

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020
[Japanese Standards] (Consolidated)

February 9, 2021

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: February 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 nine months ended December 31, 2020

(from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	62,855	△ 10.5	6,024	△ 9.2	7,149	△ 6.1	4,752	34.9
Nine months ended December 31, 2019	70,254	△ 1.0	6,637	△ 11.5	7,612	△ 12.3	3,523	△ 43.5

(Note) Comprehensive income: Nine months ended December 31, 2020 : 5,904 million yen 37.2 %
 Nine months ended December 31, 2019 : 4,304 million yen △ 2.5 %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2020	253.49	-
Nine months ended December 31, 2019	186.09	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	109,513	67,746	59.3
As of March 31, 2020	104,081	63,838	58.8

(Reference) Own capital: As of December 31, 2020 : 64,988 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	-	50.00	-		
FY Ended March 31, 2021 (forecast)				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)

(% 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
Full year	83,500	△ 7.7	6,000	△ 18.3	7,000	△ 18.1	4,600	31.8	245.20

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

*Notes

(1) Changes in status of significant subsidiaries during the nine months ended December 31, 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 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	Nine months ended December 31, 2020	19,599,367	FY Ended March 31, 2020	19,599,367
②	Nine months ended December 31, 2020	889,337	FY Ended March 31, 2020	799,519
③	Nine months ended December 31, 2020	18,746,579	Nine months ended December 31, 2019	18,934,640

*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 December 31, 2020
Assets		
Current assets		
Cash and deposits	27,202	26,658
Notes and accounts receivable-trade	16,834	19,839
Electronically recorded monetary claims-operating	6,789	7,598
Merchandise and finished goods	7,872	7,300
Work in process	2,002	2,147
Raw materials and supplies	2,782	2,966
Other	1,389	1,640
Allowance for doubtful accounts	△ 30	△ 26
Total current assets	64,842	68,125
Non-current assets		
Property, plant and equipment	21,998	21,453
Intangible assets	461	1,183
Investments and other assets		
Investment securities	15,473	18,018
Deferred tax assets	615	132
Other	716	606
Allowance for doubtful accounts	△ 27	△ 5
Total investments and other assets	16,778	18,750
Total non-current assets	39,238	41,387
Total assets	104,081	109,513

(millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,020	20,784
Short-term loans payable	3,451	3,517
Income taxes payable	343	1,356
Provision for bonuses	1,058	541
Provision for loss on disaster	728	28
Reserve for building demolition costs	-	315
Other	4,957	4,657
Total current liabilities	30,559	31,200
Non-current liabilities		
Long-term loans payable	216	239
Deferred tax liabilities	1,515	1,864
Net defined benefit liability	7,002	7,176
Other	950	1,285
Total non-current liabilities	9,683	10,566
Total liabilities	40,243	41,766
Net assets		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	448	518
Retained earnings	45,658	48,535
Treasury stock	△ 3,173	△ 3,655
Total shareholders' equity	55,981	58,446
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,283	7,002
Deferred gains or losses on hedges	8	△ 2
Foreign currency translation adjustment	159	△ 368
Remeasurements of defined benefit plans	△ 184	△ 88
Total accumulated other comprehensive income	5,268	6,542
Non-controlling interests	2,588	2,757
Total net assets	63,838	67,746
Total liabilities and net assets	104,081	109,513

Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
Nine months ended December 31, 2020

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	70,254	62,855
Cost of sales	52,254	46,368
Gross profit	17,999	16,486
Selling, general and administrative expenses		
Freightage and packing expenses	2,838	2,629
Other selling expenses	2,261	1,961
Salaries and bonuses	2,974	2,937
Provision for bonuses	220	187
Retirement benefit expenses	139	151
Other selling expenses	2,927	2,594
Total selling, general and administrative expenses	11,362	10,462
Operating profit	6,637	6,024
Non-operating income		
Interest income	23	20
Dividends income	530	511
Real estate rent	498	439
Equity in earnings of affiliates	100	167
Other income	137	212
Total non-operating income	1,290	1,351
Non-operating expenses		
Interest expenses	19	20
Rent expenses on real estates	86	74
Foreign exchange losses	147	51
Other expenses	62	80
Total non-operating expenses	315	226
Ordinary income	7,612	7,149
Extraordinary income		
Gain on sales of noncurrent assets	1	7
Gain on sales of investment securities	-	29
Other income	0	-
Total extraordinary gain	1	36
Extraordinary loss		
Loss on sales of noncurrent assets	-	0
Impairment loss	120	53
Loss on disaster	2,724	-
Provision of reserve for building demolition costs	-	430
Loss on retirement of noncurrent assets	1	8
Operation suspension related costs	-	101
Total extraordinary loss	2,846	593
Profit before income taxes	4,767	6,592
Income taxes-current	1,456	1,786
Income taxes-deferred	△ 214	144
Total income taxes	1,241	1,931
Net income	3,525	4,661
Profit (loss) attributable to non-controlling interests	1	△ 90
Profit attributable to owners of parent	3,523	4,752

Consolidated Quarterly Statements of Comprehensive Income
Nine months ended December 31, 2020

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	3,525	4,661
Other comprehensive income		
Valuation difference on available-for-sale securities	970	1,673
Deferred gains or losses on hedges	△ 3	△ 12
Foreign currency translation adjustment	△ 305	△ 536
Remeasurements of defined benefit plans, net of tax	109	95
Share of other comprehensive income of associates accounted for using equity method	7	22
Total accumulated other comprehensive income	779	1,243
Comprehensive income	4,304	5,904
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	4,315	6,026
Comprehensive income attributable to non-controlling interests	△ 10	△ 122

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

Nine months ended December 31, 2019

(Millions of yen)

	Reportable segment			*Other	Total	**Adjustment	Amount recorded on the consolidated financial statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	44,880	25,201	70,082	171	70,254	-	70,254
Intersegment sales or transfers	68	285	353	2,698	3,052	△ 3,052	-
Total	44,949	25,487	70,436	2,869	73,306	△ 3,052	70,254
Segment profit (loss)	2,426	5,548	7,975	190	8,165	△ 1,528	6,637

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

** Adjustment is as follows:

- (1) The adjustment to segment profit represents 27 million yen in intersegment eliminations and company-wide expenses negative 1,555 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.

Nine months ended December 31, 2020

(Millions of yen)

	Reportable segment			*Other	Total	**Adjustment	Amount recorded on the consolidated financial statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	39,077	23,606	62,684	171	62,855	-	62,855
Intersegment sales or transfers	68	294	362	2,588	2,951	△ 2,951	-
Total	39,145	23,901	63,046	2,760	65,806	△ 2,951	62,855
Segment profit (loss)	2,292	4,979	7,272	236	7,508	△ 1,484	6,024

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

** Adjustment is as follows:

- (1) The adjustment to segment profit represents 27 million yen in intersegment eliminations and company-wide expenses negative 1,511 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.