



NIPPO LTD.

(TSE Code : 9913)

**March 2023 Period 1st Quarter
Financial Results**

~Supplementary materials~

August 3rd, 2022

President

Yasuchika Iwasa

Consolidated Financial Results (1)

March 2023 Period 1Q

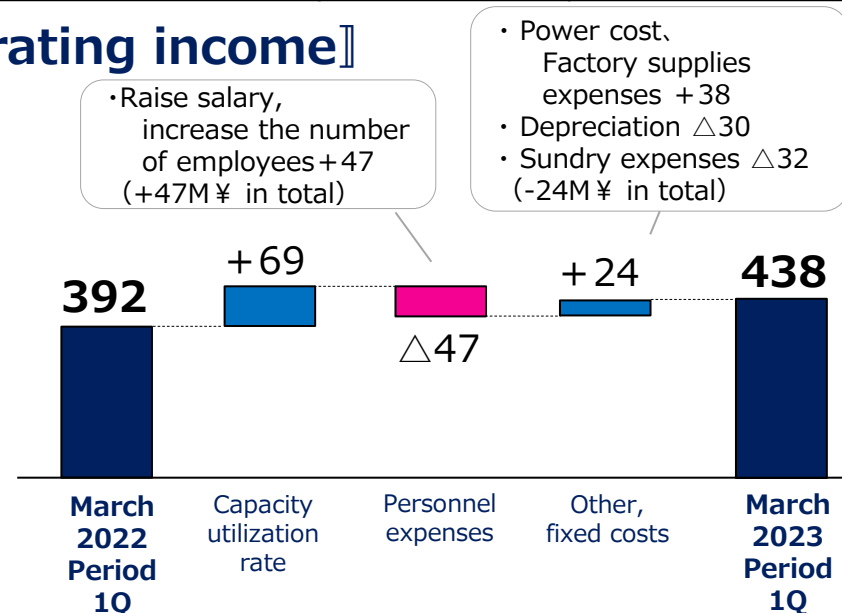
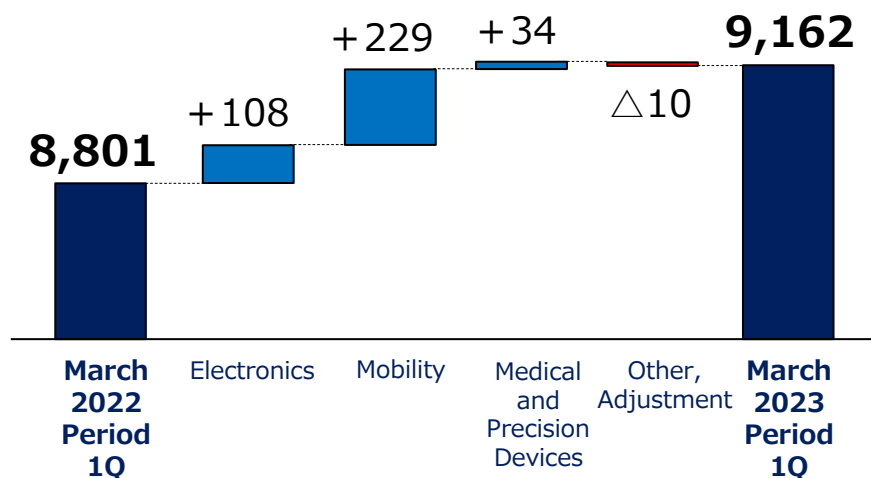


(Unit: Millions of JPY)

	March 2022 Period 1Q	March 2023 Period 1Q	YoY	Change
Net sales	8,801	9,162	104%	+ 361
Operating income	392	438	112%	+ 46
Ordinary income	411	316	77%	△95
Quarterly net income	286	136	48%	△150

[[Net sales]]

[[Operating income]]

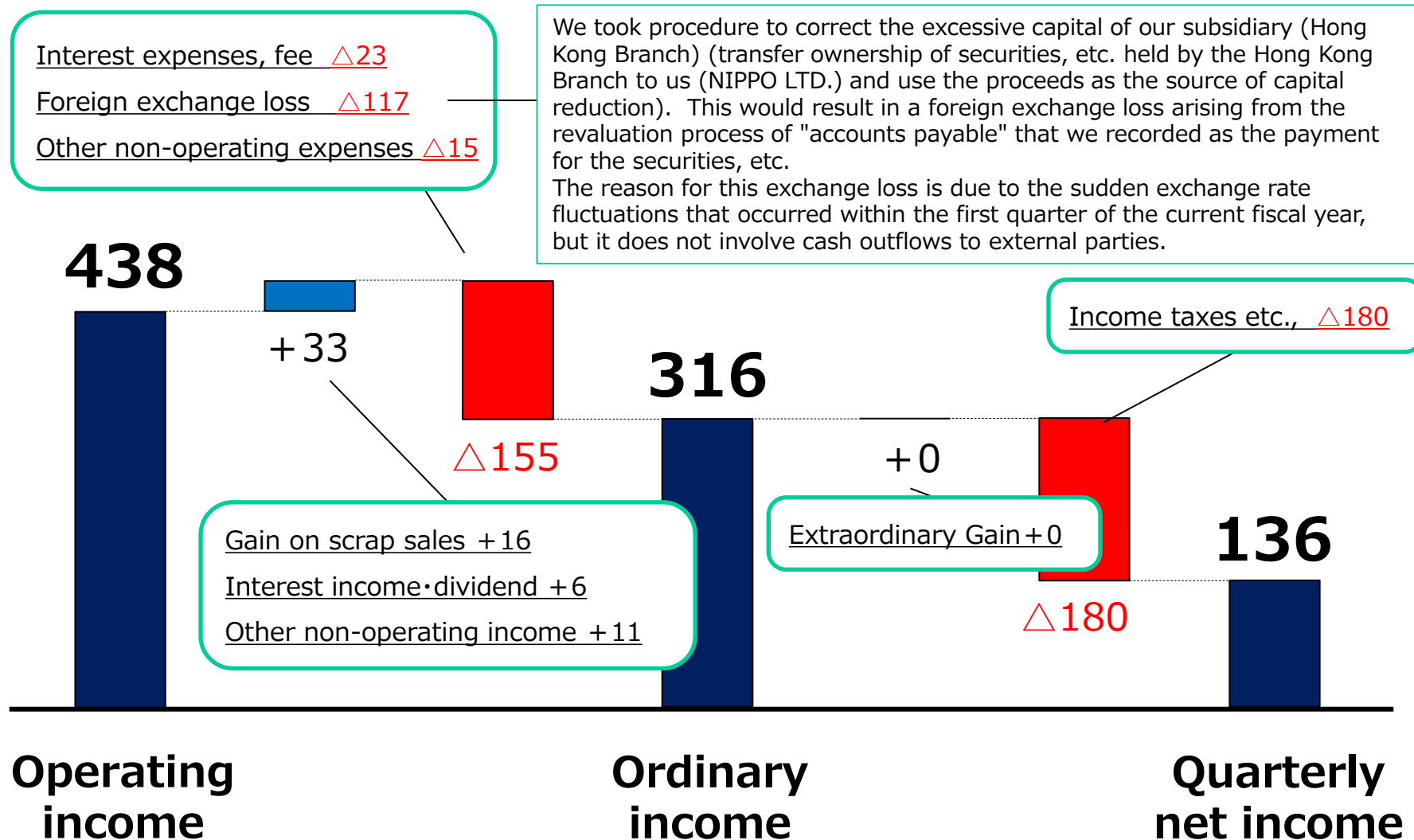


Consolidated Financial Results (2)

March 2023 Period 1Q



(Unit: Millions of JPY)



We took procedure to correct the excessive capital of our subsidiary (Hong Kong Branch) (transfer ownership of securities, etc. held by the Hong Kong Branch to us (NIPPO LTD.) and use the proceeds as the source of capital reduction). This would result in a foreign exchange loss arising from the revaluation process of "accounts payable" that we recorded as the payment for the securities, etc.
The reason for this exchange loss is due to the sudden exchange rate fluctuations that occurred within the first quarter of the current fiscal year, but it does not involve cash outflows to external parties.

Full-year forecast

March 2023 Period



~Taking into consideration the possible negative trend from the 2Q to the first half of 3Q, we have left the full-year forecast unchanged~ (Unit: Millions of JPY)

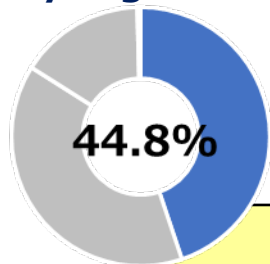
	March 2023 period 1Q	March 2023 period full-year (forecast)	March 2023 period 1Q progress	Full year estimation and annual dividend
Net sales	9,162	37,500	24.4%	<p>1. Full-year earning forecast Following risks are possibly cause negative impact on consolidated results. Therefore, we have left the full-year forecast announced on May 13,2022 unchanged.</p> <ul style="list-style-type: none"> ①Deterioration in the shortage of semiconductor supplies ②Lockdown due to the spread of COVID 19 ③Prolonged or worsening increases in resource prices and power costs ④Sudden fluctuations in foreign exchange rates ⑤Prolonged or worsening rise in logistics costs <p>2. Annual dividend forecast Since full-year forecast remains unchanged, the annual dividend "28 JPY per share" has also been left unchanged.</p> <p>※Full-year forecasts are calculated based on the information available as of the date of publication of this document. Actual results will possibly differ from those anticipated results due to various factors.</p>
Operating income	438	1,550	28.3%	
Ordinary income	316	1,450	21.8%	
Net income	136	1,050	13.0%	
Annual dividend	—	28JPY Per share		

Results by Segments_ Electronics



(Unit: Millions of JPY)

Net sales ratio by segments



revenue ↑

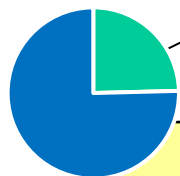
Profit ↓

	March 2022 Period 1Q	March 2023 Period 1Q	YoY	Change
Net sales	4,031	4,139	103%	+ 108
Operating income	331	306	93%	△25

1Q summary

- Due to robust demand for semiconductors, orders for wafer polishing carriers at the Okinawa Plant remained strong.
- Orders for circuit board materials and the dry film business at the Vietnam plant remained firm, supported by increased production by customers.
- On the other hand, orders for smartphone-related components entered an adjustment phase, and affected supply chain disruptions triggered by the Chinese lock-down.

Progress of net sales



1Q
24.6%

	March 2022 Period	March 2023 Period (forecast)	YoY	Change
Net sales	16,576	16,800	101%	+ 224
Operating income	1,324	1,200	91%	△124

Forecasts

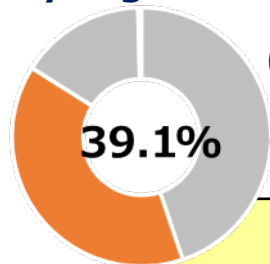
- Orders for circuit board materials, carriers for wafer polishing, and dry film business at the Vietnam plant are expected to remain firm.
- Since customer's production adjustments are possibly prolonged, orders for smartphone-related components are uncertain.
- Upfront investment to strengthen manufacturing functions (slit processing, carriers for wafer polishing, and high-performance adhesives) and activity cost for new development are to be increased.

※The value is BEFORE consolidation adjustment between segments.

Results by Segments_Mobility



Net sales ratio by segments



revenue ↑

profit ↑

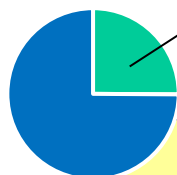
1Q summary

(Unit: Millions of JPY)

	March 2022 Period 1Q	March 2023 Period 1Q	YoY	Change
Net sales	3,391	3,620	107%	+229
Operating income	307	378	123%	+71

- Orders for coiled components at the Inazawa Plant and domestic-produced automobile-related parts declined because customer reduced the number of production due to the shortage of semiconductor supply.
- On the other hand, orders for powertrain systems components at major ASEAN factories, such as the Thai (Bangkok) plant and the Indonesian plant remained strong.

Progress of net sales



1Q
25.1%

Forecasts

	March 2022 Period	March 2023 Period (forecast)	YoY	Change
Net sales	13,092	14,400	110%	+1,308
Operating income	1,042	1,250	120%	+208

- Orders at the Thai (Bangkok) plant and the Indonesian plant are expected to remain strong.
- Although orders for coiled components at the Inazawa Plant are affected by a shortage of semiconductor supply; on a full-year basis, they are expected to remain at the same level as the previous year.
- Continue activities to “strengthen cost competitiveness” with the aim to improve profitability.

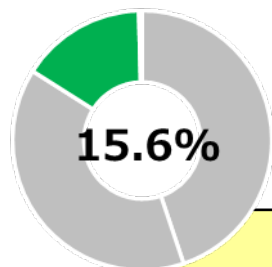
Results by Segment

_ Medical & Precision Devices



Net sales ratio by segments

(Unit: Millions of JPY)



revenue ↑

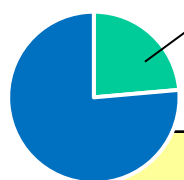
Profit ↓

1Q summary

	March 2022 Period 1Q	March 2023 Period 1Q	YoY	Change
Net sales	1,405	1,439	102%	+ 34
Operating income	△12	△14	—	△2

- Orders for medical equipment components for contract manufacturing were firm at Thai (Korat) plant.
- Order receipts for printer-related parts for the Thai (Korat) and Vietnamese plants were unable to return to profitability due to continued weakness in customers' production plans affected by the semiconductor and electronic components shortage, and a sharp decline in orders planned.

Progress of net sales



1Q
23.6%

Forecasts

	March 2022 Period	March 2023 Period (forecast)	YoY	Change
Net sales	5,941	6,100	103%	+ 159
Operating income	△17	100	—	+117

- Orders for medical equipment components at the Thailand (Korat) plant are expected to remain firm.
- Initiated upfront investment and activities aimed at obtaining licenses to build a domestic production system for medical device components. (Full-scale mass production is scheduled for fiscal 2025)
- Outlook for printer-related component orders is unclear, although customers' production planning is expected to improve from the second half of 3Q

※The value is BEFORE consolidation adjustment between segments.



References

Consolidated Balance sheet

March 2023 Period 1Q



(Unit: Millions of JPY)

		March 2022 Period	March 2023 Period 1Q	Change
Assets	Current assets	15,582	16,394	+812
	Cash and deposits	4,580	4,781	+200
	Notes and accounts receivable-trade etc.	7,576	7,400	△176
	Inventories	2,811	3,295	+483
	Others	612	917	+304
	Fixed assets	10,505	11,140	+635
	Tangible fix assets	7,452	7,723	+270
Intangible fix assets	115	203	+87	
Investments and other assets	2,937	3,213	+276	
Total		26,087	27,535	+1,447

		March 2022 Period	March 2023 Period 1Q	Change
Liabilities	Current liabilities	12,586	13,063	+476
	Notes and accounts payable-trade	7,415	7,916	+501
	Short-term loans payable	3,114	2,962	△151
	Others	2,057	2,183	+125
	Non-current liabilities	3,135	3,436	+300
	Long-term loans payable	526	687	+160
	Others	2,609	2,749	+140
Total		15,722	16,500	+777
Net assets	Capital stock	3,137	3,137	-
	Capital surplus, Retained earnings, Treasury stock	6,526	6,462	△63
	Accumulated other comprehensive income	699	1,433	+734
	Non-controlling interests	1	1	△0
	Total	10,364	11,035	+670
Total		26,087	27,535	+1,447

NIPPO LTD.

Corporate Planning Division
Mizuguchi, Fujinami

Telephone : 052-218-3161
E-Mail : 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 , 1USD = 130JPY, 1TB = 3.6JPY