



TSE code : 9913

NIPPO LTD.

(TSE Code : 9913)

**March 2024 Period 2nd Quarter
Financial Results**

~Supplementary materials~

November 6, 2023

President

Yasuchika Iwasa

Consolidated Financial Results (1)

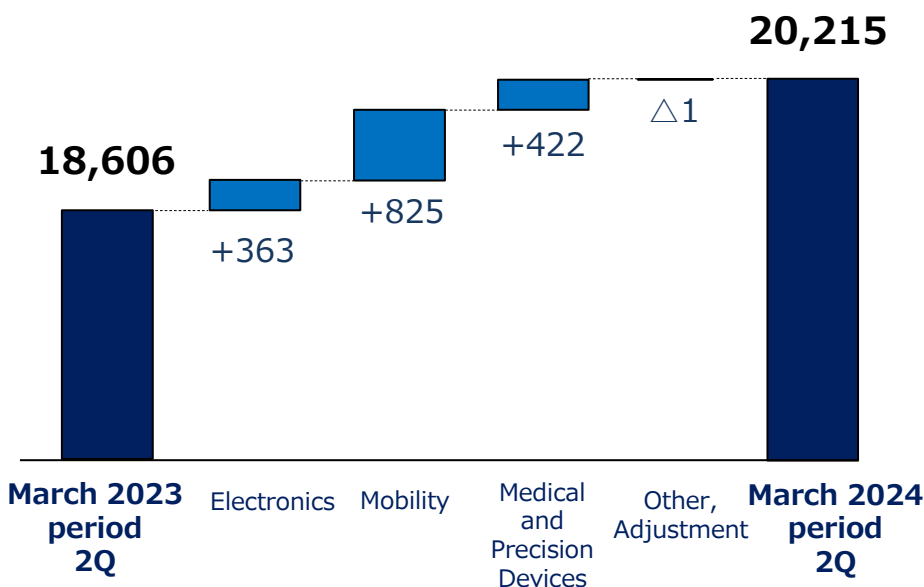
March 2024 Period 2Q



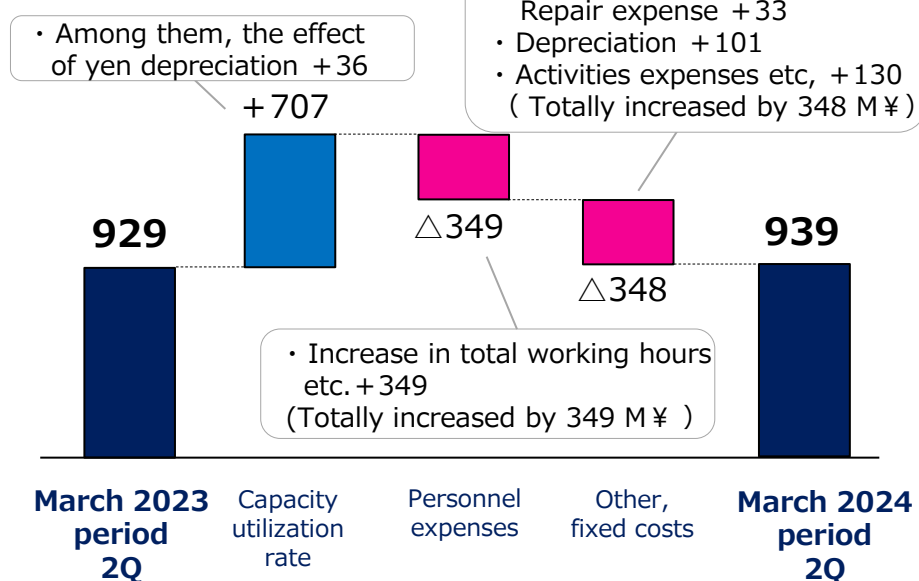
(Unit: Millions of JPY)

	March 2023 Period 2Q	March 2024 Period 2Q	YoY	Change
Net Sales	18,606	20,215	109%	+1,609
Operating Profit	929	939	101%	+10
Ordinary Profit	905	1,097	121%	+192
Profit	590	755	128%	+165

[[Net sales]]



[[Operating Profit]]

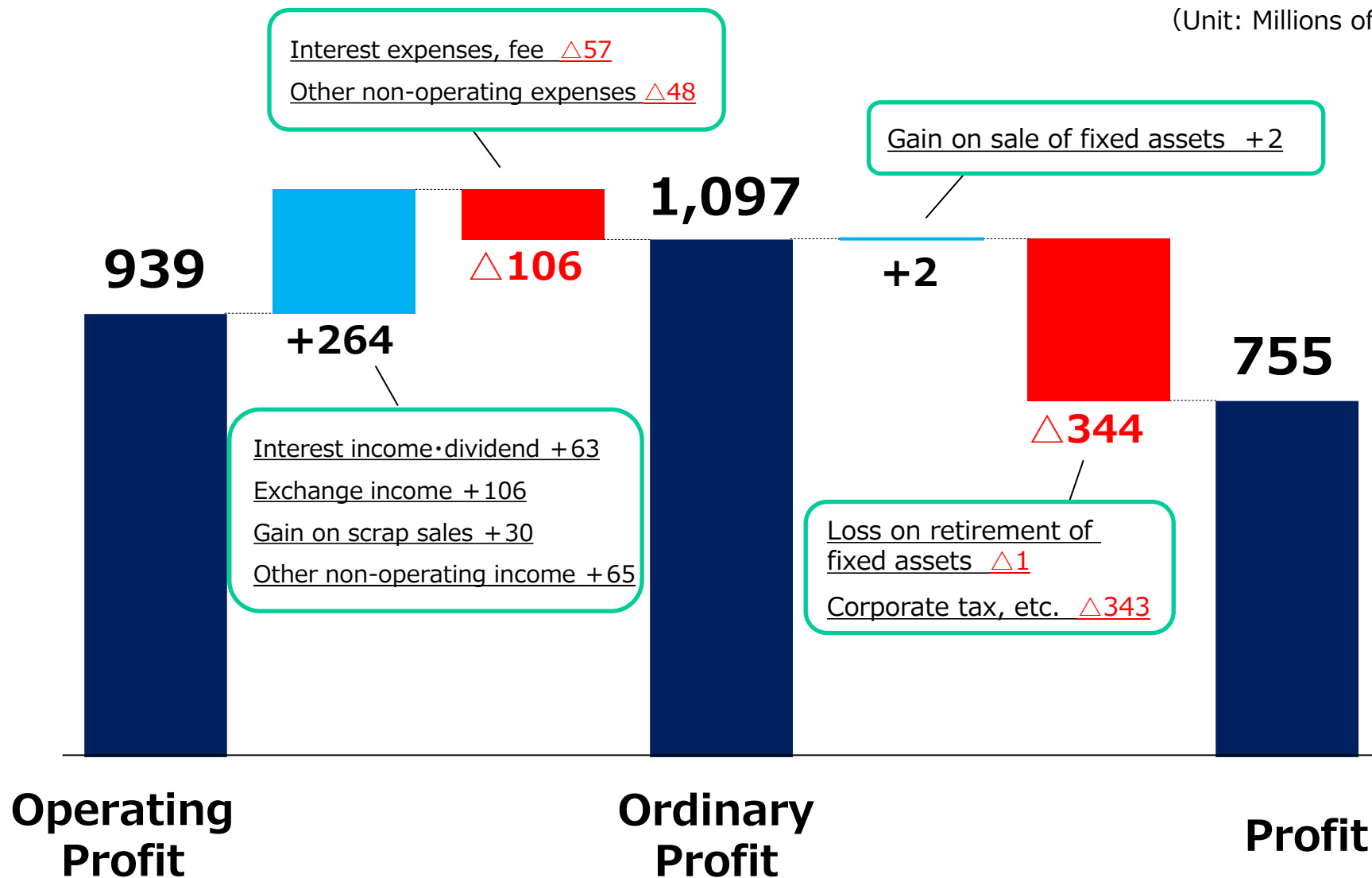


Consolidated Financial Results (2)

March 2024 Period 2Q



(Unit: Millions of JPY)



Full-year Forecast

March 2024 Period



~ Although net sales and operating profit remained unchanged in the full-year forecast, ordinary profit and profit have been revised upward, and the annual dividend has been revised upward by 2 yen per share to 42 yen.

	March 2024 period 2Q (results)	March 2024 period (forecast)	Progress	Remarks (Unit: Millions of JPY)
Net sales	20,215	38,900	52.0%	<p>1. Full-Year Financial Results Forecasts</p> <p>In 2Q, as initially expected, orders decreased due to production adjustments from ASEAN customers, but in addition to an increase in orders from domestic customers, there was also the positive impact of currency translation due to the weaker yen, and the progress rate in operating profit was over 50%. However, as for full-year financial results forecasts, while net sales and operating profit have remained unchanged in the full-year forecast announced on March 12, ordinary profit and profit have been revised upward. Because in addition to the continued impact of the negative factors listed below, the order plans for some ASEAN customers have fallen short since 3Q, and the yen exchange rate remains high.</p> <p>①Semiconductor supply shortages remain unresolved in some industries and regions ②The continued rise in resource prices (including power costs) ③The impact of each country's economic security efforts is having an impact on the supply chain.</p> <p>2. Annual Dividend Forecasts</p> <p>we have increased our forecast for the annual dividend per share for the period ending March 31, 2024 from 40JPY to 42JPY as a shareholder return to match the upward revision to our consolidated full-year earnings forecasts.</p>
Operating profit	939	1,830	51.3%	
Ordinary profit	1,097	→ 1,810 1,950	56.3%	
Profit	755	→ 1,270 1,340	56.3%	
Annual dividend	(March 2023 period) 33JPY Per share	40JPY → 42JPY Per share		

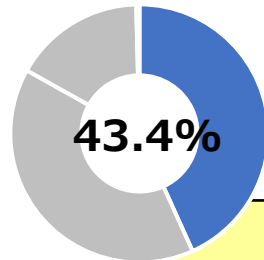
※These consolidated forecasts are based on available data as of the date of this press release and performance may differ materially from these forecasts owing to a variety of factors. In the event that it is deemed necessary to revise the outlook for full-year earnings forecasts, we will make another announcement.

Results by Segments_ Electronics



Net sales ratio by segments

(Unit: Millions of JPY)



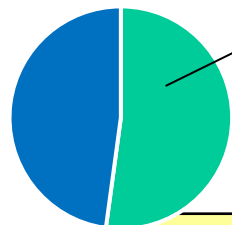
Revenue ↑
Profit ↓

	Mar 2023 period 2Q	Mar 2024 period 2Q	YoY	Change
Net sales	8,451	8,814	104%	+ 363
Operating Profit	669	605	90%	△ 64

2Q Summary

- Sales increased, despite orders for smartphone-related components decreased due to continued production adjustments by customers, orders for wiring board materials for communication base stations and servers, the dry film business at the Vietnam factory, and the wafer polishing carrier business at the Okinawa factory were strong.
- Profit decreased due to the impact of upfront costs recorded for the launch of the dry film business at the Thailand (Korat) factory.

Quarterly Progress



2Q

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

Full-year Forecast

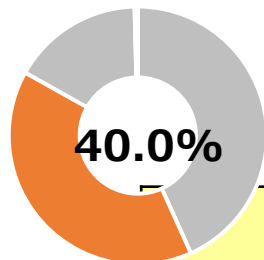
- Orders for wiring board materials, the Vietnam factory's dry film business, and the Okinawa factory's wafer polishing carrier business are expected to remain strong.
- Although the recovery in orders for smartphone-related parts and the future of the semiconductor market are uncertain, full-year sales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

Results by Segments_Mobility



(Unit: Millions of JPY)

Net sales ratio by segments



Revenue ↑

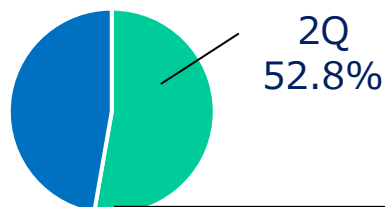
Profit ↓

2Q Summary

	Mar 2023 period 2Q	Mar 2024 period 2Q	YoY	Change
Net sales	7,300	8,125	111%	+ 825
Operating Profit	812	768	95%	△ 44

- Orders for powertrain parts at the Thailand (Bangkok) factory, which is the main factory in ASEAN, decreased due to sluggish sales of customers' products destined for China.
- Domestic customers' production recovery has progressed, and orders have been strong. Orders for the Indonesia and Vietnam factories also remained steady.
- Although sales increased due to strong orders in Japan, profits decreased due to the continued rise in power costs and the impact of lower profits at the Thailand factory.

Quarterly Progress



Full-year Forecast

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

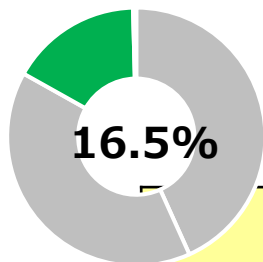
- Full-year sales are expected to be roughly the same as the previous year, as the decline in orders at the Thailand (Bangkok) factory will continue in the 3Q and beyond, and the recovery in production for domestic customers is expected to continue but slow down.
- Operating profit is expected to decrease due to increased expenses for upfront growth investments (further horizontal expansion of automation, product development applying winding technology, etc.) and soaring resource prices (including power costs), as set out in the "Medium-term Management Plan 2025."

Results by Segment

_ Medical & Precision Devices



Net sales ratio by segments



Revenue ↑

Profit ↑

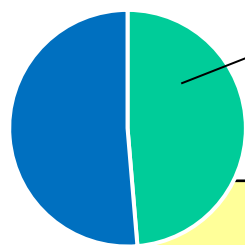
(Unit: Millions of JPY)

	Mar 2023 period 2Q	Mar 2024 period 2Q	YoY	Change
Net sales	2,936	3,358	114%	+422
Operating Profit	△77	79	—	+156

2Q Summary

- Regarding medical device parts, orders for contract production at the Thailand (Korat) factory remained strong.
- Regarding printer-related parts, orders at the Thailand (Korat) factory decreased due to changes in customers' supply chains and production cuts due to shortages in the supply of semiconductors and electronic parts, but orders at the Vietnam and Philippines factories remained steady. As a result, sales and profits increased.

Quarterly Progress



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

Full-year Forecast

- Orders for medical device parts at the Thailand (Korat) factory are expected to remain strong.
- The order outlook for printer-related parts is uncertain as the accuracy of customers' production plans cannot be ensured.
- The decline in orders for printer-related parts will be offset by orders for medical device parts, and full-year sales are expected to be about the same as last year. On the other hand, operating profit is expected to decrease due to the impact of increased expenses for upfront growth investments (increasing domestic production capacity for medical device parts) set forth in the "Medium-term Management Plan 2025."

※The values are before consolidation adjustments between segments.

【Reference】 Consolidated Balance Sheet



March 2024 Period 2Q

(Unit: Millions of JPY)

		March 2023 Period	March 2024 Period 2Q	Change
Assets	Current assets	16,582	17,935	+1,352
	Cash and deposits	4,910	5,791	+880
	Notes and accounts receivable-trade etc.	7,340	7,739	+398
	Inventories	3,523	3,448	△75
	Other	807	956	+149
	Non-current assets	12,091	12,873	+781
	Property, plant and equipment	8,230	8,649	+419
	Intangible assets	380	438	+57
	Investments and other assets	3,480	3,785	+304
	Total	28,674	30,809	+2,134

		March 2023 Period	March 2024 Period 2Q	Change
Liabilities	Current liabilities	12,713	13,047	+333
	Notes and accounts payable-trade	7,725	8,342	+616
	Short-term borrowing	2,481	2,317	△164
	Other	2,506	2,387	△119
	Non-current liabilities	3,430	3,663	+233
	Long-term borrowing	920	746	△173
	Other	2,510	2,916	+406
	Total	16,144	16,710	+566
Net assets	Share capital	3,137	3,137	-
	Capital surplus, Retained earnings, Treasury shares	7,465	7,947	+482
	Accumulated other comprehensive income	1,925	3,011	+1,085
	Non-controlling interests	1	1	+0
	Total	12,530	14,098	+1,567
Total	28,674	30,809	+2,134	

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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 have changed 1USD = 133JPY → 140JPY,
1TB = 3.8JPY → 4.0JPY

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