

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

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 03(3509)0444
 Senior Manager
 Scheduled date to file Quarterly Securities Report: February 4, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	64,493	(26.7)	(121)	–	(384)	–	(888)	–
Nine months ended December 31, 2019	87,978	2.6	2,619	17.4	3,688	(3.8)	2,511	(8.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	(36.81)		–	
Nine months ended December 31, 2019	104.07		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	135,566	82,384	60.8
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				
Year ended March 31, 2020	–	42.50	–	42.50	85.00
Year ending March 31, 2021	–	37.50	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	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
Full year	92,000	(21.2)	(1,400)	–	(2,400)	–	(2,600)	–	(107.73)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2020	5,831,330 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)

Nine months ended December 31, 2020	24,140,501 shares	Nine months ended December 31, 2019	24,135,325 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	47,907	35,233
Notes and accounts receivable - trade	36,064	29,917
Securities	104	1,215
Merchandise and finished goods	9,052	7,553
Work in process	26,877	25,151
Raw materials and supplies	67	64
Other	2,340	3,090
Allowance for doubtful accounts	(49)	(39)
Total current assets	122,364	102,187
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,014	39,171
Accumulated depreciation and impairment loss	(28,429)	(28,793)
Buildings and structures, net	10,584	10,378
Machinery, equipment and vehicles	24,224	24,386
Accumulated depreciation and impairment loss	(22,073)	(21,900)
Machinery, equipment and vehicles, net	2,151	2,485
Land	7,049	7,040
Leased assets	240	246
Accumulated depreciation and impairment loss	(150)	(141)
Leased assets, net	89	105
Construction in progress	135	346
Other	7,327	7,162
Accumulated depreciation and impairment loss	(6,797)	(6,674)
Other, net	529	487
Total property, plant and equipment	20,541	20,845
Intangible assets		
Other	561	532
Total intangible assets	561	532
Investments and other assets		
Investment securities	6,560	7,939
Long-term loans receivable	13	6
Deferred tax assets	3,142	2,945
Other	2,149	2,171
Allowance for doubtful accounts	(1,048)	(1,060)
Total investments and other assets	10,816	12,002
Total non-current assets	31,918	33,379
Total assets	154,283	135,566

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,279	17,952
Short-term borrowings	10,090	10,590
Income taxes payable	7,218	64
Accrued expenses	5,351	2,341
Provision for bonuses	–	730
Provision for product warranties	720	600
Advances received	6,403	6,288
Other	1,941	1,600
Total current liabilities	53,006	40,169
Non-current liabilities		
Long-term borrowings	4,300	3,800
Long-term accounts payable - other	5	5
Deferred tax liabilities	2	0
Provision for retirement benefits for directors (and other officers)	41	55
Retirement benefit liability	9,770	8,867
Asset retirement obligations	52	105
Other	85	178
Total non-current liabilities	14,258	13,012
Total liabilities	67,264	53,182
Net assets		
Shareholders' equity		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	77,359	71,531
Treasury shares	(16,376)	(16,346)
Total shareholders' equity	85,006	79,208
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,334	3,336
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	843	855
Remeasurements of defined benefit plans	(1,165)	(1,015)
Total accumulated other comprehensive income	2,012	3,176
Total net assets	87,018	82,384
Total liabilities and net assets	154,283	135,566

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	87,978	64,493
Cost of sales	62,925	47,097
Gross profit	25,053	17,395
Selling, general and administrative expenses	22,433	17,516
Operating profit (loss)	2,619	(121)
Non-operating income		
Interest income	34	41
Dividend income	312	200
Rental income	39	34
Share of profit of entities accounted for using equity method	706	–
Foreign exchange gains	114	–
Subsidies for employment adjustment	–	491
Other	124	209
Total non-operating income	1,331	977
Non-operating expenses		
Interest expenses	61	68
Brand fee expense	93	0
Outsourcing expenses	–	624
Foreign exchange losses	–	136
Other	108	410
Total non-operating expenses	263	1,240
Ordinary profit (loss)	3,688	(384)
Extraordinary income		
Gain on sales of non-current assets	3	10
Total extraordinary income	3	10
Extraordinary losses		
Loss on disposal of non-current assets	82	63
Impairment loss	19	–
Extra retirement payments	–	264
Total extraordinary losses	102	328
Profit (loss) before income taxes	3,589	(701)
Income taxes - current	695	378
Income taxes - deferred	382	(191)
Total income taxes	1,077	186
Profit (loss)	2,511	(888)
Profit (loss) attributable to owners of parent	2,511	(888)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	2,511	(888)
Other comprehensive income		
Valuation difference on available-for-sale securities	491	1,002
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(309)	11
Remeasurements of defined benefit plans, net of tax	95	150
Share of other comprehensive income of entities accounted for using equity method	23	–
Total other comprehensive income	301	1,163
Comprehensive income	2,812	275
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,812	275
Comprehensive income attributable to non-controlling interests	–	–