

Confidential

Consolidated Financial Results

for the fiscal year ended December 31, 2023

Nippon Ceramic Co., Ltd. (6929)
February, 2024



Estimates for Nippon Ceramic's future operating results contained in these materials are based on information currently available to Nippon Ceramic and its group members and include risks and uncertainties. Consequently, readers are cautioned not to make investment decisions based solely on these estimates. Actual results may differ significantly from these estimates due to a number of factors.

Nippon Ceramic operates in the electronics industry, an industry subject to rapid changes. Furthermore, the global nature of Nippon Ceramic's operations may cause sudden changes in the company's operations due to shifts in technology, demand patterns, prices, competition, national economies, exchange rates and other factors.

This material is translated from the original Japanese. Please note that we cannot guarantee the accuracy of the English translation.

In this earnings announcement, fractional sums of less than one million yen are rounded down and percentages are calculated from raw data.

Record-high sales and operating income for the full year

Automotive products account for steady performance due to recovery in production volume.

Sales of infrared sensor products (for crimp revention) decreased due to the impact of customer inventory adjustments.

Acquired new land in the Philippines and domestically to increase production capacity in the future

Focusing on inventory reduction to improve management efficiency

Based on recent business results and future prospects, Review of medium-term management plan

Summary of results

(¥mn)		FY2022		FY2023		Y/Y	
		Amount	%Sales	Amount	%Sales	Amount	%
Sales		23,258	-	24,449		1,190	5.1 %
Gross income		6,816	29.3 %	6,839	28.0 %	23	0.3 %
Operating income		4,178	18.0 %	4,574	18.7 %	395	9.5 %
Ordinary income		4,946	21.3 %	5,313	21.7 %	367	7.4 %
Net income attributable to owners of parent		5,022	21.6 %	3,693	15.1 %	(1,329)	(26.5) %
Exchange rate (USD)	Average	129.67 yen		139.80 yen		10.13 yen Depreciation	
	End of the period	132.70 yen		141.83 yen		9.13 Yen Depreciation	

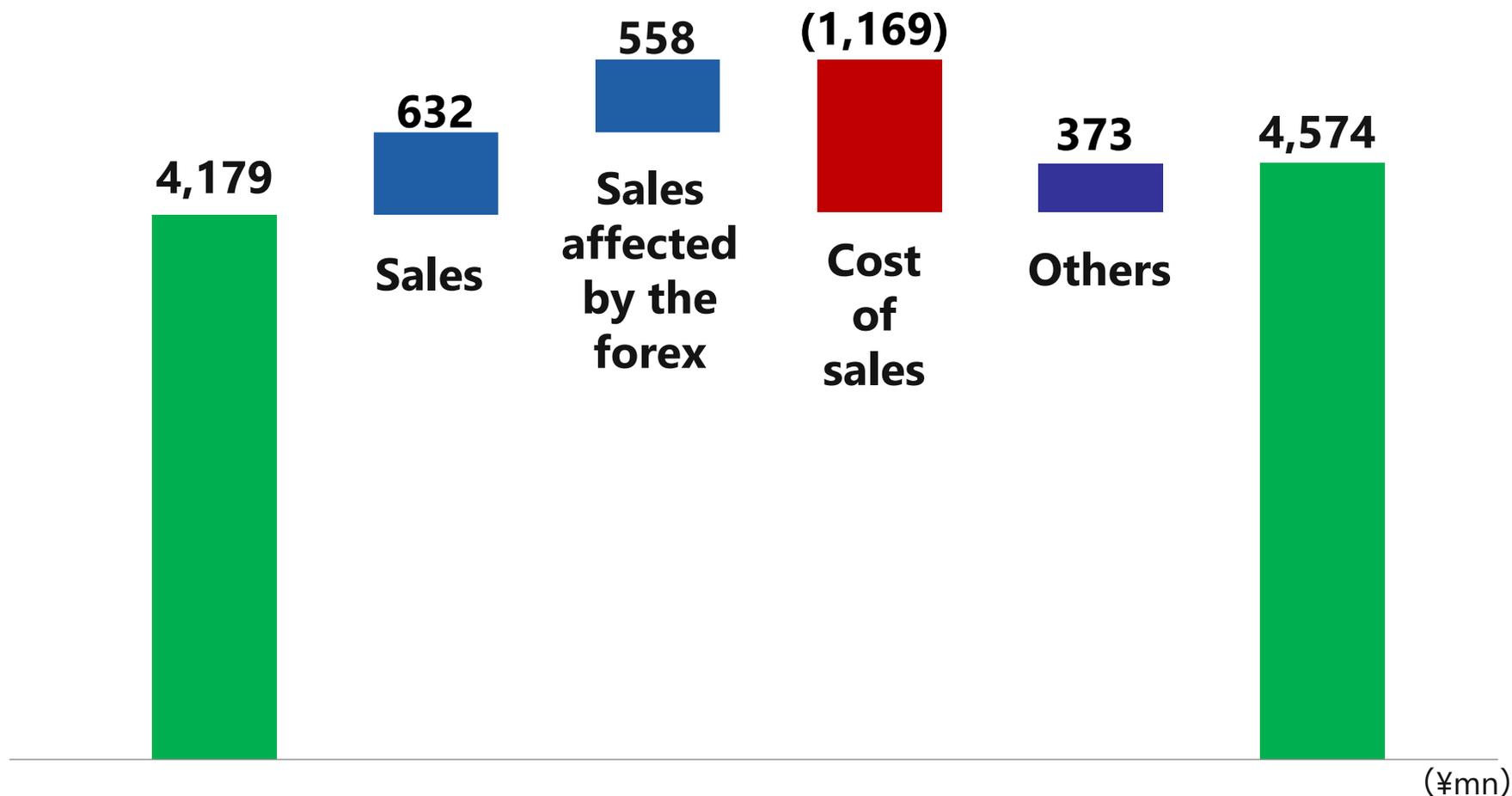
Quarterly sales and income

(¥mn)	21/4Q	22/1Q	22/2Q	22/3Q	22/4Q	23/1Q	23/2Q	23/3Q	23/4Q
Sales	5,531	5,129	5,847	6,114	6,168	5,801	6,087	6,571	5,988
Operating Income	840	872	1,089	1,104	1,113	1,047	1,178	1,302	1,046
Ordinary Income	973	1,050	1,488	1,438	970	1,172	1,580	1,502	1,058
Net Income	721	925	2,228	1,822	47	981	979	1,046	685
Exchange rate (USD)	115.02	122.39	136.68	144.81	132.70	133.53	144.99	149.58	141.83

*Exchange rate is as the end of the quarter

Change in Operating Income

FY2022 — **394 Million yen earning growth** → FY2023



- Sales increased mainly in Japan and Europe due to an increase in orders for automotive products.

(¥mn)	FY2022	FY2023	Y/Y	Sales Ratio
Japan	13,026	13,931	7.0 %	57.0 %
Far East Asia	8,510	8,643	1.6 %	35.4 %
Europe	1,321	1,696	28.4 %	6.9 %
North and South America	400	177	(55.6) %	0.7 %
Total	23,258	24,449	5.1 %	100.0 %

Consolidated cash flow

(¥mn)	FY2022	FY2023	Y/Y
Cash flows from operating activities	5,087	5,192	104
Cash flows from investment activities	(4,729)	(154)	4,574
Free cash flow	3,033	3,779	745
Cash flows from financial activities	(6,278)	(3,082)	3,195
Cash and cash equivalents at beginning of period	19,330	13,655	(5,674)
Cash and cash equivalents at end of period	13,655	15,737	2,081

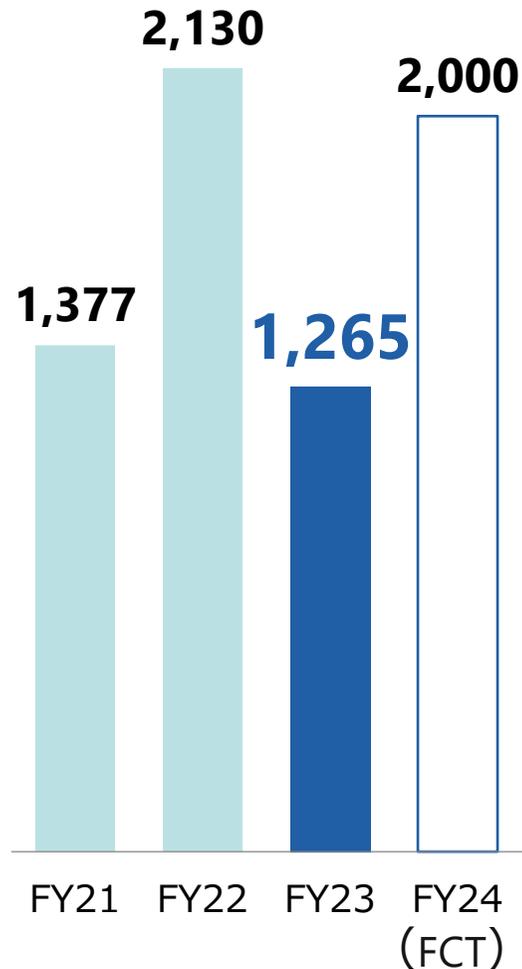
Consolidated balance sheet

(¥mn)	FY2022	FY2023	Change
Current assets	47,032	45,926	(1,105)
(Inventory)	7,923	6,205	(1,717)
Tangible fixed assets	10,480	10,115	(364)
Intangible fixed assets	205	347	141
Investments and other assets	1,285	1,531	246
Total Assets	59,003	57,920	(1,082)
Current liabilities	7,177	4,313	(2,863)
Long-term liabilities	956	975	18
Total Liabilities	8,133	5,289	(2,844)
Shareholders' equity	45,280	45,993	712
Others	5,589	6,638	1,049
Total Net Assets	50,869	52,631	1,762
Total Liabilities and Shareholders' Equity	59,003	57,920	(1,082)

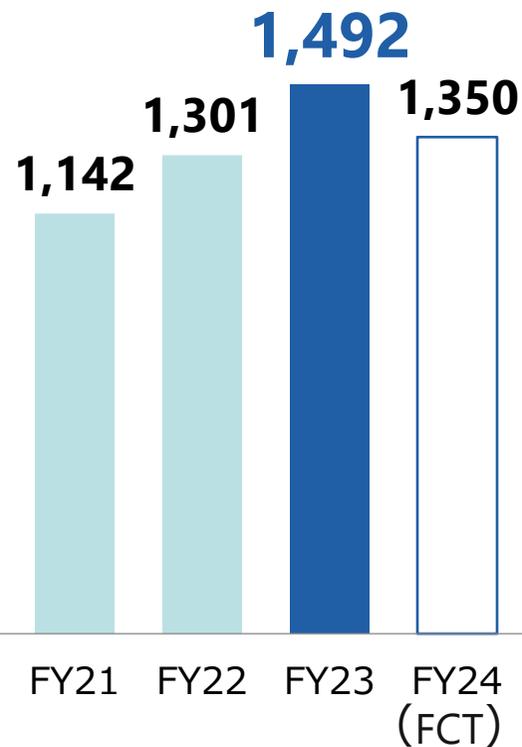
Capex, Depreciation, R&D expenses

(¥mn)

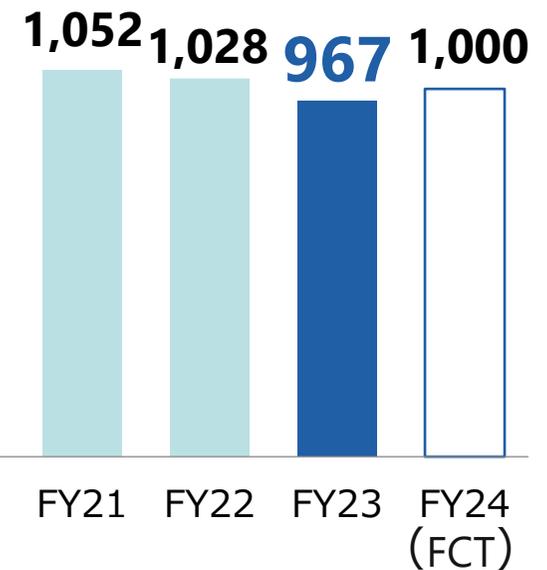
Capex



Depreciation



R&D expenses



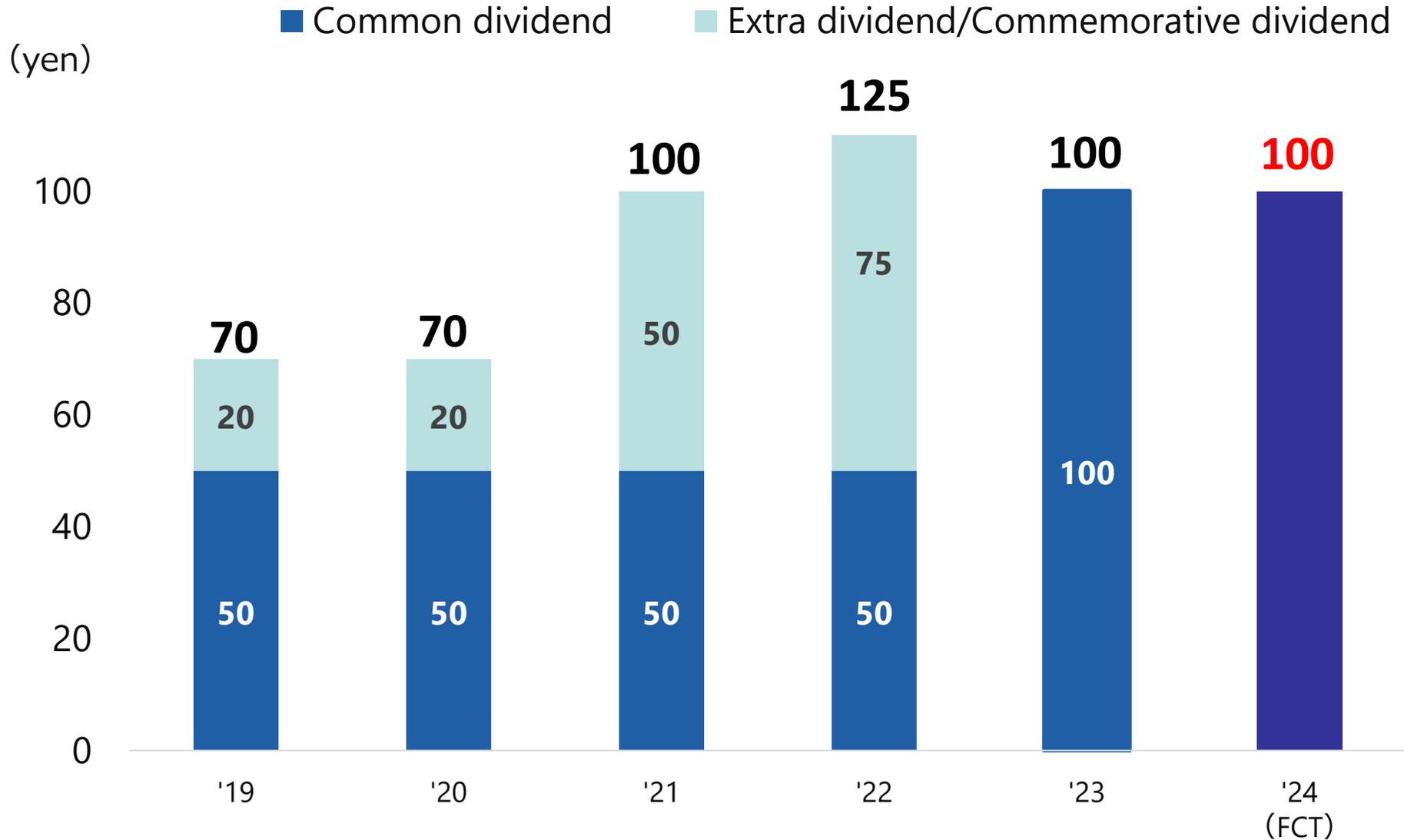
FY2024 consolidated forecast

(¥mn)	FY2023	FY2024 (FCT)	Y/Y	
			Change Amount	Change %
Net Sales	24,449	26,000	1,551	6.3 %
Operating Income	4,574	5,000	426	9.3 %
Ordinary Income	5,313	5,500	187	3.5 %
Net income attributable to owners of parent	3,963	3,900	207	5.6 %
Forex(USD)	139.80yen (2023 average)	145.00yen		

Review of medium-term management plan

(¥mn)	FY2021	FY2022	FY2023	FY2024 (FCT)	FY2025 (FCT)
Net Sales	21,358	23,258	24,449	26,000	27,500
Operating Income	3,380	4,179	4,574	5,000	5,500
Operating profit margin(%)	15.8	18.0	18.7	19.2	20.0
Net income	2,817	5,022	3,693	3,900	4,200

Dividend



※We have a basic policy to pay dividend once a year as a year-end dividend.

Maintaining a dividend payout ratio of 50% or more

