

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

Revenue and profits both fell year on year.

◇ Revenue	467.8 billion yen	11.9% down
◇ Operating profit	14.6 billion yen	22.3% down
◇ Profit before tax	14.1 billion yen	22.1% down
◇ Profit attributable to owners of the parent	8.5 billion yen	9.2% down

Progress of profit attributable to owners of the parent is approx. 66%.

Profit & loss statement						
(Unit: billion yen)	Q3 of FY2020	Q3 of FY2021	Year-on-year		FY2021	
			Change	Change(%)	Forecast	Progress (%)
Revenue	531.1	467.8	(63.4)	(11.9%)	670.0	69.8%
Gross profit	79.8	71.7	(8.1)	(10.2%)	-	-
Selling, general and administrative expenses	(61.1)	(57.8)	3.3	-	-	-
Other income (expenses)	0.1	0.7	0.6	1220.9%	-	-
Operating profit	18.7	14.6	(4.2)	(22.3%)	24.0	60.7%
Interest income (expenses)	(1.9)	(1.3)	0.6	-	-	-
Dividend income	0.7	0.7	0.0	-	-	-
Other finance income (costs)	(0.1)	(0.2)	(0.1)	-	-	-
Finance income (costs)	(1.4)	(0.8)	0.5	-	-	-
Share of profit (loss) of investments accounted for using the equity method	0.5	0.4	(0.1)	(20.9%)	-	-
Profit before tax	17.9	14.1	(3.8)	(21.1%)	23.0	61.3%
Income tax expense	(5.9)	(3.9)	2.0	-	-	-
Profit for the period	11.9	10.2	(1.8)	(14.7%)	-	-
Profit attributable to owners of the parent	9.4	8.5	(0.9)	(9.2%)	13.0	65.7%
Earnings per share (yen)	112.70	102.27	(10.43)	(9.3%)	155.67	65.7%

【Revenue】
Decreased 63.4 billion yen, primarily in the Electronics & Devices and the Steel, Materials & Plant segments.

【Operating profit】
Decreased 4.2 billion yen, primarily in the Electronics & Devices and the Steel, Materials & Plant segments.

【Profit before tax】
Decreased 3.8 billion yen due to a drop in operating profit.

【Profit attributable to owners of the parent】
Decreased 0.9 billion yen as a result of a decline in profit before tax.

Assets, Liabilities and Net Assets

(Unit: billion yen)	3/2020	12/2020	Comparison with 3/2020	
			Change	Change(%)
Total assets	551.7	537.6	(14.1)	(2.6%)
Gross interest-bearing debt (Note 1)	143.4	127.3	(16.1)	(11.2%)
Net interest-bearing debt	51.8	41.4	(10.4)	(20.1%)
Shareholders' equity (Note 2)	130.8	135.1	4.3	3.3%
Retained earnings	69.5	73.0	3.5	5.0%
Other components of equity	7.9	8.7	0.8	10.4%
Equity ratio (Note 3)	23.7%	25.1%	1.4pt up	-
Net debt-equity ratio (Note 4)	0.40 times	0.31 times	0.09pt down	-

【Total assets】
Decreased 14.1 billion yen mainly due to a fall in trade and other receivables.

【Interest-bearing debt】
Net interest-bearing debt fell 10.4 billion yen mainly due to the repayment of short-term borrowings.

【Shareholders' equity】
Increased 4.3 billion yen chiefly due to a rise in retained earnings.

The equity ratio came to 25.1%. The net debt-equity ratio was 0.31 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

(Unit: billion yen)	Q3 of FY2020	Q3 of FY2021
CF from operating activities	13.2	28.3
CF from investing activities	(8.8)	(5.0)
Free cash flows	4.4	23.3
CF from financing activities	(13.3)	(28.8)
Increase (decrease) in cash and cash equivalents	(8.9)	(5.5)
Ending balance of cash and cash equivalents	79.9	85.2

【CF from operating activities】
Net cash provided by operating activities was 28.3 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】
Net cash used in investing activities was 5.0 billion yen, mainly due to the acquisition of property, plant and equipment.

【CF from financing activities】
Net cash used in financing activities was 28.8 billion yen, mainly due to the repayment of borrowings and cash dividends paid.

Dividends

【FY2020】	
Interim	30 yen per share
Year-end	30 yen per share
Annual	60 yen per share
【FY2021】	
Interim	30 yen per share
Year-end (Plan)	30 yen per share
Annual (Plan)	60 yen per share

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

Segment information

(Unit: billion yen)	Revenue			Operating profit			Profit attributable to owners of the parent		
	Q3 of FY2020	Q3 of FY2021	Change	Q3 of FY2020	Q3 of FY2021	Change	Q3 of FY2020	Q3 of FY2021	Change
Electronics & Devices	185.7	157.4	(28.2)	12.5	10.0	(2.6)	6.3	4.7	(1.6)
Foods, Meet & Grain	191.2	186.1	(5.1)	1.9	1.8	(0.1)	0.7	1.8	1.1
Steel, Materials & Plant	95.4	66.6	(28.8)	1.8	0.8	(1.0)	1.1	1.3	0.2
Motor Vehicles & Aerospace	49.9	49.6	(0.3)	1.8	1.5	(0.3)	1.2	1.0	(0.2)
Total for reportable segments	522.3	459.8	(62.5)	18.0	14.0	(4.0)	9.3	8.8	(0.5)
Other (including adjustment)	8.9	8.0	(0.9)	0.7	0.6	(0.2)	0.1	(0.2)	(0.4)
Grand total	531.1	467.8	(63.4)	18.7	14.6	(4.2)	9.4	8.5	(0.9)

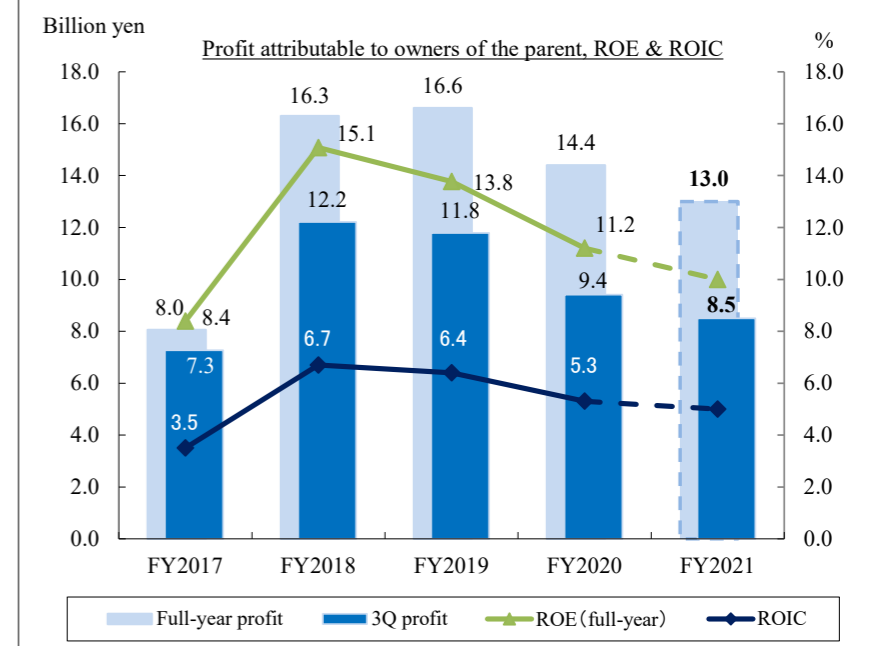
Causes of increase/decrease in operating profit

【Electronics&Devices】A decline in revenue and profit
In the ICT solutions business, transactions remained generally solid, despite decline in server and storage related sales in transactions with the manufacturing industry. The mobile business remained weak due to shorter business hours and cautious spending before the rollout of services with new tariff plans, despite the start of sales of new 5G models. The semiconductor parts and manufacturing equipment business saw solid shipments to China in transactions involving LCD manufacturing equipment.

【Foods, Meet & Grain】A decline in revenue and profit
The grain business remained strong, partly due to growing demand for home-cooked food and rallying prices. The food business and meat products business remained weak owing to a sluggish recovery of demand from the food service sector, despite brisk transactions with food manufacturers and supermarkets, reflecting efforts to tap into demand for home-cooked food.

【Steel, Materials & Plant】A decline in revenue and profit
The energy business performed well mainly thanks to improvement in the profitability of domestic transactions involving petroleum products. The chemicals business also remained firm, especially transactions involving pharmaceuticals. The iron and steel business struggled mainly due to the impact of high crude oil prices and the stagnation of overseas markets. The machine tools and industrial machinery business was weak because of the impact of postponed capital investment plans. The oilfield tubing business was also lackluster, affected by sluggish drilling demand.

【Motor Vehicles & Aerospace】A decline in revenue and profit
In the aerospace business, core transactions with public offices held firm, offsetting a slump in transactions involving aircraft parts overseas due to the effects of COVID-19. The motor vehicles and parts business recovered slightly from the decline in global demand but was still affected and remained weak.



* 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.