

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

April 28, 2020

Company name: TOMEN DEVICES CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 2737 URL <http://www.tomendevices.co.jp>
 Representative: President Ichiro Tsumaki
 Inquiries: General manager, Accounting Department Hideki Hara TEL 03-3536-9150
 Scheduled date of ordinary general meeting of shareholders: June 22, 2020
 Scheduled date to file Securities Report: June 23, 2020
 Scheduled date to commence dividend payments: June 23, 2020
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	260,367	19.6	4,526	28.3	4,374	65.7	3,382	77.8
Year ended March 31, 2019	217,632	10.2	3,528	35.8	2,639	8.7	1,902	9.3

Note: Comprehensive income Year ended March 31, 2020 ¥3,250 million [(67.0)%]
 Year ended March 31, 2019 ¥1,946 million [(6.0) %]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	497.32	391.58	11.1	5.1	1.7
Year ended March 31, 2019	279.72	243.58	6.7	3.6	1.6

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2020 ¥43 million
 Year ended March 31, 2019 ¥(12) million

(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, 2020	92,510	31,917	34.2	4,653.66
As of March 31, 2019	79,694	29,278	36.5	4,280.46

Reference: Equity As of March 31, 2020 ¥31,651 million
 As of March 31, 2019 ¥29,113 million

(3) Consolidated cash flows

	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
Year ended March 31, 2020	9,554	(17)	(6,297)	9,904
Year ended March 31, 2019	(570)	(229)	(1,055)	6,743

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	0.00	—	90.00	90.00	612	32.2	2.2
Year ended March 31, 2020	—	0.00	—	150.00	150.00	1,020	30.2	3.4
Year ending March 31, 2021 (Forecast)	—	—	—	—	—		—	

(Note 1) Dividends per share for the year ended March 31, 2020 have changed from ¥130 to ¥150.

(Note 2) The dividends forecast for the year ending March 31, 2021 has not been determined.

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Forecast of consolidated financial results for the year ending March 31, 2021 have not yet been determined at this time as it is difficult to reasonably predict the impact of the novel coronavirus disease (COVID-19) on customers, suppliers' supply chains, etc., and the scope of impact on the Company group's financial results at this time. The forecast of the financial results will be announced promptly once it becomes possible to appropriately and reasonably make a calculation.

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	⋮	6,802,000 shares	As of March 31, 2019	⋮	6,802,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	⋮	666 shares	As of March 31, 2019	⋮	611 shares
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Average number of shares during the period

Year ended March 31, 2020	⋮	6,801,367 shares	Year ended March 31, 2019	⋮	6,801,389 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	122,518	4.5	1,437	(19.8)	1,194	(21.8)	819	(21.7)
Year ended March 31, 2019	117,261	9.8	1,791	20.4	1,527	2.5	1,046	5.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2020	120.53	—
Year ended March 31, 2019	153.85	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	68,519	25,896	37.8	3,807.50
As of March 31, 2019	64,467	25,827	40.1	3,797.35

Reference: Equity As of March 31, 2020 ¥25,896 million
 As of March 31, 2019 ¥25,827 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

Earnings forecasts are not presented as it is difficult to reasonably calculate earnings forecasts at the time of release of this document.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	4,161	6,594
Notes and accounts receivable - trade	44,992	50,605
Electronically recorded monetary claims - operating	2,737	3,765
Merchandise	11,868	22,941
Advance payments - trade	11,603	3,012
Deposits paid	2,581	3,309
Other	336	912
Allowance for doubtful accounts	(97)	(37)
Total current assets	78,184	91,104
Non-current assets		
Property, plant and equipment		
Buildings	115	114
Accumulated depreciation	(84)	(88)
Buildings, net	30	26
Vehicles	1	—
Accumulated depreciation	(0)	—
Vehicles, net	0	—
Other	63	136
Accumulated depreciation	(48)	(90)
Other, net	14	46
Total property, plant and equipment	46	72
Intangible assets	253	199
Investments and other assets		
Investment securities	828	664
Deferred tax assets	229	320
Other	151	149
Total investments and other assets	1,209	1,133
Total non-current assets	1,509	1,406
Total assets	79,694	92,510

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	29,278	37,059
Short-term borrowings	5,882	—
Income taxes payable	354	509
Advances received	3,119	9,246
Provision for bonuses	128	187
Accounts payable - other	10,419	12,028
Other	805	1,092
Total current liabilities	49,987	60,123
Non-current liabilities		
Retirement benefit liability	389	429
Deferred tax liabilities	0	0
Other	38	38
Total non-current liabilities	428	469
Total liabilities	50,416	60,593
Net assets		
Shareholders' equity		
Share capital	2,054	2,054
Capital surplus	1,984	1,984
Retained earnings	24,398	27,169
Treasury shares	(1)	(1)
Total shareholders' equity	28,435	31,205
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	273	136
Deferred gains or losses on hedges	(20)	(21)
Foreign currency translation adjustment	424	330
Total accumulated other comprehensive income	677	445
Non-controlling interests	165	266
Total net assets	29,278	31,917
Total liabilities and net assets	79,694	92,510

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	217,632	260,367
Cost of sales	211,440	252,944
Gross profit	6,191	7,422
Selling, general and administrative expenses	2,663	2,896
Operating profit	3,528	4,526
Non-operating income		
Interest income	3	181
Dividend income	15	16
Share of profit of entities accounted for using equity method	—	43
Other	26	30
Total non-operating income	45	272
Non-operating expenses		
Interest expenses	391	55
Loss on transfer of receivables	56	14
Foreign exchange losses	454	329
Share of loss of entities accounted for using equity method	12	—
Other	19	26
Total non-operating expenses	933	425
Ordinary profit	2,639	4,374
Profit before income taxes	2,639	4,374
Income taxes - current	680	916
Income taxes - deferred	20	(29)
Total income taxes	701	887
Profit	1,938	3,486
Profit attributable to non-controlling interests	35	104
Profit attributable to owners of parent	1,902	3,382

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	1,938	3,486
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	(137)
Deferred gains or losses on hedges	(52)	(1)
Foreign currency translation adjustment	125	(97)
Total other comprehensive income	8	(235)
Comprehensive income	1,946	3,250
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,905	3,150
Comprehensive income attributable to non-controlling interests	40	100

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,054	1,984	23,040	(1)	27,077
Changes during period					
Dividends of surplus			(544)		(544)
Profit attributable to owners of parent			1,902		1,902
Purchase of treasury shares				—	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,358	—	1,358
Balance at end of period	2,054	1,984	24,398	(1)	28,435

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	338	32	303	674	124	27,876
Changes during period						
Dividends of surplus						(544)
Profit attributable to owners of parent						1,902
Purchase of treasury shares						—
Net changes in items other than shareholders' equity	(64)	(52)	120	3	40	44
Total changes during period	(64)	(52)	120	3	40	1,402
Balance at end of period	273	(20)	424	677	165	29,278

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,054	1,984	24,398	(1)	28,435
Changes during period					
Dividends of surplus			(612)		(612)
Profit attributable to owners of parent			3,382		3,382
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,770	(0)	2,770
Balance at end of period	2,054	1,984	27,169	(1)	31,205

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	273	(20)	424	677	165	29,278
Changes during period						
Dividends of surplus						(612)
Profit attributable to owners of parent						3,382
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(137)	(1)	(93)	(232)	100	(131)
Total changes during period	(137)	(1)	(93)	(232)	100	2,638
Balance at end of period	136	(21)	330	445	266	31,917

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,639	4,374
Depreciation	78	112
Increase (decrease) in provision for bonuses	0	59
Increase (decrease) in retirement benefit liability	43	40
Increase (decrease) in allowance for doubtful accounts	(5)	(58)
Share of loss (profit) of entities accounted for using equity method	12	(43)
Interest and dividend income	(18)	(198)
Interest expenses	391	55
Foreign exchange losses (gains)	6	(7)
Decrease (increase) in trade receivables	(4,004)	(7,028)
Decrease (increase) in inventories	88	(11,127)
Decrease (increase) in advance payments - trade	(9,494)	8,373
Increase (decrease) in trade payables	3,421	8,140
Increase (decrease) in advances received	2,811	6,177
Increase (decrease) in accounts payable - other	4,040	1,610
Other, net	549	(322)
Subtotal	561	10,158
Interest and dividends received	28	209
Interest paid	(391)	(55)
Income taxes paid	(769)	(758)
Net cash provided by (used in) operating activities	(570)	9,554
Cash flows from investing activities		
Purchase of property, plant and equipment	(5)	(8)
Purchase of intangible assets	(234)	(8)
Other, net	9	(1)
Net cash provided by (used in) investing activities	(229)	(17)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(511)	(5,648)
Repayments of lease obligations	—	(36)
Purchase of treasury shares	—	(0)
Dividends paid	(544)	(612)
Net cash provided by (used in) financing activities	(1,055)	(6,297)
Effect of exchange rate change on cash and cash equivalents	170	(77)
Net increase (decrease) in cash and cash equivalents	(1,685)	3,160
Cash and cash equivalents at beginning of period	8,429	6,743
Cash and cash equivalents at end of period	6,743	9,904