

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021
[Japanese Standards] (Consolidated)

August 5, 2021

Company name: OKAMOTO INDUSTRIES, INC.
 Stock exchange listing: Tokyo
 Stock code: 5122 URL <https://www.okamoto-inc.jp/>
 Representative: Yoshiyuki Okamoto, Chairman and President
 Inquiries: Hiroshi Takashima, Executive Director (Accounting Dept.)
 Scheduled date to file Securities Report: August 12, 2021
 Scheduled date to commence dividend payments: -
 Supplemental material on quarterly results: No
 Presentation on quarterly results: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021

(from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results(cumulative)

(% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2021	22,117	14.2	2,532	31.7	2,972	23.0	1,830	11.3
Three months ended June 30, 2020	19,365	△ 14.6	1,923	△ 15.0	2,416	△ 5.0	1,644	△ 10.4
(Note) Comprehensive income:	Three months ended June 30, 2021 :		2,762 million yen		54.8 %			
	Three months ended June 30, 2020 :		1,784 million yen		56.3 %			

	Net income per share		Diluted net income per share	
	yen		yen	
Three months ended June 30, 2021	98.11		-	
Three months ended June 30, 2020	87.52		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2021	112,150		71,532		61.2	
As of March 31, 2021	112,070		70,316		60.3	
(Reference) Own capital:	As of June 30, 2021 :		68,677 million yen			
	As of March 31, 2021 :		67,522 million yen			

2. Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY Ended March 31, 2021	-	50.00	-	50.00	100.00
FY Ended March 31, 2022	-				
FY Ended March 31, 2022 (forecast)		50.00	-	50.00	100.00

(Note) Revision of the latest dividend forecast announced: No

3. Forecasts of consolidated financial results for the year ending March 31, 2022

(from April 1, 2021 to March 31, 2022)

(% represents changes over the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ended September 30, 2021	42,000	6.9	3,450	7.9	3,850		2,600	1.7	138.76
Full year	88,000	1.9	7,800	△ 5.7	8,600	△ 12.2	5,700	0.1	304.19

(Note) Revision of the latest consolidated results forecast announced: No

*Notes

- (1) Changes in status of significant subsidiaries during the three months ended June 30, 2021
 (changes in status of specified subsidiaries accompanying changes in consolidated) No
 Newly consolidated subsidiaries: - Subsidiaries excluded: -
- (2) Application of accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements
 ① Changes in accounting principles due to revisions to accounting standards: Yes
 ② Changes other than ①: No
 ③ Changes in accounting estimates: No
 ④ Retrospective restatements: No
- (4) Number of outstanding shares (common stock)
 ① Number of outstanding shares at period-end (including treasury stock)
 ② Number of treasury stocks at period-end
 ③ Average number of shares during the period (cumulative total for quarterly period)

①	Three months ended June 30, 2021	19,099,367	FY Ended March 31, 2021	19,599,367
②	Three months ended June 30, 2021	531,210	FY Ended March 31, 2021	891,169
③	Three months ended June 30, 2021	18,660,847	Three months ended June 30, 2020	18,789,676

*The current quarterly financial results are not subject to quarterly review procedures by certified public accountant or by auditing firm.

*Explanation relating to the appropriate use of forecasts of business results and other items of note.

The forecasts included in this document are based on the current available information and certain assumptions that we believe reasonable. Actual results, etc. may differ from projections due to a variety of reasons.

Consolidated Quarterly Financial Statements and Notes
Consolidated Quarterly Balance Sheets

(millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	29,687	29,579
Notes and accounts receivable-trade	18,856	17,800
Electronically recorded monetary claims-operating	7,323	6,961
Merchandise and finished goods	7,195	8,162
Work in process	2,112	2,194
Raw materials and supplies	2,752	2,934
Other	1,583	1,544
Allowance for doubtful accounts	△ 31	△ 31
Total current assets	69,478	69,145
Non-current assets		
Property, plant and equipment	19,907	20,026
Intangible assets	1,215	1,276
Investments and other assets		
Investment securities	20,739	21,021
Deferred tax assets	149	127
Other	590	562
Allowance for doubtful accounts	△ 9	△ 8
Total investments and other assets	21,469	21,702
Total non-current assets	42,592	43,004
Total assets	112,070	112,150

(millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,626	19,321
Short-term loans payable	2,505	2,494
Income taxes payable	2,040	541
Provision for bonuses	1,023	568
Reserve for building demolition costs	206	142
Other	4,598	5,568
Total current liabilities	30,000	28,638
Non-current liabilities		
Long-term loans payable	1,216	1,194
Deferred tax liabilities	2,061	2,344
Net defined benefit liability	7,248	7,280
Other	1,226	1,160
Total non-current liabilities	11,753	11,980
Total liabilities	41,754	40,618
Net assets		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	518	518
Retained earnings	49,480	48,420
Treasury stock	△ 3,662	△ 2,305
Total shareholders' equity	59,383	59,681
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,558	8,613
Deferred gains or losses on hedges	△ 8	△ 2
Foreign currency translation adjustment	△ 344	444
Remeasurements of defined benefit plans	△ 66	△ 59
Total accumulated other comprehensive income	8,139	8,995
Non-controlling interests	2,793	2,855
Total net assets	70,316	71,532
Total liabilities and net assets	112,070	112,150

Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Three months ended June 30, 2021

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	19,365	22,117
Cost of sales	14,217	16,403
Gross profit	5,147	5,713
Selling, general and administrative expenses		
Freightage and packing expenses	807	964
Other selling expenses	465	280
Salaries and bonuses	890	866
Provision for bonuses	178	179
Retirement benefit expenses	58	36
Other general and administrative expenses	822	852
Total selling, general and administrative expenses	3,223	3,180
Operating profit	1,923	2,532
Non-operating income		
Interest income	5	6
Dividends income	272	302
Real estate rent	168	105
Foreign exchange gains	0	7
Equity in earnings of affiliates	71	51
Other income	26	36
Total non-operating income	544	509
Non-operating expenses		
Interest expenses	8	7
Rent expenses on real estates	26	46
Other expenses	16	16
Total non-operating expenses	52	70
Ordinary income	2,416	2,972
Extraordinary income		
Gain on sales of noncurrent assets	1	-
Total extraordinary gain	1	-
Extraordinary loss		
Loss on retirement of noncurrent assets	3	2
Impairment loss	10	299
Operation suspension related costs	36	-
Total extraordinary loss	50	301
Profit before income taxes	2,366	2,671
Income taxes-current	509	563
Income taxes-deferred	211	265
Total income taxes	720	828
Net income	1,646	1,842
Profit attributable to non-controlling interests	1	12
Profit attributable to owners of parent	1,644	1,830

Consolidated Quarterly Statements of Comprehensive Income
Three months ended June 30, 2021

	(Millions of yen)	
	Three months ended	Three months ended
	June 30, 2020	June 30, 2021
Net income	1,646	1,842
Other comprehensive income		
Valuation difference on available-for-sale securities	501	59
Deferred gains or losses on hedges	△ 5	6
Foreign currency translation adjustment	△ 397	843
Remeasurements of defined benefit plans, net of tax	31	7
Share of other comprehensive income of associates accounted for using equity method	7	3
Total accumulated other comprehensive income	137	919
Comprehensive income	1,784	2,762
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,831	2,687
Comprehensive income attributable to non-controlling interests	△ 46	75

Information about net sales, profit or loss, assets, liabilities and other items by reportable segment

Three months ended June 30, 2020

(Millions of yen)

	Reportable segment			(*)Other	Total	(**)Adjustment	(***)Amount recorded on the consolidated quarterly statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	12,623	6,670	19,293	71	19,365	-	19,365
Intersegment sales or transfers	22	102	125	803	928	△ 928	-
Total	12,645	6,773	19,418	875	20,293	△ 928	19,365
Segment profit (loss)	659	1,694	2,354	75	2,430	△ 506	1,923

* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business and solar power business.

** Adjustment is as follows:

(1) The adjustment to segment profit represents 7 million yen in intersegment eliminations and company-wide expenses negative 514 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.

*** Segment profit is coordinated with the operating income in the consolidated statements.

⊗ In the Industrial Products business segment, impairment losses on fixed assets were recorded. The impairment loss was 10 million for the first quarter of the fiscal year ended March 31, 2020.

Three months ended June 30, 2021

(Millions of yen)

	Reportable segment			(*)Other	Total	(**)Adjustment	(***)Amount recorded on the consolidated quarterly statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	14,046	8,001	22,047	69	22,117	-	22,117
Intersegment sales or transfers	21	124	145	825	970	△ 970	-
Total	14,067	8,125	22,193	894	23,088	△ 970	22,117
Segment profit (loss)	972	1,987	2,960	90	3,050	△ 517	2,532

* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business and solar power business.

** Adjustment is as follows:

(1) The adjustment to segment profit represents 10 million yen in intersegment eliminations and company-wide expenses negative 527 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.

*** Segment profit is coordinated with the operating income in the consolidated statements.

⊗ In the Industrial Products business and the household products business segment, impairment loss on fixed assets was recorded at 299 million yen. The impairment loss was recorded at 109 million yen in the industrial products business and 189 million yen in the household products business for the first quarter of the fiscal year ended March 31, 2022.