

# Financial Summary

Second Quarter of Fiscal Year ending March 31, 2019



November 12, 2018

**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 May 14, 2018.  
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)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019(E)
<b>Net Sales</b>	25,369	43,849	42,505	35,962	39,259	44,972	43,664	44,130	55,228	61,000
<b>Operating Income</b>	(4,667)	4,362	3,053	1,185	(251)	3,877	3,018	1,145	2,649	5,500
<b>Ordinary Income</b>	(4,739)	4,112	2,857	1,465	857	4,792	2,756	905	2,397	5,400
<b>Net Income attributable to owners of the parent</b>	(6,061)	3,054	2,827	(124)	568	2,966	1,569	(291)	1,678	3,800
<b>Total Assets</b>	78,262	86,252	92,990	84,343	86,891	93,411	89,197	99,627	98,493	-
<b>Net Assets</b>	50,400	51,970	53,349	53,167	56,121	61,099	58,056	58,605	59,666	-
<b>Equity Ratio</b>	64.4%	60.3%	57.4%	63.0%	64.6%	65.4%	65.0%	58.4%	60.1%	-
<b>EPS</b>	(¥82.5)	¥41.6	¥38.5	(¥1.7)	¥7.8	¥40.7	¥21.6	(¥4.0)	¥23.4	¥53.1
<b>Net Assets per share</b>	¥686	¥708	¥726	¥732	¥771	¥838	¥802	¥810	¥828	-
<b>PER</b>	-	15.99x	13.56x	-	65.16x	14.57x	18.58x	-	36.40x	-
<b>Cash Dividends per share</b>	¥6.0	¥10.0	¥13.0	¥9.0	¥10.0	¥11.0	¥13.0	¥13.0	¥13.0	¥15.0
<b>ROE</b>	(11.4%)	6.0%	5.4%	(0.2%)	1.0%	5.1%	2.6%	(0.5%)	2.9%	-

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)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018			FY2019				
							1st. Half	2nd. Half	Year	1Q	2Q	1st. Half	2nd. Half(E)	Year(E)
<b>Net Sales</b>	42,505	35,962	39,259	44,972	43,664	44,130	26,043	29,184	55,228	15,165	14,131	29,296	31,703	61,000
<b>Monthly average</b>	3,542	2,996	3,271	3,747	3,638	3,677	4,340	4,864	4,602	5,055	4,710	4,882	5,283	5,083
<b>Cost of Sales</b>	30,606	26,255	30,139	30,867	29,288	31,206	18,823	20,578	39,401	10,537	9,552	20,089	21,610	41,700
	28.0%	27.0%	23.2%	31.4%	32.9%	29.3%	27.7%	29.5%	28.7%	30.5%	32.4%	31.4%	31.8%	31.6%
<b>Gross profit</b>	11,899	9,707	9,120	14,104	14,376	12,924	7,220	8,606	15,826	4,627	4,579	9,206	10,093	19,300
<b>Selling expenses, General and Administrative expenses</b>	8,846	8,521	9,372	10,227	11,357	11,778	6,510	6,667	13,177	3,287	3,397	6,684	7,115	13,800
	7.2%	3.3%	(0.6%)	8.6%	6.9%	2.6%	2.7%	6.6%	4.8%	8.8%	8.4%	8.6%	9.4%	9.0%
<b>Operating Income</b>	3,053	1,185	(251)	3,877	3,018	1,145	710	1,938	2,649	1,339	1,182	2,521	2,978	5,500
<b>Non-Operating Income and Expenses</b>	(195)	280	1,109	914	(261)	(240)	80	(331)	(251)	205	133	338	(438)	(100)
<b>Ordinary Income</b>	2,857	1,465	857	4,792	2,756	905	790	1,607	2,397	1,545	1,315	2,860	2,539	5,400
<b>Extraordinary Income and Losses</b>	78	(1,245)	(152)	133	(2)	-	286	(194)	92	(97)	(44)	(142)	142	-
	6.9%	0.6%	1.8%	11.0%	6.3%	2.1%	4.1%	4.8%	4.5%	9.5%	9.0%	9.3%	8.5%	8.9%
<b>Income before income taxes</b>	2,936	219	704	4,925	2,754	905	1,076	1,412	2,489	1,448	1,270	2,718	2,681	5,400
<b>Income Taxes</b>	108	344	135	1,934	1,181	1,184	20	794	815	259	384	644	916	1,561
<b>Net Income</b>	2,827	(124)	568	2,990	1,572	(278)	1,056	617	1,674	1,188	885	2,074	1,764	3,839
	6.7%	(0.3%)	1.4%	6.7%	3.6%	(0.6%)	4.1%	2.1%	3.0%	7.8%	6.3%	7.1%	5.6%	6.3%
<b>Net Income attributable to non-controlling interests</b>	-	-	-	24	2	12	12	(16)	(4)	6	2	8	30	39
<b>Net Income attributable to owners of the parent</b>	2,827	(124)	568	2,966	1,569	(291)	1,043	634	1,678	1,181	883	2,065	1,734	3,800
	6.7%	(0.3%)	1.4%	6.6%	3.6%	(0.7%)	4.0%	2.2%	3.0%	7.8%	6.3%	7.0%	5.5%	6.2%

※Change

	YOY	YOY	YOY	YOY	YOY	YOY	HOH	HOH	YOY	QOQ	QOQ	HOH	HOH	YOY
<b>Net Sales</b>	(3.1)	(15.4)	9.2	14.5	(2.9)	1.1	13.9	12.1	25.1	0.3	(6.8)	0.4	8.2	10.5
<b>Operating Income</b>	(30.0)	(61.2)	-	-	(22.2)	(62.0)	57.3	173.1	131.2	2.0	(11.8)	30.1	18.1	107.6
<b>Ordinary Income</b>	(30.5)	(48.7)	(41.5)	459.1	(42.5)	(67.2)	(14.7)	103.4	164.7	60.9	(14.9)	78.0	(11.3)	125.3
<b>Net Income attributable to owners of the parent</b>	(7.4)	-	-	421.5	(47.1)	-	34.0	(39.2)	-	244.7	(25.2)	225.3	(16.0)	126.4

<b>USD</b>	79.07	83.10	100.24	109.93	120.14	108.38	111.06	110.64	110.85	109.07	111.46	110.26	-	-
<b>EURO</b>	108.97	107.14	134.37	138.77	132.58	118.79	126.29	133.12	129.70	130.06	129.63	129.85	-	-
<b>RMB</b>	12.36	13.20	16.41	17.74	18.85	16.11	16.42	17.07	16.75	17.13	16.37	16.75	-	-

# Transition in Consolidated Balance Sheets



(Millions of yen)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 (A)	FY 2019 1st. Half(B)	Change	
									B-A	(%)
Cash and deposits	14,744	10,095	14,748	18,871	13,933	20,240	18,104	15,388	(2,715)	(15.0)
Notes and accounts receivable-trade	9,463	8,696	9,577	10,839	10,240	13,113	16,373	15,481	(891)	(5.4)
Inventories	35,519	34,277	29,580	27,851	28,386	25,916	25,543	27,063	1,520	6.0
Others	3,574	3,083	3,966	4,489	3,675	3,358	1,275	2,993	1,717	134.7
<b>Total current assets</b>	<b>63,301</b>	<b>56,151</b>	<b>57,873</b>	<b>62,052</b>	<b>56,236</b>	<b>62,629</b>	<b>61,296</b>	<b>60,926</b>	<b>(369)</b>	<b>(0.6)</b>
Buildings and structures	5,248	5,401	5,124	5,026	5,553	5,691	5,348	5,173	(174)	(3.3)
Machinery and vehicles	10,453	9,451	9,309	8,850	10,566	10,548	9,700	9,559	(140)	(1.5)
Others	4,940	3,976	4,267	4,420	4,624	4,632	5,265	6,149	884	16.8
<b>Tangible fixed assets</b>	<b>20,643</b>	<b>18,829</b>	<b>18,701</b>	<b>18,297</b>	<b>20,744</b>	<b>20,872</b>	<b>20,313</b>	<b>20,882</b>	<b>569</b>	<b>2.8</b>
Intangible fixed assets	302	396	609	1,320	1,974	3,374	2,956	2,746	(209)	(7.1)
<b>Total investments and other assets</b>	<b>8,743</b>	<b>8,965</b>	<b>9,706</b>	<b>11,740</b>	<b>10,242</b>	<b>12,751</b>	<b>13,927</b>	<b>14,168</b>	<b>241</b>	<b>1.7</b>
<b>TOTAL ASSETS</b>	<b>92,990</b>	<b>84,343</b>	<b>86,891</b>	<b>93,411</b>	<b>89,197</b>	<b>99,627</b>	<b>98,493</b>	<b>98,724</b>	<b>230</b>	<b>0.2</b>
Notes and accounts payable-trade	9,390	4,487	5,913	7,368	6,551	8,143	10,939	10,746	(192)	(1.8)
Short-term bank loans and Bonds, etc.	7,146	3,556	3,459	3,732	7,875	8,534	2,778	2,755	(23)	(0.8)
Others	5,510	2,771	3,634	4,797	5,300	4,182	5,859	6,278	419	7.2
<b>Total current liabilities</b>	<b>22,047</b>	<b>10,815</b>	<b>13,007</b>	<b>15,898</b>	<b>19,728</b>	<b>20,861</b>	<b>19,577</b>	<b>19,780</b>	<b>202</b>	<b>1.0</b>
Bonds, etc.	5,000	10,000	10,000	10,000	5,000	10,000	10,000	10,000	-	-
Long-term bank loans	10,969	9,179	6,319	4,915	5,114	8,133	8,516	7,150	(1,366)	(16.0)
Others	1,624	1,181	1,442	1,497	1,297	2,027	732	665	(67)	(9.2)
<b>Total long-term liabilities</b>	<b>17,593</b>	<b>20,360</b>	<b>17,762</b>	<b>16,412</b>	<b>11,412</b>	<b>20,160</b>	<b>19,249</b>	<b>17,815</b>	<b>(1,433)</b>	<b>(7.4)</b>
<b>TOTAL LIABILITIES</b>	<b>39,640</b>	<b>31,176</b>	<b>30,770</b>	<b>32,311</b>	<b>31,141</b>	<b>41,021</b>	<b>38,827</b>	<b>37,596</b>	<b>(1,230)</b>	<b>(3.2)</b>
Shareholders' equity	55,212	53,911	53,874	56,125	55,833	54,420	54,795	56,437	1,642	3.0
Total accumulated other comprehensive income	(1,862)	(744)	2,246	4,937	2,169	3,795	4,422	4,497	75	1.7
Subscription rights to shares	-	-	-	-	18	30	76	114	38	49.9
Non-controlling interests	-	-	-	37	35	359	372	78	(294)	(79.0)
<b>TOTAL NET ASSETS</b>	<b>53,349</b>	<b>53,167</b>	<b>56,121</b>	<b>61,099</b>	<b>58,056</b>	<b>58,605</b>	<b>59,666</b>	<b>61,127</b>	<b>1,461</b>	<b>2.4</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>92,990</b>	<b>84,343</b>	<b>86,891</b>	<b>93,411</b>	<b>89,197</b>	<b>99,627</b>	<b>98,493</b>	<b>98,724</b>	<b>230</b>	<b>0.2</b>
<b>Equity ratio</b>	<b>57.4%</b>	<b>63.0%</b>	<b>64.6%</b>	<b>65.4%</b>	<b>65.0%</b>	<b>58.4%</b>	<b>60.1%</b>	<b>61.7%</b>		

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



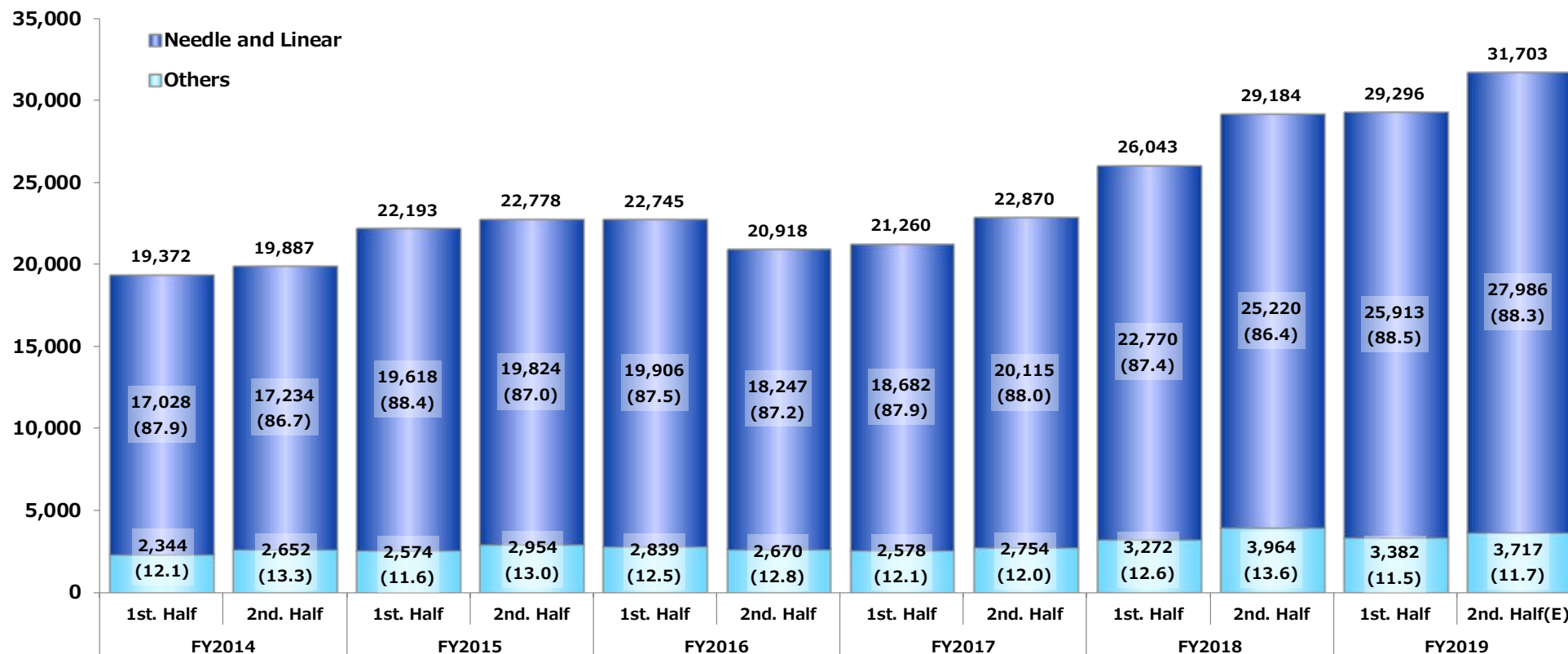
(Millions of yen)

	F Y 2012	F Y 2013	F Y 2014	F Y 2015	F Y 2016	F Y 2017	F Y 2018	F Y 2019 1st. Half
Income (loss) before income taxes	2,936	219	704	4,925	2,754	905	2,489	2,718
Depreciation	3,090	3,048	2,636	2,584	2,272	2,596	3,094	1,638
Decrease (increase) in notes and accounts receivable – trade	1,283	916	(565)	(1,118)	735	(2,264)	(3,196)	904
Decrease (increase) in inventories	(8,741)	1,823	5,909	2,216	(864)	2,984	410	(1,237)
Others	(955)	(6,360)	366	(917)	(2,375)	759	3,246	(370)
<b>Operating activities</b>	<b>(2,385)</b>	<b>(352)</b>	<b>9,051</b>	<b>7,690</b>	<b>2,521</b>	<b>4,981</b>	<b>6,043</b>	<b>3,654</b>
Payments for purchase of property, plant and equipment	(8,428)	(2,691)	(1,170)	(1,232)	(3,881)	(3,756)	(1,539)	(1,942)
Others	(617)	(77)	(424)	(1,211)	(1,026)	(1,619)	159	(213)
<b>Investing activities</b>	<b>(9,046)</b>	<b>(2,768)</b>	<b>(1,595)</b>	<b>(2,443)</b>	<b>(4,908)</b>	<b>(5,376)</b>	<b>(1,379)</b>	<b>(2,155)</b>
Net increase (decrease) in bank loans	222	(1,385)	(2,956)	(1,143)	(592)	3,279	(368)	(1,389)
Proceeds from corporate bonds	5,000	5,000	-	-	-	10,000	-	-
Repayment of convertible bond	-	(4,000)	-	-	-	(4,999)	(5,000)	-
Cash dividends paid and others	(882)	(1,176)	(605)	(712)	(1,351)	(1,153)	(1,327)	(758)
<b>Financing activities</b>	<b>4,340</b>	<b>(1,561)</b>	<b>(3,562)</b>	<b>(1,856)</b>	<b>(1,944)</b>	<b>7,126</b>	<b>(6,696)</b>	<b>(2,147)</b>
Foreign currency translation adjustments on cash and cash equivalents	(38)	(57)	429	356	(80)	(78)	11	34
Net increase (decrease) in cash and cash equivalents	(7,130)	(4,740)	4,323	3,747	(4,410)	6,653	(2,020)	(613)
Cash and cash equivalents at beginning of year	21,837	14,707	9,967	14,290	17,797	13,386	20,040	18,019
<b>Cash and cash equivalents at end of year</b>	<b>14,707</b>	<b>9,967</b>	<b>14,290</b>	<b>18,038</b>	<b>13,386</b>	<b>20,040</b>	<b>18,019</b>	<b>17,405</b>

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)



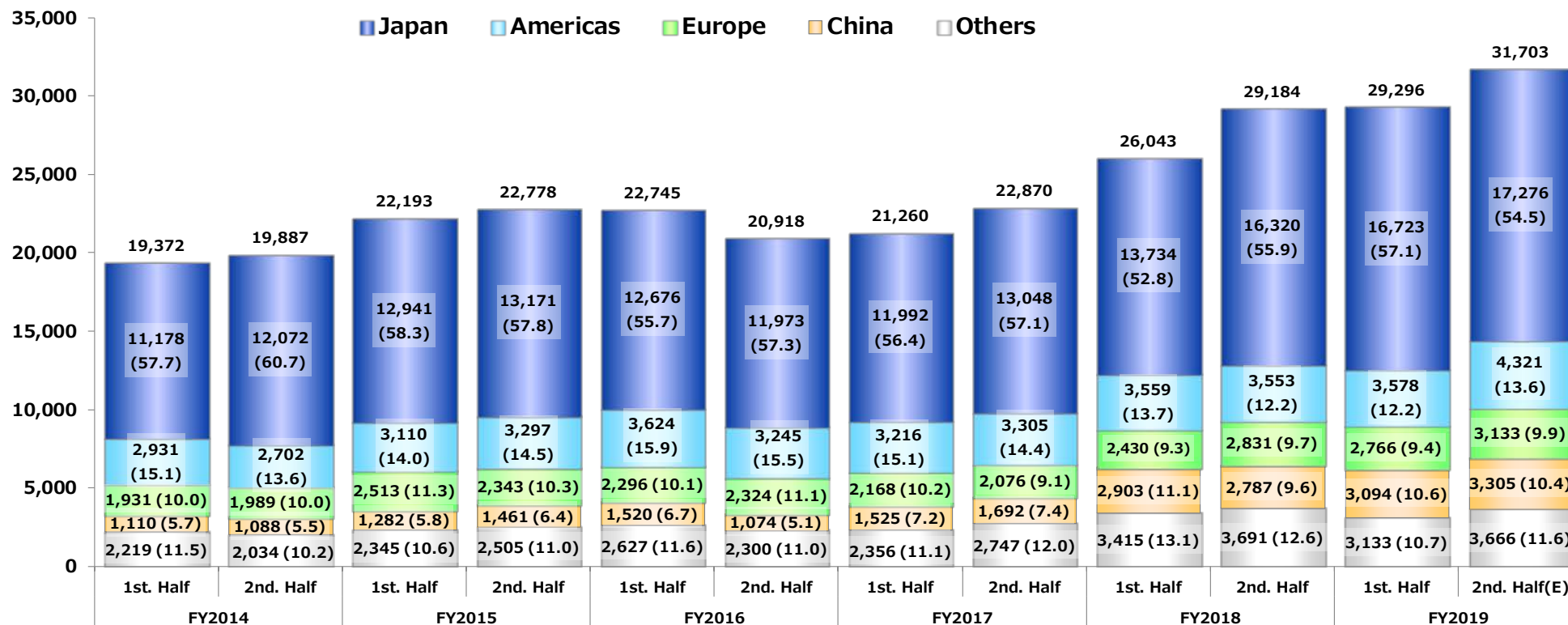
Change (Half- yearly)

(%)

	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019	
	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	16.3	1.2	13.8	1.1	0.4	(8.3)	2.4	7.7	13.2	10.8	2.7	8.0
Others	8.1	13.1	(2.9)	14.7	(3.9)	(5.9)	(3.5)	6.9	18.8	21.1	(14.7)	9.9
Total	15.3	2.7	11.6	2.6	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	8.2

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

(Millions of yen)



## Change (Half- yearly)

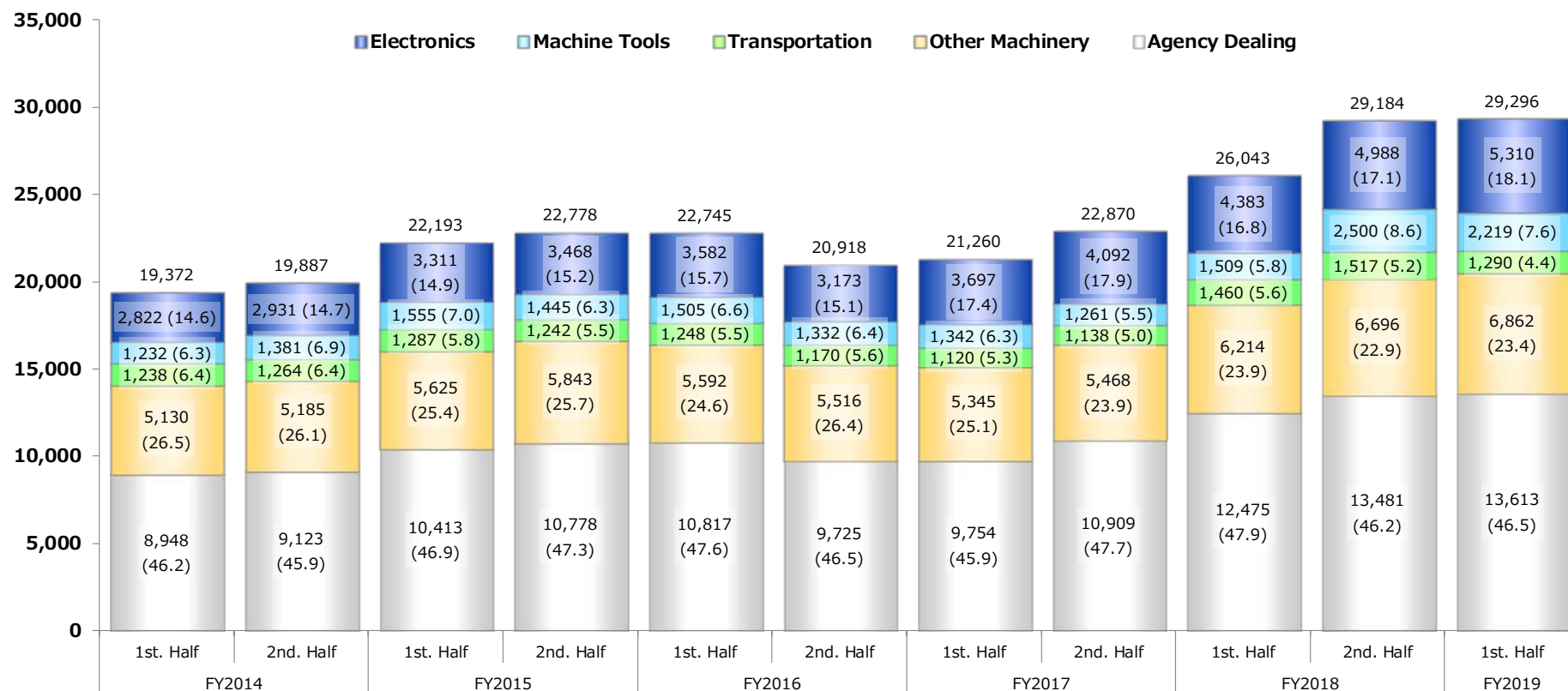
(%)

	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019	
	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)
<b>Japan</b>	8.2	8.0	7.2	1.8	(3.8)	(5.5)	0.2	8.8	5.3	18.8	2.5	3.3
<b>Americas</b>	25.2	(7.8)	15.1	6.0	9.9	(10.4)	(0.9)	2.8	7.7	(0.2)	0.7	20.7
<b>Europe</b>	29.4	3.0	26.3	(6.8)	(2.0)	1.2	(6.7)	(4.2)	17.0	16.5	(2.3)	13.2
<b>China</b>	14.1	(2.0)	17.9	13.9	4.1	(29.4)	42.0	10.9	71.6	(4.0)	11.0	6.8
<b>Others</b>	33.4	(8.3)	15.3	6.8	4.9	(12.5)	2.5	16.6	24.3	8.1	(15.1)	17.0
<b>Total</b>	15.3	2.7	11.6	2.6	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	8.2



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

(Millions of yen)



## Change (Half- y early)

(%)

	FY2014		FY2015		FY2016		FY2017		FY2018		FY2019
	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half	2nd. Half	1st. Half
<b>D</b> Electronics	30.3	3.9	12.9	4.7	3.3	(11.4)	16.5	10.7	7.1	13.8	6.4
<b>D</b> Machine Tools	(1.7)	12.1	12.5	(7.0)	4.1	(11.5)	0.7	(6.1)	19.7	65.7	(11.2)
<b>D</b> Transportation	9.1	2.1	1.8	(3.4)	0.4	(6.2)	(4.3)	1.6	28.2	3.9	(15.0)
<b>D</b> Other Machinery	11.5	1.1	8.5	3.9	(4.3)	(1.4)	(3.1)	2.3	13.6	7.8	2.5
<b>D</b> Agency Dealing	17.0	2.0	14.1	3.5	0.4	(10.1)	0.3	11.8	14.4	8.1	1.0
<b>Total</b>	15.3	2.7	11.6	2.6	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4

# Analysis of Consolidated Operating Income



(Millions of yen)

