

# Financial Summary

Third Quarter of Fiscal Year ending March 31, 2019



February 12, 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 February 12, 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)

	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	57,000
<b>Operating Income</b>	(4,667)	4,362	3,053	1,185	(251)	3,877	3,018	1,145	2,649	4,700
<b>Ordinary Income</b>	(4,739)	4,112	2,857	1,465	857	4,792	2,756	905	2,397	4,900
<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	3,300
<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	¥46.1
<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)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018					FY 2019				
					1Q	2Q	3Q	1Q-3Q	Year	1Q	2Q	3Q	1Q-3Q	Year(E)
Net Sales	39,259	44,972	43,664	44,130	12,906	13,137	14,063	40,107	55,228	15,165	14,131	14,248	43,545	57,000
Monthly average	3,271	3,747	3,638	3,677	4,302	4,379	4,687	4,456	4,602	5,055	4,710	4,749	4,838	4,750
Cost of Sales	30,139	30,867	29,288	31,206	9,208	9,615	10,019	28,842	39,401	10,537	9,552	9,774	29,863	38,900
Gross profit	23.2%	31.4%	32.9%	29.3%	28.7%	26.8%	28.8%	28.1%	28.7%	30.5%	32.4%	31.4%	31.4%	31.8%
Gross profit	9,120	14,104	14,376	12,924	3,697	3,522	4,044	11,264	15,826	4,627	4,579	4,474	13,681	18,100
Selling expenses, General and Administrative expenses	9,372	10,227	11,357	11,778	3,217	3,292	3,418	9,928	13,177	3,287	3,397	3,430	10,114	13,400
Operating Income	(0.6%) (251)	8.6% 3,877	6.9% 3,018	2.6% 1,145	3.7% 480	1.7% 229	4.4% 625	3.3% 1,335	4.8% 2,649	8.8% 1,339	8.4% 1,182	7.3% 1,044	8.2% 3,566	8.2% 4,700
Non-Operating Income and Expenses	1,109	914	(261)	(240)	33	46	21	101	(251)	205	133	(118)	220	200
Ordinary Income	2.2% 857	10.7% 4,792	6.3% 2,756	2.1% 905	4.0% 514	2.1% 275	4.6% 646	3.6% 1,436	4.3% 2,397	10.2% 1,545	9.3% 1,315	6.5% 925	8.7% 3,786	8.6% 4,900
Extraordinary Income and Losses	(152)	133	(2)	-	35	250	0	286	92	(97)	(44)	(70)	(212)	(220)
Income before income taxes	1.8% 704	11.0% 4,925	6.3% 2,754	2.1% 905	4.3% 549	4.0% 526	4.6% 646	4.3% 1,723	4.5% 2,489	9.5% 1,448	9.0% 1,270	6.0% 854	8.2% 3,573	8.2% 4,680
Income Taxes	135	1,934	1,181	1,184	(159)	179	362	383	815	259	384	269	914	1,360
Net Income	1.4% 568	6.7% 2,990	3.6% 1,572	(0.6%) (278)	5.5% 709	2.6% 346	2.0% 283	3.3% 1,339	3.0% 1,674	7.8% 1,188	6.3% 885	4.1% 585	6.1% 2,659	5.8% 3,320
Net Income attributable to non-controlling interests	-	24	2	12	6	6	(8)	4	(4)	6	2	2	11	20
Net Income attributable to owners of the parent	1.4% 568	6.6% 2,966	3.6% 1,569	(0.7%) (291)	5.4% 702	2.6% 340	2.1% 292	3.3% 1,335	3.0% 1,678	7.8% 1,181	6.3% 883	4.1% 582	6.1% 2,648	5.8% 3,300

※Change

	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	YOY	YOY	QOQ	QOQ	QOQ	YOY	YOY
Net Sales	9.2	14.5	(2.9)	1.1	6.5	1.8	7.1	25.3	25.1	0.3	(6.8)	0.8	8.6	3.2
Operating Income	-	-	(22.2)	(62.0)	(7.2)	(52.3)	172.9	112.9	131.2	2.0	(11.8)	(11.7)	167.0	77.4
Ordinary Income	(41.5)	459.1	(42.5)	(67.2)	68.1	(46.4)	134.4	139.7	164.7	60.9	(14.9)	(29.6)	163.5	104.4
Net Income attributable to owners of the parent	-	421.5	(47.1)	-	78.0	(51.5)	(14.3)	-	-	244.7	(25.2)	(34.1)	98.2	96.6

USD	100.24	109.93	120.14	108.38	111.09	111.03	112.98	111.70	110.85	109.07	111.46	112.90	111.14	-
EURO	134.37	138.77	132.58	118.79	122.19	130.38	133.01	128.53	129.70	130.06	129.63	128.78	129.49	-
RMB	16.41	17.74	18.85	16.11	16.21	16.64	17.08	16.64	16.75	17.13	16.37	16.32	16.61	-

# Transition in Consolidated Balance Sheets



(Millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018 (A)	FY2019 3Q(B)	Change	
							B-A	(%)
Cash and deposits	14,748	18,871	13,933	20,240	18,104	15,019	(3,085)	(17.0)
Notes and accounts receivable-trade	9,577	10,839	10,240	13,113	16,373	15,323	(1,049)	(6.4)
Inventories	29,580	27,851	28,386	25,916	25,543	28,236	2,693	10.5
Others	3,966	4,489	3,675	3,358	1,275	4,428	3,152	247.1
<b>Total current assets</b>	<b>57,873</b>	<b>62,052</b>	<b>56,236</b>	<b>62,629</b>	<b>61,296</b>	<b>63,007</b>	<b>1,711</b>	<b>2.8</b>
Buildings and structures	5,124	5,026	5,553	5,691	5,348	5,106	(241)	(4.5)
Machinery and vehicles	9,309	8,850	10,566	10,548	9,700	9,622	(77)	(0.8)
Others	4,267	4,420	4,624	4,632	5,265	6,786	1,520	28.9
<b>Tangible fixed assets</b>	<b>18,701</b>	<b>18,297</b>	<b>20,744</b>	<b>20,872</b>	<b>20,313</b>	<b>21,515</b>	<b>1,201</b>	<b>5.9</b>
Intangible fixed assets	609	1,320	1,974	3,374	2,956	2,704	(251)	(8.5)
<b>Total investments and other assets</b>	<b>9,706</b>	<b>11,740</b>	<b>10,242</b>	<b>12,751</b>	<b>13,927</b>	<b>12,451</b>	<b>(1,475)</b>	<b>(10.6)</b>
<b>TOTAL ASSETS</b>	<b>86,891</b>	<b>93,411</b>	<b>89,197</b>	<b>99,627</b>	<b>98,493</b>	<b>99,679</b>	<b>1,186</b>	<b>1.2</b>
Notes and accounts payable-trade	5,913	7,368	6,551	8,143	10,939	11,331	392	3.6
Short-term bank loans and Bonds, etc.	3,459	3,732	7,875	8,534	2,778	3,289	510	18.4
Others	3,634	4,797	5,300	4,182	5,859	6,541	681	11.6
<b>Total current liabilities</b>	<b>13,007</b>	<b>15,898</b>	<b>19,728</b>	<b>20,861</b>	<b>19,577</b>	<b>21,162</b>	<b>1,584</b>	<b>8.1</b>
Bonds, etc.	10,000	10,000	5,000	10,000	10,000	10,000	-	-
Long-term bank loans	6,319	4,915	5,114	8,133	8,516	8,852	336	3.9
Others	1,442	1,497	1,297	2,027	732	630	(102)	(14.0)
<b>Total long-term liabilities</b>	<b>17,762</b>	<b>16,412</b>	<b>11,412</b>	<b>20,160</b>	<b>19,249</b>	<b>19,483</b>	<b>233</b>	<b>1.2</b>
<b>TOTAL LIABILITIES</b>	<b>30,770</b>	<b>32,311</b>	<b>31,141</b>	<b>41,021</b>	<b>38,827</b>	<b>40,645</b>	<b>1,818</b>	<b>4.7</b>
Shareholders' equity	53,874	56,125	55,833	54,420	54,795	56,526	1,731	3.2
Total accumulated other comprehensive income	2,246	4,937	2,169	3,795	4,422	2,314	(2,107)	(47.7)
Subscription rights to shares	-	-	18	30	76	114	38	49.9
Non-controlling interests	-	37	35	359	372	78	(293)	(78.9)
<b>TOTAL NET ASSETS</b>	<b>56,121</b>	<b>61,099</b>	<b>58,056</b>	<b>58,605</b>	<b>59,666</b>	<b>59,033</b>	<b>(632)</b>	<b>(1.1)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>86,891</b>	<b>93,411</b>	<b>89,197</b>	<b>99,627</b>	<b>98,493</b>	<b>99,679</b>	<b>1,186</b>	<b>1.2</b>
<b>Equity ratio</b>	<b>64.6%</b>	<b>65.4%</b>	<b>65.0%</b>	<b>58.4%</b>	<b>60.1%</b>	<b>59.0%</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



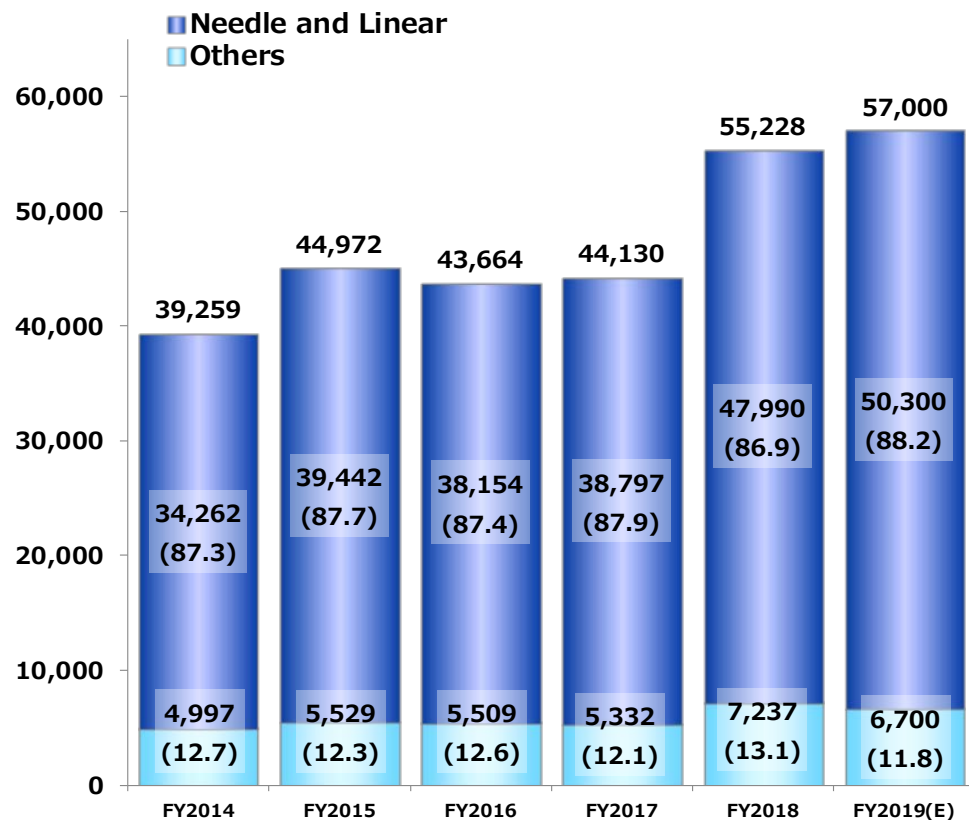
(Millions of yen)

	F Y 2014	F Y 2015	F Y 2016	F Y 2017	F Y 2018	F Y 2019 3Q
Income (loss) before income taxes	704	4,925	2,754	905	2,489	3,573
Depreciation	2,636	2,584	2,272	2,596	3,094	2,474
Decrease (increase) in notes and accounts receivable – trade	(565)	(1,118)	735	(2,264)	(3,196)	988
Decrease (increase) in inventories	5,909	2,216	(864)	2,984	410	(2,662)
Others	366	(917)	(2,375)	759	3,246	173
<b>Operating activities</b>	<b>9,051</b>	<b>7,690</b>	<b>2,521</b>	<b>4,981</b>	<b>6,043</b>	<b>4,548</b>
Payments for purchase of property, plant and equipment	(1,170)	(1,232)	(3,881)	(3,756)	(1,539)	(3,447)
Others	(424)	(1,211)	(1,026)	(1,619)	159	(425)
<b>Investing activities</b>	<b>(1,595)</b>	<b>(2,443)</b>	<b>(4,908)</b>	<b>(5,376)</b>	<b>(1,379)</b>	<b>(3,872)</b>
Net increase (decrease) in bank loans	(2,956)	(1,143)	(592)	3,279	(368)	846
Proceeds from corporate bonds	-	-	-	10,000	-	-
Repayment of convertible bond	-	-	-	(4,999)	(5,000)	-
Cash dividends paid and others	(605)	(712)	(1,351)	(1,153)	(1,327)	(1,259)
<b>Financing activities</b>	<b>(3,562)</b>	<b>(1,856)</b>	<b>(1,944)</b>	<b>7,126</b>	<b>(6,696)</b>	<b>(413)</b>
Foreign currency translation adjustments on cash and cash equivalents	429	356	(80)	(78)	11	(44)
Net increase (decrease) in cash and cash equivalents	4,323	3,747	(4,410)	6,653	(2,020)	218
Cash and cash equivalents at beginning of year	9,967	14,290	17,797	13,386	20,040	18,019
<b>Cash and cash equivalents at end of year</b>	<b>14,290</b>	<b>18,038</b>	<b>13,386</b>	<b>20,040</b>	<b>18,019</b>	<b>18,238</b>

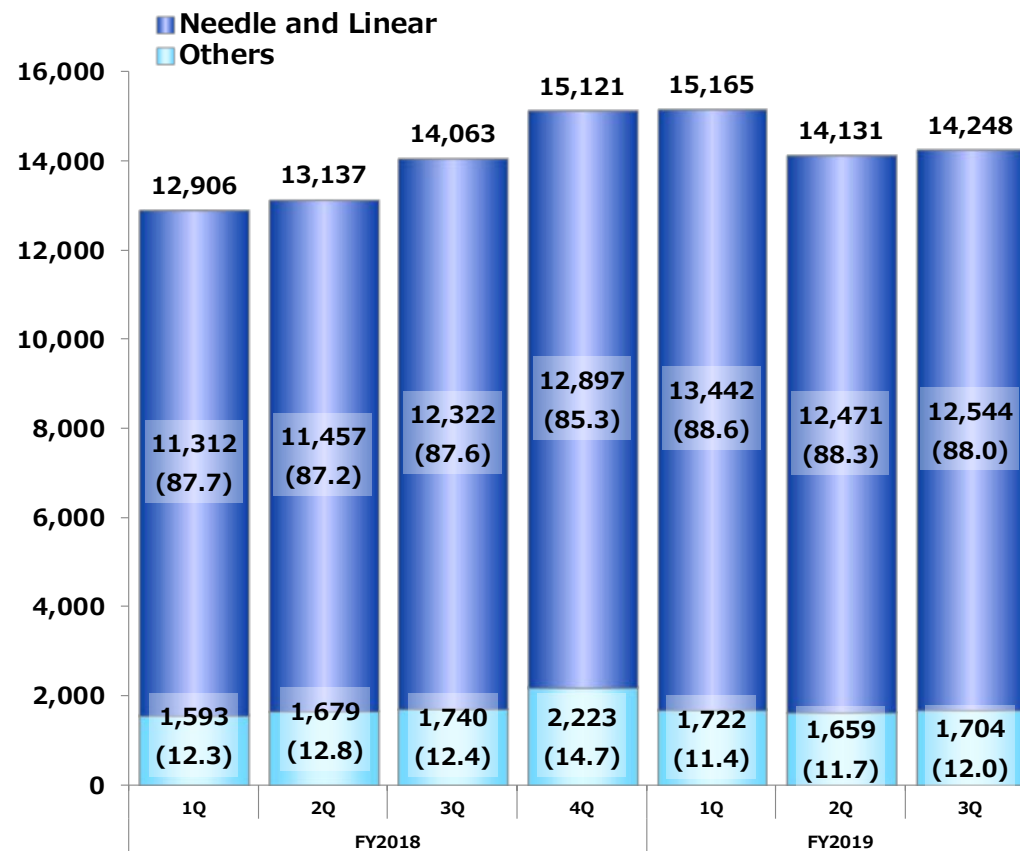
Note: "Cash and cash equivalents at beginning of year" in the FY2016, include "Increase (decrease) in cash and cash equivalents due to change in fiscal period of consolidated subsidiaries".

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

(Millions of yen)



(Millions of yen)



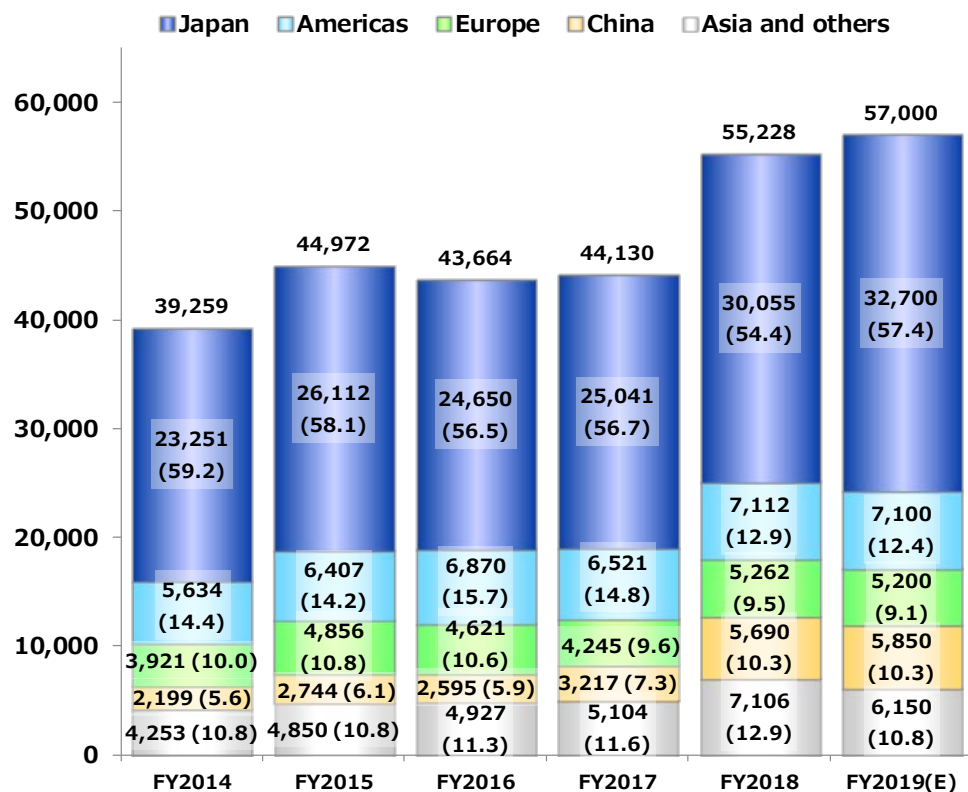
Change

(%)

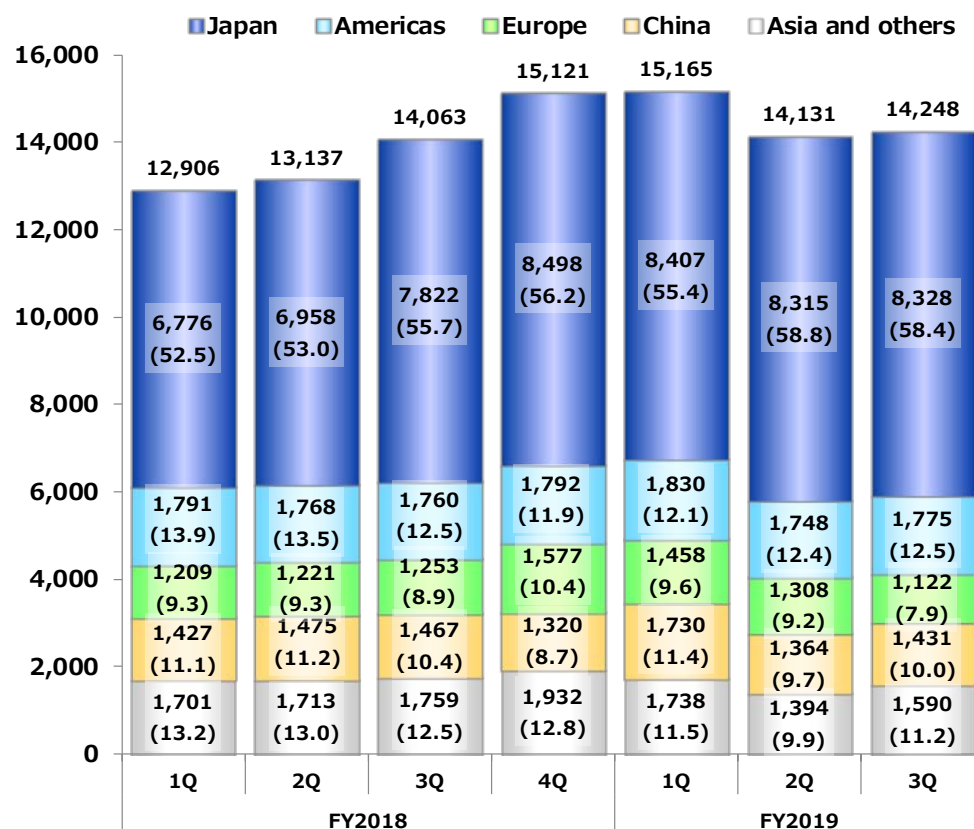
	FY2014	FY2015	FY2016	FY2017	FY2018					FY2019			
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	Year(E)
					YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY
Needle and Linear	8.5	15.1	(3.3)	1.7	6.0	1.3	7.6	4.7	23.7	4.2	(7.2)	0.6	4.8
Others	14.0	10.7	(0.4)	(3.2)	9.5	5.4	3.7	27.7	35.7	(22.5)	(3.6)	2.7	(7.4)
<b>Total</b>	<b>9.2</b>	<b>14.5</b>	<b>(2.9)</b>	<b>1.1</b>	<b>6.5</b>	<b>1.8</b>	<b>7.1</b>	<b>7.5</b>	<b>25.1</b>	<b>0.3</b>	<b>(6.8)</b>	<b>0.8</b>	<b>3.2</b>

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

(Millions of yen)



(Millions of yen)



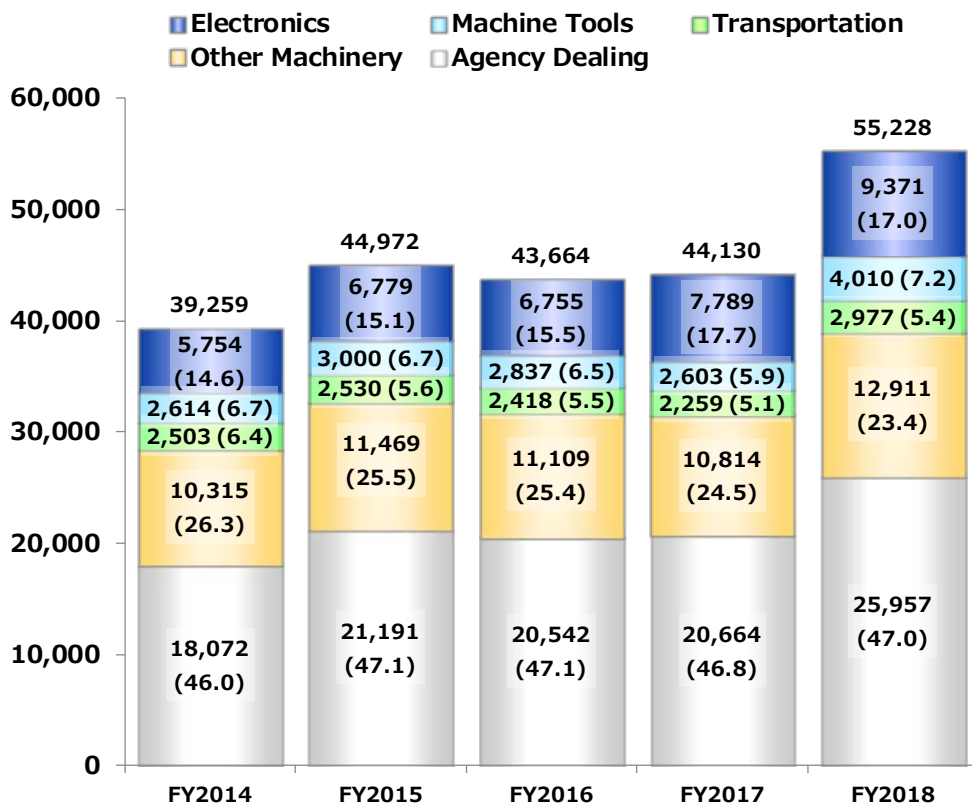
Change

	FY2014	FY2015	FY2016	FY2017	FY2018					FY2019			
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	Year(E)
					QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ	YOY
Japan	4.2	12.3	(5.6)	1.6	(0.9)	2.7	12.4	8.6	20.0	(1.1)	(1.1)	0.2	8.8
Americas	14.7	13.7	7.2	(5.1)	3.0	(1.3)	(0.4)	1.8	9.1	2.1	(4.5)	1.5	(0.2)
Europe	22.6	23.8	(4.8)	(8.1)	6.0	0.9	2.7	25.8	24.0	(7.6)	(10.3)	(14.2)	(1.2)
China	9.3	24.8	(5.4)	24.0	61.0	3.4	(0.6)	(10.0)	76.9	31.0	(21.1)	4.9	2.8
Asia and others	20.6	14.0	1.6	3.6	11.9	0.7	2.7	9.8	39.2	(10.0)	(19.8)	14.1	(13.5)
<b>Total</b>	9.2	14.5	(2.9)	1.1	6.5	1.8	7.1	7.5	25.1	0.3	(6.8)	0.8	3.2

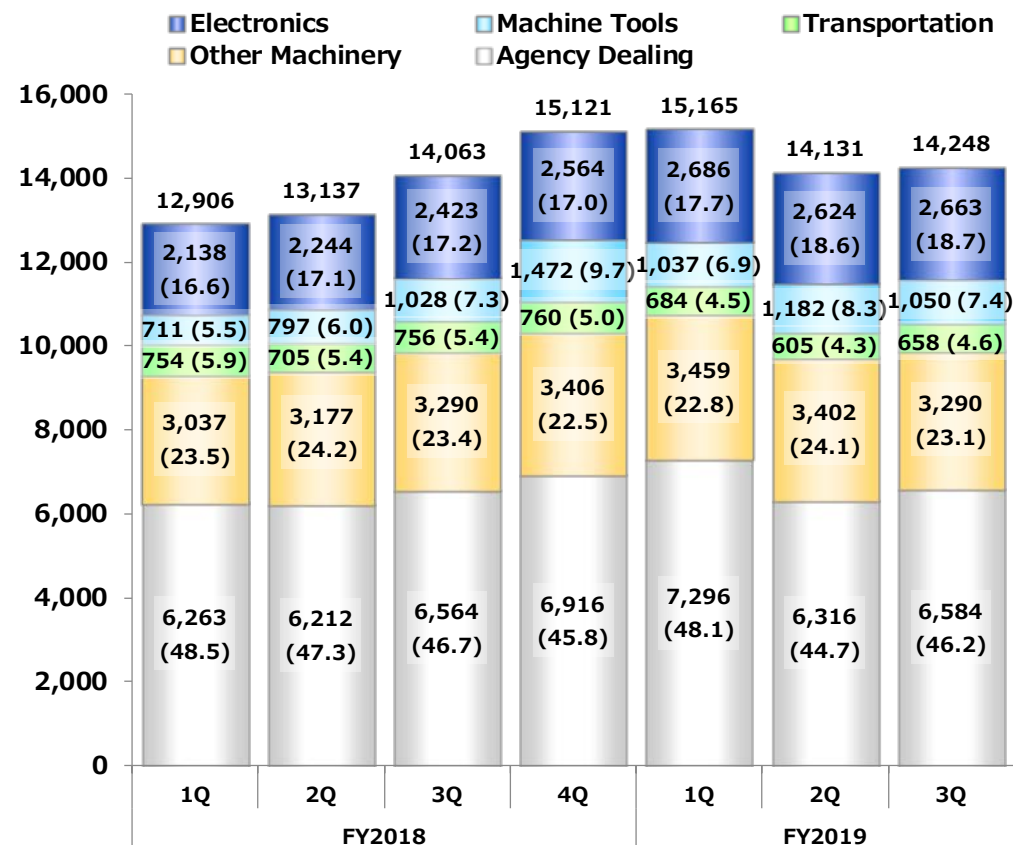


# Transition in Consolidated Net Sales «By Industry Category» **IKO**

(Millions of yen)



(Millions of yen)



Change

		FY2014	FY2015	FY2016	FY2017	FY2018					FY2019		
						1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q
						QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ
D	Electronics	5.3	17.8	(0.4)	15.3	(2.1)	4.9	8.0	5.8	20.3	4.7	(2.3)	1.5
	Machine Tools	(3.1)	14.8	(5.4)	(8.3)	9.2	12.0	29.0	43.2	54.0	(29.5)	13.9	(11.1)
	Transportation	7.6	1.1	(4.4)	(6.6)	26.9	(6.5)	7.2	0.5	31.8	(10.0)	(11.5)	8.7
	Other Machinery	8.4	11.2	(3.1)	(2.7)	4.9	4.6	3.6	3.5	19.4	1.6	(1.7)	(3.3)
	Agency Dealing	13.3	17.3	(3.1)	0.6	8.1	(0.8)	5.7	5.4	25.6	5.5	(13.4)	4.2
	Total	9.2	14.5	(2.9)	1.1	6.5	1.8	7.1	7.5	25.1	0.3	(6.8)	0.8

(%)

# Analysis of Consolidated Operating Income



(Millions of yen)

