



TSE code : 9913

# **NIPPO LTD.**

**(TSE Code : 9913)**

**March 2024 Period 1st Quarter  
Financial Results**

**~Supplementary materials~**

August 3, 2023

President

Yasuchika Iwasa

# Consolidated Financial Results (1)

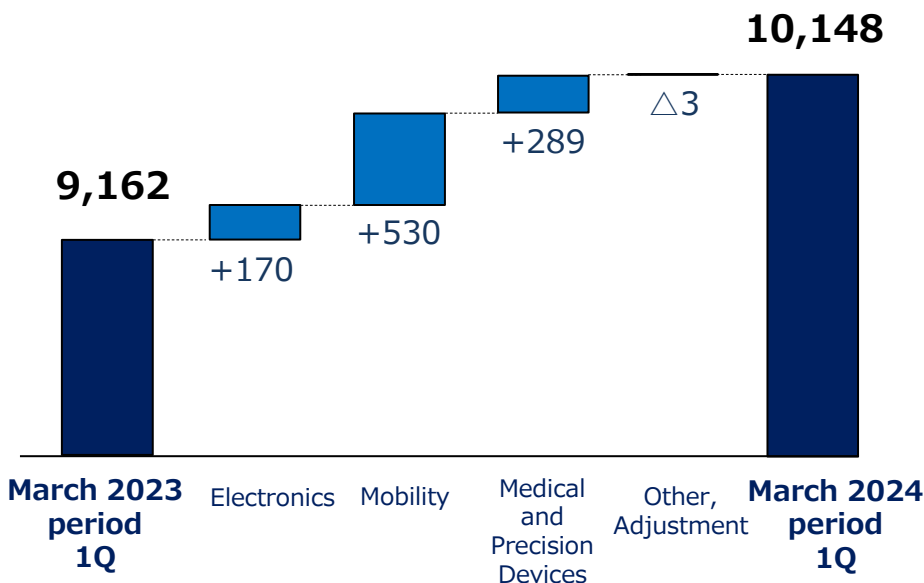
March 2024 Period 1Q



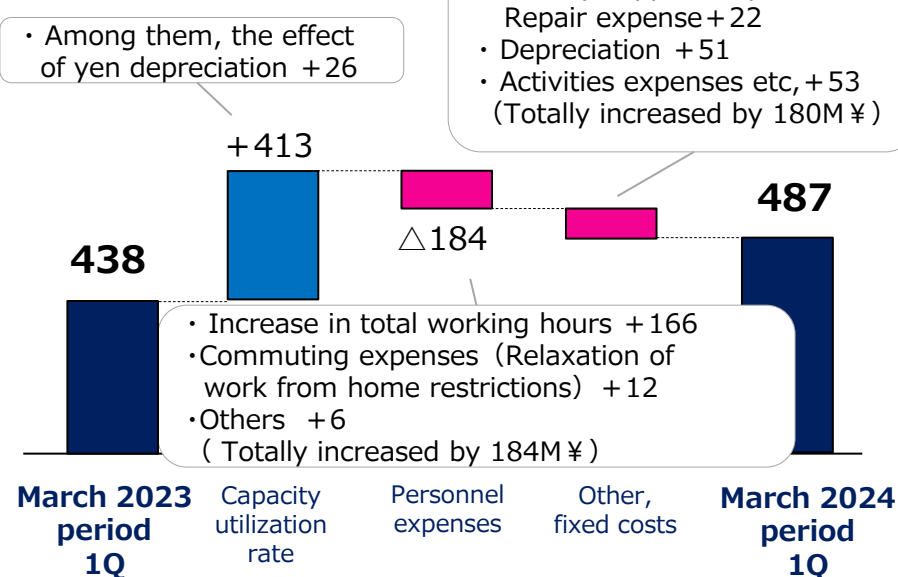
(Unit: Millions of JPY)

	March 2023 Period 1Q	March 2024 Period 1Q	YoY	Change
Net Sales	9,162	<b>10,148</b>	111%	+986
Operating Profit	438	<b>487</b>	111%	+49
Ordinary Profit	316	<b>528</b>	167%	+212
Profit	136	<b>335</b>	246%	+199

## [[Net sales]]



## [[Operating Profit]]

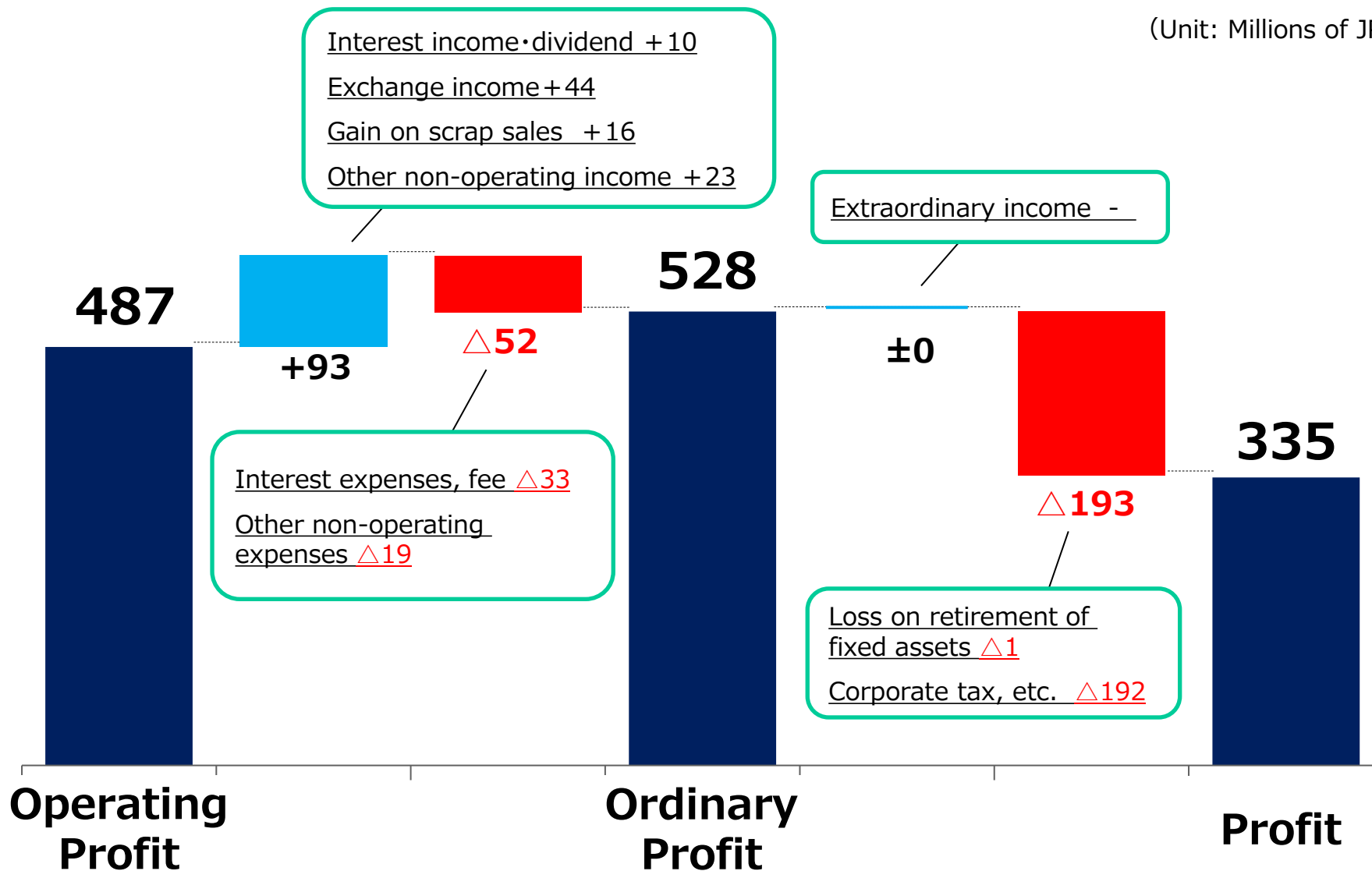


# Consolidated Financial Results (2)

March 2024 Period 1Q



(Unit: Millions of JPY)



# Full-year Forecast

March 2024 Period



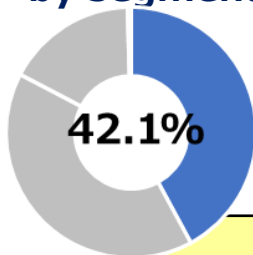
~Although sales are expected to decline in the 2Q because of the production adjustments by major ASEAN customers, the full-year earnings forecast remains unchanged due to recovery from the 3Q onwards.~

	March 2024 period 1Q (results)	March 2024 period (forecast)	Progress	Remarks (Unit: Millions of JPY)
Net sales	10,148	<b>38,900</b>	26.1%	<p>1. Outlook for Consolidated Full-Year Results</p> <p>In the 1Q, the mobility and medical &amp; precision device business performed well, but the full-year earnings forecast announced on May 12, 2023 remains unchanged because of the following reasons; orders will decrease in the 2Q due to production adjustments by major ASEAN customers, while they are expected to be recovered from the 3Q onwards and</p> <ul style="list-style-type: none"> <li>① Semiconductor supply shortages remain unresolved in some industries and regions</li> <li>② Soaring resource prices (including power costs) are continuing</li> <li>③ Efforts on economic security etc. in each country are affecting the supply chain</li> </ul> <p>2. Annual dividend</p> <p>Since the full-year consolidated earnings forecast has remained unchanged, the annual dividend of ¥40 per share is also unchanged.</p> <p>※These consolidated forecasts are based on available data as of the date of this press release and performance may differ materially from these forecasts owing to a variety of factors. In the event that it is deemed necessary to revise the outlook for full-year earnings forecasts, we will make another announcement.</p>
Operating profit	487	<b>1,830</b>	26.6%	
Ordinary profit	528	<b>1,810</b>	29.2%	
Profit	335	<b>1,270</b>	26.4%	
Annual dividend	(March 2023 period) <b>33JPY</b> Per share	<b>40JPY</b> Per share		

# Results by Segments\_ Electronics



## Net sales ratio by segments



Revenue ↑

Profit ↓

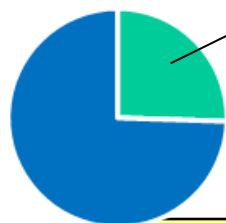
(Unit: Millions of JPY)

	Mar 2023 period 1Q	Mar 2024 period 1Q	YoY	Change
Net sales	4,139	<b>4,309</b>	104%	+ 170
Operating Profit	306	<b>282</b>	92%	△ 24

### 1Q Summary

- Orders for smartphone-related parts decreased due to the impact of customers' continued production adjustments.
- Sales increased due to strong orders for wiring board materials for communication base stations and servers, the dry film business at the Vietnam factory, and the carrier business for wafer polishing at the Okinawa factory.
- Income decreased due to upfront expenses recorded for the start-up of the dry film business at the Thailand (Korat) factory.

## Quarterly Progress



	Mar 2023 period	Mar 2024 period (Forecast)	YoY	Change
Net sales	16,854	<b>16,900</b>	100%	+ 46
Operating Profit	1,245	<b>1,245</b>	100%	± 0

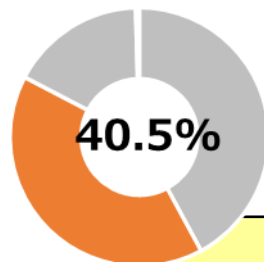
### Full-year Forecast

- Orders for wiring board materials, the dry film business at the Vietnam factory, and the carrier business for wafer polishing at the Okinawa factory are expected to remain strong.
- Although the recovery of orders for smartphone-related parts and the future of the semiconductor market are uncertain, the full year sales and operating income are expected to remain almost unchanged from the previous year.

# Results by Segments\_ Mobility



## Net sales ratio by segments



Revenue ↑

Profit ↑

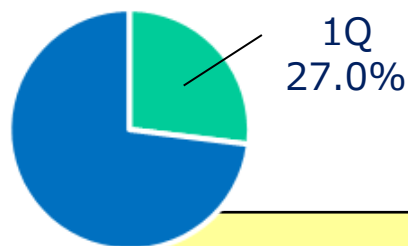
(Unit: Millions of JPY)

	Mar 2023 period 1Q	Mar 2024 period 1Q	YoY	Change
Net sales	3,620	<b>4,150</b>	115%	+ 530
Operating Profit	378	<b>418</b>	111%	+ 40

### 1Q Summary

- Orders received for powertrain components at the Thailand (Bangkok) factory decreased due to sluggish sales of customers' products for China.
- Regardless of the negative factor above, sales and profits increased due to strong orders received from domestic customers as their production recovered, as well as steady orders received at Indonesia and Vietnam factory.

## Quarterly Progress



	Mar 2023 period	Mar 2024 period (Forecast)	YoY	Change
Net sales	15,337	<b>15,400</b>	100%	+ 63
Operating Profit	1,535	<b>1,470</b>	96%	△ 65

### Full-year Forecast

- In the 2Q, orders are expected to be decreased due to the impact of decreasing orders at the Thailand (Bangkok) factory and production adjustments by major ASEAN customers. Due to the recovering order from the 3Q onwards, however, full-year sales are expected to remain almost unchanged from the previous year.
- Operating profit is expected to decline due to increasing expenses for upfront investment (further horizontal deployment of automation, product development that applies winding technology, etc.) and soaring resource prices (including power costs), which were estimated in the Medium-term Management Plan 2025.

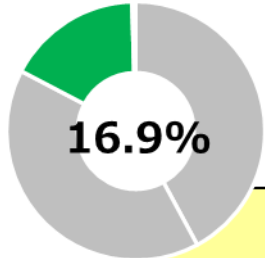
# Results by Segment

## \_ Medical & Precision Devices



### Net sales ratio by segments

(Unit: Millions of JPY)



Revenue ↑

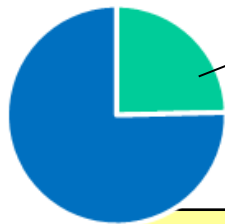
Profit ↑

	Mar 2023 period 1Q	Mar 2024 period 1Q	YoY	Change
Net sales	1,439	<b>1,728</b>	120%	+ 289
Operating Profit	△14	<b>36</b>	—	+ 50

### 1Q Summary

- Orders for medical equipment parts at the Thai (Korat) factory remained strong.
- Sales and profits of printer-related parts increased due to steady orders received at the Vietnam factory and the Philippines factory, even though orders received at the Thailand (Korat) factory decreased due to production cutbacks due to changes in customers' supply chains and supply shortages of semiconductors and electronic components.

### Quarterly Progress



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

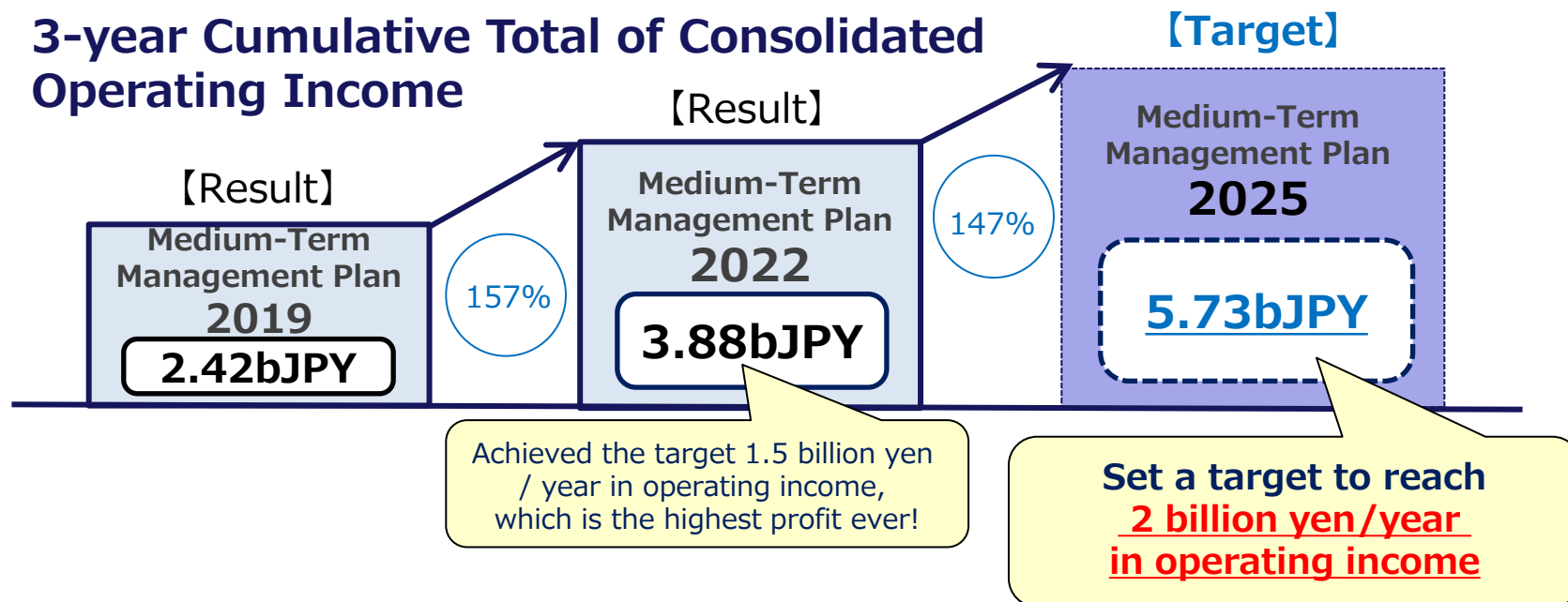
### Full-year Forecast

- Orders for medical equipment parts at the Thai (Korat) factory are expected to remain firm.
- The order outlook for printer-related parts is uncertain due to changes in customers' production sites and fluctuations in production volume.
- Full-year sales are expected to remain almost unchanged from the previous year because orders for medical equipment parts will cover the decrease in orders for printer-related parts. Profit, on the other hand, is expected to decrease due to the increased expenses for upfront investment (increase in domestic production capacity of medical equipment parts) set forth in the medium-term management plan.

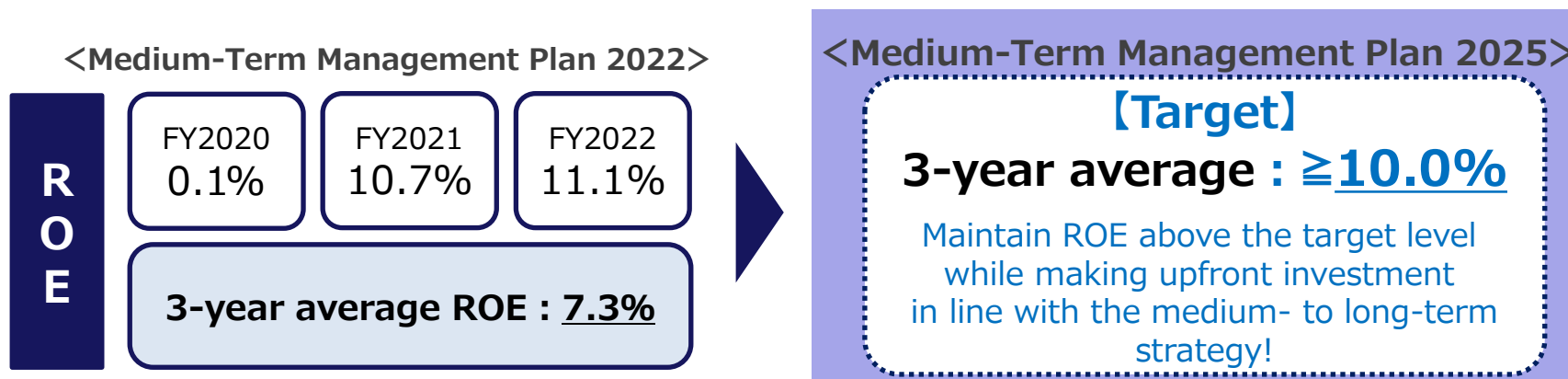
# Medium-Term Management Plan 2025 - Quantitative Targets



## 3-year Cumulative Total of Consolidated Operating Income



## ROE: showing shareholders' equity efficiency





# Medium-Term Management Plan 2025

## - Net Sales and Operating Profit by segment



(Unit: JPY billion)¥

		FY2022	FY2023	FY2024	FY2025
Electronics	Net Sales	16.85	16.90	17.50	18.10
	Operating Profit	1.24	1.24	1.26	1.30
Mobility	Net Sales	15.33	15.40	15.90	16.50
	Operating Profit	1.53	1.47	1.50	1.54
Medical and Precision Devices	Net Sales	6.88	6.90	7.20	7.50
	Operating Profit	0.12	0.10	0.15	0.20
Company-wide expenses (including development expenses) and adjustments	Net Sales	△ 0.18	△ 0.30	△ 0.30	△ 0.30
	Operating Profit	△ 0.98	△ 0.98	△ 1.01	△ 1.04
Consolidated Total	Net Sales	<b>38.88</b>	<b>38.90</b>	<b>40.30</b>	<b>41.80</b>
	Operating Profit	<b>1.91</b>	<b>1.83</b>	<b>1.90</b>	<b>2.00</b>
			Three-year cumulative operating profit		<b>5.73</b>

※The exchange rates used to set the quantitative targets of the Medium-term Management Plan 2025 are calculated at US\$1 = ¥133 and Thai baht = ¥3.8.

# 【Reference】 Consolidated Balance Sheet



March 2024 Period 1Q

(Unit: Millions of JPY)

		March 2023 Period	March 2024 Period 1Q	Change
Assets	Current assets	16,582	16,632	+50
	Cash and deposits	4,910	5,161	+251
	Notes and accounts receivable-trade etc.	7,340	7,524	+183
	Inventories	3,523	3,040	△483
	Other	807	906	+98
	Non-current assets	12,091	12,536	+444
	Property, plant and equipment	8,230	8,369	+139
	Intangible assets	380	393	+12
	Investments and other assets	3,480	3,773	+292
	<b>Total</b>	<b>28,674</b>	<b>29,169</b>	<b>+494</b>

		March 2023 Period	March 2024 Period 1Q	Change
Liabilities	Current liabilities	12,713	12,484	△229
	Notes and accounts payable-trade	7,725	7,746	+21
	Short-term borrowing	2,481	2,357	△124
	Other	2,506	2,380	△126
	Non-current liabilities	3,430	3,667	+236
	Long-term borrowing	920	859	△60
	Other	2,510	2,807	+297
	<b>Total</b>	<b>16,144</b>	<b>16,152</b>	<b>+7</b>
Net assets	Share capital	3,137	3,137	-
	Capital surplus, Retained earnings, Treasury shares	7,465	7,512	+47
	Accumulated other comprehensive income	1,925	2,365	+440
	Non-controlling interests	1	1	△0
	<b>Total</b>	<b>12,530</b>	<b>13,017</b>	<b>+487</b>
<b>Total</b>	<b>28,674</b>	<b>29,169</b>	<b>+494</b>	

## **NIPPO LTD.**

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### **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 = 133JPY、 1TB = 3.8JPY

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