

# Financial Results for the Fiscal Year Ending March 2017 (Apr. 2016 – Sep. 2016)

November 2016

**Nissinbo Holdings Inc.**

# ABBREVIATION LISTS

NISH: Nisshinbo Holdings Inc.

The followings are consolidated subsidiaries of NISH.

JRC: Japan Radio Co., Ltd.

NJR: New Japan Radio Co., Ltd.

NJRC: Nagano Japan Radio Co., Ltd.

UJRC: Ueda Japan Radio Co., Ltd.

NISB: Nisshinbo Brake Inc.

NISM: Nisshinbo Mechatronics Inc.

NISC: Nisshinbo Chemical Inc.

NIST: Nisshinbo Textile Inc.

NISP: Nisshinbo Paper Products Inc.

# Management Policy

## Philosophy

- Corporate Philosophy  
Public Entity, Consistent Integrity, Innovation

## Mission

- Business Conduct Guidelines

Providing solutions to sustainable society as an “environmental and energy company” group

## Value

Environment, Safety/Security, Disaster prevention, Health, Comfort, Sustainability, Convenience/Smart

## Domain

Strategic Business Domains

- ① Wireless Communications and Electronics
- ② Automotive Parts and Devices
- ③ Lifestyle and Materials
- ④ New Energy and Smart Society

## Strategy

- ① M&A
- ② Expansion of the existing domains
- ③ R&D

# CORPORATE VALUE OF NISSHINBO GROUP

— As an Environmental and Energy company Group —

New era of Technological Innovation & Super Smart Society

- ✓ Drive Productivity and Performance, Inspire Creativity and Innovation
- ✓ Environmental management
- ✓ Cash flow management
- ✓ Global management

↑  
(Enhancement of management quality)  
Corporate culture

- CSR
- Corporate Governance
- Technology & Marketing
- Diversity
- Communication

**Corporate Philosophy**  
Public Entity  
Consistent Integrity  
Innovation

**Business Conduct Guideline**  
Compliance      Workplace(Safety)  
Environment      Product Safety  
Human Rights      Procurement

- M & A
- ROE, ROA
- Strategic Business Domains (Portfolio)
- Return to Shareholders

Long-term Strategic plan  
FY2026  
Net Sales: 1 trillion yen  
ROE: 12%

→ Improvement of performance (Quantitative growth)

# Long-Term Strategic Plan

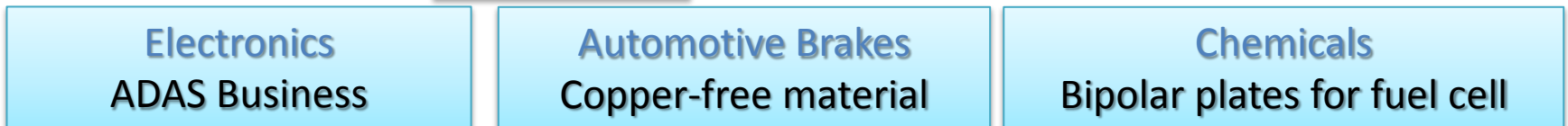
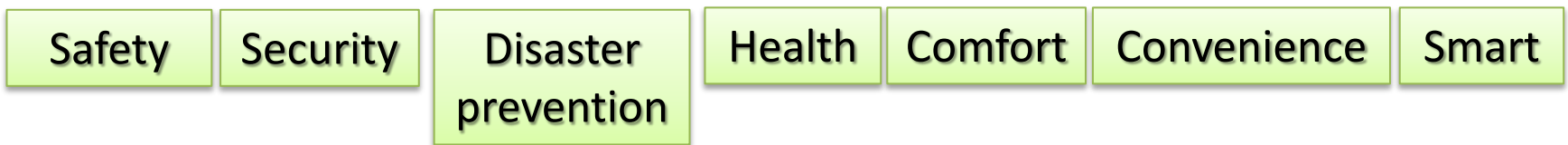
FY ending Mar. 2026 Net Sales: 1 trillion yen, ROE:12%



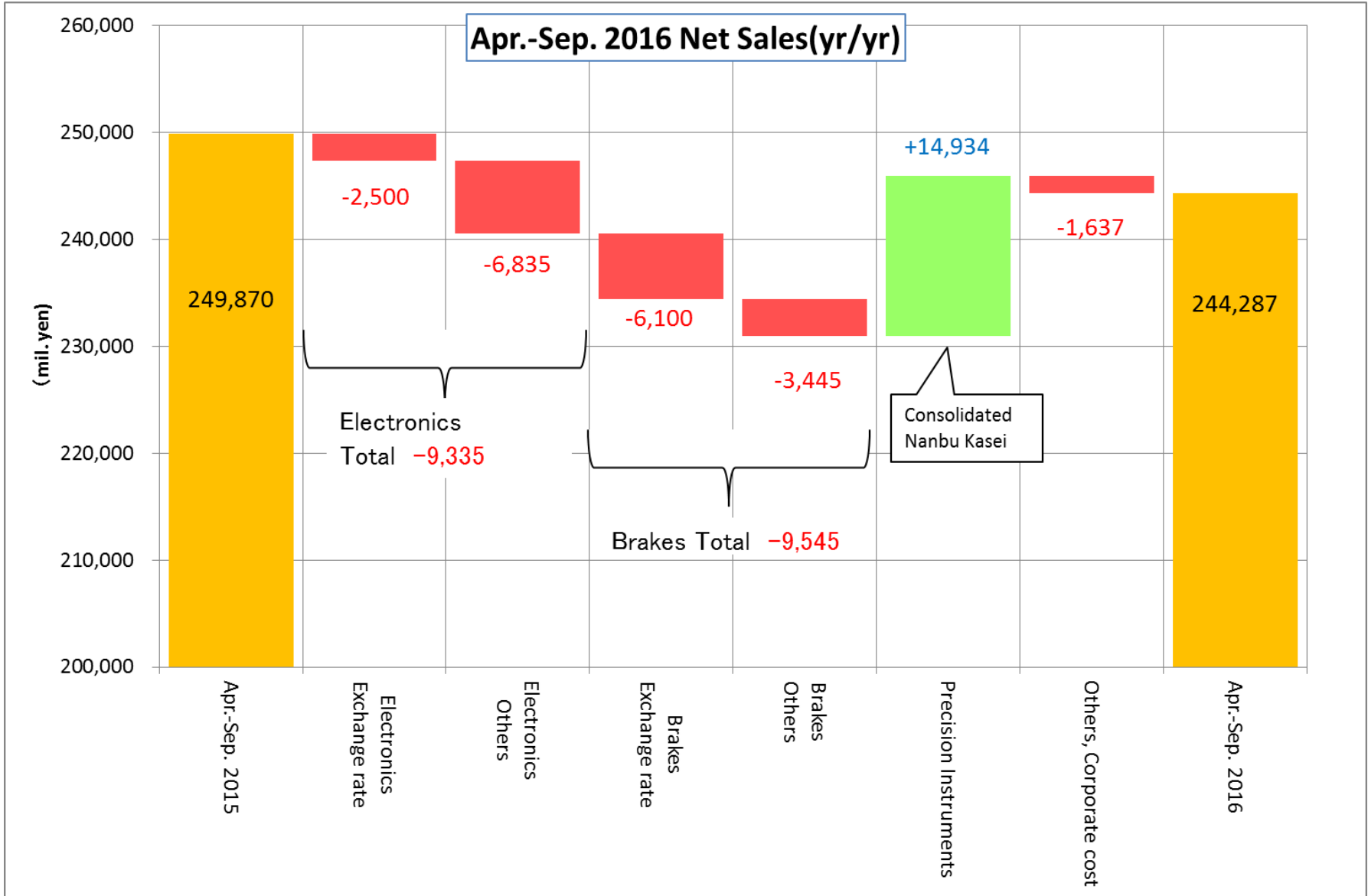
## Strategic Business Domains



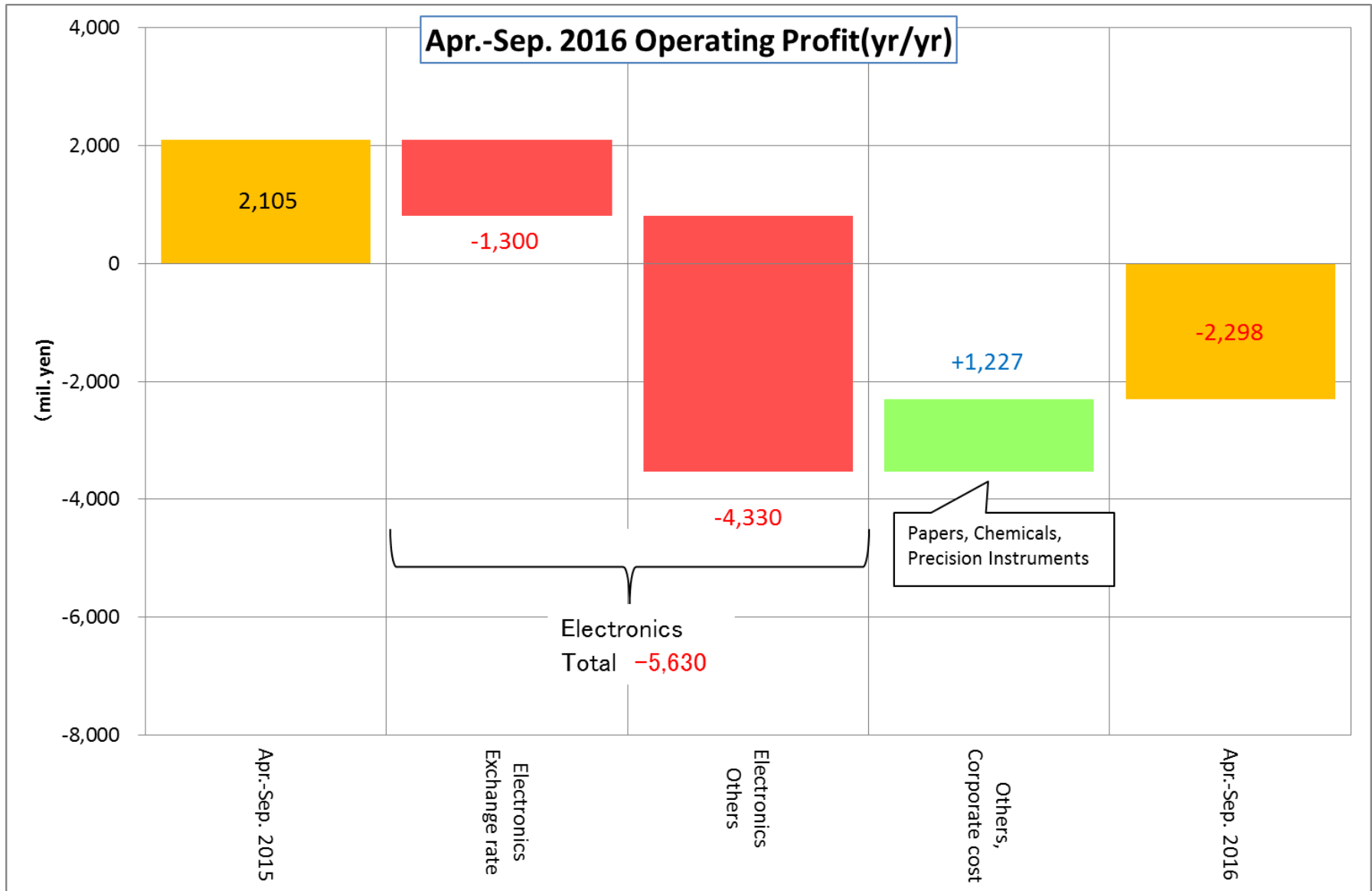
## Value Creation



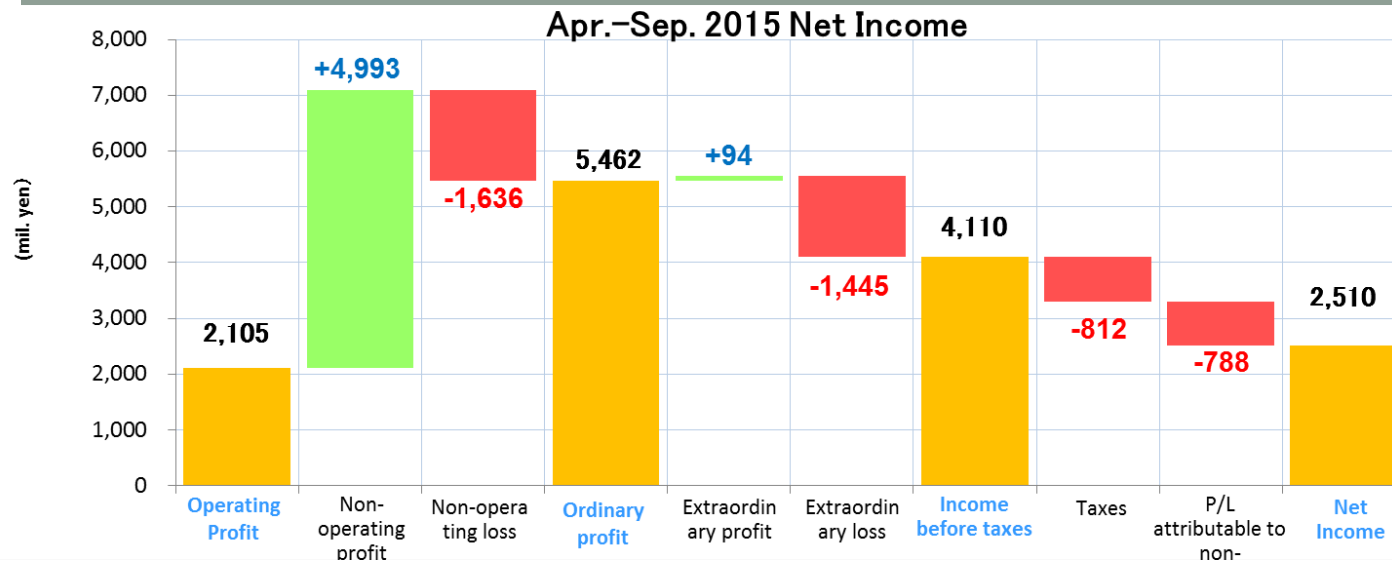
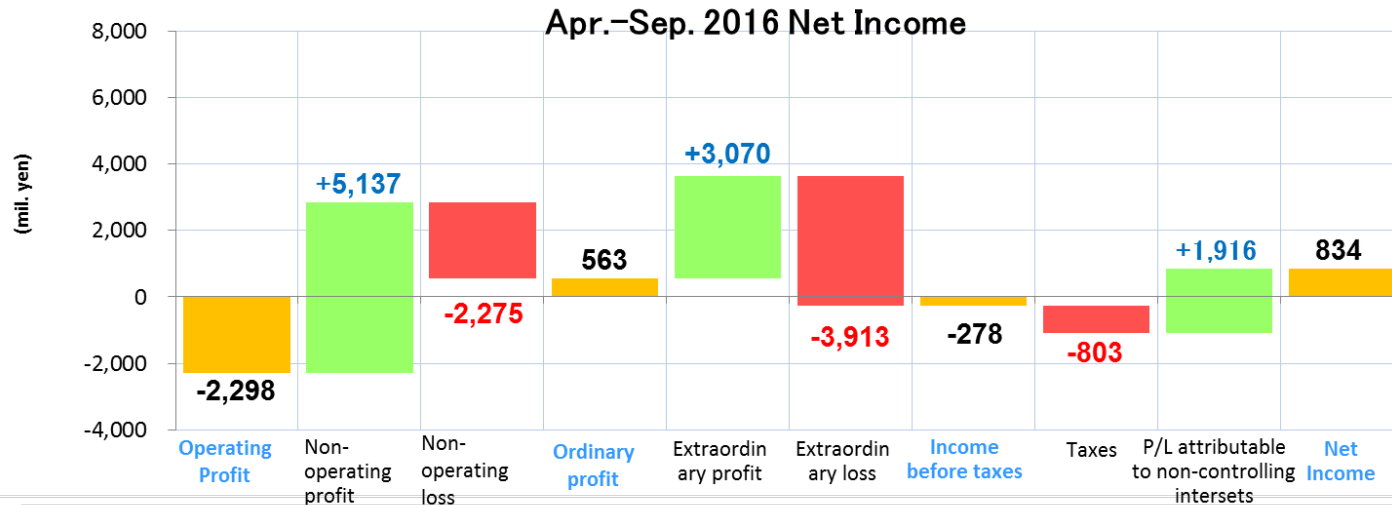
# 2Q Results (yr/yr) Net Sales Decrease



# 2Q Results (yr/yr) Operating Profit



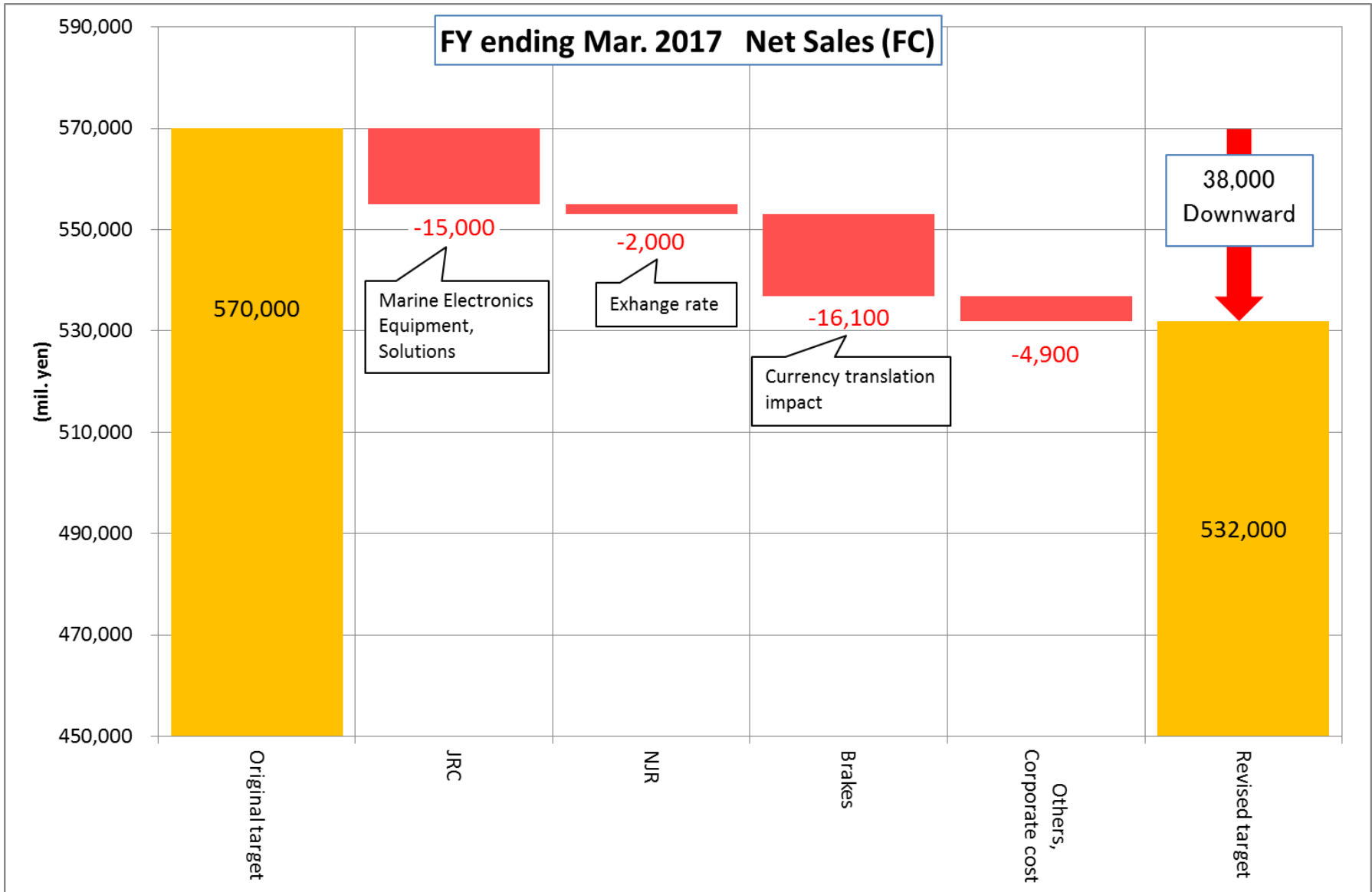
# 2Q Results Net income (yr/yr)



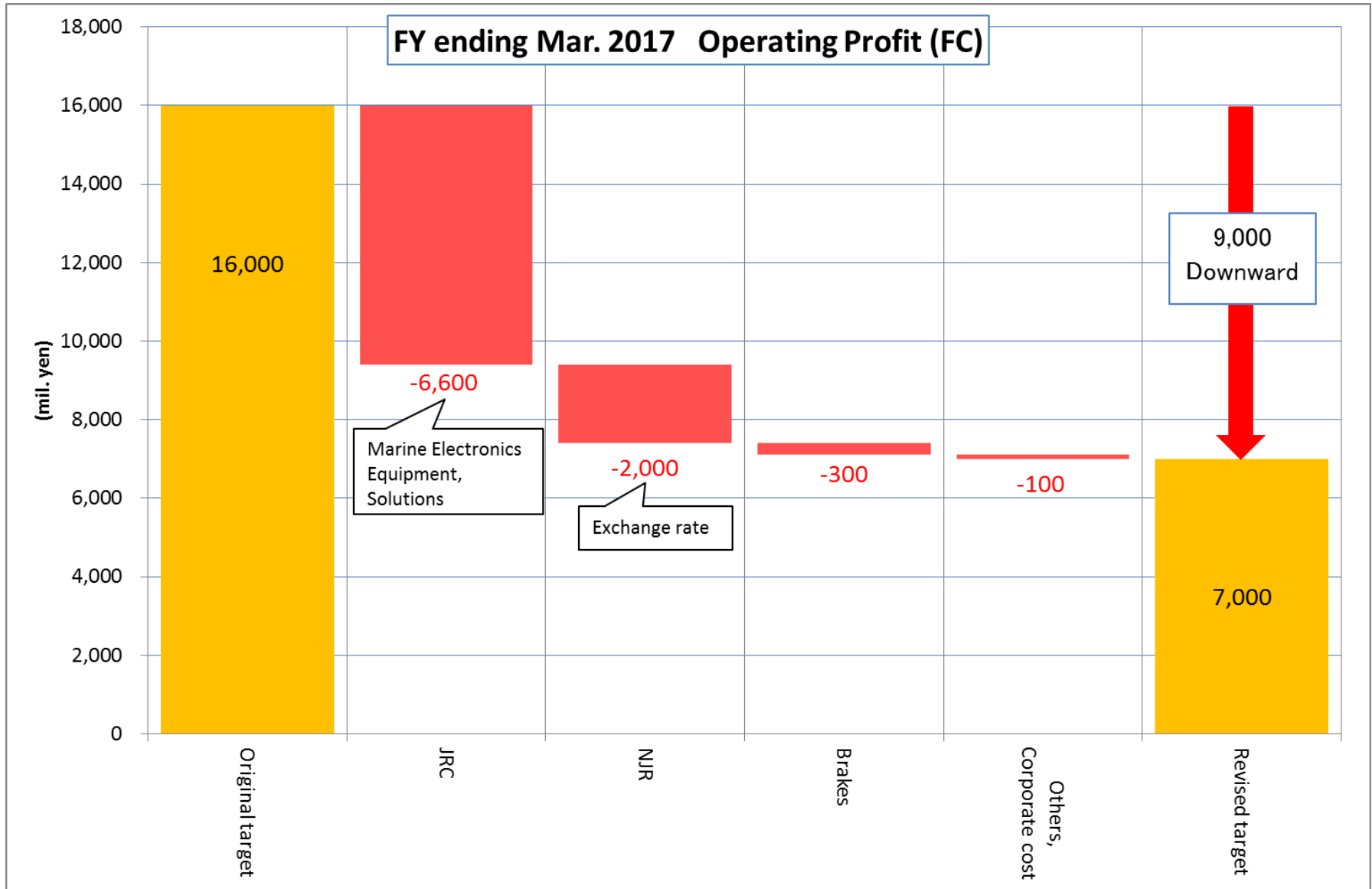


# Full year Forecast

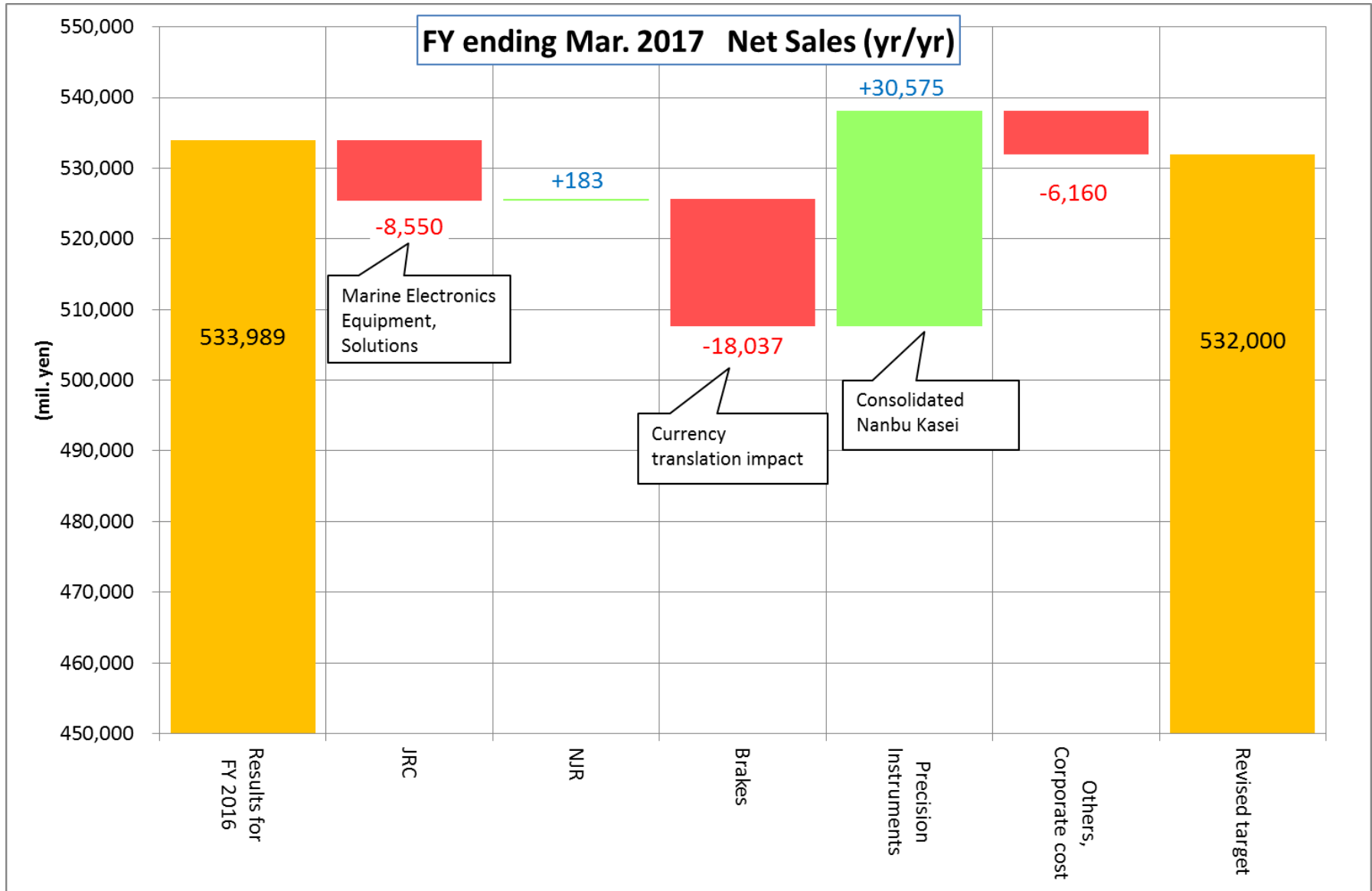
# Full year FC (vs Target) Net Sales



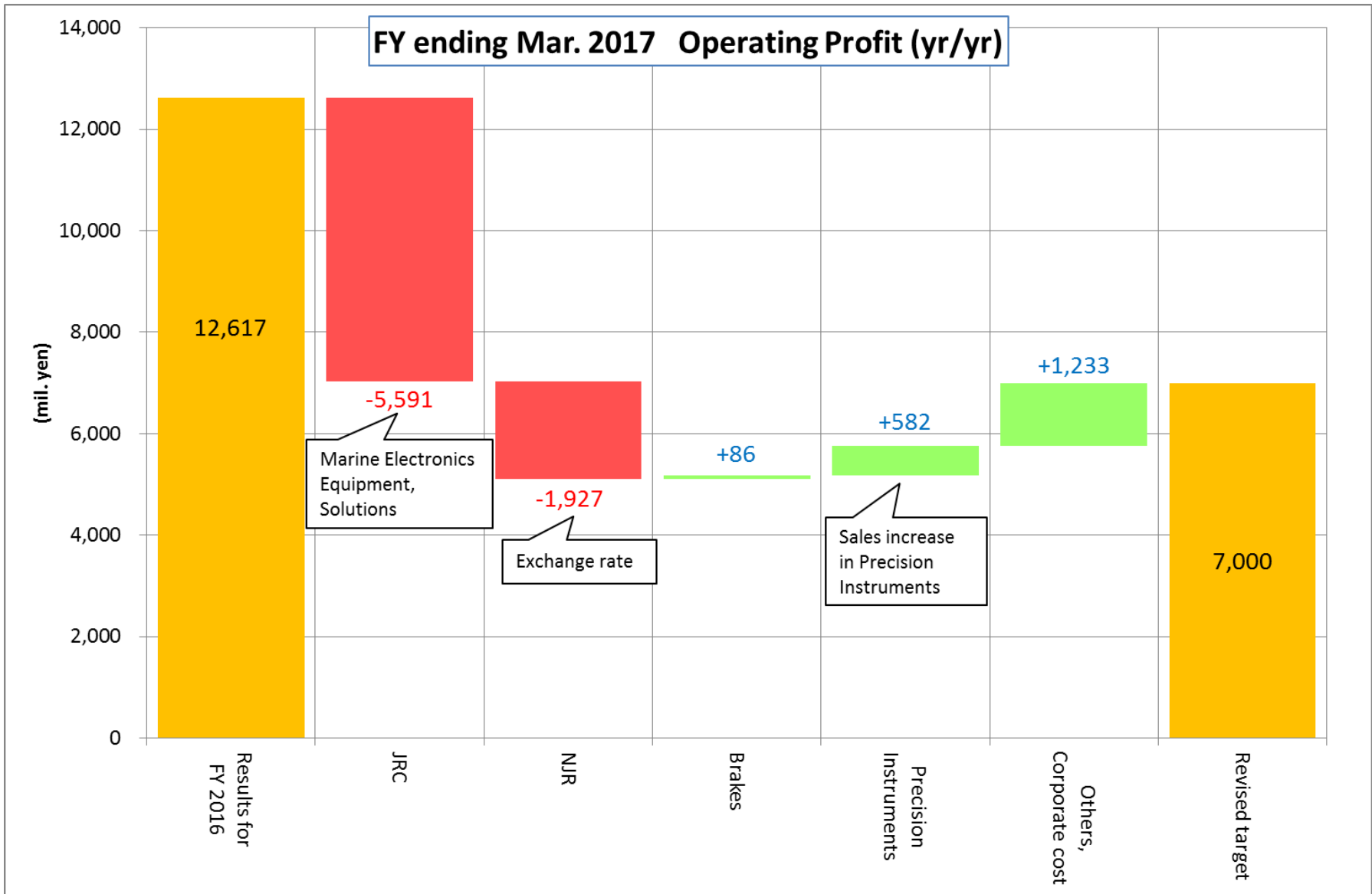
# Full year FC (vs Target) Operating Profit



# Full year FC (yr/yr) Net Sales



# Full year FC (yr/yr) Operating Profit



# FY ENDING MAR. 2017 DOWNWARD REVISION

(mil. yen)

Business Segment		Revised FC for FY 2017	Original FC for FY 2017	Results for FY 2016	Results for Apr.-Sep 2016	FC for Apr.-Sep 2016	Results for Apr.-Sep 2015
Electronics	Net sales	197,000	214,000	205,367	76,017	77,000	85,352
	Operating income	800	9,400	8,318	▲ 5,565	▲ 900	65
Brakes	Net sales	147,000	163,100	165,037	74,562	80,500	84,107
	Operating income	▲ 800	▲ 500	▲ 886	▲ 499	▲ 600	▲ 316
Precision instruments	Net sales	60,100	60,700	29,525	29,943	29,800	15,009
	Operating income	900	1,400	318	435	100	252
Chemicals	Net sales	10,400	10,500	8,285	4,065	4,500	3,967
	Operating income	1,300	1,200	753	581	300	293
Textiles	Net sales	55,700	56,800	57,503	26,979	28,000	28,675
	Operating income	1,800	2,300	1,872	857	1,100	889
Papers	Net sales	32,700	34,000	32,584	15,400	15,700	15,463
	Operating income	2,300	1,600	742	1,053	700	362
Real estate	Net sales	8,300	8,200	8,357	4,107	3,800	4,103
	Operating income	5,100	5,100	5,795	2,917	2,500	2,770
Others	Net sales	20,800	22,700	27,327	13,211	10,700	13,192
	Operating income	400	300	▲ 217	26	100	▲ 172
Corporate/ Eliminations	Net sales	-	-	-	-	-	-
	Operating income	▲ 4,800	▲ 4,800	▲ 4,076	▲ 2,105	▲ 2,300	▲ 2,040
Total	Net sales	532,000	570,000	533,989	244,287	250,000	249,870
	Operating income	7,000	16,000	12,617	▲ 2,298	1,000	2,105
	Ordinary income	11,000	21,000	17,034	563	3,000	5,462
	Net income	5,000	10,000	10,775	834	2,000	2,510
Exchange rate (Average)	JPY/USD	105.00	120.00	121.03	111.80	120.00	120.48
	JPY/EUR	115.00	130.00	133.69	124.36	130.00	133.83

# TOPICS (1)

## Corporate Governance

- We have formulated a Corporate Governance Policy to make our business more transparent and support rapid, bold decision-making and generate sustained growth and increase corporate value.
- After securing approval at the General Shareholder's Meeting in June, we have reduced the number of directors from 13 to 10, with no change in the number of four outside directors.
- We have voluntarily established a Nomination Committee and a Remuneration Committee to improve management transparency.

# TOPICS (2)

## Kawagoe site of Japan Radio

Japan Radio has established a business site in Fujimino, which focuses on system engineering solutions.





Electronics		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
JRC	150,000	-1,000	165,000	5,400	58,500	-2,500	-16,879	-4,758	52,341	-6,550	125,192	3,183	45,802	-2,353	
NJR	48,000	1,200	50,000	3,200	24,600	1,450	190	-1,255	24,058	645	47,817	3,127	23,868	1,900	
NJRC											32,481	586	15,244	149	
UJRC											16,808	743	8,174	412	
Sub total	198,000	200	215,000	8,600	83,100	-1,050	-16,689	-6,013	76,399	-5,905	222,298	7,639	93,088	108	
Elimination	-1,000	600	-1,000	800	-6,100	150	7,354	383	-382	340	-16,931	679	-7,736	-43	
Total	197,000	800	214,000	9,400	77,000	-900	-9,335	-5,630	76,017	-5,565	205,367	8,318	85,352	65	

Brakes		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
JPN	NISB	24,800	1,200	25,500	1,100	12,500	500	-597	77	12,268	535	25,272	1,142	12,865	458
Overseas	NISB Subsidiaries	43,200	5,000	46,800	5,000	22,000	1,900	-2,986	-180	20,391	2,636	45,699	5,722	23,377	2,816
	TMD group	86,800	-50	98,800	800	50,000	700	-6,142	-237	44,696	-87	99,787	-22	50,838	150
	Overseas total	130,000	4,950	145,600	5,800	72,000	2,600	-9,128	-417	65,087	2,549	145,486	5,700	74,215	2,966
Sub total		154,800	6,150	171,100	6,900	84,500	3,100	-9,725	-340	77,355	3,084	170,758	6,842	87,080	3,424
Elimination		-7,800	-6,950	-8,000	-7,400	-4,000	-3,700	180	157	-2,793	-3,583	-5,721	-7,728	-2,973	-3,740
Total		147,000	-800	163,100	-500	80,500	-600	-9,545	-183	74,562	-499	165,037	-886	84,107	-316
Breakdown of operating income			Operating income		Operating income		Operating income		Operating income		Operating income		Operating income		Operating income
(a)	NISB (JPN + Overseas)		6,200		6,100		2,400		-103		3,171		6,864		3,274
(b)	TMD		1,200		2,200		1,400		-354		597		1,725		951
(c)	TMD (Adjustment for Japanese accounting standard)		-2,300		-2,400		-1,200		27		-1,215		-2,899		-1,242
Operating income before goodwill amortization			5,100		5,900		2,600		-429		2,553		5,690		2,982
Goodwill amortization			-5,900		-6,400		-3,200		247		-3,052		-6,576		-3,299
Operating income			-800		-500		-600		-183		-499		-886		-316
Exchange rate JPY/EUR			115.00		130.00		130.00		(9.47)		124.36		133.69		133.83

Precision instruments		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Precision processing etc.	NISM	8,700	0	8,500	0	4,100	-100	-833	68	4,051	21	9,958	-105	4,884	-47
	Subsidiaries	5,800	550	5,300	400	2,500	100	673	127	2,812	175	4,325	17	2,139	48
	Sub total	14,500	550	13,800	400	6,600	0	-160	195	6,863	196	14,283	-88	7,023	1
Plastic molding	NISM	4,600	50	4,600	100	2,500	0	201	119	2,562	76	4,801	-43	2,361	-43
	Subsidiaries	43,500	1,200	44,800	1,700	21,900	600	14,631	315	22,223	632	13,663	491	7,592	317
	Sub total	48,100	1,250	49,400	1,800	24,400	600	14,832	434	24,785	708	18,464	448	9,953	274
Elimination		-2,500	-900	-2,500	-800	-1,200	-500	262	-446	-1,705	-469	-3,222	-42	-1,967	-23
Total		60,100	900	60,700	1,400	29,800	100	14,934	183	29,943	435	29,525	318	15,009	252

Chemicals		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Environmental and energy related products (*)		9,150	1,150	9,400	1,000	4,000	300	355	312	3,493	517	6,765	636	3,138	205
Others		650	100	600	100	300	0	-261	-30	310	28	984	18	571	58
Sub total		9,800	1,250	10,000	1,100	4,300	300	94	282	3,803	545	7,749	654	3,709	263
Subsidiaries		600	50	600	100	300	0	7	7	308	36	644	97	301	29
Elimination		0	0	-100	0	-100	0	-3	-1	-46	0	-108	1	-43	1
Total		10,400	1,300	10,500	1,200	4,500	300	98	288	4,065	581	8,285	753	3,967	293
* Breakdown		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Bipolar plates for fuel cells		1,000	-100	1,200	-100	600	0	-71	1	513	-77	1,166	-107	584	-78
Functional chemicals (Carbodiilite)		2,200	500	2,200	400	900	100	167	143	1,053	243	1,834	236	886	100
Insulator		5,950	750	6,000	700	2,500	200	259	168	1,927	351	3,765	507	1,668	183
Breakdown total		9,150	1,150	9,400	1,000	4,000	300	355	312	3,493	517	6,765	636	3,138	205

Textiles		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
JPN	NIST	21,800	600	23,700	600	11,100	200	-849	156	10,705	275	23,410	291	11,554	119
	Subsidiaries	28,100	1,200	27,100	1,500	13,900	900	-1,052	-130	13,538	558	29,257	1,475	14,590	688
	JPN total	49,900	1,800	50,800	2,100	25,000	1,100	-1,901	26	24,243	833	52,667	1,766	26,144	807
Overseas	Brazil	4,300	100	3,600	100	1,900	0	-15	-202	2,090	-15	3,886	105	2,105	187
	Indonesia	13,500	200	14,000	400	7,300	200	-323	97	7,056	180	14,701	328	7,379	83
	China	2,500	0	3,000	0	1,200	0	-206	22	1,049	-1	2,459	-10	1,255	-23
	Overseas total	20,300	300	20,600	500	10,400	200	-544	-83	10,195	164	21,046	423	10,739	247
Sub total		70,200	2,100	71,400	2,600	35,400	1,300	-2,445	-57	34,438	997	73,713	2,189	36,883	1,054
Elimination		-14,500	-300	-14,600	-300	-7,400	-200	749	25	-7,459	-140	-16,210	-317	-8,208	-165
Total		55,700	1,800	56,800	2,300	28,000	1,100	-1,696	-32	26,979	857	57,503	1,872	28,675	889

Papers		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Household papers		20,100	1,500	21,300	1,100	9,900	500	-302	400	9,633	685	20,459	809	9,935	285
Fine papers	NISP	9,700	650	9,900	400	4,600	200	-84	160	4,478	268	9,819	305	4,562	108
	Subsidiaries	8,200	150	8,200	100	3,700	0	-326	78	3,854	52	8,449	-333	4,180	-26
	Fine papers total	17,900	800	18,100	500	8,300	200	-410	238	8,332	320	18,268	-28	8,742	82
Sub total		38,000	2,300	39,400	1,600	18,200	700	-712	638	17,965	1,005	38,727	781	18,677	367
Elimination		-5,300	0	-5,400	0	-2,500	0	649	53	-2,565	48	-6,143	-39	-3,214	-5
Total		32,700	2,300	34,000	1,600	15,700	700	-63	691	15,400	1,053	32,584	742	15,463	362

Real estate		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
	NISH	8,800	5,000	8,800	5,000	4,100	2,400	-35	151	4,643	2,868	9,486	5,655	4,678	2,717
	Subsidiaries	1,500	100	1,400	100	700	100	10	-5	714	49	1,416	140	704	54
	Sub total	10,300	5,100	10,200	5,100	4,800	2,500	-25	146	5,357	2,917	10,902	5,795	5,382	2,771
	Elimination	-2,000	0	-2,000	0	-1,000	0	29	1	-1,250	0	-2,545	0	-1,279	-1
	Total	8,300	5,100	8,200	5,100	3,800	2,500	4	147	4,107	2,917	8,357	5,795	4,103	2,770
Others, Corporate costs		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
	Other business	20,800	400	22,700	300	10,700	100	19	198	13,211	26	27,327	-217	13,192	-172
	Corporate costs		-4,800		-4,800		-2,300	0	-65	0	-2,105		-4,076	0	-2,040
	Total	20,800	-4,400	22,700	-4,500	10,700	-2,200	19	133	13,211	-2,079	27,327	-4,293	13,192	-2,212
Segmentation total		Mar. 2017 est. revised on 27 Oct.		Mar. 2017 est. on 13 May		Apr.-Sep. 2016 est. on 13 May		Change		Apr.-Sep. 2016		Mar. 2016		Apr.-Sep. 2015	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
	Total	532,000	7,000	570,000	16,000	250,000	1,000	-5,583	-4,403	244,287	-2,298	533,989	12,617	249,870	2,105