

NIHON PARKERIZING CO.,LTD.

135th period Interim Business Report

April 1, 2019 ▶ September 30, 2019



Chairman and C.E.O.

Kazuichi Satomi



President and C.O.O.

Kentaro Sato

To Our Shareholders

Thank you very much for your continued support. It is our pleasure to present our mid-term report for the 135th period, April 1st to September 30th, 2019.

As you well know, during this period the Japanese economy recovered moderately due to improvements in equipment investment and the employment environment. However, exports fell due to the effects of U.S.-China trade friction, and there were signs that the growth will slow, as companies revised results downwards particularly in the manufacturing industry. In the global economy, as well as the distinct deceleration in the Chinese economy, Asian and European economies exhibited weakness, and the outlook has become more opaque.

The business environment faced by the Parker Group was one in which, among our key customers in the auto industry, while auto production was robust in Japan, in China the auto output fell compared to the previous year and growth overseas was dampened. In addition, for our key customers in the steel industry, while domestic demand for steel was generally strong, the expansion of demand was weakened by the increasing deceleration of the Chinese economy.

Against such a backdrop, the Parker Group embarked on its third mid-term management plan, aiming to be a true global company as a surface modification specialist. To this end we have instituted a variety of measures to achieve targets based on our key policies of growth strategies to win in global competition, group management optimization and reform of governance in order to establish 3G Management (Global, Group, Governance). In addition, we reflected on our founding spirit of sincerity and honesty, facing our customers sincerely, providing swift and accurate service and high quality products through innovation based on our accumulated core technology, while endeavoring to strengthen our global quality improvement initiatives and research and development organization.

As a result, our consolidated business achievements for this period were as described in the latter part of this report.

As resolved at the meeting of the Board of Directors on November 8, 2019, the interim dividend for this period will be eleven yen per share, to be paid on December 10, 2019.

Regarding the economic outlook, it is anticipated that the global economy will remain unpredictable, and there are concerns that the Japanese economy will also slow.

Against such an economic backdrop, the Parker Group will continue to pursue policies to achieve the targets set in the third mid-term management plan as we aim for sustainable growth.

We look forward to the continuing support of our shareholders.

Financial Highlights

(unit: Million yen)

Net Sales

59,900



Compared to same period in previous year $\Delta 0.0\%$

Ordinary Income

7,600



Compared to same period in previous year $\Delta 7.1\%$

Net income attributable to parent company shareholders

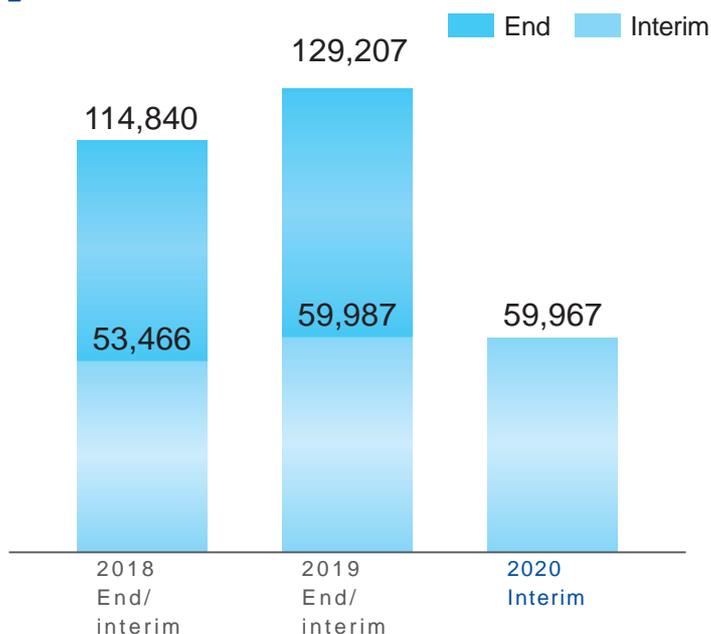
5,800



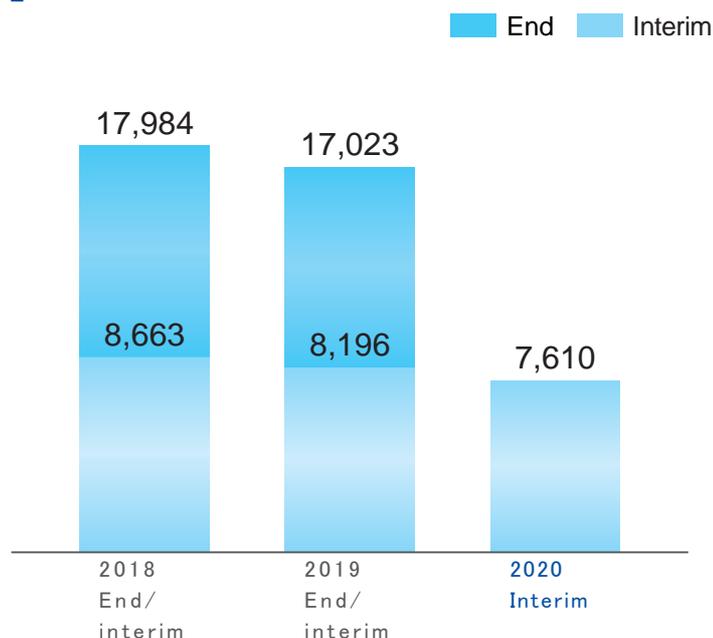
Compared to the same period in the previous year $\Delta 2.3\%$

Consolidated results

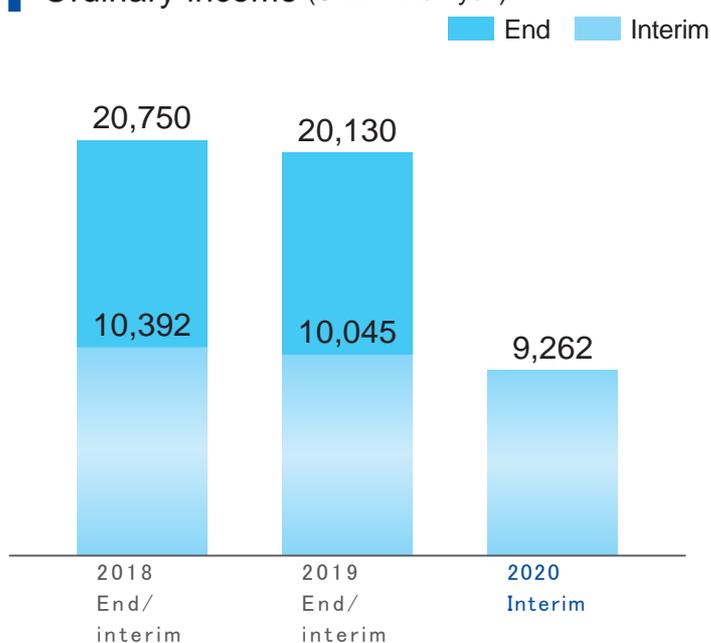
Sales (Unit: Million yen)



Operating income (unit: Million yen)

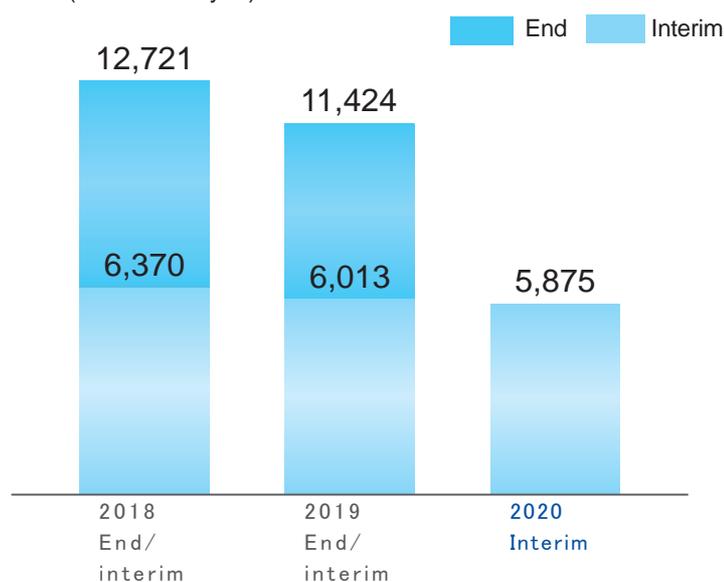


Ordinary income (Unit: Million yen)



Net income attributable to parent company

(Unit: Million yen)



Company outline 【As of Sept. 30, 2019】

Company name:	NIHON PARKERIZING CO.,LTD.
Established:	July 12, 1928
HEAD Office:	15-1, 1-chome, Nihonbashi, Chuo-ku, Tokyo
Capital:	4.56 billion yen
Employees (consolidated):	4,409
Listing:	First Section of Tokyo Stock Exchange

Directors 【As of September 30, 2019】

Chairman	Kazuichi Satomi	Chief Executive Officer
President	Kentaro Sato	Chief Operating Officer
Director	Hayato Hosogane	General Manager of Corporate Planning Division
Director	Hiroyasu Tamura	General Manager of Administration Division
Director	Masayuki Yoshida	General Manager of Technical Division and Central Research Laboratories
Outside Director	Shimako Emori	
Outside Director	Tatsuya Mori	
Outside Director	Mitsuru Matsumoto	Audit and Supervisory Committee Member
Outside Director	Masaharu Kubota	Audit and Supervisory Committee Member
Outside Director	Koji Chika	Audit and Supervisory Committee Member

Overview by Business Segment (Business outline & share of sales)

Other

Building maintenance, transport, manufacture and sale of bolts, etc.

2,308 million yen (3.7%)



Chemicals

Manufacture and sale of metal surface treatment chemicals, rust preventive oil, rolling oil, paint, industrial cleaners, and electroless nickel plating liquid, etc.

22,666 million yen (37.8%)



Total
59,967
million yen

Jobbing

Rust preventive jobbing, heat treatment jobbing, etc.

23,093 million yen (38.5%)



Equipment

Manufacture and sale of metal surface treatment equipment, coating equipment, etc.

11,899 million yen (20.0%)



Stock information

(1) Total number of authorized shares	300,000,000
(2) Number of shares outstanding	132,604,524
(3) Number of shareholders at end of period	4,030
(4) Principal shareholders	

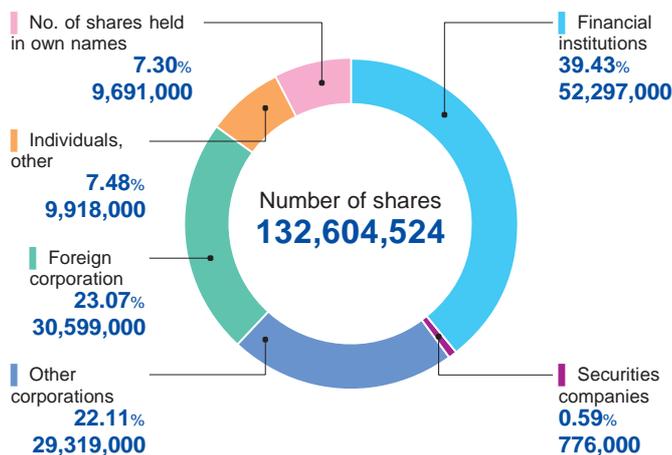
Name	Shares held (Unit: 1,000)	Ownership ratio (%)
NORTHERNTRUST CO. (AVFC) REFIDELITY FUNDS	8,510	6.92
Nippon Life Insurance Company	7,015	5.70
Meiji Yasuda Life Insurance Company	5,578	4.53
The Master Trust Bank of Japan, Ltd. (Trust account)	4,989	4.05
The Chiba Bank, Ltd.	4,765	3.87
Yugen Co., Ltd.	4,708	3.83
The SATOMI Scholarship Foundation	4,633	3.76
Mizuho Bank, Ltd.	4,227	3.43
Japan Trustee Services Bank, Ltd. (Trust account)	3,927	3.19
Sumitomo Mitsui Banking Corporation	3,113	2.53

(Note) 1. Nihon Parkerizing holds 9,691,000 treasury shares. (Not included in the above principal shareholders list.)
2. Shareholder ratios are calculated excluding the treasury shares.

Transition of share price



Distribution by ownership



Shareholders' Memo

Fiscal year: April 1 to March 31

Regular General Meeting of Shareholders: June

Dividends: Year-end Dividend Record Date: March 31
Interim Dividend Record Date: September 30

The method of public notice will be by electronic public notice; provided however that, if notices cannot be made by electronic public notice due to unavoidable circumstances, notices will be published in The Nikkei.

* For notices on Nihon Parkerizing website URL:

<https://www.parker.co.jp/>

Shareholder Registry Administrator and Special Accounts Administrator:
Mitsubishi UFJ Trust and Banking Corporation

Contact:

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation,

Address: 1-1 Nikko-cho, Fuchu-shi, Tokyo

Telephone: 0120 (232) 711 (Free dial)

Postal address: Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation, P.O. Box 29, Shin Tokyo Post Office, 137-8081

IR Calendar



Website

Please refer to the Nihon Parkerizing Co., Ltd for detailed IR information.

Nihon Parkerizing



<https://www.parker.co.jp/>