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For General Release

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Notification of the Formulation of Our New Medium-Term Business Plan

This is an announcement that nms Holdings Corporation has decided on our new medium-term business plan for the period from FY2019 (fiscal year ending March 31, 2020) to FY2021 (fiscal year ending March 31, 2022) at a meeting of our Board of Directors held today.

1. Background to Our New Medium-Term Business Plan

As we announced on May 14, 2018, nms Holdings Corporation formulated our FY2020 Medium-term Business Plan and implemented action plans to build the foundations to lead to growth.

In this fiscal year, while we were affected by changes in demand due to the economic slowdown in China and the soaring price of components, we actively made efforts to contribute to future growth. For example, we acquired business to advance into new markets, launched new businesses and developed our bases. We extended this market into North and Central America in addition to Asia.

Under such circumstances, the premises in our current medium-term business plan that we have been promoting up to now have significantly changed. In addition to this, we have closely examined the measures for challenges to ensure our future efforts are even sounder. Together with this, we decided to formulate a new medium-term business plan for the period from FY2019 (fiscal year ending March 31, 2020) to FY2021 (fiscal year ending March 31, 2022) as the course of those results. We will also establish our 2022 Vision in conjunction with that and aim to shift toward sustainable growth.

2. Target Figures for Our New Medium-Term Business Plan

We plan to achieve net sales of 100 billion yen and operating income of 4 billion yen in FY2021 (fiscal year ending March 31, 2022) by soundly implementing our action plans and reaping the investment effect. This means we are aiming to treble our profit in three years from FY2019.

	FY2019	FY2020	FY2021	2022 Vision
Net sales	72 billion yen	85 billion yen	100 billion yen	120 billion yen
Operating income	1.3 billion yen	2.6 billion yen	4 billion yen	6 billion yen

3. Action Plan of Each Business Segment

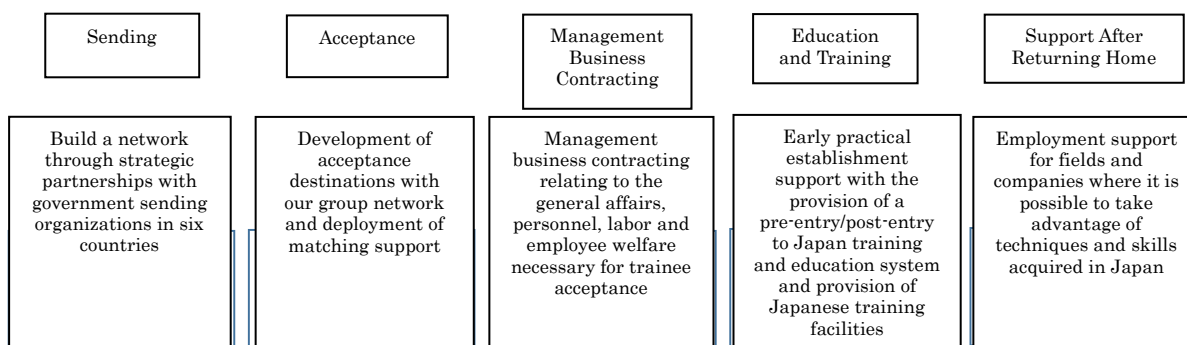
HS Business	(1) Expand scale of foreign technical trainee management contracting (3,000 trainees by the end of March 2020) (2) Launch labor saving equipment and device business on a full-scale basis (3) Increase ratio of engineer human resources (4) Reap the investment effect of overseas human resource business and strengthen profitability
EMS Business	(1) Implement a base strategy to respond quickly to the move to fables manufacturing in the manufacturing industry (Asia and North/Central America) (2) Strengthen development functions to handle even product design (China)
PS Business	(1) Review product portfolio and strengthen profitability by implementing fundamental cost structure reform (2) Build a flexible production structure by utilizing group resources and then develop business to ASEAN countries (3) Increase sales of new products focused on energy management and contribute to profit

4. Overview of the Action Plan in Each Business Segment

(1) Human Solution (HS) Business Segment

1) Expand the scale of foreign technical trainee management contracting (3,000 trainees by the end of March 2020):

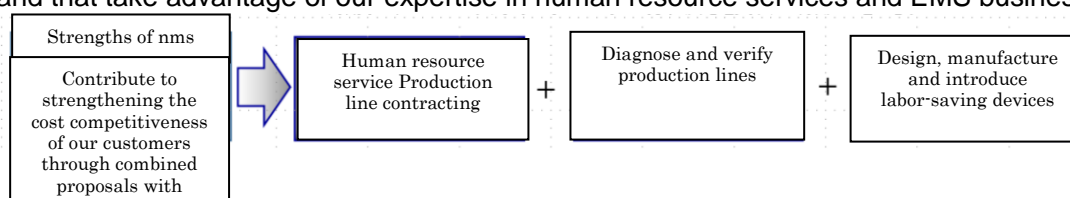
We will raise the scale of our foreign technical trainee management contracting to 3,000 trainees by the end of March 2020 on the good opportunity presented by the increase in the acceptance of foreign human resources. We will leverage the network of government sending organizations our group is partnered with in six countries to create a virtuous cycle that combines education, establishment and support after returning home. Through this, we will build the foundations of business to play a part in contributing internationally.



*Six countries: Philippines, Indonesia, Laos, Cambodia, China and Sri Lanka

2) Launch labor saving equipment and device business on a full-scale basis:

Amid a shift in the manufacturing industry to overseas production, local personnel costs are soaring and securing human resources is becoming difficult. Against this background, there is an increasing need to introduce labor saving equipment and devices into labor-intensive production lines. We will launch a special division to expand our design, development and support infrastructure system. We will also capitalize on the strength of it being possible to establish return on investment in a short period of time after introducing equipment and devices. We will then aim to expand our business by offering combined proposals in Japan, China, Vietnam and Thailand that take advantage of our expertise in human resource services and EMS business.



3) Increase ratio of engineer human resources:

We are looking to increase our ratio of engineer human resources by strengthening our engineer dispatch business. At the same time, we are working on strengthening our profit structure by aiming to increase our contract price with customers.

4) Reap the investment effect of overseas human resource business and strengthen profitability:

Our group has been providing human resource services overseas ahead of others in the industry. This market has now expanded to six countries. We are looking to utilize the expertise we have built up in those countries to build a virtuous cycle in relation to foreign technical trainees. In addition, we are aiming to differentiate our proposals and services to customers from others by linking up with our human resource services business in Japan to strengthen our earning capacity.

*Six countries: China, Thailand, Vietnam, Cambodia, Laos and Indonesia

(2) Electronics Manufacturing Service (EMS) Business Segment

1) Implement a base strategy to respond quickly to the move to fables manufacturing in the manufacturing industry (Asia and North/Central America):

The move to fables manufacturing is proceeding together with business selection and concentration in the manufacturing industry. We will build a structure and implement a base strategy that can respond quickly to this. In particular, TKR Corporation (TKR), which plays a central role in the EMS business of our group, will launch a Vietnamese base from April 2019. At the same time, as announced on December 19 last year, the company is also planning to advance into North America and Mexico through a business acquisition from Sony Corporation with the aim of further expanding its business.

Position	Mega EMS	Malaysia, Vietnam and Mexico Fields requiring high reliability and high-mix low-volume production systems (e.g., for automotive related products and industrial equipment)
	Tailor-made EMS	China (Dongguan) Fields requiring design and development capabilities and cost competitiveness and mass production systems (e.g., for digital consumer equipment)

We have also started hardware design business for IoT related customers and design manufacturing support business for customers who do not have manufacturing infrastructure in addition to substrate mounting and unit assembly and production in our bases in Japan.

2) Strengthen development functions to handle even product design (China):

We have started activities by establishing a R&D center to perform even product design in our base in Dongguan, China which is responsible for our tailor-made EMS functions. The aim of this is to increase our ability to respond to market needs and to differentiate ourselves from others as an EMS company. It is possible to select unique components and to reduce lead times by producing designs that conform to automation. We will reduce production costs and improve productivity to increase profitability. We will also work on training and securing engineers who are in short supply in Japan. This will build up our expertise to contribute to productivity over our entire group. That will contribute to strengthening our competitiveness.

(3) Power Supply (PS) Business Segment

1) Review product portfolio and strengthen profitability by implementing fundamental cost structure reform:

The document related market (e.g., multifunction machines and photocopying machines), which is built on our main products of power supply components, has matured and the environment is now changing rapidly. There is an urgent need to rebuild stable business foundations. Accordingly, we will accelerate the review of our product portfolio and work on strengthening profitability. We will also strive to lower indirect costs to build a strong constitution that can withstand changes in the external environment (e.g. soaring component prices and fluctuations in business sentiment). In addition, we will implement fundamental cost structure reform. For example, we will improve productivity by performing a business review.

2) Build a flexible production structure by utilizing group resources and then develop business to ASEAN countries:

With Japan serving as our development base, the production of our existing products is heavily concentrated on Guangdong Province (Foshan) in China. However, we will utilize resources in our group to switch to a flexible production structure with the aim of responding to risks in China and changes in the international situation. In conjunction with a review of our product portfolio, we will develop production in ASEAN countries mainly in Thailand and utilize the EMS functions in our group. Through this, we will respond to the diversifying needs of our customers with the aim of expanding our customer base.

3) Increase sales of new products focused on energy management and contribute to profit:

The electrification of cars is advancing with strengthening environmental regulations in the background to this. Against this backdrop, we have developed a LiB secondary battery pack to supply products that support all control, charging and storage of batteries by taking advantage of our strength in power supply technology under the keywords of safety and security. We started delivering products to the automobile field in September 2018. These battery packs appropriately control the charging and storage of battery systems (battery management) which serve as the source of power for various devices. In the future, we will aim to expand their applications beyond automobiles to include the increasingly electrified construction machinery and agricultural machinery related and industrial storage system (e.g., robots and transportation machines) fields as well as uninterruptible power supplies (UPS) as backup power supplies in the event of a disaster. Through this, we are looking to expand sales while aiming to contribute to profits at an early stage.

Note: The statements relating to the future (e.g., earnings estimates) found in this document are based on information that nms Holdings Corporation has obtained at the present time and certain assumptions we judge to be reasonable. There is a possibility that actual performance may differ depending on various factors in the future.