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February 10, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 6480
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	40,289	(4.4)	910	(70.0)	1,544	(60.3)	8	(99.6)
December 31, 2023	42,139	(19.2)	3,035	(59.5)	3,888	(53.1)	2,267	(60.6)

Note: Comprehensive income For the nine months ended December 31, 2024: ¥1,379 million [(72.1)%]
 For the nine months ended December 31, 2023: ¥4,942 million [(25.9)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	0.13	0.13
December 31, 2023	31.86	31.76

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	121,633	76,285	62.6	1,102.49
March 31, 2024	119,187	76,164	63.8	1,104.33

Reference: Equity
 As of December 31, 2024: ¥76,186 million
 As of March 31, 2024: ¥76,049 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	9.50	—	9.50	19.00
Fiscal year ending March 31, 2025	—	9.50	—		
Fiscal year ending March 31, 2025 (Forecast)				9.50	19.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	53,500	(2.8)	1,300	(58.9)	1,700	(62.4)	900	(66.3)	13.04

Note: Revisions to the financial result forecast most recently announced: Yes

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For further details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Accounting Methods Adopted Particularly for the Preparation of Quarterly Consolidated Financial Statements)” on page 7.

(3) Changes in accounting principles, changes in accounting estimates, and restatement

(i) Changes in accounting principles due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	73,501,425 shares
As of March 31, 2024	73,501,425 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	4,397,823 shares
As of March 31, 2024	4,636,377 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2024	68,983,432 shares
Nine months ended December 31, 2023	71,186,479 shares

Note: The number of treasury shares at the end of the period includes Nippon Thompson shares held by the share-issuing trust account for executives and by the employee stock ownership plan (ESOP) trust account (1,318,000 shares as of December 31, 2024 and 1,527,800 shares as of March 31, 2024). In the calculation of the average number of shares outstanding during the period, Nippon Thompson shares held by the share-issuing trust account for executives and the ESOP trust account are included in excluded treasury stock (1,431,810 shares as of December 31, 2024 and 1,263,821 shares as of December 31, 2023).

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts and other special matters

Performance forecasts presented herein are based on information available to the Nippon Thompson Group (the “Group”) as of the date of this document, February 10, 2025. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections. For performance forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 2.

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2024, financial capital markets fluctuated, and tensions in the Middle East raised geopolitical risks. The outlook for the global economy remained uncertain.

Against this backdrop, in this fiscal year the Group launched “IKO Medium-term Business Plan 2026 Connect for Growth —The Future of Innovation, Connected by IKO—.” In our basic policy for the plan, we aim to boost profitability and efficiency through focused enhancement in areas of strength. At the same time, we will drive growth by rebuilding the global business structure. Based on this policy, we have made progress on measures to tackle our key challenges.

From a sales perspective, the Group strove to ingrain the IKO brand in the market by enhancing customer convenience through the proactive participation in trade exhibitions in Japan and overseas, addition of a selection tool for Linear Motor Table products to a website specifically for the Mechatronics series, and other initiatives.

In terms of product development, we developed and launched the Parallel Drive Stage, a mechatronics product featuring a low-profile design through the adoption of our unique actuator mechanism with two axes positioned in parallel. This advance strengthens our lineup of high-value products to better meet diverse customer needs.

From a production standpoint, we proactively promoted initiatives for improving on-site conditions at our factories in Japan and production subsidiaries in Vietnam and China with a focus on streamlining and labor-saving, in pursuit of ideal manufacturing sites, and strengthened our global supply system.

Turning to the Group’s operational results, net sales decreased from the same period of the previous year, but net orders remained steady. In Japan, demand rose for electronics-related devices such as practical equipment. However, demand for general industrial machinery such as precision machinery, as well as for machine tools slowed, reducing net sales. In North America, demand for electronics-related devices such as semiconductor manufacturing equipment and for general industrial machinery such as robots increased, leading to higher net sales. In Europe, demand for general industrial machinery, including various medical equipment, and commercial application products slowed down. This led to a decrease in net sales. In China, the recovery in domestic demand still lacked force due to weak real estate investment and sluggish consumer spending, leading to a decrease in net sales. Other regions, comprising mainly in Singapore, India, and Malaysia, also saw declines in net sales.

As a result, consolidated net sales for the nine months ended December 31, 2024 totaled ¥40,289 million, down 4.4% year on year. On the earnings front, operating profit decreased by 70.0% year on year to ¥910 million due mainly to a decrease in net sales and a decrease in production volume. Ordinary profit came to ¥1,544 million due mainly to the recording of foreign exchange gains but decreased by 60.3% year on year. However, due mainly to an increase in the tax burden caused by a reversal of deferred tax assets, profit attributable to owners of parent decreased by 99.6% year on year to ¥8 million.

In the nine months ended December 31, 2024, net production of Needle Roller Bearings and Linear Motion Rolling Guides was ¥35,073 million based on average sales price, down 10.0% year on year. And, net orders of Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components were up 23.5% year on year to ¥40,591 million.

Because the Group manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components on an integrated basis, disclosure of segment information has been omitted. Sales of Needle Roller Bearings and Linear Motion Rolling Guides totaled ¥35,610 million, down 3.8% compared with the corresponding period of the previous fiscal year. Sales of Machine Components decreased 8.6% year on year to ¥4,678 million.

Business Segment Information

	Nine months ended December 31, 2024		Nine months ended December 31, 2023		Change	
	Millions of yen	Component percentages	Millions of yen	Component percentages	Millions of yen	Percentage change
Needle Roller Bearings, Linear Motion Rolling Guides	35,610	88.4	37,021	87.9	(1,411)	(3.8)
Machine Components	4,678	11.6	5,118	12.1	(439)	(8.6)
Total net sales	40,289	100.0	42,139	100.0	(1,850)	(4.4)

(2) Explanation of Financial Position

Total assets as of December 31, 2024, totaled ¥121,633 million, an increase of ¥2,446 million compared with the end of the previous fiscal year. This mainly comprised increases in cash and deposits of ¥1,943 million, notes and accounts receivable - trade of ¥562 million, tangible fixed assets of ¥625 million, and investment securities of ¥694 million as well as decreases in inventories of ¥1,138 million and other accounts receivable of ¥616 million.

Total liabilities amounted to ¥45,347 million, an increase of ¥2,324 million compared with the end of the previous fiscal year. This mainly comprised an increase in long-term borrowings of ¥7,424 million as well as a decrease in short-term borrowings of ¥5,000 million.

Total net assets amounted to ¥76,285 million, an increase of ¥121 million compared with the end of the previous fiscal year. This mainly comprised increases in valuation difference on available-for-sale securities of ¥465 million and foreign currency translation adjustments of ¥999 million as well as a decrease in retained earnings of ¥1,330 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

For the fiscal year ending March 31, 2025, the Group revised the consolidated operating performance forecasts it had announced on November 11, 2024. For details, please refer to the “Notice on the Revision of Forecast of Consolidated Operating Performance for the fiscal year ending March 31, 2025.”

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	21,716	19,773
Notes and accounts receivable - trade	13,998	13,435
Finished products	20,091	20,262
Work in process	11,734	12,101
Raw material	8,839	9,439
Others	1,873	2,484
Less: Allowance for doubtful accounts	(11)	(10)
Total current assets	78,241	77,486
Non-current assets		
Tangible fixed assets		
Machinery and vehicles	11,444	10,804
Others	13,108	13,122
Total tangible fixed assets	24,552	23,926
Intangible fixed assets	1,852	1,650
Investments and other assets		
Investment securities	12,520	11,826
Others	4,492	4,323
Less: Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	16,985	16,122
Total non-current assets	43,391	41,700
Total assets	121,633	119,187

(Millions of yen)

	As of December 31, 2024	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,421	4,590
Short-term borrowings	–	5,000
Current portion of bonds	–	5,000
Current portion of long-term borrowings	7,455	5,054
Income taxes payable	64	361
Allowance for directors' and corporate auditors' bonuses	39	65
Others	4,871	5,312
Total current liabilities	16,850	25,383
Non-current liabilities		
Corporate bonds	10,000	5,000
Long-term borrowings	16,190	11,166
Net defined benefit liabilities	33	32
Provision for share-based remuneration for directors	227	179
Others	2,046	1,261
Total non-current liabilities	28,497	17,639
Total liabilities	45,347	43,022
Net assets		
Shareholders' equity		
Common stock	9,533	9,533
Capital surplus	12,886	12,886
Retained earnings	44,121	45,451
Treasury stock	(2,333)	(2,430)
Total shareholders' equity	64,206	65,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,472	5,007
Deferred gains or losses on hedges	(9)	(1)
Foreign currency translation adjustments	6,393	5,394
Remeasurements of defined benefit plans	122	208
Total accumulated other comprehensive income	11,979	10,609
Subscription rights to shares	99	114
Total net assets	76,285	76,164
Total liabilities and net assets	121,633	119,187

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2023
Net sales	40,289	42,139
Cost of sales	27,781	27,891
Gross profit	12,507	14,248
Selling, general and administrative expenses	11,597	11,212
Operating profit	910	3,035
Non-operating income		
Interest income	65	30
Dividend income	274	238
Foreign exchange gains	296	444
Others	228	250
Total non-operating income	865	963
Non-operating expenses		
Interest expenses	177	84
Bond issuance costs	33	–
Others	20	27
Total non-operating expenses	231	111
Ordinary profit	1,544	3,888
Extraordinary income		
Insurance income	27	–
Total extraordinary income	27	–
Extraordinary losses		
Loss on disaster	202	–
Total extraordinary losses	202	–
Profit before income taxes	1,368	3,888
Income taxes	1,359	1,620
Profit	8	2,267
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	8	2,267

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2023
Profit	8	2,267
Other comprehensive income		
Valuation difference on available-for-sale securities	465	1,224
Deferred gains or losses on hedges	(8)	6
Foreign currency translation adjustments	999	1,441
Remeasurements of defined benefit plans	(86)	1
Total other comprehensive income	1,370	2,674
Comprehensive income	1,379	4,942
Breakdown:		
Comprehensive income attributable to owners of parent	1,379	4,942
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on the Framework for Financial Reporting)

The Group prepares quarterly consolidated financial statements in accordance with Article 4 (1) of the Standards for Preparation of Quarterly Financial Statements, etc. issued by Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements generally accepted in Japan, applying the omissions prescribed in Article 4 (2) of the Standards for Preparation of Quarterly Financial Statements, etc.

(Accounting Methods Adopted Particularly for the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of deferred tax accounting on profit before income taxes in the current consolidated fiscal year, including the nine months ended December 31, 2024, and multiplying profit before income taxes by said estimated effective tax rate.

(Notes on Segment Information)

The Group operates manufactures and sells Needle Roller Bearings, Linear Motion Rolling Guides and Machine Components on an integrated basis, so the disclosure of segment information has been omitted.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on the Premise of a Going Concern)

Not applicable.

(Notes on Statements of Cash Flows)

We have not prepared quarterly consolidated statements of cash flows for the nine months ended December 31, 2024. During the nine-month period, depreciation and amortization, including those for intangible fixed assets, were as follows.

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2023
Depreciation and amortization	2,422	2,493