

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 30, 2020

Company name: Shibaura Machine Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6104 URL <https://www.shibaura-machine.co.jp>  
 Representative: President and Chief Operating Officer Shigetomo Sakamoto  
 Public Relations & Investor Relations  
 Inquiries: Department Minoru Aoki TEL 055(926)5072  
 Senior Manager  
 Scheduled date to file Quarterly Securities Report: August 6, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months 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	20,245	(21.3)	39	–	(42)	–	(500)	–
Three months ended June 30, 2019	25,715	3.2	(388)	–	(401)	–	(441)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	(20.75)		–	
Three months ended June 30, 2019	(18.29)		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	140,343	82,814	59.0
As of March 31, 2020	154,283	87,018	56.4

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	42.50	–	42.50	85.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	37.50	–	37.50	199.30

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	42,000	(29.5)	(2,200)	–	(3,000)	–	(3,000)	–	(124.30)
Full year	92,000	(21.2)	(1,400)	–	(2,400)	–	(2,600)	–	(107.73)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - Changes in accounting policies due to other reasons: No
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2020	29,977,106 shares	As of March 31, 2020	29,977,106 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	5,842,004 shares	As of March 31, 2020	5,841,960 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	24,135,135 shares	Three months ended June 30, 2019	24,135,441 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	47,907	40,862
Notes and accounts receivable - trade	36,064	29,616
Securities	104	149
Merchandise and finished goods	9,052	8,979
Work in process	26,877	26,924
Raw materials and supplies	67	66
Other	2,340	1,796
Allowance for doubtful accounts	(49)	(49)
Total current assets	122,364	108,346
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,014	38,910
Accumulated depreciation and impairment loss	(28,429)	(28,477)
Buildings and structures, net	10,584	10,432
Machinery, equipment and vehicles	24,224	24,193
Accumulated depreciation and impairment loss	(22,073)	(22,058)
Machinery, equipment and vehicles, net	2,151	2,135
Land	7,049	7,056
Leased assets	240	251
Accumulated depreciation and impairment loss	(150)	(149)
Leased assets, net	89	101
Construction in progress	135	230
Other	7,327	7,224
Accumulated depreciation and impairment loss	(6,797)	(6,720)
Other, net	529	503
Total property, plant and equipment	20,541	20,460
Intangible assets		
Other	561	533
Total intangible assets	561	533
Investments and other assets		
Investment securities	6,560	6,906
Long-term loans receivable	13	10
Deferred tax assets	3,142	2,940
Other	2,149	2,196
Allowance for doubtful accounts	(1,048)	(1,049)
Total investments and other assets	10,816	11,003
Total non-current assets	31,918	31,997
Total assets	154,283	140,343

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,279	18,765
Short-term borrowings	10,090	10,340
Income taxes payable	7,218	136
Accrued expenses	5,351	2,381
Provision for bonuses	–	874
Provision for product warranties	720	688
Advances received	6,403	5,406
Other	1,941	5,501
Total current liabilities	53,006	44,094
Non-current liabilities		
Long-term borrowings	4,300	4,050
Long-term accounts payable - other	5	10
Deferred tax liabilities	2	0
Provision for retirement benefits for directors (and other officers)	41	39
Retirement benefit liability	9,770	9,186
Asset retirement obligations	52	52
Other	85	93
Total non-current liabilities	14,258	13,434
Total liabilities	67,264	57,529
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	77,359	72,833
Treasury shares	(16,376)	(16,376)
Total shareholders' equity	85,006	80,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,334	2,580
Deferred gains or losses on hedges	0	9
Foreign currency translation adjustment	843	860
Remeasurements of defined benefit plans	(1,165)	(1,115)
Total accumulated other comprehensive income	2,012	2,334
Total net assets	87,018	82,814
Total liabilities and net assets	154,283	140,343

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	25,715	20,245
Cost of sales	18,497	14,168
Gross profit	7,218	6,076
Selling, general and administrative expenses	7,606	6,036
Operating profit (loss)	(388)	39
Non-operating income		
Interest income	14	16
Dividend income	122	110
Foreign exchange gains	–	14
Rental income	12	11
Other	46	64
Total non-operating income	196	216
Non-operating expenses		
Interest expenses	20	20
Brand fee expense	24	0
Foreign exchange losses	37	–
Share of loss of entities accounted for using equity method	87	–
Outsourcing expenses	–	94
Other	40	183
Total non-operating expenses	209	299
Ordinary loss	(401)	(42)
Extraordinary income		
Gain on sales of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on disposal of non-current assets	21	23
Extra retirement payments	–	265
Total extraordinary losses	21	288
Loss before income taxes	(422)	(331)
Income taxes - current	132	74
Income taxes - deferred	(113)	95
Total income taxes	18	169
Loss	(441)	(500)
Loss attributable to owners of parent	(441)	(500)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Loss	(441)	(500)
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	246
Deferred gains or losses on hedges	(0)	9
Foreign currency translation adjustment	(475)	16
Remeasurements of defined benefit plans, net of tax	26	50
Share of other comprehensive income of entities accounted for using equity method	(10)	–
Total other comprehensive income	(555)	322
Comprehensive income	(997)	(178)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(997)	(178)
Comprehensive income attributable to non-controlling interests	–	–