

This PDF document is an updated note on the company. A comprehensive version of the report on the company, including this latest update, is available on [our website](#) and various professional platforms.

On October 28, 2020, NS Tool Co., Ltd. announced revisions to its FY03/21 earnings forecast.

NS Tool forecasts 1H FY03/21 sales of JPY3.6bn (-26.3% YoY), operating profit of JPY404mn (-68.0% YoY), recurring profit of JPY444mn (-64.9% YoY), and net income of JPY275mn (-67.0% YoY). In its previous forecast, announced on July 31, the company estimated 1H sales of JPY3.6bn, operating profit of 280mn, recurring profit of JPY285mn, and net income of JPY163mn. The company expects earnings to exceed the prior forecast thanks to stronger-than-previously-expected production and favorable progress in reducing manufacturing costs and SG&A expenses.

For full-year FY03/21, the company forecasts consolidated sales of JPY7.4bn (-22.3% YoY), operating profit of JPY850mn (-61.7% YoY), recurring profit of JPY1.0bn (-54.1% YoY), net income of JPY700mn (-54.7% YoY), and EPS of JPY55.98. Its annual dividend forecast is JPY25 per share (versus an annual dividend of JPY45 per share in FY03/20). The company refrained from issuing a full-year forecast when announcing Q1 results on July 31, 2020. Despite expectations for an expansion in 5G-compatible smartphones, the company believes a recovery in tool demand could take some time, especially as the manufacturing industry as a whole continues to face tough conditions due to a number of uncertainties, including trade friction between the U.S. and China, as well as sluggish consumption and economic stagnation due to COVID-19. Based on the full-year and 1H forecasts, it appears the company targets 2H sales of JPY3.8bn (-17.9% YoY) and operating profit of JPY446mn (-53.3% YoY). NS Tools aims to expand sales of new products with improved coatings and promote the development of more new products.

This note is the most recent addition to the [full report](#).

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