

Financial Results

FY2020 first half

1st April, 2020 – 30th September, 2020

All forecasts and plan that are not historical facts in this document are future business result related forecast. These are showed by based on information and data currently available to the company. Various uncertain factors could cause actual results to differ.

9th November, 2020



NICHIAS Corporation

Financial highlights FY2020 H1 Results

(Unit: billion JPY)

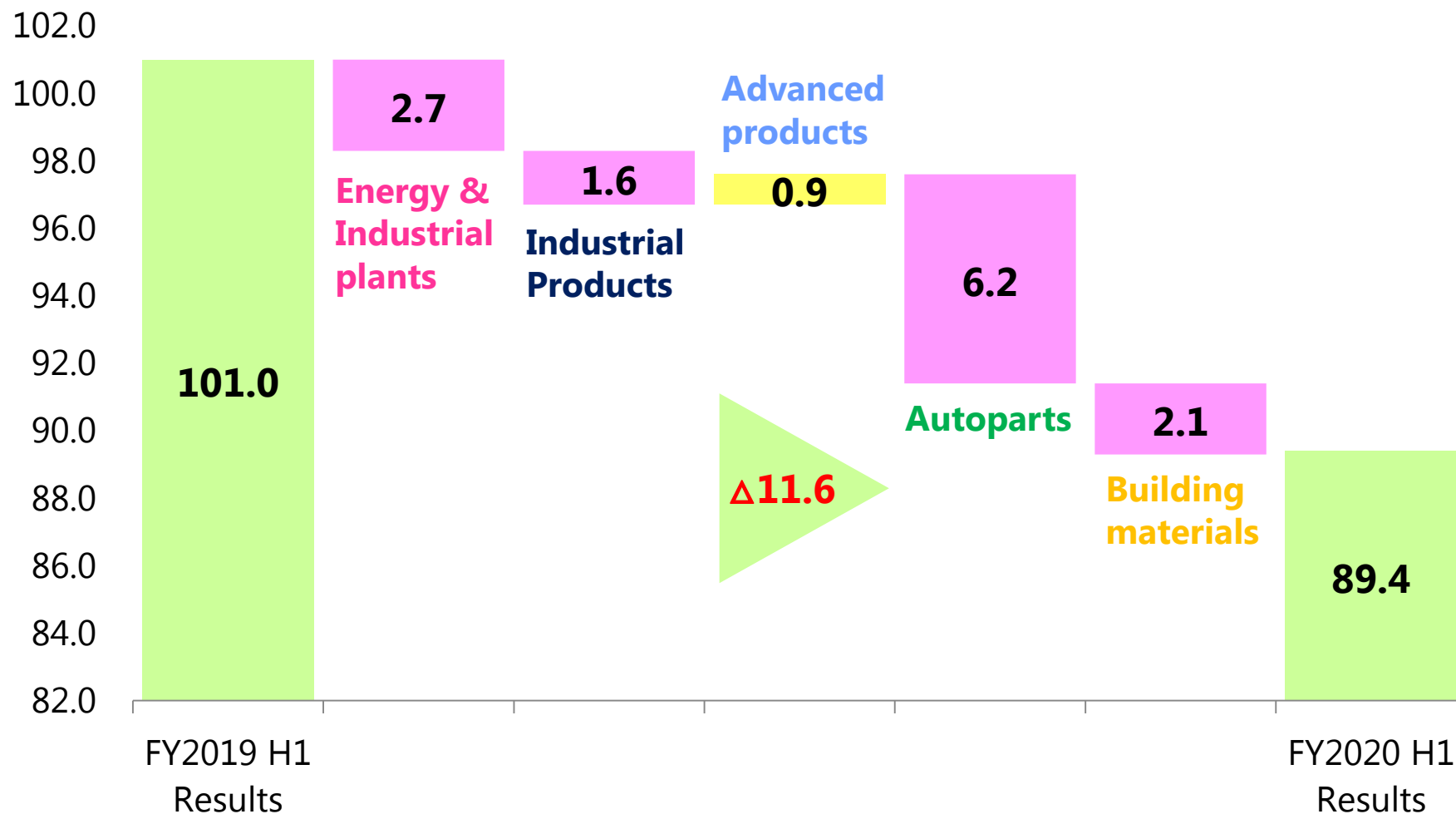
Results for the second quarter of the fiscal year 2020 were generally in line with our expectations, with sales and profit exceeding the forecast of 3rd August 2020.

Financial results for FY2020 H1

		FY2019 H1	FY2020 H1		Change	
		Results	Fcst. 3 rd Aug.	Results	YoY	Forecast
Net Sales		101.0	88.5	89.4	△11.5%	1.0%
Operating income		10.0 9.9%	7.0 7.9%	7.1 8.0%	△28.4%	2.0%
Ordinary income		10.0 9.9%	7.0 7.9%	7.7 8.6%	△23.3%	10.0%
Extra ordinary	Profit	0.1	-	0.4	606.9%	-
	Loss	0.1	-	0.8	1,100.9%	-
Profit attributable to owners of parent		7.0 7.0%	4.4 5.0%	4.7 5.2%	△33.7%	6.0%

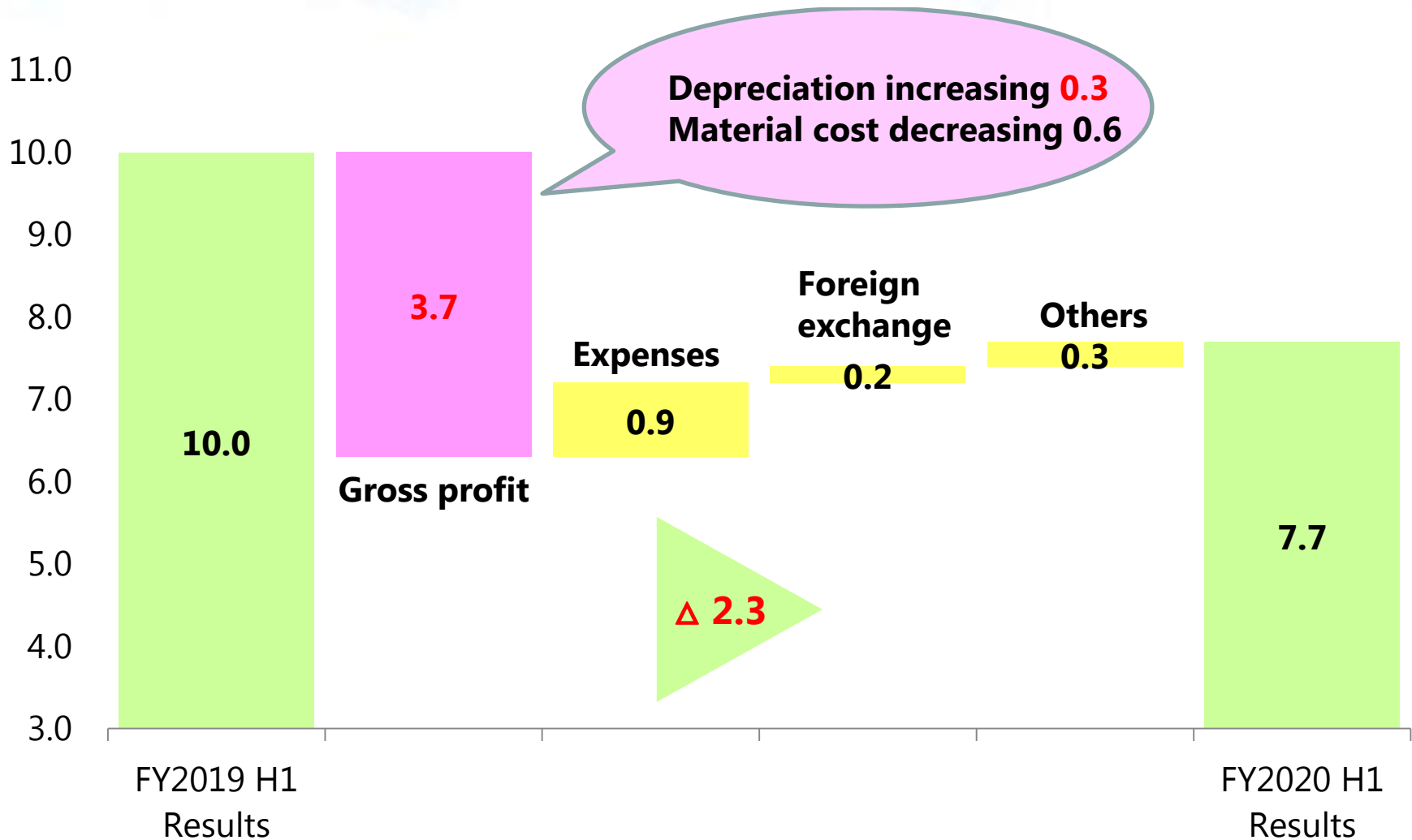
Change analysis FY2020 H1 Net sales

(Unit: billion JPY)



Change analysis FY2020 H1 Ordinary income

(Unit: billion JPY)



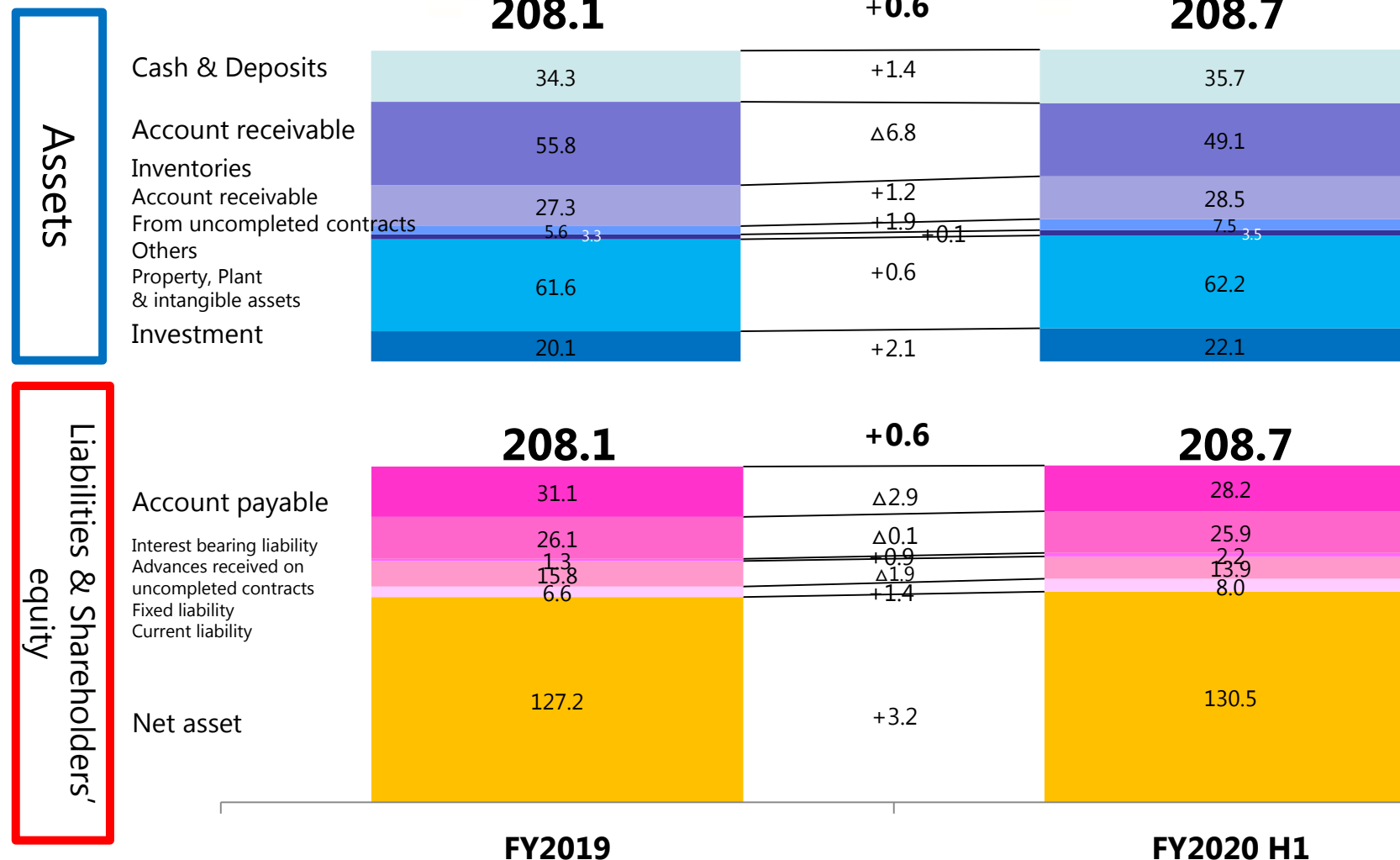
Business results FY2020 H1 Group segments

(Unit: billion JPY)

Segments		FY2019 H1 Results	FY2020 H1		Change	
			Fcst. 3 rd Aug.	Results	YoY	Forecast
Energy & Industrial plants	Net Sales	30.9	28.5	28.3	Δ8.6%	Δ0.8%
	Operating income	3.1	2.9	3.2	4.6%	10.5%
		9.9%	10.2%	11.3%		
Industrial products	Net Sales	22.5	21.5	20.8	Δ7.2%	Δ3.0%
	Operating income	3.1	2.9	2.7	Δ13.6%	Δ7.5%
		13.8%	13.5%	12.9%		
Advanced products	Net Sales	10.4	11.0	11.3	8.9%	2.5%
	Operating income	1.4	1.5	1.4	Δ2.6%	Δ8.1%
		13.7%	13.6%	12.2%		
Autoparts	Net Sales	22.3	15.5	16.1	Δ27.6%	4.1%
	Operating income	1.8	Δ0.1	0.1	Δ95.4%	-
		7.9%	Δ0.6%	0.5%		
Building materials	Net Sales	15.0	12.0	12.9	Δ14.3%	7.2%
	Operating income	0.6	Δ0.2	Δ0.2	-	Δ5.3%
		4.1%	Δ1.7%	Δ1.6%		
Total	Net Sales	101.0	88.5	89.4	Δ11.5%	1.0%
	Operating income	10.0	7.0	7.1	Δ28.4%	2.0%
		9.9%	7.9%	8.0%		

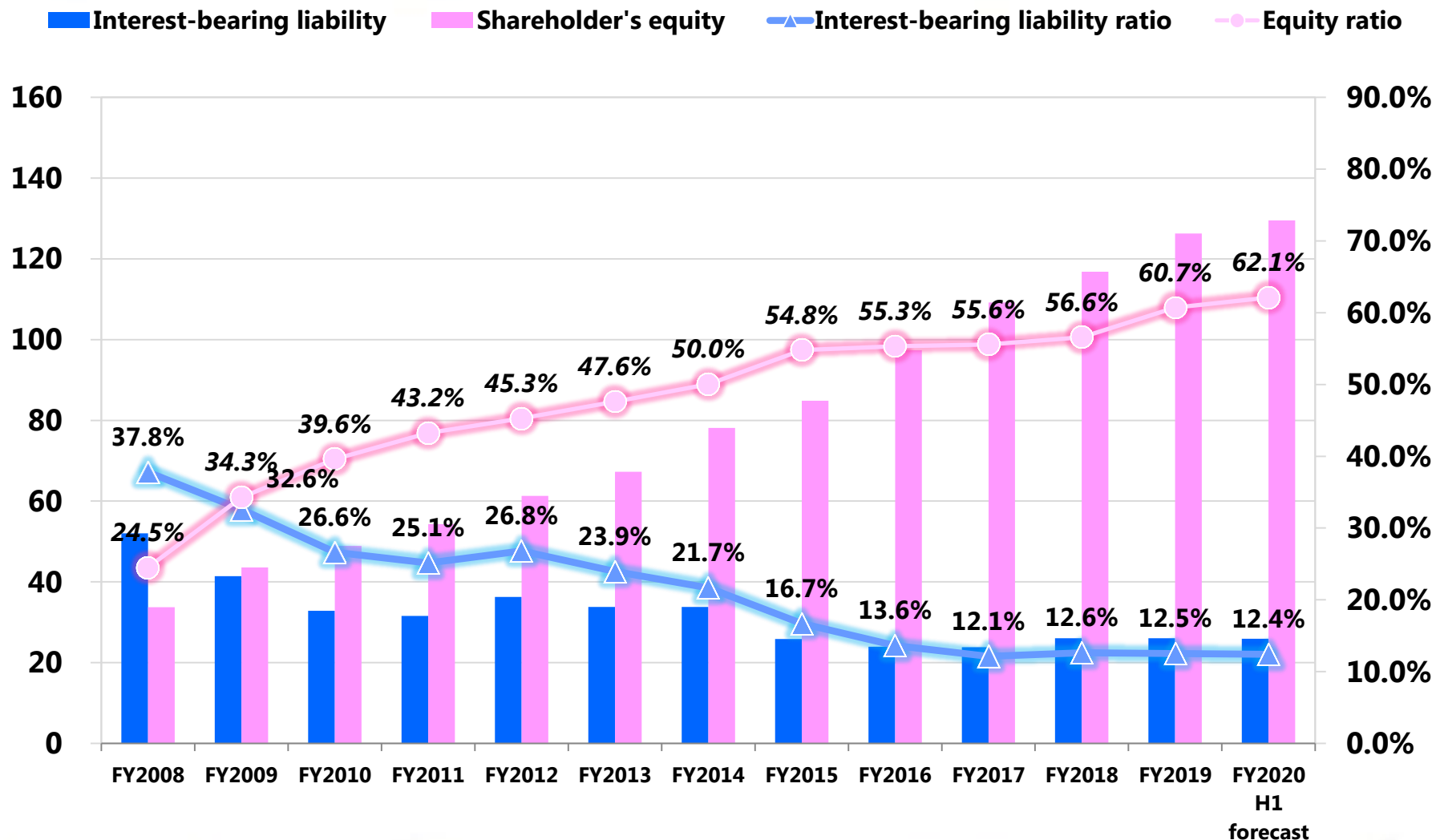
Balance sheet highlights FY2020 H1

(Unit: billion JPY)













Interest bearing liabilities & Equity Trends

(Unit: billion JPY)



Business outlook FY2020

Segments	FY2019 (Results)	FY2020 (Forecasts)
Energy & Industrial plants		
Industrial products		
Advanced products		
Autoparts		
Building materials		

Financial highlights FY2020 Forecasts

(Unit: billion JPY)

	FY2019	FY2020			Change
	Full year Results	H1 Results	H2 Forecasts	Full year Forecasts	YoY
Net Sales	208.9	89.4	100.6	190.0	Δ9.0%
Operating income	20.4	7.1	10.4	17.5	Δ14.3%
	9.8%	8.0%	10.3%	9.2%	
Ordinary income	21.6	7.7	9.8	17.5	Δ19.1%
	10.4%	8.6%	9.7%	9.2%	
Profit attributable to owners of payment	14.7	4.7	7.0	11.7	Δ20.3%
	7.0%	5.2%	7.0%	6.2%	

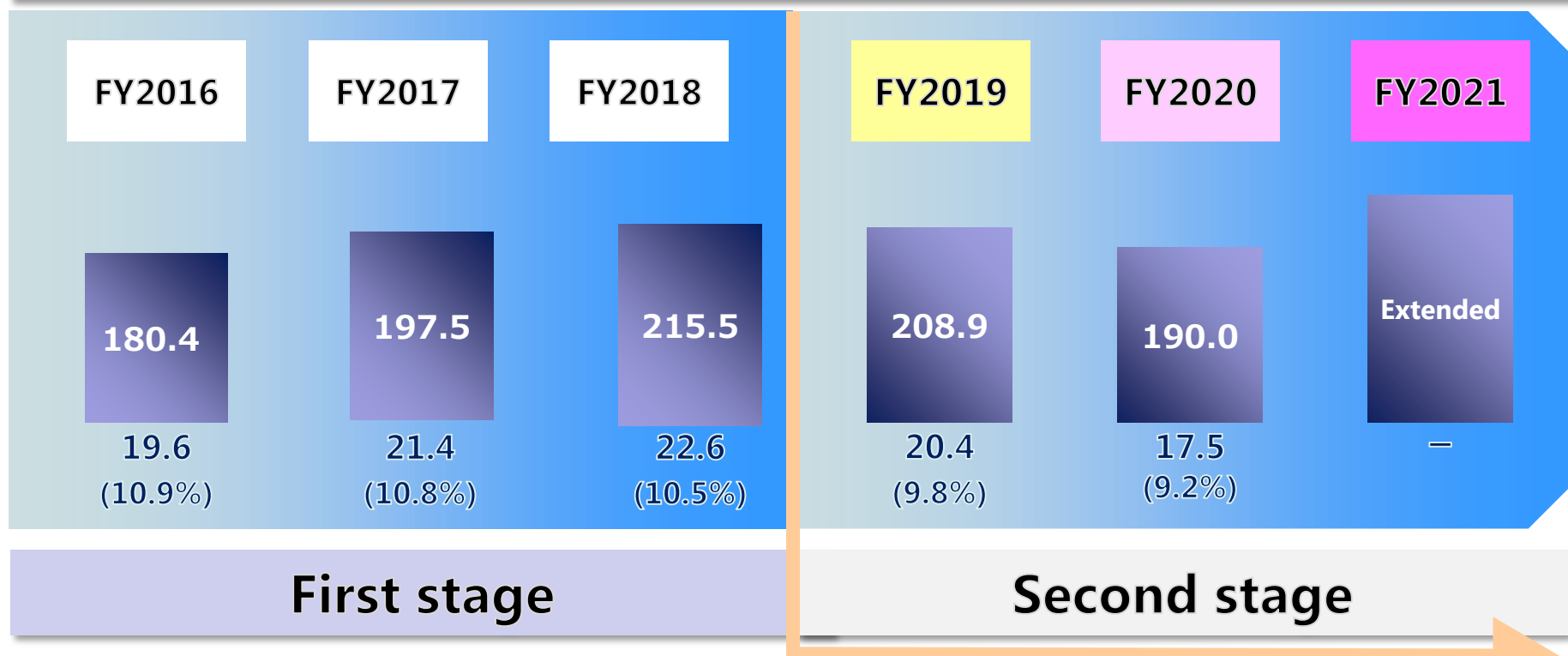
Business results & forecasts Group segments trends

(Unit: billion JPY)

Segments		FY2016 Results	FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Forecast	Change YoY
Energy & Industrial plants	Net sales	52.4	56.4	67.3	65.8	61.5	Δ6.6%
	Operating income	4.6	4.7	6.2	7.2	6.9	Δ4.0%
		8.7%	8.4%	9.2%	10.9%	11.2%	
Industrial products	Net sales	41.4	43.8	46.5	45.2	43.5	Δ3.7%
	Operating income	6.0	6.6	7.5	6.0	6.0	0.4%
		14.5%	15.0%	16.0%	13.2%	13.8%	
Advanced products	Net sales	19.5	24.6	24.9	21.6	22.0	1.7%
	Operating income	3.7	4.6	4.2	2.8	2.8	1.7%
		18.8%	18.9%	16.9%	12.7%	12.7%	
Autoparts	Net sales	37.8	43.8	45.0	43.7	36.0	Δ17.7%
	Operating income	4.1	4.4	3.9	3.0	1.0	Δ66.4%
		10.9%	10.0%	8.7%	6.8%	2.8%	
Building materials	Net sales	29.3	29.0	31.8	32.5	27.0	Δ17.0%
	Operating income	1.2	1.0	0.9	1.5	0.8	Δ47.9%
		4.2%	3.6%	2.8%	4.7%	3.0%	
Total	Net sales	180.4	197.5	215.5	208.9	190.0	Δ9.0%
	Operating income	19.6	21.4	22.6	20.4	17.5	Δ13.6%
		10.9%	10.8%	10.5%	9.8%	9.2%	

Extension of Medium-term business plan

Considering the impact of the Coronavirus infection pandemic on our Medium-term business plan, we have extended the Second stage by a one year to three years.



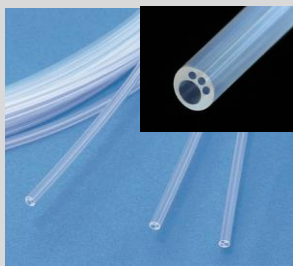
[Top] Net sales, [Middle] Operating income, [Bottom] Operating margin, [Unit] billion JPY

Medium-term business plan

Second stage

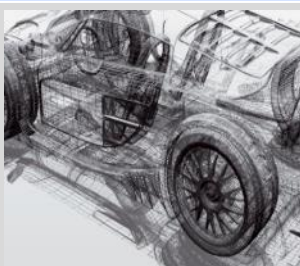
**Focus on
growing market**

**Medical
devices**



**Strengthen
overseas market**

**Automotive
parts**



**Increase & Efficient
Operation at
Japanese market**

**Oil &
Petro-
chemical**



Environment



**Rock Wool
for
industrial
market**



**Rock Wool
for
residential
market**



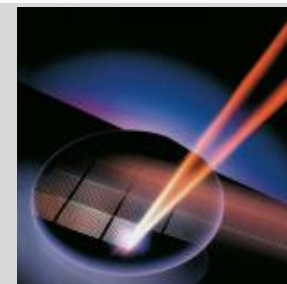
Fireproof



Contracts



**Advanced
products**



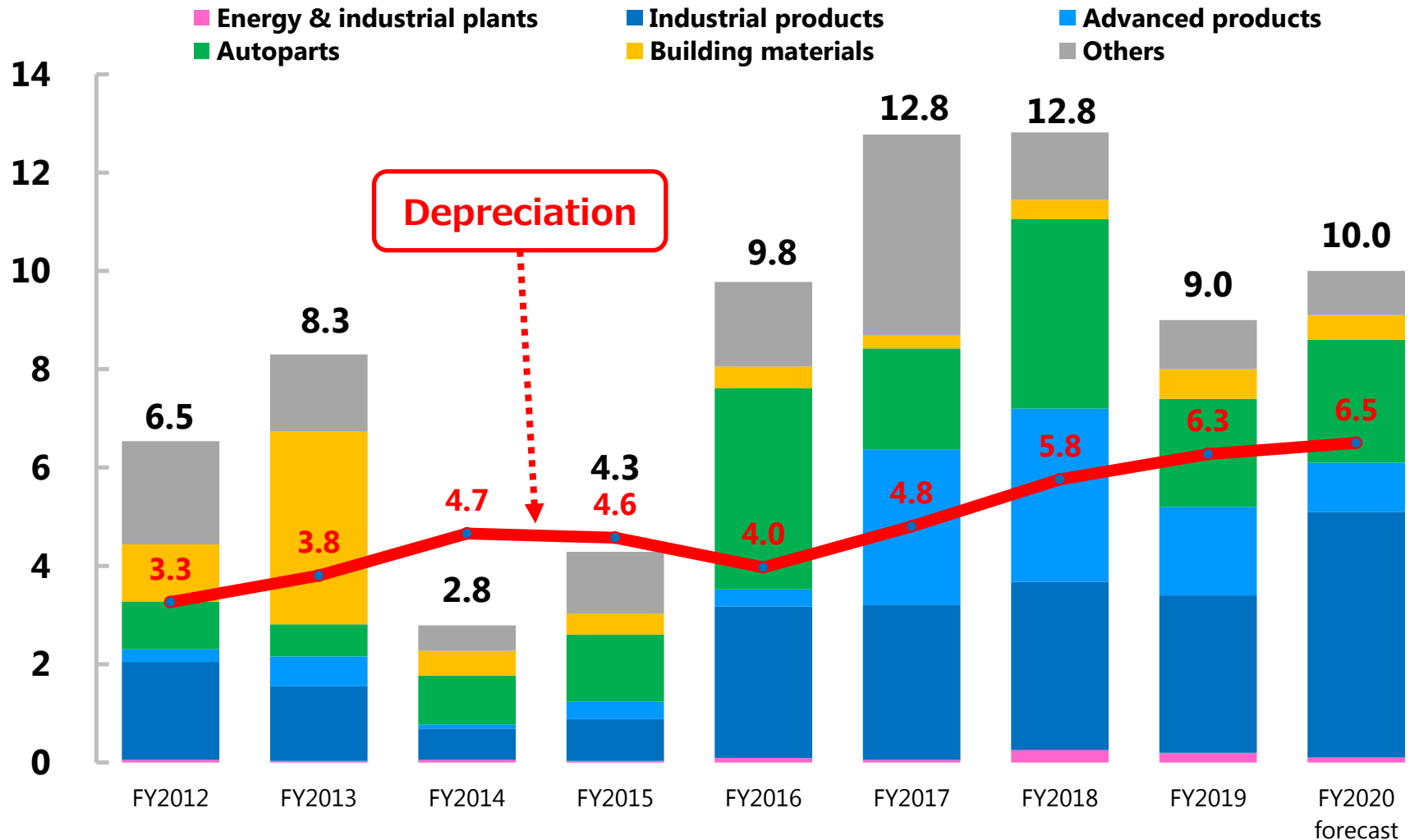
Medium-term business plan Investment

(Unit: billion JPY)

Completed		Investment place	Amount
<div>Growing market</div> <div>Overseas business</div> <div>Japanese business</div>	● VOC・Dehumidifier products. (Environment)	China, Vietnam	2.4
	● Covered rubber gasket (5 th factory)	Malaysia	0.5
	● Rock Wool No. 3 production line	Indonesia	3.8
	● METAKOTE™ No. 3 production line	Malaysia	2.4
	● Automotive parts	Czech republic, China	2.5
	● Factory re-deployment	Tsurumi & Oji factory	3.7
	● R&D Centre expansion (5 th building)	Hamamatsu R&D Ctr.	0.6
	● Automotive parts	Yuki factory	0.8
		NICHIAS CERATECH KUMAMOTO NICHIAS FUKUSHIMA NICHIAS	6.5
On going		Investment place	Amount
<div>Growing market</div> <div>Japanese business</div>	● Medical devices	Vietnam	0.9
	● High-performance rubber	Malaysia	0.3
	● Factory re-development	Oji factory	3.7
	● Production equipment integration	NICHIAS CERATECH	1.6

Investment & Depreciation Trends

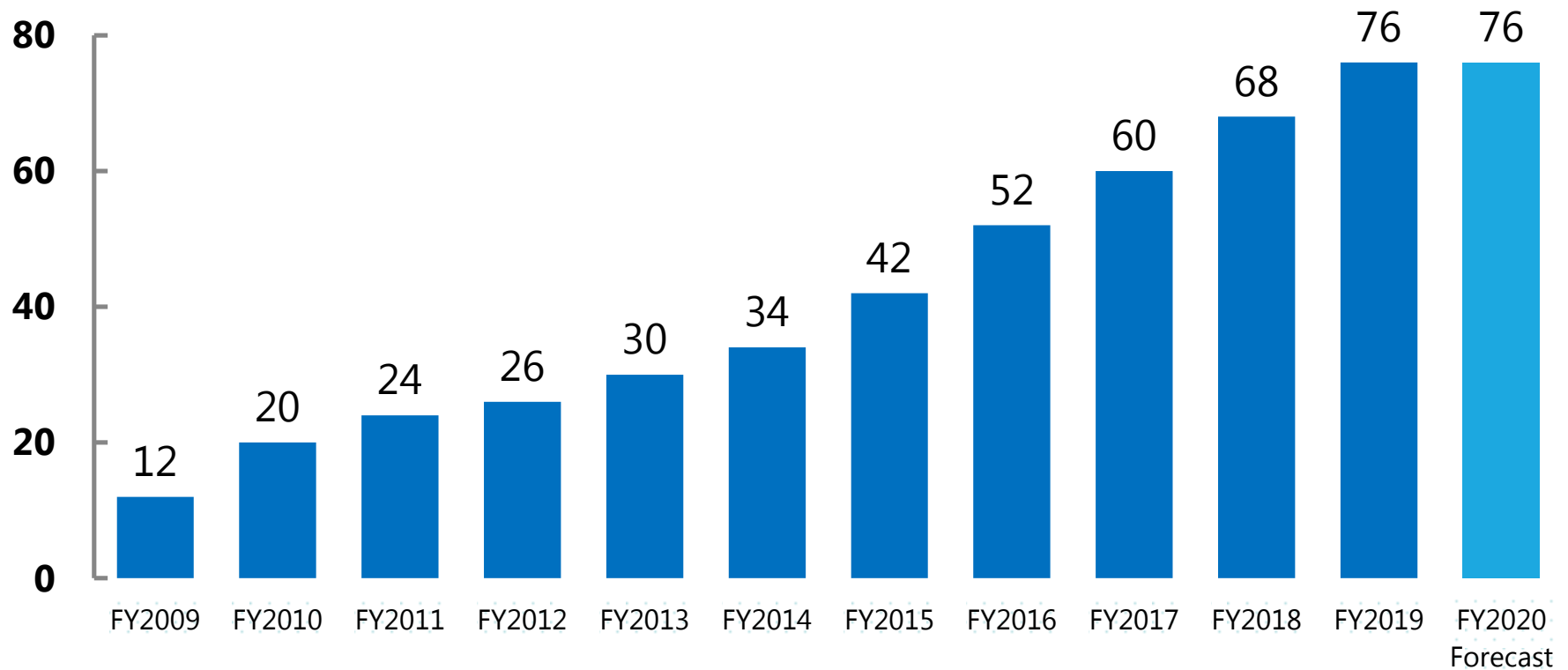
(Unit: billion JPY)



Shareholder's return Trends

(Unit: JPY)

**Focused on maintaining stable dividends to shareholders.
Continue to consider share buyback in the light of the balance with growth & investment.**



The reverse stock split carried out on a one-for-two basis on 1st October, 2018

The amount shown on the above graph is based on the assumption that the reverse stock split was carried out at the beginning of the FY 2009.

The NICHIAS Philosophy

NICHIAS contributes to the Earth's bright future through our "Insulation and Protection" technologies.

Our Promise

- We will abide by community standards and work together with the communities we serve.
- We will strive for customer satisfaction while never forgetting a sense of gratitude.
- We will believe in mutual trust and continue to grow together.



"TATSU-TAMOTSU" technologies for a brighter future



"TATSU-TAMOTSU" refers to NICHIAS's "Insulation and Protection" technologies.

NICHIAS Environmental Charter

NICHIAS contributes to the realization of a society centered on sustainable development by utilizing our "Insulation and Protection" technology solutions in the reduction of a variety of negative environmental impacts including the mitigation of global warming.

Environmental Action Guidelines

In keeping with the NICHIAS Environmental Charter, NICHIAS continually engages in and endeavors to improve upon the following activities.

1. Thorough compliance

Fulfill social responsibilities by not only observing legal requirements, but also establishing and implementing our own voluntary standards.

2. Development of products with lower environmental impact

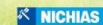
Strive to develop and promote products and services effective in reducing environmental impact.

3. Enhancement of environmental performance

Establish and make progress toward environmental goals in such areas as energy and natural resources conservation, and chemicals management, etc.

4. Coexistence with society

Coexist with the local community, and value the rich natural environment.



Established April 6, 2001
Revised April 1, 2019

Points of Attention

The content of this material only presents information under the conditions stated herein and may not cover all possible conditions. In addition, while utmost care is taken with regard to the accuracy of the content in drafting this material, please understand that none of the information, explanation or recommendations included in this material provides any kind of guarantee. This material includes confidential information, such as knowledge or know-how, etc., of our company. Please refrain from using all or part of this material for purposes other than the purpose of the submission of this material to your company, or from disclosing the same to any third party. We do not guarantee that the method of use, etc. included in this material does not infringe upon any intellectual property of a third party.