

Consolidated Financial Results for the Six Months Ended September 30, 2018 [Japanese GAAP]



October 26, 2018

Company name: Toyo Machinery & Metal Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6210
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 Scheduled date of filing quarterly securities report: November 14, 2018
 Scheduled date of commencing dividend payments: December 3, 2018
 Availability of supplementary briefing materials on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2018	15,541	1.0	960	3.9	996	5.6	619	1.7
September 30, 2017	15,392	16.0	924	27.7	943	46.1	608	72.9

(Note) Comprehensive income: Six months ended September 30, 2018: ¥572 million [(6.6)%]
 Six months ended September 30, 2017: ¥613 million [—%]

	Profit per share		Diluted profit per share	
	Yen		Yen	
Six months ended September 30, 2018	32.86		—	
September 30, 2017	32.38		—	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of September 30, 2018	27,930		16,502		58.2	
As of March 31, 2018	27,813		16,152		57.3	

(Reference) Equity: As of September 30, 2018: ¥16,261 million
 As of March 31, 2018: ¥15,925 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2018	Yen —	Yen 10.00	Yen —	Yen 15.00	Yen 25.00
Fiscal year ending March 31, 2019	—	10.00			
Fiscal year ending March 31, 2019 (Forecast)			—	15.00	25.00

(Note) Revision to the most recent dividend forecast: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	31,500	2.0	2,150	4.5	2,190	2.8	1,410	0.2	74.85

(Note) Revision to the most recent financial results forecast: Yes

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New companies: –

Excluded companies: –

(2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2018: 20,703,000 shares

March 31, 2018: 20,703,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2018: 1,816,443 shares

March 31, 2018: 1,900,380 shares

3) Average number of shares during the period:

Six months ended September 30, 2018: 18,838,590 shares

Six months ended September 30, 2017: 18,802,768 shares

* This Consolidated Financial Results is not subject to auditing performed by certified public accountant or audit firm

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions which the Company deems as reasonable, and do not constitute a guarantee that they will be achieved by the Company. Actual results may differ significantly from these forecasts due to a wide range of factors.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	4,460	4,437
Notes and accounts receivable - trade	7,323	6,913
Electronically recorded monetary claims - operating	1,270	1,838
Merchandise and finished goods	2,769	2,915
Work in process	2,509	2,768
Raw materials and supplies	422	523
Other	1,205	758
Allowance for doubtful accounts	(14)	(10)
Total current assets	19,946	20,144
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,876	3,788
Machinery, equipment and vehicles, net	1,799	1,652
Tools, furniture and fixtures, net	109	123
Land	780	780
Leased assets, net	7	5
Construction in progress	0	54
Total property, plant and equipment	6,573	6,404
Intangible assets	384	440
Investments and other assets		
Investment securities	202	228
Deferred tax assets	570	541
Net defined benefit asset	99	98
Other	37	88
Allowance for doubtful accounts	(0)	(16)
Total investments and other assets	909	940
Total non-current assets	7,867	7,786
Total assets	27,813	27,930

(Million yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,050	3,807
Electronically recorded obligations - operating	1,117	1,206
Short-term loans payable	600	600
Current portion of long-term loans payable	350	200
Accrued expenses	713	715
Income taxes payable	441	243
Accrued consumption taxes	18	17
Provision for product warranties	146	146
Provision for directors' bonuses	41	17
Other	1,173	1,580
Total current liabilities	8,653	8,535
Non-current liabilities		
Long-term loans payable	500	400
Net defined benefit liability	2,495	2,481
Other	12	11
Total non-current liabilities	3,007	2,892
Total liabilities	11,661	11,427
Net assets		
Shareholders' equity		
Capital stock	2,506	2,506
Capital surplus	2,028	2,053
Retained earnings	12,000	12,337
Treasury shares	(783)	(749)
Total shareholders' equity	15,751	16,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62	81
Foreign currency translation adjustment	170	84
Remeasurements of defined benefit plans	(59)	(52)
Total accumulated other comprehensive income	173	113
Non-controlling interests	227	241
Total net assets	16,152	16,502
Total liabilities and net assets	27,813	27,930

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the Six months ended September 30, 2017	For the Six months ended September 30, 2018
Net sales	15,392	15,541
Cost of sales	11,860	11,931
Gross profit	3,531	3,609
Selling, general and administrative expenses	2,607	2,649
Operating income	924	960
Non-operating income		
Interest and dividend income	6	4
Rent income on non-current assets	33	33
Other	10	21
Total non-operating income	50	60
Non-operating expenses		
Interest expenses	0	1
Loss on sales of notes receivable - trade	1	5
Loss on retirement of non-current assets	2	0
Rent expenses on non-current assets	4	4
Foreign exchange losses	18	10
Other	3	2
Total non-operating expenses	31	24
Ordinary income	943	996
Extraordinary income		
Gain on sales of investment securities	3	—
Total extraordinary income	3	—
Income before income taxes and minority interests	947	996
Income taxes - current	344	337
Income taxes - deferred	(18)	17
Total income taxes	325	355
Profit	621	641
Profit attributable to non-controlling interests	12	22
Profit attributable to owners of parent	608	619

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the Six months ended September 30, 2017	For the Six months ended September 30, 2018
Profit	621	641
Other comprehensive income		
Valuation difference on available-for-sale securities	3	18
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	(21)	(93)
Remeasurements of defined benefit plans, net of tax	10	6
Total other comprehensive income	(7)	(68)
Comprehensive income	613	572
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	598	558
Comprehensive income attributable to non-controlling interests	15	14