

Highlights of Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 2020 (IFRS)

■ Both revenue and profits decreased. Progress in the achievement of profit for the period (attributable to owners of the parent) was approximately 21%.

◇ Revenue	168.4 billion yen	1.9% down
◇ Operating profit	5.8 billion yen	14.7% down
◇ Profit before tax	5.8 billion yen	15.4% down
◇ Profit attributable to owners of the parent	3.5 billion yen	14.6% down

Profit & loss statement						
(Unit: billion yen)	Q1 of FY2019	Q1 of FY2020	Year-on-year		FY2020	
			Change	Change(%)	Forecast	Progress (%)
Revenue	171.7	168.4	(3.3)	(1.9%)	740.0	22.8%
Gross profit	25.5	25.2	(0.2)	(0.9%)	-	-
Selling, general and administrative expenses	(19.0)	(19.5)	(0.5)	-	-	-
Other income (expenses)	0.4	0.1	(0.3)	(66.8%)	-	-
Operating profit	6.8	5.8	(1.0)	(14.7%)	31.0	18.8%
Interest income (expenses)	(0.5)	(0.6)	(0.1)	-	-	-
Dividend income	0.5	0.4	(0.0)	-	-	-
Other finance income (costs)	(0.0)	(0.0)	(0.0)	-	-	-
Finance income (costs)	(0.1)	(0.3)	(0.2)	-	-	-
Share of profit (loss) of investments accounted for using the equity method	0.1	0.2	0.1	-	-	-
Profit before tax	6.8	5.8	(1.1)	(15.4%)	30.0	19.3%
Income tax expense	(2.2)	(1.8)	0.4	-	-	-
Profit for the period	4.7	4.0	(0.7)	(14.4%)	-	-
Profit attributable to owners of the parent	4.1	3.5	(0.6)	(14.6%)	17.0	20.7%
Earnings per share (yen)	48.98	42.19	(6.79)	(13.9%)	202.93	20.7%

【Revenue】
Decreased 3.3 billion yen, mainly affected by the Motor Vehicles & Aerospace and Electronics & Devices segments, despite an increase in the Foods & Grain segment

【Operating profit】
Decreased 1.0 billion yen, mainly affected by the Steel, Materials & Plant and Motor Vehicles & Aerospace segments, despite an increase in the Electronics & Devices segment.

【Profit before tax】
Decreased 1.1 billion yen due to a decrease in operating profit.

【Profit attributable to owners of the parent】
Decreased 0.6 billion yen due to a decline in profit before tax.

Segment information						
(Unit: billion yen)	Revenue			Operating profit		
	Q1 of FY2019	Q1 of FY2020	Change	Q1 of FY2019	Q1 of FY2020	Change
Electronics & Devices	56.9	55.6	(1.3)	2.5	2.8	0.3
Foods & Grain	62.4	62.9	0.6	1.7	1.5	(0.2)
Steel, Materials & Plant	32.4	31.6	(0.9)	1.0	0.4	(0.6)
Motor Vehicles & Aerospace	17.0	15.3	(1.7)	1.4	0.9	(0.5)
Total for reportable segments	168.7	165.4	(3.2)	6.6	5.6	(1.0)
Other (including adjustment)	3.0	3.0	(0.0)	0.3	0.3	0.0
Grand total	171.7	168.4	(3.3)	6.8	5.8	(1.0)

【Electronics&Devices】 A decline in revenue and an increase in profit
The ICT solutions business had a sluggish start chiefly due to the extension of deliveries for certain projects. The mobile business remained solid partly due to last-minute demand before the introduction of plans separating handset payments and services charges. The electronic equipment business was firm, aided by the conversion of a card printer company into a consolidated subsidiary in the previous year.

【Foods&Grain】 An increase in revenue and a decline in profit
In the feedstuff business, market price conditions remained stable. However, aquafeed transactions had a discouraging start due to a decline in fish catches in South America. In the food business, processed agricultural products transactions were solid, aided by stable demand. The meat business remained solid in all livestock categories.

【Steel, Materials & Plant】 A decline in revenue and profit
The energy business performed strongly, mainly driven by domestic transactions. The steel business continued to perform poorly, mainly due to trade issues. In the oil field tubing business, the oil field tubing market registered a slight slowdown against the backdrop of a decline in oil prices. In the plant infrastructure business, profits fell due to the suspension of transactions with the Middle East.

【Motor Vehicles & Aerospace】 A decline in revenue and profit
In the aerospace business, profits decreased due to the absence of strong performances in the previous year. In the motor vehicles and parts business, profits declined due to the suspension of transactions with the Middle East.

Assets, Liabilities and Net Assets				
(Unit: billion yen)	3/2019	6/2019	Comparison with 3/2019	
			Change	Change(%)
Total assets	549.5	543.8	(5.7)	(1.0%)
Gross interest-bearing debt (Note 1)	139.5	156.9	17.4	12.5%
Net interest-bearing debt	50.0	71.0	21.0	42.1%
Shareholders' equity (Note 2)	125.2	124.1	(1.1)	(0.9%)
Retained earnings	60.7	61.4	0.6	1.0%
Other components of equity	11.2	9.4	(1.8)	(16.2%)
Equity ratio (Note 3)	22.8%	22.8%	Level	-
Net debt-equity ratio (Note 4)	0.40times	0.57times	0.17pt up	-

【Total assets】
Declined 5.7 billion yen, mainly due to decreases in trade and other receivables.

【Interest-bearing debt】
Net interest-bearing debt rose 21.0 billion yen. (Includes an increase of 16.9 billion yen due to the application of IFRS 16 (leases))

【Shareholders' equity】
Decreased 1.1 billion yen due to a decline in exchange differences on the translation of foreign operations due to foreign exchange rate fluctuations, despite the accumulation of retained earnings.

Equity ratio is 22.8%.
Net debt-equity ratio stood at 0.57 times (0.44 times based on calculation without applying IFRS 16).

(Note 1) Increased, reflecting the recognition of lease obligations amounting to approximately 16.9 billion yen at the beginning of the fiscal year due to the mandatory application of IFRS 16 (leases), starting from the fiscal year ending March 31, 2020.

(Note 2) Shareholder's equity = Total equity attribute to owners of the parent (Note 3) Equity ratio = Shareholder's equity / Total assets

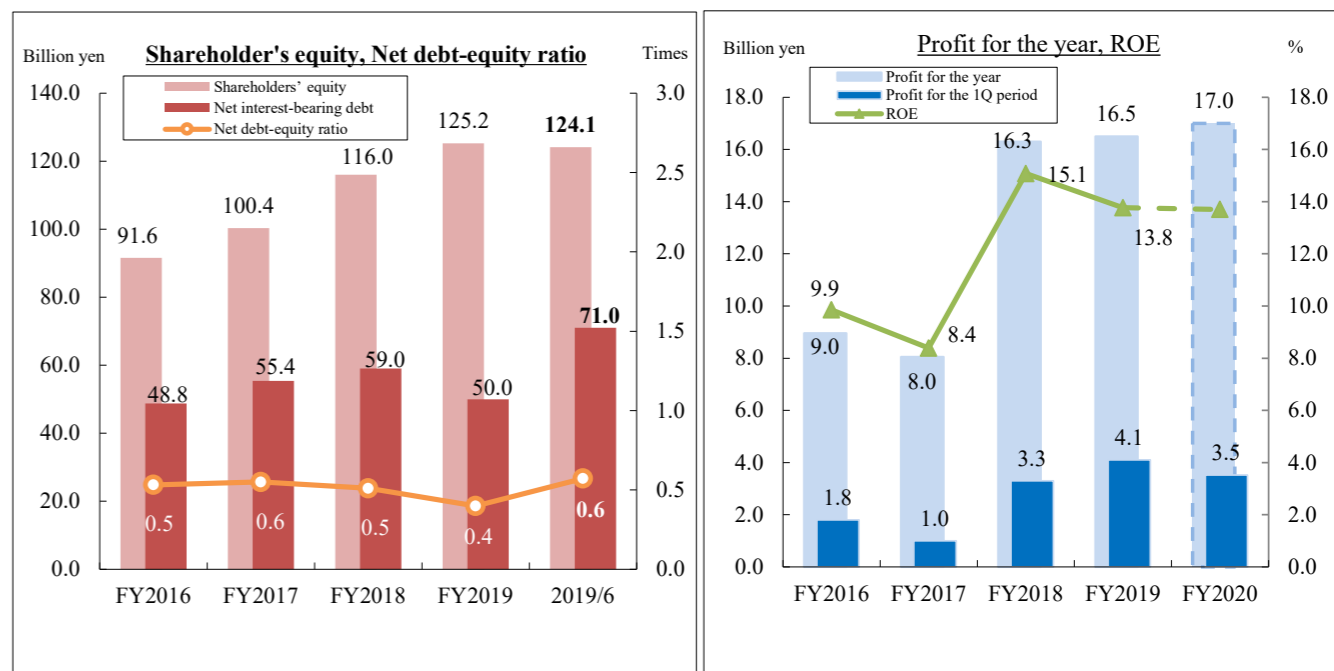
Cash Flows			Dividends	
(Unit: billion yen)	Q1 of FY2019	Q1 of FY2020	【FY2019】	
			Interim	Year-end
CF from operating activities	1.9	1.8	25 yen per share	35 yen per share
CF from investing activities	(0.6)	(1.1)	Annual	60 yen per share
Free cash flows	1.3	0.7	【FY2020】	
CF from financing activities	(2.5)	(4.1)	Interim (Plan)	30 yen per share
Increase (decrease) in cash and cash equivalents	(1.2)	(3.4)	Year-end (Plan)	30 yen per share
			Annual (Plan)	60 yen per share
			Annual	FY2018
			FY2019	FY2020 (plan)
			Consolidated payout ratio	24.8%
				30.3%
				29.6%

【CF from operating activities】
Net cash provided by operating activities was 1.8 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】
Net cash used in investing activities was 1.1 billion yen, mainly due to the acquisition of property, plant and equipment.

【CF from financing activities】
Net cash used in financing activities was 4.1 billion yen, mainly due to cash dividends paid and lease obligations repaid.

(Note) Due to the mandatory application of IFRS 16 (leases), starting from the fiscal year ending March 31, 2020, cash flows from operating activities increased 1.2 billion yen and cash flows from financing activities decreased 1.2 billion yen, respectively, compared to the levels before the application.



* The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results might differ materially from the forecasts due to a number of factors.

* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.