



TSE code : 9913

NIPPO LTD.

(TSE Code : 9913)

**March 2023 Period
Financial Results**

~Supplementary materials~

May 12, 2023

President

Yasuchika Iwasa

Consolidated Financial Results (1)

March 2023 Period

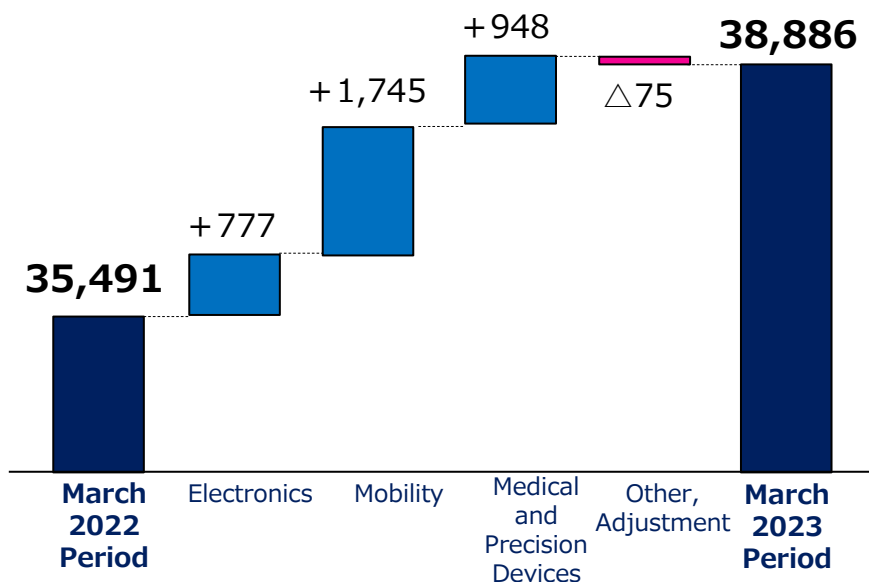


(Unit: Millions of JPY)

	March 2022 Period	March 2023 Period -Plan	March 2023 Period -Results	YoY	Change
Net Sales	35,491	37,500	38,886	110%	3,395
Operating Profit	1,342	1,790	1,912	142%	570
Ordinary Profit	1,423	1,710	1,871	131%	448
Profit	1,031	1,170	1,269	123%	238

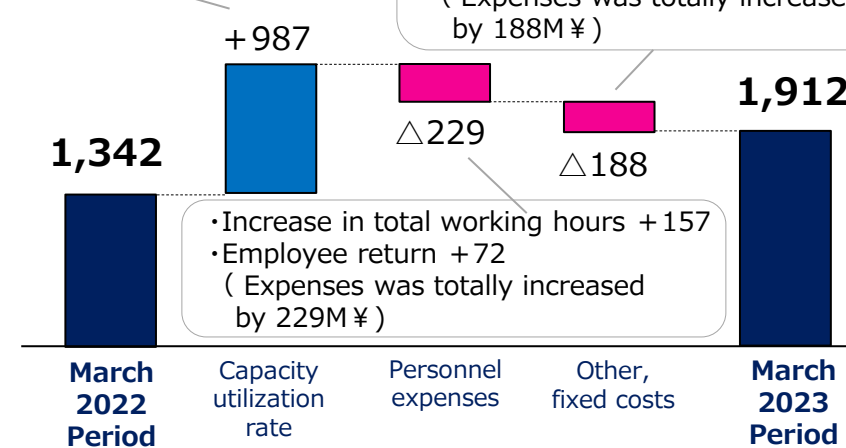
[[Net sales]]

[[Operating Profit]]



• Among them, the effect of yen depreciation +154

• Logistics cost $\Delta 6$
 • Power cost.
 Factory supplies expenses +150
 • Depreciation +8
 • Sundry expenses etc. +36
 (Expenses was totally increased by 188M ¥)



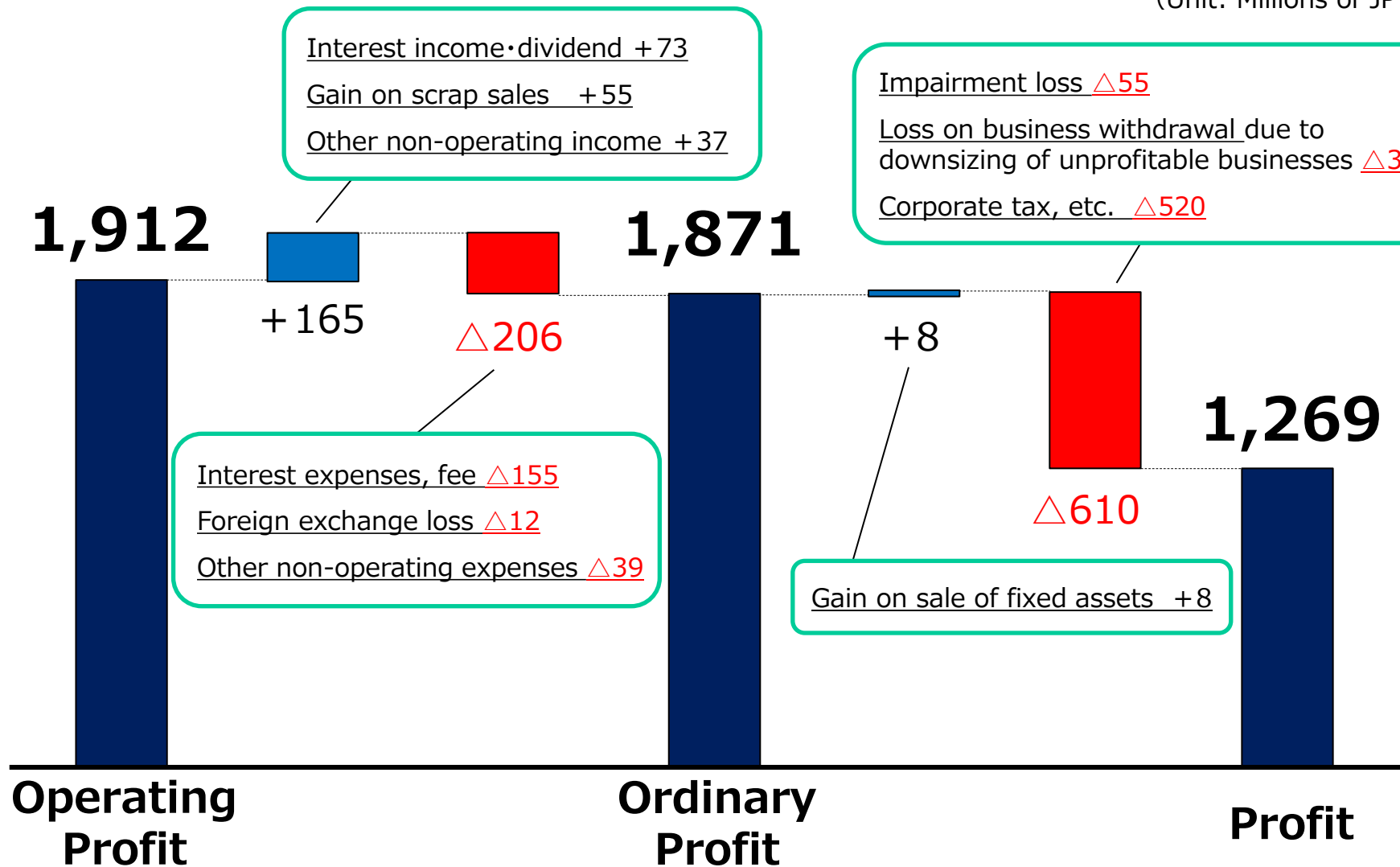
• Increase in total working hours +157
 • Employee return +72
 (Expenses was totally increased by 229M ¥)

Consolidated Financial Results (2)

March 2023 Period



(Unit: Millions of JPY)



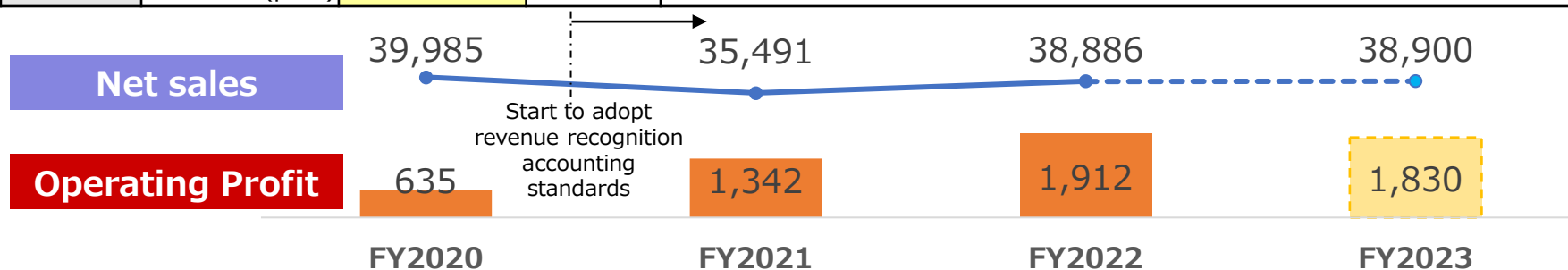
Full-year Forecast

March 2024 Period



(Unit: Millions of JPY)

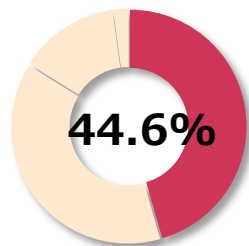
	March 2023 period (results)	March 2024 period (forecast)	YoY	Remarks
Net sales	38,886	38,900	100%	1. Outlook for Consolidated Full-Year Results ①Semiconductor supply shortages remain unresolved in some industries and regions ②Continuing soaring resource prices (including power costs) ③Economic security measures, etc. in each country are affecting the supply chain While recognizing the above-mentioned negative factors, we also recognize the manifestation of effects from the measures we have taken so far as positive factors. As for the full-year earnings forecast for the fiscal year ending March 2024, sales are expected to remain almost unchanged from the previous year. On the other hand, operating income is expected to decline due to the impact of increased expenses related to upfront investment in preparation for the "Mid-term Management Plan 2028- gear change phase."
Operating profit	1,912	1,830	96%	
Ordinary profit	1,871	1,810	97%	
Profit	1,269	1,270	100%	
Annual dividend	33JPY Per share (plan)	40JPY Per share	+7JPY	



Results by Segments_ Electronics



Net sales ratio by segments



Revenue ↑

Profit ↓

Summary of Mar 2023 period

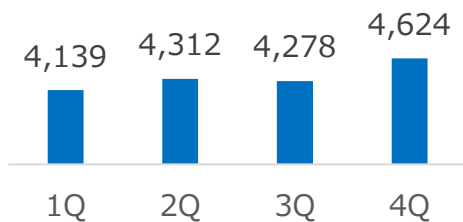
(Unit: Millions of JPY)

	Mar 2022 period	Mar 2023 period	YoY	Change
Net sales	16,576	17,353	105%	+777
Operating Profit	1,324	1,245	94%	△79

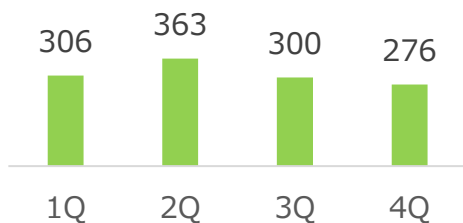
- The results was affected by a decrease in orders for smartphone-related components, which entered an adjustment phase. However, orders for wiring board materials for communication base stations and servers, dry films at the Vietnam factory, and wafer polishing carriers at the Okinawa factory remained strong, which resulting in the sales increase.
- Recorded expenses for expanding the dry film business (enhancement of the production capacity of the Vietnam factory and the start-up of mass production at the Thailand (Korat) factory) according to the plan.

Quarterly Progress

< Net Sales >



< Operating Profit >



Forecast of Mar 2024 period

	Mar 2023 period	Mar 2024 period (forecast)	YoY	Change
Net sales	17,353	17,400	100%	+47
Operating Profit	1,245	1,245	100%	±0

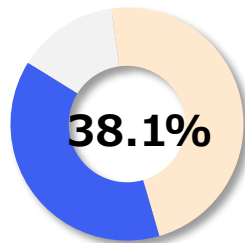
■ Change factor

- Orders for smartphone-related components are expected to remain in an adjustment phase for the time being.
- Orders for wiring board materials and wafer polishing carriers are expected to remain firm.
- Although the recovery of smartphone-related parts and the outlook of the semiconductor market are uncertain, the electronics segment is expected to achieve almost the same net sales and operating income as the previous year.

Results by Segments_Mobility



Net sales ratio by segments



Revenue ↑

Profit ↑

Summary of Mar 2023 period

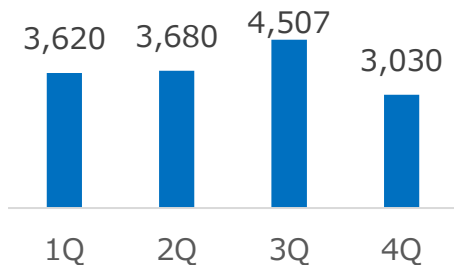
(Unit: Millions of JPY)

	Mar 2022 period	Mar 2023 period	YoY	Change
Net sales	13,092	14,837	113%	+1,745
Operating Profit	1,042	1,535	147%	+493

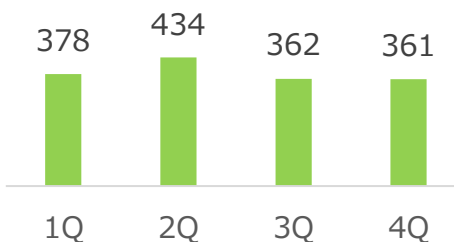
- Orders for powertrain components at main ASEAN factories (Thailand (Bangkok), Indonesia factory, etc.) were trending favorably.
- Production at domestic customers, which had been forced to reduce production due to a shortage of semiconductor supplies, has recovered to a certain level.
- Profit increased due the efforts to improve productivity through automation.

Quarterly Progress

< Net Sales >



< Operating Profit >



Forecast of Mar 2024 period

	Mar 2023 period	Mar 2024 period (forecast)	YoY	Change
Net sales	14,837	14,900	100%	+63
Operating Profit	1,535	1,470	96%	△65

■ Change factor

- Automobile production is on a recovery trend but considering the negative factors such as semiconductor supply shortages remaining in some regions and impact of economic security measures of respective country on the supply chain, sales for the fiscal year ending March 2024 are expected to be roughly the same as the previous year.
- On the other hand, operating income for the term ending March 2024 is expected to decline due to increase in expenses for upfront investment toward the "Mid-term Management Plan 2028- gear change phase" , impact of continuing soaring resource prices (including power costs) etc.

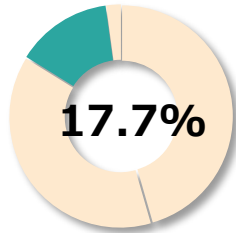
※The values are before consolidation adjustments between segments.

Results by Segment

_ Medical & Precision Devices



Net sales ratio by segments



Revenue ↑

Profit ↑

Summary of Mar 2023 period

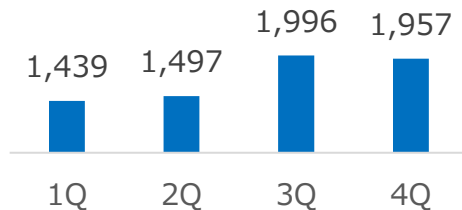
(Unit: Millions of JPY)

	Mar 2022 period	Mar 2023 period	YoY	Change
Net sales	5,941	6,889	116%	+ 948
Operating Profit	△17	126	—	+ 143

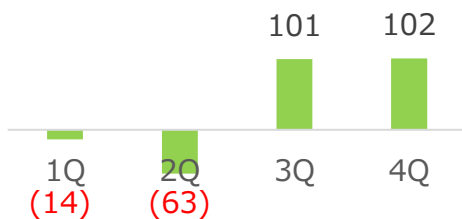
- Orders for medical equipment parts at the Thai (Korat) factory remained steady.
- Although regional disparities remained, orders for printer-related parts, which had been affected by production cutbacks due to supply shortages of semiconductors and electronic parts, were recovered.

Quarterly Progress

< Net Sales >



< Operating Profit >



Forecast of Mar 2024 period

	Mar 2023 period	Mar 2024 period (forecast)	YoY	Change
Net sales	6,889	6,900	100%	+ 11
Operating Profit	126	100	79%	△26

■ Change factor

- Orders for medical equipment parts at the Thai (Korat) factory are expected to remain strong.
- Order forecast for printer-related parts are uncertain due to changes in customers' production sites and fluctuations in production volume.
- In the fiscal year ending March 2024, the decrease in orders for printer-related parts will be covered by that of medical equipment parts, and sales are expected to remain almost unchanged from the previous year. On the other hand, operating income is expected to decrease due to the impact of expenses increase for investments to increase domestic production capacity in an aim to expand the sales ratio of medical equipment parts in the segment.

Results of Medium-Term Management Plan 2022



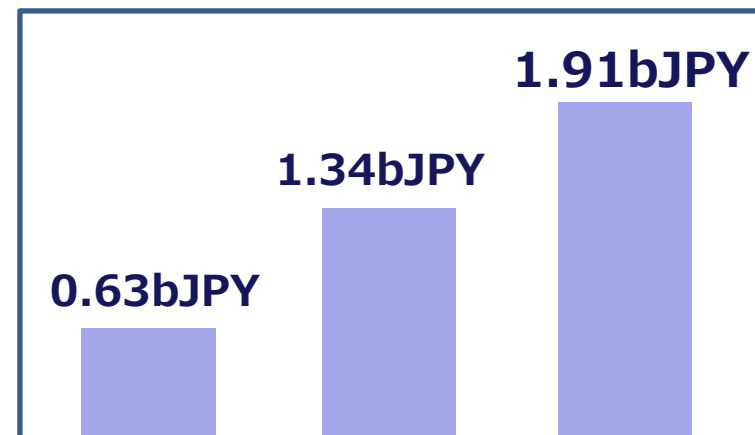
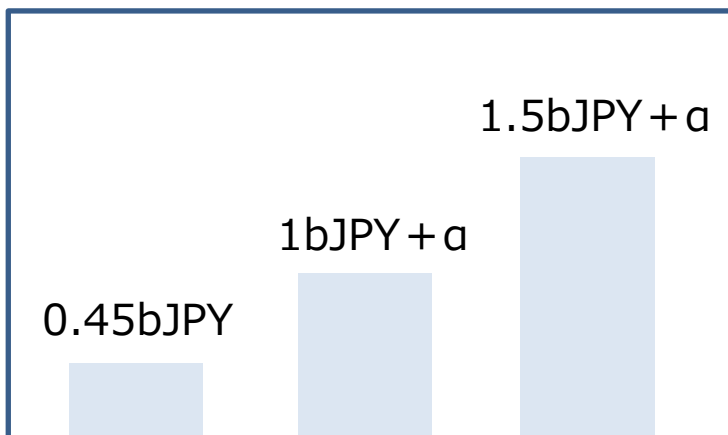
Plan (as of Nov 6, 2020)

Results

3-year total : **3bJPY**

3-year total : **3.88bJPY**

Operating Profit



FY2020 FY2021 FY2022

FY2020 FY2021 FY2022

ROE

... $\geq 9.0\%$

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

DE ratio

... ≤ 0.6

0.50 **0.46** **0.41**

Dividend

5JPY 10JPY+a 15JPY+a

10JPY **22JPY** **33JPY**
(※plan)

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

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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Cautionary Statement with Respect to the Forward-Looking Statements

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To note; the exchange rate used in this forecasts are 、 1USD = 133JPY、 1TB = 3.8JPY

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