

Financial Results Summary FY2020

From 1st April, 2020 to 31st March, 2021

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.

11th May, 2021



NICHIAS Corporation


Summary of business results for FY2020

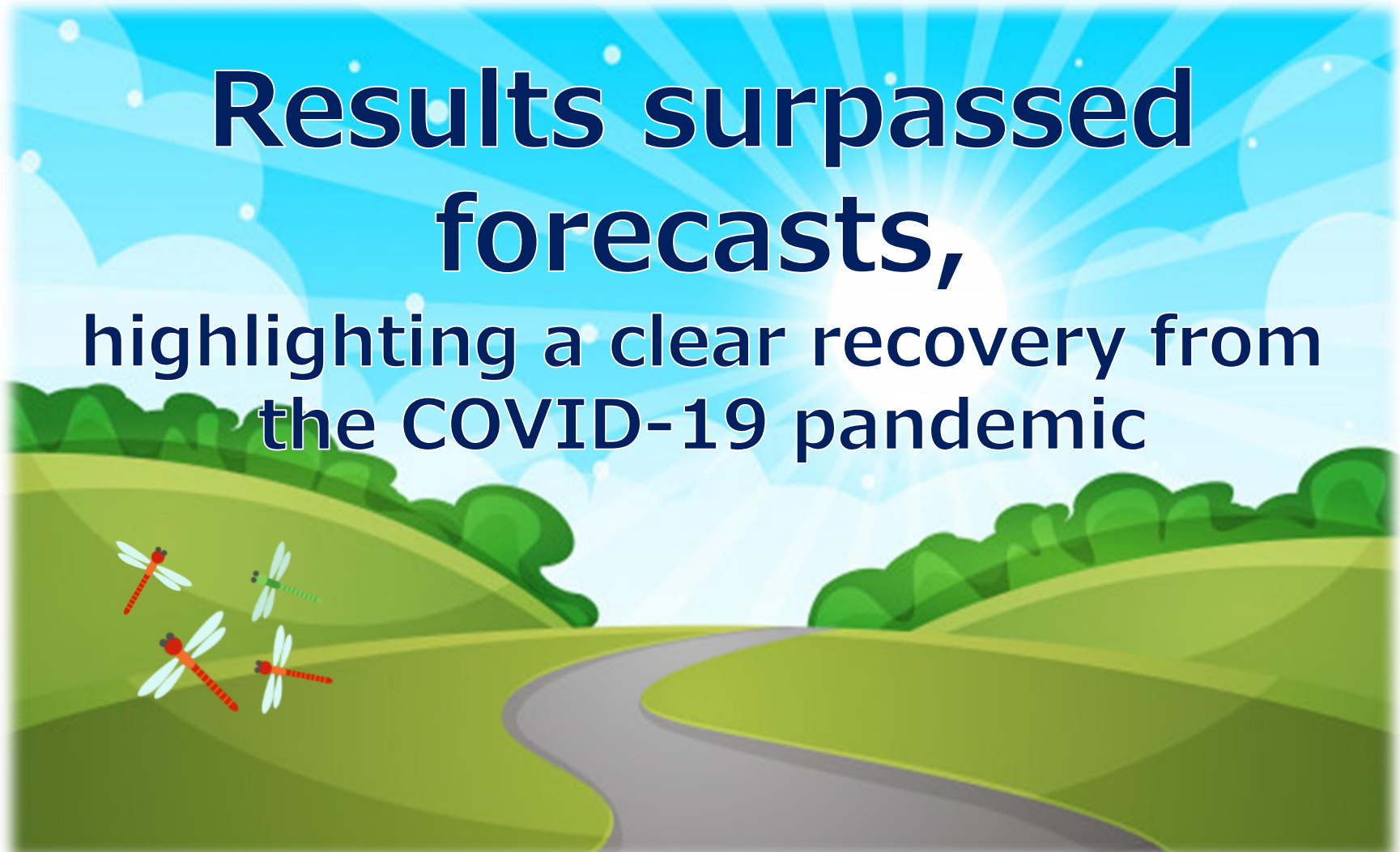
(From 1st April, 2020 to 31st March, 2021)

◇ Financial highlights FY2020 Results



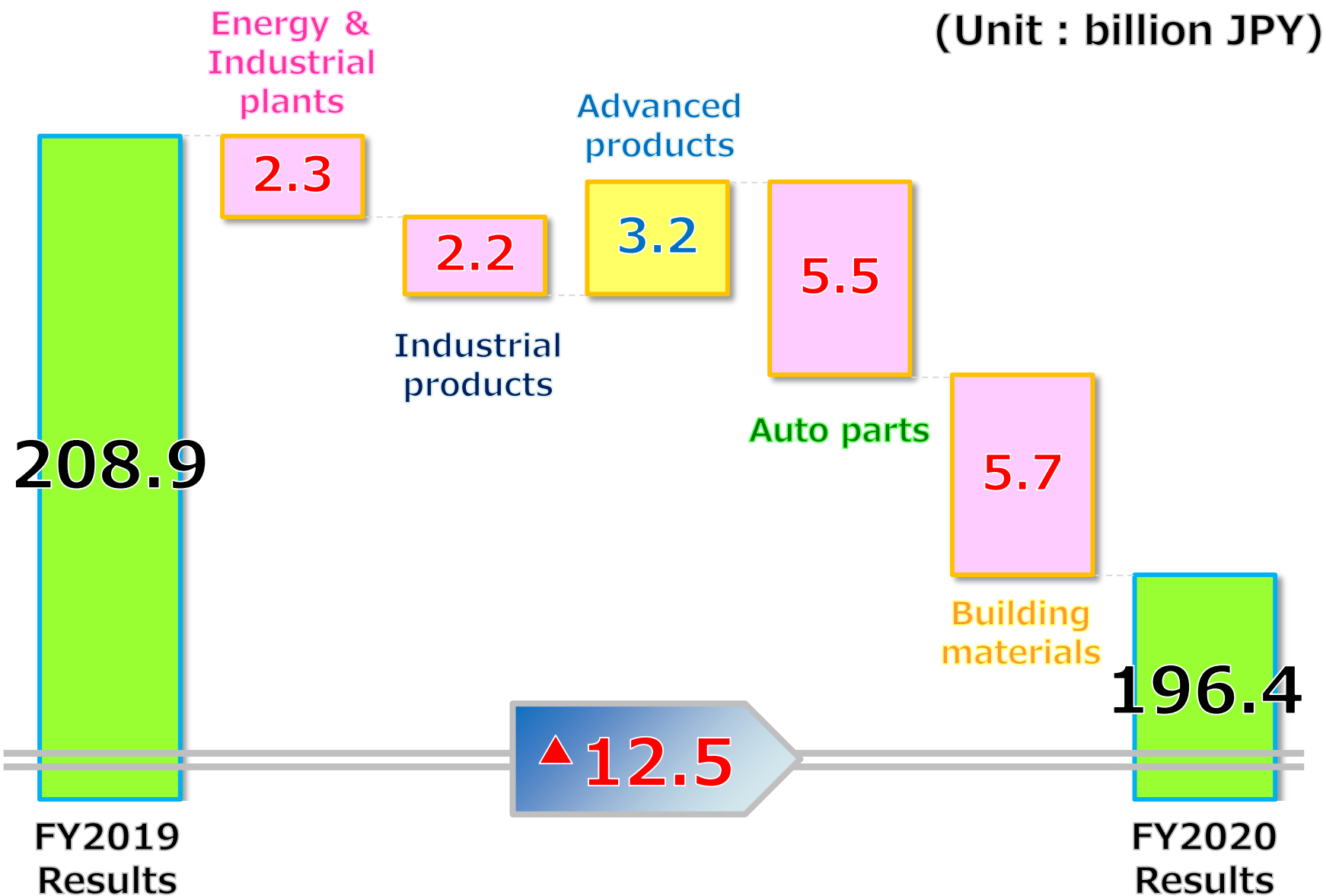
(Unit : billion JPY)

		FY2019 Results	FY2020		Change	
			Forecast	Results	YoY	Forecast
Net Sales		208.9	190.0	196.4	▲ 6.0%	3.4%
Operating income		20.4 9.8%	17.5 9.2%	19.6 10.0%	▲ 4.0% —	12.1% —
Ordinary income		21.6 10.4%	17.5 9.2%	21.3 10.8%	▲ 1.6% —	21.6% —
Extra Ordinary	Profit	0.1	—	0.6	—	—
	Loss	0.7	—	4.3	—	—
Profit Attributable to owners of parent		14.7 7.0%	8.7 4.6%	10.7 5.5%	▲ 27.0% —	23.2% —

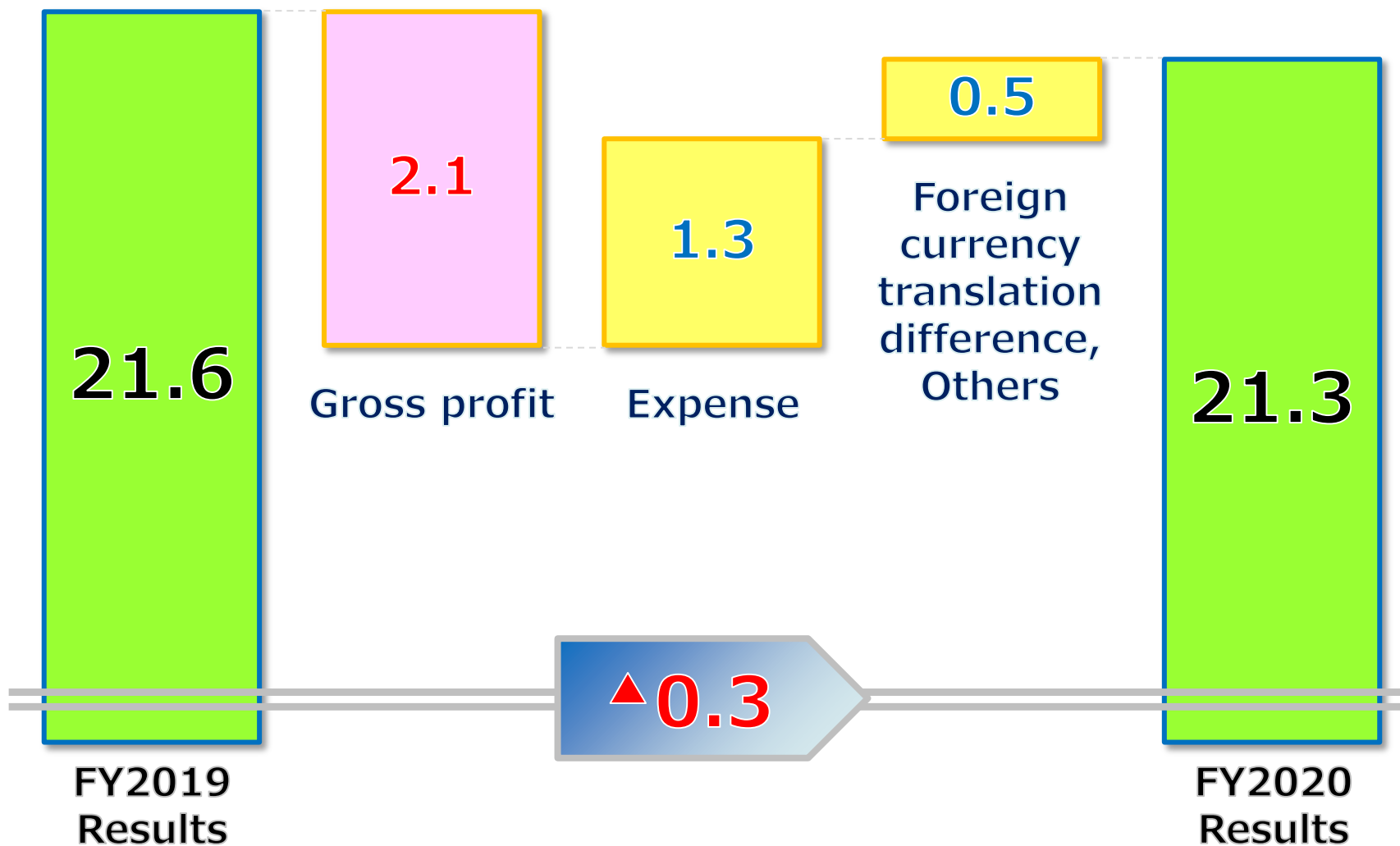


**Results surpassed
forecasts,
highlighting a clear recovery from
the COVID-19 pandemic**

◇ Change analysis FY2020 Net Sales



(Unit : billion JPY)



◇ Business results FY2020 Group segment



(Unit : billion JPY)

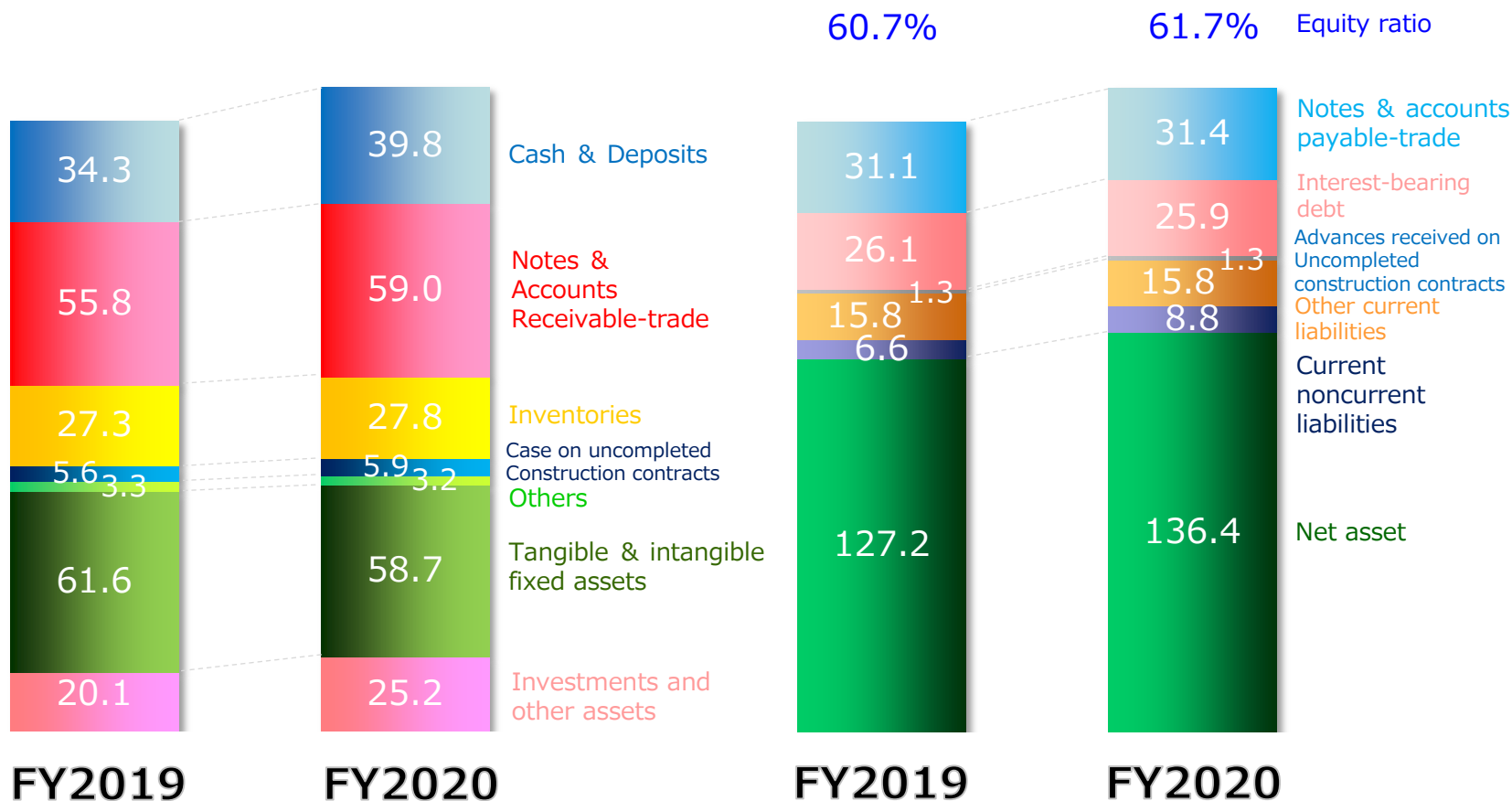
Segment		FY2019 Results	FY2020		Change	
			Forecast	Results	YoY	Forecast
Energy & Industrial plants	Net sales	65.8	61.5	63.5	▲3.5%	3.3%
	Operating income	7.2 10.9%	6.8 11.1%	8.0 12.6%	11.3%	17.6%
Industrial products	Net sales	45.2	43.0	42.9	▲4.9%	▲0.2%
	Operating income	6.0 13.2%	5.9 13.7%	5.9 13.8%	▲1.2%	0.1%
Advanced products	Net sales	21.6	23.0	24.9	14.9%	8.1%
	Operating income	2.8 12.7%	3.0 13.0%	3.6 14.5%	30.8%	20.1%
Auto parts	Net sales	43.7	37.5	38.2	▲12.6%	2.0%
	Operating income	3.0 6.8%	1.7 4.5%	1.9 5.0%	▲36.4%	11.4%
Building materials	Net sales	32.5	25.0	26.8	▲17.5%	7.3%
	Operating income	1.5 4.7%	0.1 0.4%	0.2 0.8%	▲85.8%	118.1%
Total	Net sales	208.9	190.0	196.4	▲6.0%	3.4%
	Operating income	20.4 9.8%	17.5 9.2%	19.6 10.0%	▲4.0%	12.1%

◇ Balance sheet highlights FY2020

(Unit : billion JPY)

Assets

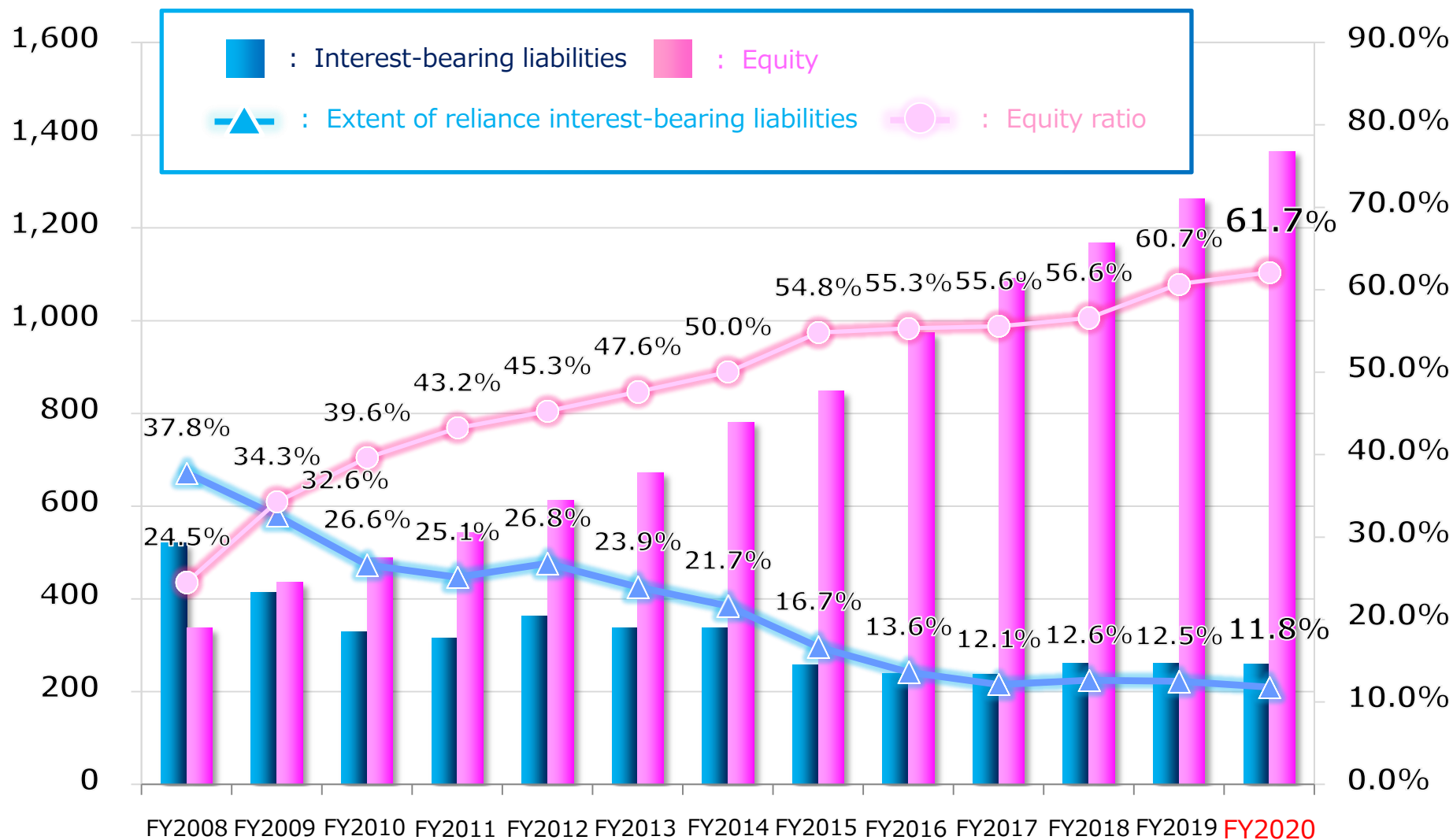
Liabilities & Netassets






Interest-bearing liabilities & Equity Trends











(Unit : billion JPY)



	Indicator	Target	FY2020 Results	Policy
Safety	Liquidity on hand	3 months	2.4 months	A level at which the company will not immediately run short of working capital, even in a financial crisis.
	Equity ratio	60%	61.7%	Maintain current level
Shareholders return policy	Dividend payout	25~35%	48.3%	Stable & continuous dividend
	Share buyback	—	—	Continue to consider this option in light of the balance with growth investment.
Efficiency	ROE	Over 10%	8.2%	


Summary of business forecast for FY2021

(From 1st April, 2021 to 31st March, 2022)

Segment	FY2020 【Results】	FY2021 【Forecast】
Energy & Industrial plants		
Industrial products		
Advanced products		
Auto parts		
Building materials		

◇ Financial highlights for FY2021 Forecast

(Unit : billion JPY)

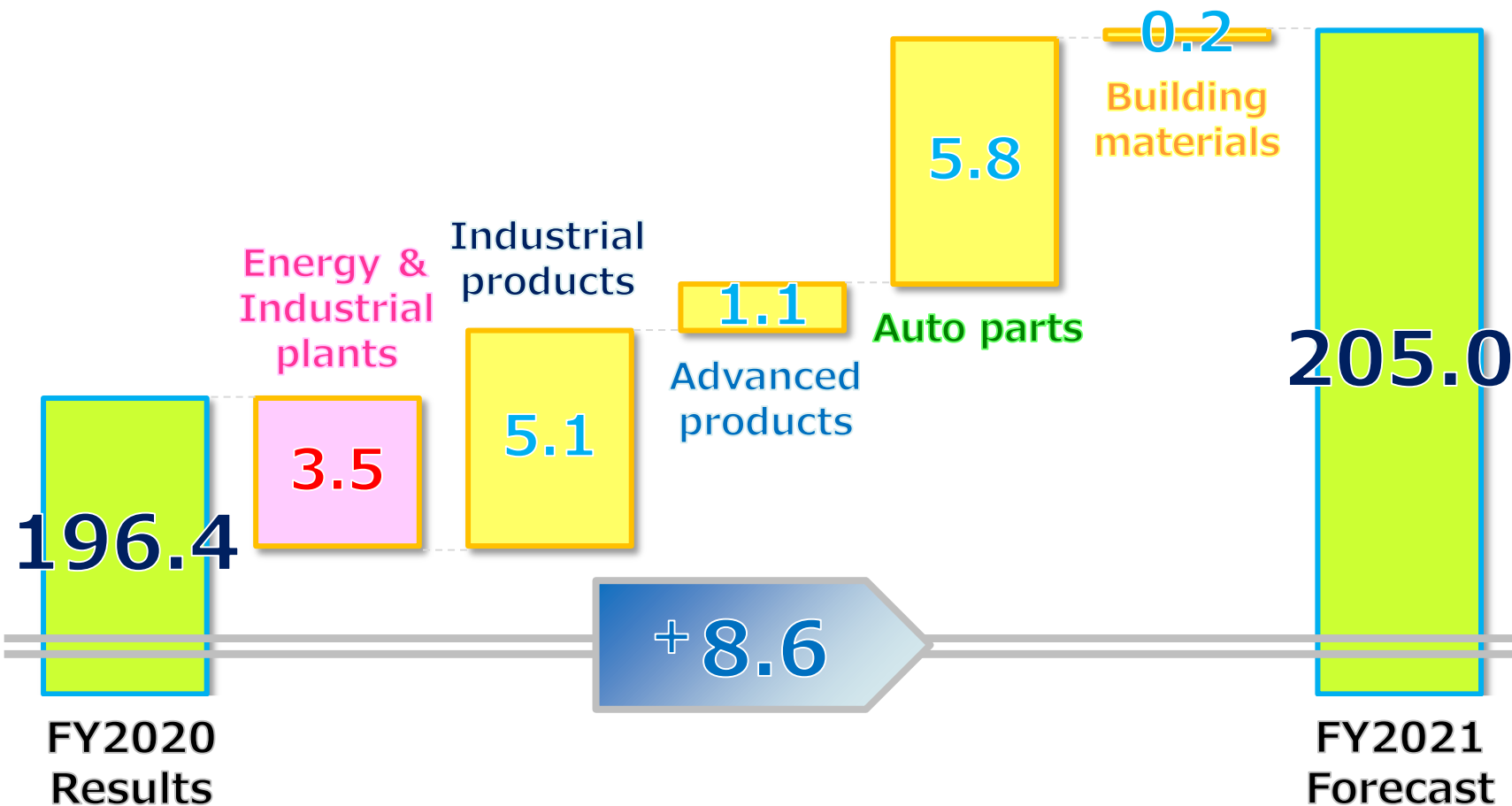
	FY2020 Results	FY2021			Change
		H1 Forecast	H2 Forecast	Full year Forecast	YoY
Net Sales	196.4	97.0	108.0	205.0	4.4%
Operating income	19.6	9.3	11.2	20.5	4.5%
	10.0%	9.6%	10.4%	10.0%	—
Ordinary income	21.3	9.3	11.2	20.5	▲3.7%
	10.8%	9.6%	10.4%	10.0%	—
Profit attributable to owners of parent	10.7	6.3	7.7	14.0	30.7%
	5.5%	6.5%	7.1%	6.8%	—

◇ Financial highlights for FY2021 Forecast

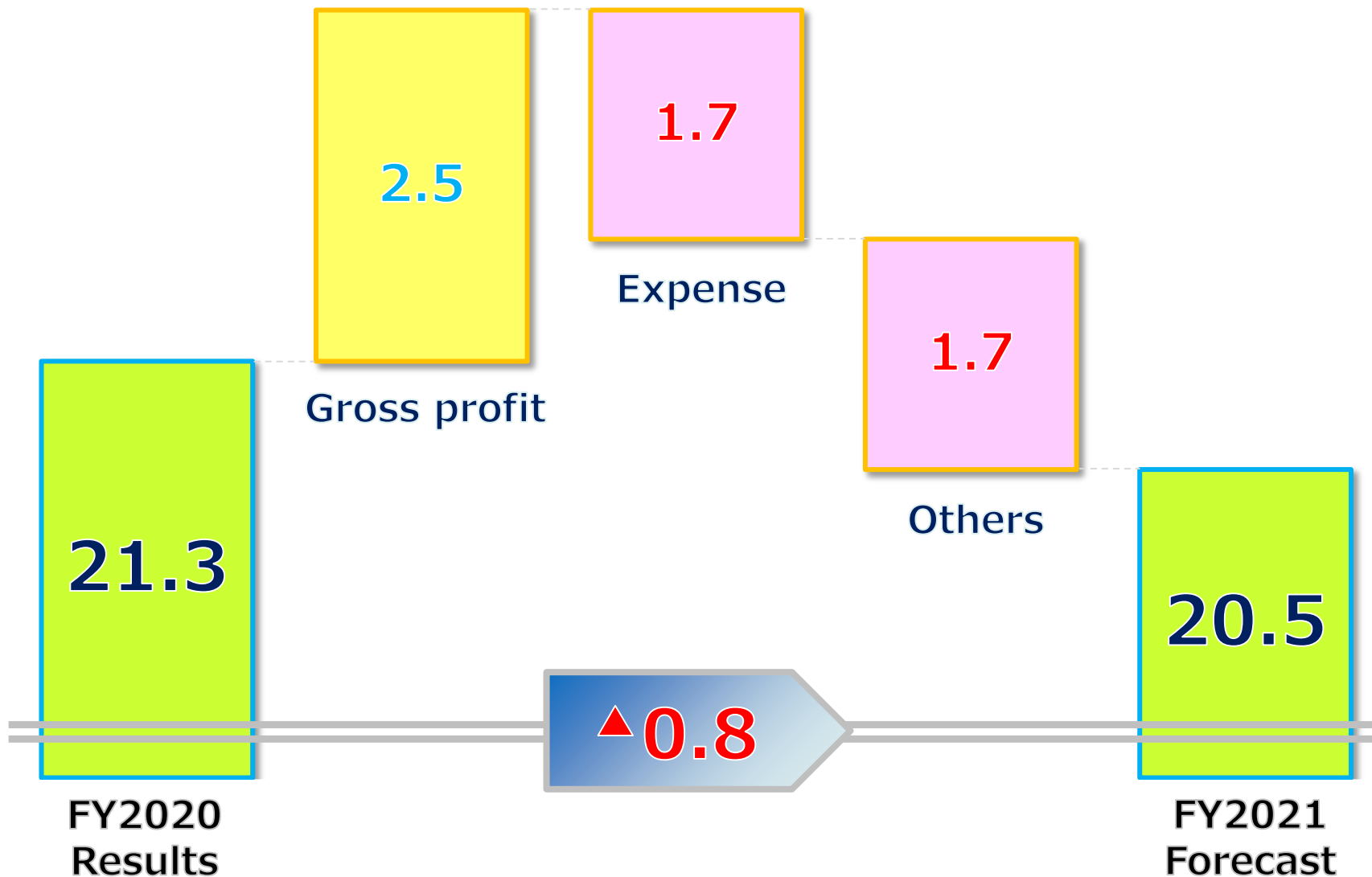
(Unit : billion JPY)

Segment		FY2017 Results	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Forecast	Change YoY
Energy & Industrial plants	Net sales	56.4	67.3	65.8	63.5	60.0	▲ 6%
	Operating income	4.7 8.4%	6.2 9.2%	7.2 10.8%	8.0 12.6%	6.0 10.0%	▲ 25%
Industrial products	Net sales	43.8	46.5	45.2	42.9	48.0	12%
	Operating income	6.6 15.0%	7.5 16.0%	6.0 13.2%	5.9 13.8%	6.7 14.0%	13%
Advanced products	Net sales	24.6	24.9	21.6	24.9	26.0	5%
	Operating income	4.6 18.9%	4.2 16.9%	2.8 12.7%	3.6 14.5%	3.8 14.6%	5%
Auto parts	Net sales	43.8	45.0	43.7	38.2	44.0	15%
	Operating income	4.4 10.0%	3.9 8.7%	3.0 6.8%	1.9 5.0%	3.6 8.2%	90%
Building materials	Net sales	29.0	31.8	32.5	26.8	27.0	1%
	Operating income	1.0 3.6%	0.9 2.8%	1.5 4.7%	0.2 0.8%	0.4 1.5%	83%
Total	Net sales	197.5	215.5	208.9	196.4	205.0	4%
	Operating income	21.4 10.8%	22.6 10.5%	20.4 9.8%	19.6 10.0%	20.5 10.0%	5%

(Unit : billion JPY)



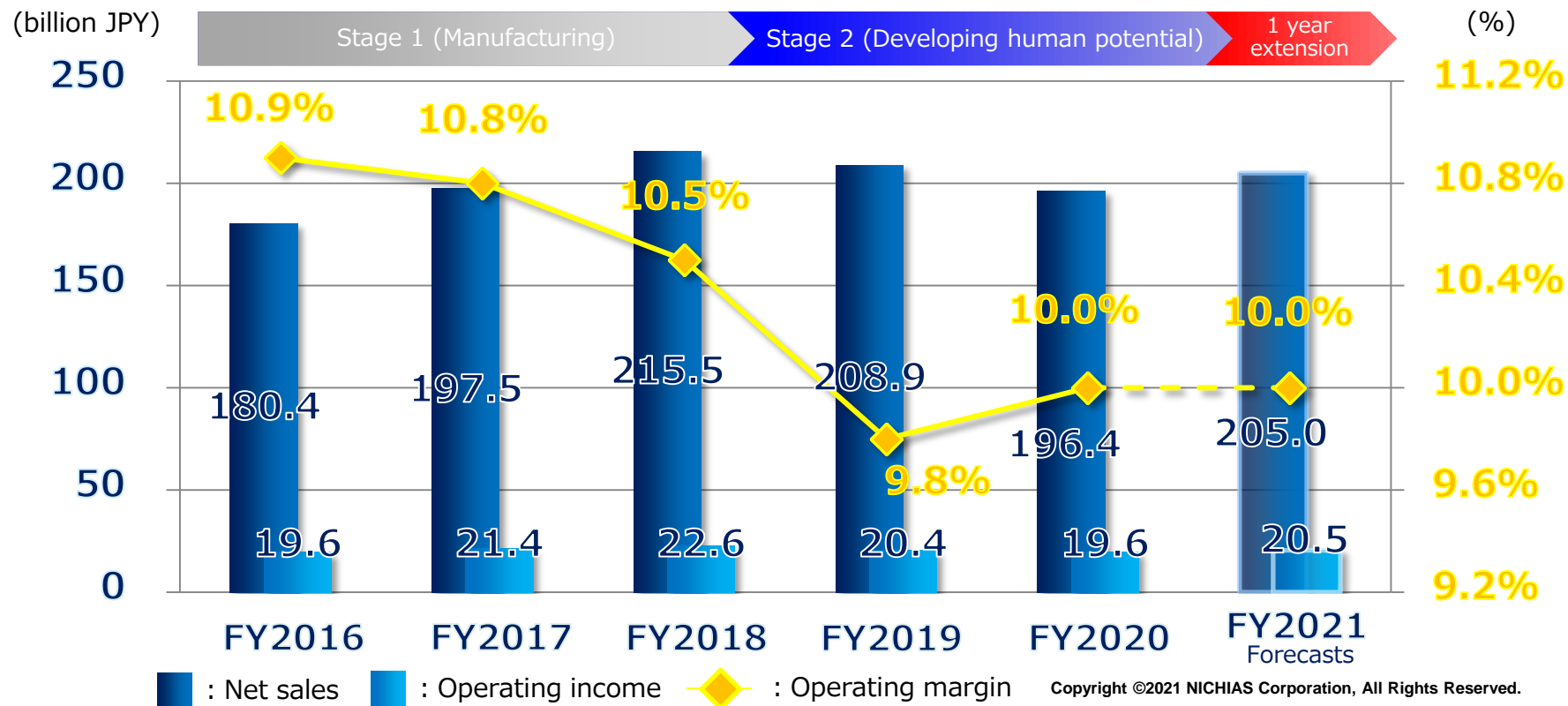
(Unit : billion JPY)



Medium-term business plan (FY2016 - FY2021)

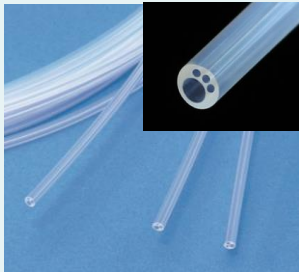
Current **Final fiscal year**
of medium-term business plan
FY16 – **FY21**

Examine and review business environment, and build a system that responds to change



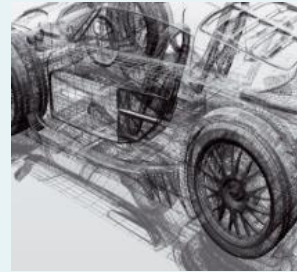
Focus on growth markets

Medical devices



Strengthen overseas business

Automotive parts



Increase & Efficient operation at Japanese business

Oil & petrochemical



Environment



Rock Wool for industrial market



Rock Wool for residential market



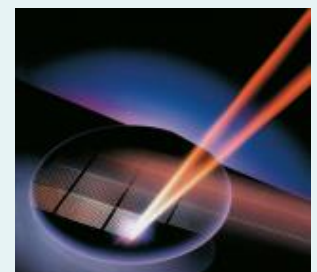
Fireproof



Contracts



Advanced products



Growth
markets

Investment
7bn yen



Overseas
business

Investment
6bn yen



Key Major Capital Investment Projects in Medium-term Plan

Japanese
business

Investment
1.2bn yen

Tsurumi factory



Ohji factory



Kumamoto Nicias
No.4-5 plants



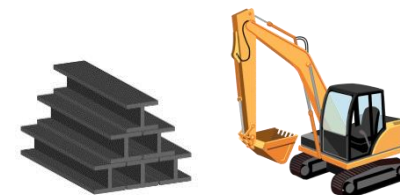
Ceratech Nakano
No.2 plant



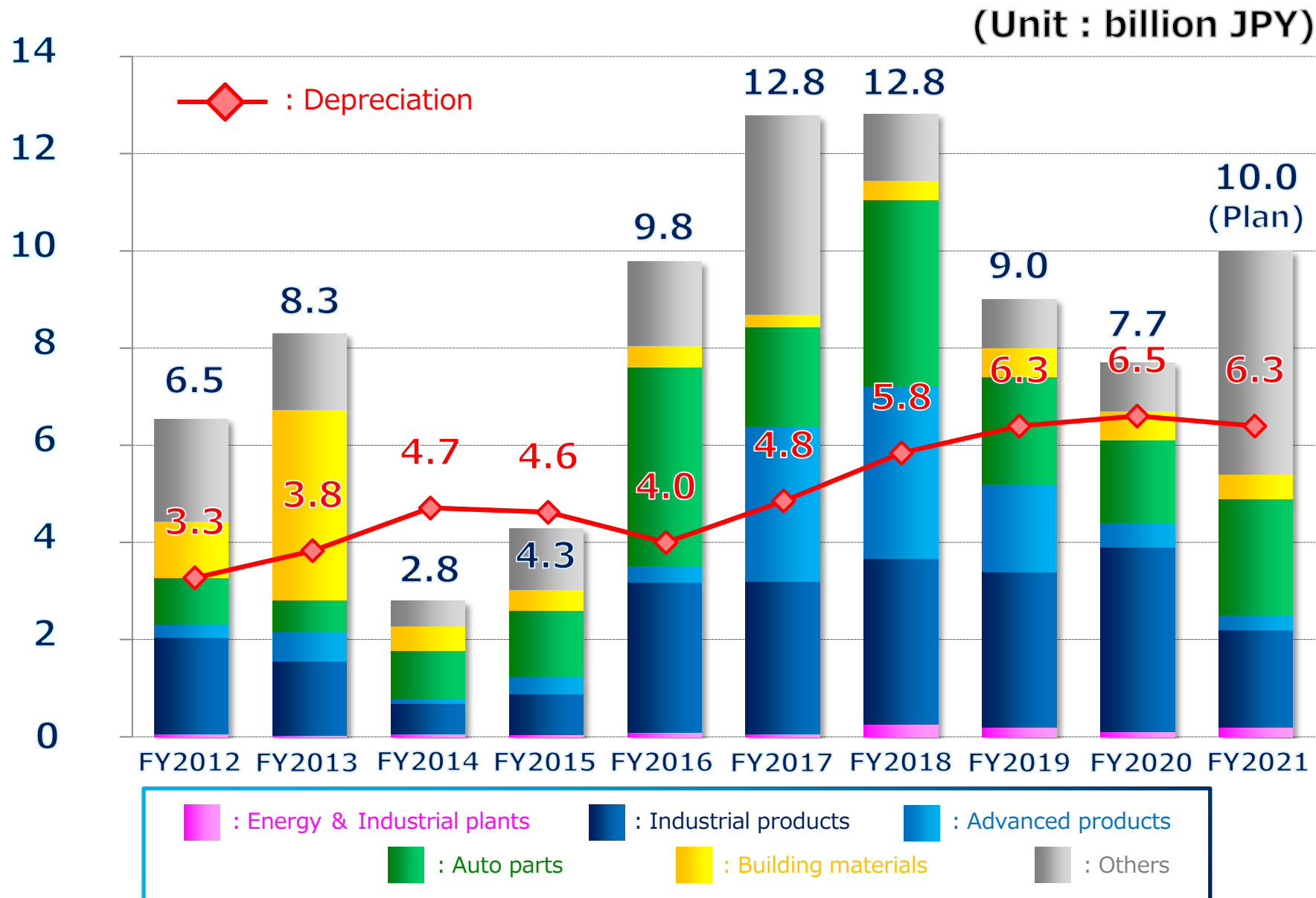
Fukushima Nicias
No.7 plant



Projects currently underway



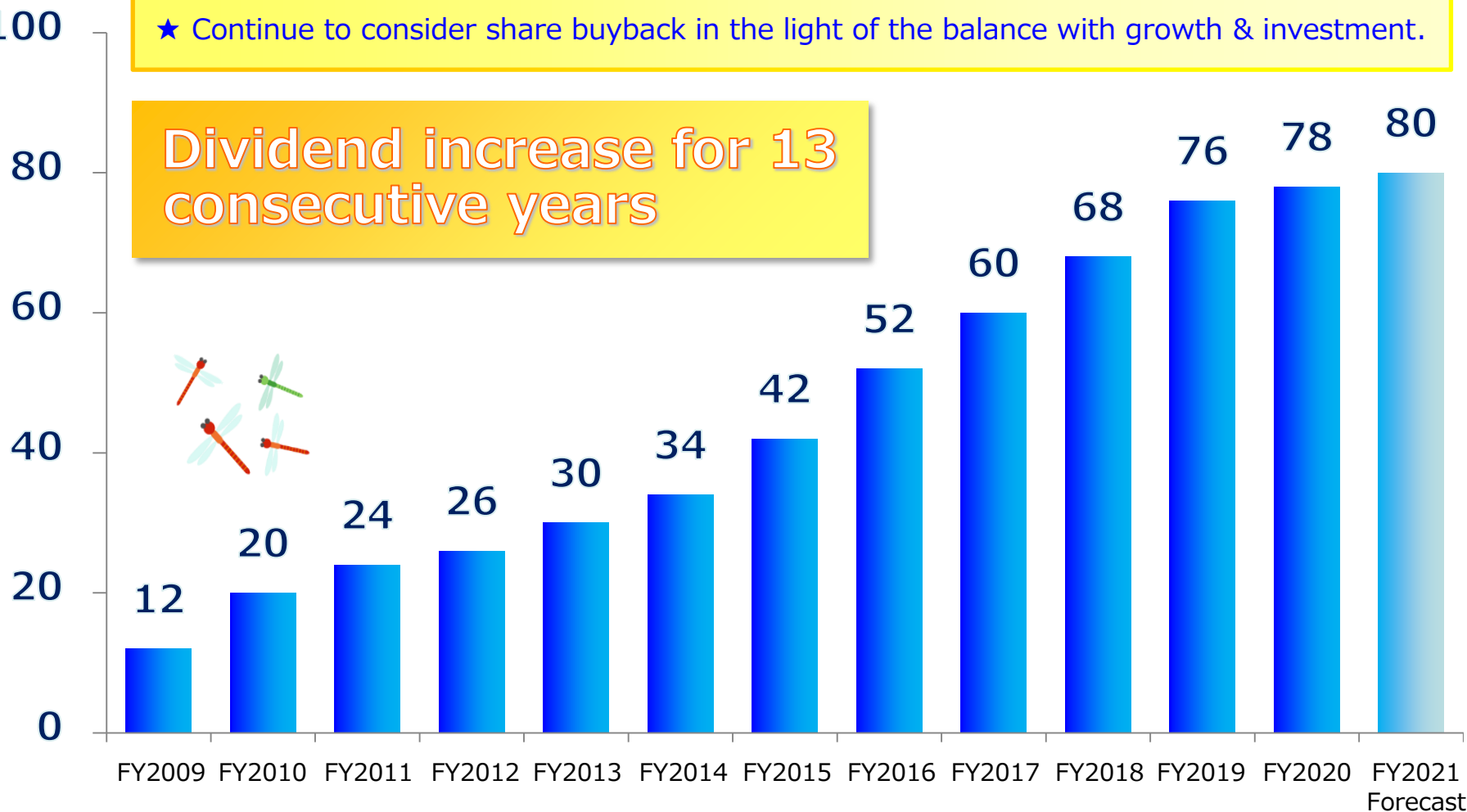
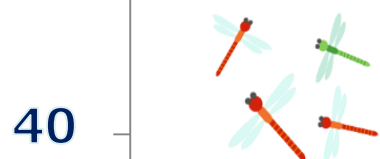
Growth markets	Investment site	Investment amount
New plant for medical tubes	Vietnam (NHC)	1.0 bn yen
Increased production of high-performance rubber	Malaysia (NTR)	0.5 bn yen
Japanese business	Investment site	Investment amount
Plant reorganization (new No. 2 and No. 3 buildings)	Ohji Factory	4.0 bn yen
Facility consolidation (Nakano No. 2 plant)	Nichias CERATECH	1.5 bn yen
Move and new construction for branch building	Osaka branch	4.5 bn yen



(Unit : JPY)

- ★ Basic on ongoing stable dividends and aims for a dividend payout ratio of 25-35%.
- ★ Continue to consider share buyback in the light of the balance with growth & investment.

Dividend increase for 13 consecutive years



※ The reverse stock split was 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 FY2009.

AA

(Most recent) April 2021

A

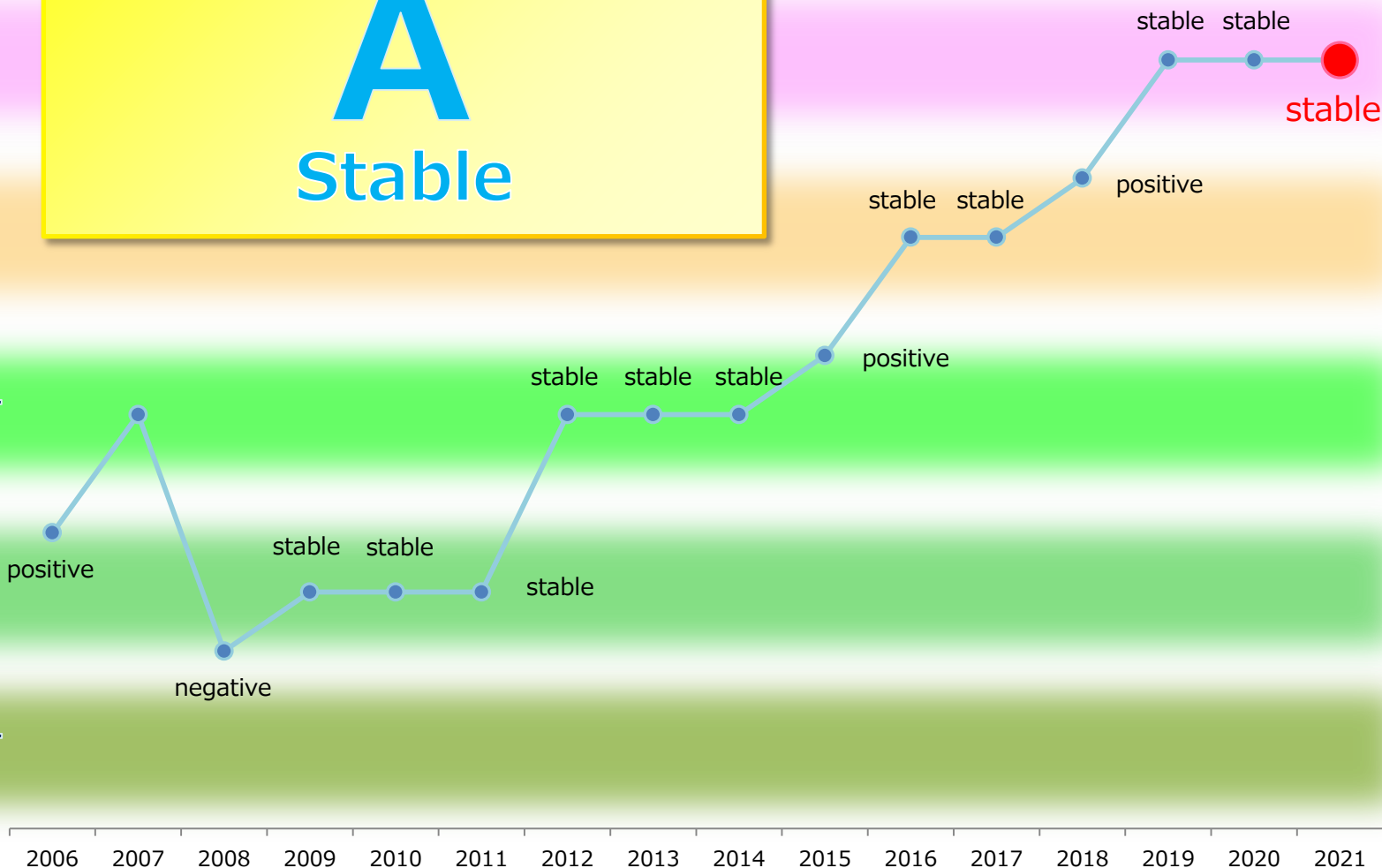
A
Stable

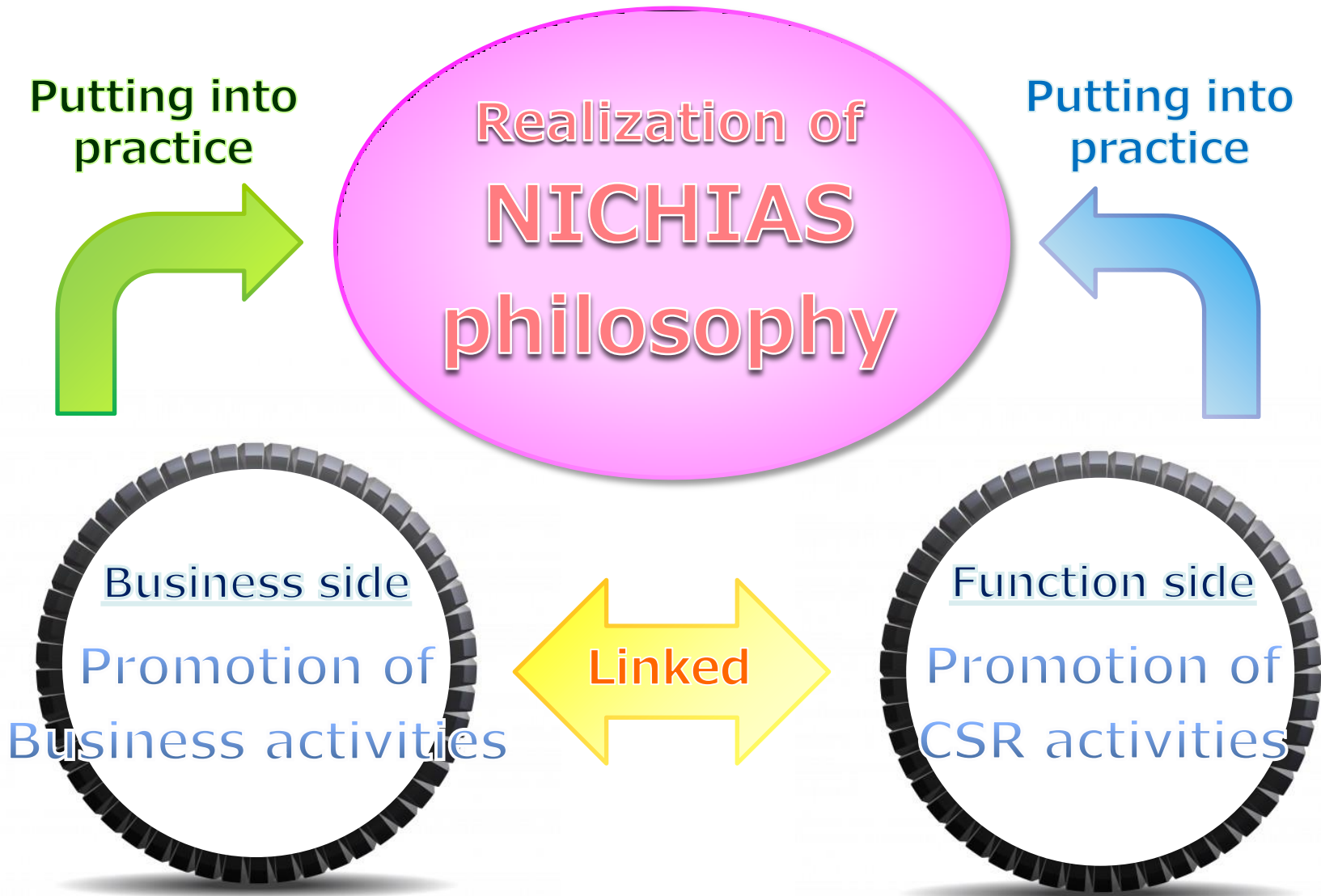
A⁻

BBB⁺

BBB

BBB⁻







Carbon Neutral



To reduce CO2 emissions from our company to virtually zero by 2050.

Workplace Health

Creating a cheerful workplace where people can work vigorously.



Mental Health

Recognize stress & Improve performance.



Physical Health

Early detection & Prevention of disease.



◇ NKK ~ NICHIAS 'Kaizen' activity ~



A bright company
where it is pleasant to work





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' "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, 2007
Revised April 1, 2017

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.