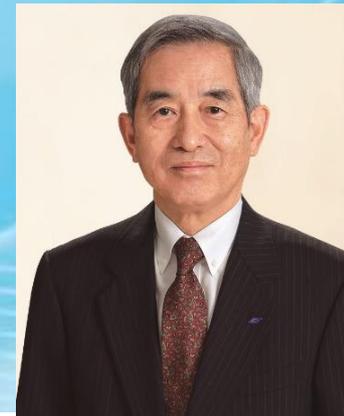




135th

Business  
Report

period April 1, 2019 ▶ March 31, 2020

Chairman and C.E.O.  
Kazuichi SatomiPresident and C.O.O.  
Mitsuru Matsumoto

## To Our Shareholders

Thank you very much for your continued support. It is our pleasure to present our annual report for the 135<sup>th</sup> period, ending on March 31, 2020.

As you well know, during the early part of this period the Japanese economy recovered moderately due to improvements in corporate earnings and the employment environment. However, in the latter half of the period the economy deteriorated somewhat particularly in the manufacturing sector due to the extended trade friction between the U.S. and China. Together with the effects of the consumption tax raise, this has created a harsh economic climate. Looking overseas, economies around the world have slowed following the deceleration of the Chinese economy. Furthermore, the global spread of COVID-19 from the end of the period has added a new degree of uncertainty to the future economic outlook.

The business environment faced by the Parker Group was a difficult one in which our key customers in the auto industry reduced auto production in Japan following the consumption tax raise, and auto output in China also continued to fall compared to the previous year. In addition, our key customers in the steel industry also faced a difficult business environment due to stiff competition from overseas manufacturers.

In this period the Parker Group embarked on its third mid-term management plan. Aiming to be a true global company as a surface modification specialist, the Group united to institute a variety of policies including initiatives to strengthen governance, as we worked 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, and pursuing innovation based on our accumulated core technology in order to provide swift and accurate service and high quality products, 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. In consideration of our business achievements and dividend policy, the year-end dividend for this period will be thirteen yen per share.

Regarding the economic outlook, there are fears that the global economy may rapidly slow down due to the fall in consumption and the stagnation of production resulting from the spread of COVID-19. The outlook for the Parker Group business also remains opaque as our key customers in the auto industry and steel industry face a great deal of uncertainty.

Against such an economic backdrop, as the Parker Group enters the second year of the third mid-term management plan, our members will continue to aim to be a true global company as a surface modification specialist, working to improve profitability and actively taking up the challenge of entering new fields, while engaging in initiatives to reform the company culture and consciousness and aim for sustainable growth. We look forward to the continuing support of our shareholders.

### Net Sales

**119,000**

million yen

Down 7.9% on the  
previous year

### Ordinary Income

**12,600**

million yen

Down 26.0% on the  
previous year

### Net income attributable to parent company shareholders

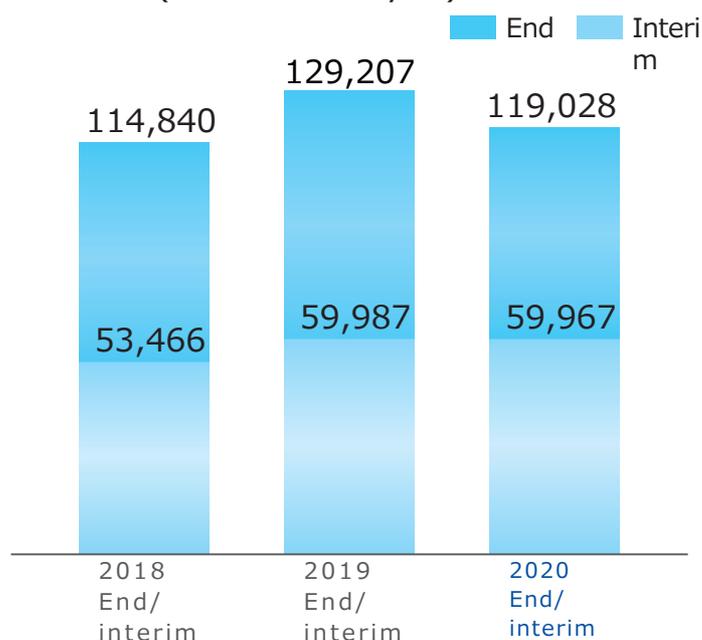
**9,400**

million yen

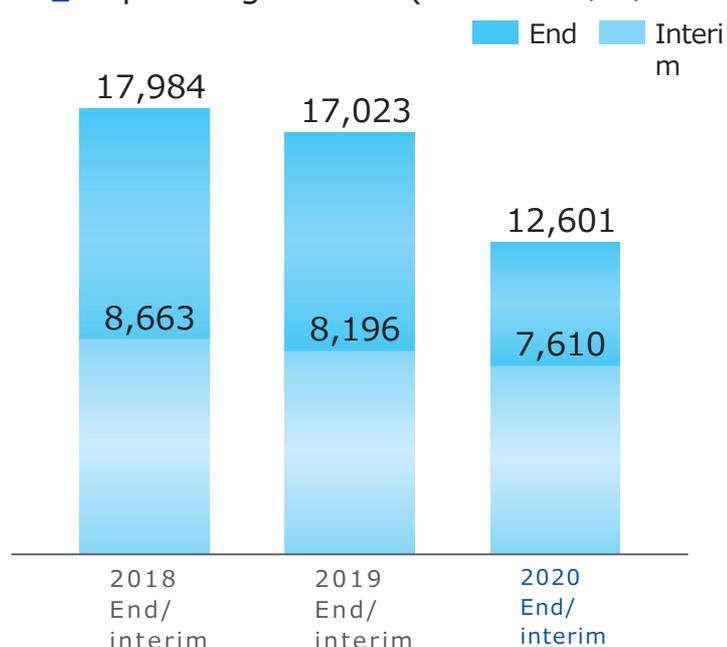
Down 17.3% on  
the previous year

## Consolidated results

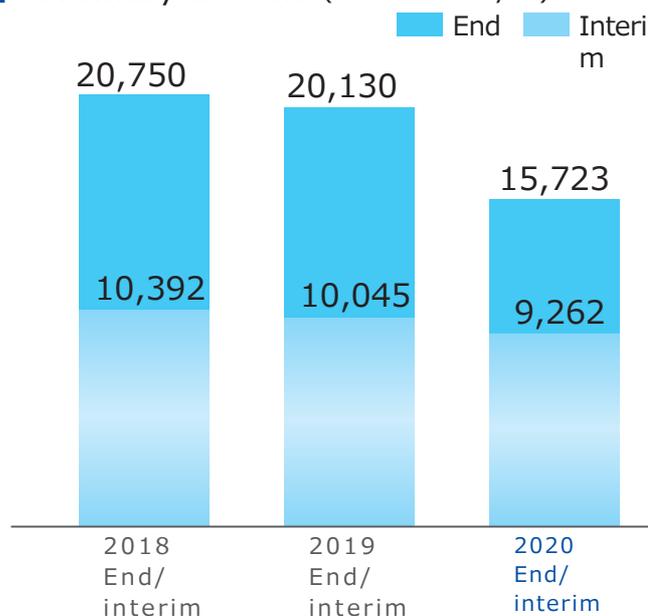
### Sales (Unit: Million yen)



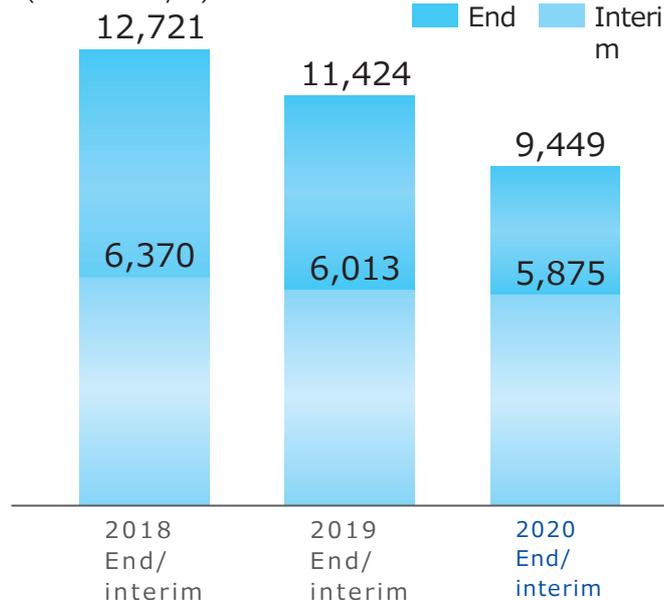
### Operating income (unit: Million yen)



### Ordinary income (Unit: Million yen)



### Net income attributable to parent company (Unit: Million yen)



## Company outline[As of March 31, 2020]

Company name:	NIHON PARKERIZING CO.,LTD.
Established:	July 12, 1928
Head Office:	15-1, 1-chome, Nihonbashi, Chuo-ku, Tokyo
Capital:	4.56039 billion yen
Employees	4,409
(consolidated):	First Section of Tokyo Stock Exchange
Listing:	

## Directors[As of March 31, 2020]

Chairman and C.E.O.	Kazuichi Satomi	Chief Executive Officer
President and C.O.O.	Mitsuru Matsumoto	Chief Operating Officer
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	
Director	Hayato Hosogane	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.

**4,477 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.

**44,854 million yen (37.7%)**



**Total  
119,028  
million yen**

## Jobbing

Rust preventive jobbing, heat treatment jobbing, etc.

**45,199 million yen (38.0%)**



## Equipment

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

**24,497 million yen (20.6%)**



## 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	

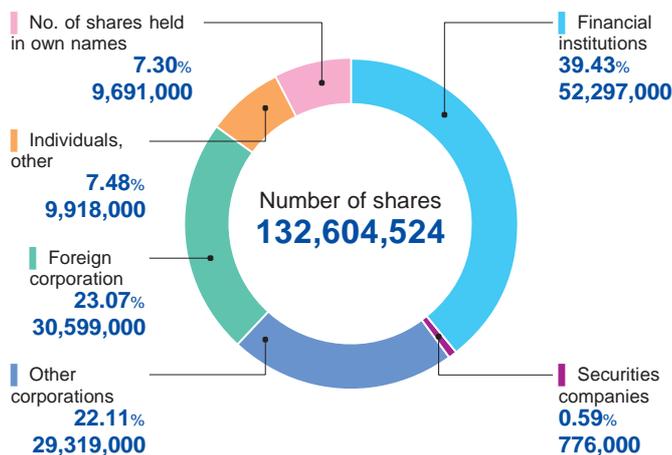
Name	Shares held (Unit: 1,000)	Ownership ratio (%)
NORTHERNTRUSTCO. (AVFC) REFIDELITY FUNDS	8,783	7.22
Nippon Life Insurance Company	7,015	5.76
The Master Trust Bank of Japan, Ltd. (Trust account)	5,605	4.60
Meiji Yasuda Life Insurance Company	5,578	4.58
The Chiba Bank, Ltd.	4,765	3.91
Yugen Co., Ltd.	4,708	3.87
The Satomi Scholarship Foundation	4,633	3.76
Japan Trustee Services Bank, Ltd. (Trust account)	4,108	3.37
Sumitomo Mitsui Banking Corporation	3,113	2.56
Trust & Custody Services Bank, Ltd. as trustee for Nippon Steel Corporation Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	2,664	2.19

(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:

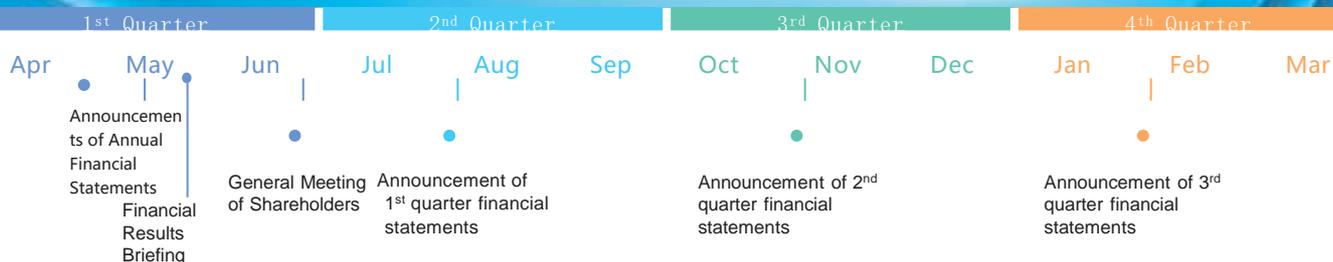
Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation,

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 website of Nihon Parkerizing Co., Ltd for detailed IR information.

Nihon Parkerizing

search



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

