

**NIPPON THOMPSON CO., LTD.**

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

(URL: <https://www.ikont.co.jp/eg/>)

August 9, 2019

**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending March 31, 2020**  
**<Japanese GAAP>**

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Scheduled Date to Submit Quarterly Annual Securities Report: August 9, 2019

Expected Date of Payment for Dividends: —

Preparation of Supplementary Explanation Material for Quarterly Financial Results: None

Holding of Presentation Meeting for Quarterly Financial Results: None

Figures have been rounded off to eliminate amounts less than one million yen.

**1. Consolidated Operating Performance for the First Quarter of Fiscal Year Ending March 31, 2020**  
**(From April 1, 2019 to June 30, 2019)**

**(1) Results of Consolidated Operations**

(Millions of yen)

	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change
<b>June 30, 2019</b>	<b>13,256</b>	<b>(12.6)</b>	<b>809</b>	<b>(39.6)</b>	<b>653</b>	<b>(57.7)</b>
June 30, 2018	15,165	17.5	1,339	178.6	1,545	200.5

Note: Comprehensive income

Three-month period ended June 30, 2019: 86 million yen (86.2) %

Three-month period ended June 30, 2018: 630 million yen (48.1) %

: Percentage change for net sales, operating profit, ordinary profit, and profit attributable to owners of parent indicate percentage increase/decrease compared to the same period in the previous year.

	Profit attributable to owners of parent	Percentage change	Earnings per share (Yen)	Diluted earnings per share (Yen)
<b>June 30, 2019</b>	<b>486</b>	<b>(58.8)</b>	<b>6.79</b>	<b>6.77</b>
June 30, 2018	1,181	68.2	16.52	16.49

## (2) Consolidated Financial Position

	(Millions of yen)			
	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
<b>June 30, 2019</b>	<b>102,609</b>	<b>59,777</b>	<b>58.1</b>	<b>830.72</b>
March 31, 2019	101,468	60,195	59.1	837.24

Reference: Shareholders' equity

As of June 30, 2019: 59,573 million yen

As of March 31, 2019: 59,987 million yen

## 2. Dividends

(Yen)

Dividends per share					
Base date	June 30	September 30	December 31	March 31	Full Fiscal Year
<b>2020(Forecast)</b>		<b>7.50</b>	—	<b>7.50</b>	<b>15.00</b>
<b>2020</b>	—				
2019	—	7.50	—	7.50	15.00

Note: Change in the current three-month period ended June 30, 2019, to dividend forecast: None

## 3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2020

(Millions of yen)

	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change
Six-month period ending September 30, 2019	25,600	(12.6)	1,300	(48.5)	1,500	(47.6)
Year ending March 31, 2020	53,000	(7.9)	3,200	(34.5)	3,500	(34.3)

	Profit attributable to owners of parent	Percentage change	Earnings per share (Yen)
Six-month period ending September 30, 2019	1,030	(50.1)	14.37
Year ending March 31, 2020	2,400	(35.5)	33.47

Notes: Percentage change for net sales, operating profit, ordinary profit, and profit attributable to owners of parent indicate percentage increase/decrease compared to the same period in the previous year.

Change in the current three-month period ended June 30, 2019, to consolidated operating performance forecast: None

#### 4. Others

(1) Changes in the state of significant subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Application of the special accounting methods for the presentation of the quarterly consolidated financial statements: Yes

Note: For further details, please refer on page 8.

(3) Changes in accounting principles and accounting estimates, and restatements

Changes in accounting principles arising from revision of accounting standards:	Yes
Changes other than those in above:	None
Changes in accounting estimates:	None
Restatements:	None

Note: For further details, please refer on page 8.

(4) Number of shares issued (Common stock)

Number of shares outstanding at period-end (Including treasury stock)	
As of June 30, 2019:	73,501,425 shares
As of March 31, 2019:	73,501,425 shares
Number of treasury stock	
As of June 30, 2019:	1,788,384 shares
As of March 31, 2019:	1,851,802 shares
Average number of shares outstanding at period-end	
Three-month period ended June 30, 2019:	71,691,946 shares
Three-month period ended June 30, 2018:	71,514,357 shares

Note: The number of treasury stock includes treasury stock held by the ESOP trust. This resulted in the addition to treasury stock of 325,700 shares as of June 30, 2019 and 358,500 shares as of March 31, 2019. In addition, treasury stock held by the ESOP trust is excluded from the calculation of the average number of shares outstanding at period-end, as is other treasury stock. The number of shares excluded from said calculation totaled 337,466 shares for the three-month period ended June 30, 2019 and 471,233 shares for the three-month period ended June 30, 2018.

**These consolidated financial statements are not subject to quarterly review by auditors**

#### **Explanations or Other Items Pertaining to Appropriate use of Operating Performance Forecasts**

Performance forecasts presented herein are based on information available to the Nippon Thompson Group (the "Group") as of the date of this document, August 9, 2019. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

As of June 30, 2019 and March 31, 2019

ASSETS	Millions of yen	
	June 30, 2019	March 31, 2019
Current Assets:		
Cash and deposits	14,535	17,023
Notes and accounts receivable-trade	14,645	15,455
Securities	1,699	—
Finished products	15,151	14,461
Material in process	10,237	9,667
Raw material	5,879	5,642
Others	1,149	1,389
Less: Allowance for doubtful accounts	(16)	(19)
Total current assets	<u>63,282</u>	<u>63,619</u>
Non-Current Assets:		
Tangible fixed assets:		
Machinery and vehicles	10,411	9,767
Others	13,845	12,663
Total tangible fixed assets	<u>24,256</u>	<u>22,430</u>
Intangible fixed assets	2,439	2,566
Investments and other assets:		
Investment securities	8,089	8,385
Others	4,591	4,515
Less: Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	<u>12,630</u>	<u>12,851</u>
Total non-current assets	<u>39,327</u>	<u>37,848</u>
 TOTAL ASSETS	 <u><u>102,609</u></u>	 <u><u>101,468</u></u>

LIABILITIES	Millions of yen	
	June 30, 2019	March 31, 2019
Current Liabilities:		
Notes and accounts payable-trade	11,200	11,438
Current portion of long-term loans payable	3,569	3,179
Income taxes payable	365	1,747
Allowance for directors' and corporate auditors' bonuses	18	60
Others	7,494	5,713
Total current liabilities	22,648	22,138
Non-Current Liabilities:		
Corporate bonds	10,000	10,000
Long-term loans payable	9,071	8,317
Net defined benefit liabilities	13	13
Others	1,097	803
Total non-current liabilities	20,182	19,134
TOTAL LIABILITIES	42,831	41,273
NET ASSETS		
Shareholders' Equity:		
Common stock	9,533	9,533
Capital surplus	12,875	12,875
Retained earnings	36,201	36,253
Treasury stock	(1,004)	(1,048)
Total shareholders' equity	57,605	57,614
Accumulated Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	2,364	2,568
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustments	(360)	(162)
Remeasurements of defined benefit plans	(37)	(32)
Total accumulated other comprehensive income	1,967	2,373
Subscription rights to shares	105	114
Non-controlling interests	98	93
TOTAL NET ASSETS	59,777	60,195
TOTAL LIABILITIES AND NET ASSETS	102,609	101,468

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

For the first quarter ended June 30, 2019 and 2018

	Millions of yen	
	June 30, 2019	June 30, 2018
Net Sales	13,256	15,165
Cost of Sales	8,983	10,537
Gross Profit	4,273	4,627
Selling, General and Administrative Expenses	3,463	3,287
Operating Profit	809	1,339
Non-Operating Income:		
Interest income	2	2
Dividend income	113	121
Foreign exchange gains	—	83
Insurance income	62	29
Others	90	58
	268	295
Non-Operating Expenses:		
Interest expenses	21	21
Sales discounts	15	48
Foreign exchange loss	376	—
Others	10	19
	424	89
Ordinary Profit	653	1,545
Extraordinary Losses:		
Impairment loss	—	97
	—	97
Profit Before Income Taxes	653	1,448
Income Taxes	161	259
Profit	491	1,188
Profit attributable to non-controlling interests	5	6
Profit attributable to owners of parent	486	1,181

## Consolidated Statements of Comprehensive Income

For the first quarter ended June 30, 2019 and 2018

	Millions of yen	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Profit	491	1,188
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	(203)	(693)
Deferred gains or losses on hedges	1	(3)
Foreign currency translation adjustments	(197)	160
Remeasurements of defined benefit plans	(5)	(21)
Total Other Comprehensive Income	<u>(405)</u>	<u>(557)</u>
Comprehensive Income	<u>86</u>	<u>630</u>
Breakdown:		
Comprehensive income attributable to owners of parent	81	625
Comprehensive income attributable to non-controlling interests	5	5

**(3) Notes on the Premise of a Going Concern**

There are no applicable articles.

**(4) Notes on the Statement of Changes in Consolidated Shareholders' Equity**

There are no applicable articles.

**(5) Application of the special accounting methods for the presentation of the 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 first quarter, and multiplying profit before income taxes by said estimated effective tax rate.

**(6) Changes in accounting policies**

Parts of consolidated overseas subsidiaries adopted IFRS 16 "Leases" from April 1, 2019 and recognize all leases as a lessee in principle as assets and liabilities on the balance sheets. In adopting the accounting standards, in accordance with the transitional treatment, the Group recognizes the cumulative effect of initially applying the accounting standards at the date of initial application.

As a result, others included in tangible fixed assets, others included in current liabilities, and others included in long-term liabilities at the end of the current first quarter increased by ¥389 million, ¥68 million, and ¥320 million, respectively. The effects of these revisions on the quarterly consolidated statements of income for the current first quarter are immaterial.