



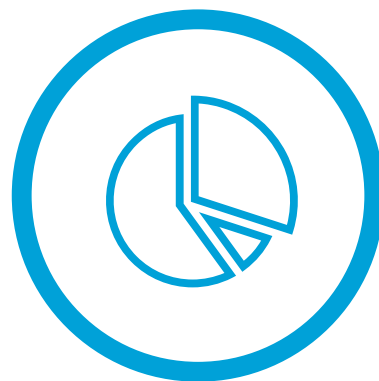
Financial Results for FY 2022

May 10, 2023



Contents of Explanation

-  1 | Overview of Consolidated Results/Executive Summary for FY 2022
-  2 | Dividends
-  3 | NOK Group Medium-Term Management Plan (2023-2025)
-  4 | Financial Results by Segment for FY 2022
-  5 | NOK Group Medium-Term Management Plan (2023-2025)
By Segment/Capital Policy
-  6 | Business Overview by Industry/Region
-  7 | Reference Material



1



Overview of Consolidated Results Executive Summary for FY 2022



1

Outline of NOK Group

Group
Companies

91
companies

Overseas
Production Sites

28
sites

Employees

37,913
employees

Production
Volume

60
million items
29
tons

Per day

*Target: consolidated subsidiaries
*As of March 31, 2023



FY 2022

Consolidated results

Net sales

710.0 billion yen YoY
4.0%

Operating
income

15.4 billion yen YoY
(50.9)%

Ordinary
income

26.6 billion yen YoY
(42.5)%

Net income

13.3 billion yen YoY
(48.4)%

Remarks

- Year-on-Year Increased sales, decreased profits
- Compared to Revival Plan Achieved sales, did not reach profits
- Important Points
 - Consolidated Earnings increased due to exchange rate fluctuations and pass-through to sales prices
Sales decline excluding those factors
 - Seal business Impact of soaring prices for raw materials and energy
Impact of semiconductor shortage
 - Electronic product business Impact of lockdown in China
 - Other businesses Decline in demand for special lubricants
Recovery in demand for products for office equipment



Business Trends

FY 2022

Seal business

- Sales declined when excluding the impact of exchange rate fluctuations and pass-through to sales prices as the result of soaring prices for materials and energy
 - **For automobiles:**
Impact of lockdown in China and supply shortage for semiconductors and other components
 - **For general industrial machinery:**
Impact of lockdown in China mainly affected construction machinery
Strong domestic demand for machine tools, etc.
- Operating income decreased due to the impact of soaring prices for raw materials and energy prices that exceeded the pass-through to sales prices

FY 2022

Electronic Product business

- Sales decreased when excluding the impact of exchange rate fluctuations
 - **For automobiles:**
Demand increased despite the impact of lockdown in China and supply shortage for semiconductors and other components
 - **For smartphones:**
Decrease in demand due to impact of lockdown in China
 - **For hard disk drives:**
Decrease in demand due to inventory adjustment
- Operating loss decreased due to personnel expense containment and exchange rate fluctuations

FY 2022

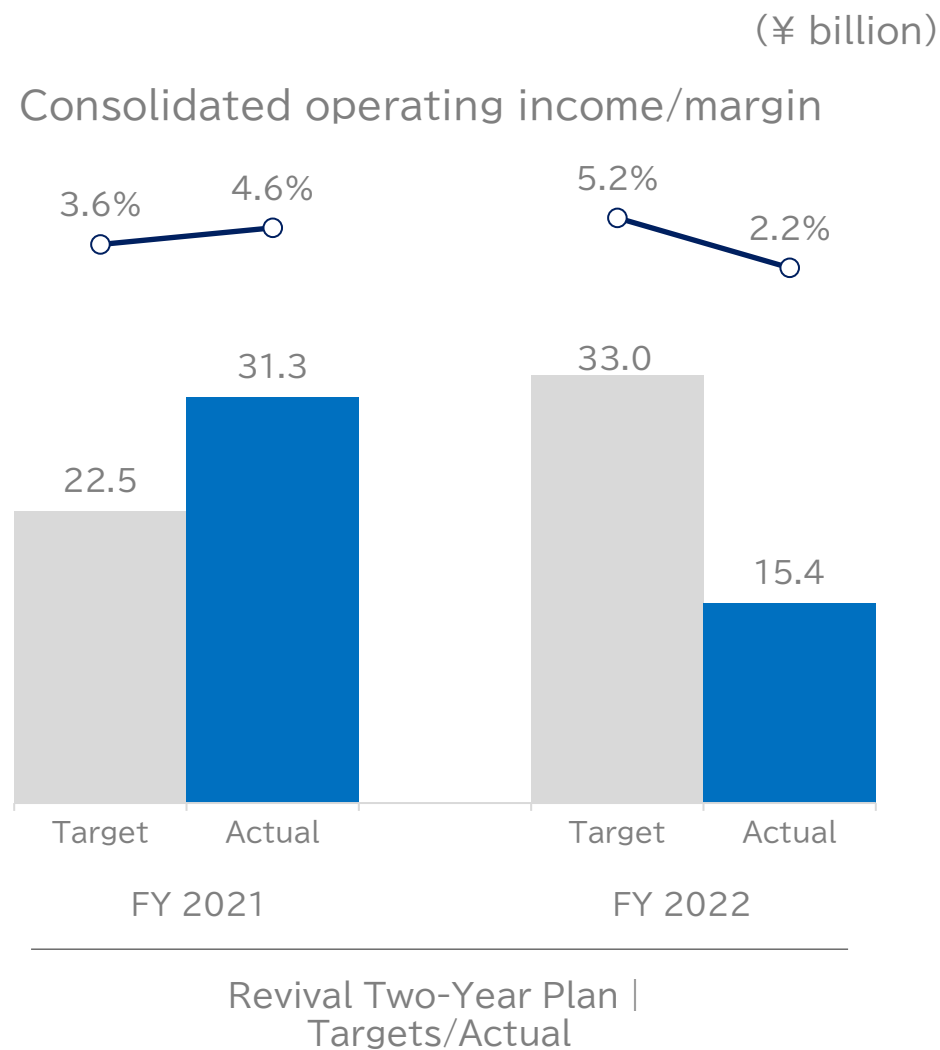
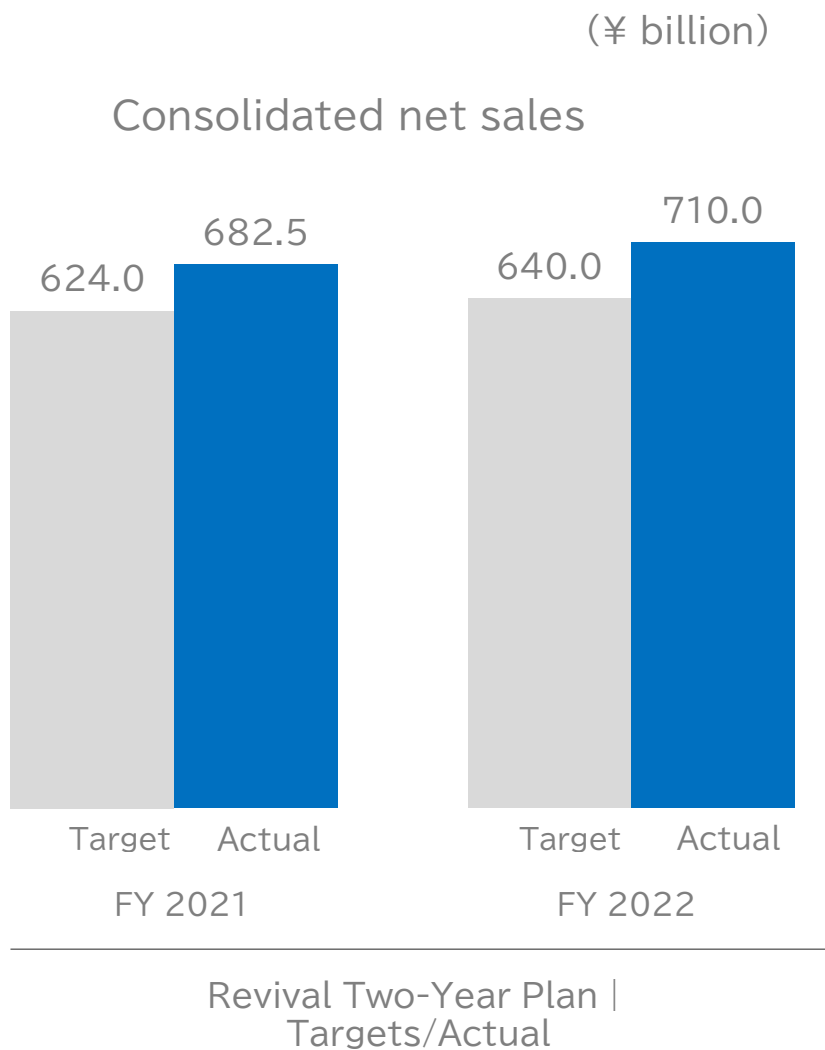
Other businesses

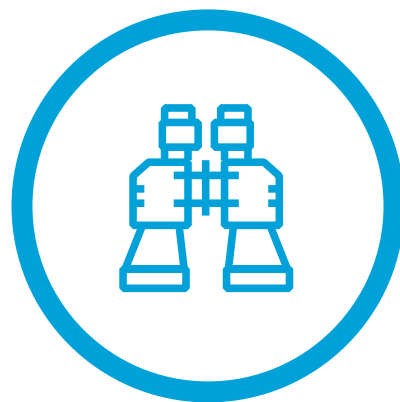
- **Special lubricants:**
Decrease in demand caused by reduced production of automobiles
- **Products for office equipment:**
Sales increased due to demand recovery and the impact of exchange rate fluctuations



1 | Overview of Consolidated Results/Executive Summary for FY 2022

Review of Revival Two-Year Plan





2



Dividends



FY 2021

Annual dividend	Payout ratio
60 yen*	40.2%

*Ordinary dividend 50 yen + commemorative dividend 10 yen

FY 2022

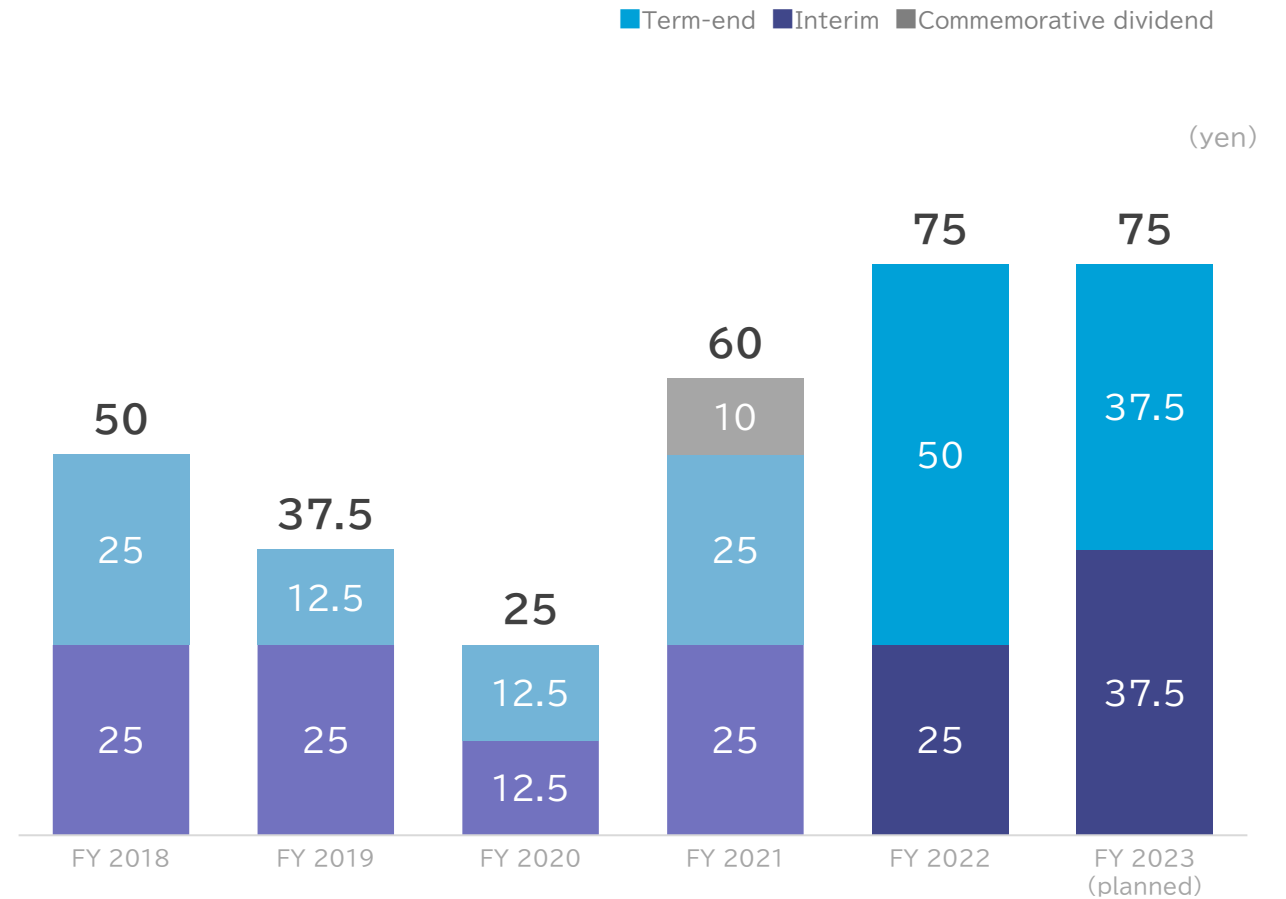
Annual dividend	Payout ratio
75 yen	96.7%

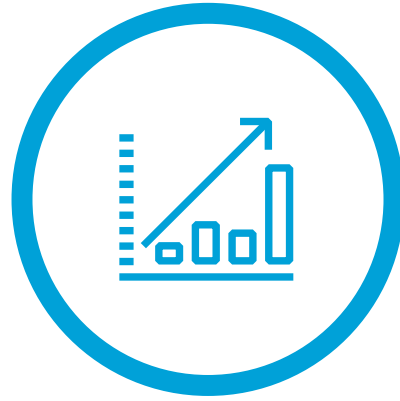
FY 2023

Annual dividend (planned)	Payout ratio
75 yen*	70.1%

*From FY 2023 to FY 2025, we set a minimum DOE of 2.5% and a minimum total dividend of 37.5 billion yen.

Dividends track record





3



NOK Group Medium-Term Management Plan (2023–2025)



Formulation of Our Purpose & Our Values

For promoting transformation, sharing
unwavering values, and building a robust
management foundation

Our Purpose

 Shaping Possibilities with Unique Technology

Our Values

Respect

We respect diversity and
inclusivity

Ignite

We ignite a passion for
innovation

Explore

We explore every
possibility for better
solutions

Exceed

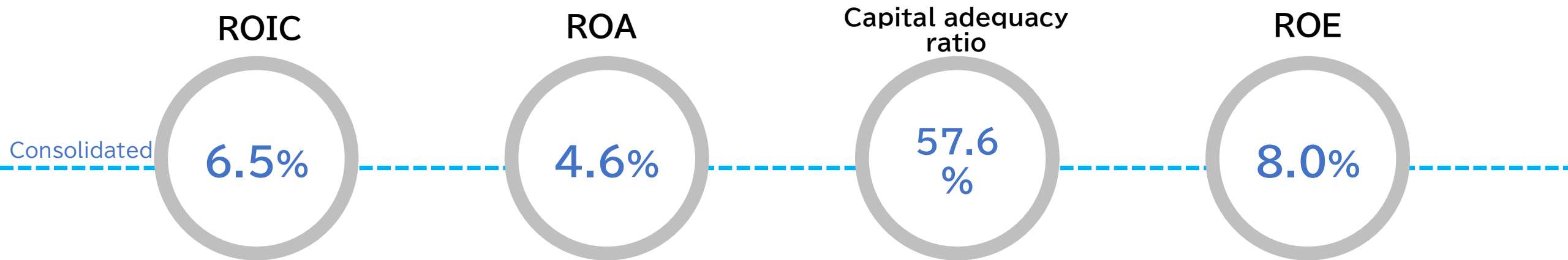
We exceed expectations
by delivering exceptional
results

We pursue our dreams



Construct a foundation
for transformation

Profit-seeking management through
appropriate financial strategies



- Secure orders at fair market prices
- Expand sales of products for EV applications

- Implement shareholder returns with a minimum of 67.5 billion yen



Results in FY 2022

Targets for FY 2025

Net sales

710.0 billion yen



845.0 billion yen
(CAGR 6.0%)

Operating
income

15.4 billion yen



57.5 billion yen
(CAGR 55.1%)

Operating
income margin

2.2%



6.8%
(+ 4.6pt)

Net income

13.3 billion yen



41.8 billion yen
(CAGR 46.5%)



Results in FY 2022

Targets for FY 2025

ROIC

1.9%



6.5%

ROA

1.5%



4.6%

Capital
adequacy
ratio

60.6%



57.6%

ROE

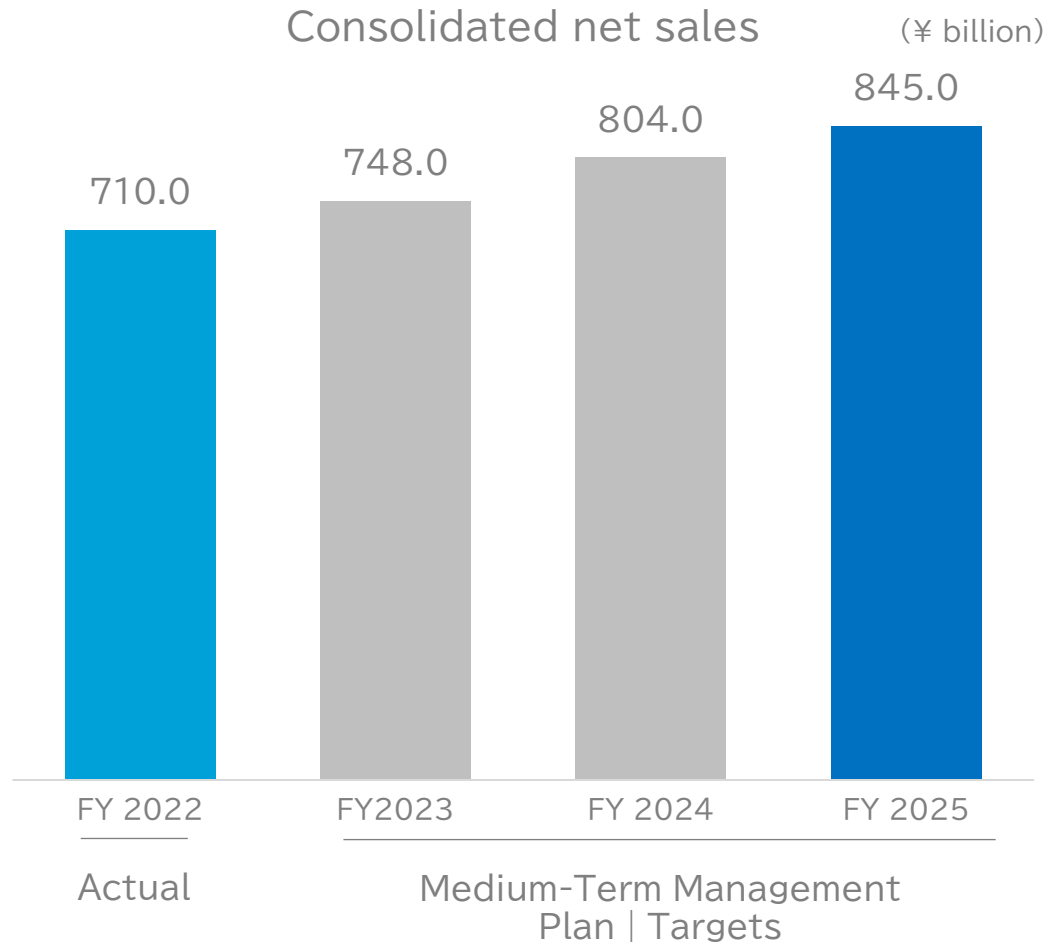
2.6%



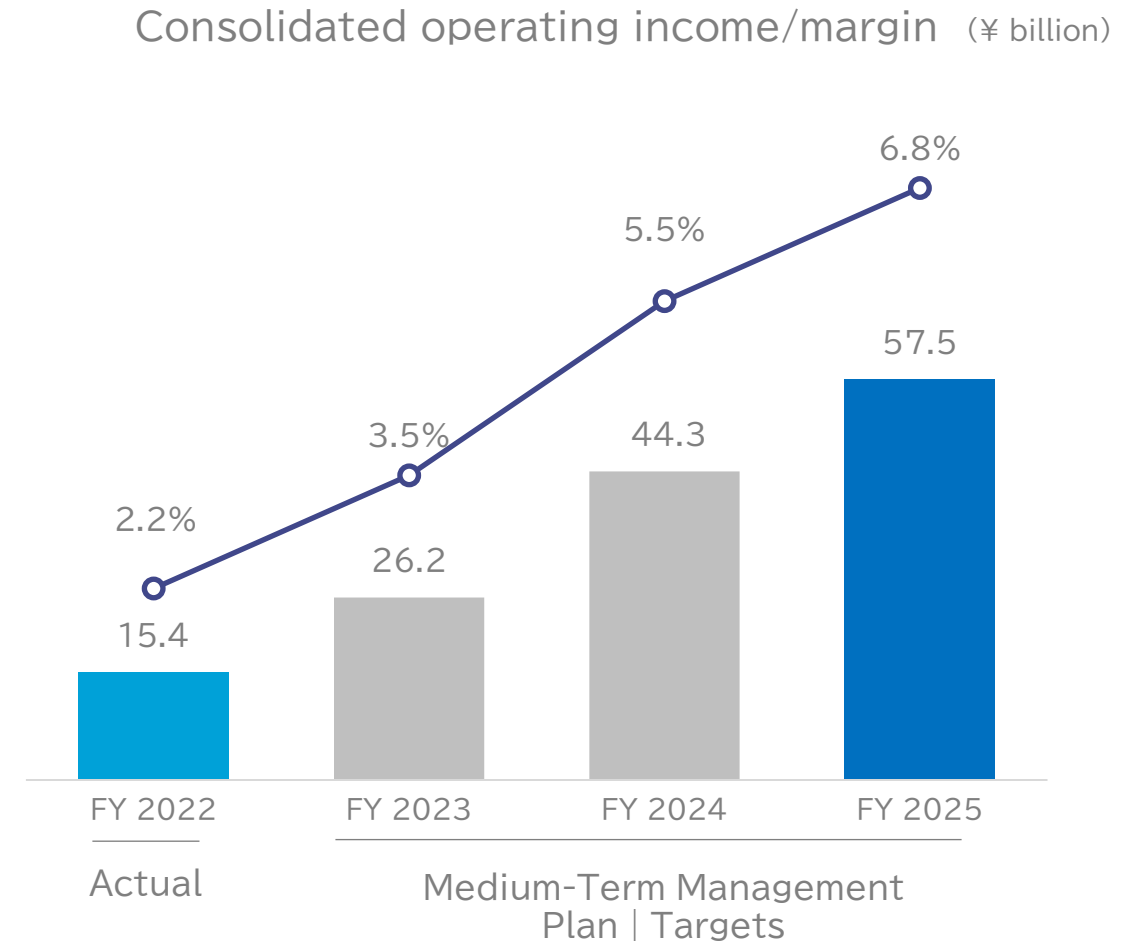
8.0%



Medium-Term Management Plan: Growth Trend



3-year CAGR 6.0%



3-year CAGR 55.1%



Create new growth drivers

- Develop and expand sales for function-specific EV products
- Develop and expand sales for green energy-related products
- Expand sales for semiconductor equipment products



Optimize operational structure for global expansion

- Establish Audit & Supervisory Committee (under consideration)
- Strengthen diversity of Board of Directors
- Expand and accelerate data utilization
- Implement robust ESG initiatives



Construct diverse human capital foundation

- Introduce new personnel system
- Invest in human resource development
- Implement DE&I initiatives



Optimize management resources

- Secure orders at fair market prices
- Execute capital policy

Four Key Initiatives



Create new growth drivers

Dedicate resources to new areas and areas of growth under the heading "New Growth Drivers." Continuously strengthen R&D, M&A, and other initiatives to establish a high-value business model and drive profitable outcomes.

New Areas

Green energy

📍 Cultivate into growth fields

Growth Areas

EV & semiconductor equipment

📍 Generate revenue primarily through expanded sales of EV-related products



Investment in
New Growth
Drivers:

Over
50 billion
Yen

Alignment with Our Purpose
and market growth potential

Earnings potential

Improvement Areas

Smartphone & printer

📍 Ensure return to stable profitability

Foundation Areas

General industry machinery/mobility sharing/ICE/HD/
high-performance office equipment (MFP, POD)

📍 Ensure revenue through expanded sales
and security of orders at fair market prices



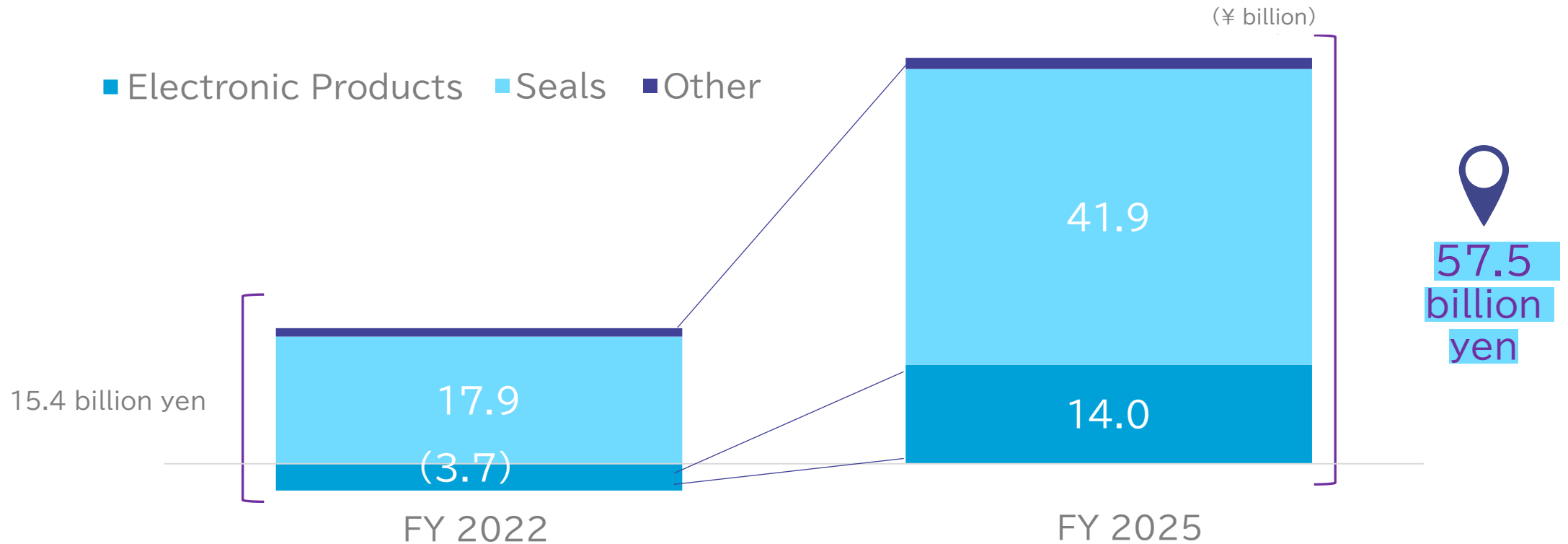
Ensure earnings

Seals:

Ensure revenue through expanded sales and security of orders at fair market prices

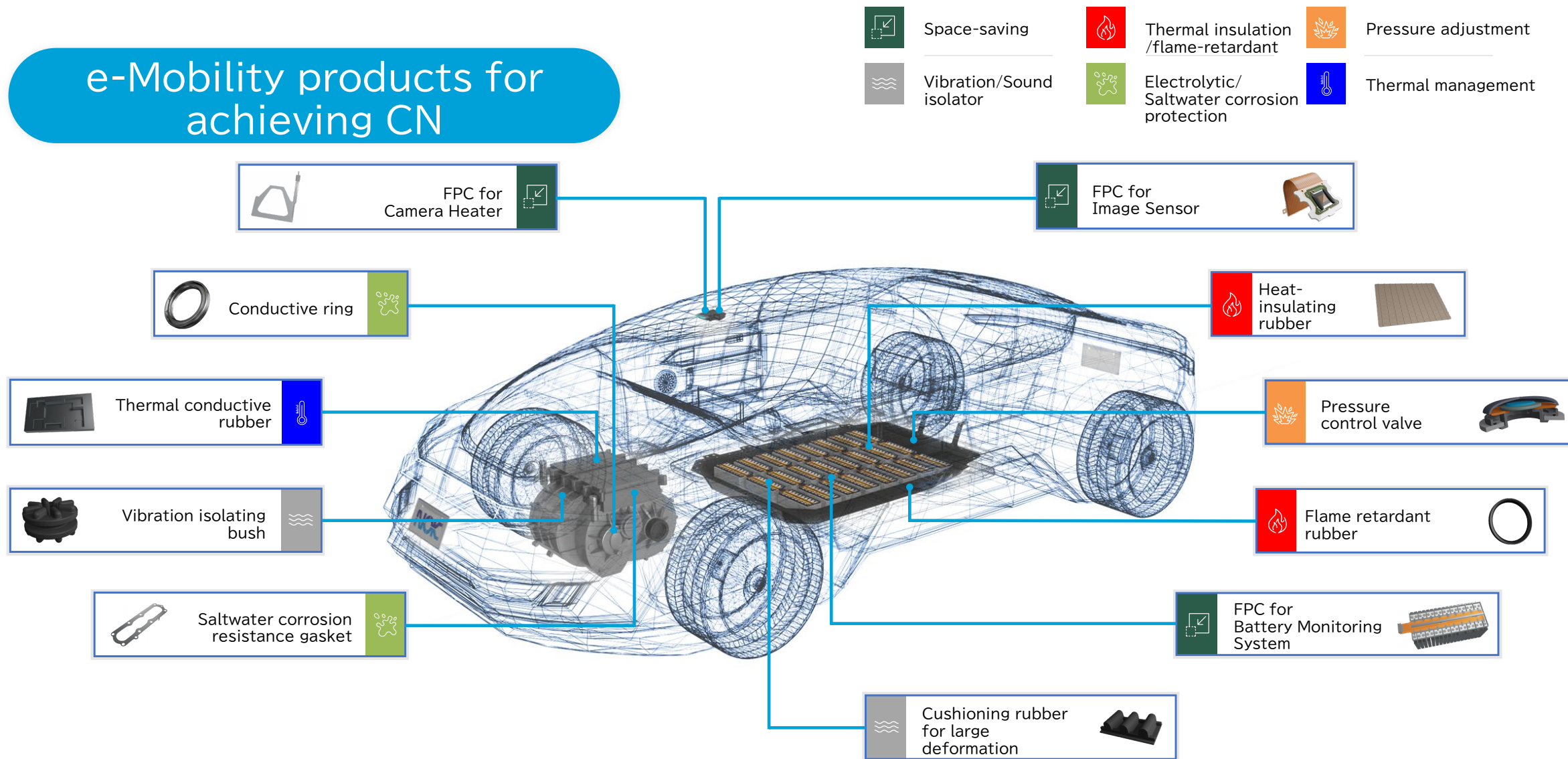
Electronic Products:

Return to profitability through expanded sales of products for EV applications





e-Mobility products for achieving CN





Optimize operational structure for global expansion

- Establish Audit & Supervisory Committee (under consideration)
- Strengthen diversity of Board of Directors
- Expand and accelerate data utilization
- Implement robust ESG initiatives



- ✓ Improving human resources while staying true to **Our Values**
- ✓ From an “International Company” to a **“Global Company”**

Construct diverse human capital foundation (Fundamental reform of personnel organization system)

- Introduce new personnel system (from FY 2024)
- Introduce new program for cultivating the next generation (from FY 2023)
- Implement DE&I initiatives (from FY 2022)





4



Financial Results by Segment for FY 2022



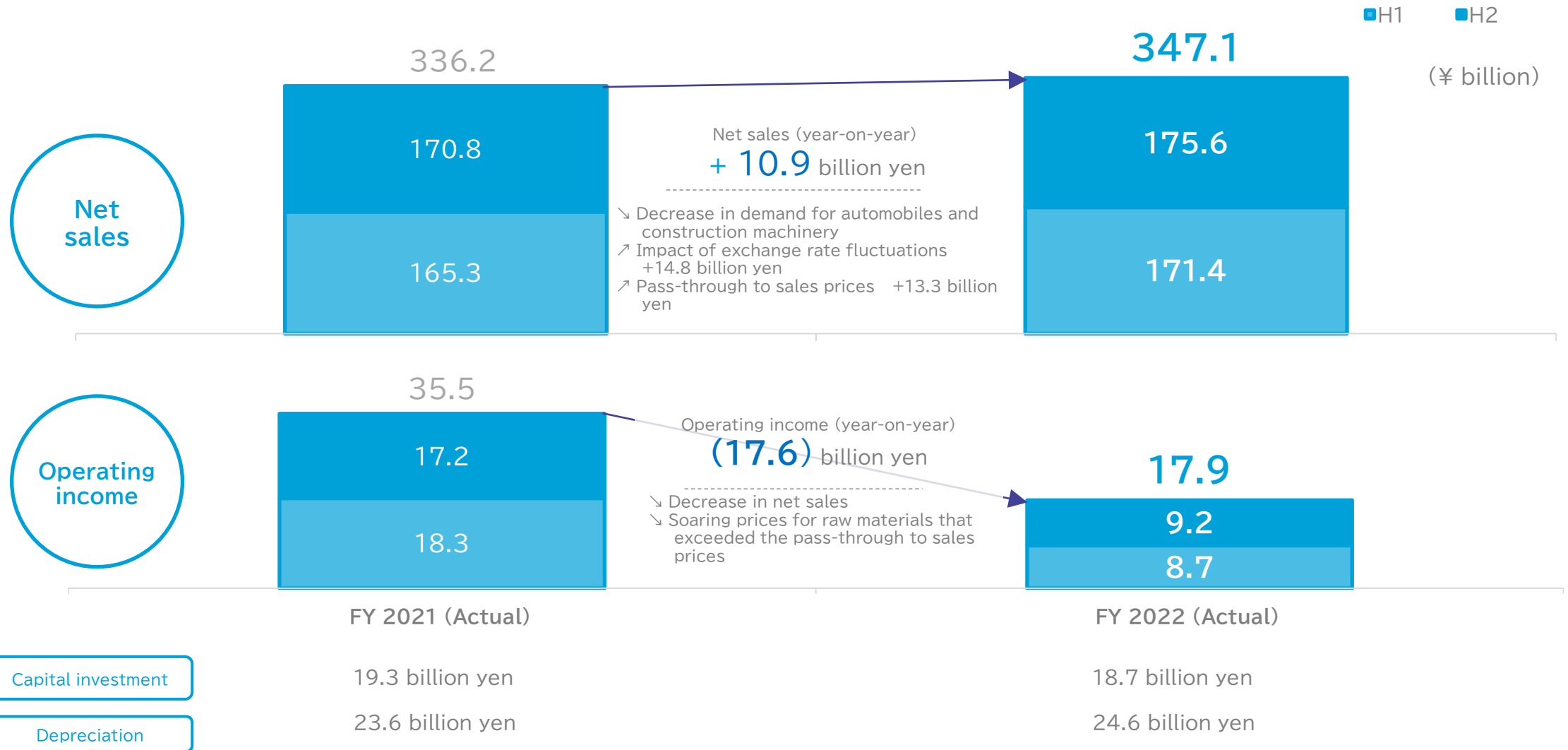
(¥ billion)

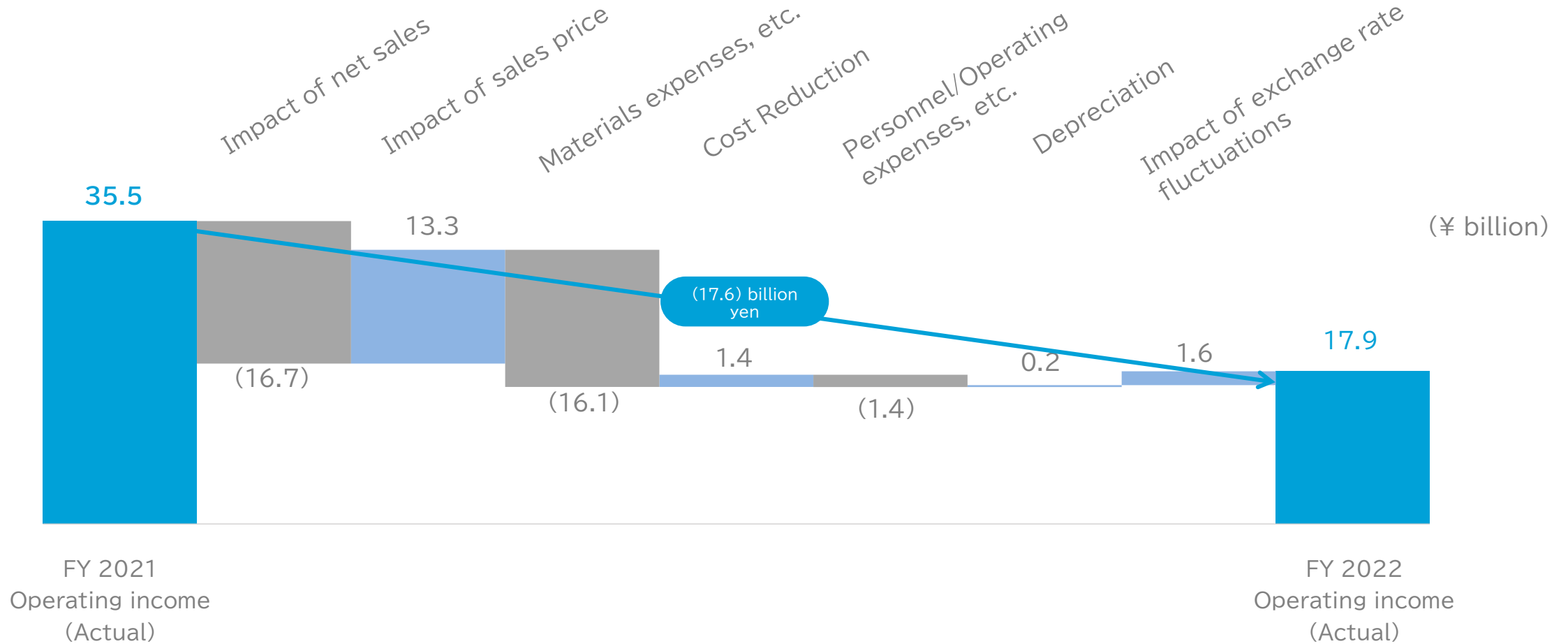
	FY 2021 Actual	FY 2022 Actual	YoY changes	
			Amount	Ratio
Net sales	682.5	710.0	27.4	4.0%
Operating income	31.3	15.4	(16.0)	(50.9)%
Ordinary income	46.2	26.6	(19.6)	(42.5)%
Profit attributable to owners of parent	25.8	13.3	(12.5)	(48.4)%
Operating income margin	4.6%	2.2%	(2.4)pt	—
Capital investment	41.0	47.8	6.7	—
Depreciation	42.6	45.8	3.2	—
Average exchange rate (yen/US dollar)	111.82	134.78	-	—
Number of employees	37,613	37,913	300	—

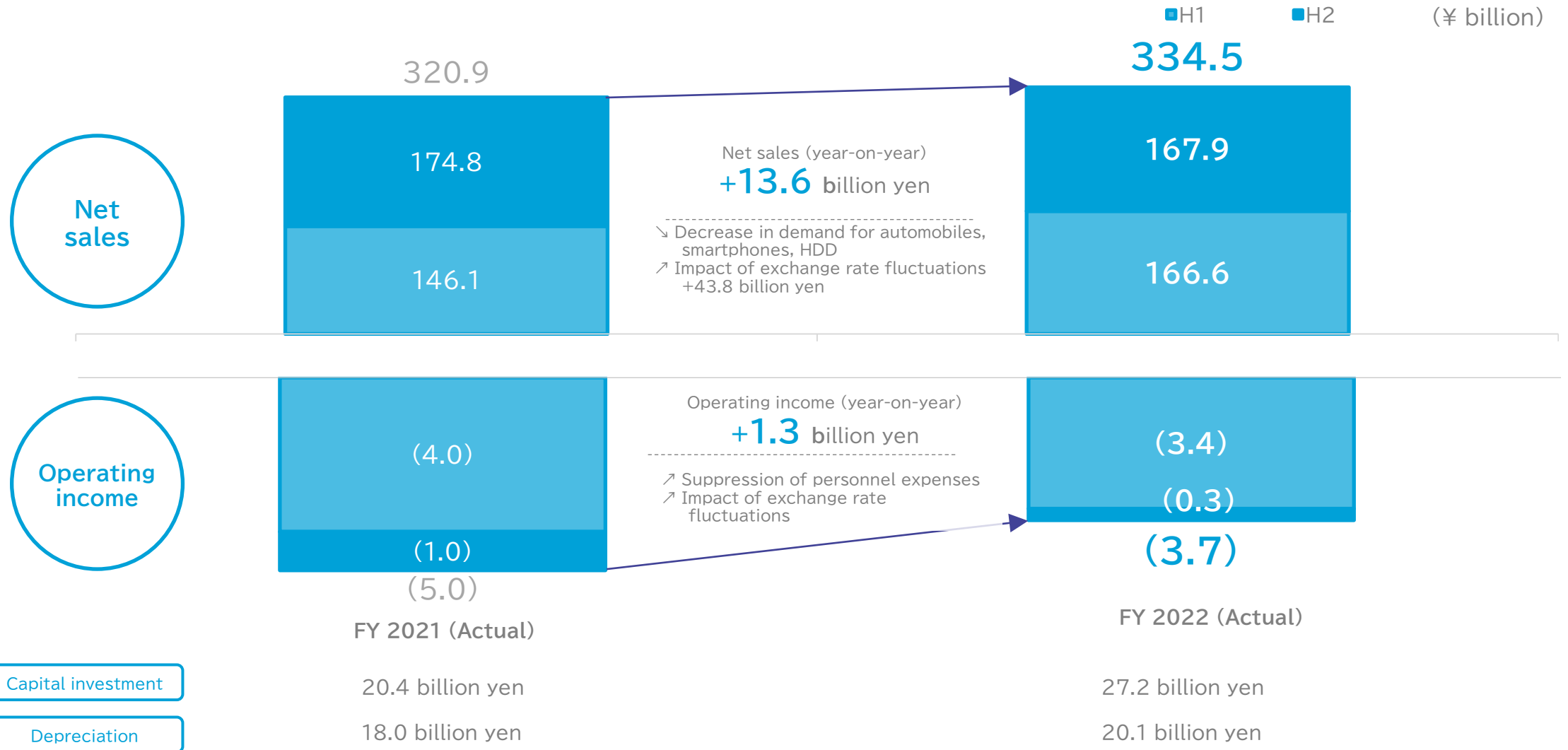


(¥ billion)

		FY 2021 Actual	FY 2022 Actual	YoY changes	
				Amount	Ratio
Seal business	Net sales	336.2	347.1	10.9	3.2%
	Operating income	35.5	17.9	(17.6)	(49.6)%
Electronic Product business	Net sales	320.9	334.5	13.6	4.2%
	Operating income	(5.0)	(3.7)	1.3	-
Other businesses	Net sales	25.4	28.4	3.0	11.8%
	Operating income	0.9	1.2	0.3	34.3%
Total	Net sales	682.5	710.0	27.4	4.0%
	Operating income	31.3	15.4	(16.0)	(50.9)%

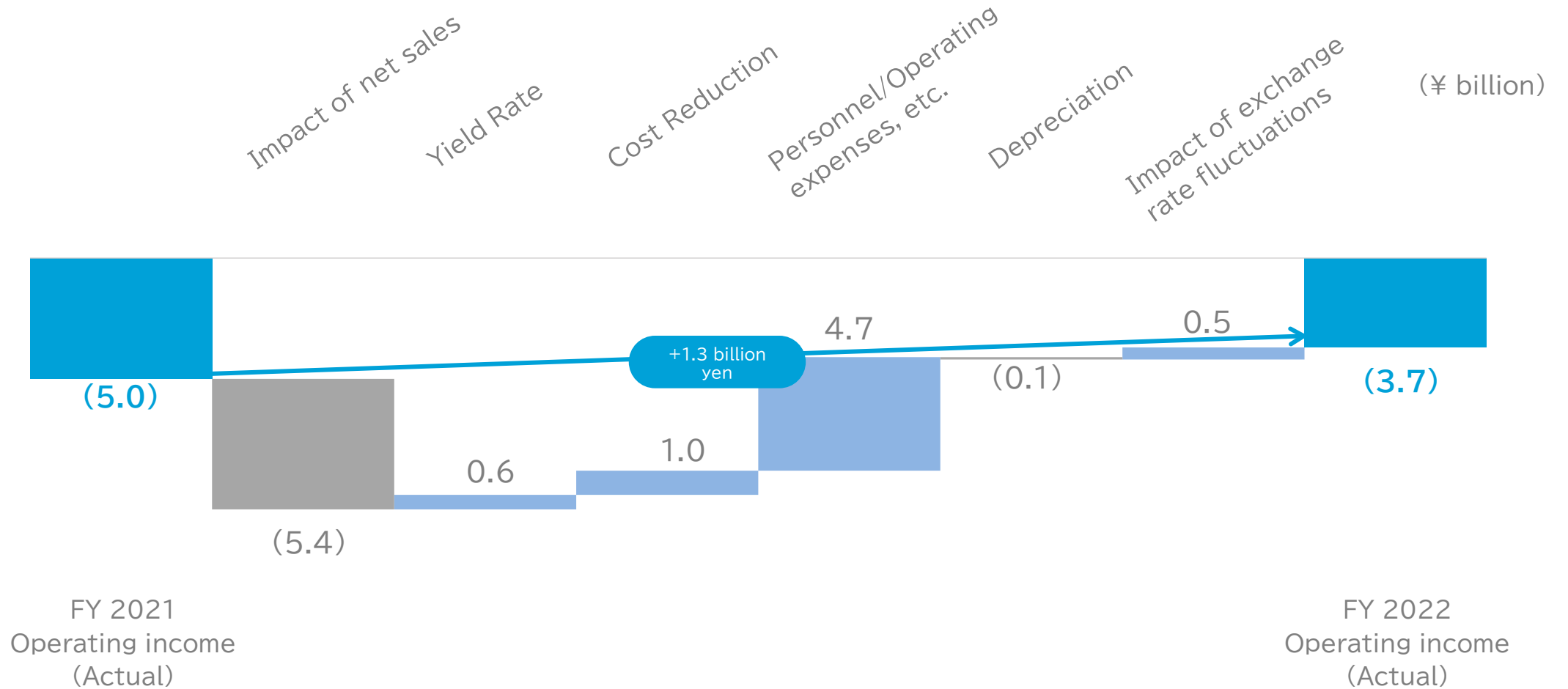








Analysis of Operating Income (year-on-year)





5

NOK Group Medium-Term
Management Plan
(2023-2025)
By Segment/Capital Policy



(¥ billion)

	FY 2022 Actual	FY 2023 Forecast		YoY changes	
		Full year		Full year	
	Full year	H1	Full year	Amount	Ratio
Net sales	710.0	353.8	748.0	38.0	5.4%
Operating income	15.4	5.1	26.2	10.8	70.4%
Ordinary income	26.6	9.0	34.3	7.8	29.2%
Profit attributable to owners of parent	13.3	1.9	18.4	5.0	37.9%
Operating income margin	2.2%	1.4%	3.5%	1.3pt	—
Capital investment	47.8	31.9	60.8	13.0	—
Depreciation	45.8	23.5	47.5	1.7	—
Average exchange rate (yen/US dollar)	134.78	130.00	130.00	—	—
Number of employees	37,913	39,440	39,298	1,385	—



(¥ billion)

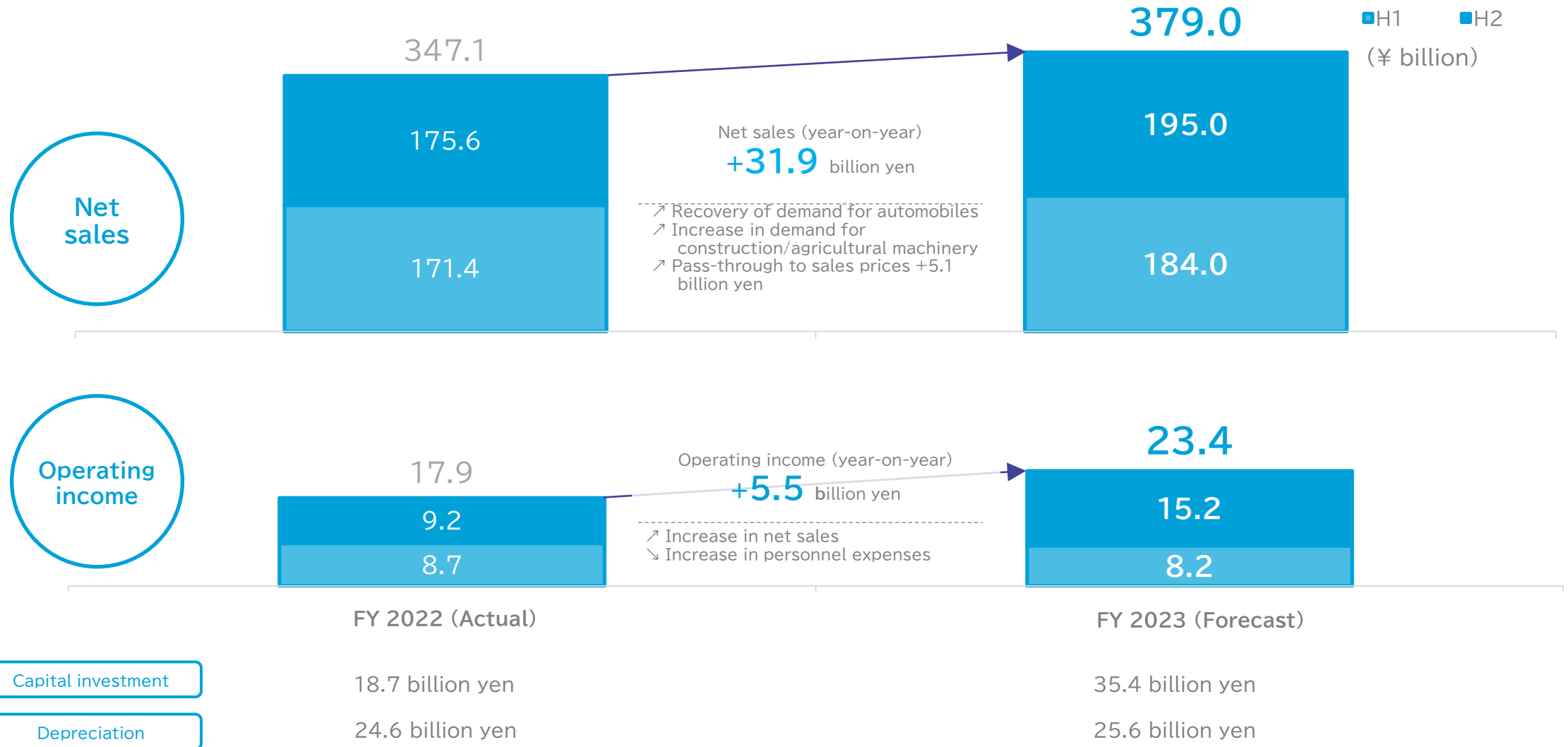
		FY 2022 Actual	FY 2023 Forecast		YoY changes	
			Full year		Full year	
		Full year	H1	Full year	Amount	Ratio
Seal business	Net sales	347.1	184.0	379.0	31.9	9.2%
	Operating income	17.9	8.2	23.4	5.5	30.8%
Electronic Product business	Net sales	334.5	155.8	341.2	6.7	2.0%
	Operating income	(3.7)	(3.4)	2.0	5.7	-
Other businesses	Net sales	28.4	14.0	27.8	(0.5)	(1.9)%
	Operating income	1.2	0.3	0.8	(0.4)	(32.4)%
Total	Net sales	710.0	353.8	748.0	38.0	5.4%
	Operating income	15.4	5.1	26.2	10.8	70.4%



5 | NOK Group Medium-Term Management Plan (2023-2025) By Segment/Capital Policy

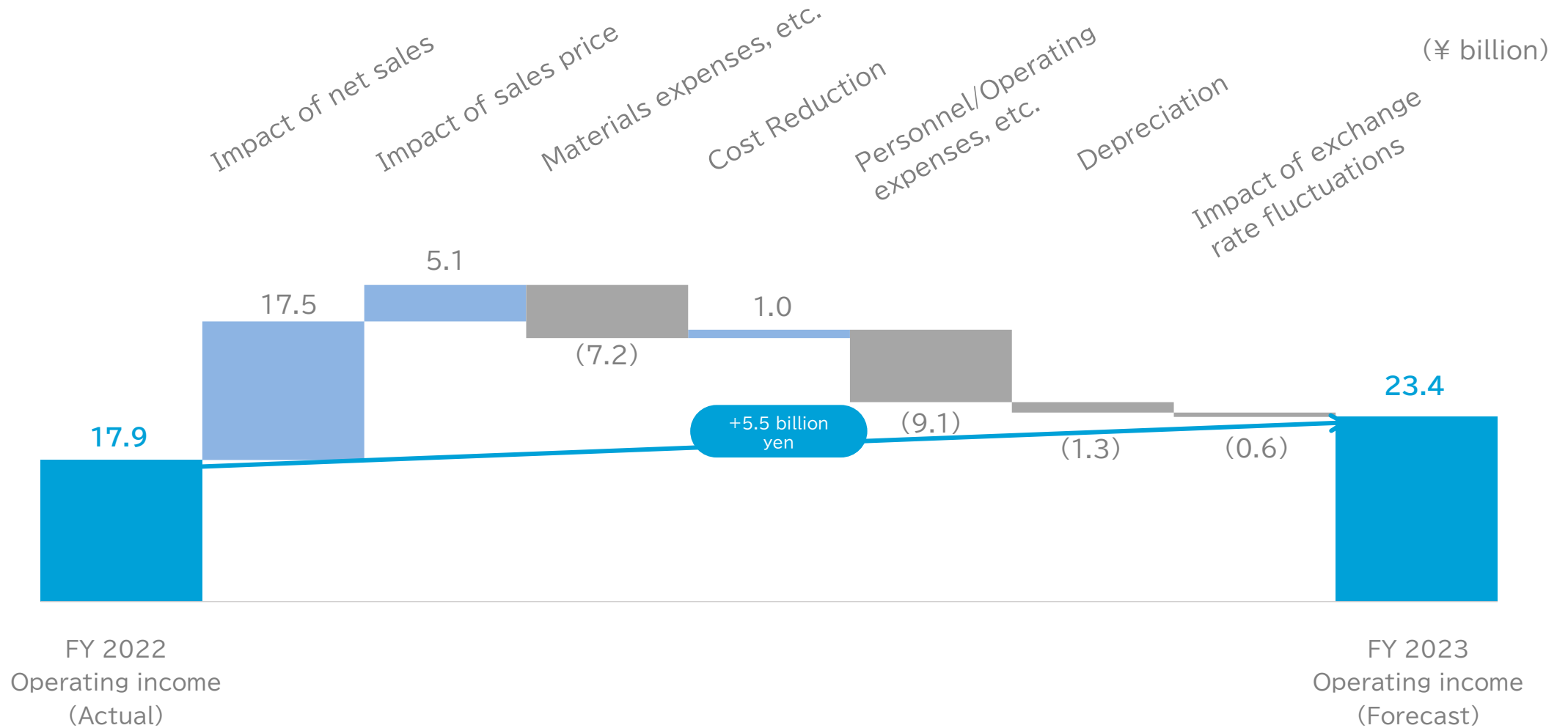
Seal business

Financial Forecast by Segment for FY 2023





Analysis of Operating Income (year-on-year)

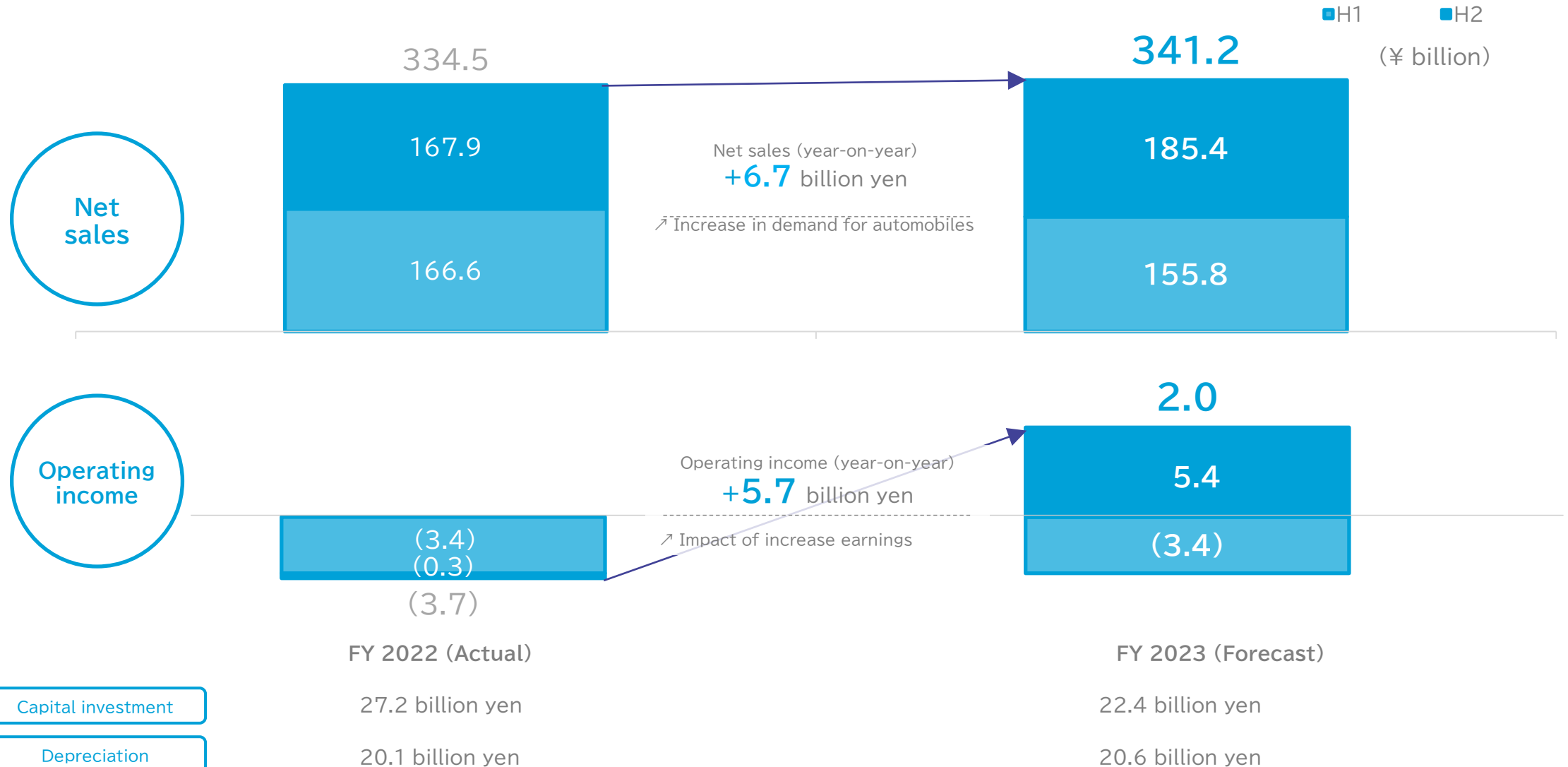




5 | NOK Group Medium-Term Management Plan (2023-2025)
By Segment/Capital Policy

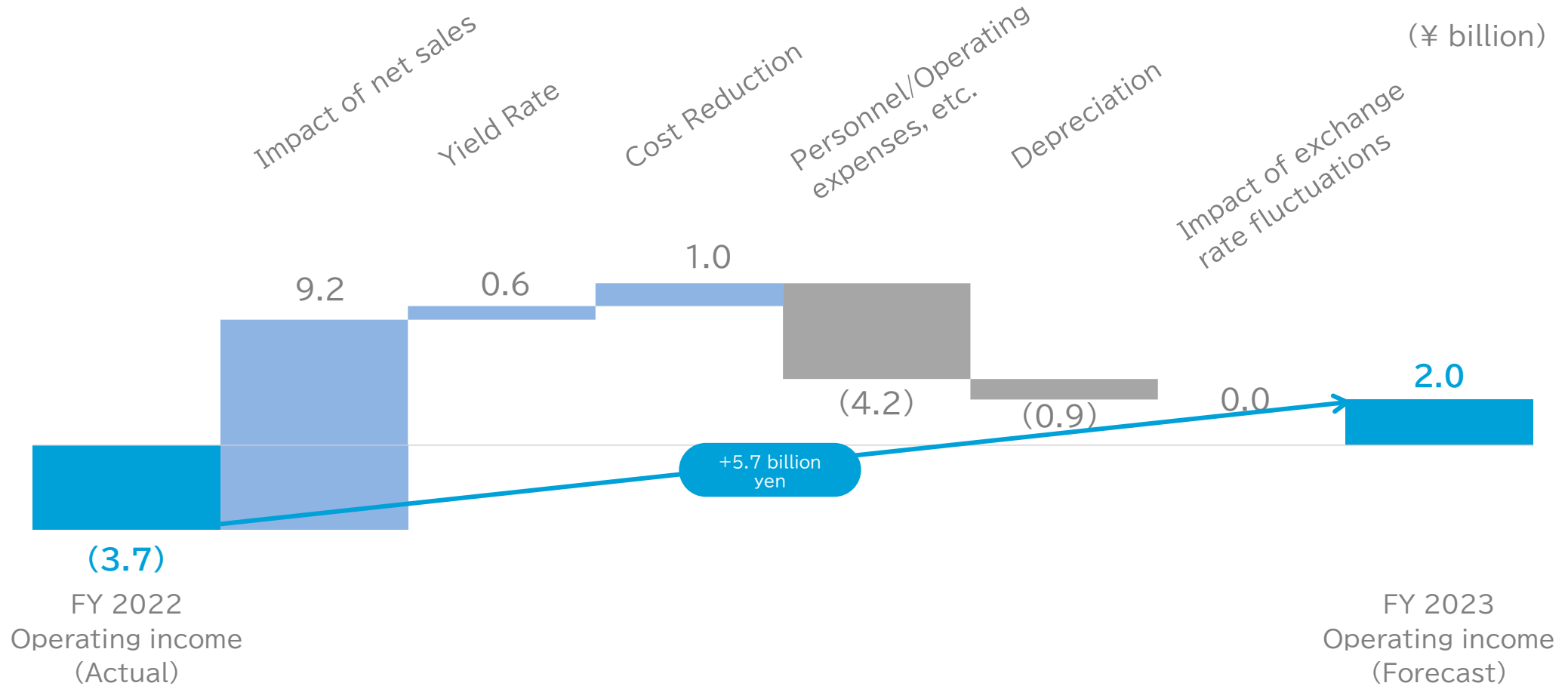
Electronic
Product business

Financial Forecast by Segment
for FY 2023





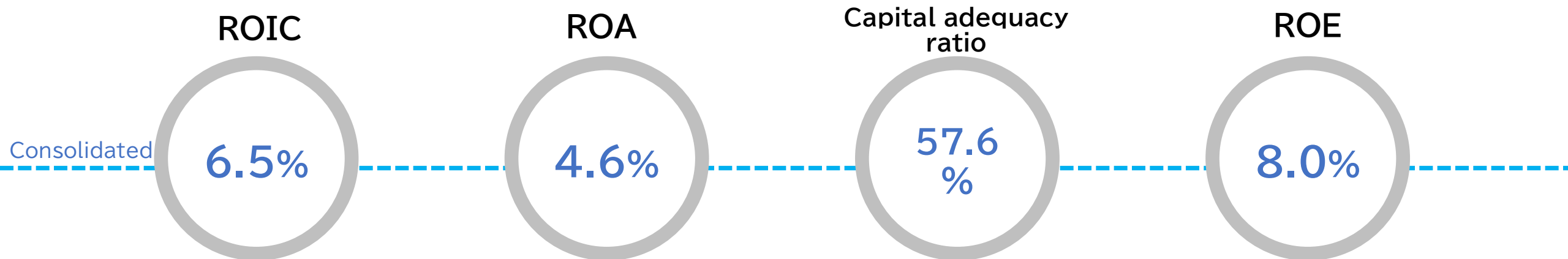
Analysis of Operating Income (year-on-year)





Construct a foundation
for transformation

Profit-seeking management through
appropriate financial strategies



- Secure orders at fair market prices
- Expand sales of products for EV applications

- Implement shareholder returns with a minimum of 67.5 billion yen



Results in FY 2022

Targets for FY 2025

Net sales

347.1 billion yen



415.0 billion yen
(CAGR 6.2%)

Operating
income

17.9 billion yen



41.9 billion yen
(CAGR 32.8%)

Operating
income
margin

5.1%



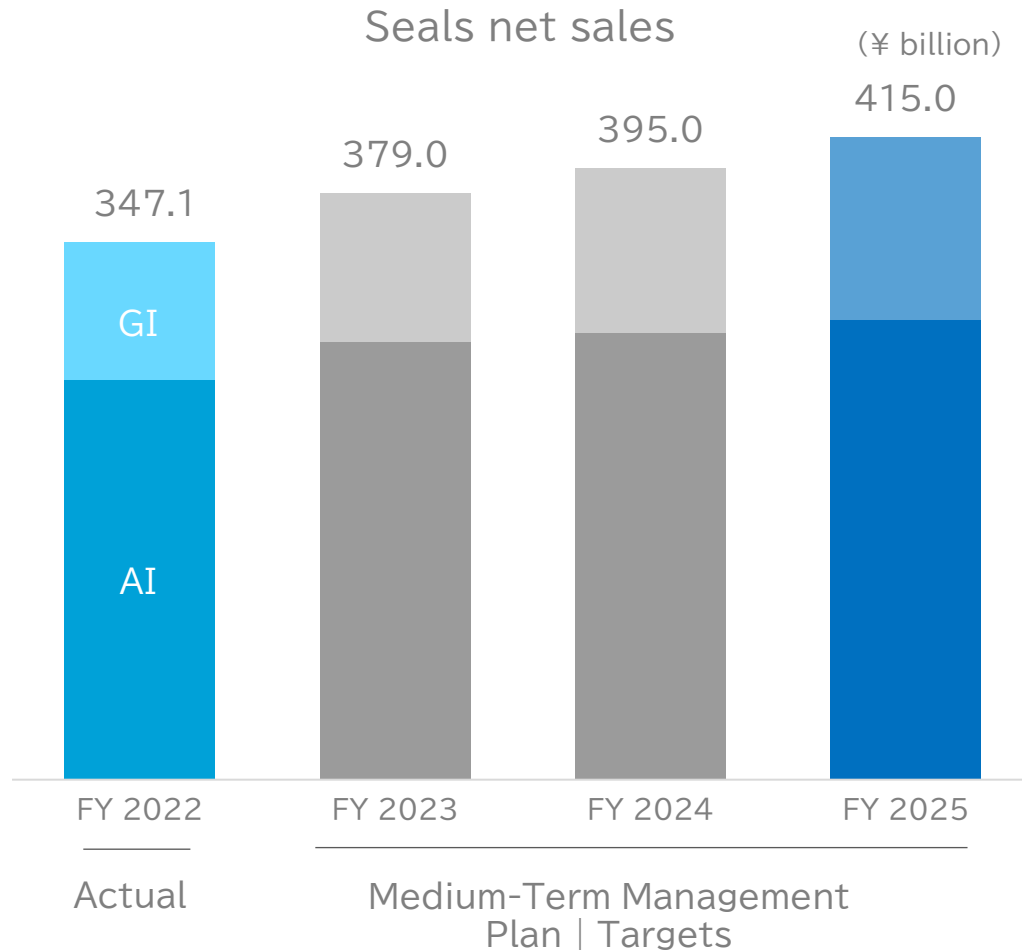
10.1%
(+ 5.0 pt)



5 | NOK Group Medium-Term Management Plan (2023-2025) By Segment/Capital Policy

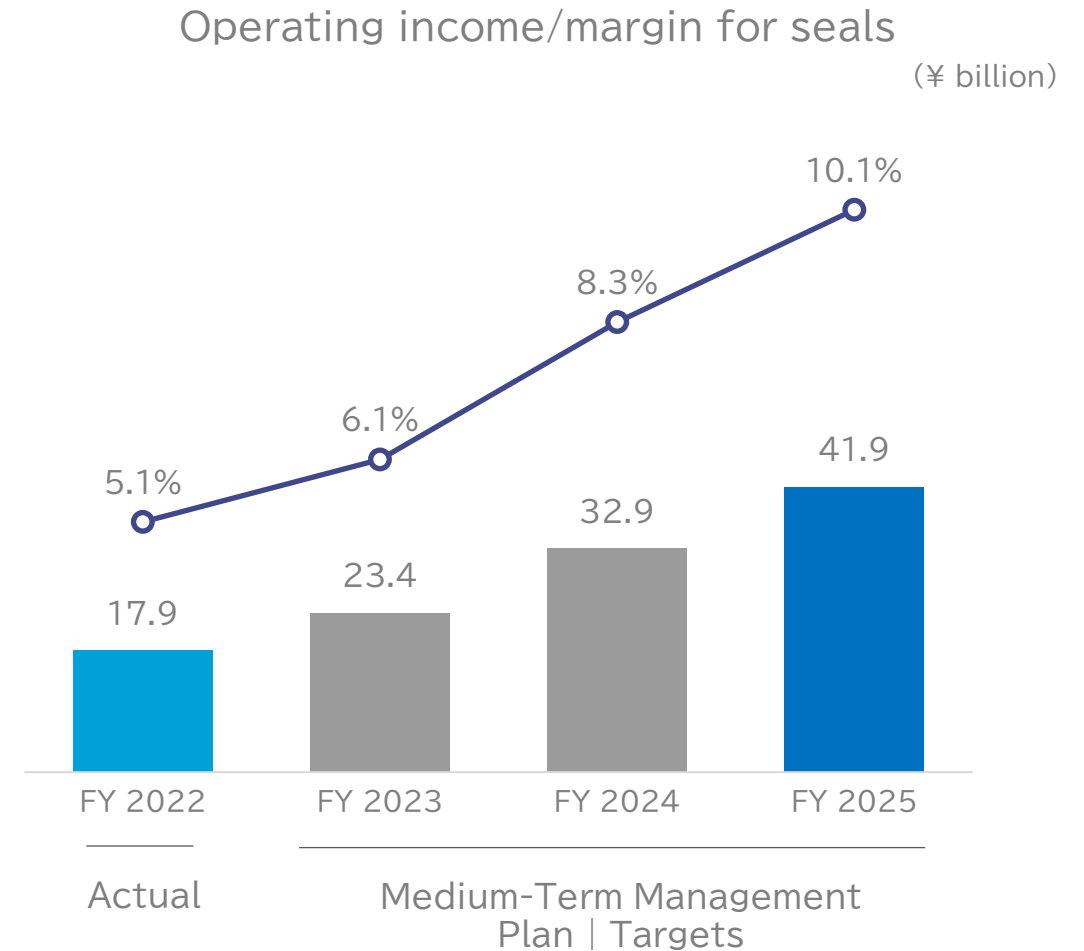
Seal business

Medium-Term Management Plan: Growth Trend



3-year CAGR 6.2%

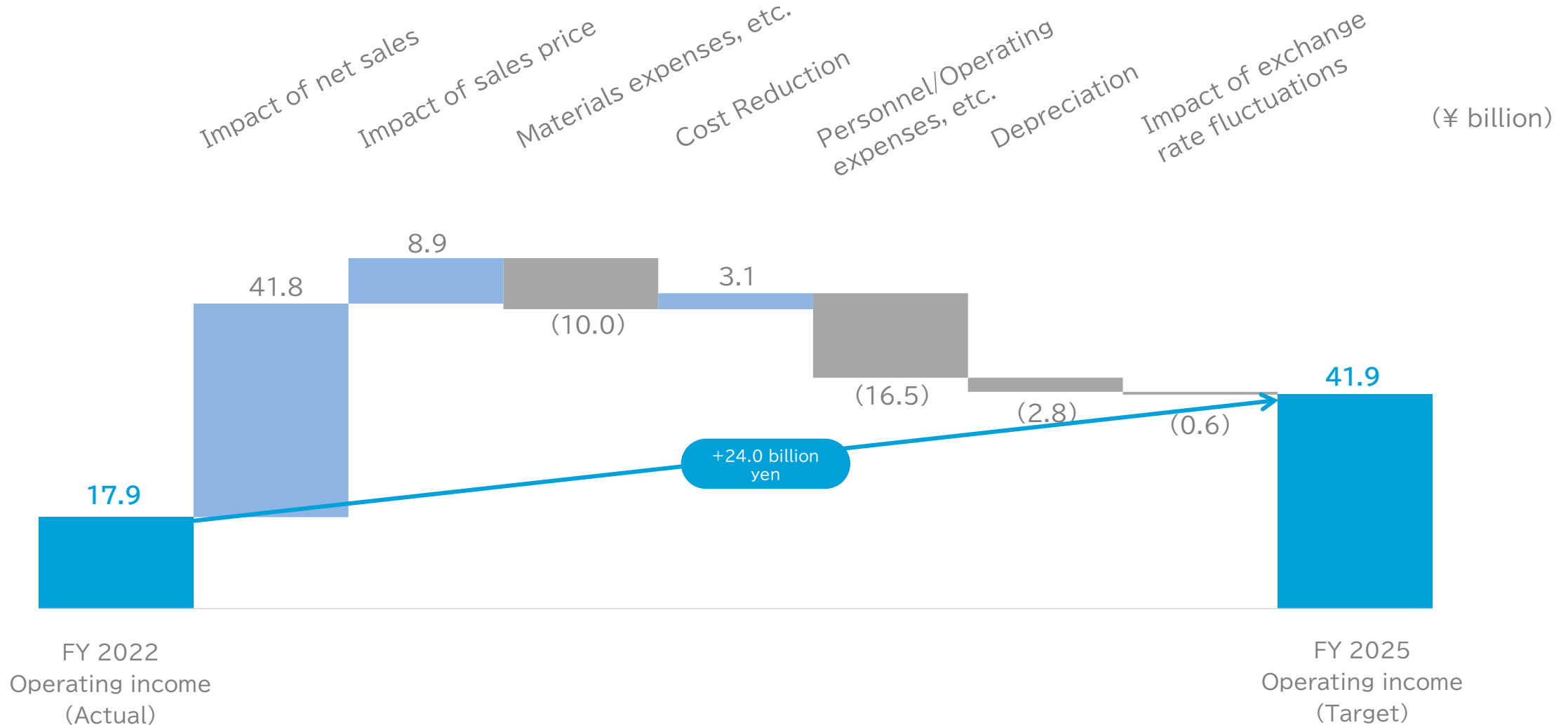
*AI...Automotive Industry, GI...General Industry



3-year CAGR 32.8%



Analysis of Operating Income (compared to FY 2022)





Results in FY 2022

Targets for FY 2025

Net sales

334.5 billion yen



401.8 billion yen
(CAGR 6.3%)

Operating
income

(3.7) billion yen



14.0 billion yen
(CAGR --%)

Operating
income
margin

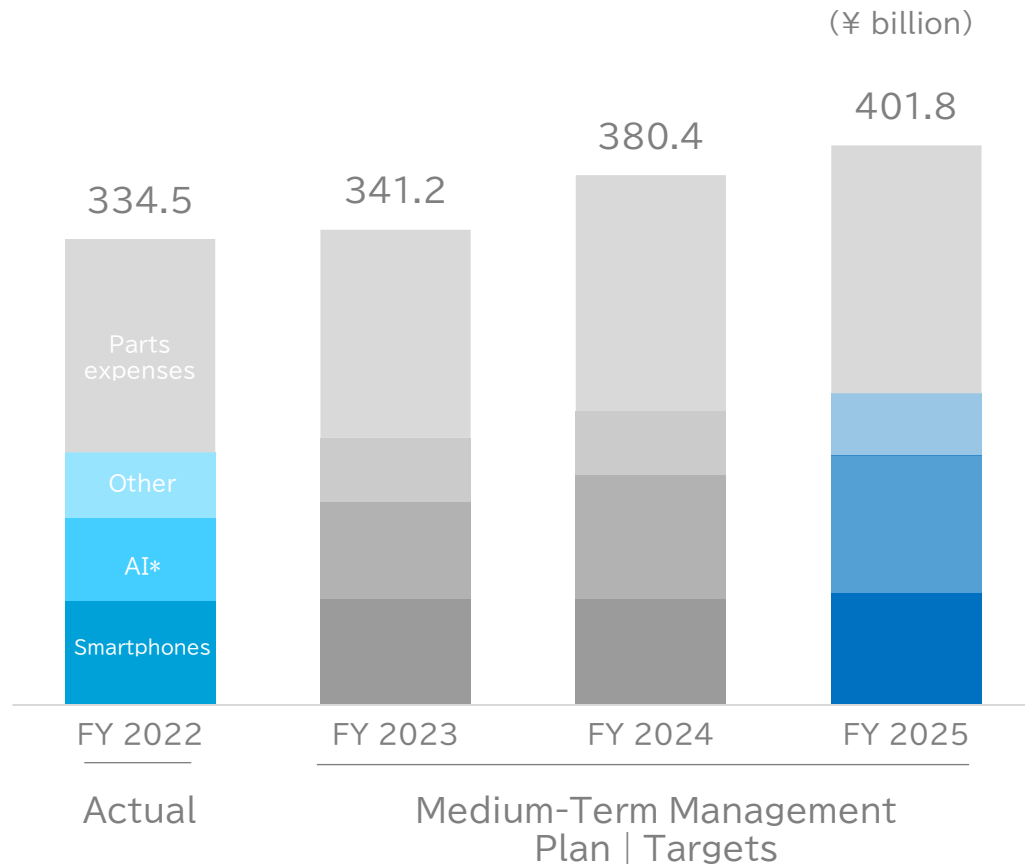
(1.1)%



3.5%
(+ 4.6pt)



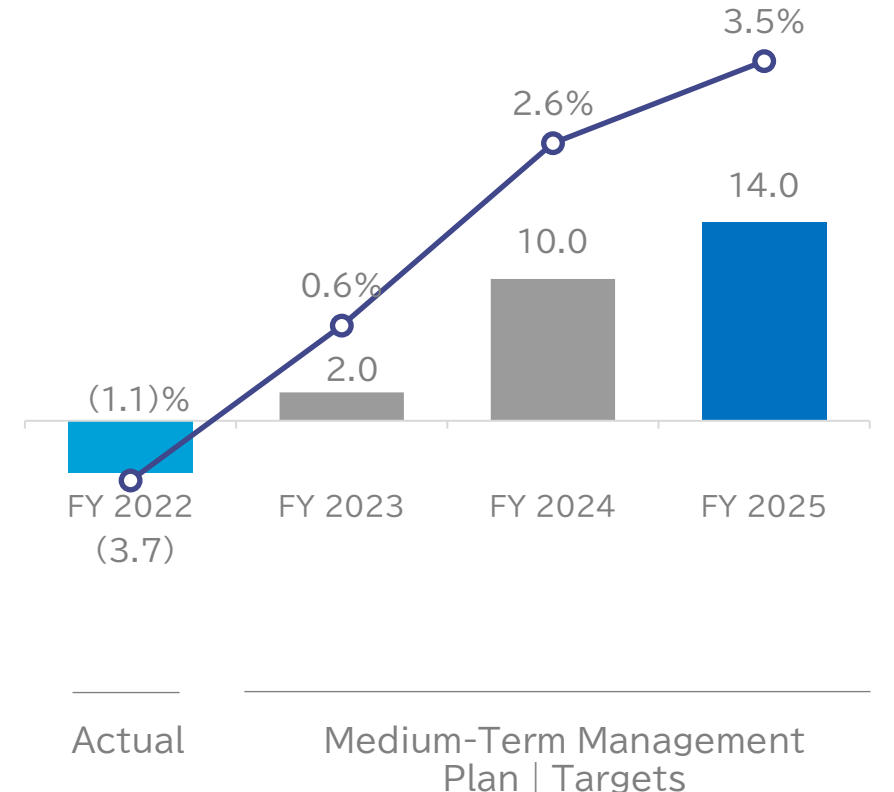
Electronic Products net sales



3-year CAGR 6.3%

*AI...Automotive Industry

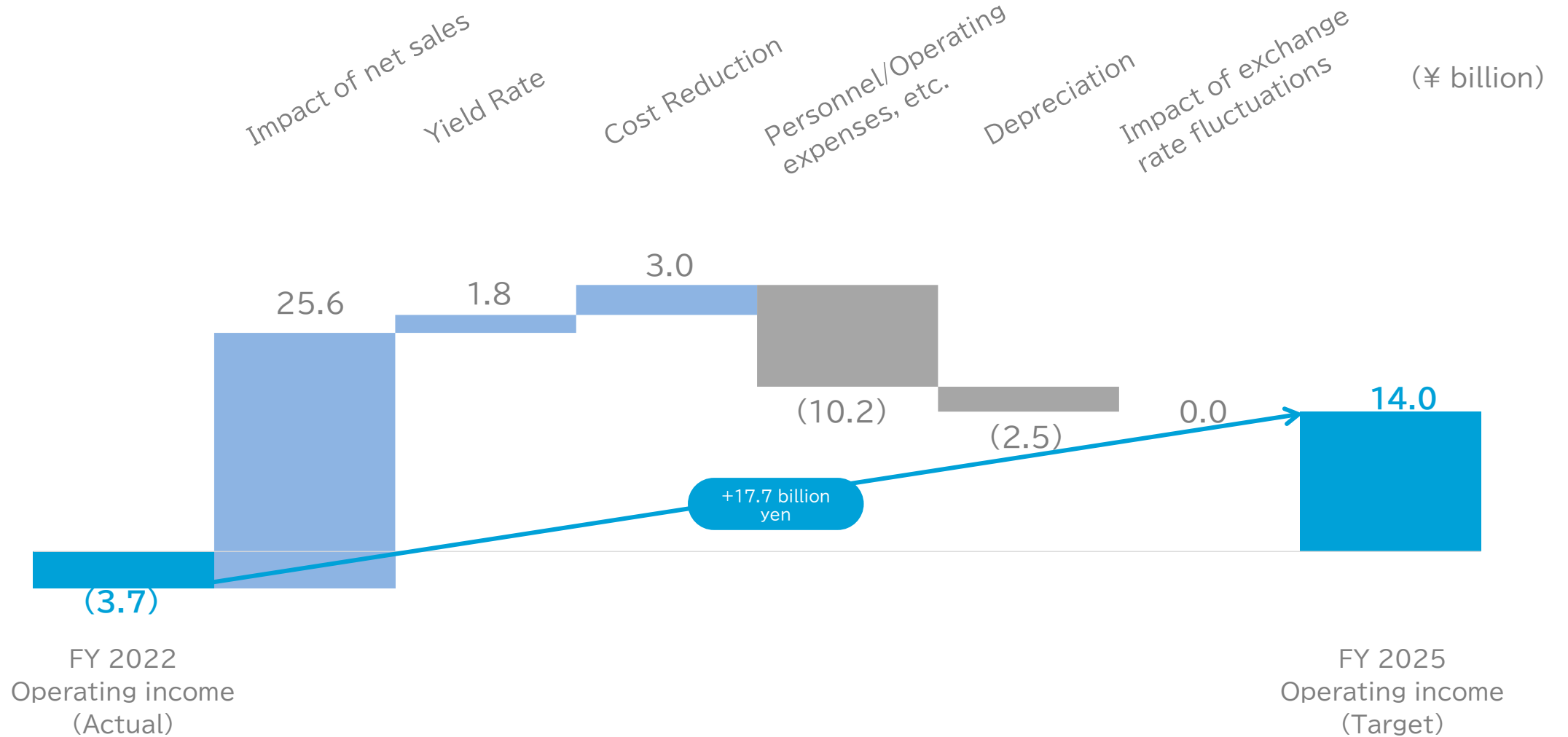
Operating income/margin for electronic products



3-year CAGR --%



Analysis of Operating Income (compared to FY 2022)





3-year cash allocation

- 1 Safety
- 2 Cross-shareholdings
- 3 Return to shareholders

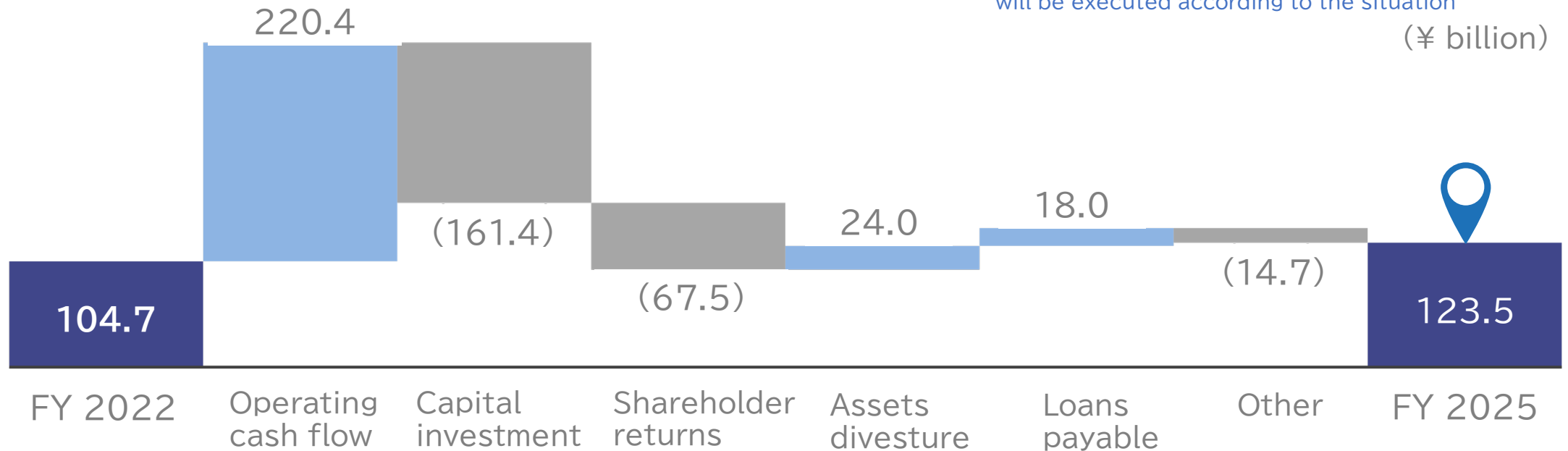
Maintain capital adequacy ratio of 55% to 58% in order to achieve stable business operations

Sell 25% of market capitalization over 3-year period

Minimum of 67.5 billion yen over a 3-year period

- ✓ DOE of 2.5% or higher for dividends
- ✓ Share buyback of 10 billion yen in FY2023
In FY2024 and FY2025, shareholder returns will be executed according to the situation

(¥ billion)





NOK



6

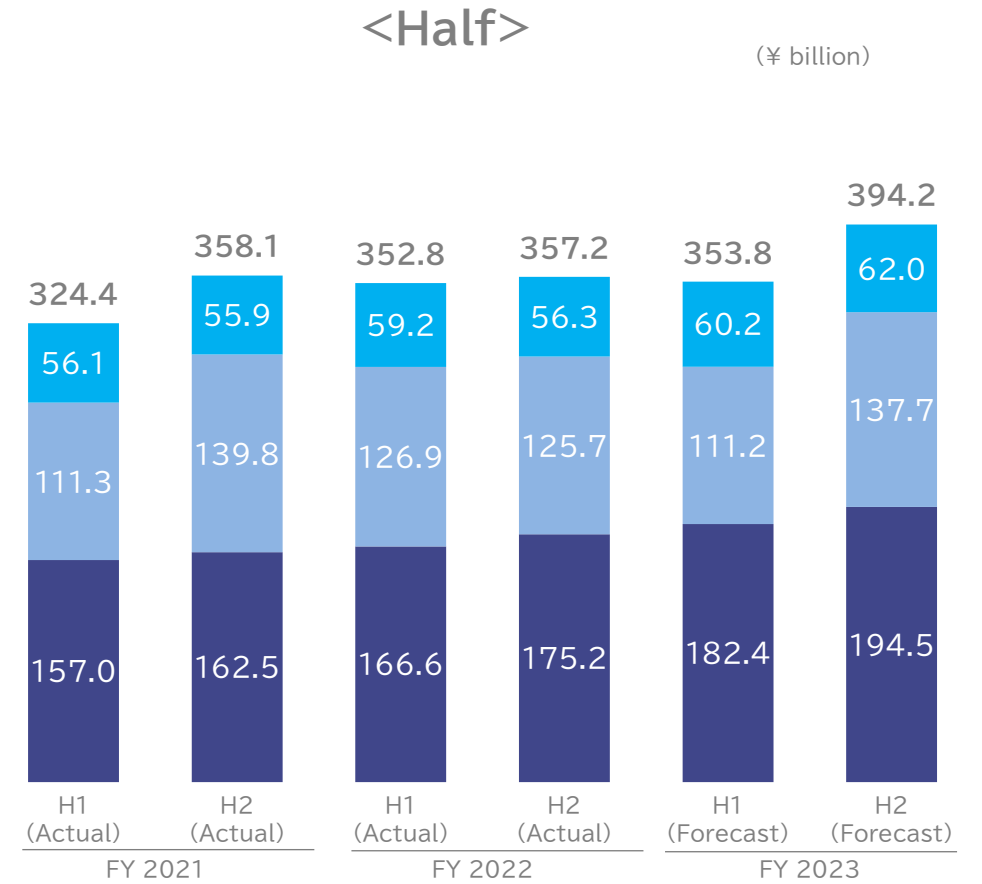
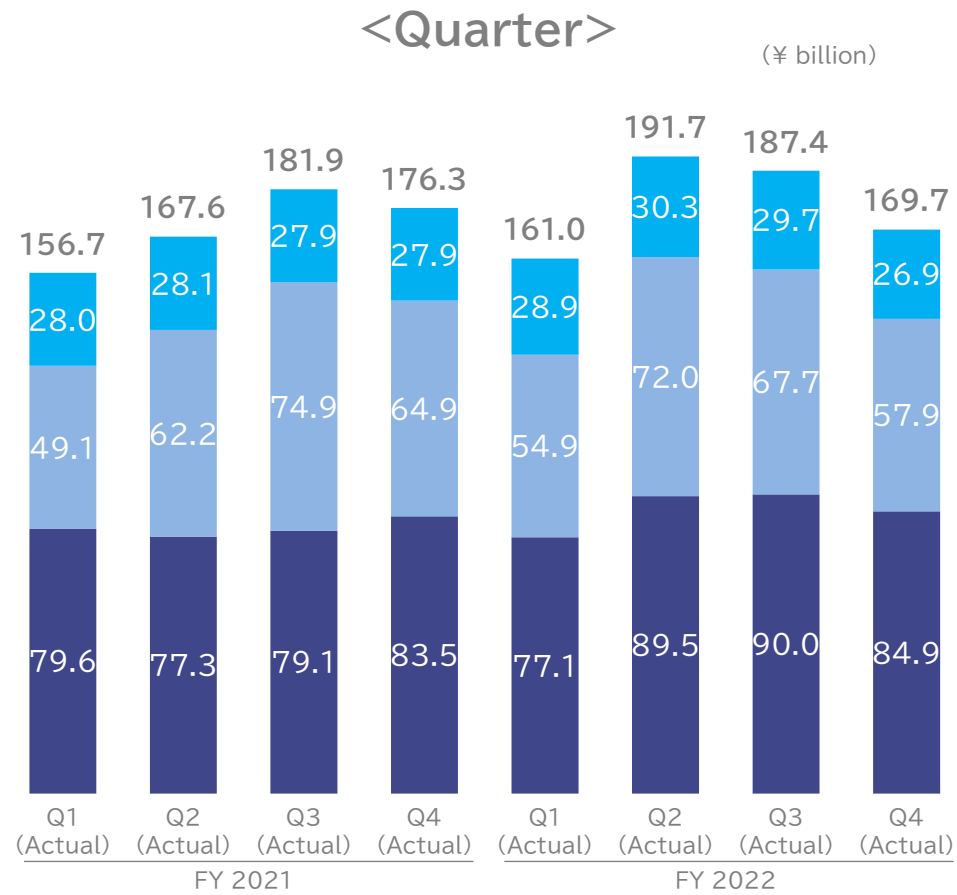


Business Overview by Industry/Region



Consolidated Net Sales Trend (By Industry)

■ Automotive Industry (AI) ■ Electronic Industry (EI) ■ General Industry (GI)



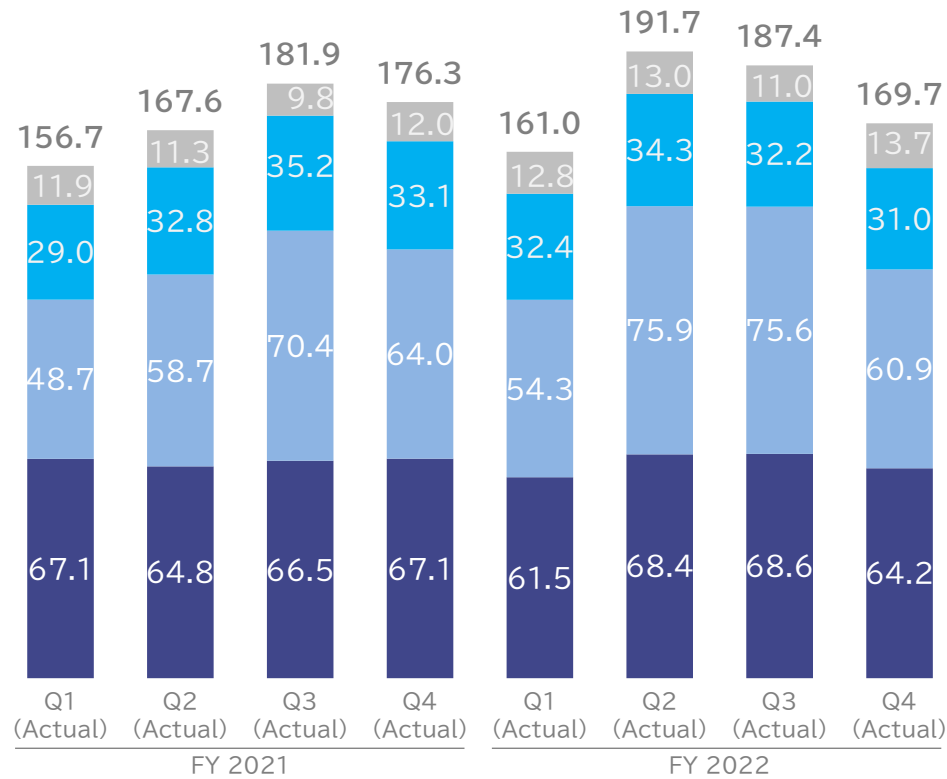


Consolidated Net Sales Trend (By Region)

■ Japan ■ China ■ Other Asia ■ Other

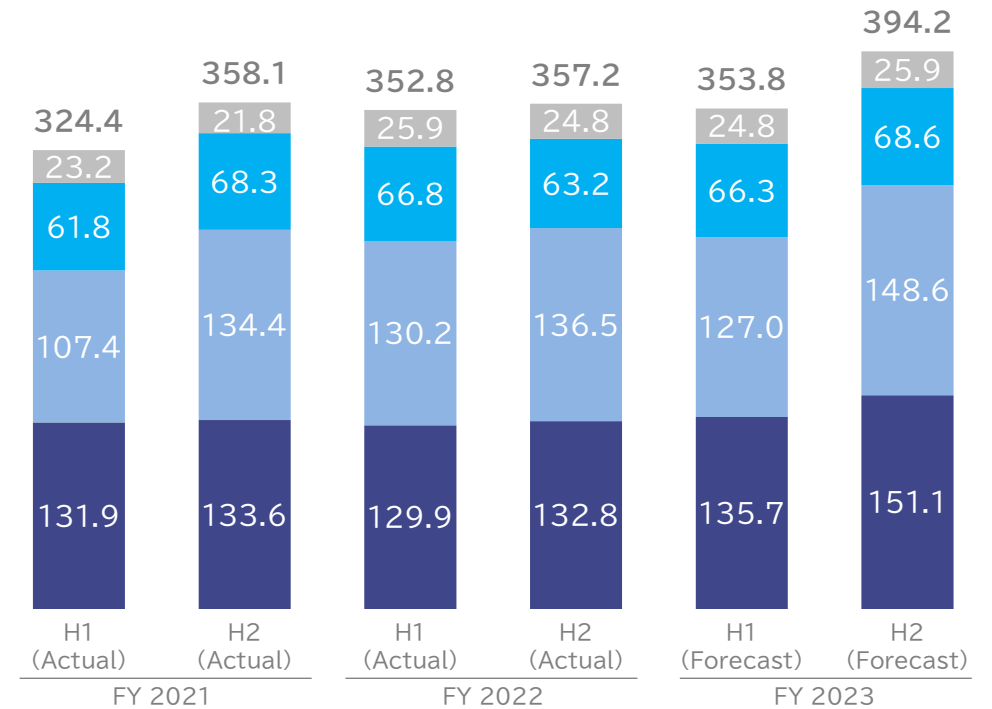
<Quarter>

(¥ billion)



<Half>

(¥ billion)



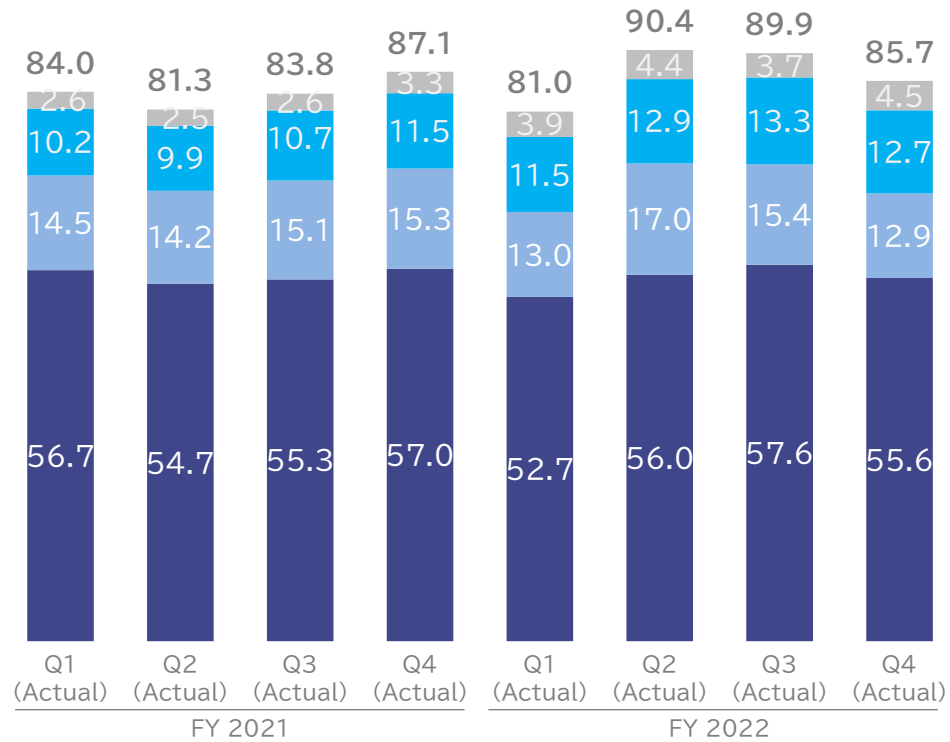


Consolidated Net Sales Trend (By Region)

■ Japan ■ China ■ Other Asia ■ Other

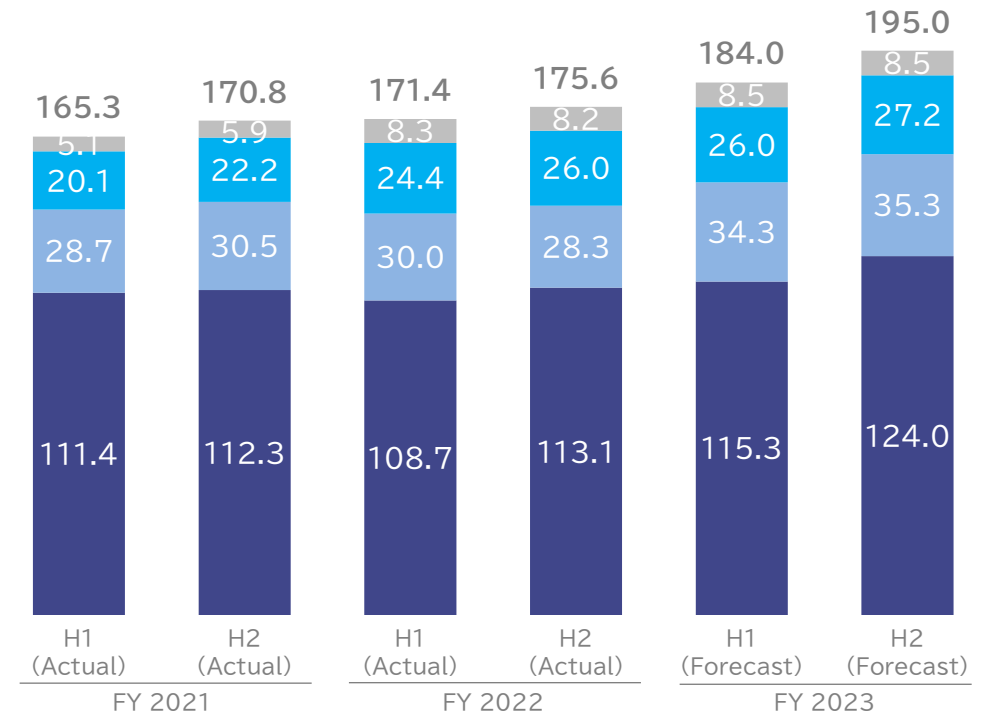
<Quarter>

(¥ billion)



<Half>

(¥ billion)



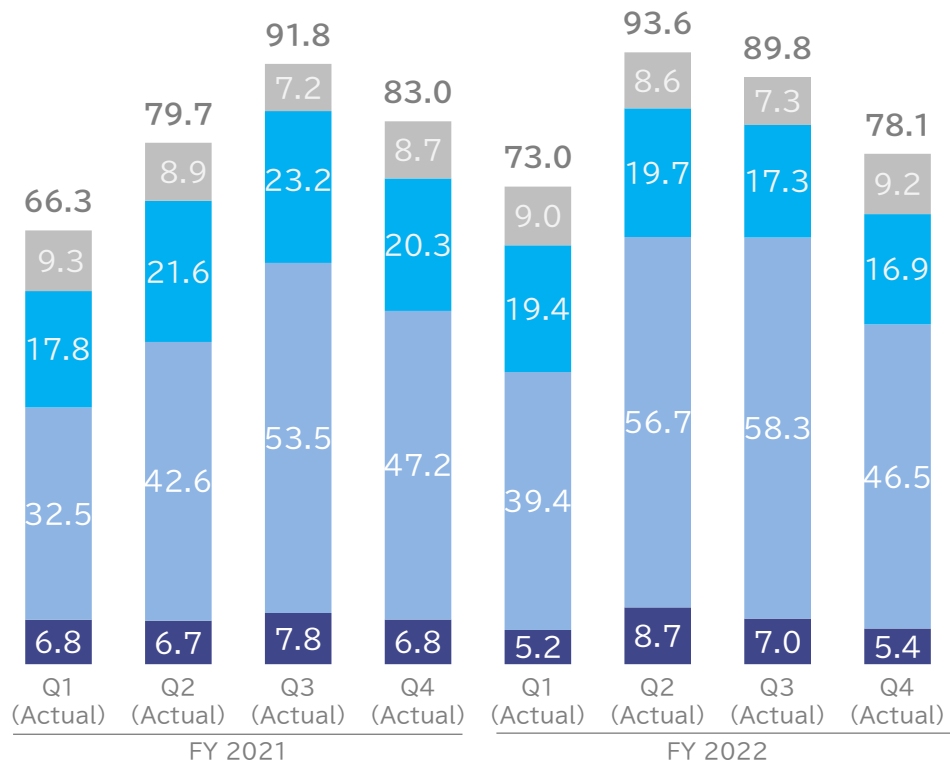


Consolidated Net Sales Trend (By Region)

■ Japan ■ China ■ Other Asia ■ Other

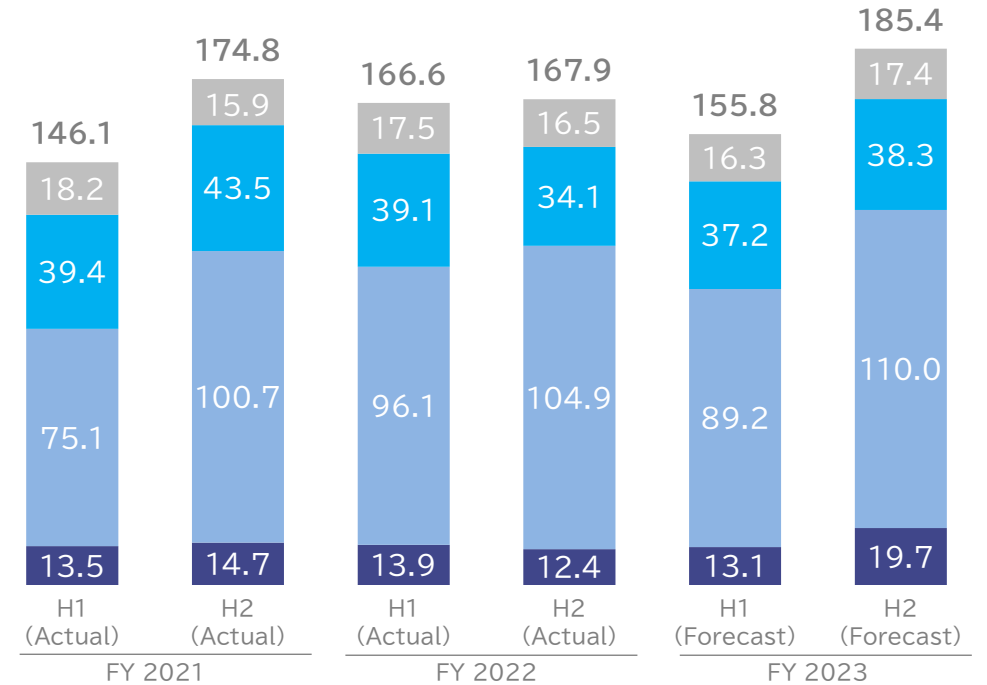
<Quarter>

(¥ billion)



<Half>

(¥ billion)



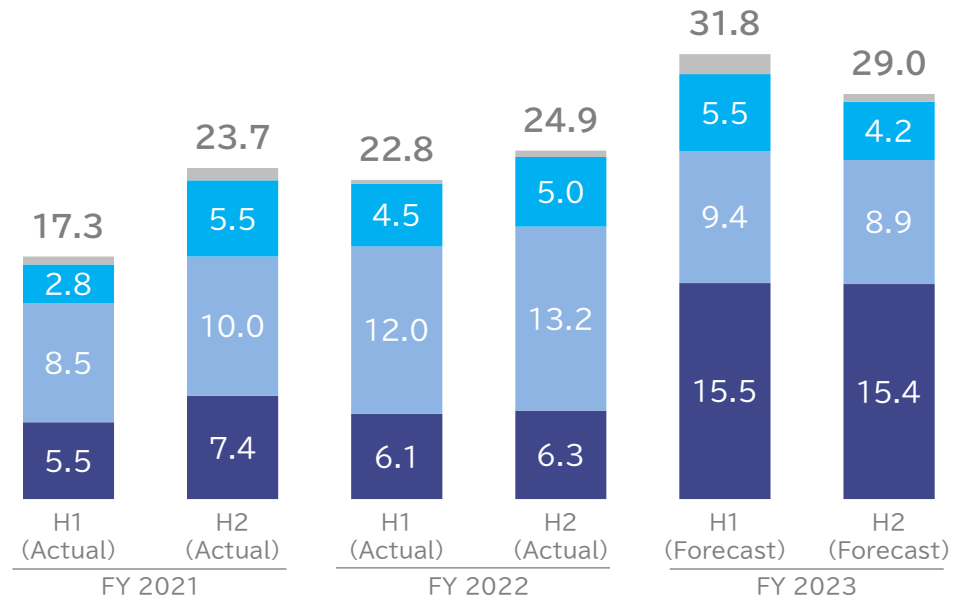


Capital Investment and Depreciation Trend (By Region)

■ Japan ■ China ■ Other Asia ■ Other

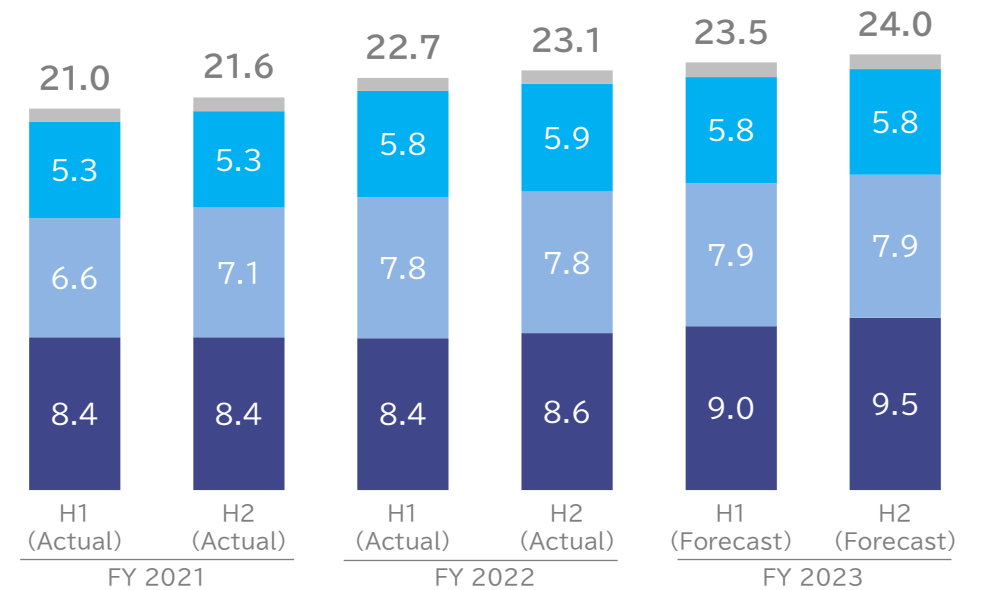
<Capital Investment>

(¥ billion)



<Depreciation>

(¥ billion)



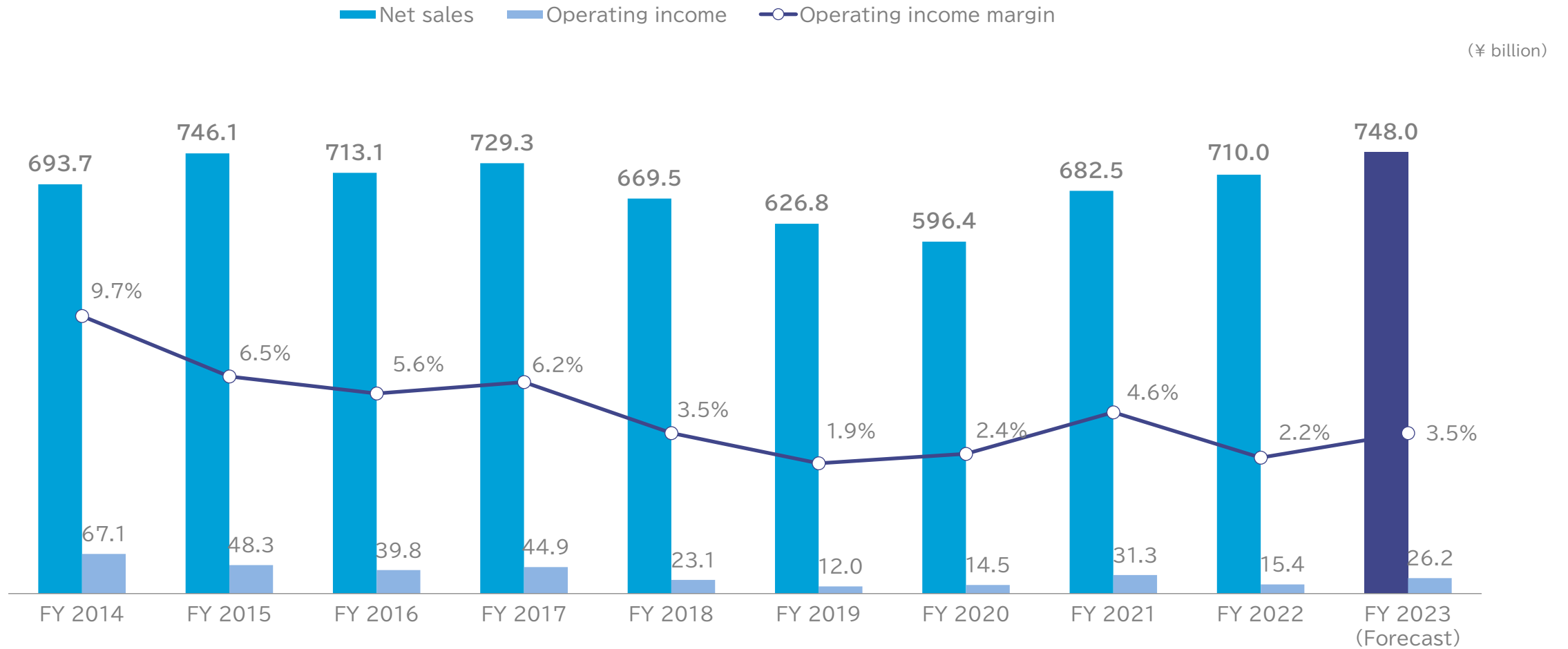
*Capital investment includes acquisition of intangible assets.



7

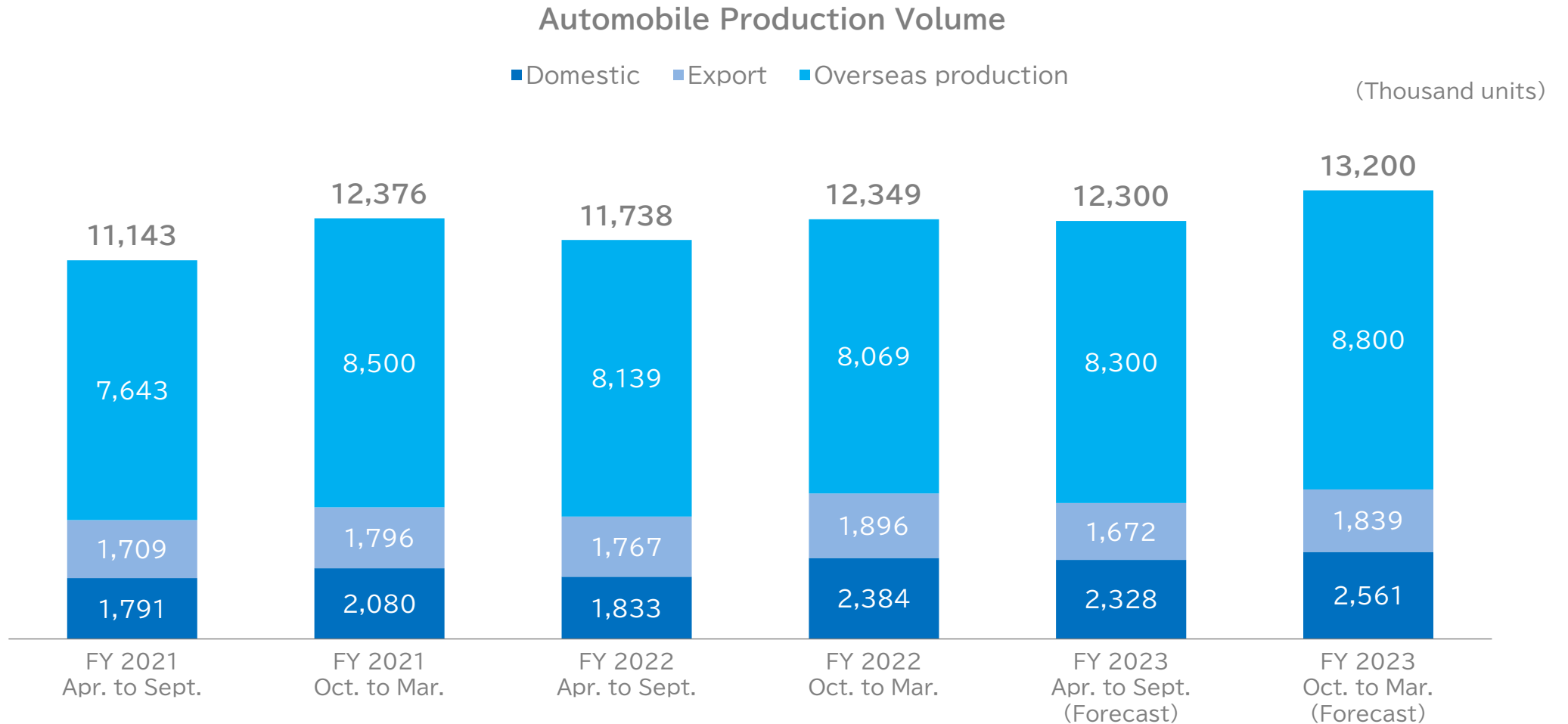


Reference Material





Market Trends by Industry: Automobile Production Volume (Half Year)

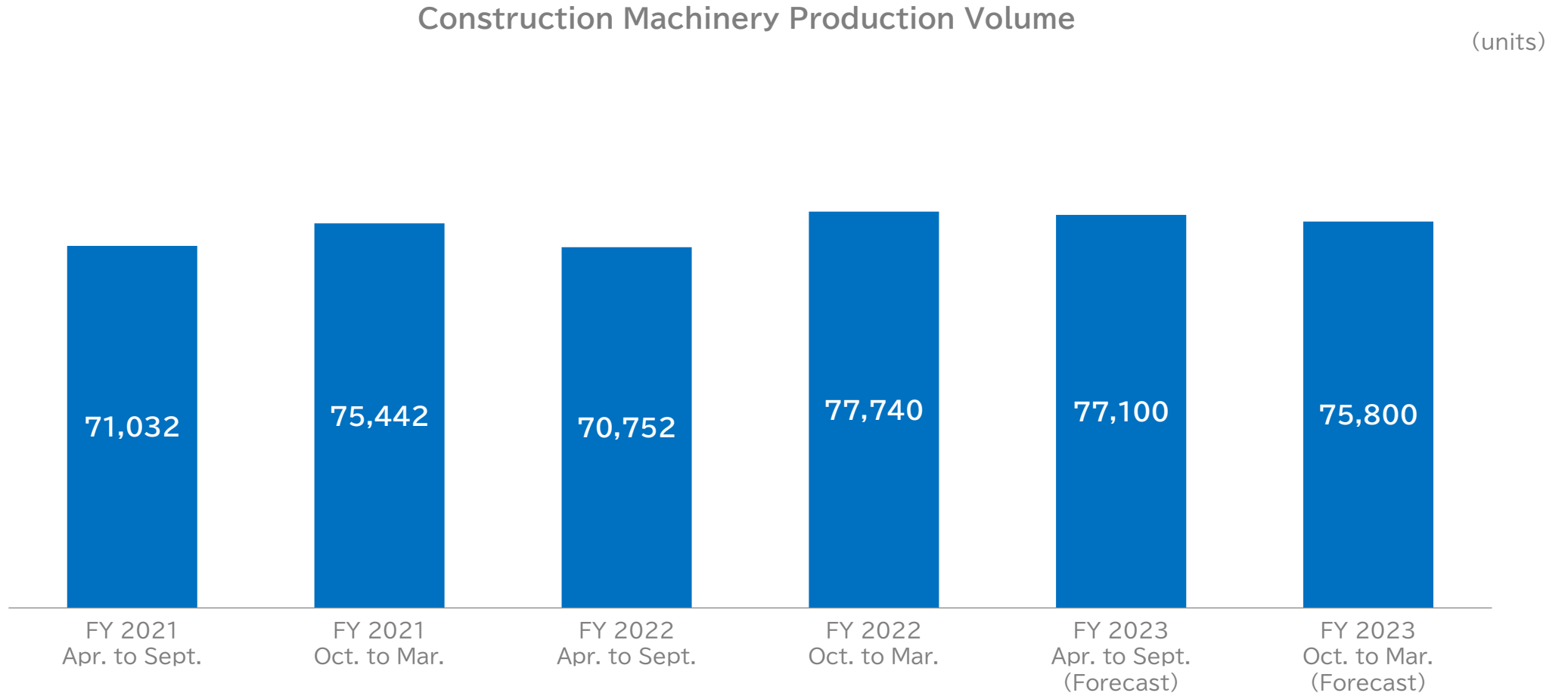


*Overseas production is the number of knockdowns plus the number of completed vehicles produced overseas

Source: Estimated by NOK



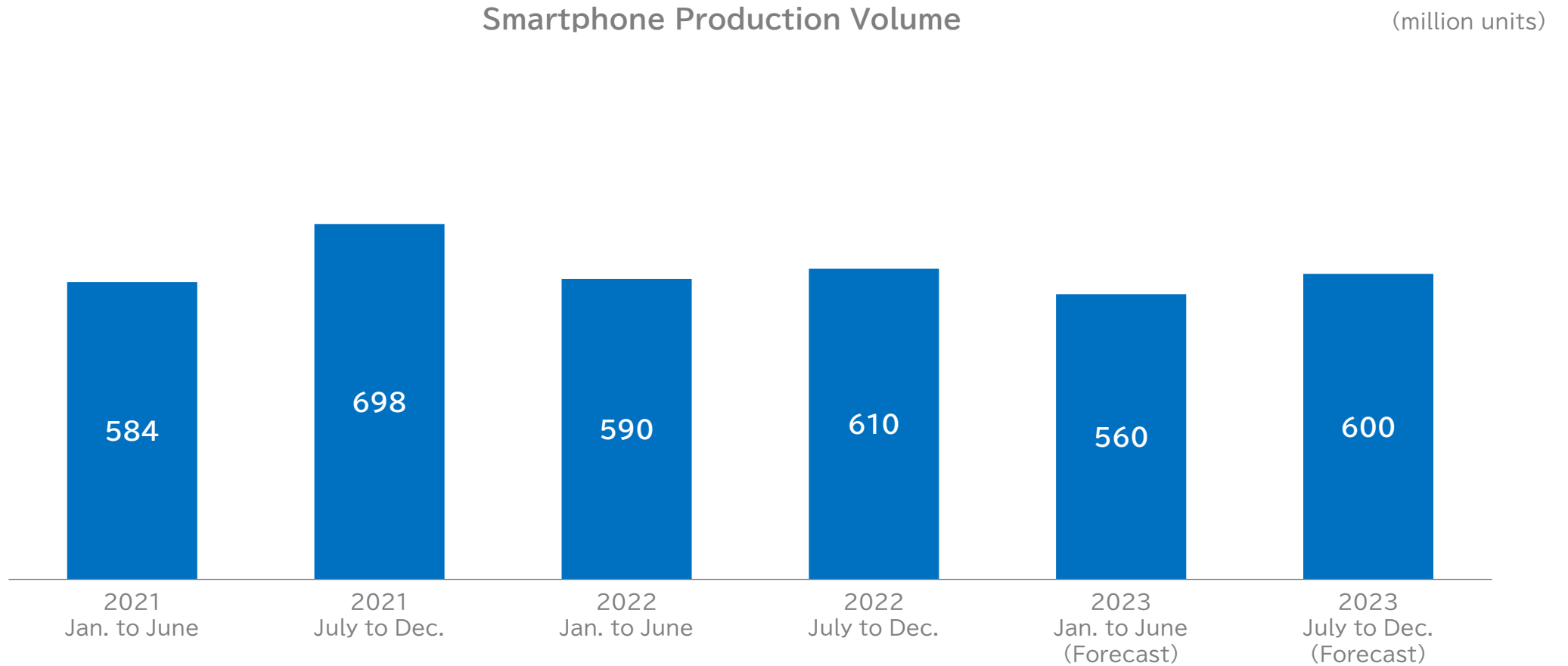
Market Trends by Industry: Construction Machinery Production Volume (Half Year)



Source: Estimated by NOK



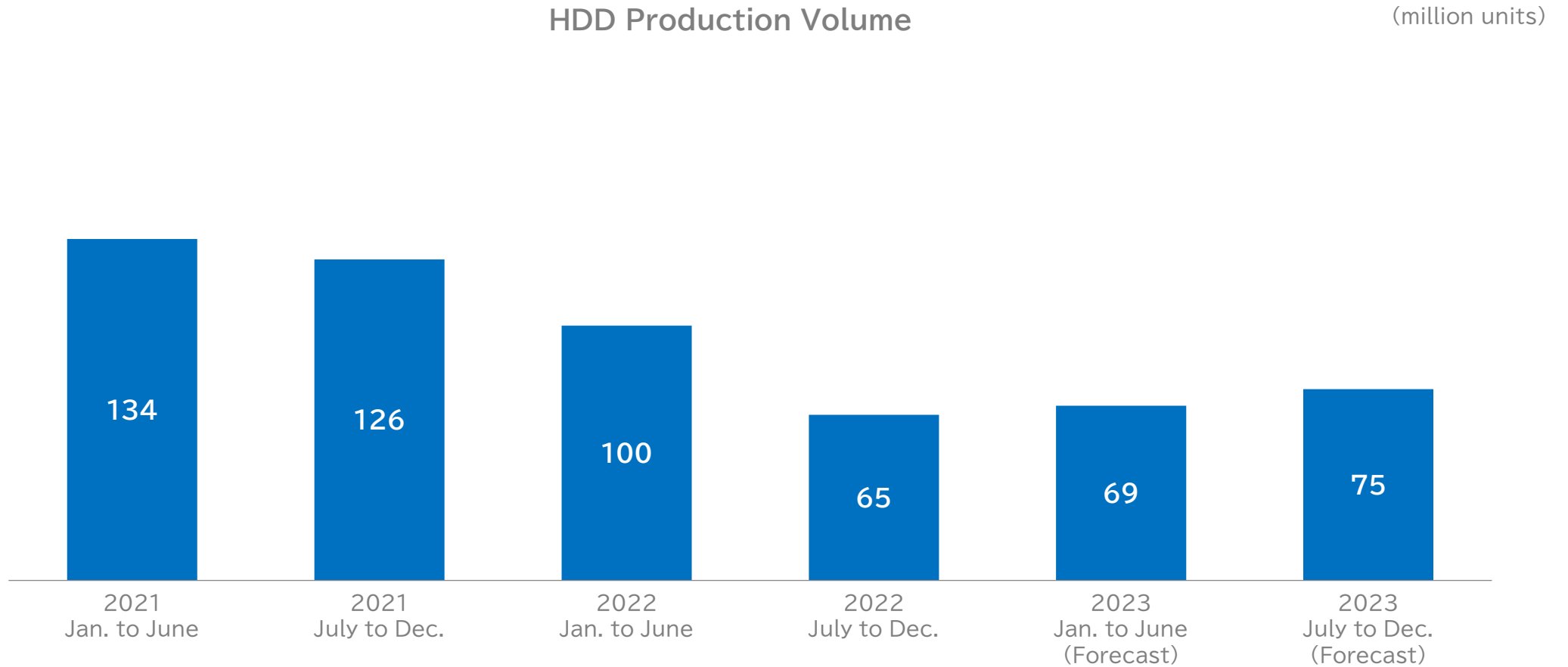
Market Trends by Industry: Smartphone Production Volume (Half Year)



Source: Estimated by NOK



Market Trends by Industry: HDD Production Volume (Half Year)



Source: Estimated by NOK



Notes

For plans, forecasts, policies, strategies, opinions, etc., of NOK Corporation and its group companies as explained in this material, those that are not historical facts are forward-looking statements about the future, which are created based on content obtained from currently available information. Factors that may affect actual results include potential risks and uncertainties such as economic conditions, market conditions, and exchange rate trends surrounding our business fields.

Therefore, please note that actual results may differ significantly from forecasts due to fluctuations in these important factors.

Furthermore, although we have made every effort to ensure the accuracy of the contents explained in this material, we do not make any guarantees regarding the contents and do not assume any responsibility for losses incurred due to this material.

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Segment Information: Fiscal 2022 Results and Fiscal 2023 Forecasts

Segment		FY2022 (Results)					FY2023 (Forecasts)						
		1H	2H	Full Year	Y on Y	% Change	1H	Y on Y	2H	Y on Y	Full Year	Y on Y	% Change
Seal Business	External sales	171,423	175,643	347,066	10,876	3.2%	184,000	12,576	195,000	19,356	379,000	31,933	9.2%
	Inter-seg sales	1,036	902	1,939	(368)		828	(207)	860	(42)	1,689	(250)	
	Net sales	172,459	176,546	349,006	10,507		184,829	12,369	195,860	19,313	380,689	31,682	
	Operating Income	8,715	9,169	17,885	(17,597)	(49.6%)	8,235	(480)	15,154	5,984	23,389	5,503	30.8%
	Profit Margin	5.1%	5.2%	5.1%	(5.4pt)		4.5%	(0.6pt)	7.7%	2.5pt	6.1%	1.0pt	
	Capital Investment	9,644	9,102	18,746	(514)		16,328	6,683	19,112	10,010	35,440	16,693	
	Depreciation	12,212	12,434	24,647	1,027		12,628	415	12,984	549	25,612	964	
	No. of Personnel	21,114	20,534	20,534	(462)		21,472	358	21,569	1,035	21,569	1,035	
Electronic Product Business	External sales	166,622	167,901	334,523	13,581	4.2%	155,823	(10,798)	185,352	17,451	341,176	6,653	2.0%
	Inter-seg sales	7	36	44	26		0	(7)	0	(36)	0	(44)	
	Net sales	166,630	167,937	334,567	13,608		155,823	(10,806)	185,352	17,415	341,176	6,609	
	Operating Income	(3,412)	(300)	(3,712)	1,327	-	(3,400)	12	5,400	5,700	2,000	5,713	-
	Profit Margin	(2.0%)	(0.2%)	(1.1%)	0.5pt		(2.2%)	(0.1pt)	2.9%	3.1pt	0.6%	1.7pt	
	Capital Investment	12,196	15,048	27,244	6,866		13,583	1,387	8,767	(6,281)	22,350	(4,893)	
	Depreciation	9,960	10,119	20,080	2,062		10,281	320	10,338	218	20,619	539	
	No. of Personnel	15,373	15,425	15,425	877		16,014	641	15,725	300	15,725	300	
Other Business	External sales	14,724	13,642	28,366	2,990	11.8%	13,976	(748)	13,847	205	27,823	(543)	(1.9%)
	Inter-seg sales	267	306	574	50		300	32	300	(6)	600	25	
	Net sales	14,991	13,948	28,940	3,040		14,276	(715)	14,147	198	28,423	(517)	
	Operating Income	821	378	1,200	306	34.3%	265	(556)	545	167	810	(389)	(32.4%)
	Profit Margin	5.5%	2.7%	4.1%	0.7pt		1.9%	(3.6pt)	3.9%	1.1pt	2.9%	(1.3pt)	
	Capital Investment	994	773	1,768	377		1,918	923	1,100	327	3,018	1,250	
	Depreciation	503	530	1,034	80		615	111	643	112	1,258	224	
	No. of Personnel	2,059	1,954	1,954	(115)		1,954	(105)	2,004	50	2,004	50	
Elimination of Inter-seg sales		(1,312)	(1,245)	(2,558)	291		(1,128)	183	(1,160)	85	(2,289)	269	
Consolidated	External sales	352,769	357,186	709,956	27,448	4.0%	353,800	1,030	394,200	37,013	748,000	38,043	5.4%
	Inter-seg sales	0	0	0	0		0	0	0	0	0	0	
	Net sales	352,769	357,186	709,956	27,448		353,800	1,030	394,200	37,013	748,000	38,043	
	Operating Income	6,117	9,261	15,378	(15,958)	(50.9%)	5,100	(1,017)	21,100	11,838	26,200	10,821	70.4%
	Profit Margin	1.7%	2.6%	2.2%	(2.4pt)		1.4%	(0.3pt)	5.4%	2.8pt	3.5%	1.3pt	
	Capital Investment	22,835	24,923	47,759	6,729		31,830	8,994	28,979	4,056	60,810	13,050	
	Depreciation	22,676	23,085	45,761	3,170		23,524	848	23,966	880	47,490	1,729	
	No. of Personnel	38,546	37,913	37,913	300		39,440	894	39,298	1,385	39,298	1,385	

Note: The above forecasts are based on currently available information. Actual performance may differ substantially from these forecasts due to various factors.
: Amounts less than one million yen are disregarded.