

NIPPON THOMPSON CO., LTD.

Corporate Headquarters: Tokyo

Listed Code: 6480

Listed Stock Exchange: Tokyo

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

August 10, 2022

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2023
<Japanese GAAP>

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Scheduled Date to Submit Quarterly Annual Securities Report:	August 10, 2022
Scheduled 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 down to eliminate amounts less than one million yen.

1. Consolidated Operating Performance for the First Quarter of Fiscal Year Ending March 31, 2023
(From April 1, 2022 to June 30, 2022)

(1) Results of Consolidated Operations

(Millions of yen)

	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change
June 30, 2022	16,760	14.2	1,872	124.5	3,215	219.3
June 30, 2021	14,673	38.2	834	—	1,006	—

Notes: Comprehensive income

Three-month period ended June 30, 2022: 3,202 million yen 179.6%

Three-month period ended June 30, 2021: 1,145 million yen 172.7%

: 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)
June 30, 2022	2,139	81.5	30.11	29.99
June 30, 2021	1,178	—	16.63	16.56

(2) Consolidated Financial Position

	(Millions of yen)			
	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
June 30, 2022	110,232	66,679	60.4	936.05
March 31, 2022	107,078	63,974	59.6	898.58

Reference: Shareholders' equity

As of June 30, 2022: 66,558 million yen

As of March 31, 2022: 63,829 million yen

2. Dividends

(Yen)					
Dividends per share					
Base date	June 30	September 30	December 31	March 31	Full Fiscal Year
2023(Forecast)		8.00	—	8.00	16.00
2023	—				
2022	—	6.00	—	7.00	13.00

Note: Change in the current three-month period ended June 30, 2022, to dividend forecast: None

3. Forecast of Consolidated Operating Performance for the Fiscal Year Ending March 31, 2023

(Millions of yen)						
	Net sales	Percentage change	Operating profit	Percentage change	Ordinary profit	Percentage change
Six-month period ending September 30, 2022	32,500	8.0	3,700	63.9	3,900	53.9
Year ending March 31, 2023	66,000	6.0	7,600	28.8	8,000	6.8

	Profit attributable to owners of parent	Percentage change	Earnings per share (Yen)
Six-month period ending September 30, 2022	2,700	24.3	37.99
Year ending March 31, 2023	5,500	33.0	77.34

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, 2022, 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: | 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 June 30, 2022:	73,501,425 shares
As of March 31, 2022:	73,501,425 shares
Number of treasury stock	
As of June 30, 2022:	2,396,033 shares
As of March 31, 2022:	2,467,133 shares
Average number of shares outstanding at period-end	
Three-month period ended June 30, 2022:	71,066,392 shares
Three-month period ended June 30, 2021:	70,893,984 shares

Note: The number of treasury stock as of the fiscal year-end includes Nippon Thompson shares held by the share-issuing trust account for executives and by the employee stock ownership plan (ESOP) trust account (1,452,300 shares as of 1Q FY 2023 and 1,477,400 shares as of March 31, 2022). In the calculation of the average number of shares during the fiscal year (cumulative for the quarter), Nippon Thompson shares held by the share-issuing trust account for executives and the ESOP trust account are included in excluded treasury stock (1,460,633 shares as of 1Q FY 2023 and 1,618,099 shares as of 1Q FY 2022).

These consolidated financial report 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 10, 2022. 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, 2022 and March 31, 2022

ASSETS	Millions of yen	
	June 30, 2022	March 31, 2022
Current Assets:		
Cash and deposits	19,481	18,001
Notes and accounts receivable-trade	17,644	17,159
Finished products	15,071	14,393
Material in process	11,642	12,773
Raw material	8,557	6,408
Others	1,116	1,682
Less: Allowance for doubtful accounts	(7)	(7)
Total current assets	<u>73,506</u>	<u>70,412</u>
Non-Current Assets:		
Tangible fixed assets:		
Machinery and vehicles	10,184	10,338
Others	12,559	12,227
Total tangible fixed assets	<u>22,743</u>	<u>22,565</u>
Intangible fixed assets	1,064	1,093
Investments and other assets:		
Investment securities	8,278	9,021
Others	4,676	4,022
Less: Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	<u>12,917</u>	<u>13,006</u>
Total non-current assets	<u>36,725</u>	<u>36,666</u>
 TOTAL ASSETS	 <u><u>110,232</u></u>	 <u><u>107,078</u></u>

	Millions of yen	
LIABILITIES	June 30, 2022	March 31, 2022
Current Liabilities:		
Notes and accounts payable-trade	11,982	11,845
Short-term borrowings	—	2,200
Current portion of long-term borrowings	4,175	3,455
Income taxes payable	1,788	2,182
Allowance for directors' and corporate auditors' bonuses	17	85
Others	5,707	5,034
Total current liabilities	23,670	24,802
Non-Current Liabilities:		
Corporate bonds	10,000	10,000
Long-term borrowings	8,706	6,928
Net defined benefit liabilities	21	20
Provision for share-based remuneration for directors	90	79
Others	1,063	1,273
Total non-current liabilities	19,882	18,301
TOTAL LIABILITIES	43,552	43,104
NET ASSETS		
Shareholders' Equity:		
Common stock	9,533	9,533
Capital surplus	12,886	12,886
Retained earnings	39,514	37,881
Treasury stock	(991)	(1,024)
Total shareholders' equity	60,942	59,276
Accumulated Other Comprehensive Income:		
Valuation difference on available-for-sale securities	2,494	3,017
Foreign currency translation adjustments	3,077	1,470
Remeasurements of defined benefit plans	43	65
Total accumulated other comprehensive income	5,615	4,552
Subscription rights to shares	121	144
TOTAL NET ASSETS	66,679	63,974
TOTAL LIABILITIES AND NET ASSETS	110,232	107,078

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

Consolidated Statements of Income

For the three-month period ended June 30, 2022 and 2021

	Millions of yen	
	June 30, 2022	June 30, 2021
Net Sales	16,760	14,673
Cost of Sales	11,232	10,594
Gross Profit	5,527	4,079
Selling, General and Administrative Expenses	3,655	3,245
Operating Profit	1,872	834
Non-Operating Income:		
Interest income	10	4
Dividend income	131	85
Foreign exchange gains	1,120	67
Insurance income	—	26
Others	118	74
	1,379	259
Non-Operating Expenses:		
Interest expenses	24	32
Bond issuance costs	—	32
Others	12	21
	37	86
Ordinary Profit	3,215	1,006
Profit Before Income Taxes	3,215	1,006
Income Taxes	1,075	(171)
Profit	2,139	1,178
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	2,139	1,178

Consolidated Statements of Comprehensive Income

For the three-month period ended June 30, 2022 and 2021

	Millions of yen	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Profit	2,139	1,178
Other Comprehensive Income:		
Net unrealized holding gains on available-for-sale securities	(522)	(220)
Foreign currency translation adjustments	1,607	195
Remeasurements of defined benefit plans	(22)	(8)
Total Other Comprehensive Income	<u>1,062</u>	<u>(33)</u>
Comprehensive Income	<u>3,202</u>	<u>1,145</u>
Breakdown:		
Comprehensive income attributable to owners of parent	3,202	1,145
Comprehensive income attributable to non-controlling interests	—	—

(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.