

## Highlights of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2021 (IFRS)

<b>Revenue and profits both fell.</b>			
◇Revenue	304.9 billion yen	14.6% down	
◇Operating profit	10.0 billion yen	32.2% down	
◇Profit before tax	9.6 billion yen	32.6% down	
◇Profit attributable to owners of the parent	5.9 billion yen	24.8% down	
■ Full-year forecasts have been revised (Operating profit: 27.0 billion yen → 24.0 billion yen, Profit for the period: 14.5 billion yen → 13.0 billion yen)			
■ Annual dividend forecast is maintained at 60 yen, as in the initial forecast.			

Profit & loss statement						
(Unit: billion yen)	Q2 of FY2020	Q2 of FY2021	Year-on-year		FY2021	
			Change	Change(%)	Forecast	Progress (%)
Revenue	357.0	304.9	(52.1)	(14.6%)	670.0	45.5%
Gross profit	55.0	47.5	(7.5)	(13.6%)	-	-
Selling, general and administrative expenses	(39.9)	(38.1)	1.9	-	-	-
Other income (expenses)	(0.3)	0.6	0.9	324.4%	-	-
Operating profit	14.7	10.0	(4.7)	(32.2%)	24.0	41.5%
Interest income (expenses)	(1.3)	(0.9)	0.3	-	-	-
Dividend income	0.5	0.4	(0.0)	-	-	-
Other finance income (costs)	(0.1)	(0.2)	(0.1)	-	-	-
Finance income (costs)	(0.9)	(0.7)	0.2	-	-	-
Share of profit (loss) of investments accounted for using the equity method	0.4	0.3	(0.2)	(35.8%)	-	-
Profit before tax	14.2	9.6	(4.6)	(32.6%)	23.0	41.7%
Income tax expense	(4.4)	(2.4)	2.1	-	-	-
Profit for the period	9.8	7.2	(2.6)	(26.3%)	-	-
Profit attributable to owners of the parent	7.8	5.9	(1.9)	(24.8%)	13.0	45.2%
Earnings per share (yen)	93.53	70.34	(23.19)	(24.8%)	155.67	45.2%

**【Revenue】**  
Decreased 52.1 billion yen, primarily in the Electronics & Devices and the Steel, Materials & Plant segments.

**【Operating profit】**  
Decreased 4.7 billion yen, primarily in the Electronics & Devices segment.

**【Profit before tax】**  
Decreased 4.6 billion yen due to a drop in operating profit.

**【Profit attributable to owners of the parent】**  
Decreased 1.9 billion yen as a result of a decline in profit before tax.

Assets, Liabilities and Net Assets				
(Unit: billion yen)	3/2020	9/2020	Comparison with 3/2020	
			Change	Change(%)
Total assets	551.7	522.0	(29.6)	(5.4%)
Gross interest-bearing debt (Note 1)	143.4	128.2	(15.2)	(10.6%)
Net interest-bearing debt	51.8	42.6	(9.2)	(17.8%)
Shareholders' equity (Note 2)	130.8	134.4	3.6	2.7%
Retained earnings	69.5	72.9	3.3	4.8%
Other components of equity	7.9	8.1	0.3	3.4%
Equity ratio (Note 3)	23.7%	25.7%	2.0% up	-
Net debt-equity ratio (Note 4)	0.40 times	0.32 times	0.08pt down	-

**【Total assets】**  
Decreased 29.6 billion yen mainly due to a fall in trade and other receivables.

**【Interest-bearing debt】**  
Net interest-bearing debt decreased 9.2 billion yen.

**【Shareholders' equity】**  
Increased 3.6 billion yen chiefly due to a rise in retained earnings.

Equity ratio is 25.7%.  
Net debt-equity ratio stood at 0.32 times.

(Note1) Gross interest-bearing debt = Total amount of bonds and loans minus lease liabilities  
(Note2) Shareholder's equity = Total equity attribute to owners of the parent (Note 3) Equity ratio = Shareholder's equity / Total assets  
(Note 4) Net debt-equity ratio = Net interest-bearing debt / Equity capital

Cash Flows			Dividends		
(Unit: billion yen)	Q2 of FY2020	Q2 of FY2021	FY2020		
			Interim	Year-end	Annual
CF from operating activities	13.0	20.4	30 yen per share	30 yen per share	60 yen per share
CF from investing activities	(5.2)	(3.6)			
Free cash flows	7.8	16.7			
CF from financing activities	(16.8)	(22.5)			
Increase (decrease) in cash and cash equivalents	(9.0)	(5.8)			
Ending balance of cash and cash equivalents	79.6	85.0			

**【CF from operating activities】**  
Net cash provided by operating activities was 20.4 billion yen, mainly reflecting the accumulation of operating revenue.

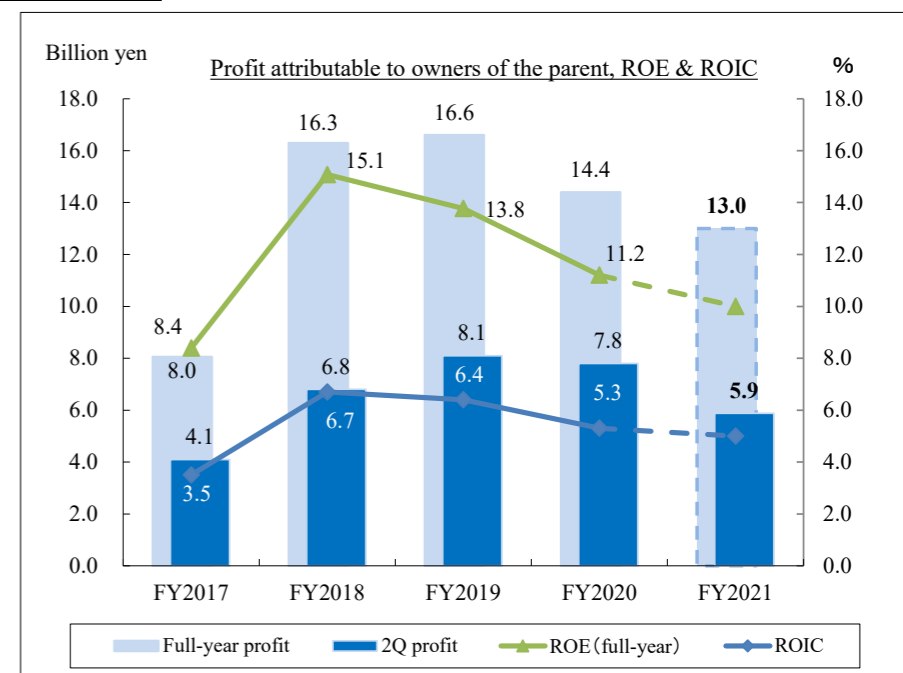
**【CF from investing activities】**  
Net cash used in investing activities was 3.6 billion yen, mainly due to the acquisition of property, plant and equipment.

**【CF from financing activities】**  
Net cash used in financing activities was 22.5 billion yen, mainly due to the repayment of borrowings and lease liabilities.

**【FY2021】**  
Interim: 30 yen per share  
Year-end (Plan): 30 yen per share  
Annual (Plan): 60 yen per share

	FY2019	FY2020	FY2021 (plan)
Consolidated payout ratio	30.3%	34.8%	38.5%

Segment information										Causes of increase/decrease in operating profit		
(Unit: billion yen)	Revenue			Operating profit			Profit attributable to owners of the parent			Change		
	Q2 of FY2020	Q2 of FY2021	Change	Q2 of FY2020	Q2 of FY2021	Change	Q2 of FY2020	Q2 of FY2021	Change			
Electronics & Devices	126.8	102.9	(23.9)	9.3	7.5	(1.8)	4.8	3.5	(1.3)	<b>【Electronics&amp;Devices】A decline in revenue and profit</b> The ICT solutions business performed solidly, despite the postponement of investment observed in the manufacturing industry. The semiconductor parts and manufacturing equipment business remained solid due to the resumption of shipments of equipment to China, which had been postponed due to the impact of the COVID-19 pandemic. The mobile business remained weak given decreased store footfall reflecting shorter business hours, as well as cautious spending before the launch of new models and expectations for lower telephone charges in the current fiscal year, although there had been last-minute demand before the consumption tax hike in the previous fiscal year.		
Foods, Meet & Grain	127.5	122.9	(4.5)	1.7	0.3	(1.4)	0.8	0.8	0.0	<b>【Foods, Meet &amp; Grain】A decline in revenue and profit</b> The feedstuff business remained strong on the back of growing demand for home-cooked food in transactions involving agricultural products, oils and fats, such as soybeans and rice, partially aided by rising prices of soybeans. The food business and meat products business remained weak and experienced difficulties caused by the sluggish recovery of demand from the food service sector due to the impact of self-restraint on going out, despite brisk transactions with supermarkets, reflecting efforts to tap into at-home consumption, in addition to the impact of falling prices in the meat products business.		
Steel, Materials & Plant	62.5	41.2	(21.4)	1.8	0.5	(1.4)	1.1	0.9	(0.2)	<b>【Steel, Materials &amp; Plant】A decline in revenue and profit</b> The energy business posted higher profits despite lower revenue thanks to an improvement in the profitability of domestic oil sales transactions, which offset the impact of declining demand attributable to falling crude oil prices and the pandemic. The chemicals business also remained firm, especially transactions involving pharmaceuticals. The iron and steel business was lackluster, reflecting a slump in demand related to automobiles and oils and the impact of lockdowns in overseas markets. The machine tools and industrial machinery business was weak because of the impact of postponed capital investment plans due to the COVID-19 pandemic. The oilfield tubing business was also strongly affected by weak drilling demand caused by falling crude oil prices.		
Motor Vehicles & Aerospace	34.0	32.5	(1.4)	1.3	1.3	0.0	0.9	0.9	0.1	<b>【Motor Vehicles &amp; Aerospace】Revenue decreased and profit stayed flat</b> In the aerospace business, core transactions involving aircraft parts with public offices held firm. The motor vehicles and parts business continued to be affected by a decline in global demand.		
Total for reportable segments	350.8	299.6	(51.2)	14.1	9.6	(4.6)	7.6	6.1	(1.5)			
Other (including adjustment)	6.1	5.3	(0.9)	0.5	0.4	(0.2)	0.2	(0.2)	(0.5)			
Grand total	357.0	304.9	(52.1)	14.7	10.0	(4.7)	7.8	5.9	(1.9)			



\* 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.