

Financial Summary

Second Quarter of Fiscal Year ending March 31, 2020



November 11, 2019

NIPPON THOMPSON CO., LTD.

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Note 1: The forecast of operations results in this summary is prepared based on the earnings preannouncement released on November 11, 2019. Therefore the reader should be aware that actual results may be different from any future results expressed herein due to various factors.

Note 2: Amounts in these graphs and tables are rounded down to the million of Yen.

Note 3: Percentages in these graphs and tables are rounded off the fractions to two decimal places.

Consolidated Financial Data



(Millions of yen)

	F Y 2011	F Y 2012	F Y 2013	F Y 2014	F Y 2015	F Y 2016	F Y 2017	F Y 2018	F Y 2019	F Y 2020(E)
Net Sales	43,849	42,505	35,962	39,259	44,972	43,664	44,130	55,228	57,570	48,500
Operating Income	4,362	3,053	1,185	(251)	3,877	3,018	1,145	2,649	4,883	2,000
Ordinary Income	4,112	2,857	1,465	857	4,792	2,756	905	2,397	5,325	1,800
Net Income attributable to owners of the parent	3,054	2,827	(124)	568	2,966	1,569	(291)	1,678	3,718	600
Total Assets	86,252	92,990	84,343	86,891	93,411	89,197	99,627	98,493	101,468	-
Net Assets	51,970	53,349	53,167	56,121	61,099	58,056	58,605	59,666	60,195	-
Equity Ratio	60.3%	57.4%	63.0%	64.6%	65.4%	65.0%	58.4%	60.1%	59.1%	-
EPS	¥41.6	¥38.5	(¥1.7)	¥7.8	¥40.7	¥21.6	(¥4.0)	¥23.4	¥52.0	¥8.4
Net Assets per share	¥708	¥726	¥732	¥771	¥838	¥802	¥810	¥828	¥837	-
PER	15.99x	13.56x	-	65.16x	14.57x	18.58x	-	36.40x	9.80x	-
Cash Dividends per share	¥10.0	¥13.0	¥9.0	¥10.0	¥11.0	¥13.0	¥13.0	¥13.0	¥15.0	¥15.0
ROE	6.0%	5.4%	(0.2%)	1.0%	5.1%	2.6%	(0.5%)	2.9%	6.2%	-

Note: Treasury stock, which is used to determine net income per share and net assets per share includes the shares held by ESOP trust of Employee Shareholders Association.
Balance Sheets at the end of FY2018 is partly adjusted due to the application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting".

Transition in Consolidated Business Results



(Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019			FY2020				
					1st. Half	2nd. Half	Year	1Q	2Q	1st. Half	2nd. Half(E)	Year (E)
Net Sales	44,972	43,664	44,130	55,228	29,296	28,274	57,570	13,256	12,186	25,443	23,056	48,500
Monthly average	3,747	3,638	3,677	4,602	4,882	4,712	4,797	4,418	4,062	4,240	3,842	4,041
Cost of Sales	30,867	29,288	31,206	39,401	20,089	19,243	39,333	8,983	8,189	17,172	15,627	32,800
Gross profit	31.4%	32.9%	29.3%	28.7%	31.4%	31.9%	31.7%	32.2%	32.8%	32.5%	32.2%	32.4%
	14,104	14,376	12,924	15,826	9,206	9,030	18,237	4,273	3,997	8,270	7,429	15,700
Selling expenses, General and Administrative expenses	10,227	11,357	11,778	13,177	6,684	6,668	13,353	3,463	3,596	7,059	6,640	13,700
Operating Income	8.6%	6.9%	2.6%	4.8%	8.6%	8.4%	8.5%	6.1%	3.3%	4.8%	3.4%	4.1%
	3,877	3,018	1,145	2,649	2,521	2,361	4,883	809	400	1,210	789	2,000
Non-Operating Income and Expenses	914	(261)	(240)	(251)	338	102	441	(156)	(111)	(267)	67	(200)
Ordinary Income	10.7%	6.3%	2.1%	4.3%	9.8%	8.7%	9.3%	4.9%	2.4%	3.7%	3.7%	3.7%
	4,792	2,756	905	2,397	2,861	2,464	5,325	653	289	942	857	1,800
Extraordinary Income and Losses	133	(2)	-	92	(142)	(67)	(209)	-	-	-	-	-
Income before income taxes	11.0%	6.3%	2.1%	4.5%	9.3%	8.5%	8.9%	4.9%	2.4%	3.7%	3.7%	3.7%
	4,925	2,754	905	2,489	2,718	2,396	5,115	653	289	942	857	1,800
Income Taxes	1,934	1,181	1,184	815	644	728	1,373	161	475	636	543	1,180
Net Income	6.7%	3.6%	(0.6%)	3.0%	7.1%	5.9%	6.5%	3.7%	(1.5%)	1.2%	1.4%	1.3%
	2,990	1,572	(278)	1,674	2,074	1,667	3,742	491	(185)	305	314	620
Net Income attributable to non-controlling interests	24	2	12	(4)	8	14	23	5	3	8	11	20
Net Income attributable to owners of the parent	6.6%	3.6%	(0.7%)	3.0%	7.0%	5.8%	6.5%	3.7%	(1.6%)	1.2%	1.3%	1.2%
	2,966	1,569	(291)	1,678	2,065	1,653	3,718	486	(189)	297	302	600

※Change

	YOY	YOY	YOY	YOY	HOH	HOH	YOY	QOQ	QOQ	HOH	HOH	YOY
Net Sales	14.5	(2.9)	1.1	25.1	0.4	(3.5)	4.2	(5.5)	(8.1)	(10.0)	(9.4)	(15.8)
Operating Income	-	(22.2)	(62.0)	131.2	30.1	(6.3)	84.4	(38.6)	(50.5)	(48.8)	(34.8)	(59.0)
Ordinary Income	459.1	(42.5)	(67.2)	164.7	78.0	(13.8)	122.2	(57.6)	(55.7)	(61.8)	(9.1)	(66.2)
Net Income attributable to owners of the parent	421.5	(47.1)	-	-	225.3	(20.0)	121.5	(54.5)	-	(82.0)	1.9	(83.9)

USD	109.93	120.14	108.38	110.85	110.26	111.55	110.91	109.90	107.35	108.63	-	-
EURO	138.77	132.58	118.79	129.70	129.85	126.96	128.41	123.49	119.34	121.42	-	-
RMB	17.74	18.85	16.11	16.75	16.75	16.33	16.54	16.07	15.29	15.68	-	-

Transition in Consolidated Balance Sheets



(Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019 (A)	FY 2020 1st. Half(B)	Change	
							B-A	(%)
Cash and deposits	18,871	13,933	20,240	18,104	17,023	13,327	(3,696)	(21.7)
Notes and accounts receivable-trade	10,839	10,240	13,113	16,373	15,455	12,761	(2,693)	(17.4)
Inventories	27,851	28,386	25,916	25,543	29,770	32,837	3,067	10.3
Others	4,489	3,675	3,358	1,275	1,369	1,818	448	32.8
Total current assets	62,052	56,236	62,629	61,296	63,619	60,745	(2,874)	(4.5)
Buildings and structures	5,026	5,553	5,691	5,348	5,235	8,041	2,805	53.6
Machinery and vehicles	8,850	10,566	10,548	9,700	9,767	11,319	1,552	15.9
Others	4,420	4,624	4,632	5,265	7,427	5,707	(1,719)	(23.2)
Tangible fixed assets	18,297	20,744	20,872	20,313	22,430	25,069	2,638	11.8
Intangible fixed assets	1,320	1,974	3,374	2,956	2,566	2,295	(270)	(10.6)
Total investments and other assets	11,740	10,242	12,751	13,927	12,851	12,540	(310)	(2.4)
TOTAL ASSETS	93,411	89,197	99,627	98,493	101,468	100,650	(817)	(0.8)
Notes and accounts payable-trade	7,368	6,551	8,143	10,939	11,438	10,366	(1,071)	(9.4)
Short-term bank loans and Bonds, etc.	3,732	7,875	8,534	2,778	3,179	3,622	443	13.9
Others	4,797	5,300	4,182	5,859	7,520	6,621	(899)	(12.0)
Total current liabilities	15,898	19,728	20,861	19,577	22,138	20,610	(1,527)	(6.9)
Bonds, etc.	10,000	5,000	10,000	10,000	10,000	10,000	-	-
Long-term bank loans	4,915	5,114	8,133	8,516	8,317	9,195	878	10.6
Others	1,497	1,297	2,027	732	816	1,186	369	45.3
Total long-term liabilities	16,412	11,412	20,160	19,249	19,134	20,382	1,248	6.5
TOTAL LIABILITIES	32,311	31,141	41,021	38,827	41,273	40,993	(279)	(0.7)
Shareholder s' equity	56,125	55,833	54,420	54,795	57,614	57,487	(127)	(0.2)
Total accumulated other comprehensive income	4,937	2,169	3,795	4,422	2,373	1,918	(454)	(19.2)
Subscription rights to shares	-	18	30	76	114	148	34	29.8
Non-controlling interests	37	35	359	372	93	103	9	10.7
TOTAL NET ASSETS	61,099	58,056	58,605	59,666	60,195	59,657	(537)	(0.9)
TOTAL LIABILITIES AND NET ASSETS	93,411	89,197	99,627	98,493	101,468	100,650	(817)	(0.8)
Equity ratio	65.4%	65.0%	58.4%	60.1%	59.1%	59.0%		

Note: Balance Sheets at the end of FY2018 is partly adjusted due to the application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting".

Transition in Consolidated Cash Flows



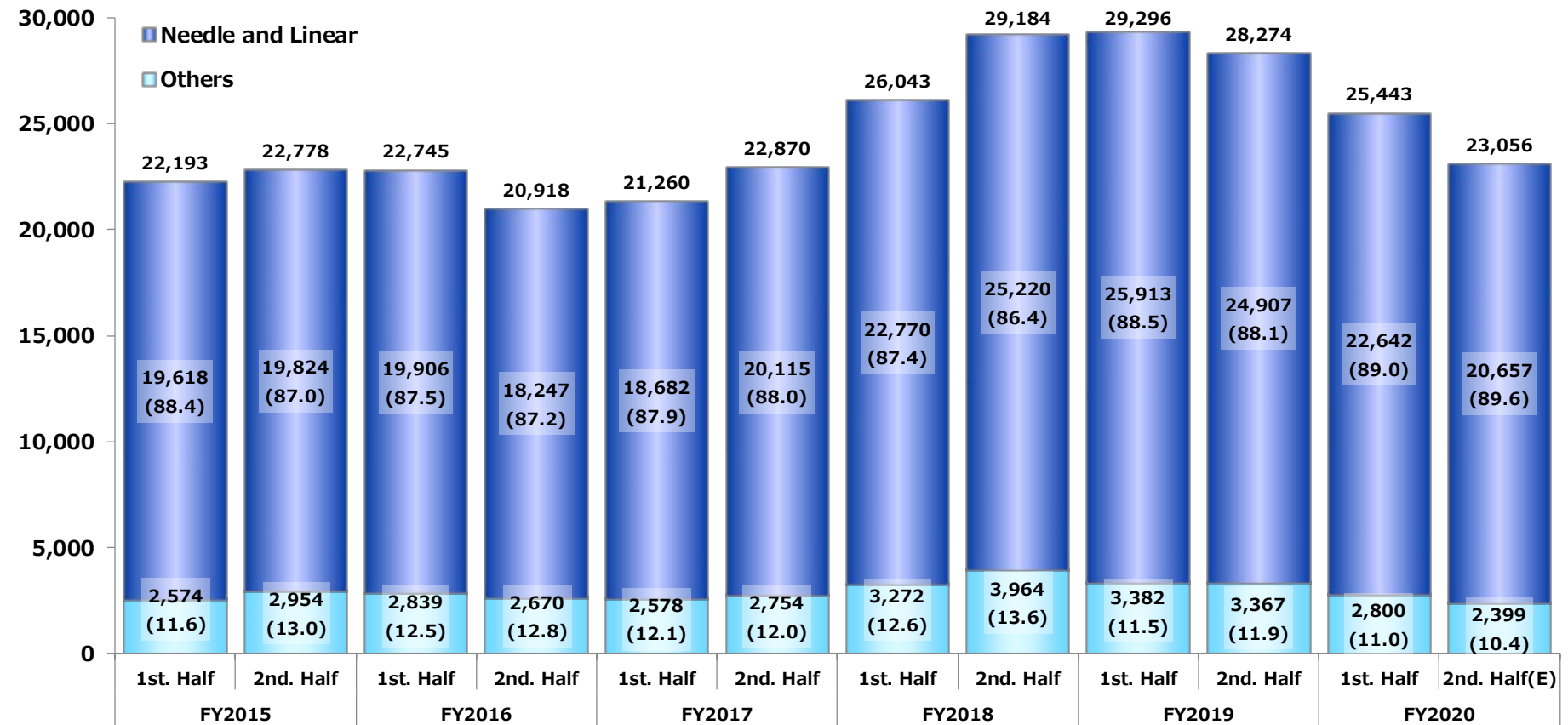
(Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	F Y 2020 1st. Half
Income (loss) before income taxes	4,925	2,754	905	2,489	5,115	942
Depreciation	2,584	2,272	2,596	3,094	3,297	1,895
Decrease (increase) in notes and accounts receivable – trade	(1,118)	735	(2,264)	(3,196)	861	2,522
Decrease (increase) in inventories	2,216	(864)	2,984	410	(4,266)	(3,477)
Others	(917)	(2,375)	759	3,246	150	(2,408)
Operating activities	7,690	2,521	4,981	6,043	5,158	(525)
Payments for purchase of property, plant and equipment	(1,232)	(3,881)	(3,756)	(1,539)	(4,588)	(3,226)
Others	(1,211)	(1,026)	(1,619)	159	(473)	(206)
Investing activities	(2,443)	(4,908)	(5,376)	(1,379)	(5,061)	(3,432)
Net increase (decrease) in bank loans	(1,143)	(592)	3,279	(368)	201	1,321
Proceeds from corporate bonds	-	-	10,000	-	-	-
Repayment of convertible bond	-	-	(4,999)	(5,000)	-	-
Cash dividends paid and others	(712)	(1,351)	(1,153)	(1,327)	(1,248)	(521)
Financing activities	(1,856)	(1,944)	7,126	(6,696)	(1,047)	800
Foreign currency translation adjustments on cash and cash equivalents	356	(80)	(78)	11	(44)	(114)
Net increase (decrease) in cash and cash equivalents	3,747	(4,410)	6,653	(2,020)	(995)	(3,272)
Cash and cash equivalents at beginning of year	14,290	17,797	13,386	20,040	18,019	17,023
Cash and cash equivalents at end of year	18,038	13,386	20,040	18,019	17,023	13,751

Note: "Cash and cash equivalents at beginning of year" in the FY2016, include "Increase (decrease) in cash and cash equivalents due to change in fiscal period of consolidated subsidiaries".

Transition in Consolidated Net Sales «By Business Segment» **IKO**

(Millions of yen)

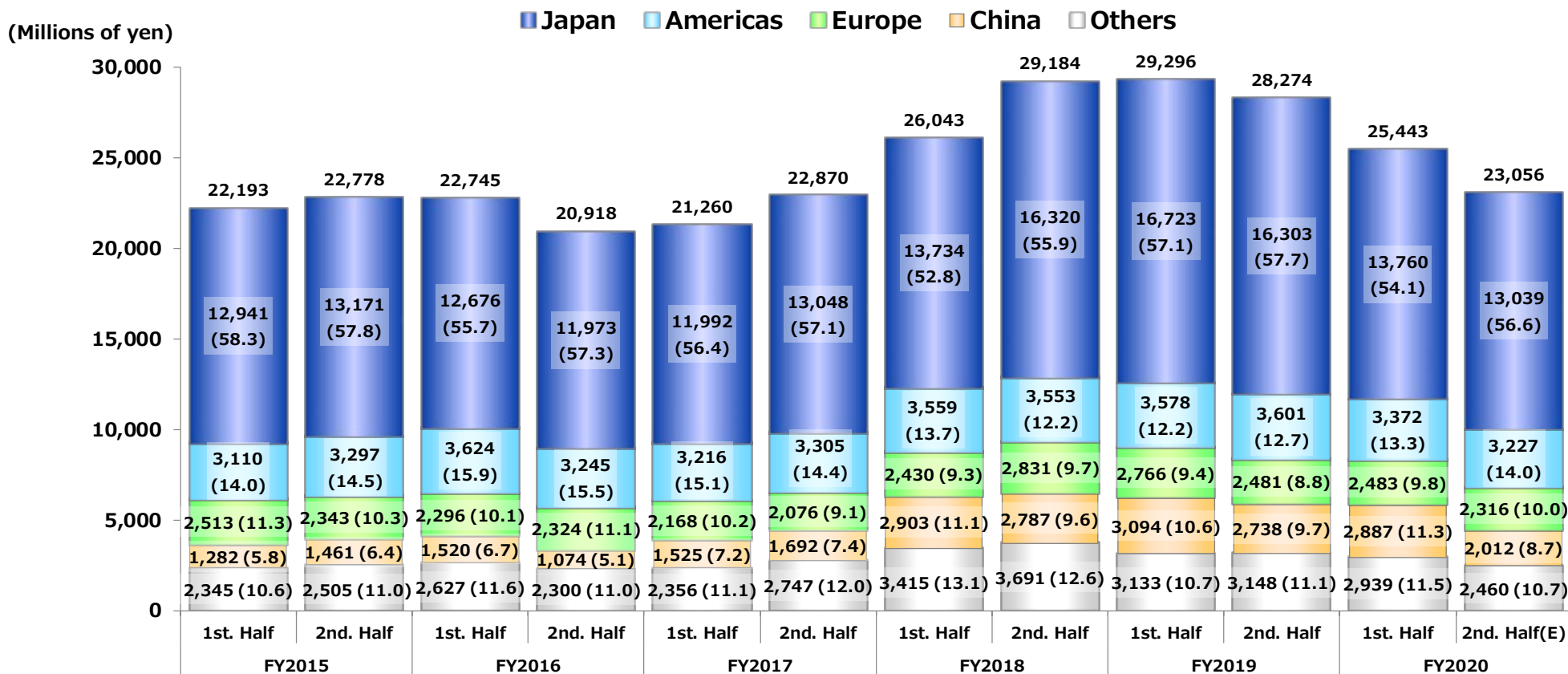


Change (Half-yearly)

(%)

	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020	
	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half(E)
Needle and Linear	13.8	1.1	0.4	(8.3)	2.4	7.7	13.2	10.8	2.7	(3.9)	(9.1)	(8.8)
Others	(2.9)	14.7	(3.9)	(5.9)	(3.5)	6.9	18.8	21.1	(14.7)	(0.5)	(16.8)	(14.3)
Total	11.6	2.6	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	(3.5)	(10.0)	(9.4)

Transition in Consolidated Net Sales «By Geographical Area» **IKO**

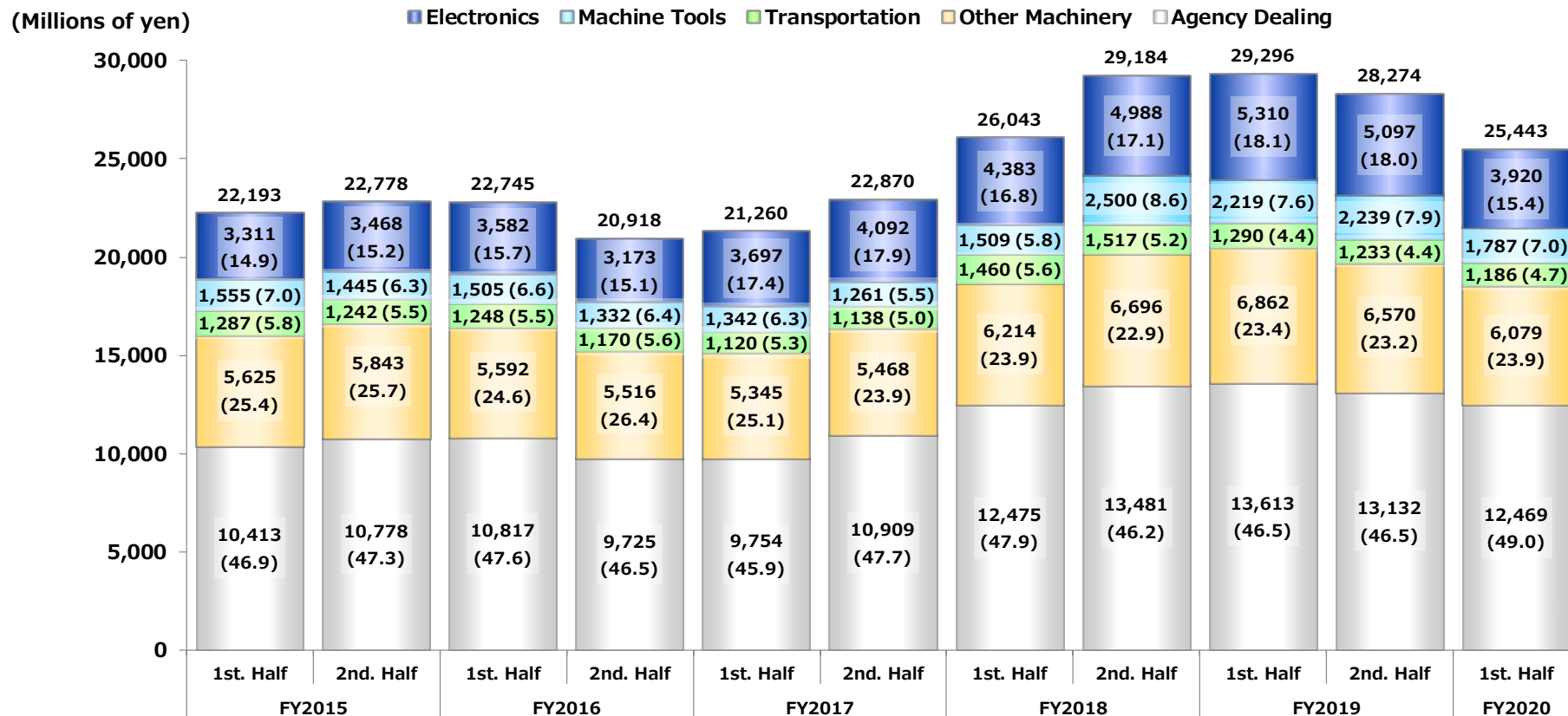


Change (Half- y early)

(%)

	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020	
	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half
Japan	7.2	1.8	(3.8)	(5.5)	0.2	8.8	5.3	18.8	2.5	(2.5)	(15.6)	(5.2)
Americas	15.1	6.0	9.9	(10.4)	(0.9)	2.8	7.7	(0.2)	0.7	0.6	(6.3)	(4.3)
Europe	26.3	(6.8)	(2.0)	1.2	(6.7)	(4.2)	17.0	16.5	(2.3)	(10.3)	0.1	(6.7)
China	17.9	13.9	4.1	(29.4)	42.0	10.9	71.6	(4.0)	11.0	(11.5)	5.4	(30.3)
Others	15.3	6.8	4.9	(12.5)	2.5	16.6	24.3	8.1	(15.1)	0.5	(6.7)	(16.3)
Total	11.6	2.6	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	(3.5)	(10.0)	(9.4)

Transition in Consolidated Net Sales «By Industry Category» **IKO**



Change (Half- y early)

(%)

	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020
	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half
D Electronics	12.9	4.7	3.3	(11.4)	16.5	10.7	7.1	13.8	6.4	(4.0)	(23.1)
D Machine Tools	12.5	(7.0)	4.1	(11.5)	0.7	(6.1)	19.7	65.7	(11.2)	0.9	(20.2)
D Transportation	1.8	(3.4)	0.4	(6.2)	(4.3)	1.6	28.2	3.9	(15.0)	(4.4)	(3.8)
Other Machinery	8.5	3.9	(4.3)	(1.4)	(3.1)	2.3	13.6	7.8	2.5	(4.3)	(7.5)
Agency Dealing	14.1	3.5	0.4	(10.1)	0.3	11.8	14.4	8.1	1.0	(3.5)	(5.1)
Total	11.6	2.6	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	(3.5)	(10.0)

Analysis of Consolidated Operating Income



(Millions of yen)

