



2023中期経営計画

Medium-term management plan for year ending 2023

日本発条株式会社(東証1部 5991)
NHK Spring Co., Ltd.(5991/TSE1)

NHKニッパツ
NHK SPRING CO.,LTD.

2023 中期経営計画
Medium-term management
plan for year ending 2023
(2023 Mid-Term Plan)

中期経営計画

2023中計 目標値

2023 Mid-Term Plan Target

(100 million yen)

【売上高・損益目標 Target for Net Sales and Income】

・売上高	Net Sales	6,500億円	
・営業利益	Operating Income	400億円	(利益率 Ratio 6.2%)
・経常利益	Ordinary Income	420億円	(利益率 Ratio 6.5%)
・親会社株主に帰属する当期純利益	Profit Attributable to Owner of Parent	250億円	(利益率 Ratio 3.8%)

【財務指標目標 Target of Financial Indicator】

・経常利益率	Ordinary Margin	: 6.5%	
・ROE		: 8.0%	
・配当性向	Dividend Payout Ratio	: 30%程度を目指す	aiming approx. 30%

2023中期経営計画 事業方針

2023 Mid-Term Plan Business Policy

～持続的な成長を目指す～ Aiming for sustainable growth

～真直ぐ、自由闊達に～ Straight up, freely and broadly

(1) CSR活動の更なる推進 Further promotion of CSR activities

- ・ステークホルダーとの信頼関係の一層の強化
Strengthen further relationship & mutual trust with stakeholders
- ・環境、社会課題への真摯な取り組み
Sincerely strive to environmental and social issues
- ・品質第一のものづくりを徹底
Thoroughly implement quality-first manufacturing

(2) 激変する事業環境への対応を加速 Accelerate response to drastically changing business environment

- ・自動車の電動化、自動運転への対応を強化
Strengthen actions to electrification and autonomous of automobiles
- ・次世代基幹事業を創出
Create next-generation core businesses

(3) 持続的な成長のための“もうけ”を確保 Secure "profit" for sustainable growth

- ・魅力ある商品を開発 Develop attractive product
- ・更なる総原価低減 Total cost reduction

(1) 21.3期 (20年度) 中計振り返り

Reviewing the Medium-term management plan for the year ended March 2021 (2020 Mid-Term)

1) Market Circumstances – Production volume of Automobile

▽At the time of planning, before spread of COVID-19 infection, Global automotive production volume was 86% as compared to the Medium Team plan, and regarding the Japanese company-related, production volume was 89% as compared to the plan, both resulted in not meeting the expectation. In addition to the impact of spread of COVID-19 infection, Global automotive production volume dropped to 72% as compared to the Mid-Term plan, and as for the Japanese company, production volume also dropped to 71% as compared to the Mid-Term plan.

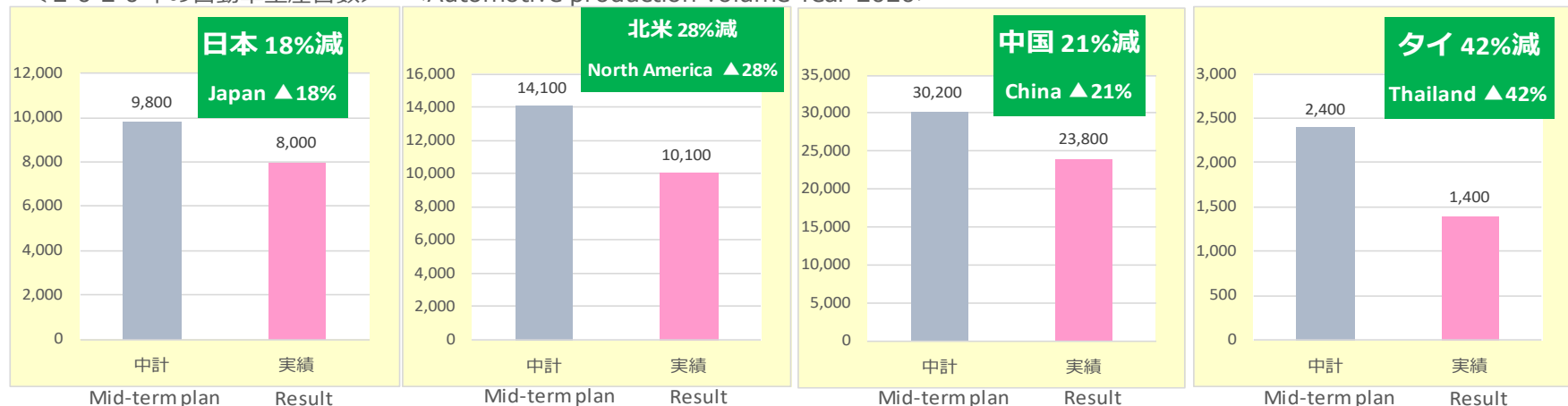
<自動車生産台数推移><Trends of automotive production volume>

(千台) (thousand units)

	16年度 FY2016	17年度 FY2017			18年度 FY2018			19年度 FY2019			20年度 FY2020					
	実績 Result	中計 Mid-term plan	実績 Result	差異 Variance	中計 Mid-term plan	実績 Result	差異 Variance	中計 Mid-term plan	実績 Result	差異 Variance	中計 Mid-term plan	当初計画 Initial plan	予想 Forecast	実績 Result	当初-中計 Initial vs Mid-term plan	実績-中計 Result vs mid-term plan
世界 worldwide	97,038	96,529	98,746	2,217	98,990	98,032	△958	101,907	90,658	△11,249	104,837	90,622	77,094	75,615	△14,215	△29,222
日系 Japanese company -related	27,323	29,476	29,032	△444	30,370	30,174	△196	31,127	28,262	△2,865	31,968	28,430	22,577	22,592	△3,538	△9,376
国内 Japan domestic	9,253	9,453	9,416	△37	9,606	9,658	52	9,771	9,476	△295	9,794	9,486	8,036	7,985	△308	△1,809

Note: The initial plan for FY 2020 is the plan BEFORE reflecting the impact of COVID-19 infection, and the forecast is the outlook as of the end of 2Q.

<2020年の自動車生産台数> <Automotive production volume Year 2020>



(2) 21.3期 実績 Result for the year ended March 2021(FY2020)

- ◆ Net sales declined due to automotive production volume was significantly lower than the assumption in 2020 Mid-Term plan, affected uncertain economy and the impact of COVID-19 infection. Capacity expansions providing demand increase down pressed operating income.
- ◆ Although unit of HDD will be decreased, market demand kept strong due to nearline application increase.

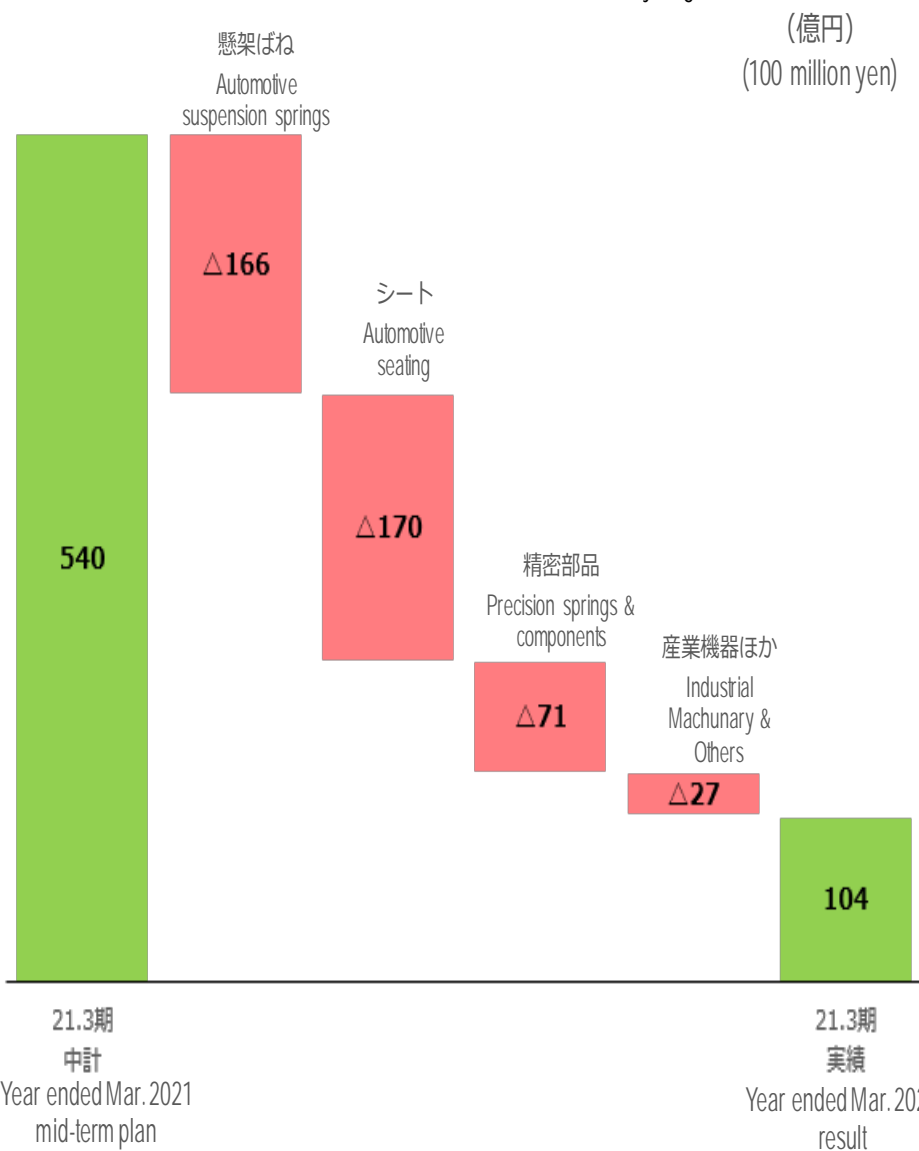
(億円) (100 million yen)

	21.3期 Year ended Mar.2021			
	中計 Mid-term plan	実績 Result	増減 Variance	増減率 Ratio
売上高 Net sales	7,100	5,726	△1,373	△19.3%
営業利益 Operating income	540	104	△435	△80.6%
営業利益率 Ratio	7.6%	1.8%	△5.8%	
経常利益 Ordinary income	570	145	△424	△74.5%
経常利益率 Ratio	8.0%	2.5%	△5.5%	
親会社株主に帰属する 当期純利益 Profit attributable to owners of parent	380	93	△286	△75.3%
ROE	10.0%	3.4%	△6.6%	—
平均為替レート Average exchanging rate				
US \$	100.0	106.2	6.2	—
タイバーツ Thai Baht	3.0	3.4	0.4	—
期末為替レート Exchanging rate at end of fiscal				
US \$	100.0	110.7	10.7	—
タイバーツ Thai Baht	3.0	3.4	0.4	—

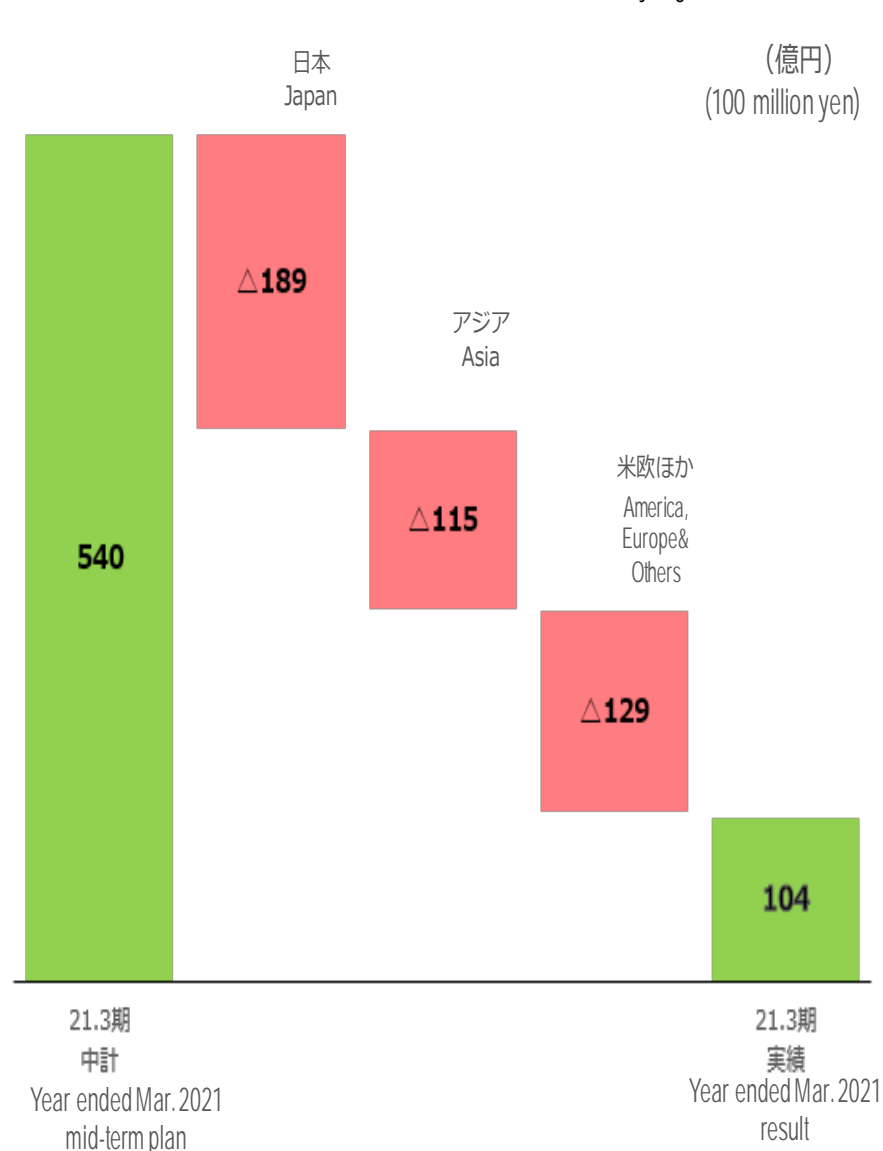
(3) 営業利益の変動要因分析

Analysis for the fluctuation factors of operating income

事業セグメント別 By segment



地域セグメント別 By region



(3) 営業利益の変動要因分析

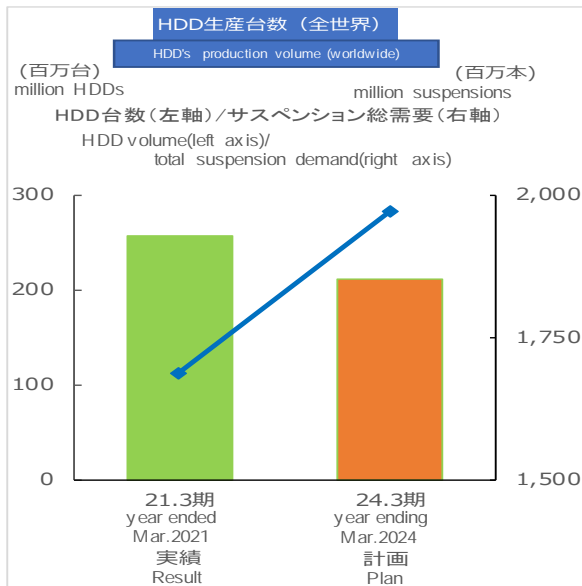
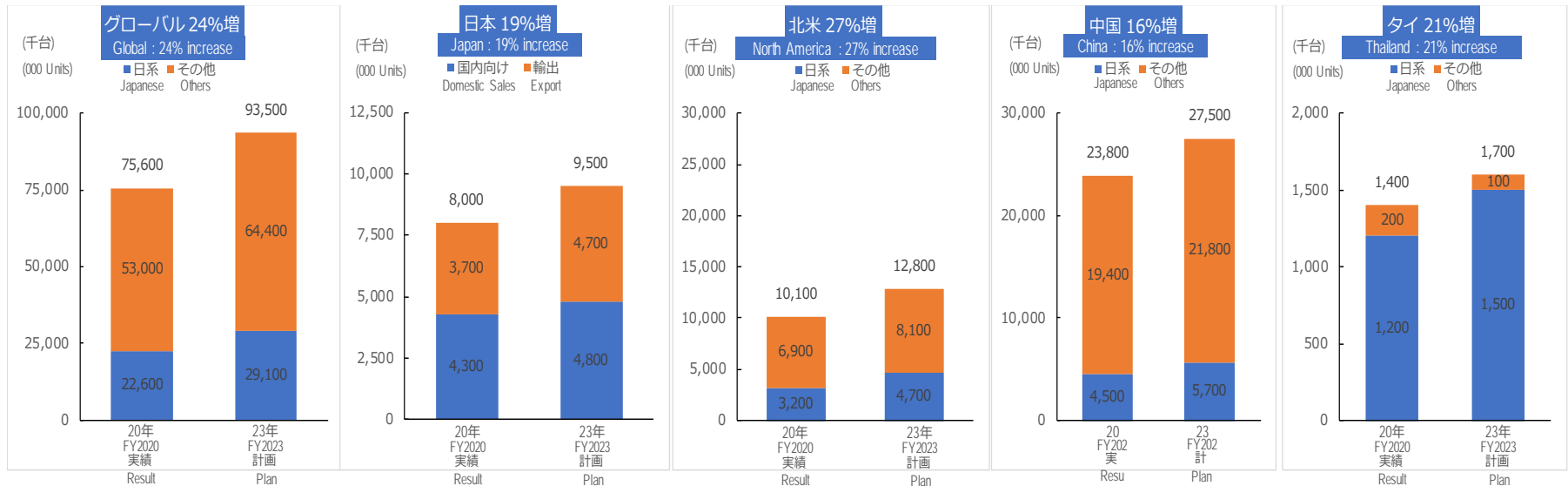
Analysis for the fluctuation factors of operating income

		21.3期 year ended Mar.2021 (20年度) (FY2020) 中計 Mid-term plan	21.3期 year ended Mar.2021 (20年度) (FY2020) 実績 Result	増減額 Variance	増減率 Ratio	変動要因 Fluctuation factors
懸架ばね Automotive suspension springs	売上高 Net sales	1,390	1,020	△369	△26.6%	We increased production capacity in response to expected increase in production volume, but increased fixed cost burdens us due to significant decline in overall demand. Competition is intensified. North American operations did not reach productivity target.
	営業利益 Operating income	120	△46	△166	—	
	率 Ratio	8.6%	△4.6%	—	—	
シート Automotive Seating	売上高 Net sales	3,050	2,425	△624	△20.5%	Decrease in net sales due to lower production volume Did not meet profit target, at the time of model change Increase in fixed costs due to measures to improve appearance quality, etc.
	営業利益 Operating income	190	19	△170	△89.6%	
	率 Ratio	6.2%	0.8%	△5.4%	—	
精密部品 Precision spring & components	売上高 Net sales	1,650	1,385	△264	△16.0%	We increased production capacity in response to expected increase in production volume, but increased fixed cost burdens us due to significant decline in overall demand. North American operations did not reach productivity target. HDD segment operation income increased due to increase sales volume in nearline
	営業利益 Operating income	140	68	△71	△51.2%	
	率 Ratio	8.5%	4.9%	△3.6%	—	
産業機器ほか Industrial machinery & others	売上高 Net sales	1,010	895	△114	△11.4%	Operating income regarding semiconductor process components decreased due to increased fixed costs, etc. In Automotive segment, net sales decreased due to decrease in production volume
	営業利益 Operating income	90	63	△26	△29.5%	
	率 Ratio	8.9%	7.1%	△1.8%	—	
合計 Total	売上高 Net sales	7,100	5,726	△1,373	△19.3%	
	営業利益 Operating income	540	104	△435	△80.6%	
	率 Ratio	7.6%	1.8%	△5.8%	—	

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(1) 2023 中計の前提条件 Presupposition to 2023 Mid-Term Plan

Presupposition to 2023 Mid-Term Plan (Production volume of automobiles / HDDs)



- ◆ Based on the assumption that automobile production will recover from the impact of COVID-19 infection, we are forecasting a 24% increase in global production volume in FY2023 as compared to FY 2020, and expecting significant growth of 16% to 27% in each region. However, even as of FY2023, the global production volume will not reach the 105 million units projected for FY2020 in the 2020 Mid-Term Plan.
- ◆ Although HDD production volume will continue to decline due to the shift to SSDs and other factors, total suspension demand is expected to grow as the number of HDDs installed per unit increases in line with the increase the production volume of nearline units.

(2) 2023 中計概要 Outline of 2023 Mid-Term Plan

- ◆ We aims to achieve 40 billion yen operating income, by increasing net sales through sales expansion with new products and cost reduction through streamlines, in addition to the recovery in automobile production volume.
- ◆ Net Sales reflect the change in revenue recognition standards from FY2021, and the impact (equivalent amount of charged supply parts, etc. from customer) is 45 billion yen in FY2023.

	21.3期 Ended Mar. 2021 (20年度) 実績 Result	24.3期 Ending Mar. 2024 (23年度) 計画 Plan	(億円) (100 million yen)	
			増減額 Increase Amount FY2024 Comparing to FY2020	増減率 Increase Ratio FY2024 Comparing to FY2020
売上高 Net sales	5,726	6,500	773	13.5%
営業利益 Operating income	104	400	295	282.3%
営業利益率 Ratio	1.8%	6.2%	4.3%	
経常利益 Ordinary income	145	420	274	189.0%
経常利益率 Ratio	2.5%	6.5%	3.9%	
親会社株主に帰属する 当期純利益 Profit attributable to owners of parent	93	250	156	166.0%
ROE	3.4%	8.0%	4.6%	—
平均為替レート Average exchanging rate				
US \$	106.2	100.0	△ 6.2	—
タイバツ Thai Baht	3.4	3.2	△ 0.2	—
期末為替レート Exchanging rate at end of fiscal				
US \$	110.7	100.0	△ 10.7	—
タイバツ Thai Baht	3.4	3.2	△ 0.2	—

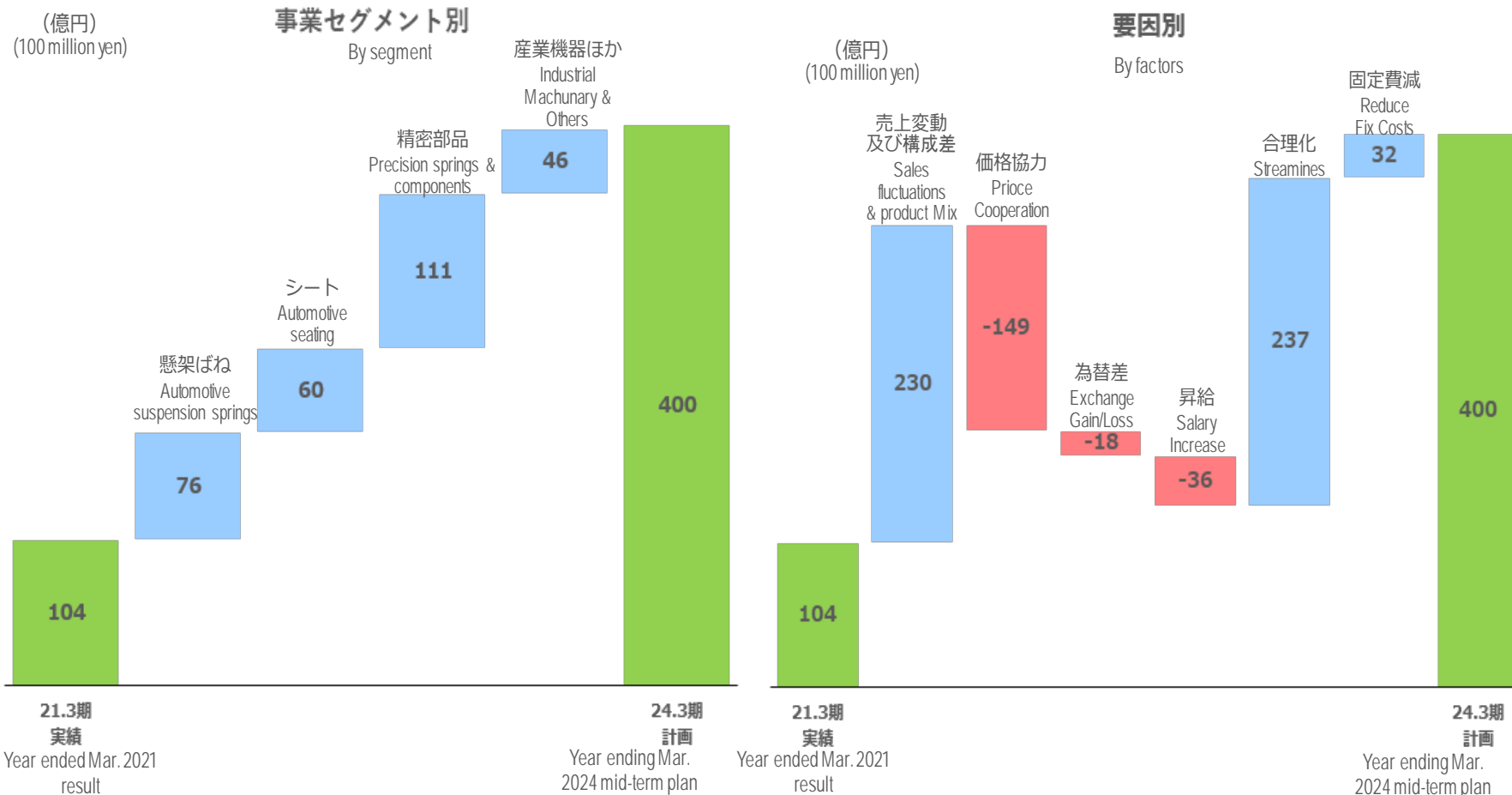
(2) 2023 中計概要

2023 Mid-Term Plan Outline

営業利益の変動要因分析

Operating income analysis by fluctuation factors

- ◆ We plan to increase operating income by 29.5 billion yen as compared to that of FY2021, as a result of offsetting the selling prices impact by intensified competition, by automobile production volume recovery, new products sales increase, and cost reductions through streamlines.



(2) 2023 中計概要 2023 Mid-term Plan Outline



日本発条株式会社

セグメント別 売上高・営業利益の状況

Situation of Net Sales/Operating Income by segment

(億円) (100million JPY)

		21.3期 Ended Mar. 2021 (20年度) FY2020 実績 Result	24.3期 Ending Mar. 2024 (23年度) FY2023 計画 Plan	増減額 Increase Amount FY2024 Comparing to FY2020	増減率 Increase Ratio FY2024 Comparing to FY2020	
懸架ばね Automotive suspension springs	売上高 Net sales	1,020	1,210	189	18.5%	We plan to increase profit, by increase sales by Automotive production recovery (5.5 billion JPY), and cost reduction due to streamlines (3.5), even though fix cost increase etc. (-1.5). Deficit operations in U.S. changes to be profitable.
	営業利益 Operating income	△46	30	76	-	
	率 Ratio	△4.6%	2.5%	-	-	
シート Automotive seating	売上高 Net sales	2,425	2,400	△25	△1.0%	We plan to increase sales substantially, by recovery of Automotive manufacturing volume, even though sales amount looks decrease by New standard of revenue recognition. We plan to increase profit, by sales increase (4.0 billion JPY), and cost reduction due to streamlines (3.0), even though fix cost increase etc. (-1.0).
	営業利益 Operating income	19	80	60	305.5%	
	率 Ratio	0.8%	3.3%	2.5%	-	
精密部品 Precision springs & components	売上高 Net sales	1,385	1,790	404	29.2%	We plan to increase profit, by sales increase due to recovery of Automotive manufacturing volume, Motor-Core sales increase and nearline demand increase(6.0 billion JPY), and cost reduction due to streamlines (6.5), even though fix cost increase etc. (-1.5).
	営業利益 Operating income	68	180	111	163.4%	
	率 Ratio	4.9%	10.1%	5.1%	-	
産業機器ほか Industrial machinery & others	売上高 Net sales	895	1,100	204	22.9%	We plan to increase profit, by sales increase (4.0 billion JPY) due to semi-conductor manufacturing machine part strong market, enhance sales of Integrated metallic Substrate, and cost reduction due to streamlines (3.5), even though fix cost increase etc. (-1.5).
	営業利益 Operating income	63	110	46	73.4%	
	率 Ratio	7.1%	10.0%	2.9%	-	
合計 Total	売上高 Net sales	5,726	6,500	773	13.5%	
	営業利益 Operating income	104	400	295	282.3%	
	率 Ratio	1.8%	6.2%	4.3%	-	

(2) 2023 中計概要 2023 Mid-term Plan Outline

地域別 売上高・営業利益の状況 Situation of Net Sales/Operating Income by Region

(億円) (100million JPY)

		21.3期	24.3期	増減額	増減率	
		Ended Mar. 2021	Ending Mar. 2024	Increase	Increase	
		(20年度)	(23年度)	Amount	Ratio	コメント
		FY2020	FY2023	FY2024	FY2024	Notes
		実績	計画	Comparing to	Comparing to	
		Result	Plan	FY2020	FY2020	
日本 Japan	売上高 Net sales	3,431	4,090	658	19.2%	We plan to increase sales(13.0 billion JPY) by recovery of Car manufacturing, nearline HDD demand increase, sales increase of Semi-conductor machinery parts & Integrated Metallic Substrate, and increase profit by cost reduction due to streamlining(7.0), even though fix cost increase etc. (-3.5).
	営業利益 Operating income	100	270	169	169.4%	
	率 Ratio	2.9%	6.6%	3.7%	-	
アジア Asia	売上高 Net sales	1,489	1,500	10	0.7%	Sales increase would be slight because of product mix, although recovery of car manufacturing volume. We plan to increase profit, by sales increase(0.5 billion JPY) & cost reduction due to streamlining(5.5), even though fix cost increase etc. (-1.5).
	営業利益 Operating income	64	110	45	71.3%	
	率 Ratio	4.3%	7.3%	3.0%	-	
米欧ほか America Europe &others	売上高 Net sales	805	910	104	12.9%	We plan to increase sales, by recovery of Car manufacturing(6.0 billion JPY) cost reduction due to streamlining(2.5), even though fix cost increase etc. (-0.5). Deficit operations in U.S. change to profitable
	営業利益 Operating income	△59	20	79	-	
	率 Ratio	△7.4%	2.2%	-	-	
合計 Total	売上高 Net sales	5,726	6,500	773	13.5%	
	営業利益 Operating income	104	400	295	282.3%	
	率 Ratio	1.8%	6.2%	4.3%	-	

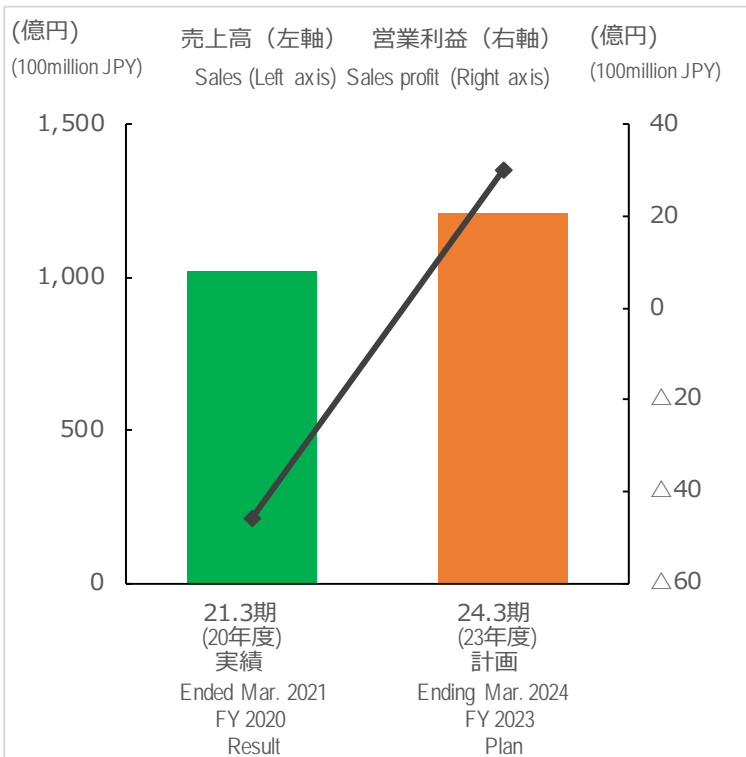
(3) 各事業の課題と取り組み(懸架ばね)

Issues in each business and actions (Automotive suspension springs)

Improve profitability and
creating new technologies &
products



Plan to increase sales & profit, by recovery of automotive manufacturing volume and surplus cost down.



Issues in 2023 Mid-term plan and actions

- ◆ Creating new technologies and new products
- ◆ Deficit operations in U.S. change to profitable, and profitability improvement in European operation
- ◆ Building up optimize production structure
- ◆ Thorough manufacturing cost reduction

(3) 各事業の課題と取り組み(シート)

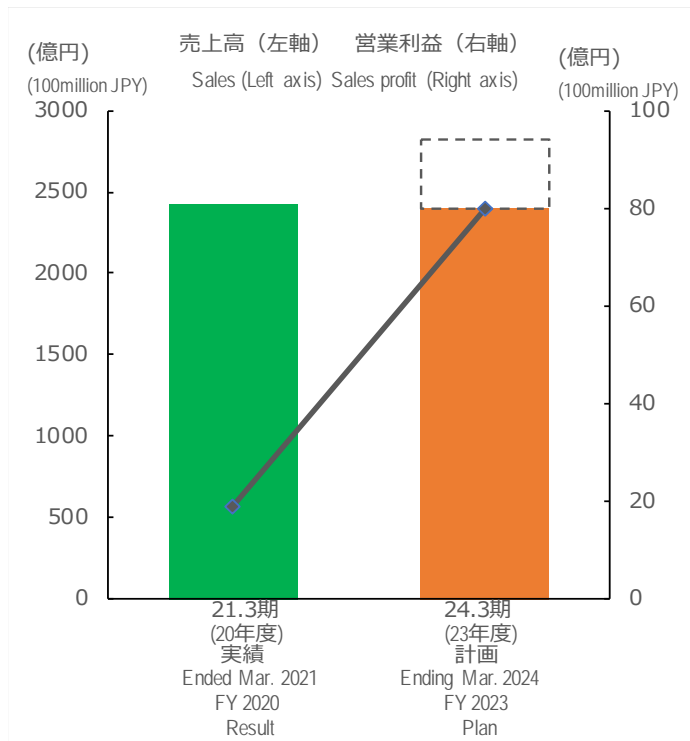
Issues in each business and actions (Automotive seating)

Secure orders for successor model, and achieving profit plan



Sales quantity increase by secure orders for successor model and receiving new model order, and surplus cost down.

FY 2023 sales amount will decrease from FY2020, because cost of sales as Customer supply will be offset by changing Revenue recognition criteria.



Issues in 2023 Mid-term plan and actions

- ◆ Steady reaction to Model change
- ◆ Improve profitability in North America new plant
- ◆ Reduce development cost and lead-time, by improving analyze technologies
- ◆ Steady reaction to required quality level from customers
- ◆ Developing new seat required in Auto-driving era

(3) 各事業の課題と取り組み(精密部品)

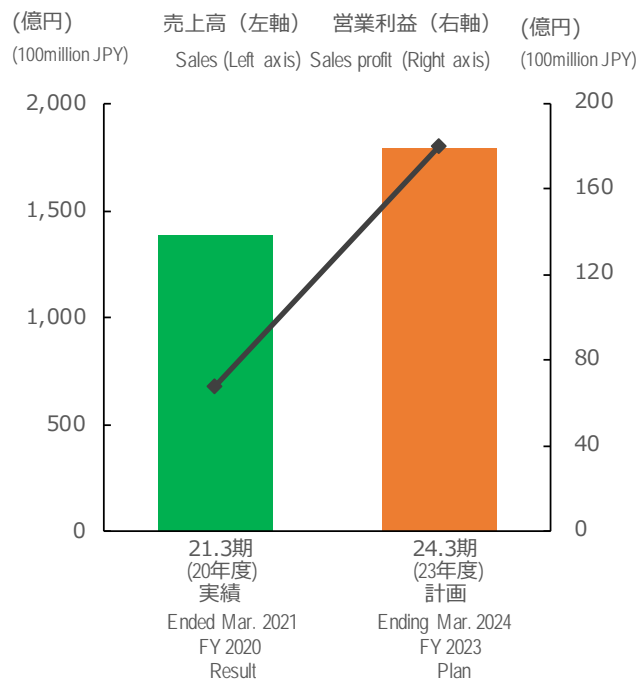
Issues in each business and actions (Precision springs & components)

Steady reaction to EV trend



Automotive-related is to be increasing sales & profit, by sales increase in Domestic & overseas market, Motor-core orders increase, and cost reductions.

Information-communication-related is to be increasing sales & profit, by steady reaction increased nearline HDD demand, increase sales share, and cost reductions.



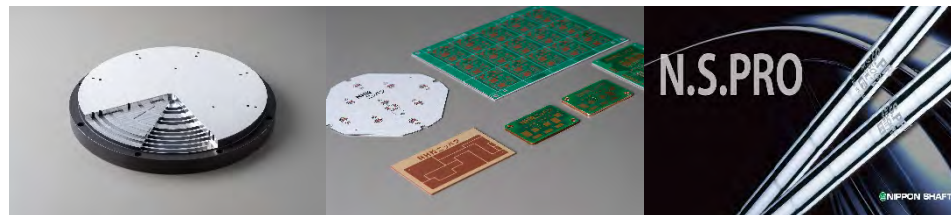
Issues in 2023 Mid-term plan and actions

- ◆ Steady reaction to EV trend acceleration
 - Enhance Motor-core business
 - Develop new products (ex. Thin leaf springs)
 - Building up optimize production structure, considering demand decrease of wire springs.
- ◆ Adequate reactions to nearline HDD demand increase, and increasing sales share
- ◆ Cost reductions by Productivity improvement and applying AI

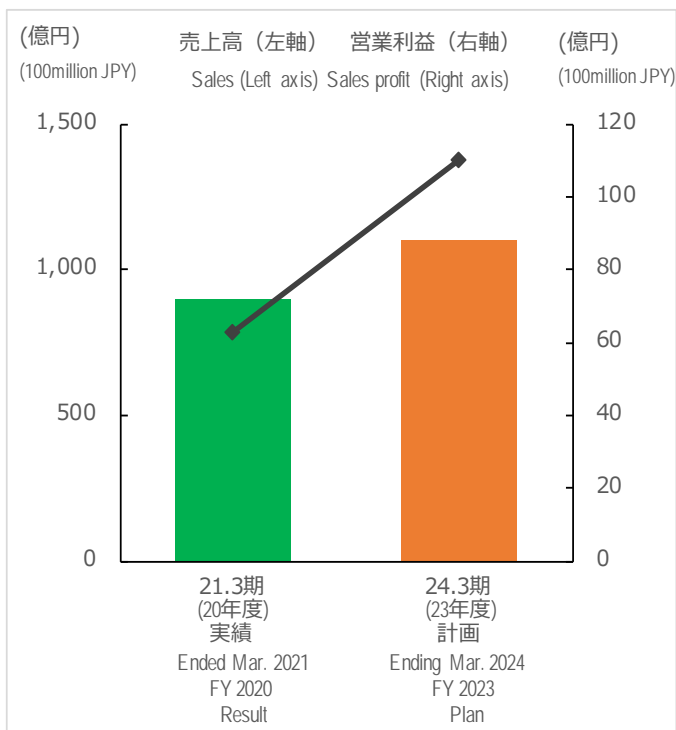
(3) 各事業の課題と取り組み(産業機器ほか)

Issues in each business and actions (Industrial machinery & others)

Enhancing semi-conductor and EV-relating business



Strong market in semi-conductor manufacturing machine parts to be connected to profit, and achieve to increase sales & profit, by automotive-relating parts demand increase and profitability improvement in other businesses.



Issues in 2023 Mid-term plan and actions

- ◆ **Semi-conductor manufacturing machine parts**
Steady actions to strong semi-conductor market, and improve profitability.
- ◆ **Integrated Metallic Substrate**
Maintain competitiveness of existing products, and enhance Integrated Substrate for EV market.
- ◆ **Pipe support & Security devices**
Improve profitability by selection and concentration.
- ◆ Accelerate development speed, and expand sales by new products.

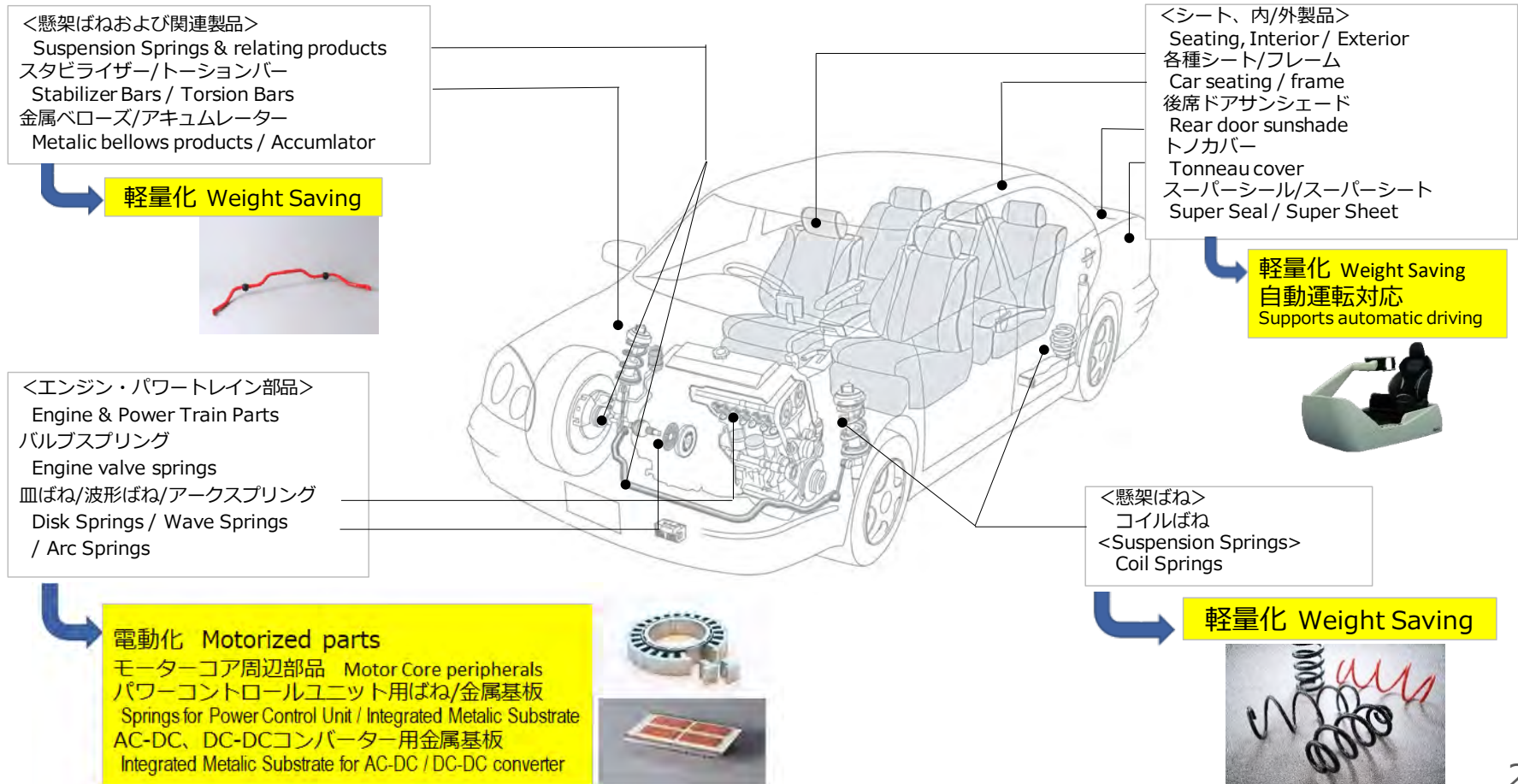
設備投資・減価償却費 Capital Investments & Depreciation

(億円) (100million yen)

		21.3期 Ended Mar. 2021 (20年度) FY2020 実績 Result	22.3期 Ending Mar. 2022 (21年度) FY2021 計画 Plan	23.3期 Ending Mar. 2023 (22年度) FY2022 計画 Plan	24.3期 Ending Mar. 2024 (23年度) FY2023 計画 Plan	3カ年合計 Total From FY2021 to FY2023 計画 Plan
設備投資 Capital Investment	国内 Japan Domestic	138	168	196	171	536
	海外 Overseas	111	124	101	117	343
	合計 Total	249	293	298	288	880
減価償却費 Depreciation	国内 Japan Domestic	164	172	184	179	535
	海外 Overseas	110	115	115	119	349
	合計 Total	274	287	299	298	885

We prepare enhance production capacity, and capital investments in 4 years –from 18.3 term(fiscal 2017) to 21.3(fiscal 2020)– was 143.8 billion yen (35.9 billion yen per year). Capital investments in coming 3 years –from 22.3 term (fiscal 2021) to 24.3(fiscal 2023)– is planned total 88.0 billion yen (29.3 billion yen per year), under the situation of 88.5 billion yen depreciation, while reacting to new product manufacturing.

- New trend of CASE --especially Motor drive progress-- affects our current products considerably.
We accelerate new product development, towards coming era.



2023中計の達成へ向けて
全力を傾注してまいります。

We will make our best to achieve
2023 Mid-term plan.

NHKニッパツ

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