



# Financial Results Briefing for the Fiscal Year Ended March 31, 2023

June 6, 2023



NIHON TOKUSHU TORYO CO., LTD.

(Stock Exchange Code: 4619, Tokyo Stock Exchange Prime Market)



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1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023
2. Overview of Financial Results Forecast for the Fiscal Year Ending March 31, 2024
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4. Overview of the Company's Businesses
5. Future Growth Strategy

(Reference Materials)

1. Company Profile
2. Trends of Primary Management Indicators

# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (1) Summary of Financial Results for the Fiscal Year Ended March 31, 2023

### 1) Consolidated Statements of Income

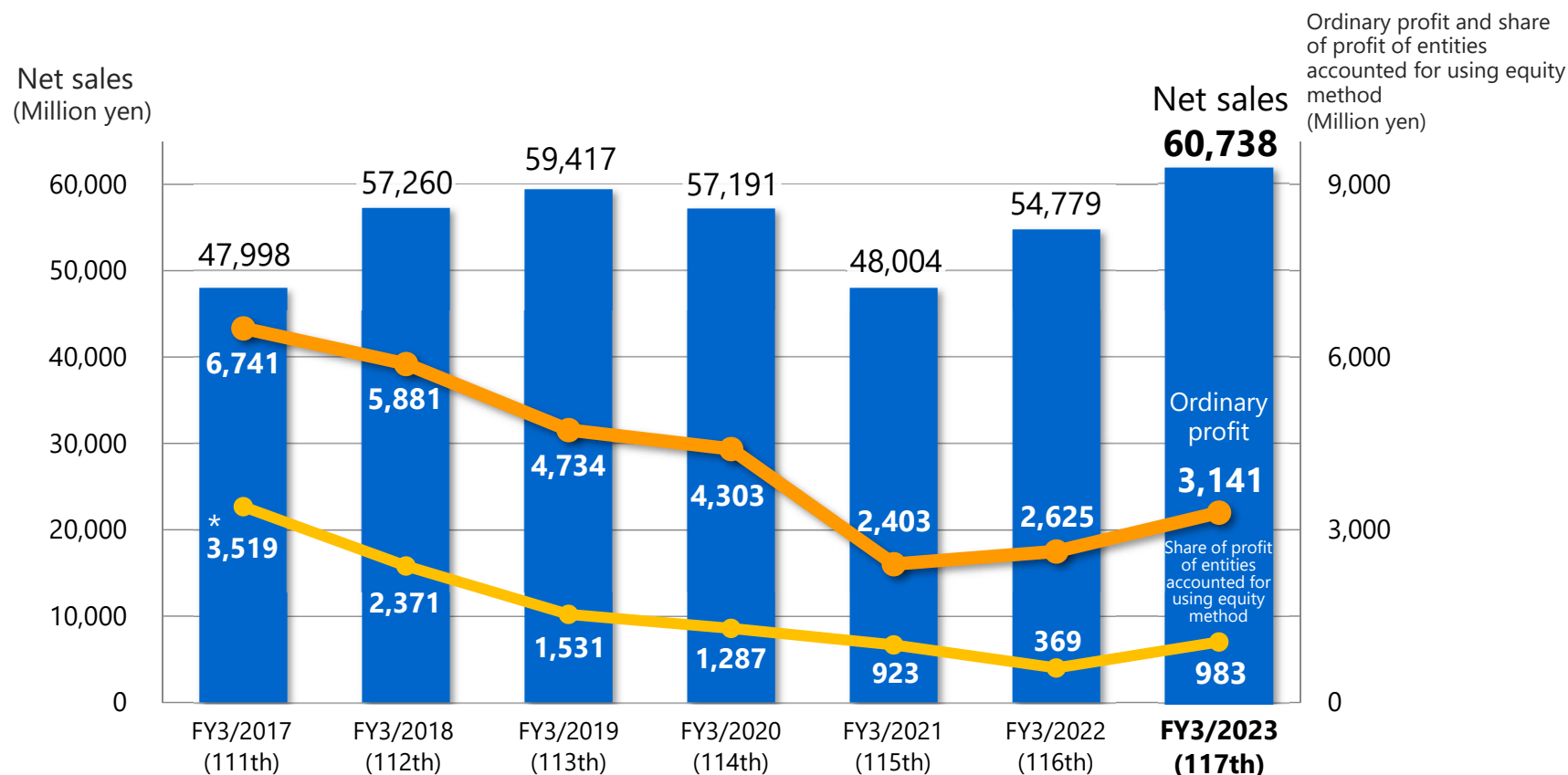
(Million yen)

	FY3/2022		FY3/2023		YoY change	
	Actual results	Ratio	Actual results	Ratio	Amount	%
Net sales	54,779	—	<b>60,738</b>	—	+5,959	+10.9%
Cost of sales	44,298	80.9	<b>49,652</b>	<b>81.7</b>	+5,354	+12.1%
Selling, general and administrative expenses	8,998	16.4	<b>9,454</b>	<b>15.6</b>	+455	+5.1%
Operating profit	1,482	2.7	<b>1,631</b>	<b>2.7</b>	+148	+10.0%
Ordinary profit	2,625	4.8	<b>3,141</b>	<b>5.2</b>	+516	+19.7%
Profit attributable to owners of parent	1,300	2.4	<b>2,103</b>	<b>3.5</b>	+802	+61.7%
Basic earnings per share	¥59.90	—	<b>¥96.77</b>	—	+¥36.87	—

# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (1) Summary of Financial Results for the Fiscal Year Ended March 31, 2023

### 2) Trends of Consolidated Financial Results (Past Seven Fiscal Years)

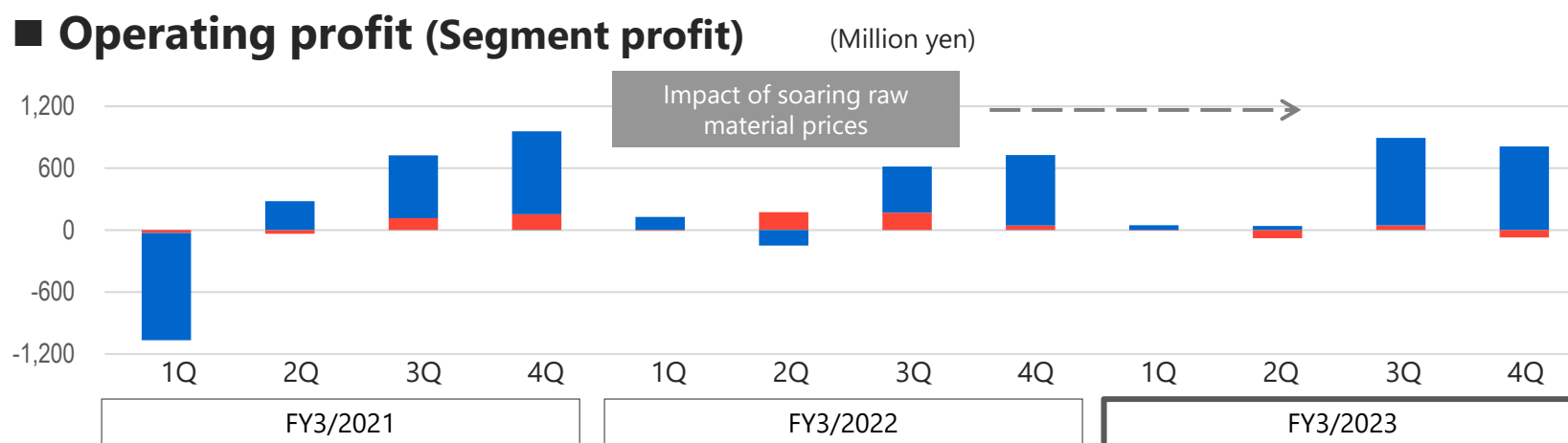
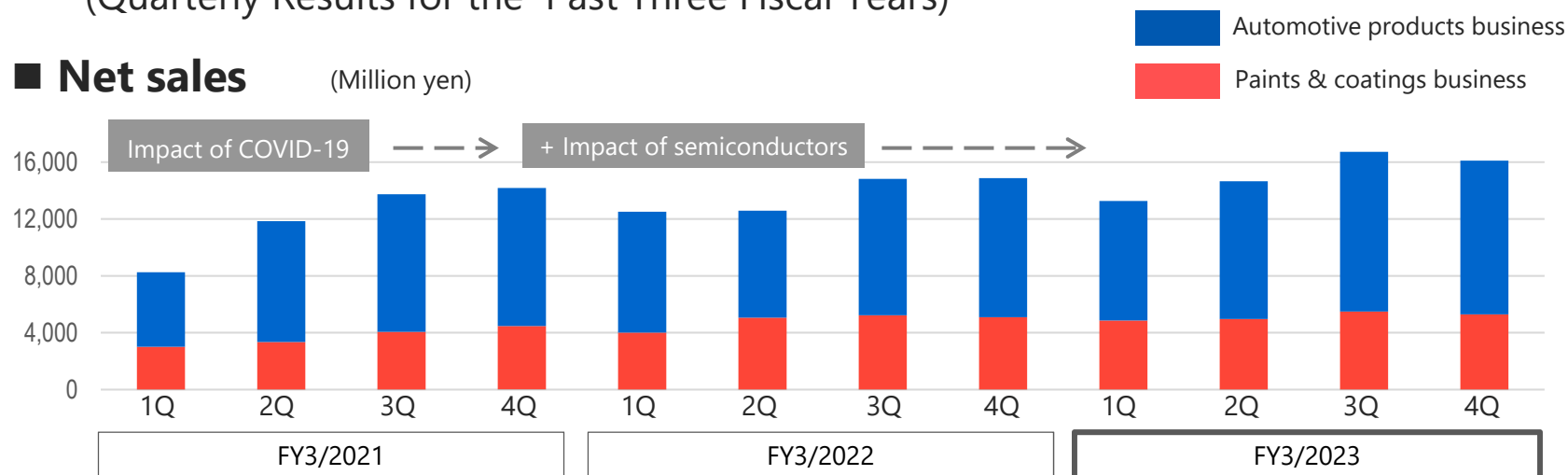


\* Special factors affected net sales in FY3/2017 (Gain on sale of non-current assets in the U.S. of 960 million yen was recorded)

# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (1) Summary of Financial Results for the Fiscal Year Ended March 31, 2023

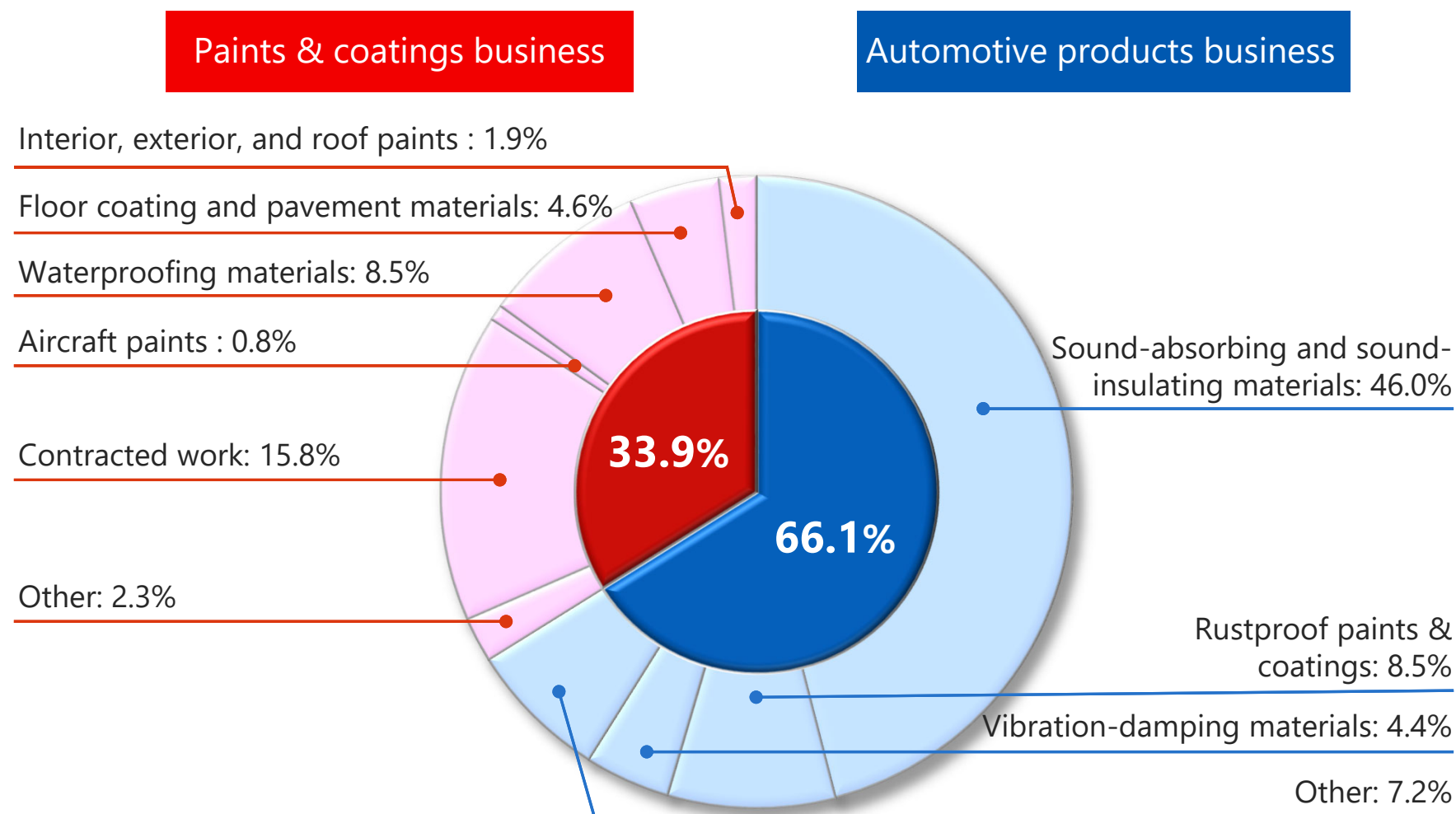
### 3) Trends of Consolidated Financial Results (Quarterly Results for the Past Three Fiscal Years)



# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (1) Summary of Financial Results for the Fiscal Year Ended March 31, 2023

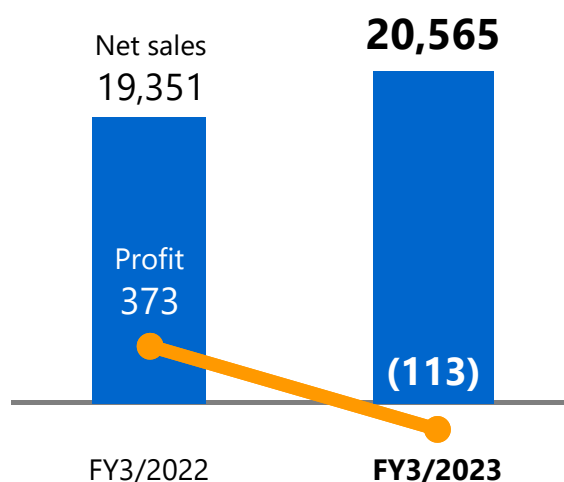
### 4) Composition of Net Sales (By Segment/Main Product)



# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (2) Results by Segment

### 1) Paints & coatings-related business



	FY3/2022	FY3/2023	YoY change %
Net sales	19,351	20,565	+6.3%
Segment profit	373	(113)	—
Profitability	1.9%	—	

### Net sales

- Paints & coatings: up 7.1% YoY  
Sales of paints for buildings and structures, especially waterproofing materials and floor coatings, remained steady.
- Construction-related: up 6.1% YoY  
Business scale expansion continued.

### Segment profit

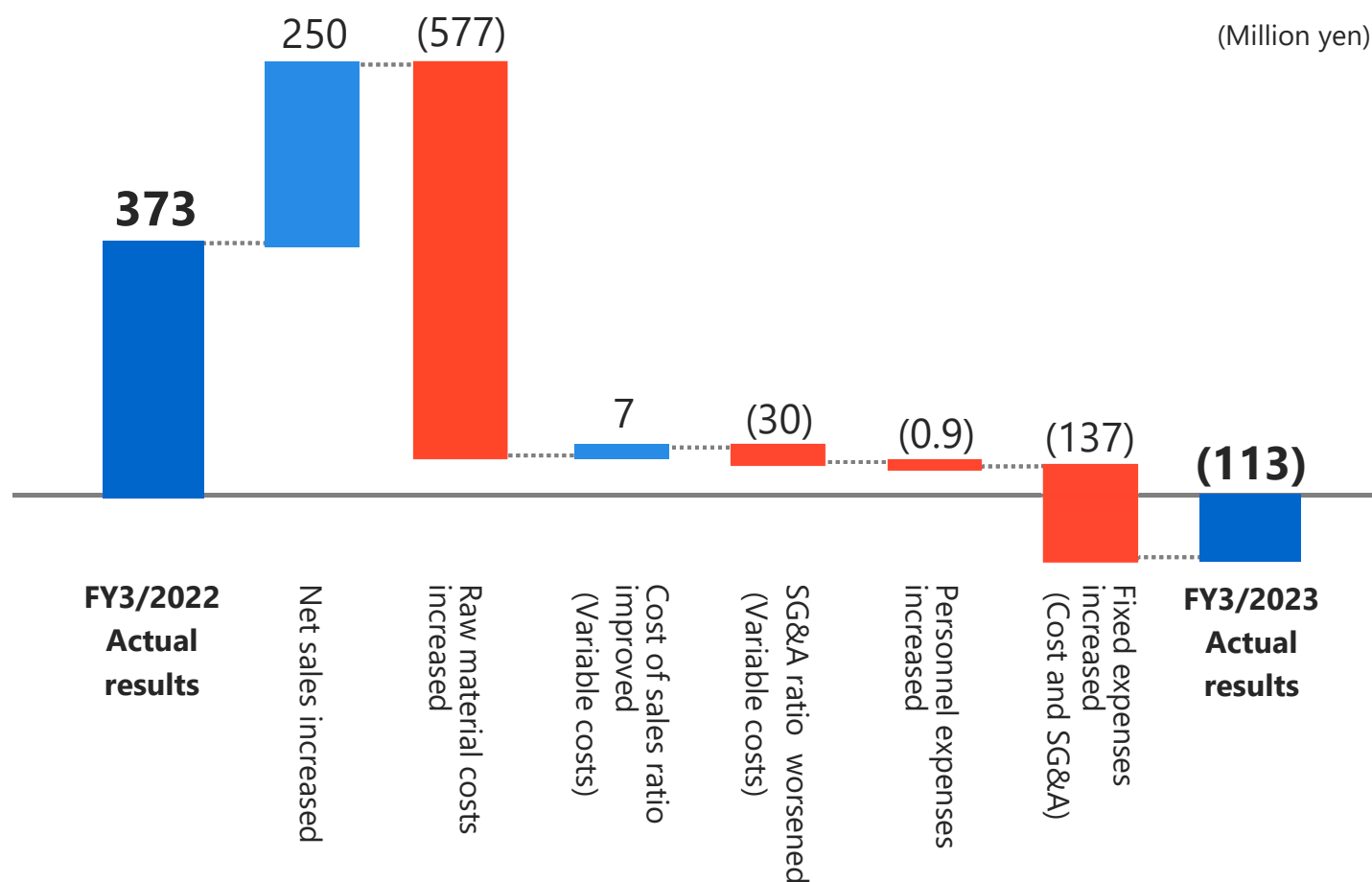
- Although sales increased due to a review of selling prices, the impact of soaring raw materials and energy prices was large.  
(See the next page for factor analysis.)

# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (2) Results by Segment

### 1) Paints & coatings-related business

#### Factor analysis of changes in profit

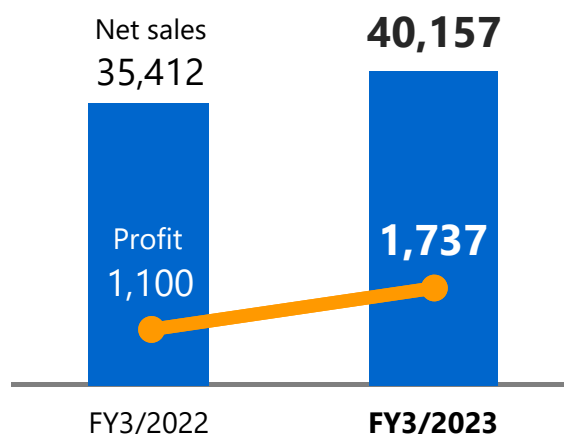




# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (2) Results by Segment

### 2) Automotive products-related business



#### Net sales

- Net sales increased mainly in sound-absorbing and sound-insulating materials and coatings due to a recovery in automotive production.
- Net sales of overseas subsidiaries decreased slightly at WNA in Wuhan, China, while sales at TNA in Indonesia contributed to higher revenues and profits.

(Million yen)

	FY3/2022	FY3/2023	YoY change %
Net sales	35,412	40,157	+13.4%
Segment profit	1,100	1,737	+57.8%
Profitability	3.1%	4.3%	

#### Segment profit

- Despite the impact of soaring raw material and energy prices, the recovery in net sales led to a significant increase in profit.

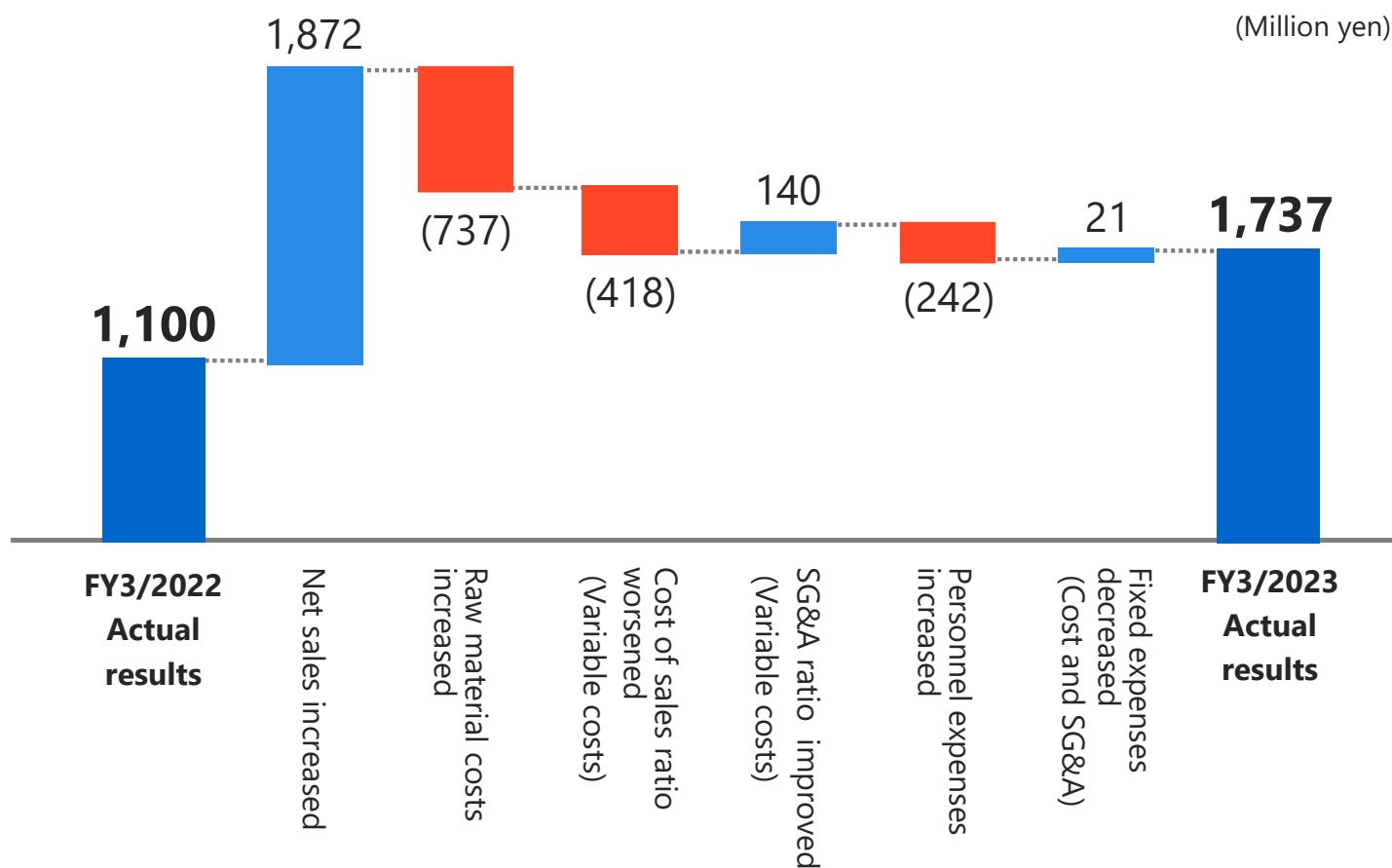
(See the next page for factor analysis.)

# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (2) Results by Segment

### 2) Automotive products-related business

#### Factor analysis of changes in profit



# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

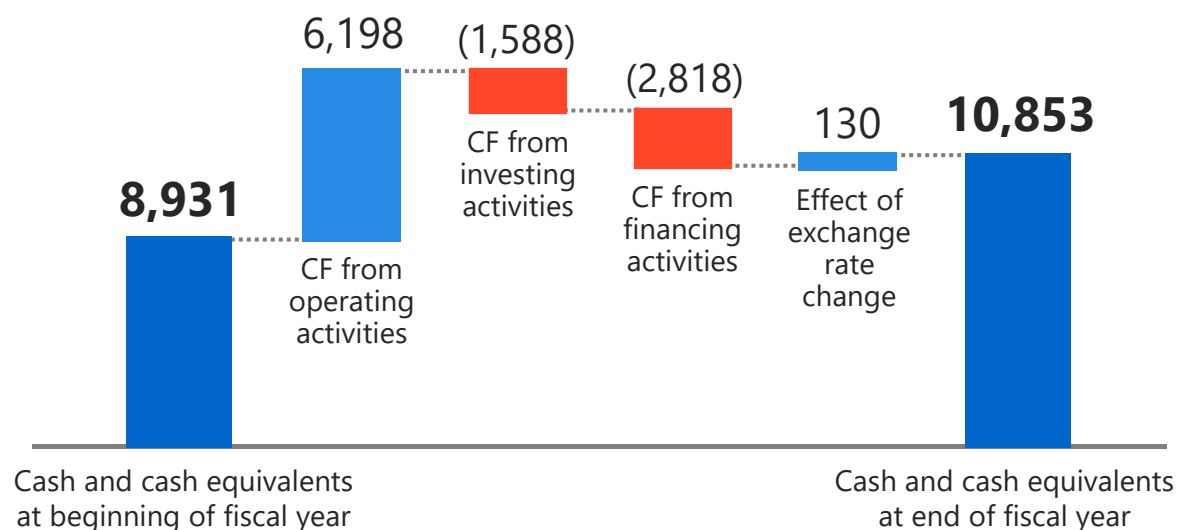
## (3) Consolidated Balance Sheets

(Million yen)

	FY3/2022		FY3/2023		YoY change
	Actual results	Ratio	Actual results	Ratio	Amount
Current assets	31,857	39.9	<b>36,013</b>	<b>43.9</b>	+4,156
Non-current assets	47,934	60.1	<b>46,020</b>	<b>56.1</b>	(1,914)
Property, plant and equipment	25,071	31.4	<b>24,299</b>	<b>29.6</b>	(772)
Intangible assets	1,265	1.6	<b>1,247</b>	<b>1.5</b>	(18)
Investments and other assets	21,597	27.1	<b>20,473</b>	<b>25.0</b>	(1,123)
Total assets	79,792	100.0	<b>82,033</b>	<b>100.0</b>	+2,241
Current liabilities	22,273	27.9	<b>23,595</b>	<b>28.8</b>	+1,321
Non-current liabilities	7,792	9.8	<b>6,226</b>	<b>7.6</b>	(1,566)
Total liabilities	30,066	37.7	<b>29,822</b>	<b>36.4</b>	(244)
Shareholders' equity	38,383	48.1	<b>39,592</b>	<b>48.3</b>	+1,209
Accumulated other comprehensive income	5,883	7.4	<b>6,601</b>	<b>8.0</b>	+717
Non-controlling interests	5,458	6.8	<b>6,017</b>	<b>7.3</b>	+559
Total net assets	49,725	62.3	<b>52,211</b>	<b>63.6</b>	+2,486

# 1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

## (4) Consolidated Statements of Cash Flows



(Million yen)

	FY3/2022	FY3/2023	YoY change
Cash and cash equivalents at beginning of fiscal year	6,518	<b>8,931</b>	+2,412
Cash flows from operating activities	5,019	<b>6,198</b>	+1,178
Cash flows from investing activities	(1,266)	<b>(1,588)</b>	(322)
Cash flows from financing activities	(1,699)	<b>(2,818)</b>	(1,119)
Effect of exchange rate change on cash and cash equivalents	+358	<b>+130</b>	(228)
Cash and cash equivalents at end of fiscal year	8,931	<b>10,853</b>	+1,922

## 2. Overview of Financial Results Forecast for the Fiscal Year Ending March 31, 2024

### (1) Summary of Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024

(Million yen)

	FY3/2023		FY3/2024		YoY change	
	Actual results	Ratio	Forecast	Ratio	Amount	%
Net sales	60,738	—	<b>62,500</b>	—	+1,761	+2.9%
Operating profit	1,631	2.7	<b>2,000</b>	<b>3.2</b>	+368	+22.6%
Ordinary profit	3,141	5.2	<b>3,450</b>	<b>5.5</b>	+308	+9.8%
Profit attributable to owners of parent	2,103	3.5	<b>2,200</b>	<b>3.5</b>	+96	+4.6%
Basic earnings per share	¥96.77	—	<b>¥101.17</b>	—	+¥4.40	—

\* Forecast for FY3/2024

Share of profit of entities accounted for using equity method: Approx. ¥1.0 billion

Assumed exchange rate: US\$1 = ¥135

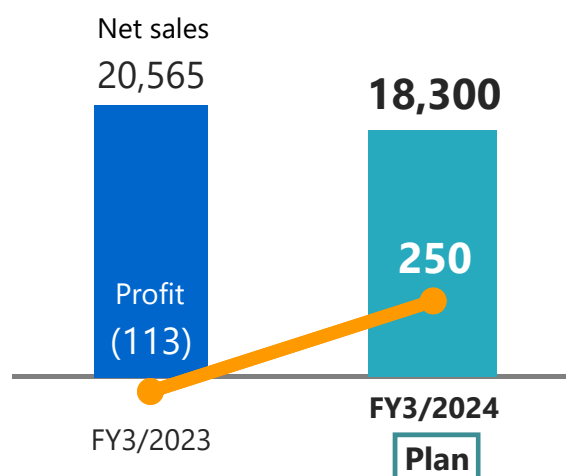
## 2. Overview of Financial Results Forecast for the Fiscal Year Ending March 31, 2024

### (2) Results by Segment

**Net sales:** Demand is recovering, especially in Japan. We will continue to review selling prices.

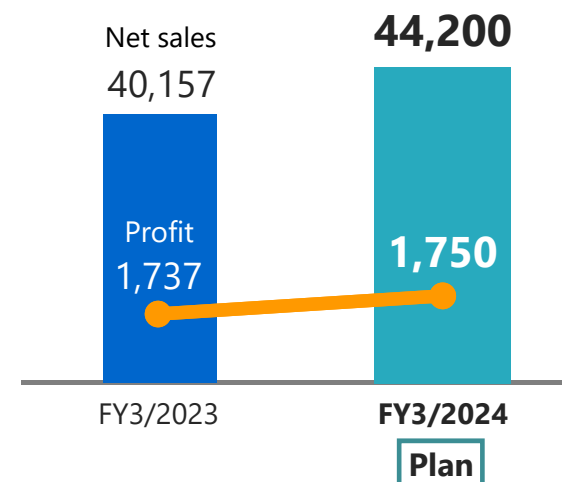
**Profit:** Affected by soaring raw materials and energy prices.

#### Paints & coatings-related business



	FY3/2023	FY3/2024	YoY change %
Net sales	20,565	18,300	(11.0%)
Segment profit	(113)	250	—
Profitability	—	1.4%	

#### Automotive products-related business



	FY3/2023	FY3/2024	YoY change %
Net sales	40,157	44,200	+10.1%
Segment profit	1,737	1,750	+0.7%
Profitability	4.3%	4.0%	

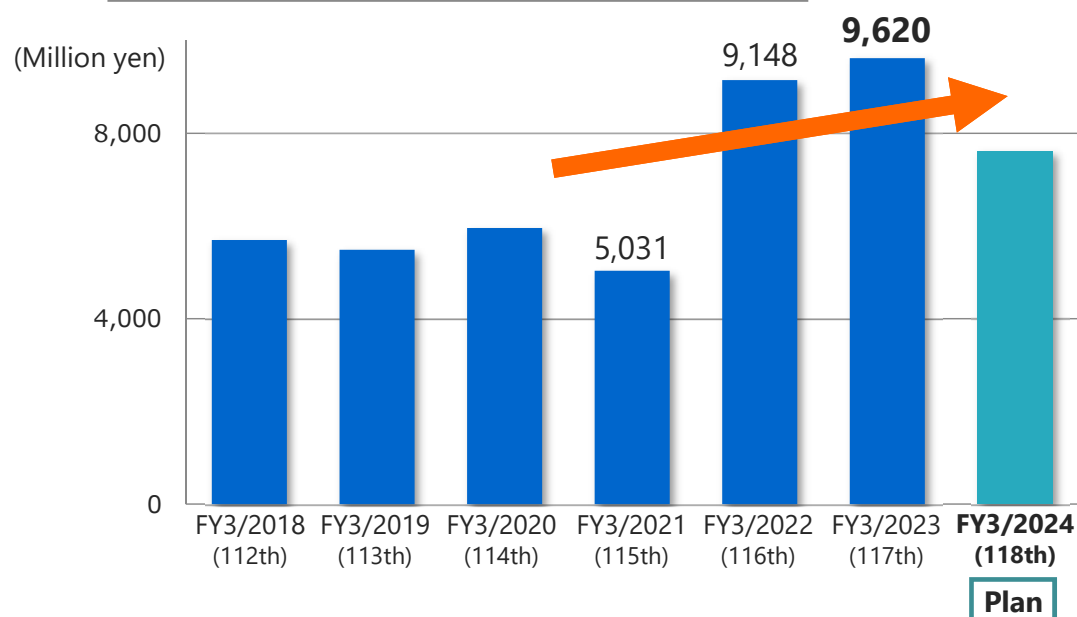
## 2. Overview of Financial Results Forecast for the Fiscal Year Ending March 31, 2024

### (2) Results by Segment (Paints & coatings-related business)

#### ■ Contracted work (large-scale renovation work for condominiums)

A subsidiary of the Company, NITTOKU MENTE, undertakes large-scale renovation and repair work for condominiums and other properties (expanded to eight locations nationwide, mainly in major metropolitan areas).

Trends of net sales of NITTOKU MENTE

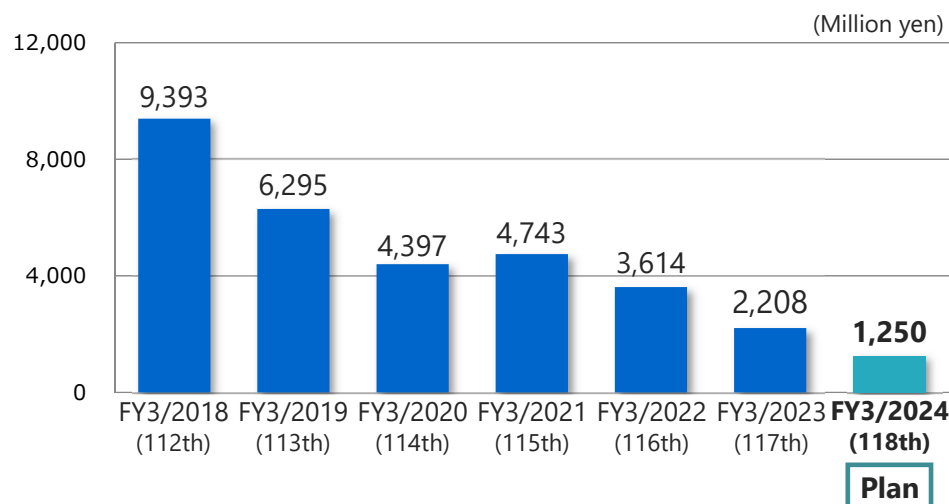


Renovation of condominiums by NITTOKU MENTE

## 2. Overview of Financial Results Forecast for the Fiscal Year Ending March 31, 2024

### (3) Capital Expenditures and Depreciation

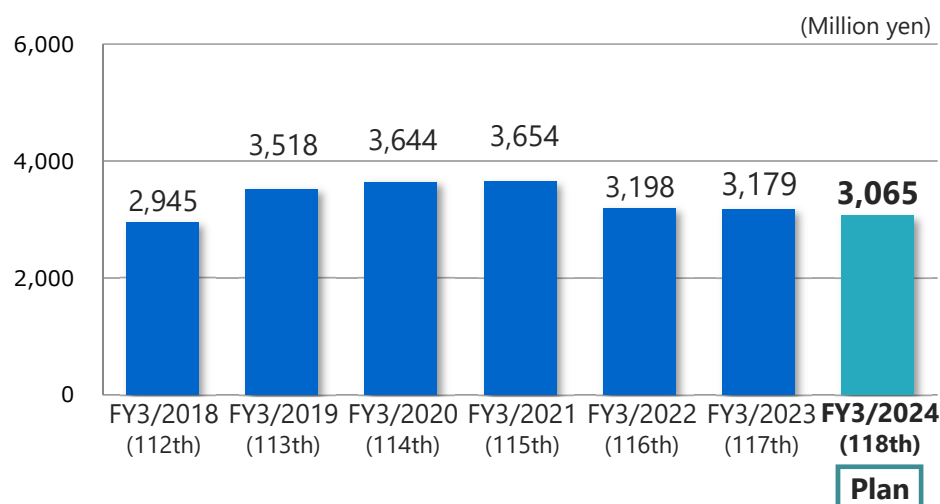
#### 1) Capital expenditure (Construction Basis)



#### Capital expenditure

- Large-scale investments will decrease.
- We will continue to review new investments for the time being based on trends in orders received and other factors.

#### 2) Depreciation



#### Depreciation

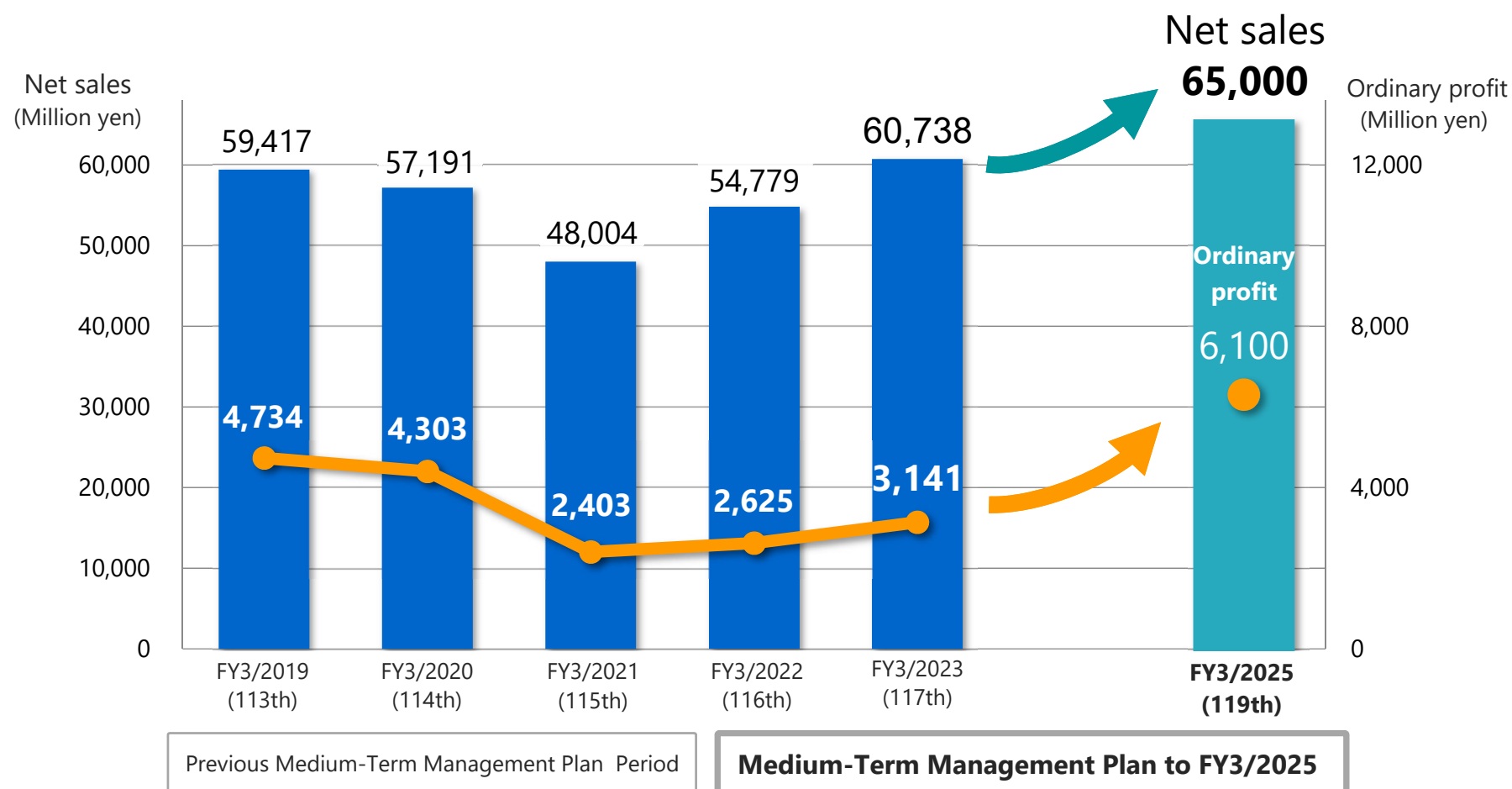
- Depreciation will gradually decrease for the time being.
- There has been an impact of applying the revenue recognition standard from FY3/2022. (Both net sales and expenses have decreased.)



### 3. Overview of the Medium-Term Management Plan (Performance Targets)

#### Performance Targets (Final fiscal year: FY3/2025)

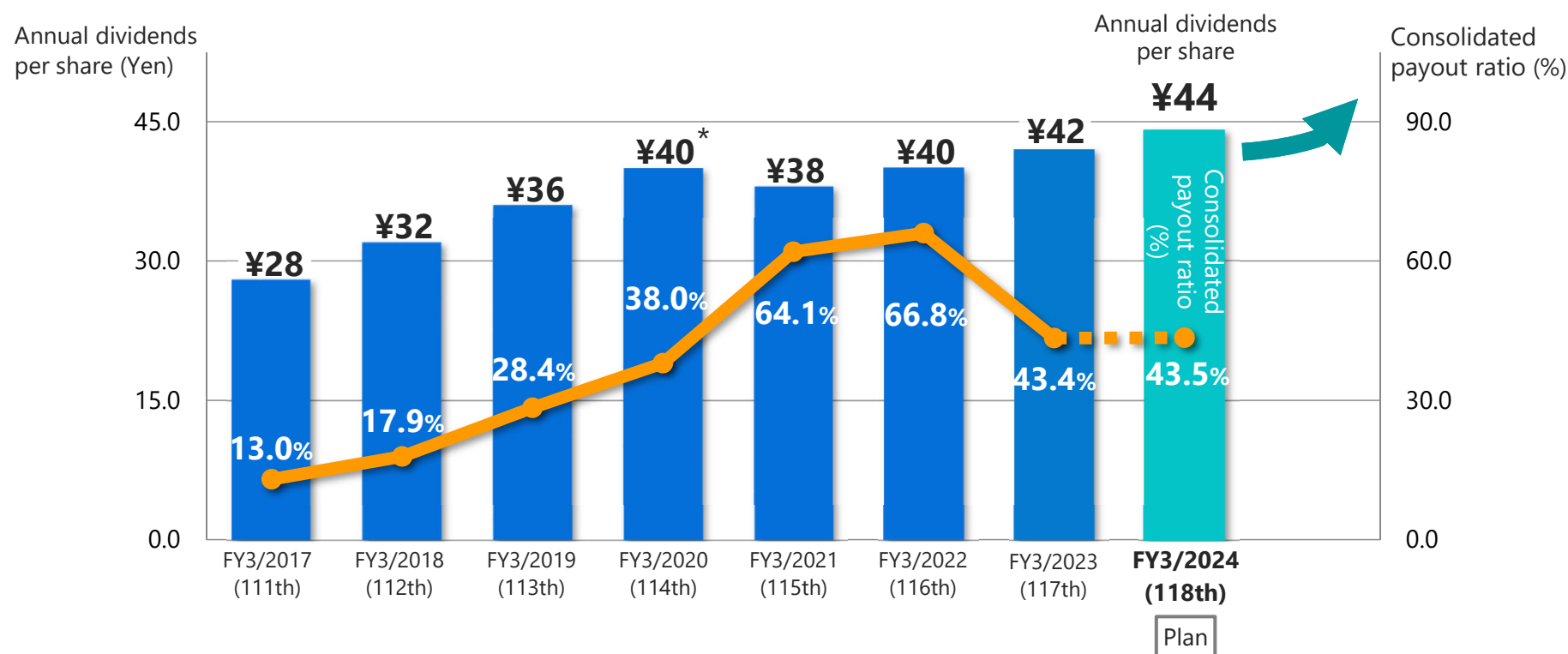
Net sales ¥65.0 bn. / Ordinary profit ¥6.1 bn. / ROE 10.0% or more



### 3. Overview of the Medium-Term Management Plan (Performance Targets)

#### Profit Return

Based on stable dividends (stable dividends and extra), we made a decision by comprehensively taking into account such factors as the enhancement of funds for strategic investments, financial position and profit level, and dividend payout ratio (target of 30%).



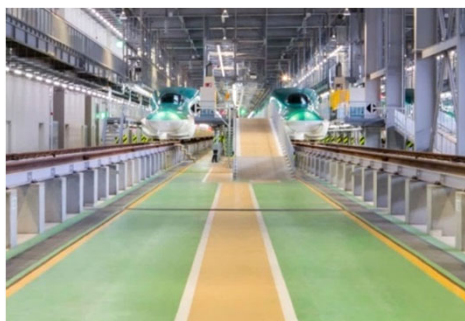
\* The figure in FY3/2020 (114th) includes the 90th anniversary commemorative dividend of ¥2 (ordinary dividend of ¥38).

## 4. Overview of the Company's Businesses

### (1) Main Products for Paints & Coatings-related Business>

#### ■ Paints for buildings and structures

We develop and sell a variety of functional paints and coatings, including interior and exterior materials, floor coating and pavement materials, waterproofing materials, and coatings for roofs.



Floor coating materials "U-TACK E-40"  
(Hakodate General Rolling Stock Depot for  
Hokkaido Shinkansen)



Quick curing elastic PRF waterproofing  
material "Tough Seal Waterproofing  
Method" (SAKA NO UE NO KUMO  
MUSEUM)

Thermal insulating paints protect the entire building from heat, including roofs, exterior walls, rooftops, and balconies, providing high energy-saving and power-saving effects.



Thermal insulating paintings for roofs  
and exterior walls "Parathermo" (Sanuki  
Livestock Processing Cooperative)

#### ■ Aircraft paints

SKY-HULLO, an aircraft paint that protects aircraft bodies from harsh environments, has been adopted by commercial airlines, Japanese government aircraft, specially painted aircraft of various airlines, as well as the Japan Aerospace Exploration Agency's lunar orbiter KAGUYA.



AIR DO specially painted aircraft, Bear Do  
Hokkaido Jet



The Japan Aerospace  
Exploration Agency's lunar  
orbiter KAGUYA

## 4. Overview of the Company's Businesses

### (1) Main Products for Paints & Coatings-related Business>

#### ■ Contracted work (large-scale renovation of housing complexes)

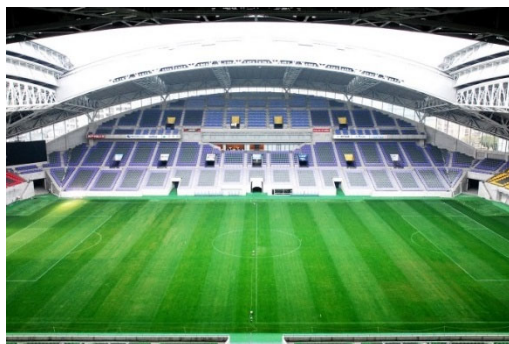
A subsidiary of the Company, NITTOKU MENTE, undertakes large-scale renovation and repair work for condominiums and other properties.

#### NITTOKU MENTE

- Offices: Tokyo, Osaka, Nagoya, and others (eight offices nationwide)
- Net sales: Approx. ¥9.5 billion (FY3/2023)
- Shareholder: The Company and Sekisui Aqua Systems Co., Ltd.



#### ■ Soundproof materials for buildings and structures



A vibration-damping material "IDIKELL M-3500SS" adopted for "NOEVIR STADIUM KOBE" (dome roof part)

#### ■ Soundproof materials for railway vehicles



Kyushu Shinkansen N700 Series "SAKURA"

#### ■ DIY products



DIY products



## 4. Overview of the Company's Businesses

### (2) Main Products for Automotive Products-related Business

#### ■ Sound-absorbing & sound-insulating materials

RIETER ULTRA LIGHT™ is a registered trade mark of Autoneum Management AG.

Automotive sound-absorbing material "Hood insulator"

Automotive sound-absorbing material "Transmission Insulator"

Ultra-light sound-proofing system component "RIETER ULTRA LIGHT™"

Automotive sound-absorbing material "Sound-absorbing duct"

Automotive sound-absorbing material "Rear sound-absorbing wheelhouse liner"

Automotive sound-absorbing and sound-insulating materials "Dash outer insulator"

Automotive sound-absorbing material "Sound-absorbing engine undercover"

Automotive sound-absorbing material "Heat insulator"

Automotive sound-absorbing material "Front wheelhouse liner"

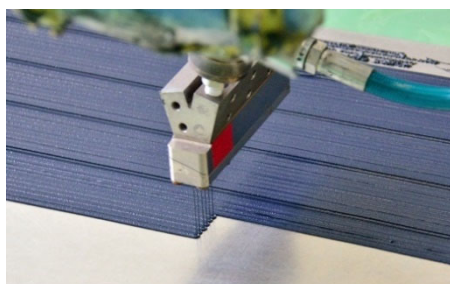
Automotive sound-absorbing and sound-insulating materials "Floor carpet"

Automotive sound-absorbing material "Sound-absorbing floor undercover"

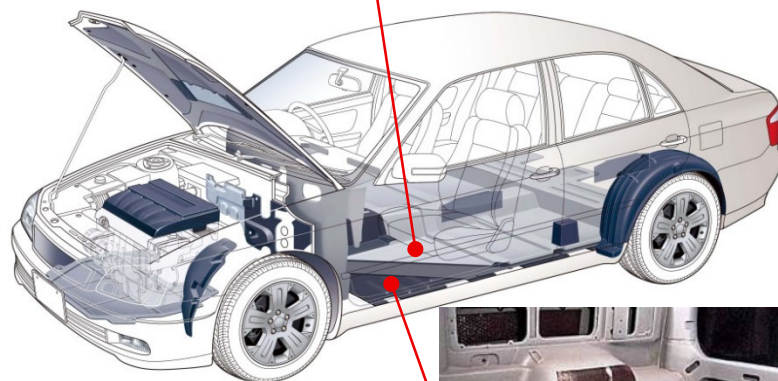
## 4. Overview of the Company's Businesses

### (2) Main Products for Automotive Products-related Business

#### ■ Vibration-damping and Rustproof Materials



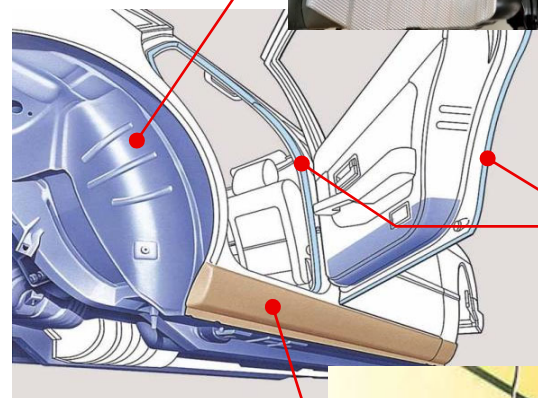
Coating-type vibration-damping material "NT Damping Coat"



Automotive vibration-damping material "MELSHEET"

#### Typical sections to which automotive rustproof materials and sealants are applied

"NT Guard Coat"  
(PVC-based)



"Sealtop"



"NT Guard Coat"  
(PVC/urethane-based)

## 5. Future Growth Strategy

### Basic Strategies of the Medium-Term Management Plan

(FY3/2022 to FY3/2025)

- (1) Build a stable revenue base for domestic businesses
- (2) Reinforce “Nittoku, the technical specialist” and develop new technologies and products
- (3) Strengthen global development
- (4) Promote digital transformation (DX)
- (5) Promote sustainability management



## 5. Future Growth Strategy

### (1) Build a stable revenue base for domestic businesses

#### ■ **Business restructuring**

**(Reallocation of resources to growing departments and consolidation of unprofitable departments)**

Terminate and consolidate the automotive products businesses at the Hiratsuka Plant, aiming to build a revenue base and increase corporate value by investing in the following businesses as a dedicated paints and coatings plant.

#### Paints and Coatings

#### ■ **Production streamlining and profit improvement through an integrated production system (Relocation of plants, consolidation of manufacturing departments, and optimization of flow lines in plants)**

- Relocate plants with the aim of manufacturing urethane resins for waterproofing and emulsion resins for water-based paints and coatings, and integrated production of paints and coatings products.
- Transfer manufacturing departments from other offices to improve production efficiency and reduce costs.
- Optimize flow lines for product manufacturing, raw materials/products storage, and shipping areas.



## 5. Future Growth Strategy

### (1) Build a stable revenue base for domestic businesses

#### Automotive Products

- **Improve productivity through new production methods and streamlining of production processes (improve production capacity and investment efficiency of dash insulators, our main products)**

We have already established the key technology for the new production method. We will complete the verification test by the end of fiscal year 2023 and move on to verification in the mass production process from fiscal year 2024. Specific production preparations are scheduled for 2025.

- **Improve efficiency by consolidating production (consolidate production of automotive vibration-damping materials to a partner company)**

The production of vibration-damping materials at the Hiratsuka Plant will end on March 31, 2024. We will consolidate the production to a partner company to promote efficiency.

We have started the transfer in October 2022. The transfer is progressing smoothly with the approval of our customers (automotive manufacturers).



## 5. Future Growth Strategy

(2) Reinforce “Nittoku, the technical specialist” and develop new technologies and products

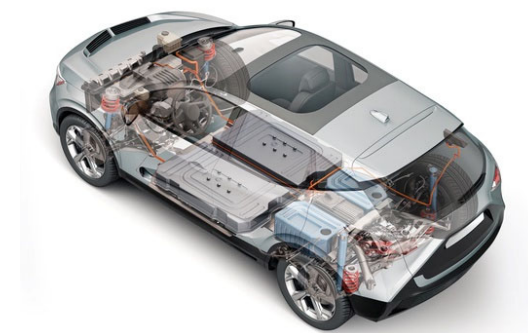
### Paints and Coatings

- **Urethane waterproofing materials (products that do not contain specified chemical substances, MOCA and lead catalyst (2023))**

### Automotive Products (Parts)

- **Formulate the planning of electric vehicle NV management and a new acoustic concept (expand parts portfolio by leveraging vehicle NV management technology (strength))**

- Develop products that meet the needs for measures against rear tire noise and rear wheel drive motor noise, which were clarified through advance development.
- Respond to changes in the new car body structure unique to electric vehicles (Cell to Chassis [CTC] and air conditioning unit layout change).
- We aim to establish our new acoustic concept during fiscal year 2023.



## 5. Future Growth Strategy

(2) Reinforce “Nittoku, the technical specialist” and develop new technologies and products

### Automotive Products (Parts)

#### ■ Develop new products that meet needs for BEVs and ease of disassembly (soundproof products for the mid-frequency range)

- Start development of products that meet the needs for countermeasures against the mid-frequency range for battery electric vehicles (BEVs) and the needs for easy disassembly due to growing awareness of end-of-life vehicle (ELV) recycling.
- Set a target of completing the development of new functional products that contribute to improved NV performance in the mid-frequency range by the end of the first half of 2024 and applying them to 2026 models.
- Aim to increase sales of carpets and flooring materials by 25% by acquiring new businesses.



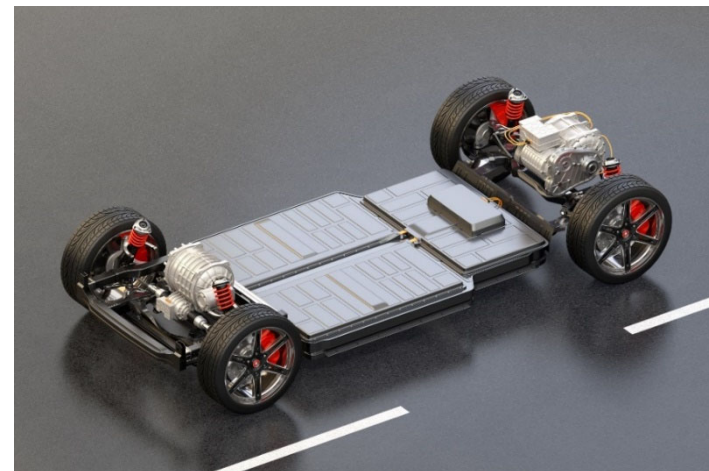
## 5. Future Growth Strategy

(2) Reinforce “Nittoku, the technical specialist” and develop new technologies and products

### Automotive Products (Coatings)

■ **Develop new products, coatings for battery (Start the development of coatings for BEV battery for purposes of thermal management and sealing)**

- Respond to customer needs with our proprietary formulation technology that combines existing functional technologies.
- Aim to complete the development of products for thermal management and sealing by the end of 2024 to increase sales additionally by 10%.



## 5. Future Growth Strategy

### (3) Strengthen global development

#### Paints and Coatings

##### ■ Develop new overseas markets

Strengthen sales of high-value-added products that meet diverse needs, including waterproofing materials, floor coating materials, and thermal insulating paints, mainly to China and Southeast Asia.

#### Automotive Products

##### ■ Consider expanding investment in Indian JV

Respond to moves by Japanese OEMs to expand/strengthen production in India.

##### ■ Promote product collaboration toward carbon neutrality

- Autoneum (parts)  
Strengthen products that meet BEV needs.
- EMS-EFTEC (coatings)  
Strengthen low-temperature/room-temperature curing type products.



Carbon neutral

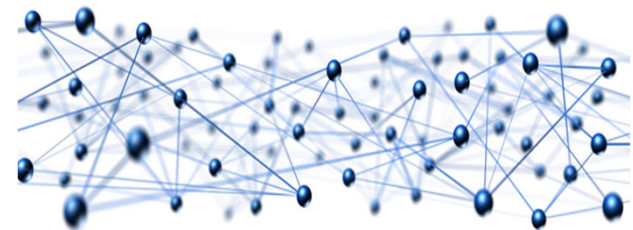
## 5. Future Growth Strategy

### (4) Promote digital transformation (DX)

#### Paints and Coatings

##### ■ Improve operational efficiency using AI (examination of paints formulation)

Incorporate AI into the database of existing technologies to streamline development processes. Utilize the reduced man-hours and improve the quality of operations.



#### Automotive Products

##### ■ Improve operational efficiency by utilizing AI (promote human resource development and improve operational efficiency through AI-based innovation)

Developed an AI algorithm that predicts the composition of soundproof materials that will achieve the desired NV performance using proprietary programming technology by fiscal year 2022.

Complete machine learning of measured data during fiscal year 2023 and incorporate it into performance development work from the next fiscal year. Aim to reduce man-hours for performance forecasting work by 30%.

## 5. Future Growth Strategy

### (5) Promote sustainability management

#### Paints and Coatings

- **Expand environmentally conscious products (strengthen and expand thermal insulating paints and other products that contribute to CO<sub>2</sub> emissions reduction)**





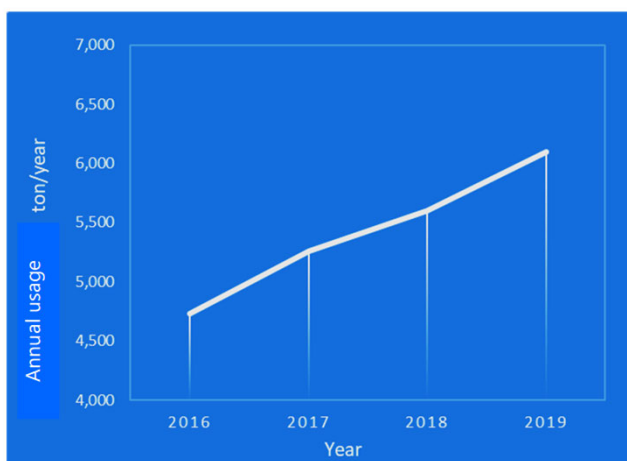
## 5. Future Growth Strategy

### (5) Promote sustainability management

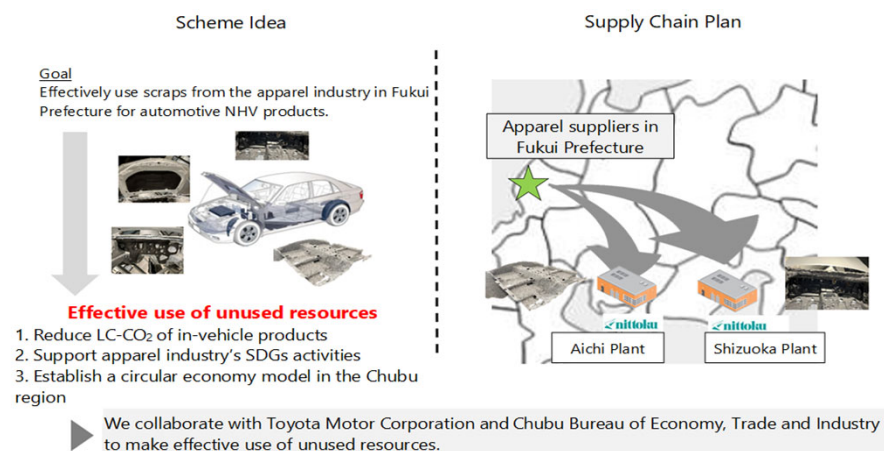
#### Automotive Products

#### ■ Project promoting local production for local consumption (in collaboration with Chubu Bureau of Economy, Trade and Industry, and Toyota Motor Corporation)

As part of promoting circular economy and carbon neutrality, we are working with Chubu Bureau of Economy, Trade and Industry, and Toyota Motor Corporation for a project promoting local production for local consumption of waste resources across industries in the Chubu region. We will establish a system for stable procurement of materials to meet the ever-increasing demand for recycled fibers.



Increasing use of recycled fibers for interior materials



Scheme for recycling and utilization of textile industry scraps



## 5. Future Growth Strategy

### (5) Promote sustainability management

#### Automotive Products

##### ■ Develop new products (develop proprietary technologies for synthetic fiber sustainability)

- Set a target of completing the commercialization of our patented technology dedicated to synthetic fiber sustainability by 2025.
- Aim to achieve a 50% reduction in product LC-CO<sub>2</sub> emissions by minimizing the amount of scrap materials generated during the manufacture of automotive exterior parts to as close to zero as possible and by replacing petroleum-based virgin materials with recycled materials.
- Endeavor to increase sales in the exterior parts field by 20% by taking advantage of the benefits of improved product functionality and cost competitiveness resulting from the application of our patent technology.



Carbon neutral

## 5. Future Growth Strategy

### (5) Promote sustainability management

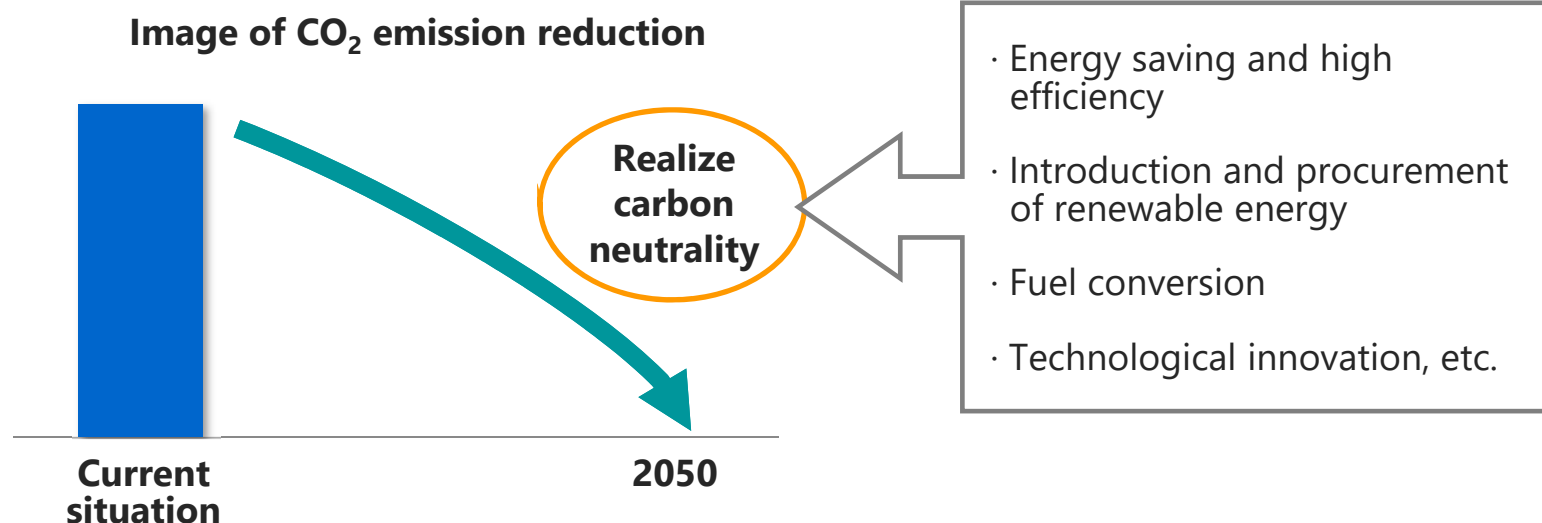
#### Company-wide

#### ■ Realize carbon neutrality

Launch a carbon neutrality project to halve CO<sub>2</sub> emissions in fiscal year 2030 and achieve carbon neutrality through all products and corporate activities by 2050.



Solar power generation facilities installed at the Aichi Plant



## 5. Future Growth Strategy

### (5) Promote sustainability management

#### Company-wide

#### ■ Reinforce human resource development and promote job satisfaction reform

Reinforce human resource development to support sustainable growth (expand training and educational opportunities) and promote the creation of a vibrant workplace with job satisfaction (diversity and diverse work styles).

#### ■ Strengthen governance

Promote measures based on the intent of each principle set forth in the Japan's Corporate Governance Code issued by Tokyo Stock Exchange to strengthen group governance and achieve company-wide growth.

#### ■ Promote CSR- and sustainability-oriented measures

In addition to establishing a compliance system, we are focusing on formulating policies to promote sustainability management, identifying materiality issues, and establishing a management system based on them as well as issuing integrated reports.

## 5. Future Growth Strategy

### (6) Initiatives to improve market capitalization of tradable shares

As of the transition record date (June 30, 2021), the criteria for market capitalization of tradable shares among the criteria for maintaining listing in the prime market were not met. Therefore, we are promoting the following initiatives:

#### ■ **Planning period** To FY3/2025

#### ■ **Initiatives to improve market capitalization**

- Promote basic strategies based on the Medium-Term Management Plan
- Enhance shareholder returns
- Promote sustainability management
- Strengthen IR activities

Enhance disclosure of information in English, increase our recognition among investors, and promote dialogue.

#### ■ **Initiatives to improve the ratio of tradable shares**

- Eliminate and reduce cross-shareholdings and strategic shareholdings
- Consider and implement measures for effective use of treasury shares

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## **Reference Materials**

1. Company Profile
2. Trends of Primary Management Indicators

# 1. Company Profile

## (1) Company Profile

■ Trade name	NIHON TOKUSHU TORYO CO., LTD.
■ Head office	3-23-2, Oji, Kita-ku, Tokyo
■ Established	June 1, 1929
■ Share capital	4,753.08 million yen
■ Number of shares issued	23,611,200 shares
■ Consolidated number of employees	1,255 (as of March 31, 2023) * Excluding temporary employees

# 1. Company Profile

## (2) Officers and Executive Officers (company with a board of auditors)

As of March 31, 2023

### ■ Directors

Chairman CEO	Masahiro Nojima
Vice Chairman CFO	Jun Taya
President COO	Hiroshi Onda
Director	Hisaya Yamaguchi
Director	Yoshihiko Yasui
Director	Yoshihiko Doi
Director	Hiroshi Suzuki
Director	Shin Nakamura
Outside Director	Michihiro Nara
Outside Director	Kozo Yabe

### ■ Auditors

Full-time Auditor	Hirokazu Kawana
Outside Auditor	Yoshiki Takahashi
Outside Auditor	Hitoshi Matsufuji

### ■ Executive Officers

Executive Officer	Michio Nagumo
Executive Officer	Hiroyuki Kurihara
Executive Officer	Yuji Fukutomi
Executive Officer	Yosuke Rikibu

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## 1. Company Profile

### (3) Corporate Principle and Philosophy

#### **Corporate Principle**

#### **Ingenuity**

#### **Corporate Philosophy**

To contribute to society by offering prominent technology and products.

To promote the interests of stockholders and respect each employee's personality.

To pursue prosperity in harmony with the environment and in accordance with global standards.



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## 1. Company Profile

### (4) Business Policy and Long-term Vision

#### **Business Policy**

Under our corporate principle "Ingenuity", we respond to customers' demands and reliance with unique technology and products.

As an active corporation in the world, we organize all of our knowledge and efforts for the development of new products and demands.

We educate employees and promote their talents, while eliminating all wastefulness and pursuing high productivity and profits.

#### **Long-term Vision**

We aspire to be a company that contributes to society by creating a comfortable environment with our mainstay products of paints, coatings, and soundproof materials.

We aim to make a further leap forward so that we will be needed and trusted all over the world.

We create a vibrant company with job satisfaction where employees are valued according to their achievements.

# 1. Company Profile

## (5) Major facilities in Japan

### ■ Head Office and R&D Division/Center



Head Office



R&D Center



R&D Laboratory for  
Paints and Coatings



### ■ Six Plants in Japan



Hiratsuka Plant



Shizuoka Plant



Aichi Plant



Hiroshima Plant



Kyushu Plant



Higashi Kyushu Plant

# 1. Company Profile

## (6) History (a)

### ■ History of paints & coatings business from its founding

1929: Started with the development of paints for aircraft as a limited partnership company.

1930: Developed the TT METAL PAINT.

1951: Developed the SLECOAT, paints for cement roofs.

1966: Entered the construction industry with the development of the PROOFLOON waterproof roof coating products.

1973: Developed the U-TACK, floor-coating products.

1975: Polyurethane coating for aircraft used for Japan Airlines jumbo jets.

1983: Nittoku's reputation was further solidified as the technical specialist through the development of the HI-PROOF, superelastic waterproof wall-coating products.

1995: Developed the SKY-HULLO TOPCOAT FLV.

1999: The SKY-HULLO E used on the H-II rockets.

2001: Developed the PARATHERMO thermal-insulating paints for roof and exterior walls.

2011: Developed the SILVIA CERATY with function of ultra low contamination equivalent to photocatalytic coating.

2012: Developed the U-TACK COMPLETE, organic/inorganic hybrid floor-coating products.

2013: Developed the WIND-HULLO TOPCOAT F for wind power generation blades.

2014: Developed the PROOFRON ECO DX, environmentally responsive waterproofing coating material for construction.

2017: Developed the POOL ACE ECO which meets school environmental hygiene standards and other standards.



# 1. Company Profile

## (6) History (b)

### ■ Entering the automotive products business and establishing soundproof material technology

- 1953: Developed the NITTOKU-UNDERSEAL, automotive soundproof and rustproof coating products).
- 1964: Launched the MELSHEET, automotive vibration-damping sheets, and began operations as a manufacturer of soundproof materials.
- 1967: Signed a technology agreement with Matec Holding AG (presently Autoneum Holding AG), a manufacturer of soundproof materials.
- 1968: Developed the TACA, sound-absorbing material.
- 1969: Established basic technology in the field of automotive soundproof materials with the development of the TACAPOR, sound-insulating material.
- 1970: Developed Dash Insulators, automotive sound-insulating materials.
- 1978: Developed Bonnet Liner, automotive sound-absorbing materials.
- 1988: Signed a cross-licensing agreement with Ems-Togo Holding AG (presently EFTEC).
- 2001: Achieved a weight reduction of 30% to 60% compared to conventional products with the development of RIETER ULTRA LIGHT™\*, an ultra-light soundproof system parts.
- 2003: Developed Wheelhouse Liners, automotive sound-absorbing materials.
- 2010: Developed Floor Carpets and Floor Undercovers, automotive sound-absorbing and sound-insulating materials.
- 2016: Introduced the Injection Fiber Process (IFP) for variation of Floor Carpets and the Hybrid Acoustics (HA) technology for variation of RIETER ULTRA LIGHT™\*.

\* RIETER ULTRA LIGHT™ is a registered trademark of Autoneum Management AG.










# 1. Company Profile

## (7) Global Development (Automotive Products-related Business)

### ■ History

- 1967  Signed a technology agreement with Matec Holding AG (presently Autoneum Holding AG)
- 1986  Established UGN, Inc. in the U.S.
- 1994  Established SNC Sound Proof Co., Ltd. in Thailand.
- 2003  Established Autoneum Nittoku (Guangzhou) Automotive Sound-Proof Co., Ltd. (ANG) in China.
- 2004  Established Tianjin Autoneum Nittoku Automotive Sound-Proof Co., Ltd. (TAN) in China.
- 2005  Established SRN Sound Proof Co., Ltd. in Thailand.
- 2008  Established Autoneum Nittoku Sound Proof Products India Pvt. Ltd. (ANIS) in India.
- 2010  Established Wuhan Nittoku Autoneum Sound-Proof Co., Ltd. (WNA) in China.
- 2012  Established PT. Tuffindo Nittoku Autoneum (TNA) in Indonesia.
- 2013  UGN, Inc. established a new plant in Mexico (plant relocated in 2017)
- 2019  Established Wuhan Nittoku Autoneum Auto Parts Co., Ltd. (a subsidiary of WNA) in China.



▲ Unikeller Institute in Switzerland (at the time)



▲ United Globe Nippon, Inc. (at the time)



▲ SNC Sound Proof Co., Ltd.



▲ Autoneum Nittoku (Guangzhou) Automotive Sound-Proof Co., Ltd. (ANG)



▲ Tianjin Autoneum Nittoku Automotive Sound-Proof Co., Ltd. (TAN)



▲ SRN Sound Proof Co., Ltd.



▲ Autoneum Nittoku Sound Proof Products India Pvt. Ltd. (ANIS)



▲ Wuhan Nittoku Autoneum Sound-Proof Co., Ltd. (WNA)



▲ P.T. Tuffindo Nittoku Autoneum (TNA)



▲ UGN Mexico

# 1. Company Profile

## (7) Global Development (Automotive Products-related Business)

### ■ Global network (current situation)



Consolidated subsidiary

Wuhan Nittoku Autoneum Sound-Proof Co., Ltd. (China)  
Wuhan Nittoku Autoneum Auto Parts Co., Ltd. (China)



Company accounted for using equity method

Tianjin Autoneum Nittoku Automotive Sound-Proof Co., Ltd. (China)



Company accounted for using equity method

UGN, Inc. Head Office (U.S.)



Company accounted for using equity method

Autoneum Nittoku (Guangzhou) Automotive Sound-Proof Co., Ltd. (China)



Consolidated subsidiary

PT. Tuffindo Nittoku Autoneum (Indonesia)



Company accounted for using equity method

SNC Sound Proof Co., Ltd. (Thailand)



Company accounted for using equity method

SRN Sound Proof Co., Ltd. (Thailand)



Non-consolidated subsidiary

Autoneum Nittoku Sound Proof Products India Pvt. Ltd. (India)

# 1. Company Profile

## (7) Global Development (Automotive Products-related Business)

### ■ Global partner

**Autoneum Holding AG** 

#### 1) Technical alliance with Autoneum (soundproof parts)

##### **Alliance over 50 years** since 1967

- Global strategies
- Sharing of acoustic analysis technology, evaluation technology, and product development
- Establishment of JV with us in North America and other Asian countries

#### 2) Overview of Autoneum Holding AG

- A listed company (SIX Swiss Exchange)
- Net sales of CHF 1,700.4 million (approx. 230 billion yen)
- Headquartered in Switzerland with 53 offices/plants globally in 24 countries
- Number of employees (group-wide): Approx. 11,800
- A leading manufacturer of soundproof materials that supplies products to the global automotive industry in the fields of automotive acoustic products and thermal management measures, with the world's leading acoustic analysis and evaluation technologies and thermal analysis technology



# 1. Company Profile

## (7) Global Development (Automotive Products-related Business)

### ■ Global partner

**EMS-EFTEC**



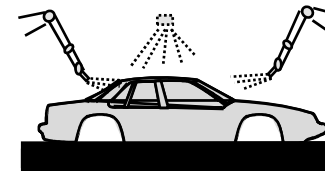
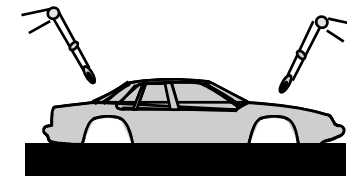
#### 1) Overview of EMS-EFTEC

- A subsidiary of EMS-CHEMIE HOLDING AG
- High Performance Polymers business of the EMS Group
- Net sales of approx. CHF 2,000 million\* (approx. 270 billion yen) \* Entire business including EFTEC
- Headquartered in Switzerland, expanding into North, Central and South America, China, Thailand, India, etc., mainly in Europe

EMS Group

#### 2) Product Line of EMS-EFTEC

- Adhesives, coatings, sealants, and vibration-damping materials for sheet metal, assembly, and painting processes



## 2. Key Financial Performance Indicators (Consolidated)

	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023
<b>Net sales</b> (Million yen)	39,391	39,570	43,812	47,998	57,260	59,417	57,191	48,004	54,779	60,738
<b>Operating profit</b> (Million yen)	1,303	1,629	2,961	3,162	3,286	2,973	2,827	858	1,482	1,631
<b>Ordinary profit</b> (Million yen)	3,328	4,036	5,533	6,741	5,881	4,734	4,303	2,403	2,625	3,141
<b>Net profit</b> (Million yen)	2,712	3,029	3,966	4,778	3,960	2,795	2,318	1,301	1,300	2,103
<b>Basic earnings per share (yen)</b>	122.69	137.00	179.37	216.11	179.12	126.74	105.34	59.27	59.90	96.77
<b>Total assets</b> (Million yen)	47,960	53,428	56,894	66,987	76,655	73,572	72,067	75,502	79,792	82,033
<b>Net assets</b> (Million yen)	26,794	31,385	34,235	39,539	43,674	43,958	45,062	47,154	49,725	52,211
<b>Dividends (yen)</b>	12.0	12.0	20.0	28.0	32.0	36.0	40.0	38.0	40.0	42.0
<b>Payout ratio (%)</b>	9.8	8.8	11.2	13.0	17.9	28.4	38.0	64.1	66.8	43.4
<b>Equity ratio (%)</b>	53.6	56.2	57.1	54.9	52.5	54.7	56.8	56.4	55.5	56.3
<b>ROE (%)</b>	11.7	10.9	12.7	13.8	10.3	6.9	5.7	3.1	3.0	4.6

## Contact for IR

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