

Financial Results for FY2023

(Jan. 2023 – Dec. 2023)

Nisshinbo Holdings Inc.

Feb. 9, 2024

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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. FY2023 Results Overview

1-1. Financial Highlights (y/y)

(mil. yen)

	FY2022	FY2023	Change	
				rate
Net sales	516,085	541,211	+25,125	+4.9%
Operating income	15,435	12,453	-2,981	▲19.3%
Ordinary income	20,397	15,785	-4,611	▲22.6%
Net income Attributable to Owners of Parent	19,740	-20,045	-39,785	-

■ In 4Q FY2023, Hitachi Kokusai Electric Group became a consolidated subsidiary and the transfer of TMD Group's business was completed.

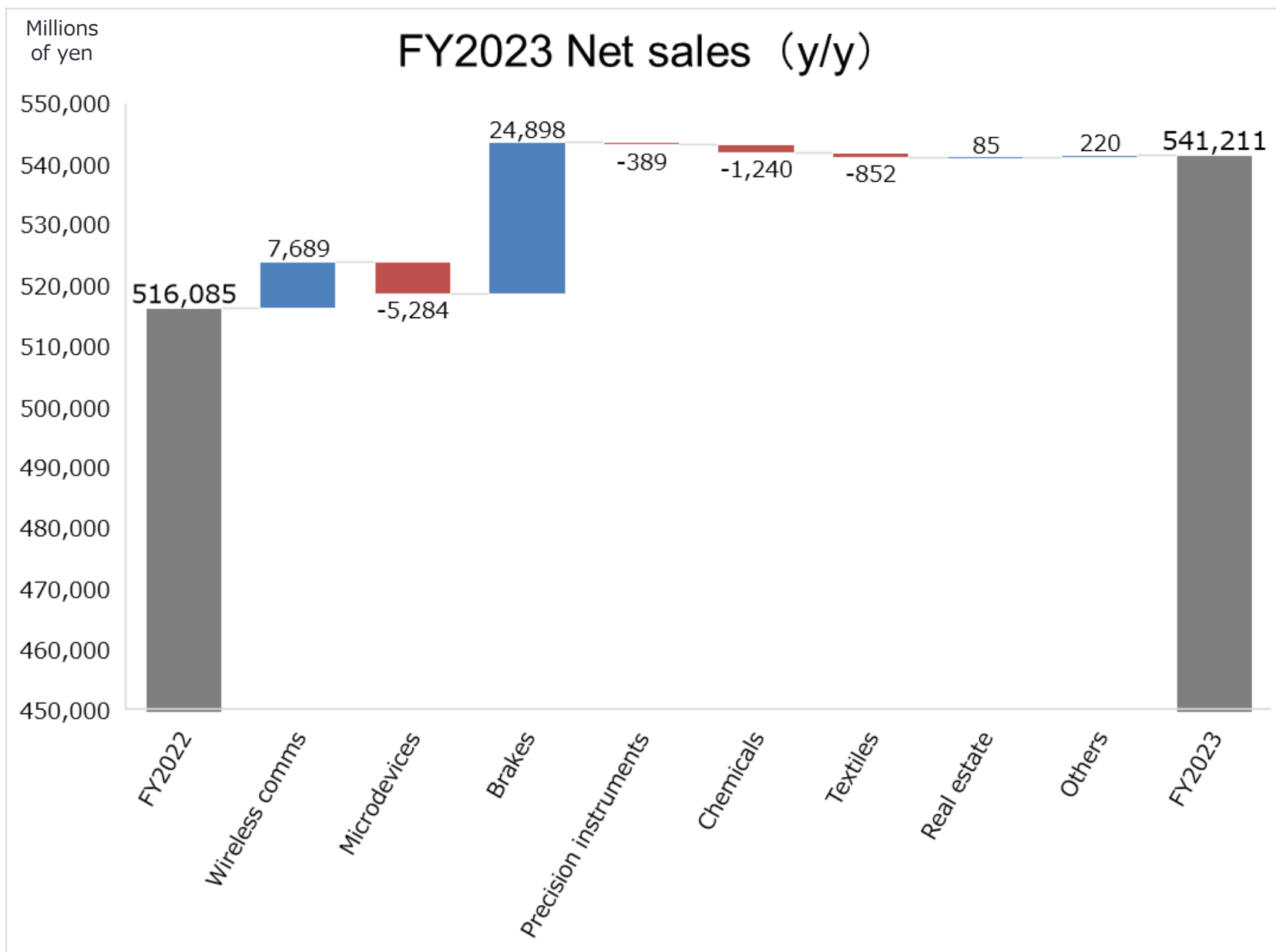
■ Net loss was recorded due to impairment loss of fixed assets and loss on liquidation of business in connection with the transfer of TMD Group.

⇒ Strengthen earnings base and accelerate growth by making Hitachi Kokusai Electric Group a consolidated subsidiary

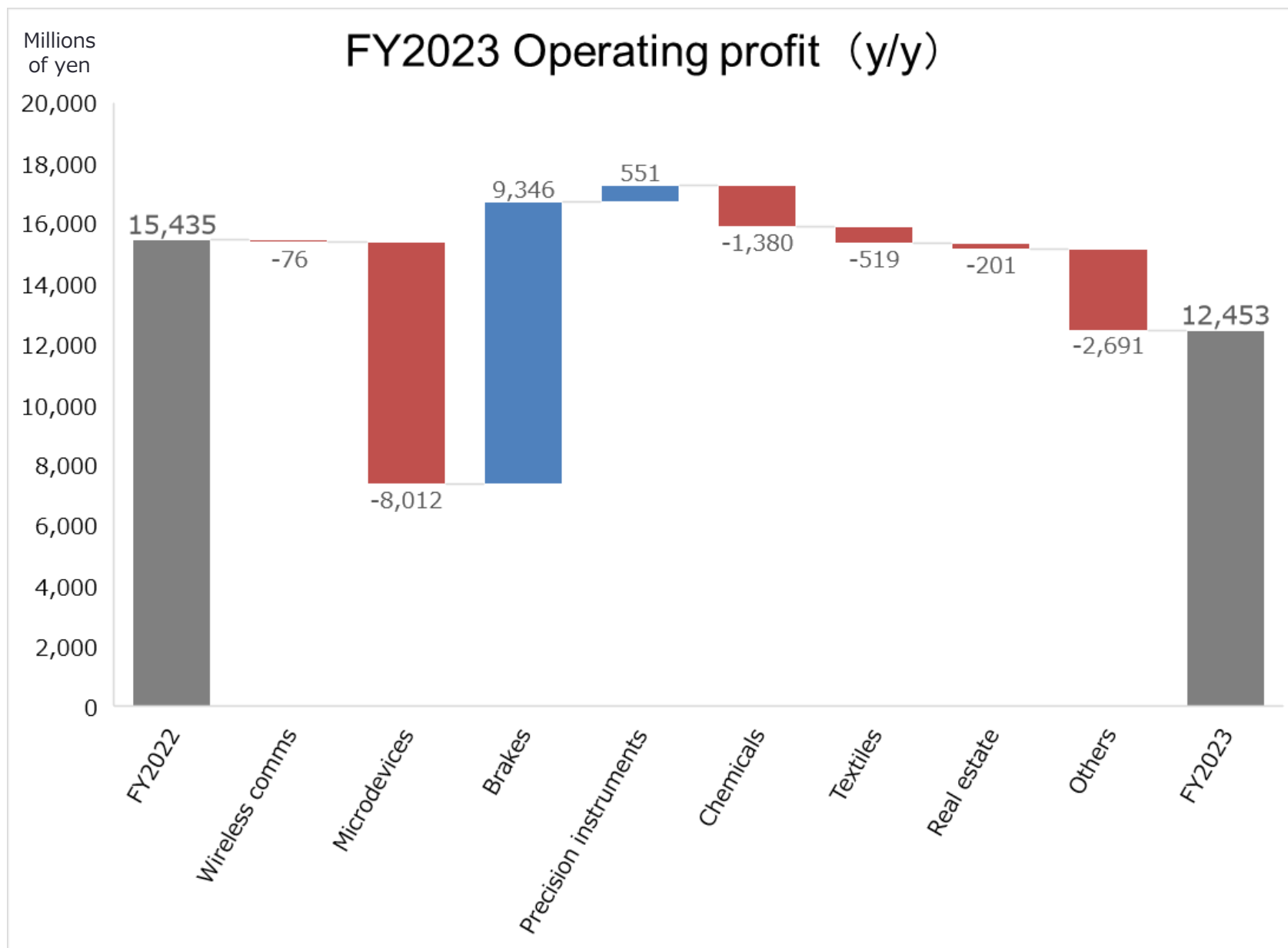
1-2. FY2023 Results by segments (y/y) **NISSHINBO**

		(mil. yen)			
		FY2022	FY2023	Change	
					rate
Wireless comms	Net Sales	150,392	158,081	+7,689	+5.1%
	OP	4,821	4,745	-76	▲1.6%
Micro Devices	Net Sales	85,329	80,044	-5,284	▲6.2%
	OP	8,947	934	-8,012	▲89.6%
Brakes	Net Sales	153,643	178,541	+24,898	+16.2%
	OP	-4,664	4,682	+9,346	-
Precision instruments	Net Sales	53,655	53,265	-389	▲0.7%
	OP	776	1,328	+551	+71.1%
Chemicals	Net Sales	12,673	11,433	-1,240	▲9.8%
	OP	2,181	801	-1,380	▲63.3%
Textiles	Net Sales	38,333	37,481	-852	▲2.2%
	OP	99	-420	-519	-
Real estate	Net Sales	11,178	11,263	+85	+0.8%
	OP	8,719	8,518	-201	▲2.3%
Others	Net Sales	10,879	11,100	+220	+2.0%
	OP	-5,446	-8,137	-2,691	-
Total	Net Sales	516,085	541,211	+25,125	+4.9%
	OP	15,435	12,453	-2,981	▲19.3%

1-2. FY2023 Net sales (y/y)

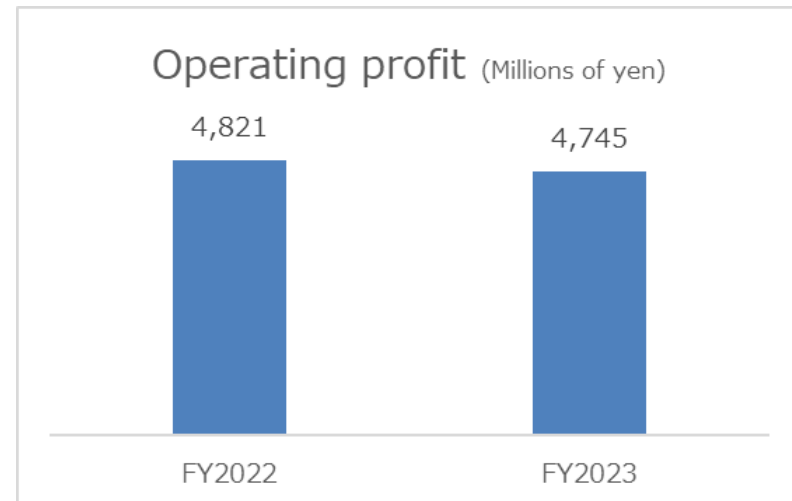
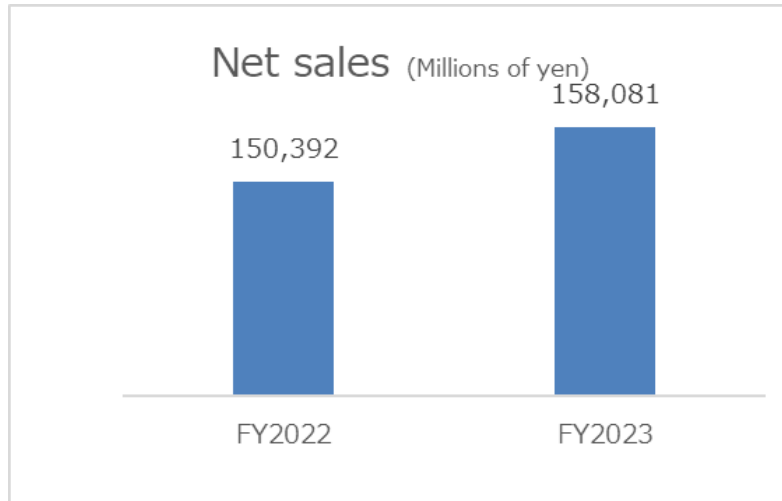


1-2. FY2023 Operating profit (y/y)



1-2. FY2023 Wireless & Comms

Increase in sales and decrease in profits



■ Solutions and Specialized Equipment: **Increase in sales and profits**

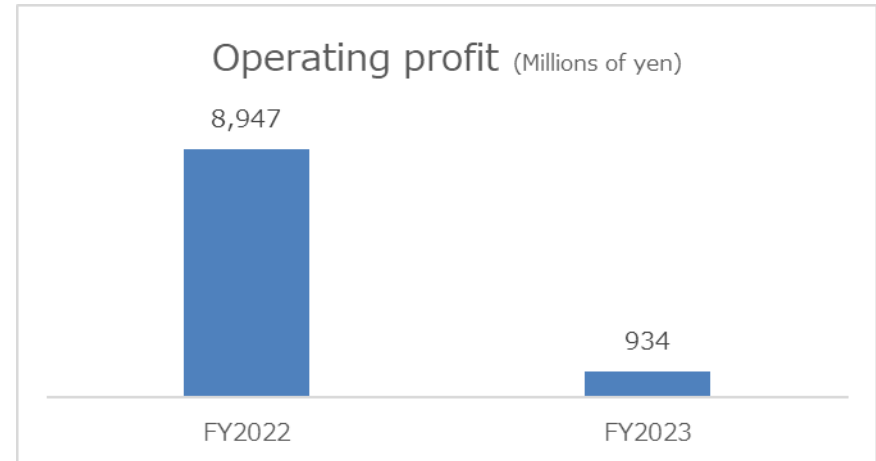
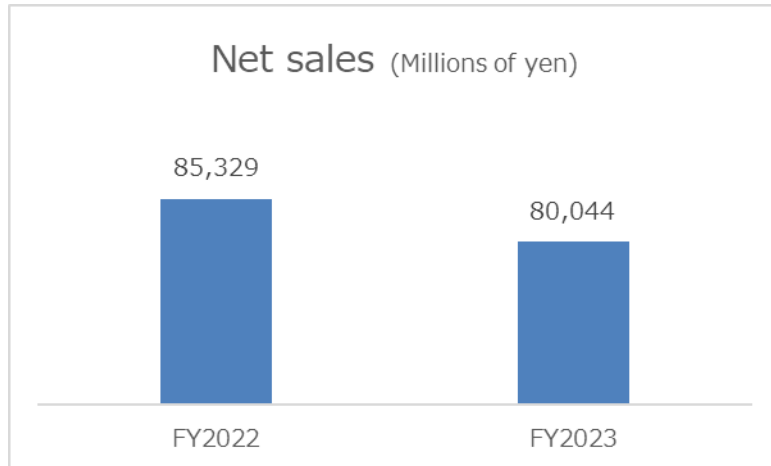
Sales of radar systems for the Ministry of Defense increased. Demand for prefectural and municipal disaster prevention systems and aeronautical and meteorological systems declined, despite the large projects in the same period of the previous year. Demand for renewal of water and river information systems ran its course.

■ Marine Systems: **Increase in sales and profits**

Orders remained strong. In addition to an increase in orders for equipment for newly built merchant vessels and workboats for the European river market, the weak yen also provided a tailwind.

1-2. FY2023 Micro Devices

Decrease in sales and profits



■ Electronic Devices Business: **Decrease in sales and profits**

Automotive : Increased due to strong sales of EV recharging, sensors, and car navigation systems, and price pass-through

Industrial machinery: Overall sluggish in motor control and office equipment-related sectors

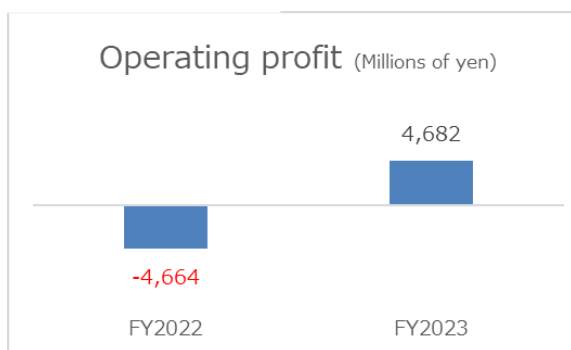
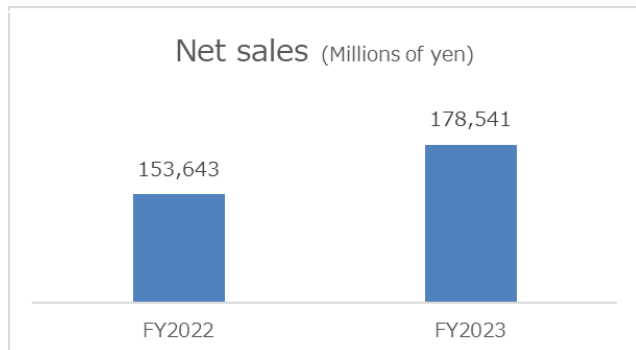
Consumer : Significant decrease mainly in smartphone- and PC-related products for China and other Asian markets due to delayed market recovery

■ Microwave business: **Decrease in sales and profits**

Products related to satellite communications and marine radar components were weak.

1-2. FY2023 Brake & Precision Instruments

Brakes: Increase in sales and return to profitability



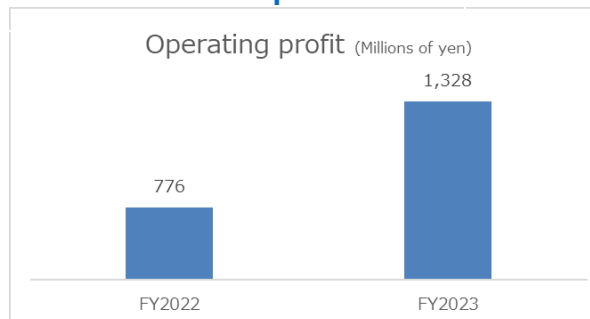
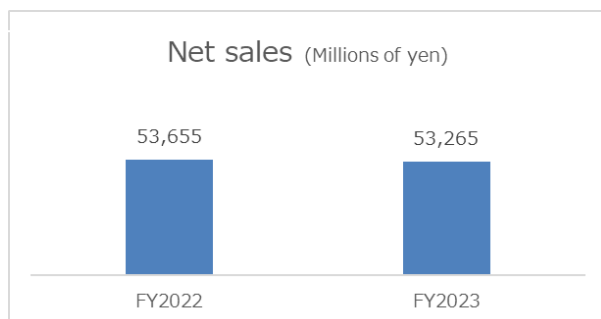
■ Nisshinbo Brake: Increase in sales and decrease in profits

Sales increased due to recovery of production by car manufacturers, but income decreased due to soaring raw material prices.

■ TMD: Increase in sales and return to profitability

Orders for aftermarket products were strong.

Precision Instruments: Decrease in sales and increase in profits



■ Precision Instruments: Increase in sales and profits

Strong orders for automotive EBS components

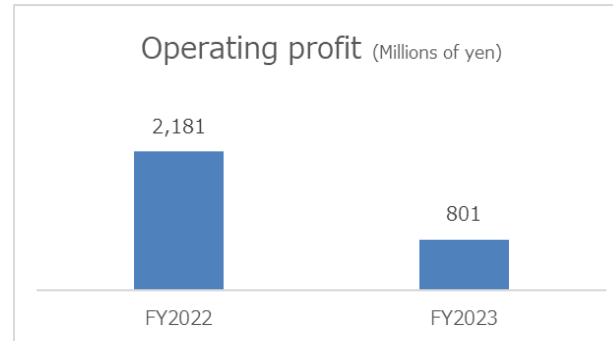
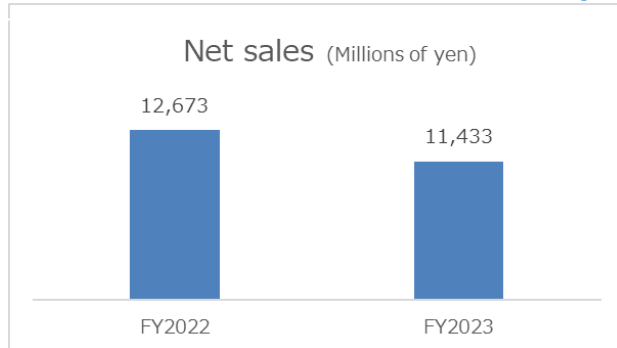
■ Molding products: Decrease in sales and profits

Decrease in air-conditioning-related products affected by customers' production adjustments.

Amortization of goodwill related to the acquisition of Nambu Plastics was completed in the previous fiscal year

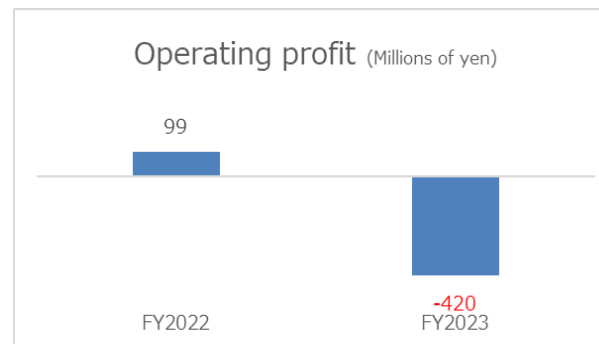
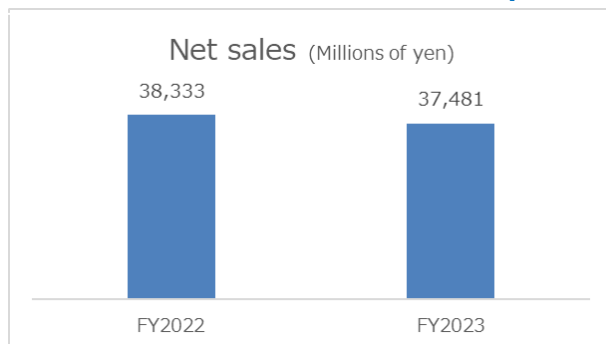
1-2. FY2023 Chemicals & Textiles

Chemicals: Decrease in sales and profits



- **Insulation products: Same level in sales and decrease in profits**
Impact of soaring raw material prices.
- **FC bipolar plates: Decrease in sales and profits**
Decrease in orders for overseas stationary applications.
- **Functional Chemicals (Carbodilite): Decrease in sales and profits**
Decrease in domestic and overseas orders

Textiles: Decrease in sales and profits



- **Shirts: Increase in sales and decrease in sales**
Favorable sales of form-stabilized products such as APOLLOCOT, but raw material prices rose
- **Tokyo Shirts: Increase in sales and loss reduction**
Bricks-and-mortar sales increased

2. Forecast for FY2024

2-1. Highlights of forecast for FY2024

	FY2022	FY2023 FC	(mil. yen)	
			Change	rate
Net sales	541,211	513,000	-28,211	-5.2%
Operating income	12,453	24,000	11,547	92.7%
Ordinary income	15,785	26,000	10,215	64.7%
Net income Attributable to Owners of Parent	-20,045	19,000	39,045	-

Assumed exchange rate: US\$1 = ¥140

Exchange sensitivity: : A depreciation of 1 yen against the U.S. dollar will have a positive impact of 300 million yen on operating income (favoring the weaker yen)

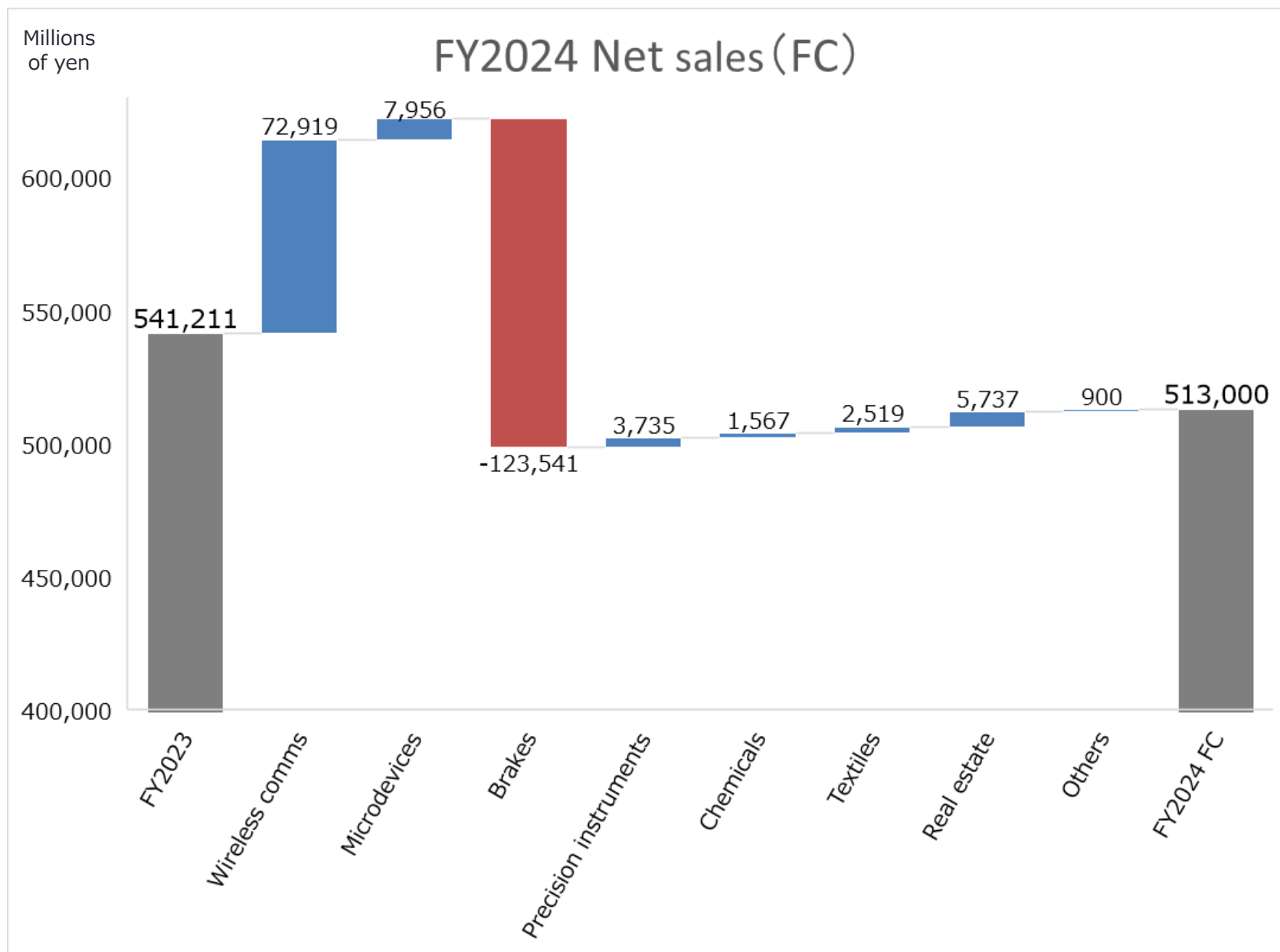
■ Recovery from the loss recorded in the previous fiscal year related to the transfer of the TMD Group's business

■ Continue to prioritize the allocation of management resources and execute growth strategies, focusing on mainstay wireless communications and microdevices.

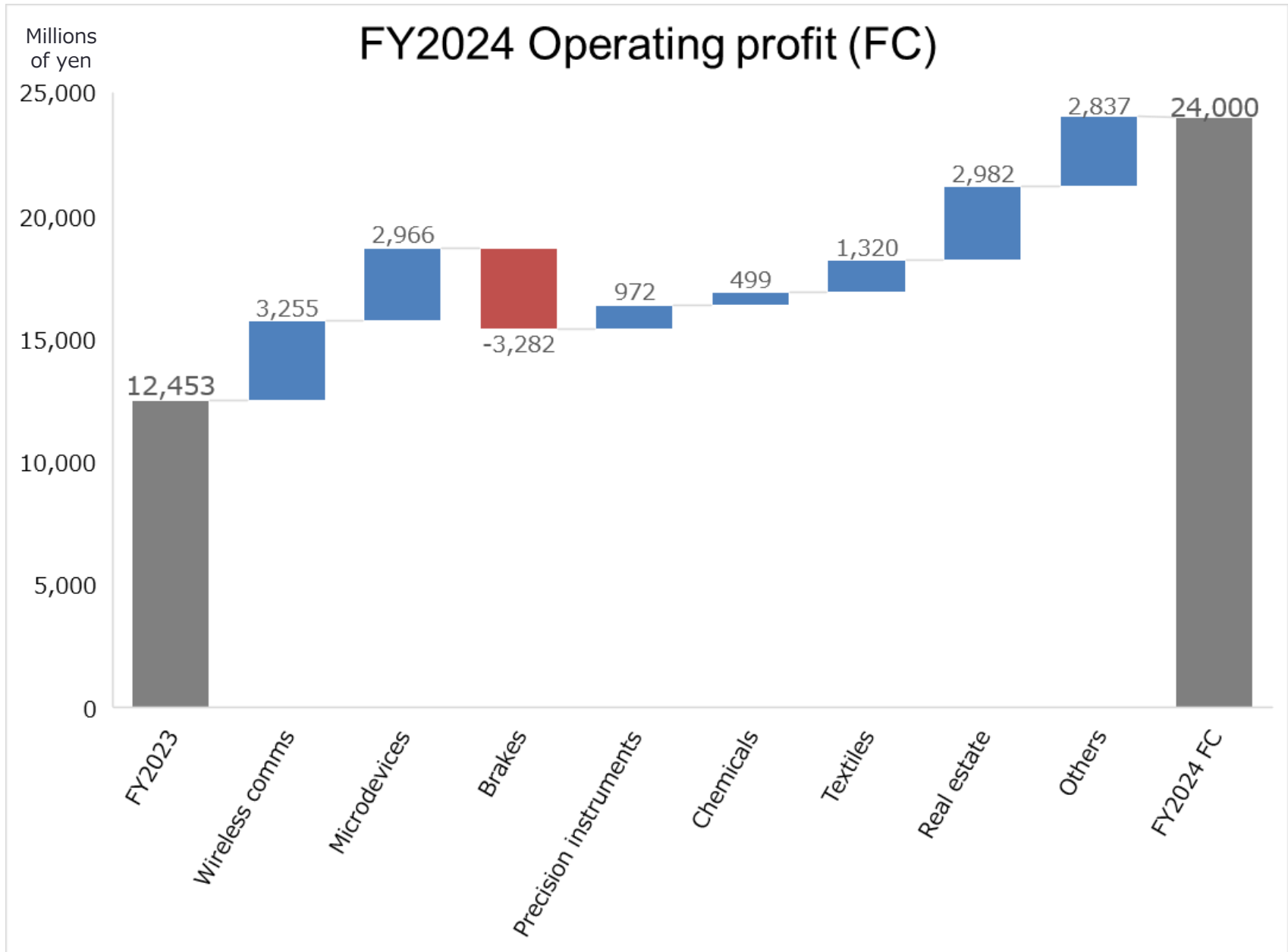
2-2. Forecast for FY2024

		(mil. yen)			
		FY2023	FY2024 FC	Change	
					rate
Wireless comms	Net Sales	158,081	231,000	+72,919	+46.1%
	OP	4,745	8,000	+3,255	+68.6%
Micro Devices	Net Sales	80,044	88,000	+7,956	+9.9%
	OP	934	3,900	+2,966	+317.6%
Materials	Net Sales	280,720	165,000	-115,720	▲41.2%
	OP	6,391	5,900	-491	▲7.7%
(Brakes)	Net Sales	178,541	55,000	-123,541	▲69.2%
	OP	4,682	1,400	-3,282	▲70.1%
(Precision instruments)	Net Sales	53,265	57,000	+3,735	+7.0%
	OP	1,328	2,300	+972	+73.2%
(Chemicals)	Net Sales	11,433	13,000	+1,567	+13.7%
	OP	801	1,300	+499	+62.3%
(Textiles)	Net Sales	37,481	40,000	+2,519	+6.7%
	OP	-420	900	+1,320	-
Real estate	Net Sales	11,263	17,000	+5,737	+50.9%
	OP	8,518	11,500	+2,982	+35.0%
Others	Net Sales	11,100	12,000	+900	+8.1%
	OP	-8,137	-5,300	+2,837	-
Total	Net Sales	541,211	513,000	-28,211	▲5.2%
	OP	12,453	24,000	+11,547	+92.7%

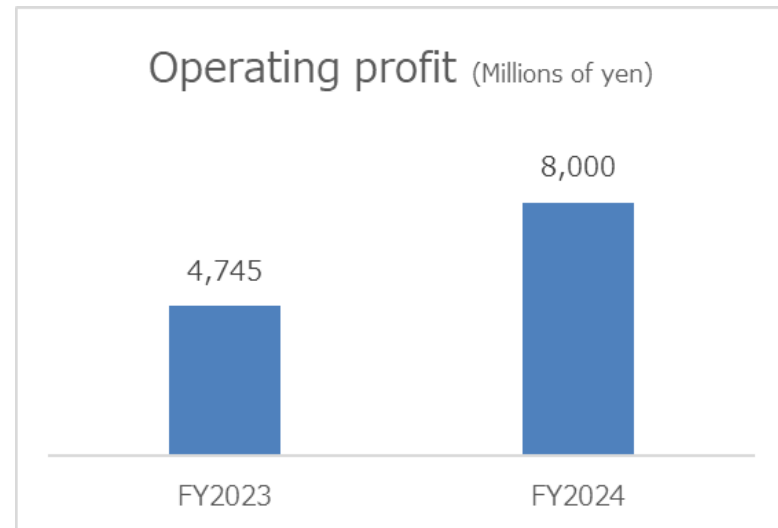
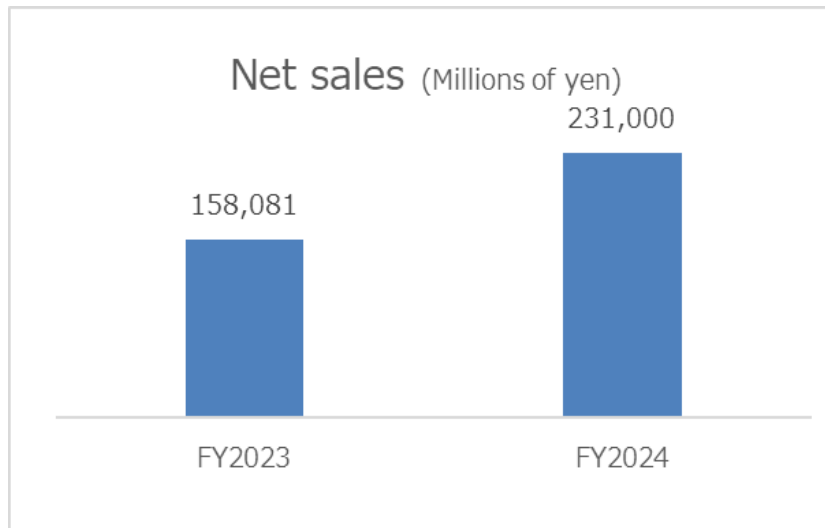
2-2. Sales forecast for FY2024



2-2. Operating Income forecast for FY2024 **NISSHINBO**



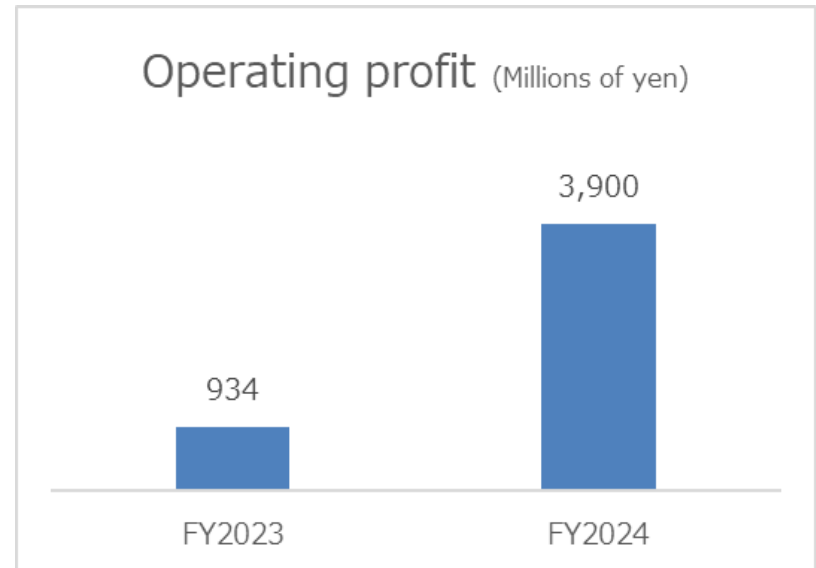
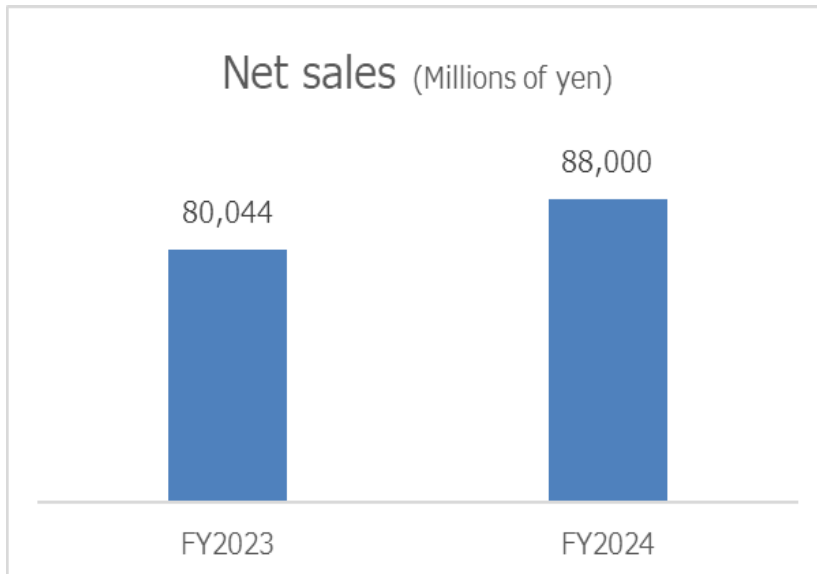
Increase in sales and profits



- Stable public works budgets are expected to support steady growth in the solutions and specialized equipment businesses
- Hitachi Kokusai Electric Group became a consolidated subsidiary

2-2. FY2024 Forecast for Micro Devices **NISSHINBO**

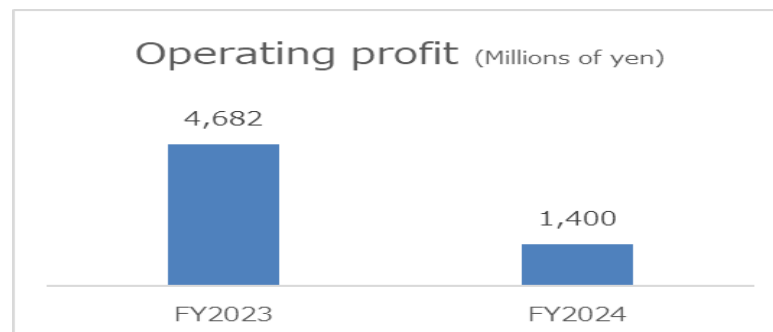
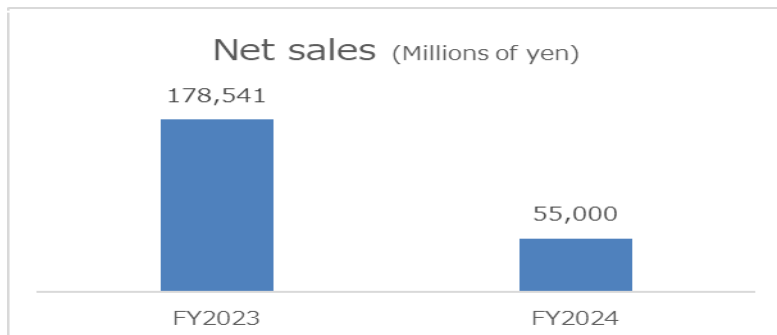
Increase in sales and profits



- Automotive products are expected to remain strong.
- Market conditions for consumer products such as smartphones and PC-related products are expected to recover from the second half of the year.

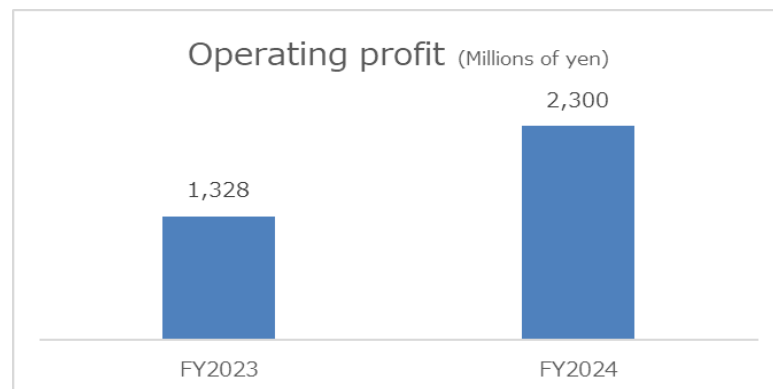
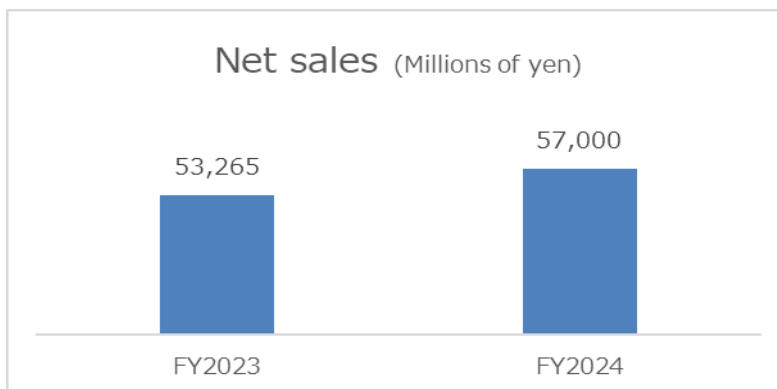
2-2. FY2024 Forecast for Brake & Precision Instruments

Brake: Decrease in sales and profits



- Orders for copper-less and copper-free friction materials to meet environmental regulations are expected to remain strong.
- Overall business sales and income are expected to decrease due to the business transfer of TMD Group.

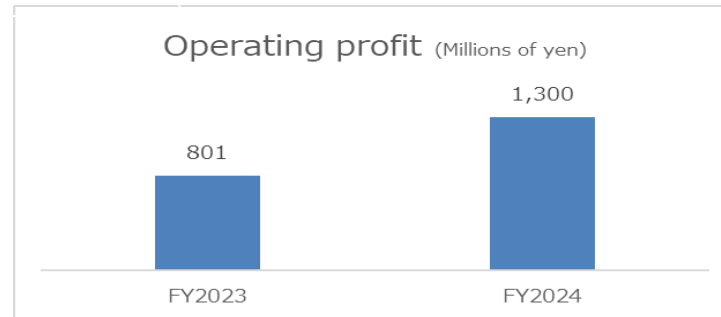
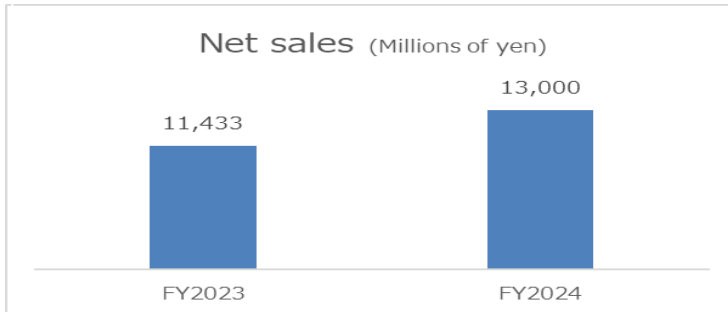
Precision Instruments: Increase in sales and profits



- Orders for both molded products and precision parts increased along with the shift to EVs for automobiles.
- Shift to high value-added products

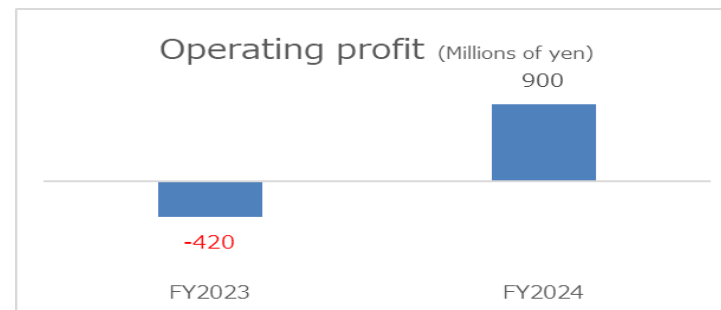
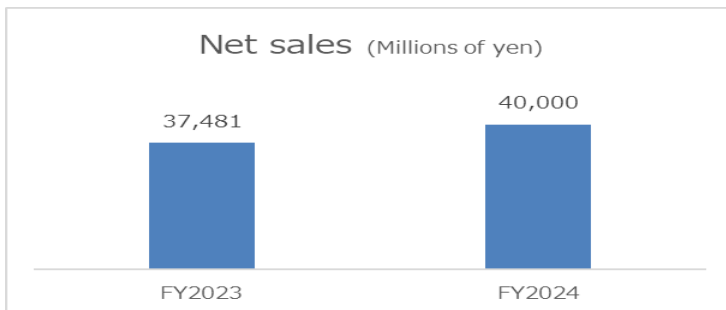
2-2. FY2024 Forecast for Chemicals & Textiles

Chemicals: Increase in sales and profits



- Fuel cell bipolar plates :Increase in global inquiries
- Functional Chemicals (Carbodilite): Growing demand for soil and marine degradable products

Textiles: Increase in sales and return to profitability



- Expand sales of APOLLOCOT (form-stabilized shirts) and growth of EC business

3. Appendix

3-1. Financial results by segment ①

Wireless and communications	FY2023FC (8/22)	
	Net sales	O. P.
Marine systems	39,600	2,100
Solutions	62,400	300
ICT & Mechatronics	23,500	400
Medical equipment	7,000	400
Others	5,600	500
JRC Mobility	18,000	300
Eliminations	-3,100	-200
JRCG Total	153,000	3,800
Hitachi Kokusai Electric	-	-
Total	153,000	3,800

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
35,844	1,633	43,938	2,811	8,094	1,178
68,989	3,227	62,792	946	-6,197	-2,281
23,000	260	22,436	80	-564	-180
6,552	354	6,152	441	-400	87
4,286	98	5,229	-87	943	-185
14,629	-593	20,399	565	5,770	1,158
-2,908	-158	-2,865	-11	43	147
150,392	4,821	158,081	4,745	7,689	-76
-	-	-	-	-	-
150,392	4,821	158,081	4,745	7,689	-76

FY2024 FC	
Net sales	O. P.
42,400	1,600
66,300	1,200
25,600	500
7,500	600
6,000	400
18,900	200
-3,700	-100
163,000	4,400
68,000	3,600
231,000	8,000

Microdevices	FY2023FC (8/22)	
	Net sales	O. P.
Total	85,000	3,600

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
85,329	8,947	80,044	934	-5,284	-8,012

FY2024 FC	
Net sales	O. P.
88,000	3,900

Automobile Brakes	FY2023FC (8/22)	
	Net sales	O. P.
NISB	60,000	900
TMD	115,000	1,600
Eliminations	-6,000	0
Total	169,000	2,500

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
56,701	2,072	63,155	1,760	6,454	-312
104,058	-6,566	122,043	2,761	17,985	9,327
-7,116	-170	-6,661	160	455	330
153,643	-4,664	178,541	4,682	24,898	9,346

FY2024 FC	
Net sales	O. P.
60,000	1,400
-	-
-5,000	0
55,000	1,400

3-2. Financial results by segment ②

Precision Instruments	FY2023FC (8/22)	
	Net sales	O. P.
Precision parts	20,200	800
Molding products	40,200	1,400
Eliminations	-4,400	0
Total	56,000	2,200

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
16,259	158	19,215	609	2,956	451
41,871	1,465	38,557	881	-3,314	-584
-4,475	-847	-4,508	-162	-33	685
53,655	776	53,265	1,328	-389	551

FY2024 FC	
Net sales	O. P.
22,000	1,000
38,000	1,300
-3,000	0
57,000	2,300

Chemicals	FY2023FC (8/22)	
	Net sales	O. P.
Environment and energy related products (※)	11,900	2,000
Others	2,400	600
Eliminations	-300	0
Total	14,000	2,600

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
10,838	1,666	9,684	383	-1,154	-1,283
2,138	515	2,009	418	-129	-97
-304	-1	-262	0	42	1
12,673	2,181	11,433	801	-1,240	-1,380

FY2024 FC	
Net sales	O. P.
10,900	900
2,200	400
-100	0
13,000	1,300

※FC bipolar plates, Carbodilite, Insulator

Textiles	FY2023FC (8/22)	
	Net sales	O. P.
Total	39,000	900

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
38,333	99	37,481	-420	-852	-519

FY2024 FC	
Net sales	O. P.
40,000	900

Real Estate	FY2023FC (8/22)	
	Net sales	O. P.
Total	10,500	8,000

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
11,178	8,719	11,263	8,518	85	-201

FY2024 FC	
Net sales	O. P.
17,000	11,500

Other businesses, Corporate costs	FY2023FC (8/22)	
	Net sales	O. P.
Total	9,500	-8,600

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
10,879	-5,446	11,100	-8,137	221	-2,691

FY2024 FC	
Net sales	O. P.
12,000	-5,300

Segment Total	FY2023FC (8/22)	
	Net sales	O. P.
Total	536,000	15,000

FY2022		FY2023		Change	
Net sales	O. P.	Net sales	O. P.	Net sales	O. P.
516,085	15,435	541,211	12,453	25,125	-2,981

FY2024 FC	
Net sales	O. P.
513,000	24,000

NISH: Nisshinbo Holdings Inc.

Consolidated subsidiaries of NISH.

JRC: Japan Radio Co., Ltd.

NISD: Nisshinbo Micro Devices Inc.

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.