

February 20, 2018

For General Release

Company Name: nms Holdings Corporation
Company Code: 2162, TSE JASDAQ
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**Notification of the Expansion into Vietnam by Our EMS Business and
Establishment of a Local Subsidiary**

Response to the Increase in Production by Key Customers in the Growing ASEAN Region and
Need for Local Production for Local Consumption

This is a notification that the Company passed a resolution for the expansion into the Socialist Republic of Vietnam by our EMS Business and the establishment of a local subsidiary at a Board of Directors Meeting held on February 20, 2018.

1. Reasons for the Establishment of a Local Subsidiary

TKR Corporation (TKR), which forms the core of the EMS Business in the nms Holdings Group, flexibly responds to the needs of customers for integrated production and mass production in addition to standalone processes and small lot production of many products by constructing high mounting quality and low cost production lines with extensive expertise in mounting, pressing, molding, assembly of finished products, trial manufacture, parts procurement and inspections.

We have setup a global production structure by developing production bases overseas in China (Dongguan) and Malaysia. However, with markets and regions in customers' production decentralizing and the need for local production for local consumption increasing, there has been a growing necessity to enhance our production structure in the ASEAN region. Therefore, we have decided to build a production structure in the Socialist Republic of Vietnam (Vietnam) to enhance our global business structure.

In addition to the abundant labor force in the Vietnamese market, industrial parks are being established and the business infrastructure (e.g. seaports and airports) is being developed there. Furthermore, with Japanese manufacturers promoting a production base strategy of "China +1," this is a promising market where we expect growth in the future.

The production base we will now establish will be comprised of a pressing plant and a mount assembly plant. This will be a site of 40,000 m² and will be the largest production base in the nms Group. Ba Thien II Industrial Park will be the location of this production base. This industrial park is located close to our key customers and is in a region with many advantages in terms of securing human resources and logistics. TKR is aiming to respond to the increase in production by our key customers. At the same time, TKR is also looking to incorporate the need for local production for local consumption in the ASEAN region while taking advantage of our track record to expand our customer base.

The nms Group has already developed business in Vietnam by establishing personnel placement and contract manufacturing bases in our Human Resources Solution Business (HS Business). We are also aiming to develop our business in the ASEAN region across our whole group by utilizing the effect from enhancing the production structure in our EMS business this time.

2. Overview of the New Subsidiary

(1) Firm name	TKR MANUFACTURING VIETNAM CO., LTD (Tentative name)
(2) Address	Ba Thien II Industrial Park, Thien Ke Ward, Binh Xuyen District, Vinh Phuc Province, Vietnam
(3) Representative	Joe Nakagawa, President
(4) Business activities	Manufacture of electronic parts, automobile parts and other parts, and the sale of parts, etc.
(5) Overview of the plants	Pressing plant (Land: 20,000 m ² / Building: 11,000 m ²) Mount assembly plant (Land: 20,000 m ² / Building: 20,000 m ²)
(6) Capital	1.82 million U.S. dollars (Approx. 200 million yen)
(7) Date of establishment	May 2018 (Scheduled)
(8) Shareholder and shareholding ratio	100% owned by TKR Corporation

3. Future Plan

May 2018 (Scheduled): Establishment and registration

April 2019 (Scheduled): Start operation

4. Impact on Earnings Outlook

The costs associated with establishing this subsidiary will be reflected in the next fiscal year. This means there is no impact on our earnings outlook for this fiscal year. We will incorporate and disclose the impact on our business performance in the next fiscal year in our earnings forecast we will disclose when we announce our financial results for the fiscal year ending March 31, 2018 (scheduled for mid-May).