

**Consolidated Financial Results (Japanese Accounting Standards)
for the Fiscal Year Ending March 31, 2023**

May 15, 2023

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 Tel 03-5333-1711

Scheduled date of ordinary shareholders' meeting: June 22, 2023

Scheduled date for filing of annual securities report: June 22, 2023

Scheduled date of commencement of dividend payment: June 23, 2023

Supplementary documents for financial results: Yes

Financial results briefing: Yes

(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(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	%
FY03/2023	79,033	24.9	1,537	—	1,426	—	505	—
FY03/2022	63,277	15.4	(361)	—	122	(22.7)	(1,980)	—

Note: Comprehensive income FY03/2023 284 million yen (—%) FY03/2022 (1,701) million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY03/2023	32.52	—	21.0	3.9	1.9
FY03/2022	(121.17)	—	(53.7)	0.4	(0.6)

Reference: Share of (profit) loss of entities accounted for using equity method FY03/2023 — million yen FY03/2022 — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2023	38,932	2,514	6.4	161.19
FY03/2022	34,842	2,693	7.7	172.75

Reference: Shareholders' equity FY03/2023 2,505 million yen FY03/2022 2,685 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
FY03/2023	(253)	(1,613)	(530)	3,041
FY03/2022	(1,550)	(926)	2,601	5,106

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY03/2022	—	0.00	—	5.00	5.00	77	(4.1)	2.2
FY03/2023	—	0.00	—	6.00	6.00	93	18.5	3.9
FY03/2024 (forecast)	—	0.00	—	7.00	7.00		19.8	

3. Consolidated forecasts for year ending March 2024 (April 1, 2023 to March 31, 2024)

(% 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
Interim	38,000	6.1	400	—	120	(71.9)	10	(92.3)	0.64
Full year	85,000	7.5	1,800	17.1	1,050	(26.4)	550	8.8	35.39

* Notes

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles associated with revision of accounting standards, etc.: Yes

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares outstanding (common shares):

(1) Number of shares outstanding at end of period (including treasury shares)

FY03/2023	21,611,000shares	FY03/2022	21,611,000shares
FY03/2023	6,067,959shares	FY03/2022	6,067,959shares
FY03/2023	15,543,041shares	FY03/2022	16,341,383shares

(2) Number of treasury shares at end of period

(3) Average number of shares outstanding during the term

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2023	645	0.0	132	(19.9)	225	(12.7)	156	(12.2)
FY03/2022	645	(0.9)	165	(2.6)	258	3.5	178	2.3

	Net income per share	Diluted net income per share
	Yen	Yen
FY03/2023	10.08	—
FY03/2022	10.91	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2023	20,538	1,061	5.2	68.29
FY03/2022	18,511	982	5.3	63.21

Reference: Shareholders' equity FY03/2023 1,061million yen FY03/2022 982million yen

* Financial statements are exempt from audit conducted by certified public accountants or an audit corporation.

* 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)

The supplementary materials on financial results will be disclosed on TDNET on the same day and posted on our website.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Thousand yen)

	FY03/2022 (March 31,2022)	FY03/2023 (March 31,2023)
Assets		
Current assets		
Cash and deposits	5,131,886	3,057,842
Notes receivable-trade	563,881	539,411
Accounts receivable-trade	10,973,250	12,253,250
Contract assets	198,562	183,585
Finished goods	1,287,937	1,661,851
Work in process	699,212	788,371
Raw materials and supplies	6,132,170	9,968,782
Others	1,373,328	1,590,253
Allowance for doubtful accounts	(11,081)	(12,694)
Total current assets	26,349,148	30,020,654
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,796,946	2,514,895
Machinery, equipment and vehicles, net	1,919,452	2,003,809
Land	953,021	953,021
Other, net	1,027,923	1,617,844
Total property, plant and equipment	6,697,342	7,089,571
Intangible assets		
Other	722,073	651,994
Total intangible assets	722,073	651,994
Investment and other assets		
Investment securities	15,815	16,016
Investments in capital of subsidiaries and affiliates	65,940	65,940
Deferred tax assets	209,100	236,693
Lease and guarantee deposits	233,574	255,170
Other	509,447	569,961
Allowance for doubtful accounts	—	(325)
Total investments and other accounts	1,033,877	1,143,457
Total non-current assets	8,453,293	8,885,023
Deferred assets		
Bond issuance cost	39,663	26,442
Total deferred assets	39,663	26,442
Total assets	34,842,105	38,932,120
Liability		
Current liability		
Notes and accounts payable - trade	5,230,005	7,458,431
Short-term loans payable	16,324,883	15,232,313
Lease obligations	391,956	519,973
Accounts payable - other	2,239,346	2,418,810
Income tax payable	185,357	439,419
Accrued consumption taxes	371,190	445,862
Provision for bonuses	455,422	606,609
Other	1,135,677	1,397,641
Total current liabilities	26,333,836	28,519,063
Non-current liabilities		
Bonds payable	2,000,000	2,000,000
Long-term loans payable	2,853,065	4,731,726
Deferred tax liability	66,339	70,802
Net defined benefit liabilities	317,143	335,122
Lease obligations	190,825	704,472
Other	386,905	56,052
Total non-current liabilities	5,814,278	7,898,176
Total liabilities	32,148,115	36,417,240

(Thousand yen)

	FY03/2022 (March 31,2022)	FY03/2023 (March 31,2023)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	554,842	554,842
Retained earnings	3,439,757	3,482,424
Treasury shares	(1,310,407)	(1,310,407)
Total shareholders' equity	3,184,883	3,227,549
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(7,851)	(7,650)
Foreign currency translation adjustment	(491,954)	(714,500)
Total other accumulated comprehensive income	(499,805)	(722,150)
Non-controlling interests	8,912	9,481
Total net assets	2,693,990	2,514,880
Total liabilities and net assets	34,842,105	38,932,120

(2) Consolidated statements of income/quarterly consolidated statement of comprehensive income
(Consolidated statements of income) (FY03/2023)

(Thousand yen)

	FY03/2022 (From April 1, 2021 to March 31, 2022)	FY03/2023 (From April 1, 2022 to March 31, 2023)
Net sales	63,277,443	79,033,542
Cost of sales	56,555,979	70,231,464
Gross profit	6,721,464	8,802,078
Selling, general and administrative expenses		
Salaries and bonuses	2,914,375	2,709,143
Provision for bonuses	155,340	171,637
Other	4,012,904	4,383,705
Total selling, general and administrative expenses	7,082,619	7,264,493
Operating income	(361,155)	1,537,584
Non-operating income		
Interest income	14,833	19,247
Foreign exchange gains	697,750	336,424
Other	81,614	102,264
Total non-operating income	797,199	457,936
Non-operating expenses		
Interest expenses	207,099	384,584
Amortization of bond issuance cost	13,221	13,221
Foreign withholding tax	4,843	6,159
Other	88,001	164,754
Total non-operating expenses	313,165	568,719
Ordinary income	122,879	1,426,802
Extraordinary income		
Gain on sales of non-current assets	35,684	6,365
Total extraordinary income	35,684	6,365
Extraordinary losses		
Loss on retirement of non-current assets	9,145	34,166
Business structure reform expenses	164,110	198,091
Impairment loss	1,433,042	—
Loss on COVID-19	138,576	34,028
Total extraordinary losses	1,744,875	266,286
Profit /Loss (-) before income taxes	(1,586,311)	1,166,881
Total income taxes	393,694	660,834
Net income/loss (-)	(1,980,006)	506,047
Profit/Loss (-) attributable to non-controlling interests	105	611
Profit/Loss (-) attributable to owners of parent	(1,980,111)	505,435

(Consolidated statement of comprehensive income) (FY03/2023)

(Thousand yen)

	FY03/2022 (From April 1, 2021 to March 31, 2022)	FY03/2023 (From April 1, 2022 to March 31, 2023)
Net income/loss (-)	(1,980,006)	506,047
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	(1,550)	201
Foreign currency translation adjustment	279,636	(221,784)
Total other comprehensive income/loss (-)	278,086	(221,582)
Comprehensive income/loss (-)	(1,701,919)	284,464
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	(1,702,625)	283,090
Comprehensive income/loss (-) attributable to non-controlling interests	705	1,374

(3) Quarterly consolidated statement of cash flows

(Thousand yen)

	FY03/2022 (From April 1, 2021 to March 31, 2022)	FY03/2023 (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit /Loss (-) before income taxes	(1,586,311)	1,166,881
Depreciation	1,514,672	1,442,983
Increase (decrease) in allowance for doubtful accounts	(753)	(127)
Increase (decrease) in provision for bonuses	5,972	131,066
Increase (decrease) in net defined benefit liability	9,048	1,520
Interest and dividend income	(14,833)	(19,247)
Interest expenses paid	207,099	384,584
Amortization of bond issuance cost	13,221	13,221
Foreign exchange losses (gains)	(486,829)	(417,705)
Loss on retirement of non-current assets	9,145	34,166
Loss (gain) on sales of non-current assets	(35,684)	(6,365)
Business structure reform expenses	164,110	198,091
Impairment loss	1,433,042	—
Loss on COVID-19	138,576	34,028
Decrease (increase) in notes and accounts receivable - trade	(1,008,200)	(377,888)
Decrease (increase) in accounts receivable-other	(26,581)	(97,021)
Decrease (increase) in inventories	(2,184,390)	(3,636,645)
Increase (decrease) in notes and accounts payable - trade	892,205	1,424,503
Increase (decrease) in accounts payable - other	161,924	(61,382)
Increase (decrease) in accrued expenses	33,366	(40,210)
Increase (decrease) in accrued consumption taxes	(76,582)	(104,834)
Increase (decrease) in deposits received	(87,994)	39,851
Increase (decrease) in long-term accounts payable	6,855	8,038
Increase (decrease) in other non-current liabilities	(119,977)	75,786
Other	226,163	466,845
Subtotal	(812,735)	660,141
Interest and dividend income received	25,934	27,203
Interest expenses paid	(208,188)	(374,063)
Income taxes paid	(379,446)	(441,466)
Income taxes refund	120,790	28,449
Business structure reform expenses paid	(164,110)	(198,091)
Proceeds from subsidies for employment adjustment	107,746	79,652
Payments for loss on COVID-19	(240,770)	(35,459)
Net cash provided by (used in) operating activities	(1,550,780)	(253,632)

(Thousand yen)

	FY03/2022 (From April 1, 2021 to March 31, 2022)	FY03/2023 (From April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Payments into time deposits	(24,200)	(31,920)
Proceeds from withdrawal of time deposits	4,885	43,509
Purchase of property, plant and equipment	(1,051,566)	(1,572,790)
Proceeds from sales of property, plant and equipment	378,558	6,399
Purchase of intangible assets	(208,547)	(65,687)
Payments for lease and guarantee deposits	(13,440)	(42,135)
Proceeds from collection of lease and guarantee deposits	14,743	30,816
Net decrease (increase) in short-term loans receivable	—	20,000
Proceeds from maturity of insurance funds	2,138	12,334
Other	(28,730)	(14,288)
Net cash provided by (used in) investing activities	(926,161)	(1,613,760)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,945,309	554,628
Proceeds from long-term loans payable	300,000	2,660,000
Repayments of long-term loans payable	(848,670)	(3,390,698)
Repayments of finance lease obligations	(347,260)	(614,474)
Proceeds from sales and leasebacks	25,134	338,078
Repayments of installment payables	(106,032)	—
Purchase of treasury shares	(299,992)	—
Cash dividends paid	(66,959)	(77,762)
Net cash provided by (used in) financing activities	2,601,527	(530,228)
Effect of exchange rate change on cash and cash equivalents	240,259	332,412
Net increase (decrease) in cash and cash equivalents	364,844	(2,065,209)
Cash and cash equivalents at beginning of period	4,741,407	5,106,252
Cash and cash equivalents at end of period	5,106,252	3,041,042