



TSE code : 9913

# **NIPPO LTD.**

**(TSE Code : 9913)**

**March 2024 Period  
Financial Results**

**~Supplementary materials~**

May 15, 2024  
President

Yasuchika Iwasa

# Consolidated Financial Results (1)

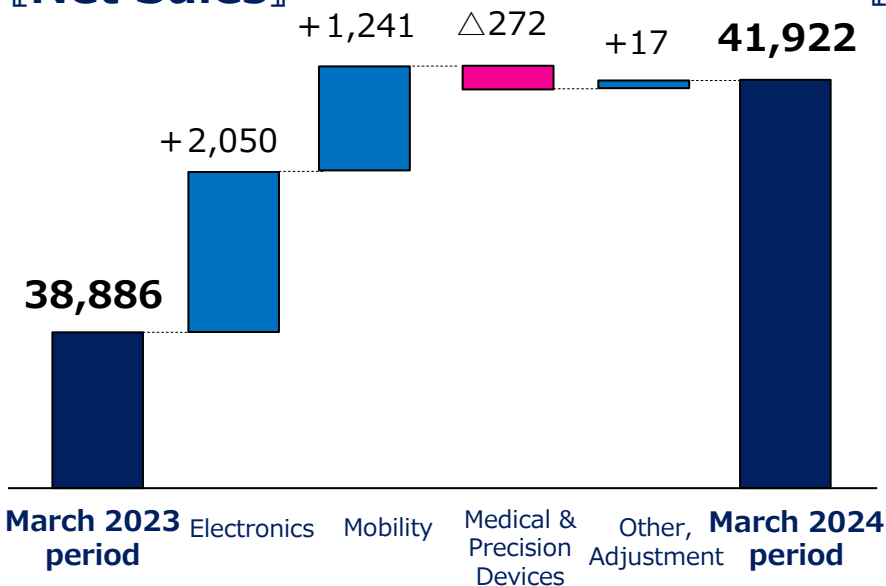
March 2024 Period



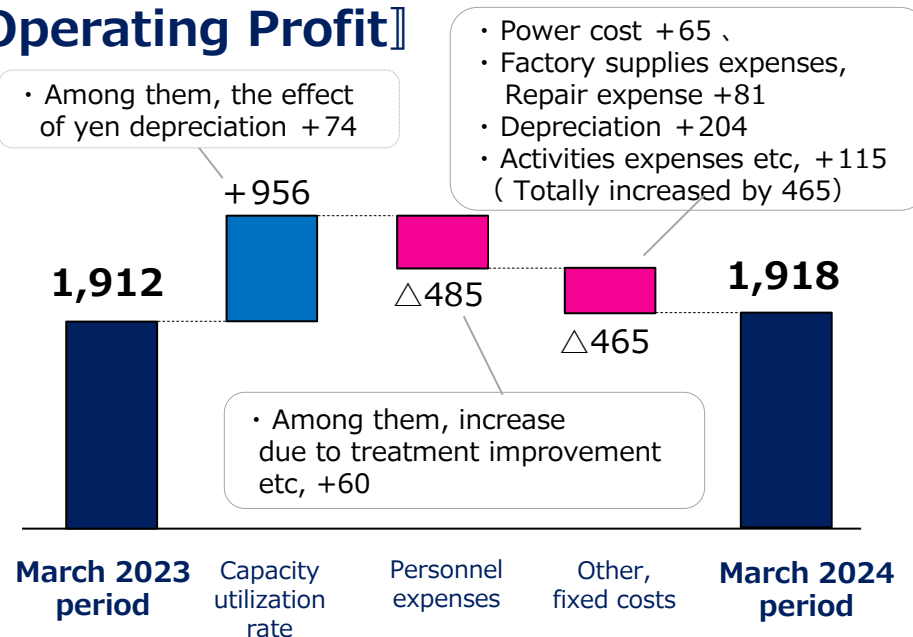
(Unit: Millions of JPY)

	March 2023 Period Results	March 2024 Period Plan	March 2024 Period Results	YoY	Change
Net Sales	38,886	38,900	<b>41,922</b>	108%	+3,036
Operating Profit	1,912	1,830	<b>1,918</b>	100%	+6
Ordinary Profit	1,871	1,810	<b>2,150</b>	115%	+279
Profit	1,269	1,270	<b>1,457</b>	115%	+188

## [[Net Sales]]



## [[Operating Profit]]



# Consolidated Financial Results (2)

March 2024 Period



Exchange income +119  
Interest income·Dividend +87  
Gain on scrap sales +65  
Other non-operating income +104

Loss on retirement of fixed assets  $\Delta 13$   
Impairment loss  $\Delta 94$   
Business withdrawal loss due to downsizing of unprofitable businesses/Business restructuring loss  $\Delta 100$   
Corporate tax, etc.  $\Delta 493$

1,918

+375

$\Delta 143$

2,150

+7

$\Delta 700$

1,457

Interest expenses, Fee  $\Delta 68$   
Loss on sale of electronically recorded monetary claims  $\Delta 36$   
Other non-operating expenses  $\Delta 39$

Gain on sale of fixed assets +7

Operating Profit

Ordinary Profit

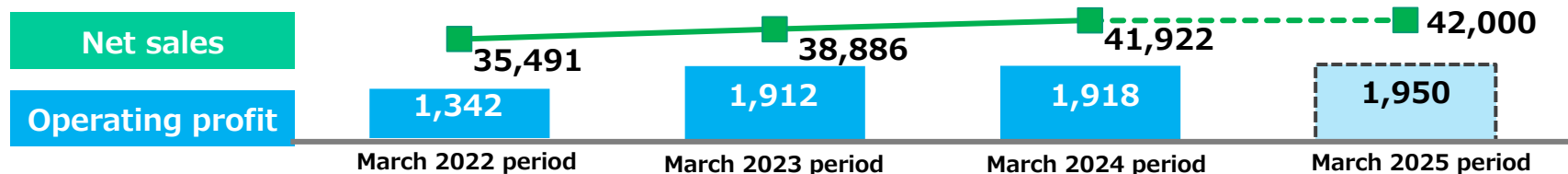
Profit

# Full-year Forecast

## March 2025 Period



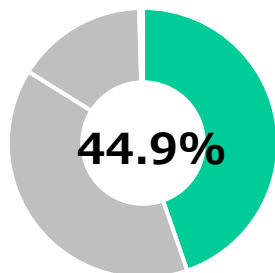
	March 2024 period Results	March 2025 period Forecasts	YoY	Remarks
<b>Net sales</b>	41,922	<b>42,000</b>	100%	<p><b>1. Full-Year Financial Results Forecasts</b>                      The environment surrounding our group in the March 2025 period is as follows: (1) In electronics, adjustment phase will continue for smartphone-related parts; (2) In mobility, impact of operation pause due to the fraud issues at automobile manufacturers and decline in the ASEAN automobile market are not fully predictable. However, we will continue to proactively develop “new products and new materials” by building new business models and replace businesses in line with our business portfolio, and continue to carry out promotional activities. Considering above predictions and increasing costs associated with business replacement and growth investments, we are forecasting that in the March 2025 period, sales and operating profit will <u>roughly the same as the March 2024 period.</u></p> <p><b>2. Annual Dividend Forecasts</b>                      Taking into consideration the outlook for consolidated business results for the March 2025 period and the plans and targets for shareholder returns within the period of the "Medium-term Management Plan 2025" stated in the "Notice of Partial Revision of Medium-Term Management Plan 2025" dated March 25, 2024, the price per share for the March 2025 period will be 76 yen.</p>
<b>Operating profit</b>	1,918	<b>1,950</b>	102%	
<b>Ordinary profit</b>	2,150	<b>1,950</b>	91%	
<b>Profit</b>	1,457	<b>1,380</b>	95%	
<b>Annual dividend</b>	74JPY Per share (Plan)	<b>76JPY</b> Per share	+2JPY	



# Results by Segments\_ Electronics



## Net Sales Ratio by Segments



Revenue ↑

Profit ↑

### Results : March 2024 period

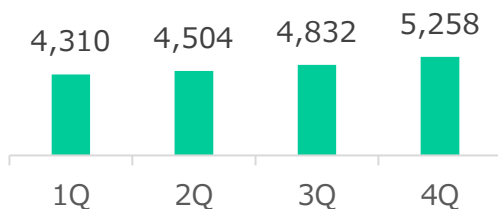
(Unit: Millions of JPY)

	March 2023 period	March 2024 period	YoY	Change
Net sales	16,854	<b>18,904</b>	112%	+2,050
Operating Profit	1,245	<b>1,272</b>	102%	+27

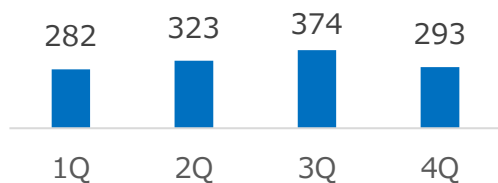
- The results was mainly affected by the impact of continued production adjustments for smartphone-related parts and upfront costs associated with the launch of dry film business at the Thailand (Korat) factory.
- On the other hand, orders for wiring board materials for communication base stations and generation AI-related servers remained strong, and orders for dry film business at the Vietnam factory and wafer polishing carriers at the Okinawa factory also remained strong, which resulting in increased sales and profits.

## Quarterly Progress

### < Net sales >



### < Operating Profit >



### Forecasts : March 2025 period

	March 2024 period	March 2024 period (Forecasts)	YoY	Change
Net sales	18,904	<b>19,000</b>	101%	+96
Operating Profit	1,272	<b>1,350</b>	106%	+78

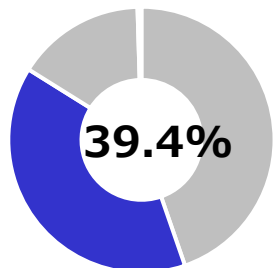
#### ■ Increase/decrease factors

- Although the impact of production adjustments for smartphone-related parts and upfront costs associated with the launch of dry film business at the Thailand (Korat) factory will continue, orders for semiconductor-related parts will recover and orders for high-margin wiring board materials and wafer polishing carriers will continue to be remain strong. Therefore, the electronics segment is expected to mark increase in sales and profits.

# Results by Segments\_ Mobility



## Net Sales Ratio by Segments



Revenue ↑

Profit ↑

### Results : March 2024 period

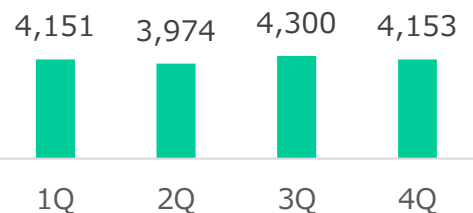
(Unit: Millions of JPY)

	March 2023 period	March 2024 period	YoY	Change
Net sales	15,337	<b>16,578</b>	108%	+1,241
Operating Profit	1,535	<b>1,543</b>	101%	+8

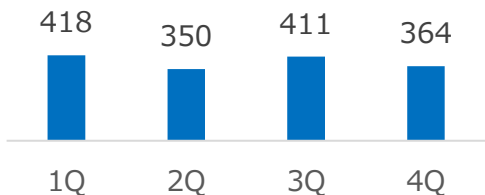
- In addition to a slowdown in orders for powertrain parts for China at Thailand (Bangkok) factory, we were also affected by the operation pause due to the fraud issues at some automakers, as well as spring resource prices (including power costs).
- On the other hand, sales and profits increased due to continued production recovery among domestic customers and strong orders at the Indonesian factory.

## Quarterly Progress

### < Net sales >



### < Operating Profit >



### Forecasts : March 2025 period

	March 2024 period	March 2024 period (Forecasts)	YoY	Change
Net sales	16,578	<b>16,600</b>	100%	+22
Operating Profit	1,543	<b>1,550</b>	100%	+7

#### ■ Increase/decrease factors

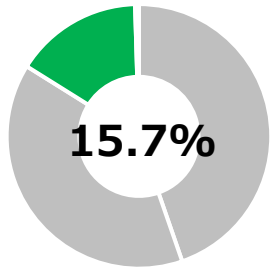
- In addition to the slowdown in orders from China, the impact of a decline in orders due to the shrinking ASEAN automobile market and the impact of operation pause due to the fraud issues at some automakers are not fully predictable, but orders from domestic customers is expected to remain strong. Therefore, we are forecasting that in the March 2025 period, sales and operating profit will roughly the same as the March 2024 period.

# Results by Segment

## \_ Medical & Precision Devices



### Net Sales Ratio by Segments



Revenue ↓

Profit ↑

### Results : March 2024 period

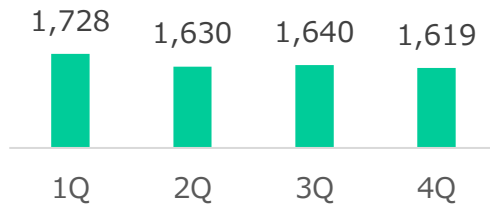
(Unit: Millions of JPY)

	March 2023 period	March 2024 period	YoY	Change
Net sales	6,889	<b>6,617</b>	96%	△272
Operating Profit	126	<b>166</b>	132%	+ 40

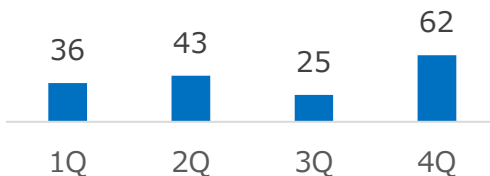
- Orders for printer-related parts at the Thailand (Korat) factory continued to be affected by production cuts due to changes in customers' production plans.
- On the other hand, sales and profits increased due to strong orders for medical device parts at the Thailand (Korat) factory and cost reduction activities at the Vietnam factory.

### Quarterly Progress

#### < Net sales >



#### < Operating Profit >



### Forecasts : March 2025 period

	March 2024 period	March 2024 period (Forecasts)	YoY	Change
Net sales	6,617	<b>6,700</b>	101%	+83
Operating Profit	166	<b>200</b>	120%	+34

#### ■ Increase/decrease factors

- Orders for medical device parts at the Thailand (Korat) factory are expected to remain strong, but the order forecasts for printer-related parts is uncertain.
- In the medical and precision equipment segment, sales are expected to remain unchanged from the previous year, but profits are expected to increase as we will continue to increase domestic production capacity and promote business replacement in order to increase the weight of medical device parts.

# 【Reference】 Consolidated Balance Sheet



## March 2024 Period

(Unit: Millions of JPY)

		March 2023 Period	March 2024 Period	Change
Assets	Current assets	16,582	17,753	+1,171
	Cash and deposits	4,910	5,679	+769
	Notes and accounts receivable-trade etc.	7,340	7,916	+576
	Inventories	3,522	3,273	△249
	Other	807	882	+75
	Non-current assets	12,091	13,002	+911
	Property, plant and equipment	8,230	8,376	+146
	Intangible assets	380	512	+132
	Investments and other assets	3,480	4,113	+633
	<b>Total</b>	<b>28,674</b>	<b>30,755</b>	<b>+2,081</b>

		March 2023 Period	March 2024 Period	Change
Liabilities	Current liabilities	12,713	12,557	△156
	Notes and accounts payable-trade	7,725	8,212	+487
	Short-term borrowing	2,481	1,886	△595
	Other	2,503	2,457	△46
	Non-current liabilities	3,430	3,405	△25
	Long-term borrowing	920	593	△327
	Other	2,507	2,808	+301
	<b>Total</b>	<b>16,144</b>	<b>15,963</b>	<b>△181</b>
Net assets	Share capital	3,137	3,137	-
	Capital surplus, Retained earnings, Treasury shares	7,465	8,662	+1,197
	Accumulated other comprehensive income	1,925	2,991	+1,066
	Non-controlling interests	1	1	+0
	<b>Total</b>	<b>12,530</b>	<b>14,792</b>	<b>+2,262</b>
<b>Total</b>	<b>28,674</b>	<b>30,755</b>	<b>+2,081</b>	



## NIPPO LTD.

Corporate Planning Division  
Mizuguchi, Fujinami, Koshimizu

Telephone : +81-52-218-3161

HP : <https://www.nip.co.jp/english/>

### **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 = 150JPY, 1TB = 4.0JPY

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

---

**Q1. Are sales and operating profit for FY24/3 at record highs?**

A1. Operating profit slightly exceeded the record high profit for the previous year, so it was a new record profit. Net sales are not at a record high because the revenue recognition accounting standard was applied in fiscal 2021.

---

**Q2. Is the reason behind the automation of equipment a labor shortage?**

A3. Labor costs are also soaring overseas, and we are promoting automation to increase cost competitiveness. In addition, we are also aiming to stabilize product quality through automation.

---

**Q4. What are the details of the improvement in treatment?**

A4. From FY2022 to FY2024, we have revised starting salaries and increased base salaries.

---

**Q5. What is the effect of the starting salary revision on recruitment?**

A5. It hasn't changed dramatically. In order to improve turnover rate, we are working to create a more comfortable work environment.

---