

# Financial Results Summary FY2022 first half

From 1<sup>st</sup> April, 2022 to 30<sup>th</sup> September, 2022

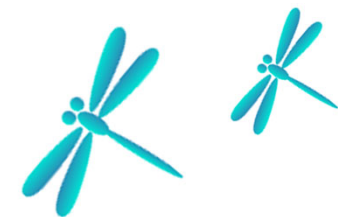
All forecasts and plan that are not historical facts in this document are future business result related forecast. These are showed by based on information and data currently available to the company. Various uncertain factors could cause actual results to differ.

8<sup>th</sup> November, 2022


 **NICHIAS Corporation**

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**Summary of business results for FY2022 H1**  
**(From 1st April, 2022 to 30th September, 2022)**



(Unit : billion JPY)

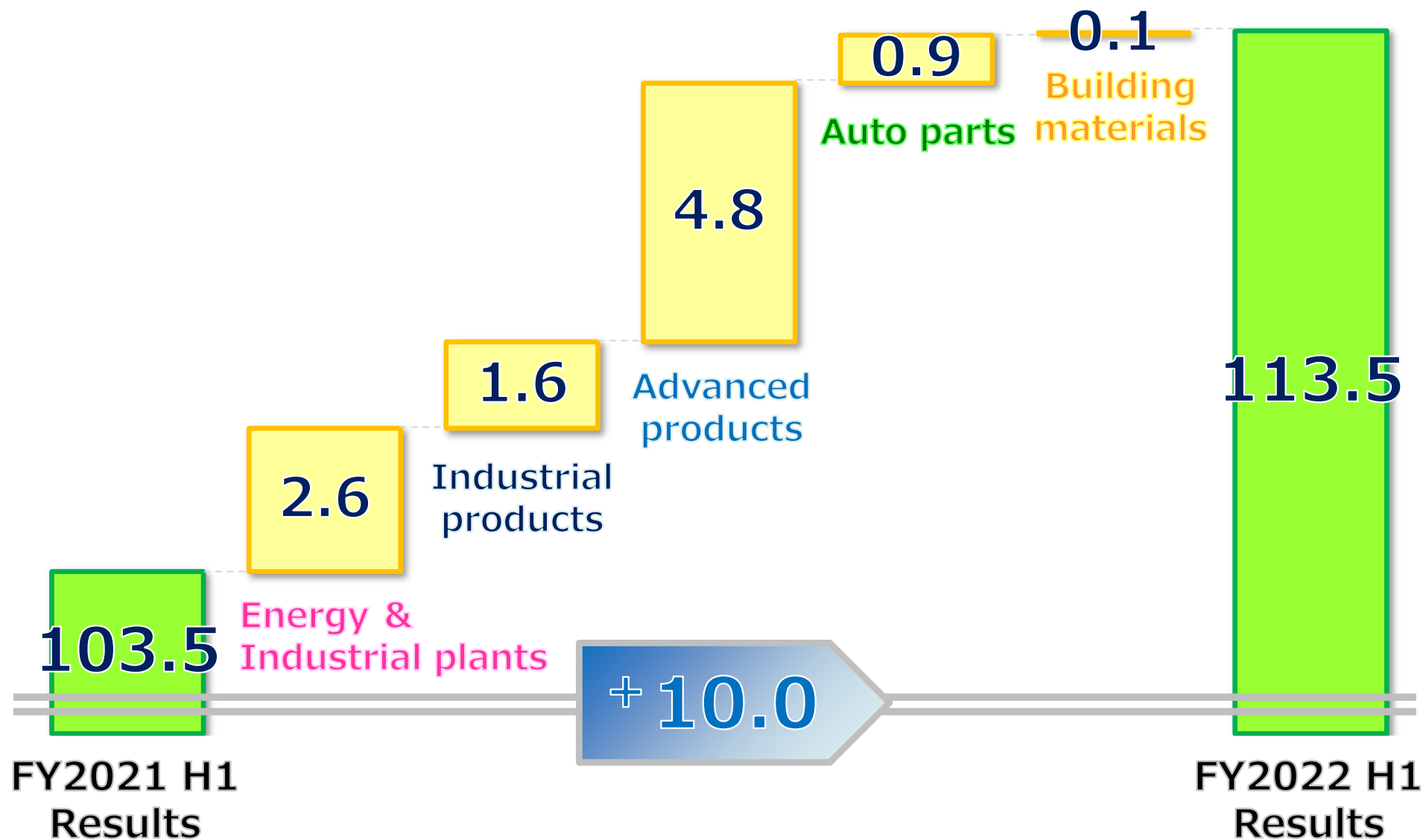
		FY2021 H1 Results	FY2022 H1		Change	
			Forecast 2 <sup>nd</sup> August.	Results	YoY	Forecast
Net Sales		103.5	109.0	113.5	9.6%	4.1%
Operating income		12.7 12.2%	12.0 11.0%	13.0 11.4%	2.2%	7.9%
Ordinary income		13.9 13.4%	12.0 11.0%	16.4 14.4%	17.7%	36.3%
Extra Ordinary	Profit	0.3	—	0.0	▲ 95.0%	—
	Loss	0.2	—	0.2	▲ 14.7%	—
Profit Attributable to owners of parent		10.2 9.9%	8.0 7.3%	11.3 10.0%	10.3%	41.4%



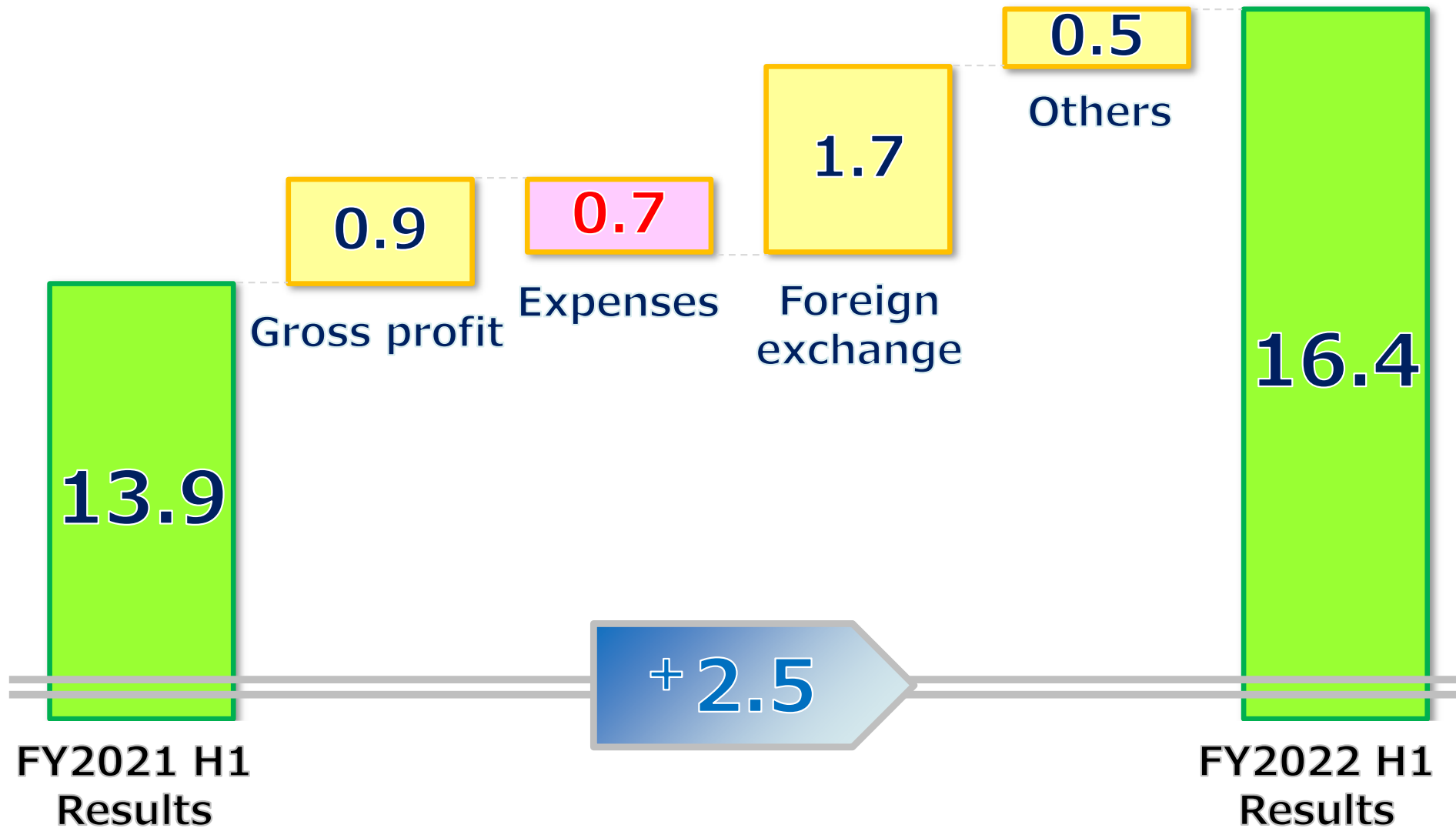
**Growth in Advanced products.**

**Second Quarter  
Record performance**

Unit : billion JPY



Unit : billion JPY

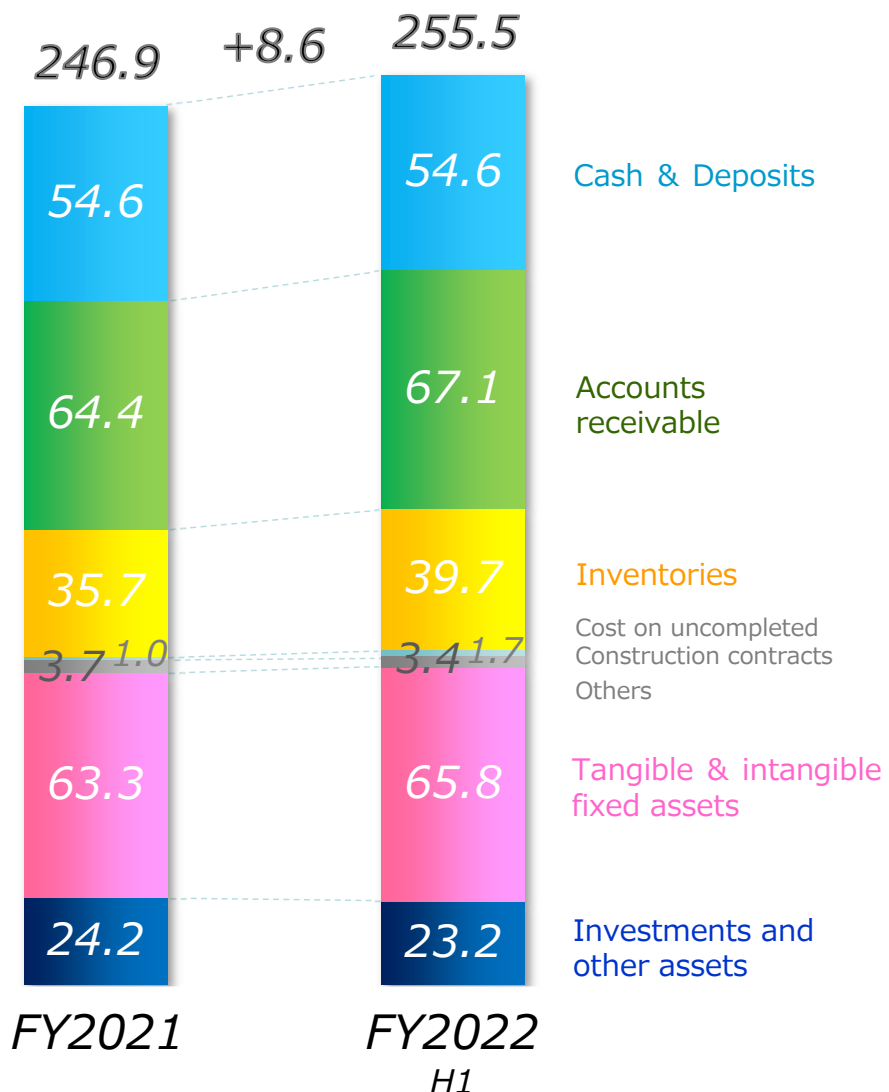


(Unit : billion JPY)

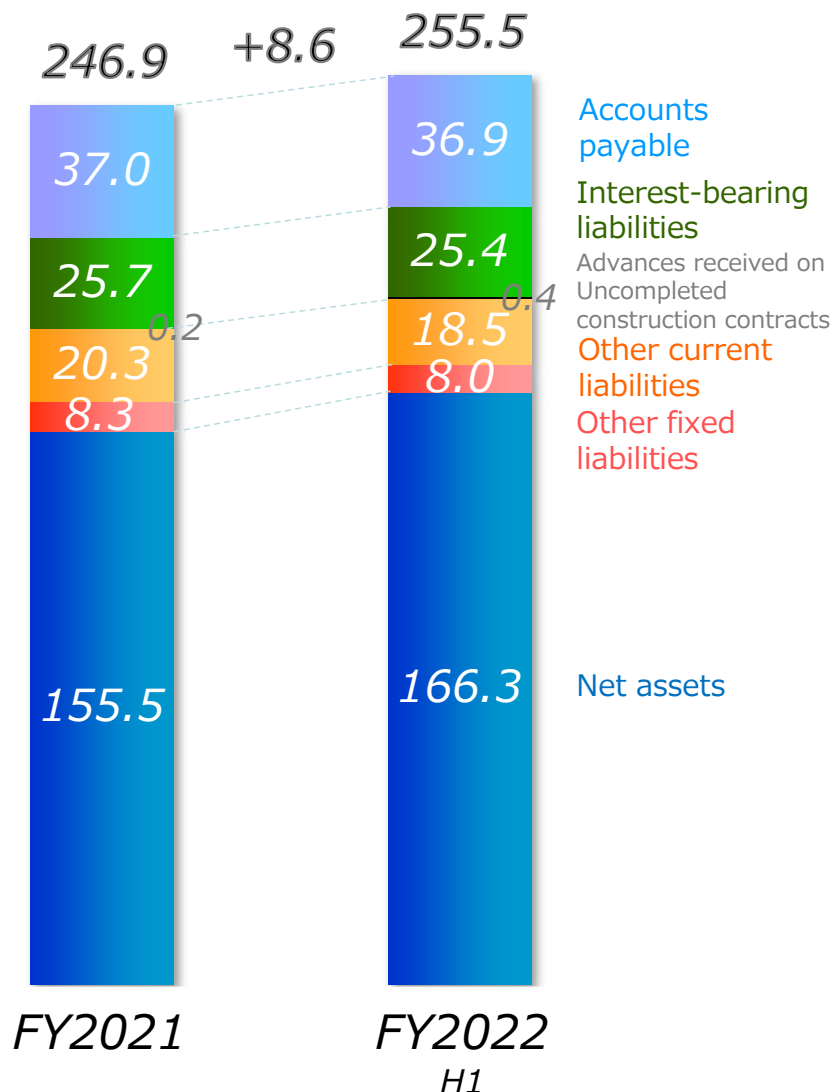
Segment		FY2021 H1 Results	FY2022 H1		Change	
			Fcst.2 <sup>nd</sup> August.	Results	YoY	Forecast
Energy & Industrial plants	Net sales	28.0	31.0	30.7	9.5%	▲ 1.0%
	Operating income	2.6 9.3%	3.4 11.0%	3.6 11.8%	39.0%	6.1%
Industrial products	Net sales	22.8	23.5	24.4	7.0%	3.8%
	Operating income	3.9 17.2%	3.8 16.2%	4.0 16.3%	1.8%	4.9%
Advanced products	Net sales	16.8	20.5	21.6	28.4%	5.4%
	Operating income	3.7 22.1%	4.2 20.5%	5.0 23.1%	34.3%	18.8%
Auto parts	Net sales	22.2	21.5	23.1	4.0%	7.2%
	Operating income	2.3 10.4%	1.1 5.1%	0.7 2.9%	▲ 70.5%	▲ 38.3%
Building materials	Net sales	13.7	12.5	13.8	0.4%	11.0%
	Operating income	0.1 1.0%	▲ 0.5 ▲ 4.0%	▲ 0.3 ▲ 2.3%	—	37.6%
Total	Net sales	103.5	109.0	113.5	9.6%	4.1%
	Operating income	12.7 12.2%	12.0 11.0%	13.0 11.4%	2.2%	7.9%

(Unit : billion JPY)

## Assets



## Liabilities & Net assets



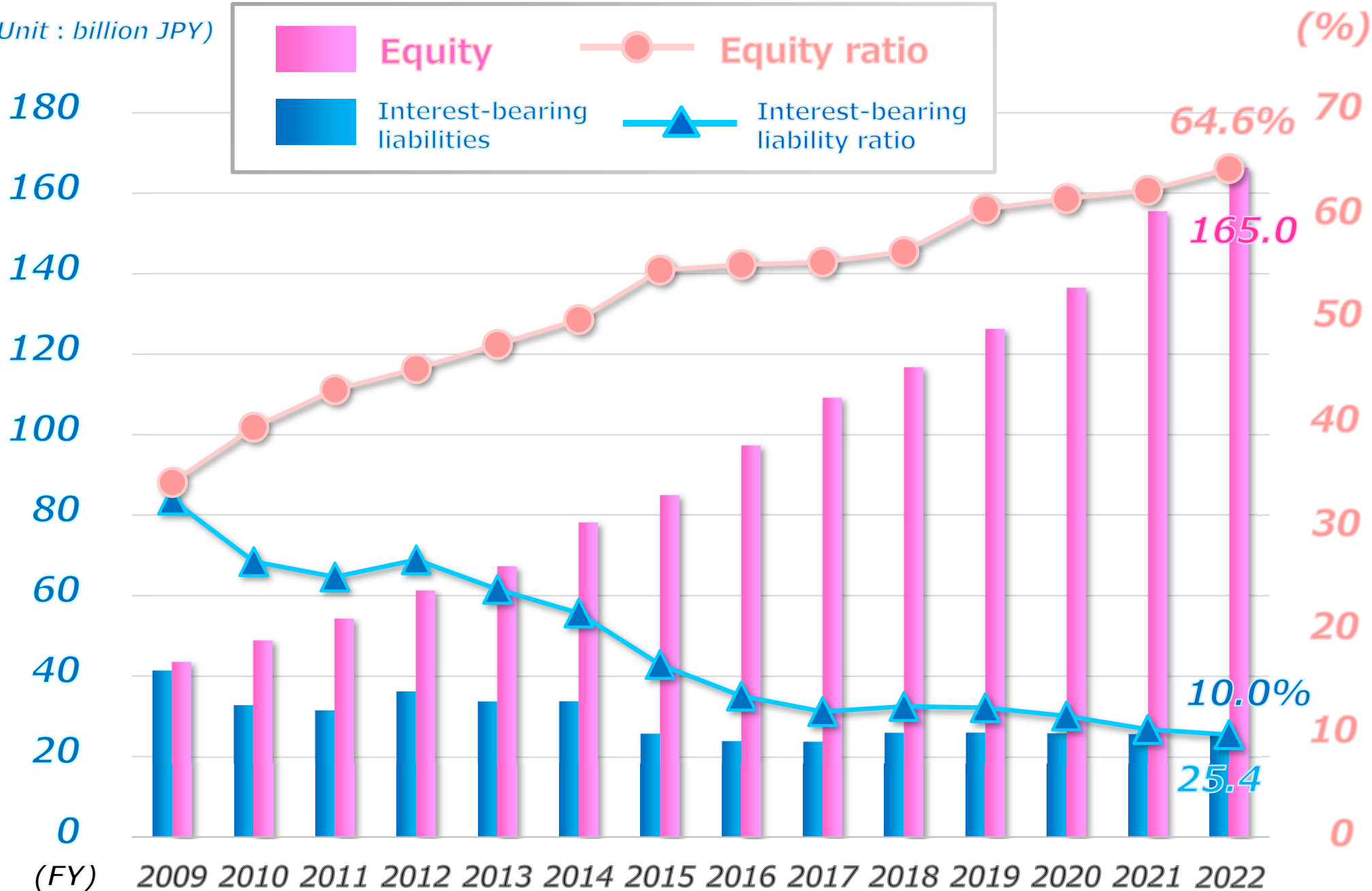
Equity ratio 62.5% ➤ 64.6%





# Interest-bearing liabilities & Equity Trends

(Unit : billion JPY)



(We will report the results of the capital adequacy and interest-bearing debt only in the future.)

# Interim dividends

**44 yen ➤ 46 yen**

**(Dividend increased by 2 yen)**

*Previous policy*

***25–50% payout ratio***

Even if earnings should decline, we intend to continue increasing dividends as before without reducing them.



*Revision*

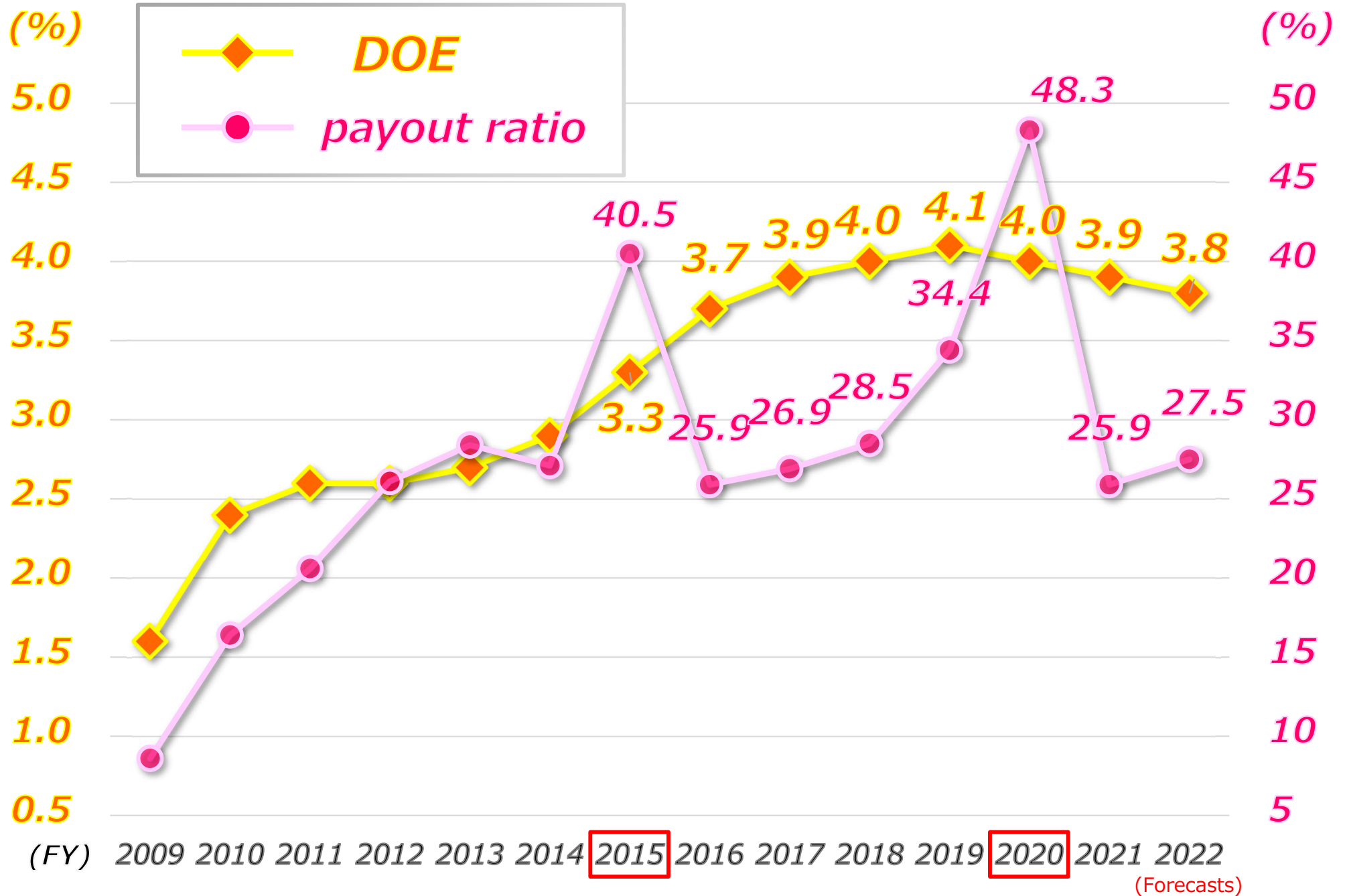
***3.5% or higher DOE***

With an emphasis on stable dividends, we aim to pay progressive dividends. *(Payout ratio around 30%)*

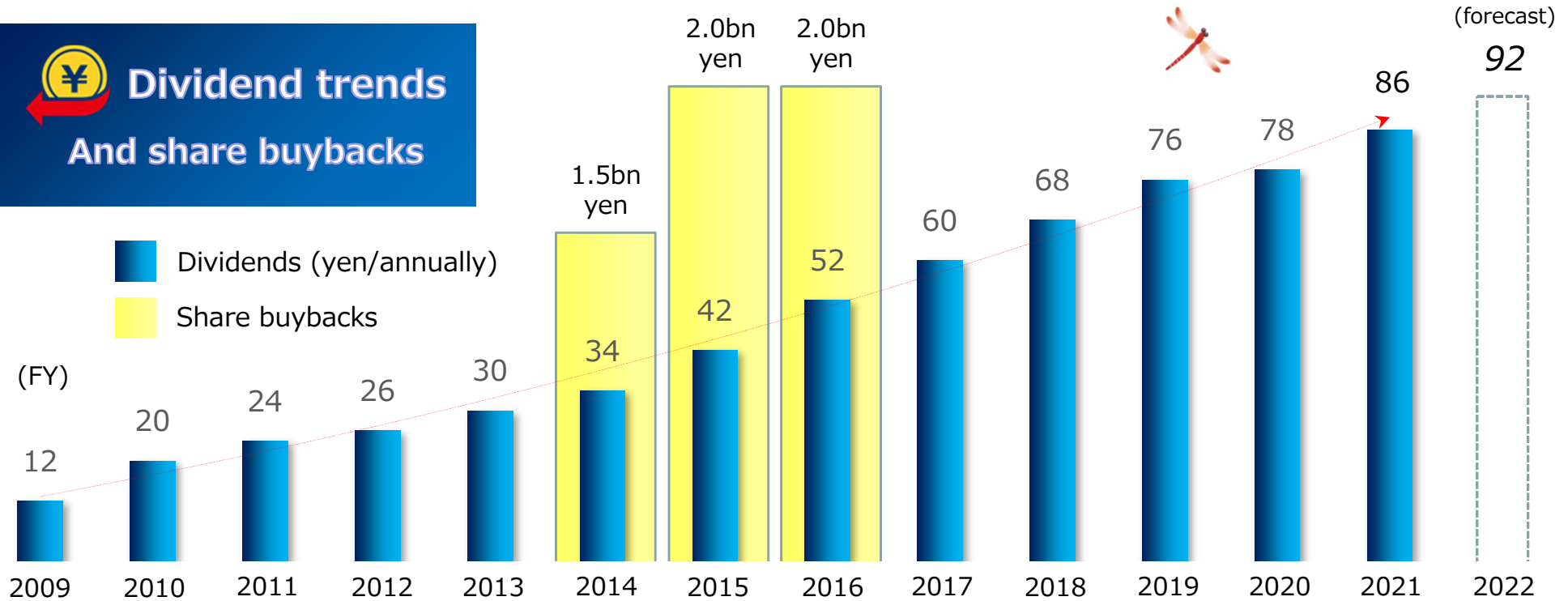
Our focus on dividends remains unchanged.

For your better understanding, we will review it with indicators.

# ◇ Revision of dividend policy

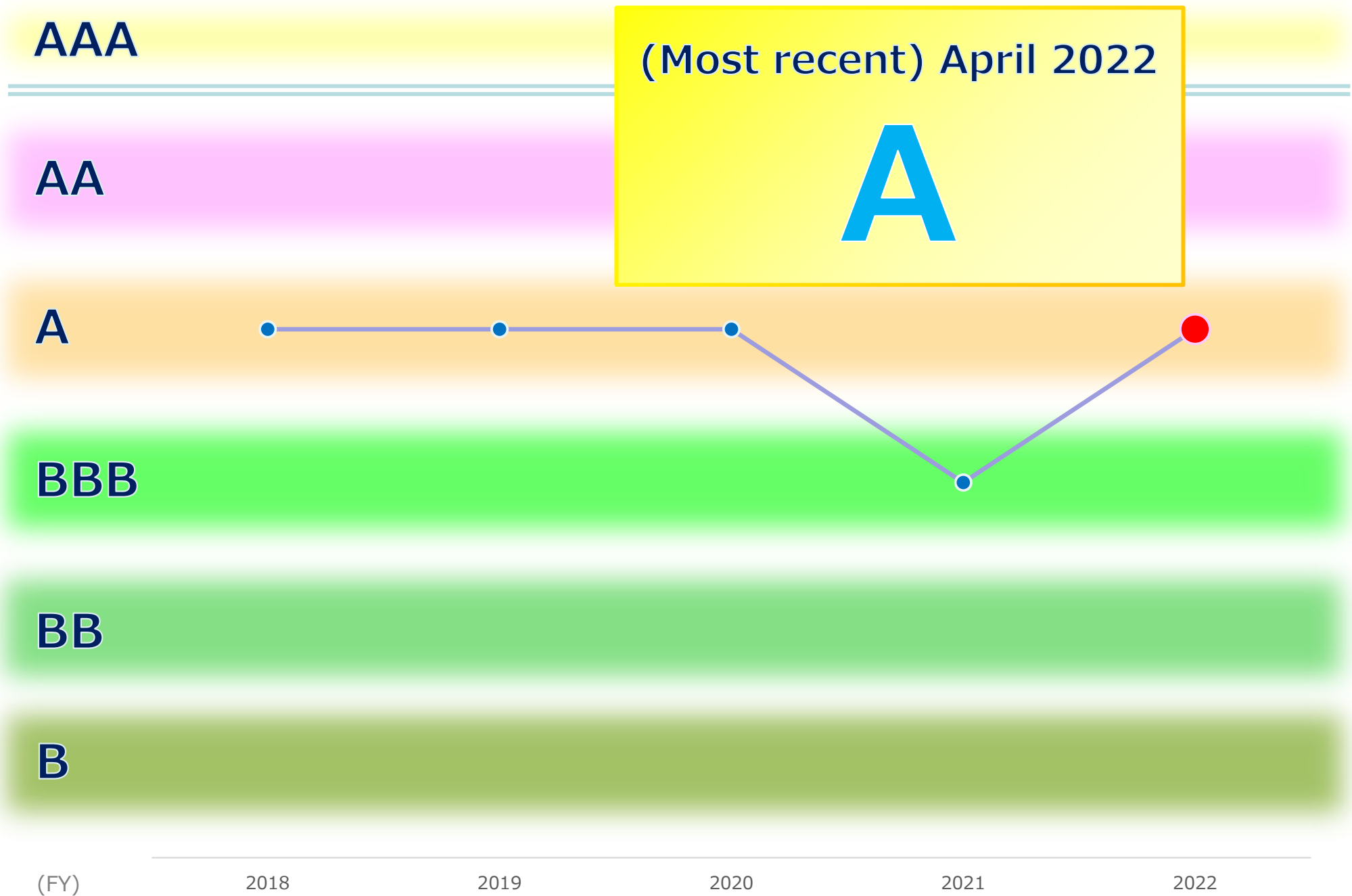


**Dividend trends**  
**And share buybacks**



<b>Dividends</b>	<p>We will continue to pay stable dividends. We aim to achieve a DOE of 3.5% or more and progressive dividends.</p>
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<b>Share buybacks</b>	<p>We will consider share buybacks in light of liquidity on hand and the balance with growth and environment investments.</p>
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*TOPIX*

*JPX  
Nikkei  
400*

*Nomura  
RAFI*

*Russell  
Nomura  
Prime*

*MSCI  
Japan ESG  
Select  
Leaders*

*S&P/JPX  
Carbon  
efficient*

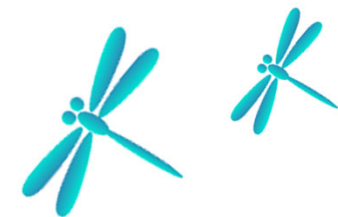
*SOMPO  
Sustainability  
Indexes*

*JPX Nikkei 400 Index for the 5th consecutive year.  
SOMPO Sustainability Indexes are included for the first time.*













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**Summary of business forecast for FY2022**  
**(From 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023)**






Segment	FY2022 H1 【Results】	FY2022 【Forecast】
Energy & Industrial plants		
Industrial products		
Advanced products		
Auto parts		
Building materials		

# ◇ Financial highlights for FY2022 Forecast



(Unit : billion JPY)

	FY2021 Results	FY2022 Forecast 2nd August.	FY2022			Change YoY
			H1 Results	H2 Forecast	Full year Forecast	
Net Sales	216.2	225.0	113.5	121.5	235.0	8.7%
Operating income	26.3 12.1%	26.5 11.8%	13.0 11.4%	14.0 11.6%	27.0 11.5%	2.8%
Ordinary income	30.6 14.1%	26.5 11.8%	16.4 14.4%	15.1 12.5%	31.5 13.4%	3.0%
Profit attributable to owners of parent	22.0 10.2%	18.0 8.0%	11.3 10.0%	10.9 9.0%	22.2 9.4%	0.7%

# ◇ Financial highlights for FY2022 Forecast

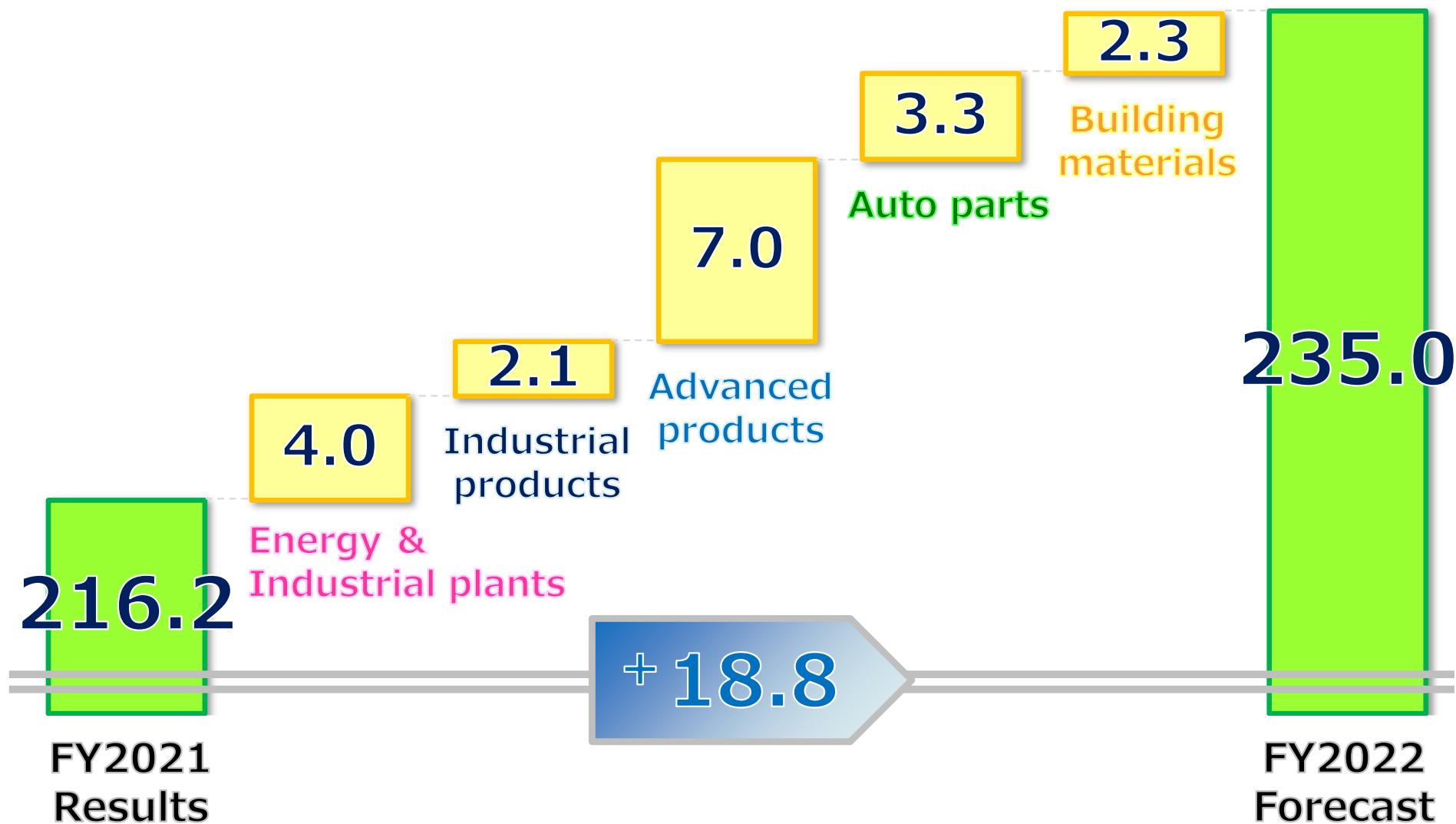


(Unit : billion JPY)

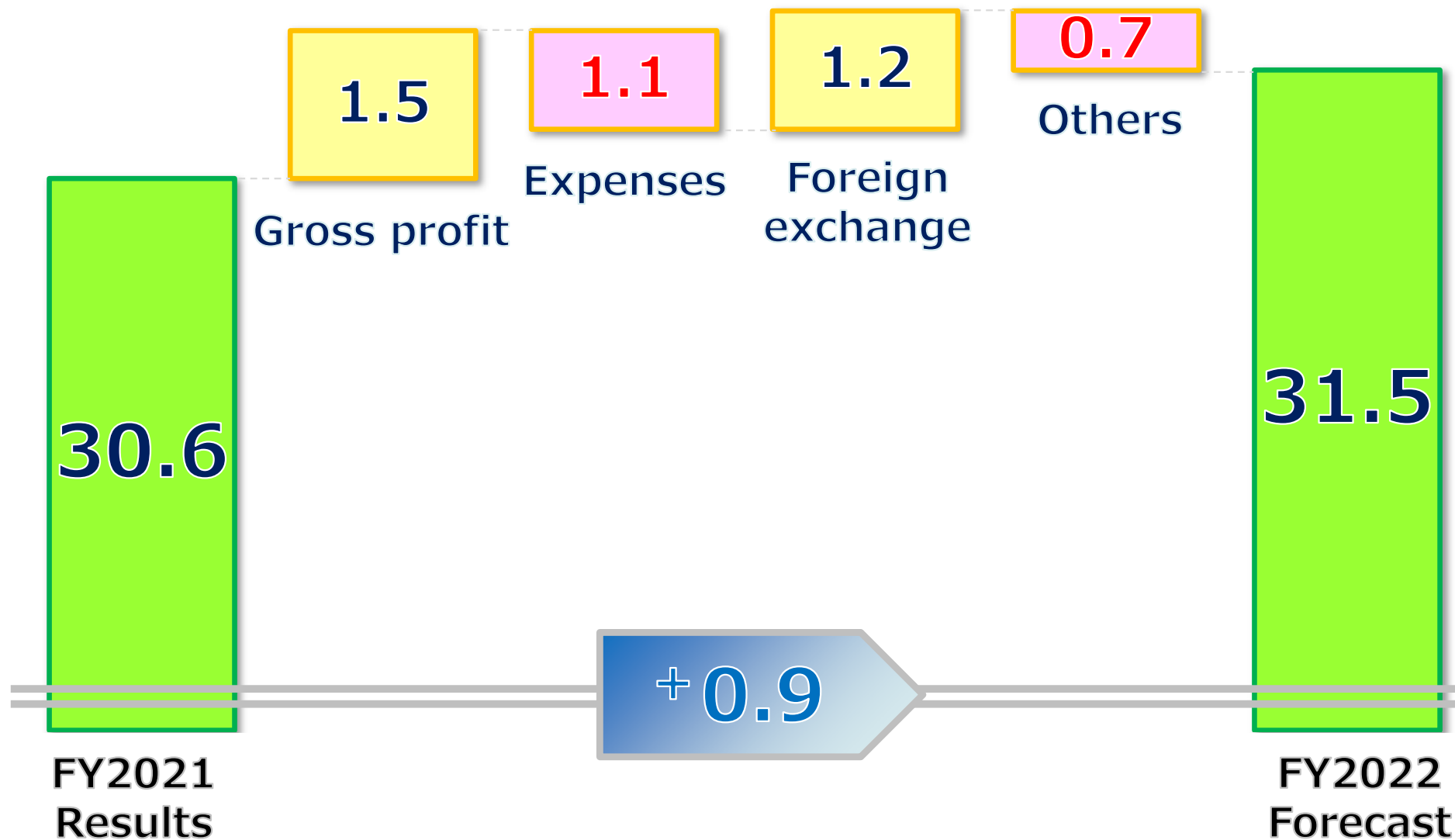
Segment		FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Forecast	Change YoY
Energy & Industrial plants	Net sales	67.3	65.8	63.5	59.0	63.0	6.8%
	Operating income	6.2 9.2%	7.2 10.9%	8.0 12.6%	6.2 10.5%	7.1 11.3%	15.2%
Industrial products	Net sales	46.5	45.2	42.9	47.9	50.0	4.4%
	Operating income	7.5 16.0%	6.0 13.2%	5.9 13.8%	8.0 16.8%	8.2 16.4%	2.1%
Advanced products	Net sales	24.9	21.6	24.9	36.0	43.0	19.4%
	Operating income	4.2 16.9%	2.8 12.7%	3.6 14.5%	7.9 22.0%	9.7 22.6%	22.3%
Auto parts	Net sales	45.0	43.7	38.2	44.7	48.0	7.5%
	Operating income	3.9 8.7%	3.0 6.8%	1.9 5.0%	4.0 9.0%	1.7 3.5%	▲57.8%
Building materials	Net sales	31.8	32.5	26.8	28.7	31.0	8.1%
	Operating income	0.9 2.8%	1.5 4.7%	0.2 0.8%	0.1 0.4%	0.3 1.0%	193.4%
Total	Net sales	215.5	208.9	196.4	216.2	235.0	8.7%
	Operating income	22.6 10.5%	20.4 9.8%	19.6 10.0%	26.3 12.1%	27.0 11.5%	2.8%

# ◇ Change analysis FY2022 Net Sales

Unit : billion JPY



Unit : billion JPY



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# Medium-term business plan (FY2022 - FY2026)

# A bright company where it is pleasant to work



Only when we can realize a work environment in which employees can play an active role, can we hope for improved business performance and a sustainable future.

# Creating shikumi (structure)

~ Shikumi tree ~





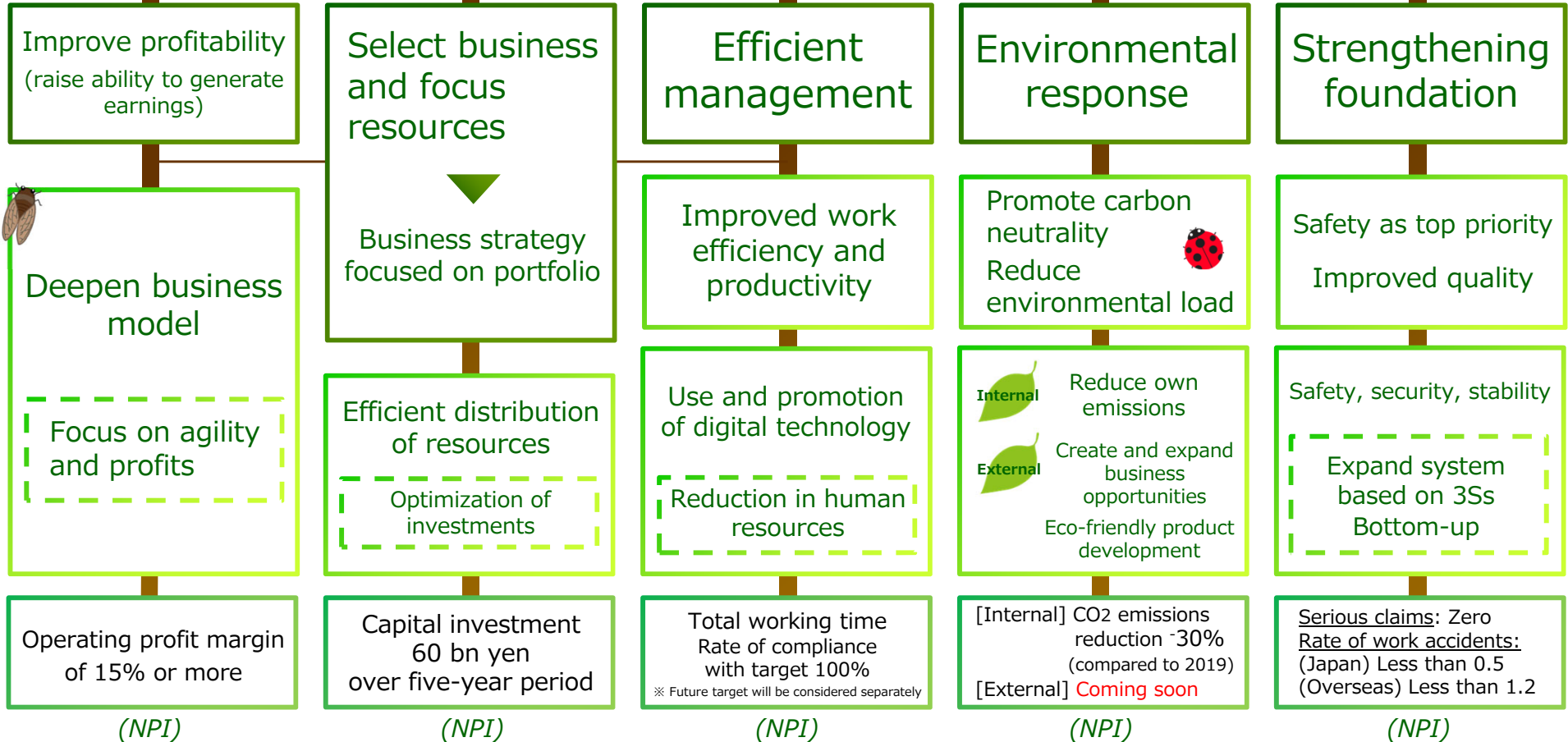
# ◇ Company-wide issues

~ Shikumi tree ~

A bright company where it is pleasant to work

*Nichias happiness value index*  
Currently being set (NGI)

【Tree-ring management】  
Sustainable growth





# ***Nichias***

## ***happiness value index***



## Vision

*A bright company where  
it is pleasant to work*

*A workplace environment in which employees can play an active role is the key to improved business performance and a sustainable future.*

## Our Common Theme

*Creating shikumi (structure)*

*Creating a "Structure" that Responds to Change ▶ shikumi loop*

## NPI (KPI)

Key Performance  
Indicators

*NICHIAS Performance Index*

*Quantitative evaluation of 5 key issues directly related to business performance  
(components of NGI)*

## NGI (KGI)

Achievement  
Indicators

*Nichias happiness value index*

*Comprehensive index evaluation of the degree of realization of the vision  
(annual evaluation)*

## Assessment of four elements essential in creating a “bright and friendly workplace”

Total score of 100 points

***NPI*** (*Nichias Performance Indicator*)

Five important issues

Number of points distributed 40 points



**Work environment**

(*absolute value*)

Employee satisfaction

Number of points distributed 30 points



**Work environment**

(*emotional value*)

Employee happiness

Number of points distributed 15 points



**Partnership**

Stakeholder satisfaction

Number of points distributed 15 points



Assessment of four elements essential in creating a "bright and friendly workplace"

Total score of 100 points

NICHIAS Performance Indicator

Five important issues

Number of points distributed 40 points



Work environment (absolute value)

Employee satisfaction

Number of points distributed 50 points



Work environment (emotional value)

Employee happiness

Number of points distributed 15 points



Partnership

Strike order satisfaction

Number of points distributed 15 points



Questionnaire Evaluation

# Nichias happiness value index



① ~ ④ : Quantitative and multifaceted evaluation with questionnaires

## Nichias happiness value index

Simply put,

this index is the Company's report card.



### < Results of assessment >

Making new issues and the views of employees  
and stakeholders visible

We will move closer to achieving our goal of a “bright and friendly workplace”  
by setting target scores and improving and raising these scores every year.

**NPI** (*Nichias Performance Indicator*)

Five important issues

Number of points distributed 40 points



## Issues directly related to company performance

… Properly advance the issues of each department

## Work environment

(*absolute value*)

Employee satisfaction

Number of points distributed 30 points



## Program enhancement and support system

… Daily awareness, attention, and support

## Work environment

(*emotional value*)

Employee happiness

Number of points distributed 15 points



## Communication and gratitude

… “Just try it.” “Thank you.”

“We’ll manage.” “Be yourself.”

## Partnership

Stakeholder satisfaction

Number of points distributed 15 points



## Nichias fan-building

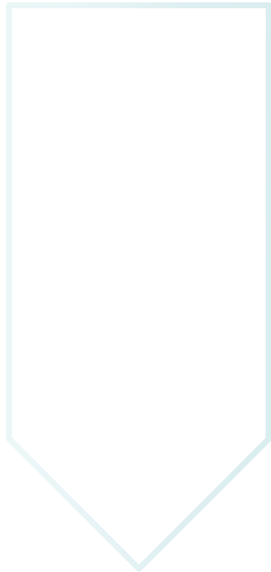
… Strong ties through mutual understanding and assistance

*Believing in hope and possibilities for the future,  
we will continue to increase the Nichias happiness value index.*



Current  
score

**67.1** points / **100.0** points



*Issues*

- ✓ *Improve environmental adaptation score*
- ✓ *Expand and support the utilization of human resources and benefit programs for employees*
- ✓ *Increase employees' sense of belonging and motivation*
- ✓ *Enhance support for families of employees*
- ✓ *Close dialogue with stakeholders*

Target  
score

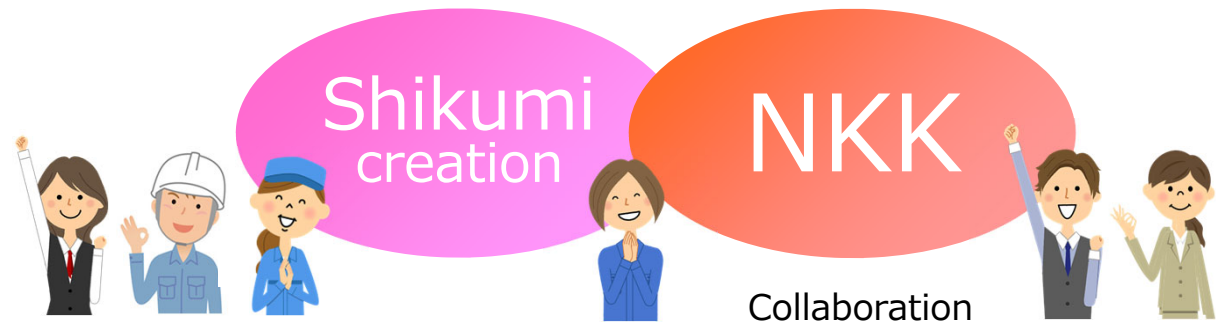
**80** points / **100.0** points 

Let's make it together  
for a bright company  
where it is pleasant to work

*SHI KU MI*



# ◇ NKK (Nichias Kaizen Activities)



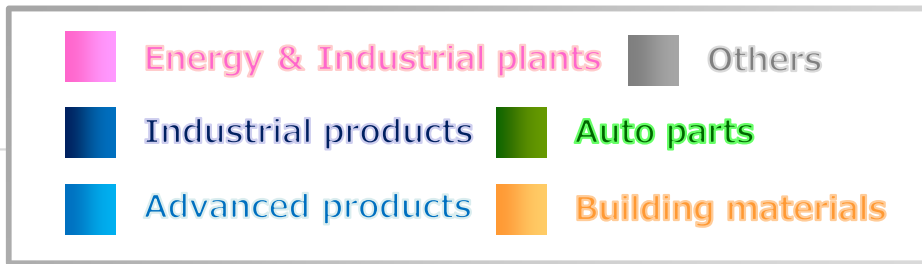
Making NKK a part of Nichias's own culture while changing and gaining motivation



Improvement promotes people's growth and creates a greater sense of openness and belonging.

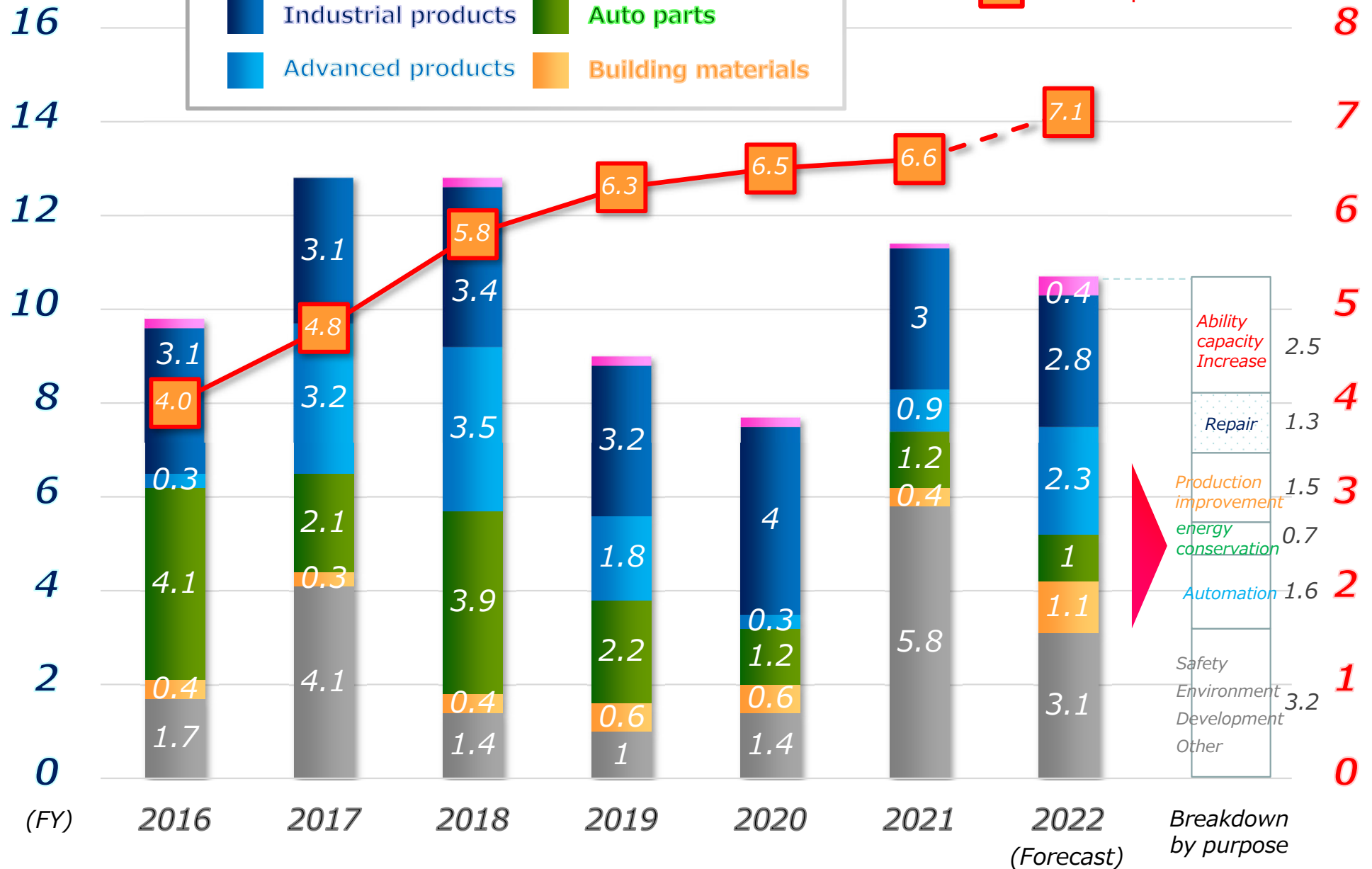
# Trends in Capital Investment and Depreciation Costs

(Unit : billion JPY)



(Unit : billion JPY)

Depreciation



## 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