

Consolidated Financial Results for the First Quarter Ended June 30, 2020 <under Japanese GAAP>

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 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 6482
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Scheduled date to submit quarterly report: August 7, 2020
 Scheduled date to commence dividend payments: -
 Preparation of supplementary materials on financial results: None
 Holding of financial results briefing: None

(Amounts less than one million yen are omitted, unless otherwise noted)

1. Consolidated Business Results for the First Quarter Ended June 30, 2020

(from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2020	3,743	(31.0)	300	(55.0)	312	(49.4)	235	(45.7)
June 30, 2019	5,428	9.0	667	50.6	618	43.2	432	46.4

Note: Comprehensive income

Three months ended June 30, 2020: 258 million yen [(9.3) %]

Three months ended June 30, 2019: 285 million yen [(6.2) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2020	6.91	-
June 30, 2019	12.69	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	32,092	27,353	84.5
As of March 31, 2020	31,933	27,471	85.3

Reference: Equity capital (Net assets less non-controlling interests)

As of June 30, 2020: 27,134 million yen

As of March 31, 2020: 27,229 million yen

2. Cash Dividends

	Annual dividends per share				
	1Q	2Q	3Q	4Q	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	-	8.00	-	10.00	18.00
FY2021	-				
FY2021 (Forecast)		-	-	-	-

Note : Revisions to projected dividends most recently announced: None

Dividends for the FY2021(Forecast) have yet to be determined.

3. Consolidated Earnings Forecasts for the FY2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2020	7,500	(27.6)	550	(56.2)	560	(52.2)	410	(51.1)	12.05
FY2021	17,000	(15.1)	1,600	(30.7)	1,610	(27.0)	1,150	(25.0)	33.79

Note: Revisions to projected results most recently announced: Yes

*** Notes**

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation): None

(2) Adoption of the special accounting methods: Yes

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes related to quarterly consolidated financial statements <Adoption of special accounting methods for preparation of quarterly financial statements>” on page 8 of [Attached Material] for further information.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| 2) Changes in accounting policies due to other reasons: | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatement: | None |

(4) Number of issued shares (Common stock)

1) Number of issued shares at the end of the period (including shares of treasury shares)	As of June 30, 2020	35,638,066 shares	As of March 31, 2020	35,638,066 shares
2) Number of shares of treasury shares at the end of the period	As of June 30, 2020	1,602,454 shares	As of March 31, 2020	1,602,454 shares
3) Average number of outstanding shares during the period	Three months ended June 30, 2020	34,035,612 shares	Three months ended June 30, 2019	34,107,843 shares

* This “Consolidated Financial Results for the First Quarter” report is not subject to quarterly review procedures by certified public accountant or by auditing firm.

* Cautionary statement with respect to forward-looking statements and other special remarks

The forecasts above are based on the information currently available. A number of factors could cause actual results to differ materially from expectations.

For more information about these assumptions and notes regarding the use of earnings forecasts, please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation on the forecast information including consolidated earnings forecast and others” on page 3 of [Attached Material].

* Disclaimer:

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation on the business results

During the first quarter of the fiscal year under review, the global economy faced a difficult situation as capital investment continued to decline due to the impact of trade friction between the United States and China, and corporate activities were severely restricted by city blockades in many countries due to the spread of COVID-19 infection. Although there were signs of recovery in some countries, such as China, as economic activity resumed, a significant slowdown in consumption had a severe impact on the global economy. As a result, the environment surrounding us has become even more challenging and the future of us remains uncertain.

Under these circumstances, we have continued to develop new customers on a global scale, while giving top priority to the safety of customers, business partners and employees and paying sufficient attention to the spread of COVID-19 infection. During the first quarter of the current fiscal year, sales of Take-out robots in Japan and Asia decreased compared to the same quarter of the previous year due to a decline in capital investment, although sales in North America were strong, mainly in the medical field. In addition, although sales of Custom-ordered equipment in Europe recorded certain amount, they decreased compared to the same quarter last year due to differences in the timing of deliveries. As a result, consolidated Net sales decreased by 31.0% year on year to 3,743 million yen. In terms of profit, although we have continued to reduce cost, Operating profit decreased by 55.0% to 300 million yen due to the decline in consolidated Net sales and Ordinary profit decreased by 49.4% to 312 million yen despite there was foreign exchange gain. As a result, Profit attributable to owners of parent decreased by 45.7% year on year to 235 million yen.

(2) Explanation on the financial condition

<Assets>

Total assets increased by 159 million yen from the end of the previous fiscal year to 32,092 million yen. This was mainly due to increase of “Cash and deposits” by 882 million yen despite decrease of “Notes and accounts receivable - trade” by 716 million yen.

<Liabilities>

Total liabilities increased by 277 million yen from the end of the previous fiscal year to 4,739 million yen. This was mainly due to increase of “Advances received” by 196 million yen.

<Net assets>

Net assets decreased by 118 million yen from the end of the previous fiscal year to 27,353 million yen.

(3) Explanation on the forecast information including consolidated earnings forecast and others

Despite the impact of COVID-19 infection, Operating profit margin have improved compared to the Business forecast for the fiscal year ending March 31, 2021 announced in the Consolidated Financial Results released on May 14, 2020. This is because the gross profit margin is improving due to the product mix and the fact that we have further promoted cost control and reduction and the reduction of Selling, general and administrative expenses has progressed more than originally planned. As a result, we have revised Business forecast for the first half and full year of the fiscal year ending March 31, 2021, which were announced in the Consolidated Financial Results on May 14, 2020, as follows. If revisions are required due to the spread of COVID-19 infection or other reasons, announcement will be made as soon as possible.

(a) Revised Consolidated Earnings Forecasts for the FY2021 1H (from April 1, 2020 to September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous Forecast (A) (May 14, 2020)	Millions of yen 7,500	Millions of yen 105	Millions of yen 105	Millions of yen 50	Yen 1.47
Revised Forecast (B)	7,500	550	560	410	12.05
Change (B-A)	-	445	455	360	-
Percentage Change (%)	-	423.8	433.3	720.0	-
FY2020 1H (Reference)	10,364	1,255	1,172	838	24.61

(b) Revised Consolidated Earnings Forecasts for the FY2021 (from April 1, 2020 to March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous Forecast (A) (May 14, 2020)	Millions of yen 17,000	Millions of yen 1,150	Millions of yen 1,150	Millions of yen 780	Yen 22.90
Revised Forecast (B)	17,000	1,600	1,610	1,150	33.79
Change (B-A)	-	450	460	370	-
Percentage Change (%)	-	39.1	40.0	47.4	-
FY2020 (Reference)	20,011	2,309	2,205	1,532	45.01

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
<ASSETS>		
Current assets		
Cash and deposits	8,646,219	9,529,202
Notes and accounts receivable - trade	5,410,654	4,694,528
Merchandise and finished goods	772,690	1,117,799
Work in process	1,120,628	904,336
Raw materials and supplies	3,165,533	3,160,685
Other	295,409	265,992
Allowance for doubtful accounts	(19,247)	(16,879)
Total current assets	19,391,889	19,655,664
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,554,294	4,452,608
Land	6,107,772	6,109,295
Other, net	243,910	225,892
Total property, plant and equipment	10,905,978	10,787,796
Intangible assets	358,333	338,341
Investments and other assets		
Investment securities	159,973	175,180
Retirement benefit asset	285,556	283,502
Deferred tax assets	658,373	679,743
Other	193,669	192,600
Allowance for doubtful accounts	(20,403)	(20,297)
Total investments and other assets	1,277,168	1,310,730
Total non-current assets	12,541,479	12,436,868
Total assets	31,933,368	32,092,533

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
<LIABILITIES>		
Current liabilities		
Notes and accounts payable - trade	1,698,391	1,663,772
Accounts payable - other	418,287	378,412
Income taxes payable	137,914	123,343
Advances received	1,270,310	1,466,618
Provision for bonuses	267,606	139,171
Provision for bonuses for directors	23,410	8,475
Provision for product warranties	178,399	183,020
Other	256,484	564,181
Total current liabilities	4,250,803	4,526,995
Non-current liabilities		
Provision for retirement benefits for directors	66,780	66,780
Retirement benefit liability	62,919	67,007
Deferred tax liabilities	34,438	33,181
Other	46,466	45,313
Total non-current liabilities	210,603	212,282
Total liabilities	4,461,407	4,739,278
<NET ASSETS>		
Shareholders' equity		
Share capital	1,985,666	1,985,666
Capital surplus	2,023,903	2,023,903
Retained earnings	24,531,217	24,425,998
Treasury shares	(1,355,167)	(1,355,167)
Total shareholders' equity	27,185,619	27,080,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,443	27,012
Foreign currency translation adjustment	(34,487)	(32,674)
Remeasurements of defined benefit plans	62,169	59,380
Total accumulated other comprehensive income	44,125	53,718
Non-controlling interests	242,216	219,136
Total net assets	27,471,961	27,353,255
Total liabilities and net assets	31,933,368	32,092,533

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income**Quarterly consolidated statements of income**

	(Thousands of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	5,428,963	3,743,759
Cost of sales	3,290,723	2,206,261
Gross profit	2,138,239	1,537,498
Selling, general and administrative expenses	1,470,346	1,236,849
Operating profit	667,893	300,648
Non-operating income		
Interest income	1,646	1,835
Dividend income	3,819	2,889
Purchase discounts	2,778	1,856
Foreign exchange gains	-	2,396
Other	4,395	3,334
Total non-operating income	12,639	12,312
Non-operating expenses		
Sales discounts	61	152
Foreign exchange losses	61,743	-
Other	107	60
Total non-operating expenses	61,912	213
Ordinary profit	618,621	312,748
Extraordinary income		
Gain on sales of non-current assets	3,189	42
Total extraordinary income	3,189	42
Extraordinary losses		
Loss on sales and retirement of non-current assets	342	0
Total extraordinary losses	342	0
Profit before income taxes	621,468	312,790
Income taxes	169,966	72,011
Profit	451,502	240,778
Profit attributable to non-controlling interests	18,579	5,641
Profit attributable to owners of parent	432,922	235,137

Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	451,502	240,778
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,605)	10,568
Foreign currency translation adjustment	(151,738)	10,294
Remeasurements of defined benefit plans, net of tax	(1,688)	(2,788)
Total other comprehensive income	(166,032)	18,074
Comprehensive income	285,469	258,853
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	267,082	244,730
Comprehensive income attributable to non-controlling interests	18,387	14,122

(3) Notes related to quarterly consolidated financial statements**< Notes related to going concern assumption >**

None

< Notes in the event of significant changes in shareholders' equity >

None

< Adoption of special accounting methods for preparation of quarterly financial statements >

Calculation method for tax expenses

The effective tax rate on profit before income taxes for the consolidated fiscal year after the application of tax effect accounting is reasonably estimated, and this estimated rate is applied to profit before income taxes for the quarterly period under review.

< Segment information >

FY2020 1Q (from April 1, 2019 to June 30, 2019)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	2,658,902	851,785	942,297	975,977	5,428,963	-	5,428,963
Inter-segment sales or transfers	783,108	4,997	75,697	-	863,803	(863,803)	-
Total	3,442,011	856,783	1,017,994	975,977	6,292,766	(863,803)	5,428,963
Segment profit	113,909	111,699	96,990	124,891	447,491	220,401	667,893

*Notes 1: The 220,401 thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 9,877 thousand yen and inventory adjustments of 210,523 thousand yen.

*Notes 2: Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated statements of income.

FY2021 1Q (from April 1, 2020 to June 30, 2020)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total	Adjustment *1	Amounts shown on quarterly consolidated statements of income *2
	Japan	U.S.A.	Asia	Europe			
Net sales							
Sales to customers	1,619,700	954,578	812,696	356,784	3,743,759	-	3,743,759
Inter-segment sales or transfers	1,218,588	2,149	40,486	2,634	1,263,858	(1,263,858)	-
Total	2,838,288	956,727	853,182	359,419	5,007,617	(1,263,858)	3,743,759
Segment profit	121,726	169,843	31,212	81,364	404,147	(103,498)	300,648

*Notes 1: The (103,498) thousand yen adjustment to segment profit includes eliminations for inter-segment transactions of 2,210 thousand yen and inventory adjustments of (105,708) thousand yen.

*Notes 2: Segment profit is adjusted to be consistent with operating profit shown on the quarterly consolidated statements of income.

3. Supplemental Information**(1) Orders, backlog and sales**

a. Orders

1) Order received

(Thousands of yen)

Products	FY2020 1Q	FY2021 1Q	Change (%)
Take-out robots	3,362,498	2,768,073	82.3
Custom-ordered equipment	1,168,283	743,900	63.7
Parts and maintenance service	771,825	635,491	82.3
Total	5,302,607	4,147,464	78.2

2) Backlog of orders

(Thousands of yen)

Products	As of June 30, 2019	As of June 30, 2020	Change (%)
Take-out robots	3,082,159	2,388,039	77.5
Custom-ordered equipment	2,915,546	2,171,766	74.5
Parts and maintenance service	226,520	234,121	103.4
Total	6,224,226	4,793,927	77.0

b. Net sales

(Thousands of yen)

Products	FY2020 1Q	FY2021 1Q	Change (%)
Take-out robots	3,284,871	2,500,182	76.1
Custom-ordered equipment	1,373,240	633,593	46.1
Parts and maintenance service	770,851	609,983	79.1
Total	5,428,963	3,743,759	69.0

(2) Overseas sales

FY2020 1Q (from April 1, 2019 to June 30, 2019)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	1,368,002	1,559,872	383,240	153,831	3,464,947
II Consolidated net sales					5,428,963
III Ratio of overseas sales to consolidated net sales (%)	25.2	28.7	7.1	2.8	63.8

FY2021 1Q (from April 1, 2020 to June 30, 2020)

(Thousands of yen)

	North America	Asia	Europe	Other areas	Total
I Overseas sales	945,686	1,050,954	408,457	57,671	2,462,770
II Consolidated net sales					3,743,759
III Ratio of overseas sales to consolidated net sales (%)	25.3	28.1	10.9	1.5	65.8