

Financial Results Summary FY2018

1st April, 2018 - 31st March, 2019

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

8th May, 2019



NICHIAS Corporation

Summary of business results for FY2018

(From 1st April, 2018 to 31st March, 2019)




NICHIAS Corporation

Financial highlights FY2018 Results

(Unit: billion JPY)

		FY2017	FY2018		Change	
		Results	Forecast	Results	YoY	Forecast
Net Sales		197.50	210.00	215.50	9.1%	2.6%
Operating income		21.36 10.8%	22.00 10.5%	22.63 10.5%	6.0% -	2.9% -
Ordinary income		21.80 11.0%	22.50 10.7%	23.17 10.8%	6.3% -	3.0% -
Extra ordinary	Profit	0.06	-	0.12	111.5%	-
	Loss	0.64	-	0.46	△28.0%	-
Profit Attributable to owners of parent		14.96 7.6%	15.30 7.3%	15.86 7.4%	6.0% -	3.7% -

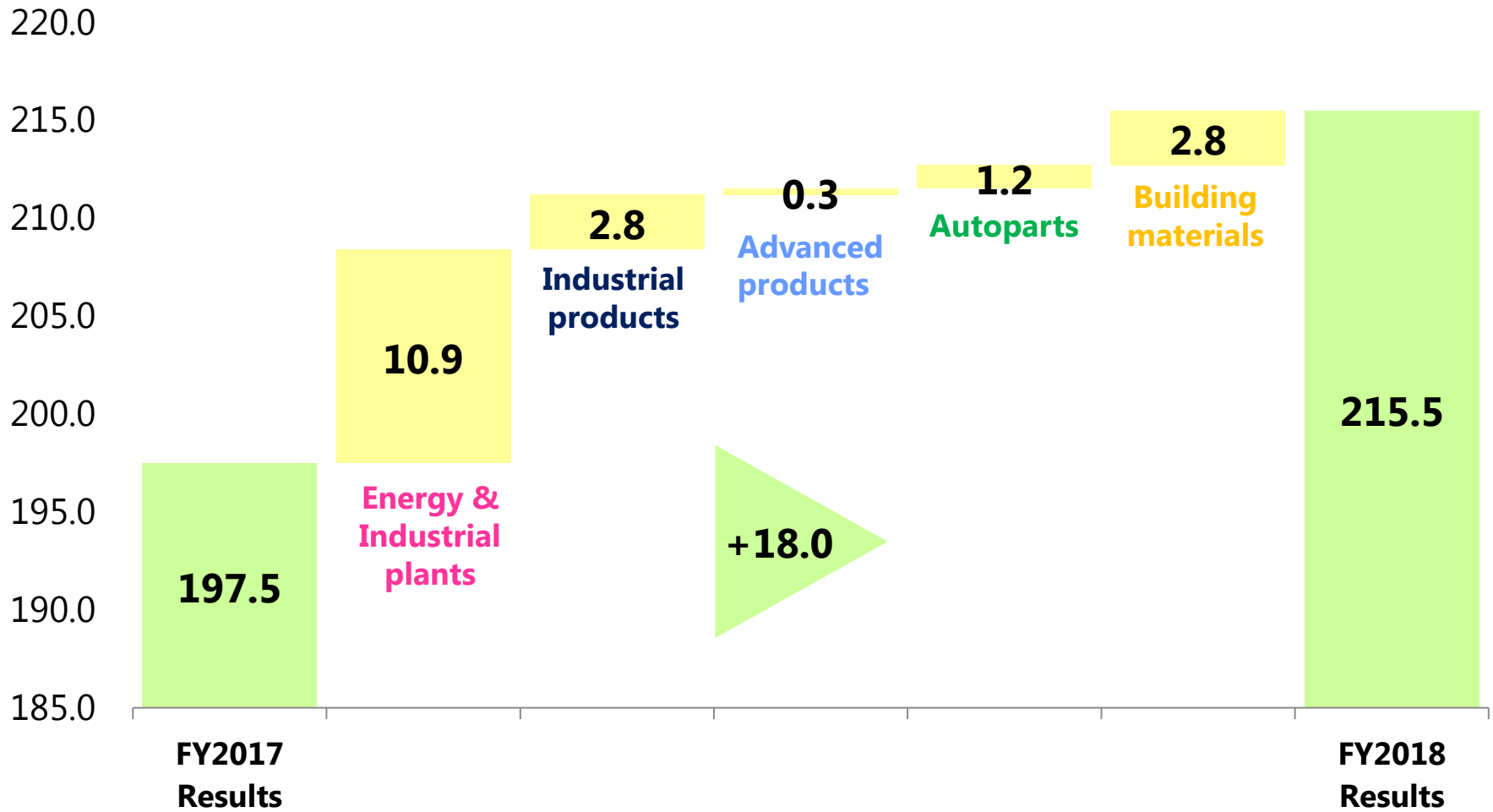
Financial highlights FY2018



**Reached highest past
sales and profit
for 4 consecutive years.**

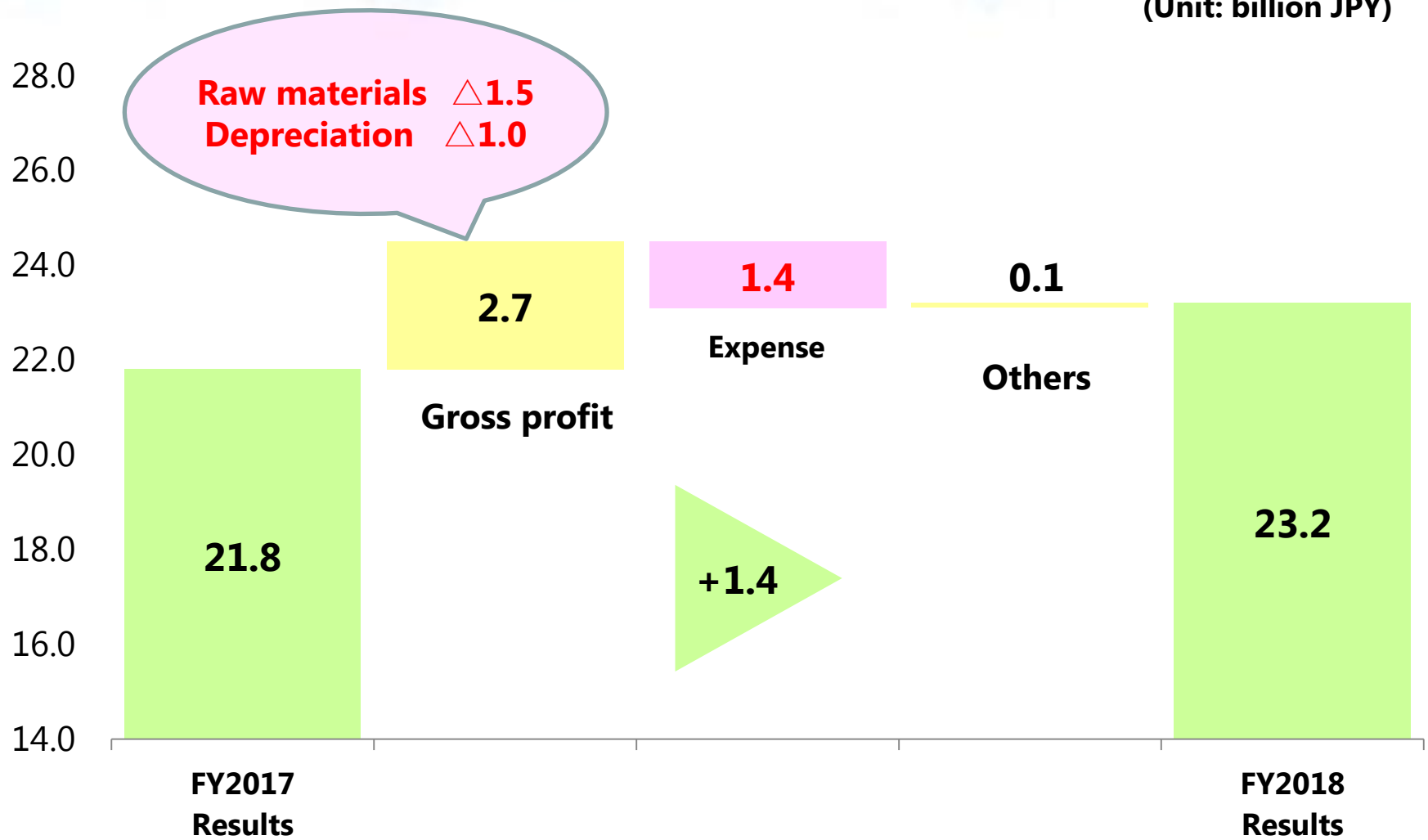
Change analysis FY2018 Net Sales

(Unit: billion JPY)



Change analysis FY2018 Ordinary income

(Unit: billion JPY)

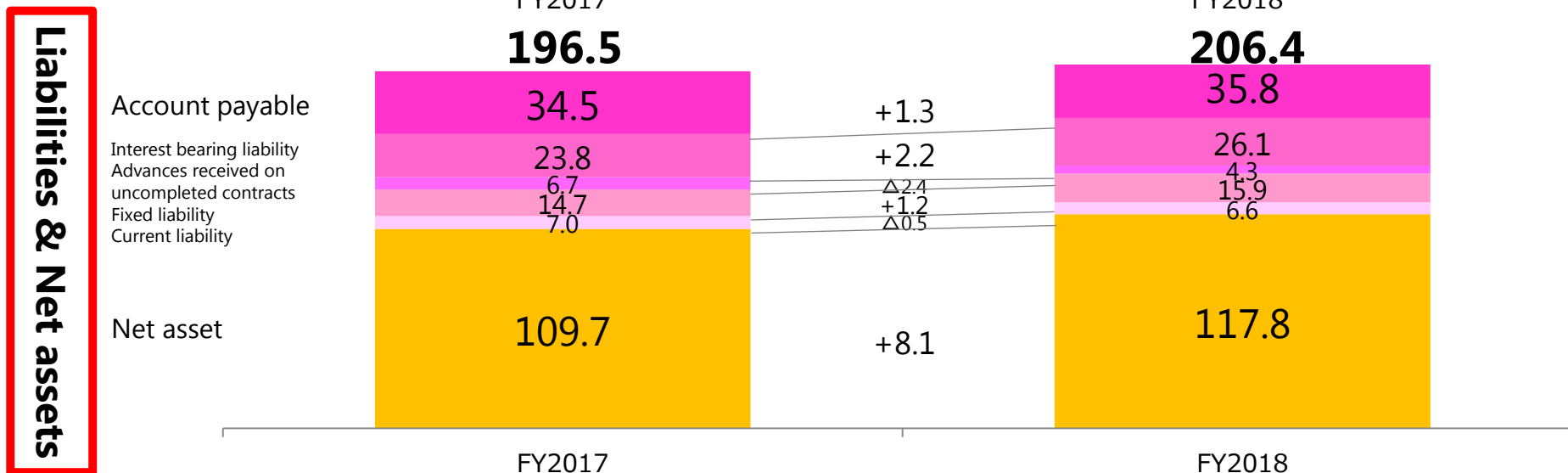
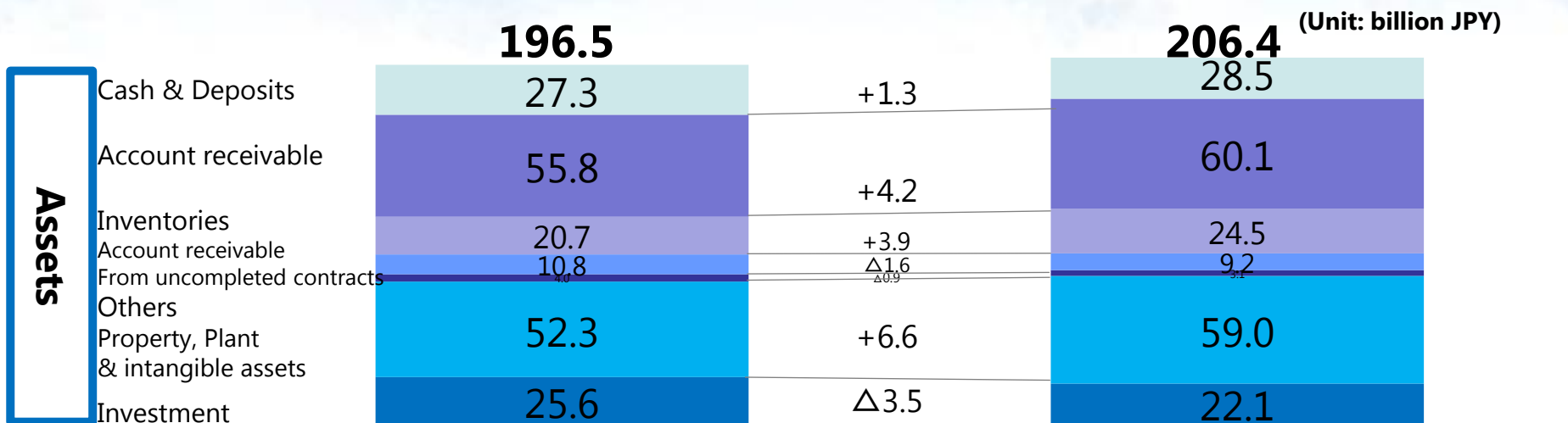


Business results FY2018 Group segment

(Unit: billion JPY)

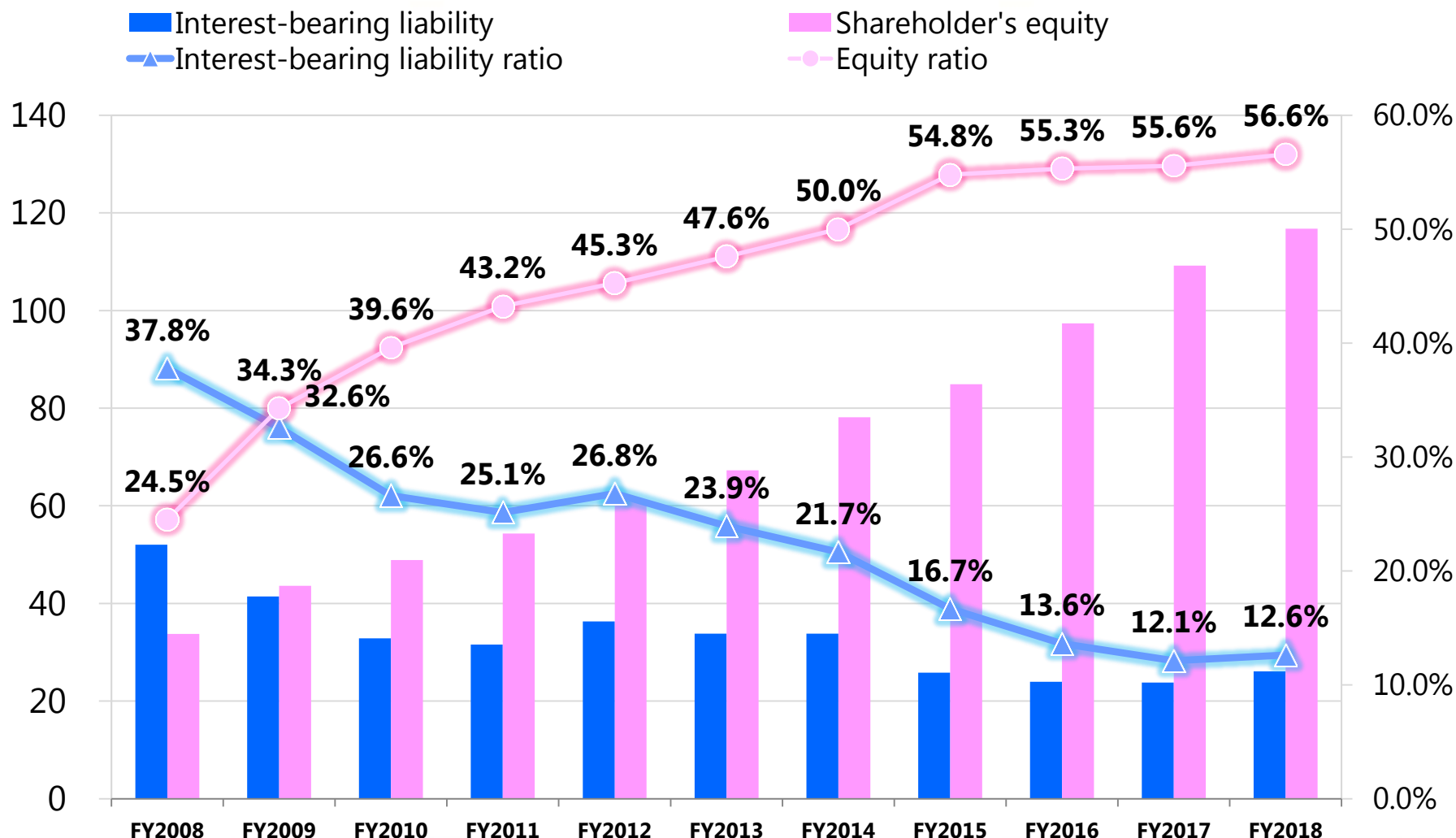
Segment		FY2017 Results	FY2018 Forecast	FY2018 Results	Change	
					YoY	Forecast
Energy & Industrial plants	Net sales	56.39	64.50	67.30	19%	4%
	Operating income	4.73 8.4%	5.90 9.1%	6.18 9.2%	31%	5%
Industrial products	Net sales	43.76	46.50	46.51	6%	0%
	Operating income	6.55 15.0%	7.50 16.1%	7.46 16.0%	14%	Δ0%
Advanced products	Net sales	24.56	24.50	24.87	1%	2%
	Operating income	4.64 18.9%	4.00 16.3%	4.20 16.9%	Δ9%	5%
Autoparts	Net sales	43.81	44.50	45.00	3%	1%
	Operating income	4.40 10.0%	3.60 8.1%	3.91 8.7%	Δ11%	9%
Building materials	Net sales	28.97	30.00	31.82	10%	6%
	Operating income	1.04 8.4%	1.00 3.3%	0.88 2.8%	Δ15%	Δ12%
Total	Net sales	197.50	210.00	215.50	9%	3%
	Operating income	21.36 10.8%	22.00 10.5%	22.63 10.5%	6%	3%

Balance sheet highlights FY2018



Interest bearing liabilities & Equity Trends

(Unit: billion JPY)



Financial policy

	Index	Target	FY2018 Results	Policy
Safety	Short term liquidity	3months	1.6months	The level that does not immediately fall short of funding.
	Equity ratio	60%	56.6%	Expect to achieve on FY2020
Shareholders return policy	Dividend payout	25~35%	28.5%	Stable & continuous dividend
	Share buyback	-	2billion yen	Continue to consider it in light of the balance with growth investment.
Efficiency	ROE	Over 10%	14.0%	











Summary of business forecast for FY2019

(From 1st April, 2019 to 31st March, 2020)



NICHIAS Corporation

Business outlook FY2019

Segment	FY2018 Results	FY2019 Forecast
Energy & Industrial plant		
Industrial products		
Advanced products		
Autoparts		
Building materials		

Financial highlights for FY2019 Forecast

(Unit: billion JPY)

	FY2018	FY2019			Change
	Results	H1 Forecast	H2 Forecast	Full year Forecast	YoY
Net Sales	215.50	98.00	110.00	208.00	△3.5%
Operating income	22.63 10.5%	8.80 9.0%	12.00 10.9%	20.80 10.0%	△8.1%
Ordinary income	23.17 10.8%	9.00 9.3%	12.20 11.1%	21.20 10.2%	△8.5%
Profit attributable to owners of parent	15.86 7.3%	6.20 6.4%	8.30 7.5%	14.50 7.0%	△8.6%

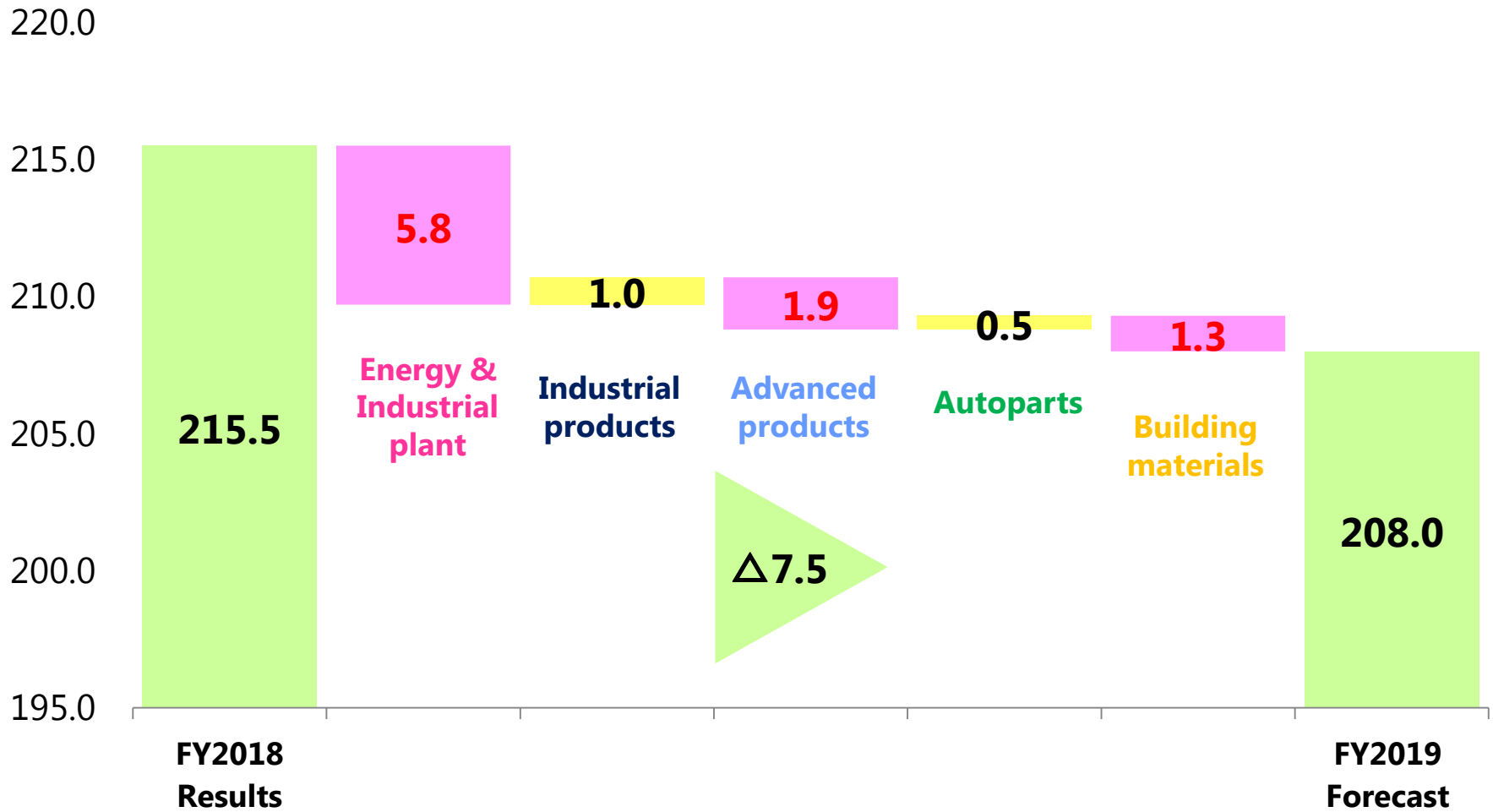
Business forecast & results Group segment Trends

(Unit: billion JPY)

Segment		FY2015 Results	FY2016 Results	FY2017 Results	FY2018 Results	FY2019 Forecast	Change YoY
Energy & Industrial plants	Net Sales	51.45	52.44	56.39	67.30	61.50	Δ9%
	Operating income	3.31 7.4%	3.79 8.7%	4.58 8.4%	6.18 9.2%	5.20 8.5%	Δ16%
Industrial products	Net Sales	40.84	41.39	43.76	46.51	47.50	2%
	Operating income	5.98 14.6%	6.01 14.5%	6.55 15.0%	7.46 16.0%	7.60 16.0%	2%
Advanced products	Net Sales	15.51	19.46	24.56	24.87	23.00	Δ8%
	Operating income	2.20 14.2%	3.65 18.8%	4.64 18.9%	4.20 16.9%	2.90 12.6%	Δ31%
Autoparts	Net Sales	35.53	37.80	43.81	45.00	45.50	1%
	Operating income	4.44 12.5%	4.11 10.9%	4.40 10.0%	3.91 8.7%	3.70 8.1%	Δ5%
Building materials	Net Sales	27.10	29.27	28.97	31.82	30.50	Δ4%
	Operating income	△1.31 △4.8%	1.24 4.2%	1.04 3.6%	0.88 2.8%	1.40 4.6%	58%
Total	Net sales	170.43	180.36	197.50	215.50	208.00	Δ3%
	Operating income	15.10 8.9%	19.60 10.9%	21.36 10.8%	22.63 10.5%	20.80 10.0%	Δ8%

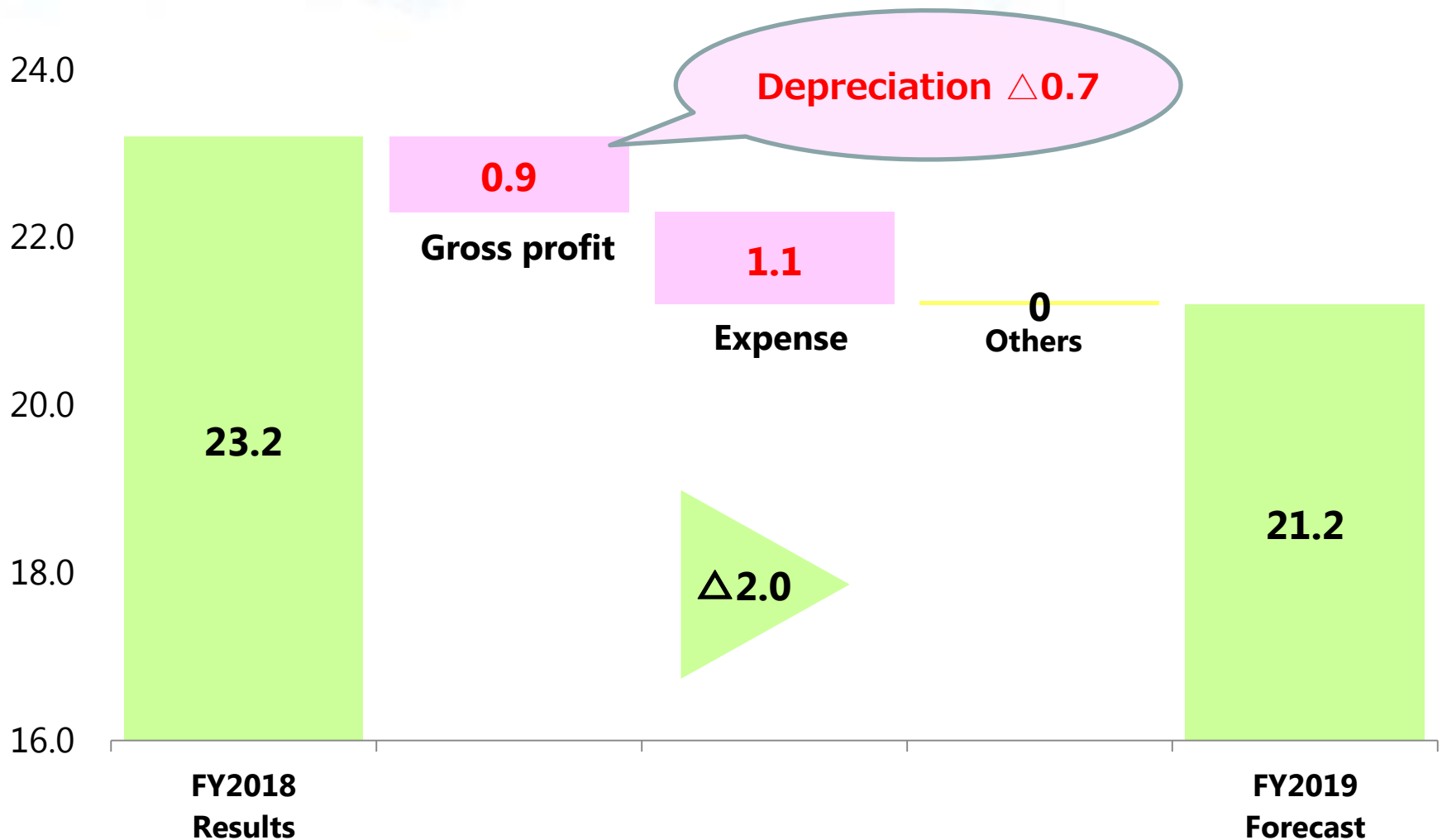
Change analysis FY2019 Net sales

(Unit: billion JPY)



Change analysis FY2019 Ordinary income

(Unit: billion JPY)



Medium-term business plan

First stage : FY2016- FY2018

Second stage: FY2019- FY2020

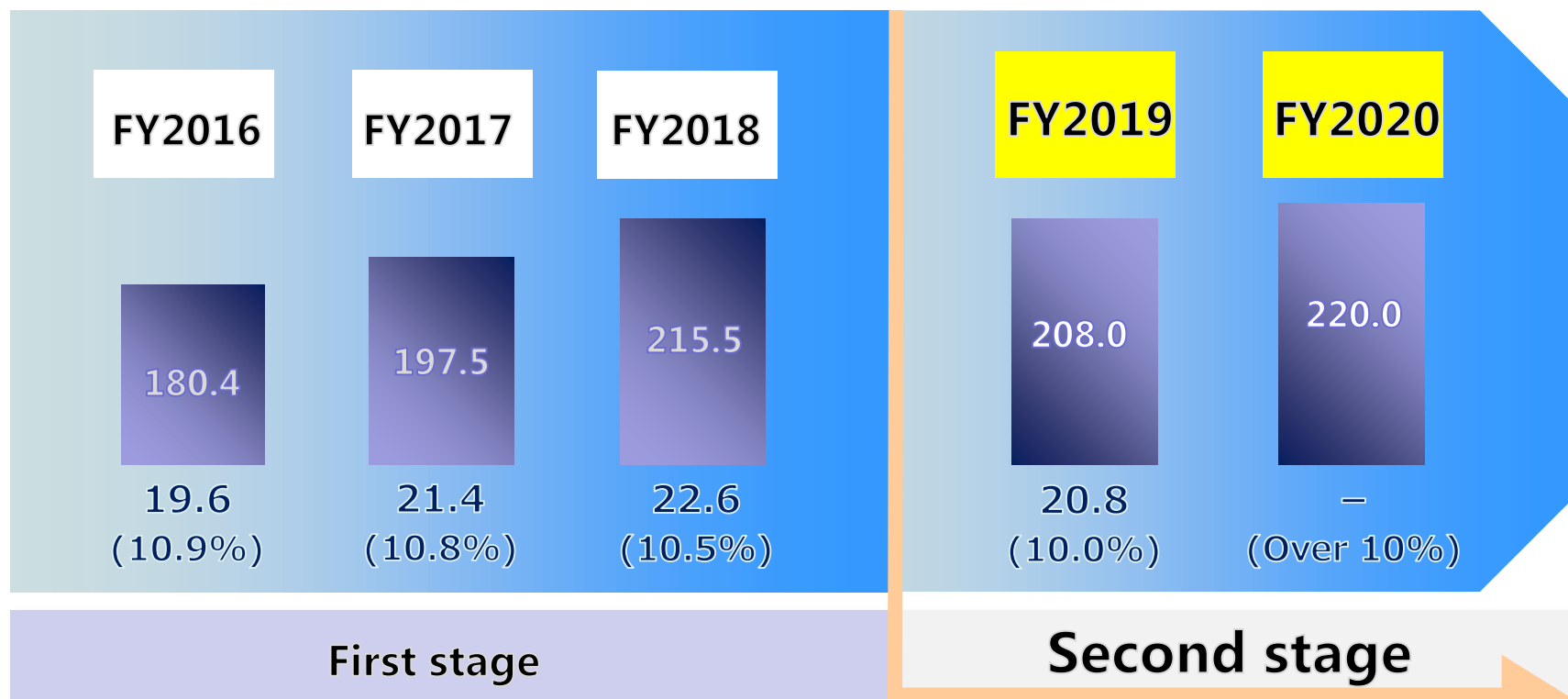


NICHIAS Corporation

Medium-term business plan First stage & Second stage

Medium-term business plan 5years (FY2016-FY2020)

First stage : 3years & Second stage : 2years



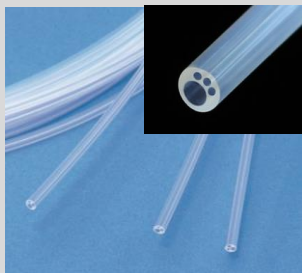
[TOP] Net sales, [Middle] Operating income, [Bottom] Operating margin

(Unit: billion JPY)

Medium-term business plan

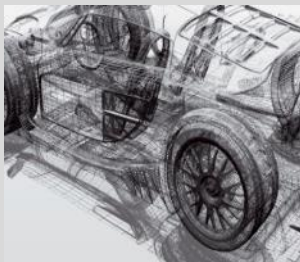
**Focus on
growing market**

**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**



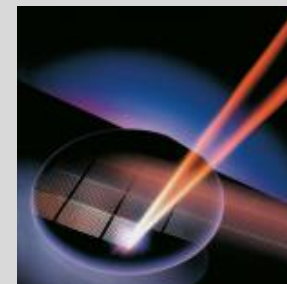
Fireproof



Contracts



**Advanced
products**



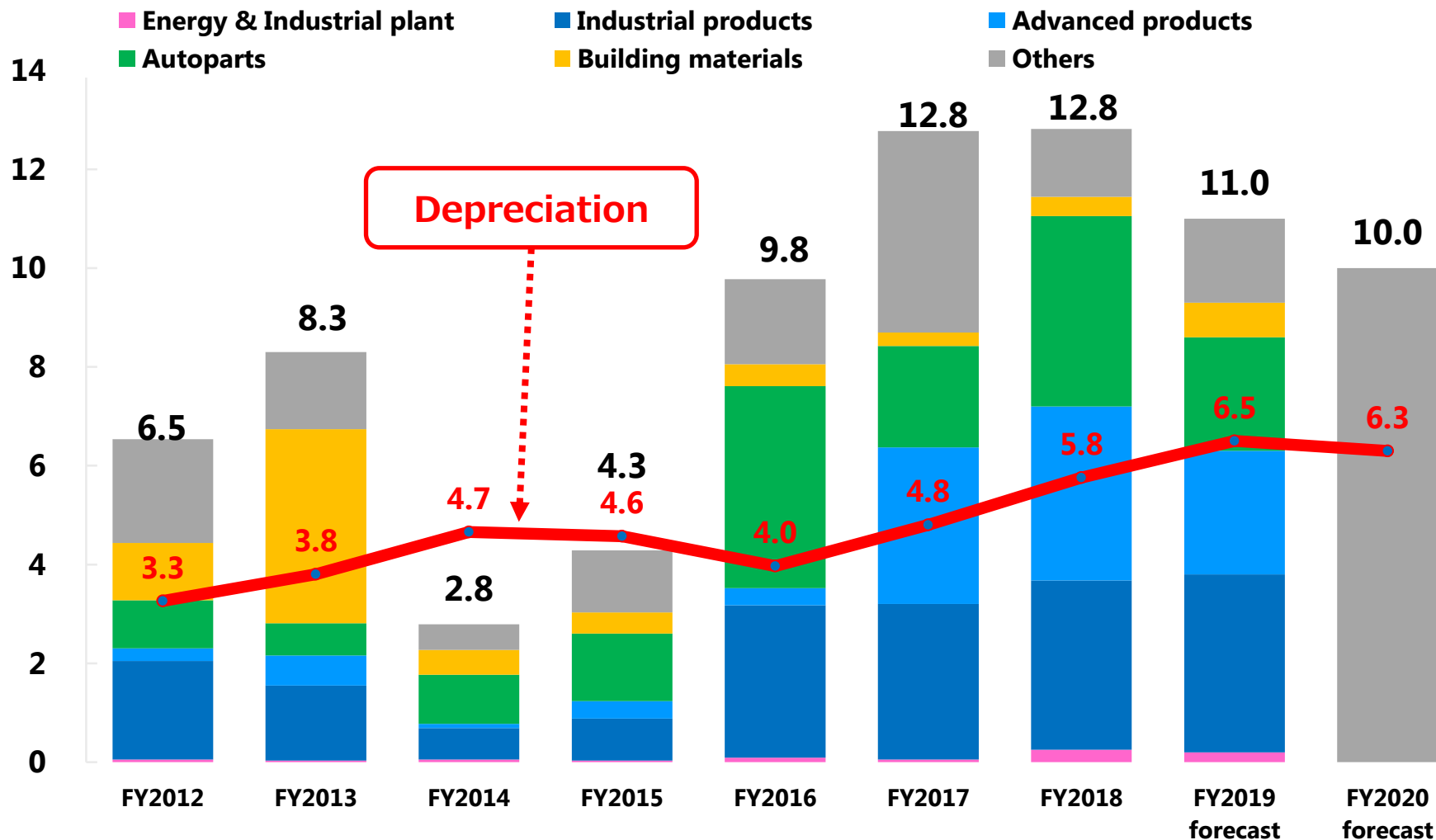
Medium-term business plan Investment

(Unit: billion JPY)

Completed		Place	Amount
Growing market	VOC・Dehumidifier (Environment) products	China Vietnam	2.4
	Factory re-development	Tsurumi factory Oji factory	7.9
	R&D center expansion (5 th building)	Hamamatsu R&D	0.9
	Advanced products	Kumamoto NICHIAS	2.4
Overseas business	Rock Wool No.3 production line	Indonesia	4.0
	Metakote No. 3 production line	Malaysia	3.1
	Automobile parts	Czech	0.3
On going		Place	Amount
Growing market	Covered rubber gasket (5 th factory)	Malaysia	0.6
	Medical devices	Vietnam	0.9
Japanese business	Automotive parts	Yuki factory	1.0
	Factory re-development	Oji factory	4.6
	Advanced products	NICHIAS CERATECH Fukushima NICHIAS	5.7
Overseas business	Automotive parts	China	2.2

Investment & Depreciation cost Trends

(Unit: billion JPY)



FY2020 Target Medium-term business plan

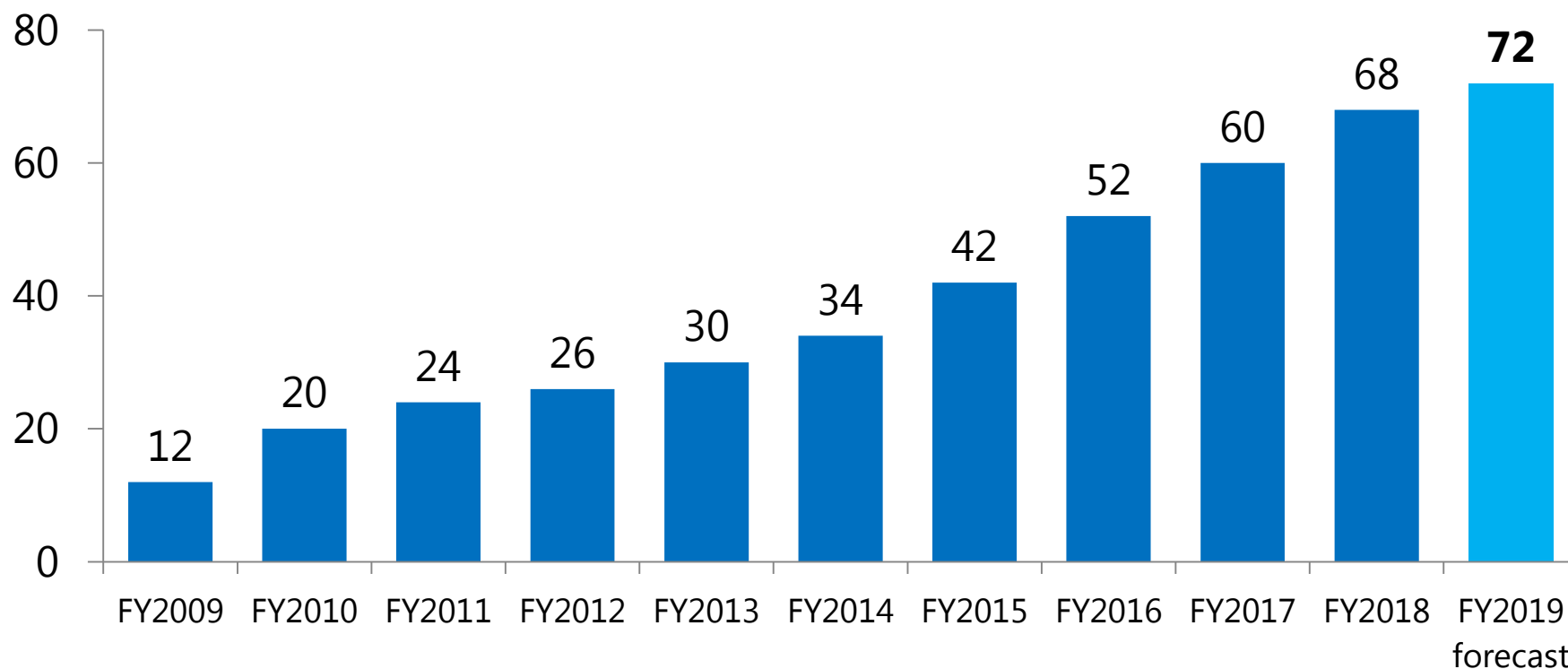
(Unit: billion JPY)

	FY2016 Results	FY2017 Results	FY2018 Results	FY2019 Forecast	FY2020 Target
Net sales	180.4	197.5	215.5	208.0	220.0
Operating income	19.6	21.4	22.6	20.8	—
Operating margin	10.9%	10.8%	10.5%	10.0%	Over 10%
ROE	14.7%	14.5%	14.0%	Over 10%	Over 10%
Investment	Total JPY 55billion for 5year investment (FY2016 – FY2020)				

Shareholder's return Trends

(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.**



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.

Credit rating Trend

AAA

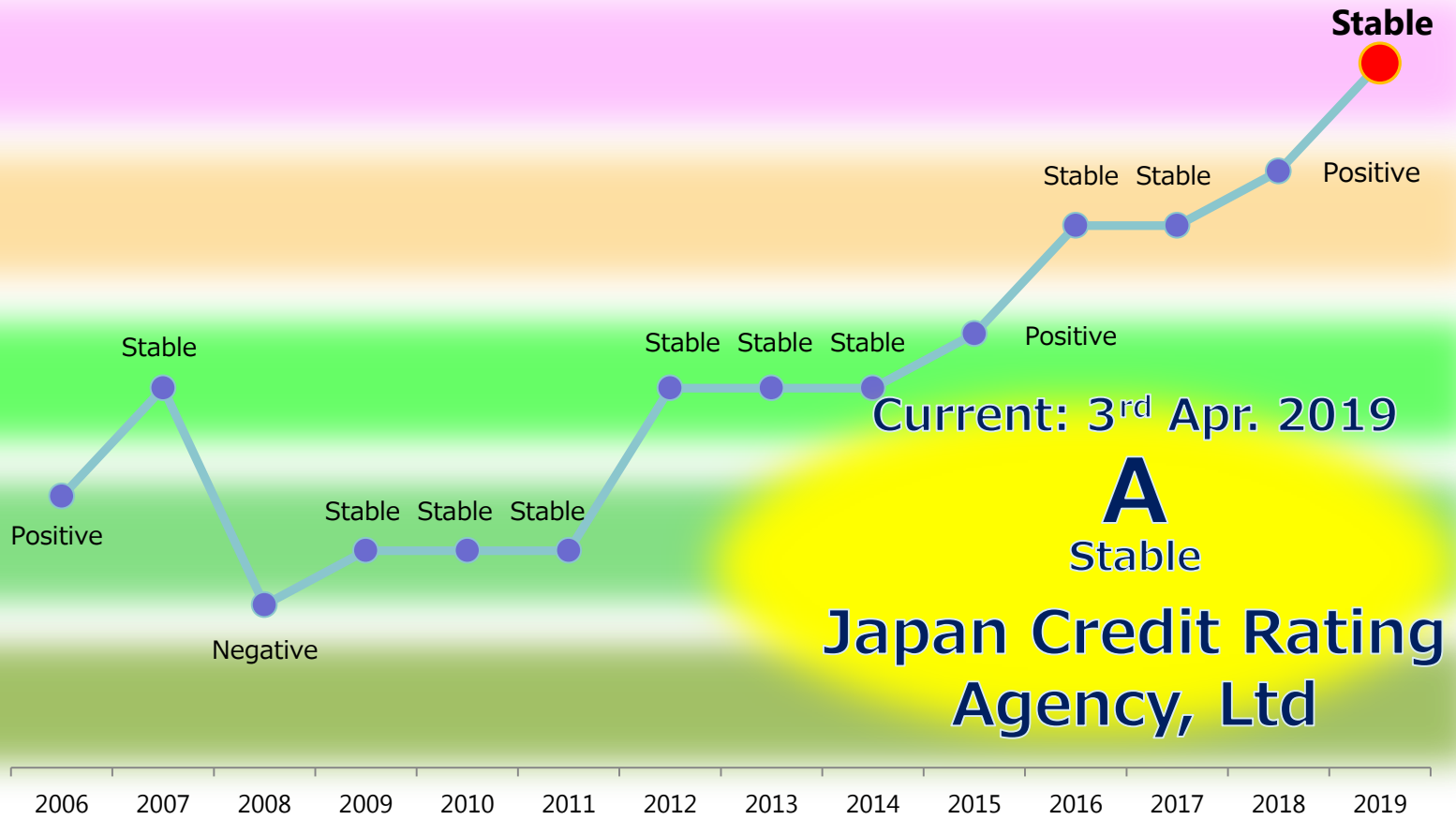
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A⁻

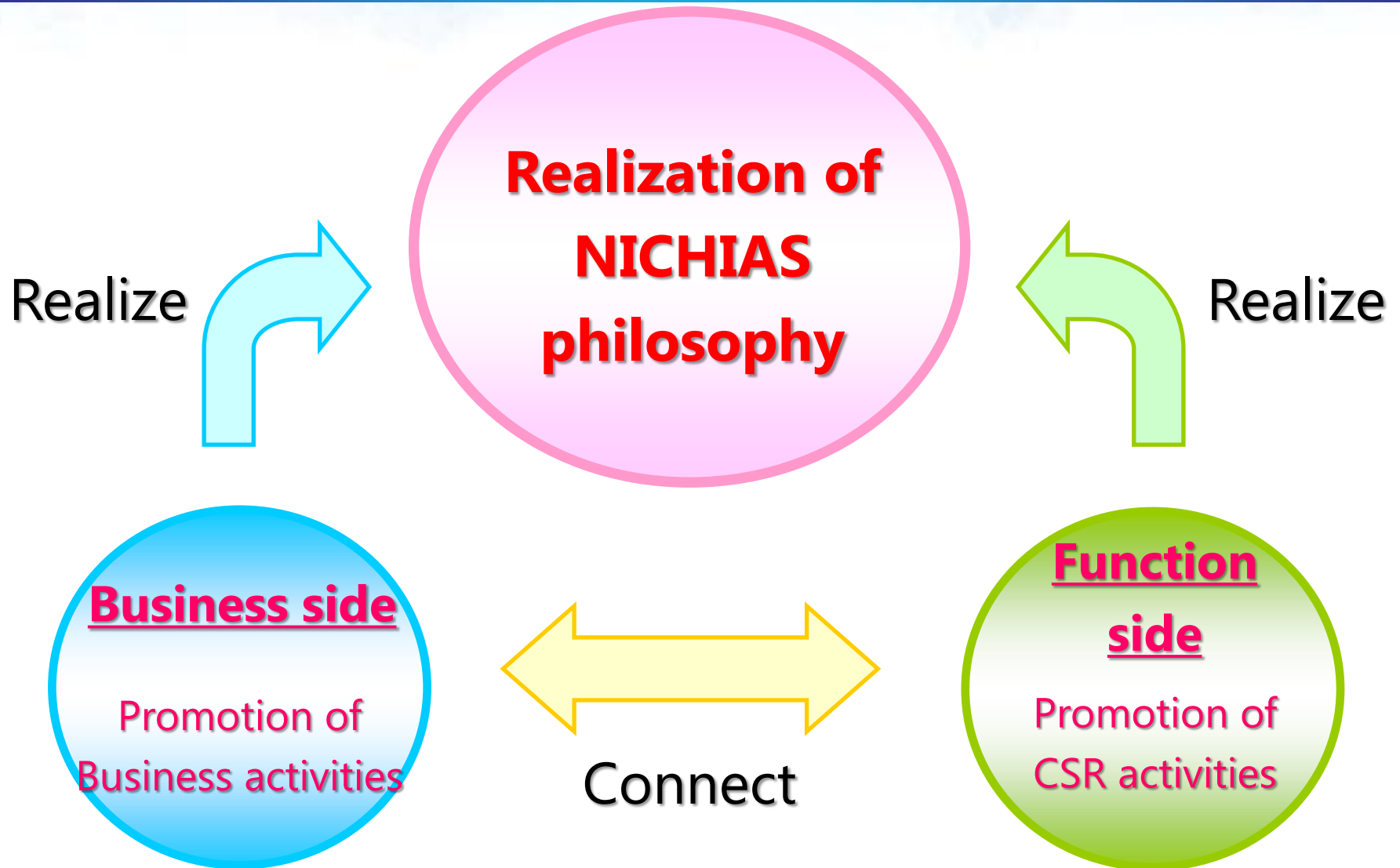
BBB⁺

BBB

BBB⁻



Business and Function (CSR activities)



SDGs and Our products & Services



**Total engineering service
for customer's trouble.**

GASKET LABO™



Target

8.2 12.5

Proper gasket replacement interval by GASKET LABO™ contribute to reduce industrial waste.



Overwrapping Insulation Method

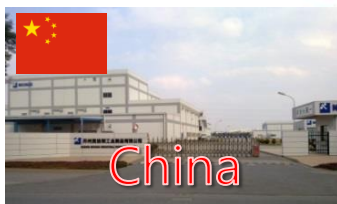


Target

7.3 12.5

Recovering insulation performance by overwrapping Insulation Method contribute to reduce waste and energy saving.

NKK NICHIAS 'KAIZEN' activity



NKK 5th year
FY2019



Become a company with sustainable competitive strengths

Medium-term business plan Second stage



WORKSTYLE REFORMS

by NKK

(NICHIAS Kaizen activity)

**To achieve the business
target at FY2020**

**Human resource
development**

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'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

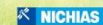
Strive to develop and promote products and services effective in reducing environmental impact.

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

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