

# nms Holdings Corporation

## Overview of Consolidated Financial Results for Fiscal Year Ending March 31, 2023

- Although business was impacted by the lockdown in China on operations, parts shortages, the steep rise in parts and material prices, rising distribution costs, and other factors in the first half of the fiscal year, both net sales and profit saw substantial YoY improvement from the third quarter onward. This improvement resulted from action by customers to restore production levels as the parts shortages eased, increased operating rates in each business, and benefits from extensive measures to strengthen the business base.
- Profit attributable to owners of parent improved substantially in the fourth quarter of the consolidated fiscal year as growth in operating income and ordinary income outstripped the ¥198 million in extraordinary losses posted for the cost of business structure reform in the North American EMS Business.
- A new three-year Medium-Term Business Plan was formulated (announced on April 24). The plan, which begins from FY2023 (fiscal year ending March 31, 2024) will solidify the results of measures implemented thus far and target quality-driven growth while pursuing improvement in financial soundness.

(Million yen)	FYE Mar. 31, 2022 Results	FYE Mar. 31, 2023 Results					Main Points
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	
		Net sales	<b>63,277</b>	16,444	19,374	21,493	
Operating income	<b>(361)</b>	(249)	12	750	1,024	<b>1,537</b>	
Ordinary income	<b>122</b>	(21)	447	730	269	<b>1,426</b>	
Profit attributable to owners of parent	<b>(1,980)</b>	(138)	267	527	(151)	<b>505</b>	
EBITDA	<b>1,153</b>	77	374	1,100	1,427	<b>2,980</b>	

# Financial Performance Highlights by Segment

(Million yen)		FYE Mar. 31, 2022 Results	FYE Mar. 31, 2023 Results						vs. FYE Mar. 31, 2022	Main Points
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total			
HS Business	Net sales	22,088	5,706	5,800	5,798	5,954	23,260	5.3%	<ul style="list-style-type: none"> <li>Progress on measures implemented to strengthen the business base improved profitability despite the lingering impact from the pandemic and parts shortages.</li> <li>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.</li> </ul>	
	Segment Income	647	143	327	238	356	1,066	64.8%		
EMS Business	Net sales	28,400	7,426	9,584	10,608	10,538	38,157	34.4%	<ul style="list-style-type: none"> <li>While the impact from production cuts by customers and the steep rise in parts and material prices lingered, demand was firm and expansion of business scale in China and Vietnam led to substantial growth in net sales.</li> <li>The segment returned to profitability on a full-year basis, mainly due to benefits derived from improvements in productivity and cost restructuring.</li> </ul>	
	Segment Income	(536)	(214)	(46)	244	346	330	—		
PS Business	Net sales	12,788	3,311	3,989	5,086	5,228	17,615	37.8%	<ul style="list-style-type: none"> <li>Demand was firm, partially owing to action by customers to restore production levels.</li> <li>Net sales and segment income both increased owing to measures implemented 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.</li> </ul>	
	Segment Income	1	(42)	(152)	380	451	637	—		
Segment Eliminations	Segment Income	(473)	(136)	(115)	(113)	(130)	(496)	—	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	63,277	16,444	19,374	21,493	21,721	79,033	24.9%		
	Segment Income	(361)	(249)	12	750	1,024	1,537	—		

\*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

¥23,260 million

Up 5.3% YoY

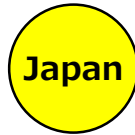
## Segment Income

¥1,066 million

Up 64.8% YoY

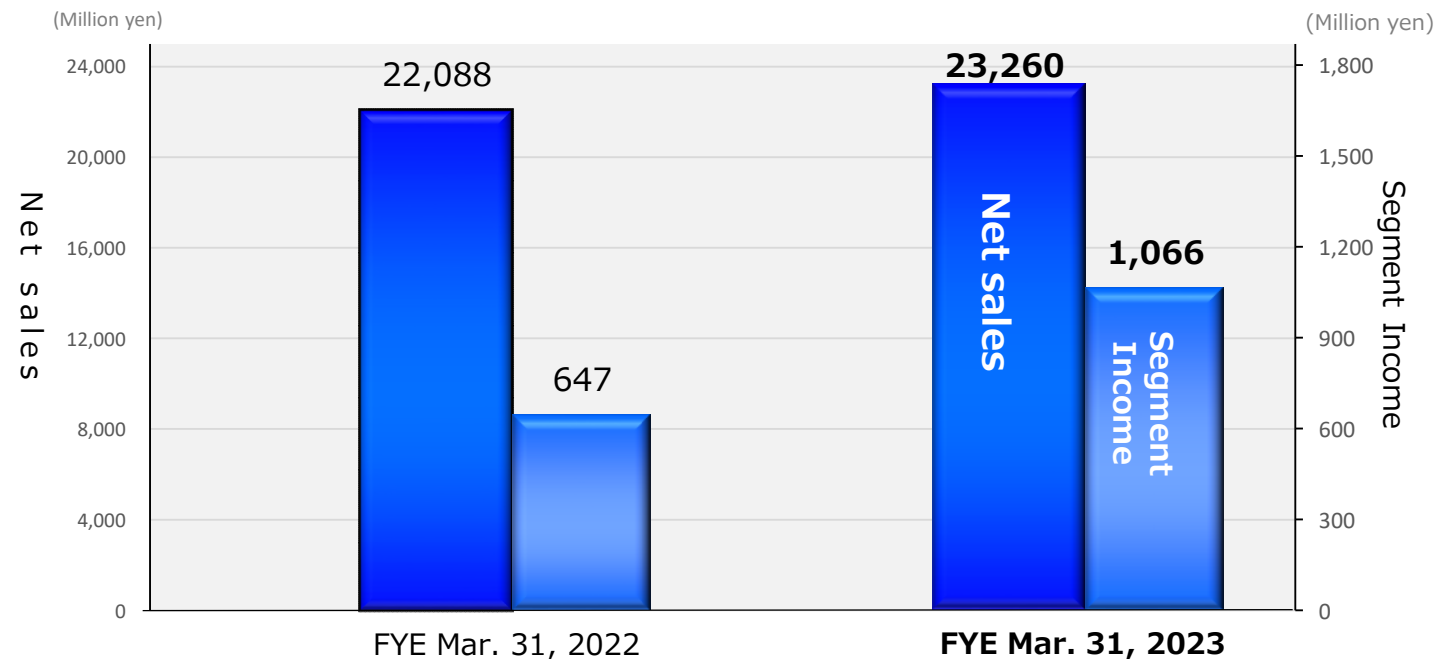
[Business Entity]

Nippon Manufacturing  
Service Group



- 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.
- Profitability improved as progress was made on 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.

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



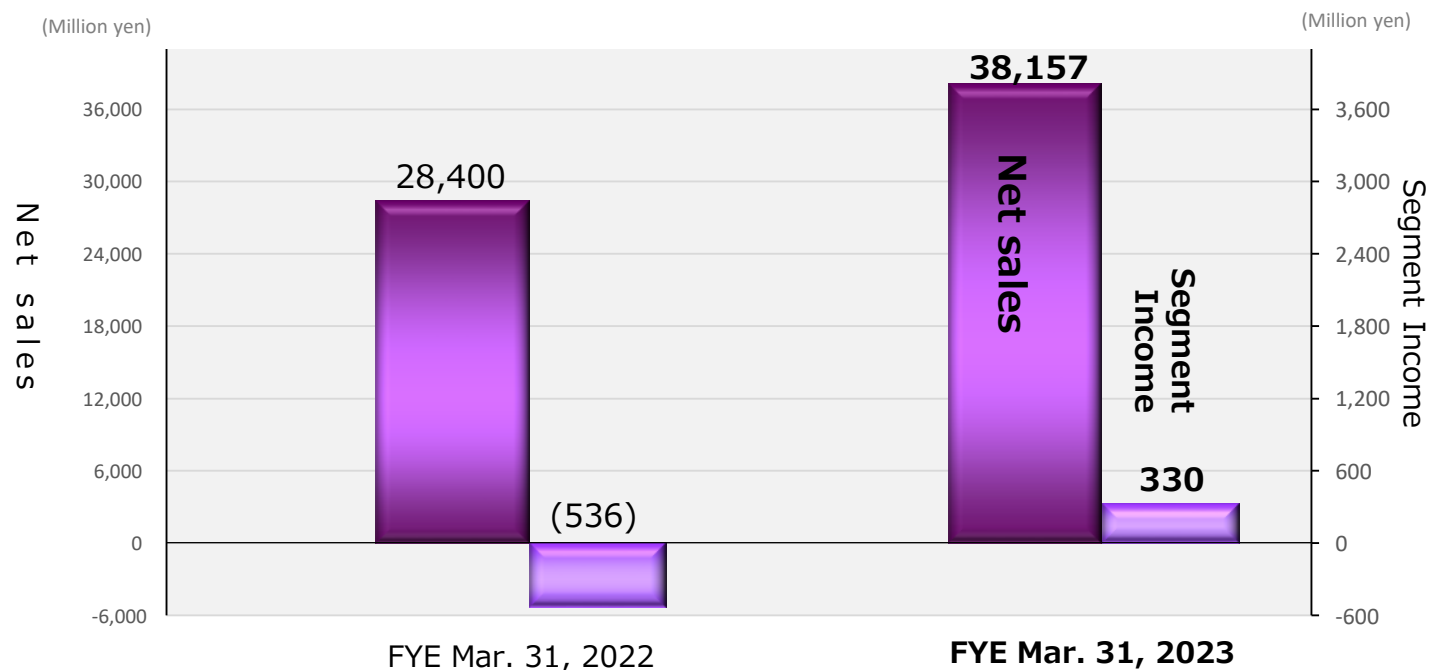
# (For Reference) Financial Performance by Segment: EMS Business

**Net sales**  
**¥38,157 million**  
Up 34.4% YoY

**Segment Income**  
**¥330 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, the North America EMS business was impacted by production cuts and higher manufacturing costs resulting from the steep rise in parts and material prices. However, benefits derived from improvements in productivity and cost restructuring improved segment profit.
- The North America business is a strategic measure for expansion of market domains and inquiries from customers are also increasing so we are implementing measures to strengthen the business base and improve performance.



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

**Net  
sales**

**¥17,615 million**

Up 37.8% YoY

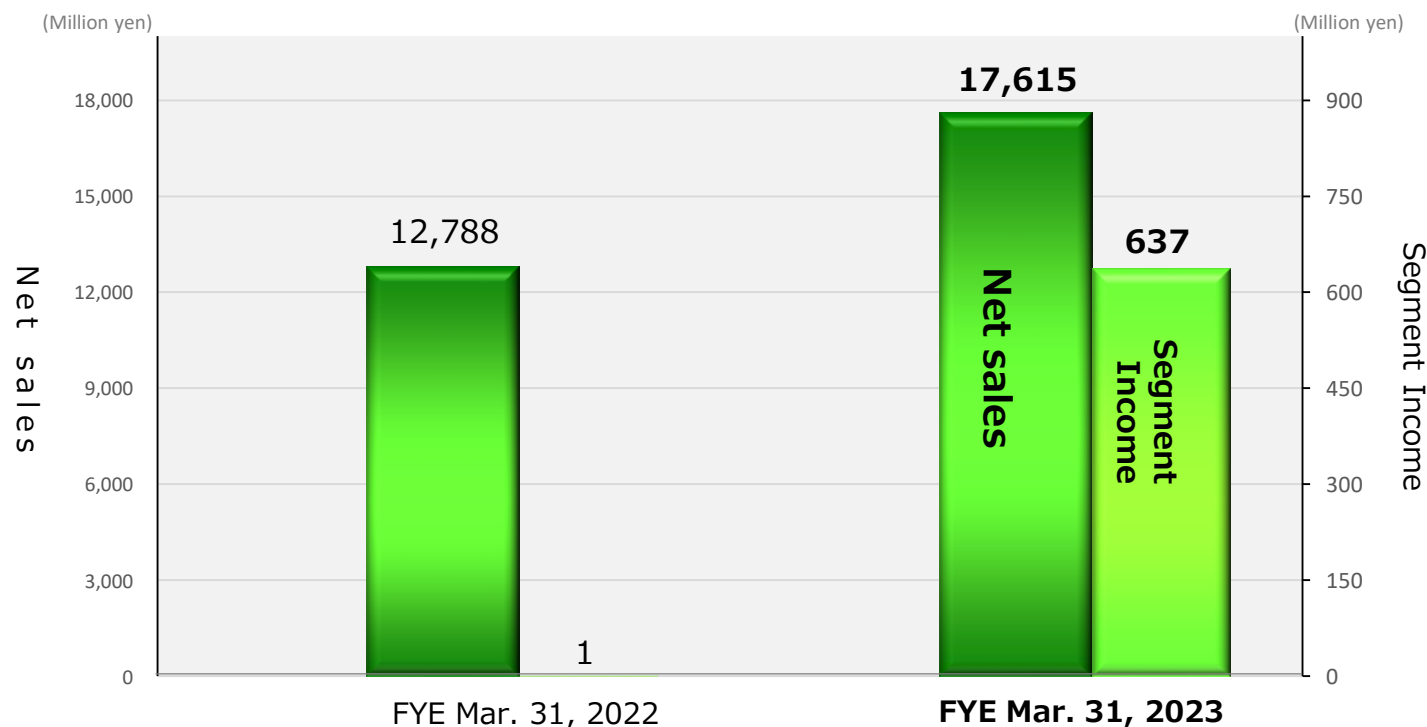
**Segment  
Income**

**¥637 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 second half as parts shortages eased, customers acted to restore production levels, and foreign exchange rates improved, leading to growth in net sales.
- On the profit front, segment income increased substantially 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)	March 31, 2022	March 31, 2023	Change
Current assets	26,349	30,020	3,671
Non-current assets	8,453	8,885	431
Property, plant and equipment	6,697	7,089	392
Intangible assets	722	651	(70)
Investments and other assets	1,033	1,143	109
Deferred assets	39	26	(13)
Total assets	34,842	38,932	4,090
Total liabilities	32,148	36,417	4,269
Current liabilities	26,333	28,519	2,185
Non-current liabilities	5,814	7,898	2,083
Total net assets	2,693	2,514	(179)
Total liabilities and net assets	34,842	38,932	4,090

# ■ Financial Performance Highlights (Cash Flows)

(Million yen)		FYE March 31, 2022	FYE March 31, 2023	Main Points
Income before income taxes		(1,586)	1,166	
Depreciation		1,514	1,442	
Change in operating capital		(2,300)	(2,590)	Notes and accounts receivable – trade: (¥377 million) Inventories: (¥3,636 million) Notes and accounts payable – trade: ¥1,424 million
Other		(611)	(273)	
<b>Net cash flow from operating activities</b>		<b>(1,550)</b>	<b>(253)</b>	
Purchase/sales of non-current assets		(881)	(1,632)	Gains on sale: ¥6 million Expenditures for acquisition: (¥ 1,638 million)
Other		(44)	18	
<b>Net cash flow from investing activities</b>		<b>(926)</b>	<b>(1,613)</b>	
<b>Free cash flow</b>		<b>(2,476)</b>	<b>(1,867)</b>	
Change in loans payable		3,396	(176)	
Payment of dividends, etc.		(795)	(354)	Lease debt repayment: (¥614 million) Dividends paid: (¥77 million)
<b>Net cash flow from financing activities</b>		<b>2,601</b>	<b>(530)</b>	
<b>Cash and cash equivalents at end of period</b>		<b>5,106</b>	<b>3,041</b>	

# ■ Full-year Earnings and Dividend Forecasts for Fiscal Year Ending March 31, 2024

- Fiscal year ending March 31, 2024 will see inventory adjustments persist due to the restoration of production levels, in contrast to fiscal year ended March 31, 2023, when special factors in the second half resulted in substantial growth in net sales and profit, including the restoration of production levels and the benefits derived from revising selling prices to cover the steep rise in parts and materials prices. We will continue to strengthen the business base in preparation for a rebound and will revisit and implement strategic investments that had been postponed. These efforts will lead to growth from fiscal year ending March 31, 2025.
- As a result, the plan forecasts for fiscal year ending March 31, 2024 are as follows: Net sales of ¥85,000 million, operating income of ¥1,800 million, ordinary income of ¥1,050 million, and profit attributable to owners of parent of ¥550 million.
- We plan to increase dividends by one yen per share for year-end dividends of seven yen per share.

(Million yen)	FYE Mar. 31, 2022 Results	FYE Mar. 31, 2023 Results	FYE Mar. 31, 2024 Forecasts	vs. FYE Mar. 31, 2023
Net sales	63,277	79,033	<b>85,000</b>	7.5%
Operating income	(361)	1,537	<b>1,800</b>	17.1%
Ordinary income	122	1,426	<b>1,050</b>	(26.4%)
Profit attributable to owners of parent	(1,980)	505	<b>550</b>	8.8%
Dividends per share (Year-end dividends)	¥ 5	¥ 6	<b>¥ 7</b>	



## nms Holdings Corporation

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

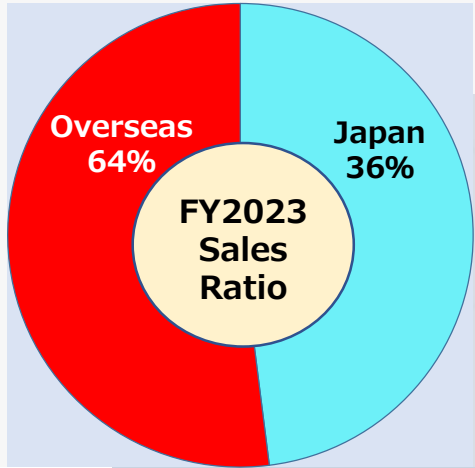
Head Office	Tokyo Opera City Tower 45F, 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo 163-1445, Japan
Representative	Fumiaki Ono, President and CEO
Capital	500,690,000 yen (as of March 31, 2023)
Stock Exchange Listings	Tokyo Securities Exchange (Standard market) Securities Code 2162
Number of group employees	13,885 people (as of March 31, 2023)
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.

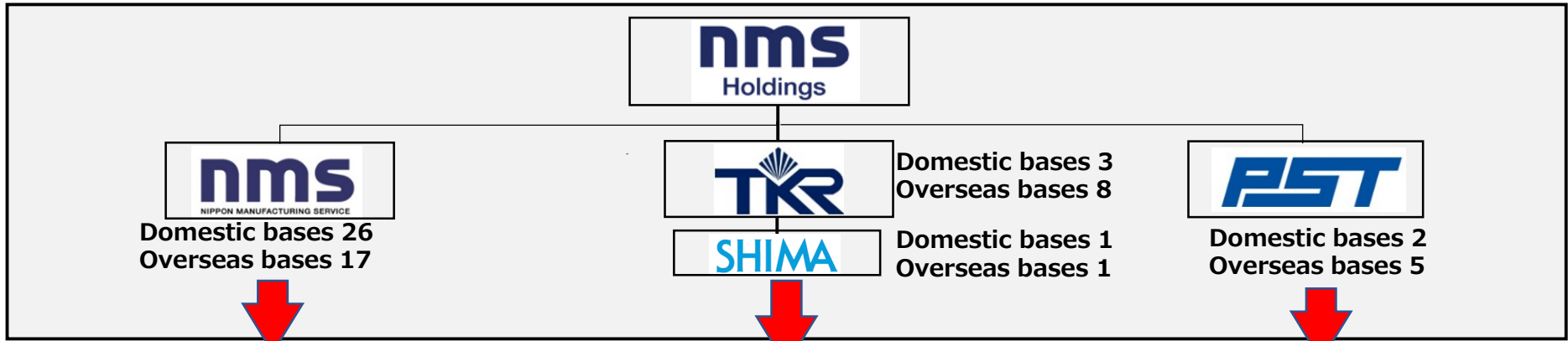


## Indonesia

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
<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>• 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> <li>• Technical service business (various repairs, rework and analysis / general customer services)</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)

