

2Q Financial Results for FY2019

(Jan. 2019 – Jun. 2019)

Nisshinbo Holdings Inc.
Aug. 8, 2019

Highlights (y/y)

(mil. yen)

	FY2018	FY2019	Change	
	2Q results (adjusted)	2Q results		Rate
Net sales	269,623	256,807	-12,815	▲4.8%
Operating income	7,462	929	-6,532	▲87.5%
Ordinary income	9,978	3,718	-6,259	▲62.7%
Attributable to Owners of Parent Net income	6,344	2,743	-3,601	▲56.8%
Exchange rate				
yen/dollar	108.50	109.97	+1.47	+1.4%

Year on year

- Net sales Declined
- Operating income Declined
- Net income Declined

Year	2018				2019			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Subsidiaries settling in Mar.								
Subsidiaries settling in Dec.								
Fiscal year	FY2018				FY2019			
	FY2018 2Q results (adjusted)				FY2019 2Q results			

FY2019 2Q Net sales breakdown (y/y)

(mil. yen)

	FY2018 2Q results (adjusted)	FY2019 2Q results	Change	
				Rate
Wireless comms	83,019	81,740	-1,279	▲1.5%
Microdevices	30,770	30,829	+58	+0.2%
Brakes	73,012	66,165	-6,846	▲9.4%
Precision instruments	33,199	32,484	-715	▲2.2%
Chemicals	6,466	4,379	-2,087	▲32.3%
Textiles	26,458	25,781	-677	▲2.6%
Real estate	4,314	2,648	-1,665	▲38.6%
Others	12,380	12,777	+397	+3.2%
Total	269,623	256,807	-12,815	▲4.8%

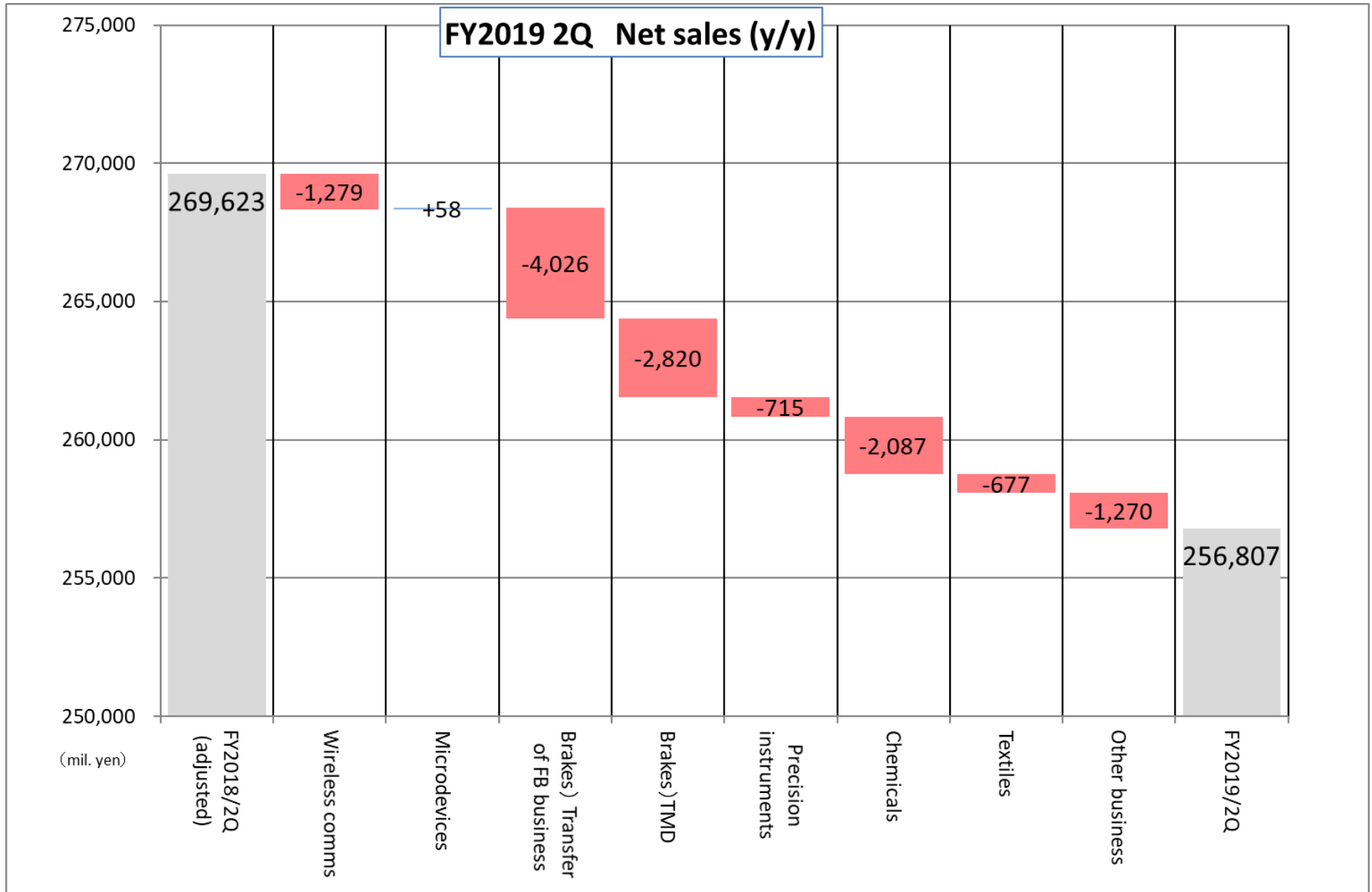
(Year on year) Declined

【Brakes】 Due to transfer of foundation brake business and decline in Chinese car sales. (-4,026 mil. yen)

【Brakes】 Due to decreased sales at TMD from decline in European car sales. (-2,820 mil. yen)

【Chemicals】 Due to the completion of a large project of insulation panels for LNG ships (-1,688 mil. yen)

Net sales breakdown (y/y)



FY2019 2Q Operating income breakdown (y/y)

(mil. yen)

	FY2018 2Q results (adjusted)	FY2019 2Q results	Change	
				Rate
Wireless comms	3,348	3,665	+316	9.4%
Microdevices	1,166	-432	-1,599	-
Brakes	269	-2,213	-2,482	-
Precision instruments	1,051	192	-859	▲81.7%
Chemicals	1,376	666	-710	▲51.6%
Textiles	573	520	-52	▲9.1%
Real estate	2,226	1,575	-651	▲29.2%
Others & Corporate cost	-2,551	-3,044	-493	-
Total	7,462	929	-6,532	▲87.5%

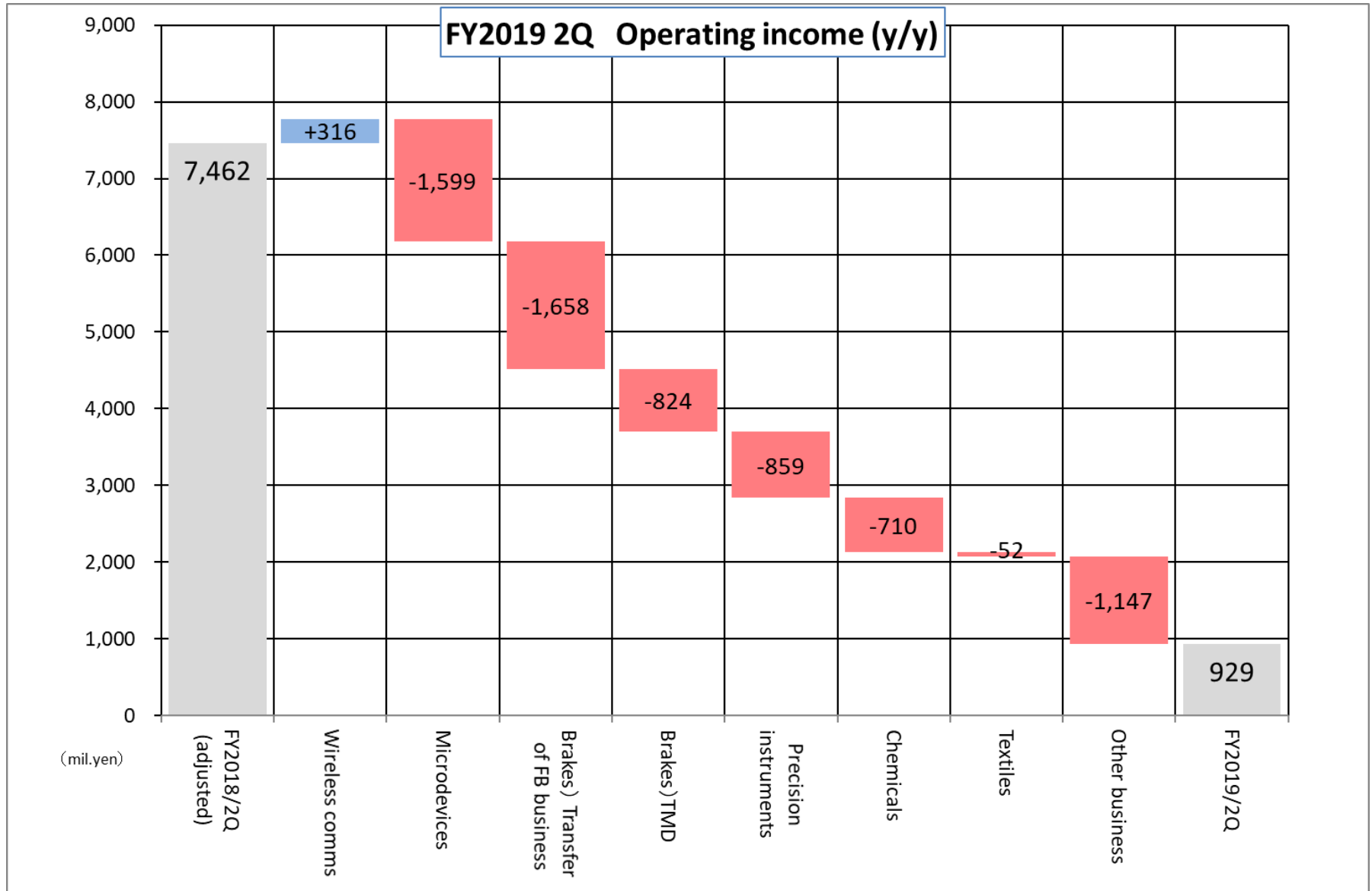
(Year on year) Declined

【Microdevices】 Due to decline in sales of smartphones and industrial equipment. (-1,599 mil. yen)

【Brakes】 Due to transfer of foundation brake business and decline in Chinese car sales. (-1,658 mil. yen)

【Brakes】 Due to decreased sales at TMD and increased business restructuring costs. (-824 mil. yen)

Operating income breakdown (y/y)



Ordinary income to net income (y/y)

(mil. yen)

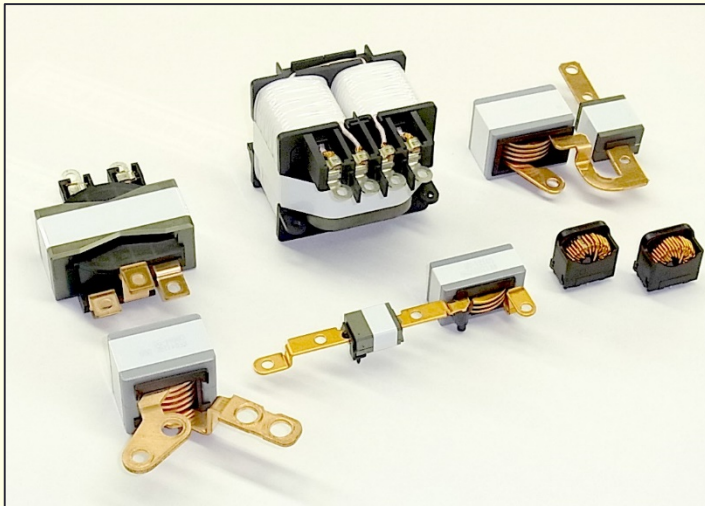
	FY2018 2Q results (adjusted)	FY2019 2Q results	Change	
				Rate
Operating income	7,462	929	-6,533	▲87.6%
Non-operating income	4,466	4,064	-402	▲9.0%
Non-operating expenses	1,949	1,275	-674	▲34.6%
Ordinary income	9,978	3,718	-6,260	▲62.7%
Extraordinary income	1,891	637	-1,254	▲66.3%
Extraordinary loss	4,021	870	-3,151	▲78.4%
Income before income taxes	7,848	3,485	-4,363	▲55.6%
Income taxes	-181	865	+1,046	-
Profit attributable to non-controlling interests	1,684	-123	-1,807	-
Profit attributable to owners of parent	6,344	2,743	-3,601	▲56.8%

Net income (y/y): Declined

- ① Operating income declined: -6,533 mil. yen (y/y)
- ② Extraordinary loss declined (TMD restructuring costs): -3,151 mil. yen (y/y)

◆ Acquired all shares of NJ Components (July 2019)

Nisshinbo has taken over business related to coils and transformers from FDK Corporation and aims to strengthen the power supply business for xEV, which are expected to rapidly grow. Nagano Japan Radio plans to generate sales JPY10.0bn in 2025 with the corporation of NJ Components.



Corporate philosophy is indispensable to ensure the healthy entrepreneurial spirit.

Public Entity

Contributing to society is our raison d'être and sustained contributions are the driving force behind the Group's growth.

Consistent Integrity

We shall conduct business activities as a corporate citizen as well as compliance with laws.

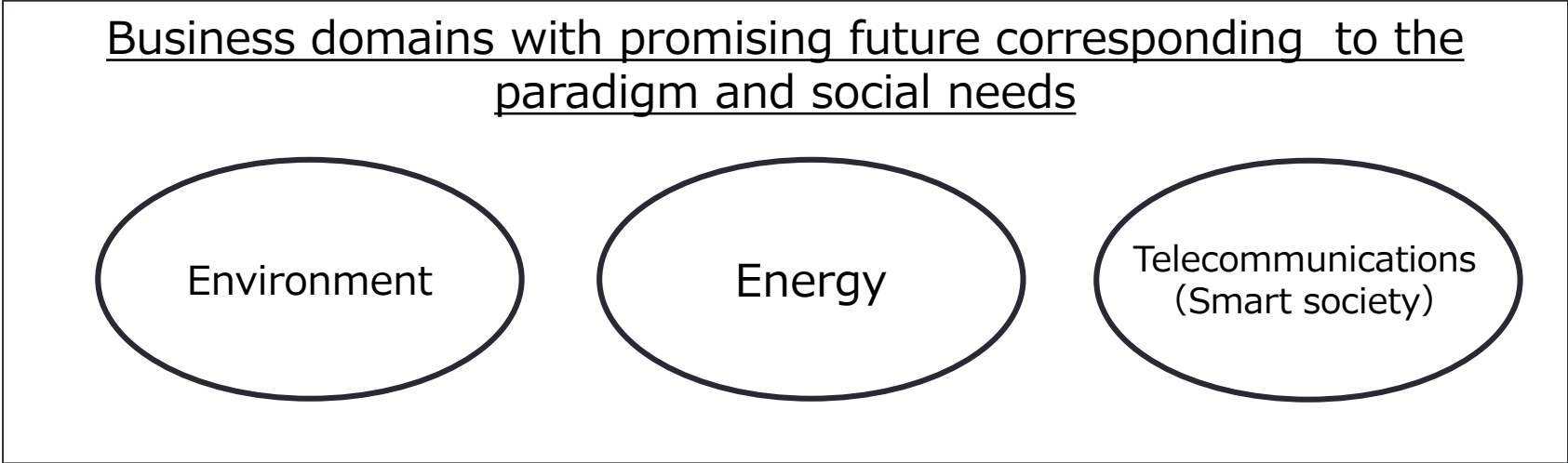
Innovation

New technology, Change of business model, Process improvement)

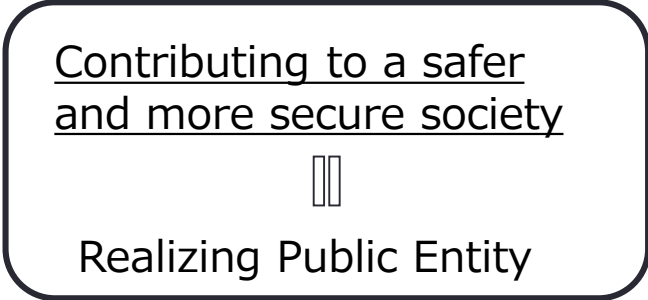


Change and Challenge! For the creation of the future of Earth and People.

Environment and Energy, Safe and Security



Issues facing society



Strategic business domains

Mobility

Infrastructure
& Safety

Life &
Healthcare

◆ Move deeper into service sector

Providing value that leverages our manufacturing technology and products

◆ Make a break with gradualism and paternalism

◆ Draw the line between public and private matters

Business portfolio management

	Segment	Company & business	Event	Country	Method
2005	Microdevice	NJR	Consolidated	Japan	TOB
2009	Holding company system adopted				
2010	Wireless &comms	JRC & NJRC	Consolidated	Japan	TOB
2011	Brake	TMD		Luxembourg	
2013	Wireless &comms	Alphatron Marine		The Netherlands	
2014	Textile	CHOYA	Sold	Japan	
2015	Textile	Tokyo Shirts		Japan	
	Precision	Nanbu Plastics		Japan	
2017	Paper	Paper business	Sold	Japan	
	Wireless &comms	JRC & NJRC	Wholly owned	Japan	Stock Exchange
2018	Microdevice	REDC	Consolidated	Japan	
	Brake	Foundation brake	Sold	Japan	
	Wireless &comms	ProNav		Norway	
	Microdevice	NJR	Wholly owned	Japan	Stock Exchange
2019	Wireless &comms	NJ Componets		Japan	



Mobility

Marine electronics equipment



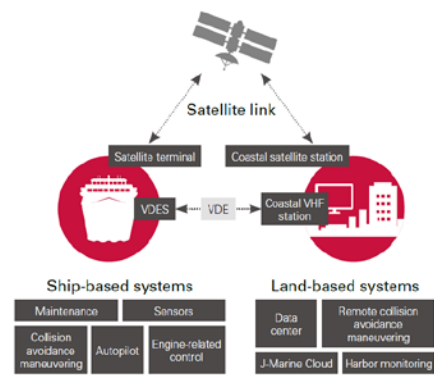
Advanced navigation systems



Bridge systems

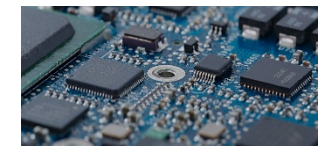
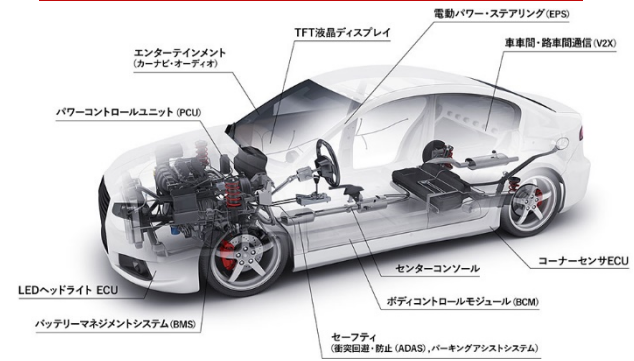


J-Marine NeCST



Autonomous ship operation

Electronic devices



Automobile brakes



Brakes pads, Brake linings





Mobility

Communications & Power supply equipment



ETC systems



GPS receiver



Electronic devices

CARBODILITE



Precision instruments



Pump housing



EBS valve block

Plastic molding



Headlamp



Air conditioner fans

Autonomous driving

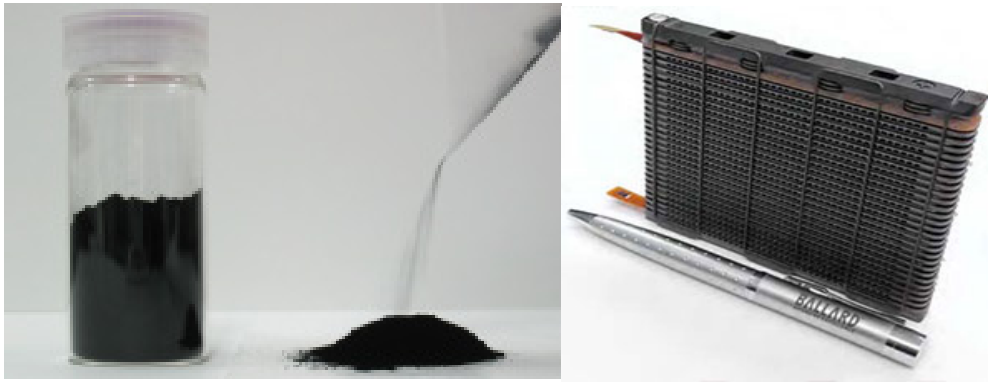


- 1** ITS roadside terminals wirelessly connected to the DSSS
 - 2** Onboard terminals
 - 3** Radar-based DSSS detection equipment
-
- a** <vehicle-road / vehicle-vehicle>
Right-turn collision warning system
 - b** <vehicle-road / vehicle-vehicle>
Left-turn bicycle collision warning system
 - c** <vehicle-road>
Pedestrian crossing collision warning system
 - d** <vehicle-road / vehicle-vehicle>
Head-on collision warning system



Mobility

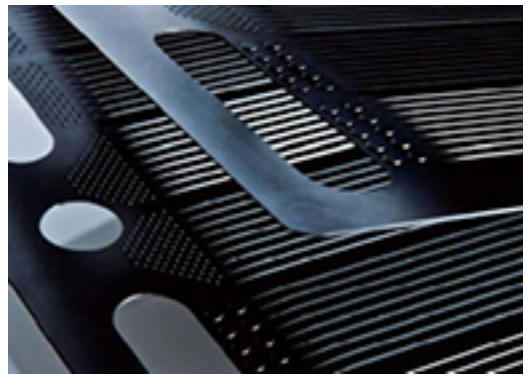
Carbon alloy catalysts



Gas leak detector



Bipolar plates for fuel cells





Infrastructure & Safety

Solutions



Weather radar



Disaster information
broadcasting radio systems



Water management, Disaster prevention



Satellite communication systems

Plant factory & Smart factory



Rigid Urethane Block (Insulator)



Millimeter-wave communications device





Life & Healthcare

CARBODILITE



Medical ultrasound equipment



Ultrasonic diagnostic equipment

Textiles



Uniform



Nonwoven fabric



MOBILON

Real estate



Appendix Segment breakdown

Appendix Segment breakdown①

Wireless and communications	FY2018 adjusted		Current period				FY2019 FC			
	Net sales	O. P.	FY2018 2Q adjusted		FY2019 2Q		Change			
			Net sales	O. P.	Net sales	O. P.	Net sales	O. P.		
Marine systems	33,210	-2,727	16,225	-1,679	17,138	-985	913	694	37,100	-900
Communications eqp	16,528	1,439	8,422	784	8,322	680	-100	-104	16,500	1,100
Solutions	64,529	317	42,430	3,846	41,409	2,886	-1,021	-960	68,500	1,000
Mechatronics & Power supply	18,328	268	9,458	182	9,218	298	-240	116	17,600	200
Medical equipment	9,408	751	5,219	420	4,333	411	-886	-9	9,700	500
Others (including JRCM)	2,512	-731	1,010	-242	1,363	9	353	251	3,600	-100
Eliminations	247	190	255	37	-43	366	-298	329	-	400
Total	144,762	-493	83,019	3,348	81,740	3,665	-1,279	316	153,000	2,200

Microdevices	FY2018 adjusted		Current period				FY2019 FC			
	Net sales	O. P.	FY2018 2Q adjusted		FY2019 2Q		Change			
			Net sales	O. P.	Net sales	O. P.	Net sales	O. P.		
NJR	50,081	1,565	25,451	961	21,316	202	-4,135	-759	52,700	1,400
REDC	18,073	1,043	6,039	298	10,021	-506	3,982	-804	25,300	1,000
Eliminations	-1,418	-374	-720	-93	-508	-128	212	-35	-1,000	-200
Total	66,736	2,234	30,770	1,166	30,829	-432	58	-1,599	77,000	2,200

Automobile Brakes	FY2018 adjusted		Current period				FY2019 FC			
	Net sales	O. P.	FY2018 2Q adjusted		FY2019 2Q		Change			
			Net sales	O. P.	Net sales	O. P.	Net sales	O. P.		
NISB	56,444	3,846	30,314	2,132	25,720	644	-4,594	-1,488	55,000	2,900
TMD	90,593	-4,055	46,399	-1,483	43,579	-2,307	-2,820	-824	97,300	-300
Eliminations	-6,866	-707	-3,701	-380	-3,134	-550	567	-170	-6,300	-800
Total	140,171	-916	73,012	269	66,165	-2,213	-6,846	-2,482	146,000	1,800

Appendix Segment breakdown②

Precision Instruments	FY2018 adjusted		Current period				FY2019 FC			
	Net sales	O. P.	FY2018 2Q adjusted		FY2019 2Q		Change			
			Net sales	O. P.	Net sales	O. P.	Net sales	O. P.		
Precision parts	18,920	746	8,809	389	7,620	17	-1,189	-372	17,500	800
Plastic products	52,672	1,931	26,752	1,158	25,999	574	-753	-584	51,600	1,700
Eliminations	-5,671	-1,049	-2,362	-496	-1,135	-399	1,227	97	-1,100	-800
Total	65,921	1,628	33,199	1,051	32,484	192	-715	-859	68,000	1,700

Chemicals	FY2018 adjusted		Current period				FY2019 FC			
	Net sales	O. P.	FY2018 2Q adjusted		FY2019 2Q		Change			
			Net sales	O. P.	Net sales	O. P.	Net sales	O. P.		
Environment and energy related products (※)	9,950	1,918	5,623	1,113	3,688	515	-1,935	-598	9,000	1,600
Others	1,827	460	941	265	803	150	-138	-115	2,000	600
Eliminations	-214	3	-98	-2	-113	0	-15	2	2,000	600
Total	11,563	2,381	6,466	1,376	4,379	666	-2,087	-710	11,000	2,200

※FC bipolar plates, Carbodilite, Insulator

Textiles	FY2018 adjusted		Current period				FY2019 FC			
	Net sales	O. P.	FY2018 2Q adjusted		FY2019 2Q		Change			
			Net sales	O. P.	Net sales	O. P.	Net sales	O. P.		
Japan	47,013	1,028	23,238	487	22,279	400	-959	-87	45,800	1,200
Overseas	22,134	684	10,240	211	11,087	212	847	1	23,300	600
Eliminations	-15,494	-406	-7,020	-125	-7,585	-92	-565	33	-14,100	-200
Total	53,653	1,306	26,458	573	25,781	520	-677	-52	55,000	1,600

Appendix Segment breakdown③

Real Estate	FY2018 adjusted		FY2018 2Q adjusted		Current period FY2019 2Q		Change		FY2019 FC	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
Total	7,182	4,042	4,314	2,226	2,648	1,575	-1,665	-651	6,000	2,700

Other businesses, Corporate costs	FY2018 adjusted		FY2018 2Q adjusted		FY2019 2Q		Change		FY2019 FC	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
Other business	24,942	0	12,380	47	12,777	-257	397	-304	24,000	300
Corporate costs	0	-5,397	-	-2,598	-	-2,787	0	-189	0	-6,700
Total	24,942	-5,397	12,380	-2,551	12,777	-3,044	397	-493	24,000	-6,400

Segment Total	FY2018 adjusted		FY2018 2Q adjusted		FY2019 2Q		Change		FY2019 FC	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
Total	514,933	4,784	269,623	7,462	256,807	929	-12,815	-6,532	540,000	8,000

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.