

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japanese GAAP]



April 24, 2020

Company name: Toyo Machinery & Metal Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6210

URL: <http://www.toyo-mm.co.jp/>

Representative: Yoshiaki Tabata, President and Representative Director

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Scheduled date of Annual General Meeting of Shareholders: June 19, 2020

Scheduled date of filing quarterly securities report: June 19, 2020

Scheduled date of commencing dividend payments: June 22, 2020

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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, 2020	30,453	(4.2)	1,426	(30.6)	1,438	(32.7)	883	(34.3)
March 31, 2019	31,780	2.9	2,054	(0.1)	2,137	0.3	1,344	(4.5)

(Note) Comprehensive income: Year ended March 31, 2020: ¥798 million [(38.5) %]

Year ended March 31, 2019: ¥1,297 million [(16.4) %]

	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, 2020	43.20	-	5.1	5.0	4.7
March 31, 2019	71.30	-	8.2	7.5	6.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2020: (¥12) million

Fiscal year ended March 31, 2019: – million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	28,128	18,386	64.3	878.67
As of March 31, 2019	29,080	17,038	57.7	888.38

(Reference) Equity: As of March 31, 2020: ¥18,091 million

As of March 31, 2019: ¥16,778 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, 2020	904	(1,894)	434	5,054
March 31, 2019	2,438	(601)	(623)	5,613

## 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, 2019	-	10.00	-	15.00	25.00	472	35.1	2.8
March 31, 2020	-	10.00	-	5.00	15.00	308	34.7	1.7
Fiscal year ending March 31, 2021 (Forecast)	-	-	-	-	-		-	

(Note) The dividend forecast for the fiscal year ending March 2021 is yet to be determined.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% 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	11,150	(34.6)	(375)	-	(375)	-	(480)	-	(23.46)
Full year	23,300	(23.5)	(370)	-	(370)	-	(580)	-	(28.35)

### \* 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, 2020: 20,703,000 shares

March 31, 2019: 20,703,000 shares

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

March 31, 2020: 112,815 shares

March 31, 2019: 1,816,446 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2020: 20,456,930 shares

Fiscal Year ended March 31, 2019: 18,860,727 shares

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)**

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	27,007	(4.5)	587	(42.5)	1,127	(33.8)	838	(32.4)
March 31, 2019	28,278	1.5	1,021	(8.0)	1,702	3.3	1,241	0.5

Fiscal year ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
March 31, 2020	41.01		-	
March 31, 2019	65.82		-	

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2020	24,746	15,098	61.0	733.26
March 31, 2019	25,816	13,732	53.2	727.09

(Reference) Equity: As of March 31, 2020: ¥15,098 million

As of March 31, 2019: ¥13,732million

\* 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, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	5,613	5,054
Notes and accounts receivable - trade	5,927	5,827
Electronically recorded monetary claims - operating	1,338	1,642
Merchandise and finished goods	3,176	2,750
Work in process	3,056	2,482
Raw materials and supplies	411	407
Other	1,516	903
Allowance for doubtful accounts	(8)	(8)
Total current assets	21,030	19,061
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,677	3,725
Machinery, equipment and vehicles, net	1,912	1,796
Tools, furniture and fixtures, net	116	118
Land	780	780
Leased assets, net	4	3
Construction in progress	52	400
Total property, plant and equipment	6,544	6,825
Intangible assets	565	644
Investments and other assets		
Investment securities	219	968
Deferred tax assets	524	492
Net defined benefit asset	136	87
Other	59	53
Allowance for doubtful accounts	—	(3)
Total investments and other assets	940	1,597
Total non-current assets	8,050	9,067
Total assets	29,080	28,128

(Million yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,293	3,101
Electronically recorded obligations - operating	1,236	891
Short-term loans payable	800	900
Current portion of long-term loans payable	200	200
Accrued expenses	726	648
Income taxes payable	300	73
Accrued consumption taxes	14	18
Provision for product warranties	123	89
Provision for directors' bonuses	25	7
Other	1,505	1,231
Total current liabilities	9,227	7,161
Non-current liabilities		
Long-term loans payable	300	100
Net defined benefit liability	2,503	2,471
Other	11	9
Total non-current liabilities	2,814	2,580
Total liabilities	12,041	9,742
Net assets		
Shareholders' equity		
Capital stock	2,506	2,506
Capital surplus	2,053	2,382
Retained earnings	12,874	13,268
Treasury shares	(749)	(40)
Total shareholders' equity	16,685	18,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	74	52
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	28	(14)
Remeasurements of defined benefit plans	(8)	(63)
Total accumulated other comprehensive income	93	(25)
Non-controlling interests	260	294
Total net assets	17,038	18,386
Total liabilities and net assets	29,080	28,128

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

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	31,780	30,453
Cost of sales	24,460	23,832
Gross profit	7,319	6,621
Selling, general and administrative expenses	5,265	5,194
Operating income	2,054	1,426
Non-operating income		
Interest and dividend income	12	13
Rent income on non-current assets	67	67
Patent income	23	28
Gain on insurance adjustment	15	—
Compensation income	—	34
Other	28	14
Total non-operating income	147	158
Non-operating expenses		
Interest expenses	3	5
Loss on sales of notes receivable - trade	10	0
Loss on retirement of non-current assets	7	7
Rent expenses on non-current assets	8	8
Commission fee	1	12
Loss on disposal of inventories	—	21
Foreign exchange losses	29	66
Share of loss of entities accounted for using equity method	—	12
Other	5	10
Total non-operating expenses	65	145
Ordinary income	2,137	1,438
Extraordinary income		
Gain on sales of investment securities	—	13
Total extraordinary income	—	13
Extraordinary losses		
Loss on retirement of non-current assets	—	96
Total extraordinary losses	—	96
Profit before income taxes	2,137	1,355
Income taxes - current	739	395
Income taxes - deferred	16	59
Total income taxes	756	455
Profit	1,380	900
Profit attributable to non-controlling interests	36	16
Profit attributable to owners of parent	1,344	883

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Profit	1,380	900
Other comprehensive income		
Valuation difference on available-for-sale securities	11	(21)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(144)	(26)
Remeasurements of defined benefit plans, net of tax	50	(54)
Share of other comprehensive income of entities accounted for using equity method	—	0
Total other comprehensive income	(83)	(102)
Comprehensive income	1,297	798
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38	33
Comprehensive income attributable to non-controlling interests	1,259	764

(3) Consolidated Statement of Changes in Equity  
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



For the fiscal year ended March 31, 2020

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,506	2,053	12,874	(749)	16,685
Changes of items during period					
Dividends of surplus			(489)		(489)
Profit attributable to owners of parent			883		883
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		329		709	1,038
Net changes of items other than shareholders' equity					
Total changes of items during period	—	329	394	709	1,432
Balance at end of current period	2,506	2,382	13,268	(40)	18,117

	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	74	(0)	28	(8)	93	260	17,038
Changes of items during period							
Dividends of surplus							(489)
Profit attributable to owners of parent							883
Purchase of treasury shares							(0)
Disposal of treasury shares							1,038
Net changes of items other than shareholders' equity	(21)	(0)	(42)	(54)	(119)	33	(85)
Total changes of items during period	(21)	(0)	(42)	(54)	(119)	33	1,347
Balance at end of current period	52	(0)	(14)	(63)	(25)	294	18,386

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,137	1,355
Depreciation	832	787
Increase (decrease) in allowance for doubtful accounts	(5)	3
Increase (decrease) in provision for directors' bonuses	(15)	(18)
Increase (decrease) in provision for product warranties	(23)	(33)
Increase (decrease) in net defined benefit liability	16	(12)
Interest and dividend income	(12)	(13)
Interest expenses	3	5
Foreign exchange losses (gains)	(2)	0
Loss on retirement of non-current assets	7	100
Loss (gain) on sales of investment securities	—	(13)
Share of loss (profit) of entities accounted for using equity method	—	12
Decrease (increase) in notes and accounts receivable - trade	1,300	(216)
Decrease (increase) in inventories	(1,087)	878
Increase (decrease) in notes and accounts payable - trade	427	(1,483)
Increase (decrease) in accrued consumption taxes	(4)	3
Decrease (increase) in consumption taxes refund receivable	(58)	156
Other, net	(207)	(5)
Subtotal	3,307	1,507
Interest and dividend income received	12	13
Interest expenses paid	(3)	(5)
Income taxes paid	(878)	(611)
Net cash provided by (used in) operating activities	2,438	904
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(428)	(810)
Purchase of intangible assets	(172)	(230)
Payments for retirement of property, plant and equipment	—	(50)
Proceeds from sales of investment securities	—	22
Purchase of investment securities	—	(825)
Other	—	0
Net cash provided by (used in) investing activities	(601)	(1,894)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	200	100
Repayments of long-term loans payable	(350)	(200)
Cash dividends paid	(470)	(489)
Sold of treasury shares	—	1,025
Purchase of treasury shares	(0)	(0)
Other, net	(2)	(1)
Net cash provided by (used in) financing activities	(623)	434
Effect of exchange rate change on cash and cash equivalents	(60)	(2)
Net increase (decrease) in cash and cash equivalents	1,152	(558)
Cash and cash equivalents at beginning of period	4,460	5,613
Cash and cash equivalents at end of period	5,613	5,054