

nms Holdings Corporation

Overview of Consolidated Financial Results for Fiscal Year Ending March 31, 2024

- Performance was strong overall as demand in Japan and ASEAN countries remained firm, despite the negative impact from economic stagnation caused by monetary tightening policies in Europe and the U.S. and production cuts by customers who experienced a decline in end-user demand, among other factors.
- Operating income increased and ordinary income outperformed the forecast (announced on October 30, 2023) as the positive effects from measures to strengthen the business base appeared, including the full benefits of previous business restructuring, productivity improvements, and the accompanying reduction in fixed costs, despite the decline in net sales, mainly due to production cuts by customers.
- The supply chain and other aspects of market structure are changing and it appears the uncertain business environment will persist. We are working to transform our business structure into one that can reliably generate profit even when economic conditions change. Next fiscal year, we will continue to pursue measures to strengthen the business base while identifying strategic investments that will generate future business growth and implementing measures that will lead to the next stage of growth.

(Million yen)	FYE Mar. 31, 2023 Results	FYE Mar. 31, 2024 Results					Total	Main Points
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter			
Net sales	79,033	18,565	17,709	18,407	18,191	72,874	[Non-operating income/expenses] Non-operating income: ¥634 million (Up ¥176 million YoY) Non-operating expenses: ¥952 million (Up ¥383 million YoY) [Extraordinary income/losses] Extraordinary income: ¥1 million Extraordinary losses: ¥45 million	
Operating income	1,537	483	14	610	779	1,888		
Ordinary income	1,426	698	191	269	411	1,570		
Profit attributable to owners of parent	505	496	63	216	(39)	737		
Net income per share (yen)	32.52	31.93	4.10	13.95	(2.56)	47.42		
EBITDA	2,980	842	386	949	1,132	3,311		

Financial Performance Highlights by Segment

(Million yen)		FYE Mar. 31, 2023 Results	FYE Mar. 31, 2024 Results						vs. FYE Mar. 31, 2023	Main Points
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total			
HS Business	Net sales	23,260	5,761	5,655	5,736	5,541	22,695	(2.4%)	<ul style="list-style-type: none"> Domestic demand was firm overall despite production adjustments by customers, mainly related to automotive and semiconductor demand. The positive effects of measures to strengthen the business base improved profitability despite the negative impact from production adjustments overseas, resulting in a decrease in net sales and growth in segment income overall. 	
	Segment Income	1,066	196	231	331	351	1,110	+44		
EMS Business	Net sales	38,157	9,118	8,228	8,387	8,554	34,290	(10.1%)	<ul style="list-style-type: none"> Net sales decreased YoY due to the negative impact from production cuts and production adjustments by customers, despite the positive effects from the receipt of new orders from and commencement of mass production at strategic locations. The positive effects from productivity improvements and cost restructuring at each location also led to growth in segment income. 	
	Segment Income	330	242	(107)	85	354	575	+244		
PS Business	Net sales	17,615	3,685	3,824	4,282	4,095	15,888	(9.8%)	<ul style="list-style-type: none"> Although domestic demand trended at a high level, the negative impact from production and inventory adjustments by customers overseas resulted in a decline in net sales. Segment income increased, owing to steady efforts to maintain stable production, mainly by improving production efficiency and expanding procurement sources for parts and materials, and implementing measures to secure sales and profit. 	
	Segment Income	637	203	15	356	209	785	+148		
Segment Eliminations	Segment Income	(496)	(159)	(124)	(163)	(135)	(582)	—	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 profits.	
Total	Net sales	79,033	18,565	17,709	18,407	18,191	72,874	(7.8%)	HS Business: Human Resource Solution Business EMS Business: Electronics Manufacturing Service Business PS Business: Power Supply Business	
	Segment Income	1,537	483	14	610	779	1,888	+350		

(For Reference) Financial Performance by Segment: HS Business

Net sales

¥22,695 million

Down 2.4% YoY

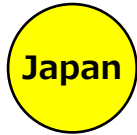
Segment Income

¥1,110 million

Up 4.2% YoY

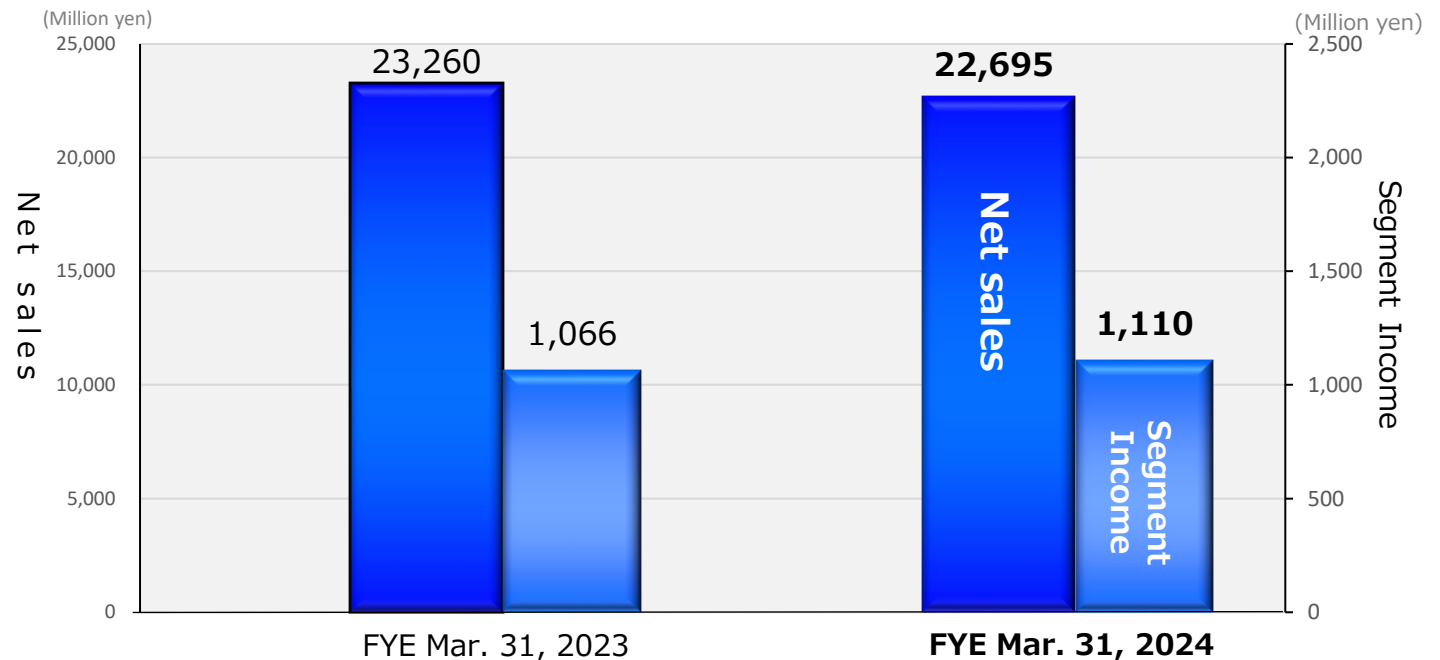
[Business Entity]

Nippon Manufacturing
Service Group



- Demand was firm overall despite production adjustments by customers mainly related to automotive and semiconductor demand, which suppressed sales.
- Efforts were made to improve profitability as progress was made on measures implemented to strengthen the business base, including negotiating unit prices on existing transactions, improving the cost-to-sales ratio through cost reductions, and stronger management to maintain appropriate SG&A expenses.

The positive effects from measures to strengthen the business base contributed to strong performance overall, despite the negative effects from continuing production cuts by customers to adjust inventories in China and Vietnam.



(For Reference) Financial Performance by Segment: EMS Business

Net sales

¥34,290 million

Down 10.1% YoY

Segment Income

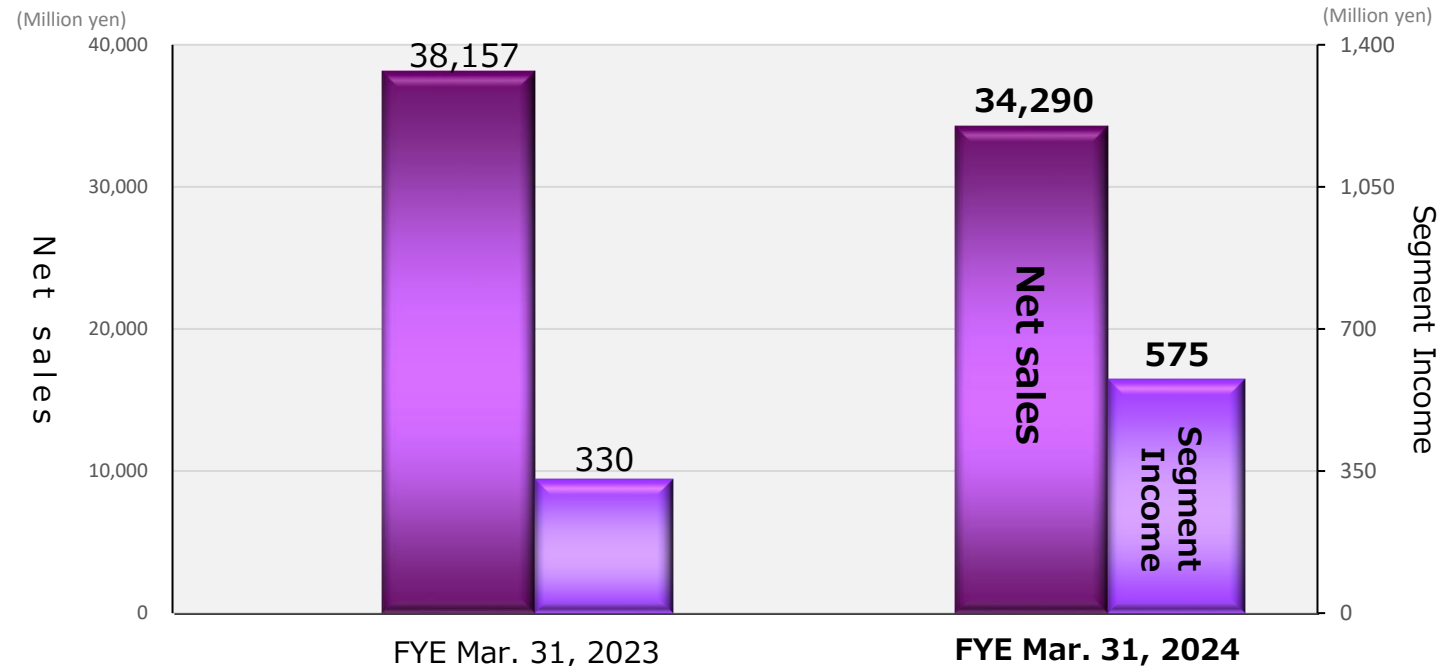
¥575 million

Up 74.1% YoY

[Business Entity]

TKR Group

- The EMS business has production operations in China, ASEAN countries, and North America. Net sales declined owing to the negative impact from production cuts and adjustments by customers overseas as they changed sales strategies, despite the positive effects from expansion of business scale, mainly from the receipt of new orders and increase in production volume from commencement of mass production at strategic locations.
- On the profit front, the positive effects from productivity improvements and cost restructuring at each location led to growth in segment income despite the negative effects from production adjustments by customers.
- 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

¥15,888 million

Down 9.8% YoY

Segment Income

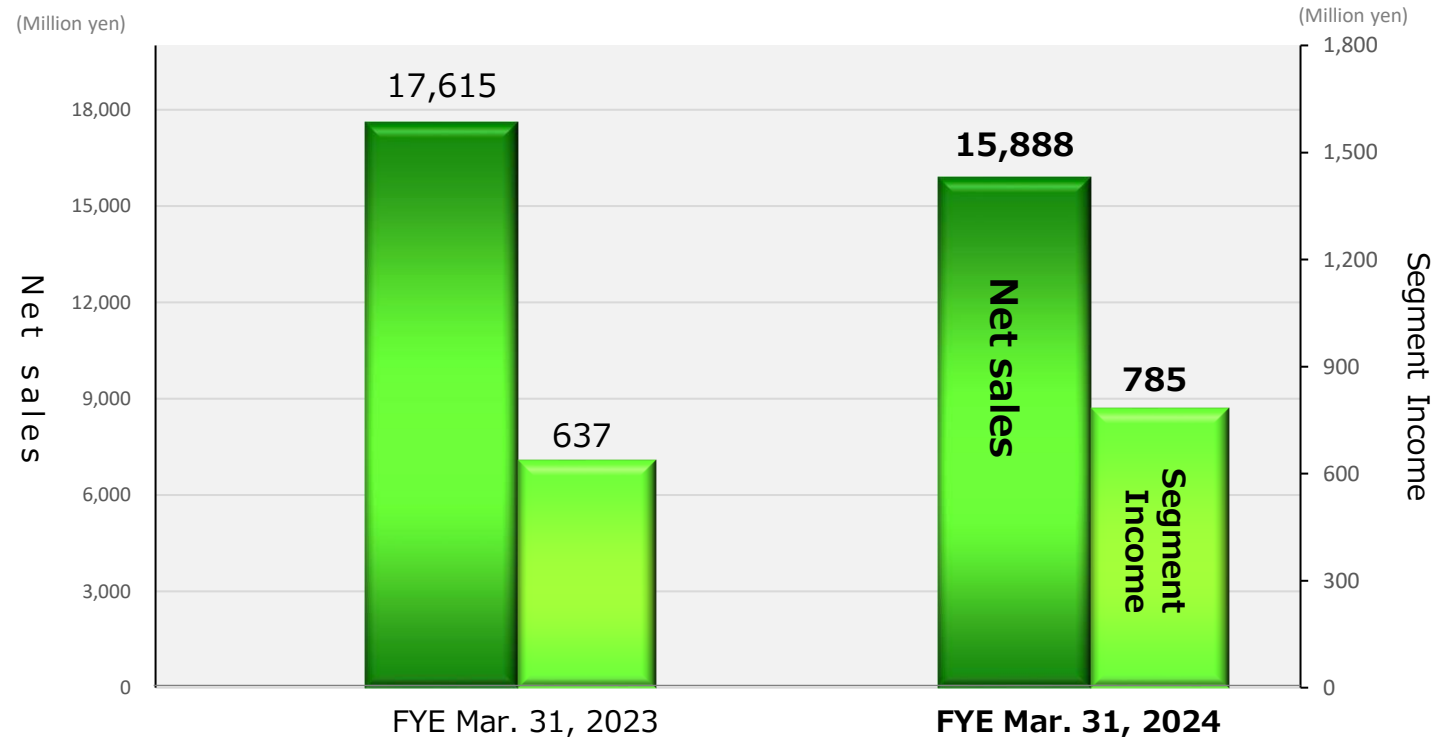
¥785 million

Up 23.3% YoY

[Business Entity]

Power Supply
Technology Group

- Net sales declined despite the continuing high level of domestic demand due to production and inventory adjustments by customers, mainly resulting from a decrease in sales overseas.
- Expanding procurement sources for parts and materials and other steady efforts to maintain stable production and implement measures to secure sales and profit led to YoY growth in segment income.



Financial Performance Highlights (B/S)

(Million yen)	FYE Mar. 31, 2023 (March 31, 2023)	FYE Mar. 31, 2024 (March 31, 2024)	Change
Current assets	30,020	26,178	(3,842)
Non-current assets	8,885	9,784	899
Property, plant and equipment	7,089	7,981	891
Intangible assets	651	605	(46)
Investments and other assets	1,143	1,197	53
Deferred assets	26	13	(13)
Total assets	38,932	35,976	(2,956)
Total liabilities	36,417	32,631	(3,786)
Current liabilities	28,519	29,219	700
Non-current liabilities	7,898	3,411	(4,486)
Total net assets	2,514	3,344	829
Total liabilities and net assets	38,932	35,976	(2,956)

■ Financial Performance Highlights (Cash Flows)

(Million yen)		FYE March 31, 2023	FYE March 31, 2024	Main Points
Income before income taxes		1,166	1,526	
Depreciation		1,442	1,423	
Change in operating capital		(2,590)	3,137	Notes and accounts receivable-trade: ¥2,228million Inventories: ¥3,824 million Notes and accounts payable-trade:(¥2,915million)
Other		(273)	(1,314)	
Net cash flow from operating activities		(253)	4,772	
Purchase/sales of non-current assets		(1,632)	(1,003)	Gains on sale: ¥2 million Expenditures for acquisition: (¥ 1,006 million)
Other		18	(48)	
Net cash flow from investing activities		(1,613)	(1,052)	
Free cash flow		(1,867)	3,720	
Change in loans payable		(176)	(2,396)	
Payment of dividends, etc.		(354)	(695)	Lease debt repayment: (¥602 million) Dividends paid: (¥93 million)
Net cash flow from financing activities		(530)	(3,092)	
Cash and cash equivalents at end of period		3,041	4,203	

■ Full-year Earnings and Dividend Forecasts for Fiscal Year Ending March 31, 2025

- The supply chain and other aspects of market structure are changing in the wake of the COVID-19 pandemic and it appears the repeated irregular cycle of increases in production to make up for inventory shortages followed by inventory adjustments and production cuts will continue. We are working to transform our Group business into one that can reliably generate profit even when economic conditions change. In fiscal year ending March 31, 2025, we will continue to pursue measures to strengthen the business base, while identifying strategic investments that will generate future business growth and implementing measures that will lead to the next stage of growth.
- As a result, the plan forecasts for fiscal year ending March 31, 2025 are as follows: Net sales of ¥75,000 million, operating income of ¥2,100 million, ordinary income of ¥1,900 million, and profit attributable to owners of parent of ¥1,300 million.
- We plan to increase dividends by seven yen per share for year-end dividends of 14 yen per share.

(Million yen)	FYE Mar. 31, 2023 Results	FYE Mar. 31, 2024 Results	FYE Mar. 31, 2025 Forecasts	vs. FYE Mar. 31, 2024
Net sales	79,033	72,874	75,000	2.9%
Operating income	1,537	1,888	2,100	11.2%
Ordinary income	1,426	1,570	1,900	21.0%
Profit attributable to owners of parent	505	737	1,300	76.4%
Dividends per share (Year-end dividends)	¥ 6	¥ 7	¥ 14	

nms Holdings Corporation

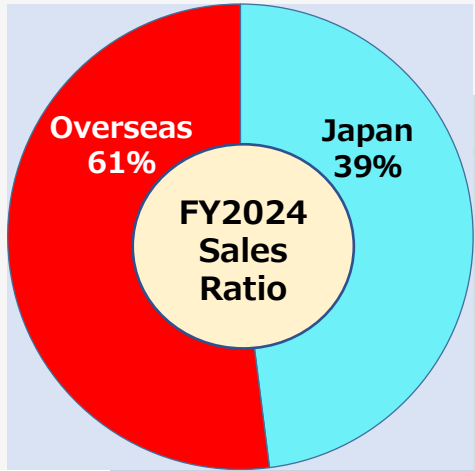
<https://www.n-ms.co.jp/english/>

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, 2024)
Stock Exchange Listings	Tokyo Securities Exchange (Standard market) Securities Code 2162
Number of group employees	11,855 people (as of March 31, 2024)
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 Dalian office
Dongguan office Guangzhou office Suzhou office
TKR Huanan Electronics Co., Ltd. (Dong Guan)
PST Huanan Electronics Co., Ltd. (Foshan)
Shenzhen office Suzhou office

HS PS



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.

Thailand · Cambodia · Laos



nms(Thailand) Co., Ltd.
Power Supply Technology (Thailand) Co., Ltd.



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



NMS Lao Sole Co., Ltd.

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

nms Holdings

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

Domestic bases 29
Overseas bases 19

EMS

Electronics Manufacturing Service Business

This business implements total solutions that help customers to improve their competitive strength.

Legal Entity



TKR Corporation

Domestic bases 3
Overseas bases 8

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 Group

Domestic bases 2
Overseas bases 5

(For Reference) nms Holdings Group Business Structure

Main Consolidated Subsidiaries	Countries/ Regions Entered	Main Business Activities
Human Resource Solution Business (HS Business)		
<ul style="list-style-type: none"> • Nippon Manufacturing Service Corporation • nms Engineering Co., Ltd. • Japan Technical Education Organization (JATEO) • Sino-Japan Staff training and Dispatch Co., Ltd. • Sino Manufacturing Service Corporation • nms Vietnam Co., Ltd. • NMS International Resources Co., Ltd. • nms (Thailand) Co., Ltd. • PT. NMS CONSULTING INDONESIA • NMS Lao Sole Co., Ltd. etc. 	Japan China Vietnam Thailand Laos Indonesia Cambodia	General manufacturing services in Japan and overseas <ul style="list-style-type: none"> • Contract manufacturing business (contracting [on-premises contract manufacturing] and contract manufacturing staffing and recruitment services) • IT production engineering business (staffing and recruitment services) • IT and design development engineering business (staffing, recruitment services and contracting) • Technical service business (various repairs, rework and analysis / general customer services) • Logistics service business (distribution 3PL / flow surface processing / staffing) • Contract education/training after entering Japan for technical interns and business support for companies accepting interns concerning the technical intern training program for foreigners
Electronics Manufacturing Service Business (EMS Business)		
<ul style="list-style-type: none"> • TKR Corporation • TKR Huanan Electronics (Dongguan) Co., Ltd. • TKR Manufacturing (Malaysia) Sdn. Bhd. • TKR Precision (Malaysia) Sdn. Bhd. • TKR Manufacturing Vietnam Co., Ltd. • TKR USA, Inc. • TKR de México S.A. de C.V. • SHIMA Electronic Industry (Malaysia) Sdn. Bhd. etc. 	Japan China Malaysia Vietnam U.S.A. Mexico	<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 • Energy-saving Device Manufacturing/Sales business • Business initiatives shared with the customer, and design, development and sales efforts related to such • Startup solutions business
Power Supply Business (PS Business)		
<ul style="list-style-type: none"> • Power Supply Technology Co., Ltd. • PST Huanan Electronics (Foshan) Co., Ltd. • Power Supply Technology (Thailand) Co., Ltd. • Power Supply Technology (Hong Kong) Co., Limited 	Japan China Hong Kong (China) Thailand	<ul style="list-style-type: none"> • Custom power supply (switching and 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

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.

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