

# Financial Results Summary FY2022

From 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

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.

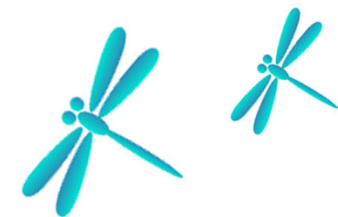
9<sup>th</sup> May, 2023

 **NICHIAS Corporation**


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# Summary of business results for FY2022

(From 1st April, 2022 to 31st March, 2023)



(Unit : billion JPY)

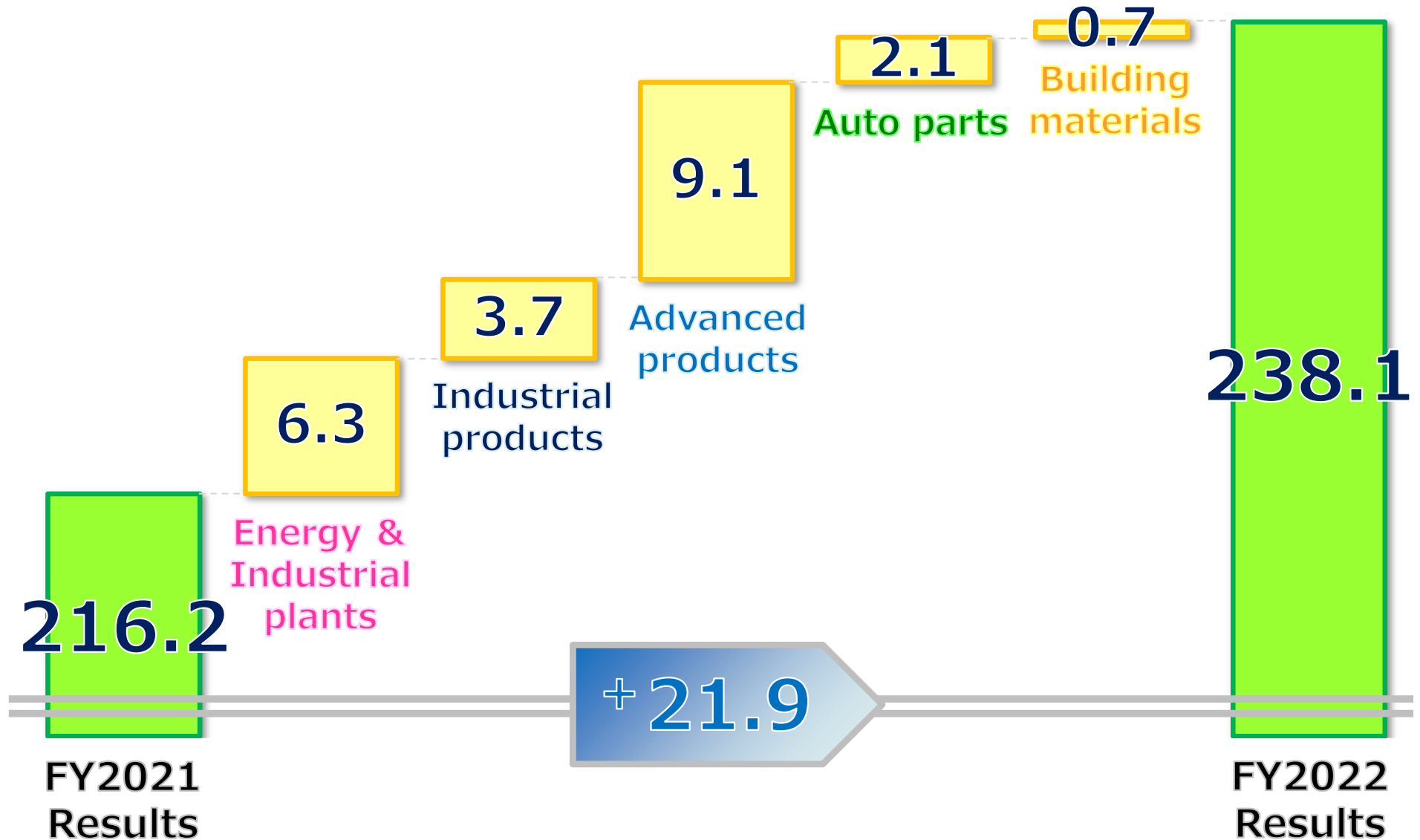
	FY2021 Results	FY2022		Change		
		Forecast 6th February	Results	YoY	Forecast	
Net Sales	216.2	237.5	238.1	10.1%	0.3%	
Operating income	26.3 12.1%	29.5 12.4%	30.0 12.6%	14.0%	1.5%	
Ordinary income	30.6 14.1%	31.5 13.3%	33.1 13.9%	8.2%	5.0%	
Extra Ordinary	Profit	2.2	—	0.0	▲98.4%	—
	Loss	2.1	—	2.3	10.7%	—
Profit Attributable to owners of parent	22.0 10.2%	22.2 9.3%	21.4 9.0%	▲2.9%	▲3.6%	



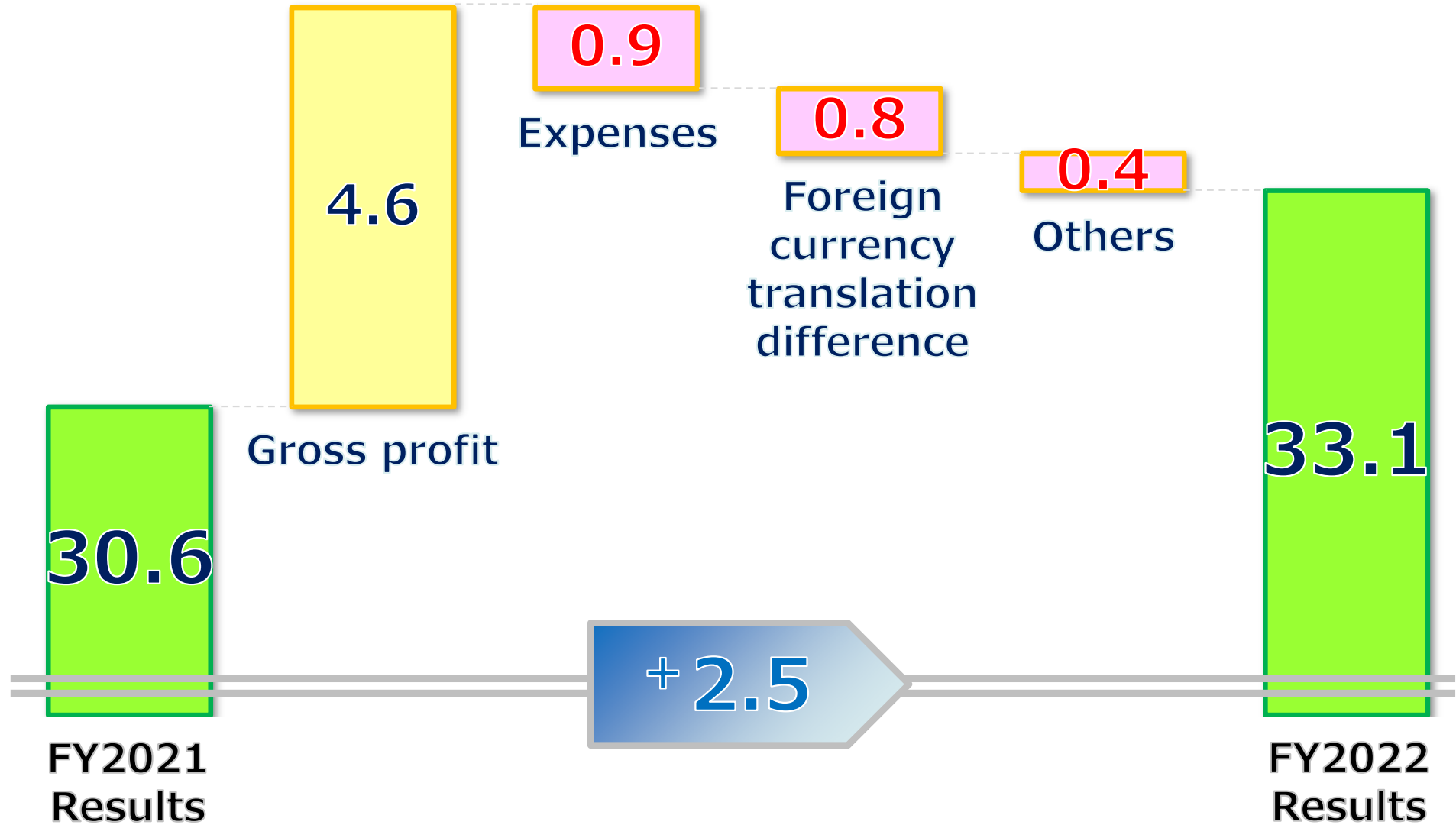
**Advanced Products drove  
Company overall**

**Record performance for two  
consecutive fiscal years**

(Unit : billion JPY)



(Unit : billion JPY)





# Business results FY2022 Group segment



(Unit : billion JPY)

Segment		FY2021 Results	FY2022		Change	
			Forecast	Results	YoY	Forecast
Energy & Industrial plants	Net sales	59.0	64.0	65.2	10.6%	1.9%
	Operating income	6.2 10.5%	7.7 12.0%	8.4 12.9%	36.7%	9.4%
Industrial products	Net sales	47.9	50.0	51.6	7.6%	3.1%
	Operating income	8.0 16.8%	8.8 17.6%	9.0 17.4%	11.8%	2.1%
Advanced products	Net sales	36.0	45.0	45.2	25.4%	0.4%
	Operating income	7.9 22.0%	11.0 24.4%	11.0 24.3%	38.1%	▲0.4%
Auto parts	Net sales	44.7	48.0	46.8	4.7%	▲2.6%
	Operating income	4.0 9.0%	2.5 5.2%	2.5 5.3%	▲38.8%	▲1.3%
Building materials	Net sales	28.7	30.5	29.4	2.5%	▲3.6%
	Operating income	0.1 0.4%	▲0.5 △1.6%	▲0.9 △3.0%	—	—
Total	Net sales	216.2	237.5	238.1	10.1%	0.3%
	Operating income	26.3 12.1%	29.5 12.4%	30.0 12.6%	14.0%	1.5%

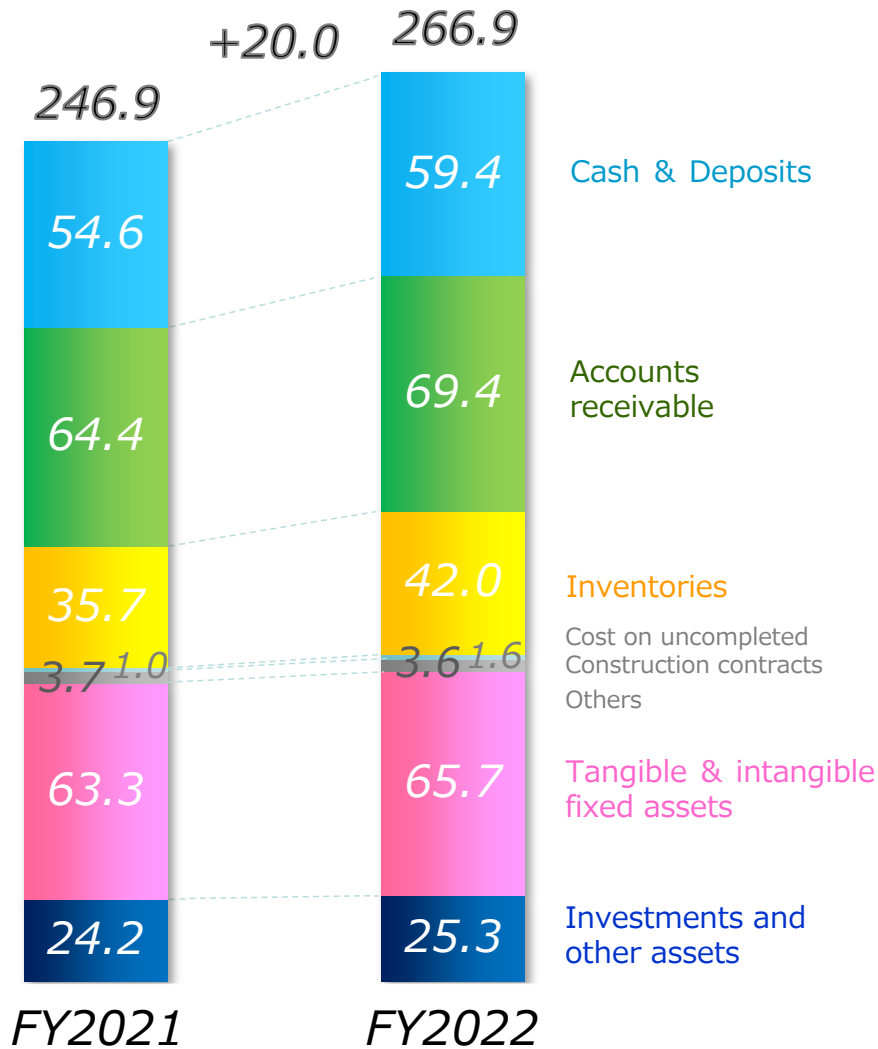


# Balance sheet highlights FY2022

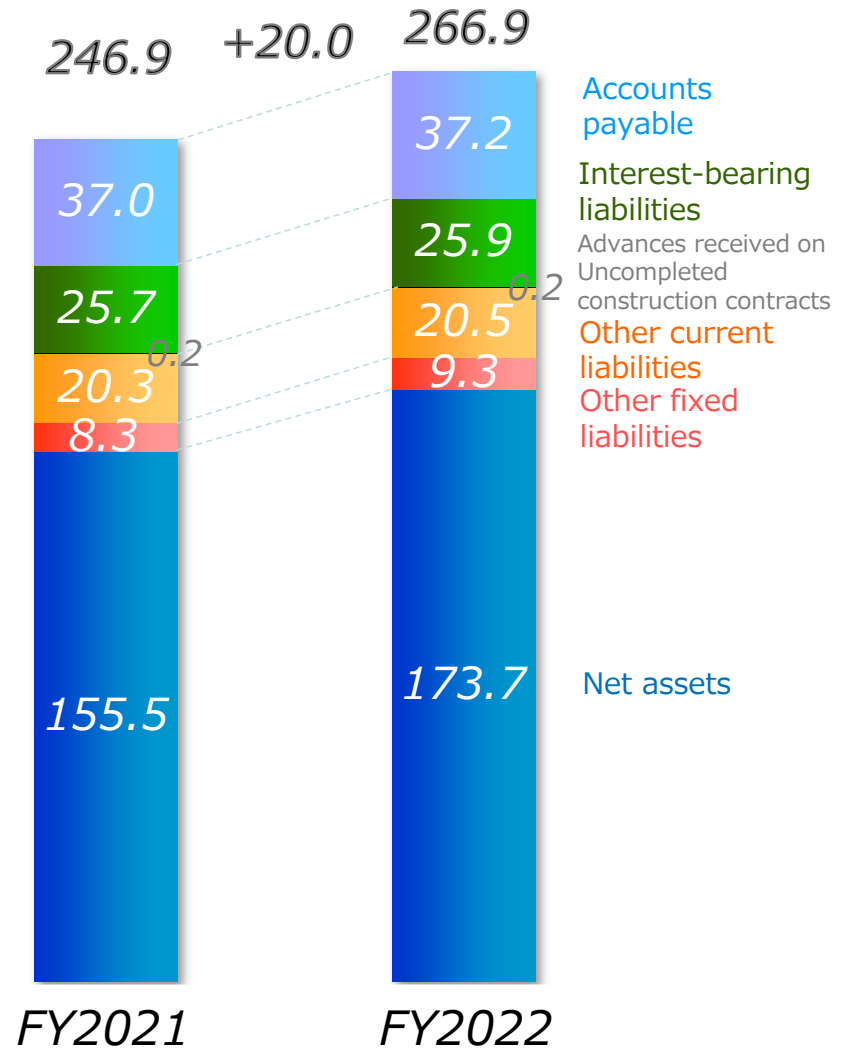


(Unit : billion JPY)

## Assets



## Liabilities & Net assets

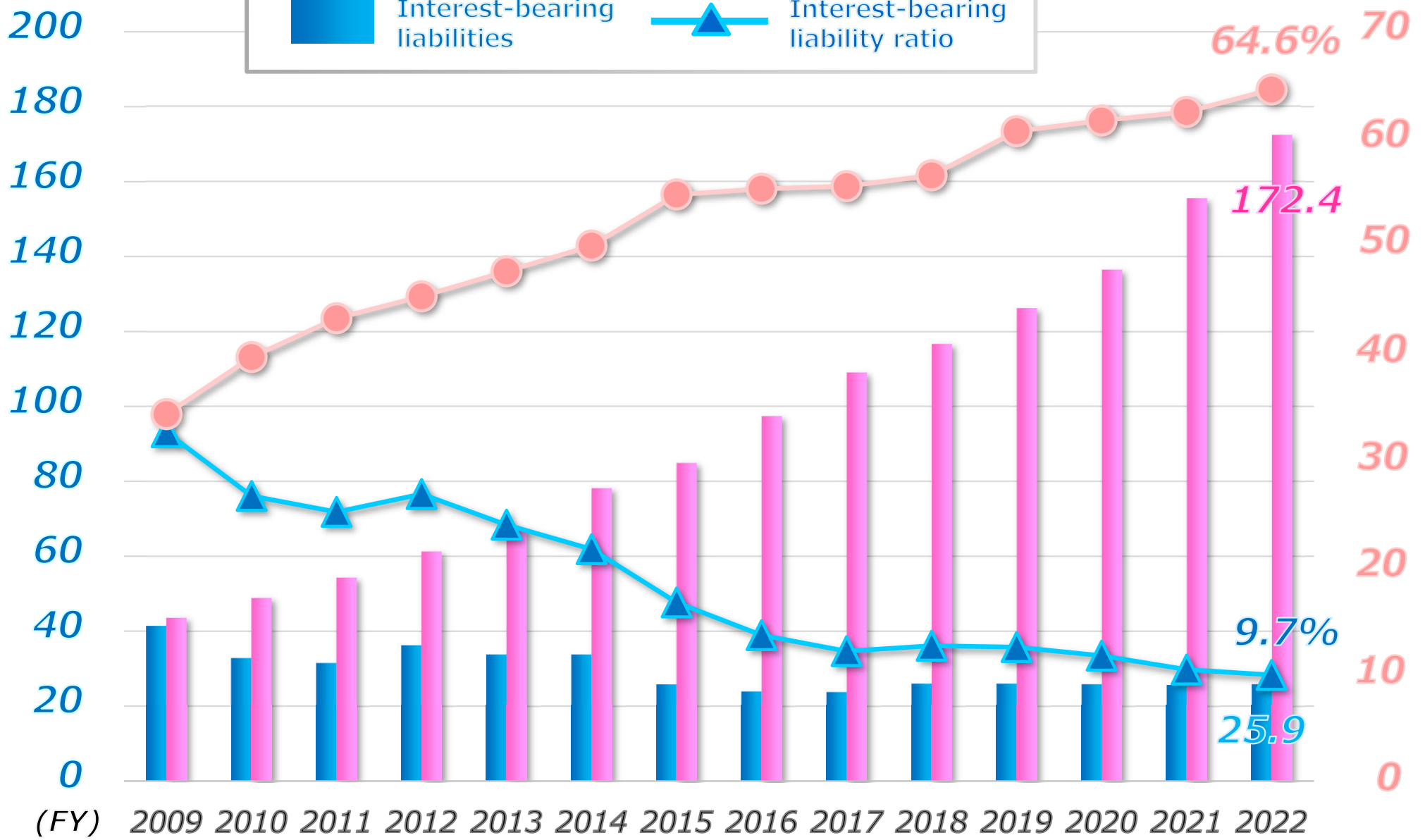


Equity ratio 62.5% ➤ 64.6%

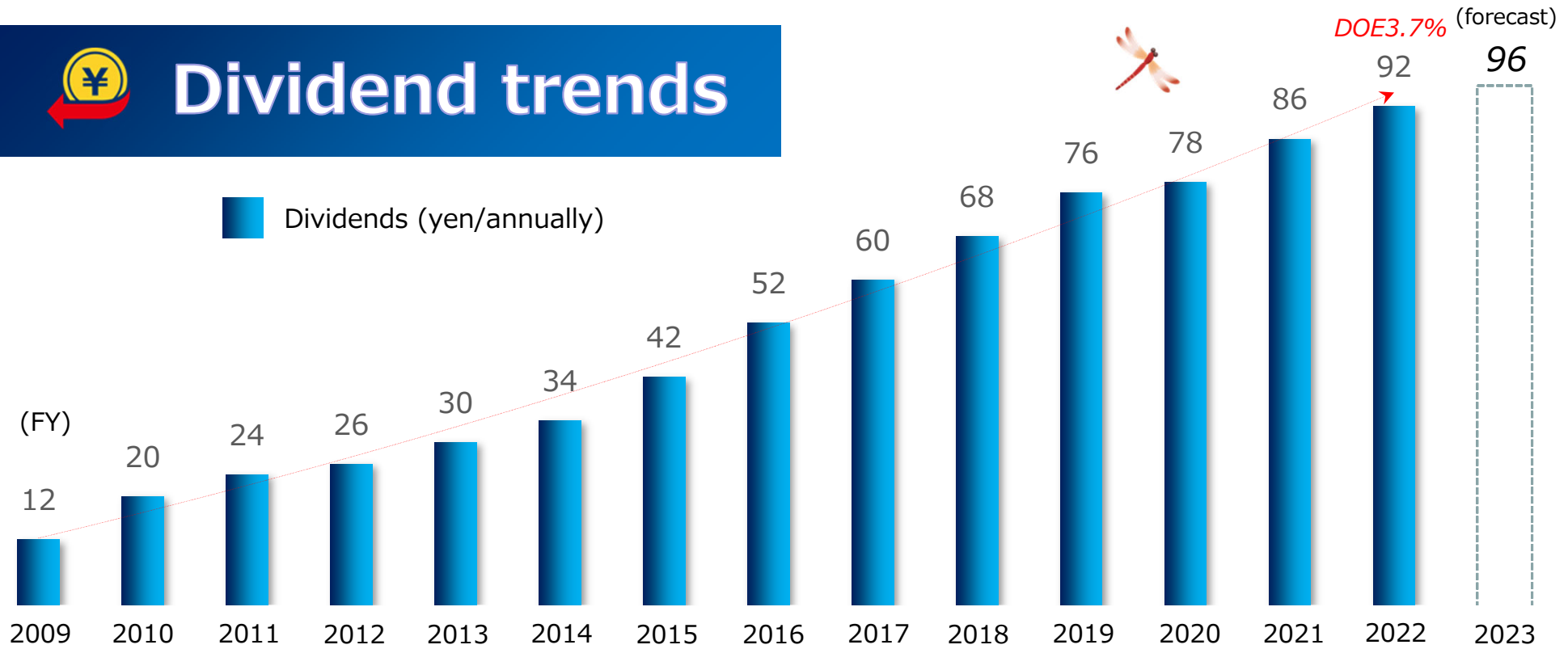


# ◇ Interest-bearing liabilities & Equity Trends

(Unit : billion JPY)



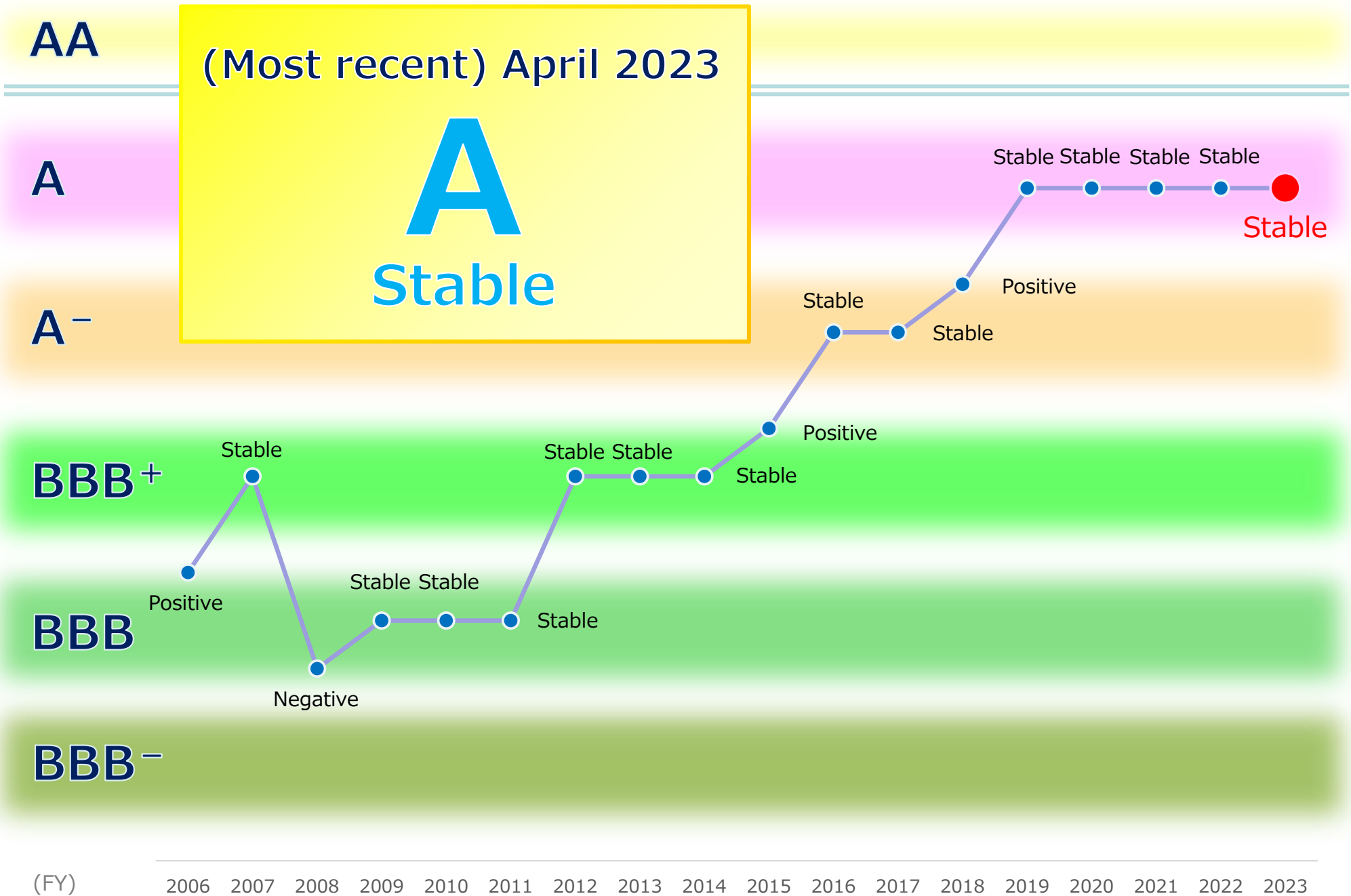
## Dividend trends



<h3>Dividends</h3>	<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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<h3>Share buybacks</h3>	<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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# ◇ Credit rating



(FY)

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

※ Rating by JCR (Japan Credit Rating Agency, Ltd.)

AAA

AA

A

BBB

BB

B

(Most recent) April 2023

**A**

(FY)

2018

2019

2020

2021

2022

2023

※ Evaluation in the category "Building Products,,

*TOPIX*

*JPX  
Nikkei  
400*

*Nomura  
RAFI*

*Russell  
Nomura  
Prime*

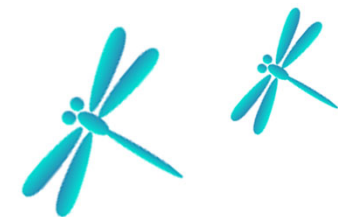
*S&P/JPX  
Carbon  
efficient*











*SOMPO  
Sustainability  
Indexes*

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# Summary of business forecast for FY2023

(From 1st April, 2023 to 31st March, 2024)




Segment	FY2022 【Results】	FY2023 【Forecast】
Energy & Industrial plants		
Industrial products		
Advanced products		
Auto parts		
Building materials		

# ◇ Financial highlights for FY2023 Forecast



(Unit : billion JPY)

	FY2021 Results	FY2022 Results	FY2023			Change YoY
			H1 Forecast	H2 Forecast	Full year Forecast	
<b>Net Sales</b>	216.2	238.1	112.8	125.2	238.0	—
<b>Operating income</b>	26.3 12.1%	30.0 12.6%	12.7 11.3%	16.8 13.4%	29.5 12.4%	▲1.5%
<b>Ordinary income</b>	30.6 14.1%	33.1 13.9%	12.7 11.3%	16.8 13.4%	29.5 12.4%	▲10.8%
<b>Profit</b> attributable to owners of parent	22.0 10.2%	21.4 9.0%	8.8 7.8%	11.6 9.3%	20.4 8.6%	▲4.7%



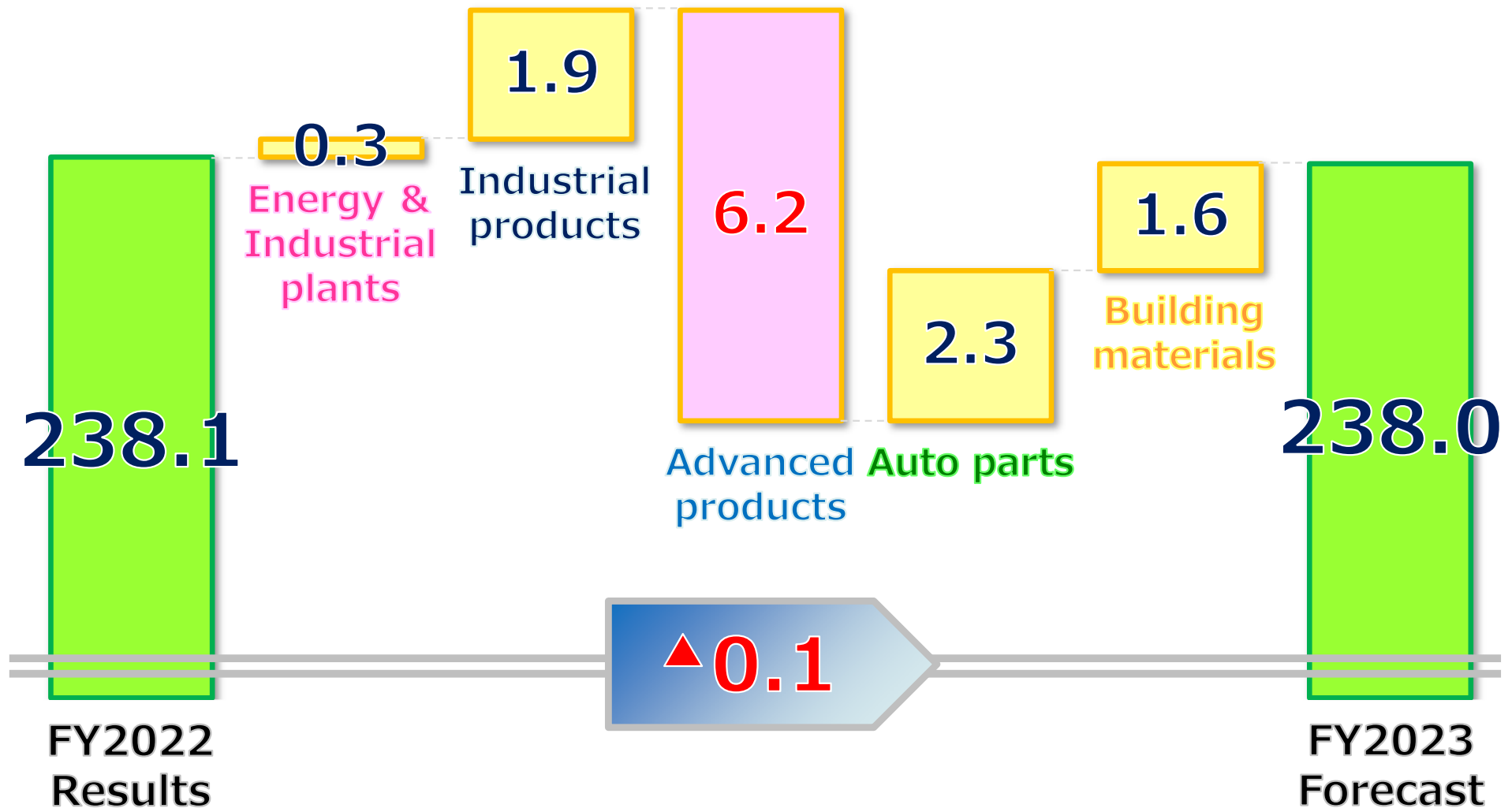
# Financial highlights for FY2023 Forecast



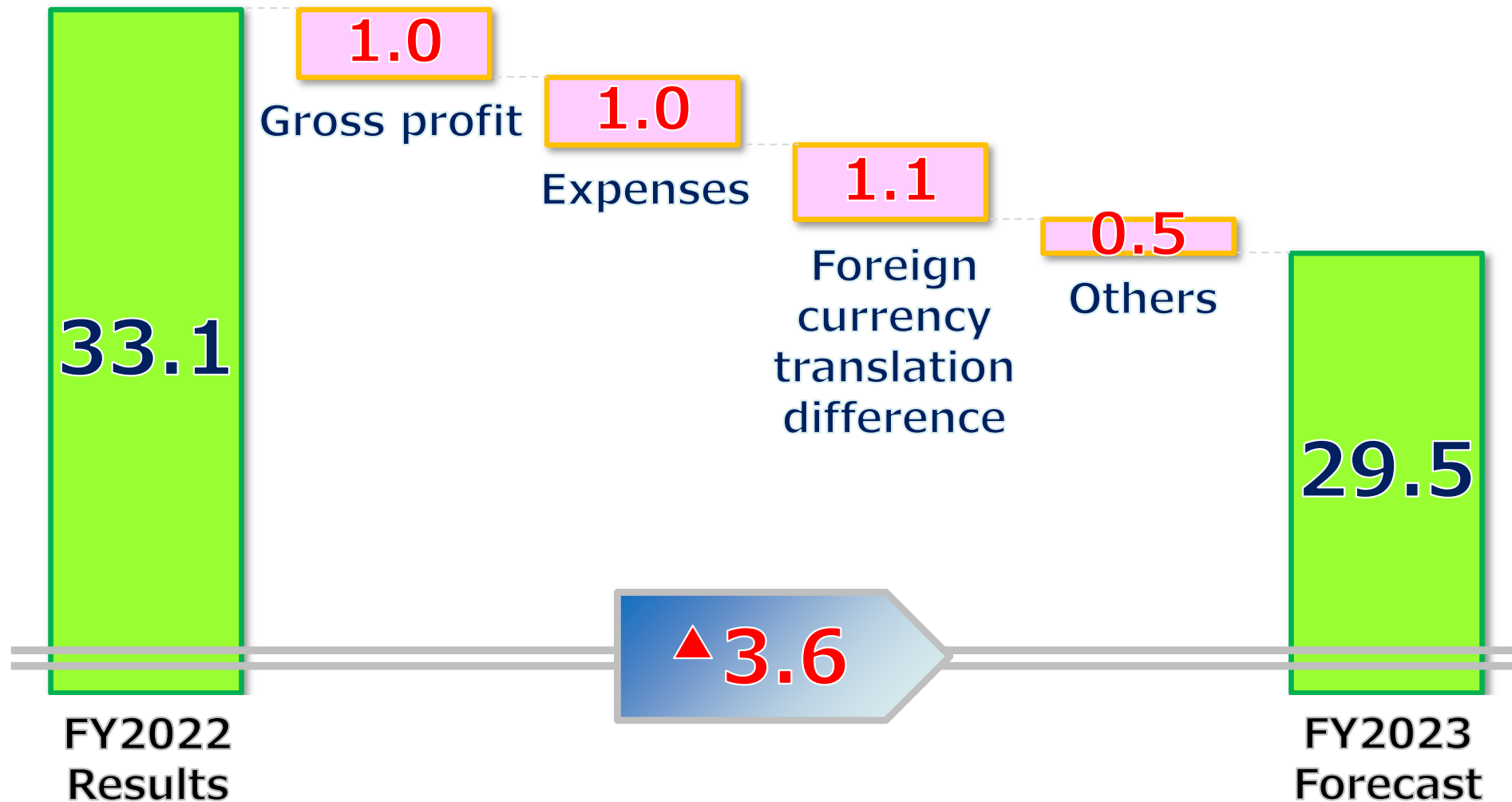
(Unit : billion JPY)

Segment		FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Forecast	Change YoY
Energy & Industrial plants	Net sales	65.8	63.5	59.0	65.2	65.5	0.4%
	Operating income	7.2 10.9%	8.0 12.6%	6.2 10.5%	8.4 12.9%	8.0 12.2%	▲5.1%
Industrial products	Net sales	45.2	42.9	47.9	51.6	53.5	3.7%
	Operating income	6.0 13.2%	5.9 13.8%	8.0 16.8%	9.0 17.4%	10.5 19.6%	16.9%
Advanced products	Net sales	21.6	24.9	36.0	45.2	39.0	▲13.6%
	Operating income	2.8 12.7%	3.6 14.5%	7.9 22.0%	11.0 24.3%	8.0 20.5%	▲27.0%
Auto parts	Net sales	43.7	38.2	44.7	46.8	49.0	4.8%
	Operating income	3.0 6.8%	1.9 5.0%	4.0 9.0%	2.5 5.3%	3.0 6.1%	21.6%
Building materials	Net sales	32.5	26.8	28.7	29.4	31.0	5.5%
	Operating income	1.5 4.7%	0.2 0.8%	0.1 0.4%	▲0.9 △3.0%	0.0 0.1%	—
Total	Net sales	208.9	196.4	216.2	238.1	238.0	—
	Operating income	20.4 9.8%	19.6 10.0%	26.3 12.1%	30.0 12.6%	29.5 12.4%	▲1.4%

(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



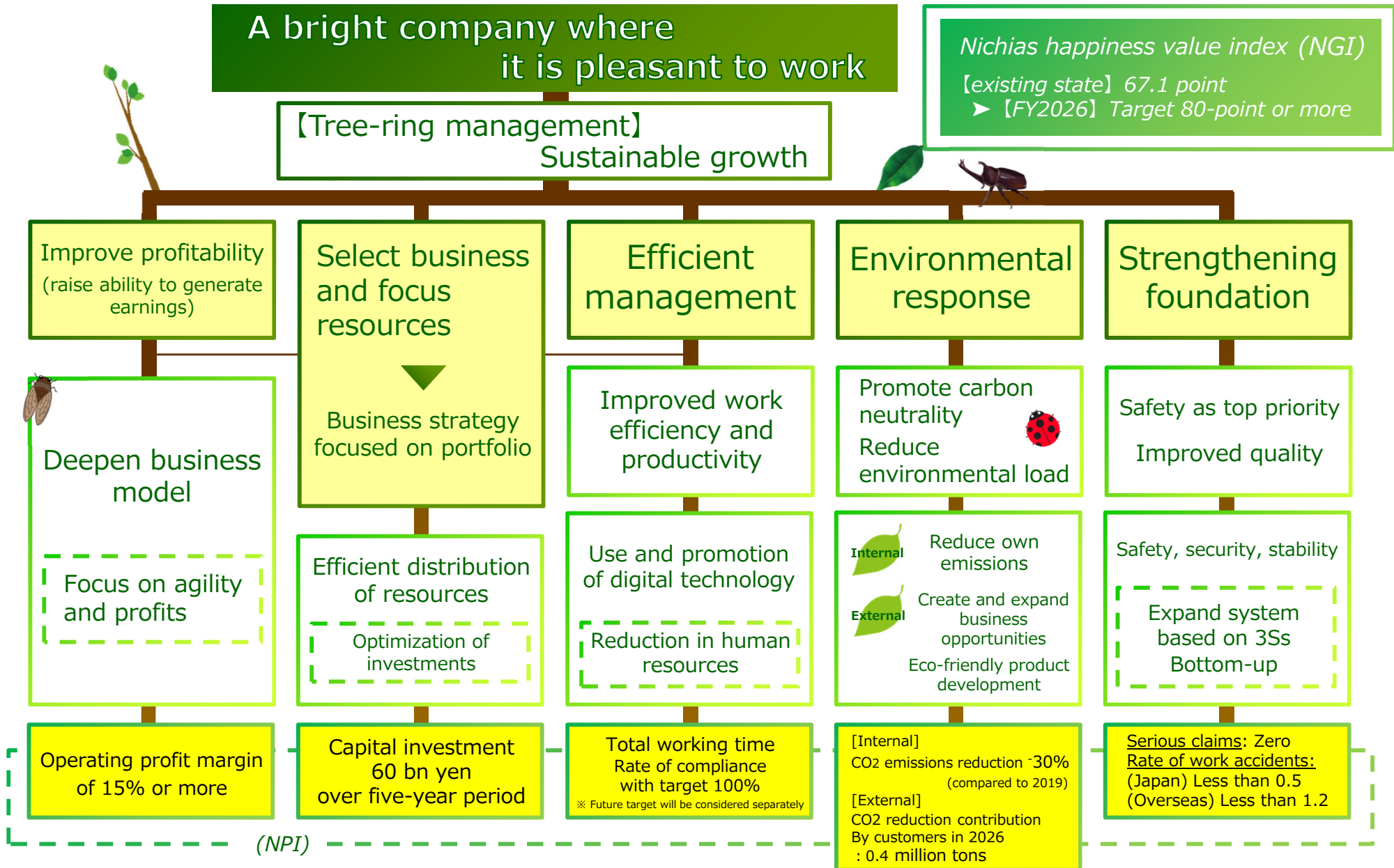
Only when we can realize a work environment in which employees can play an active role, can we hope for improved business performance and a sustainable future.

# Creating Shikumi (structure)

~ Shikumi tree ~



~ Shikumi tree ~



Improve  
profitability  
(increase earning power)

## Roll out the J2K Project



Business selection  
and focus

## Roll out the Rockwool Business Restructuring Project



Efficient  
management

## Roll out a project to establish a new core system



Environmentally  
friendliness

## Carbon Neutrality Promotion Office



▶ Developing organizations and projects to adapt to change



## Enhancement of environmental information

*Planning to disclose TCFD scenario analysis  
and other environmental initiatives*

## Nichias Happiness Value Index

*Planning to disclose evaluation items, methods,  
and results for fiscal 2022*

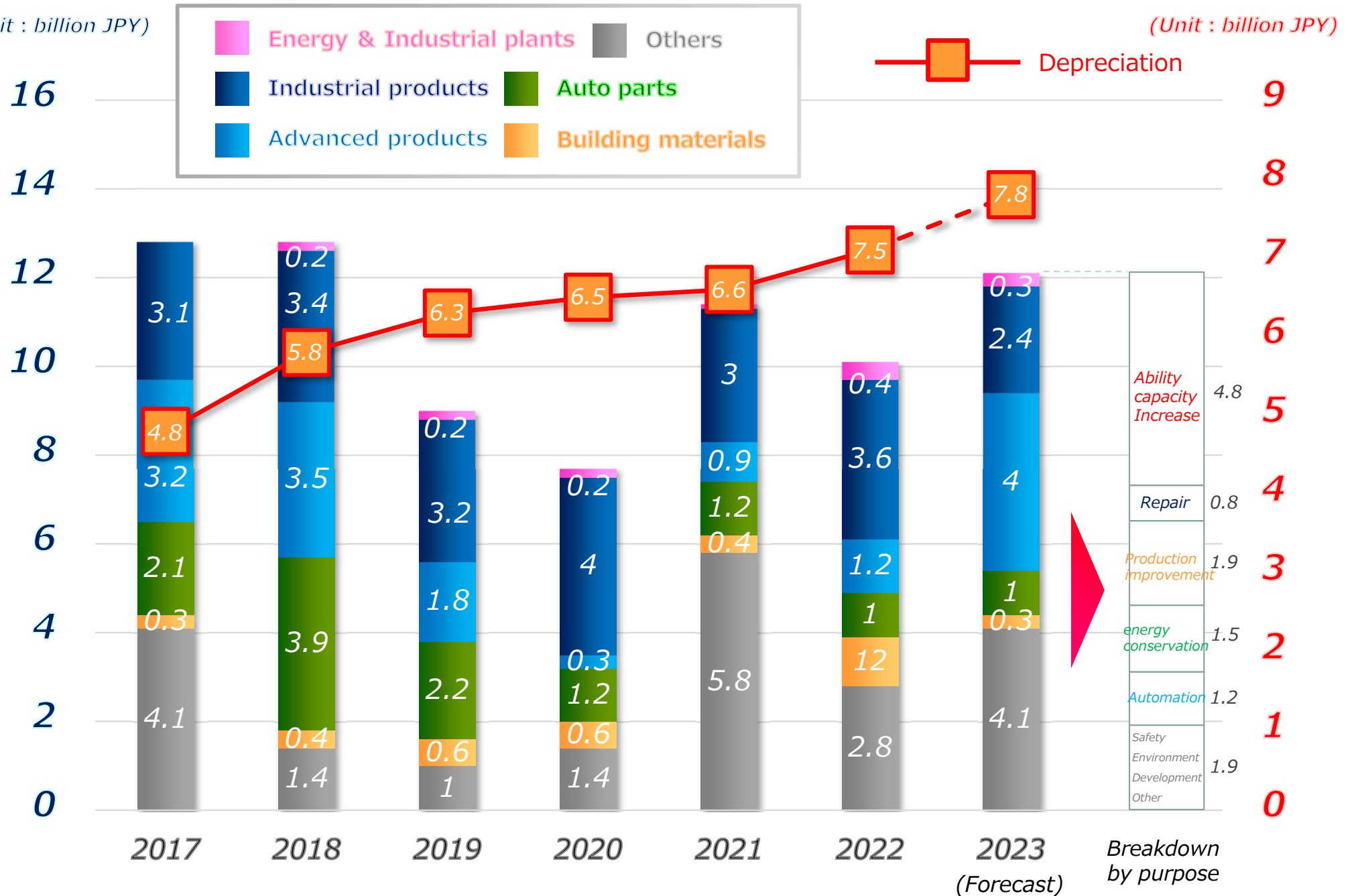
NICHIAS Integrated Report 2023 to be published in late September



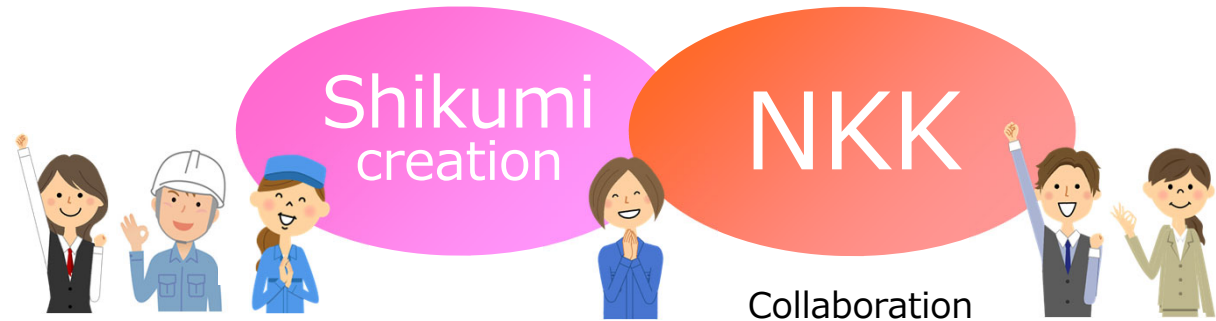
# Trends in Capital Investment and Depreciation Costs

(Unit : billion JPY)

(Unit : billion JPY)



# ◇ 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.



# NKK (Nichias Kaizen Activities)



Held web conferences  
for the past three years  
During the *COVID-19* pandemic



8th (fiscal 2022) NKK World Convention

737 teams with 6,258 participants from around the world

働きやすい 明るい会社

130 x

変化を恐れず、仲間と一丸になって、  
明るい未来へ突き進もう！

NICHIAS HAIPHONG Co.,LTD. ハニクル電子製造部門 The JOURNEYS,チームの皆さん(NKK世界大会2021 撮影)

9th (fiscal 2023) Convention to be held in person  
depending on *COVID-19* restrictions

*Nichias Group*

## Human Rights Policy



*Nichias Group*

## Carbon Neutrality Declaration



*Nichias Group*

## Health and Productivity Management Declaration



**NEW**


## Partnership Building Declaration







**NEW**

## Multi-Stakeholder Policy




	FY2021 Results	FY2022 Results	FY2023 Forecast	FY2024 Fiscal period Targets	FY2026 Fiscal period Goals
Period	Previous Medium-term Management Plan	Stage 1 (First 3 years)		Stage 2 (Last 2 years)	
<b>Net sales</b> (Billions of yen)	216.2	238.1	238.0	240.0	250.0
<b>Overseas sales</b> (Billions of yen)	40.3	45.1	47.0	48.0	60.0
<b>Operating profit margin</b> (%)	12.1%	12.6%	12.4%	13.0%	15.0%
<b>Capital investment</b> (Billions of yen)	11.4	10.1	12.1	< Total for five-year period > <b>Target of 60 billion yen</b> Of which, 10 bn yen in environment-related Investment and 5 bn yen in investments to boost efficiency and conserve energy	

	FY2021 Results	FY2022 Results	FY2023 Forecast	FY2024 Fiscal period Targets	FY2026 Fiscal period Goals
Period	Previous Medium-term Management Plan	Stage 1 (First 3 years)		Stage 2 (Last 2 years)	
<b>ROE</b> (%)	15.2%	13.1%		12.5%	13.0%
<b>ROIC</b> (%)	12.9%	11.3%		11.0%	12.0%
<b>EBITDA</b> (Billions of yen)	32.9	37.4		40.0	45.0

(ROIC for each business will be disclosed in the second stage)

# ◇ Environmental goals

	FY2021 Results	FY2022 Results	FY2023 Forecast	FY2024 Fiscal period Targets	FY2026 Fiscal period Goals
Period	Previous Medium-term Management Plan	Stage 1 (First 3 years)		Stage 2 (Last 2 years)	
<b>CO<sub>2</sub> Emissions</b> ※ (10,000t)	24.4	22.6	20.9	22.0 <i>New</i> ↓ <b>19.4</b>	21.7 <i>New</i> ↓ <b>18.7</b>
Industrial waste <b>Generation</b> (1,000t)	21.8	19.1	18.9	18.3	17.1
Reductions in customers' CO <sub>2</sub> emissions <b>Contributions</b> (10,000t)	15.0	<i>Under calculation</i> <i>To be reported in the Integrated Report</i>		20.0	42.0

※ 18.2 million ton (target value) in 2030 ... 30% reduction from FY 2019



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

*SHI KU MI*



## 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