

Financial Results Briefing for the Fiscal Year Ended March 31, 2017

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

The statements contained in this material, which refer to current plans and projections, other than historical facts, represent forward-looking statements made at the discretion of top management based on information currently available. Therefore, please note that the actual results may considerably differ from those projected due to various factors.

May 9, 2017



NICHIAS Corporation

1. Summary of Financial Results for FY2017 (April 1, 2016 - March 31, 2017)



NICHIAS Corporation

Financial Highlights for FY2017

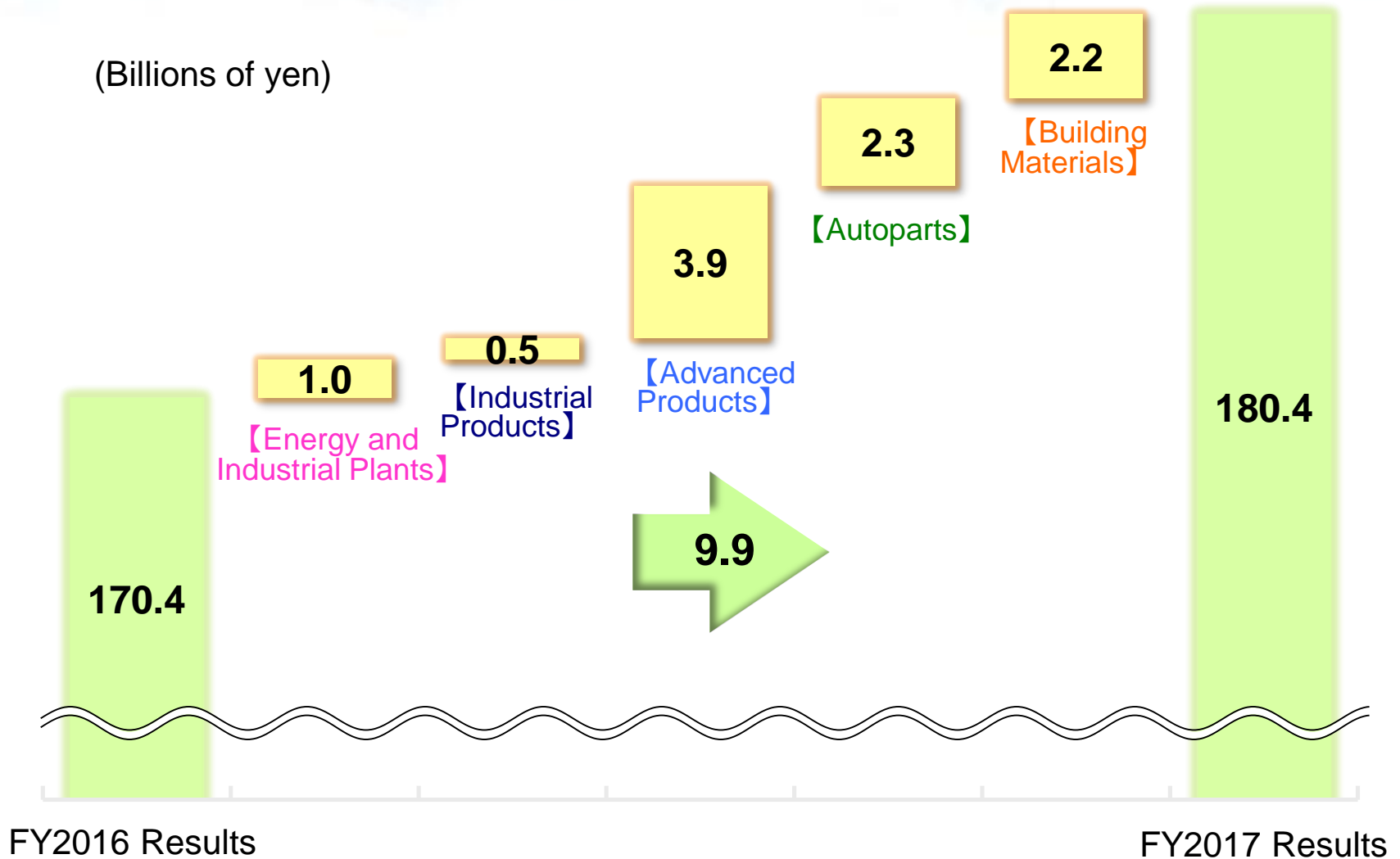
(Apr. 1, 2016 to Mar. 31, 2017)

(Billions of yen)

	FY2016	FY2017		Year-on-year Change	Compared to Forecast
	Results	Forecast	Results		
Net Sales	170.4	178.0	180.4	6%	1%
Operating income	15.1 8.9%	19.0 10.7%	19.6 10.9%	30%	3%
Ordinary income	15.5 9.1%	19.4 10.9%	19.8 11.0%	28%	2%
Extraordinary income	0.0	—	0.0		
Extraordinary loss	3.2	—	0.8		
Profit attributable to owners of parent	6.7 3.9%	13.1 7.4%	13.4 7.4%	101%	2%

Factors Affecting Changes in Net Sales for FY2017

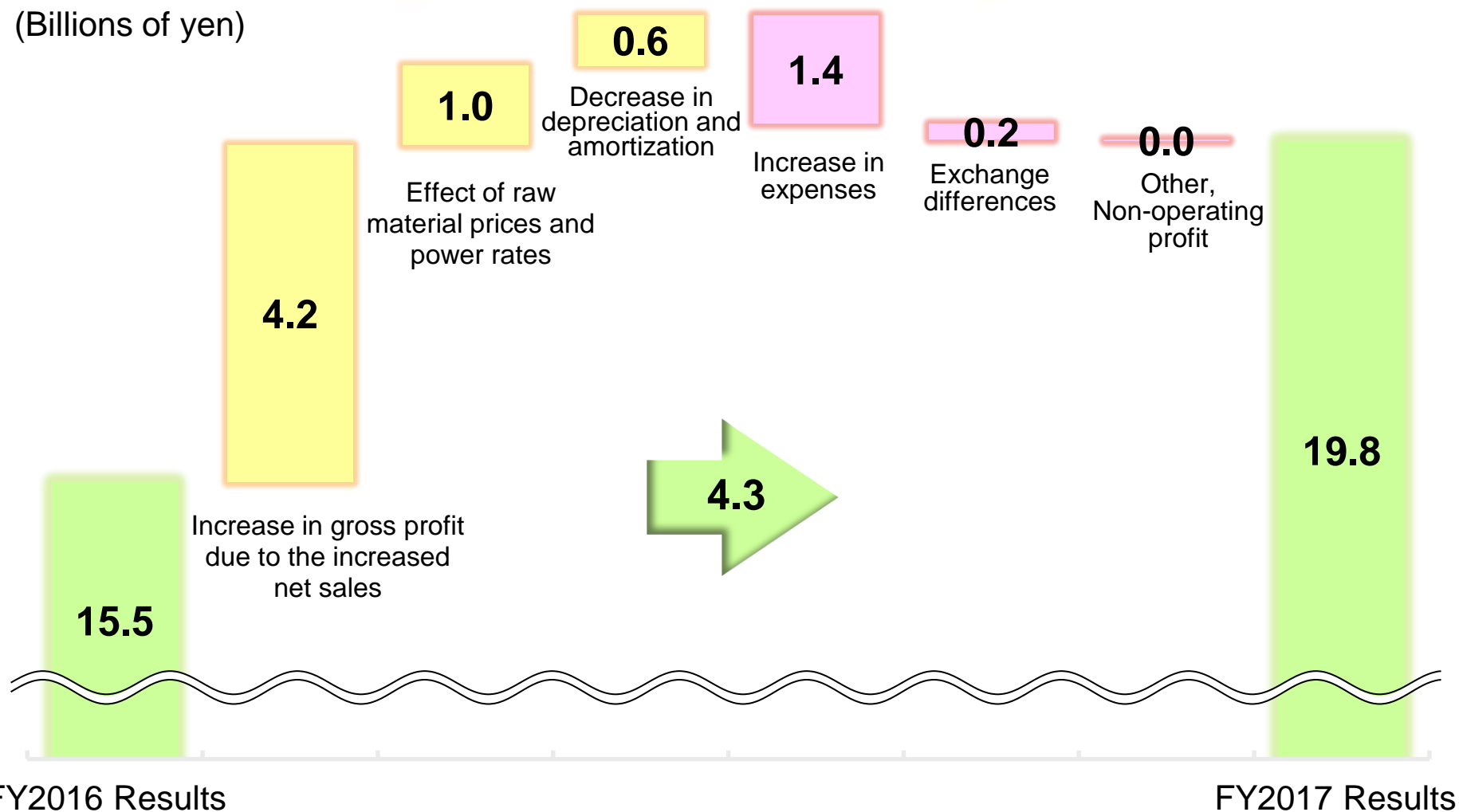
(Apr. 1, 2016 to Mar. 31, 2017)



Factors Affecting Changes in Ordinary Income for FY2017

(Apr. 1, 2016 to Mar. 31, 2017)

(Billions of yen)



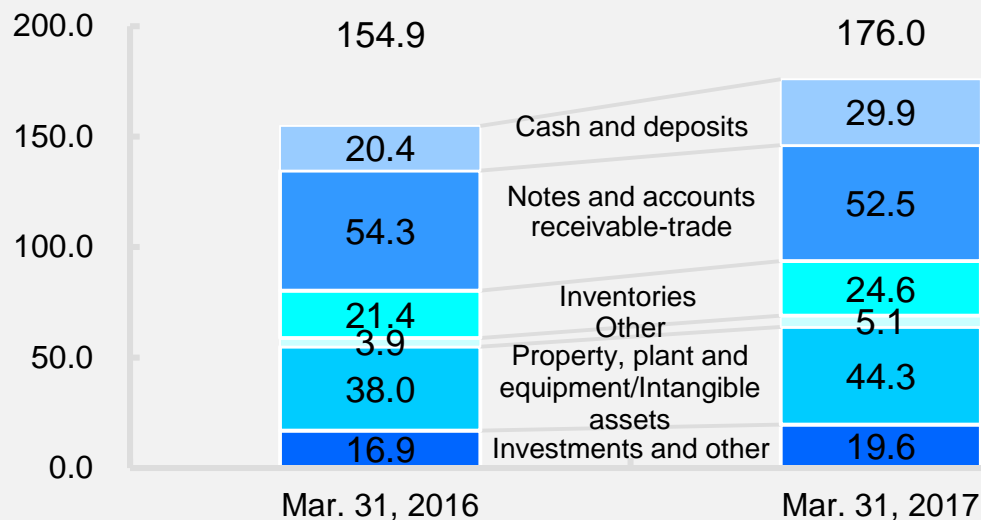
Net Sales and Operating Income by Segment

(Billions of yen)

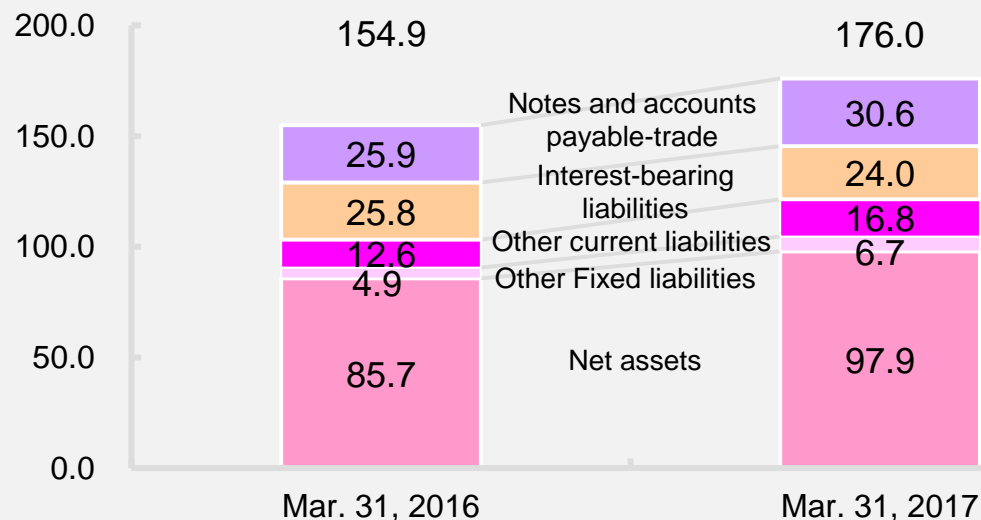
	Segment	FY2016 Results		FY2017 Results		Year-on-year Change	
Net sales	Energy and Industrial Plants	51.5		52.4		1.0	2%
	Industrial Products	40.8		41.4		0.5	1%
	Advanced Products	15.5		19.5		3.9	25%
	Autoparts	35.5		37.8		2.3	6%
	Building Materials	27.1		29.3		2.2	8%
	Total	170.4		180.4		9.9	6%
Operating income	Energy and Industrial Plants	7.4%	3.8	8.7%	4.6	0.8	21%
	Industrial Products	14.6%	6.0	14.5%	6.0	0.0	1%
	Advanced Products	14.2%	2.2	18.8%	3.7	1.5	66%
	Autoparts	12.5%	4.4	10.9%	4.1	(0.3)	(7%)
	Building Materials	(4.8%)	(1.3)	4.2%	1.2	2.5	194%
	Total	8.9%	15.1	10.9%	19.6	4.5	30%

Balance Sheet Highlights

Assets

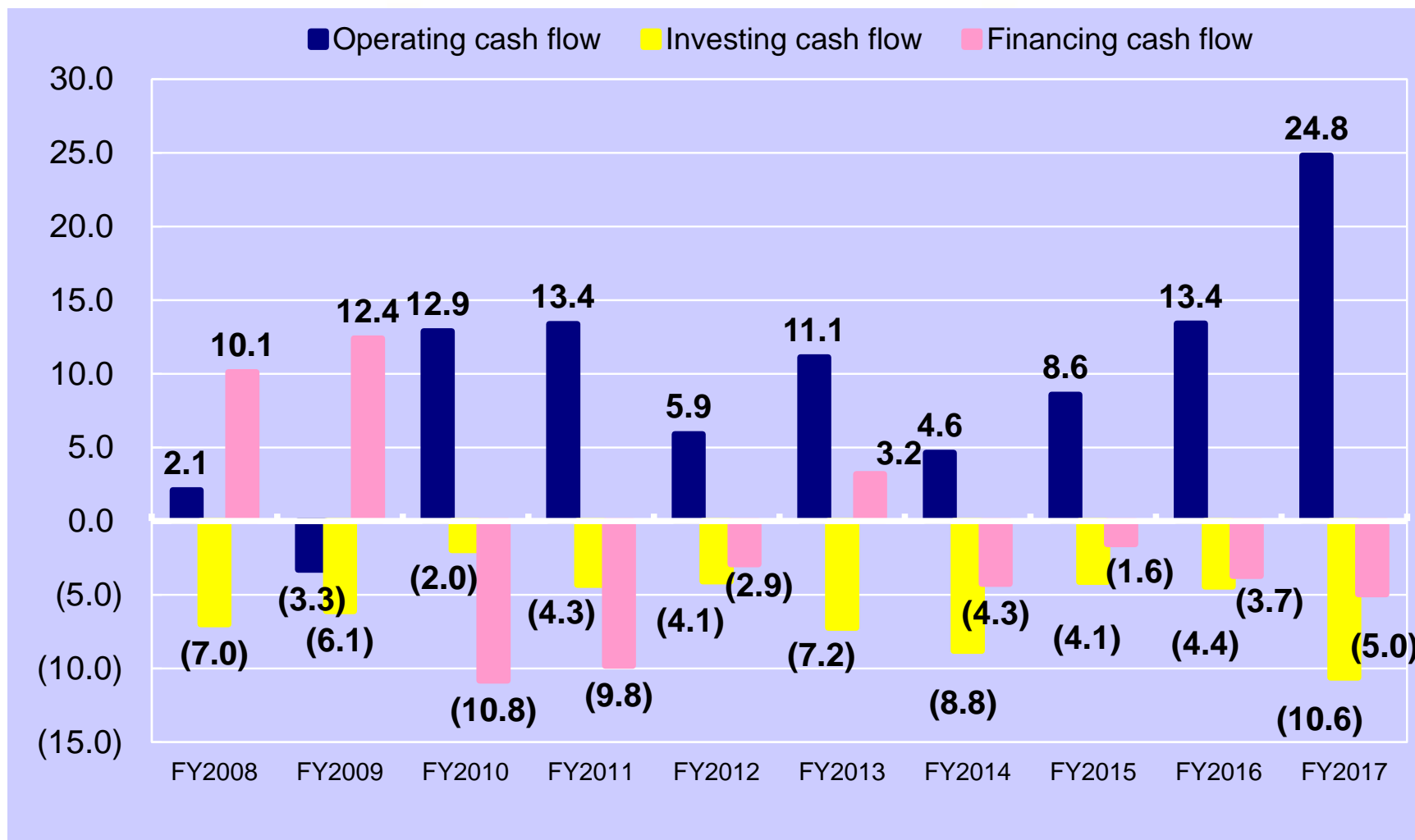


Liabilities and Net assets

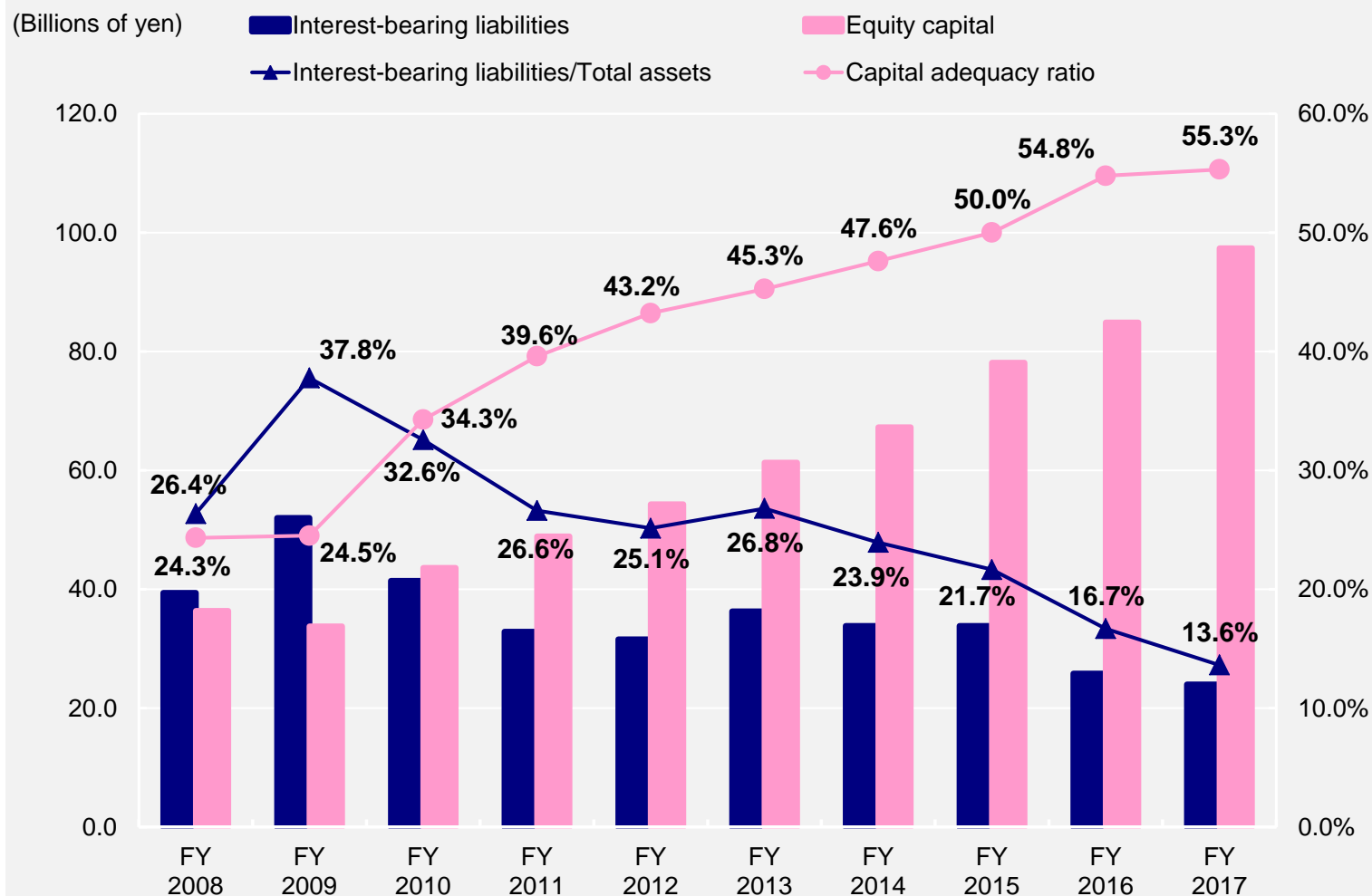


Trends in Cash Flow

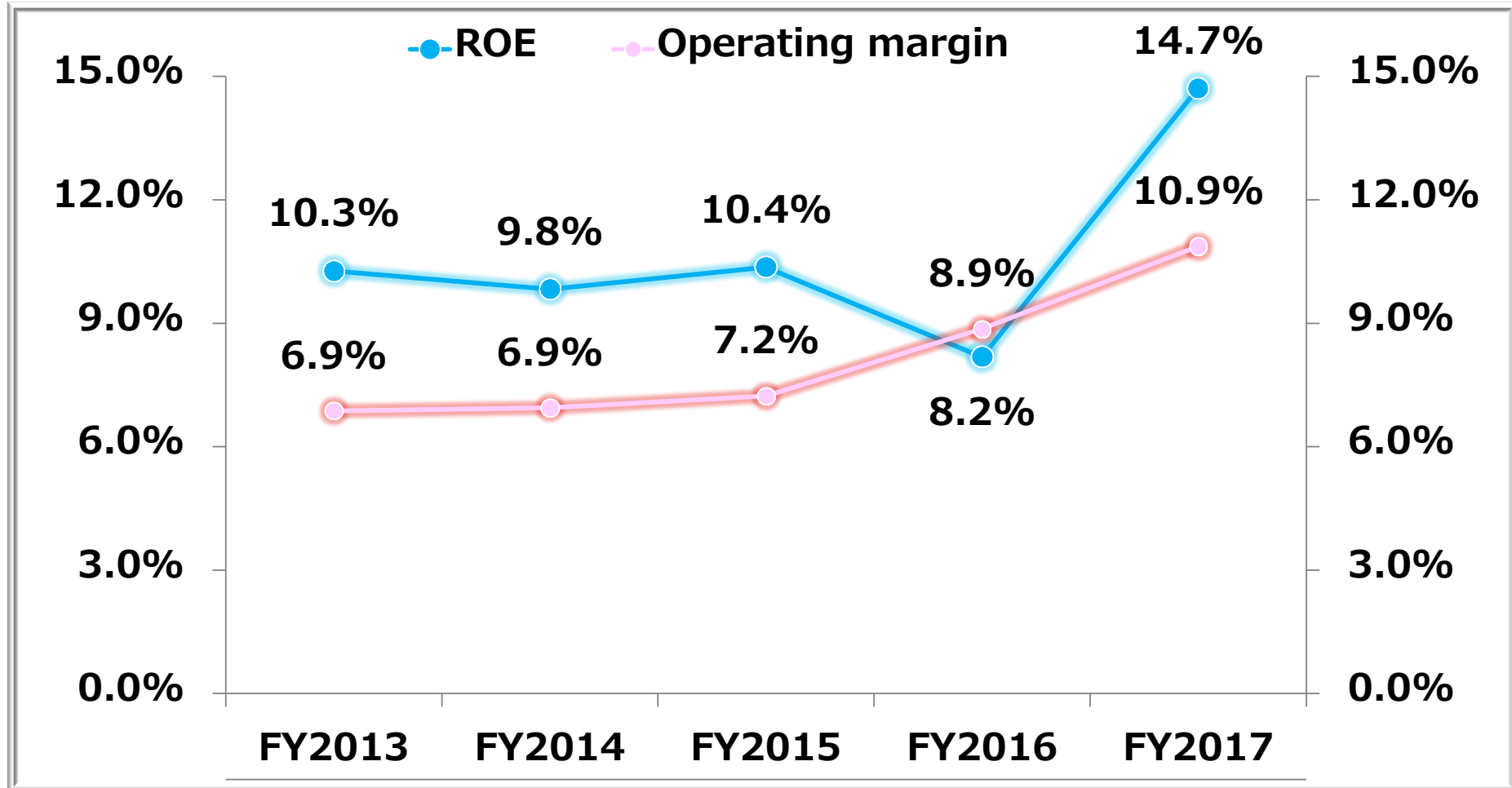
(Billions of yen)



Trends in Interest-bearing Liabilities and Equity Capital



Trends in Operating margin and ROE













2. Full-year Outlook for FY2018

(April 1, 2017 - March 31, 2018)



NICHIAS Corporation

Business Environment for FY2018

Segment	Weather chart of FY2017 (Results)	Weather chart of FY2018 (Forecast)
Energy and Industrial Plants		
Industrial Products		
Advanced Products		 ?
Autoparts		
Building Materials		

Full-year Operating Forecast for FY2018

(Apr. 1, 2017 – Mar. 31, 2018)

(Billions of yen)

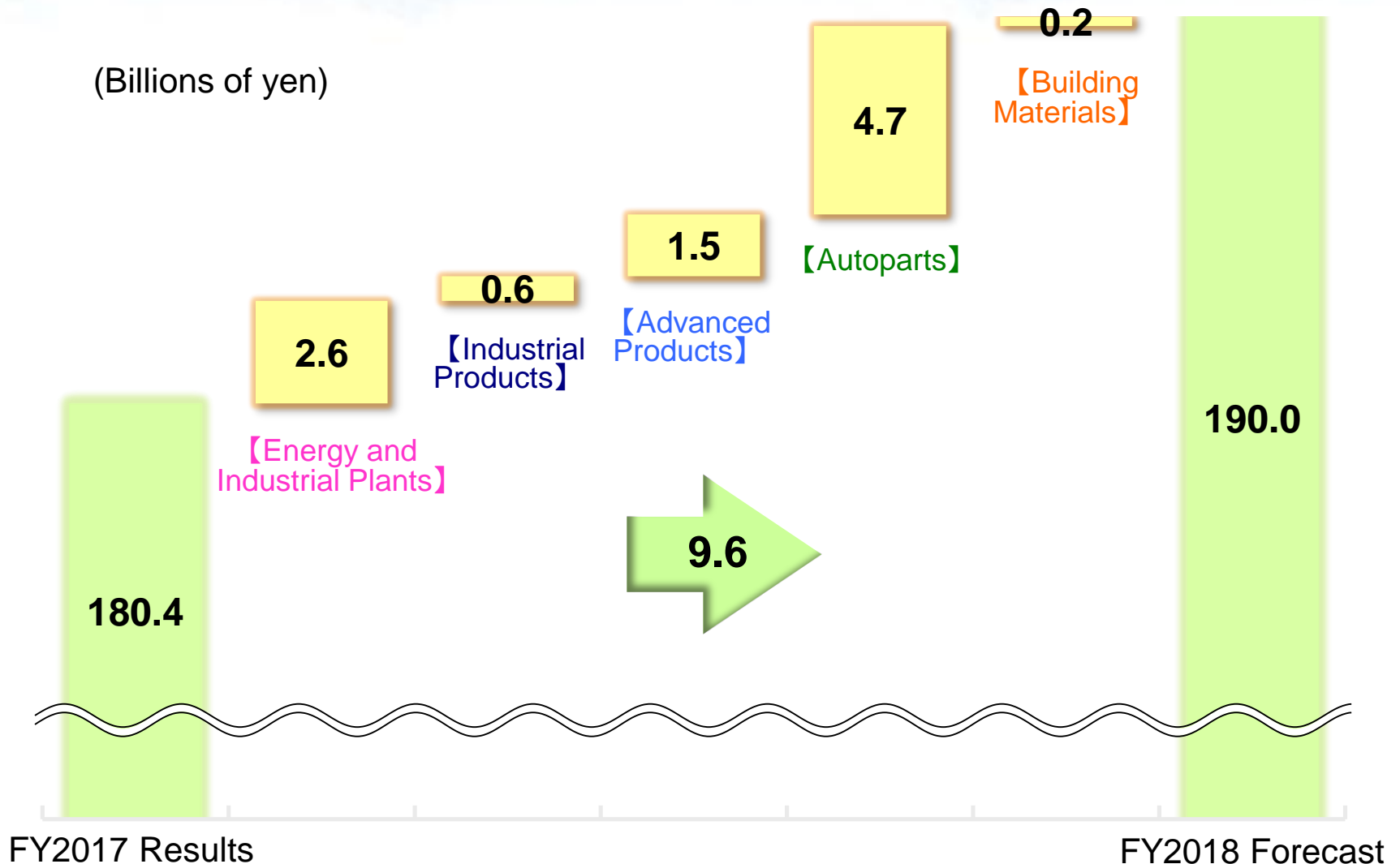
	FY2017	FY2018			Year-on-year Change
	Full-year Results	H1 Forecast	H2 Forecast	Full-year Forecast	
Net Sales	180.4	90.0	100.0	190.0	5%
Operating income	19.6	8.9	10.8	19.7	1%
	10.9%	9.9%	10.8%	10.4%	
Ordinary income	19.8	9.0	10.9	19.9	1%
	11.0%	10.0%	10.9%	10.5%	
Profit attributable to owners of parent	13.4	6.1	7.4	13.5	1%
	7.4%	6.8%	7.4%	7.1%	

Trends in Net Sales and Operating Income by Segment

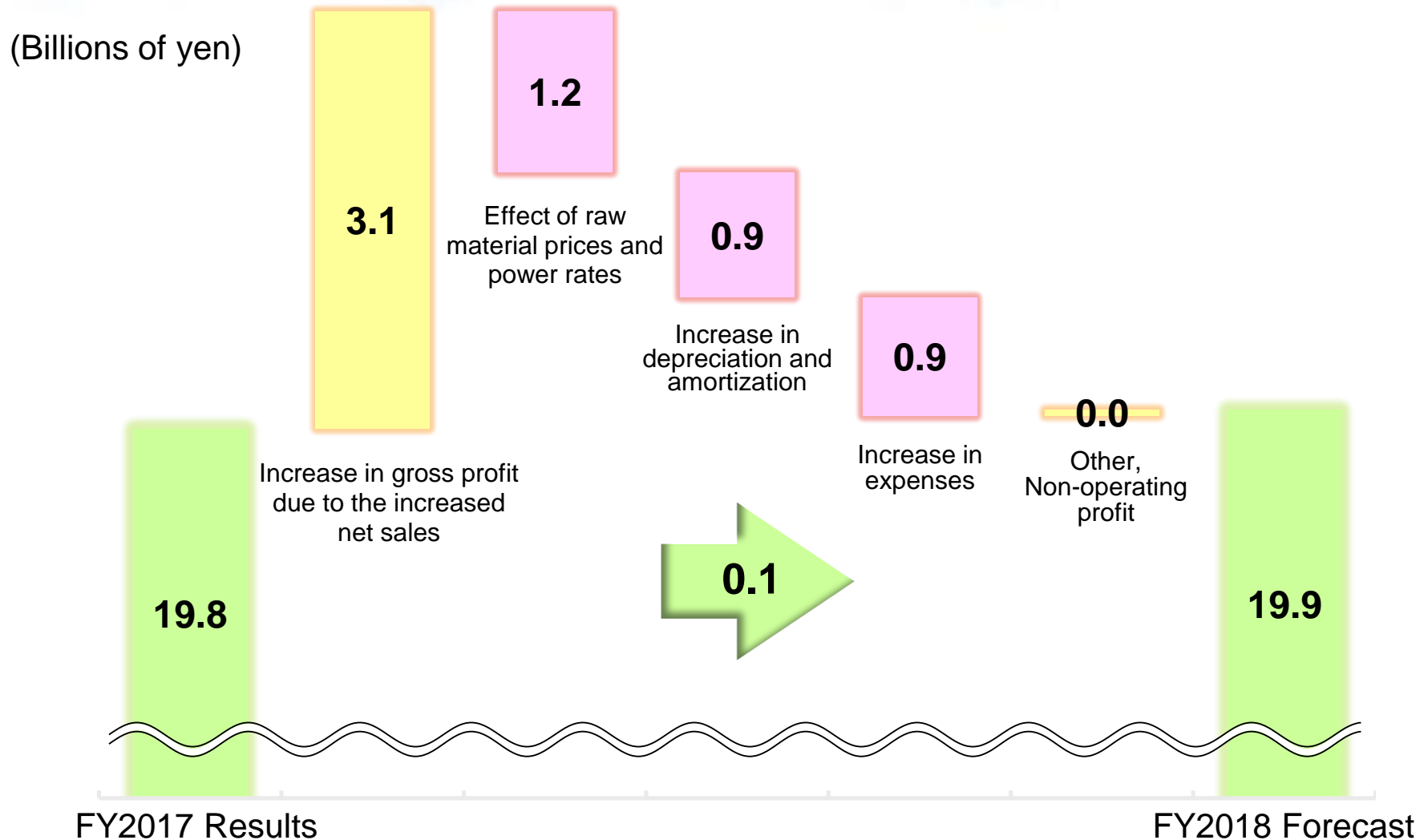
(Billions of yen)

	Segment	FY2014 Results	FY2015 Results	FY2016 Results	FY2017 Results	FY2018 Forecast	Year-on-year Change
Net sales	Energy and Industrial Plants	38.6	48.1	51.5	52.4	55.0	5%
	Industrial Products	39.4	38.2	40.8	41.4	42.0	1%
	Advanced Products	14.9	14.1	15.5	19.5	21.0	8%
	Autoparts	29.2	31.7	35.5	37.8	42.5	12%
	Building Materials	25.0	26.9	27.1	29.3	29.5	1%
	Total	147.1	158.9	170.4	180.4	190.0	5%
Operating income	Energy and Industrial Plants	6.0% 2.3	6.9% 3.3	7.4% 3.8	8.7% 4.6	8.2% 4.5	(2%)
	Industrial Products	10.7% 4.2	12.2% 4.7	14.6% 6.0	14.5% 6.0	14.8% 6.2	3%
	Advanced Products	11.8% 1.8	11.2% 1.6	14.2% 2.2	18.8% 3.7	17.1% 3.6	(2%)
	Autoparts	9.2% 2.7	10.4% 3.3	12.5% 4.4	10.9% 4.1	9.6% 4.1	0%
	Building Materials	(3.0%) (0.8)	(5.0%) (1.3)	(4.8%) (1.3)	4.2 1.2	4.4% 1.3	5%
	Total	6.9% 10.2	7.2% 11.5	8.9% 15.1	10.9% 19.6	10.4% 19.7	1%

FY2018 Forecast: Factors Affecting Changes in Net Sales (Apr. 1, 2017 - Mar. 31, 2018)



FY2018 Forecast: Factors Affecting Changes in Ordinary Income (Apr. 1, 2017 - Mar. 31, 2018)



Basic way of thinking for Medium-term Management Plan

Management Vision

A company trusted by customers
where people can work with pride

Basic Management Policy

- Rigorous enforcement of compliance
- Improvement of corporate value and the provision of value to stakeholders
- Advancement of global business operations
- Promotion and development of personnel to lead the way into the future
- Strengthening risk management

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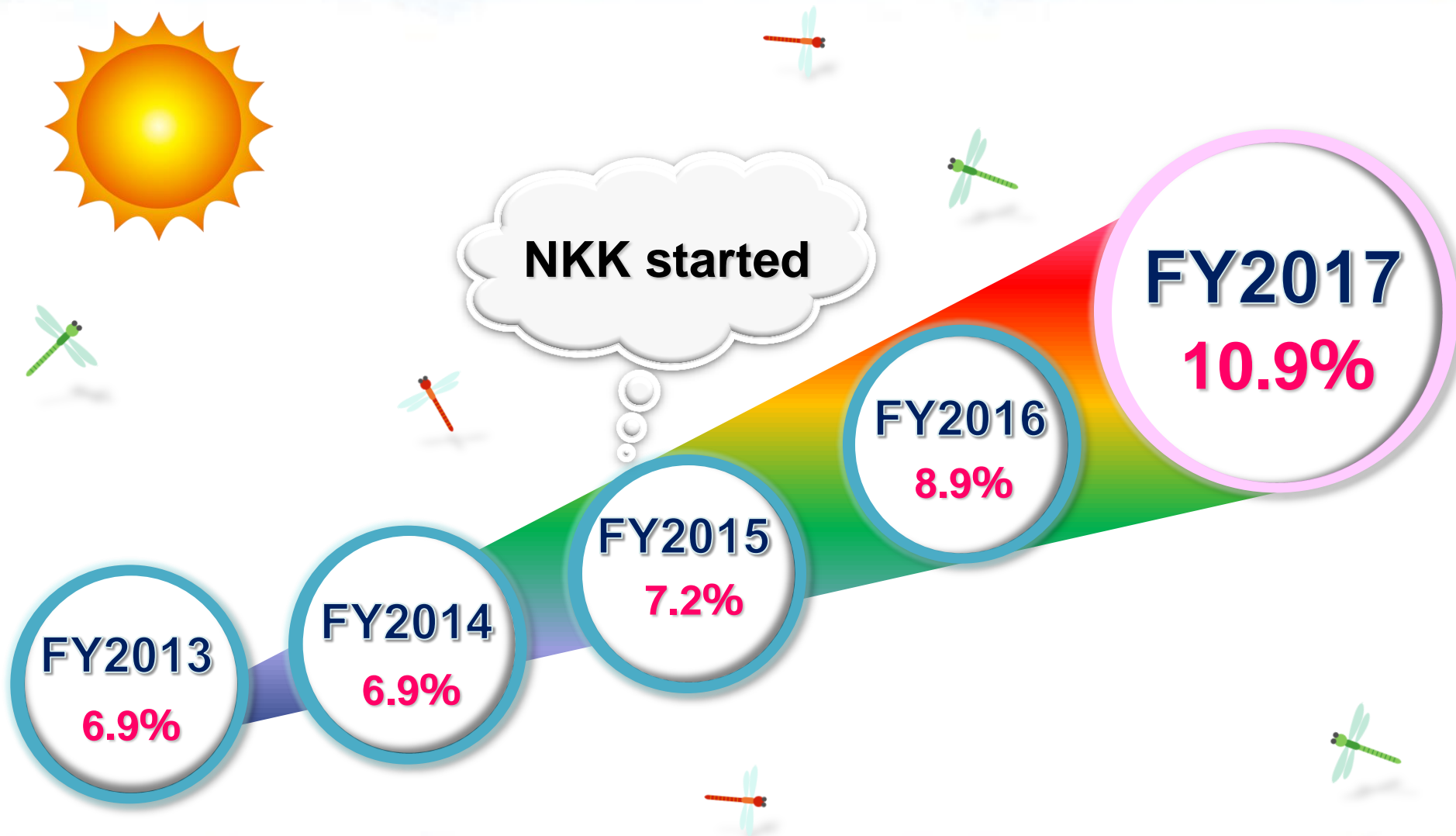
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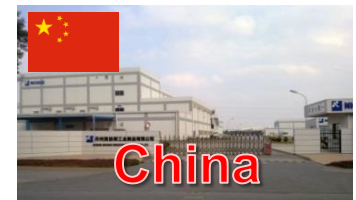
Changes in Operating margin



NKK (Nichias Kaizen Katsudou)



**Become a company with
sustainable competitive strengths**



Business strategy

Focus on growth markets

Medical devices



Environment

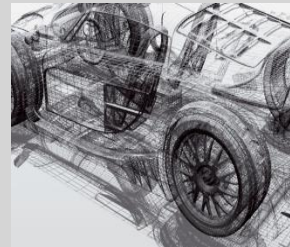


Fire-resistant covering



Strengthen overseas business

Auto parts



Industrial rock wool heat-insulating materials



Construction



Increase share of domestic markets & Efficient operations

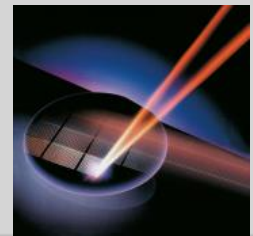
Petroleum and petrochemicals



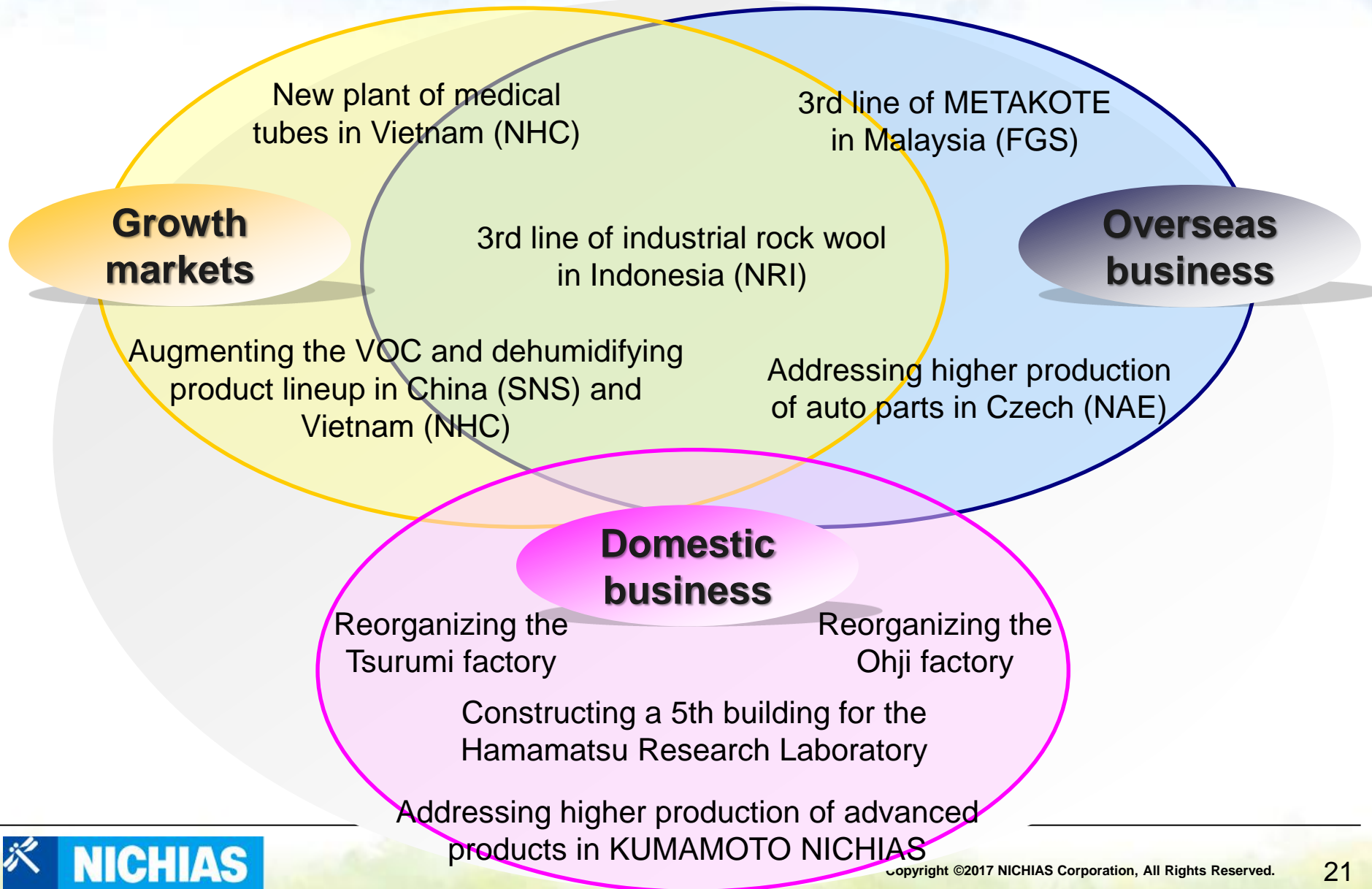
Residential rock wool heat-insulating Materials



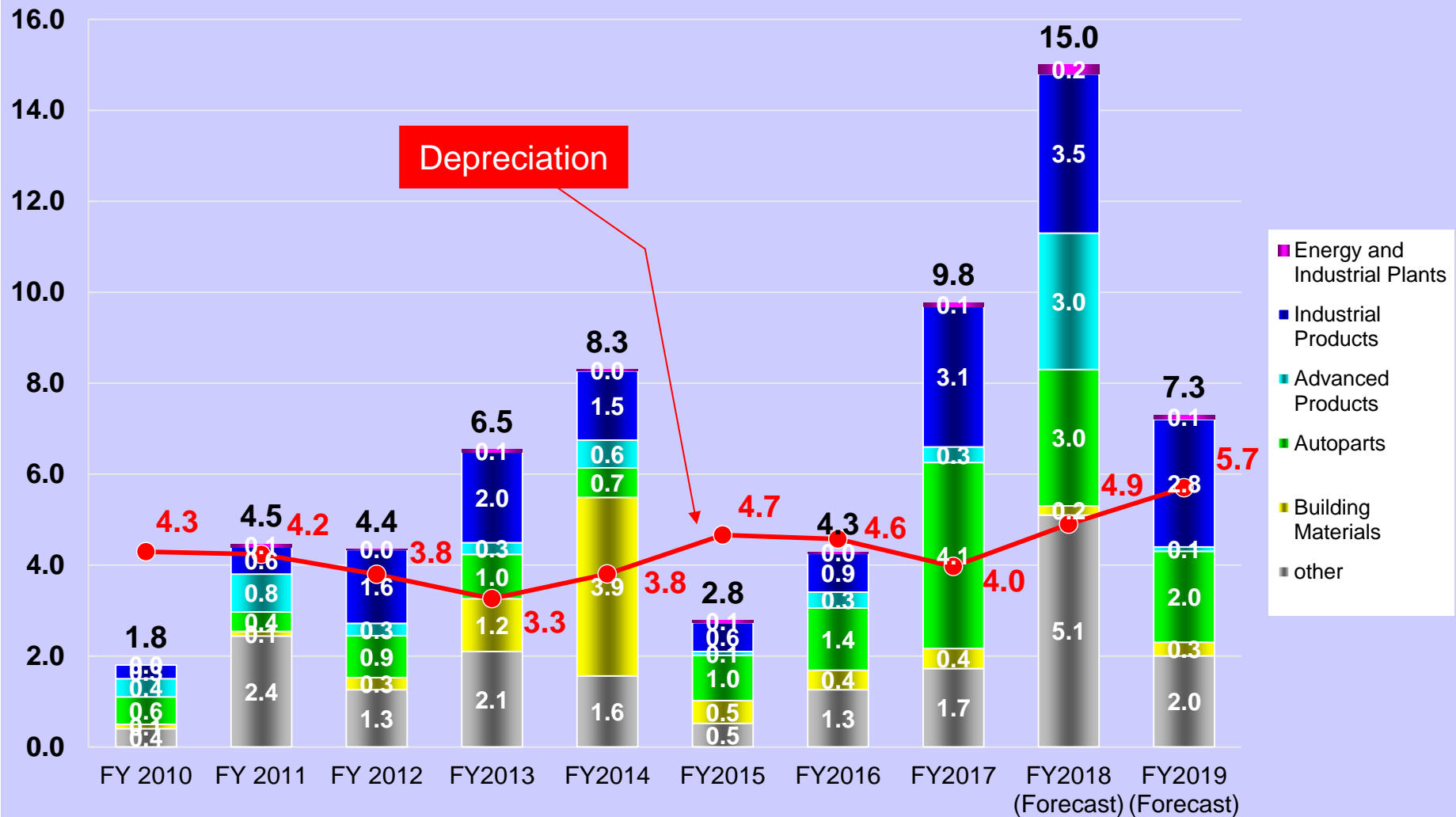
High-performance products



Major Capital Expenditures during Medium-term Management Plan



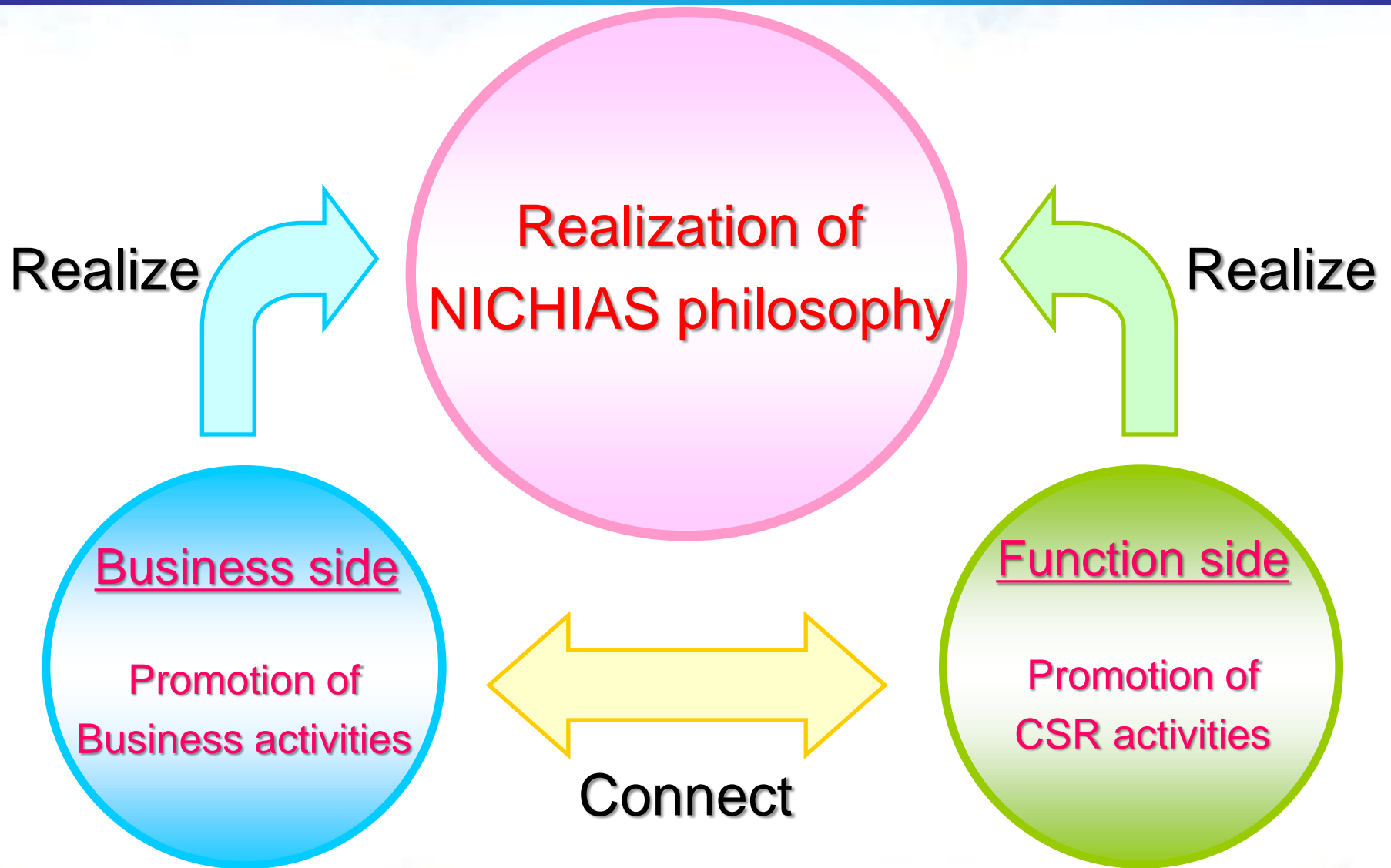
Capital Expenditures and Depreciation



Revised Targets of Medium-term Management Plan in FY2019

	FY2016 Results	FY2017 Results	FY2018 Forecast	FY2019 Original Targets	FY2019 Revised Targets
Net Sales (Billions of yen)	170.4	180.3	190.0	190.0	200.0
Operating income (Billions of yen)	15.1	19.6	19.7	18.0	—
Operating Margin	8.9%	10.9%	10.4%	9.5%	10% and more
ROE	8.2%	14.7%	10% and more	10% and more	10% and more
Capital Expenditures of Medium-term Management Plan (Billions of yen)				20.0	30.0

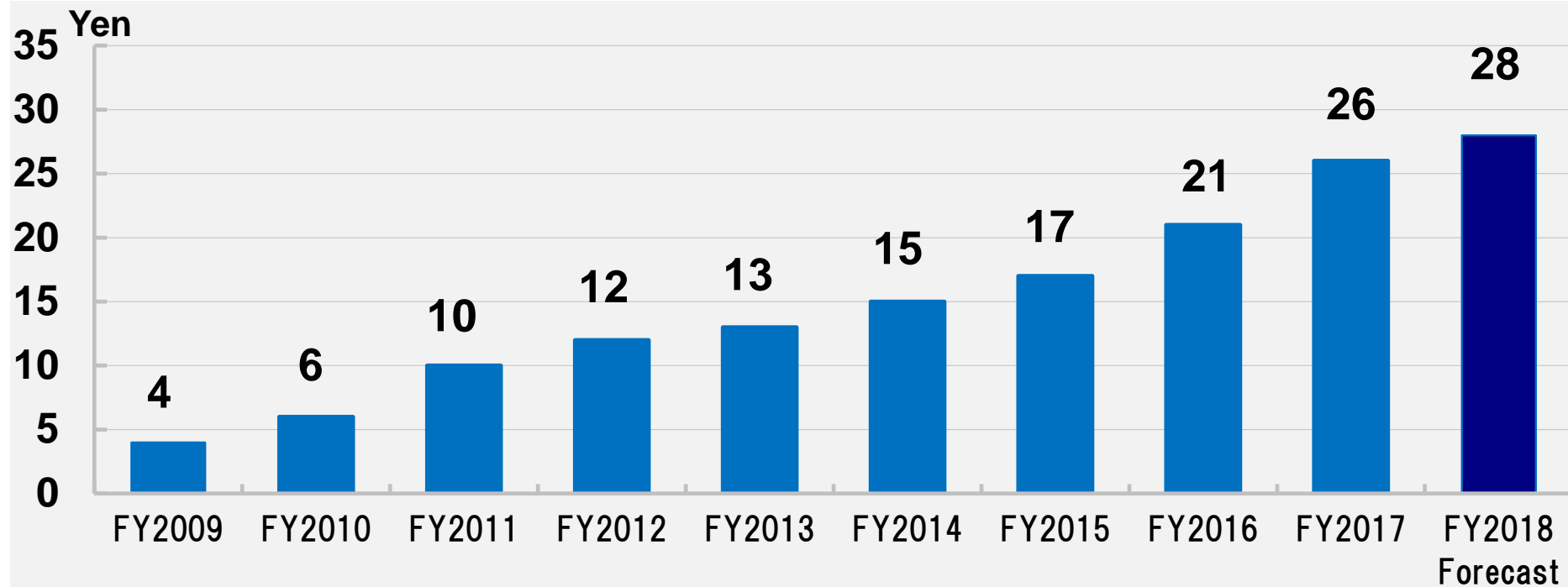
Business and Function (CSR activities) = Two wheels of a car



Dividends payments by NICHIAS

Return to Stockholders

- The Company's basic policy rests on ongoing stable dividends, and aims for a dividend payout ratio of 25-35%.
- The Company will repurchase shares flexibly in light of the balance with investments for growth.



Thank you!

Thank you!

Thank you!

Thank you!

Thank you!

Thank you!

Thank you!

**A bright company where
it is pleasant to work**

Thank you!

Thank you!

Thank you!

Thank you!

Thank you!

Thank you! Thank you!

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, 2001
Revised April 1, 2017