

# Financial Results Summary FY2023 first half

From 1<sup>st</sup> April, 2023 to 30<sup>th</sup> September, 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> November, 2023




**NICHIAS Corporation**

< 1 >

**Summary of business results for FY2023 H1**  
(From 1st April, 2023 to 30th September, 2023)



(Unit : billion JPY)

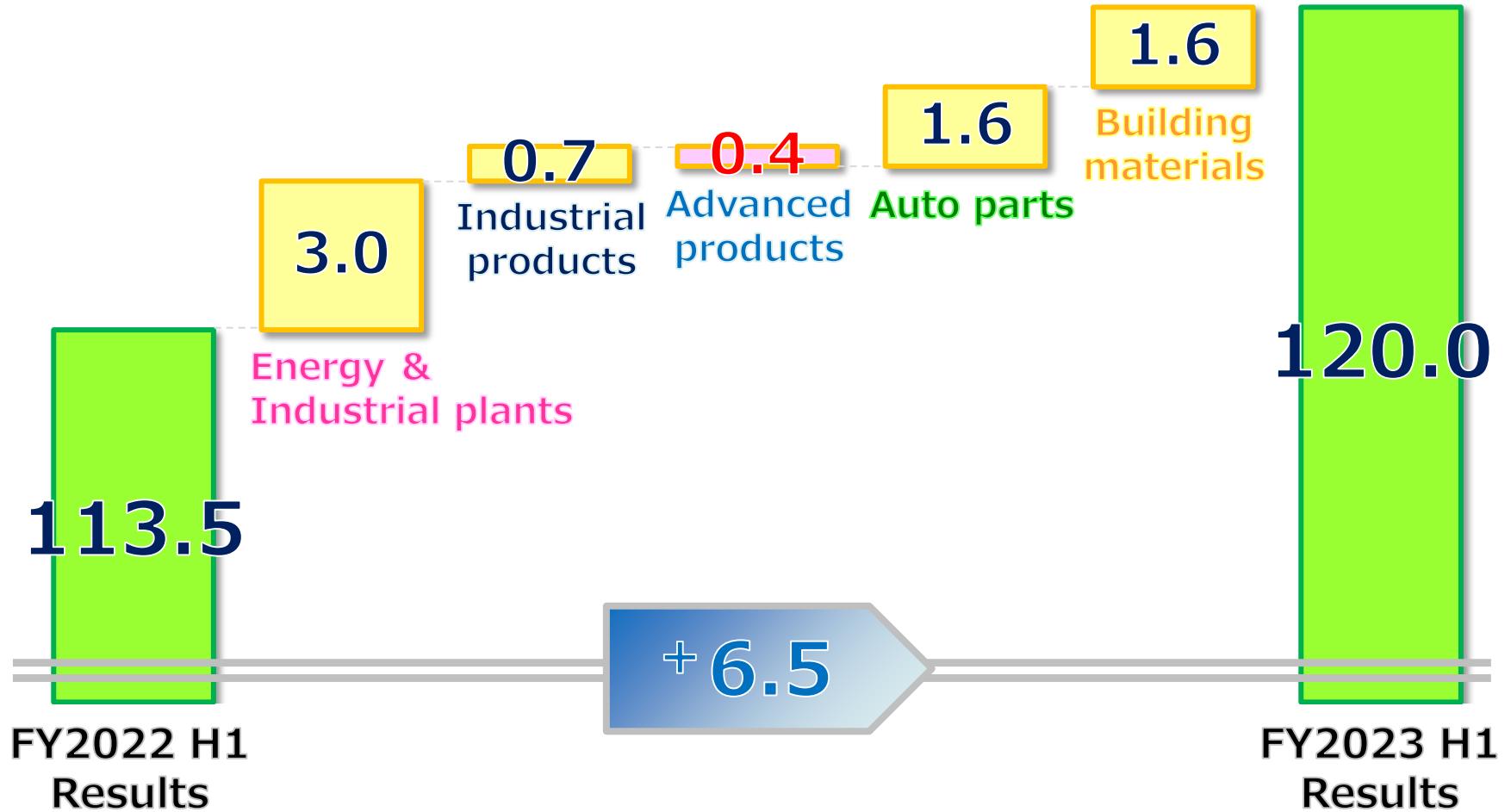
	FY2022 H1 Results	FY2023 H1		Change	
		Forecast 7 <sup>th</sup> August.	Results	YoY	Forecast
<b>Net Sales</b>	<b>113.5</b>	<b>116.0</b>	<b>120.0</b>	<b>5.8%</b>	<b>3.5%</b>
<b>Operating income</b>	<b>13.0</b> 11.4%	<b>13.7</b> 11.8%	<b>15.7</b> 13.1%	<b>21.1%</b>	<b>14.5%</b>
<b>Ordinary income</b>	<b>16.4</b> 14.4%	<b>16.0</b> 13.8%	<b>18.5</b> 15.4%	<b>13.0%</b>	<b>15.5%</b>
<b>Extra Ordinary</b>	<b>Profit</b>	<b>0.0</b>	<b>0.0</b>	<b>—</b>	<b>—</b>
	<b>Loss</b>	<b>0.2</b>	<b>0.2</b>	<b>—</b>	<b>—</b>
<b>Profit</b> Attributable to owners of parent	<b>11.3</b> 10.0%	<b>11.3</b> 9.7%	<b>13.0</b> 10.8%	<b>14.8%</b>	<b>14.9%</b>

Summary of business results for FY2023 H1

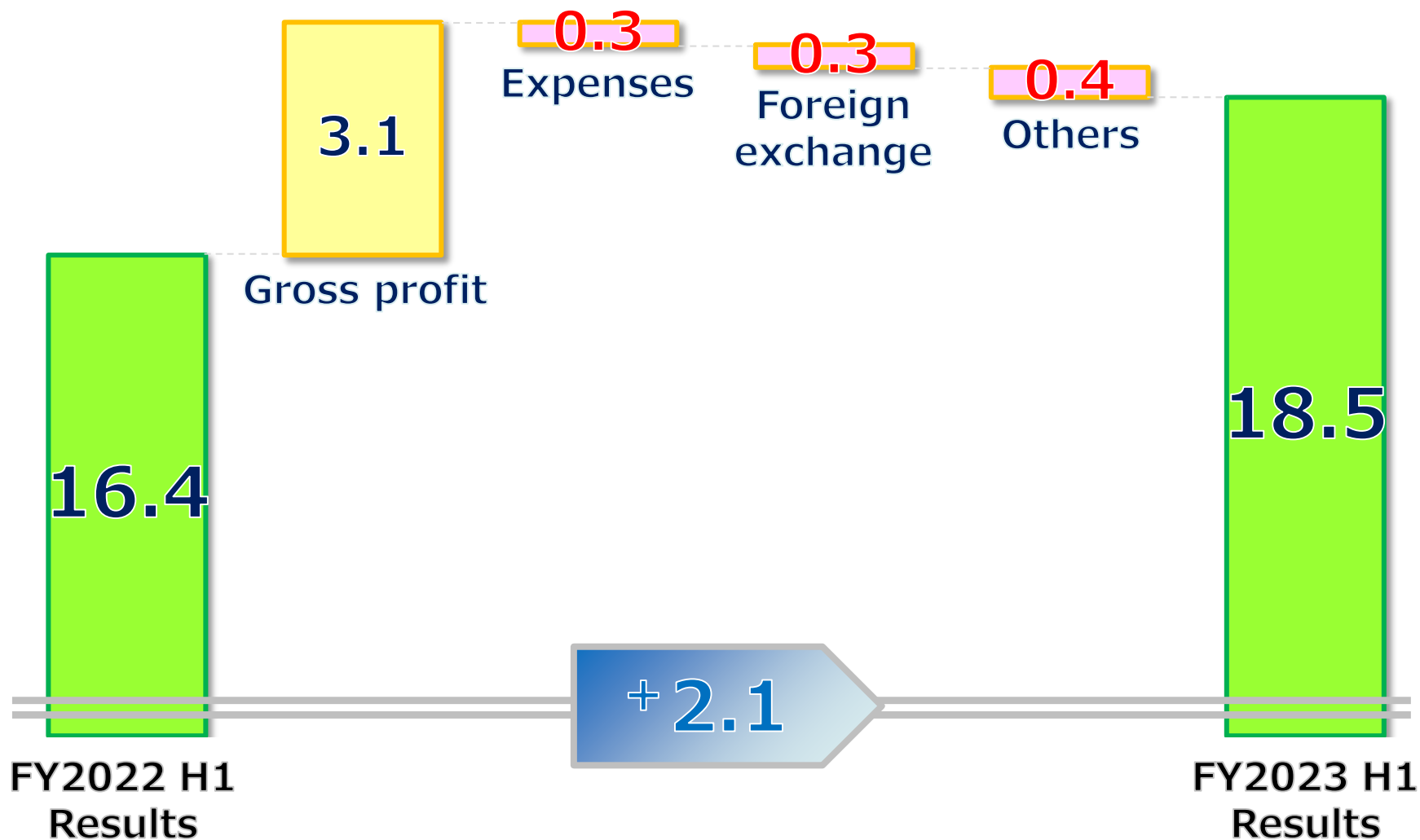
# Record performance in the first half of the year



Unit : billion JPY

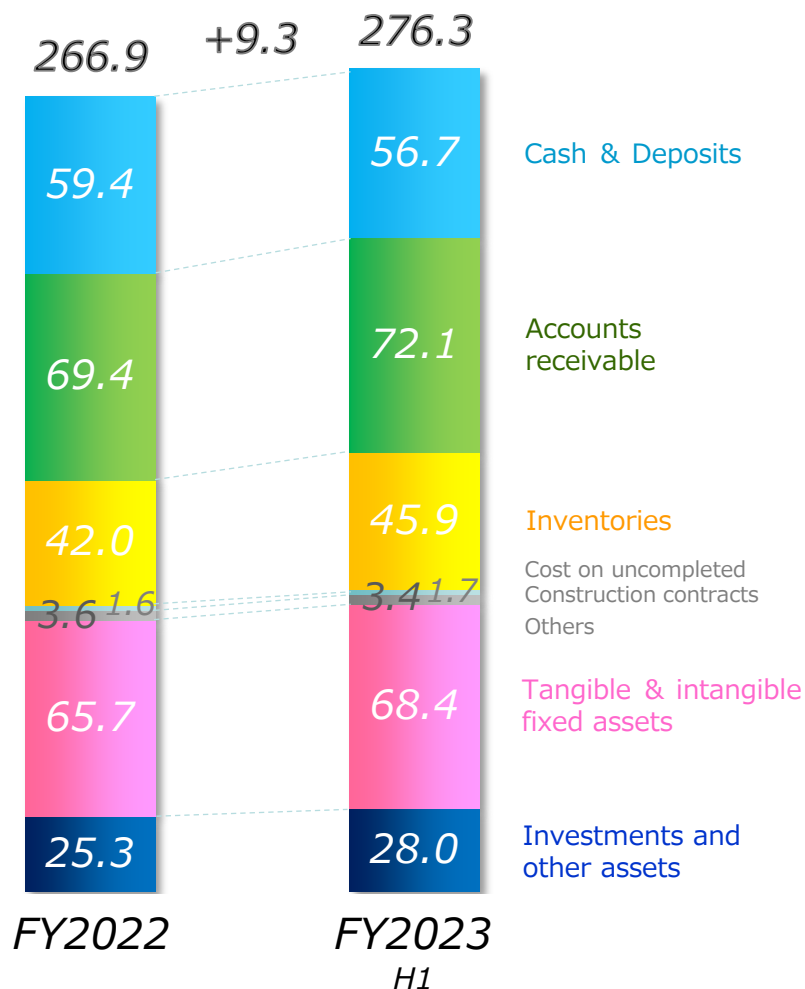


Unit : billion JPY

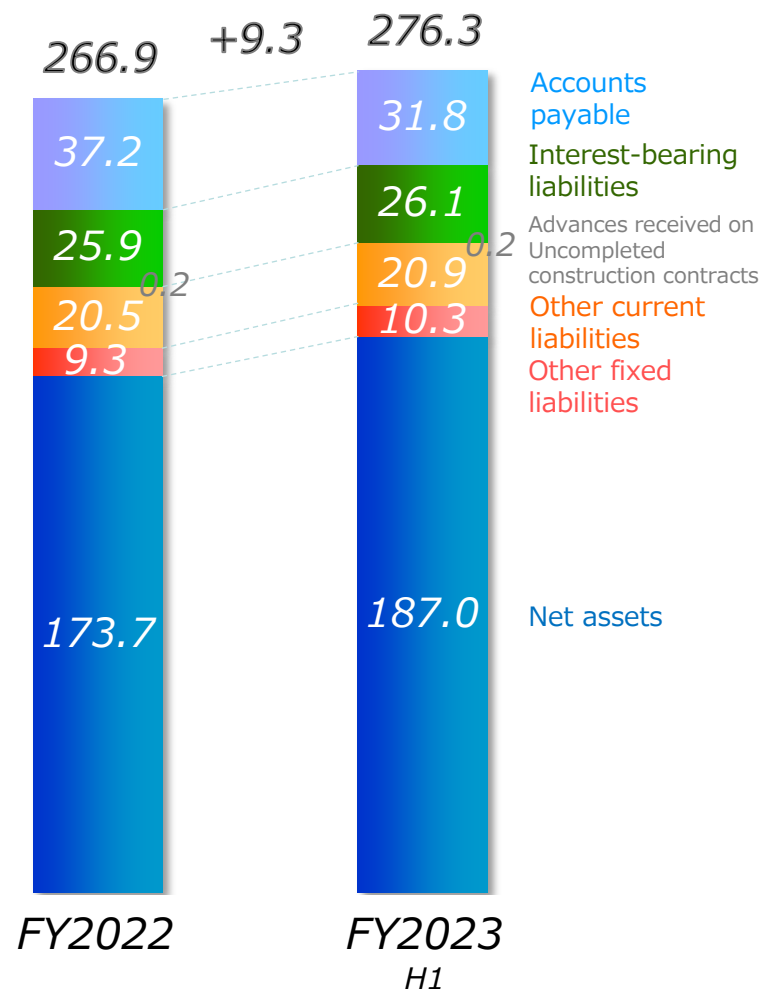


(Unit : billion JPY)

## Assets



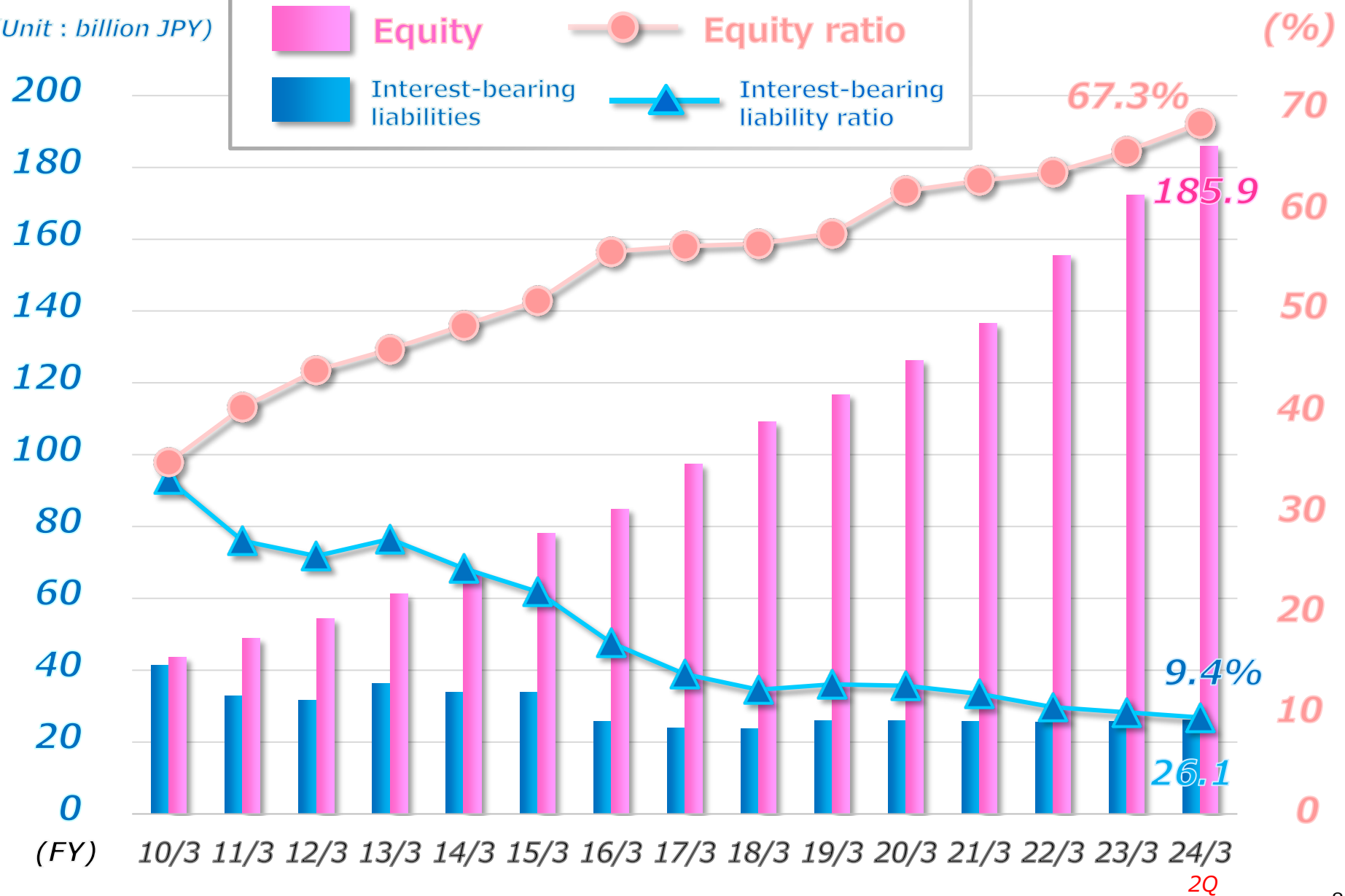
## Liabilities & Net assets



Equity ratio 64.6% ➤ 67.3%

# ◇ Interest-bearing liabilities & Equity Trends

(Unit : billion JPY)



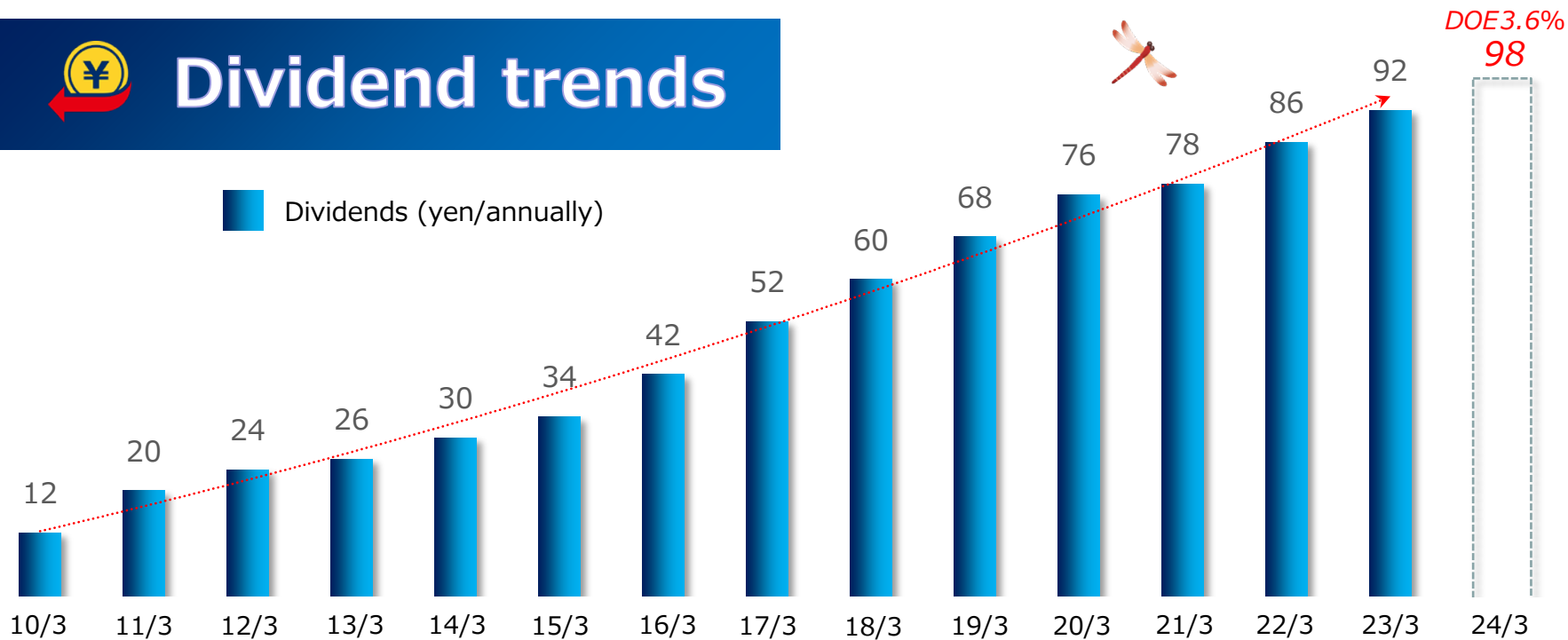


# Year-end Dividend

**48 yen** ➤ **50 yen**  
(2-yen increase)

※ *Combined with the interim dividend of 48 yen, the annual dividend will be 98 yen per share.*

## 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>
--------------------	---

<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>
-------------------------	---













▶ Included in the Nikkei Consecutive Dividend Growth Stock Index launched in June

< 2 >

**Summary of business forecast for FY2023**  
(From 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024)





Segment	FY2023 H1 【Results】	FY2023 【Forecast】
Energy & Industrial plants		
Industrial products		
Advanced products		
Auto parts		
Building materials		

# ◇ Financial highlights for FY2023 Forecast



(Unit : billion JPY)

	FY2022 Results	FY2023 Forecast 7 <sup>th</sup> August.	FY2023			Change YoY
			H1 Results	H2 Forecast	Full year Forecast	
Net Sales	238.1	238.0	120.0	122.0	242.0	1.6%
Operating income	30.0 12.6%	29.5 12.4%	15.7 13.1%	15.8 13.0%	31.5 13.0%	5.2%
Ordinary income	33.1 13.9%	32.5 13.7%	18.5 15.4%	16.5 13.5%	35.0 14.5%	5.8%
Profit attributable to owners of parent	21.4 9.0%	22.5 9.5%	13.0 10.8%	11.2 9.2%	24.2 10.0%	13.1%



**Expecting record-high performance for the full year, although there are variations among businesses**

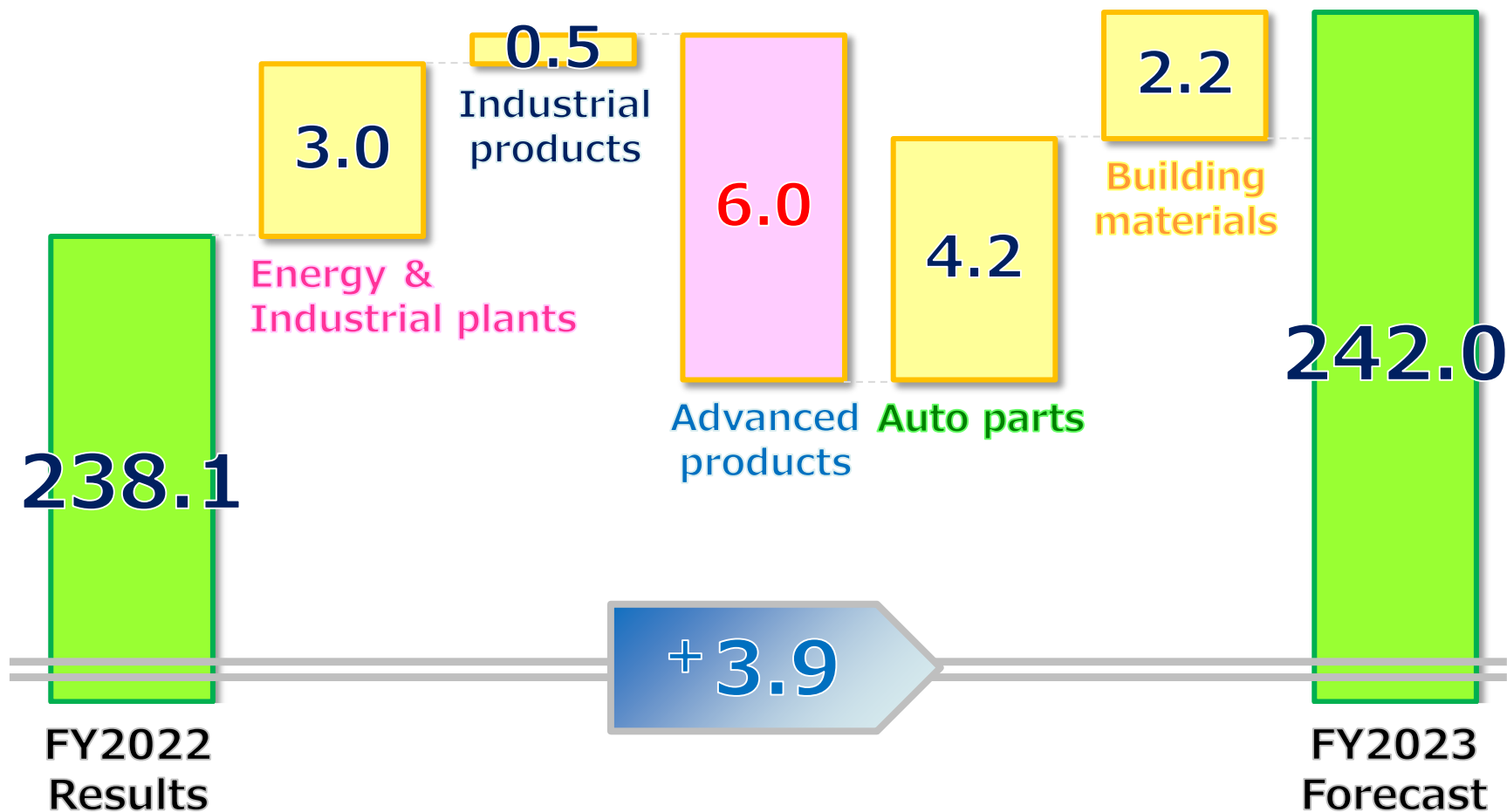
# ◇ Financial highlights for FY2023 Forecast

(Unit : billion JPY)

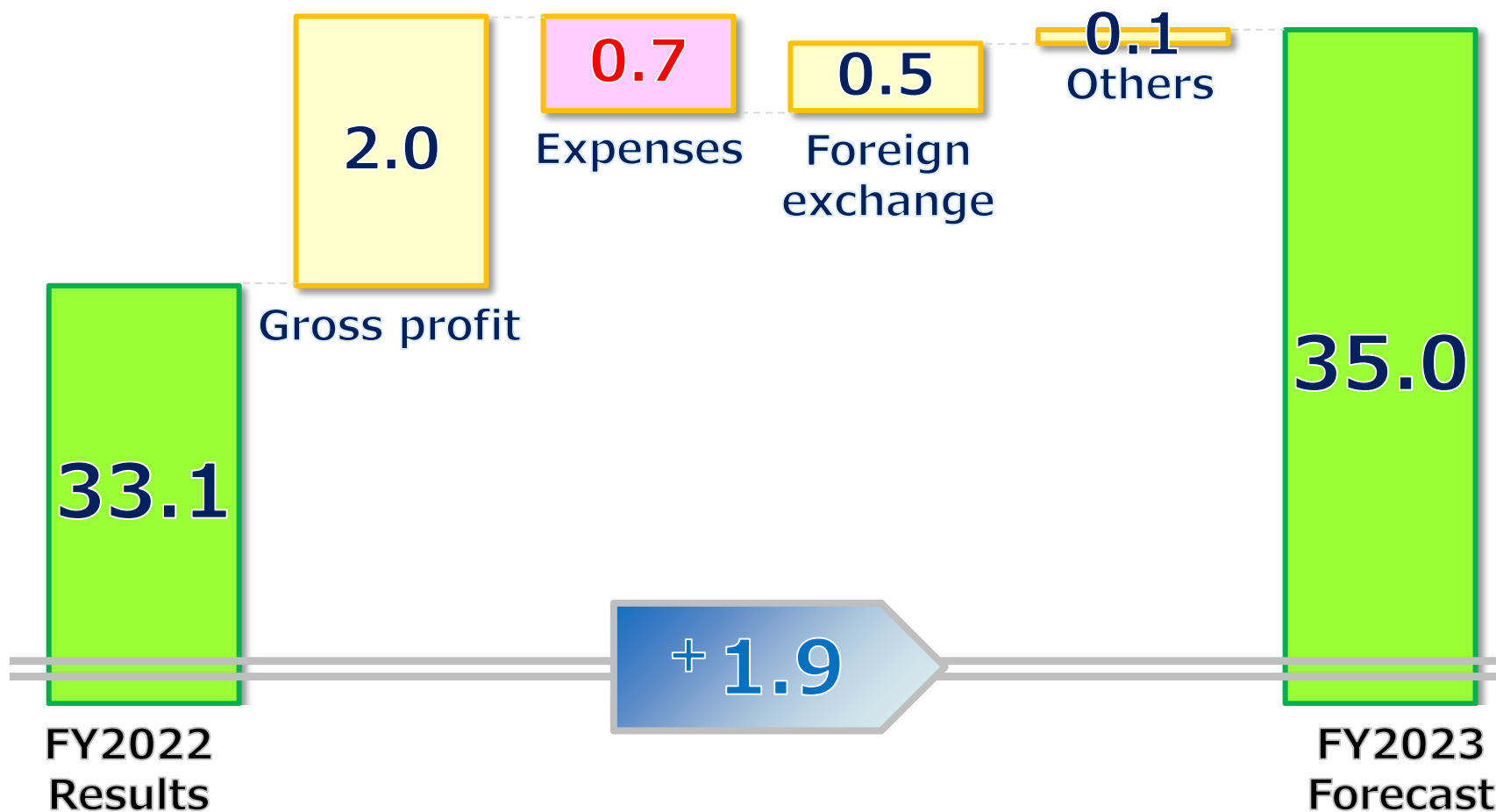
Segment		FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Forecast	Change YoY
Energy & Industrial plants	Net sales	65.8	63.5	59.0	65.2	68.2	4.5%
	Operating income	7.2 10.9%	8.0 12.6%	6.2 10.5%	8.4 12.9%	8.8 12.9%	4.4%
Industrial products	Net sales	45.2	42.9	47.9	51.6	52.1	1.0%
	Operating income	6.0 13.2%	5.9 13.8%	8.0 16.8%	9.0 17.4%	10.4 20.0%	15.8%
Advanced products	Net sales	21.6	24.9	36.0	45.2	39.2	▲13.2%
	Operating income	2.8 12.7%	3.6 14.5%	7.9 22.0%	11.0 24.3%	8.3 21.2%	▲24.2%
Auto parts	Net sales	43.7	38.2	44.7	46.8	51.0	9.1%
	Operating income	3.0 6.8%	1.9 5.0%	4.0 9.0%	2.5 5.3%	4.0 7.8%	62.1%
Building materials	Net sales	32.5	26.8	28.7	29.4	31.6	7.5%
	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	242.0	1.6%
	Operating income	20.4 9.8%	19.6 10.0%	26.3 12.1%	30.0 12.6%	31.5 13.0%	5.2%



Unit : billion JPY



Unit : billion JPY



< 3 >



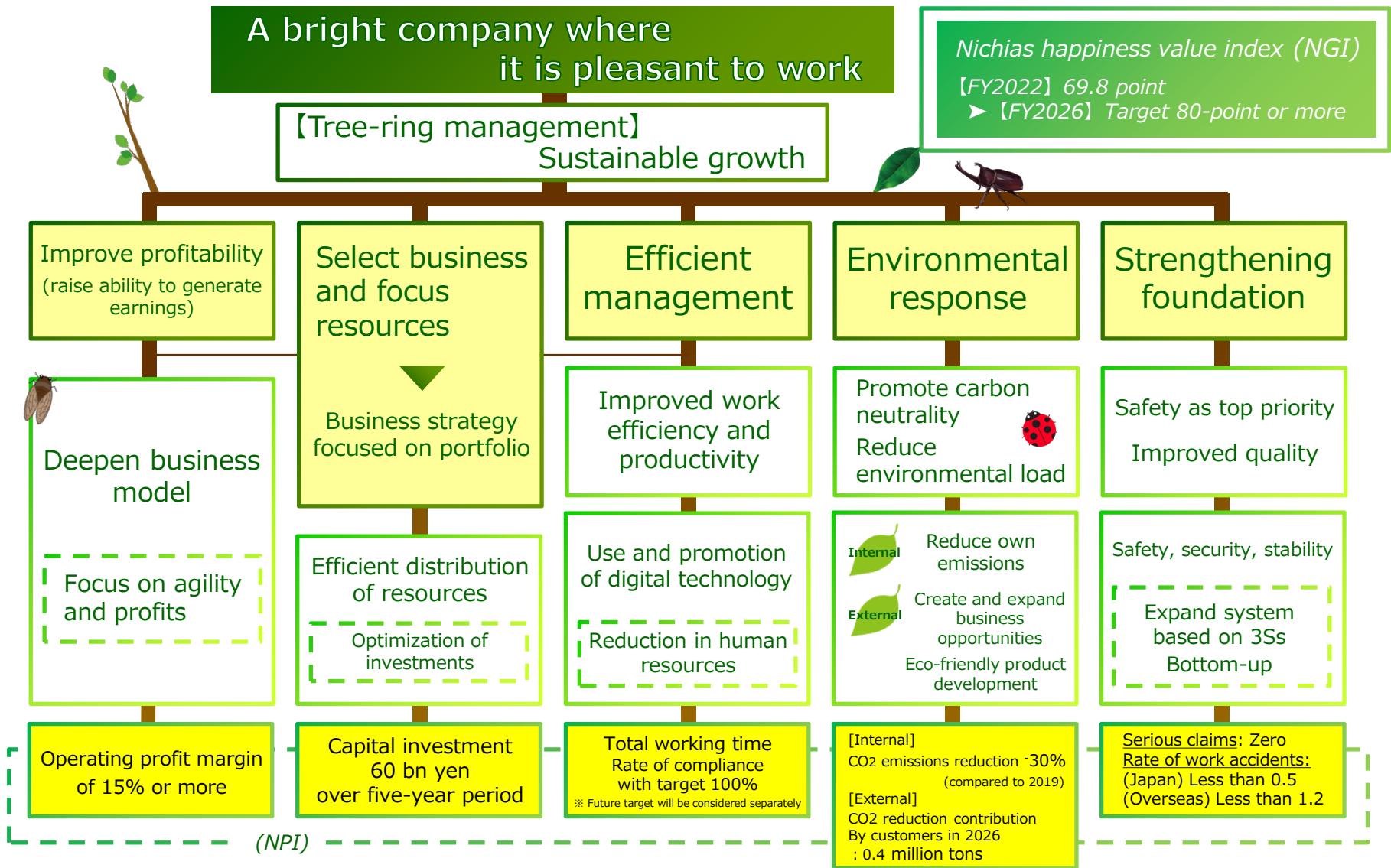
## Medium-term business plan (FY2022 - FY2026)

# 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.

~ Shikumi tree ~



※NGI : NICHIAS [KGI] ※NPI : NICHIAS [KPI]

Five important issues (NPI) Assessment categories 		Previous medium-term averages (6 years)	Current results (FY2022)	Targets (FY2026)
Improve profitability	Operating profit margin %	10.7	12.6	15 or more
Select businesses and focus resources	Capital investment 100 million yen <i>(annual average)</i>	106	101 <i>(annual average)</i>	600 <i>(5-year total)</i>
	ROIC %	10.8	11.3	12 or more
Efficient anagement	Total work time (compliance rate) %	95.1	99.9	100
	Total work time (company-wide average) hr	1,993	1,924	—
Environmental response	CO <sub>2</sub> emissions 10,000 tons	—	22.6	18.7
	Contribution to reducing customers' CO <sub>2</sub> emissions 10,000 tons	—	26.0	40.0
Strengthening foundation	Work accident incidence rate (manufacturing in Japan)	0.61	0.45	0.5 or less
	Work accident incidence rate (overseas manufacturing)	2.01	1.70	1.2 or less
	Zero major claims Number of claims	0.33	0	0

Improve  
profitability  
(increase earning power)

**Roll out the J2K Project**



Business selection  
and focus

**Roll out the Rockwool Business  
Restructuring Project**



*New* **Injection Molding Business  
Promotion Office**



Efficient  
management

**New Core System  
Implementation Project**

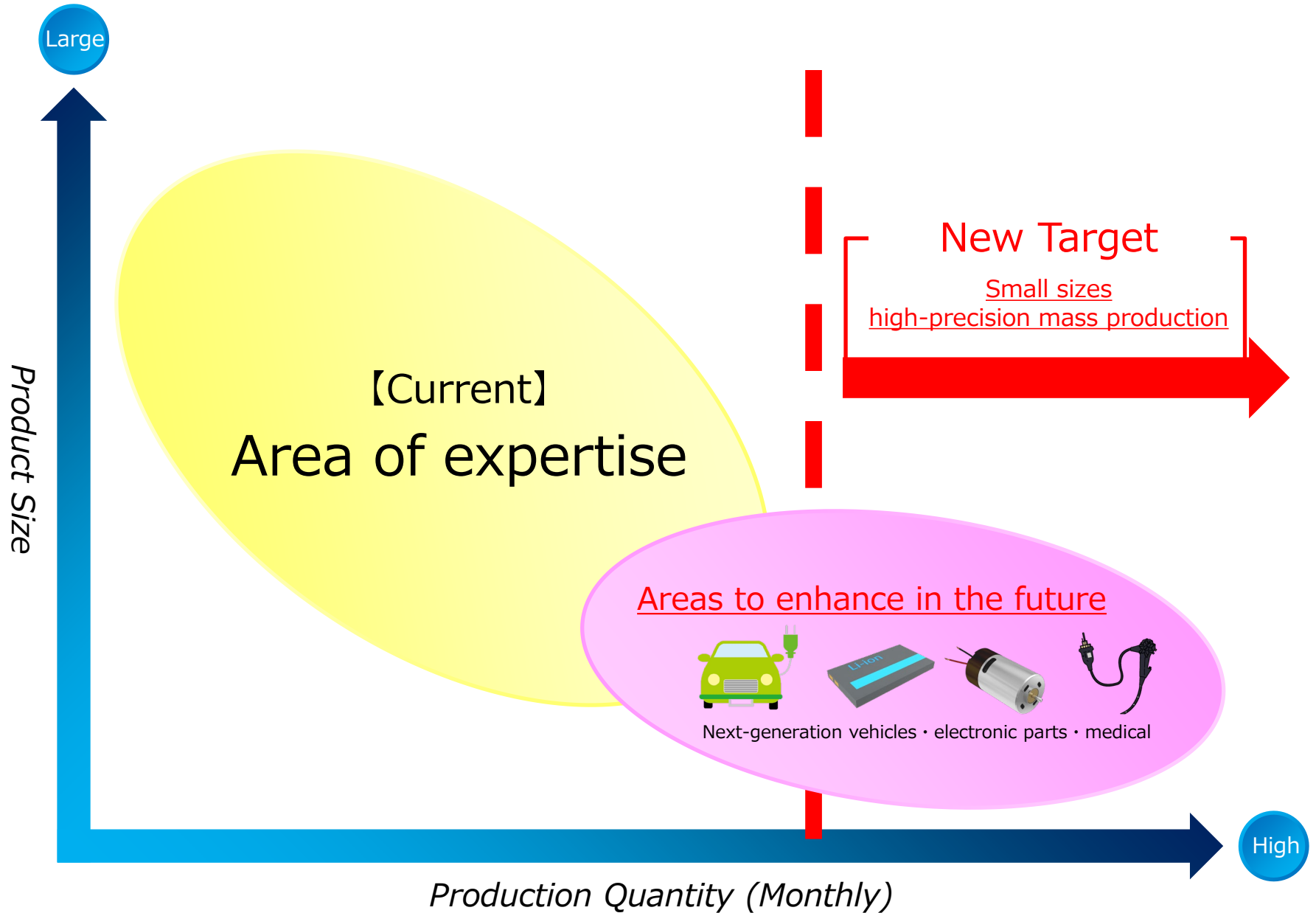


Environmentally  
friendliness

**Carbon Neutrality  
Promotion Office**



▶ Developing organizations and projects to adapt to change





## Standardization and consolidation of operations according to ERP standards

- ▶ *Organize business flows according to the ERP template*
- ▶ *Using the Fit to Standard approach,  
review processes to reduce reliance on individuals*



## Data-driven and timely decision-making

- ▶ *Revenue management throughout the business for portfolio management*
- ▶ *Build systems to improve data availability*



## Latest IT service initiatives and risk management strengthening

- ▶ *Expand business scope through integration  
with peripheral systems and latest services*
- ▶ *Establish and strengthen IT security measures*



2023	2024		2025		2026
Second half	First half	Second half	First half	Second half	First half
Partner selection		Preparation		Training	Full operation
	System development				



Endorsed the Task Force on Climate-related  
Financial Disclosures (TCFD)



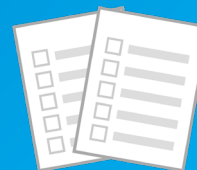
Disclosed calculated results  
for GHG emissions across the supply chain

<Upstream> Emissions other than our own      <In-house> Our own emissions      <Downstream> Emissions other than our own



# Nichias happiness value index

Simply put,



this index is the Company's report card.

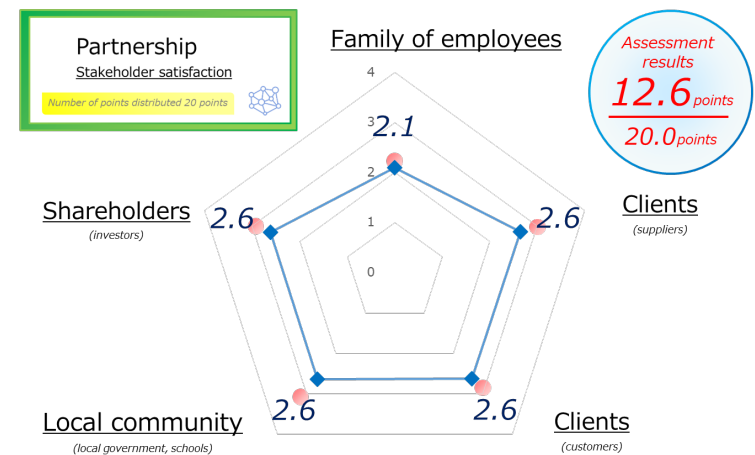
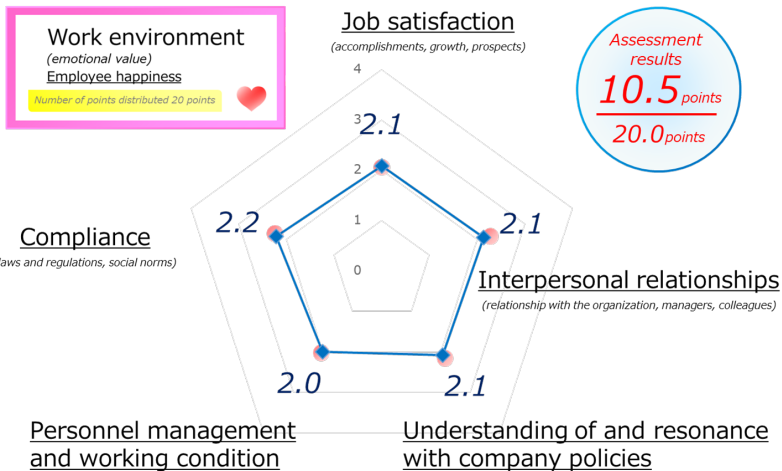
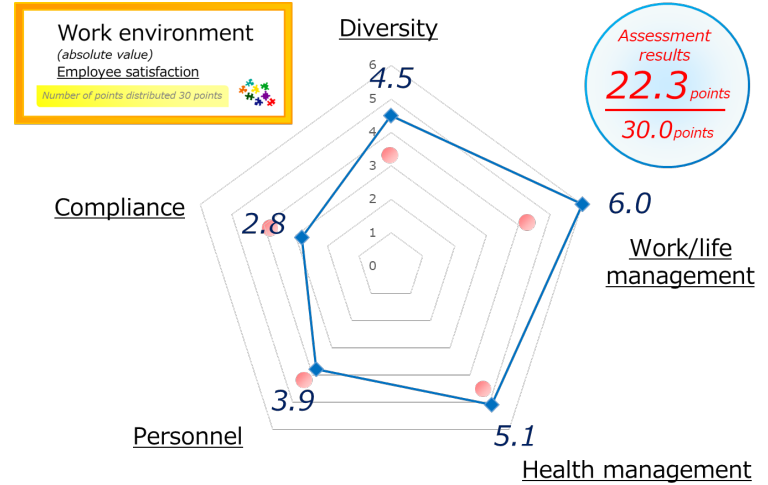
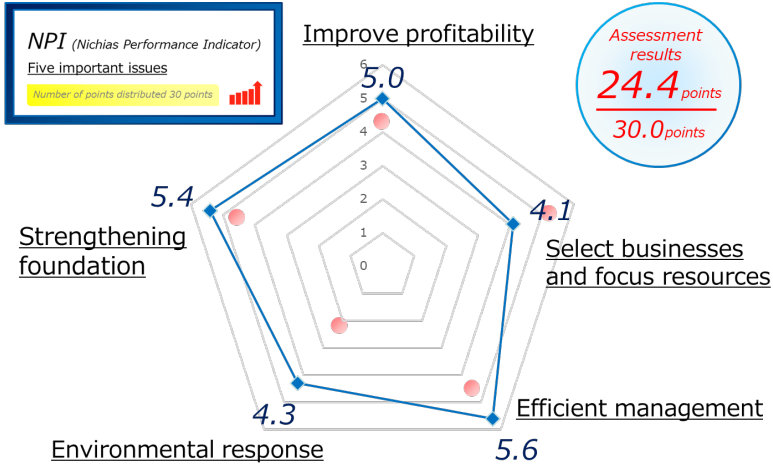
## < Results of assessment >

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.

## Assessment results for the FY2022 fiscal period

# 69.8 points / 100.0 points



CSR

ESG

DX

**Sustainability Promotion  
Committee driven by  
“Nichias Character”**

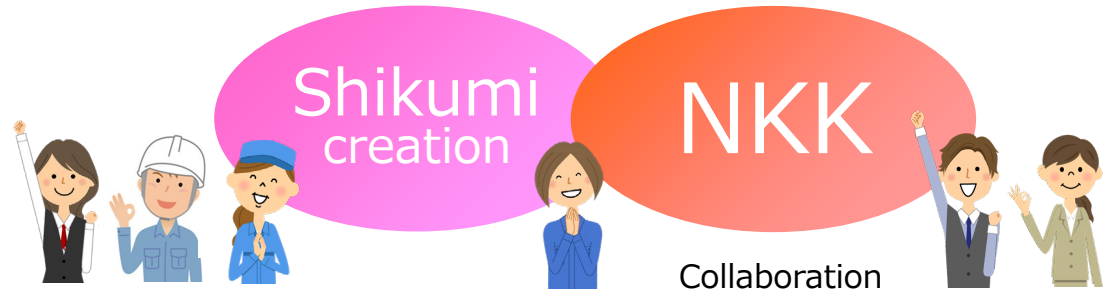
Environment

**Launched in the second half**

Governance

Human capital

Corporate culture



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.

## 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



## 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.