

# Financial Summary

Second Quarter of Fiscal Year ending March 31, 2021



November 12, 2020

**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 12, 2020. 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 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	F Y 2021(E)
<b>Net Sales</b>	42,505	35,962	39,259	44,972	43,664	44,130	55,228	57,570	47,457	41,500
<b>Operating Income</b>	3,053	1,185	(251)	3,877	3,018	1,145	2,649	4,883	1,341	(1,000)
<b>Ordinary Income</b>	2,857	1,465	857	4,792	2,756	905	2,397	5,325	1,268	(800)
<b>Net Income attributable to owners of the parent</b>	2,827	(124)	568	2,966	1,569	(291)	1,678	3,718	(185)	(640)
<b>Total Assets</b>	92,990	84,343	86,891	93,411	89,197	99,627	98,493	101,468	98,118	-
<b>Net Assets</b>	53,349	53,167	56,121	61,099	58,056	58,605	59,666	60,195	57,439	-
<b>Equity Ratio</b>	57.4%	63.0%	64.6%	65.4%	65.0%	58.4%	60.1%	59.1%	58.4%	-
<b>EPS</b>	¥38.5	(¥1.7)	¥7.8	¥40.7	¥21.6	(¥4.0)	¥23.4	¥52.0	(¥2.6)	(¥9.0)
<b>Net Assets per share</b>	¥726	¥732	¥771	¥838	¥802	¥810	¥828	¥837	¥797	-
<b>PER</b>	13.56x	-	65.16x	14.57x	18.58x	-	36.40x	9.80x	-	-
<b>Cash Dividends per share</b>	¥13.0	¥9.0	¥10.0	¥11.0	¥13.0	¥13.0	¥13.0	¥15.0	¥12.5	¥8.0
<b>ROE</b>	5.4%	(0.2%)	1.0%	5.1%	2.6%	(0.5%)	2.9%	6.2%	(0.3%)	-

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)

	FY2016	FY2017	FY2018	FY2019	FY2020			FY2021				
					1st. Half	2nd. Half	Year	1Q	2Q	1st. Half	2nd. Half(E)	Year(E)
Net Sales	43,664	44,130	55,228	57,570	25,443	22,014	47,457	10,615	9,642	20,258	21,241	41,500
Monthly average	3,638	3,677	4,602	4,797	4,240	3,669	3,954	3,538	3,214	3,376	3,540	3,458
Cost of Sales	29,288	31,206	39,401	39,333	17,172	15,517	32,690	7,730	7,056	14,786	15,313	30,100
Gross profit	32.9%	29.3%	28.7%	31.7%	32.5%	29.5%	31.1%	27.2%	26.8%	27.0%	27.9%	27.5%
14,376	12,924	15,826	18,237	8,270	6,496	14,766	2,884	2,586	5,471	5,928	11,400	
Selling expenses, General and Administrative expenses	11,357	11,778	13,177	13,353	7,059	6,365	13,425	3,071	3,148	6,219	6,180	12,400
Operating Income	6.9%	2.6%	4.8%	8.5%	4.8%	0.6%	2.8%	(1.8%)	(5.8%)	(3.7%)	(1.2%)	(2.4%)
3,018	1,145	2,649	4,883	1,210	130	1,341	(186)	(561)	(748)	(251)	(1,000)	
Non-Operating Income and Expenses	(261)	(240)	(251)	441	(267)	195	(72)	4	(13)	(9)	209	200
Ordinary Income	6.3%	2.1%	4.3%	9.3%	3.7%	1.5%	2.7%	(1.7%)	(6.0%)	(3.7%)	(0.2%)	(1.9%)
2,756	905	2,397	5,325	942	326	1,268	(182)	(574)	(757)	(42)	(800)	
Extraordinary Income and Losses	(2)	-	92	(209)	-	(249)	(249)	4	-	4	0	5
Income before income taxes	6.3%	2.1%	4.5%	8.9%	3.7%	0.3%	2.1%	(1.7%)	(6.0%)	(3.7%)	(0.2%)	(1.9%)
2,754	905	2,489	5,115	942	76	1,019	(178)	(574)	(752)	(42)	(795)	
Income Taxes	1,181	1,184	815	1,373	636	552	1,188	(182)	18	(164)	9	(155)
Net Income	3.6%	(0.6%)	3.0%	6.5%	1.2%	(2.2%)	(0.4%)	0.0%	(6.1%)	(2.9%)	(0.2%)	(1.5%)
1,572	(278)	1,674	3,742	305	(475)	(169)	4	(592)	(588)	(51)	(640)	
Net Income attributable to non-controlling interests	2	12	(4)	23	8	7	16	-	-	-	-	-
Net Income attributable to owners of the parent	3.6%	(0.7%)	3.0%	6.5%	1.2%	(2.2%)	(0.4%)	0.0%	(6.1%)	(2.9%)	(0.2%)	(1.5%)
1,569	(291)	1,678	3,718	297	(482)	(185)	4	(592)	(588)	(51)	(640)	

※Change

	YOY	YOY	YOY	YOY	HOH	HOH	YOY	QOQ	QOQ	HOH	HOH	YOY
Net Sales	(2.9)	1.1	25.1	4.2	(10.0)	(13.5)	(17.6)	(4.1)	(9.2)	(8.0)	4.9	(12.6)
Operating Income	(22.2)	(62.0)	131.2	84.4	(48.8)	(89.2)	(72.5)	-	-	-	-	-
Ordinary Income	(42.5)	(67.2)	164.7	122.2	(61.8)	(65.4)	(76.2)	-	-	-	-	-
Net Income attributable to owners of the parent	(47.1)	-	-	121.5	(82.0)	-	-	-	-	-	-	-

USD	120.14	108.38	110.85	110.91	108.63	108.84	108.74	107.62	106.21	106.92	-	-
EURO	132.58	118.79	129.70	128.41	121.42	120.22	120.82	118.48	124.11	121.30	-	-
RMB	18.85	16.11	16.75	16.54	15.68	15.52	15.60	15.17	15.36	15.27	-	-

# Transition in Consolidated Balance Sheets



(Millions of yen)

	FY2016	FY2017	FY2018	FY2019	FY2020 (A)	F Y 2021 1st. Half(B)	Change	
							B-A	(%)
Cash and deposits	13,933	20,240	18,104	17,023	12,924	15,402	2,477	19.2
Notes and accounts receivable-trade	10,240	13,113	16,373	15,455	11,671	10,650	(1,020)	(8.7)
Inventories	28,386	25,916	25,543	29,770	33,734	33,483	(250)	(0.7)
Others	3,675	3,358	1,275	1,369	2,610	1,180	(1,429)	(54.8)
<b>Total current assets</b>	<b>56,236</b>	<b>62,629</b>	<b>61,296</b>	<b>63,619</b>	<b>60,940</b>	<b>60,717</b>	<b>(222)</b>	<b>(0.4)</b>
Buildings and structures	5,553	5,691	5,348	5,235	7,855	7,698	(156)	(2.0)
Machinery and vehicles	10,566	10,548	9,700	9,767	11,500	11,752	252	2.2
Others	4,624	4,632	5,265	7,427	5,387	5,593	206	3.8
<b>Tangible fixed assets</b>	<b>20,744</b>	<b>20,872</b>	<b>20,313</b>	<b>22,430</b>	<b>24,742</b>	<b>25,044</b>	<b>301</b>	<b>1.2</b>
Intangible fixed assets	1,974	3,374	2,956	2,566	2,107	1,883	(223)	(10.6)
<b>Total investments and other assets</b>	<b>10,242</b>	<b>12,751</b>	<b>13,927</b>	<b>12,851</b>	<b>10,328</b>	<b>11,313</b>	<b>985</b>	<b>9.5</b>
<b>TOTAL ASSETS</b>	<b>89,197</b>	<b>99,627</b>	<b>98,493</b>	<b>101,468</b>	<b>98,118</b>	<b>98,960</b>	<b>841</b>	<b>0.9</b>
Notes and accounts payable-trade	6,551	8,143	10,939	11,438	7,832	6,599	(1,232)	(15.7)
Short-term bank loans and Bonds, etc.	7,875	8,534	2,778	3,179	5,330	9,846	4,516	84.7
Others	5,300	4,182	5,859	7,520	4,591	4,720	128	2.8
<b>Total current liabilities</b>	<b>19,728</b>	<b>20,861</b>	<b>19,577</b>	<b>22,138</b>	<b>17,754</b>	<b>21,167</b>	<b>3,412</b>	<b>19.2</b>
Bonds, etc.	5,000	10,000	10,000	10,000	15,000	10,000	(5,000)	(33.3)
Long-term bank loans	5,114	8,133	8,516	8,317	6,876	9,639	2,763	40.2
Others	1,297	2,027	732	816	1,048	1,364	316	30.2
<b>Total long-term liabilities</b>	<b>11,412</b>	<b>20,160</b>	<b>19,249</b>	<b>19,134</b>	<b>22,924</b>	<b>21,004</b>	<b>(1,920)</b>	<b>(8.4)</b>
<b>TOTAL LIABILITIES</b>	<b>31,141</b>	<b>41,021</b>	<b>38,827</b>	<b>41,273</b>	<b>40,679</b>	<b>42,171</b>	<b>1,492</b>	<b>3.7</b>
Shareholders' equity	55,833	54,420	54,795	57,614	56,579	55,241	(1,338)	(2.4)
Total accumulated other comprehensive income	2,169	3,795	4,422	2,373	711	1,399	687	96.6
Subscription rights to shares	18	30	76	114	148	148	-	-
Non-controlling interests	35	359	372	93	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>58,056</b>	<b>58,605</b>	<b>59,666</b>	<b>60,195</b>	<b>57,439</b>	<b>56,788</b>	<b>(650)</b>	<b>(1.1)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>89,197</b>	<b>99,627</b>	<b>98,493</b>	<b>101,468</b>	<b>98,118</b>	<b>98,960</b>	<b>841</b>	<b>0.9</b>
<b>Equity ratio</b>	<b>65.0%</b>	<b>58.4%</b>	<b>60.1%</b>	<b>59.1%</b>	<b>58.4%</b>	<b>57.2%</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



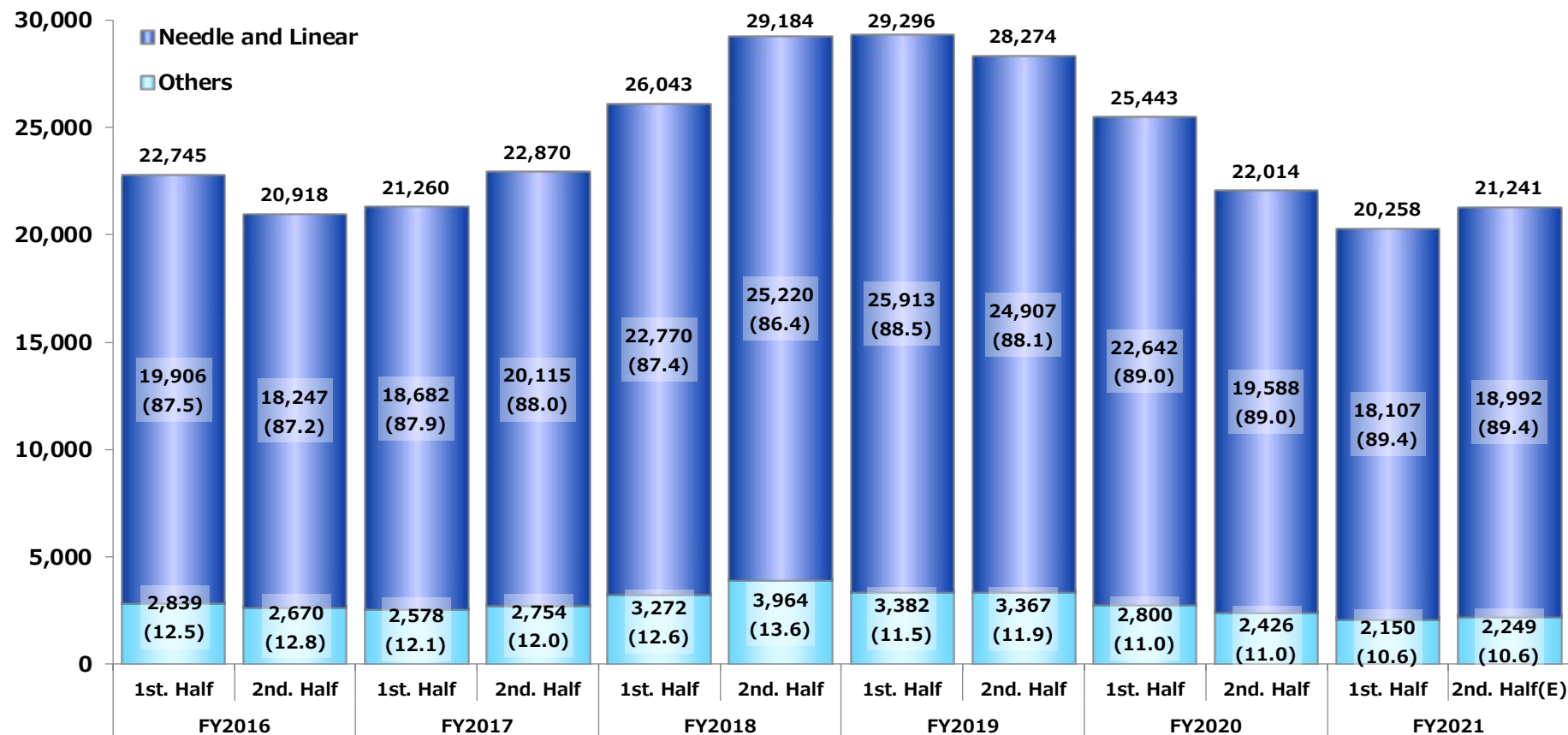
(Millions of yen)

	FY2016	FY2017	FY2018	FY2019	FY2020	F Y 2021 1st. Half
Income (loss) before income taxes	2,754	905	2,489	5,115	1,019	(752)
Depreciation	2,272	2,596	3,094	3,297	3,800	1,945
Decrease (increase) in notes and accounts receivable – trade	735	(2,264)	(3,196)	861	3,642	1,026
Decrease (increase) in inventories	(864)	2,984	410	(4,266)	(4,266)	176
Others	(2,375)	759	3,246	150	(6,692)	106
<b>Operating activities</b>	<b>2,521</b>	<b>4,981</b>	<b>6,043</b>	<b>5,158</b>	<b>(2,497)</b>	<b>2,500</b>
Payments for purchase of property, plant and equipment	(3,881)	(3,756)	(1,539)	(4,588)	(6,048)	(1,310)
Others	(1,026)	(1,619)	159	(473)	(139)	(45)
<b>Investing activities</b>	<b>(4,908)</b>	<b>(5,376)</b>	<b>(1,379)</b>	<b>(5,061)</b>	<b>(6,188)</b>	<b>(1,355)</b>
Net increase (decrease) in bank loans	(592)	3,279	(368)	201	710	2,279
Proceeds from corporate bonds	-	10,000	-	-	5,000	-
Repayment of convertible bond	-	(4,999)	(5,000)	-	-	-
Cash dividends paid and others	(1,351)	(1,153)	(1,327)	(1,248)	(1,091)	(885)
<b>Financing activities</b>	<b>(1,944)</b>	<b>7,126</b>	<b>(6,696)</b>	<b>(1,047)</b>	<b>4,618</b>	<b>1,393</b>
Foreign currency translation adjustments on cash and cash equivalents	(80)	(78)	11	(44)	(108)	(61)
Net increase (decrease) in cash and cash equivalents	(4,410)	6,653	(2,020)	(995)	(4,175)	2,476
Cash and cash equivalents at beginning of year	17,797	13,386	20,040	18,019	17,023	12,847
<b>Cash and cash equivalents at end of year</b>	<b>13,386</b>	<b>20,040</b>	<b>18,019</b>	<b>17,023</b>	<b>12,847</b>	<b>15,324</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)



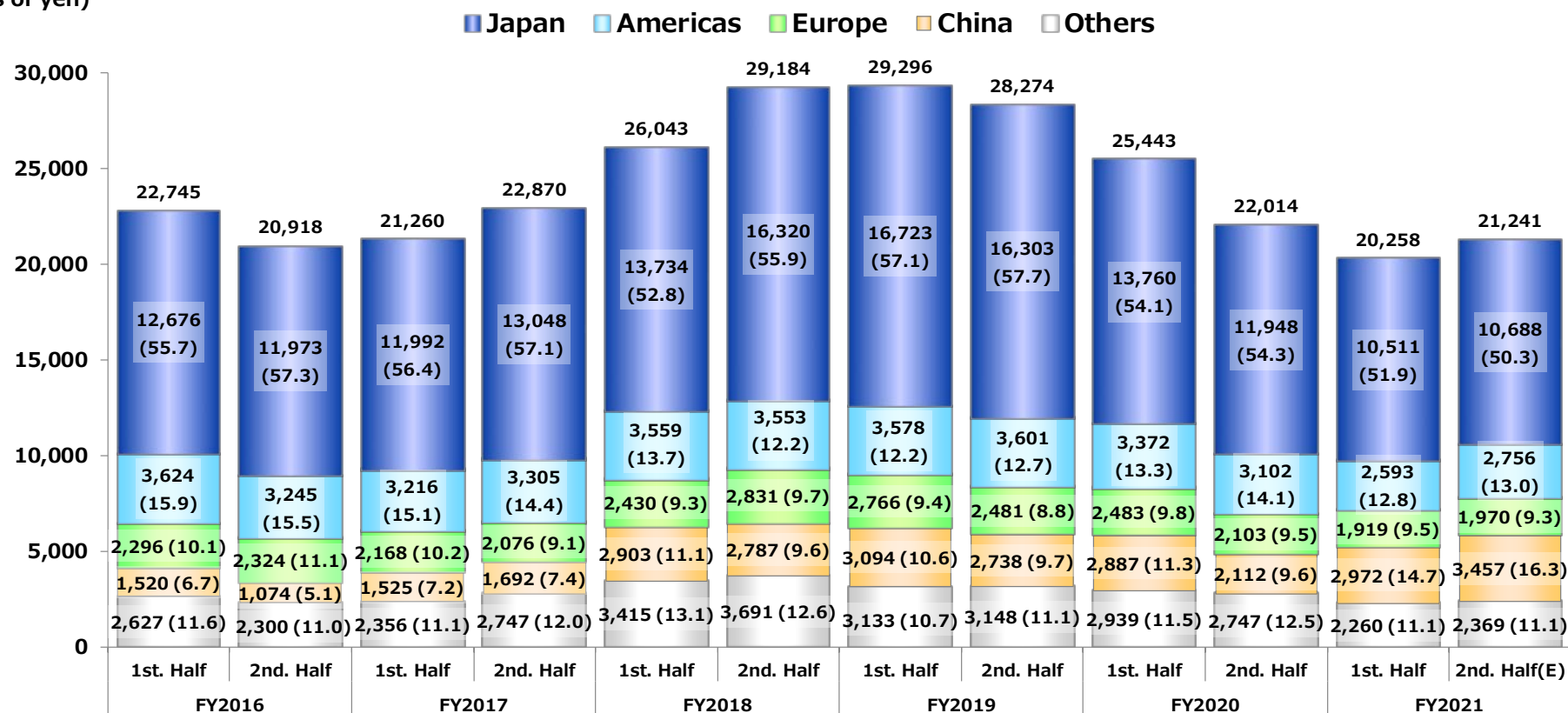
Change (Half-yearly)

(%)

	FY2016		FY2017		FY2018		FY2019		FY2020		FY2021	
	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	0.4	(8.3)	2.4	7.7	13.2	10.8	2.7	(3.9)	(9.1)	(13.5)	(7.6)	4.9
Others	(3.9)	(5.9)	(3.5)	6.9	18.8	21.1	(14.7)	(0.5)	(16.8)	(13.4)	(11.4)	4.6
<b>Total</b>	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	(3.5)	(10.0)	(13.5)	(8.0)	4.9

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

(Millions of yen)



## Change (Half-yearly)

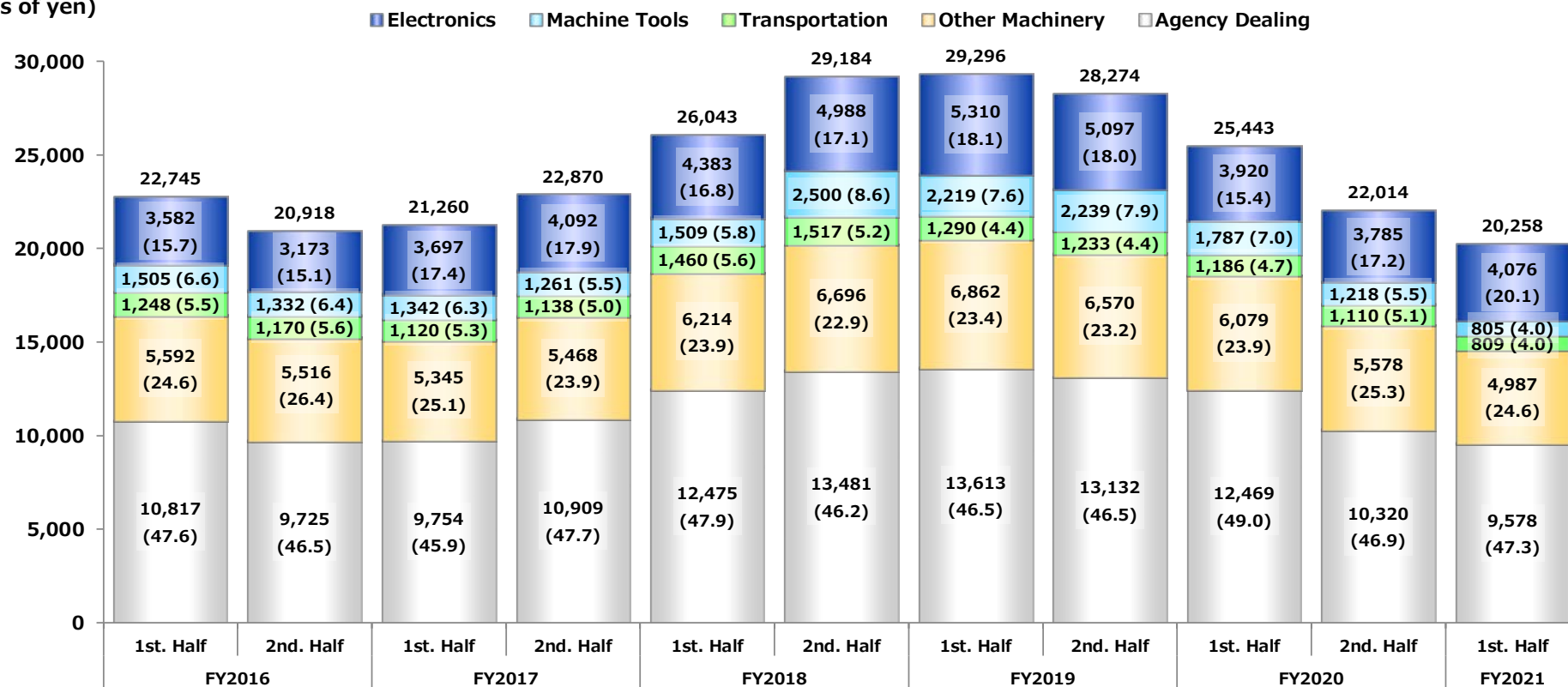
(%)

	FY2016		FY2017		FY2018		FY2019		FY2020		FY2021	
	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>	(3.8)	(5.5)	0.2	8.8	5.3	18.8	2.5	(2.5)	(15.6)	(13.2)	(12.0)	1.7
<b>Americas</b>	9.9	(10.4)	(0.9)	2.8	7.7	(0.2)	0.7	0.6	(6.3)	(8.0)	(16.4)	6.3
<b>Europe</b>	(2.0)	1.2	(6.7)	(4.2)	17.0	16.5	(2.3)	(10.3)	0.1	(15.3)	(8.7)	2.6
<b>China</b>	4.1	(29.4)	42.0	10.9	71.6	(4.0)	11.0	(11.5)	5.4	(26.8)	40.7	16.3
<b>Others</b>	4.9	(12.5)	2.5	16.6	24.3	8.1	(15.1)	0.5	(6.7)	(6.5)	(17.7)	4.8
<b>Total</b>	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	(3.5)	(10.0)	(13.5)	(8.0)	4.9



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

(Millions of yen)



Change (Half-yearly)

(%)

	FY2016		FY2017		FY2018		FY2019		FY2020		FY2021
	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	3.3	(11.4)	16.5	10.7	7.1	13.8	6.4	(4.0)	(23.1)	(3.5)	7.7
<b>D</b> Machine Tools	4.1	(11.5)	0.7	(6.1)	19.7	65.7	(11.2)	0.9	(20.2)	(31.8)	(33.9)
<b>D</b> Transportation	0.4	(6.2)	(4.3)	1.6	28.2	3.9	(15.0)	(4.4)	(3.8)	(6.4)	(27.1)
Other Machinery	(4.3)	(1.4)	(3.1)	2.3	13.6	7.8	2.5	(4.3)	(7.5)	(8.2)	(10.6)
Agency Dealing	0.4	(10.1)	0.3	11.8	14.4	8.1	1.0	(3.5)	(5.1)	(17.2)	(7.2)
<b>Total</b>	(0.1)	(8.0)	1.6	7.6	13.9	12.1	0.4	(3.5)	(10.0)	(13.5)	(8.0)

# Analysis of Consolidated Operating Income



(Millions of yen)

