

# Financial Results Briefing

Fiscal Year ending March 31, 2024



May 16, 2024

**NIPPON THOMPSON CO., LTD.**

- 1 . Financial Summary  
for Fiscal Year ending March 31, 2024
- 2 . Financial Forecast  
for Fiscal Year ending March 31, 2025
- 3 . Medium-term Business Plan 2026

## 【Supplementary Information】 Financial Data

**Note 1:** The forecast of operations results in this summary is prepared based on the earnings preannouncement released on May 13, 2024.  
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.

# **Financial Summary**

for Fiscal Year ending March 31, 2024

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- **Net sales decreased by 19.4% YoY as market conditions in China remained sluggish and the adjustment phase of demand continued, including for electronics-related devices.**
- **Despite the effects of yen depreciation, operating profit decreased by 66.6% YoY, mainly due to the impact of reduced revenue and production.**
- **Net profit for the period decreased by 64.2% YoY, while dividends were maintained. Share buybacks were also implemented, and shareholder returns strengthened.**
- **Orders received decreased by 27.5% YoY as demand was slow to recover both in Japan and overseas. However, orders received recovered in the fourth quarter, increasing by 12.0% QoQ.**

# Consolidated Financial Summary



(Millions of yen)

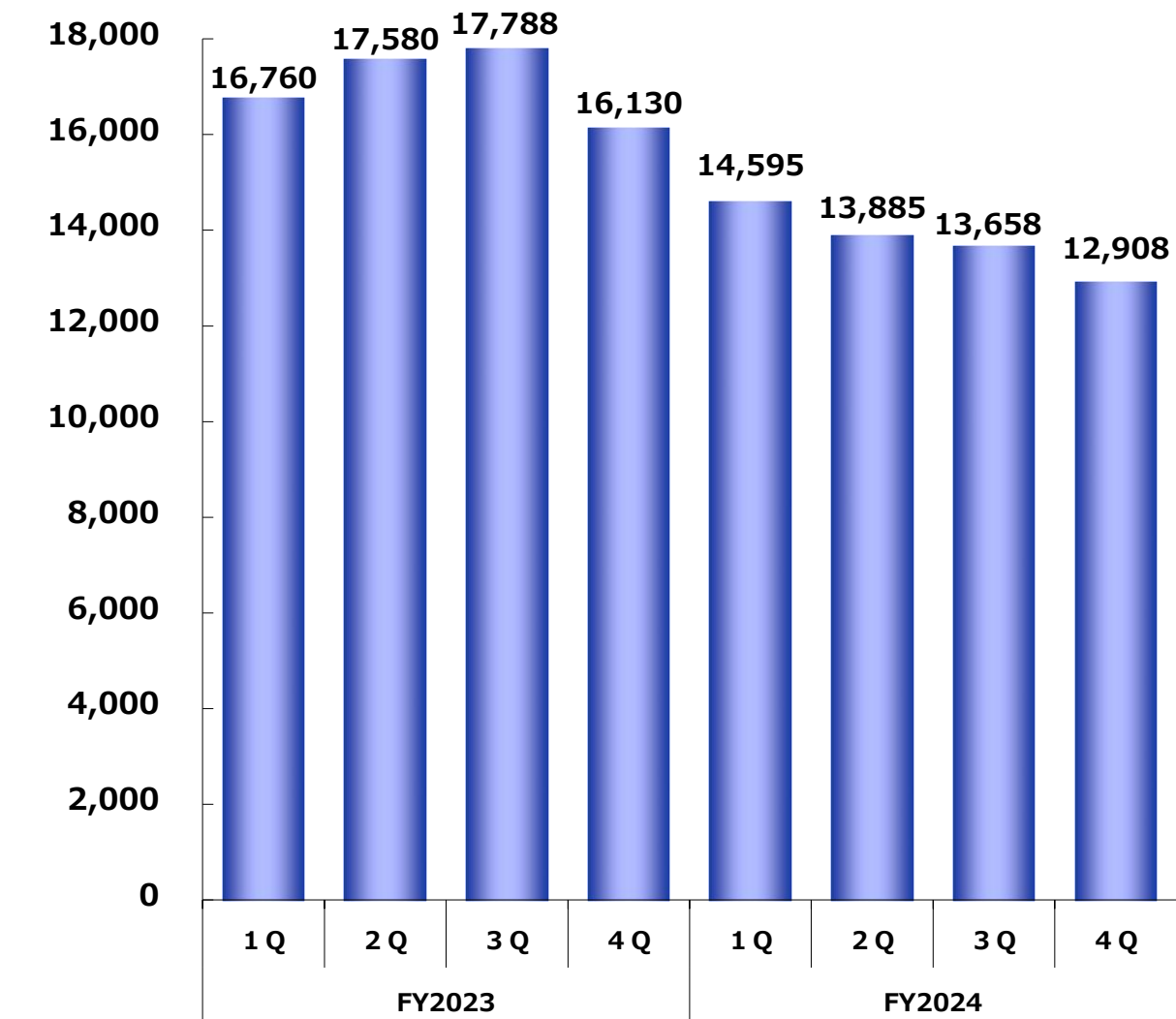
	FY2023	Composition Ratio (%)	FY2024	Composition Ratio (%)	Change(%)
Net Sales	68,260		55,048		(19.4)
Gross profit	24,477	35.9	18,002	32.7	(26.5)
Selling expenses, General and Administrative expenses	15,017	22.0	14,838	27.0	(1.2)
Operating Income	9,459	13.9	3,164	5.7	(66.6)
Ordinary Income	10,479	15.4	4,525	8.2	(56.8)
Net Income attributable to owners of the parent	7,469	10.9	2,674	4.9	(64.2)
Dividend per share	¥19.0		¥19.0		
Dividend payout ratio	18.1%		50.2%		

# Trend in Consolidated Net Sales/Operating Income



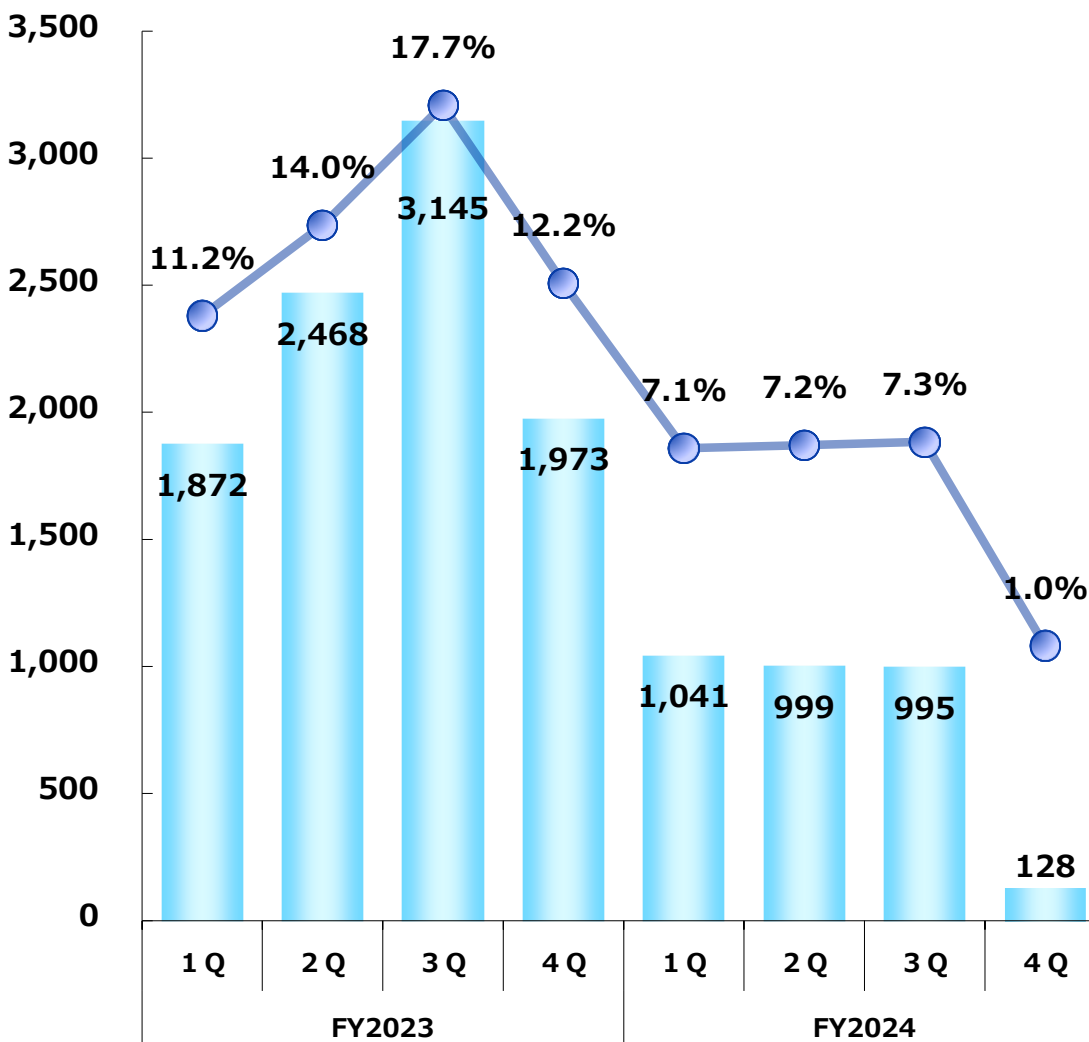
(Millions of yen)

Net Sales



(Millions of yen)

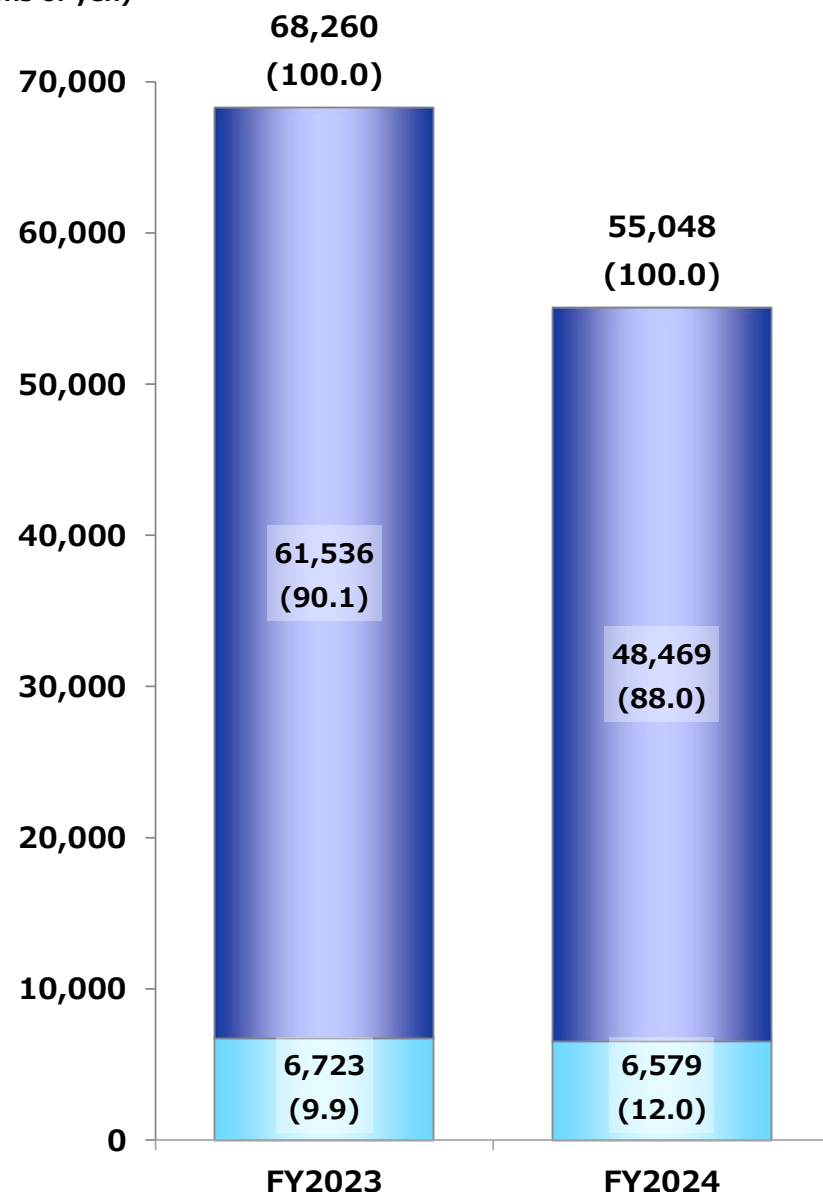
Operating Income /Operating margin



# Trend in Consolidated Net Sales «By Product Segment»



(Millions of yen)



## ■ **【Bearings,etc.】**

YoY -13,067million JPY(- 21.2%)

- Net sales of needle roller bearings decreased for electronics-related devices, including commercial products and electrical machinery.
- Net sales of linear motion rolling guides decreased for electronics-related devices, including commercial products and semiconductor production equipment.

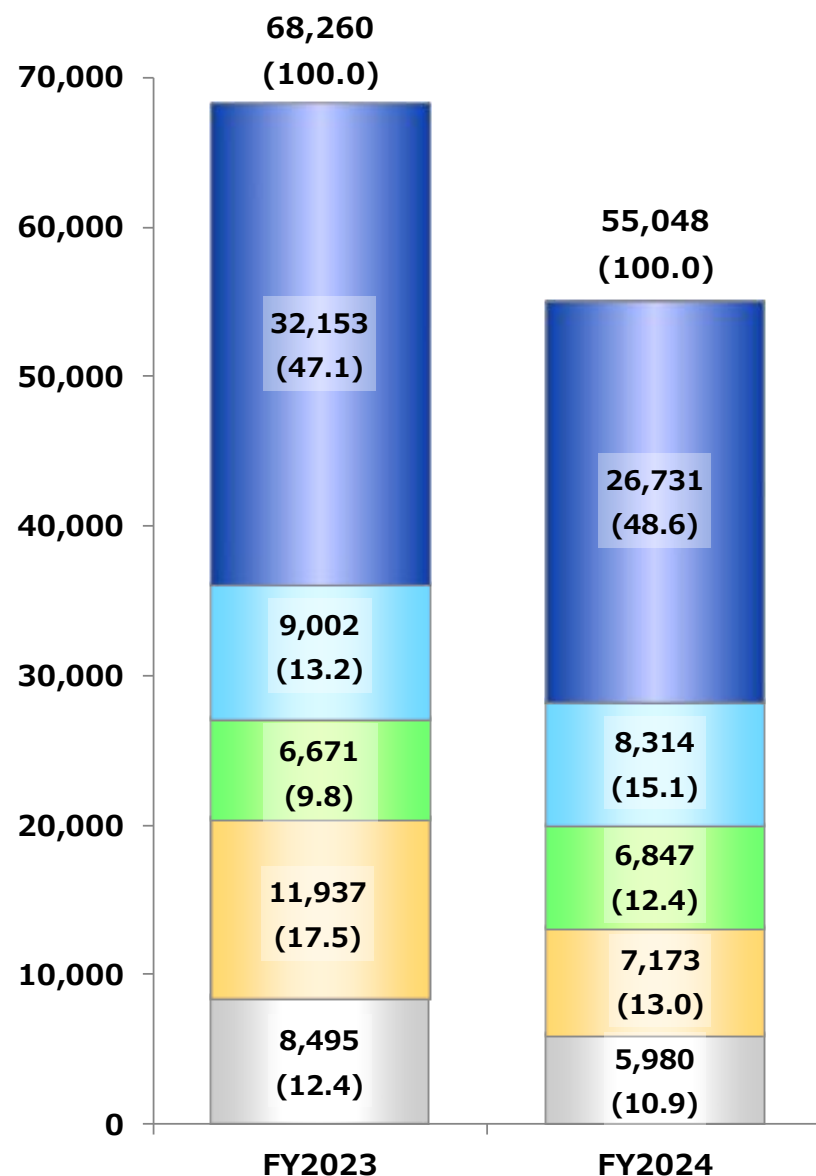
## ■ **【Machine components】**

YoY -144million JPY( -2.2%)

- Despite strong sales for precision machinery, demand decreased for commercial products and electronics-related devices.

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

(Millions of yen)



## **Japan**

YoY - 5,422 million JPY( -16.9%)

- Demand has slowed mainly for commercial products and electronics-related devices, including semiconductor production equipment, mounting machines, and electrical machinery.

## **Americas**

YoY - 687 million JPY( -7.6%)

- Demand has slowed for electronics-related devices and general industrial machinery, including precision machinery and various types of medical equipment.

## **Europe**

YoY +175 million JPY( +2.6%)

- Although demand for machine tools stagnated, net sales increased due in part to solid demand for general industrial machinery and the effects of yen depreciation.

## **China**

YoY - 4,763 million JPY( -39.9%)

- Net sales decreased due to such factors as stagnation in the real estate market and anemic domestic and overseas demand.

## **Others**

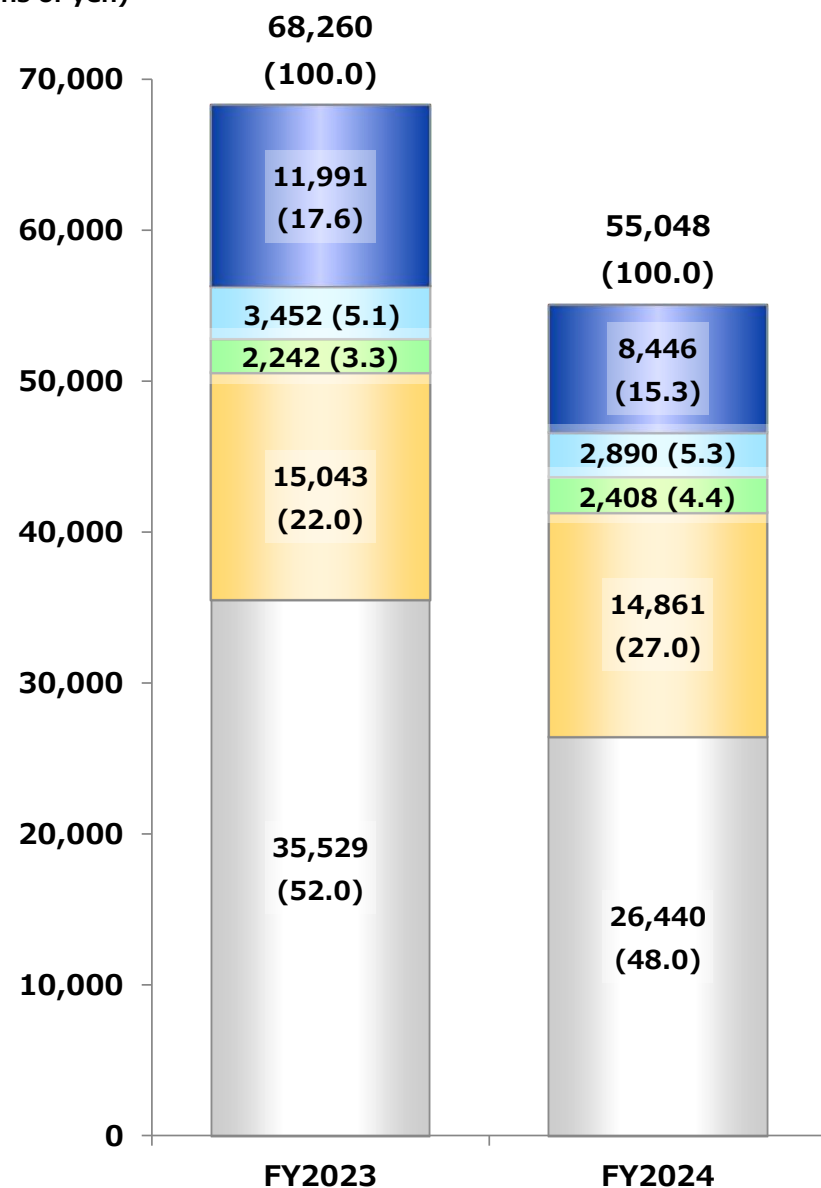
YoY - 2,514 million JPY( -29.6%)

- Net sales decreased mainly in Singapore, Taiwan, and South Korea.



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

(Millions of yen)



## **Electronics**

YoY - 3,544 million JPY( -29.6%)

- Demand decreased overall, including for semiconductor production equipment.

## **Machine Tools**

YoY -562 million JPY( -16.3%)

- Demand associated with capital expenditure decreased in the domestic market and Europe.

## **Transportation**

YoY +166 million JPY( +7.4%)

- Demand increased mainly for automobile manufacturing equipment and for railway cars.

## **Other Machinery**

YoY -182 million JPY( -1.2%)

- Demand decreased mainly for robots and medical equipment.

## **Distributors**

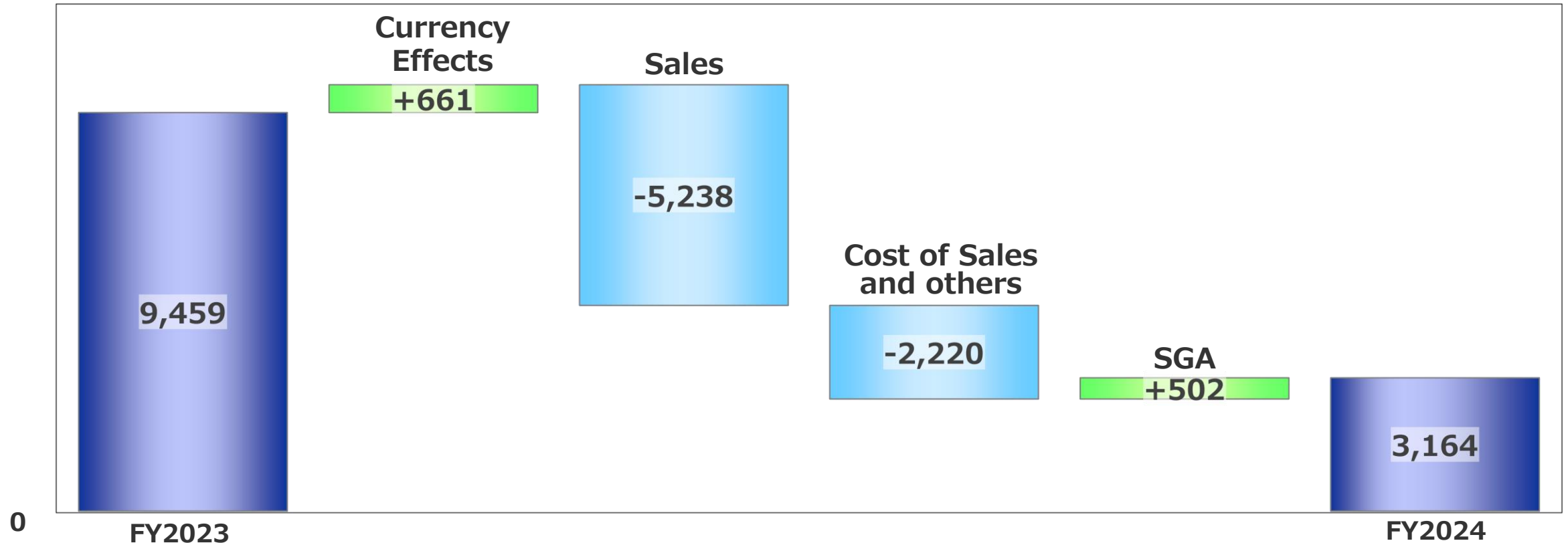
YoY - 9,088 million JPY( -25.6%)

- Demand associated with capital expenditure in Japan and overseas decreased overall.

# Analysis of Consolidated Operating Income

- Operating profit decreased 6,295 million yen YoY. Effect of yen depreciation was +661 million yen.
- Impact of real decrease in sales was -5,238 million yen, deterioration in cost of sales ratio was -2,220 million yen.
- Due to a decrease in logistics expenses accompanying a decrease in sales, selling, general, and administrative expenses was +502 million yen.

(Millions of yen)



# Trend in Consolidated Balance Sheets

- Inventories increased by 3,620 million yen from the end of the previous fiscal year mainly due to an increase in inventories in preparation for demand recovery and an increase in inventories at overseas subsidiaries due to yen depreciation.
- Tangible fixed assets increased by 1,472 million yen from the end of the previous fiscal year due to capacity expansion investments.

(Millions of yen)

	<b>FY2023</b> As of Mar. 31	<b>FY2024</b> As of Mar. 31	<b>Change</b>
<b>TOTAL ASSETS</b>	114,347	119,187	4,839
<b>Cash and deposits</b>	18,848	19,773	924
<b>Inventories</b>	38,183	41,804	3,620
<b>Tangible fixed assets</b>	22,453	23,926	1,472
<b>TOTAL LIABILITIES</b>	42,685	43,022	337
<b>Interest-bearing liabilities</b>	20,504	31,220	10,715
<b>TOTAL NET ASSETS</b>	71,662	76,164	4,501
<b>TOTAL LIABILITIES AND NET ASSETS</b>	114,347	119,187	4,839
<b>Equity ratio</b>	62.6%	63.8%	

# Trend in Consolidated Cash Flows／Capital Expenditure



- Operating cash flow was -2,488 million yen mainly due to a shortening of payment terms despite recording net profit for the period.
- Financial cash flow was +7,566 million yen mainly due to execution of borrowing despite the acquisition of treasury shares.
- Capital expenditure was 4,857 million yen as capacity expansion progressed for priority items.

(Millions of yen)

	FY2023	FY2024
<b>Operating activities</b>	6,398	(2,488)
<b>Investing activities</b>	(2,702)	(5,304)
<b>Free cash flow</b>	3,696	(7,792)
<b>Financing activities</b>	(3,351)	7,566
Net increase (decrease) in cash and cash equivalents	746	387
Cash and cash equivalents at end of year	18,593	18,980
<b>Capital expenditure</b>	2,504	4,857
<b>Depreciation and amortisation</b>	3,423	3,325
<b>Interest-bearing liabilities</b>	20,504	31,220

# **Financial Forecast**

for Fiscal Year ending March 31, 2025

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# Consolidated Financial Forecast (FY2025)



- As the adjustment phase continues until the first half, a modest recovery in demand is expected from the second half of the fiscal year, mainly for the electronics industry.
- Net sales are expected to increase by 5.4% YoY to 58,000 million yen, and operating profit is expected to increase by 35.9% YoY to 4,300 million yen.

(Millions of yen)

	FY2024	FY2025(E)	Change (%)
<b>Net Sales</b>	55,048	58,000	5.4
(%)	(32.7)	(33.8)	
<b>Gross profit</b>	18,002	19,600	8.9
<b>Selling expenses, General and Administrative expenses</b>	14,838	15,300	3.1
(%)	(5.7)	(7.4)	
<b>Operating Income</b>	3,164	4,300	35.9
(%)	(8.2)	(8.4)	
<b>Ordinary Income</b>	4,525	4,900	8.3
<b>Net Income attributable to owners of the parent</b>	2,674	3,100	15.9
<b>USD</b>	144.62	145.00	-
<b>EURO</b>	156.80	156.00	-
<b>RMB</b>	20.14	20.20	-
<b>Dividend per share</b>	¥19.0	¥19.0	-
<b>Dividend payout ratio</b>	50.2%	42.3%	-

# Consolidated Net Sales Forecast «By Geographical Area» **IKO**

- 【Japan】** With the increase in demand related to generative AI, demand for capital expenditure focusing on electronics-related devices is expected to recover from the second half of the fiscal year.
- 【Americas】** Despite the cautious movement toward capital expenditure, we will strengthen our sales networks with distributors and create demand for advanced technology projects for robots and medical equipment.
- 【Europe】** Despite uncertainty about the future, solid demand is forecasted for medical equipment, precision machinery, and machine tools.
- 【China】** While the market will take time to recover, inquiries for mass production projects are gradually increasing, which requires close attention.
- 【Others】** Investment demand for rechargeable battery-related equipment and semiconductor production equipment will gradually increase from the second quarter.

(Millions of yen)

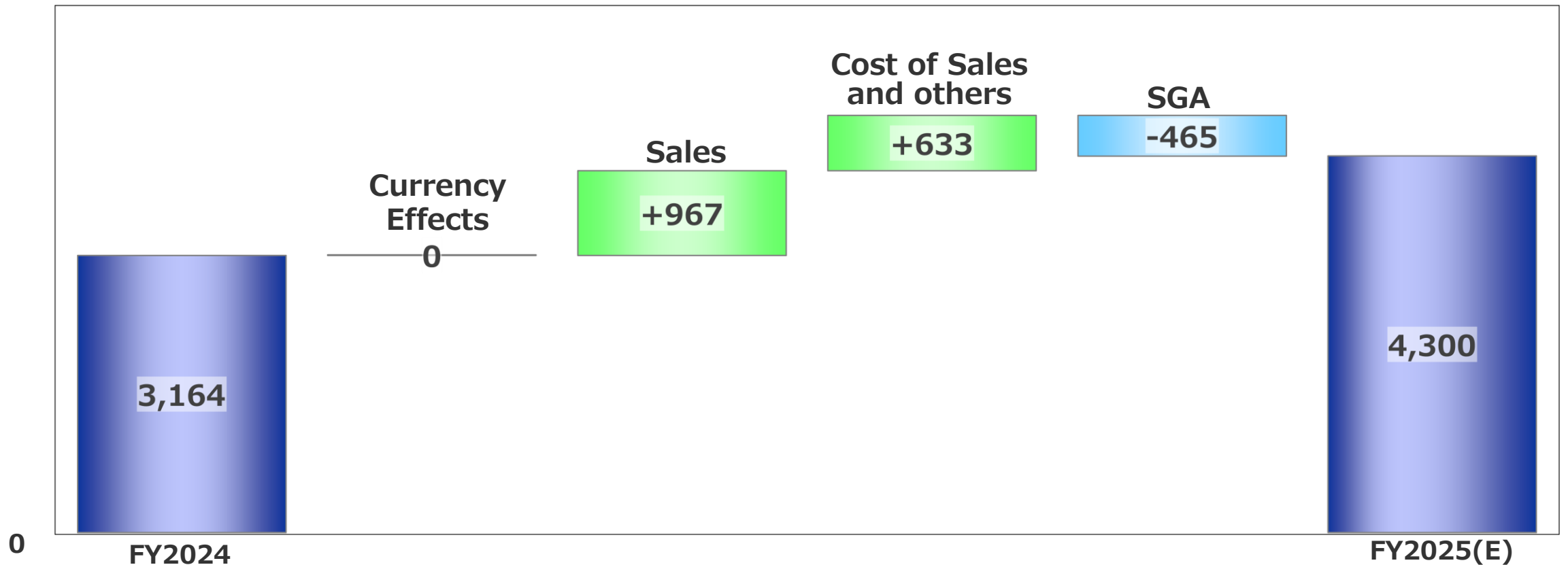
	Japan	Composition Ratio	Americas	Composition Ratio	Europe	Composition Ratio	China	Composition Ratio	Others	Composition Ratio	Total
<b>Net Sales</b>	28,200	48.6	9,000	15.5	7,400	12.8	7,200	12.4	6,200	10.7	58,000
<b>Change (%)</b>	5.5%		8.2%		8.1%		0.4%		3.7%		5.4%

# Analysis of Consolidated Operating Income (Forecast)



- Operating income is expected to be 4,300 million yen, up 1,135 million yen from the previous period.
- Effect of sales increase is +967 million yen, improvement in cost of sales ratio is forecast to be +633 million yen.
- Selling and general administrative expenses will be -465 million yen due to increase in personnel expenses and logistics costs accompanying an increase in sales.

(Millions of yen)



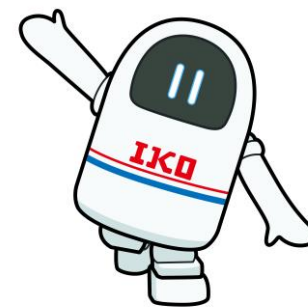


# **IKO** Medium-term Business Plan 2026

## **Connect for Growth**

**- The Future of Innovation, Connected by IKO -**

**I**nnovation, **K**now-how & **O**riginality



(May 16, 2024 version)

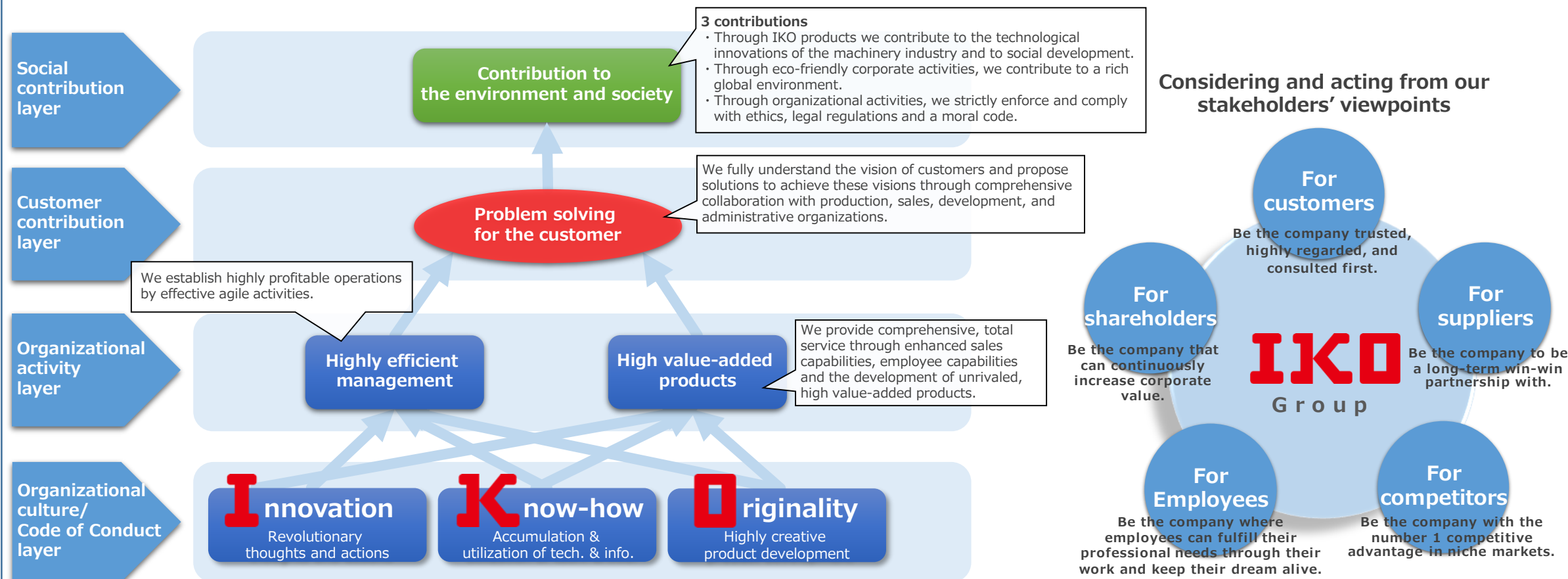
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## The management approach that Nippon Thompson values

### A Company Centered on Technology Development that Contributes to Society

Nippon Thompson is the enterprise trusted and relied upon by customers for the manufacturing and sales of important machine components including, bearings and related equipment. We aim to be a technology-based company, that draws on our technological capabilities and passion to solve our customers' issues in order to evolve into a more visible global company.



## “Challenges” and “Targets” for 2030

Management  
Philosophy

**A Company Centered on Technology Development that Contributes to Society**

**IKO VISION 2030**

Collaborating with customers primarily and co-creating value as a technology development-based company  
– co-creating a sustainable future –

**“Three Challenges of Growth Strategies”  
to Achieve Our Long-Term Vision**

- ① Establishing a global business structure
- ② Developing new products using core technologies
- ③ Strengthening collaboration with partner companies

		Target	
Financial	Net sales	100 billion yen or above	
	Operating profit	15 billion yen or above	
	ROE	10% or above	
	Market capitalization	100 billion yen or above	
Non-Financial	Carbon Neutral	GHG reduction target	Scope1, 2 Reduction of 42% or higher (compared to FY 2023) Scope3(CA1)Reduction of 25% or higher (compared to FY 2023)
	Human capital	Diversity & Inclusion	Increase the number of women in management positions by 5 times or more (compared to FY 2023) Increase the percentage of male employees taking childcare leave to 85% or higher
		Produce many leaders on a global scale	
	Governance	Thorough Group governance that complies with laws, regulations and corporate philosophy	

## Aiming for a stronger corporate structure resilient to fluctuations

### Financial Targets

3-year average from FY 2022 to FY 2024

	Initial targets		Targets after revision
Operating profit	4.5 billion yen or above	Upward revision	7 billion yen or above
ROE	5% or above		7% or above

### Basic Policy

<b>① Deepening</b>  <b>Strengthen the Present</b> Deepening Existing Businesses	<ul style="list-style-type: none"> <li>Differentiation and enhanced added value through product development based on both “product out” and “market in” approaches</li> <li>Strengthen responsiveness of supply chain delivery by shortening lead times and improving productivity</li> </ul>
<b>② Expanding</b>  <b>Create the Future</b> Expanding New Technologies & New Markets	<ul style="list-style-type: none"> <li>Search for strategic technology alliance partners for such as joint development, and OEM</li> <li>Initiatives to develop new products and businesses (use of accumulated data and knowhow)</li> <li>Strengthening competitiveness by reformulating the global supply structure</li> </ul>
<b>③ Embracing Change</b>  <b>Strong Management Foundation</b> Behavior Change • Organizational Capacity Change • Digital Transformation	<ul style="list-style-type: none"> <li>Initiatives to improve the break-even point (per capita productivity and asset efficiency)</li> <li>Develop change leaders to promote DX strategic themes</li> <li>Promote sustainable management</li> </ul>

### Results

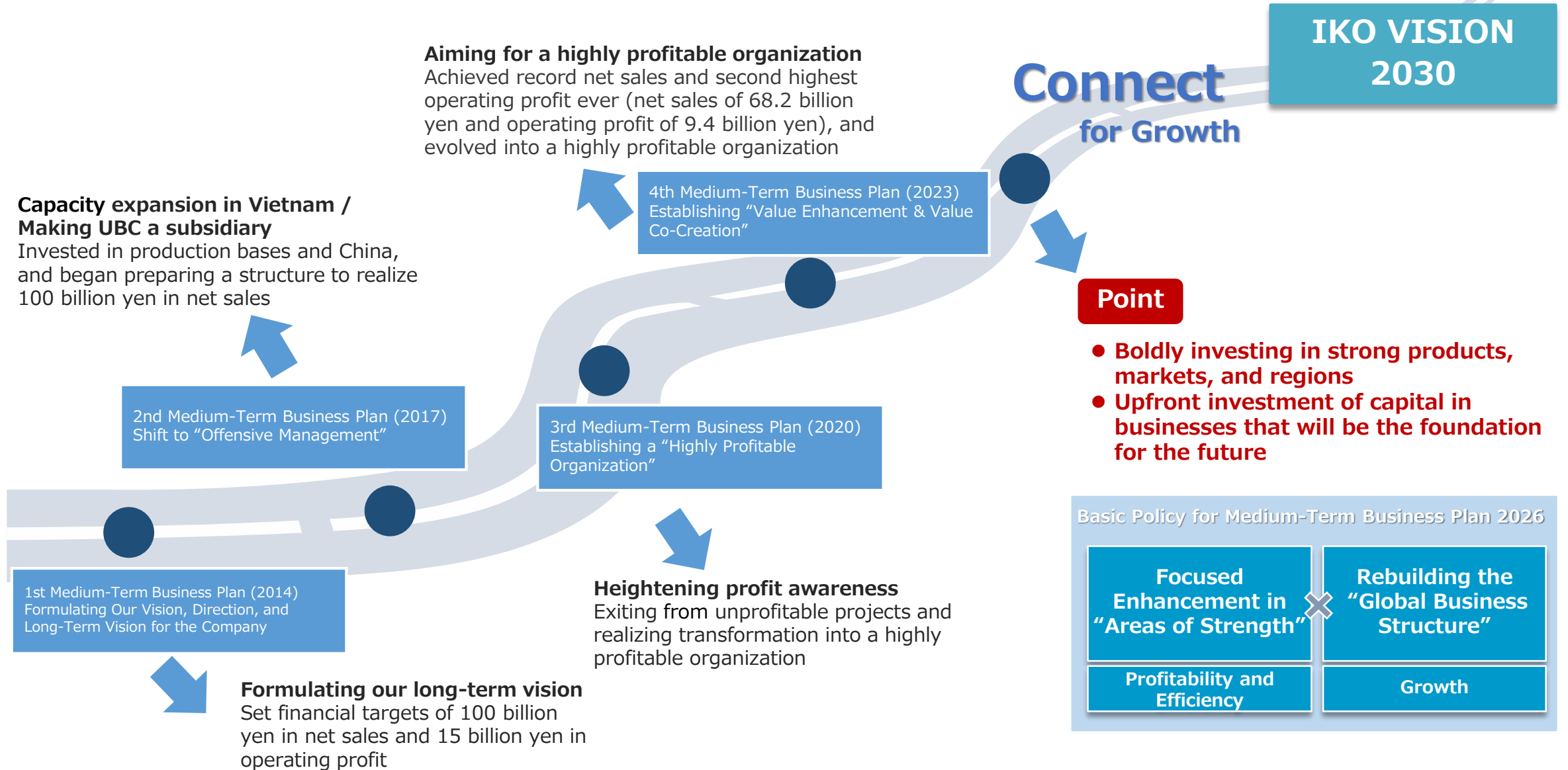
(Billions of yen)	FY2022	FY2023	FY2024	Set targets for 3-year average
Net sales	62.2	68.2	55.0	No setting
3-year average	61.8			
Operating profit	5.8	9.4	3.1	7 billion yen or above
3-year average	6.1			
ROE	6.7%	11.0%	3.6%	7% or above
3-year average	7.1%			

Although various measures were promoted, the target for operating profit was not achieved due to sudden changes to the business environment in the final fiscal year.

# Medium-term Business Plan 2026 "Positioning"

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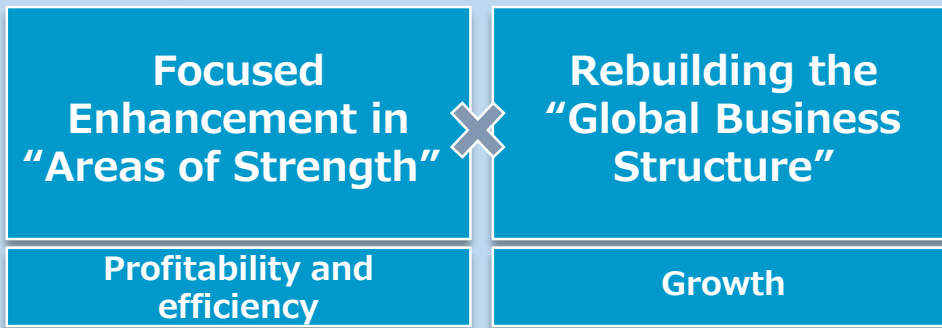
"Focused Investment in Areas of Strength" and "Upfront Investment in Foundation for the Future"



## Enhancing "IKO's Strengths" and rapidly securing "Growth Opportunities"

A critical 3-year period to achieve "IKO VISION 2030" and practically implement growth strategies

### Basic Policy for Medium-Term Business Plan 2026



Capital is invested in the "corporate strength" that forms the foundation.

System capable of swiftly responding to high variety production

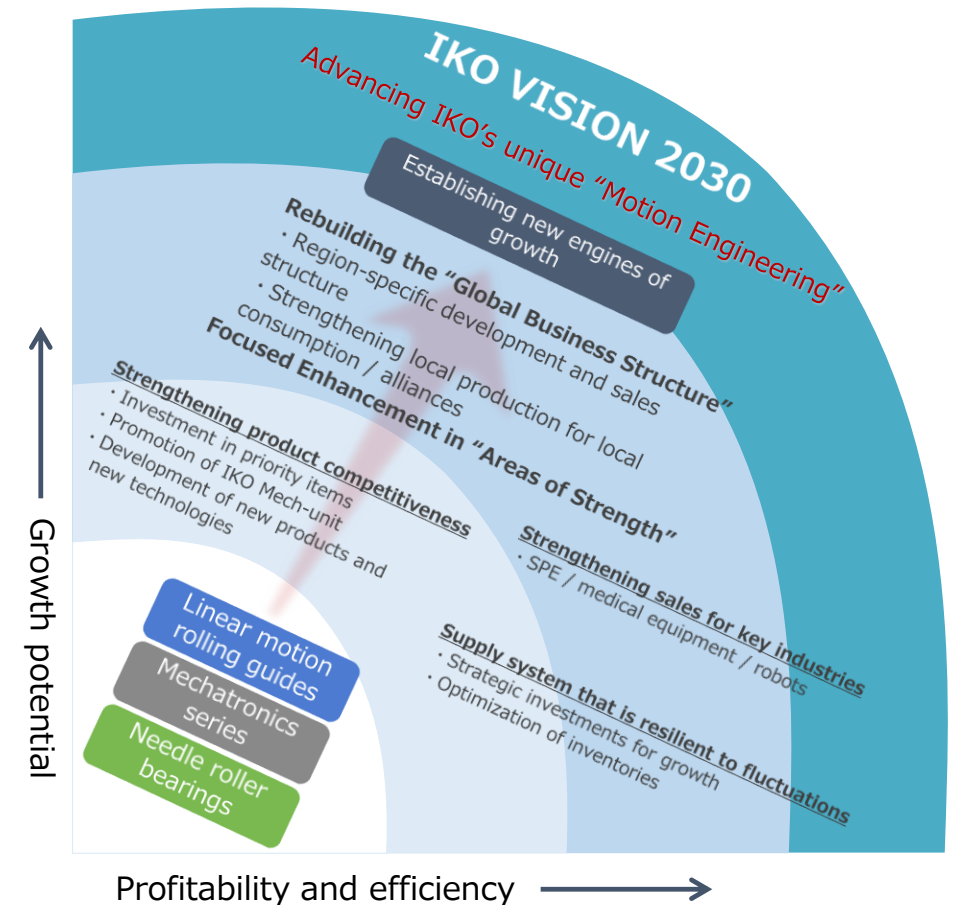
Planning and development system

Investment in growth areas

Improve of capital efficiency

Diversity of human resources and connecting across functions

- The Future of Innovation, Connected by IKO -  
Innovation, Know-how & Originality



# Medium-term Business Plan 2026 "Financial Targets"

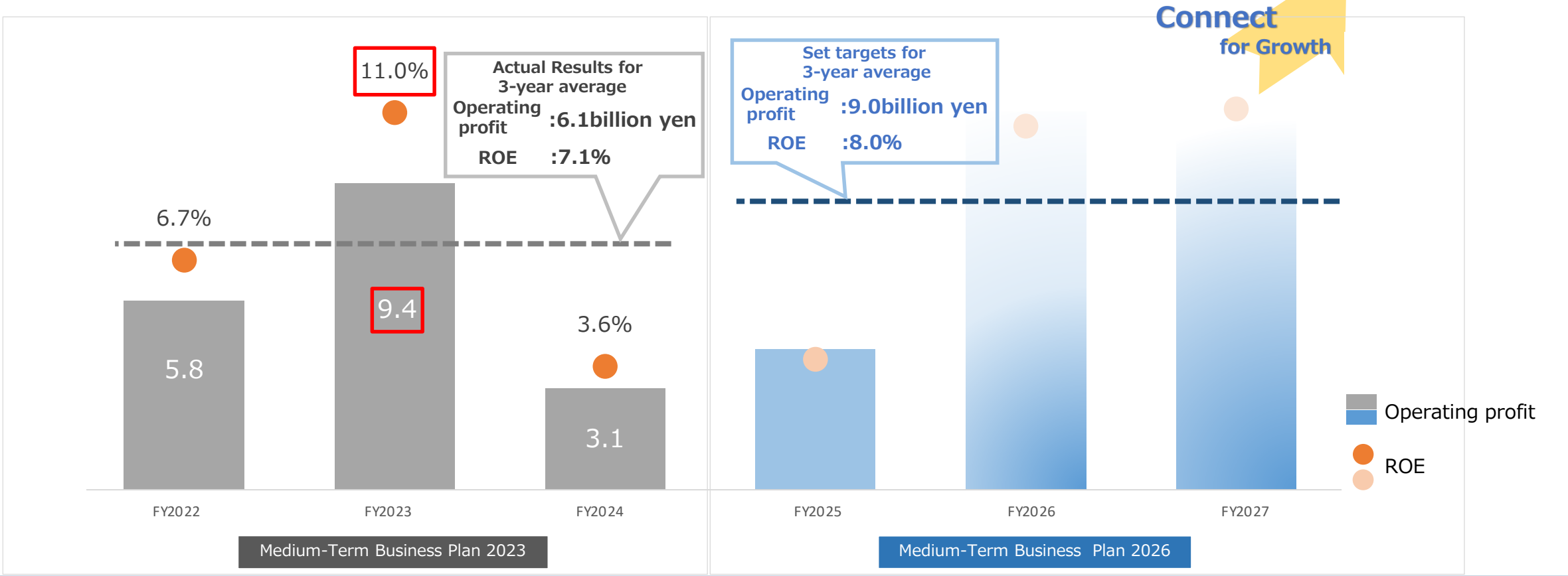
“High Growth” + “Stable Profits” on average over the 3-year period: leading to IKO VISION 2030

Point

We aim to exceed the “operating profit” and an “ROE” achieved in FY 2023, when we recorded the highest net sales, by FY 2027. We are also targeting an operating profit of 9 billion yen or more and ROE of 8% or higher on average over a 3-year period.

IKO VISION 2030

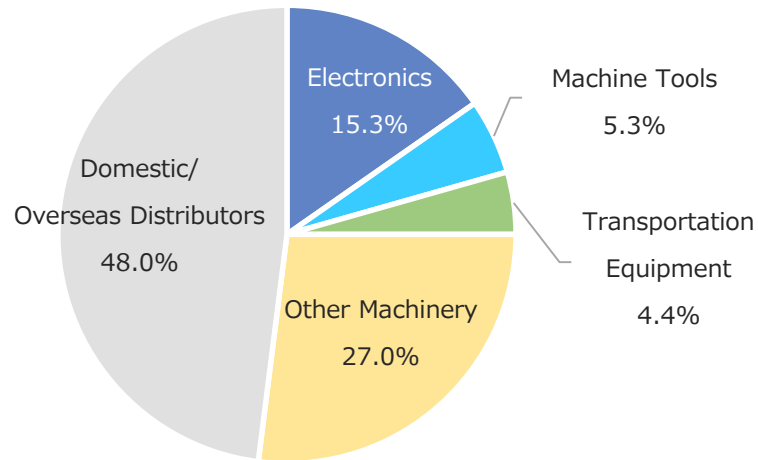
- ROE : 10% or above
- Operating profit : 15 billion yen or above
- Net sales : 100 billion yen or above
- Market capitalization : 100 billion yen or above





## Strengthening sales for key industries

Net sales composition ratio (FY 2024)



### Recognizing the external environment

#### [Economic and Social Situation]

- Increasing population in emerging countries and decreasing working population in developed countries
- Increasing geopolitical risks
- Sharply increasing labor costs associated with inflation in countries around the world

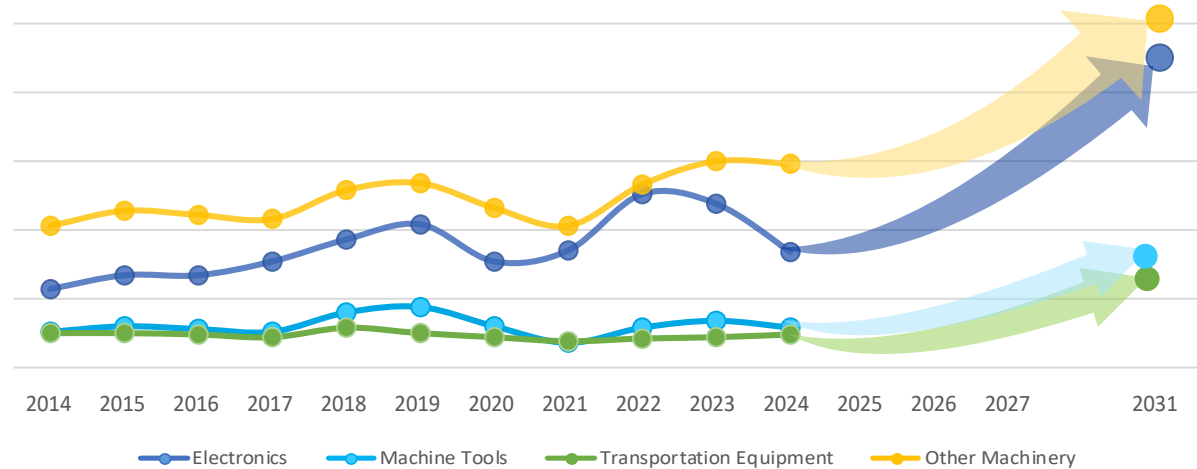
#### [Industry and Technology]

- Increasing demand for automation due to labor shortages
- Technological innovation and expansion for industrial robots and medical equipment due to AI utilization and other factors

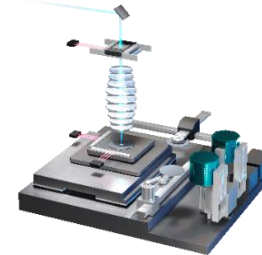
#### [Sustainability]

- Suppressing rising temperatures through realization of a decarbonized society
- Accelerating initiatives for realizing a sustainable society

Change in net sales (including targets) and growth industries



#### Semiconductor Production Equipment (Electronics)



#### Industrial robots · Medical equipment (Other Machinery)



Point

We aim to promote sales of high value-added products in growth areas (such as semiconductor production equipment, industrial robots, and medical equipment) and expand sales to highly profitable markets focusing on aftermarket sales.

# Medium-term Business Plan 2026 "Growth Strategy"

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Accurately understanding social issues and expanding markets, and focusing on enhancing strengths



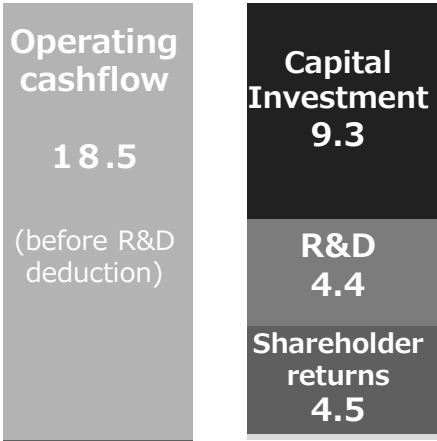
Capital strategy that realizes growth investment and proactive shareholder returns

Point

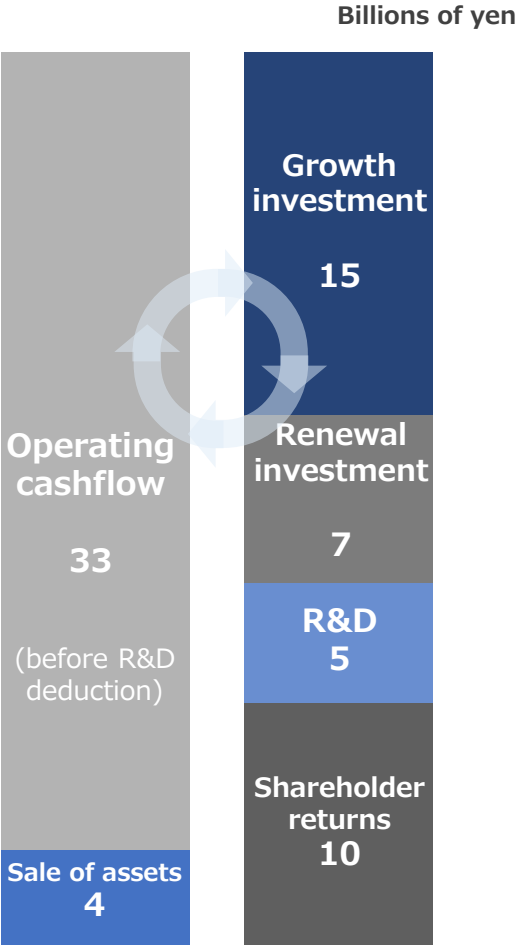
Together with aiming to increase profitability, achieve sustainable growth, and improve capital efficiency, we will also implement initiatives to strengthen shareholder returns, and aim to exceed a price-to-book ratio of 1.0 as soon as possible.

	Main initiatives
Operating cashflow	<ul style="list-style-type: none"><li>Improving profitability and capital efficiency</li></ul>
Sale of assets	<ul style="list-style-type: none"><li>Sale of cross-shareholdings <b><u>(Less than 10% of net assets)</u></b></li></ul>
Growth investment	<ul style="list-style-type: none"><li>Growth investment mainly into new factories in Vietnam</li></ul>
R & D	<ul style="list-style-type: none"><li>Continued investment for medium- to long-term growth <b><u>(Sales ratio of 2 - 3%)</u></b></li></ul>
Shareholder returns	<ul style="list-style-type: none"><li><b><u>Total return ratio of 50% or higher</u></b></li><li>Comprehensively considering the situation and flexibly implementing share buybacks</li></ul>

Medium-Term Business Plan 2023



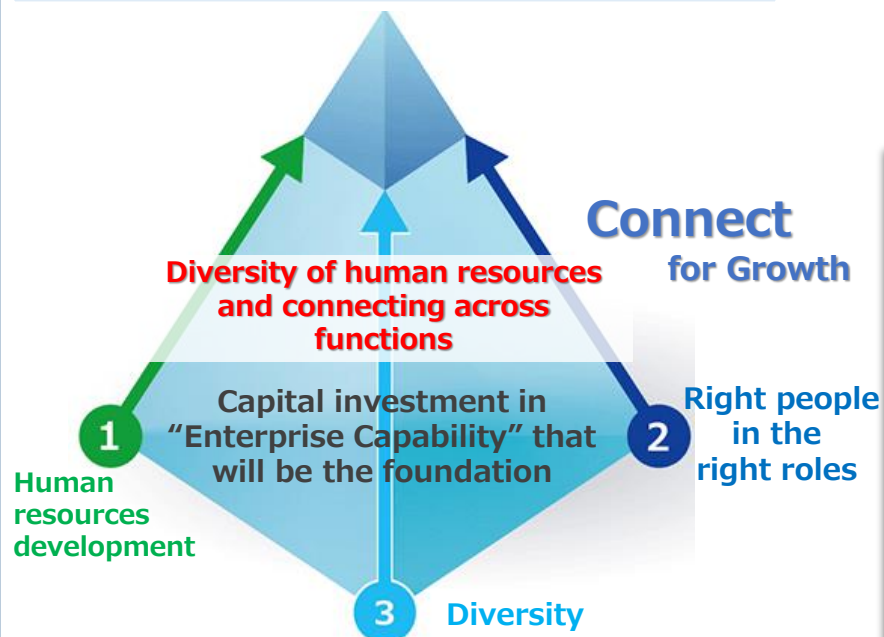
Medium-Term Business Plan 2026



## Human resources strategy for realizing IKO VISION 2030

### "Medium-Term Business Plan 2026 Human resources policy"

Orienting toward profitability, efficiency, and growth for "IKO VISION 2030," we will develop human resources who will pursue "IKO's Strengths" and "Global Business Structure," and strengthen organizational functions and capability.



### Initiatives for 2026

### Targets to achieve by 2030

① Human resources development

**Strengthening functions for human resources development**

**Training and production of "next-generation leaders"**

Development of human resources that can maximize their individual potential and production of many leaders on a global scale.

② Right people in the right roles

**Implementing talent management (introduction of systems)**

**Maximizing organizational functions and capability**

Realization of the right people in the right roles based on a balanced portfolio of human resources that can maximize the functions and capabilities of each organization with a small number of elite personnel.

③ Diversity

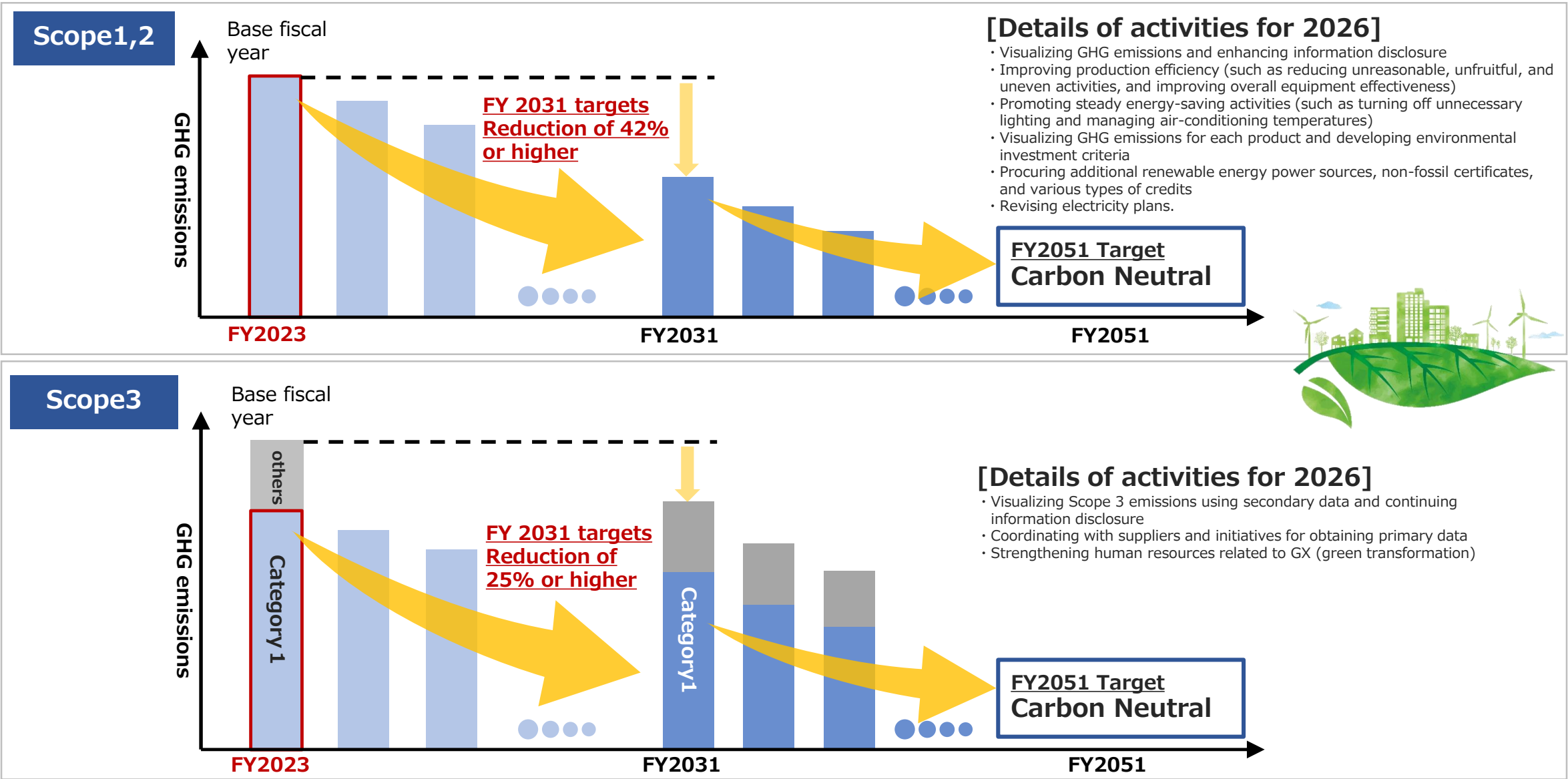
**Measures to help diverse human resources excel  
Measures to increase engagement**

**Connecting human resources**

A personnel organization where a "corporate culture that recognizes each other's value regardless of nationality, gender, or age" is cultivated, and where all employees feel their work is worthwhile and pursue innovation.

	FY 2024 actual results	FY 2031 targets
Number of women in management positions (compared to March 2022)	2x	5x
Percentage of male employees taking childcare leave	65%	85%

Roadmap for achieving carbon neutrality



## Enhancing sustainable corporate value by circulating “economic value” and “social value”



## IKO Group Priorities

1. Promote corporate activities to realize a prosperous global environment
2. Contribute to technological innovation by leveraging core technologies
3. Contribute to social development by providing products that society needs
4. Realization of healthy, safe, and secure lives for people
5. Realization of a society in which a diverse workforce can play an active role and are rewarded for their work
6. Continuous improvement of compliance governance

Achieving SDGs

**SUSTAINABLE  
DEVELOPMENT  
GOALS**

# **【Supplementary Information】 Financial Data**

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# Trend in Consolidated Business Results

**IKO**

(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Net Sales</b>	57,570	47,457	44,342	62,284	68,260	55,048
Monthly average	4,797	3,954	3,695	5,190	5,688	4,587
<b>Cost of Sales</b>	39,333	32,690	32,696	42,947	43,782	37,045
<b>Gross profit</b>	31.7% 18,237	31.1% 14,766	26.3% 11,645	31.0% 19,337	35.9% 24,477	32.7% 18,002
<b>Selling expenses, General and Administrative expenses</b>	13,353	13,425	12,204	13,438	15,017	14,838
<b>Operating Income</b>	8.5% 4,883	2.8% 1,341	(1.3%) (559)	9.5% 5,898	13.9% 9,459	5.7% 3,164
<b>Non-Operating Income and Expenses</b>	441	(72)	785	1,590	1,019	1,361
<b>Ordinary Income</b>	9.3% 5,325	2.7% 1,268	0.5% 225	12.0% 7,488	15.4% 10,479	8.2% 4,525
<b>Extraordinary Income and Losses</b>	(209)	(249)	(100)	(1,500)	10	507
<b>Income before income taxes</b>	8.9% 5,115	2.1% 1,019	0.3% 125	9.6% 5,987	15.4% 10,489	9.1% 5,032
<b>Income Taxes</b>	1,373	1,188	(90)	1,852	3,020	2,358
<b>Net Income</b>	6.5% 3,742	(0.4%) (169)	0.5% 215	6.6% 4,134	10.9% 7,469	4.9% 2,674
<b>Net Income attributable to non-controlling interests</b>	23	16	-	-	-	-
<b>Net Income attributable to owners of the parent</b>	6.5% 3,718	(0.4%) (185)	0.5% 215	6.6% 4,134	10.9% 7,469	4.9% 2,674

※Change

<b>Net Sales</b>	4.2	(17.6)	(6.6)	40.5	9.6	(19.4)
<b>Operating Income</b>	84.4	(72.5)	-	-	60.4	(66.6)
<b>Ordinary Income</b>	122.2	(76.2)	(82.2)	-	39.9	(56.8)
<b>Net Income attributable to owners of the parent</b>	121.5	-	-	-	80.7	(64.2)

<b>USD</b>	110.91	108.74	106.06	112.38	135.47	144.62
<b>EURO</b>	128.41	120.82	123.70	130.56	140.97	156.80
<b>RMB</b>	16.54	15.60	15.67	17.51	19.75	20.14



# Trend in Consolidated Balance Sheets



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023 (A)	FY2024 (B)	Change	
							B-A	(%)
Cash and deposits	17,023	12,924	15,489	18,001	18,848	19,773	924	4.9
Notes and accounts receivable-trade	15,455	11,671	13,533	17,159	17,272	13,435	(3,837)	(22.2)
Inventories	29,770	33,734	31,485	33,575	38,183	41,804	3,620	9.5
Others	1,369	2,610	1,405	1,675	2,318	2,473	155	6.7
<b>Total current assets</b>	<b>63,619</b>	<b>60,940</b>	<b>61,914</b>	<b>70,412</b>	<b>76,624</b>	<b>77,486</b>	<b>862</b>	<b>1.1</b>
Buildings and structures	5,235	7,855	7,477	6,843	6,743	7,081	338	5.0
Machinery and vehicles	9,767	11,500	11,608	10,338	9,849	10,804	955	9.7
Others	7,427	5,387	5,440	5,383	5,860	6,040	179	3.1
<b>Tangible fixed assets</b>	<b>22,430</b>	<b>24,742</b>	<b>24,526</b>	<b>22,565</b>	<b>22,453</b>	<b>23,926</b>	<b>1,472</b>	<b>6.6</b>
<b>Intangible fixed assets</b>	<b>2,566</b>	<b>2,107</b>	<b>1,702</b>	<b>1,093</b>	<b>1,056</b>	<b>1,650</b>	<b>593</b>	<b>56.2</b>
<b>Total investments and other assets</b>	<b>12,851</b>	<b>10,328</b>	<b>12,803</b>	<b>13,006</b>	<b>14,212</b>	<b>16,122</b>	<b>1,909</b>	<b>13.4</b>
<b>TOTAL ASSETS</b>	<b>101,468</b>	<b>98,118</b>	<b>100,946</b>	<b>107,078</b>	<b>114,347</b>	<b>119,187</b>	<b>4,839</b>	<b>4.2</b>
Notes and accounts payable-trade	11,438	7,832	7,773	11,845	11,595	4,590	(7,005)	(60.4)
Short-term bank loans and Bonds, etc.	3,179	5,330	16,247	5,655	3,786	15,054	11,268	297.6
Others	7,520	4,591	4,384	7,301	8,955	5,739	(3,216)	(35.9)
<b>Total current liabilities</b>	<b>22,138</b>	<b>17,754</b>	<b>28,405</b>	<b>24,802</b>	<b>24,337</b>	<b>25,383</b>	<b>1,045</b>	<b>4.3</b>
Bonds, etc.	10,000	15,000	5,000	10,000	10,000	5,000	(5,000)	(50.0)
Long-term bank loans	8,317	6,876	6,803	6,928	6,718	11,166	4,447	66.2
Others	816	1,048	1,312	1,373	1,629	1,473	(156)	(9.6)
<b>Total long-term liabilities</b>	<b>19,134</b>	<b>22,924</b>	<b>13,115</b>	<b>18,301</b>	<b>18,348</b>	<b>17,639</b>	<b>(708)</b>	<b>(3.9)</b>
<b>TOTAL LIABILITIES</b>	<b>41,273</b>	<b>40,679</b>	<b>41,521</b>	<b>43,104</b>	<b>42,685</b>	<b>43,022</b>	<b>337</b>	<b>0.8</b>
Shareholders' equity	57,614	56,579	55,803	59,276	65,693	65,440	(253)	(0.4)
Total accumulated other comprehensive income	2,373	711	3,473	4,552	5,847	10,609	4,761	81.4
Subscription rights to shares	114	148	148	144	121	114	(6)	(5.5)
Non-controlling interests	93	-	-	-	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>60,195</b>	<b>57,439</b>	<b>59,425</b>	<b>63,974</b>	<b>71,662</b>	<b>76,164</b>	<b>4,501</b>	<b>6.3</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>101,468</b>	<b>98,118</b>	<b>100,946</b>	<b>107,078</b>	<b>114,347</b>	<b>119,187</b>	<b>4,839</b>	<b>4.2</b>
<b>Equity ratio</b>	<b>59.1%</b>	<b>58.4%</b>	<b>58.7%</b>	<b>59.6%</b>	<b>62.6%</b>	<b>63.8%</b>		

# Trend in Consolidated Cash Flows



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Income (loss) before income taxes	5,115	1,019	125	5,987	10,489	5,032
Depreciation	3,297	3,800	3,833	3,885	3,423	3,325
Decrease (increase) in notes and accounts receivable – trade	861	3,642	(1,605)	(3,105)	78	4,255
Decrease (increase) in inventories	(4,266)	(4,266)	2,637	(1,021)	(3,596)	(1,728)
Others	150	(6,692)	667	4,519	(3,996)	(13,374)
Operating activities	5,158	(2,497)	5,658	10,265	6,398	(2,488)
Payments for purchase of property, plant and equipment	(4,588)	(6,048)	(2,950)	(1,797)	(2,187)	(4,305)
Others	(473)	(139)	(57)	(303)	(514)	(999)
Investing activities	(5,061)	(6,188)	(3,007)	(2,100)	(2,702)	(5,304)
Net increase (decrease) in bank loans	201	710	843	(466)	(2,079)	10,715
Proceeds from corporate bonds	-	5,000	-	5,000	-	-
Repayment of convertible bond	-	-	-	(10,000)	-	-
Cash dividends paid and others	(1,248)	(1,091)	(1,256)	(975)	(1,271)	(3,149)
Financing activities	(1,047)	4,618	(412)	(6,442)	(3,351)	7,566
Foreign currency translation adjustments on cash and cash equivalents	(44)	(108)	261	777	401	613
Net increase (decrease) in cash and cash equivalents	(995)	(4,175)	2,498	2,500	746	387
Cash and cash equivalents at beginning of year	18,019	17,023	12,847	15,346	17,847	18,593
Cash and cash equivalents at end of year	17,023	12,847	15,346	17,847	18,593	18,980

# Trend in Consolidated Orders Received and Net production



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023					FY2024				
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
Orders Received	57,490	40,779	51,348	78,548	17,851	17,253	14,600	12,234	61,939	10,850	11,241	10,763	12,052	44,908
Net sales	57,570	47,457	44,342	62,284	16,760	17,580	17,788	16,130	68,260	14,595	13,885	13,658	12,908	55,048
Net production	55,928	44,707	37,722	57,166	16,024	17,189	17,726	14,974	65,915	13,157	13,048	12,752	11,272	50,231

※Change

	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ	QOQ	YOY
Orders Received	(21.2)	(29.1)	25.9	53.0	(18.7)	(3.4)	(15.4)	(16.2)	(21.1)	(11.3)	3.6	(4.3)	12.0	(27.5)
Net sales	4.2	(17.6)	(6.6)	40.5	4.1	4.9	1.2	(9.3)	9.6	(9.5)	(4.9)	(1.6)	(5.5)	(19.4)
Net production	26.0	(20.1)	(15.6)	51.5	3.4	7.3	3.1	(15.5)	15.3	(12.1)	(0.8)	(2.3)	(11.6)	(23.8)

# Trend in Consolidated Inventories



(Millions of yen)

	FY2019	FY2020		FY2021		FY2022		FY2023		FY2024	
	As of Mar. 31	As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Mar. 31	
	(A)	(B)	B - A	(C)	C - B	(D)	D - C	(E)	E - D	(F)	F - E
• Finished goods and Semi-finished goods Bearings, etc.	13,807	15,675	1,867	14,107	(1,567)	13,821	(286)	16,694	2,873	19,673	2,978
Machine Components	653	521	(132)	409	(111)	571	162	782	210	588	(193)
Sub total	14,461	16,196	1,735	14,517	(1,679)	14,393	(124)	17,477	3,083	20,262	2,785
• Work in process	9,667	11,122	1,455	10,576	(545)	12,773	2,197	11,882	(891)	12,101	218
• Raw material	5,642	6,414	772	6,391	(22)	6,408	16	8,823	2,415	9,439	615
Total	29,770	33,734	3,963	31,485	(2,248)	33,575	2,089	38,183	4,608	41,804	3,620

# Trend in Consolidated Capital Expenditures, etc.



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025(E)
•Capital expenditure	5,248	5,455	2,752	2,019	2,504	4,857	5,500
•Depreciation and amortisation							
Tangible fixed assets	2,803	3,239	3,119	2,976	2,949	2,900	2,850
Intangible fixed assets	494	560	714	909	474	425	450
※Including Long-term prepaid expense							
Total	3,297	3,800	3,833	3,885	3,423	3,325	3,300

# Trend in Consolidated Number of employees



(People)

	FY2019	FY2020		FY2021		FY2022		FY2023		FY2024	
	As of Mar. 31	As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Mar. 31	
	(A)	(B)	B - A	(C)	C - B	(D)	D - C	(E)	E - D	(F)	F - E
<b>Number of employees</b>	2,448	2,232	(216)	2,456	224	2,688	232	2,613	(75)	2,472	(141)
Nonconsolidated	977	994	17	1,009	15	1,010	1	1,000	(10)	1,007	7
<b>External Employees</b>	764	463	(301)	555	92	714	159	724	10	600	(124)
In Production Department	694	401	(293)	494	93	650	156	664	14	547	(117)

**Contact us for more information about IR**

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Please be aware that these forecasts may differ from the actual results due to these variable elements.