

**Consolidated Financial Results (Japanese Accounting Standards)
for the Fiscal Year Ending March 31, 2022**

May 13, 2022

Listed Company nms Holdings Corporation (nms HD)

Listings: Tokyo Stock Exchange

Securities code 2162 URL <https://www.n-ms.co.jp/>

Representative (Title) President and CEO (Name) Fumiaki Ono

Contact (Title) Managing Director General Manager, Corporate Division (Name) Toshiko Kono Tel 03-5333-1711

Scheduled date of ordinary shareholders' meeting: June 22, 2022

Scheduled date for filing of annual securities report: June 22, 2022

Scheduled date of commencement of dividend payment: June 23, 2022

Supplementary documents for financial results: Yes

Financial results briefing: Yes

(Amounts in millions of yen rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Consolidated results of operations (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2022	63,277	15.4	(361)	—	122	(22.7)	(1,980)	—
FY03/2021	54,856	(12.4)	689	(25.1)	158	(70.7)	(735)	—

Note: Comprehensive income FY03/2022 (1,701) million yen (—%) FY03/2021 (925) million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY03/2022	(121.17)	—	(53.7)	0.4	(0.6)
FY03/2021	(44.12)	—	(14.0)	0.5	1.3

Reference: Share of (profit) loss of entities accounted for using equity method FY03/2022 — million yen FY03/2021 — million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2022	34,842	2,693	7.7	172.75
FY03/2021	31,507	4,702	14.9	281.71

Reference: Shareholders' equity FY03/2022 2,685 million yen FY03/2021 4,693 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
FY03/2022	(1,550)	(926)	2,601	5,106
FY03/2021	943	(919)	664	4,741

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
FY03/2021	Yen —	Yen 0.00	Yen —	Yen 4.00	Yen 4.00	Million yen 66	% (9.1)	% 1.3
FY03/2022	—	0.00	—	5.00	5.00	77	(4.1)	2.2
FY03/2023 (forecast)	—	0.00	—	5.00	5.00		155.3	

3. Consolidated forecasts for year ending March 2023 (April 1, 2022 to March 31, 2023)

(% shows the year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Interim	36,000	18.3	(370)	—	(340)	—	(480)	—	(30.88)
Full year	77,100	21.8	600	—	450	266.2	50	—	3.22

* Notes

(1) Changes of important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes

(2) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles associated with revision of accounting standards, etc.: Yes

(ii) Changes in accounting principles other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares outstanding (common shares):

(1) Number of shares outstanding at end of period (including treasury shares)

FY03/2022	21,611,000shares	FY03/2021	21,611,000shares
FY03/2022	6,067,959shares	FY03/2021	4,949,759shares
FY03/2022	16,341,383shares	FY03/2021	16,670,874shares

(2) Number of treasury shares at end of period

(3) Average number of shares outstanding during the term

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY03/2022	645	(0.9)	165	(2.6)	258	3.5	178	2.3
FY03/2021	650	4.3	169	39.5	249	34.8	174	37.8

	Net income per share	Diluted net income per share
	Yen	Yen
FY03/2022	10.91	—
FY03/2021	10.46	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY03/2022	18,511	982	5.3	63.21
FY03/2021	15,204	1,110	7.3	66.62

Reference: Shareholders' equity FY03/2022 982million yen FY03/2021 1,110million yen

* Financial statements are exempt from audit conducted by certified public accountants or an audit corporation.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes concerning the forward-looking statements)

The results forecasts and forward-looking statements included in this document are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors.

(Availability of the supplementary documents for financial results)

The supplementary materials on financial results will be disclosed on TDNET on the same day and posted on our website.

4. Consolidated financial statements
(1) Consolidated balance sheet

(Thousand yen)

	FY03/2021 (March 31,2021)	FY03/2022 (March 31,2022)
Assets		
Current assets		
Cash and deposits	4,746,154	5,131,886
Notes and accounts receivable - trade	10,300,146	—
Notes receivable-trade	—	563,881
Accounts receivable-trade	—	10,973,250
Contract assets	—	198,562
Finished goods	1,152,791	1,287,937
Work in process	546,250	699,212
Raw materials and supplies	3,852,590	6,132,170
Others	1,070,851	1,373,328
Allowance for doubtful accounts	(10,574)	(11,081)
Total current assets	21,658,210	26,349,148
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,240,505	2,796,946
Machinery, equipment and vehicles, net	2,581,286	1,919,452
Land	1,166,687	953,021
Other, net	901,618	1,027,923
Total property, plant and equipment	7,890,096	6,697,342
Intangible assets		
Other	883,399	722,073
Total intangible assets	883,399	722,073
Investment and other assets		
Investment securities	17,365	15,815
Investments in capital of subsidiaries and affiliates	65,940	65,940
Deferred tax assets	272,509	209,100
Lease and guarantee deposits	222,309	233,574
Other	450,514	509,447
Allowance for doubtful accounts	(6,119)	—
Total investments and other accounts	1,022,518	1,033,877
Total non-current assets	9,796,014	8,453,293
Deferred assets		
Bond issuance cost	52,885	39,663
Total deferred assets	52,885	39,663
Total assets	31,507,110	34,842,105
Liability		
Current liability		
Notes and accounts payable - trade	3,968,835	5,230,005
Short-term loans payable	9,037,190	16,324,883
Lease obligations	397,231	391,956
Accounts payable - other	1,906,819	2,239,346
Income tax payable	172,010	185,357
Accrued consumption taxes	362,066	371,190
Provision for bonuses	427,327	455,422
Other	1,189,161	1,135,677
Total current liabilities	17,460,639	26,333,836
Non-current liabilities		
Bonds payable	2,000,000	2,000,000
Long-term loans payable	5,956,696	2,853,065
Deferred tax liability	63,784	66,339
Net defined benefit liabilities	297,239	317,143
Lease obligations	441,227	190,825
Other	585,208	386,905
Total non-current liabilities	9,344,157	5,814,278
Total liabilities	26,804,796	32,148,115

(Thousand yen)

	FY03/2021 (March 31,2021)	FY03/2022 (March 31,2022)
Net assets		
Shareholders' equity		
Capital stock	500,690	500,690
Capital surplus	527,182	554,842
Retained earnings	5,486,514	3,439,757
Treasury shares	(1,043,513)	(1,310,407)
Total shareholders' equity	5,470,873	3,184,883
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(6,301)	(7,851)
Foreign currency translation adjustment	(770,990)	(491,954)
Total other accumulated comprehensive income	(777,291)	(499,805)
Non-controlling interests	8,732	8,912
Total net assets	4,702,314	2,693,990
Total liabilities and net assets	31,507,110	34,842,105

(2) Consolidated statements of income/quarterly consolidated statement of comprehensive income
(Consolidated statements of income) (FY03/2022)

(Thousand yen)

	FY03/2021 (From April 1, 2020 to March 31, 2021)	FY03/2022 (From April 1, 2021 to March 31, 2022)
Net sales	54,856,858	63,277,443
Cost of sales	48,110,784	56,555,979
Gross profit	6,746,073	6,721,464
Selling, general and administrative expenses		
Salaries and bonuses	2,760,843	2,914,375
Provision for bonuses	109,777	155,340
Other	3,186,243	4,012,904
Total selling, general and administrative expenses	6,056,863	7,082,619
Operating income	689,210	(361,155)
Non-operating income		
Interest income	26,997	14,833
Dividend income	1,024	—
Foreign exchange gains	—	697,750
Insurance fee	25,707	—
Insurance premiums refunded cancellation	24,323	—
Other	118,510	81,614
Total non-operating income	196,563	797,199
Non-operating expenses		
Interest expenses	239,174	207,099
Foreign exchange losses	300,689	—
Amortization of bond issuance cost	13,221	13,221
Foreign withholding tax	1,804	4,843
Other	171,944	88,001
Total non-operating expenses	726,834	313,165
Ordinary income	158,939	122,879
Extraordinary income		
Gain on sales of non-current assets	25,572	35,684
Gain on sales of investment securities	3,056	—
Total extraordinary income	28,628	35,684
Extraordinary losses		
Loss on sales of non-current assets	—	—
Loss on retirement of non-current assets	10,358	9,145
Business structure reform expenses	92,462	164,110
Impairment loss	—	1,433,042
Loss on COVID-19	395,123	138,576
Total extraordinary losses	497,944	1,744,875
Profit /Loss (-) before income taxes	(310,377)	(1,586,311)
Total income taxes	425,530	393,694
Net income/loss (-)	(735,907)	(1,980,006)
Profit/Loss (-) attributable to non-controlling interests	(393)	105
Profit/Loss (-) attributable to owners of parent	(735,514)	(1,980,111)

(Consolidated statement of comprehensive income) (FY03/2022)

(Thousand yen)

	FY03/2021 (From April 1, 2020 to March 31, 2021)	FY03/2022 (From April 1, 2021 to March 31, 2022)
Net income/loss (-)	(735,907)	(1,980,006)
Other comprehensive income/loss (-)		
Valuation difference on available-for-sale securities	775	(1,550)
Foreign currency translation adjustment	(190,452)	279,636
Total other comprehensive income/loss (-)	(189,677)	278,086
Comprehensive income/loss (-)	(925,584)	(1,701,919)
Comprehensive income attributable to		
Comprehensive income/loss (-) attributable to owners of parent	(924,886)	(1,702,625)
Comprehensive income/loss (-) attributable to non-controlling interests	(698)	705

(3) Quarterly consolidated statement of cash flows

(Thousand yen)

	FY03/2021 (From April 1, 2020 to March 31, 2021)	FY03/2022 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit /Loss (-) before income taxes	(310,377)	(1,586,311)
Depreciation	1,266,302	1,514,672
Increase (decrease) in allowance for doubtful accounts	(680)	(753)
Increase (decrease) in provision for bonuses	(39,256)	5,972
Increase (decrease) in net defined benefit liability	(60,978)	9,048
Interest and dividend income	(28,021)	(14,833)
Interest expenses paid	239,174	207,099
Amortization of bond issuance cost	13,221	13,221
Foreign exchange losses (gains)	(11,714)	(486,829)
Insurance income	(25,707)	—
Surrender value of insurance	(24,323)	—
Loss on retirement of non-current assets	10,358	9,145
Loss (gain) on sales of non-current assets	(25,572)	(35,684)
Gain on reversal of share acquisition rights	(3,056)	—
Business structure reform expenses	92,462	164,110
Impairment loss	—	1,433,042
Loss on COVID-19	395,123	138,576
Decrease (increase) in notes and accounts receivable - trade	1,329,651	(1,008,200)
Decrease (increase) in accounts receivable-other	92,314	(26,581)
Decrease (increase) in inventories	350,394	(2,184,390)
Increase (decrease) in notes and accounts payable - trade	(331,013)	892,205
Increase (decrease) in accounts payable - other	112,681	161,924
Increase (decrease) in accrued expenses	(27,464)	33,366
Increase (decrease) in accrued consumption taxes	(487,312)	(76,582)
Increase (decrease) in deposits received	97,823	(87,994)
Increase (decrease) in long-term accounts payable	(7,380)	6,855
Increase (decrease) in other non-current liabilities	(768,085)	(119,977)
Other	307,890	226,163
Subtotal	2,156,454	(812,735)
Interest and dividend income received	21,050	25,934
Proceeds from subsidy income	15,500	—
Proceeds from insurance income	25,707	—
Interest expenses paid	(239,207)	(208,188)
Income taxes paid	(587,093)	(379,446)
Income taxes refund	11,850	120,790
Business structure reform expenses paid	(92,462)	(164,110)
Proceeds from subsidies for employment adjustment	324,241	107,746
Payments for loss on COVID-19	(692,589)	(240,770)
Net cash provided by (used in) operating activities	943,451	(1,550,780)

(Thousand yen)

	FY03/2021 (From April 1, 2020 to March 31, 2021)	FY03/2022 (From April 1, 2021 to March 31, 2022)
Cash flows from investing activities		
Payments into time deposits	(35,896)	(24,200)
Proceeds from withdrawal of time deposits	51,272	4,885
Purchase of property, plant and equipment	(997,590)	(1,051,566)
Proceeds from sales of property, plant and equipment	25,493	378,558
Purchase of intangible assets	(42,188)	(208,547)
Proceeds from sales of investment securities	14,248	—
Payments for lease and guarantee deposits	(7,363)	(13,440)
Proceeds from collection of lease and guarantee deposits	28,556	14,743
Net decrease (increase) in short-term loans receivable	540	—
Collection of long-term loans receivable	1,200	—
Proceeds from maturity of insurance funds	57,675	2,138
Other	(15,076)	(28,730)
Net cash provided by (used in) investing activities	(919,128)	(926,161)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,268,955	3,945,309
Proceeds from long-term loans payable	—	300,000
Repayments of long-term loans payable	(874,859)	(848,670)
Repayments of finance lease obligations	(403,649)	(347,260)
Proceeds from sales and leasebacks	—	25,134
Repayments of installment payables	(106,872)	(106,032)
Purchase of treasury shares	(133,654)	(299,992)
Cash dividends paid	(85,690)	(66,959)
Net cash provided by (used in) financing activities	664,229	2,601,527
Effect of exchange rate change on cash and cash equivalents	(104,019)	240,259
Net increase (decrease) in cash and cash equivalents	584,533	364,844
Cash and cash equivalents at beginning of period	4,156,874	4,741,407
Cash and cash equivalents at end of period	4,741,407	5,106,252