

Financial Summary

Third Quarter of Fiscal Year ending March 31, 2023



February 13, 2023

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 14, 2022. 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 2014	F Y 2015	F Y 2016	F Y 2017	F Y 2018	F Y 2019	F Y 2020	F Y 2021	F Y 2022	F Y 2023(E)
Net Sales	39,259	44,972	43,664	44,130	55,228	57,570	47,457	44,342	62,284	68,500
Operating Income	(251)	3,877	3,018	1,145	2,649	4,883	1,341	(559)	5,898	9,000
Ordinary Income	857	4,792	2,756	905	2,397	5,325	1,268	225	7,488	10,800
Net Income attributable to owners of the parent	568	2,966	1,569	(291)	1,678	3,718	(185)	215	4,134	7,400
Total Assets	86,891	93,411	89,197	99,627	98,493	101,468	98,118	100,946	107,078	-
Net Assets	56,121	61,099	58,056	58,605	59,666	60,195	57,439	59,425	63,974	-
Equity Ratio	64.6%	65.4%	65.0%	58.4%	60.1%	59.1%	58.4%	58.7%	59.6%	-
EPS	¥7.8	¥40.7	¥21.6	(¥4.0)	¥23.4	¥52.0	(¥2.6)	¥3.0	¥58.3	¥104.0
Net Assets per share	¥771	¥838	¥802	¥810	¥828	¥837	¥797	¥836	¥899	-
PER	65.16x	14.57x	18.58x	-	36.40x	9.80x	-	219.21x	9.28x	-
Cash Dividends per share	¥10.0	¥11.0	¥13.0	¥13.0	¥13.0	¥15.0	¥12.5	¥8.0	¥13.0	¥18.0
ROE	1.0%	5.1%	2.6%	(0.5%)	2.9%	6.2%	(0.3%)	0.4%	6.7%	-

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".

Trend in Consolidated Business Results



(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022						FY2023				
					1Q	2Q	3Q	1Q-3Q	4Q	Year	1Q	2Q	3Q	1Q-3Q	Year (E)
Net Sales	55,228	57,570	47,457	44,342	14,673	15,416	16,094	46,184	16,099	62,284	16,760	17,580	17,788	52,129	68,500
Monthly average	4,602	4,797	3,954	3,695	4,891	5,138	5,364	5,131	5,366	5,190	5,586	5,860	5,929	5,792	5,708
Cost of Sales	39,401	39,333	32,690	32,696	10,594	10,743	11,022	32,360	10,587	42,947	11,232	11,321	10,838	33,391	44,500
Gross profit	28.7%	31.7%	31.1%	26.3%	27.8%	30.3%	31.5%	29.9%	34.2%	31.0%	33.0%	35.6%	39.1%	35.9%	35.0%
	15,826	18,237	14,766	11,645	4,079	4,673	5,071	13,824	5,512	19,337	5,527	6,259	6,950	18,737	24,000
Selling expenses, General and Administrative expenses	13,177	13,353	13,425	12,204	3,245	3,250	3,477	9,973	3,465	13,438	3,655	3,790	3,805	11,251	15,000
Operating Income	4.8%	8.5%	2.8%	(1.3%)	5.7%	9.2%	9.9%	8.3%	12.7%	9.5%	11.2%	14.0%	17.7%	14.4%	13.1%
	2,649	4,883	1,341	(559)	834	1,423	1,593	3,850	2,047	5,898	1,872	2,468	3,145	7,486	9,000
Non-Operating Income and Expenses	(251)	441	(72)	785	172	103	469	745	844	1,590	1,342	401	(939)	804	1,800
Ordinary Income	4.3%	9.3%	2.7%	0.5%	6.9%	9.9%	12.8%	10.0%	18.0%	12.0%	19.2%	16.3%	12.4%	15.9%	15.8%
	2,397	5,325	1,268	225	1,006	1,526	2,063	4,596	2,891	7,488	3,215	2,869	2,205	8,290	10,800
Extraordinary Income and Losses	92	(209)	(249)	(100)	-	-	14	14	(1,515)	(1,500)	-	-	-	-	-
Income before income taxes	4.5%	8.9%	2.1%	0.3%	6.9%	9.9%	12.9%	10.0%	8.6%	9.6%	19.2%	16.3%	12.4%	15.9%	15.8%
	2,489	5,115	1,019	125	1,006	1,526	2,077	4,611	1,376	5,987	3,215	2,869	2,205	8,290	10,800
Income Taxes	815	1,373	1,188	(90)	(171)	533	639	1,001	851	1,852	1,075	813	648	2,537	3,400
Net Income	3.0%	6.5%	(0.4%)	0.5%	8.0%	6.4%	8.9%	7.8%	3.3%	6.6%	12.8%	11.7%	8.8%	11.0%	10.8%
	1,674	3,742	(169)	215	1,178	992	1,438	3,609	524	4,134	2,139	2,055	1,557	5,753	7,400
Net Income attributable to non-controlling interests	(4)	23	16	-	-	-	-	-	-	-	-	-	-	-	-
Net Income attributable to owners of the parent	3.0%	6.5%	(0.4%)	0.5%	8.0%	6.4%	8.9%	7.8%	3.3%	6.6%	12.8%	11.7%	8.8%	11.0%	10.8%
	1,678	3,718	(185)	215	1,178	992	1,438	3,609	524	4,134	2,139	2,055	1,557	5,753	7,400

※Change

	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	YOY	QOQ	YOY	QOQ	QOQ	QOQ	YOY	YOY
Net Sales	25.1	4.2	(17.6)	(6.6)	10.5	5.1	4.4	48.7	0.0	40.5	4.1	4.9	1.2	12.9	10.0
Operating Income	131.2	84.4	(72.5)	-	152.6	70.7	11.9	-	28.5	-	(8.5)	31.8	27.4	94.4	52.6
Ordinary Income	164.7	122.2	(76.2)	(82.2)	0.7	51.6	35.1	-	40.2	-	11.2	(10.8)	(23.1)	80.3	44.2
Net Income attributable to owners of the parent	-	121.5	-	-	80.4	(15.8)	44.9	-	(63.5)	-	307.6	(3.9)	(24.2)	59.4	79.0

USD	110.85	110.91	108.74	106.06	109.49	110.11	113.71	111.10	116.20	112.38	129.57	138.37	141.59	136.51	136.99
EURO	129.70	128.41	120.82	123.70	131.96	129.84	130.07	130.62	130.39	130.56	138.12	139.34	144.30	140.59	139.37
RMB	16.75	16.54	15.60	15.67	16.96	17.02	17.78	17.25	18.29	17.51	19.58	20.19	19.87	19.88	19.69

Trend in Consolidated Balance Sheets



(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022 (A)	FY2023 3Q(B)	Change	
							B-A	(%)
Cash and deposits	18,104	17,023	12,924	15,489	18,001	16,856	(1,145)	(6.4)
Notes and accounts receivable-trade	16,373	15,455	11,671	13,533	17,159	18,824	1,664	9.7
Inventories	25,543	29,770	33,734	31,485	33,575	37,296	3,721	11.1
Others	1,275	1,369	2,610	1,405	1,675	1,760	85	5.1
Total current assets	61,296	63,619	60,940	61,914	70,412	74,738	4,325	6.1
Buildings and structures	5,348	5,235	7,855	7,477	6,843	6,758	(85)	(1.3)
Machinery and vehicles	9,700	9,767	11,500	11,608	10,338	9,744	(593)	(5.7)
Others	5,265	7,427	5,387	5,440	5,383	5,436	53	1.0
Tangible fixed assets	20,313	22,430	24,742	24,526	22,565	21,939	(626)	(2.8)
Intangible fixed assets	2,956	2,566	2,107	1,702	1,093	1,011	(82)	(7.5)
Total investments and other assets	13,927	12,851	10,328	12,803	13,006	13,672	665	5.1
TOTAL ASSETS	98,493	101,468	98,118	100,946	107,078	111,361	4,282	4.0
Notes and accounts payable-trade	10,939	11,438	7,832	7,773	11,845	12,422	577	4.9
Short-term bank loans and Bonds, etc.	2,778	3,179	5,330	16,247	5,655	3,796	(1,859)	(32.9)
Others	5,859	7,520	4,591	4,384	7,301	7,679	377	5.2
Total current liabilities	19,577	22,138	17,754	28,405	24,802	23,898	(903)	(3.6)
Bonds, etc.	10,000	10,000	15,000	5,000	10,000	10,000	-	-
Long-term bank loans	8,516	8,317	6,876	6,803	6,928	6,824	(104)	(1.5)
Others	732	816	1,048	1,312	1,373	1,080	(292)	(21.3)
Total long-term liabilities	19,249	19,134	22,924	13,115	18,301	17,904	(397)	(2.2)
TOTAL LIABILITIES	38,827	41,273	40,679	41,521	43,104	41,802	(1,301)	(3.0)
Shareholders' equity	54,795	57,614	56,579	55,803	59,276	63,964	4,687	7.9
Total accumulated other comprehensive income	4,422	2,373	711	3,473	4,552	5,472	919	20.2
Subscription rights to shares	76	114	148	148	144	121	(23)	(16.4)
Non-controlling interests	372	93	-	-	-	-	-	-
TOTAL NET ASSETS	59,666	60,195	57,439	59,425	63,974	69,558	5,583	8.7
TOTAL LIABILITIES AND NET ASSETS	98,493	101,468	98,118	100,946	107,078	111,361	4,282	4.0
Equity ratio	60.1%	59.1%	58.4%	58.7%	59.6%	62.4%		

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".

Trend in Consolidated Cash Flows



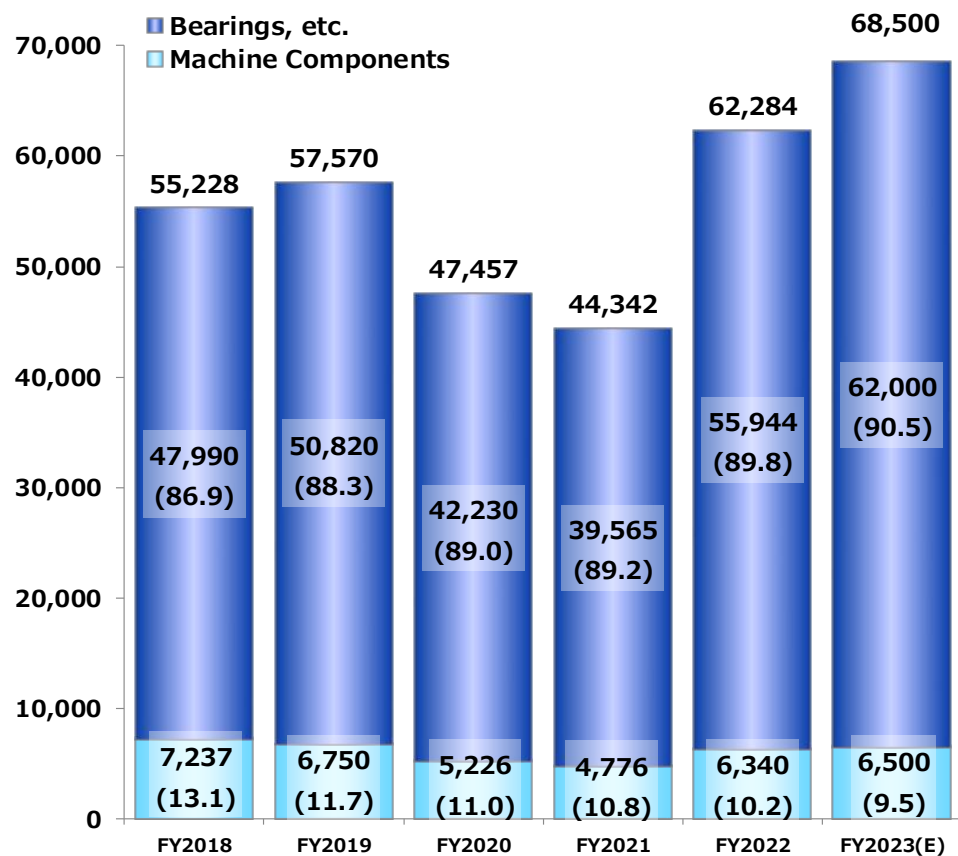
(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	F Y 2023 3Q
Income (loss) before income taxes	2,489	5,115	1,019	125	5,987	8,290
Depreciation	3,094	3,297	3,800	3,833	3,885	2,682
Decrease (increase) in notes and accounts receivable – trade	(3,196)	861	3,642	(1,605)	(3,105)	(1,532)
Decrease (increase) in inventories	410	(4,266)	(4,266)	2,637	(1,021)	(2,902)
Others	3,246	150	(6,692)	667	4,519	(2,781)
Operating activities	6,043	5,158	(2,497)	5,658	10,265	3,756
Payments for purchase of property, plant and equipment	(1,539)	(4,588)	(6,048)	(2,950)	(1,797)	(1,682)
Others	159	(473)	(139)	(57)	(303)	(349)
Investing activities	(1,379)	(5,061)	(6,188)	(3,007)	(2,100)	(2,031)
Net increase (decrease) in bank loans	(368)	201	710	843	(466)	(1,963)
Proceeds from corporate bonds	-	-	5,000	-	5,000	-
Repayment of convertible bond	(5,000)	-	-	-	(10,000)	-
Cash dividends paid and others	(1,327)	(1,248)	(1,091)	(1,256)	(975)	(1,343)
Financing activities	(6,696)	(1,047)	4,618	(412)	(6,442)	(3,307)
Foreign currency translation adjustments on cash and cash equivalents	11	(44)	(108)	261	777	438
Net increase (decrease) in cash and cash equivalents	(2,020)	(995)	(4,175)	2,498	2,500	(1,144)
Cash and cash equivalents at beginning of year	20,040	18,019	17,023	12,847	15,346	17,847
Cash and cash equivalents at end of year	18,019	17,023	12,847	15,346	17,847	16,703

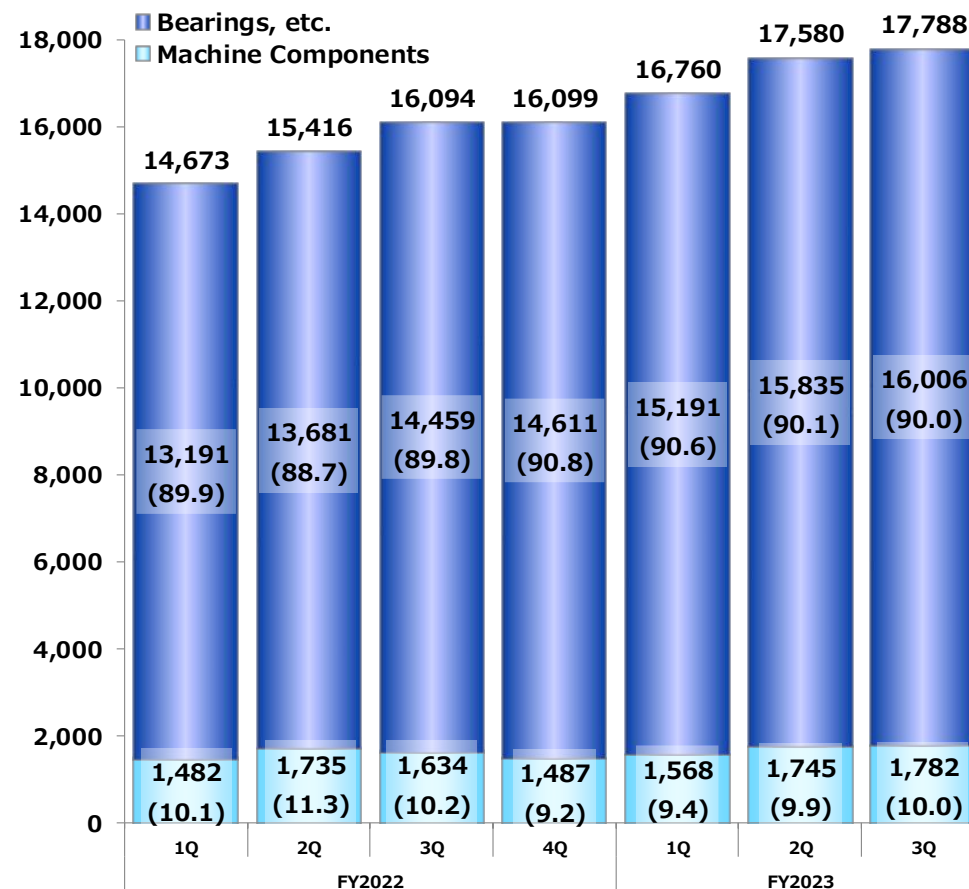
Trend in Consolidated Net Sales «By Product Segment»



(Millions of yen)



(Millions of yen)



Change

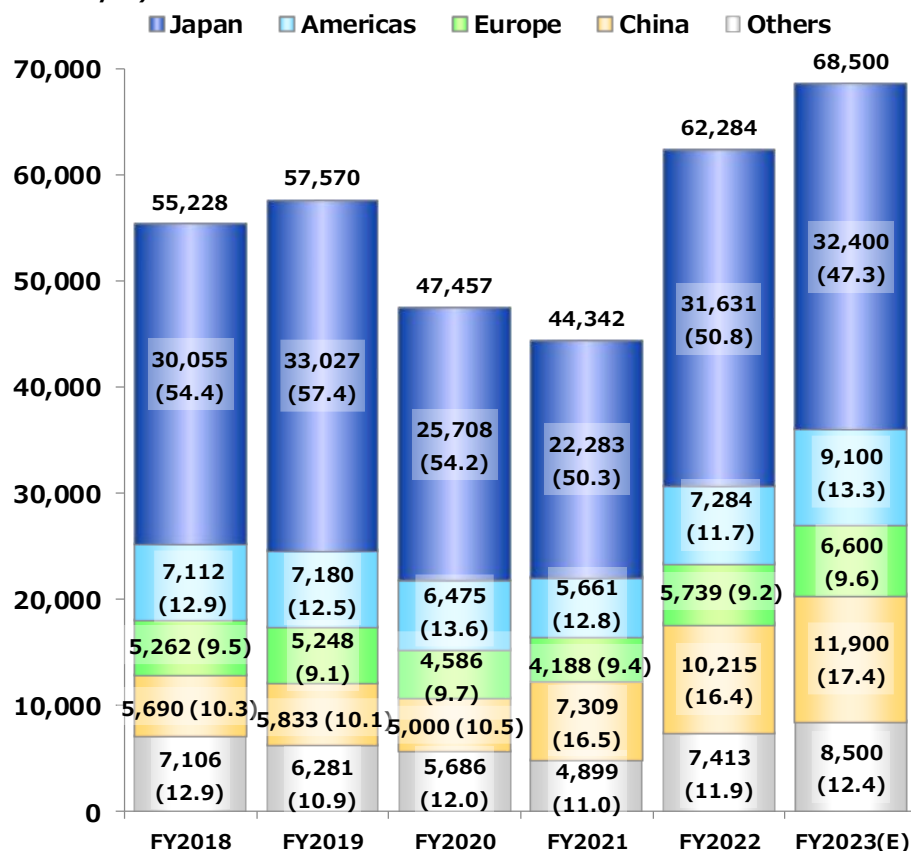
(%)

	FY2018	FY2019	FY2020	FY2021	FY2022					FY2023			
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	Year(E)
	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ	YOY
Bearings, etc.	23.7	5.9	(16.9)	(6.3)	11.0	3.7	5.7	1.1	41.4	4.0	4.2	1.1	10.8
Machine Components	35.7	(6.7)	(22.6)	(8.6)	6.1	17.0	(5.8)	(9.0)	32.7	5.4	11.3	2.1	2.5
Total	25.1	4.2	(17.6)	(6.6)	10.5	5.1	4.4	0.0	40.5	4.1	4.9	1.2	10.0

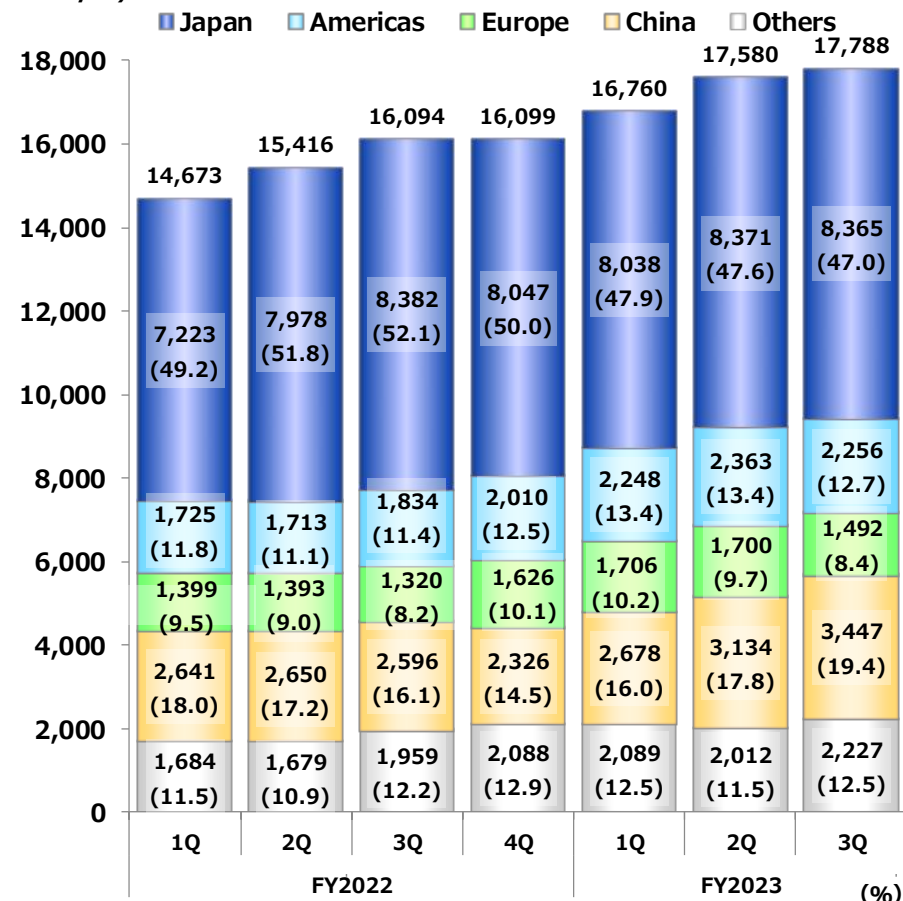
Trend in Consolidated Net Sales «By Geographical Area»



(Millions of yen)



(Millions of yen)



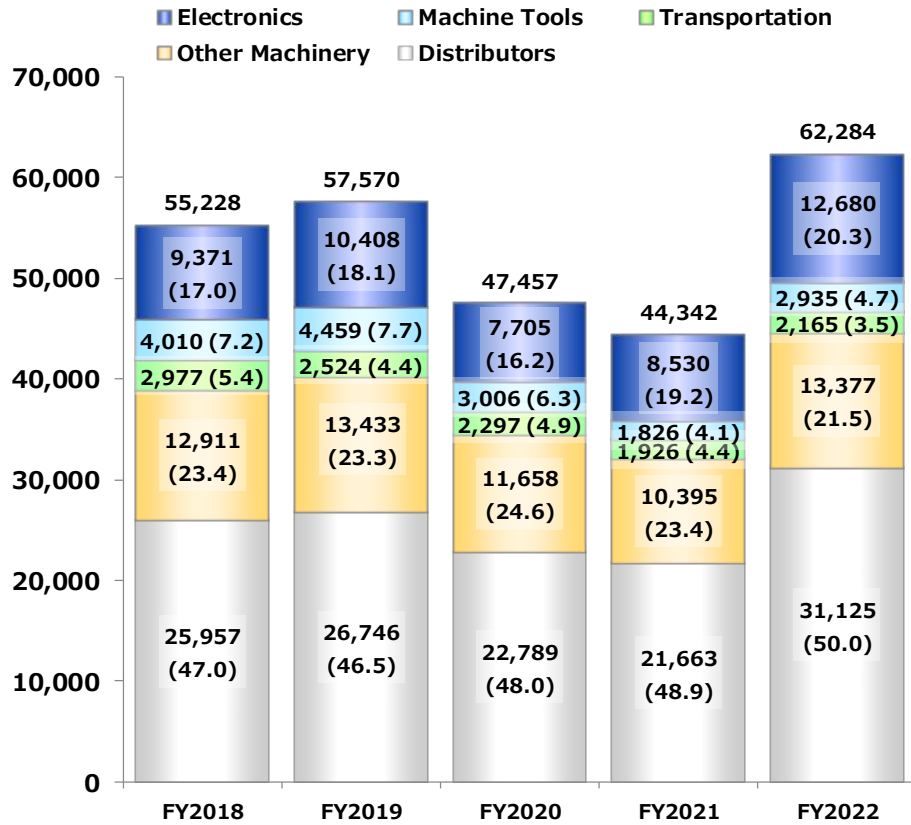
Change

	FY2018	FY2019	FY2020	FY2021	FY2022					FY2023							
					YOY	YOY	YOY	YOY	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	Year(E)
									QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ	YOY
Japan	20.0	9.9	(22.2)	(13.3)	11.8	10.5	5.1	(4.0)	42.0	(0.1)	4.1	(0.1)	2.4				
Americas	9.1	0.9	(9.8)	(12.6)	3.6	(0.7)	7.1	9.6	28.7	11.8	5.1	(4.5)	24.9				
Europe	24.0	(0.3)	(12.6)	(8.7)	11.1	(0.4)	(5.2)	23.1	37.0	4.9	(0.4)	(12.2)	15.0				
China	76.9	2.5	(14.3)	46.2	12.4	0.3	(2.1)	(10.4)	39.8	15.1	17.0	10.0	16.5				
Others	39.2	(11.6)	(9.5)	(13.8)	9.2	(0.3)	16.6	6.6	51.3	0.0	(3.7)	10.7	14.7				
Total	25.1	4.2	(17.6)	(6.6)	10.5	5.1	4.4	0.0	40.5	4.1	4.9	1.2	10.0				

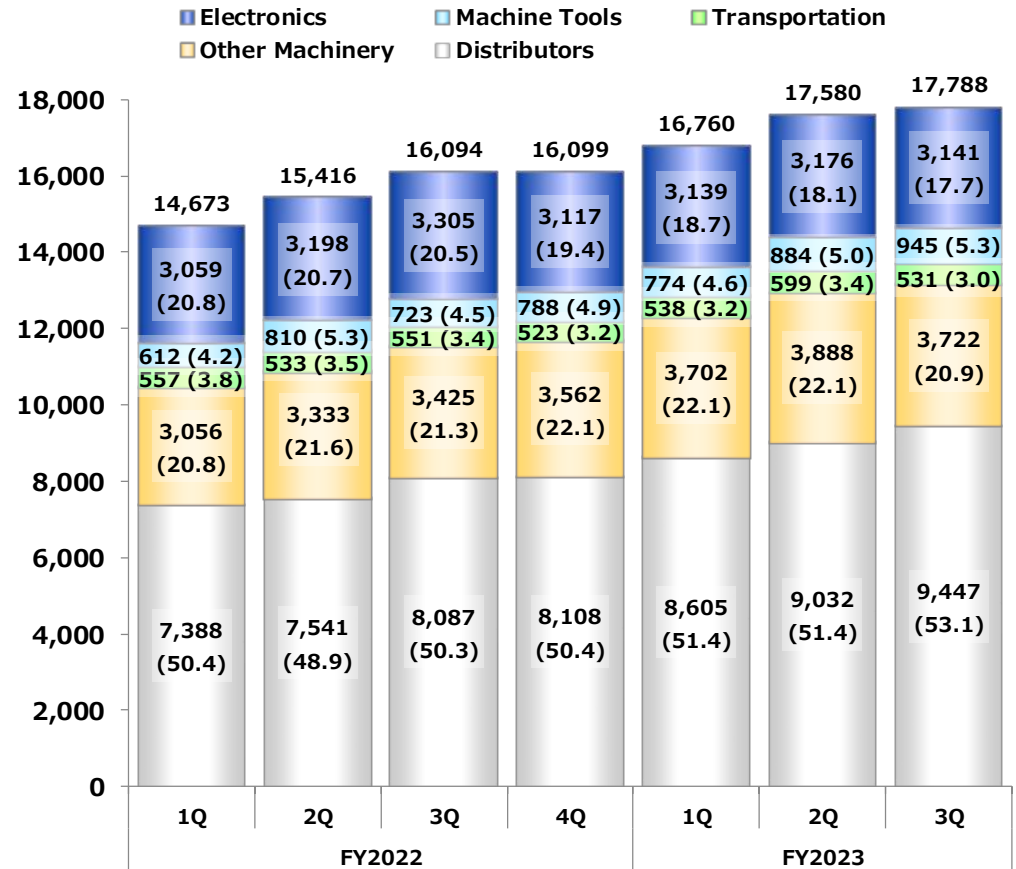
Trend in Consolidated Net Sales «By Industry Category»



(Millions of yen)



(Millions of yen)



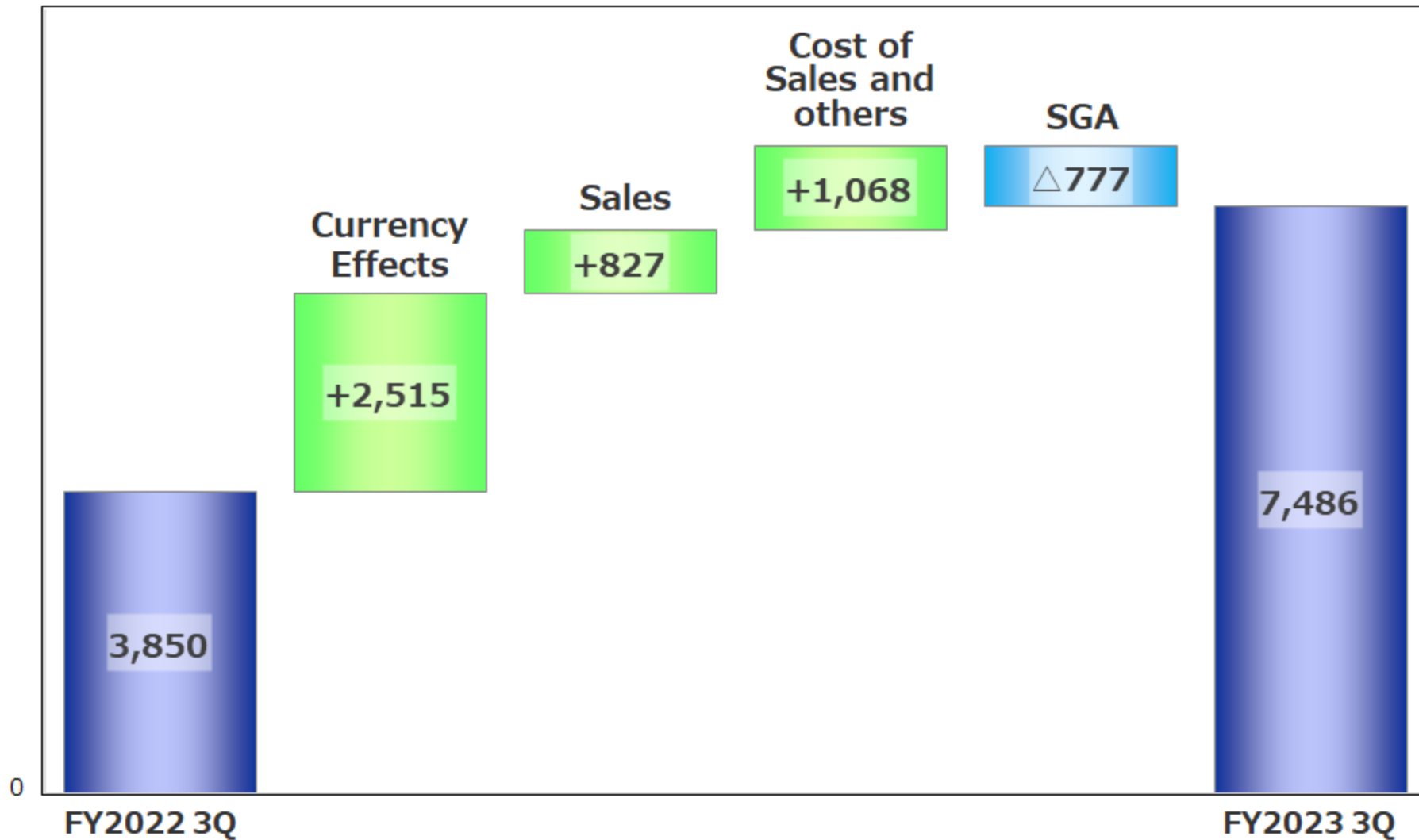
Change

	FY2018	FY2019	FY2020	FY2021	FY2022					FY2023		
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q
	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ
Electronics	20.3	11.1	(26.0)	10.7	20.6	4.5	3.3	(5.7)	48.6	0.7	1.2	(1.1)
D Machine Tools	54.0	11.2	(32.6)	(39.2)	28.9	32.3	(10.7)	9.0	60.7	(1.8)	14.2	6.9
D Transportation	31.8	(15.2)	(9.0)	(16.1)	(4.3)	(4.3)	3.5	(5.1)	12.4	2.8	11.4	(11.3)
Other Machinery	19.4	4.0	(13.2)	(10.8)	2.6	9.1	2.8	4.0	28.7	3.9	5.0	(4.3)
Distributors	25.6	3.0	(14.8)	(4.9)	10.2	2.1	7.2	0.3	43.7	6.1	5.0	4.6
Total	25.1	4.2	(17.6)	(6.6)	10.5	5.1	4.4	0.0	40.5	4.1	4.9	1.2

Analysis of Consolidated Operating Income



(Millions of yen)



Trend in Consolidated Orders Received and Net production



(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022					FY2023		
					1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q
Orders Received	72,980	57,490	40,779	51,348	19,524	19,014	18,043	21,965	78,548	17,851	17,253	14,600
Net sales	55,228	57,570	47,457	44,342	14,673	15,416	16,094	16,099	62,284	16,760	17,580	17,788
Net production	44,389	55,928	44,707	37,722	12,467	13,911	15,295	15,491	57,166	16,024	17,189	17,726

※Change

	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ	QOQ
Orders Received	56.4	(21.2)	(29.1)	25.9	3.4	(2.6)	(5.1)	21.7	53.0	(18.7)	(3.4)	(15.4)
Net sales	25.1	4.2	(17.6)	(6.6)	10.5	5.1	4.4	0.0	40.5	4.1	4.9	1.2
Net production	22.6	26.0	(20.1)	(15.6)	18.7	11.6	9.9	1.3	51.5	3.4	7.3	3.1