



Medium-Term Management Plan 2022

- Completely withdraw manufacturing business from Mexico and eliminate the unstable factors by FY2020!
- Achieve record-high profits in Medium-Term Management Plan 2022 period!

November 6, 2020

President

Yasuchika Iwasa

1. Overall Vision



Measure sustainable growth by medium-term segments, not by year.

Phase	<p>Period for solidifying our foundation by selecting, discarding, and rebalancing the business</p>	<p>Period for facing the challenge of building new business models, while stabilizing our financial base</p>	<p>Period for improving our presence in the industry with new business models</p>
	<p>Prior investment /seeding</p>	<p>Harvest</p>	<p>Establish</p>
Posture	<p>All businesses and sites contribute to earnings. (Loss-making businesses and sites are eliminated.)</p>	<p>Businesses in which investments have been made are making a significant contribution to earnings.</p> <ul style="list-style-type: none"> •Coil business •Medical device business •Slit processing business 	<p>Highly profitable businesses that will drive sustainable growth are established in each domain.</p>

2. Basic Policy



I. Our Purpose

- To provide **unique value** to our customers, who are leading the world in manufacturing, and continue to support their manufacturing efforts

II. Our Goal

- To become a **unique company** that continues to grow and **view its employees as a source of strength**

III. Basic Policy of Mid-Term Management Plan 2022

- Refining **Differentiated Technologies** and **Cost Competitiveness**
- While **applying** and improving the current business model, we will **build a new business model through business alliances** with new partners.

3. Strategy



	Medium-Term Management Plan	Strategy
Phase	<p>Period to challenge in building new business models, while stabilizing our financial base</p>	<ul style="list-style-type: none"> ■ <u>Strengthen current business model</u> <ul style="list-style-type: none"> □ Strengthen Differentiated Technologies <ul style="list-style-type: none"> ✓ Coiling technology ✓ Material processing technology □ Strengthen manufacturing cost competitiveness <ul style="list-style-type: none"> ✓ Promote automation ✓ Improve quality ✓ Improve inventory turnover ✓ Promote optimal location production ✓ Establish cost control method □ Expansion of the slit processing business ■ <u>Application of current business model</u> <ul style="list-style-type: none"> □ Develop new business domain ■ <u>Development of new business models</u> <ul style="list-style-type: none"> □ Alliance with new partners <ul style="list-style-type: none"> ✓ Develop new products and technologies ✓ Develop in-house planned products
Posture	<p>Following investments are making a significant contribution to earnings.</p> <ul style="list-style-type: none"> • Coil business • Medical device business • Slit processing business 	

4. Initiative themes

I. Reduce cost

II. Assess any change in each business domain, especially supply chains

III. Promote

“Medium-Term Management Plan 2022–Strategies”

(Including addition of strategy and changing of strategy period)

IV. Set effective and quantitative targets for the “Medium-Term Management Plan 2022”

- In the fiscal year ending March 31, 2021, we have been working on the above four measures. Among these themes, we have “assessed any change in each business domain, especially supply chains (Theme II)” and “set **effective quantitative targets for the Medium-Term Management Plan 2022** (Theme IV)”.

5-1. Medium-Term Management Plan 2022

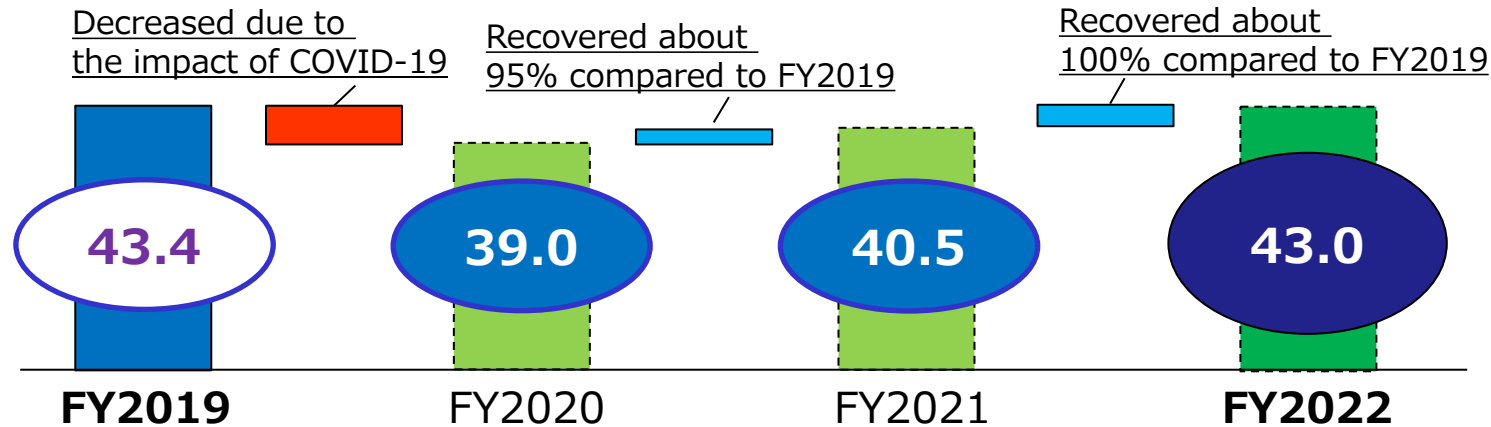
- Quantitative Targets

~ Sales·Operating Profit·Investment ~

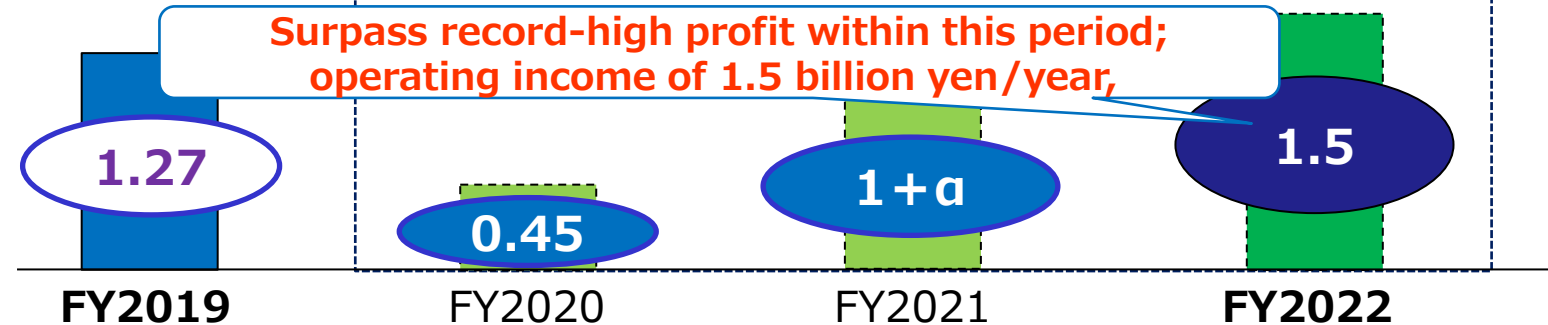


Consolidated Net Sales

※ Sales in this material do not consider the new revenue recognition standards that will be applied from FY2021. (Unit: JPY billion)



Consolidated Operating Profit



Investment

FY2019
Depreciation : 1.38

While keeping investments for current business within the depreciation cost range, we prepare not to miss new growth investment opportunities.

5-2. Medium-Term Management Plan 2022

- Quantitative Targets

~ Cumulative operating profit·Others ~



(Unit: JPY billion)

Consolidated Operating Profit: Cumulative Amount for 3 years

Medium-Term
Management
Plan 2019

2.4

Medium-Term
Management Plan
2022

3.0

Other Index

FY2019

FY2020

FY2021

FY2022

ROE

5.7%

.....

≥9.0%

DE ratio

0.68

.....

≤0.6

Dividend

10JPY

5JPY

10JPY+a

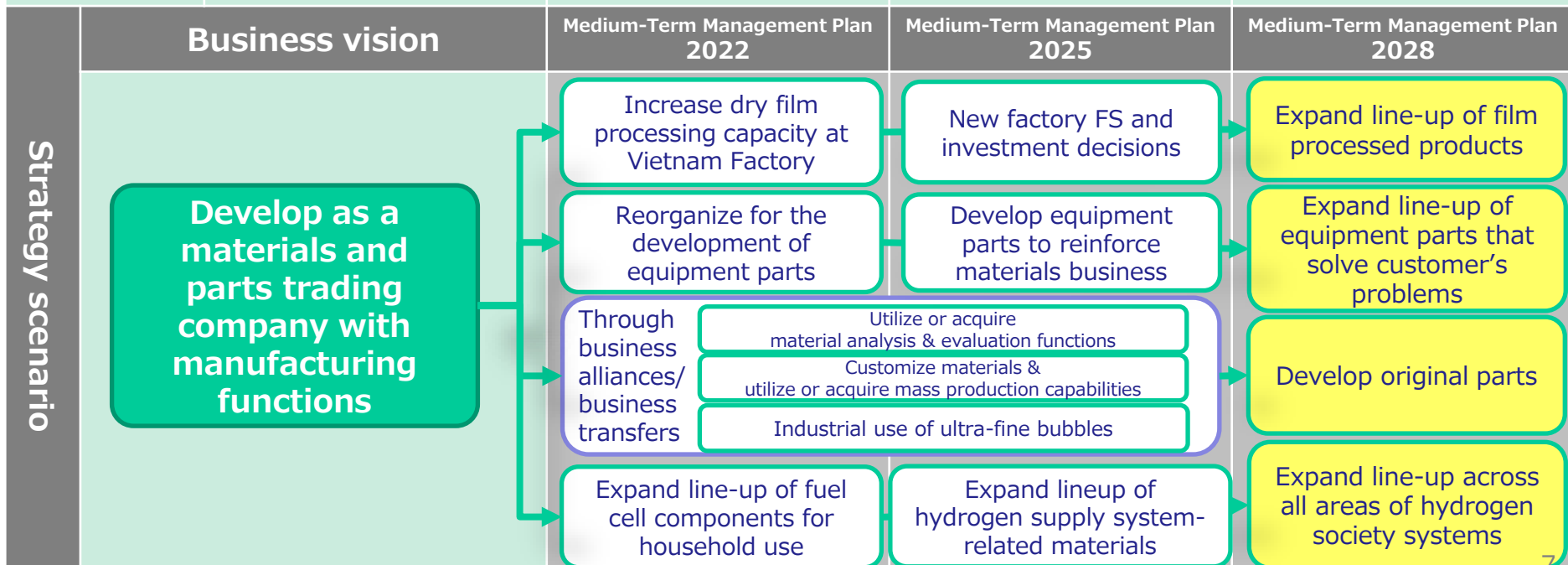
15JPY+a

6-1. Long-term strategy map

~ Electronics ~



	FY2019	Medium-Term Management Plan 2022 (Unit: JPY billion)		
		FY2020	FY2021	FY2022
Driving Force		Photosensitive film, 5G-related materials, fuel cell materials, equipment parts		
Decreasing Force		General-purpose wiring board materials, housing materials		
Sales	17.6	16.5	17.0	18.0
Operating Profit	0.99	1.0	1.1	1.2

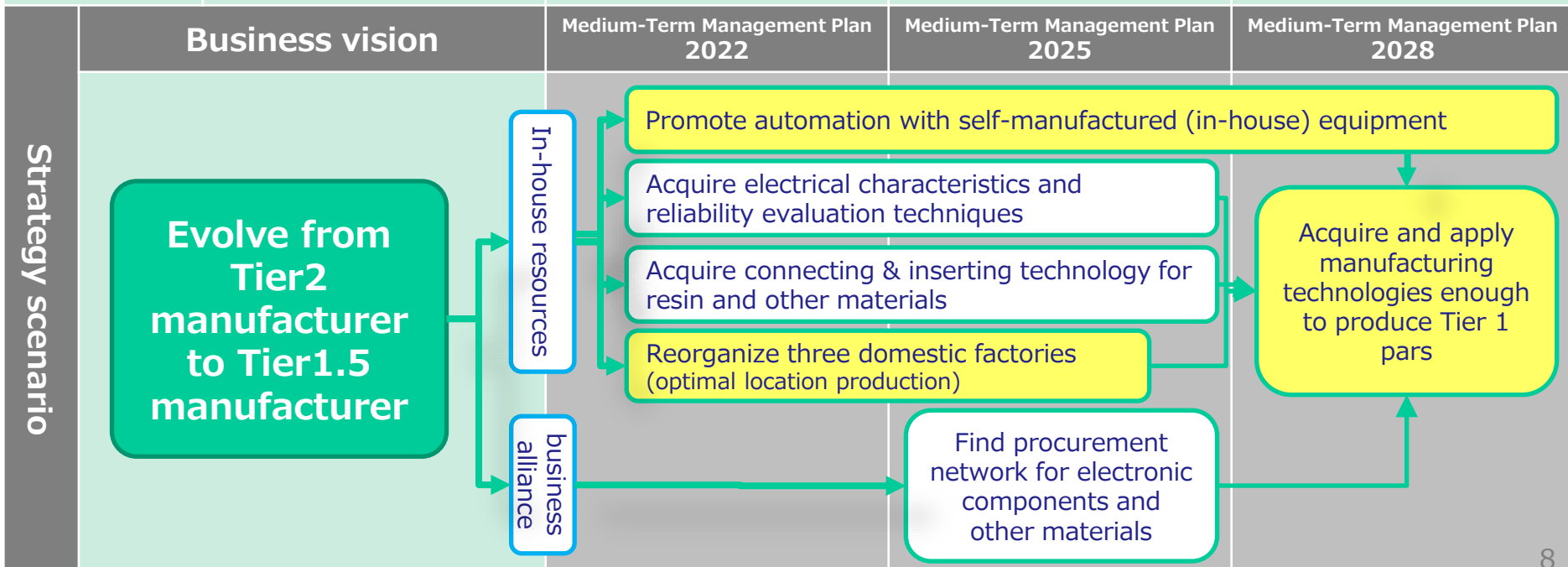


6-2. Long-term strategy map

~Mobility~



	FY2019	Medium-Term Management Plan 2022 (Unit: JPY billion)		
		FY2020	FY2021	FY2022
Driving Force		EV-related parts, important safety parts (order for single parts → unit)		
Decreasing Force		Effect of elimination of loss-making businesses		
Sales	18.3	16.0	17.0	18.0
Operating Profit	0.93	0.4	0.9	1.15

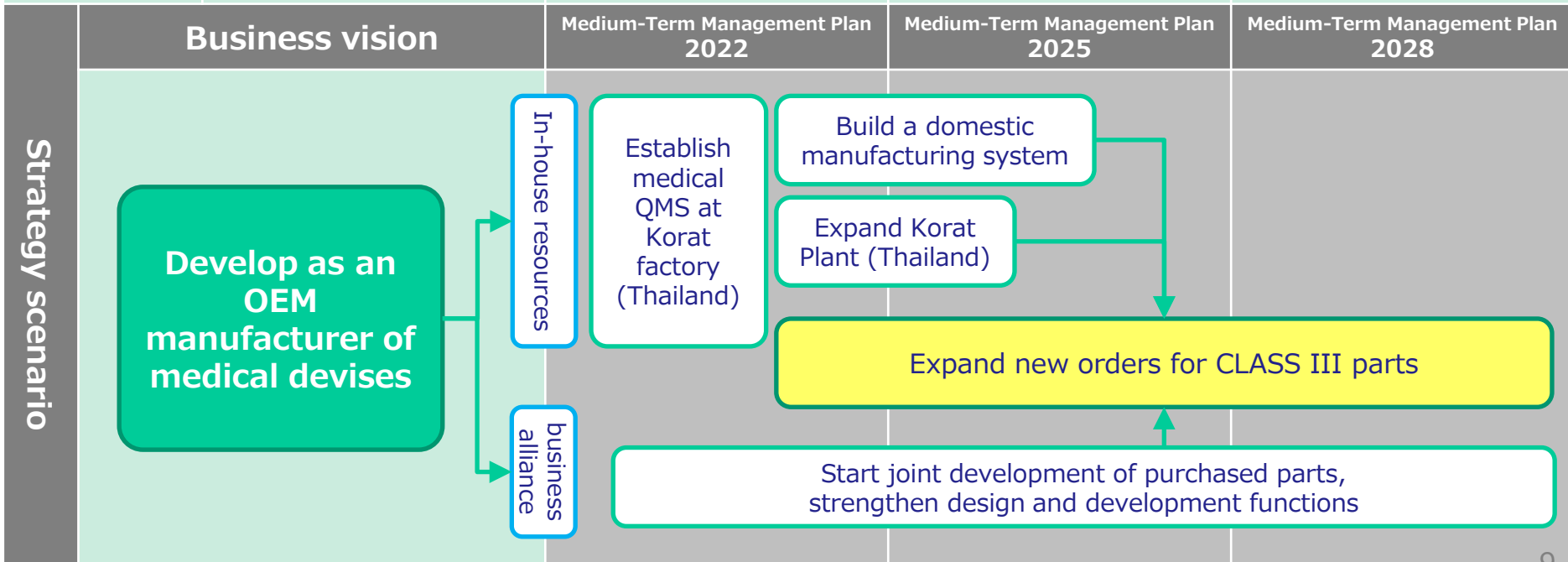


6-3. Long-term strategy map

~Medical and Precision Devices~



	FY2019	Medium-Term Management Plan 2022 (Unit: JPY billion)		
		FY2020	FY2021	FY2022
Driving Force		Medical Devices		
Decreasing Force	Printer parts, digital camera parts			
Sales	6.8	6.0	6.0	6.5
Operating Profit	0.15	△0.05	±0円	0.1



[reference] Medium-Term Management Plan 2022
 ~Net Sales and Operating Profit by segment~



(Unit: JPY billion)

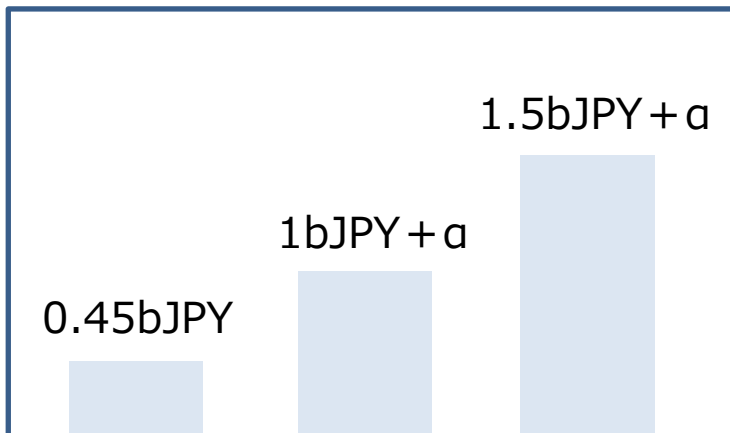
		FY2019	FY2020	FY2021	FY2022
Electronics	Net Sales	176.0	165.0	170.0	180.0
	Operating Profit	9.9	10.0	11.0	12.0
Mobility	Net Sales	183.0	160.0	170.0	180.0
	Operating Profit	9.3	4.0	9.0	11.5
Medical and Precision Devices	Net Sales	68.0	60.0	60.0	65.0
	Operating Profit	1.5	△ 0.5	0.0	1.0
Others	Net Sales	9.0	7.0	8.0	10.0
	Operating Profit	1.1	0.5	0.5	1.5
Company-wide expenses (including development expenses) and adjustments	Net Sales	△ 2.0	△ 2.0	△ 3.0	△ 5.0
	Operating Profit	△ 9.1	△ 9.5	△ 10.5	△ 11.0
Consolidated Total	Net Sales	434.0	<u>390.0</u>	<u>405.0</u>	<u>430.0</u>
	Operating Profit	12.7	<u>4.5</u>	<u>10.0</u>	<u>15.0</u>

[Addition] Results of Medium-Term Management Plan 2022



Plan (as of Nov 6, 2020)

3-year total : **3bJPY**

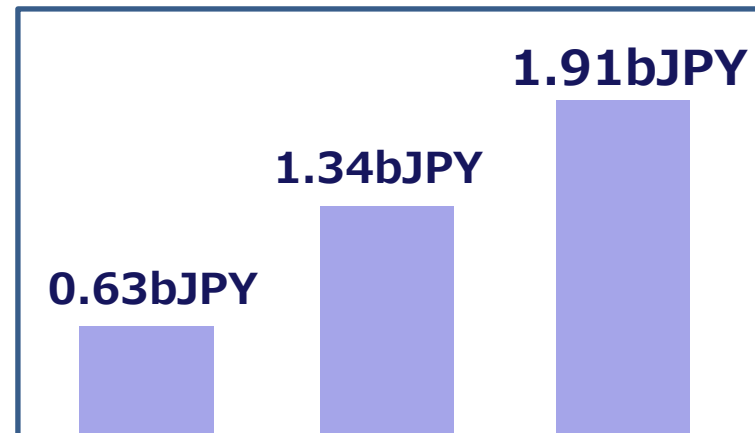


FY2020 FY2021 FY2022

Operating Profit

Results

3-year total : **3.88bJPY**



FY2020 FY2021 FY2022

ROE

... $\geq 9.0\%$

DE ratio

... ≤ 0.6

Dividend

5JPY 10JPY+a 15JPY+a

0.1% **10.7%** **11.1%**

0.50 **0.46** **0.41**

10JPY **22JPY** **33JPY**
(※plan)

※The FY2022 dividend amount is subject to approval at the 72nd Ordinary General Meeting of Shareholders.

[Addition] Results of Medium-Term Management Plan 2022 ~by segment



		Mar 2021 period		Mar 2022 period		Mar 2023 period	
		Plan	Results (to plan)	Plan	Results (to plan)	Plan	Results (to plan)
Electronics	Net sales	16.5bJPY →	17.6bJPY (107%)	17.0bJPY →	19.6bJPY (115%)	18.0bJPY →	20.2bJPY (112%)
	Operating Profit	1.0bJPY →	1.03bJPY (103%)	1.1bJPY →	1.32bJPY (120%)	1.2bJPY →	1.24bJPY (103%)
Mobility	Net sales	16.0bJPY →	15.9bJPY (99%)	17.0bJPY →	18.1bJPY (106%)	18.0bJPY →	20.1bJPY (111%)
	Operating Profit	0.4bJPY →	0.48bJPY (120%)	0.9bJPY →	1.04bJPY (116%)	1.15bJPY →	1.53bJPY (133%)
Medical & Precision Devices	Net sales	6.0bJPY →	5.9bJPY (98%)	6.0bJPY →	6.3bJPY (105%)	6.5bJPY →	7.5bJPY (115%)
	Operating Profit	△0.05bJPY →	△0.04bJPY (-%)	±0bJPY →	△0.02bJPY (-%)	0.1bJPY →	0.12bJPY (120%)

※The figures for net sales are the net sales before the adoption of revenue recognition accounting standards as a reference for comparison with the plan.

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To note; the exchange rate used in this forecasts are , 1USD = 110JPY, 1TB = 3.5JPY

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