

Summary of Financial Results: First Half of FY2023

1. FY2023 2Q Financial Overview

2. FY2023 Full-year Forecast

Q2 Overview

- **Quarterly sales reached a record historical high for the fourth consecutive quarter** due to recovery in production volume and foreign exchange effects
- Operating profit increased in both YoY and QoQ due to increased revenue and fixed cost control
Operating profit margin of 11.6% in the first half of FY2023, showing enhancement of our earning power.
- Most of the treasury stocks were cancelled in the first half of FY2023.

FY2023 Full-year Forecast

- Progress has been generally as planned, and no revision in our guidance for FY2023.
(If there are any changes in assumptions, etc., we will promptly revise the forecast.)
- **Dividend forecast for FY2023 year also remains unchanged** (64 yen/share)
- Share buyback in progress (as of Nov.)

1. FY2023 2Q Financial Overview

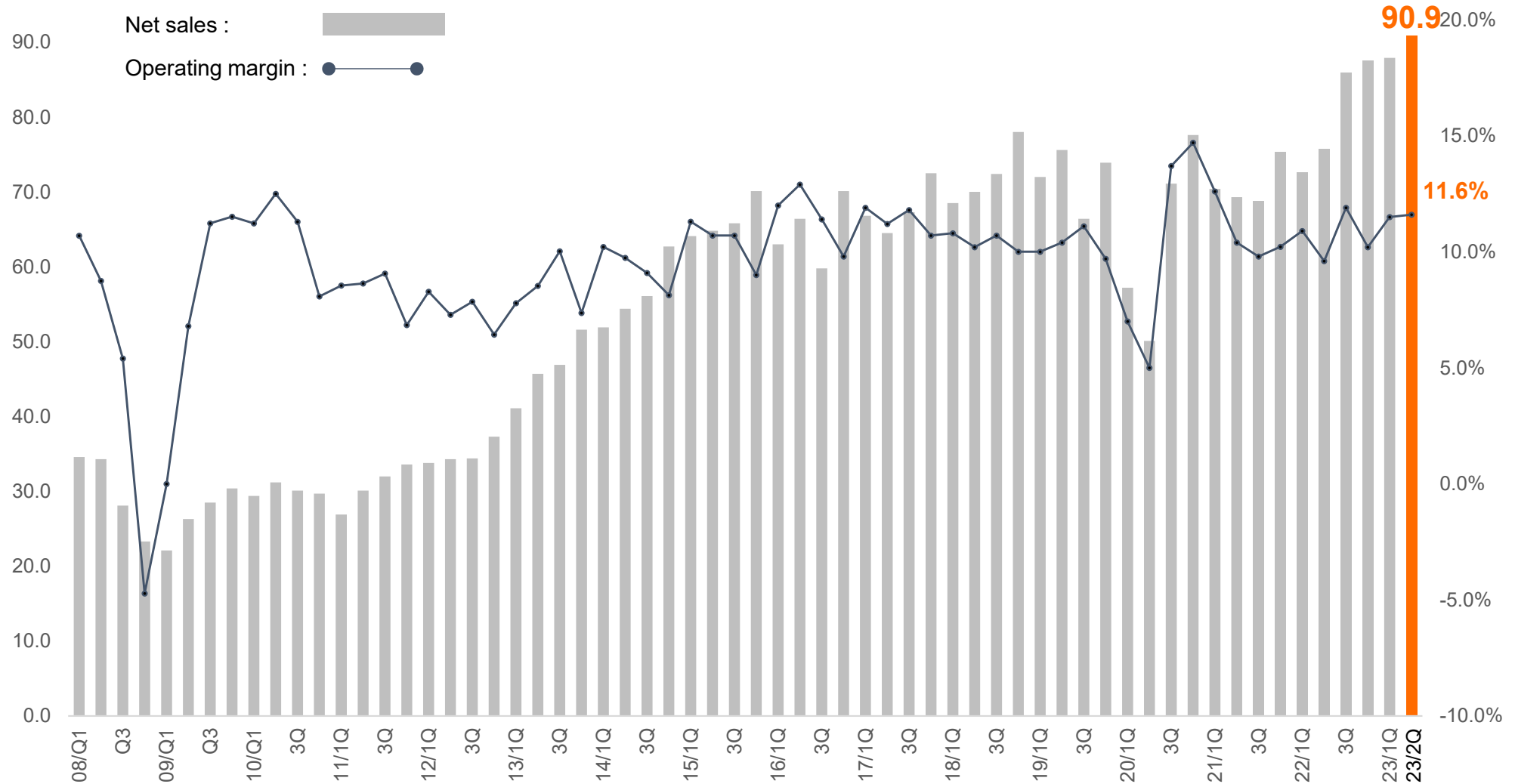
2. FY2023 Full-year Forecast

1. Financial Highlights

Achieved High Level of Sales and Margins In a Difficult Business Environment

- Sales remained high due to yen depreciation and strong domestic business
- Despite the inflation, fixed costs are controlled and profitability is maintained

(Billions of yen)



2. Overview of Y2023 Q2 Consolidated Achieved YoY and QoQ Increases in Both Revenue And Income

- Achieved year-on-year and quarter-on-quarter increases in both revenue and income
- Sale (YoY +20.0%, QoQ +3.4%), OP (YoY+44.5%, QoQ +3.9%)

(JPN)	FY2022	FY2023		
	Q2	Q1	Q2	YoY
Net Sales	75.7bn	87.9bn	90.9bn	+20.0%
Operating profit	7.3bn	10.1bn	10.5bn	+44.5%
OP margin	9.6%	11.5%	11.6%	+2.0%pts
Net income ¹⁾	5.8bn	9.7bn	7.6bn	+31.0%
EPS	57.90yen	97.50yen	76.22yen	+31.6%
FX rates	1USD=JPY123.1 1EUR=JPY134.4	1USD=JPY132.4 1EUR=JPY142.1	1USD=JPY135.0 1EUR=JPY145.9	1USD=JPY+11.9 1EUR=JPY+11.5

3. Overview of FY2023 H1 Consolidated Sales And OP increased YoY. OPM Remained Solid at 11.6%

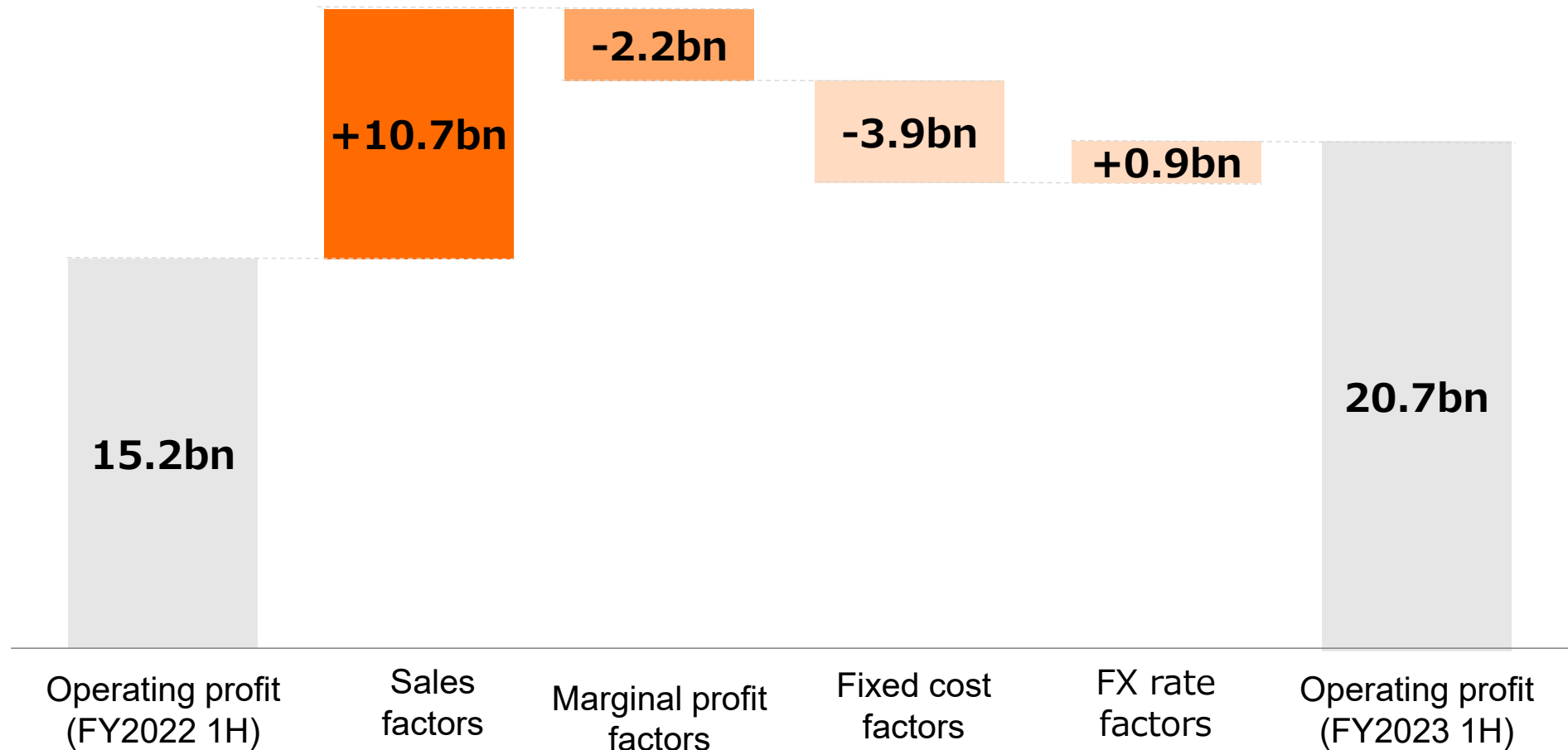
- Both sales and OP increased YoY mainly due to yen depreciation and strong performance in Japan
- OPM remained steady at 11.6%

(JPN)	FY2021	FY2022	FY2023	
	1H	1H	1H	YoY
Net Sales	139.7bn	148.4bn	178.8bn	+20.5%
Operating profit	16.1bn	15.2bn	20.7bn	+35.9%
OP margin	11.5%	10.3%	11.6%	+1.3%pts
Net income ¹⁾	11.9bn	13.8bn	17.3bn	+25.3%
EPS	117.19yen	138.10yen	173.71yen	+25.8%
FX rates	1USD=JPY107.8 1EUR=JPY129.9	1USD=JPY123.1 1EUR=JPY134.4	1USD=JPY135.0 1EUR=JPY145.9	1USD=JPY+11.9 1EUR=JPY+11.5

4. FY2023 H1 Consolidated OP (YoY)¹

Operating Profit Analysis (YoY)

- OP increase driven by revenue increase due to recovery in production volume following Q1
- Both variable and fixed costs increased due to inflation, but were controlled to a certain level. As a result, OP increased by approx. 30% yoy even without the FX effect



5. FY2023 H1 by Segment (Sales)

Achieved Revenue Growth in All Regions Except China¹

- Japan and the U.S., where recovery in production volume by JPN OEMs is remarkable, led the increase in sales
- Sluggish sales in China due to lower production volume caused by struggle of JPN OEMs

(JPN)	FY2022(1H)	FY2023(1H)	YoY	Note
Consolidated	148.4bn	178.8bn	+20.5%	
Plastics	133.3bn	161.8bn	+21.4%	
Japan	35.7bn	42.6bn	+19.4%	Automobile production recovery
North America	32.7bn	42.6bn	+30.4%	Automobile production recovery of Japanese OEMs
Europe	18.4bn	23.6bn	+27.9%	Automobile production recovery
Asia	46.4bn	53.0bn	+14.1%	Strong production of Korean OEMs
China	14.9bn	13.8bn	-7.3%	Decreased automobile production of Japanese OEMs
Bed	15.1bn	17.0bn	+12.7%	
Japan	8.3bn	9.0bn	+8.3%	
Asia	6.8bn	8.0bn	+18.2%	The previous year was affected by Covid

6. FY2023 H1 by Segment (OP)

OP Increased in All Regions And Segments Except China¹

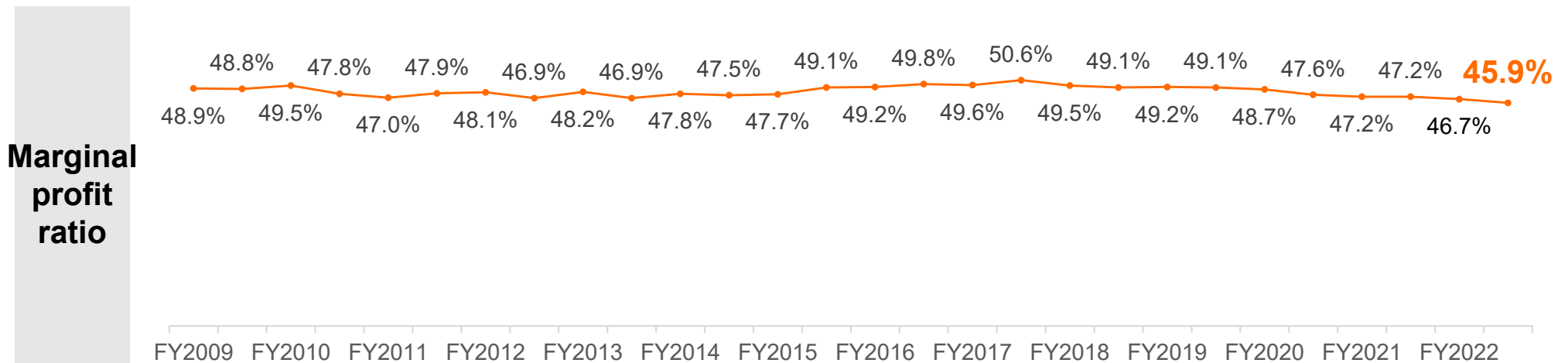
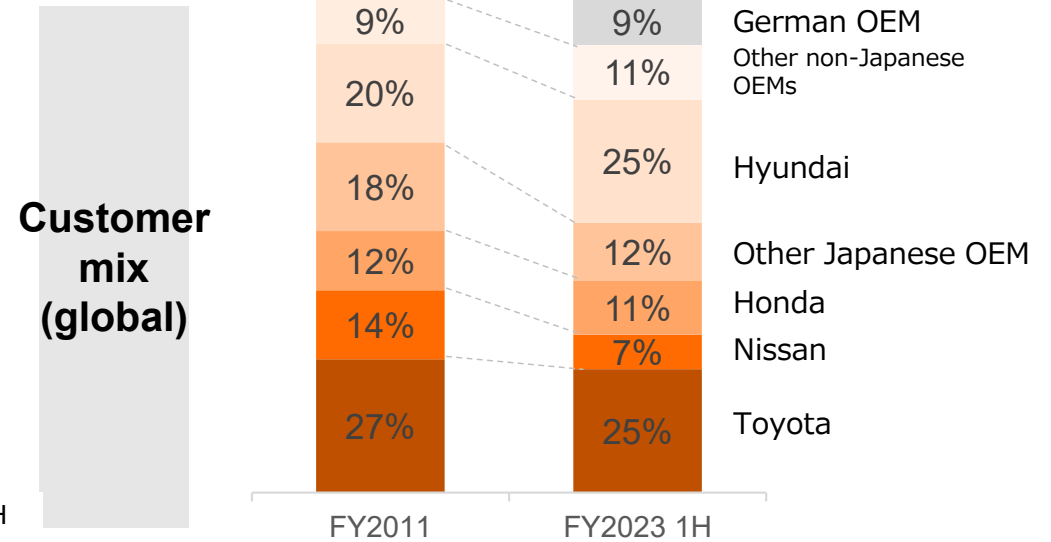
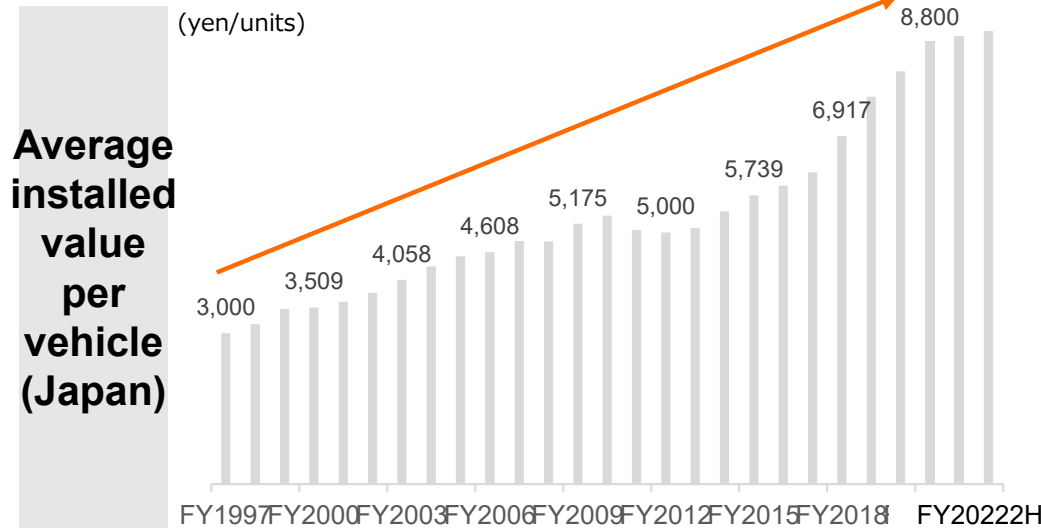
- Margin improvement in North America and Japan, drove the rise in OPM
- China continues to face a difficult business environment due to the impact of declining sales

(JPN)	FY2022(1H)	FY2023(1H)	YoY	Note
Consolidated	15.2bn (10.3%)	20.7bn (11.6%)	+35.9%	
Plastics	15.1bn (11.4%)	20.3bn (12.5%)	+33.8%	
Japan	5.3bn (14.8%)	8.0bn (18.9%)	+51.9%	Improvement due to increased sales and fixed cost management
North America	0.9bn (2.8%)	1.8bn (4.3%)	+95.3%	Improvement due to increased sales and fixed cost management
Europe	0.6bn (3.4%)	1.6bn (6.6%)	+145.9%	Improved utilization ratio due to increased production volume
Asia	8.3bn (17.9%)	8.9bn (16.7%)	+7.5%	Remain strong performance
China	2.5bn (16.6%)	1.9bn (13.6%)	-23.6%	Decreased sales and associated increase in fixed cost burden
Bed	2.5bn (16.4%)	2.8bn (16.5%)	+13.8%	
Japan	1.1bn (13.6%)	1.3bn (14.6%)	+16.5%	
Asia	1.3bn (19.7%)	1.5bn (18.6%)	+10.6%	

7. Customer Base (average installed value per vehicle and customer mix)

Installed Value Per Vehicle Increased And Customer Diversification Progressed

- Nifco has a wide range of customers including Japanese, Korean and European OEMs, and the average installed value per vehicle keeps increasing in FY2023 H1
- MP margin is in the upper 40% range, but recently decreased due to material cost increase







1. FY2023 2Q Financial Overview

2. FY2023 Full-year Forecast

Remained Foreign Exchange Rate Assumptions

- Exchange rate assumptions remained unchanged; full-year forecasts also remained unchanged
(132 yen/USD, 145 yen/EUR)

	Previous(August)		Current		
	Period covered	Assumptions	Period covered	Assumptions	
Japan	2023/7 ~2024/3		2023/10 ~2024/3		<ul style="list-style-type: none"> Production volume recovery trend continues
Overseas	2023/4 ~2023/12		2023/7 ~2023/12		<ul style="list-style-type: none"> In North America and ASEAN, Japanese OEMs continue to recover production Carefully watches production status of Japanese OEMs in China Weak recovery in Europe, watch macro environment closely
FX rate		132yen/USD 145yen/EUR		132yen/USD 145yen/EUR	<ul style="list-style-type: none"> + -0yen/USD + -0yen/EUR

9. FY2023 Full Year Guidance

No Revision in Full-Year Guidance

- Exchange rate assumptions remain unchanged
- Full-year forecasts also remain unchanged (1USD=132yen, 1EUR=145yen)

(JPN)	FY2022		FY2023	
	1H	1H	Full-Year Forecasts	Achievement rate
Net Sales	148.4bn	178.8bn	343.0bn	52.1%
Operating profit	15.2bn	20.7bn	38.0bn	54.4%
OP Margin	10.2%	11.6%	11.1%	–
Recurring Profit	20.3bn	25.0bn	38.3bn	65.3%
Net Income¹⁾	13.8bn	17.3bn	23.5bn	73.7%
EPS²⁾	138.10yen	173.71yen	235.59yen	73.7%

10. CAPEX and Depreciation

Free Cashflow Will Steadily Increase

- Operating cashflow progressed as planned
- Progress of CAPEX is 29% of the plan. Will execute appropriately based on demand

(JPN)	FY2022(1H)	FY2023(1H)	Change	Plan (FY2023)
CAPEX	4.0bn	3.8bn	-0.2bn	13.3bn
Depreciation	6.6bn	6.9bn	+0.3bn	13.8bn
R&D	1.8bn	1.8bn	-	3.6bn
Operating CF	15.6bn	20.6bn	+5.0bn	36.0bn
Investment CF	-7.4bn	-2.0bn	+5.4bn	-13.3bn
Free CF	8.2bn	18.6bn	+10.4bn	22.7bn
Financial CF	-5.0bn	-18.8bn	-13.8bn	-19.5bn
Cash equivalent balance	120.5bn	129.3bn	+8.8bn	124.2bn

11. Shareholder returns

Plan to remain DPS the same level as FY3/2023, consider flexible buybacks

- Cancelled 7,251,901 shares of treasury stock at the end of September
- Plans to maintain the dividend at 64 yen per share, unchanged from the previous year (dividend payout ratio of 30%)
- Flexible share buybacks will continue to be considered for this fiscal year.

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023e
Dividend (full year)	62 yen/share	62 yen/share	53 yen/share	62 yen/share	64 yen/share	64 yen/share (Plan)
Share buy-back	1mn shares (2.8bn yen)	790k shares (1.4bn yen)	710k shares (1.4bn yen)	1.38mn shares (4.8bn yen)	360k shares (1.2bn yen)	430k shares (1.6bn yen)
Target (payout ratio)	30%	30%	30%	30%	30%	30%
Sshareholder return	<div style="display: flex; justify-content: space-around; align-items: center;"> ■ Dividends ■ : Share buybacks </div>					
	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>45%</p> <p>14%</p> <p>31%</p> </div> <div style="text-align: center;"> <p>43%</p> <p>8%</p> <p>35%</p> </div> <div style="text-align: center;"> <p>37%</p> <p>8%</p> <p>29%</p> </div> <div style="text-align: center;"> <p>48%</p> <p>20%</p> <p>27%</p> </div> <div style="text-align: center;"> <p>36%</p> <p>6%</p> <p>30%</p> </div> </div>					
Results						



Forward - looking statements or projections included in this document, including earnings projections, are based on currently available information and certain premises that are judged to be rational at the time of this writing. Actual results may differ greatly from the forecast figures depending on various factors.