

Financial Results for FY2021 2Q

(Jan. 2021 – Jun. 2021)

Nisshinbo Holdings Inc.
Aug. 5, 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. FY2021 2Q Results Overview

1-1. Financial Highlights (y/y)

(mil. yen)

	FY2020	FY2021	Change	
	2Q	2Q		rate
Net sales	231,590	264,128	+32,538	+14.0%
Operating income	3,064	19,416	+16,352	+533.6%
Ordinary income	3,285	22,564	+19,279	+586.8%
Net income Attributable to Owners of Parent	5,504	17,098	+11,594	+210.6%

Sales and profits rose due to strong performance in the wireless communications, microdevices, and brake businesses.

■ **Net sales increased in wireless communications, microdevices, brakes, precision instruments, etc.**

■ **Operating income increased in wireless communications, microdevices, brakes, precision instruments, etc.**

■ **Ordinary income increased due to increase of operating income, etc.**

■ **Net income increased due to increase of ordinary income, etc.**

1-2. FY2021 2Q Net sales

(mil. yen)

	FY2020 2Q	FY2021 2Q	Change	
				rate
Wireless comms	78,236	83,015	+4,778	+6.1%
Microdevices	29,176	37,445	+8,268	+28.3%
Brakes	50,640	69,618	+18,977	+37.5%
Precision instruments	24,102	28,665	+4,562	+18.9%
Chemicals	4,343	5,239	+895	+20.6%
Textiles	17,176	16,354	-822	▲4.8%
Real estate	16,955	12,573	-4,382	▲25.9%
Others	10,958	11,217	+262	+2.4%
Total	231,590	264,128	+32,538	+14.0%

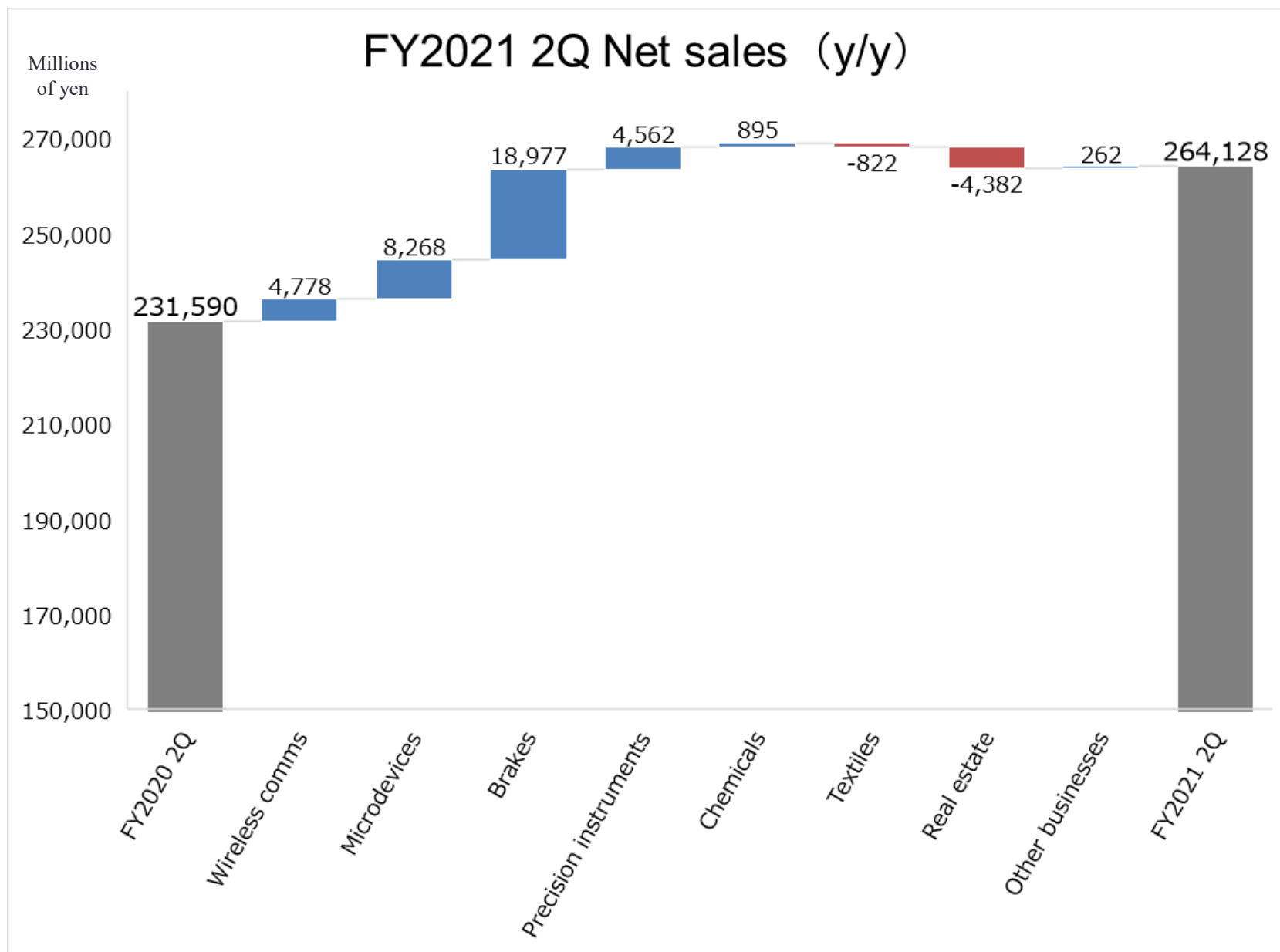
(y/y) Increased

[Wireless comms] Strong performance in water and river information systems, aviation weather systems, and disaster prevention systems for public sector.

[Microdevices] Increased due to growth in automotive and industrial equipment and telecommunications-related products, etc.

[Brakes and Precision instruments] Increased due to recovery in automobile production, etc.

1-2. FY2021 2Q Net sales



1-3. FY2021 2Q Operating Income

(mil. yen)

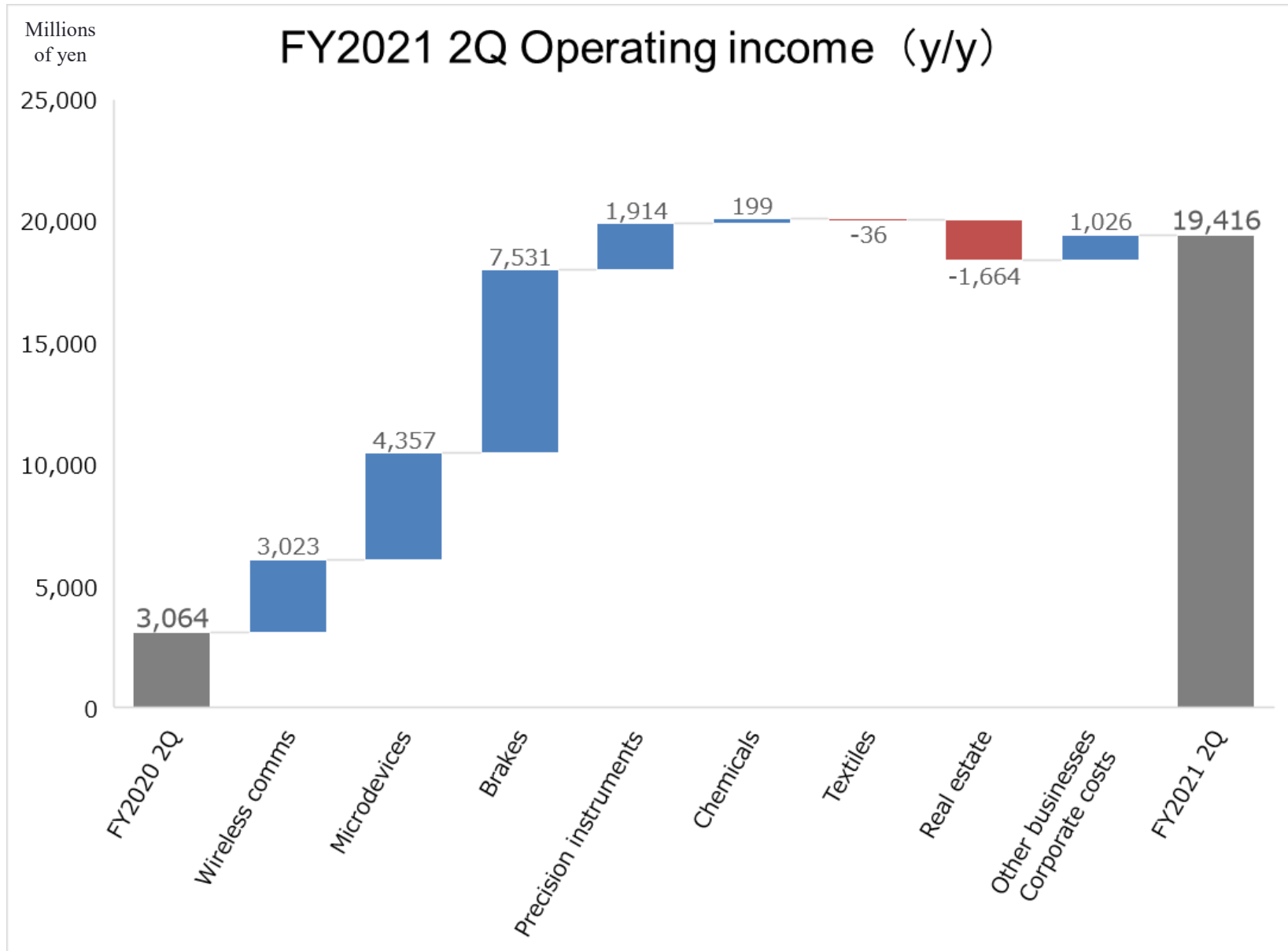
	FY2020	FY2021	Change	
	2Q	2Q		rate
Wireless comms	3,507	6,530	+3,023	+86.2%
Microdevices	-2,001	2,355	+4,357	-
Brakes	-3,728	3,802	+7,531	-
Precision instruments	-1,145	769	+1,914	-
Chemicals	703	903	+199	+28.3%
Textiles	-471	-508	-36	-
Real estate	9,630	7,966	-1,664	▲17.3%
Others & Corporate cost	-3,429	-2,403	+1,026	-
Total	3,064	19,416	+16,352	533.6%

(y/y) Increased

[Wireless comms, Microdevices, Precision instruments] Profit increased due to higher sales.

[Brakes] Turned black due to increase in new vehicle assembly applications due to recovery in automobile sales volume and aftermarket sales at TMD and progress in business restructuring.

1-3. FY2021 2Q Operating Income



1-4. Ordinary income to Net income

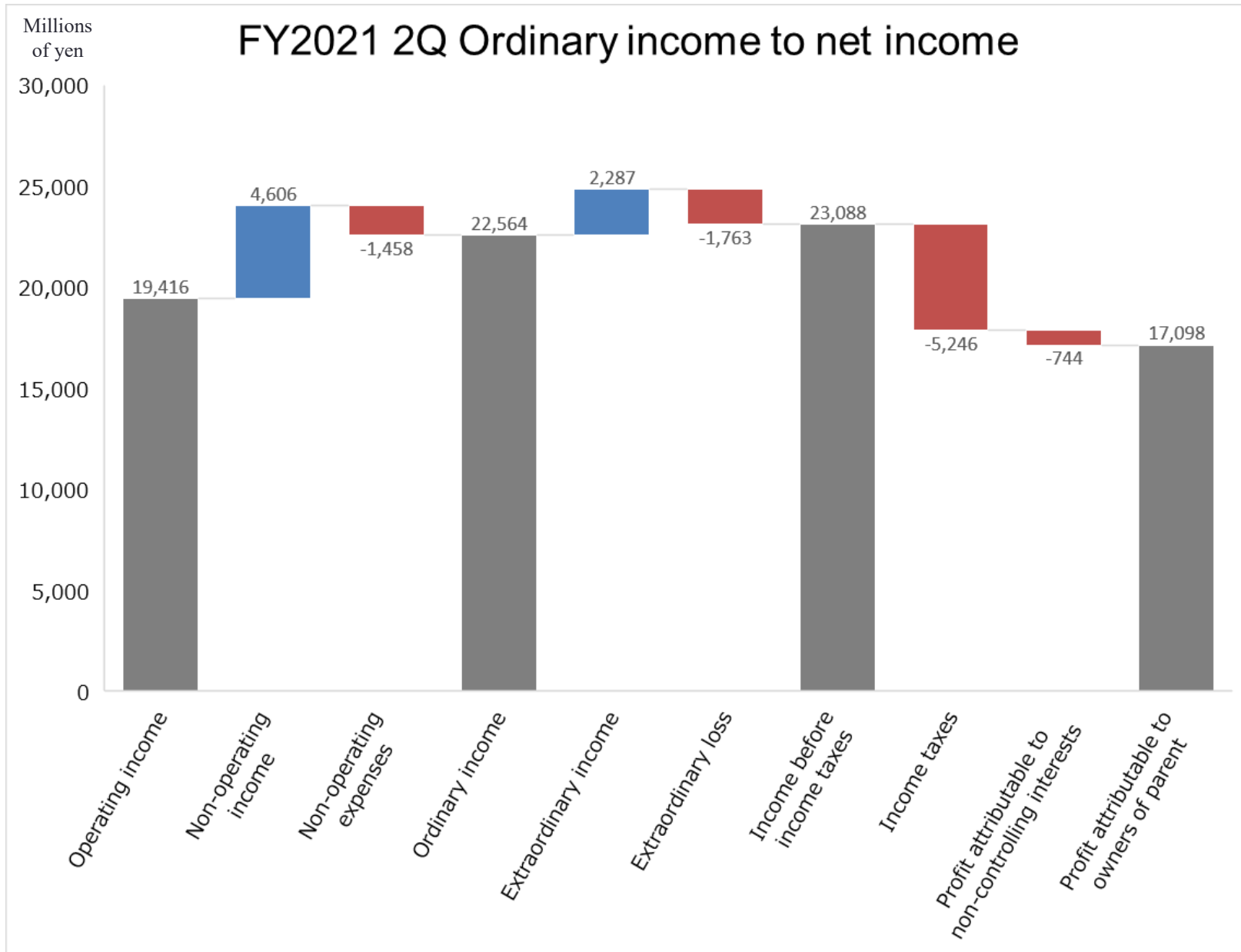
(mil. yen)

	FY2020 2Q	FY2021 2Q	Change	
				rate
Operating income	3,064	19,416	+16,352	+533.6%
Non-operating income	2,423	4,606	+2,183	+90.1%
Non-operating expenses	2,202	1,458	-744	▲33.8%
Ordinary income	3,285	22,564	+19,278	+586.8%
Extraordinary income	5,754	2,287	-3,467	▲60.3%
Extraordinary loss	694	1,763	+1,069	+154.0%
Income before income taxes	8,344	23,088	+14,744	+176.7%
Income taxes	3,606	5,246	+1,640	+45.5%
Profit attributable to non-controlling interests	-766	744	+1,510	-
Profit attributable to owners of parent	5,504	17,098	+11,594	+210.6%

(y/y) Net income Increased

Profit attributable to owners of parent: Increased due to an increase in operating income, etc.

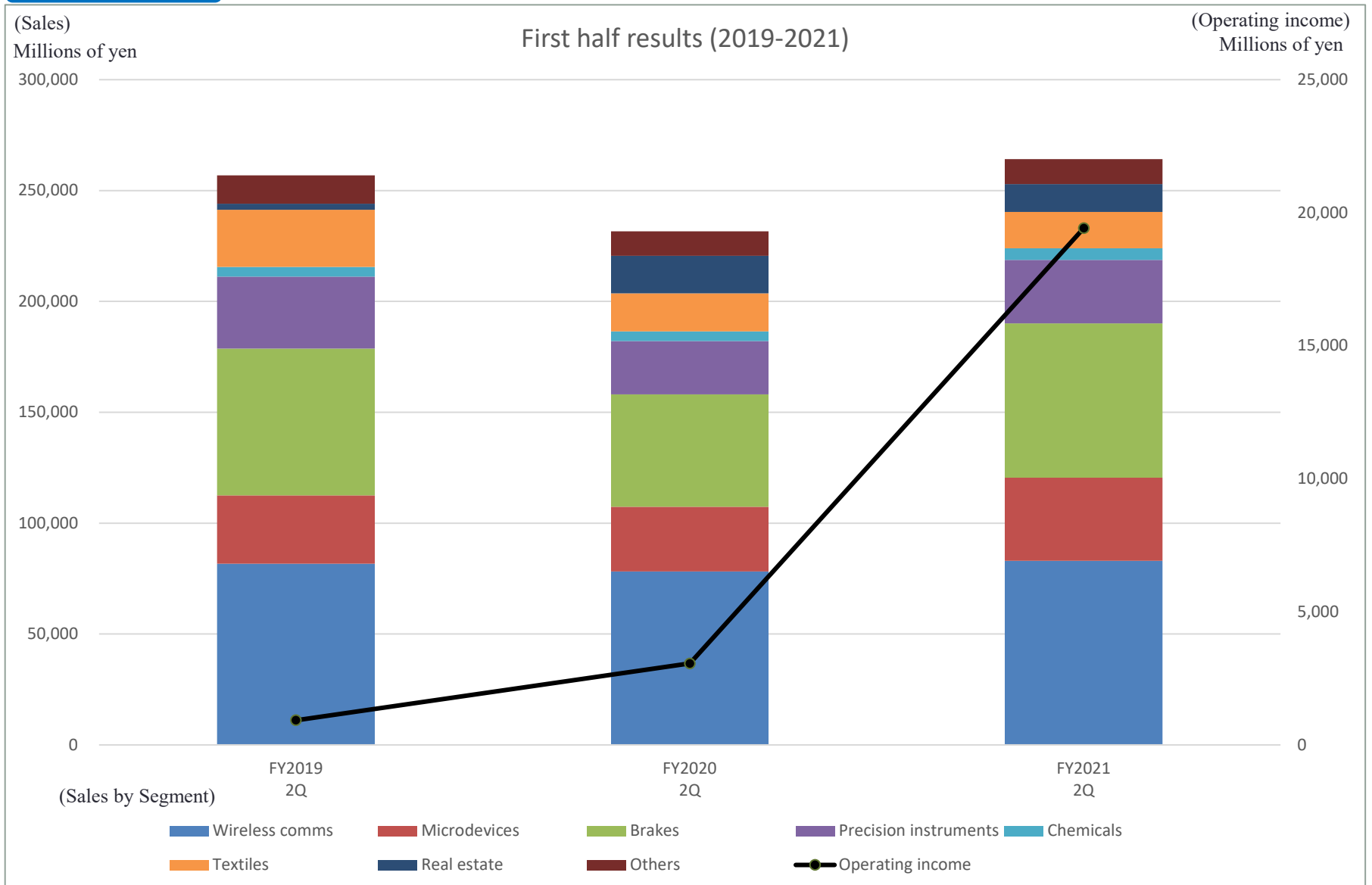
1-4. Ordinary income to Net income



2. First Half Results (2019-2021)

2-1. First Half Results (2019-2021)

Total



3. Forecast for FY2021

3-1. Forecast for FY2021

(mil. yen)

	FY2021 Initial FC Feb. 10	FY2021 Previous FC May 13	FY2021 FC Aug. 4	Change	
					rate
Net sales	504,000	510,000	510,000	+0	+0.0%
Operating income	6,800	10,000	10,000	+0	+0.0%
Ordinary income	10,000	13,500	13,500	+0	+0.0%
Net income Attributable to Owners of Parent	4,000	7,000	7,000	+0	+0.0%

No revision from previous forecast

Assumed exchange rate: US\$1 = ¥105

Exchange sensitivity: JPY250 million impact on operating income (favorable yen depreciation) due to a JPY1 yen depreciation

3-2. Sales forecast for FY2021

(mil. yen)

	FY2021 Initial FC Feb. 10	FY2021 Previous FC May 13	FY2021 FC Aug. 4	Change	
					rate
Wireless comms	162,000	161,000	161,000	+0	+0.0%
Microdevices	71,000	74,000	75,000	+1,000	+1.4%
Brakes	121,000	126,000	130,000	+4,000	+3.2%
Precision instruments	57,000	55,000	55,000	+0	+0.0%
Chemicals	13,000	13,000	13,000	+0	+0.0%
Textiles	44,000	43,000	38,000	-5,000	▲11.6%
Real estate	14,000	15,000	15,000	+0	+0.0%
Others	22,000	23,000	23,000	+0	+0.0%
Total	504,000	510,000	510,000	+0	+0.0%

■ Expected to exceed previous forecasts for microdevices and brakes due to recovery in semiconductor market conditions and automobile production volume, etc.

■ Textiles are expected to be lower than the previous forecast due to the continued decline in sales at real stores of Tokyo Shirts.

3-3. Operating Income forecast for FY2021

	(mil. yen)				
	FY2021 Initial FC Feb. 10	FY2021 Previous FC May 13	FY2021 FC Aug. 4	Change	
					rate
Wireless comms	3,800	3,800	3,800	+0	+0.0%
Microdevices	1,100	1,500	3,000	+1,500	+100.0%
Brakes	-2,000	300	300	+0	+0.0%
Precision instruments	300	300	300	+0	+0.0%
Chemicals	2,500	2,500	2,500	+0	+0.0%
Textiles	1,500	1,200	-300	-1,500	-
Real estate	7,200	8,000	8,000	+0	+0.0%
Others & Corporate cost	-7,600	-7,600	-7,600	+0	+0.0%
Total	6,800	10,000	10,000	+0	+0.0%

4. Business strategies of Wireless and communications

4-1. Disaster Prevention Solutions (1) Climate Change and Disasters

Social issues

Extreme, severe, and frequent occurrence of natural disasters due to climate change

Measures

- Measures to curb global warming (reduction of greenhouse gases)
- Provision of disaster prevention and mitigation solutions



2017 heavy rain in northern Kyushu



July 2018 heavy rain (Okayama)



2019 Chikuma River flood damage

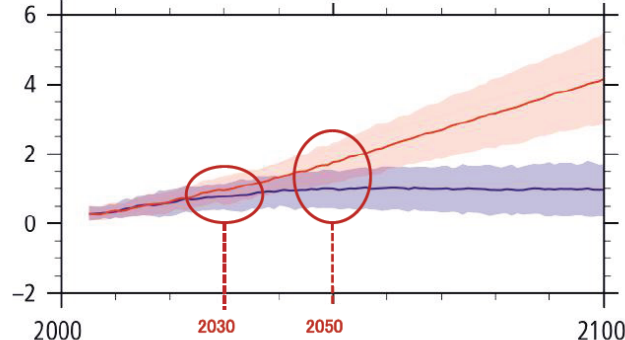


2020 Kuma River Damage

Izusan Mountain Sediment Disaster in 2021

Global Warming Scenario and Measures

【世界平均地上気温変化予測】
(1986~2005年平均との差)



4°Cシナリオ :
現状を上回る温暖化対策をとらなければ、産業革命時期比で3.2~5.4°C上昇

2°Cシナリオ :
厳しい対策をとれば、産業革命時期比で0.9~2.3°C上昇

(参考)1.5°Cシナリオ :
抜本的なシステム移行が達成された場合、高い確率で産業革命時期比で1.5°C未満の上昇

Exhibition: IPCC AR5 SYR

Climate change scenario	Precipitation	Flow rate	Frequency of floods
Equivalent to 2°C rise	1.1 times	1.2 times	Double

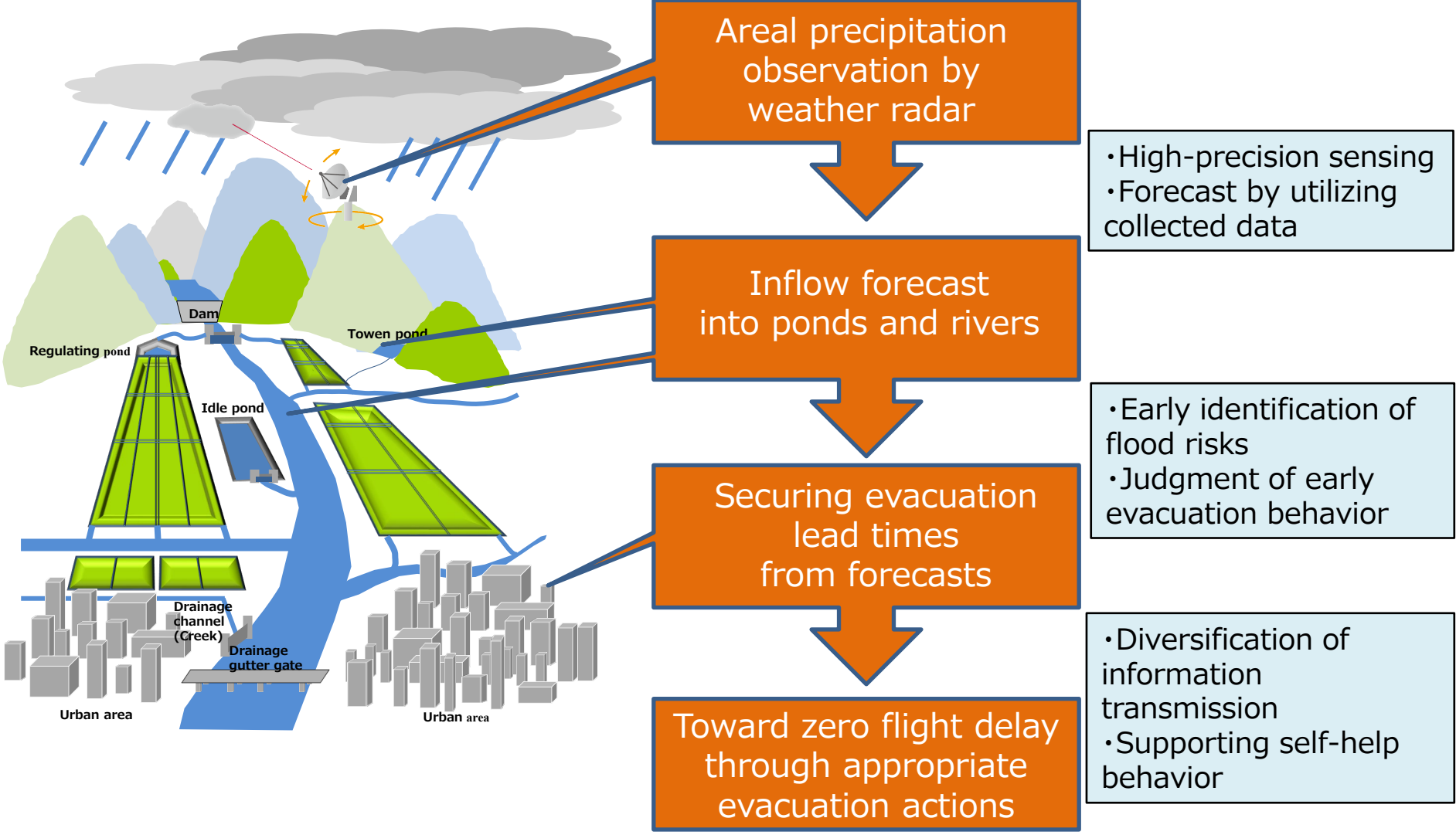
気候変動が2°C上昇した場合の降雨量、洪水発生頻度の増加見込み(国交省試算)

Shift to watershed flood control measures

Need for new disaster prevention and mitigation solutions

4-1. Disaster Prevention Solutions (2) Flood Control Measure

■ Efforts for Flood Control Measures



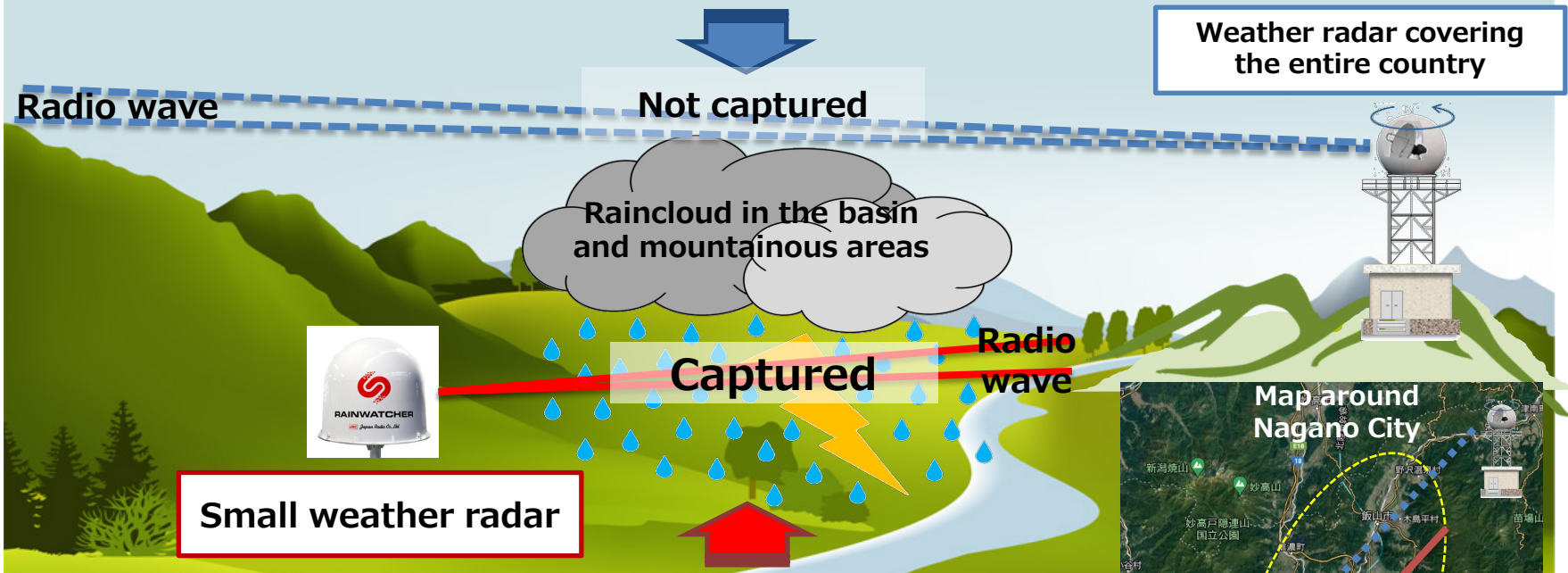
4-1. Disaster Prevention Solution (3) Issues in Precipitation Observation

■ Issues and Countermeasures in Precipitation Observation

Challenges: Decrease in observation accuracy due to the impact of landscape

- Weather radar covers a wide area with about 20 units (in the case of the Meteorological Agency)
- Rains occurring in basins may not be observable in mountainous areas.

Weather radar covering the entire country



Small weather radar



Measures: Interpolation by regional small-scale systems

- Install a compact weather radar in mountainous areas and basins.
- High-precision observation of localized low-altitude rainfall
- Capable of responding to river floods including major rivers and tributaries

4-1. Disaster Prevention Solutions (4) Various Initiatives-1

Phased Array Meteorological Radar for Heavy Rain

フェーズドアレイ気象レーダ

観測時間が従来の20分の1に

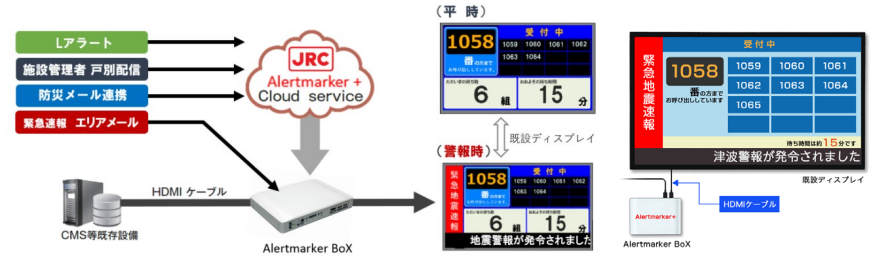
10分 (従来)
30秒 (フェーズドアレイ)
1/20 短縮

従来の気象レーダの観測 (従来)
フェーズドアレイ気象レーダの観測 (フェーズドアレイ)

Wider beams can be transmitted and received than conventional weather radars, enabling the observation of three-dimensional rain clouds in a short time.

The three-dimensional space is observed instantaneously, and the movement of the three-dimensional precipitation echo of the short time interval can be seen.

Alertmarker+



A system that enables visual distribution of disaster information simply by connecting to display, such as signage. Quick information can be provided at large gathering locations such as commercial facilities and buildings.

Smartphone app



Transmit information on disaster prevention administration radio by voice and letters.

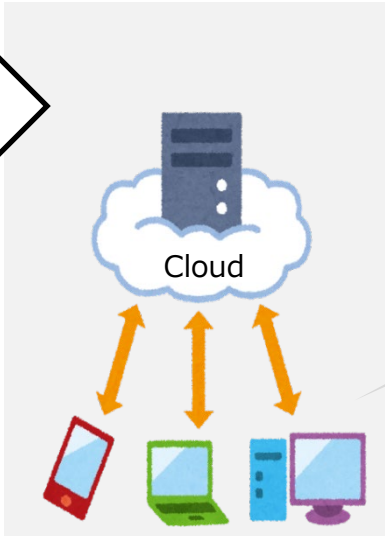
Confirm information on evacuation centers and safety.

Reservoir Surveillance System

Transmission equipment installed at the site sends water level and camera image (still image) to the cloud at 10-minute intervals by using a mobile phone network (LTE).



4G(LTE)



Sending e-mail in excess of the standard value

Support for disaster prevention



地図上での視覚的な表示

グラフを用いた視覚的な表示

スマートフォン
シンプルな操作性

Have to lower water level soon!



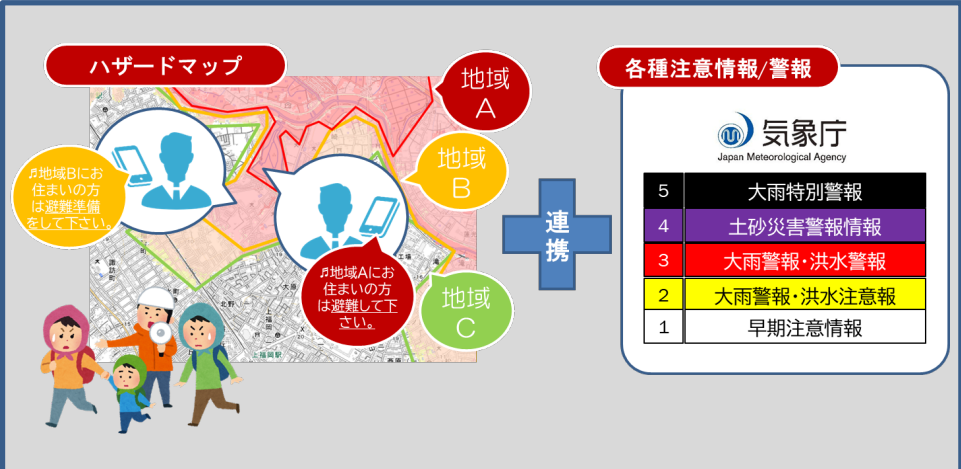
Mobile information board

Information required by users in the target area with text and voice to the smartphone by push!

※ Multilingual support is also under development



Scene 1
Notice the information set by the road manager at the time of passing the area



Scene 2
Promote evacuation through smartphones to residents in areas marked by hazard maps in conjunction with various warnings/alarms to be notified

4-2. Growth Strategy for Marine Systems Business (1)

Example: Autonomous Navigation of Manned Vessel ①

Realizing a Smart Bridge System

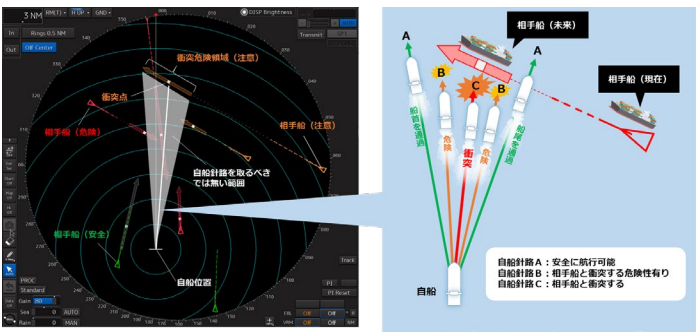
Collision hazard area display (OZT:Obstacle Zone by Target)
Calculate risk of conflict with other vessels in navigation areas and display dangerous areas

Avoidance route presentation (PP:Path Planner)
Forecast the behavior of vessels in the vicinity, calculate avoidance routes, and present safe avoidance plans



From the Japan Ship Technology Research Association

Ship operating decision support system
A system that combines high-precision sensing equipment that integrates and develops conventional technologies to realize Decision support along with cloud-based content



Realize highly secure voyage and reduce the burden on vessel operation as the culmination of the second-generation Smart Ship

■ Example: Autonomous Navigation of Manned Vessel ② Realization of Fleet Operation Center

Expand sales of comprehensive onshore platforms with operational management functions required for automated vessels, such as support functions from land through remote monitoring and remote operation functions in emergencies



Comprehensive operational support center

- Realize a comprehensive operation function that monitors multiple vessels and remotely supports the safe operation of vessels
- Contribute to reducing GHG emissions by providing information useful to reduce operating costs, such as weather and marine meteorology, along with various operational support equipment, and energy-efficient operations with optimal route information

Evolve into a comprehensive system integrator and work to plan and provide systems that contribute to further reductions in GHG emissions.

4-3. 4G(LTE)/5G Business Development

■ Example: 4G (LTE)/5G Businesses

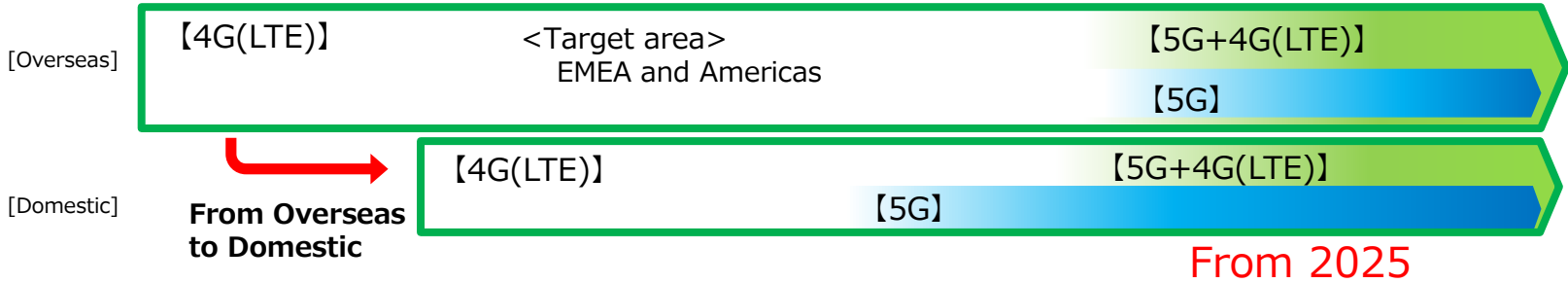


4G(LTE) One-BOX
Example of Integrated Core Network and Portable Base Station

Concept: Private Network Specific Solutions

Business Strategy: 4G advance overseas, 5G demonstrate domestic

- Overseas: From 4G (private LTE) to 5G 4G (LTE) achievement : 12 countries in Europe, North & South America.
- Domestic: Local 5G demonstration trials and overseas use case expansion

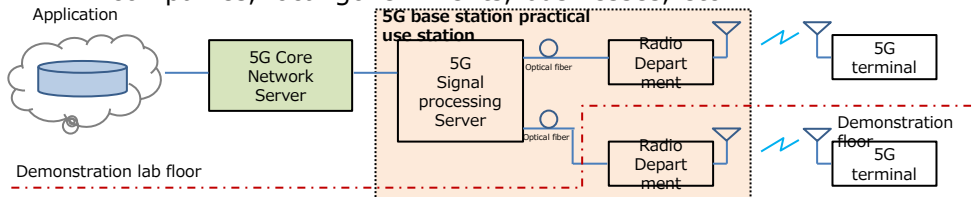


Efforts in overseas strategic markets (Public safety)

- Establishment of a global sales and customer support system: Established a cooperative system with Raycom and several other companies to expand sales
- Establishment of Customer Support Center in the Philippines
- Signed an OEM contract with a local company in Brazil: Phased technology transfer, local production and expansion to other bases in the future
- Started orders and shipments of portable systems for public safety and systems for industries (marine rigs, etc.)
- Development of digital applications and robust, small portable base stations, such as video sharing and location information management

Promote demonstration of local 5G by obtaining radio license for practical stations (June)

- Sub-6GHz band (Sub6)/SA (stand-alone) configuration (4G not required)
- Identifying the characteristics of 5G systems and demonstrating their use in a variety of applications
- Conducted demonstrations and local 5G utilization discussions for companies, local governments, businesses, etc.



4-4. Wireless & Communications Business (1)

■ Wireless and communications business development



Marine systems business

JRC supports safe and secure voyages for merchant ships, work boats and fishing vessels around the world by developing high-performance and high-quality products based on the advanced technology and the wealth of experience, which lead the world's marine electronics.

- Integrated bridge system
- Radar
- Inmarsat Marine Earth Station



Solutions and specialized equipment business

JRC's solutions business provides comprehensive support for the operations of socially important infrastructure. It provides optimal solutions for various businesses based on highly reliable products and also provides wireless application equipment and systems to the Ministry of Defense. It also aims to expand into the aerospace field as a growth field.

- Disaster prevention system
 - Water and river management system
 - Aircraft control equipment, weather radar
- (Specialized equipment)
- Radar equipment and systems
 - Communication equipment & systems
 - Wireless applications and systems
 - Collision avoidance sensor for unmanned vehicles



4-4. Wireless & Communications Business (2)

■ Wireless and communications business development



ICT and mechatronics business

JRC's ICT and mechatronics business aims to create convenient and comfortable smart communities. It is engaged in electronic components for next-generation vehicles (eco-cars) and office equipment, contributing to compactness, high efficiency, and energy saving.

- IoT platform
- Payment terminals for credit cards
- Copying machines and professional printers
- Industrial equipment for production lines
- Automotive Electronic Components



Medical equipment business

JRC's medical business provides medical electronics equipment that meets the sophisticated demands of medical care, based on its core strengths in ultrasound and imaging technologies.

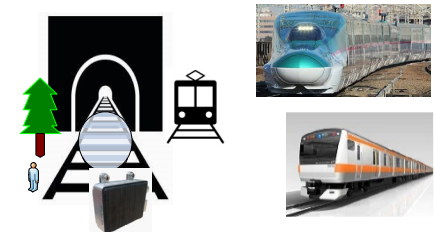
- Ultrasonic diagnostic equipment
- Transducers (probes, etc.)
- Intravascular imaging device
- Miniature ultrasonic display device
- Dispensing and Analysis Equipment



Mobility business

JRC Mobility combines the Group's wireless and electronic device technologies to appropriately respond to rapid technological innovations and expands the business in the field of autonomous driving, electrification and connected.

- ETC2.0 Automotive device
- GPS receiver
- Mobile Locator
- Automotive Sensors
- Railway Safety Management Radio System



5-1. Financial results by segment ①

Current period

FY2021

Wireless and communications	FY2020	
	Net sales	O. P.
Marine systems	32,509	-303
Communications eqp	7,669	200
Solutions	65,607	2,683
Mechatronics & Power supply	20,708	-237
Medical equipment	8,064	456
Others	3,166	-7
JRC Mobility	7,857	-571
Eliminations	-1,271	353
Total	144,312	2,575

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
15,890	-751	16,234	332	344	1,083
3,494	173	-	-	-3,494	-173
39,535	3,669	42,280	5,462	2,745	1,793
10,394	-95	11,911	420	1,517	515
4,017	353	4,094	-37	77	-390
1,536	9	2,093	443	557	434
3,803	-79	7,667	-6	3,864	73
-436	228	-1,264	-84	-828	-312
78,236	3,507	83,015	6,530	4,778	3,023

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
33,500	500	33,500	500	33,500	500
0	0	0	0	0	0
73,800	2,100	73,800	2,100	73,800	2,100
24,100	-200	24,100	-200	24,100	-200
9,800	700	9,800	700	9,800	700
5,300	400	5,300	400	5,300	400
17,900	400	17,900	400	17,900	400
-2,400	-100	-3,400	-100	-3,400	-100
162,000	3,800	161,000	3,800	161,000	3,800

Microdevices	FY2020	
	Net sales	O. P.
NJR	41,931	-2,427
REDC	20,515	-1,205
Eliminations	-1,306	-263
Total	61,140	-3,895

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
20,877	-1,072	24,951	2,111	4,074	3,183
8,908	-797	13,287	387	4,379	1,184
-609	-132	-793	-143	-184	-11
29,176	-2,001	37,445	2,355	8,268	4,357

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
46,800	900	49,700	1,900	50,500	2,200
25,200	500	26,300	800	26,300	1,000
-1,000	-300	-2,000	-1,200	-1,800	-200
71,000	1,100	74,000	1,500	75,000	3,000

Automobile Brakes	FY2020	
	Net sales	O. P.
NISB	44,057	788
TMD	75,106	-3,219
Eliminations	-4,337	142
Total	114,826	-2,289

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
18,212	-959	24,964	2,257	6,752	3,216
34,240	-2,921	46,971	1,514	12,731	4,435
-1,812	152	-2,317	31	-505	-121
50,640	-3,728	69,618	3,802	18,977	7,531

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
47,400	1,000	48,700	2,100	52,700	2,100
77,800	-3,000	81,700	-1,800	81,700	-1,800
-4,200	0	-4,400	0	-4,400	0
121,000	-2,000	126,000	300	130,000	300

5-1. Financial results by segment ②

Current period

FY2021

Precision Instruments	FY2020	
	Net sales	O. P.
Precision parts	14,387	-78
Molding products	40,669	-38
Eliminations	-3,637	-832
Total	51,419	-948

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
6,064	-246	7,601	155	1,537	401
19,489	-506	22,784	1,013	3,295	1,519
-1,451	-393	-1,720	-399	-269	-6
24,102	-1,145	28,665	769	4,562	1,914

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
15,300	100	15,300	100	15,300	100
43,500	1,000	43,500	1,000	43,500	1,000
-1,800	-800	-3,800	-800	-3,800	-800
57,000	300	55,000	300	55,000	300

Chemicals	FY2020	
	Net sales	O. P.
Environment and energy related products (※)	8,271	1,630
Others	1,492	182
Eliminations	-186	-1
Total	9,577	1,811

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
3,710	615	4,577	753	867	138
748	90	768	151	20	61
-115	-1	-105	-1	10	0
4,343	703	5,239	903	895	199

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
10,700	2,000	10,700	2,000	10,700	2,000
2,300	500	2,300	500	2,300	500
0	0	0	0	0	0
13,000	2,500	13,000	2,500	13,000	2,500

※FC bipolar plates, Carbodilite, Insulator

Textiles	FY2020	
	Net sales	O. P.
Japan	29,514	-842
Overseas	14,166	-31
Eliminations	-9,723	61
Total	33,957	-812

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
15,048	-426	13,006	-551	-2,042	-125
7,052	-99	7,793	-16	741	83
-4,924	54	-4,445	59	479	5
17,176	-471	16,354	-508	-822	-36

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
38,800	1,000	37,400	700	31,000	-500
19,200	500	19,200	500	17,000	200
-14,000	0	-13,600	0	-10,000	0
44,000	1,500	43,000	1,200	38,000	-300

5-1. Financial results by segment ③

Current period

FY2021

Real Estate	FY2020	
	Net sales	O. P.
Total	20,279	11,511

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
16,955	9,630	12,573	7,966	-4,382	-1,664

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
14,000	7,200	15,000	8,000	15,000	8,000

Other businesses, Corporate costs	FY2020	
	Net sales	O. P.
Other business	21,538	248
Corporate costs	-	-6,953
Total	21,538	-6,705

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
10,958	94	11,217	135	262	41
-	-3,524	-	-2,539	0	985
10,958	-3,429	11,217	-2,404	262	1,026

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
22,000	100	23,000	100	23,000	100
-	-7,700	-	-7,700	-	-7,700
22,000	-7,600	23,000	-7,600	23,000	-7,600

Segment Total	FY2020	
	Net sales	O. P.
Total	457,051	1,248

FY2020 2Q		FY2021 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
231,590	3,064	264,128	19,416	32,538	16,352

FY2021 FC (Feb. 10)		FY2021 FC (May 13)		FY2021 FC (Aug. 5)	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
504,000	6,800	510,000	10,000	510,000	10,000

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.