

# Financial Results for FY2020

(Jan. 2020 – Dec. 2020)

Nisshinbo Holdings Inc.

Feb. 12, 2021

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The earnings forecasts contained in these materials are based on information currently available to the Company and are not promises of achievement.

# 1. FY2020 Results Overview

# 1-1. Financial Highlights (y/y)

(mil. yen)

	FY2019 results	FY2020 results	Change	
				rate
Net sales	509,660	457,051	-52,609	▲ 10.3%
Operating income	6,482	1,248	-5,234	▲ 80.7%
Ordinary income	11,703	3,466	-8,237	▲ 70.4%
Net income Attributable to Owners of Parent	-6,604	13,540	+20,144	-

(y/y)

■ Net sales **Declined** (-) Microdevices, Brakes, Precision, Textiles

■ Operating income **Declined** (-) Decline in 5 segments (Loss reduction in Brakes, Profit increase in Real Estate)

■ Net income **Increased** (+) Gain on sales of securities, Decrease of impairment loss

# 1-2. FY2020 Net sales

(mil. yen)

	FY2019 results	FY2020 results	Change	
				rate
Wireless comms	152,212	144,312	-7,900	▲5.2%
Microdevices	65,285	61,140	-4,145	▲6.3%
Brakes	131,338	114,826	-16,511	▲12.6%
Precision instruments	65,428	51,419	-14,009	▲21.4%
Chemicals	9,390	9,577	+186	+2.0%
Textiles	49,505	33,957	-15,547	▲31.4%
Real estate	11,655	20,279	+8,624	+74.0%
Others	24,844	21,538	-3,305	▲13.3%
<b>Total</b>	<b>509,660</b>	<b>457,051</b>	<b>-52,609</b>	<b>▲10.3%</b>

## (y/y) Declined

**Increased** : [Real estate] Started condominium sales at Mitaka city, Tokyo

**Declined** : [Brakes, Precision] Affected by decline in automobile production

[Textiles] Drop in sales of fabrics for non-iron shirts and temporary closings at Tokyo Shirts stores

# 1-3. FY2020 Operating Income

(mil. yen)

	FY2019 results	FY2020 results	Change	
				rate
Wireless comms	4,100	2,575	-1,524	▲37.2%
Microdevices	256	-3,895	-4,151	-
Brakes	-3,340	-2,289	+1,050	-
Precision instruments	879	-948	-1,827	-
Chemicals	1,649	1,811	+161	+9.8%
Textiles	1,036	-812	-1,849	-
Real estate	8,163	11,511	+3,348	+41.0%
Others & Corporate cost	-6,263	-6,705	-442	-
<b>Total</b>	<b>6,482</b>	<b>1,248</b>	<b>-5,234</b>	<b>▲80.7%</b>

## (y/y) Increased

**Increased** : [Brakes] Loss narrowed due to the results of company-wide cost reduction activities and progress in TMD's business restructuring

[Chemicals] Increase in sales of carbon separators for fuel cells

[Real estate] Started condominium sales at Mitaka city, Tokyo

**Decreased** : [Microdevices] Decrease in sales due to the shutdown of customers' factories caused by the Corona disaster

# FY2020 Compared to Forecast

# 1-4. FY2020 compared to FC

(mil. yen)

	FY2020	FY2020 FC	FY2020	Compared to revised FC	
	Initial FC	Revised July 30	Results		rate
Net sales	540,000	462,000	457,051	-4,949	▲1.1%
Operating income	14,000	-4,000	1,248	+5,248	-
Ordinary income	18,000	-3,000	3,466	+6,466	-
Net income Attributable to Owners of Parent	13,000	1,000	13,540	+12,540	-

## Compared to revised forecast

■ Sales **Unachieved** Despite staying-home demand and growth in the field of contactless and antivirals, the overall decline could not be covered

■ Operating income **Turned black** In addition to company-wide cost reduction activities, recovery in market conditions in the automobile industry

■ Net income **Increased** Increase in operating income and ordinary income, and increase in gain on sales of investment securities



# 1-5. FY2020 Net sales compared to FC

(mil. yen)

	FY2020	FY2020 FC	FY2020	Compared to revised FC	
	Initial FC	Revised July 30	Results		rate
Wireless comms	160,000	149,600	144,312	-5,288	▲3.5%
Microdevices	70,000	62,800	61,140	-1,660	▲2.6%
Brakes	136,000	104,400	114,826	+10,426	+10.0%
Precision instruments	65,000	50,800	51,419	+619	+1.2%
Chemicals	13,000	11,300	9,577	-1,723	▲15.2%
Textiles	52,000	40,400	33,957	-6,443	▲15.9%
Real estate	20,000	19,700	20,279	+579	+2.9%
Others	24,000	23,000	21,538	-1,462	▲6.4%
<b>Total</b>	<b>540,000</b>	<b>462,000</b>	<b>457,051</b>	<b>-4,949</b>	<b>▲1.1%</b>

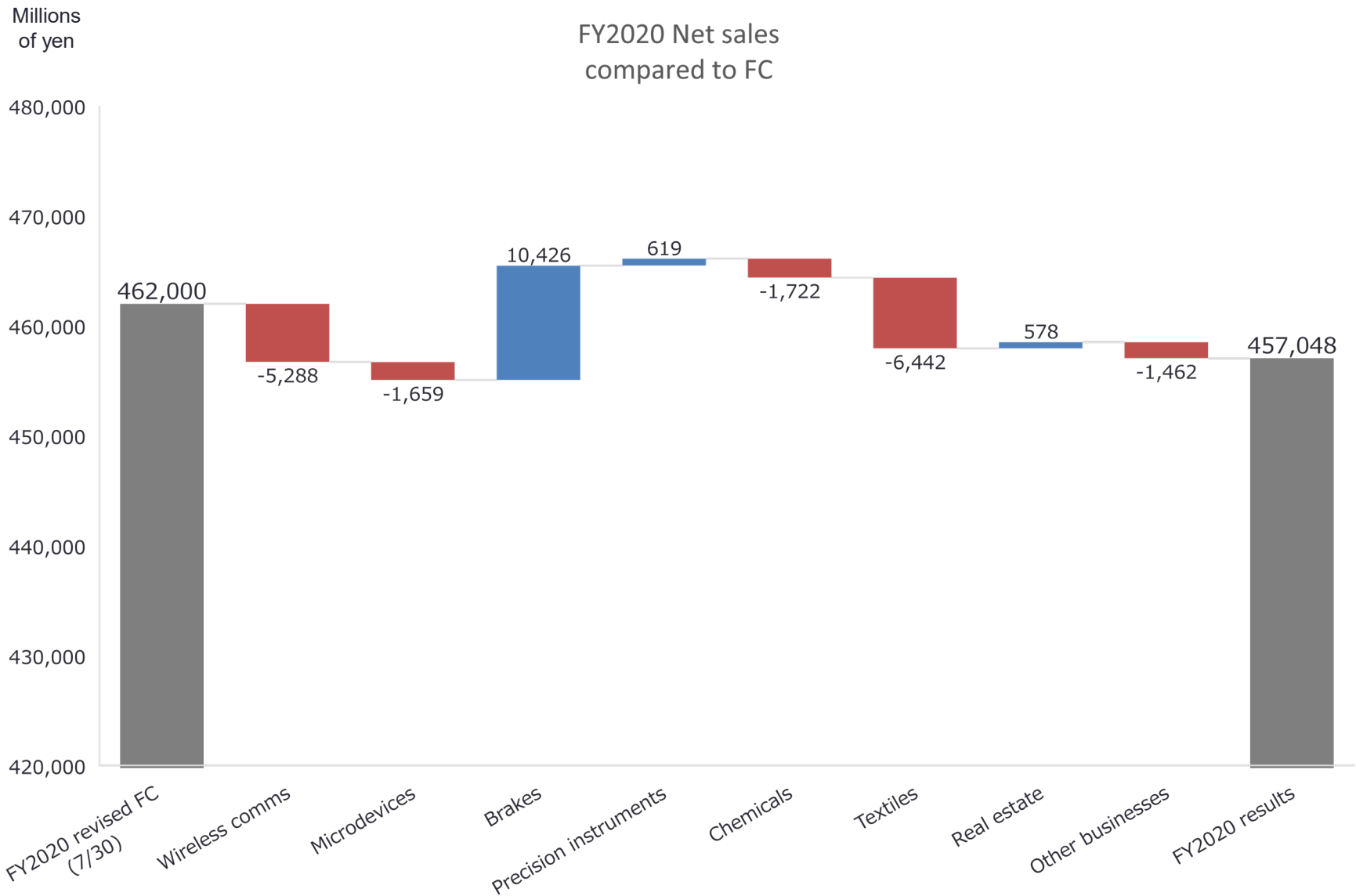
## Compared to revised forecast **Unachieved**

**Decreased** : [Wireless comms] Postponement of public works projects to the next fiscal year

[Textiles] Sluggish sales even after reopening stores

**Increased** : [Brakes & Precision] Recovery in automobile production and aftermarket

# 1-5. FY2020 Net sales compared to FC



# 1-6. FY2020 Operating income compared to FC

(mil. yen)

	FY2020 Initial FC	FY2020 FC Revised July 30	FY2020 Results	Compared to revised FC	
					rate
Wireless comms	2,900	2,000	2,575	+575	+28.8%
Microdevices	1,400	-2,100	-3,895	-1,795	-
Brakes	1,700	-7,700	-2,289	+5,411	-
Precision instruments	1,200	-2,800	-948	+1,852	-
Chemicals	2,600	2,100	1,811	-289	▲13.8%
Textiles	2,100	-300	-812	-512	-
Real estate	9,000	10,700	11,511	+811	+7.6%
Others & Corporate cost	-6,900	-5,900	-6,705	-805	-
<b>Total</b>	<b>14,000</b>	<b>-4,000</b>	<b>1,248</b>	<b>+5,248</b>	<b>-</b>

## Compared to revised forecast **Turned black**

**Increased** : [Brakes] **Losses narrowed due to recovery in automobile production, company-wide cost reduction activities and recovery in TMD's aftermarket**

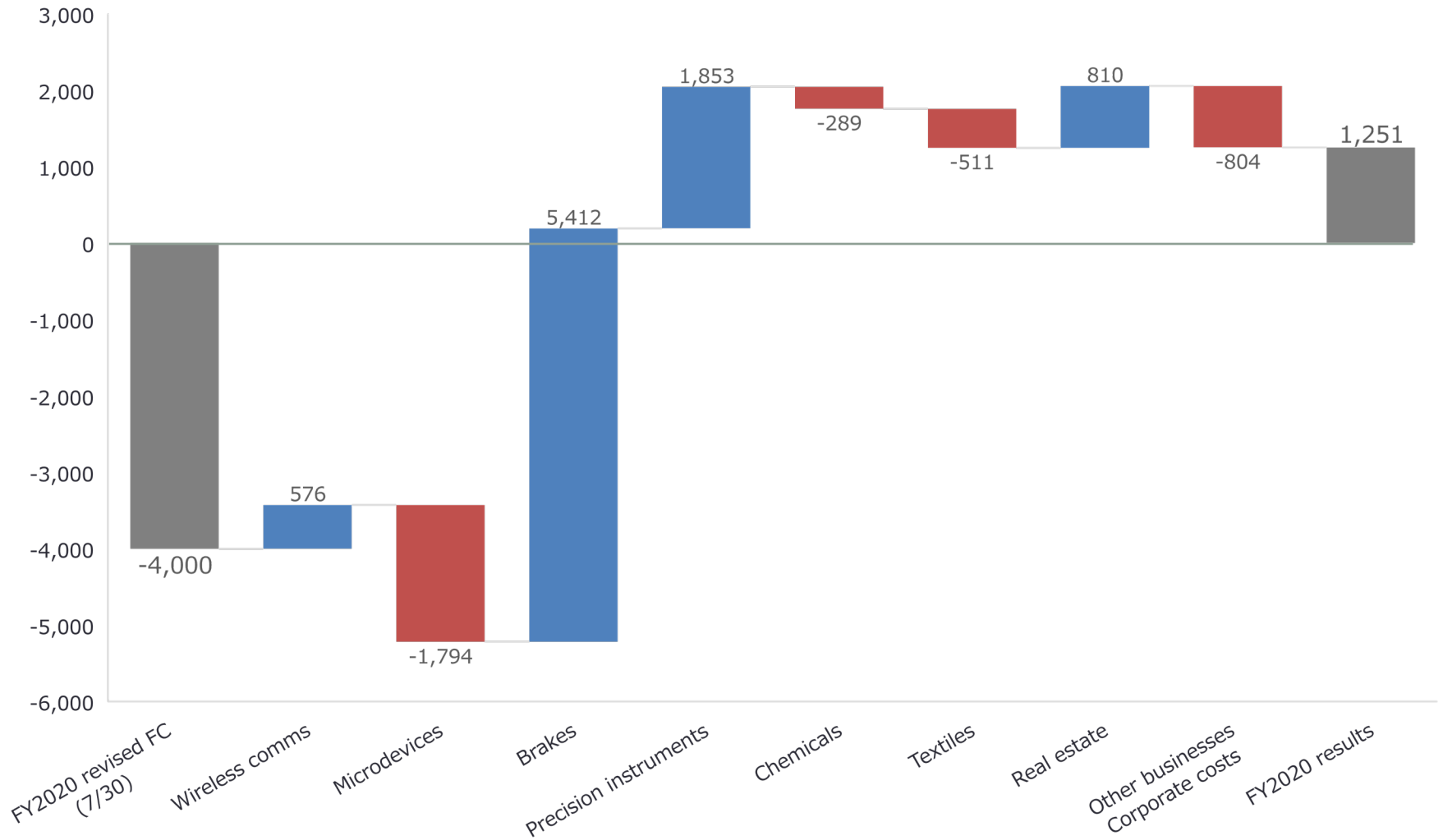
[Precision] **Losses narrowed due to recovery in automobile production**

**Decreased** : [Microdevices] **Despite not achieving the target due to the shutdown of factories by customers, recovery from October onwards**

# 1-6. FY2020 Operating income compared to FC

Millions of yen

### FY2020 Operating income compared to FC



## 2. Forecast for FY2021

## 2-1. Highlights of forecast for FY2021

(mil. yen)

	FY2020 results	FY2021 FC	Change	
				rate
Net sales	457,051	504,000	+46,948	+10.3%
Operating income	1,248	6,800	+5,551	+444.8%
Ordinary income	3,466	10,000	+6,533	+188.5%
Net income Attributable to Owners of Parent	13,540	4,000	-9,540	▲ 70.5%

(y/y)

- Net Sales **Expected to Increase** All segments excluding real estate
- Operating income **Expected to increase** All segments excluding real estate
- Net income **Expected to decrease** Decrease in gain on sales of investment securities compared with the previous fiscal year

Assumed exchange rate: US\$1 = ¥105

Exchange sensitivity: A ¥1 increase in exchange rates causes operating income to decline by approximately ¥250 million.

## 2-2. Sales forecast for FY2021

(mil. yen)

	FY2020 results	FY2021 FC	Change	
				rate
Wireless comms	144,312	162,000	+17,687	+12.3%
Microdevices	61,140	71,000	+9,859	+16.1%
Brakes	114,826	121,000	+6,173	+5.4%
Precision instruments	51,419	57,000	+5,580	+10.9%
Chemicals	9,577	13,000	+3,422	+35.7%
Textiles	33,957	44,000	+10,042	+29.6%
Real estate	20,279	14,000	-6,279	▲31.0%
Others	21,538	22,000	+461	+2.1%
<b>Total</b>	<b>457,051</b>	<b>504,000</b>	<b>+46,948</b>	<b>+10.3%</b>

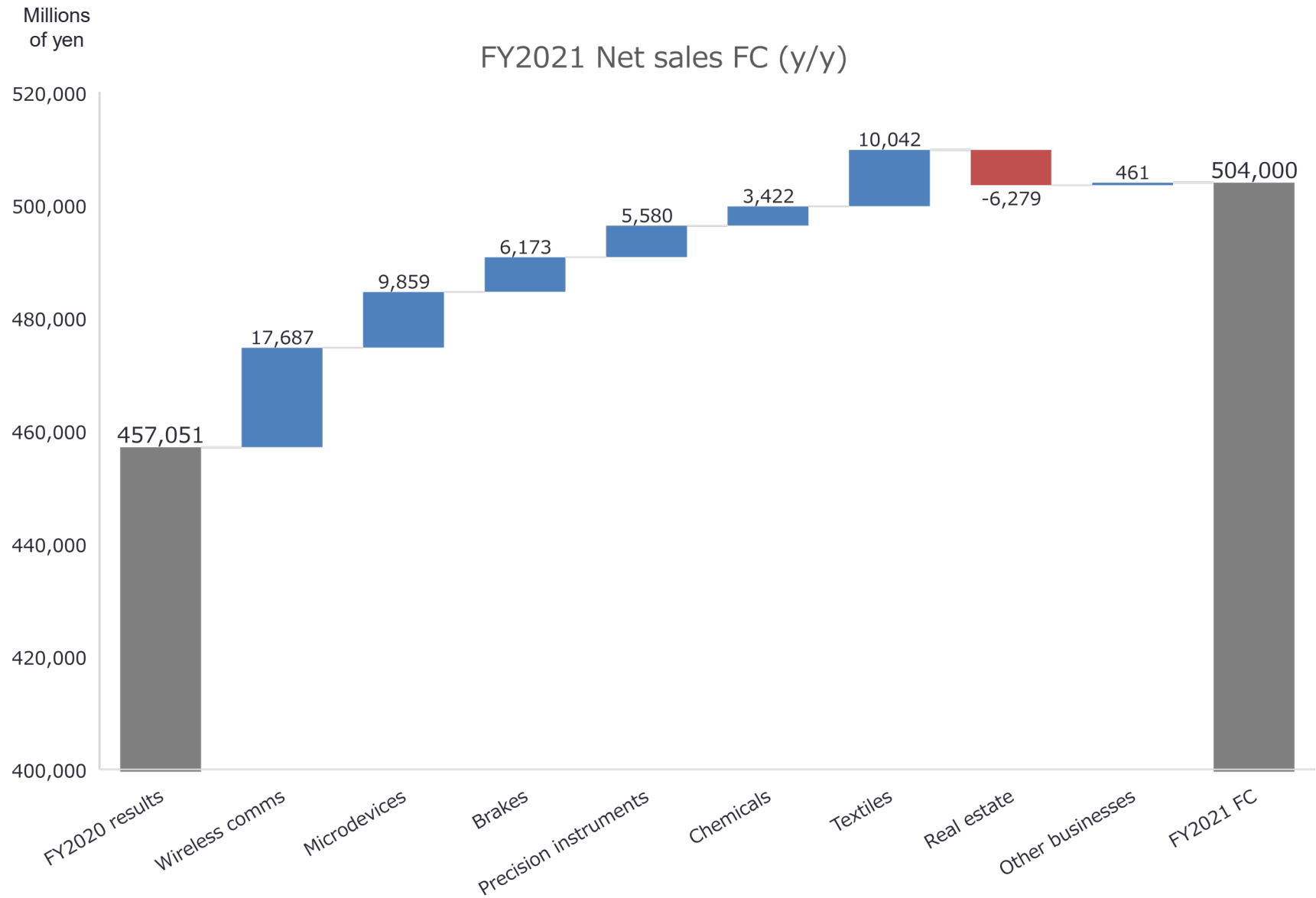
**【Wireless comms】** Expected to increase mainly in the solutions business, which has firm orders and some projects postponed from the previous fiscal year.

**【Microdevices】** Expected to increase due to the recovery of market conditions for automotive and industrial machinery and the start of mass production of automotive products

**【Brakes】** Expected to increase due to recovery in automobile sales

**【Real estate】** Expected to decrease in sales due to decrease in condominium sales at Mitaka city, Tokyo

# 2-2. Sales forecast for FY2021





## 2-3. Operating Income forecast for FY2021 **NISSHINBO**

(mil. yen)

	FY2020 results	FY2021 FC	Change	
				rate
Wireless comms	2,575	3,800	+1,224	+47.5%
Microdevices	-3,895	1,100	+4,995	-
Brakes	-2,289	-2,000	+289	-
Precision instruments	-948	300	+1,248	-
Chemicals	1,811	2,500	+688	+38.0%
Textiles	-812	1,500	+2,312	-
Real estate	11,511	7,200	-4,311	▲37.5%
Others & Corporate cost	-6,705	-7,600	-895	-
<b>Total</b>	<b>1,248</b>	<b>6,800</b>	<b>+5,551</b>	<b>444.8%</b>

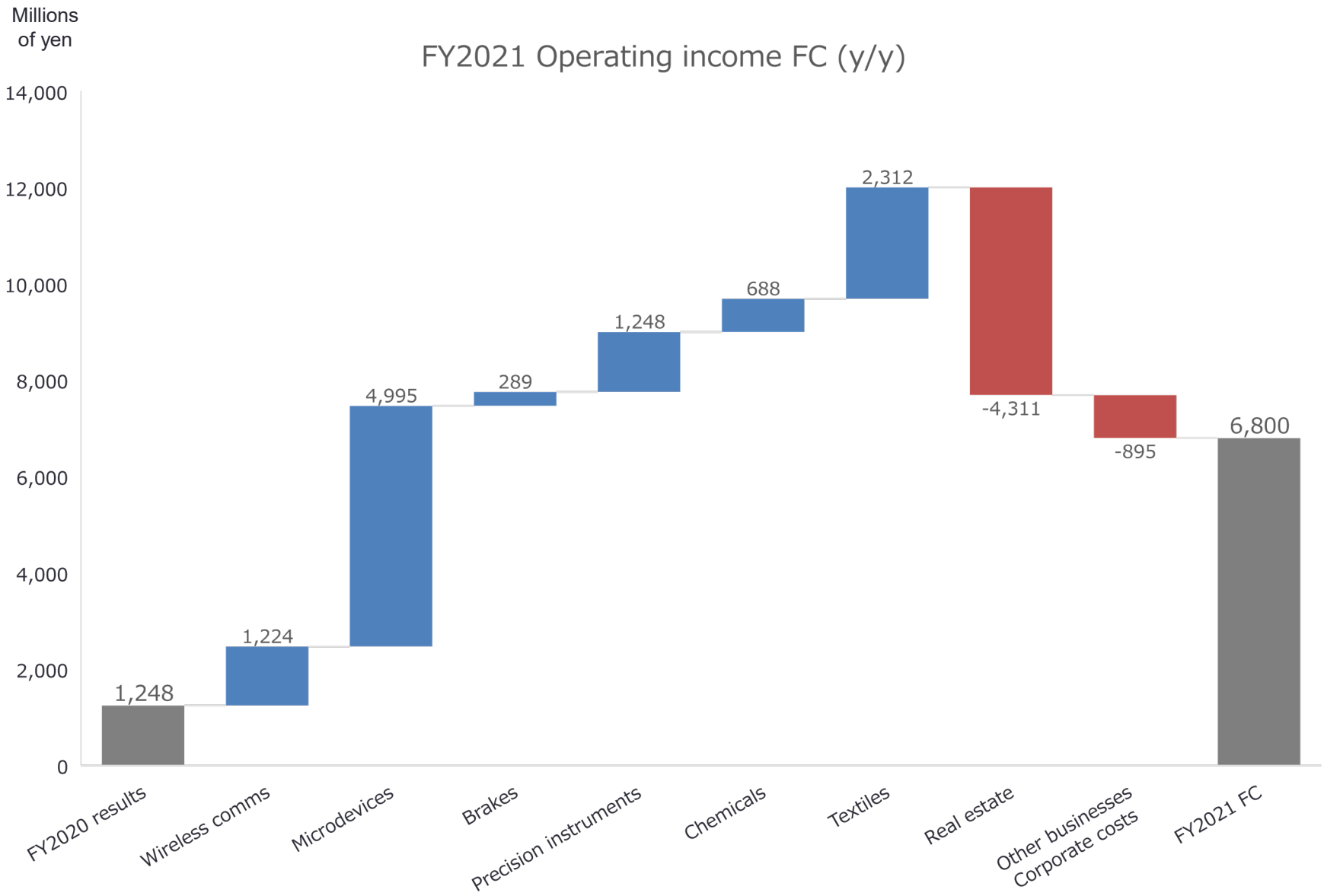
**【Wireless comms】 Expected to increase due to sales growth**

**【Microdevices】 Expected to increase due to sales growth**

**【Brakes】 Expected to increase due to sales growth and the reorganization of TMD**

**【Real estate】 Expected to decrease in sales due to decrease in condominium sales at Mitaka city, Tokyo**

# 2-3. Operating Income forecast for FY2021 **NISSHINBO**



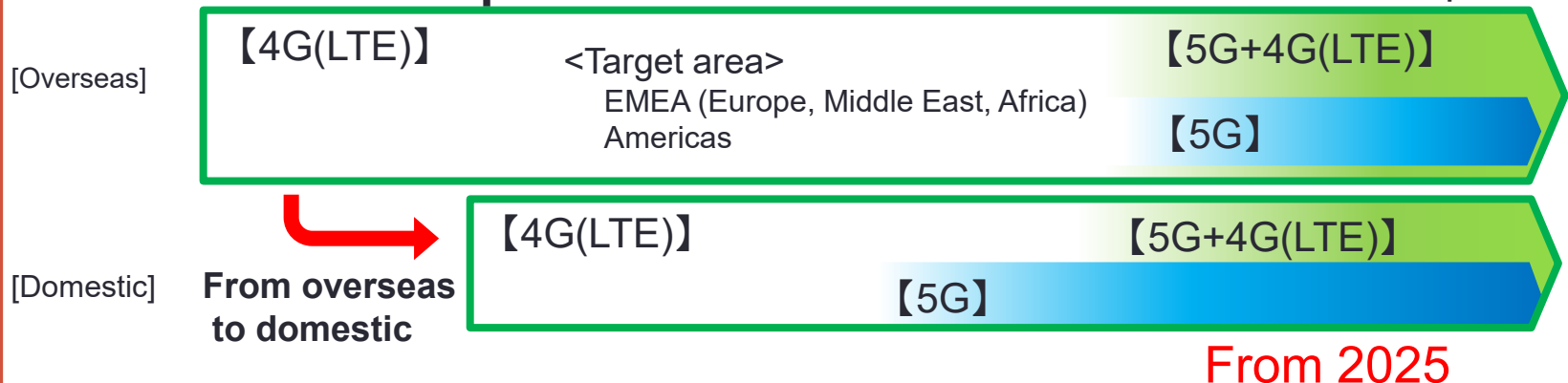
### 3. Business strategies of Wireless and communications

## Basic concepts: Private Network Solutions

- Low Cost: Small Scale Based & Scalable Platform
- Specialized functions: Broadcast/Multicast, Autonomous/Flexible Area Development
- Mobility: Core Network Integrated Portable Solutions (One-BOX)

## Business Strategies: Overseas 4G advance, Domestic 5G demonstration

- Overseas expansion: From 4G (Private LTE) expansion to 5G
- Domestic expansion: Local 5G Demonstration Trials and Overseas Use Case Expansion



# 3-2. Overseas Expansion-4G (Private LTE)

■ **Markets: Public Safety, Mining, Offshore rig, WISP\*, etc.**

■ **Strategies:**

- System integration utilizing technology ecosystem
- Wireless customization (Band compatible, Area building)
- All-in-one solutions from core networks to terminals

■ **Results: 12 countries, including Europe, North America, and South America**



One-BOX Core-Network Integrated, Portable Base Stations



Mining



Railway



Offshore rig



Fire department



Power plant



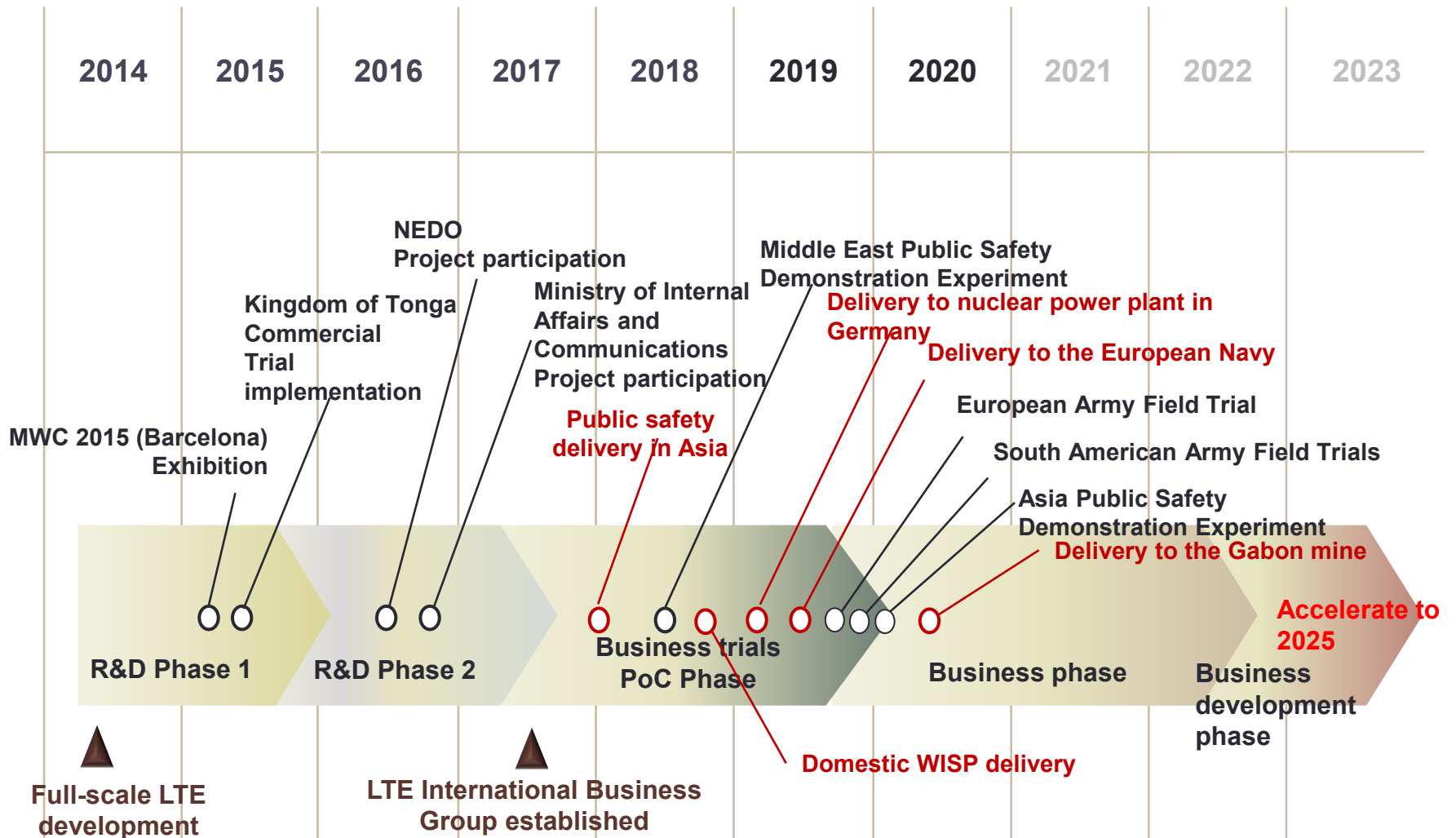
Police

\*WISP : Wireless Internet Service Provider

PS: Public Safety (including police and fire departments)

# 3-2. Overseas Expansion-4G (Private LTE) Results

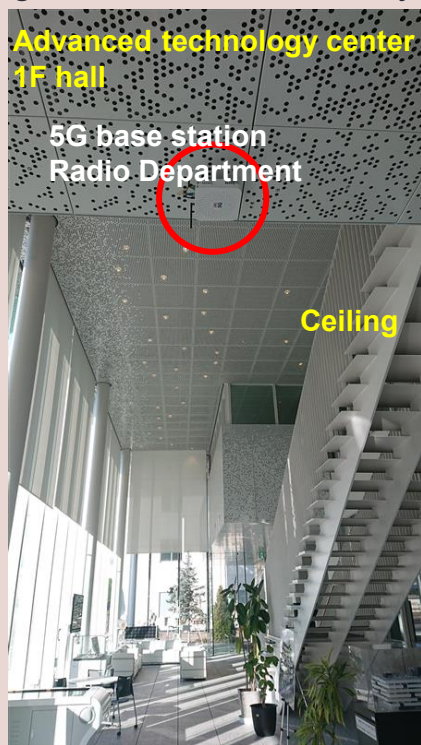
- 2014 Full-scale development (collaboration with global development partners)
- 2016 Public project → 2017 PoC Phase → 2018 Business Phase



# 3-3. Domestic expansion-Local 5G

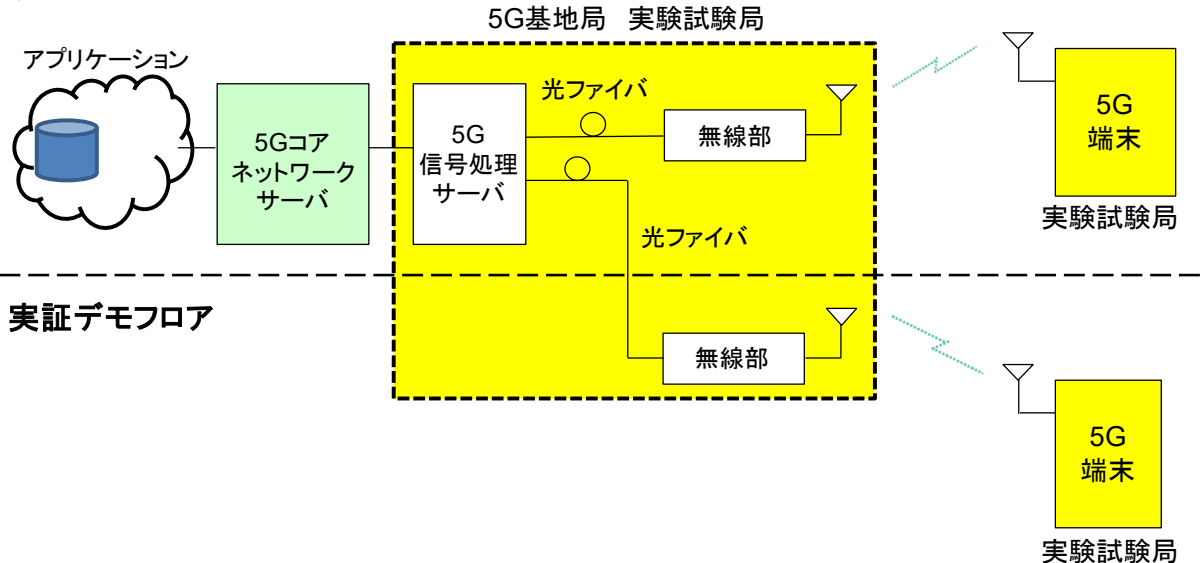
- Markets: Industrial IoT, disaster prevention solutions, digital services, etc.
- Strategy: Develop markets through demonstration tests with customer partners (Opened a demonstration base in December 2020)

## Nagano Plant Field Trial System



- Objectives of demonstration tests
  - Characterization of 5G
  - Demonstrating the use of local 5G for various applications
- Outline of demonstration experiment
  - Sub-6GHz band (Sub6)
  - SA (stand-alone) configuration (no 4G required)

### 実証ラボフロア



# 3-4. Reference (1)-Sensor Fusion

- Sensor fusion: Fusion of different sensors for higher functionality and performance
- Features of JRC: Higher precision by pre-processing of sensor raw information before fusion

**JRC** 誤進入検知

開発中 カメラ+ミリ波レーダによる立入進入検知システム  
相次ぐ高速出入口の誤進入、逆走を防ぐ！

ミリ波レーダ・AIカメラ  
AI処理部 警告表示板

誤進入 逆走  
センサ・フュージョン

入口 出口  
歩行者、自転車、原付の進入を検知！  
逆走して進入する車両を検知！

**高速道の事故防止**

## Application to the Transportation Sector

カメラ+AI

Integration of heterogeneous sensors

レーダ レーザ

**JRC** 港湾洋上監視

不審船 侵入中！  
侵入ライン

**港湾監視業務の自動化**

**JRC** Cross-sidewalk monitoring

横断監視センサ  
レーザ カメラ(画像認識)

信号制御システム

**Supporting Safe Crossing, including Extended Time of Blue Signals**

**JRC Mobility**  
4-D sensing

**Prevention of crashes at warehouses, etc.**



# 3-4. Reference (2)-Phased Array Weather Radar

- Features: Scan all weather in 30 s, catch guerrilla heavy rain and tornadoes at high speed
- Observation case: Observation of a tornadoes in the vicinity of a typhoon (October 12, 2019)

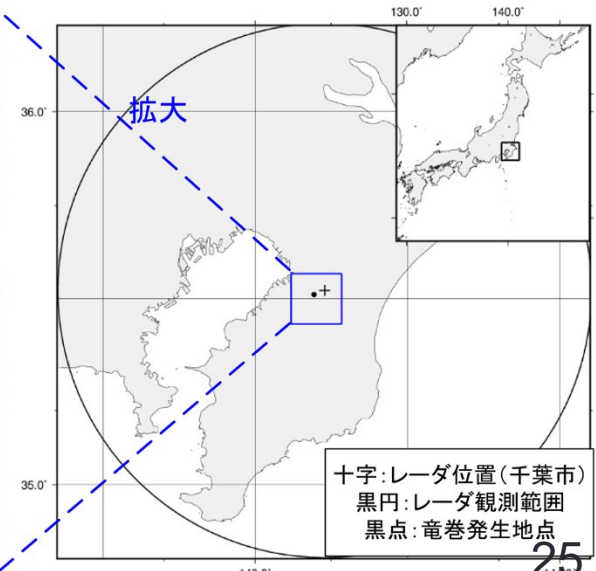
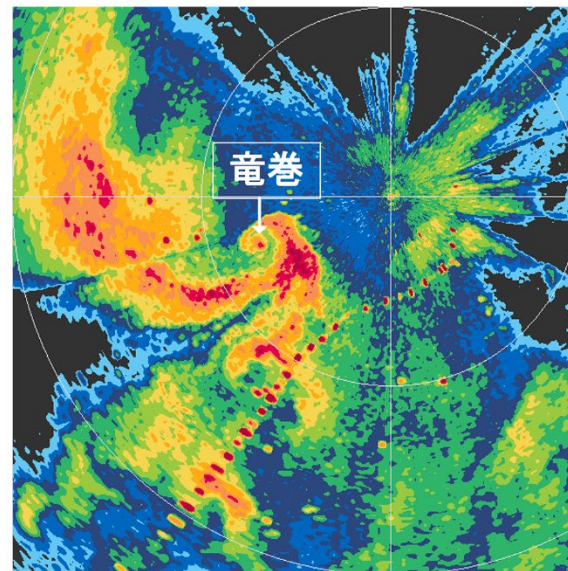


**X-band phased array weather radar**

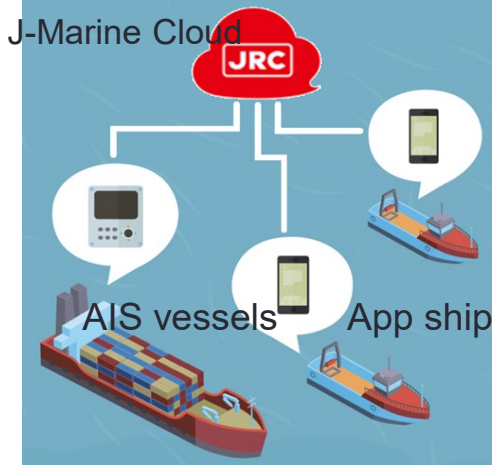
Established at Nisshinbo Holdings Inc. Central Research Laboratory in Chiba City

■ Detailed observation of the three-dimensional structure of cumulonimbus and cloud movements as three-dimensional data

■ Observing and analyzing weather phenomena that occur in a short period of time, such as guerilla heavy rainfall and tornadoes, with the aim of improving meteorological forecasting technology accuracy and contributing to flood damage countermeasures

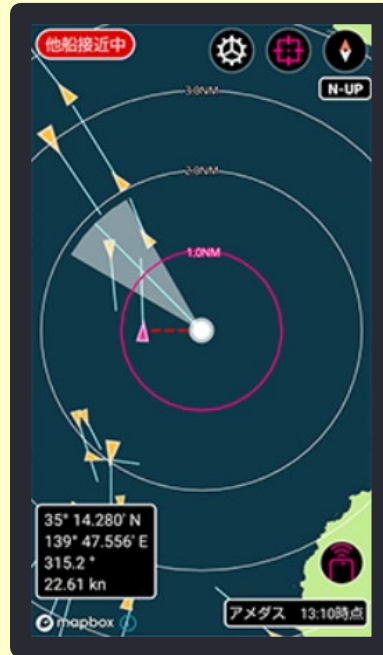


- **J-Marine Watcher II: An application for preventing marine conflicts and incidents**
- **Key functions: Notify proximity of smartphone carriers\* and AIS carriers\***
- **New functions: Detecting the drainage of the crew and notifying the registrant (scheduled for service in this fiscal year)**



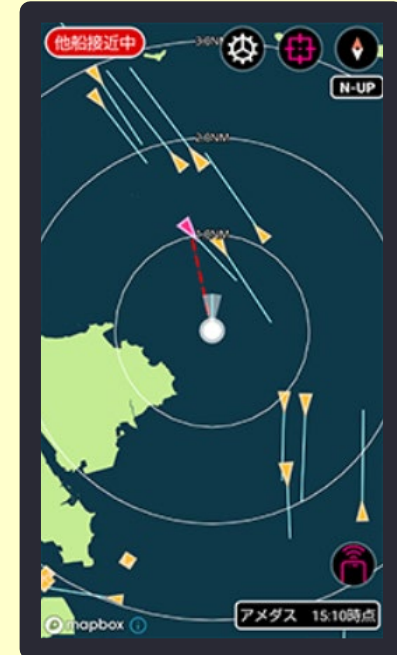
## Collision alarm

Predicted collision based on movement of own ship and other ship



## Guard zone alarm

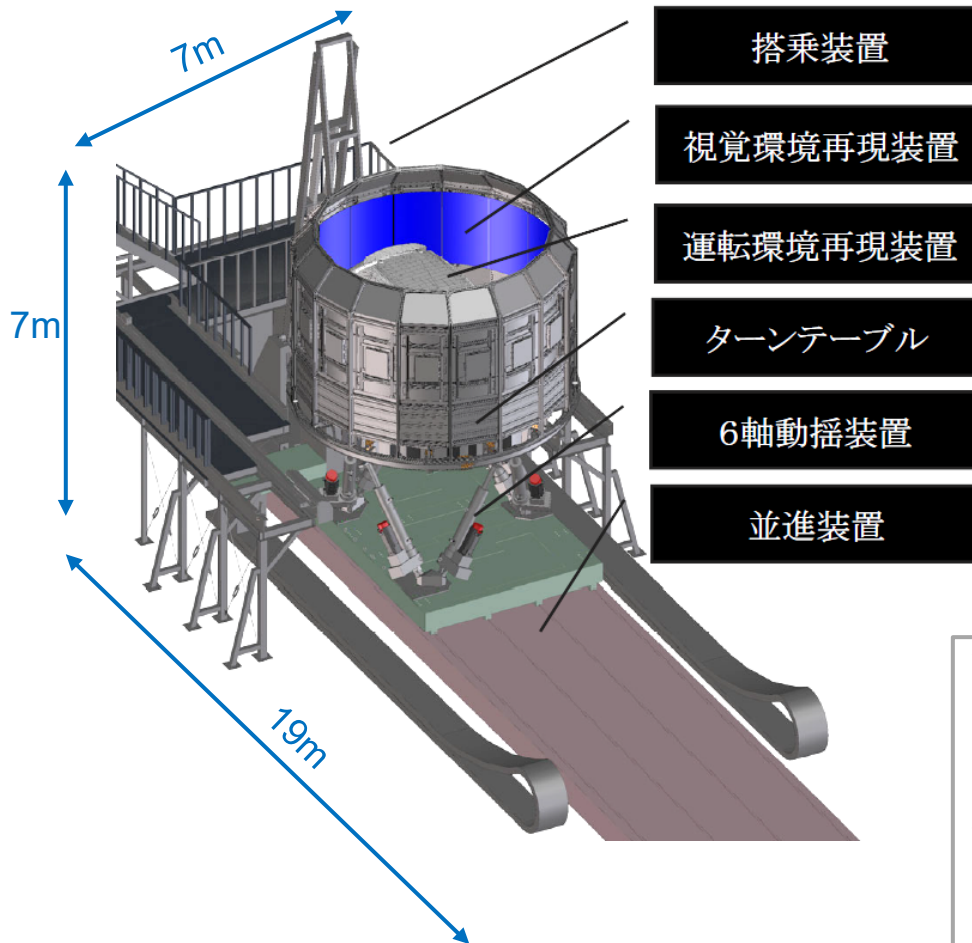
Injection of other vessels into warning areas, mainly by own vessels



**Smartphone carrier\* : Vessels with JM-Watcher II**  
**AIS vessels\* : Vessels equipped with AIS (Automatic Identification System)**

# 3-4. Reference (4)-Driving simulator

- Main functions: Provision of a simulated driving environment using a six-axis oscillating device
- Features: Compatible with automatic driving (Level 3) functions



■ Supports automatic operation (Level 3)

■ Uses 360-degree curved organic EL

High-resolution, high-brightness visual environment

■ Dual running is possible with two simulators in the same space and scenario

What is an automatic operation-compatible simulator?  
In the development of automatic driving vehicles, it is necessary to develop assuming all road conditions. In the development and evaluation in the real environment, enormous cost and time are required, and the utilization of the simulator is very effective for shortening of the development time and cost reduction. Especially, the utilization of the simulator becomes indispensable in order to evaluate reliability and safety under dangerous situations.

## 4. Appendix

# 4-1. Performance by Segment ①

Wireless and communications	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Marine systems	36,900	0	33,000	-1,100
Communications eqp	7,000	100	7,500	300
Solutions	70,500	1,500	68,500	2,200
Mechatronics & Power supply	24,400	100	21,600	-300
Medical equipment	9,400	500	9,500	700
Others	2,800	200	3,200	200
JRC Mobility	9,600	100	8,200	-400
Eliminations	-600	400	-1,900	400
Total	160,000	2,900	149,600	2,000

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
34,916	-1,171	32,509	-303	-2,407	868
16,802	1,872	7,669	200	-9,133	-1,672
68,815	2,087	65,607	2,683	-3,208	596
19,831	372	20,708	-237	877	-609
9,170	757	8,064	456	-1,106	-301
2,646	-217	3,166	-7	520	210
132	-397	7,857	-571	7,725	-174
-104	796	-1,271	353	-1,167	-443
152,212	4,100	144,312	2,575	-7,900	-1,524

FY2021 FC	
Net sales	O. P.
33,500	500
-	-
73,800	2,100
24,100	-200
9,800	700
5,300	400
17,900	400
-2,400	-100
162,000	3,800

Microdevices	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
NJR	46,000	900	43,400	-1,200
REDC	24,500	500	20,400	-900
Eliminations	-500	0	-1,000	0
Total	70,000	1,400	62,800	-2,100

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
43,610	144	41,931	-2,427	-1,679	-2,571
22,812	375	20,515	-1,205	-2,297	-1,580
-1,137	-263	-1,306	-263	-169	0
65,285	256	61,140	-3,895	-4,145	-4,151

FY2021 FC	
Net sales	O. P.
46,800	900
25,200	500
-1,000	-300
71,000	1,100

Automobile Brakes	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
NISB	54,000	1,700	39,900	-1,300
TMD	87,200	0	68,500	-6,400
Eliminations	-5,200	0	-4,000	0
Total	136,000	1,700	104,400	-7,700

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
50,854	1,620	44,057	788	-6,797	-832
85,850	-4,152	75,106	-3,219	-10,744	933
-5,366	-808	-4,337	142	1,029	950
131,338	-3,340	114,826	-2,289	-16,511	1,050

FY2021 FC	
Net sales	O. P.
47,400	1,000
77,800	-3,000
-4,200	0
121,000	-2,000

# 4-2. Performance by Segment ②

Precision Instruments	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Precision parts	17,600	300	14,400	-400
Plastic products	50,700	1,700	39,800	-1,600
Eliminations	-3,300	-800	-3,400	-800
<b>Total</b>	<b>65,000</b>	<b>1,200</b>	<b>50,800</b>	<b>-2,800</b>

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
15,775	382	14,387	-78	-1,388	-460
52,094	1,286	40,669	-38	-11,425	-1,324
-2,441	-789	-3,637	-832	-1,196	-43
<b>65,428</b>	<b>879</b>	<b>51,419</b>	<b>-948</b>	<b>-14,009</b>	<b>-1,827</b>

FY2021 FC	
Net sales	O. P.
15,300	100
43,500	1,000
-1,800	-800
<b>57,000</b>	<b>300</b>

Chemicals	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Environment and energy related products (※)	10,500	1,900	9,700	1,700
Others	2,500	700	1,800	400
Eliminations	0	0	-200	0
<b>Total</b>	<b>13,000</b>	<b>2,600</b>	<b>11,300</b>	<b>2,100</b>

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
8,079	1,408	8,271	1,630	192	222
1,553	240	1,492	182	-61	-58
-245	0	-186	-1	59	-1
<b>9,390</b>	<b>1,649</b>	<b>9,577</b>	<b>1,811</b>	<b>186</b>	<b>161</b>

FY2021 FC	
Net sales	O. P.
10,700	2,000
2,300	500
0	0
<b>13,000</b>	<b>2,500</b>

※FC bipolar plates, Carbodilite, Insulator

Textiles	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Japan	43,000	1,300	36,600	-100
Overseas	22,500	900	15,600	-100
Eliminations	-13,500	-100	-11,800	-100
<b>Total</b>	<b>52,000</b>	<b>2,100</b>	<b>40,400</b>	<b>-300</b>

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
42,484	526	29,514	-842	-12,970	-1,368
21,970	770	14,166	-31	-7,804	-801
-14,949	-260	-9,723	61	5,226	321
<b>49,505</b>	<b>1,036</b>	<b>33,957</b>	<b>-812</b>	<b>-15,547</b>	<b>-1,849</b>

FY2021 FC	
Net sales	O. P.
38,800	1,000
19,200	500
-14,000	0
<b>44,000</b>	<b>1,500</b>

# 4-3. Performance by Segment ③

Real Estate	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Total	20,000	9,000	19,700	10,700

Other businesses, Corporate costs	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Other business	24,000	200	23,000	300
Corporate costs	0	-7,100	0	-6,200
Total	24,000	-6,900	23,000	-5,900

Segment Total	FY2020 initial FC		FY2020 revised FC	
	Net sales	O. P.	Net sales	O. P.
Total	540,000	14,000	462,000	-4,000

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
11,655	8,163	20,279	11,511	8,624	3,348

FY2021 FC	
Net sales	O. P.
14,000	7,200

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
24,844	-187	21,538	248	-3,305	435
-	-6,075	-	-6,953	0	-878
24,844	-6,263	21,538	-6,705	-3,305	-442

FY2021 FC	
Net sales	O. P.
22,000	100
-	-7,700
22,000	-7,600

FY2019		FY2020		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
509,660	6,482	457,051	1,248	-52,609	-5,234

FY2021 FC	
Net sales	O. P.
504,000	6,800

NISH: Nisshinbo Holdings Inc.

Consolidated subsidiaries of NISH.

JRC: Japan Radio Co., Ltd.

NJR: New Japan Radio Co., Ltd.

REDC: Ricoh Electronic Devices Co., Ltd.

NISB: Nisshinbo Brake Inc.

NISM: Nisshinbo Mechatronics Inc.

NISC: Nisshinbo Chemical Inc.

NIST: Nisshinbo Textile Inc.

**This document contains forecasts of performance and other projections based on information currently available and certain assumptions judged by Nisshinbo to be reasonable. Actual performance may materially differ from these projections as a result of changes in the economic environment and other risks and uncertainties.**