



Consolidated Financial Results for the Six Months Ended September 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: November 13, 2020

Scheduled date to commence dividend payments: December 8, 2020

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 Six Months Ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	113,519	(26.7)	15,433	(19.5)	17,075	(12.4)	11,274	(16.4)	11,222	(15.9)
Six months ended September 30, 2019	154,940	0.2	19,162	(5.8)	19,495	(16.3)	13,488	(17.8)	13,344	(17.9)

Note: Comprehensive income:

Six months ended September 30, 2020:

¥12,487 millions

147.1 %

Six months ended September 30, 2019:

¥5,054 millions

(73.3) %

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	32.28	—
Six months ended September 30, 2019	37.42	37.42

(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 September 30, 2020	545,056	438,519	435,139	79.8
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	—	15.00	—	—	—
Fiscal year ended March 31, 2021 (Forecast)	—	—	—	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)	233,000	(27.2)	12,000	(65.4)	6,000	(74.3)	17.26

Note: Revision to consolidated financial forecasts most recently announced: Yes

4. Other Items

(1) Changes in the scope of consolidation for significant subsidiaries during the six months ended September 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 September 30, 2020	359,115,217	shares
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As of March 31, 2020	359,115,217	shares
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2) Number of treasury shares at end of period

As of September 30, 2020	11,450,202	shares
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As of March 31, 2020	11,449,424	shares
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3) Average number of shares during period

Six months ended September 30, 2020	347,665,480	shares
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Six months ended September 30, 2019	356,610,956	shares
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***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.)

<div>Period</div> <div>Item</div>	As of March 31, 2020	As of September 30, 2020
(Assets)		
Current assets:		
Cash and cash equivalents	47,167	55,672
Trade and other receivables	126,058	108,318
Inventories	100,495	91,856
Other financial assets	15,736	27,743
Other current assets	9,879	6,566
Total current assets	299,338	290,156
Non-current assets:		
Property, plant and equipment	154,907	159,242
Goodwill	5,928	5,958
Intangible assets	15,009	14,238
Investments accounted for using equity method	422	608
Other financial assets	59,958	53,022
Deferred tax assets	13,496	11,618
Other non-current assets	9,534	10,210
Total non-current assets	259,256	254,899
Total asset	558,595	545,056

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

Item	Period	As of March 31, 2020	As of September 30, 2020
(Liabilities and Equity)			
Liabilities			
Current liabilities:			
Trade and other payables		51,745	34,376
Borrowings		16,879	18,809
Income taxes payable		2,909	5,452
Other financial liabilities		3,086	3,093
Provisions		1,712	2,127
Other current liabilities		23,470	19,924
Total current liabilities		99,803	83,783
Non-current liabilities:			
Borrowings		4,353	4,232
Other financial liabilities		10,125	10,331
Retirement benefit liability		3,001	3,164
Provisions		6	6
Deferred tax liabilities		2,651	975
Other non-current liabilities		4,103	4,042
Total non-current liabilities		24,242	22,753
Total liabilities		124,045	106,537
Equity			
Share capital		54,768	54,768
Capital surplus		143,884	143,883
Retained earnings		248,515	251,419
Treasury shares		(12,089)	(12,089)
Other components of equity		(3,986)	(2,842)
Total equity attributable to owners of parent		431,091	435,139
Non-controlling interests		3,457	3,379
Total equity		434,549	438,519
Total liabilities and equity		558,595	545,056

Condensed Quarterly Consolidated Statement of Profit or Loss

Six months ended September 30, 2019 and 2020

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

Item	Period	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue		154,940	113,519
Cost of sales		(87,505)	(68,233)
Gross profit		67,434	45,286
Selling, general and administrative expenses		(48,883)	(39,150)
Other income		940	11,435
Other expenses		(329)	(2,137)
Operating profit		19,162	15,433
Finance income		1,607	1,738
Finance costs		(1,511)	(201)
Share of profit of investments accounted for using equity method		237	105
Profit before tax		19,495	17,075
Income tax expense		(6,006)	(5,801)
Profit		13,488	11,274
Profit attributable to:			
Owners of parent		13,344	11,222
Non-controlling interests		144	51
Profit		13,488	11,274
Earnings per share			
Basic earnings per share (Yen)		37.42	32.28
Diluted earnings per share (Yen)		37.42	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

Six months ended September 30, 2019 and 2020

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

Item	Period	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit		13,488	11,274
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Equity financial assets measured at fair value through other comprehensive income		(521)	(48)
Total of items		(521)	(48)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(7,876)	1,097
Debt financial assets measured at fair value through other comprehensive income		21	167
Share of other comprehensive income of investments accounted for using equity method		(56)	(2)
Total of items		(7,912)	1,261
Total other comprehensive income		(8,434)	1,213
Comprehensive income		5,054	12,487
Comprehensive income attributable to:			
Owners of parent		5,043	12,392
Non-controlling interests		11	95
Comprehensive income		5,054	12,487

Condensed Quarterly Consolidated Statement of Changes in Equity

Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

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

(millions of yen, amounts less than one million yen are indicated.)

	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	—	—	13,344	—	—	—	—	—	13,344	144	13,488
Other comprehensive income	—	—	—	—	(500)	(7,743)	(56)	(8,300)	(8,300)	(133)	(8,434)
Comprehensive income	—	—	13,344	—	(500)	(7,743)	(56)	(8,300)	5,043	11	5,054
Dividends	—	—	(8,915)	—	—	—	—	—	(8,915)	(127)	(9,042)
Purchase of treasury shares	—	—	—	(1)	—	—	—	—	(1)	—	(1)
Disposal of treasury shares (including through the exercise of share options)	—	0	—	0	—	—	—	—	0	—	0
Total transactions with owners	—	0	(8,915)	(1)	—	—	—	—	(8,916)	(127)	(9,043)
Balance at September 30, 2019	54,768	153,119	248,025	(11,609)	150	(6,855)	(41)	(6,745)	437,558	3,732	441,291

Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

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

(millions of yen, amounts less than one million yen are indicated.)

	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	—	—	11,222	—	—	—	—	—	11,222	51	11,274
Other comprehensive income	—	—	—	—	118	1,053	(2)	1,169	1,169	43	1,213
Comprehensive income	—	—	11,222	—	118	1,053	(2)	1,169	12,392	95	12,487
Dividends	—	—	(8,343)	—	—	—	—	—	(8,343)	(173)	(8,517)
Purchase of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	(0)	—	0	—	—	—	—	0	—	0
Transfer from other components of equity to retained earnings	—	—	25	—	(25)	—	—	(25)	—	—	—
Total transactions with owners	—	(0)	(8,318)	(0)	(25)	—	—	(25)	(8,344)	(173)	(8,518)
Balance at September 30, 2020	54,768	143,883	251,419	(12,089)	2,095	(4,929)	(8)	(2,842)	435,139	3,379	438,519

Condensed Quarterly Consolidated Statement of Cash Flows

Six months ended September 30, 2019 and 2020

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

Item	Period	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities			
Profit before tax		19,495	17,075
Depreciation and amortization		7,915	8,343
Finance income and finance costs		(1,416)	(1,785)
Share of profit of investments accounted for using equity method		(237)	(105)
Loss (gain) on sales and retirement of fixed assets		19	(10,253)
Decrease (increase) in inventories		(11,068)	9,108
Decrease (increase) in trade and other receivables		8,201	17,427
Increase (decrease) in trade and other payables		(7,675)	(17,174)
Increase (decrease) in retirement benefit liability		(658)	(613)
Increase (decrease) in provisions		(90)	380
Other		2,601	(472)
Subtotal		17,088	21,932
Interest received		453	393
Dividends received		105	93
Interest paid		(54)	(108)
Income taxes paid		(9,658)	(1,848)
Net cash provided by (used in) operating activities		7,933	20,462
Cash flows from investing activities			
Net decrease (increase) in time deposits		5,755	(8,265)
Purchase of marketable securities		—	(6,000)
Proceeds from sales and redemption of marketable securities		2,800	4,400
Purchase of investment securities		(2,254)	—
Proceeds from sales and redemption of investment securities		2,624	5,906
Purchase of property, plant and equipment		(11,133)	(8,840)
Proceeds from sale of property, plant and equipment		118	9,886
Purchase of intangible assets		(2,277)	(1,960)
Other		(401)	(75)
Net cash provided by (used in) investing activities		(4,768)	(4,949)
Cash flows from financing activities			
Proceeds from short-term borrowings		—	599
Repayments of short-term borrowings		(143)	—
Net increase (decrease) in short-term borrowings		10,200	1,796
Proceeds from long-term borrowings		—	4,276
Repayments of long-term borrowings		(1,112)	(4,276)
Repayments of lease liabilities		(1,232)	(1,371)
Payments for purchase of treasury shares		(1)	(0)
Dividends paid		(8,900)	(8,343)
Dividends paid to non-controlling interests		(127)	(173)
Other		0	0
Net cash provided by (used in) financing activities		(1,317)	(7,493)
Effect of exchange rate changes on cash and cash equivalents		(1,942)	485
Net increase (decrease) in cash and cash equivalents		(95)	8,504
Cash and cash equivalents at beginning of period		56,295	47,167
Cash and cash equivalents at end of period		56,199	55,672

Segment Information

Six months ended September 30, 2019 (from April 1, 2019 to September 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	122,603	31,730	605	154,940	—	154,940
Intersegment revenue	2	2	—	5	(5)	—
Total	122,606	31,733	605	154,945	(5)	154,940
Segment profit	14,787	3,983	391	19,162	—	19,162
Finance income						1,607
Finance costs						(1,511)
Share of profit of investments accounted for using equity method						237
Profit before tax						19,495

Note:

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

Six months ended September 30, 2020 (from April 1, 2020 to September 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	92,997	19,839	682	113,519	—	113,519
Intersegment revenue	—	—	—	—	—	—
Total	92,997	19,839	682	113,519	—	113,519
Segment profit	14,781	243	408	15,433	—	15,433
Finance income						1,738
Finance costs						(201)
Share of profit of investments accounted for using equity method						105
Profit before tax						17,075

Note:

1. The “Other” classification refers to businesses not included within reportable segments. It principally comprises real estate leasing.
2. Segment profit is adjusted from operating profit.
3. Segment profit 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		Six months ended September 30, 2019				Six months ended September 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	110,237	70.9	58,318	71.7	82,922	73.4	48,703	76.8		
Micro Welding Division	14,032	9.0	9,103	11.2	9,363	8.3	4,610	7.3		
Cutting Division	18,015	11.6	4,251	5.2	12,101	10.7	3,499	5.5		
Stamping Presses Division	9,984	6.4	7,588	9.3	5,977	5.3	5,295	8.4		
Grinding Division	2,552	1.7	2,111	2.6	1,919	1.7	1,293	2.0		
Others	603	0.4	—	—	682	0.6	—	—		
Total	155,425	100.0	81,372	100.0	112,966	100.0	63,402	100.0		

2. Sales Results

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

Divisions	Period		Six months ended September 30, 2019		Six months ended September 30, 2020	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Sheet Metal Division	108,887	70.3	82,841	73.0		
Micro Welding Division	13,716	8.8	10,155	8.9		
Cutting Division	18,721	12.1	11,815	10.4		
Stamping Presses Division	9,452	6.1	5,866	5.2		
Grinding Division	3,556	2.3	2,157	1.9		
Others	605	0.4	682	0.6		
Total	154,940	100.0	113,519	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		Six months ended September 30, 2019		Six months ended September 30, 2020		Percentage change
	Amount	Ratio	Amount	Ratio	Amount	Ratio	
Japan	72,722	46.9	51,000	44.9			(29.9)
Overseas	82,217	53.1	62,518	55.1			(24.0)
North America	31,860	20.6	25,869	22.8			(18.8)
Europe	26,515	17.1	19,006	16.7			(28.3)
Asia and other regions	23,842	15.4	17,642	15.6			(26.0)
Total	154,940	100.0	113,519	100.0			(26.7)