



NIPPO LTD.

(TSE Code : 9913)

**March 2022 Period 1st Quarter
Financial Results**

~Supplementary materials~

August 3, 2021

President

Yasuchika Iwasa

Consolidated Financial Results (1)

March 2022 Period 1Q



(Unit: Millions of JPY)

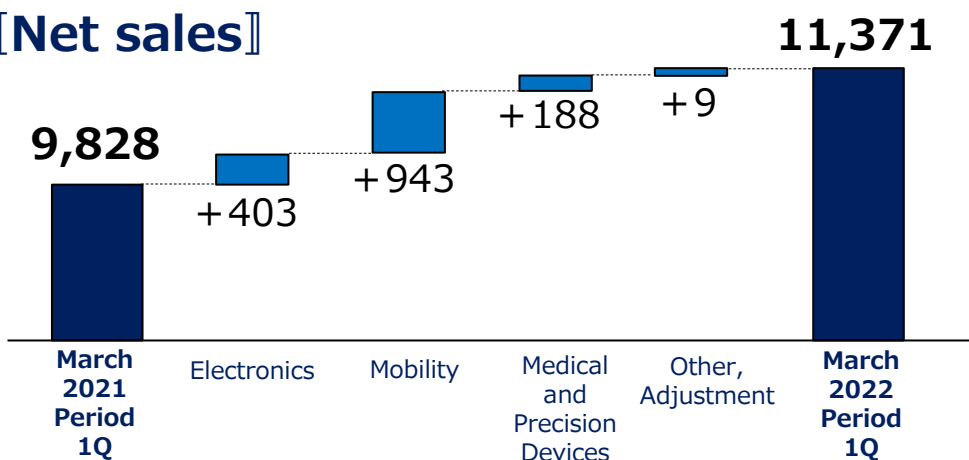
	March 2021 Period 1Q	March 2022 Period 1Q	YoY	Change
Net Sales	9,828	※ 8,801 11,371	— 116%	— + 1,543
Operating Profit	49	392	800%	+ 343
Ordinary Profit	40	411	1,028%	+ 371
Profit	28	286	1,021%	+ 258

※ Accounting Standard for Revenue Recognition have been applied from 1Q of the fiscal year ending March 31, 2022. As a reference for YoY comparisons, the lower part of the sales figures and the sales figures in the graph below indicate the sales figures before the application of accounting standards for revenue recognition.

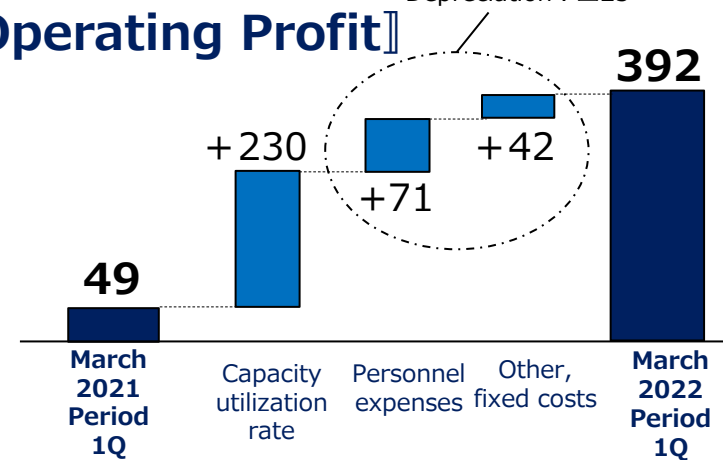
Effect of withdrawal from manufacturing business in Mexico

- Personnel expenses : $\Delta 54$
- Depreciation : $\Delta 25$

[[Net sales]]



[[Operating Profit]]

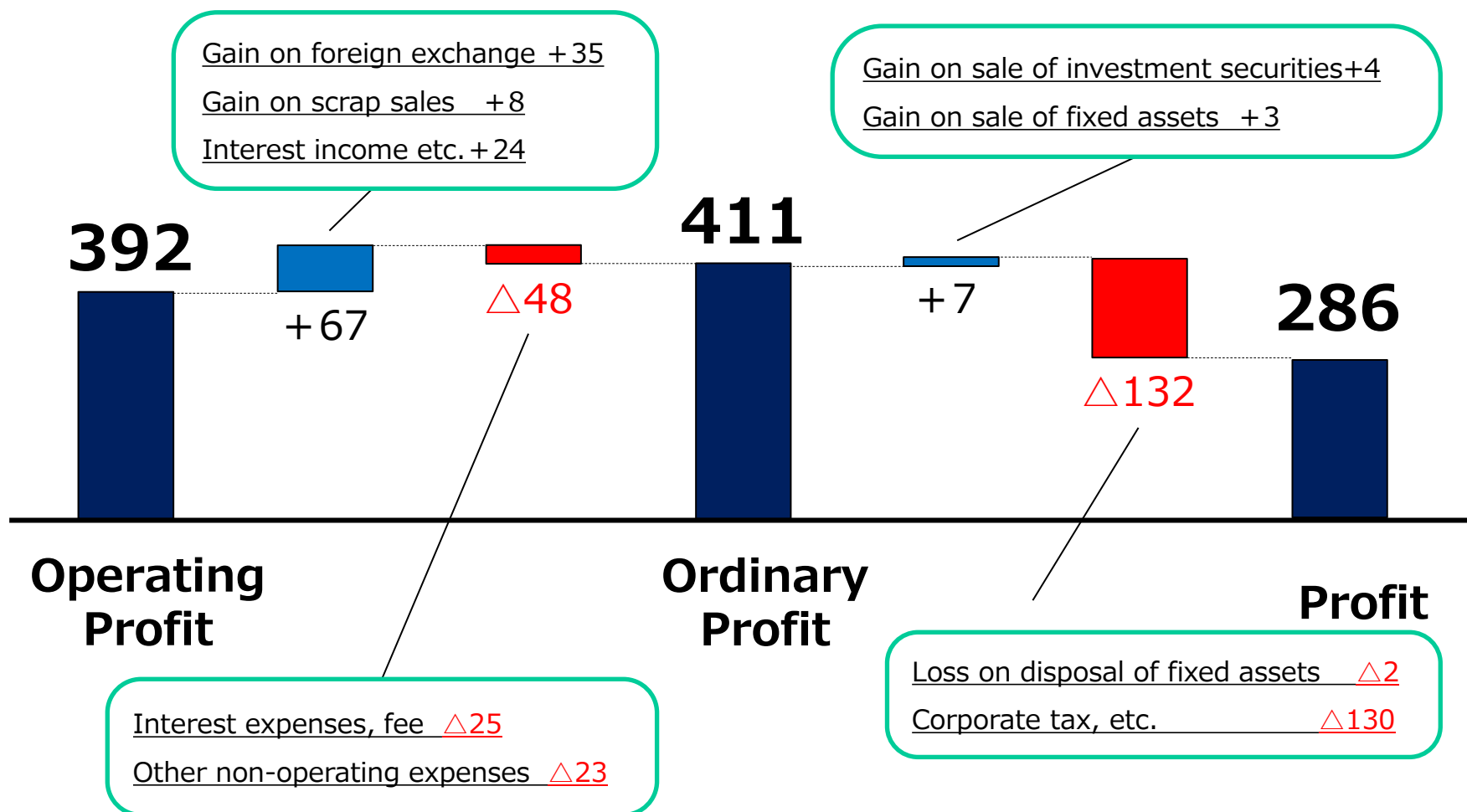


Consolidated Financial Results (2)

March 2022 Period 1Q



(Unit: Millions of JPY)



Full-year forecast

March 2022 Period



~Due to the impact of decrease in production in 2Q and the outlook for recovery from 3Q onwards, we have left our full-year earnings forecasts unchanged.~

	March 2022 period 1Q	March 2022 period full-year (forecast)	March 2022 period Progress	Full year estimation and annual dividend (Unit: Millions of JPY)
Net sales	8,801	35,000	25.1%	<p>1. Full-year consolidated earnings forecast Impact of semiconductors' supply shortage and decreased production volume due to the spread of COVID 19 will appear in 2Q. Since we expect a recovery from the 3Q onwards; however, we have left the full-year earnings forecast announced on May 14, 2021 unchanged.</p> <p>2. Annual dividend forecast Since the full-year earnings forecast remains unchanged, the annual dividend of "1 share = 20 yen" is also unchanged.</p> <p>※This full-year earnings forecast is based on information available as of the date of publication of this material, and actual performance may differ from the forecast due to various factors in the future. In the event it is deemed necessary to revise the outlook for full-year earnings forecasts, we will make another announcement.</p>
Operating Profit	392	1,200	32.7%	
Ordinary Profit	411	1,130	36.4%	
Profit	286	800	35.8%	
Annual dividend	—	20yen		

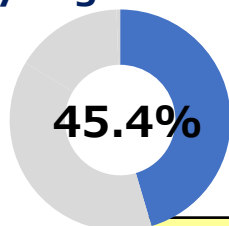
Results by Segments_ Electronics



Net sales ratio by segments

※Net sales in this slide are the value before the application of accounting standards for revenue recognition.

(Unit: Millions of JPY)



revenue ↑

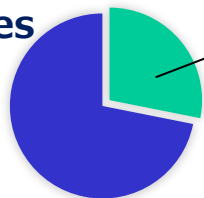
profit ↑

	March 2021 Period 1Q	March 2022 Period 1Q	YoY	Change
Net sales	4,659	5,062	109%	+403
Operating Profit	323	331	103%	+8

1Q summary

- Orders for smartphone-related components and orders for semiconductor materials to the ASEAN region remained firm.
- High-end printed circuit board materials remained firm, but orders for general-purpose printed circuit board materials decreased.
- Orders for the dry film business at the Vietnam factory decreased due to production adjustments by customers.
- Orders for the semiconductor wafer polishing carrier business remained strong.

Progress of net sales



1Q
27.2%

	March 2021 Period	March 2022 Period (Forecast)	YoY	Change
Net sales	18,266	18,600	102%	+334
Operating Profit	1,044	1,200	115%	+156

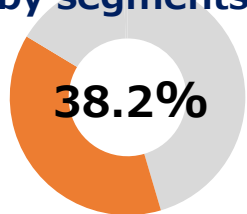
Forecasts

- Orders for smartphone-related parts are expected to remain strong.
- Orders for general-purpose printed circuit board materials are expected to gradually decrease, but the increase in orders for high-end printed circuit board materials is expected to make up for this.
- Clean room renovation work at the Vietnam factory has completed so the dry film business is ready to meet the increasing demand.

Results by Segments_ Mobility



Net sales ratio by segments



revenue ↑

profit ↑

※Net sales in this slide are the value before the application of accounting standards for revenue recognition.

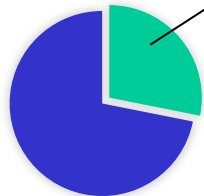
(Unit: Millions of JPY)

	March 2021 Period 1Q	March 2022 Period 1Q	YoY	Change
Net sales	3,797	4,740	125%	+ 943
Operating Profit	40	307	768%	+ 267

1Q summary

- Mobility parts manufacturers' production schedule was recovered, and orders have been firm.
- Performance improved due to the withdrawal from the manufacturing business in Mexico.
- The impact of the semiconductor supply shortage was minor, and we also avoided the risk of plastic resin material shortages through cooperation with customers and material manufacturers.

Progress of net sales



1Q
27.1%

	March 2021 Period	March 2022 Period (Forecast)	YoY	Change
Net sales	15,963	17,500	110%	+ 1,537
Operating Profit	485	950	196%	+465

Forecasts

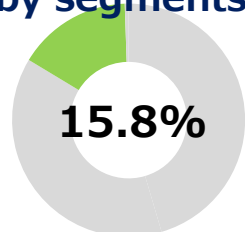
- Major customers' production plans are expected to remain firm.
- The future is still uncertain due to the ongoing risks of semiconductors' supply shortage, the spread of COVID-19, and shortages of plastic resin materials.

Results by Segment

Medical & Precision Devices



Net sales ratio
by segments



revenue ↑

profit ↑

※Net sales in this slide are the value before the application of accounting standards for revenue recognition.

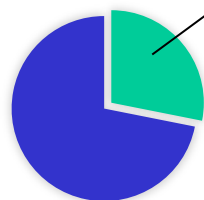
(Unit: Millions of JPY)

	March 2021 Period 1Q	March 2022 Period 1Q	YoY	Change
Net sales	1,407	1,595	113%	+ 188
Operating Profit	△50	△12	—	+ 38

1Q summary

- Orders for printer-related parts at the Vietnam factory decreased significantly due to the production suspension by major customers triggered by the spread of COVID-19. Since the impact was so large that that the segment did not turn profitable.
- Orders for printer-related parts at the Thailand (Korat) factory and the Philippines factory remained firm.
- Orders for medical equipment parts at the Thai (Korat) factory also remained firm.

Progress of
net sales



1Q
26.6%

	March 2021 Period	March 2022 Period (Forecast)	YoY	Change
Net sales	5,877	6,000	102%	+ 123
Operating Profit	△43	+ 0	—	+43

Forecasts

- Although the impact of reduced production due to the supply shortage of semiconductors and the spread of COVID 19 will appear in the 2Q, recovery is expected from the 3Q onwards.
- Orders for medical equipment parts are expected to remain firm.



References

Consolidated Balance sheet

March 2022 Period 1Q



(Unit: Millions of JPY)

		March 2021 Period	March 2021 Period 1Q	Change
Assets	Current assets	13,727	14,889	+1,162
	Cash and deposits	2,940	3,777	+837
	Notes and accounts receivable-trade etc.	7,810	7,629	△181
	Inventories	2,460	2,667	+207
	Other	517	816	+299
	Non-current assets	10,977	10,324	△653
	Property, plant and equipment	8,239	7,499	△740
	Intangible assets	121	115	△6
	Investments and other assets	2,616	2,709	+93
	Total	24,705	25,214	+509

		March 2021 Period	March 2021 Period 1Q	Change
Liabilities	Current liabilities	12,549	12,315	△234
	Notes and accounts payable-trade	7,596	7,693	+97
	Short-term borrowing	2,258	2,156	△102
	Other	2,695	2,466	△229
	Non-current liabilities	3,159	3,174	+15
	Long-term borrowing	515	471	△44
	Other	2,644	2,703	+59
Total	15,708	15,489	△219	
Net assets	Share capital	3,137	3,137	-
	Capital surplus, Retained earnings, Treasury shares	5,587	5,782	+195
	Accumulated other comprehensive income	270	803	+533
	Non-controlling interests	1	1	△0
	Total	8,996	9,724	+728
Total	24,705	25,214	+509	

NIPPO LTD.

Corporate Planning Division
Mizuguchi, Fujinami

Telephone : 052-218-3161

HP : <https://www.nip.co.jp/>

Cautionary Statement with Respect to the Forward-Looking Statements

This document aims to provide information only to investors and not to solicit transactions. The forward-looking statements in this document reflect our plans and expectations and are not guarantees of future performance. Be aware that our future performance may differ from the current forecasts. In addition, descriptions of business performance, etc. here are based on reliable data, but we cannot guarantee the accuracy and safety of such data. Finally, this document is provided on the assumption that investors will use it at their own discretion and responsibility for any purpose whatsoever, and we will not be responsible for it in any event.

To note; the exchange rate used in this forecasts are 、 1USD = 105 JPY、 1TB = 3.5 JPY

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