—	0.00	—	5.00	5.00
FY03/2023	—	0.00			
FY03/2023 (forecast)			—	5.00	5.00

Note: Revision of the latest released dividend forecast: None

### 3. Consolidated forecasts for year ending March 2023 (April 1, 2022 to March 31, 2023)

(% 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	78,000	23.3	800	—	650	429.0	250	—	16.08

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 FY03/2023	21,611,000shares	FY03/2022	21,611,000shares
1H FY03/2023	6,067,959shares	FY03/2022	6,067,959shares
1H FY03/2023	15,543,041shares	1H FY03/2022	16,713,574shares

\* Quarterly financial statements are not subject to quarterly reviews by certified accountants or audit corporations

\* 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.

(Availability of the supplementary documents for financial results)

We plan to hold an online financial results briefing for institutional investors and analysts on November 24, 2022.

The supplementary materials for financial results will be posted on our website.

#### 4. Consolidated financial statements

##### (1) Consolidated balance sheet

(Thousand yen)

	FY03/2022 (March 31,2022)	1H FY03/2023 (September 30,2022)
<b>Assets</b>		
Current assets		
Cash and deposits	5,131,886	4,084,733
Notes, accounts receivable - trade and contract assets	11,735,694	12,903,397
Finished goods	1,287,937	1,338,047
Work in process	699,212	934,110
Raw materials and supplies	6,132,170	10,464,220
Others	1,373,328	1,669,840
Allowance for doubtful accounts	(11,081)	(13,158)
Total current assets	26,349,148	31,381,191
Non-current assets		
Property, plant and equipment		
Land	953,021	953,021
Other, net	5,744,321	6,792,855
Total property, plant and equipment	6,697,342	7,745,877
Intangible assets		
Other	722,073	696,325
Total intangible assets	722,073	696,325
Investment and other assets		
Other	1,033,877	1,130,826
Total investments and other accounts	1,033,877	1,130,826
Total non-current assets	8,453,293	9,573,028
Deferred assets		
Bond issuance cost	39,663	33,053
Total deferred assets	39,663	33,053
Total assets	34,842,105	40,987,273
<b>Liability</b>		
Current liability		
Notes and accounts payable - trade	5,230,005	8,699,797
Short-term loans payable	16,324,883	18,800,777
Accounts payable - other	2,239,346	2,118,938
Income tax payable	185,357	274,403
Accrued consumption taxes	371,190	334,051
Provision for bonuses	455,422	642,623
Other	1,527,630	1,631,394
Total current liabilities	26,333,836	32,501,986
Non-current liabilities		
Bonds payable	2,000,000	2,000,000
Long-term loans payable	2,853,065	2,631,476
Deferred tax liability	66,339	70,377
Non defined benefit liabilities	317,143	340,144
Other	577,731	606,948
Total non-current liabilities	5,814,278	5,648,947
Total liabilities	32,148,115	38,150,933

	(Thousand yen)	
	FY03/2022 (March 31,2022)	1H FY03/2023 (September 30,2022)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	554,842	554,842
Retained earnings	3,439,757	3,491,116
Treasury shares	(1,310,407)	(1,310,407)
Total shareholders' equity	3,184,883	3,236,242
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(7,851)	(8,347)
Foreign currency translation adjustment	(491,954)	(401,054)
Total other accumulated comprehensive income	(499,805)	(409,402)
Non-controlling interests	8,912	9,500
Total net assets	2,693,990	2,836,339
Total liabilities and net assets	34,842,105	40,987,273

**(2) Quarterly consolidated statements of income/quarterly consolidated statement of comprehensive income**  
**(Quarterly consolidated statements of income) (1H FY03/2023)**

(Thousand yen)

	1H FY03/2022 (From April 1, 2021 to September 30, 2021)	1H FY03/2023 (From April 1, 2022 to September 30, 2022)
Net sales	30,430,024	35,818,606
Cost of sales	27,170,332	32,532,980
Gross profit	3,259,691	3,285,625
Selling, general and administrative expenses		
Salaries and bonuses	1,419,613	1,300,684
Provision for bonuses	125,551	119,003
Other	1,952,004	2,102,743
Total selling, general and administrative expenses	3,497,169	3,522,431
Operating income	(237,477)	(236,805)
Non-operating income		
Interest income	7,695	6,871
Foreign exchange gains	363,476	828,075
Other	52,876	48,832
Total non-operating income	424,048	883,779
Non-operating expenses		
Interest expenses	100,276	135,166
Amortization of bond issuance cost	6,610	6,610
Foreign withholding tax	2,275	3,354
Other	26,094	75,079
Total non-operating expenses	135,257	220,210
Ordinary income	51,313	426,762
Extraordinary income		
Gain on sales of non-current assets	57,573	924
Total extraordinary income	57,573	924
Extraordinary losses		
Loss on disposal of property	392	1,878
Business structure improvement expenses	161,449	—
Loss on COVID-19	62,296	26,090
Total extraordinary losses	224,138	27,968
Income before income taxes	(115,251)	399,718
Income taxes	167,190	270,644
Net income/loss ( - )	(282,441)	129,073
Profit attributable to owners of parent	(136)	(0)
Profit/Loss ( - ) attributable to owners of parent	(282,305)	129,073

**(Quarterly consolidated statement of comprehensive income)**

**(1H FY03/2023)**

(Thousand yen)

	1H FY03/2022 (From April 1, 2021 to September 30, 2021)	1H FY03/2023 (From April 1, 2022 to September 30, 2022)
Net income/loss ( - )	(282,441)	129,073
Other comprehensive income/loss ( - )		
Valuation difference on available-for-sale securities	589	(496)
Foreign currency translation adjustment	214,874	91,955
Total other comprehensive income/loss ( - )	215,463	91,459
Comprehensive income/loss ( - )	(66,978)	220,532
Comprehensive income attributable to		
Comprehensive income/loss ( - ) attributable to owners of parent	(67,147)	219,476
Comprehensive income/loss ( - ) attributable to non-controlling interests	169	1,055

**(3) Quarterly consolidated statement of cash flows**

(Thousand yen)

	1H FY03/2022 (From April 1, 2021 to September 30, 2021)	1H FY03/2023 (From April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Income before income taxes	(115,251)	399,718
Depreciation	764,586	689,293
Increase (decrease) in allowance for doubtful accounts	(188)	2
Increase (decrease) in provision for bonuses	99,067	158,738
Increase (decrease) in net defined benefit liability	8,092	2,576
Interest and dividend income	(7,695)	(6,871)
Interest expenses	100,276	135,166
Amortization of bond issuance cost	6,610	6,610
Foreign exchange losses (gains)	(293,042)	(609,826)
Loss on retirement of non-current assets	392	1,878
Loss (gain) on sales of fixed assets	(57,573)	(924)
Business structure improvement expenses	161,449	—
Loss on COVID-19	62,296	26,090
Decrease (increase) in notes and accounts receivable - trade	(301,989)	(70,452)
Decrease (increase) in accounts receivable-other	(28,996)	(71,705)
Decrease (increase) in inventories	(916,913)	(3,475,902)
Decrease (increase) in advances paid	(98,425)	1,605
Increase (decrease) in notes and accounts payable - trade	624,609	2,303,213
Increase (decrease) in accounts payable - other	(28,204)	(330,329)
Increase (decrease) in accrued expenses	(6,600)	(52,443)
Increase (decrease) in accrued consumption taxes	(26,659)	(69,516)
Increase (decrease) in deposits received	(101,529)	7,270
Increase (decrease) in Long-term accounts payable	(14,609)	16,393
Increase (decrease) in other non-current liabilities	(145,807)	50,524
Other	122,734	245,954
Subtotal	(193,370)	(642,935)
Interest and dividend income received	6,331	31,212
Interest expenses paid	(103,371)	(130,722)
Income taxes paid	(191,573)	(171,363)
Income taxes refund	120,790	28,449
Business structure improvement expenses paid	(161,449)	—
Proceeds from subsidies for employment adjustment	23,991	52,700
Payments for loss on COVID-19	(84,583)	(27,521)
Net cash provided by (used in) operating activities	(583,235)	(860,180)

(Thousand yen)

	1H FY03/2022 (From April 1, 2021 to September 30, 2021)	1H FY03/2023 (From April 1, 2022 to September 30, 2022)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(4,926)	(14,580)
Proceeds from withdrawal of time deposits	4,812	5,603
Purchase of property, plant and equipment	(553,624)	(1,071,536)
Proceeds from sales of property, plant and equipment	377,270	934
Purchase of intangible assets	(133,394)	(36,560)
Payments for lease and guarantee deposits	(10,528)	(18,028)
Proceeds from collection of lease and guarantee deposits	4,130	23,703
Decrease (increase) in short-term loans receivable	—	20,000
Payments of long-term loans receivable	—	9,042
Other	(30,168)	(7,048)
Net cash provided by (used in) investing activities	(346,429)	(1,088,469)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	1,157,767	1,073,544
Proceeds from long-term loans payable	300,000	80,000
Repayments of long-term loans payable	(354,944)	(435,102)
Repayments of finance lease obligations	(157,853)	(119,047)
Repayments of installment payables	(51,875)	—
Cash dividends paid	(66,812)	(77,649)
Net cash provided by (used in) financing activities	826,281	521,745
Effect of exchange rate change on cash and cash equivalents	127,175	365,856
Net increase (decrease) in cash and cash equivalents	23,793	(1,061,048)
Cash and cash equivalents at beginning of period	4,741,407	5,106,252
Cash and cash equivalents at end of period	4,765,200	4,045,203