

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [Japanese GAAP]



April 24, 2019

Company name: Toyo Machinery & Metal Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6210
 URL: <http://www.toyo-mm.co.jp/>
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 Scheduled date of Annual General Meeting of Shareholders: June 26, 2019
 Scheduled date of filing annual securities report: June 26, 2019
 Scheduled date of commencing dividend payments: June 27, 2019
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes (for analysts)

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

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

(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	%
Fiscal year ended March 31, 2019	31,780	2.9	2,054	(0.1)	2,137	0.3	1,344	(4.5)
March 31, 2018	30,878	11.4	2,057	12.8	2,130	16.9	1,407	(6.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥1,297 million [(16.4%)]
 Fiscal year ended March 31, 2018: ¥1,552 million [14.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	71.30	-	8.2	7.5	6.5
March 31, 2018	74.86	-	9.2	7.9	6.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2019: – million
 Fiscal year ended March 31, 2018: – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	29,080	17,038	57.7	888.38
As of March 31, 2018	27,813	16,152	57.3	846.99

(Reference) Equity: As of March 31, 2019: ¥16,778 million
 As of March 31, 2018: ¥15,925 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2019	2,438	(601)	(623)	5,613
March 31, 2018	924	(1,544)	(281)	4,460

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2018	-	10.00	-	15.00	25.00	470	33.4	3.0
March 31, 2019	-	10.00	-	15.00	25.00	472	35.1	2.8
Fiscal year ending March 31, 2020 (Forecast)	-	10.00	-	15.00	25.00		38.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	16,000	3.0	1,100	14.6	1,100	10.4	640	3.4	31.13
Full year	32,000	0.7	2,200	7.1	2,200	2.9	1,350	0.4	65.66

* The Company disposed of its treasury shares on April 17, 2019 based on the resolution of the Board of Directors held on March 25, 2019. The amount of net profit per share shown in the consolidated financial results forecast for the fiscal year ending March 31, 2020 reflects the disposal of these treasury shares.

* 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) 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
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2019: 20,703,000 shares
March 31, 2018: 20,703,000 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2019: 1,816,446 shares
March 31, 2018: 1,900,380 shares
 - 3) Average number of shares during the period:
Fiscal Year ended March 31, 2019: 18,860,727 shares
Fiscal Year ended March 31, 2018: 18,802,705 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2019	28,278	1.5	1,021	(8.0)	1,702	3.3	1,241	0.5
March 31, 2018	27,861	8.3	1,110	(2.9)	1,648	22.2	1,235	2.5

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2019	65.82		-	
March 31, 2018	65.69		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	25,816	13,732	53.2	727.09
As of March 31, 2018	24,464	12,890	52.7	685.59

(Reference) Equity: As of March 31, 2019: ¥13,732 million

As of March 31, 2018: ¥12,890 million

* 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

(Notice about forward-looking statements)

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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	4,460	5,613
Notes and accounts receivable - trade	7,323	5,927
Electronically recorded monetary claims - operating	1,270	1,338
Merchandise and finished goods	2,769	3,176
Work in process	2,509	3,056
Raw materials and supplies	422	411
Other	1,205	1,516
Allowance for doubtful accounts	(14)	(8)
Total current assets	19,946	21,030
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,876	3,677
Machinery, equipment and vehicles, net	1,799	1,912
Tools, furniture and fixtures, net	109	116
Land	780	780
Leased assets, net	7	4
Construction in progress	0	52
Total property, plant and equipment	6,573	6,544
Intangible assets	384	565
Investments and other assets		
Investment securities	202	219
Deferred tax assets	570	524
Net defined benefit asset	99	136
Other	37	59
Allowance for doubtful accounts	(0)	—
Total investments and other assets	909	940
Total non-current assets	7,867	8,050
Total assets	27,813	29,080

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,050	4,293
Electronically recorded obligations - operating	1,117	1,236
Short-term loans payable	600	800
Current portion of long-term loans payable	350	200
Accrued expenses	713	726
Income taxes payable	441	300
Accrued consumption taxes	18	14
Provision for product warranties	146	123
Provision for directors' bonuses	41	25
Other	1,173	1,505
Total current liabilities	8,653	9,227
Non-current liabilities		
Long-term loans payable	500	300
Net defined benefit liability	2,495	2,503
Other	11	11
Total non-current liabilities	3,007	2,814
Total liabilities	11,661	12,041
Net assets		
Shareholders' equity		
Capital stock	2,506	2,506
Capital surplus	2,028	2,053
Retained earnings	12,000	12,874
Treasury shares	(783)	(749)
Total shareholders' equity	15,751	16,685
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62	74
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	170	28
Remeasurements of defined benefit plans	(59)	(8)
Total accumulated other comprehensive income	173	93
Non-controlling interests	227	260
Total net assets	16,152	17,038
Total liabilities and net assets	27,813	29,080

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

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net sales	30,878	31,780
Cost of sales	23,545	24,460
Gross profit	7,332	7,319
Selling, general and administrative expenses	5,274	5,265
Operating income	2,057	2,054
Non-operating income		
Interest and dividend income	14	12
Rent income on non-current assets	67	67
Patent income	15	23
Gain on insurance adjustment	—	15
Other	12	28
Total non-operating income	111	147
Non-operating expenses		
Interest expenses	1	3
Loss on sales of notes receivable - trade	2	10
Loss on retirement of non-current assets	9	7
Rent expenses on non-current assets	8	8
Commission fee	1	1
Foreign exchange losses	10	29
Other	5	5
Total non-operating expenses	38	65
Ordinary income	2,130	2,137
Extraordinary income		
Gain on sales of non-current assets	56	—
Gain on sales of investment securities	3	—
Total extraordinary income	59	—
Profit before income taxes	2,189	2,137
Income taxes - current	779	739
Income taxes - deferred	(25)	16
Total income taxes	753	756
Profit	1,436	1,380
Profit attributable to non-controlling interests	28	36
Profit attributable to owners of parent	1,407	1,344

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Profit	1,436	1,380
Other comprehensive income		
Valuation difference on available-for-sale securities	6	11
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	89	(144)
Remeasurements of defined benefit plans, net of tax	20	50
Total other comprehensive income	(116)	(83)
Comprehensive income	1,552	1,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,512	1,259
Comprehensive income attributable to non-controlling interests	40	38

(3) Consolidated Statement of Changes in Equity
For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,506	2,028	10,968	(783)	14,720
Changes of items during period					
Dividends of surplus			(376)		(376)
Profit attributable to owners of parent			1,407		1,407
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,031	(0)	1,031
Balance at end of current period	2,506	2,028	12,000	(783)	15,751

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	56	0	92	(80)	69	186	14,976
Changes of items during period							
Dividends of surplus							(376)
Profit attributable to owners of parent							1,407
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	6	(0)	77	20	104	40	145
Total changes of items during period	6	(0)	77	20	104	40	1,176
Balance at end of current period	62	—	170	(59)	173	227	16,152

For the fiscal year ended March 31, 2019

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,506	2,028	12,000	(783)	15,751
Changes of items during period					
Dividends of surplus			(470)		(470)
Profit attributable to owners of parent			1,344		1,344
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		24		34	59
Net changes of items other than shareholders' equity					
Total changes of items during period	-	24	873	34	933
Balance at end of current period	2,506	2,053	12,874	(749)	16,685

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	62	-	170	(59)	173	227	16,152
Changes of items during period							
Dividends of surplus							(470)
Profit attributable to owners of parent							1,344
Purchase of treasury shares							(0)
Disposal of treasury shares							59
Net changes of items other than shareholders' equity	11	(0)	(142)	50	(80)	33	(46)
Total changes of items during period	11	(0)	(142)	50	(80)	33	886
Balance at end of current period	74	(0)	28	(8)	93	260	17,038

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	2,189	2,137
Depreciation	855	832
Increase (decrease) in allowance for doubtful accounts	5	(5)
Increase (decrease) in provision for directors' bonuses	9	(15)
Increase (decrease) in provision for product warranties	4	(23)
Increase (decrease) in net defined benefit liability	84	16
Interest and dividend income	(14)	(12)
Interest expenses	1	3
Foreign exchange losses (gains)	4	(2)
Loss on retirement of non-current assets	9	7
Loss (gain) on sales of non-current assets	(56)	—
Loss (gain) on sales of investment securities	(3)	—
Decrease (increase) in notes and accounts receivable - trade	(1,433)	1,300
Decrease (increase) in inventories	(741)	(1,087)
Increase (decrease) in notes and accounts payable - trade	628	427
Increase (decrease) in accrued consumption taxes	(0)	(4)
Decrease (increase) in consumption taxes refund receivable	(22)	(58)
Other, net	59	(207)
Subtotal	1,579	3,307
Interest and dividend income received	14	12
Interest expenses paid	(1)	(3)
Income taxes paid	(667)	(878)
Net cash provided by (used in) operating activities	924	2,438
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,592)	(428)
Purchase of intangible assets	(38)	(172)
Payments for retirement of property, plant and equipment	(1)	—
Proceeds from sales of non-current assets	80	—
Proceeds from sales of investment securities	9	—
Net cash provided by (used in) investing activities	(1,544)	(601)
Cash flows from financing activities		
Increase in short-term loans payable	600	200
Repayments of long-term loans payable	(500)	(350)
Cash dividends paid	(376)	(470)
Purchase of treasury shares	(0)	(0)
Other, net	(5)	(2)
Net cash provided by (used in) financing activities	(281)	(623)
Effect of exchange rate change on cash and cash equivalents	41	(60)
Net increase (decrease) in cash and cash equivalents	(859)	1,152
Cash and cash equivalents at beginning of period	5,319	4,460
Cash and cash equivalents at end of period	4,460	5,613