



nms Holdings Corporation

Summary Financial Results
for the Third Quarter of Fiscal Year ending March 31, 2018

February 13, 2018

Bringing Japanese Manufacturing Quality to the World

This is the rallying cry of the nms group.

Our business is a combination of three business segments that meet the many different needs of our customers, from the Human Resource Solution Business, to the EMS (Electronics Manufacturing Service) Business which performs contract manufacturing and achieves production efficiency, and the Power Supply Business, which engages in the development, manufacturing, and sale of power sources that ensure the safety and security of many types of equipment.

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

**SHIMA ELECTRONIC
INDUSTRY CO., LTD.
TKR Corporation**

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.**

Performance was good and we have been eliminating currency exchange losses. We have revised our consolidated earnings forecasts for full-year ordinary income and profit attributable to owners of parent upward.

Operating income, ordinary income and profit attributable to owners of parent were all up YoY during the first three quarters (9 months) of the fiscal year.

With regard to the EV sector, we opened the Matsusaka Factory, a development and manufacturing center for our PS Business.

By speeding up product development and mass production in the EV sector (e.g. LiB secondary battery packs), and by opening the Matsusaka Factory in Matsusaka, Mie Prefecture as a center for developing manufacturing technology for our main products, power supply products, we seek further growth in terms of both strengthening our base and developing, manufacturing and selling new products.

Stock split, revised dividend forecast (commemorative dividend)

1. Stock split

To raise stock liquidity and expand our investor base, we will execute a 2-for-1 stock split.

Base date: Wednesday, Feb 28 Effective: Thursday, March 1

2. Revised dividend forecast

To celebrate 10 years since our listing, we will pay a commemorative dividend of ¥1 per share of common stock after the stock split. We will raise the year-end dividend for FYE March 31, 2018 by ¥2 from ¥7 to ¥9 (amount disregards the split).

1. Cumulative Financial Performance in Third Quarter (9 Months)

- The Human Resource Solution (HS) Business and Electronics Manufacturing Service (EMS) Business made good progress toward achieving the plan, supported by demand in Japan and overseas.
- On the profit front, the company recorded high growth in ordinary income and profit attributable to owners of parent. This growth resulted from an increase in operating income, and an increase in non-operating income, a decrease in non-operating expenses, and a gain on sale of investment securities (¥161 million), among other factors.

(Million yen)	FYE March 31, 2017 Third Quarter Cumulative Results (9 months)	FYE March 31, 2018 Third Quarter Cumulative Results (9 Months)		
		Results	YoY Net sales: % Profit: Million yen	Main Points
Net sales	42,115	40,728	(3.3%)	[Net sales and Operating income] Good progress toward achieving plan in the HS Business and EMS Business
Operating income	853	980	126 14.8%	[Ordinary income] Non-operating income: ¥338 million (Up ¥259 million YoY) Non-operating expenses: ¥204 million (Down ¥675 million YoY)
Ordinary income	53	1,113	1,060 21 times	[Extraordinary income] Gain on sale of investment securities: ¥161 million
Profit attributable to owners of parent	166	924	758 456.1%	Gain on sales of non-current assets: ¥59 million

2. Financial Performance Highlights by Segment

- **HS Business:** We booked advance investment costs in Q2, but had strong demand both in Japan and overseas.
- **EMS Business:** We enjoyed much higher profits despite the negative impact of the dissolution of a Chinese subsidiary, but thanks to benefits achieved from strengthening the soundness of the business and other factors.
- **PS Business:** Both sales and profits declined for the period due to off-season results, but in the next period we will win new orders and introduce new battery packs and other products.

(Million yen)		FYE March 31, 2017 Third Quarter Cumulative Results (9 months)	FYE March 31, 2018 Third Quarter Cumulative Results (9 Months)		
			Results	YoY Net sales: % Profit: Million yen	Main Points
HS Business	Net sales	10,356	12,630	22.0%	We booked the cost of advance investment in Q2 due to the implementation of a growth strategy in Japan and overseas. However, strong demand resulted in YoY growth in sales.
	Segment income	503	433	(70)	
EMS Business	Net sales	22,383	19,949	(10.9%)	Although sales declined due to the impact of a dissolution of a Chinese subsidiary, indicators such as machine tool-related demand performed well, and the benefits derived from strengthening fiscal soundness of the segment also contributed to high growth in profits (up 235.7% YoY).
	Segment income	161	543	381	
PS Business	Net sales	9,375	8,148	(13.1%)	Both sales and profits declined due to a hiatus in introduction of products for new areas, in addition to adjustments in existing products, but heading into the next period we will win new orders and prepare to introduce developed products.
	Segment income	513	325	(187)	
Segment Eliminations	Adjustment to segment income	(325)	(322)	3	Company-wide expenses attributable to the holding company. * These expenses were not allocated to the individual segments due to the migration to a holding company structure and have thus been eliminated from segment profits.
Total	Net sales	42,115	40,728	(3.3%)	
	Segment income	853	980	126	

* HS Business: Human Resource Solution Business; EMS Business: Electronics Manufacturing Service Business; PS Business: Power Supply Business

* With the migration to a holding company structure from the first quarter of the current consolidated fiscal year, the method for calculating profits and losses of reportable segments was revised. Under the new method, company-wide expenses attributable to the holding company are not allocated to each segment. The new post-revision method is also reflected for the third quarter results of the previous fiscal year.

(For Reference) Financial Performance by Segment: HS Business

Net sales

¥12,630 million

Up 22.0% YoY

Segment income

¥433 million

Down ¥70 million YoY

[Japan]

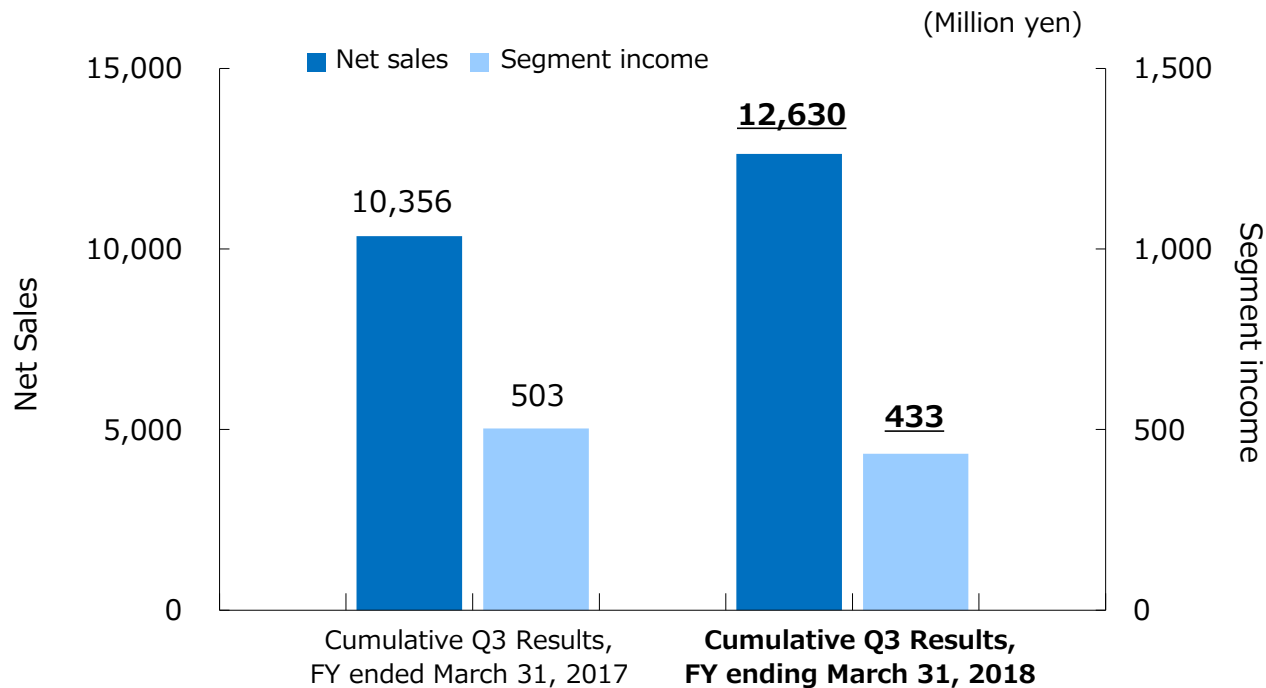
The company worked to improve hiring ability and retention by making employees full-time employees, enhancing benefits, etc.

In contract manufacturing, the company improved productivity by reinforcing the management structure and improved profitability through negotiation of unit prices.

[Overseas]

Changes in the market environment and the steep rise in personnel costs persisted in China, but the human resource solution business was strong in Thailand and Vietnam. The new combination of services combining human resource solutions and contract manufacturing did particularly well in Vietnam.

We booked costs incurred for advance investments in Japan and overseas in Q2, putting pressure on profits, but we will work to improve profitability by teaming up with and using group resources while providing services that combined human resource solutions and "monozukuri" (manufacturing ingenuity).



(For Reference) Financial Performance by Segment: EMS Business

Net sales

¥19,949 million

Down 10.9% YoY

Segment income

¥543 million

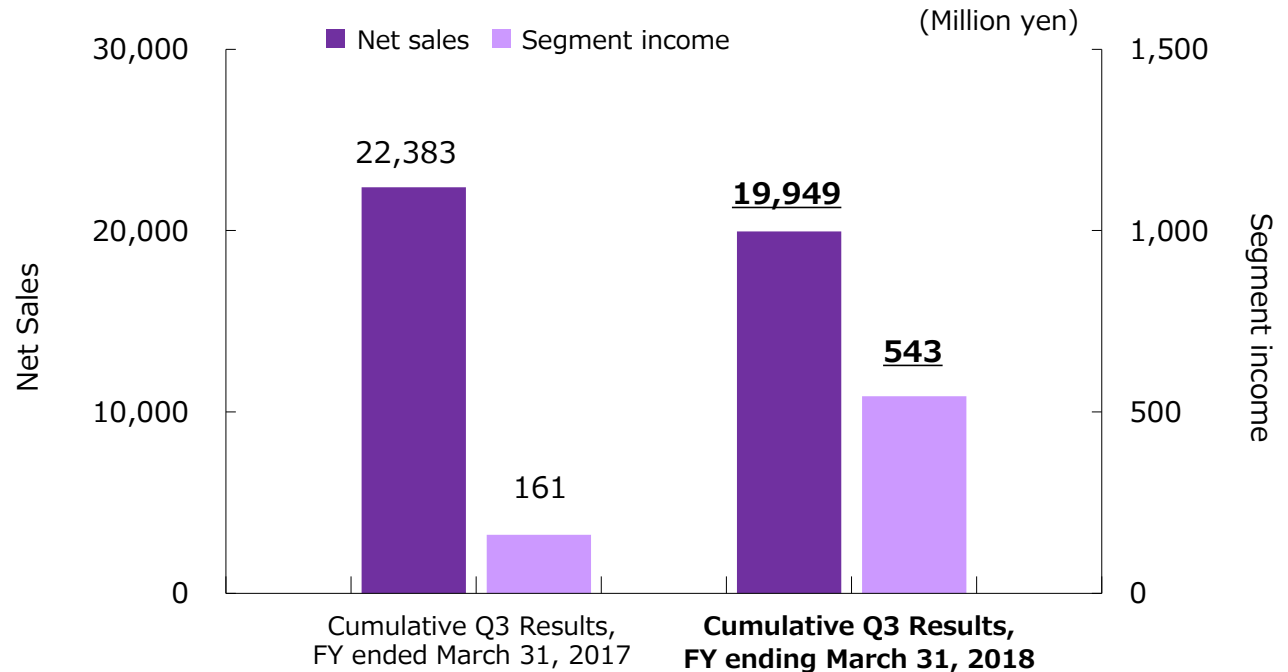
Up ¥381 million YoY

[Japan]

Sales made good progress toward achievement of the plan. This was due to a rebound in orders for machine tools and improved profits resulting from structural reforms such as the consolidation of plants in Japan at the various companies in TKR Corporation implemented last fiscal year.

[Overseas]

The EMS Business recorded high YoY growth in profits despite a YoY decline in sales due to the dissolution of SHIMA Electronic Industry (SHENZHEN) Co., Ltd. This growth resulted from the improvement in profits derived from structural reform.



(For Reference) Financial Performance by Segment: PS Business

Net sales

¥8,148 million

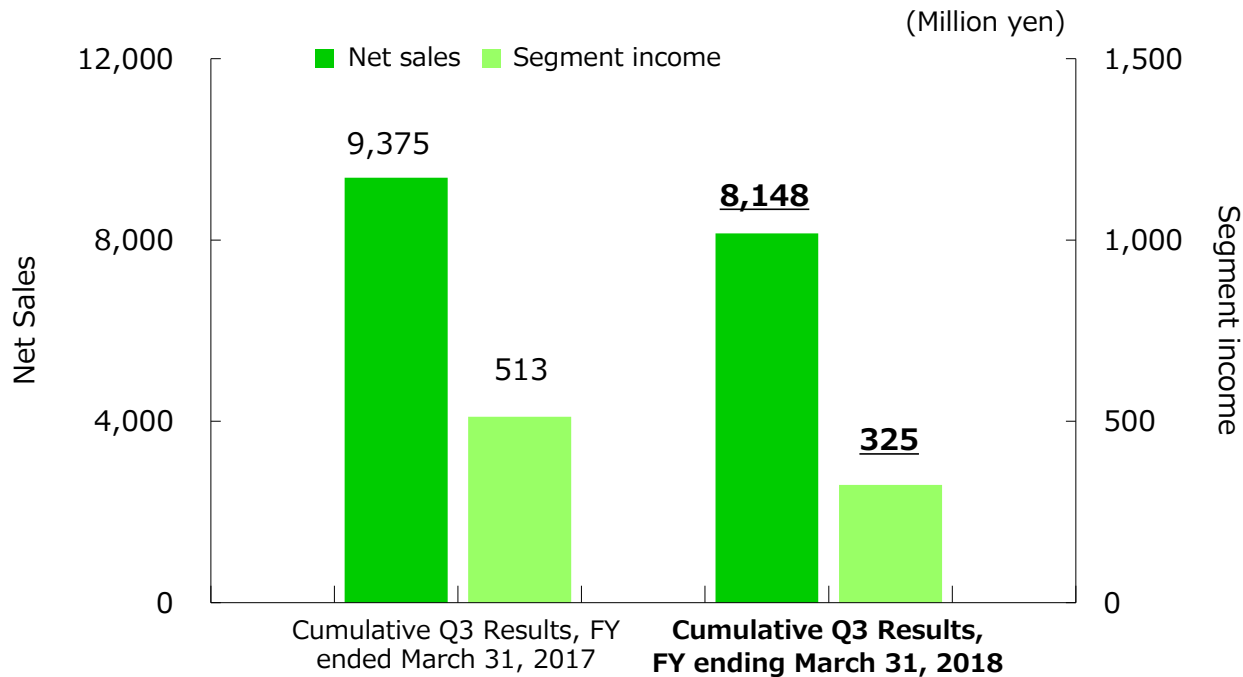
Down 13.1% YoY

Segment income

¥325 million

Down ¥187 million YoY

- Both sales and profits declined due to adjustments in existing products and a hiatus in the introduction of products in new areas.
- We are taking action that will lead to results in the next period. This involves winning new orders and progress on preparations for introducing developed products. We will also leverage the power supply technology that we have developed up to this point to launch a business in battery management systems and develop LiB secondary battery packs. We opened the Matsusaka Factory in Mie Prefecture as a mass production center on January 11, 2018. Mass production is scheduled to commence in October 2018.



3. Financial Performance Highlights (B/S)

- Beginning with the first quarter of the current consolidated fiscal year, group financing and management has been consolidated in the holding company, transitioning the group to an efficient structure for the management of funds.
- We have also migrated to the same system for borrowing, under which the parent company will borrow and manage money for domestic affiliates. Borrowings temporarily increased at the end of the first quarter due to the compulsory deposits as a condition for the loans. However, this had decreased by ¥3,049 million at the end of the third quarter.

(Million yen)	March 31, 2017	December 31, 2017	Change	Main Points
Current assets	18,308	20,640	2,332	Cash and deposits: ¥1,431 million Notes and accounts receivable - trade: ¥1,217 million Inventories: (¥275 million)
Non-current assets	6,251	5,715	(535)	
Property, plant and equipment	4,197	4,396	199	
Intangible assets	526	507	(18)	
Investments and other assets	1,527	811	(715)	Investment securities: (¥222 million) Affiliate loans: (¥343 million)
Total assets	24,559	26,356	1,796	
Total liabilities	19,599	20,636	1,037	
Current liabilities	15,879	13,649	(2,229)	[Loans payable balance] Dec. 31, 2017: ¥11,520 million Sep. 30, 2017: ¥11,984 million Jun. 30, 2017: ¥14,569 million
Non-current liabilities	3,719	6,987	3,267	
Total net assets	4,960	5,719	759	
Total liabilities and net assets	24,559	26,356	1,796	

4. Full-year Earnings Forecasts for Fiscal Year Ending March 31, 2018

- While both domestic and overseas demand are strong, we are eliminating currency exchange losses. We have revised our consolidated earnings forecasts for full-year ordinary income and profit attributable to owners of parent upward.
- Net sales will decline slightly YoY due to the continued impact of a hiatus between new product introductions for some businesses, but operating income, ordinary income and profit attributable to owners of parent are expected to rise significantly.

(Million yen)	FYE March 31, 2017	FYE March 31, 2018		
	Full-year results	Full Year		YOY % change in the lower column
		Previous Announcement (announced on Nov. 13, 2017)	Revised Forecast	
Net sales	54,581	53,500	53,500	(1,081) (2.0%)
Operating income	974	1,200	1,200	225 23.2%
Ordinary income	561	1,300	1,400	839 149.2%
Profit attributable to owners of parent	493	1,000	1,100	607 122.9%

5. Stock Split

Purpose

By lowering the price per investment unit of our shares, we intend to increase our stock's liquidity and expand our investor base.

Split Method

Wed, Feb 28, 2018 will be the base date. We will execute a **2-for-1 stock split** for the common stock of shareholders listed or recorded in the shareholder list as of the end of that day.

Added Shares Due to Split

Issued shares before stock split:	10,805,500
Shares added by split:	10,805,500
Issued shares after stock split:	21,611,000
Total issuable shares after stock split:	41,200,000

Split Schedule

Base Date Announcement:	Tue, Feb 13, 2018
Base Date:	Wed, Feb 28, 2018
Effective Date:	Thu, Mar 1, 2018

* No change to the value of the company's capital will accompany the stock split.

6. Revised Dividend Forecast (Commemorative Dividend on 10th Anniversary of Listing)

With the tenth anniversary of our October 25, 2007 listing on the JASDAQ Securities Exchange (now the Tokyo Stock Exchange JASDAQ Standard), after the stock split we will provide a commemorative dividend of ¥1 per share of common stock as our year-end dividend for FYE March 31, 2018 to express our gratitude for our shareholders' support.

*The dividend will be on the agenda at the 33rd ordinary general meeting of shareholders scheduled for late June of this year.

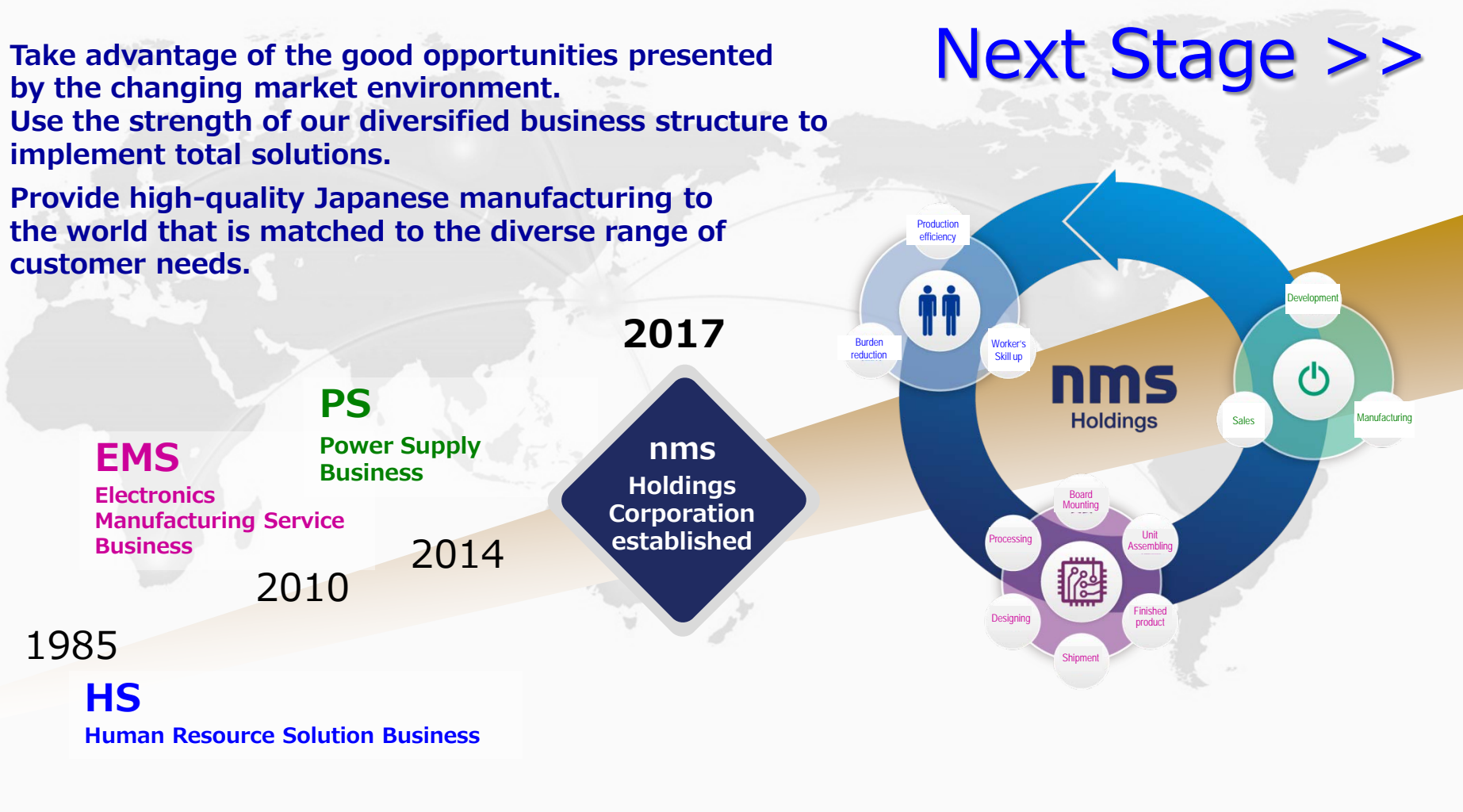
		Annual dividend		
		End of second quarter	Year-end	Annual
Previously announced forecast (Announced Nov 13, 2017)			7.00 yen	7.00 yen
Revised forecast	After stock split		4.50 yen (ordinary dividend of 3.50 yen) (commemorative dividend of 1.00 yen)	4.50 yen (ordinary dividend of 3.50 yen) (commemorative dividend of 1.00 yen)
	Note: Disregarding stock split		9.00 yen (ordinary dividend of 7.00 yen) (commemorative dividend of 2.00 yen)	9.00 yen (ordinary dividend of 7.00 yen) (commemorative dividend of 2.00 yen)
		Disregarding the stock split, the year-end dividend for FYE March 31, 2018 will increase by ¥2 to an actual amount of ¥9 per share.		
Actual dividends for the fiscal year ending March 31, 2018		0.00 yen		
Actual dividends for the fiscal year ended March 31, 2017		0.00 yen	7.00 yen (ordinary dividend of 5.00 yen) (commemorative dividend of 2.00 yen)	7.00 yen (ordinary dividend of 5.00 yen) (commemorative dividend of 2.00 yen)

Assemble group resources and bring Japanese manufacturing quality to the world.

Take advantage of the good opportunities presented by the changing market environment.
Use the strength of our diversified business structure to implement total solutions.

Provide high-quality Japanese manufacturing to the world that is matched to the diverse range of customer needs.

Next Stage >>



nms Holdings Corporation

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

Company Name	nms Holdings Corporation
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, 2017)
Stock Exchange Listings	Tokyo Securities Exchange (JASDAQ market) Securities Code 2162
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 SHIMA ELECTRONIC INDUSTRY CO., LTD. TKR Corporation Power Supply Technology CO., LTD.

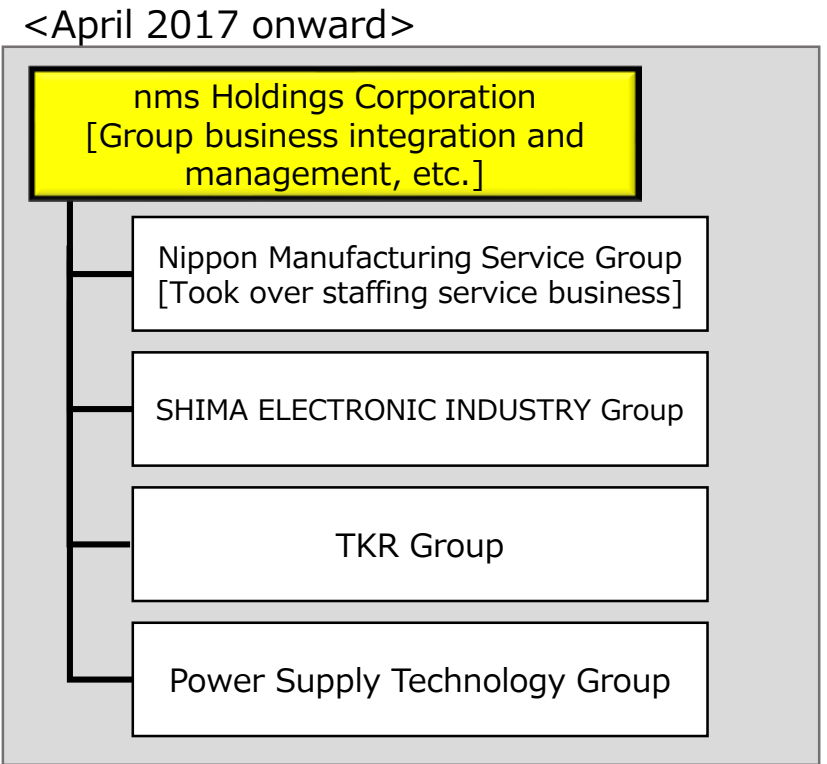
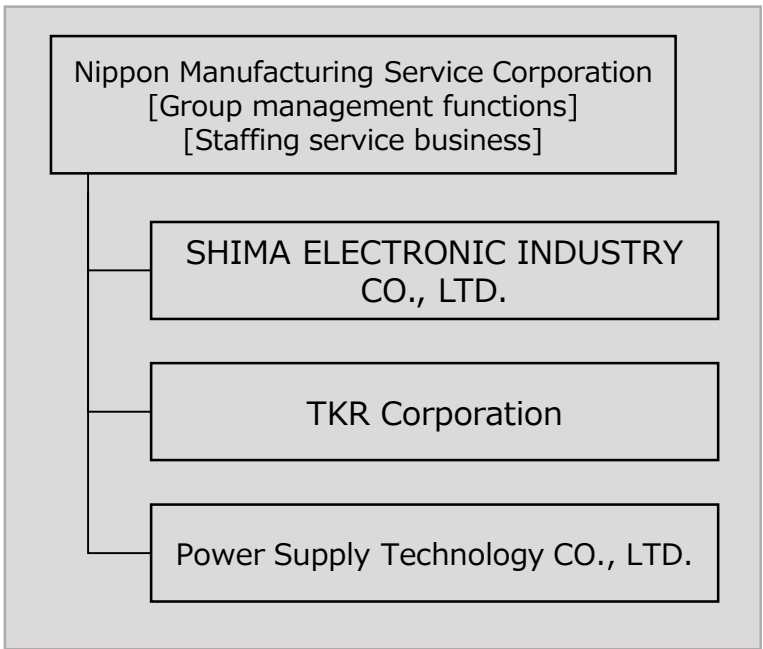
(For Reference)

Migrated to a Holding Company Structure on April 1, 2017

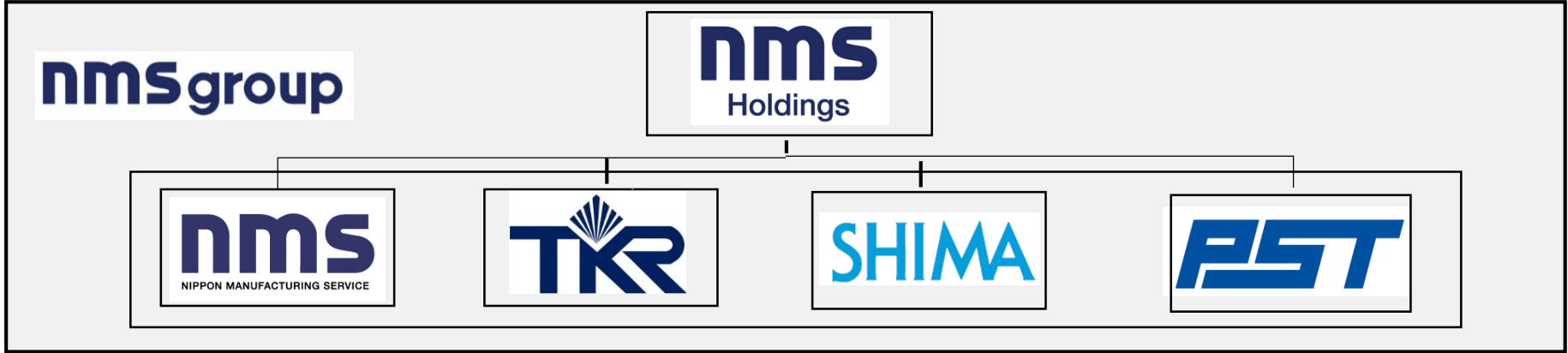
Purpose

To strengthen group management functions and enable flexible response on expansion of markets and business domains

- Group management structure after migration to a holding company structure



(For Reference) nms Group Business Structure

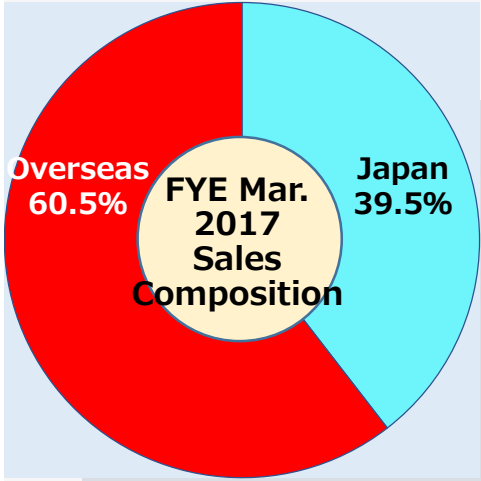


Main Consolidated Subsidiaries (fiscal year end for each company listed in parentheses)	Countries/ Regions Entered	Main Business Activities
Human Resource Solution Business (HS Business)		
<ul style="list-style-type: none"> Nippon Manufacturing Service Corporation (Mar.) Sino-Japan Stafftraining and Dispatch Co., Ltd. (Dec.) Sino Manufacturing Service Corporation (Dec.) 	Japan China Vietnam Thailand	<ul style="list-style-type: none"> Worker dispatch for manufacturing Customer service for repairs Dispatch of engineers
Electronics Manufacturing Service Business (EMS Business)		
<ul style="list-style-type: none"> SHIMA ELECTRONIC INDUSTRY CO., LTD. (Dec.) TKR Corporation (Dec.) 	Japan Hong Kong (China) Malaysia	<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
Power Supply Business (PS Business)		
<ul style="list-style-type: none"> Power Supply Technology CO., LTD. (Dec.) TKR Corporation (Dec.) 	Japan Hong Kong (China)	<ul style="list-style-type: none"> Custom power supply (low/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

(For Reference)

nms Group Overseas Expansion (FYE Mar. 2017 Results)

Integrate the unique characteristics of each business and capture new demand



Sino-Japan Stafftraining and Dispatch Co., Ltd.
Sino Manufacturing Service Corporation

- Sino Manufacturing Service Corporation (Wuxi office)
- Sino Manufacturing Service Corporation (Shenzhen office)
- Sino Manufacturing Service Corporation (Shanghai office)
- Sino Manufacturing Service Corporation (Dongguan office)



nms (Thailand) Co., Ltd.



TKR HONG KONG LIMITED
Power Supply Technology CO., LTD.
HONG KONG Branch

- TKR HUANAN ELECTRONICS CO., LTD (DONG GUAN)
- PST HUANAN ELECTRONICS CO., LTD (Foshan)
- PST HUANAN ELECTRONICS CO., LTD (Foshan) (SHENZHEN OFFICE)
- PST HUANAN ELECTRONICS CO., LTD (Foshan) (SUZHOU OFFICE)

Hong Kong



Representative office of nms (Thailand) Co., Ltd.



TKR MANUFACTURING PHILIPPINES INC.

Vietnam



NMS INTERNATIONAL RESOURCES CO., LTD.
NMS VIETNAM CO., LTD.

Malaysia



- SHIMA ELECTRONIC INDUSTRY (MALAYSIA) SDN. BHD.
- TKR MANUFACTURING (MALAYSIA) SDN. BHD.
- TKR PRECISION (MALAYSIA) SDN. BHD.



(For Reference) nms Group Sales Composition by Industry and Sector Type (FYE March 31, 2017 Results)

Industry/ Sector Type	End Product	Items Produced by nms	Percentage of Sales for Each Business			
			HS Business	EMS Business	PS Business	Total Company
Information devices	All-in-one machines, projectors	Main board and power supply Magnet roll	5.4%	23.4%	81.5%	31.8%
Household appliances	Air conditioners, refrigerators	Power supply (EMS)	3.6%	36.6%	14.1%	23.4%
Industrial equipment	Machine tools	Main board mounting	8.3%	12.7%	0.3%	8.9%
Automotive-related	Vehicles	Vehicle seats, Vehicle antennas, car navigation systems	22.6%	4.5%	0.0%	8.0%
AV equipment	AV equipment	Sound components BD/DVD drive units	1.8%	10.3%	0.5%	6.0%
Devices and modules	Cells and batteries, sensors		13.0%	1.2%	—	3.9%
Semiconductor-related	Semiconductors, IC chips	Semiconductor pre-process inspection Dispatch to development division	13.3%	0.2%	—	3.4%
Electronic components	Electronic components		8.3%	0.1%	—	2.1%
Gaming • Entertainment-related	Electric reels for fishing rods, Electric assist bicycles, gaming devices	Counter reel for fishing rods, Power supply, transformer, board mounting and assembly	0.0%	2.8%	0.3%	1.6%
Other			23.7%	8.0%	3.3%	10.9%

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

