

**NIPPON THOMPSON CO., LTD.**

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

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

February 10, 2014

**Consolidated Financial Report**  
**for the Nine-Month Period Ended December 31, 2013**  
**<Japanese GAAP>**

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Scheduled Date to Submit Quarterly Annual Securities Report: February 12, 2014

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 Nine-Month Period Ended December 31, 2013**  
**(From April 1, 2013 to December 31, 2013)**

**(1) Results of Consolidated Operations**

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
<b>December 31, 2013</b>	<b>29,281</b>	<b>6.3</b>	<b>1,208</b>	<b>23.2</b>	<b>2,132</b>	<b>116.7</b>
December 31, 2012	27,554	(17.0)	981	(64.4)	984	(61.2)

Note: Comprehensive income

Nine-month period ended December 31, 2013: 4,114 million yen - %

Nine-month period ended December 31, 2012: 44 million yen (97.0) %

	Net income	Percentage change	Net income per share (Yen)	Diluted net income per share (Yen)
<b>December 31, 2013</b>	<b>1,738</b>	<b>339.4</b>	<b>23.67</b>	<b>21.41</b>
December 31, 2012	395	(84.0)	5.39	4.87

Note: Percentage change for net sales, operating income, ordinary income, and net income indicate percentage increase/decrease compared to the same period in the previous year.

## (2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio (%)
<b>December 31, 2013</b>	<b>88,000</b>	<b>56,667</b>	<b>64.4</b>
March 31, 2013	84,343	53,167	63.0

Reference: Shareholders' equity

As of December 31, 2013: 56,667 million yen

As of March 31, 2013: 53,167 million yen

## 2. Dividends

(Yen)

Base date	Dividends per share				
	June 30	September 30	December 31	March 31	Full Fiscal Year
<b>2014 (Forecast)</b>				<b>5.00</b>	<b>10.00</b>
<b>2014</b>	-	<b>5.00</b>	-		
2013	-	5.00	-	4.00	9.00

Note: Change in the current three-month period ended December 31, 2013, to dividend forecast: None

## 3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2014

(Millions of yen)

	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
Year ending March 31, 2014	39,000	8.4	1,200	1.3	1,800	22.8

	Net income	Percentage change	Net income per share (Yen)
Year ending March 31, 2014	1,400	-	19.06

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

Change in the current three-month period ended December 31, 2013, 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 to “1. Other Information” on page 4.

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

Changes in accounting policies arising from revision of accounting standards: None

Changes other than those in above: None

Changes in accounting estimates: None

Restatements: None

(4) Number of shares issued (Common stock)

Number of shares outstanding at period-end (Including treasury stock)

As of December 31, 2013: 73,499,875 shares

As of March 31, 2013: 73,499,875 shares

Number of treasury stock

As of December 31, 2013: 61,167 shares

As of March 31, 2013: 59,769 shares

Average number of shares outstanding at period-end

Nine-month period ended December 31, 2013: 73,439,685 shares

Nine-month period ended December 31, 2012: 73,441,458 shares

#### **Disclosure with Regard to Implementation of Quarterly Review Procedures**

Although falling outside quarterly review procedures based on the Financial Instruments and Exchange Law, these financial results are subjected to such review procedures, which are completed at the time of disclosure.

#### **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 as of the date of this document, February 10, 2014. Accordingly, for a wide variety of reasons, there remains the possibility that actual performance results may differ from projections.

## **1. Other Information**

- (1) 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 income before income taxes and minority interests in the current consolidated fiscal year, including the third quarter, and multiplying income before income taxes and minority interests by said estimated effective tax rate.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

As of December 31, 2013 and March 31, 2013

	Millions of yen	
ASSETS	December 31, 2013	March 31, 2013
Current Assets:		
Cash and deposits	13,195	10,095
Notes and accounts receivable-trade	9,461	8,696
Finished products	14,035	15,614
Material in process	10,441	10,672
Raw material	7,403	7,990
Others	3,989	3,108
Less: Allowance for doubtful accounts	(11)	(25)
Total current assets	<u>58,515</u>	<u>56,151</u>
Fixed Assets:		
Tangible fixed assets:		
Machinery and vehicles	9,142	9,451
Others	9,573	9,378
Total tangible fixed assets	<u>18,715</u>	<u>18,829</u>
Intangible fixed assets	635	396
Investments and other assets:		
Investment securities	8,022	6,106
Others	2,144	2,922
Less: Allowance for doubtful accounts	(33)	(64)
Total investments and other assets	<u>10,133</u>	<u>8,965</u>
Total fixed assets	<u>29,484</u>	<u>28,191</u>
TOTAL ASSETS	<u><u>88,000</u></u>	<u><u>84,343</u></u>

	Millions of yen	
LIABILITIES	December 31, 2013	March 31, 2013
Current Liabilities:		
Notes and accounts payable-trade	5,621	4,487
Current portion of long-term bank loans	3,539	3,556
Income taxes payable	964	125
Allowance for directors' and corporate auditors' bonuses	52	70
Others	2,392	2,575
Total current liabilities	<u>12,569</u>	<u>10,815</u>
Long-Term Liabilities:		
Corporate bond	5,000	5,000
Convertible bond	5,000	5,000
Long-term bank loans	7,230	9,179
Accrued retirement benefits	868	1,096
Others	664	84
Total long-term liabilities	<u>18,763</u>	<u>20,360</u>
TOTAL LIABILITIES	<u>31,333</u>	<u>31,176</u>
NET ASSETS		
Shareholders' Equity:		
Common stock	9,532	9,532
Capital surplus	12,886	12,886
Retained earnings	32,946	31,870
Treasury stock	(331)	(378)
Total shareholders' equity	<u>55,034</u>	<u>53,911</u>
Accumulated Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	2,420	1,173
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustments	(788)	(1,918)
Total accumulated other comprehensive income	<u>1,632</u>	<u>(744)</u>
TOTAL NET ASSETS	<u>56,667</u>	<u>53,167</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>88,000</u></u>	<u><u>84,343</u></u>

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

### Consolidated Statements of Income

For the nine-month period ended December 31, 2013 and 2012

	Millions of yen	
	December 31, 2013	December 31, 2012
Net Sales	29,281	27,554
Cost of Sales	21,137	20,092
Gross Profit	8,144	7,461
Selling, General and Administrative Expenses	6,935	6,480
Operating Income	1,208	981
Non-Operating Income:		
Interest income	9	8
Dividend income	90	93
Foreign currency translation gain	654	61
Subsidy income	200	-
Others	169	105
	1,123	269
Non-Operating Expenses:		
Interest expenses	125	165
Sales discounts	44	39
Others	29	60
	199	266
Ordinary Income	2,132	984
Extraordinary Income:		
Gain on sales of investment securities	160	-
	160	-
Extraordinary Loss:		
Loss from write-down of investment in securities	-	80
	-	80
Income before Income Taxes	2,292	903
Income Taxes	554	507
Income before Minority Interests	1,738	395
Net Income	1,738	395

## Consolidated Statements of Comprehensive Income

For the nine-month period ended December 31, 2013 and 2012

	Millions of yen	
	December 31, 2013	December 31, 2012
Income before Minority Interests	1,738	395
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	1,246	(296)
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustments	1,129	(52)
Total Other Comprehensive Income	2,376	(350)
Comprehensive Income	4,114	44
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	4,114	44



**(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.