

Financial Summary

Third Quarter of Fiscal Year ending March 31, 2020



February 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 11, 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)

	F Y 2011	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(E)
Net Sales	43,849	42,505	35,962	39,259	44,972	43,664	44,130	55,228	57,570	48,500
Operating Income	4,362	3,053	1,185	(251)	3,877	3,018	1,145	2,649	4,883	2,000
Ordinary Income	4,112	2,857	1,465	857	4,792	2,756	905	2,397	5,325	1,800
Net Income attributable to owners of the parent	3,054	2,827	(124)	568	2,966	1,569	(291)	1,678	3,718	600
Total Assets	86,252	92,990	84,343	86,891	93,411	89,197	99,627	98,493	101,468	-
Net Assets	51,970	53,349	53,167	56,121	61,099	58,056	58,605	59,666	60,195	-
Equity Ratio	60.3%	57.4%	63.0%	64.6%	65.4%	65.0%	58.4%	60.1%	59.1%	-
EPS	¥41.6	¥38.5	(¥1.7)	¥7.8	¥40.7	¥21.6	(¥4.0)	¥23.4	¥52.0	¥8.4
Net Assets per share	¥708	¥726	¥732	¥771	¥838	¥802	¥810	¥828	¥837	-
PER	15.99x	13.56x	-	65.16x	14.57x	18.58x	-	36.40x	9.80x	-
Cash Dividends per share	¥10.0	¥13.0	¥9.0	¥10.0	¥11.0	¥13.0	¥13.0	¥13.0	¥15.0	¥15.0
ROE	6.0%	5.4%	(0.2%)	1.0%	5.1%	2.6%	(0.5%)	2.9%	6.2%	-

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)

	FY2015	FY2016	FY2017	FY2018	FY2019						FY2020				
					1Q	2Q	3Q	1Q-3Q	4Q	Year	1Q	2Q	3Q	1Q-3Q	Year (E)
Net Sales	44,972	43,664	44,130	55,228	15,165	14,131	14,248	43,545	14,025	57,570	13,256	12,186	10,941	36,384	48,500
Monthly average	3,747	3,638	3,677	4,602	5,055	4,710	4,749	4,838	4,675	4,797	4,418	4,062	3,647	4,042	4,041
Cost of Sales	30,867	29,288	31,206	39,401	10,537	9,552	9,774	29,863	9,469	39,333	8,983	8,189	7,639	24,812	32,800
	31.4%	32.9%	29.3%	28.7%	30.5%	32.4%	31.4%	31.4%	32.5%	31.7%	32.2%	32.8%	30.2%	31.8%	32.4%
Gross profit	14,104	14,376	12,924	15,826	4,627	4,579	4,474	13,681	4,556	18,237	4,273	3,997	3,301	11,572	15,700
Selling expenses, General and Administrative expenses	10,227	11,357	11,778	13,177	3,287	3,397	3,430	10,114	3,238	13,353	3,463	3,596	3,356	10,416	13,700
	8.6%	6.9%	2.6%	4.8%	8.8%	8.4%	7.3%	8.2%	9.4%	8.5%	6.1%	3.3%	(0.5%)	3.2%	4.1%
Operating Income	3,877	3,018	1,145	2,649	1,339	1,182	1,044	3,566	1,317	4,883	809	400	(54)	1,156	2,000
Non-Operating Income and Expenses	914	(261)	(240)	(251)	205	133	(118)	220	221	441	(156)	(111)	303	35	(200)
Ordinary Income	4,792	2,756	905	2,397	1,545	1,315	925	3,786	1,539	5,325	653	289	248	1,191	1,800
Extraordinary Income and Losses	133	(2)	-	92	(97)	(44)	(70)	(212)	2	(209)	-	-	52	52	-
Income before income taxes	4,925	2,754	905	2,489	1,448	1,270	854	3,573	1,542	5,115	653	289	301	1,244	1,800
Income Taxes	1,934	1,181	1,184	815	259	384	269	914	459	1,373	161	475	121	758	1,180
Net Income	2,990	1,572	(278)	1,674	1,188	885	585	2,659	1,082	3,742	491	(185)	179	485	620
Net Income attributable to non-controlling interests	24	2	12	(4)	6	2	2	11	12	23	5	3	2	11	20
Net Income attributable to owners of the parent	2,966	1,569	(291)	1,678	1,181	883	582	2,648	1,070	3,718	486	(189)	176	474	600

※Change

	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	YOY	QOQ	YOY	QOQ	QOQ	QOQ	YOY	YOY
Net Sales	14.5	(2.9)	1.1	25.1	0.3	(6.8)	0.8	8.6	(1.6)	4.2	(5.5)	(8.1)	(10.2)	(16.4)	(15.8)
Operating Income	-	(22.2)	(62.0)	131.2	2.0	(11.8)	(11.7)	167.0	26.2	84.4	(38.6)	(50.5)	-	(67.6)	(59.0)
Ordinary Income	459.1	(42.5)	(67.2)	164.7	60.9	(14.9)	(29.6)	163.5	66.3	122.2	(57.6)	(55.7)	(14.0)	(68.5)	(66.2)
Net Income attributable to owners of the parent	421.5	(47.1)	-	-	244.7	(25.2)	(34.1)	98.2	83.7	121.5	(54.5)	-	-	(82.1)	(83.9)

USD	109.93	120.14	108.38	110.85	109.07	111.46	112.90	111.14	110.20	110.91	109.90	107.35	108.76	108.67	-
EURO	138.77	132.58	118.79	129.70	130.06	129.63	128.78	129.49	125.15	128.41	123.49	119.34	120.32	121.05	-
RMB	17.74	18.85	16.11	16.75	17.13	16.37	16.32	16.61	16.33	16.54	16.07	15.29	15.45	15.60	-

Transition in Consolidated Balance Sheets



(Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019 (A)	FY 2019 3Q(B)	Change	
							B-A	(%)
Cash and deposits	18,871	13,933	20,240	18,104	17,023	14,872	(2,151)	(12.6)
Notes and accounts receivable-trade	10,839	10,240	13,113	16,373	15,455	11,788	(3,667)	(23.7)
Inventories	27,851	28,386	25,916	25,543	29,770	34,430	4,660	15.7
Others	4,489	3,675	3,358	1,275	1,369	2,008	638	46.6
Total current assets	62,052	56,236	62,629	61,296	63,619	63,099	(520)	(0.8)
Buildings and structures	5,026	5,553	5,691	5,348	5,235	7,932	2,696	51.5
Machinery and vehicles	8,850	10,566	10,548	9,700	9,767	11,290	1,522	15.6
Others	4,420	4,624	4,632	5,265	7,427	5,656	(1,770)	(23.8)
Tangible fixed assets	18,297	20,744	20,872	20,313	22,430	24,879	2,448	10.9
Intangible fixed assets	1,320	1,974	3,374	2,956	2,566	2,174	(392)	(15.3)
Total investments and other assets	11,740	10,242	12,751	13,927	12,851	12,765	(85)	(0.7)
TOTAL ASSETS	93,411	89,197	99,627	98,493	101,468	102,918	1,450	1.4
Notes and accounts payable-trade	7,368	6,551	8,143	10,939	11,438	9,544	(1,893)	(16.6)
Short-term bank loans and Bonds, etc.	3,732	7,875	8,534	2,778	3,179	4,822	1,643	51.7
Others	4,797	5,300	4,182	5,859	7,520	4,565	(2,955)	(39.3)
Total current liabilities	15,898	19,728	20,861	19,577	22,138	18,933	(3,205)	(14.5)
Bonds, etc.	10,000	5,000	10,000	10,000	10,000	15,000	5,000	50.0
Long-term bank loans	4,915	5,114	8,133	8,516	8,317	7,999	(317)	(3.8)
Others	1,497	1,297	2,027	732	816	1,152	335	41.1
Total long-term liabilities	16,412	11,412	20,160	19,249	19,134	24,152	5,018	26.2
TOTAL LIABILITIES	32,311	31,141	41,021	38,827	41,273	43,085	1,812	4.4
Shareholders' equity	56,125	55,833	54,420	54,795	57,614	57,195	(419)	(0.7)
Total accumulated other comprehensive income	4,937	2,169	3,795	4,422	2,373	2,380	7	0.3
Subscription rights to shares	-	18	30	76	114	148	34	29.8
Non-controlling interests	37	35	359	372	93	108	15	16.6
TOTAL NET ASSETS	61,099	58,056	58,605	59,666	60,195	59,832	(362)	(0.6)
TOTAL LIABILITIES AND NET ASSETS	93,411	89,197	99,627	98,493	101,468	102,918	1,450	1.4
Equity ratio	65.4%	65.0%	58.4%	60.1%	59.1%	57.9%		

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



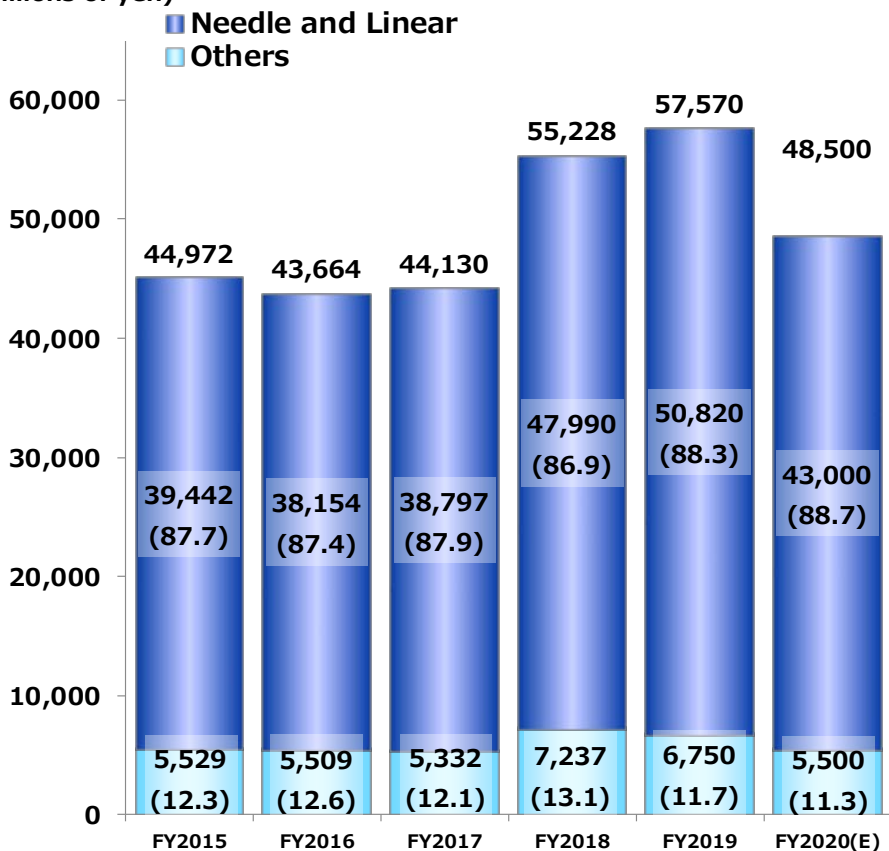
(Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	F Y 2019 3Q
Income (loss) before income taxes	4,925	2,754	905	2,489	5,115	1,244
Depreciation	2,584	2,272	2,596	3,094	3,297	2,872
Decrease (increase) in notes and accounts receivable – trade	(1,118)	735	(2,264)	(3,196)	861	3,549
Decrease (increase) in inventories	2,216	(864)	2,984	410	(4,266)	(4,846)
Others	(917)	(2,375)	759	3,246	150	(5,242)
Operating activities	7,690	2,521	4,981	6,043	5,158	(2,423)
Payments for purchase of property, plant and equipment	(1,232)	(3,881)	(3,756)	(1,539)	(4,588)	(5,030)
Others	(1,211)	(1,026)	(1,619)	159	(473)	(18)
Investing activities	(2,443)	(4,908)	(5,376)	(1,379)	(5,061)	(5,049)
Net increase (decrease) in bank loans	(1,143)	(592)	3,279	(368)	201	1,326
Proceeds from corporate bonds	-	-	10,000	-	-	5,000
Repayment of convertible bond	-	-	(4,999)	(5,000)	-	-
Cash dividends paid and others	(712)	(1,351)	(1,153)	(1,327)	(1,248)	(999)
Financing activities	(1,856)	(1,944)	7,126	(6,696)	(1,047)	5,326
Foreign currency translation adjustments on cash and cash equivalents	356	(80)	(78)	11	(44)	(84)
Net increase (decrease) in cash and cash equivalents	3,747	(4,410)	6,653	(2,020)	(995)	(2,230)
Cash and cash equivalents at beginning of year	14,290	17,797	13,386	20,040	18,019	17,023
Cash and cash equivalents at end of year	18,038	13,386	20,040	18,019	17,023	14,793

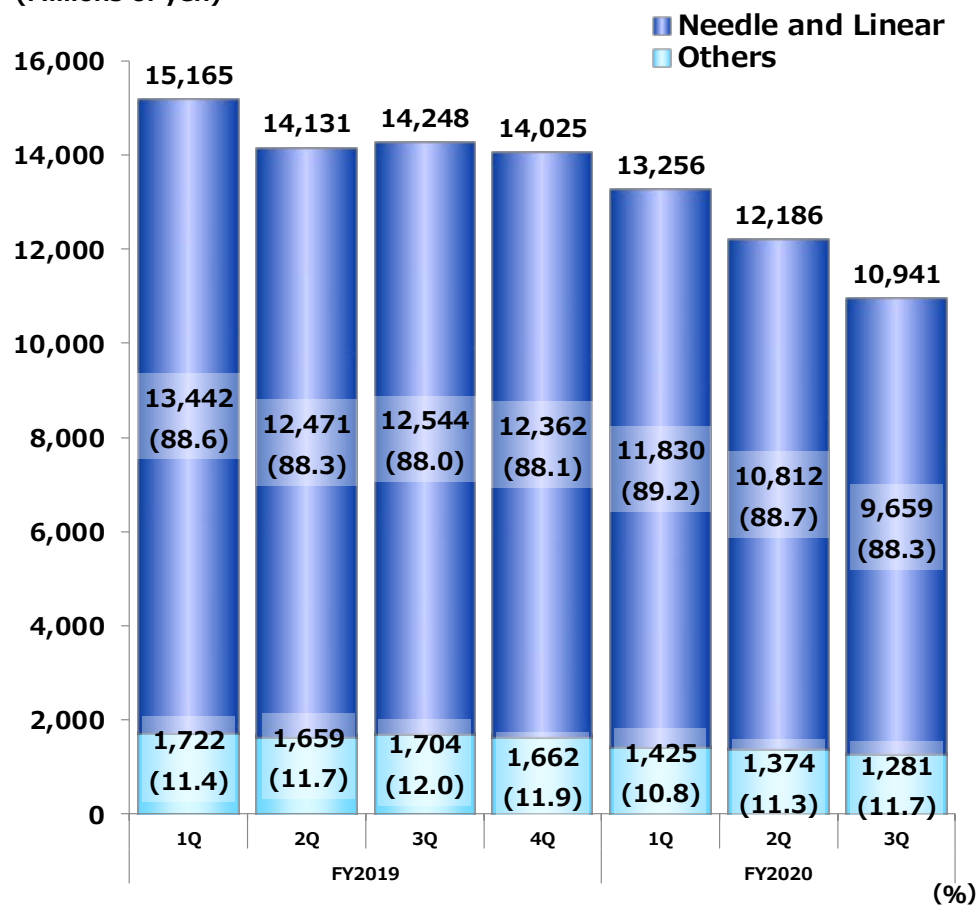
Note: "Cash and cash equivalents at beginning of year" in the FY2016, include "Increase (decrease) in cash and cash equivalents due to change in fiscal period of consolidated subsidiaries".

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

(Millions of yen)



(Millions of yen)

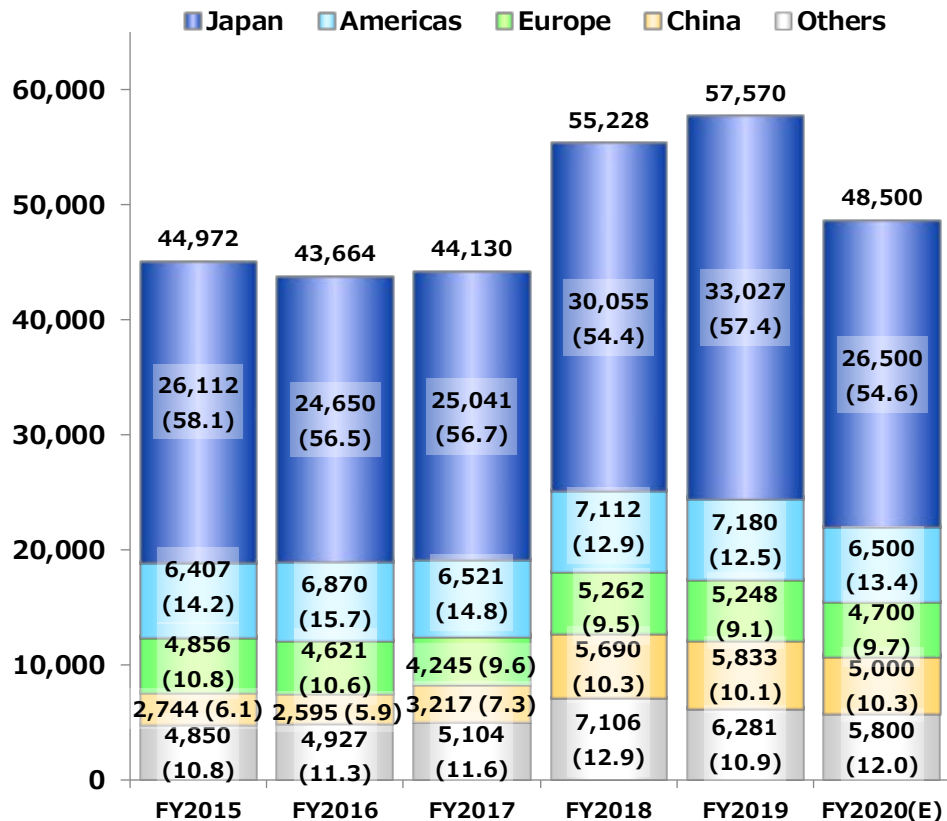


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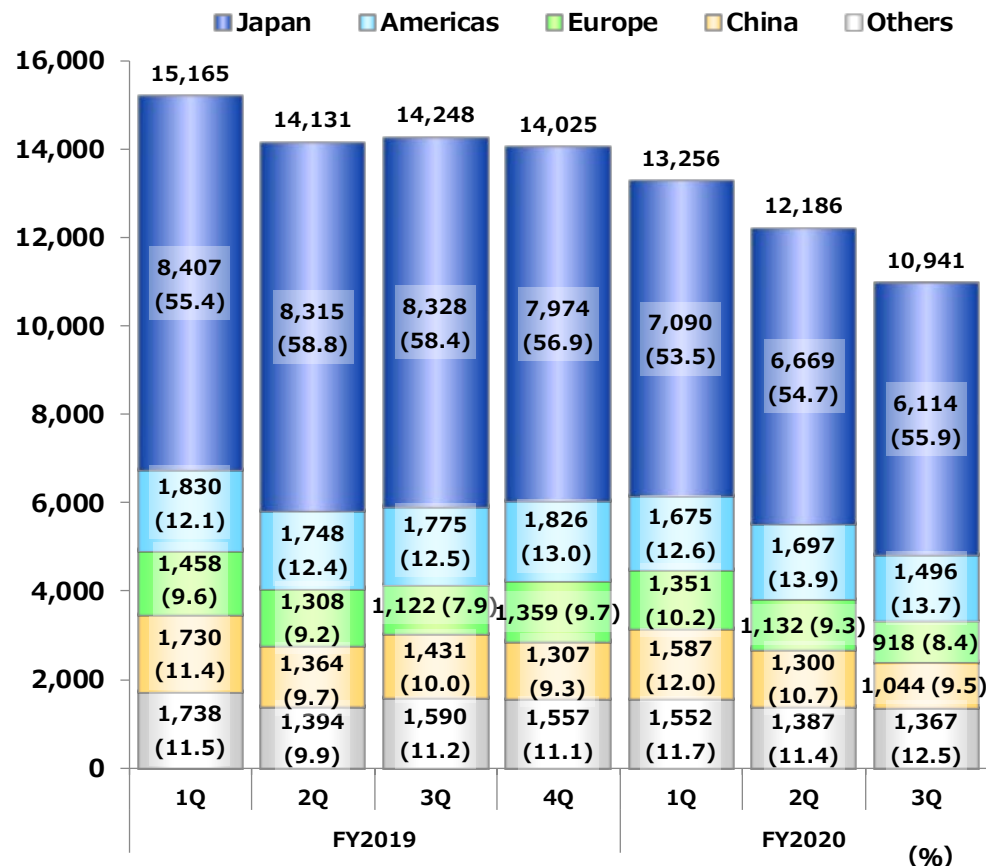
	FY2015	FY2016	FY2017	FY2018	FY2019					FY2020			
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	Year(E)
	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ	YOY
Needle and Linear	15.1	(3.3)	1.7	23.7	4.2	(7.2)	0.6	(1.4)	5.9	(4.3)	(8.6)	(10.7)	(15.4)
Others	10.7	(0.4)	(3.2)	35.7	(22.5)	(3.6)	2.7	(2.5)	(6.7)	(14.3)	(3.6)	(6.8)	(18.5)
Total	14.5	(2.9)	1.1	25.1	0.3	(6.8)	0.8	(1.6)	4.2	(5.5)	(8.1)	(10.2)	(15.8)

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

(Millions of yen)



(Millions of yen)

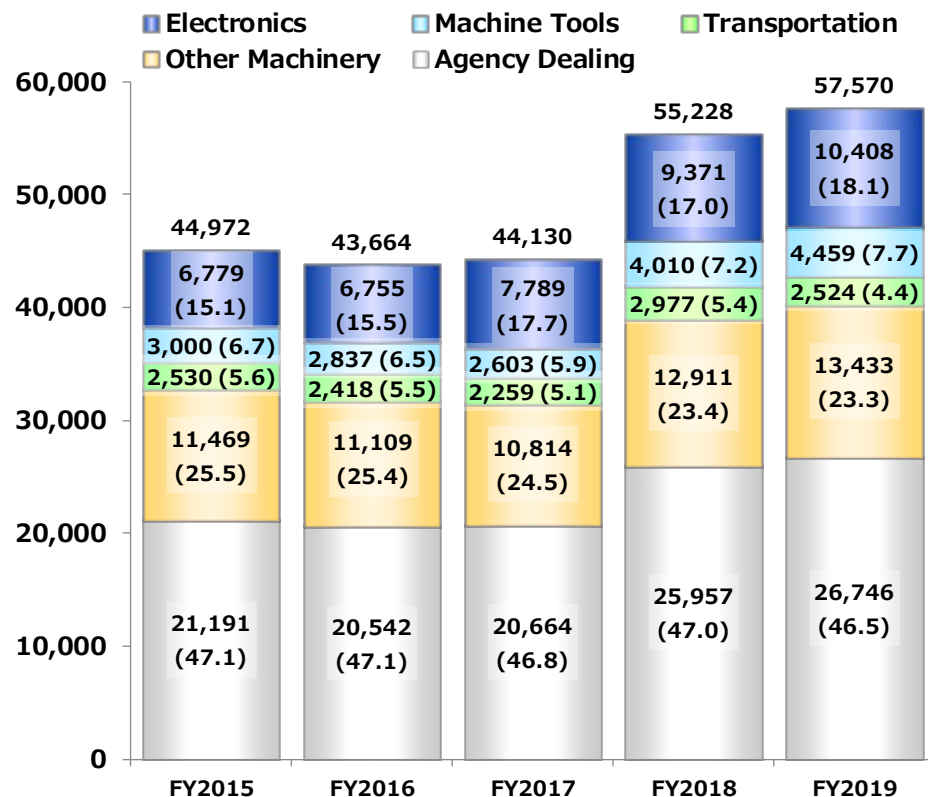


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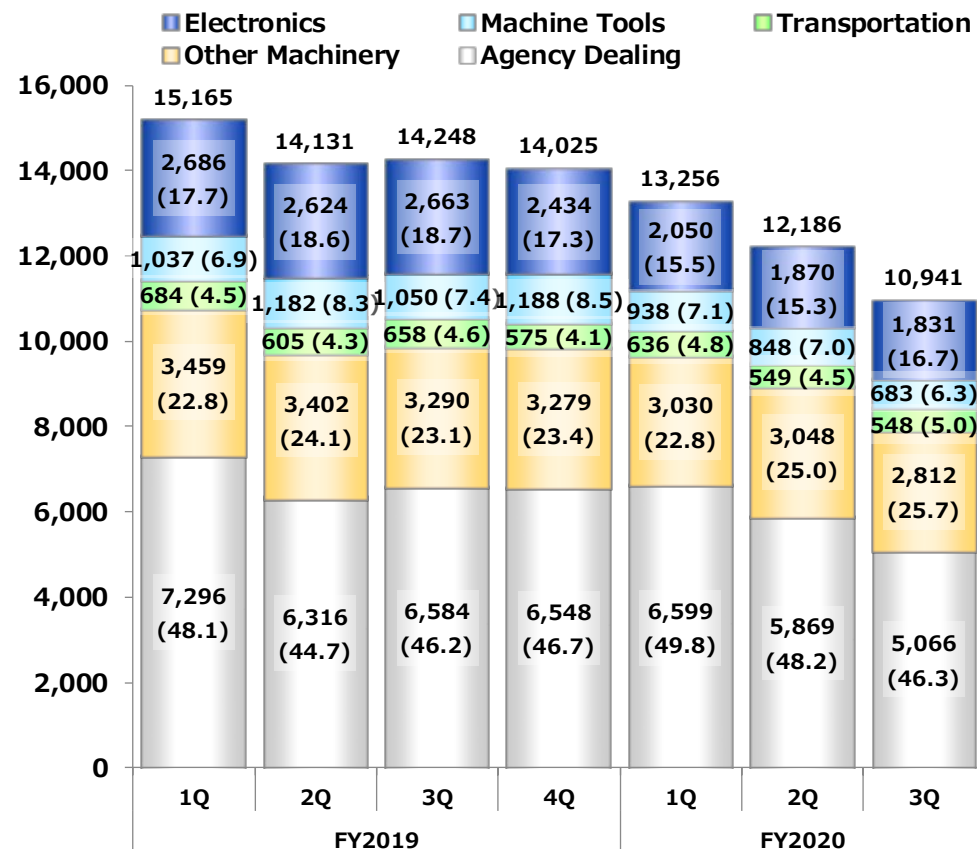
	FY2015	FY2016	FY2017	FY2018	FY2019					FY2020			
	YOY	YOY	YOY	YOY	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	Year(E)
					QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ	YOY
Japan	12.3	(5.6)	1.6	20.0	(1.1)	(1.1)	0.2	(4.2)	9.9	(11.1)	(5.9)	(8.3)	(19.8)
Americas	13.7	7.2	(5.1)	9.1	2.1	(4.5)	1.5	2.9	0.9	(8.3)	1.4	(11.9)	(9.5)
Europe	23.8	(4.8)	(8.1)	24.0	(7.6)	(10.3)	(14.2)	21.1	(0.3)	(0.6)	(16.2)	(18.9)	(10.5)
China	24.8	(5.4)	24.0	76.9	31.0	(21.1)	4.9	(8.7)	2.5	21.4	(18.1)	(19.7)	(14.3)
Others	14.0	1.6	3.6	39.2	(10.0)	(19.8)	14.1	(2.1)	(11.6)	(0.4)	(10.6)	(1.4)	(7.7)
Total	14.5	(2.9)	1.1	25.1	0.3	(6.8)	0.8	(1.6)	4.2	(5.5)	(8.1)	(10.2)	(15.8)

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

(Millions of yen)



(Millions of yen)



Change

	FY2015	FY2016	FY2017	FY2018	FY2019					FY2020						
					YOY	YOY	YOY	YOY	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q
									QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ
D Electronics	17.8	(0.4)	15.3	20.3	4.7	(2.3)	1.5	(8.6)	11.1	(15.8)	(8.8)	(2.1)				
D Machine Tools	14.8	(5.4)	(8.3)	54.0	(29.5)	13.9	(11.1)	13.1	11.2	(21.0)	(9.5)	(19.5)				
D Transportation	1.1	(4.4)	(6.6)	31.8	(10.0)	(11.5)	8.7	(12.7)	(15.2)	10.7	(13.7)	(0.3)				
Other Machinery	11.2	(3.1)	(2.7)	19.4	1.6	(1.7)	(3.3)	(0.3)	4.0	(7.6)	0.6	(7.8)				
Agency Dealing	17.3	(3.1)	0.6	25.6	5.5	(13.4)	4.2	(0.6)	3.0	0.8	(11.1)	(13.7)				
Total	14.5	(2.9)	1.1	25.1	0.3	(6.8)	0.8	(1.6)	4.2	(5.5)	(8.1)	(10.2)				

Analysis of Consolidated Operating Income



(Millions of yen)

