

Financial Results: 3rd quarter of FY2021

- 1 . FY2021 3Q Consolidated Results Summary**
- 2 . FY2021 Full-Year Forecast**

3Q Consolidated Results Summary

- Operating profit decreased compared to the same period of the previous fiscal year, when there was a sharp recovery after Covid. The decrease is due to the impact of automobile production cutbacks and increased costs in North America and other overseas markets, but **the operating profit margin of 9.8% was maintained through fixed cost control and other measures.**

FY2021 Forecast

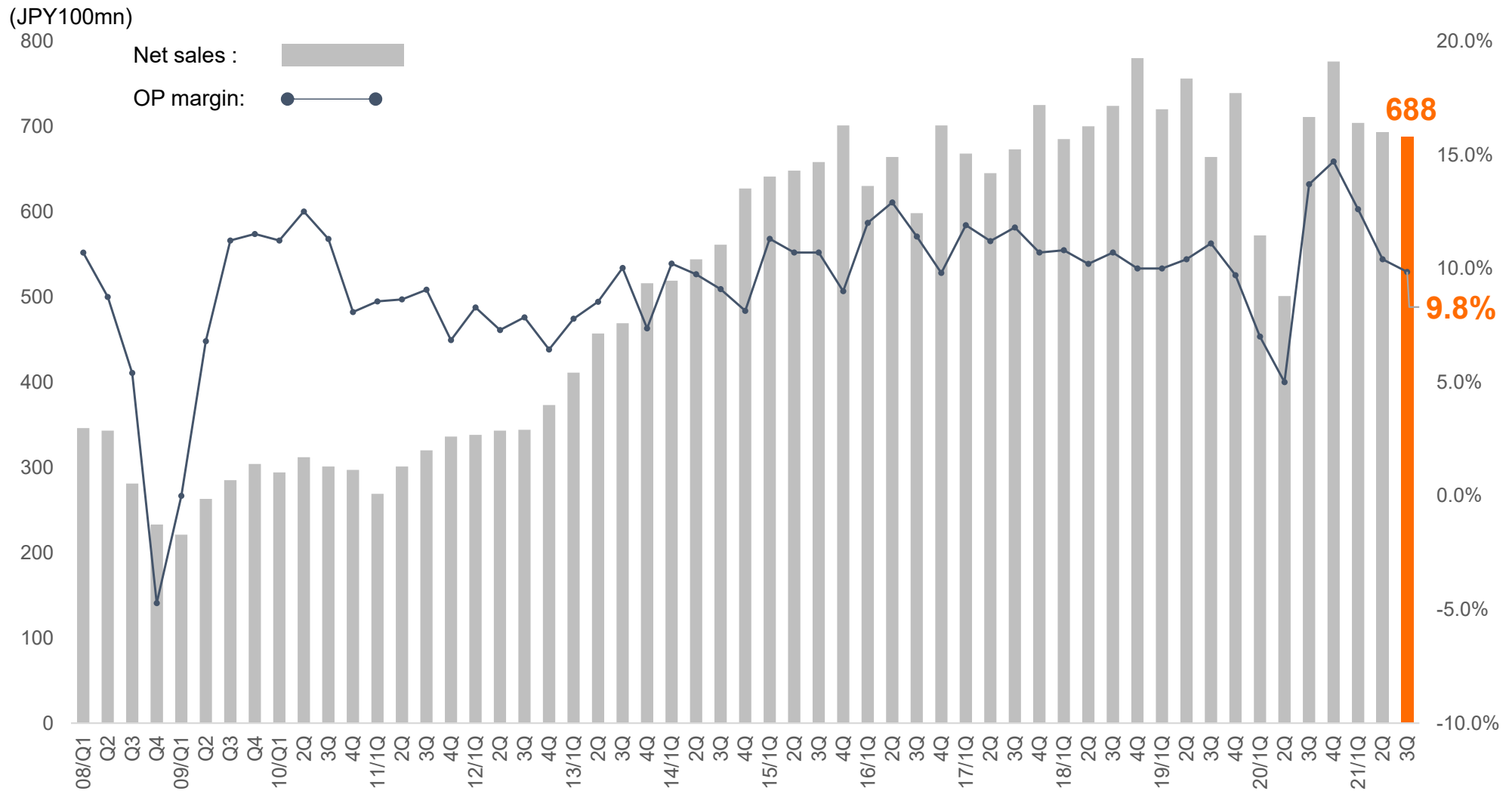
- Although there is a delay in the recovery of automobile production, **the one-time costs are deemed to have bottomed out in November-December** (Japan Q3 / Overseas Q4).
- Maintain the FY2021 guidance announced in October, and steadily implement fixed cost control, etc.

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- 2 . FY2021 full-year forecast

1. Financial Highlights

Secured almost double-digit OP margins despite the severe business environment

- Sales increased compared to pre-Covid (3Q FY2019), but OP margin declined due to increased costs in North America, etc.
- Almost double-digit OP margin secured through fixed cost control, etc.
- Nifco Spain was divested in November 2021.



Thorough management of fixed costs to deal with cost increases

- Compared to the same period of the previous year, when rapid recovery post Covid was remarkable, 3Q sales decreased (-3%) and operating profit decreased (-31%) due to the impact of reduced automobile production and increased costs in North America and other overseas markets.
- Profitability declined but fixed cost control and other measures ensured almost double-digit operating profit margins.

(JPY)	FY2020	FY2021			
	3Q	1Q	2Q	3Q	YoY
Sales	71.1bn	70.4bn	69.3bn	68.8bn	-3.3%
Operating profit	9.8bn	8.9bn	7.2bn	6.8bn	-30.6%
OP margin	13.7%	12.6%	10.4%	9.8%	-3.9%pts
Net income¹⁾	6.9bn	6.1bn	5.8bn	4.7bn	-31.9%
EPS	67.59yen	60.10yen	57.07yen	46.38yen	-31.4%
FX rate	1\$=107.5yen 1euro=120.9yen	1\$=106.0yen 1euro=127.8yen	1\$=107.8yen 1euro=129.9yen	1\$=108.5yen 1euro=129.8yen	1\$=+1.0yen 1euro=+8.9yen

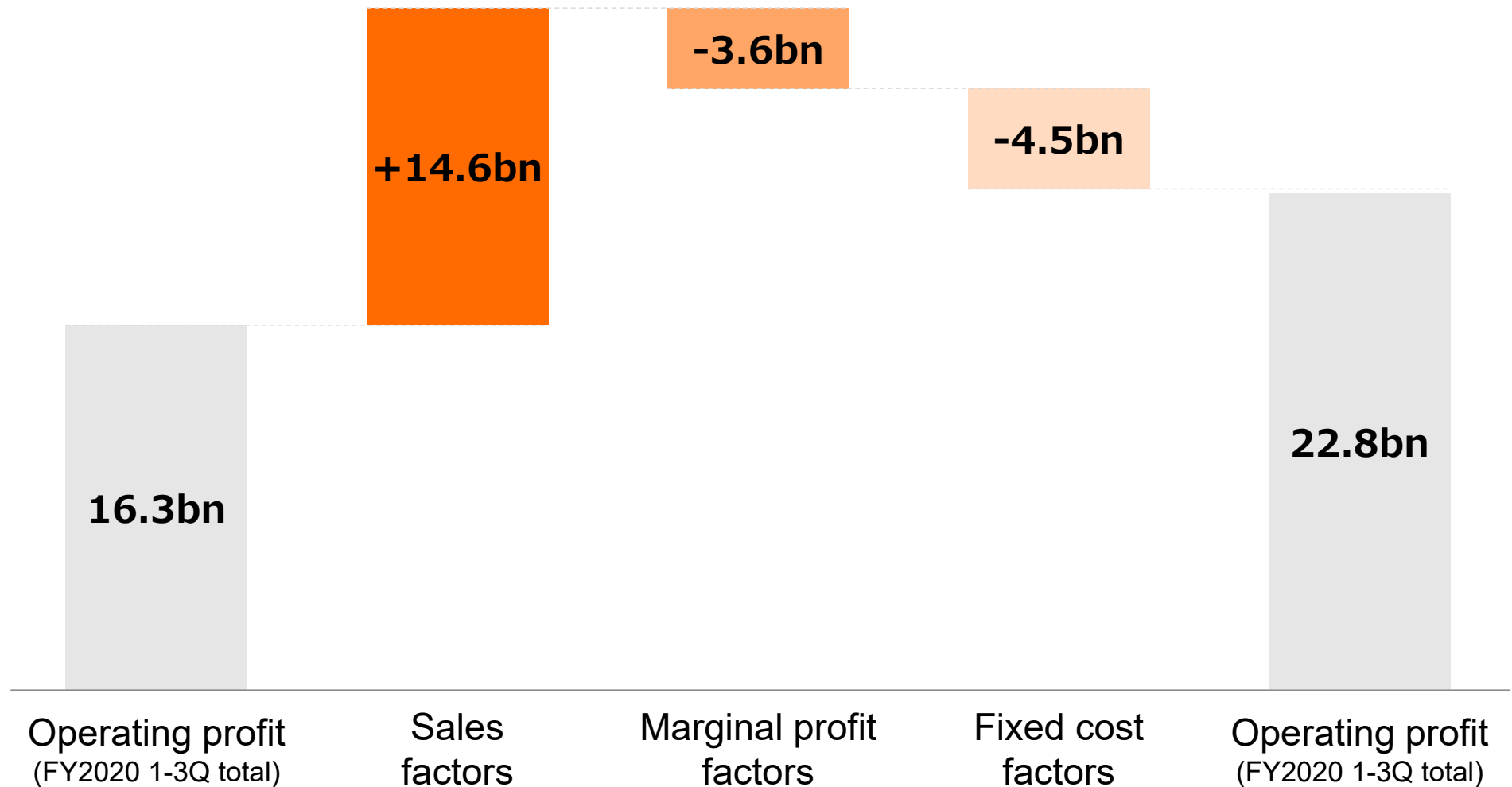
Despite the impact of increased expenses and reduced automobile production, operating profit exceeded that before Covid

- In 3Q, despite the increase in raw material and other costs and the impact of reduced automobile production, fixed costs continued to be thoroughly managed and operating profit and OP margin exceeding that of pre-Covid (FY2019) levels secured.

	FY2019	FY2020	FY2021	
	Total (1 – 3Q)	Total (1 – 3Q)	Total (1 – 3Q)	YoY
Sales	214.1bn	178.6bn	208.4bn	+16.7%
Operating profit	22.5bn	16.3bn	22.8bn	+40.3%
OP margin	10.5%	9.2%	11.0%	+1.8%pts
Net income	15.1bn	10.0bn	16.6bn	+65.6%
EPS¹⁾	141.34yen	98.4yen	163.64yen	+66.3%
FX rate	1\$=109.1yen 1euro=122.6yen	1\$=107.5yen 1euro=120.9yen	1\$=108.5yen 1euro=129.8yen	1\$= +1.0yen 1euro= +8.9yen

Operating profit increased +40% YoY due to higher revenue

- Sales increased due to a recovery in production post Covid, which drove an increase in operating profit.
- Variable costs such as raw material costs increased. Fixed costs increased in line with increased production but were appropriately controlled within the budget.



Achieved year-on-year increase in sales in all regions

- Sales increased in all regions compared to the same period of the previous year due to the reaction to the sales decline caused by Covid. Particularly notable increases were in North America and Europe, where sales declined significantly in the previous year.

(JPY)	FY2020 (1-3Q total)	FY2021 (1-3Q total)	YoY	Note
Consolidated	178.6bn	208.4bn	+16.7%	
Plastics	160.7bn	187.2bn	+16.5%	
Japan	50.4bn	53.7bn	+6.6%	
North America	35.5bn	43.9bn	+23.4%	Due to an increase in automobile production (January to September) and FX
Europe	21.5bn	26.7bn	+24.1%	Due to an increase in automobile production (January to September) and FX
Asia	53.2bn	63.0bn	+18.3%	Due to an increase in automobile production (January to September) and FX
China	20.4bn	21.8bn	+7.0%	
Bed	17.9bn	21.2bn	+18.1%	Strong performance in China and Southeast Asia

Achieved year-on-year increase in operating profit in all regions except North America

- Despite an increase in expenses, operating profits increased due to a rebound from a profit decline triggered by Covid compared to the same period of the previous fiscal year, except for North America.
- Decrease in operating profit YoY in North America due to an (temporary) increase in material costs, etc. resulting from climate change

(JPY)	FY2020 (1-3Q total)	FY2021 (1-3Q total)	YoY	Note
Consolidated	16.3bn (9.1%)	22.8bn (11.0%)	+40.3%	
Plastics	17.6bn (10.9%)	22.7bn (12.1%)	+29.0%	
Japan	8.3bn (16.4%)	8.9bn (16.6%)	+8.0%	
North America	1.8bn (5.0%)	1.0bn (2.3%)	-42.3%	Increase in material-related costs (temporary)
Europe	0.1bn (0.3%)	1.5bn (5.8%)	+2,477%	Increase in reaction to the decrease in sales and profit from Covid
Asia	7.5bn (14.2%)	11.2bn (17.7%)	+48.0%	
China	2.2bn (10.9%)	3.4bn (15.5%)	+52.1%	
Bed	2.5bn (14.1%)	3.9bn (18.5%)	+54.8%	Strong performance in China and Southeast Asia

Allocation of funds with emphasis on cash flow-oriented management

- Continue to focus on cash flow management

(JPY)	FY2020 (1-3Q total)	FY2020 (1-3Q total)	Change	FY2021 plan
CAPEX	12.3bn	5.6bn	-6.6bn	14.0bn
Depreciation	9.9bn	9.4bn	-0.5bn	13.3bn
R&D	1.9bn	2.0bn	+0.1bn	3.0bn
Operating CF	23.0bn	20.8bn	-2.2bn	38.0bn
Investment CF	-8.7bn	-6.3bn	+2.4bn	-13.8bn
Free CF	14.3bn	14.5bn	+0.2bn	20.2bn
Financial CF	-18.3bn	-12.5bn	+5.8bn	-11.7bn
Cash equivalent balance	85.0bn	100.6bn	+15.6bn	106.5bn

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Automobile production recovery delayed, but one-time expenses settled in October - December as expected

- Recovery of automobile production has been delayed from the forecast as of Oct. 2021, but one-time costs related to materials, etc. are deemed to have bottomed out in the October-December period (3Q in Japan and 4Q overseas).

: FY2021 1H

: FY2021 2H

Current outlook (at the time of FY21/3Q announcement)

➔ Improved relative to outlook as of FY21/2Q announcement

➔ As expected, relative to outlook as of FY21/2Q announcement

➔ Declined relative to outlook as of FY21/2Q announcement

Automobile Business		2021		2022	Outlook for 4Q
		Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	
Sales	Japan		➔	➔	Delay in recovery production of automobiles relative to October 2021 forecast
	Overseas		➔	➔	
Cost	Japan		➔	➔	-
	Overseas		➔	➔	

End of accounting for one-time costs

Achieved 74% sales and 77% operating profit against current fiscal year forecast

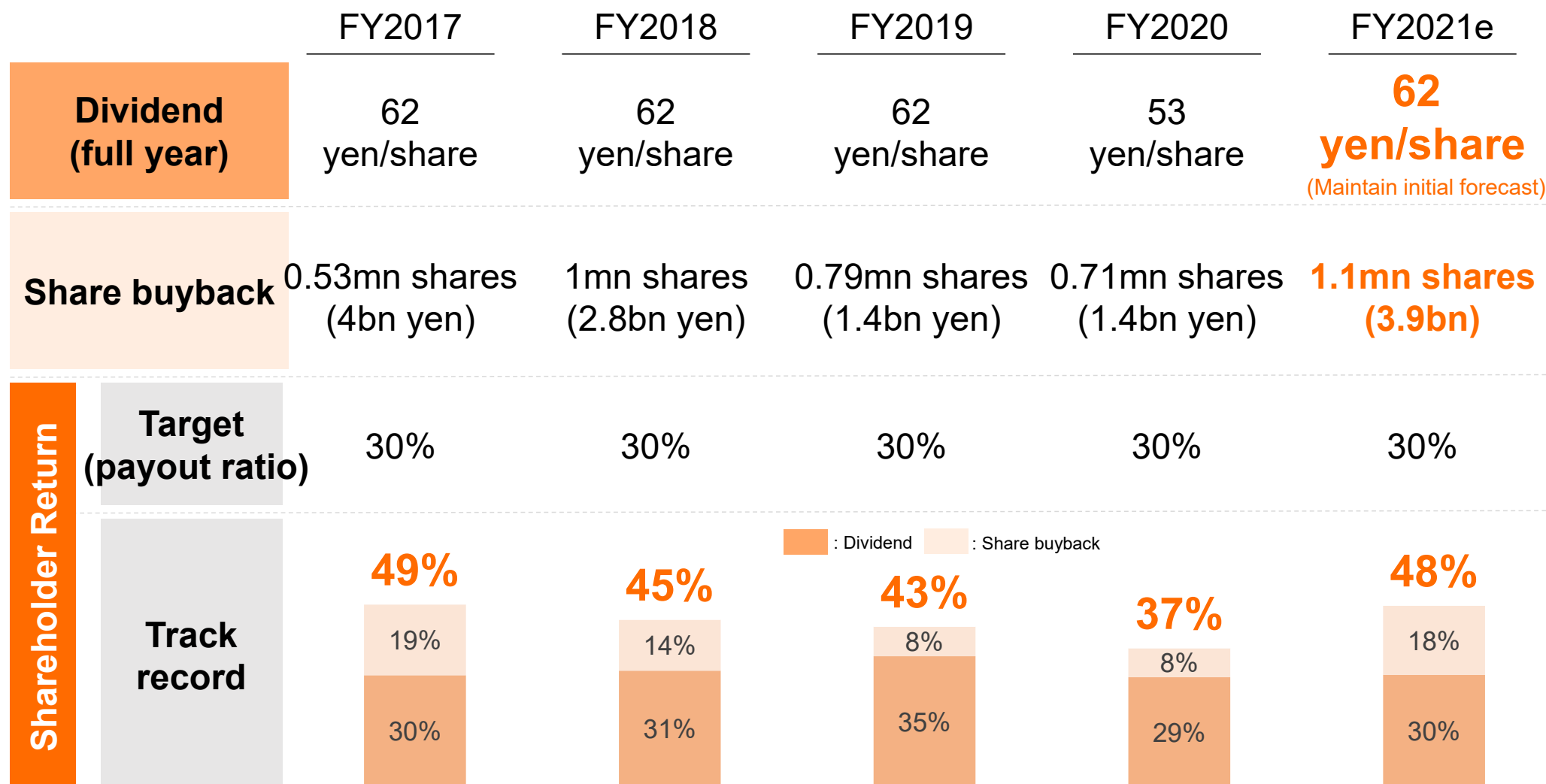
- Achievement rates for sales and operating profits are 74% and 77%, respectively, relative to the current fiscal year's guidance and largely in line with the forecast, despite fluctuations in automobile recovery production.

	FY2021(1-3Q total)		FY2021 guidance		Achievement rate	
	Sales	OP	Sales	OP	Sales	OP
Consolidate	208.4bn	22.8bn	280.0bn	29.5bn	74.4%	77.4%
Plastics	187.2bn	22.7bn	251.5bn	29.8bn	74.4%	81.2%
Japan	53.7bn	8.9bn	76.0bn	13.0bn	70.6%	68.5%
North America	43.9bn	1.0bn	56.5bn	1.4bn	77.6%	71.4%
Europe	26.7bn	1.5bn	33.0bn	2.0bn	80.9%	75.0%
Asia	63.0bn	11.2bn	85.5bn	13.9bn	73.7%	80.3%
China	21.8bn	3.4bn	29.0bn	3.9bn	75.2%	87.1%
Bed	21.2bn	3.9bn	28.5bn	5.0bn	74.4%	78.4%

10. Shareholder return

Exceeded target of 30% payout ratio target through dividends and share buybacks

- Achieved stable dividends with a commitment to a payout ratio of 30%.
- In addition, by flexibly conducting share buybacks, we achieved total shareholder returns exceeding our dividend payout ratio target (executed 2 buybacks in FY2021).



WOWING THE WORLD

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.