



# Financial Results for the 3<sup>rd</sup> Quarter of Fiscal Year Ending March 31, 2025



**NS TOOL CO., LTD.**

January 31, 2025  
(Securities Code: 6157)

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# **Consolidated Financial Results for 3Q FY3/25**



# Financial Results Summary for 3Q YTD FY3/25

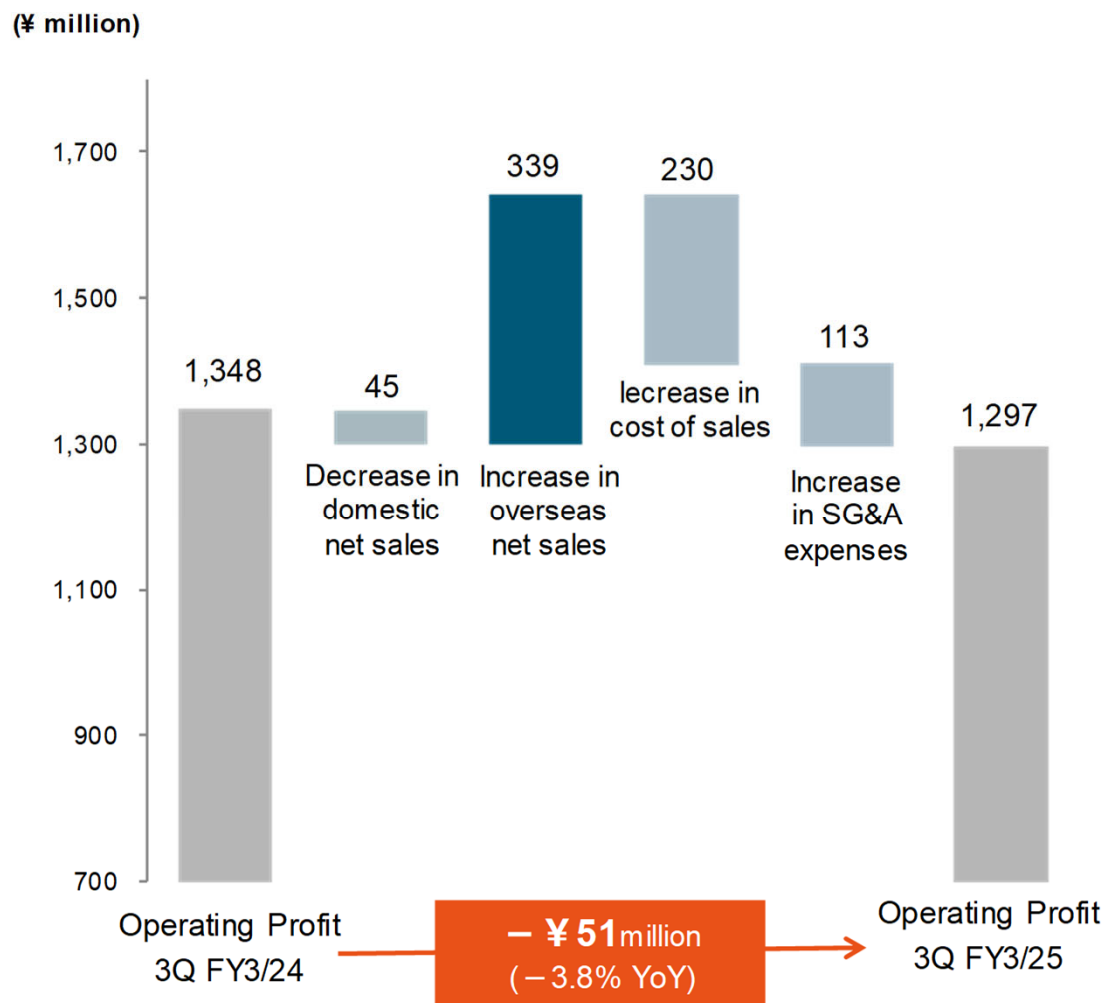
Increased in net sales and  
decreased in profits year on year

Roughly in line with the full-year financial forecasts

(Unit: ¥ million)	3Q YTD FY3/24 Actual	3Q YTD FY3/25 Actual	Full-year FY3/25 Forecasts	Progress Rate
<b>Net Sales</b>	6,749	7,042	9,430	74.7%
YoY changes	-8.3%	+4.3%	+4.3%	
<b>Operating profit</b>	1,348	1,297	1,730	75.0%
YoY changes	-18.9%	-3.8%	-7.4%	
<b>Ordinary profit</b>	1,362	1,302	1,740	74.9%
YoY changes	-17.6%	-4.3%	-8.8%	
<b>Profit attributable to owners of parent</b>	928	918	1,190	77.2%
YoY changes	-17.1%	-1.1%	-9.9%	

- In Japan, the market of semiconductor and electronic components and devices performed solidly, driven by AI-related demand. However, in the automotive industry, production volume did not reach recovery levels amid little development of new vehicle models, and as a result, the demand for tools did not recover. On the other hand, performance overseas was strong due to securing orders in electric vehicles (EV) and the electronic components markets for smartphones in Greater China.
- Consolidated net sales were ¥7,042 million, up 4.3% YoY.
- Consolidated ordinary profit was ¥1,302 million, down 4.3% YoY. Ordinary profit margin was 18.5%, down 1.7 pp YoY.
- Profits decreased YoY, but both net sales and profits were roughly in line with the full-year financial forecasts.

# Factors for Decrease in Operating Profit



- Domestic net sales decreased by ¥45 million, down 1.0% YoY and overseas net sales increased by ¥339 million, up 17.1% YoY. Overall net sales increased by ¥293 million, up 4.3% YoY.
- Cost of sales increased by ¥230 million, up 7.5% YoY, due to increased cost of products manufactured, including labor costs and electricity power costs.
- In SG&A expenses, due to the cost of revising product catalogues, selling expenses increased by 12.2% YoY, and overall SG&A expenses increased by ¥113 million, up 4.9% YoY.
- As a result, operating profit decreased by ¥51 million, down 3.8% YoY to ¥1,297 million, while operating profit margin decreased by 1.6 pp YoY to 18.4%.

# Summary of Statement of Income

(Unit: ¥ million)	3Q YTD FY3/24 Actual	3Q YTD FY3/25 Actual	YoY Changes
<b>Net Sales</b>	6,749	7,042	+4.3%
<b>Gross profit</b>	3,669	3,731	+1.7%
Ratio to net sales	54.4%	53.0%	
<b>SG&amp;A expenses</b>	2,321	2,434	+4.9%
Ratio to net sales	34.4%	34.6%	
<b>Operating profit</b>	1,348	1,297	-3.8%
Ratio to net sales	20.0%	18.4%	
<b>Ordinary profit</b>	1,362	1,302	-4.3%
Ratio to net sales	20.2%	18.5%	
<b>Profit attributable to owners of parent</b>	928	918	-1.1%
Ratio to net sales	13.8%	13.0%	
<b>Capital investment</b>	467	113	-75.7%
<b>Depreciation</b>	463	473	+2.3%
<b>No. of employees</b> (persons)	352	363	+3.1%

- Net sales were ¥7,042 million, up 4.3% YoY. Domestic sales were sluggish mainly in the automotive industry, but sales to Greater China were brisk.
- Gross profit was ¥3,731 million, up 1.7% YoY. Gross profit margin was 53.0%, down 1.4 pp YoY.
- SG&A expenses increased by 4.9% YoY in line with the rise in selling expenses, and SG&A expenses ratio was 34.6%, up 0.2 pp YoY.
- As a result, operating profit decreased by 3.8% YoY to ¥1,297 million and operating profit margin was 18.4%, down 1.6 pp YoY.
- Capital expenditures were ¥113 million, down 75.7% YoY due to fewer new equipment installation. Depreciation increased by 2.3% YoY due to the startup of facilities carried over from the previous fiscal year.

# Summary of Balance Sheet

(Unit: ¥ million)	FY3/24-End	Composition Ratio	3Q FY3/25-End	Composition Ratio	VS FY3/24-End
<b>(Assets)</b>					
I Current assets	12,719	66.1%	13,033	67.5%	+2.5%
Cash and deposits	8,893	46.2%	9,355	48.4%	+5.2%
Notes and accounts receivable - trade	1,305	6.8%	1,353	7.0%	+3.7%
Inventories	2,381	12.4%	2,238	11.6%	-6.0%
II Non-current assets	6,521	33.9%	6,285	32.5%	-3.6%
Property, plant and equipment	5,361	27.9%	4,989	25.8%	-6.9%
Intangible assets	24	0.1%	17	0.1%	-28.5%
Investments and other assets	1,135	5.9%	1,278	6.6%	+12.5%
<b>Total assets</b>	19,241	100.0%	19,318	100.0%	+0.4%
<b>(Liabilities)</b>					
I Current liabilities	1,287	6.7%	1,070	5.5%	-16.9%
Accounts payable - trade	173	0.9%	231	1.2%	+33.7%
II Non-current liabilities	224	1.2%	224	1.2%	—
<b>Total liabilities</b>	1,512	7.9%	1,295	6.7%	-14.4%
<b>(Net assets)</b>					
<b>Total equity</b>	17,525	91.1%	17,829	92.3%	+1.7%
<b>Total net assets</b>	17,729	92.1%	18,023	93.3%	+1.7%
<b>Total liabilities and net assets</b>	19,241	100.0%	19,318	100.0%	+0.4%

## Current assets

Increased by 2.5% from the end of previous fiscal year due to an increase in cash and deposits resulting from a decrease in new capital expenditures.

## Non-current assets

Decreased by 3.6% from the end of previous fiscal year, due to depreciation exceeding new capital expenditures.

## Liabilities

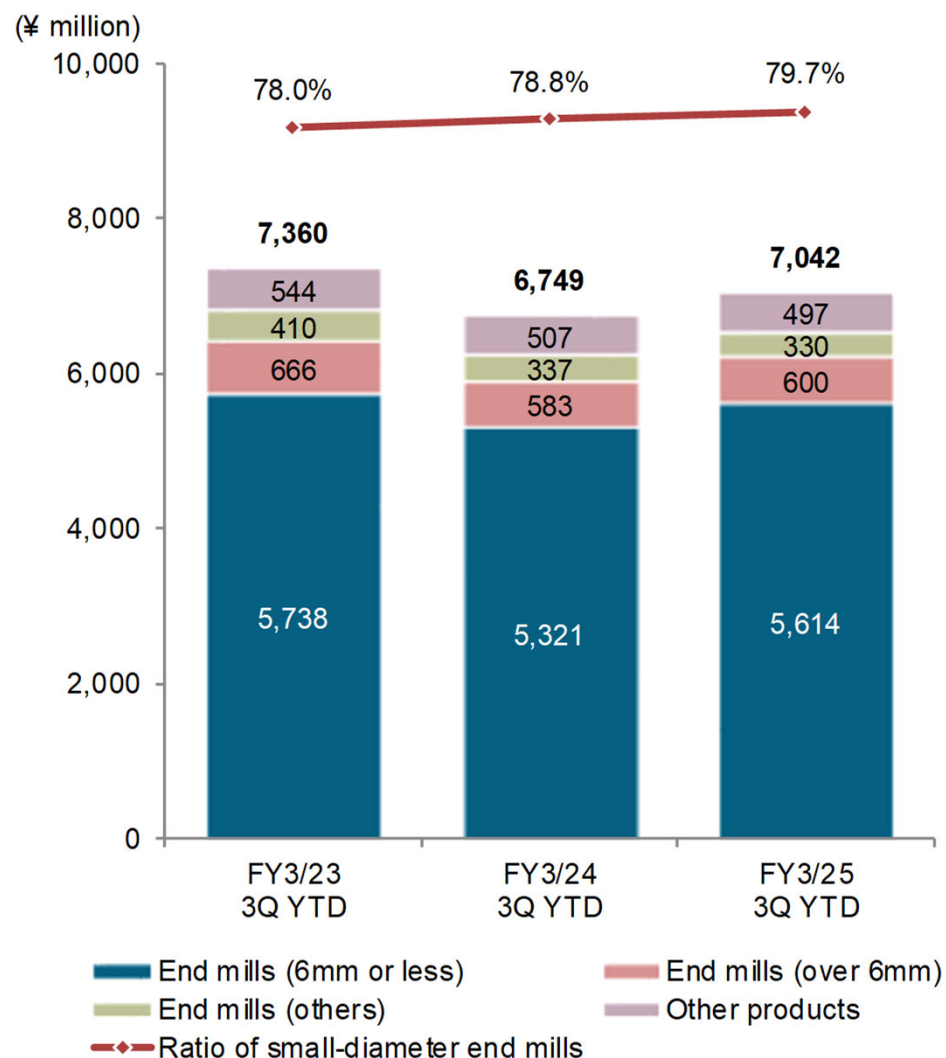
Decreased by 14.4% from the end of previous fiscal year due to decreases in income taxes payable and provision for bonuses.

## Net assets

Increased by 1.7% from the end of previous fiscal year mainly due to an increase in retained earnings. Partly due to a decrease in liabilities, equity-to-asset ratio was 92.3%, up 1.2 pp from the end of previous fiscal year.

## Business Performance (Trend of net sales (1) By product)

Trend of net sales by product and ratio of small-diameter end mills

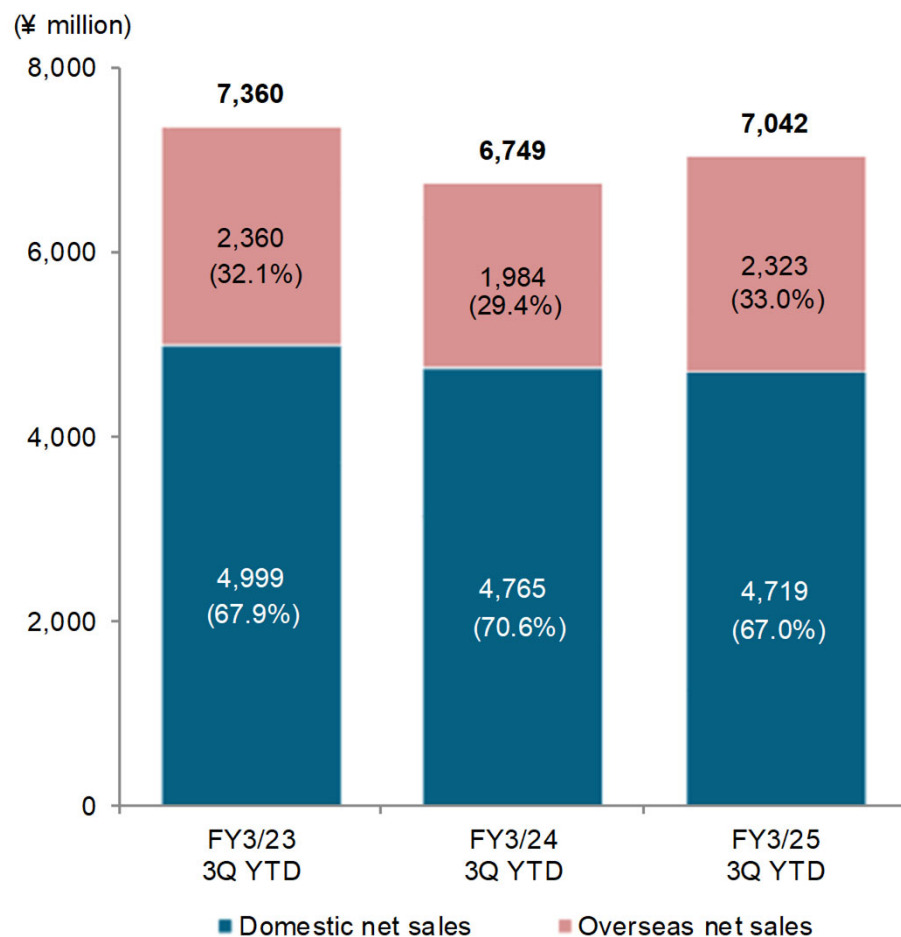


- By product, net sales for end mills (diameter 6 mm or less) increased by 5.5% YoY, end mills (diameter over 6 mm) increased by 2.8% YoY, end mills (other), mainly special tools custom-made to users, decreased by 2.0% YoY, and other products such as tool cases decreased by 2.0% YoY.
- Of the net sales of ¥7,042 million, sales for mainstay end mills (diameter 6 mm or less) were ¥5,614 million, and the ratio of small-diameter end mills was 79.7%, up 0.9 pp YoY.



# Business Performance (Trend of net sales (2) Domestic and overseas)

## Trend of domestic and overseas net sales

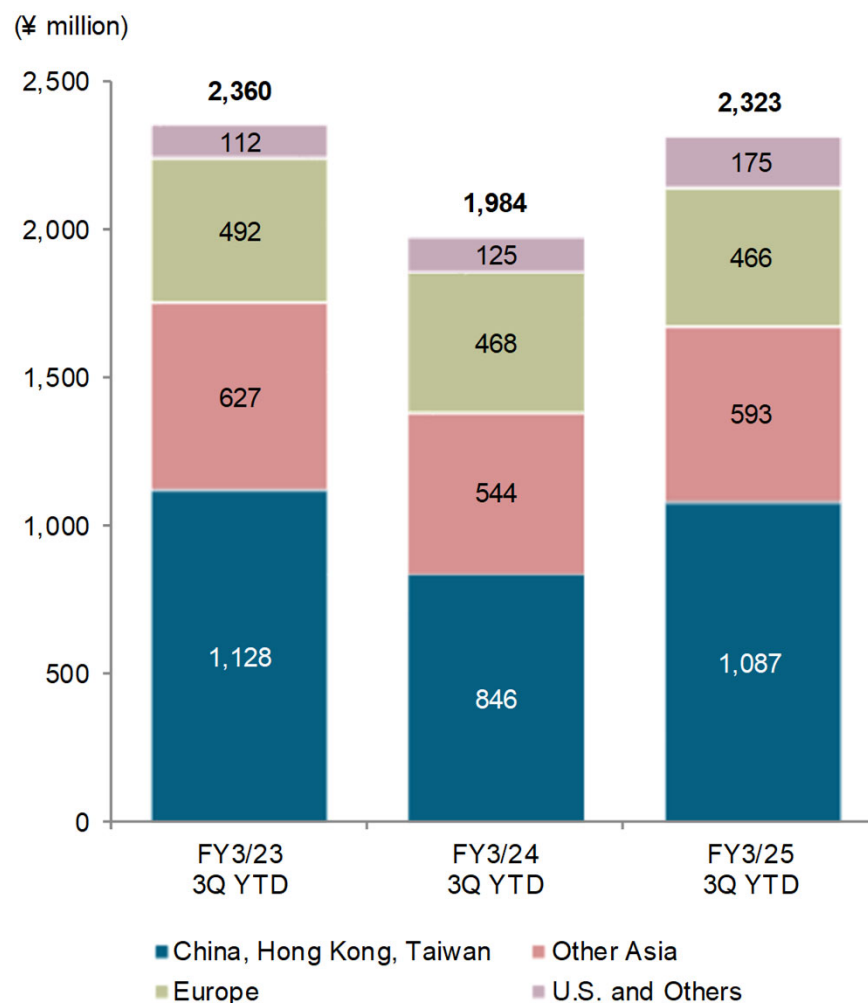


( ) Ratio of net sales : %

- Domestic net sales decreased by ¥45 million, down 1.0% YoY, to ¥4,719 million. Overseas net sales increased by ¥339 million, up 17.1% YoY, to ¥2,323 million.
- Overseas net sales increased in Greater China, where net sales were down sharply in the same period of previous fiscal year. In account consolidation of NS TOOL Hong Kong Ltd. into 3Q results, figures for China are for January-September.
- Overseas net sales ratio increased by 3.6 pp YoY to 33.0%, thanks to an increase in overseas net sales, while domestic net sales were sluggish.

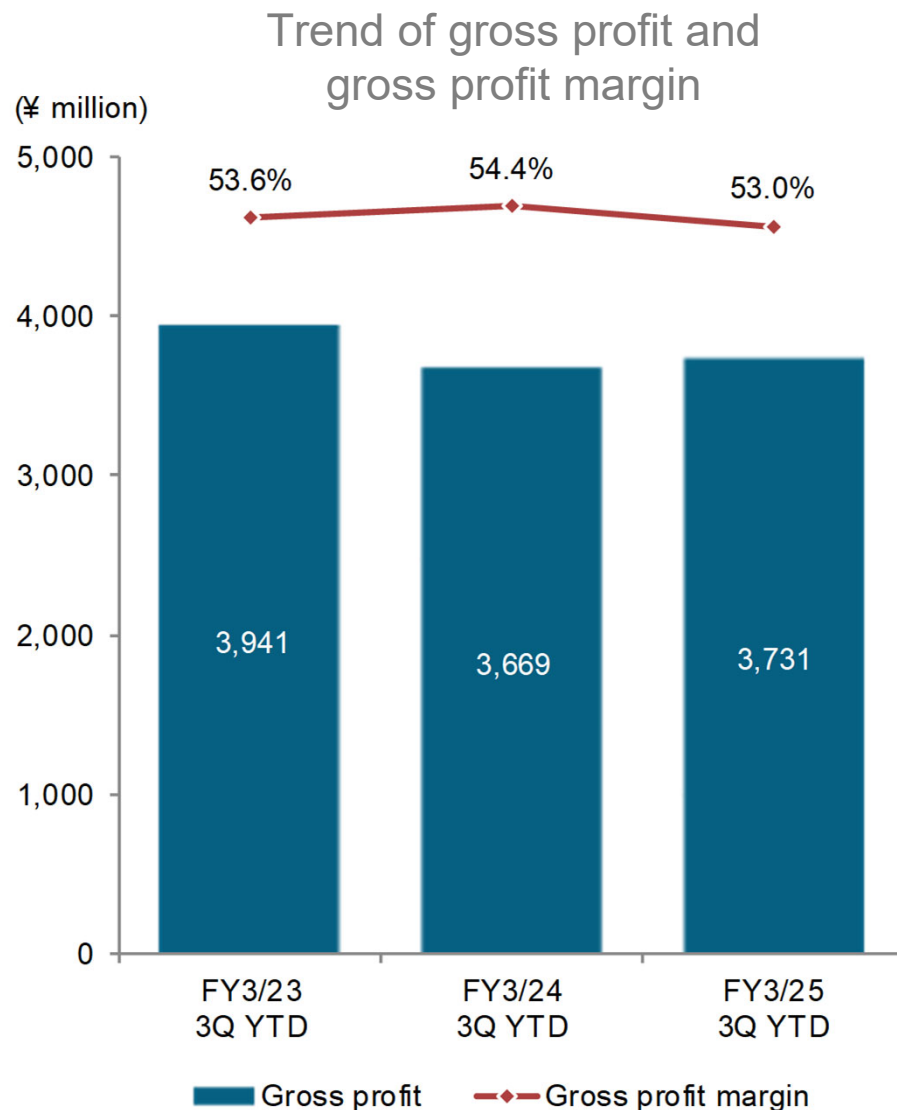
## Business Performance (Trend of net sales (3) By overseas region)

Trend of net sales by overseas region



- Combined net sales for China, Hong Kong and Taiwan increased by 28.6% YoY, to ¥1,087 million. In account consolidation of NS TOOL Hong Kong Ltd. into 3Q results, figures for China are for January-September. Recovery in orders for the smartphone industry continued. In addition, net sales increased due to continued optical and EV-related demand. Although the market condition has not improved, net sales improved from the same period of previous fiscal year due to the acquisition of orders.
- Other Asia increased by 8.9% YoY to ¥593 million. Thailand performed relatively well as the market recovered slightly and the sales system was enhanced. India is performing well due to brisk investment by the expansion of demand.
- In Europe, the automotive industry remained sluggish, net sales decreased by 0.2% YoY, to ¥466 million.
- Figures for the U.S. and Mexico are for January-September in account consolidation of NS TOOL USA, INC. into 3Q results. The reasons for the increase in net sales are the deviation in consolidation periods resulted from the change of commercial distribution as well as the impact of exchange rates, so there is only a slight increase when comparing actual net sales.

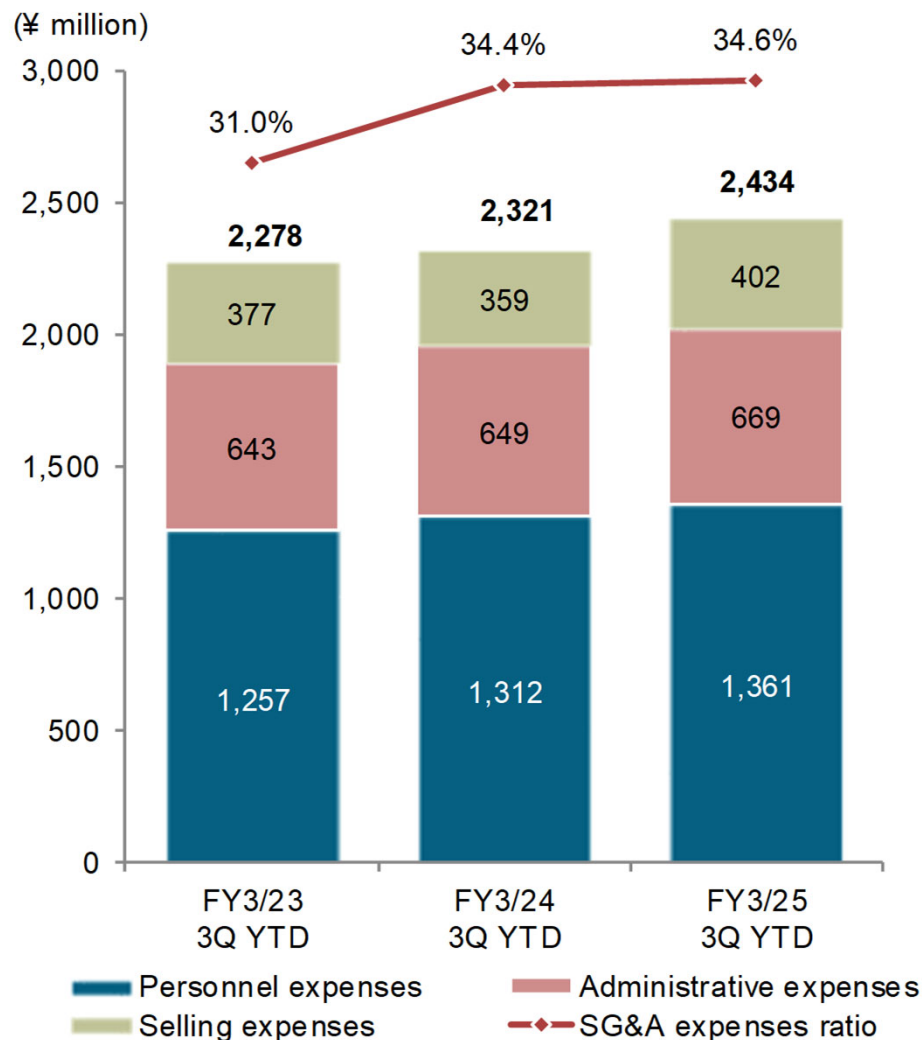
## Business Performance (Trend of gross profit)



- Material costs increased by 8.7% YoY in line with the growth of production volume from 2H. Outsourcing expenses decreased by 1.1% YoY; labor costs increased by 3.9% YoY due to an increase in personnel and wage increases; and manufacturing expenses increased by 10.1% YoY due to increases in electricity power costs, factory supplies expenses, manufacturing repair costs, etc.
- Cost of sales increased by 7.5% YoY in line with the rises in net sales and cost of products manufactured.
- Gross profit increased by 1.7% YoY to ¥3,731 million, while the gross profit margin was 53.0%, down 1.4 pp YoY.

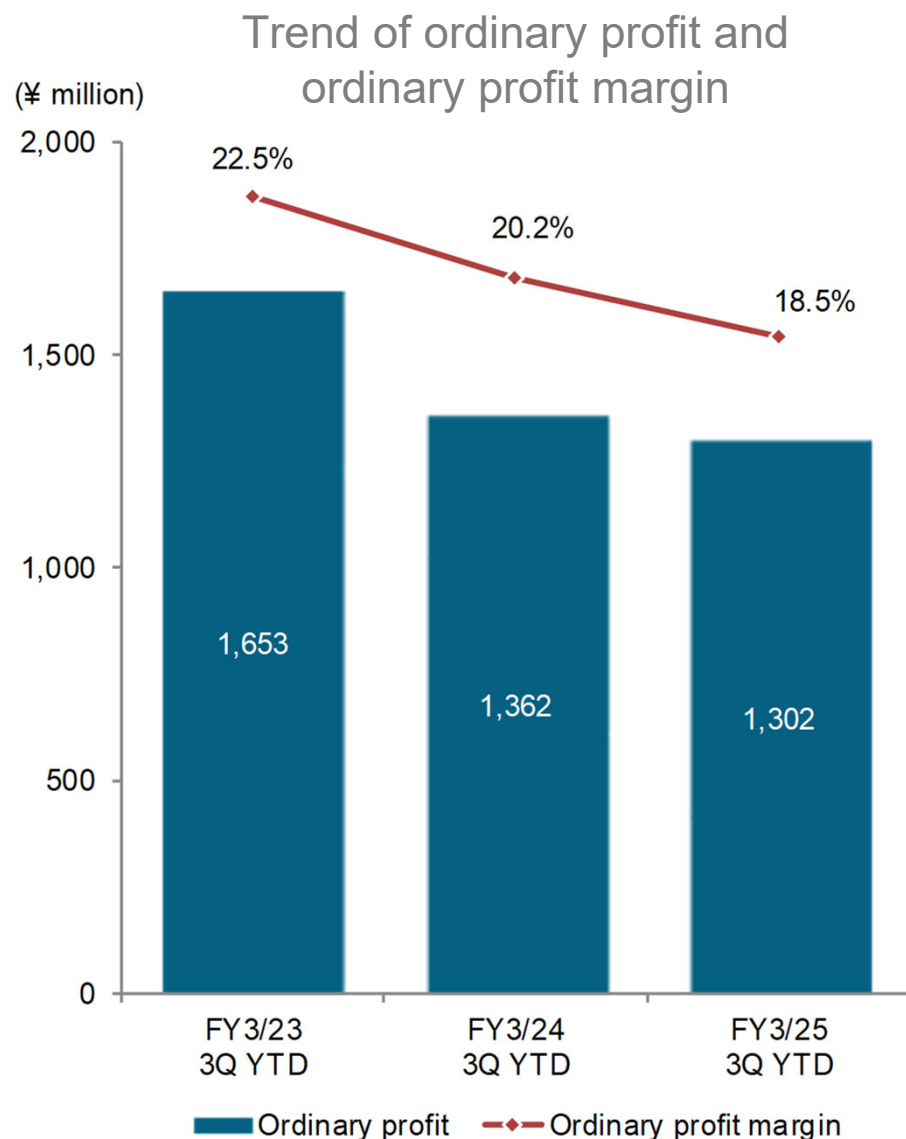
## Business Performance (Trend of SG&A expenses)

Trend of SG&A expenses and SG&A expenses ratio



- Selling expenses increased by 12.2% YoY to ¥402 million. Advertising expenses increased due to the revision of product catalogues, and exhibition costs also increased due to exhibiting at large-scale exhibitions.
- Personnel expenses increased by 3.8% YoY to ¥1,361 million due to increases in salaries associated with wage increases and increased personnel, and board members' remuneration.
- Overall SG&A expenses increased by 4.9% to ¥2,434 million, while SG&A expenses ratio rose by 0.2 pp YoY to 34.6%.

## Business Performance (Trend of ordinary profit)



- Net sales increased by 4.3% YoY, but operating profit decreased by 3.8% YoY to ¥1,297 million as increase rates of cost of sales and SG&A expenses were higher than that of net sales.
- In non-operating income and expenses, non-operating income of ¥16 million was caused by gain on sales of scraps and non-operating expenses of ¥11 million were caused by foreign exchange losses. Ordinary profit was ¥1,302 million, down 4.3% YoY.
- Ordinary profit margin was 18.5%, down 1.7 pp YoY.

# **Consolidated Financial Forecasts for FY3/25**



# Financial Forecasts

(Unit: ¥ million)	FY3/24 Actual	FY3/25 Forecasts	YoY Changes
Net Sales	9,040	9,430	+4.3%
Operating profit	1,867	1,730	-7.4%
Ordinary profit	1,908	1,740	-8.8%
Profit attributable to owners of parent	1,320	1,190	-9.9%
Capital investment	563	454	-19.3%
Depreciation	627	691	+10.2%
EPS (¥)	53.03	47.89	-9.7%
Dividend per share (¥)	27.50	30.00	+9.1%

- In the automotive industry, a recovery is expected in 2H although the recovery of demand in Japan has been delayed. The market of semiconductor and electronic components and devices is expected to gradually recover through 2H, as inventory adjustments are expected to be resolved, in addition to AI-related demand.
- Although net sales are expected to increase slightly due to the recovery of the market and the launch of new products, operating profit and ordinary profit are both expected to decrease due to increases in electricity costs, depreciation expense resulting from the start-up of new facilities, as well as higher personnel expenses due to wage increases.
- As for capital investment, continuous renewal of production facilities is mainly planned. Capital expenditures are planned to decrease by 19.3% YoY.
- The annual dividend per share is planned to increase to ¥30.0, consisting of an interim dividend of ¥15.0 and a year-end dividend of ¥15.0.

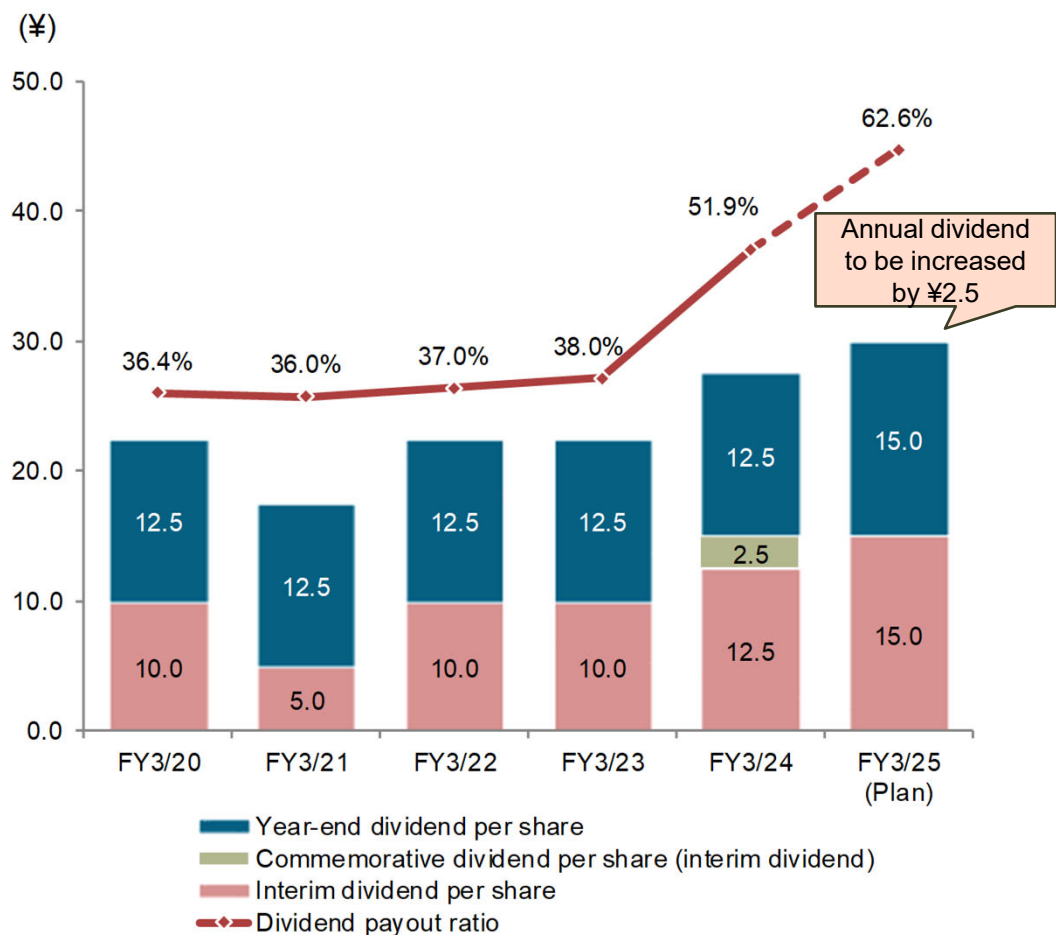
# Financial Forecasts for 2H FY3/25 and Progress Rate

(Unit: ¥ million)	FY3/25					
	2H			Full-year		
	2H Forecasts	3Q Actual	2H Progress Rate	Full-year Forecasts	3Q YTD Actual	Full-year Progress Rate
<b>Net Sales</b>	4,775	2,388	50.0%	9,430	7,042	74.7%
YoY Changes	+3.3%	+2.4%		+4.3%	4.3%	
<b>Operating profit</b>	917	484	52.8%	1,730	1,297	75.0%
YoY Changes	-17.8%	-18.8%		-7.4%	-3.8%	
<b>Ordinary profit</b>	925	488	52.8%	1,740	1,302	74.9%
YoY Changes	-18.8%	-17.6%		-8.8%	-4.3%	
<b>Profit attributable to owners of parent</b>	621	349	56.3%	1,190	918	77.2%
YoY Changes	-23.5%	-16.9%		-9.9%	-1.1%	



# Dividend Forecasts (Shareholder Returns)

Trend of dividends per share and dividend payout ratio



\*The impact of the stock split on April 1, 2021 was considered.

**We take holistic approach by evaluating business performance and dividend payout ratio, while paying attention to stability and sustainability of shareholder returns**

- Annual dividend per share for FY3/24 was ¥27.5. Celebrating the 70th year of founding, commemorative dividend of ¥2.5 was paid.  
Interim dividend: ¥15.0  
(ordinary dividend: ¥12.5, commemorative dividend: ¥2.5)  
Year-end dividend: ¥12.5  
Dividend payout ratio to the business performance: 51.9%
- Annual dividend per share for FY3/25 is planned to be increased to ¥30.0 per share to strengthen shareholder returns, as liquidity on hand is increasing.  
Interim dividend: ¥15.0; Year-end dividend: ¥15.0  
Dividend payout ratio to the financial forecasts: 62.6%
- Shareholders' benefits  
An original QUO card, worth ¥2,000, is presented to every shareholder who holds one share unit (100 shares) or more for three years or more\* and whose name is registered in the shareholder list as of March 31 of each year.

\*Holding for 3 years or more means that the holding record of 100 shares or more under the same shareholder number is listed or recorded in the shareholder list 7 times or more consecutively on record date of shareholder list (March 31 and September 30).

**Contact us:**

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Note: The descriptions concerning the future and projections are based on targets and forecasts, and do not constitute an assurance or guarantee.  
Please note that the results may differ from the projections.