

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020
[Japanese Standards] (Consolidated)

August 5, 2020

Company name: OKAMOTO INDUSTRIES,INC.
 Stock exchange listing: Tokyo
 Stock code: 5122 URL <https://www.okamoto-inc.jp/>
 Representative: Toshio Tamura, President
 Inquiries: Hiroshi Takashima, Managing Director Accounting Dept.
 Scheduled date to file Securities Report: August 12, 2020
 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, 2020

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

(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, 2020	19,365	(14.6)	1,923	(15.0)	2,416	(5.0)	1,644	(10.4)
Three months ended June 30, 2019	22,678	0.9	2,263	(21.6)	2,544	(26.9)	1,834	(30.7)

(Note) Comprehensive income: Three months ended June 30, 2020 : 1,784 million yen 56.3 %
 Three months ended June 30, 2019 : 1,141 million yen (59.7) %

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2020	87.52	-
Three months ended June 30, 2019	96.60	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	104,040	64,492	59.6
As of March 31, 2020	104,081	63,838	58.8

(Reference) Own capital: As of June 30, 2020 : 61,964 million yen
 As of March 31, 2020 : 61,250 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, 2020	-	50.00	-	50.00	100.00
FY Ended March 31, 2021	-	-	-	-	-
FY Ended March 31, 2021 (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, 2021

(from April 1, 2020 to March 31, 2021)

The consolidated earnings forecast for the fiscal year ended March 31, 2021, are undecided at this time because it is difficult to reasonably calculate the impact of the expansion of new coronavirus infections on business activities and business results.

We will promptly disclose it when it is possible to reasonably calculate it in the future.

(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, 2020
 (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: No
 ② Changes in accounting principles other than ① above: No
 ③ Changes in accounting estimates: No
 ④ Retrospective restatements: No

(4) Number of outstanding shares (common stock)

① Number of outstanding shares at the end of the period (including treasury stock)
 ② Number of treasury stocks at the end of the period
 ③ Average number of shares during the period (cumulative total for quarterly period)

①	Three months ended June 30, 2020	19,599,367	FY Ended March 31, 2020	19,599,367
②	Three months ended June 30, 2020	839,775	FY Ended March 31, 2020	799,519
③	Three months ended June 30, 2020	18,789,676	Three months ended June 30, 2019	18,995,889

*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 currently 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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	27,202	27,303
Notes and accounts receivable-trade	16,834	15,614
Electronically recorded monetary claims-operating	6,789	6,357
Merchandise and finished goods	7,872	8,604
Work in process	2,002	2,148
Raw materials and supplies	2,782	2,751
Other	1,389	1,577
Allowance for doubtful accounts	(30)	(27)
Total current assets	64,842	64,330
Non-current assets		
Property, plant and equipment	21,998	21,586
Intangible assets	461	1,128
Investments and other assets		
Investment securities	15,473	16,241
Deferred tax assets	615	110
Other	716	659
Allowance for doubtful accounts	(27)	(16)
Total investments and other assets	16,778	16,995
Total non-current assets	39,238	39,710
Total assets	104,081	104,040

(millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,020	19,515
Short-term loans payable	3,451	3,372
Income taxes payable	343	544
Provision for bonuses	1,058	582
Provision for loss on disaster	728	93
Other	4,957	5,351
Total current liabilities	30,559	29,461
Non-current liabilities		
Long-term loans payable	216	199
Deferred tax liabilities	1,515	1,450
Net defined benefit liability	7,002	7,022
Other	950	1,415
Total non-current liabilities	9,683	10,087
Total liabilities	40,243	39,548
Net assets		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	448	448
Retained earnings	45,658	46,346
Treasury stock	(3,173)	(3,333)
Total shareholders' equity	55,981	56,509
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,283	5,821
Deferred gains or losses on hedges	8	4
Foreign currency translation adjustment	159	(219)
Remeasurements of defined benefit plans	(184)	(152)
Total accumulated other comprehensive income	5,268	5,454
Non-controlling interests	2,588	2,527
Total net assets	63,838	64,492
Total liabilities and net assets	104,081	104,040

Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Three months ended June 30, 2020

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	22,678	19,365
Cost of sales	16,838	14,217
Gross profit	5,840	5,147
Selling, general and administrative expenses		
Freightage and packing expenses	921	807
Other selling expenses	586	465
Salaries and bonuses	886	890
Provision for bonuses	178	178
Retirement benefit expenses	43	58
Other general and administrative expenses	960	822
Total selling, general and administrative expenses	3,576	3,223
Operating profit	2,263	1,923
Non-operating income		
Interest income	6	5
Dividends income	261	272
Real estate rent	165	168
Foreign exchange gains	-	0
Equity in earnings of affiliates	-	71
Other income	16	26
Total non-operating income	449	544
Non-operating expenses		
Interest expenses	7	8
Rent expenses on real estates	32	26
Foreign exchange losses	107	-
Equity in losses of affiliates	2	-
Other expenses	18	16
Total non-operating expenses	168	52
Ordinary income	2,544	2,416
Extraordinary income		
Gain on sales of noncurrent assets	-	1
Other income	1	-
Total extraordinary gain	1	1
Extraordinary loss		
Loss on retirement of noncurrent assets	0	3
Impairment loss	-	10
Operation suspension related costs	-	36
Other loss	2	-
Total extraordinary loss	2	50
Profit before income taxes	2,543	2,366
Income taxes-current	414	509
Income taxes-deferred	275	211
Total income taxes	690	720
Net income	1,852	1,646
Profit attributable to non-controlling interests	17	1
Profit attributable to owners of parent	1,834	1,644

Consolidated Quarterly Statements of Comprehensive Income
Three months ended June 30, 2020

	(Millions of yen)	
	Three months ended	Three months ended
	June 30, 2019	June 30, 2020
Net income	1,852	1,646
Other comprehensive income		
Valuation difference on available-for-sale securities	(874)	501
Deferred gains or losses on hedges	(8)	(5)
Foreign currency translation adjustment	146	(397)
Remeasurements of defined benefit plans, net of tax	36	31
Share of other comprehensive income of associates accounted for using equity method	(10)	7
Total accumulated other comprehensive income	(710)	137
Comprehensive income	1,141	1,784
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,072	1,831
Comprehensive income attributable to non-controlling interests	68	(46)

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

Three months ended June 30, 2019

(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	14,603	8,004	22,607	71	22,678	-	22,678
Intersegment sales or transfers	22	97	120	882	1,002	(1,002)	-
Total	14,626	8,101	22,727	953	23,681	(1,002)	22,678
Segment profit (loss)	785	1,893	2,678	81	2,760	(496)	2,263

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

** Adjustment is as follows:

- (1) The adjustment to segment profit represents 6 million yen in intersegment eliminations and company-wide expenses negative 503 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.
- (2) Segment profit is adjusted to operating income in the consolidated statements of income.

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 includes 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.
- (2) Segment profit is adjusted to operating income in the consolidated statements of income.