



# **NIPPO LTD.**

**(TSE Code : 9913)**

**March 2022 Period 3rd Quarter  
Financial Results**

**~Supplementary materials~**

February 4<sup>th</sup>, 2022

President

Yasuchika Iwasa

# Consolidated Financial Results (1)

March 2022 Period 3Q



(Unit: Millions of JPY)

	March 2021 Period 3Q	March 2022 Period 3Q	YoY	Change
Net sales	29,013	※ 26,354 32,822	– 113%	– +3,809
Operating income	325	902	278%	+577
Ordinary income	169	983	582%	+814
Quarterly net income	△598	732	–	+1,330

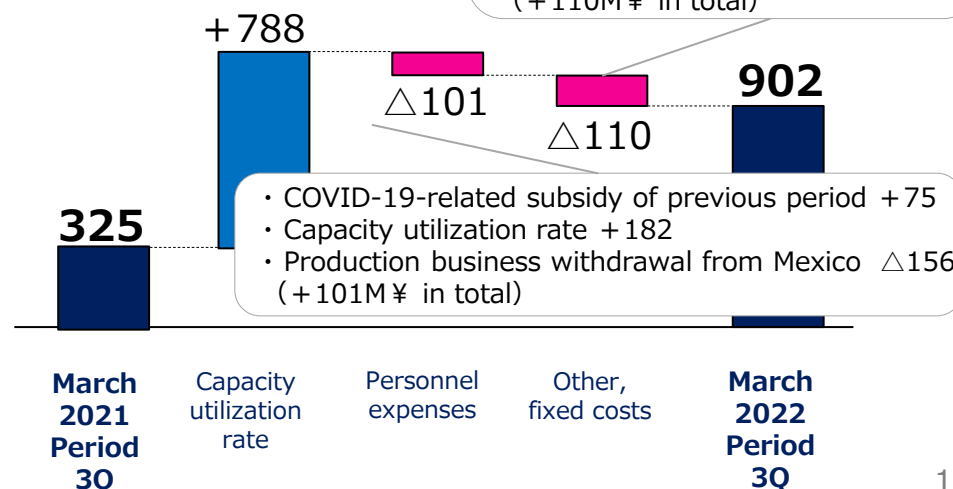
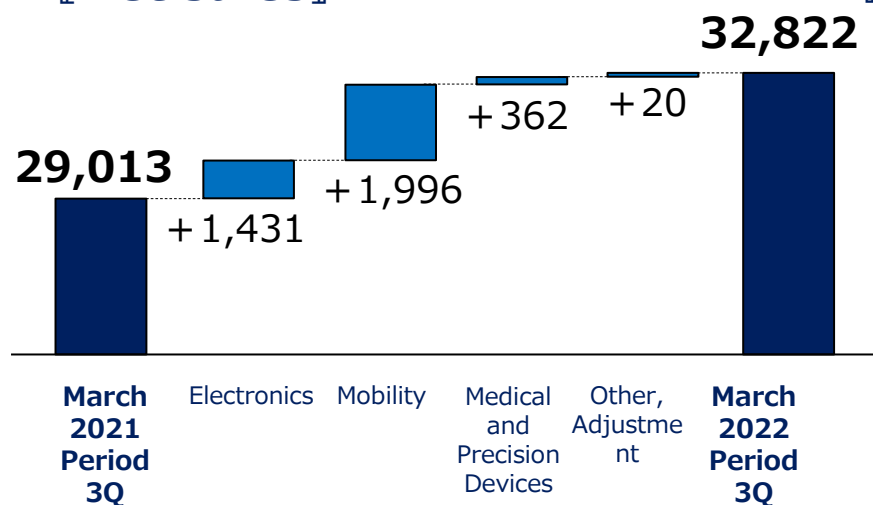
\*NIPPO has adopted the Accounting Standard for Revenue Recognition (the revenue recognition standard) since this fiscal year. For your reference, however, net sales on the following chart and graph are the value BEFORE the adaptation of new standards.

## [[Net sales]]

## [[Operating income]]

- Logistics cost +81
- Power cost.
- Factory supplies expenses +40
- Depreciation △132
- Sundry expenses +121  
(+110M¥ in total)

- COVID-19-related subsidy of previous period +75
- Capacity utilization rate +182
- Production business withdrawal from Mexico △156  
(+101M¥ in total)

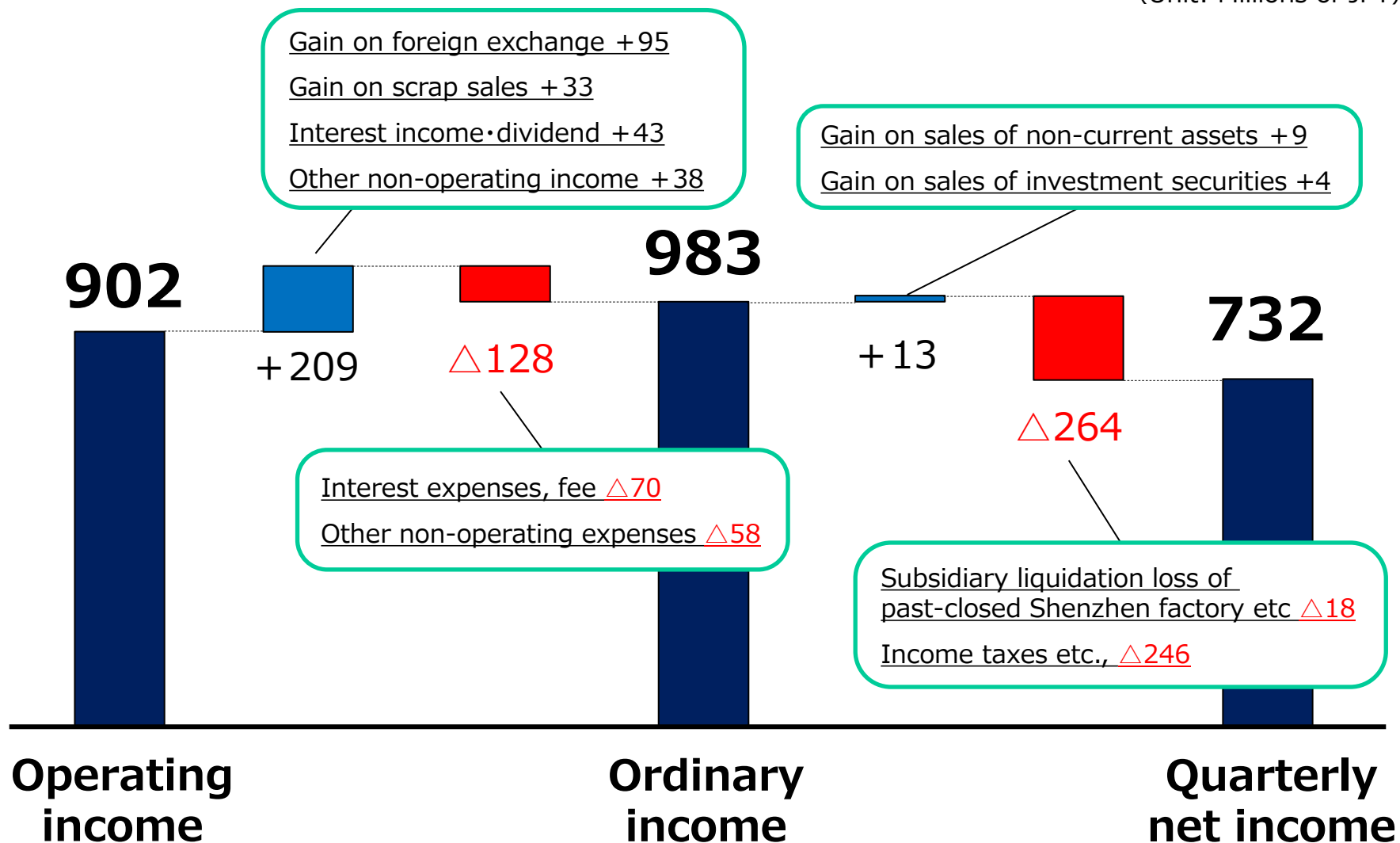


# Consolidated Financial Results (2)

March 2022 Period 3Q



(Unit: Millions of JPY)



# Full-year forecast

March 2022 Period

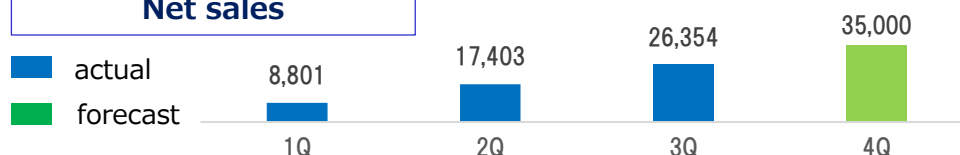


~ We decided to keep the full-year forecast unchanged since it is difficult to correctly predict the impact of "insufficient supply of semiconductors and electronic components." ~

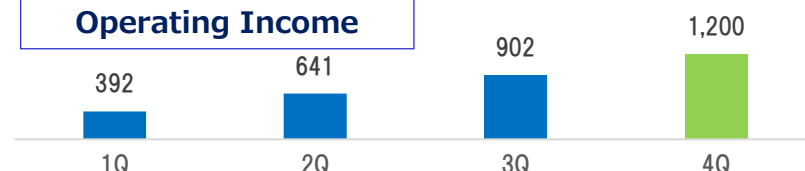
(Unit: Millions of JPY)

	March 2022 period 1-3Q	March 2022 period full-year (forecast)	March 2022 period 1-3Q progress	Full year estimation and annual dividend
Net sales	26,354	<b>35,000</b>	75.3%	<p><b>1. Full year forecast</b> Despite people still live under restriction due to the COVID19, NIPPO factories have recovered the production in response to customers' strong demands. The global concern- "insufficient supply of semiconductors and electronic components"; however, slowed the momentum. The progress rate up to 3Q has exceeded the forecast; however, it is difficult to accurately forecast the impact of the shortage on 4Q performance. Therefore, the full-year forecast announced on May 14, 2021 has been left unchanged.</p> <p><b>2. Ordinary dividend</b> Since the full year forecast remained unchanged, the ordinary dividend is 20 yen per common share as originally announced.</p>
Operating income	902	<b>1,200</b>	75.2%	
Ordinary income	983	<b>1,130</b>	87.0%	
Net income	732	<b>800</b>	91.5%	
Annual dividend	—	<b>20円</b>		

Net sales



Operating Income



※This full-year forecast is based on information available as of the date of publication of this material, and actual value may differ from the forecast due to various factors in the future. If it is determined that the forecast needs to be revised, we will announce it again.

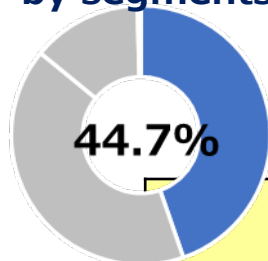
# Results by Segments\_ Electronics



※Net sales here are sales BEFORE the adoption of revenue recognition standard.

(Unit: Millions of JPY)

## Net sales ratio by segments



revenue ↑

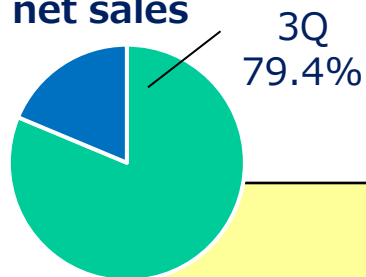
profit ↑

### 3Q summary

	March 2021 Period 2Q	March 2022 Period 3Q	YoY	Change
Net sales	13,333	<b>14,764</b>	111%	+1,431
Operating income	814	<b>967</b>	119%	+153

- In response to the "insufficient supply of semiconductors and electronic components" for automobiles, home appliances and electronic equipment, electronic component manufacturer still increase the production. In response, orders for smartphone-related materials, semiconductor materials and the wafer polishing carrier were firm.
- Dry film processing business at the Vietnam factory reduced the order because smartphone-related manufacturers delayed the production schedule due to "insufficient supply of semiconductors and electronic components".

## Progress of net sales



### Forecasts

	March 2021 Period	March 2022 Period (forecast)	YoY	Change
Net sales	18,268	<b>18,600</b>	102%	+332
Operating income	1,046	<b>1,200</b>	115%	+154

- Orders for smartphone-related and semiconductor materials are expected to remain firm.
- Orders for general-purpose printed circuit board materials are decreasing gradually; however, order for high-end printed circuit board materials are to cover the loss.
- Dry film processing business at the Vietnam factory will improved; however, the recovery is possibly not enough to cover the past-loss.

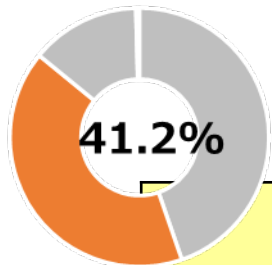
# Results by Segments\_ Mobility



※Net sales here are sales BEFORE the adoption of revenue recognition standard.

(Unit: Millions of JPY)

## Net sales ratio by segments



revenue ↑

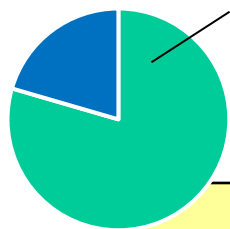
profit ↑

### 3Q summary

	March 2021 Period 2Q	March 2022 Period 3Q	YoY	Change
Net sales	11,620	<b>13,616</b>	117%	+1,996
Operating income	270	<b>750</b>	278%	+480

- The recovery production plans of major automotive-related customers slowed due to "insufficient supply of semiconductors and electronic components". Compared to the same period of the previous fiscal year, however, orders are significantly increased.
- Business performance improved due to the withdrawal from the Mexican manufacturing business.

## Progress of net sales



### Forecasts

	March 2021 Period	March 2022 Period (forecast)	YoY	Change
Net sales	15,963	<b>17,500</b>	110%	+1,537
Operating income	485	<b>950</b>	196%	+465

- Although major customers' production schedule include the recovery plans, concerns such as "insufficient supply of semiconductors and electronic components" will possibly revise the pre-announced schedule.
- Despite the outlook remains uncertain due to the rising logistics costs triggered by the shortages of transport vessels and containers, full year forecast is expected to be achieved.

# Results by Segment

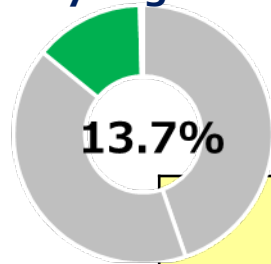
## Medical & Precision Devices



※Net sales here are sales BEFORE the adoption of revenue recognition standard.

(Unit: Millions of JPY)

### Net sales ratio by segments



revenue ↑  
profit ↑

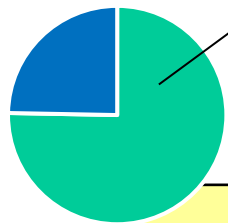
13.7%

### 3Q summary

	March 2021 Period 2Q	March 2022 Period 3Q	YoY	Change
Net sales	4,150	<b>4,512</b>	109%	+ 362
Operating income	△89	△46	—	+ 43

- Orders for medical equipment components in Thailand (Korat) factory were remained firm.
- Although orders for printer-related parts have shifted to a recovery phase, their momentum is slower than the other segments due to "insufficient supply of semiconductors and electronic components."
- Despite a recovery in orders, the segment was unable to cover the COVID-triggered production reduction for printer-related components (particularly at the Vietnamese factory). As a result, the segment continued to record an operating loss.

### Progress of net sales



3Q  
75.2%

### Forecasts

	March 2021 Period	March 2022 Period (forecast)	YoY	Change
Net sales	5,877	<b>6,000</b>	102%	+ 123
Operating income	△43	<b>+0</b>	—	+43

- Order for printer-related parts for Thailand (Korat) factory and Philippine factory are returning to the pre-COVID levels; however, orders for Vietnam plant are still unpredictable due to "insufficient supply of semiconductors and electronic components."
- Order for the medical equipment components in Thailand (Korat) factory are expected to remain firm.



# References



# Consolidated Balance sheet

March 2022 Period 3Q



(Unit: Millions of JPY)

		March 2021 Period	March 2022 Period 3Q	Change			March 2021 Period	March 2022 Period 3Q	Change	
Assets	Current assets	13,727	15,337	+1,610	Liabilities	Current liabilities	12,549	12,436	△113	
	Cash and deposits	2,940	3,940	+1,000		Notes and accounts payable-trade	7,596	7,848	252	
	Notes and accounts receivable-trade etc.	7,810	7,774	△35		Short-term loans payable	2,258	2,497	238	
	Inventories	2,460	2,875	+415		Others	2,695	2,090	△603	
	Others	517	746	+230		Non-current liabilities	3,159	3,175	+16	
	固定資産	10,977	10,102	△875		Long-term loans payable	515	516	+1	
	Tangible fix assets	8,239	7,281	△958		Others	2,644	2,658	+15	
	Intangible fix assets	121	109	△11		Total	15,708	15,612	△96	
	Investments and other assets	2,616	2,710	+93		Net assets	Capital stock	3,137	3,137	-
	Total	24,705	25,439	+734			Capital surplus, Retained earnings, Treasury stock	5,587	6,227	+641
				Accumulated other comprehensive income	270		460	+189		
				Non-controlling interests	1		1	△0		
				Total	8,996		9,827	+831		
				Total	24,705	25,439	+734			

## **NIPPO LTD.**

Corporate Planning Division  
Mizuguchi, Fujinami

Telephone : 052-218-3161  
E-Mail : [ir@nip.co.jp](mailto:ir@nip.co.jp)  
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 1US\$ = 105JPY 1THB = 3.5JPY