

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021
[Japanese Standards] (Consolidated)

May 13, 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 of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 Scheduled date to file Securities Report: June 29, 2021
 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 fiscal year ended March 31, 2020

(from April 1, 2020 to March 31, 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	%
FY Ended March 31, 2021	86,361	△ 4.6	8,269	12.6	9,794	14.5	5,697	63.3
FY Ended March 31, 2020	90,503	△ 3.5	7,345	△ 15.4	8,551	△ 14.5	3,489	△ 45.7
(Note) Comprehensive income:	FY Ended March 31, 2021 :		8,482 million yen		610.9 %			
	FY Ended March 31, 2020 :		1,193 million yen		△ 72.9 %			

	Net income per share	Diluted net income per share	Return on equity	ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY Ended March 31, 2021	304.04	-	8.8	9.1	9.6
FY Ended March 31, 2020	184.52	-	5.6	8.1	8.1

(Reference) Equity in net income of affiliates: FY Ended March 31, 2021 : 197 million yen
 FY Ended March 31, 2020 : 146 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	112,070	70,316	60.3	3,609.27
As of March 31, 2020	104,081	63,838	58.8	3,258.01

(Reference) Own capital: As of March 31, 2021 : 67,522 million yen
 As of March 31, 2020 : 61,250 million yen

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY Ended March 31, 2021	8,175	△ 3,240	△ 2,236	28,052
FY Ended March 31, 2020	12,352	△ 4,652	△ 3,584	25,567

2. Dividends

	Cash dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY Ended March 31, 2020	-	50.00	-	50.00	100.00	1,893	54.2	3.0
FY Ended March 31, 2021	-	50.00	-	50.00	100.00	1,874	32.9	2.9
FY ended March 31, 2022 (forecast)	-	50.00	-	50.00	100.00		-	

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		Net income
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ended	42,000	6.9	3,450	7.9	3,850	0.0	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

*Notes

- (1) Changes in status of significant subsidiaries during the year
(changes in status of specified subsidiaries accompanying changes in consolidated) No
Newly consolidated subsidiaries: - Subsidiaries excluded: -
- (2) 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
- (3) 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

① FY Ended March 31, 2021	19,599,367	FY Ended March 31, 2020	19,599,367
② FY Ended March 31, 2021	891,169	FY Ended March 31, 2020	799,519
③ FY Ended March 31, 2021	18,738,032	FY Ended March 31, 2020	18,911,496

(Reference) Summary of Nonconsolidated Financial Statement
Nonconsolidated financial results for the fiscal year ended March 31, 2021
(from April 1, 2020 to March 31, 2021)

(1) Nonconsolidated 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	%
FY Ended March 31, 2021	69,565	0.8	6,191	17.0	7,622	6.2	4,620	28.6
FY Ended March 31, 2020	69,014	△ 6.4	5,290	△ 7.4	7,181	△ 0.3	3,593	△ 20.4

	Net income per share	Diluted net income per share
	yen	yen
FY Ended March 31, 2021	245.92	-
FY Ended March 31, 2020	189.21	-

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	95,707	58,151	60.8	3,103.09
As of March 31, 2020	86,916	52,780	60.7	2,795.53

(Reference) Own capital: As of March 31, 2021 : 58,151 million yen
As of March 31, 2020 : 52,780 million yen

*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 Financial Statements and Notes
Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	27,202	29,687
Notes and accounts receivable-trade	16,834	18,856
Electronically recorded monetary claims-operating	6,789	7,323
Merchandise and finished goods	7,872	7,195
Work in process	2,002	2,112
Raw materials and supplies	2,782	2,752
Other	1,389	1,583
Allowance for doubtful accounts	△ 30	△ 31
Total current assets	64,842	69,478
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,128	5,310
Machinery, equipment and vehicles, net	8,683	6,479
Land	7,239	7,337
Construction in progress	631	527
Other, net	314	252
Total Property, plant and equipment	21,998	19,907
Intangible assets	461	1,215
Investments and other assets		
Investment securities	15,473	20,739
Deferred tax assets	615	149
Other	716	590
Allowance for doubtful accounts	△ 27	△ 9
Total investments and other assets	16,778	21,469
Total non-current assets	39,238	42,592
Total assets	104,081	112,070

(millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable–trade	20,020	19,626
Short-term loans payable	3,451	2,505
Income taxes payable	343	2,040
Provision for bonuses	1,058	1,023
Provision for loss on disaster	728	–
Reserve for building demolition costs	–	206
Other	4,957	4,598
Total current liabilities	30,559	30,000
Non-current liabilities		
Long-term loans payable	216	1,216
Deferred tax liabilities	1,515	2,061
Net defined benefit liability	7,002	7,248
Other	950	1,226
Total non-current liabilities	9,683	11,753
Total liabilities	40,243	41,754
Net assets		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	448	518
Retained earnings	45,658	49,480
Treasury stock	△ 3,173	△ 3,662
Total shareholders' equity	55,981	59,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,283	8,558
Deferred gains or losses on hedges	8	△ 8
Foreign currency translation adjustment	159	△ 344
Remeasurements of defined benefit plans	△ 184	△ 66
Total accumulated other comprehensive income	5,268	8,139
Non-controlling interests	2,588	2,793
Total net assets	63,838	70,316
Total liabilities and net assets	104,081	112,070

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	90,503	86,361
Cost of sales	67,862	63,507
Gross profit	22,640	22,853
Selling, general and administrative expenses		
Freightage and packing expenses	3,645	3,569
Other selling expenses	3,344	3,088
Salaries and bonuses	3,845	3,818
Provision for bonuses	383	348
Retirement benefit expenses	216	244
Other general and administrative expenses	3,860	3,514
Total selling, general and administrative expenses	15,295	14,583
Operating profit	7,345	8,269
Non-operating income		
Interest income	28	26
Dividends income	569	539
Real estate rent	665	543
Equity in earnings of affiliates	146	197
Foreign exchange gains	-	170
Other income	148	279
Total non-operating income	1,558	1,756
Non-operating expenses		
Interest expenses	27	30
Rent expenses on real estates	102	120
Foreign exchange losses	135	-
Other expenses	86	81
Total non-operating expenses	351	232
Ordinary income	8,551	9,794
Extraordinary income		
Gain on sales of noncurrent assets	1	7
Gain on sales of investment securities	-	40
Gain on liquidation of subsidiaries	0	-
Reversal of provision for repairs	60	-
Insurance income	163	-
Total extraordinary gain	225	47
Extraordinary loss		
Loss on retirement of noncurrent assets	4	23
Impairment loss	1,157	1,398
Loss on disaster	2,670	-
Loss on valuation of investment securities	3	-
Special retirement expenses	-	30
Operation suspension related costs	-	100
Provision of reserve for building demolition costs	-	430
Total extraordinary loss	3,836	1,982
Profit before income taxes	4,940	7,859
Income taxes-current	1,352	2,607
Income taxes-deferred	397	△ 360
Total income taxes	1,749	2,246
Net income	3,190	5,612
Profit attributable to non-controlling interests	△ 298	△ 84
Profit attributable to owners of parent	3,489	5,697

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended		Fiscal year ended	
	March 31,	2020	March 31,	2021
Net income		3,190		5,612
Other comprehensive income				
Valuation difference on available-for-sale securities		△ 2,203		3,235
Deferred gains or losses on hedges		2		△ 17
Foreign currency translation adjustment		23		△ 496
Remeasurements of defined benefit plans, net of tax		183		117
Share of other comprehensive income of associates accounted for using equity method		△ 3		31
Total accumulated other comprehensive income		△ 1,997		2,869
Comprehensive income		1,193		8,482
(comprehensive income attributable to)				
Comprehensive income attributable to owners of the parent		1,468		8,568
Comprehensive income attributable to non-controlling interests		△ 275		△ 86

Consolidated statement of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	13,047	511	47,306	△ 4,950	55,915
Changes of items during period					
Dividends of surplus			△ 2,367		△ 2,367
Profit attributable to owners of parent			3,489		3,489
Purchase of treasury shares				△ 1,055	△ 1,055
Retirement of treasury shares		△ 2,832		2,832	-
Disposal of treasury shares		△ 0		0	0
Increase / decrease in surplus due to acquisition of treasury stock from consolidated subsidiaries					-
Transfer to capital surplus from retained earnings		2,769	△ 2,769		-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	△ 63	△ 1,647	1,777	66
Balance at end of current period	13,047	448	45,658	△ 3,173	55,981

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	7,533	6	115	△ 367	7,288	2,891	66,095
Changes of items during period							
Dividends of surplus							△ 2,367
Profit attributable to owners of parent							3,489
Purchase of treasury shares							△ 1,055
Retirement of treasury shares							-
Disposal of treasury shares							0
Increase / decrease in surplus due to acquisition of treasury stock from consolidated subsidiaries							-
Transfer to capital surplus from retained earnings							-
Net changes of items other than shareholders' equity	△ 2,249	2	44	183	△ 2,020	△ 303	△ 2,323
Total changes of items during period	△ 2,249	2	44	183	△ 2,020	△ 303	△ 2,257
Balance at end of current period	5,283	8	159	△ 184	5,268	2,588	63,838

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	13,047	448	45,658	△ 3,173	55,981
Changes of items during period					
Dividends of surplus			△ 1,875		△ 1,875
Profit attributable to owners of parent			5,697		5,697
Purchase of treasury shares				△ 489	△ 489
Retirement of treasury shares					-
Disposal of treasury shares		0		0	0
Increase / decrease in surplus due to acquisition of treasury stock from consolidated subsidiaries		70			70
Transfer to capital surplus from retained earnings					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	70	3,821	△ 489	3,401
Balance at end of current period	13,047	518	49,480	△ 3,662	59,383

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	5,283	8	159	△ 184	5,268	2,588	63,838
Changes of items during period							
Dividends of surplus							△ 1,875
Profit attributable to owners of parent							5,697
Purchase of treasury shares							△ 489
Retirement of treasury shares							-
Disposal of treasury shares							0
Increase / decrease in surplus due to acquisition of treasury stock from consolidated subsidiaries							70
Transfer to capital surplus from retained earnings							-
Net changes of items other than shareholders' equity	3,275	△ 16	△ 504	117	2,871	205	3,076
Total changes of items during period	3,275	△ 16	△ 504	117	2,871	205	6,478
Balance at end of current period	8,558	△ 8	△ 344	△ 66	8,139	2,793	70,316

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended	
	March 31, 2020	March 31, 2021
Cash flows from operating activities		
Profit before income taxes	4,940	7,859
Depreciation	3,101	2,853
Impairment loss	1,157	1,398
Increase (decrease) in allowance for doubtful accounts	△ 7	△ 15
Share of loss (profit) of entities accounted for using equity method	△ 146	△ 197
Increase (decrease) in provision for bonuses	41	△ 33
Provision for building demolition costs	-	430
Increase (decrease) in net defined benefit liability	390	443
Increase (decrease) in other provision	△ 54	-
Interest and dividend income	△ 598	△ 565
Insurance income	△ 163	-
Interest expenses	27	30
Foreign exchange losses (gains)	△ 0	△ 10
Loss (gain) on sales of investment securities	-	△ 40
Loss (gain) on valuation of investment securities	3	-
Loss (gain) on sales of non-current assets	△ 1	△ 7
Loss on retirement of non-current assets	4	23
Loss (gain) on liquidation of subsidiaries	△ 0	-
Loss on disaster	2,670	-
Expenses related to suspension of operations	-	102
Decrease (increase) in notes and accounts receivable – trade	4,208	△ 2,714
Decrease (increase) in inventories	1,356	424
Decrease (increase) in other assets	58	△ 94
Increase (decrease) in notes and accounts payable – trade	△ 1,921	△ 189
Increase (decrease) in other liabilities	688	△ 297
Other, net	3	△ 23
Subtotal	15,760	9,373
Interest and dividend income received	598	565
Interest expenses paid	△ 26	△ 30
Income taxes paid	△ 2,201	△ 901
Proceeds from insurance income	163	-
Payments for loss on disaster	△ 1,941	△ 728
Amount of expenses related to suspension of operations	-	△ 102
Cash flows from operating activities	12,352	8,175
Cash flows from investing activities		
Payments into time deposits	△ 3,265	△ 3,265
Proceeds from withdrawal of time deposits	3,235	3,265
Expenditure for payment of building demolition costs	-	△ 158
Purchase of property, plant and equipment and intangible assets	△ 4,387	△ 2,680
Proceeds from sales of property, plant and equipment and intangible assets	1	18
Purchase of investment securities	△ 235	△ 446
Proceeds from sales of investment securities	-	54
Other, net	△ 0	△ 27
Cash flows from investing activities	△ 4,652	△ 3,240

(Millions of yen)

	Fiscal year ended	Fiscal year ended
	March 31, 2020	March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△ 138	63
Proceeds from long-term loans payable	300	1,080
Repayments of long-term loans payable	△ 226	△ 1,081
Cash dividends paid	△ 2,383	△ 1,875
Dividends paid to non-controlling interests	△ 27	△ 27
Purchase of treasury shares	△ 1,055	△ 170
Other, net	△ 52	△ 224
Cash flows from financing activities	△ 3,584	△ 2,236
Effect of exchange rate change on cash and cash equivalents	△ 13	△ 213
Net increase (decrease) in cash and cash equivalents	4,102	2,484
Cash and cash equivalents at beginning of period	21,465	25,567
Cash and cash equivalents at end of period	25,567	28,052

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

Fiscal year ended March 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	57,802	32,473	90,275	227	90,503	–	90,503
Intersegment sales or transfers	105	371	477	3,439	3,917	△ 3,917	–
Total	57,907	32,845	90,753	3,667	94,420	△ 3,917	90,503
Segment profit (loss)	2,610	6,486	9,096	217	9,313	△ 1,968	7,345
Segment assets	39,236	26,651	65,888	1,885	67,773	36,308	104,081
Others							
Depreciation	2,122	842	2,964	120	3,085	16	3,101
Impairment loss	702	99	802	–	802	355	1,157
Increase in property, plant and equipment and intangible assets	2,779	655	3,435	12	3,447	313	3,760

* 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 40 million yen in intersegment eliminations and company-wide expenses negative 2,009 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.
- (3) The adjustment to segment assets represents negative 419 million yen in intersegment eliminations and company-wide assets 36,728 million yen. The company-wide assets mainly include funds to manage surplus (cash and deposits), real estate for rent and assets related to the administration division.

Fiscal year ended March 31, 2021

(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	53,689	32,442	86,131	229	86,361	–	86,361
Intersegment sales or transfers	95	383	478	3,375	3,854	△ 3,854	–
Total	53,784	32,825	86,610	3,604	90,215	△ 3,854	86,361
Segment profit (loss)	3,461	6,531	9,992	296	10,289	△ 2,019	8,269
Segment assets	39,105	26,743	65,848	1,963	67,811	44,259	112,070
Others							
Depreciation	1,923	751	2,675	97	2,773	80	2,853
Impairment loss	1,264	133	1,398	–	1,398	–	1,398
Increase in property, plant and equipment and intangible assets	1,283	615	1,899	9	1,909	1,125	3,034

* 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 39 million yen in intersegment eliminations and company-wide expenses negative 2,058 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.
- (3) The adjustment to segment assets represents negative 99 million yen in intersegment eliminations and company-wide assets 44,358 million yen. The company-wide assets mainly include funds to manage surplus(cash and deposits), real estate for rent and assets related to the administration division.