



**NIPPO LTD.**  
**Medium-Term**  
**Management Plan 2019**

May 31, 2017

President

Yasuchika Iwasa



## Company Objectives

Top class “global yet local company”

under the motto of “steady-going”

- Company that is known for the strengths of employees
- Company that focuses on profits and efficiency
- Company that the employees perform top-class work

## 2. Management Policy for the Next 3 Years



### I. Business Rebalancing (Shift to a highly profitable business structure)

#### (1) Rebalance “Growth Segments” and “Stable/Mature Segments”

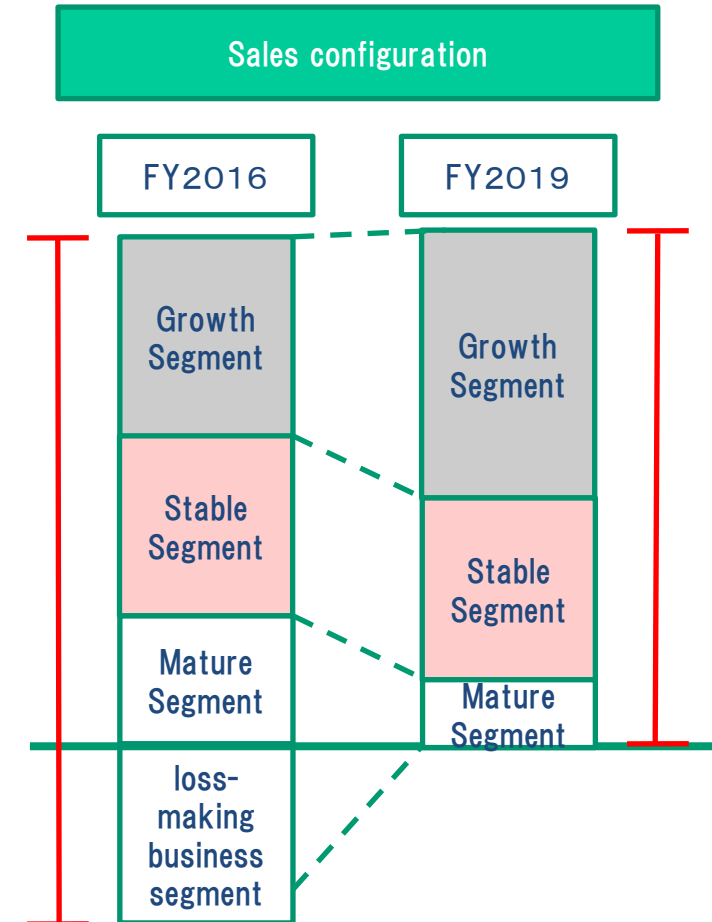
Compensate for “sales decrease in stable and mature segments” with “sales increase in growth segment”

#### (2) Complete withdrawal from or shrinkage of loss-making business segment

Withdraw from businesses unable to envision a scenario for full-year profitability in FY2018.

#### (3) Building up strength

In an aim to rebalance growth segment and stable/mature segments, we will focus on building strengths for the next three years without pursuing business expansion.

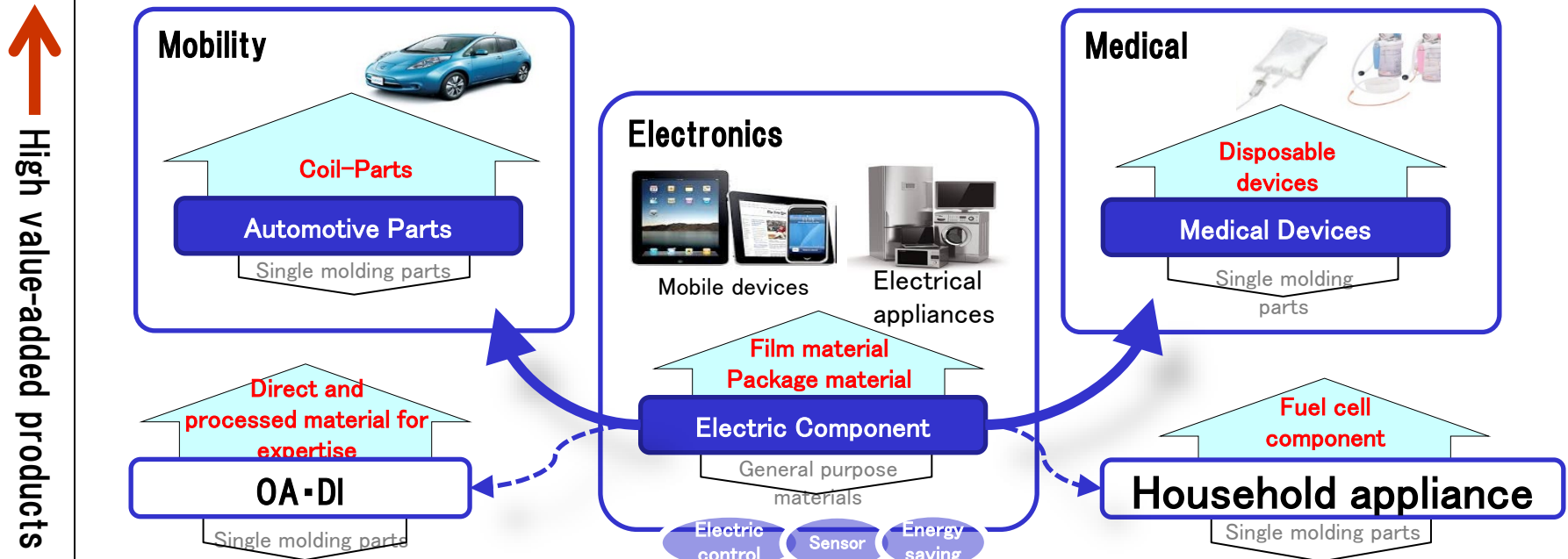


(In FY2016, completed closure, integration, and transfer of 3 sites in Japan and overseas )

## II. Find Growth Areas

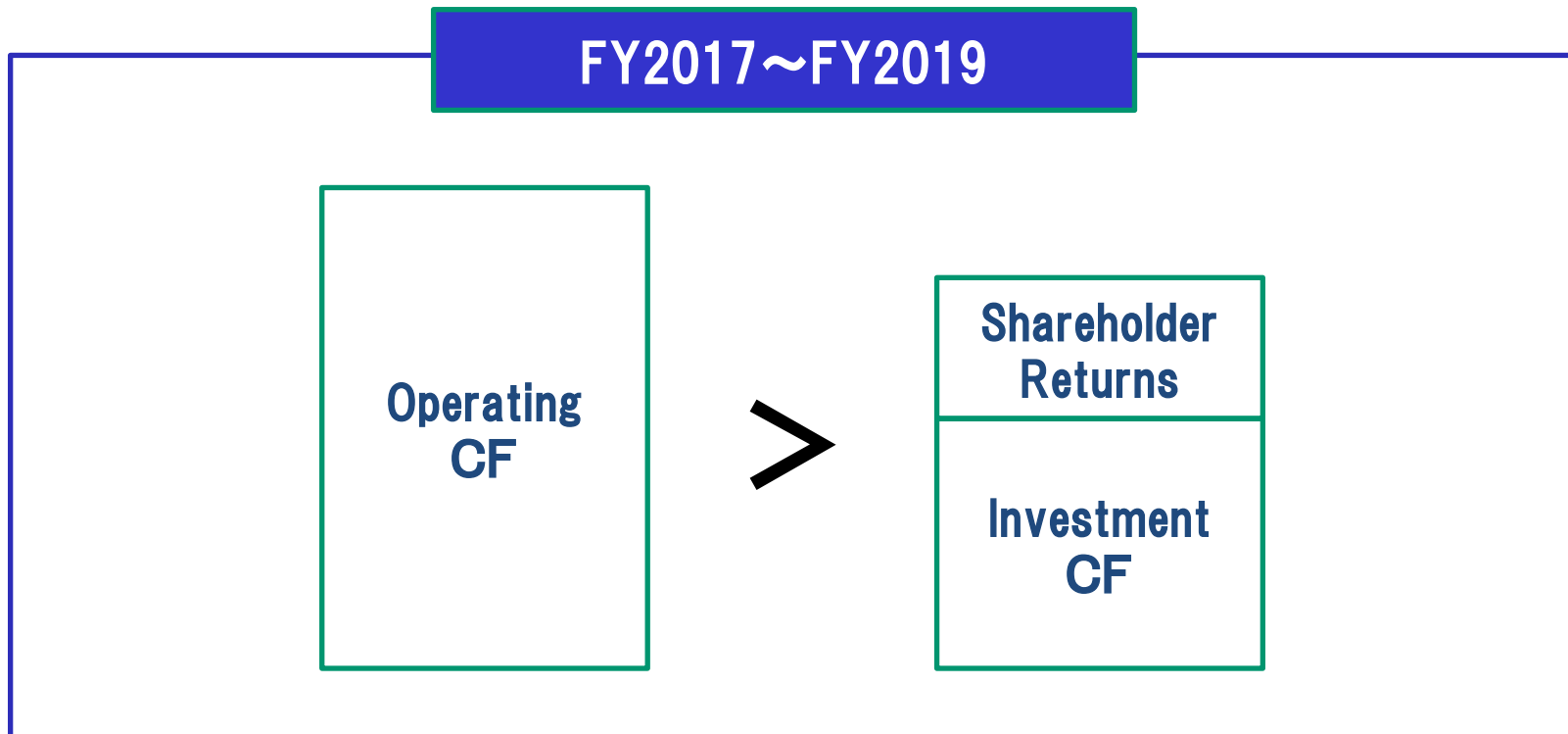
1. Featuring on injection molding parts, establish reliable mass production technology enough to produce critical safety parts.
2. Focusing on disposable products, enhance contract manufacturing of precise medical equipment.
3. Centering on electric parts, explore and provide next-generation products in a various business fields.

### Matching growth areas and our products



### Ⅲ. Cash Flow Emphasizing Management

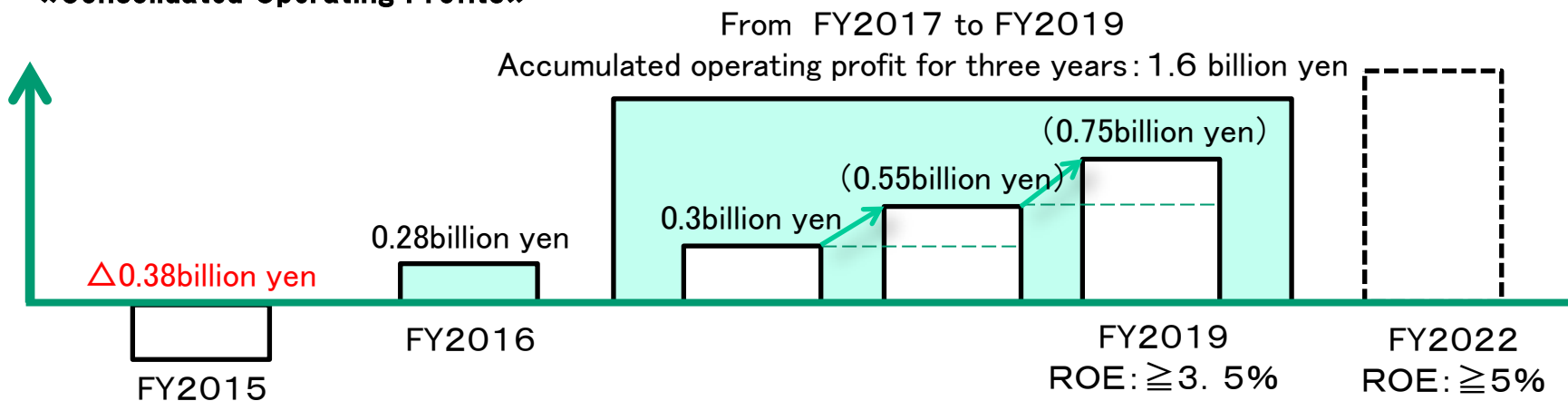
- Priority will be given to improving the financial structure, and over the next three years, investment and shareholder returns will be carried out within the amount of cash generated.



## I . Management Indicators

- Quantitative targets for the next three years
  - Accumulated operating profit for next three years (From FY2017 to FY2019) : 1.6 billion yen
  - ROE of FY2019 :  $\geq 3.5\%$   
(ROE of FY2022:  $\geq 5\%$ )

### «Consolidated Operating Profits»

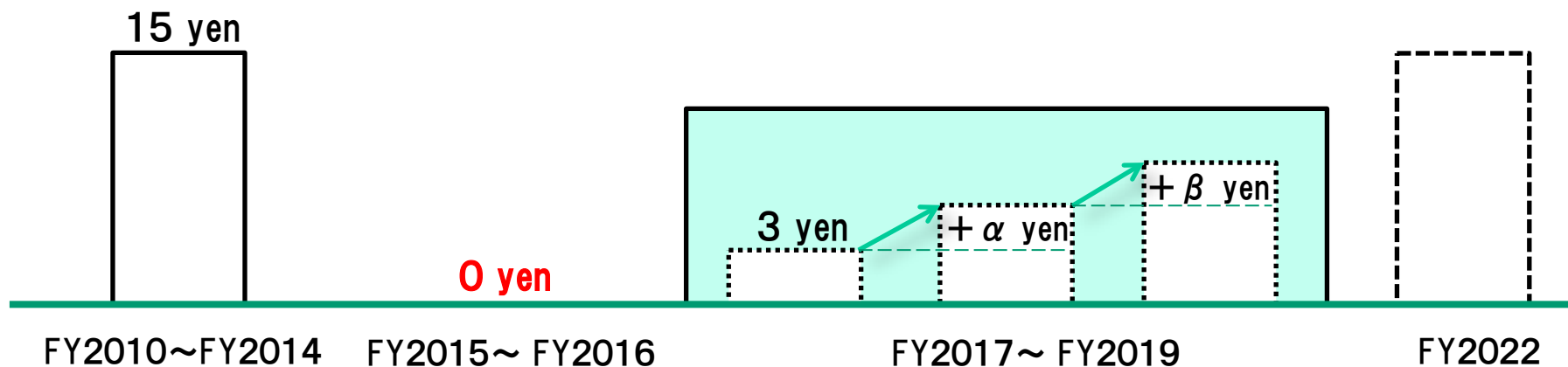


### 3. Quantitative targets for the next 3 years

## II. Shareholder Returns

- The Company has set sustainable growth as a quantitative target, and the basic policy for shareholder returns is to increase dividends in line with this.
- Prioritize the increasing dividends over the self-tenders

### «Shareholder Returns (Dividend Plan)»



# (Addition) Results for Quantitative Targets

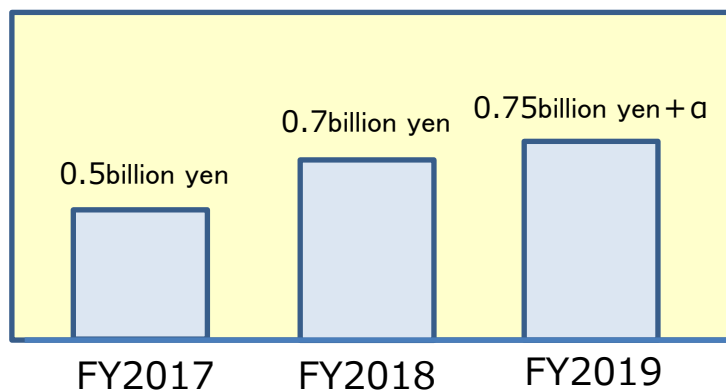


## Plan

Accumulated consolidated operating profit for three years

**1.6 billion yen** → **≥ 1.95 billion yen**

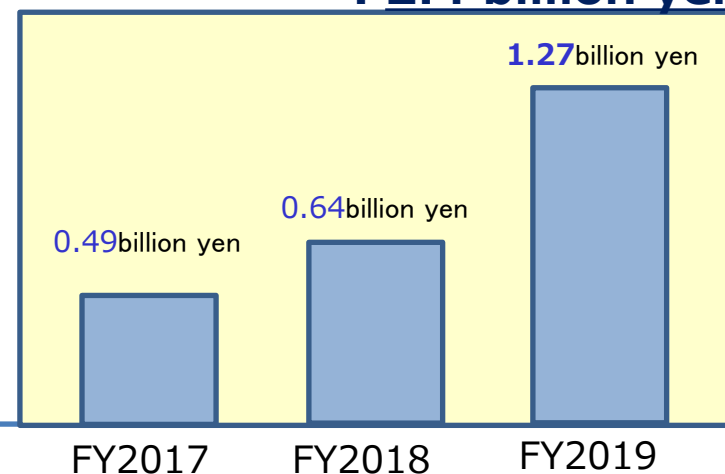
※ Revised on Nov. 2018



## Actual

Accumulated consolidated operating profit for three years

**: 2.4 billion yen**



### ROE

–

–

**≥ 3.5%**

–

–

**5.7%**

### Dividend

4 yen

5 yen

5 yen + α

4 yen

0 yen

10 yen

### Posture

Eliminate deficit business and sites

**Completed the prospect of turning two unprofitable businesses (Hiroshima and Mexico) into the black**



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To note; the exchange rate used in this forecasts are 、 1USD= 113 JPY、1TB= 3.2 JPY

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