

Financial Results for FY2020 2Q

(Jan. 2020 – Jun. 2020)

Nisshinbo Holdings Inc.
Aug. 6, 2020

1. FY2020 2Q Results Overview	P.3
2. Forecast for FY2020	P.11
3. Topics of FY2020 2Q	P.17
4. Appendix	P.21

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

1. FY2020 2Q Results Overview

1-1. Financial Highlights (y/y)

(mil. yen)

	FY2019	FY2020	Change	
	2Q	2Q		rate
Net sales	256,807	231,590	-25,217	▲9.8%
Operating income	929	3,064	+2,134	+229.6%
Ordinary income	3,718	3,285	-432	▲11.6%
Net income Attributable to Owners of Parent	2,743	5,504	+2,760	+100.6%

The COVID-19 pandemic affected our businesses as below y/y.

- Net sales **Declined** (-) Brakes, Precision, Textiles (+) Real estate
- Operating income **Increased** (+) Real estate
- Ordinary income **Declined** (-) Equity gains of affiliated companies
- Net income **Declined** (+) Gain on sales of securities

1-2. FY2020 2Q Net sales

(mil. yen)

	FY2019 2Q	FY2020 2Q	Change	
				rate
Wireless comms	81,740	78,236	-3,503	▲4.3%
Microdevices	30,829	29,176	-1,652	▲5.4%
Brakes	66,165	50,640	-15,525	▲23.5%
Precision instruments	32,484	24,102	-8,382	▲25.8%
Chemicals	4,379	4,343	-36	▲0.8%
Textiles	25,781	17,176	-8,604	▲33.4%
Real estate	2,648	16,955	+14,306	+540.1%
Others	12,777	10,958	-1,819	▲14.2%
Total	256,807	231,590	-25,217	▲9.8%

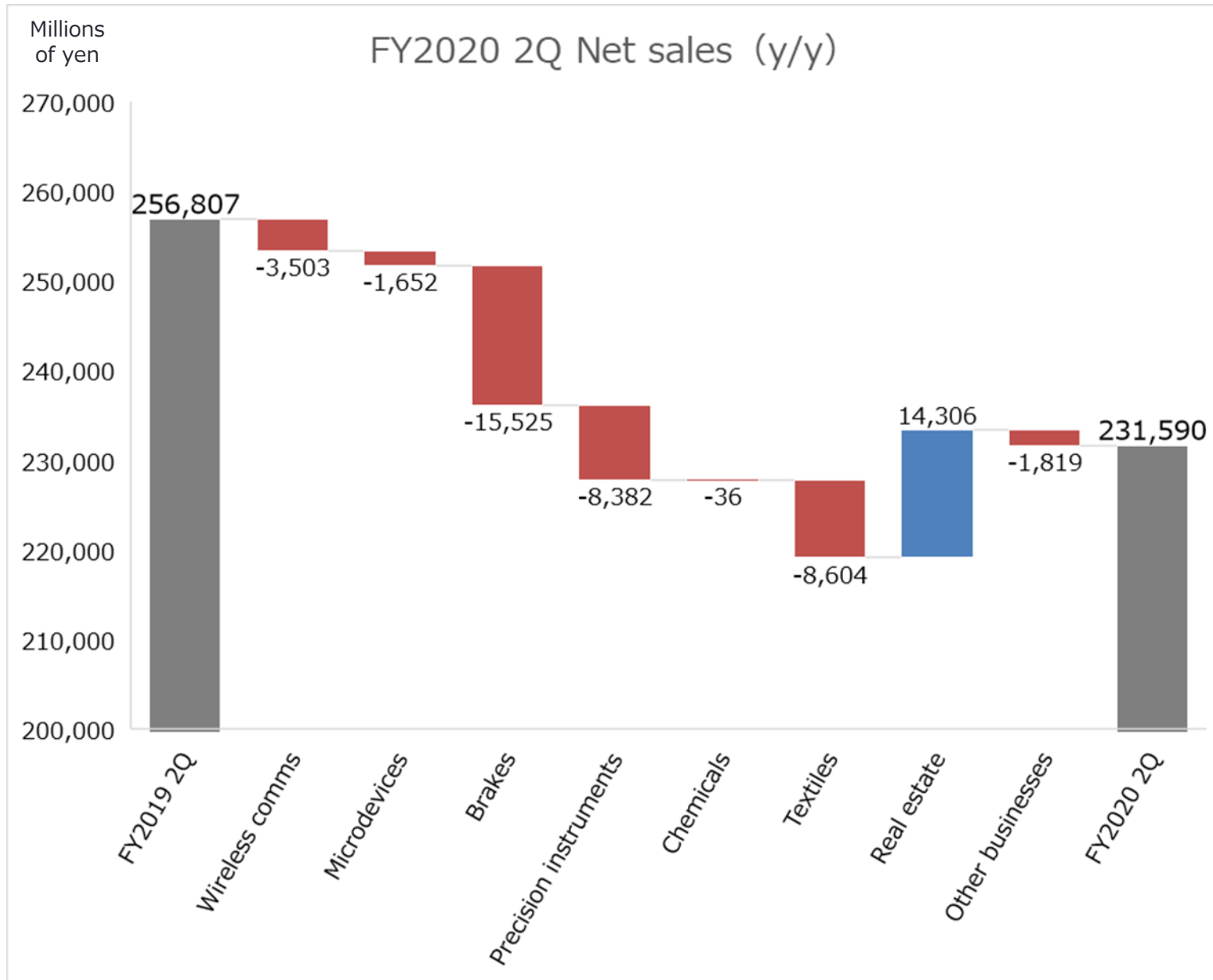
(y/y) Declined : Affected by the COVID-19 pandemic

Increased : [Real estate] Selling condominiums 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 some Tokyo Shirts stores

1-2. FY2020 2Q Net sales (graph)



1-3. FY2020 2Q Operating Income

(mil. yen)

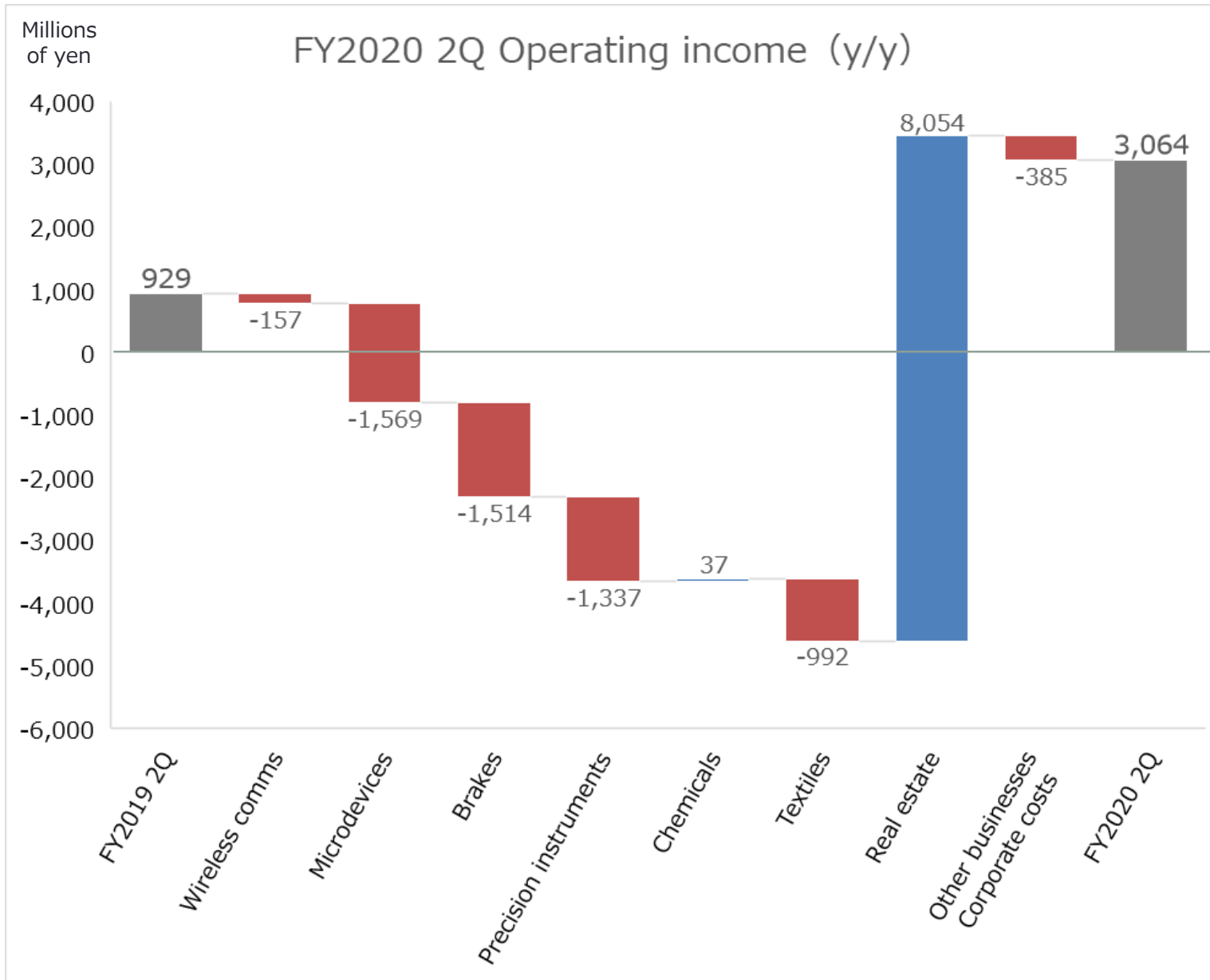
	FY2019 2Q	FY2020 2Q	Change	
				rate
Wireless comms	3,665	3,507	-157	▲4.3%
Microdevices	-432	-2,001	-1,569	-
Brakes	-2,213	-3,728	-1,514	-
Precision instruments	192	-1,145	-1,337	-
Chemicals	666	703	+37	5.6%
Textiles	520	-471	-992	-
Real estate	1,575	9,630	+8,054	511.2%
Others & Corporate cost	-3,044	-3,429	-385	-
Total	929	3,064	+2,134	229.6%

(y/y) Increased

Increased : [Real estate] **Selling condominiums at Mitaka city, Tokyo**

Declined : [Microdevices, Brakes, Precision, Textiles] **Declined in sales**

1-3. FY2020 2Q Operating Income (graph) **NISSHINBO**



1-4. Ordinary income to Net income

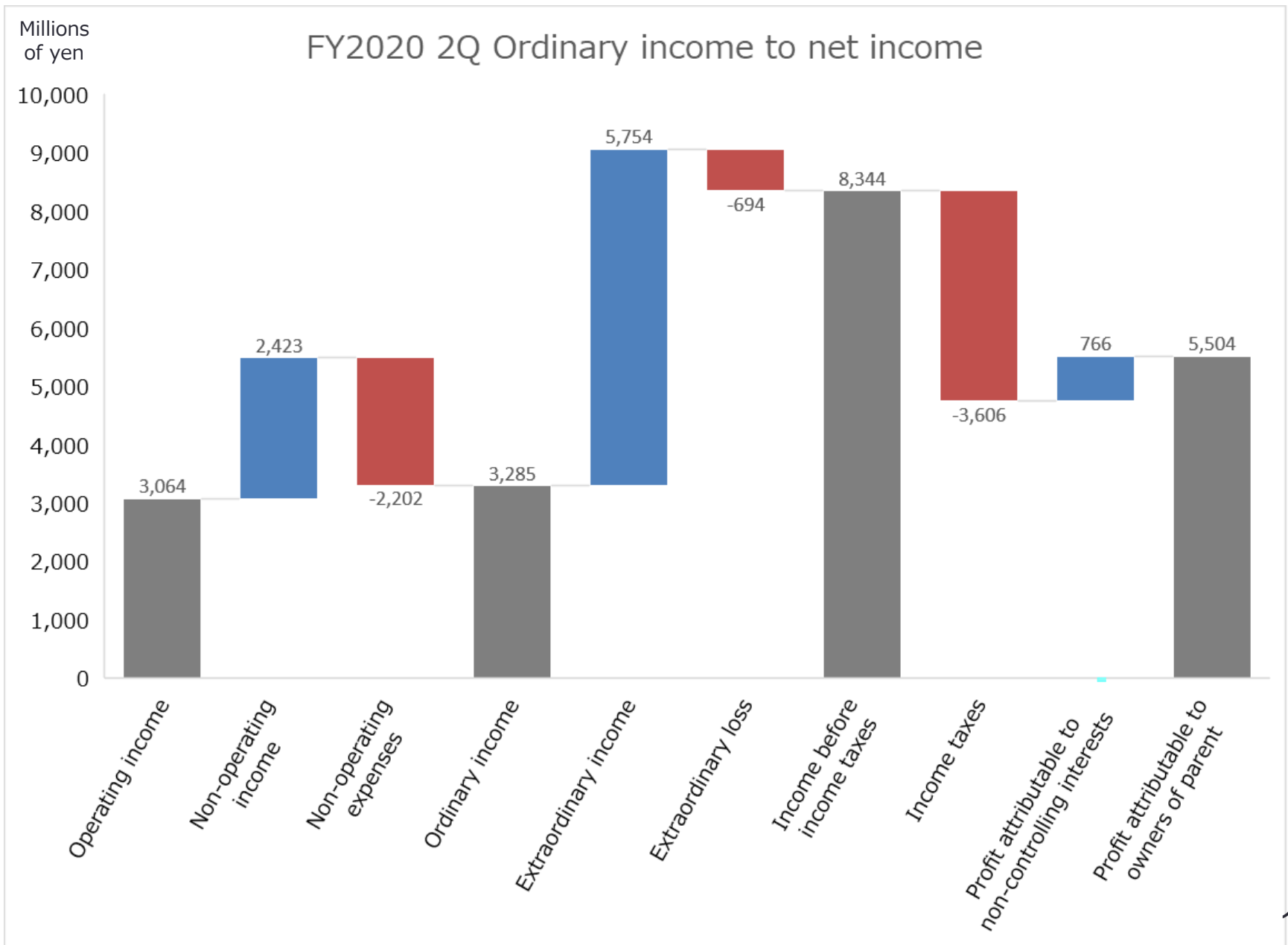
(mil. yen)

	FY2019 2Q	FY2020 2Q	Change	
				rate
Operating income	929	3,064	+2,135	+229.8%
Non-operating income	4,064	2,423	-1,641	▲40.4%
Non-operating expenses	1,275	2,202	+927	+72.7%
Ordinary income	3,718	3,285	-433	▲11.6%
Extraordinary income	637	5,754	+5,117	+803.3%
Extraordinary loss	870	694	-176	▲20.2%
Income before income taxes	3,485	8,344	+4,859	+139.4%
Income taxes	865	3,606	+2,741	+316.9%
Profit attributable to non-controlling interests	-123	-766	-643	-
Profit attributable to owners of parent	2,743	5,504	+2,761	+100.7%

(y/y) Net income Increased

Extraordinary income : 3,517 mil. yen (Gain on sales of securities)

1-4. Ordinary income to net income(graph) **NISSHINBO**



2. Forecast for FY2020

2-1. Highlights of forecast for FY2020

(mil. yen)

	FY2020 FC (Feb. 13)	FY2020 FC (Jul. 30)	Change	
				rate
Net sales	540,000	462,000	-78,000	▲14.4%
Operating income	14,000	-4,000	-18,000	-
Ordinary income	18,000	-3,000	-21,000	-
Net income Attributable to Owners of Parent	13,000	1,000	-12,000	▲92.3%

Reasons for revision : Effect by COVID-19 pandemic

[Wireless comms] : Falling demand for the marine systems business

[Microdevices, Brakes, Precision] : Global decline in automobile production.

[Textiles] : Temporary store closures and slump in sales

Assumed exchange rate: US\$1 = ¥105 (Previously US\$1 = ¥110)

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

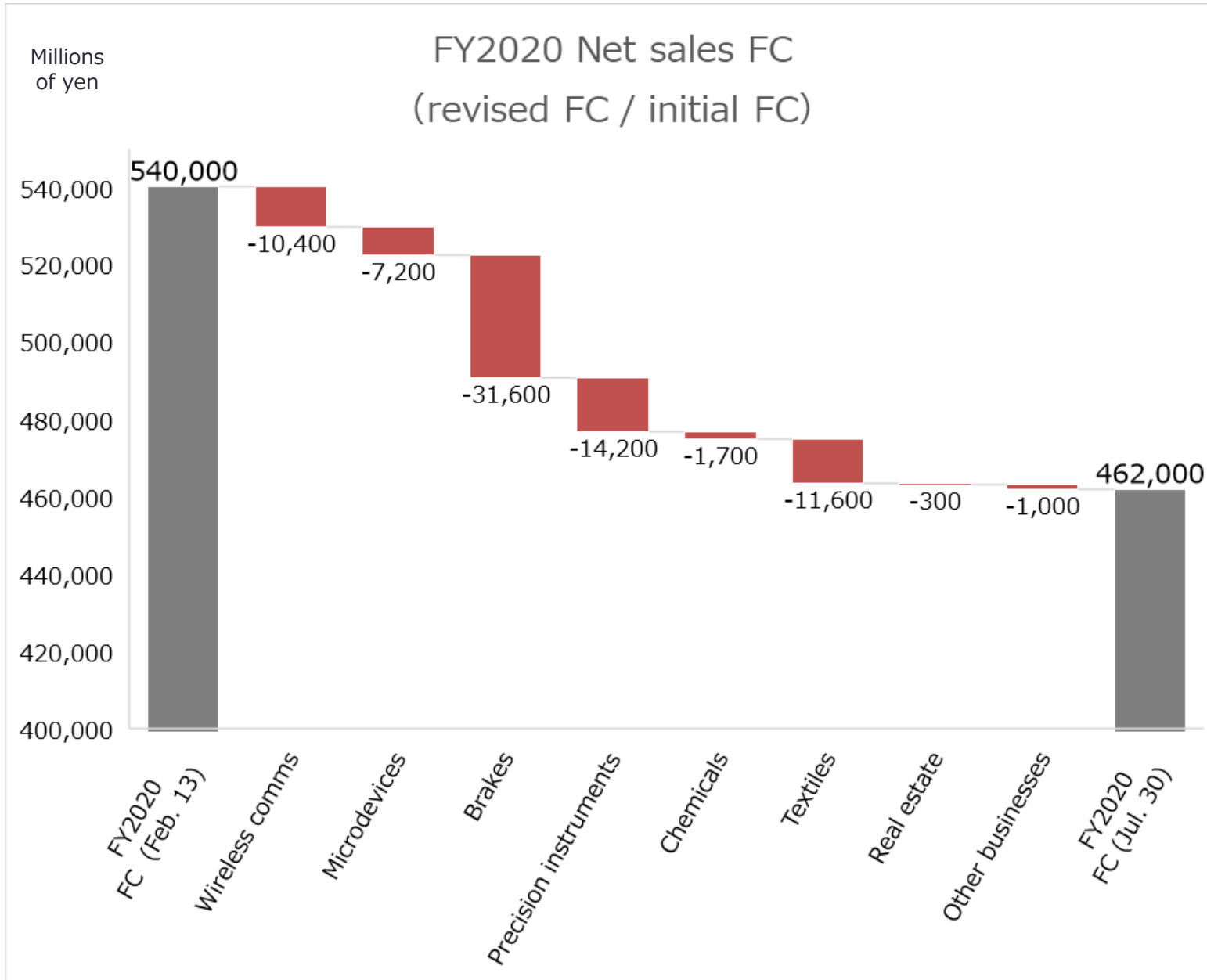
2-2. Sales forecast for FY2020

(mil. yen)

	FY2020	FY2020	Change	
	FC (Feb. 13)	FC (Jul. 30)		rate
Wireless comms	160,000	149,600	-10,400	▲6.5%
Microdevices	70,000	62,800	-7,200	▲10.3%
Brakes	136,000	104,400	-31,600	▲23.2%
Precision instruments	65,000	50,800	-14,200	▲21.8%
Chemicals	13,000	11,300	-1,700	▲13.1%
Textiles	52,000	40,400	-11,600	▲22.3%
Real estate	20,000	19,700	-300	▲1.5%
Others	24,000	23,000	-1,000	▲4.2%
Total	540,000	462,000	-78,000	▲14.4%

■ Lowered forecast in microdevices, brakes and precision instruments businesses due to decline in automobile production affected by COVID-19

2-2. Sales forecast for FY2020(graph)



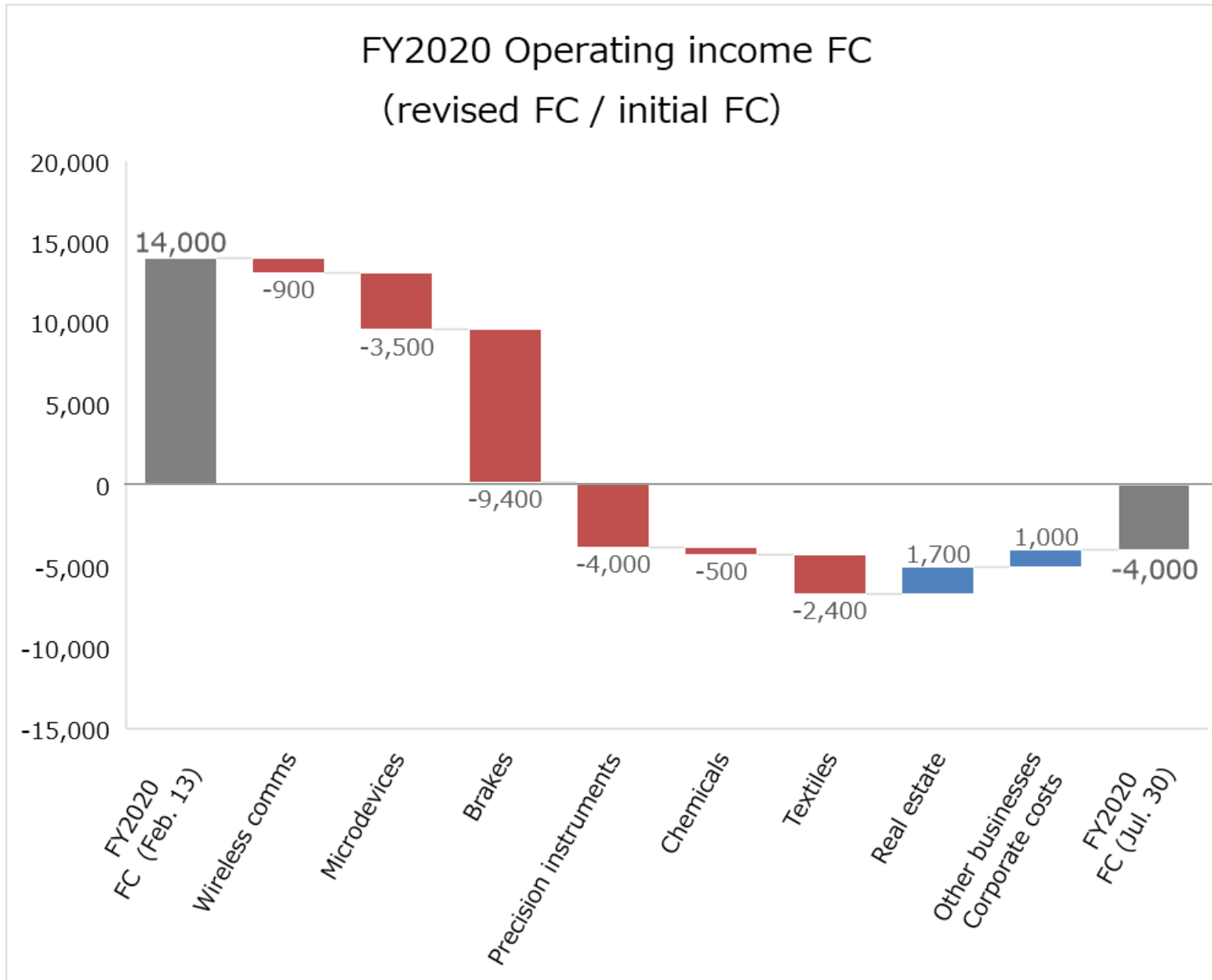
2-3. Operating Income forecast for FY2020 **NISSHINBO**

(mil. yen)

	FY2020	FY2020	Change	
	FC (Feb. 13)	FC (Jul. 30)		rate
Wireless comms	2,900	2,000	-900	▲31.0%
Microdevices	1,400	-2,100	-3,500	-
Brakes	1,700	-7,700	-9,400	-
Precision instruments	1,200	-2,800	-4,000	-
Chemicals	2,600	2,100	-500	▲19.2%
Textiles	2,100	-300	-2,400	-
Real estate	9,000	10,700	+1,700	18.9%
Others & Corporate cost	-6,900	-5,900	+1,000	-
Total	14,000	-4,000	-18,000	-

■ Lowered forecast in microdevices, brakes and precision instruments businesses due to decline in automobile production affected by COVID-19

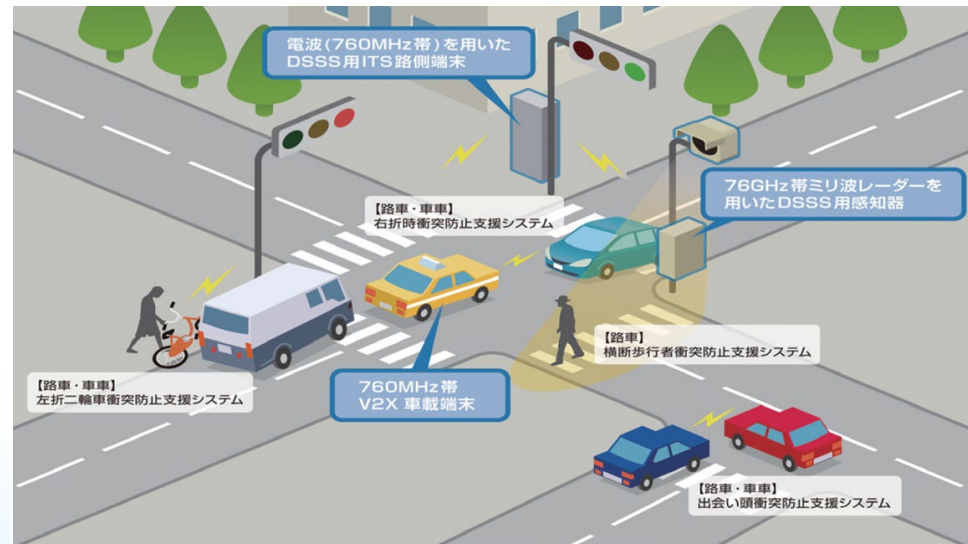
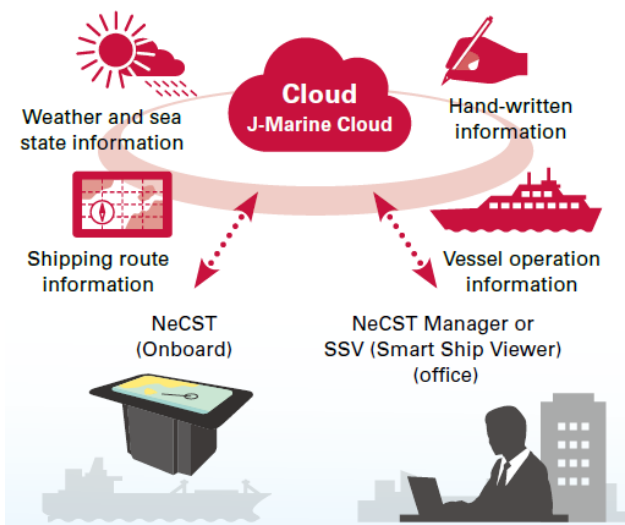
2-3. Operating Income forecast for FY2020 (graph) **NISSHINBO**



3. Topics of FY2020 2Q

1. Established Digital Business Department (April 1)

- Expand business domains to the service business that provides value using manufacturing technologies and products
- Establish a digital service business that solves social issues by integrating the digital technologies of group companies.
- Aiming for sales of ¥10 billion by 2025, focusing on the IoT, automated driving and navigation, local 5G, and smart health care.



2. Acquisition of German companies for expansion and growth in the mobility domain (April 30)

- JRC Mobility acquired two German companies that support the development of automotive devices by major automakers.
- JRC Mobility, which manufactures ETC devices for imported vehicles, is aiming to improve its development speed by acquiring the two companies that had been cooperating with each other.
- As road billing systems such as ETC in Japan are expanding worldwide, JRC Mobility expands the automotive device business globally in a more flexible and strategic manner.



ETC onboard device



GPS receiver

3. Our Group's Efforts on the COVID-19

① Contribution through our business activities

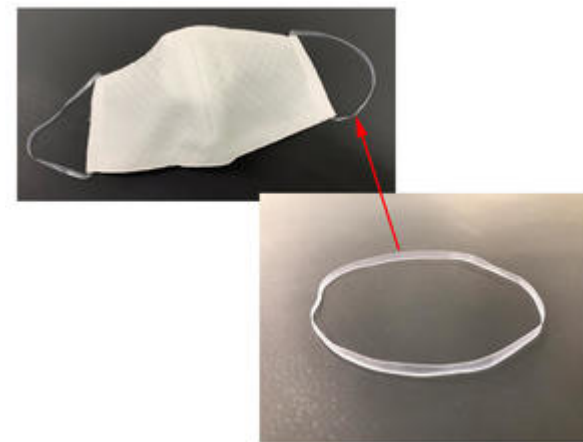
Anti-virus shirts



100% cotton
wrinkle-free mask



Ear hook for mask
(Mobilon band)



② Participate Open COVID-19 Declaration



COVID-19と
戦う知財宣言

4-1. Performance by Segment ①

FY2019

Wireless and communications	FY2019	
	Net sales	O. P.
Marine systems	34,916	-1,171
Communications eqp	16,802	1,872
Solutions	68,815	2,087
Mechatronics & Power supply	19,831	372
Medical equipment	9,170	757
Others	2,646	-217
JRC Mobility	132	-397
Eliminations	-104	796
Total	152,212	4,100

Current period

FY2019 2Q		FY2020 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
17,138	-985	15,890	-751	-1,248	234
8,322	680	3,494	173	-4,828	-507
41,409	2,886	39,535	3,669	-1,874	783
9,218	298	10,394	-95	1,176	-393
4,333	411	4,017	353	-316	-58
1,303	180	1,536	9	233	-171
60	-171	3,803	-79	3,743	92
-43	366	-436	228	-393	-138
81,740	3,665	78,236	3,507	-3,503	-157

FY2020

FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
36,900	0	33,000	-1,100	-3,900	-1,100
7,000	100	7,500	300	500	200
70,500	1,500	68,500	2,200	-2,000	700
24,400	100	21,600	-300	-2,800	-400
9,400	500	9,500	700	100	200
2,800	200	3,200	200	400	0
9,600	100	8,200	-400	-1,400	-500
-600	400	-1,900	400	-1,300	0
160,000	2,900	149,600	2,000	-10,400	-900

Microdevices

Microdevices	FY2019	
	Net sales	O. P.
NJR	43,610	144
REDC	22,812	375
Eliminations	-1,137	-263
Total	65,285	256

FY2019 2Q		FY2020 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
21,316	202	20,877	-1,072	-439	-1,274
10,021	-506	8,908	-797	-1,113	-291
-508	-128	-609	-132	-101	-4
30,829	-432	29,176	-2,001	-1,652	-1,569

FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
46,000	900	43,400	-1,200	-2,600	-2,100
24,500	500	20,400	-900	-4,100	-1,400
-500	0	-1,000	0	-500	0
70,000	1,400	62,800	-2,100	-7,200	-3,500

Automobile Brakes

Automobile Brakes	FY2019	
	Net sales	O. P.
NISB	50,854	1,620
TMD	85,850	-4,152
Eliminations	-5,366	-808
Total	131,338	-3,340

FY2019 2Q		FY2020 2Q		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
25,720	644	18,212	-959	-7,508	-1,603
43,579	-2,307	34,240	-2,920	-9,339	-613
-3,134	-550	-1,812	151	1,322	701
66,165	-2,213	50,640	-3,728	-15,525	-1,514

FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
54,000	1,700	39,900	-1,300	-14,100	-3,000
87,200	0	68,500	-6,400	-18,700	-6,400
-5,200	0	-4,000	0	1,200	0
136,000	1,700	104,400	-7,700	-31,600	-9,400

4-2. Performance by Segment ②

Precision Instruments	FY2019		FY2019 2Q		FY2020 2Q		Change		FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
	Precision parts	15,775	382	7,620	17	6,064	-246	-1,556	-263	17,600	300	14,400	-400	-3,200
Molding products	52,094	1,286	25,999	574	19,489	-506	-6,510	-1,080	50,700	1,700	39,800	-1,600	-10,900	-3,300
Eliminations	-2,441	-789	-1,135	-399	-1,451	-393	-316	6	-3,300	-800	-3,400	-800	-100	0
Total	65,428	879	32,484	192	24,102	-1,145	-8,382	-1,337	65,000	1,200	50,800	-2,800	-14,200	-4,000

Chemicals	FY2019		FY2019 2Q		FY2020 2Q		Change		FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
	Environment and energy related products (※)	8,079	1,408	3,688	515	3,710	615	22	100	10,500	1,900	9,700	1,700	-800
Others	1,553	240	803	150	748	90	-55	-60	2,500	700	1,800	400	-700	-300
Eliminations	-245	0	-113	0	-115	-1	-2	-1	0	0	-200	0	-200	0
Total	9,390	1,649	4,379	666	4,343	703	-36	37	13,000	2,600	11,300	2,100	-1,700	-500

Textiles	FY2019		FY2019 2Q		FY2020 2Q		Change		FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
	Japan	42,484	526	22,279	400	15,048	-426	-7,231	-826	43,000	1,300	36,600	-100	-6,400
Overseas	21,970	770	11,087	212	7,052	-99	-4,035	-311	22,500	900	15,600	-100	-6,900	-1,000
Eliminations	-14,949	-260	-7,585	-92	-4,924	54	2,661	146	-13,500	-100	-11,800	-100	1,700	0
Total	49,505	1,036	25,781	520	17,176	-471	-8,604	-992	52,000	2,100	40,400	-300	-11,600	-2,400

※FC bipolar plates, Carbodilite, Insulator

4-3. Performance by Segment ③

FY2019			Current period				FY2020							
Real Estate	FY2019		FY2019 2Q		FY2020 2Q		Change		FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
Total	11,655	8,163	2,648	1,575	16,955	9,630	14,306	8,054	20,000	9,000	19,700	10,700	-300	1,700

Other businesses, Corporate costs	FY2019		FY2019 2Q		FY2020 2Q		Change		FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
Other business	24,844	-187	12,777	-257	10,958	94	-1,819	351	24,000	200	23,000	300	-1,000	100
Corporate costs	0	-6,075	-	-2,787	-	-3,524	0	-737	0	-7,100	0	-6,200	0	900
Total	24,844	-6,263	12,777	-3,044	10,958	-3,429	-1,819	-385	24,000	-6,900	23,000	-5,900	-1,000	1,000

Segment Total	FY2019		FY2019 2Q		FY2020 2Q		Change		FY2020 FC (Feb. 13)		FY2020 FC (Jul. 30)		Change	
	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
Total	509,660	6,482	256,807	929	231,590	3,064	-25,217	2,134	540,000	14,000	462,000	-4,000	-78,000	-18,000

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.