



TSE code : 9913

NIPPO LTD.

(TSE Code : 9913)

**March 2025 Period 2nd Quarter
Financial Results**

~Supplementary materials~

November 5, 2024
President
Yasuchika Iwasa

Consolidated Financial Results (1)

March 2025 Period 2Q

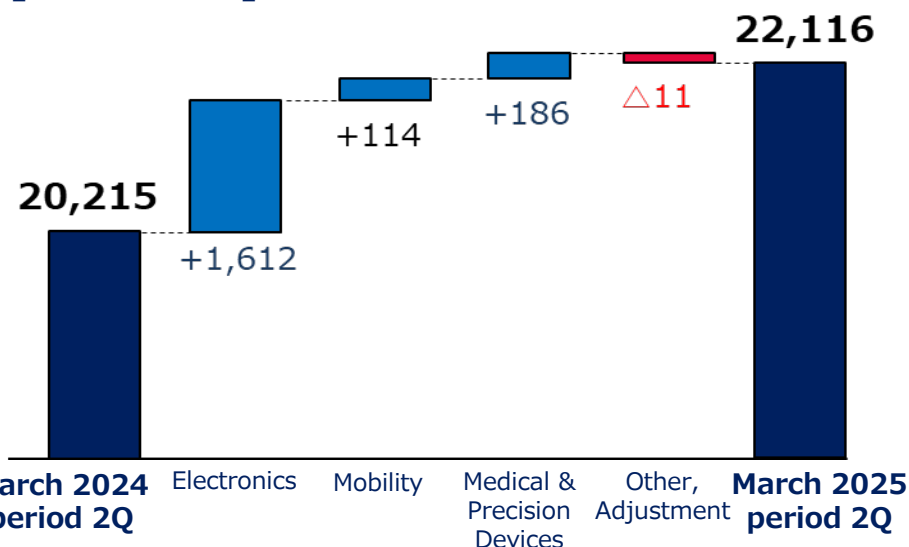


2Q resulted in increased sales and decreased profits
; Electronics and Medical & Precision Devices performed well,
but profits in Mobility declined.

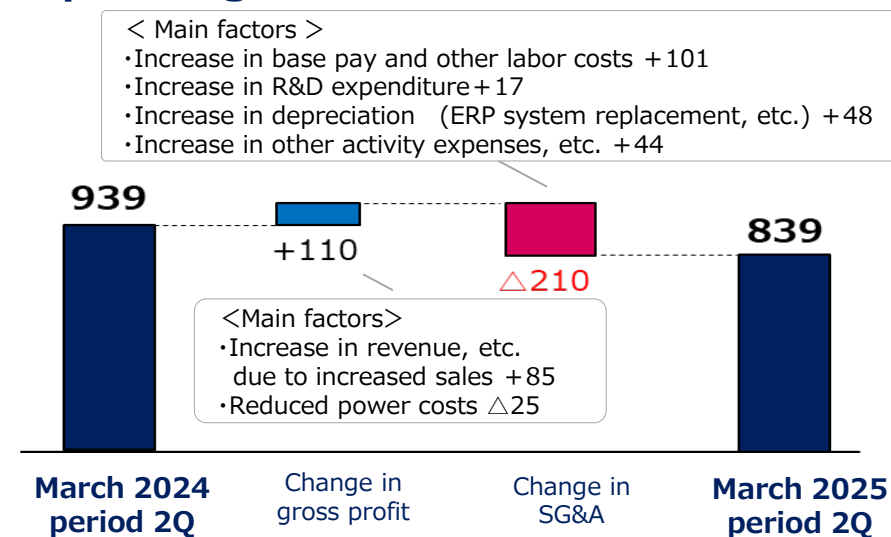
(Unit: Millions of JPY)

	March 2024 Period 2Q	March 2025 Period 2Q	YoY	Change
Net Sales	20,215	22,116	109%	+1,901
Operating Profit	939	839	89%	▲ 100
Ordinary Profit	1,097	979	89%	▲ 117
Profit	755	672	92%	▲ 83

[[Net Sales]]



[[Operating Profit]]

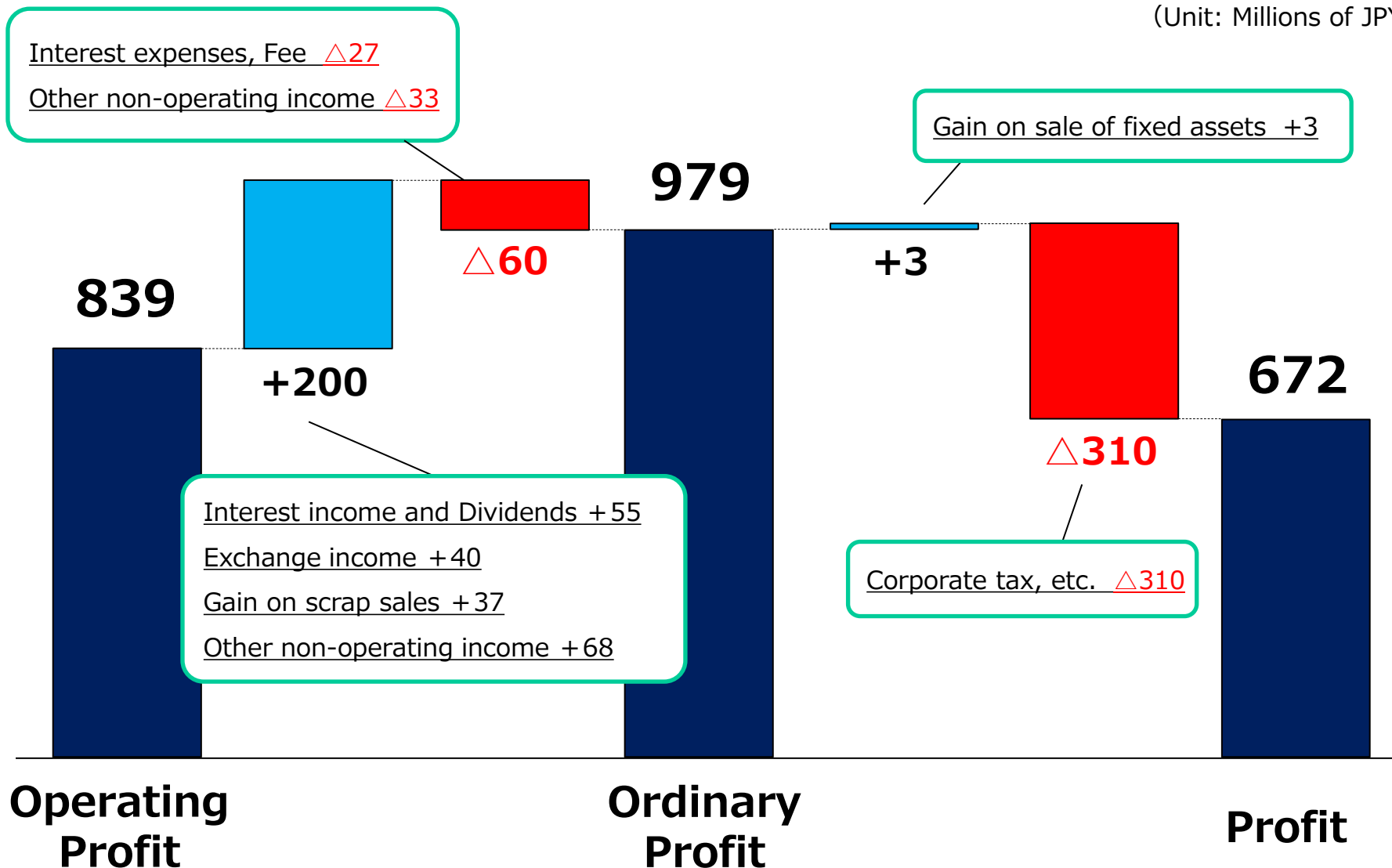


Consolidated Financial Results (2)

March 2025 Period 2Q



(Unit: Millions of JPY)



Full-year Forecast

March 2025 Period



NIPO has kept its full-year earnings forecast unchanged by virtue of following reasons ; anticipation of an order improvement in Mobility from 3Q onwards and a strong performance in Electronics and Medical & Precision Devices.

	March 2025 period 2Q (results)	March 2025 period (forecast)	Progress	Remarks (Unit: Millions of JPY)
Net sales	22,116	42,000	52.7%	<p>1. Full-Year Financial Results Forecasts In 2Q, although the Electronics and Medical & Precision Devices performed well, the impact of the profit decline in mobility led to an increase in consolidated sales and a decrease in profits, however, the full-year earnings forecast announced on May 15, 2024 remains unchanged due to the following reasons.</p> <p>①The negative external impact on Mobility (operational outage due to automaker's fraud issues and shrinkage in automotive markets in ASEAN and China) is expected to improve from 3Q onwards.</p> <p>②Orders for generative AI-related components in Electronics are expected to remain strong.</p> <p>③Cost reduction activities by Medical & Precision Devices are to keep positive impact.</p> <p>2. Annual Dividend Forecasts Along with the full-year financial results forecast, the annual dividend of ¥76 per share is also unchanged.</p>
Operating profit	839	1,950	43.0%	
Ordinary profit	979	1,950	50.2%	
Profit	701	1,380	50.8%	
Annual dividend	(March 2024 period) 74JPY Per share	76JPY Per share		

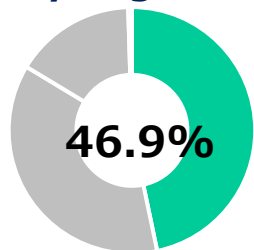
※These consolidated forecasts are based on available data as of the date of this press release and performance may differ materially from these forecasts owing to a variety of factors. In the event that it is deemed necessary to revise the outlook for full-year earnings forecasts, we will make another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

Results by Segments_ Electronics



Net Sales Ratio by Segments

(Unit: Millions of JPY)



Sales ↑

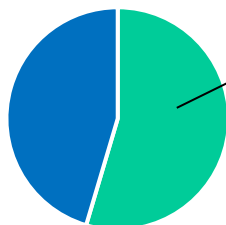
Profit ↑

	Mar 2024 period 2Q	Mar 2025 period 2Q	YoY	Change
Net sales	8,814	10,426	118%	+ 1,612
Operating Profit	605	828	137%	+223

2Q Summary

- In 2Q, orders for smartphone-related materials, which had been affected by inventory adjustments, improved, although upfront costs associated with the launch of dry film business at the Thailand (Korat) plant continued.
- In addition, sales and profits increased by virtue of continued strong orders for wiring board materials for generative AI servers in Japan, dry film at the Vietnam plant, and wafer polishing carriers at the Okinawa plant.

Progress



1-2Q
54.6%

	Mar 2024 period	Mar 2025 period (forecast)	YoY	Change
Net sales	18,904	19,100	101%	+ 196
Operating Profit	1,272	1,400	110%	+128

Full-year Forecast

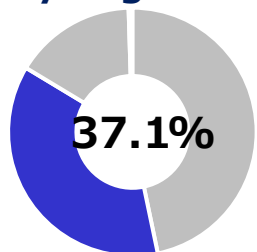
- In addition to the continued upfront costs in the dry film business in 3Q and beyond, recovery in smartphones' demand is not strong. On the other hand, orders for wiring board materials for generative AI servers, dry film at the Vietnam plant, and wafer polishing carriers at the Okinawa plant are expected to remain strong. Therefore, the full-year results are expected to increase in sales and profits.

Results by Segments_ Mobility



Net Sales Ratio by Segments

(Unit: Millions of JPY)



Sales ↑

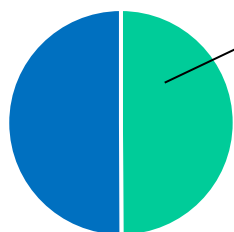
Profit ↓

	Mar 2024 period 2Q	Mar 2025 period 2Q	YoY	Change
Net sales	8,125	8,239	101%	+114
Operating Profit	768	468	61%	△300

2Q Summary

- In 2Q, Mobility affected by the operational outage due to automaker's fraudulent issues, continued order decline for powertrain parts to China, and sluggish automobile sales in the Thai market.
- Although above situation has been improved compared to 1Q, the profit decreased significantly YoY due to new product's (brake control-related parts) start-up costs (upfront costs) at the Vietnam plant.

Progress



1-2Q
49.9%

	Mar 2024 period	Mar 2025 period (forecast)	YoY	Change
Net sales	16,578	16,500	100%	△78
Operating Profit	1,543	1,400	91%	△143

Full-year Forecast

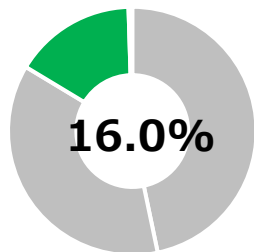
- Based on the customer's production plan, order is expected to improve from 3Q onwards. However, the recovery will not enough to cover the profit decline until 2Q, so the full-year results are expected to decline in sales and profits.
- We will continue to strive to reduce costs, including the horizontal deployment of fully automated and semi-automatic production lines to group companies.

Results by Segment

_ Medical & Precision Devices



Net Sales Ratio by Segments



Sales ↑
Profit ↑

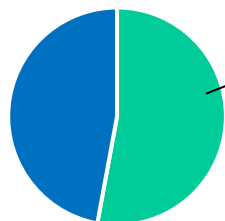
(Unit: Millions of JPY)

	Mar 2024 period 2Q	Mar 2025 period 2Q	YoY	Change
Net sales	3,358	3,544	106%	+186
Operating Profit	79	182	230%	+103

2Q Summary

- Orders for medical device parts at the Thailand (Korat) plant were strong.
- Although orders for printer-related parts decreased, sales and profits increased in the Medical & Precision Devices segment by virtue of cost reduction activities.

Progress



	Mar 2024 period	Mar 2025 period (forecast)	YoY	Change
Net sales	6,617	6,700	101%	+83
Operating Profit	166	300	181%	+134

Full-year Forecast

- Orders for medical device parts at the Thailand (Korat) plant are expected to remain strong.
- Although the order outlook for printer-related parts remains uncertain, sales and profits are expected to increase in the Medical & Precision Devices segment by virtue of ongoing cost reduction activities.

【Reference】 Consolidated Balance Sheet



March 2025 Period 2Q

(Unit: Millions of JPY)

		March 2024 Period	March 2025 Period 2Q	Change			March 2024 Period	March 2025 Period 2Q	Change				
Assets	Current assets	17,753	19,063	+1,310	Liabilities	Current liabilities	12,557	13,134	+577				
		Cash and deposits	5,679	6,185		+506		Notes and accounts payable-trade, etc.	8,212	8,469	+257		
		Notes and accounts receivable-trade etc.	7,917	8,319		+402		Short-term borrowing, etc.	1,886	2,159	+273		
		Inventories	3,274	3,636		+362		Lease obligations, installment payables	300	268	△32		
		Other	882	922		+40		Other	2,158	2,236	+78		
		Non-current assets	13,002	13,716		+714		Non-current liabilities	3,405	4,008	+603		
			Property, plant and equipment	8,376		9,314	+938			Long-term borrowing	593	924	+331
			Intangible assets	512		503	△9			Lease obligations, long-term installment payables	435	505	+70
			Investments and other assets	4,113		3,899	△214			Other	2,376	2,578	+202
		Total	30,755	32,780		+2,025		Total	15,963	17,143	+1,180		
					Net assets	Share capital	3,137	3,137	-				
						Capital surplus, Retained earnings, Treasury shares	8,662	8,682	+20				
						Accumulated other comprehensive income	2,991	3,815	+824				
						Non-controlling interests	1	1	+0				
						Total	14,792	15,637	+845				
						Total	30,755	32,780	+2,025				

Hirotsugu Mizuguchi, Shinya Fujinami, Chie Koshimizu
Corporate Planning Division
Nippo Ltd.

+81-52-218-3161

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

Forward-looking Statements

This document is intended solely to provide information to investors; it is not intended to solicit transactions. The forward-looking statements regarding business results etc. are made based on various data that are believed to be reliable but we do not guarantee its accuracy or safety. Please be aware that our future performance may differ from our current forecasts.

This document is presented on the assumption that investors will use it at their own discretion and responsibility, regardless of the purpose for which such investors use it, and Nippo shall bear no responsibility under any circumstances.

※ 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.