



Consolidated Financial Results for the Three Months Ended June 30, 2020 (IFRS)

AMADA CO., LTD.

Listed on the First Section of the TSE

Stock Code: 6113

(URL <https://www.amada.co.jp>)

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Scheduled date to file quarterly securities report: August 7, 2020

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results briefing: Yes (for investment analysts and institutional investors)

(Amounts less than one million yen are truncated.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Operating Results (Cumulative)

Percentages indicate year-on-year increase (decrease).

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	47,683	(26.5)	8,679	83.5	9,936	99.3	6,431	72.9	6,424	75.8
Three months ended June 30, 2019	64,870	(3.7)	4,731	(21.6)	4,986	(27.5)	3,719	(24.3)	3,655	(24.6)

Note: Comprehensive income:

Three months ended June 30, 2020:

¥7,786 millions

— %

Three months ended June 30, 2019:

(¥2,029) millions

— %

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	18.48	—
Three months ended June 30, 2019	10.25	10.25

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2020	548,807	433,992	430,487	78.4
As of March 31, 2020	558,595	434,549	431,091	77.2

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	24.00	—	24.00	48.00
Fiscal year ended March 31, 2021	—				
Fiscal year ended March 31, 2021 (Forecast)		15.00	—	15.00	30.00

Note: Revision to dividend forecasts most recently announced: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year increase (decrease)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2021 (Forecast)	225,000	(29.7)	6,000	(82.7)	3,000	(87.2)	8.63

Note: Revision to consolidated financial forecasts most recently announced: None

4. Other Items

(1) Changes in the scope of consolidation for significant subsidiaries during the three months ended June 30, 2020: Yes

(Changes in specified subsidiaries resulting in change in the scope of consolidation)

Excluded : 1 company (Company Name) AMADA CO., LTD.

Note: The Company absorbed AMADA CO., LTD., formerly a wholly owned subsidiary of the Company, on April 1, 2020,

according to the merger agreement reached on December 12, 2019, and therefore excluded it from the scope of consolidation.

The Company has changed its trade name from AMADA HOLDINGS CO., LTD. to AMADA CO., LTD. on April 1, 2020.

(2) Changes in accounting policies and changes in accounting estimates:

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

1) Number of shares issued at end of period (including treasury shares)

As of June 30, 2020 **359,115,217 shares**

As of March 31, 2020 359,115,217 shares

2) Number of treasury shares at end of period

As of June 30, 2020 **11,449,613 shares**

As of March 31, 2020 11,449,424 shares

3) Average number of shares during period

Three months ended June 30, 2020 **347,665,711 shares**

Three months ended June 30, 2019 356,611,257 shares

*These quarterly consolidated financial results are outside the scope of the quarterly review procedures by a certified public accountant or an auditing firm.

* Explanation regarding the appropriate use of financial results forecast and other special notes

The consolidated financial forecasts mentioned in this document and other forward-looking statements are based on information available to and on certain reasonable assumptions by the Company as of today. Accordingly, actual results may differ significantly from the forecasts herein due to various factors.

Condensed Quarterly Consolidated Financial Statements and Primary Notes

Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	As of March 31, 2020	As of June 30, 2020
(Assets)			
Current assets:			
Cash and cash equivalents		47,167	61,153
Trade and other receivables		126,058	105,812
Inventories		100,495	101,947
Other financial assets		15,736	17,112
Other current assets		9,879	7,756
Total current assets		299,338	293,782
Non-current assets:			
Property, plant and equipment		154,907	157,040
Goodwill		5,928	5,940
Intangible assets		15,009	14,649
Investments accounted for using equity method		422	597
Other financial assets		59,958	55,425
Deferred tax assets		13,496	11,423
Other non-current assets		9,534	9,948
Total non-current assets		259,256	255,025
Total asset		558,595	548,807

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	As of March 31, 2020	As of June 30, 2020
(Liabilities and Equity)			
Liabilities			
Current liabilities:			
Trade and other payables		51,745	42,610
Borrowings		16,879	17,707
Income taxes payable		2,909	4,128
Other financial liabilities		3,086	4,021
Provisions		1,712	1,894
Other current liabilities		23,470	21,820
Total current liabilities		99,803	92,182
Non-current liabilities:			
Borrowings		4,353	4,309
Other financial liabilities		10,125	10,298
Retirement benefit liability		3,001	3,096
Provisions		6	6
Deferred tax liabilities		2,651	966
Other non-current liabilities		4,103	3,955
Total non-current liabilities		24,242	22,633
Total liabilities		124,045	114,815
Equity			
Share capital		54,768	54,768
Capital surplus		143,884	143,884
Retained earnings		248,515	246,595
Treasury shares		(12,089)	(12,089)
Other components of equity		(3,986)	(2,671)
Total equity attributable to owners of parent		431,091	430,487
Non-controlling interests		3,457	3,504
Total equity		434,549	433,992
Total liabilities and equity		558,595	548,807

Condensed Quarterly Consolidated Statement of Profit or Loss

Three months ended June 30, 2019 and 2020

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2019	Three months ended June 30, 2020
Revenue		64,870	47,683
Cost of sales		(36,143)	(28,905)
Gross profit		28,726	18,777
Selling, general and administrative expenses		(24,472)	(19,643)
Other income		688	10,674
Other expenses		(211)	(1,129)
Operating profit		4,731	8,679
Finance income		892	1,254
Finance costs		(817)	(47)
Share of profit of investments accounted for using equity method		180	50
Profit before tax		4,986	9,936
Income tax expense		(1,266)	(3,505)
Profit		3,719	6,431
Profit attributable to:			
Owners of parent		3,655	6,424
Non-controlling interests		63	6
Profit		3,719	6,431
Earnings per share			
Basic earnings per share (Yen)		10.25	18.48
Diluted earnings per share (Yen)		10.25	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

Three months ended June 30, 2019 and 2020

(Millions of yen; amounts less than one million yen are truncated.)

Period	Three months ended June 30, 2019	Three months ended June 30, 2020
Item		
Profit	3,719	6,431
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Equity financial assets measured at fair value through other comprehensive income	(525)	762
Total of items	(525)	762
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(5,220)	463
Debt financial assets measured at fair value through other comprehensive income	13	131
Share of other comprehensive income of investments accounted for using equity method	(15)	(2)
Total of items	(5,223)	593
Total other comprehensive income	(5,748)	1,355
Comprehensive income	(2,029)	7,786
Comprehensive income attributable to:		
Owners of parent	(1,991)	7,739
Non-controlling interests	(38)	46
Comprehensive income	(2,029)	7,786

Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(Millions of yen; amounts less than one million yen are truncated.)

	Equity attributable to owners of parent									Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				Total		
					Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
Balance at April 1, 2019	54,768	153,119	243,596	(11,608)	651	888	15	1,555	441,431	3,848	445,280
Profit	—	—	3,655	—	—	—	—	—	3,655	63	3,719
Other comprehensive income	—	—	—	—	(511)	(5,118)	(15)	(5,646)	(5,646)	(102)	(5,748)
Comprehensive income	—	—	3,655	—	(511)	(5,118)	(15)	(5,646)	(1,991)	(38)	(2,029)
Dividends	—	—	(8,915)	—	—	—	—	—	(8,915)	(0)	(8,916)
Purchase of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Disposal of treasury shares (including through the exercise of share options)	—	—	—	—	—	—	—	—	—	—	—
Total transactions with owners	—	—	(8,915)	(0)	—	—	—	—	(8,915)	(0)	(8,916)
Balance at June 30, 2019	54,768	153,119	238,337	(11,608)	139	(4,230)	(0)	(4,091)	430,524	3,809	434,334

Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(Millions of yen; amounts less than one million yen are truncated.)

	Equity attributable to owners of parent									Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				Total		
					Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
Balance at April 1, 2020	54,768	143,884	248,515	(12,089)	2,002	(5,982)	(5)	(3,986)	431,091	3,457	434,549
Profit	—	—	6,424	—	—	—	—	—	6,424	6	6,431
Other comprehensive income	—	—	—	—	894	423	(2)	1,315	1,315	40	1,355
Comprehensive income	—	—	6,424	—	894	423	(2)	1,315	7,739	46	7,786
Dividends	—	—	(8,343)	—	—	—	—	—	(8,343)	(0)	(8,344)
Purchase of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	(0)	—	0	—	—	—	—	0	—	0
Total transactions with owners	—	(0)	(8,343)	(0)	—	—	—	—	(8,344)	(0)	(8,344)
Balance at June 30, 2020	54,768	143,884	246,595	(12,089)	2,896	(5,559)	(8)	(2,671)	430,487	3,504	433,992

Condensed Quarterly Consolidated Statement of Cash Flows

Three months ended June 30, 2019 and 2020

(Millions of yen; amounts less than one million yen are truncated.)

Item	Period	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities			
Profit before tax		4,986	9,936
Depreciation and amortization		3,994	4,095
Finance income and finance costs		(809)	(1,268)
Share of profit of investments accounted for using equity method		(180)	(50)
Loss (gain) on sales and retirement of fixed assets		20	(10,247)
Decrease (increase) in inventories		(14,497)	(1,365)
Decrease (increase) in trade and other receivables		15,456	20,041
Increase (decrease) in trade and other payables		(1,080)	(8,144)
Increase (decrease) in retirement benefit liability		(312)	(281)
Increase (decrease) in provisions		(42)	176
Other		3,895	1,888
Subtotal		11,429	14,781
Interest received		236	203
Dividends received		77	68
Interest paid		(23)	(49)
Income taxes paid		(8,358)	(2,279)
Net cash provided by (used in) operating activities		3,361	12,724
Cash flows from investing activities			
Net decrease (increase) in time deposits		4,103	(833)
Proceeds from sale of marketable securities		500	500
Purchase of investment securities		(1,454)	—
Proceeds from sale of investment securities		2,167	5,533
Purchase of property, plant and equipment		(6,321)	(4,761)
Proceeds from sale of property, plant and equipment		103	9,753
Purchase of intangible assets		(1,182)	(1,122)
Other		15	(76)
Net cash provided by (used in) investing activities		(2,068)	8,994
Cash flows from financing activities			
Proceeds from short-term borrowings		28	36
Repayments of short-term borrowings		(13)	—
Net increase (decrease) in short-term borrowings		4,571	957
Repayments of long-term borrowings		(14)	—
Repayments of lease liabilities		(623)	(675)
Payments for purchase of treasury shares		(0)	(0)
Dividends paid		(8,919)	(8,379)
Dividends paid to non-controlling interests		(0)	(0)
Other		—	0
Net cash provided by (used in) financing activities		(4,971)	(8,061)
Effect of exchange rate changes on cash and cash equivalents		(964)	330
Net increase (decrease) in cash and cash equivalents		(4,643)	13,986
Cash and cash equivalents at beginning of period		56,295	47,167
Cash and cash equivalents at end of period		51,651	61,153

Segment Information

Three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

Millions of yen; amounts less than one million yen are truncated.)

	Metalworking Machinery	Metal Machine Tools	Other	Total	Reconciliations	Consolidated
Revenue						
Revenue from external customers	50,347	14,234	288	64,870	—	64,870
Intersegment revenue	0	1	—	2	(2)	—
Total	50,348	14,235	288	64,872	(2)	64,870
Segment profit (loss)	3,018	1,523	189	4,731	—	4,731
Finance income						892
Finance costs						(817)
Share of profit of investments accounted for using equity method						180
Profit before tax						4,986

Note:

1. The “Other” classification refers to businesses not included within reportable segments. It principally comprises real estate leasing.
2. Segment profit (loss) is adjusted from operating profit.

Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

Millions of yen; amounts less than one million yen are truncated.)

	Metalworking Machinery	Metal Machine Tools	Other	Total	Reconciliations	Consolidated
Revenue						
Revenue from external customers	38,806	8,559	317	47,683	—	47,683
Intersegment revenue	—	—	—	—	—	—
Total	38,806	8,559	317	47,683	—	47,683
Segment profit (loss)	8,793	(296)	182	8,679	—	8,679
Finance income						1,254
Finance costs						(47)
Share of profit of investments accounted for using equity method						50
Profit before tax						9,936

Note:

1. The “Other” classification refers to businesses not included within reportable segments. It principally comprises real estate leasing.
2. Segment profit (loss) is adjusted from operating profit.
3. Segment profit (loss) in the Metalworking Machinery business includes the gain on sale associated with the sale of the Komaki factory.

Supplementary Information

Status of Orders Received and Sales (Consolidated)

1. Orders Received

(Millions of yen; amounts less than one million yen are truncated.)

Divisions	Period		Three months ended June 30, 2019				Three months ended June 30, 2020			
			Orders received		Balance of outstanding orders		Orders received		Balance of outstanding orders	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%		%
Sheet Metal Division	44,195	65.6	57,413	68.9	32,794	70.5	47,702	76.0		
Micro Welding Division	7,593	11.3	9,784	11.7	4,674	10.0	4,984	7.9		
Cutting Division	9,161	13.6	5,720	6.9	5,525	11.9	3,302	5.3		
Stamping Presses Division	4,709	7.0	7,586	9.1	2,523	5.4	5,303	8.4		
Grinding Division	1,373	2.1	2,832	3.4	692	1.5	1,503	2.4		
Others	286	0.4	—	—	317	0.7	—	—		
Total	67,320	100.0	83,337	100.0	46,526	100.0	62,797	100.0		

2. Sales Results

(Millions of yen; amounts less than one million yen are truncated.)

Divisions	Period		Three months ended June 30, 2019		Three months ended June 30, 2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Sheet Metal Division	43,750	67.4	33,714	70.7		
Micro Welding Division	6,596	10.2	5,092	10.7		
Cutting Division	8,398	12.9	5,435	11.4		
Stamping Presses Division	4,179	6.4	2,403	5.0		
Grinding Division	1,656	2.6	720	1.5		
Others	288	0.5	317	0.7		
Total	64,870	100.0	47,683	100.0		

Note: For “Status of Orders Received and Sales,” amounts exclude consumption tax.

Status of Sales revenue to Customers by Geographic Region

(Millions of yen; amounts less than one million yen are truncated.)

Regions	Period		Three months ended June 30, 2019		Three months ended June 30, 2020		Percentage change
	Amount	Ratio	Amount	Ratio	Amount	Ratio	
		%		%		%	
Japan	25,688	39.6	19,008	39.9			(26.0)
Overseas	39,181	60.4	28,674	60.1			(26.8)
North America	15,379	23.7	12,487	26.2			(18.8)
Europe	12,846	19.8	7,877	16.5			(38.7)
Asia and other regions	10,955	16.9	8,310	17.4			(24.1)
Total	64,870	100.0	47,683	100.0			(26.5)