

# Consolidated Financial Review

## For the Year Ended March 31, 2020 [Japanese GAAP]



May14, 2020

Listed Market: TSE 1st section

Company name: Y.A.C. HOLDINGS CO., LTD.  
 6298  
 Headquarters address: 3-11-10, Musashino, Akishima-Shi, Tokyo 196-0021, Japan  
 URL: <https://www.yac.co.jp>  
 Representatives: MOMOSE Takefumi, President  
 Inquiries: HATAKEYAMA Osamu, Director and General Manager Financing Headquarter.  
 Telephone number: +81-(0)42-546-1161

Application of U.S. GAAP: None

For reference only

The Japanese version of this Financial Review is the original, English version is essentially a translation from Japanese.

The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

Amounts are rounded down to the nearest million yen.

### 1. Financial highlights for the year ended March 31, 2020 (4/01/2019-3/31/2020)

#### (1) Consolidated operating results

% are the changes from the previous corresponding 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	%
Twelve months ended Mar.31, 2020	21,914	-39.2	-361	-119.6	-443	-124.0	-958	-187.6
Twelve Months ended Mar.31,2019	36,025	24.8	1,842	71.5	1,852	93.9	1,094	170.9

Note: Comprehensive income

Twelve months ended Mar. 31, 2020 -¥1,039 million (---%)

Twelve months ended Mar. 31, 2019 ¥988 million (94.1%)

	Profit per share	Profit per share-diluted	Return on Equity	Ordinary Income to total asset	Operating Income to net sales
	Yen	Yen	%	%	%
Twelve months ended Mar. 31, 2020	-106.08	---	-6.7	-1.1	-1.6
Twelve months ended Mar. 31, 2019	121.68	120.73	7.5	4.6	5.1

Note: Equity in earnings /losses of affiliates accounted for by the equity method

Twelve months ended Mar.31, 2020: 0 million: Twelve months ended Mar.31, 2019: ---million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per Share
	Mil	Mil yen	%	Yen
Mar.31.2020	39,135	14,065	35.3	1,525.83
Mar.31.2019	41,645	15,261	35.9	1,659.97

Note: Equity

As of Mar. 31, 2020: ¥13,818 million

As of Mar. 31, 2019: ¥14,960 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flow investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Twelve months ended Mar.31,2020	-2,652	44	1,188	6,450
Mar.31,2019	-1,505	99	1,328	7,898

### 2. Cash Dividends

	Cash dividends per share					Total Cash dividend	Consolidated payout ratio	Dividend on equity consolidated
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Mil Yen	%	%
Fiscal year ended Mar. 31 2018	---	10.00	---	10.00	20.00	180	16.4	1.2
Fiscal year ended Mar. 31 2019	---	10.00	---	10.00	20.00	181	-18.9	1.3
Fiscal year ending Mar.31 2021 (forecast)	---	---	---	---	---		---	

Notes

Cash dividends forecasts of end of 2<sup>nd</sup> quarter and year end are undecided. We will promptly disclose the dividends for the financial year ending March 31, 2021 when it becomes possible to disclose business forecast.

3. Corporate estimates for the year ending March 31, 2021

(% are the rate of increase or decrease from the previous corresponding period)

Fiscal year ending Mar. 2021	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Mill.Yen	%	Mill Yen	%	Mill.Yen	%	Mill Yen	%	Yen
	---	-----	---	---	---	---	---	---	---

Notes

Under the circumstances that it is impossible to forecast the time when COVID-19 will cease, business forecast for the financial year ending March 31, 2021 will be disclosed at the time when it become possible to reasonably forecast it.

Notes

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation): None

(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement

① Changes of accounting policies accompanied by revision of accounting standard etc.: None

② Changes of accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Retrospective restatement : None

(3) Number of issued shares outstanding (Common shares)

① Number of issued shares outstanding as of end of period ( including treasury stock)

As of Mar. 31, 2020: 9,758,947 shares. As of Mar. 31, 2019: 9,758,947 shares.

② Number of treasury stock as of end of period

As of Mar. 31, 2020: 702,714 shares. As of Mar. 31, 2019: 746,475 shares.

③ Average number of issued shares outstanding.

Twelve months ended Mar.31 2020: 9,039,958 shares Twelve months ended Mar. 31, 2019: 8,993,283 shares.

\*This financial report is exempt from review procedure based upon the Financial Instruments and Exchange Act.

\*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to us and certain assumptions that are regarded as legitimate. We do not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P. 6“Analysis of operating results and financial condition (3) Future forecast.

## Table of Contents

<b>1.</b>	Analysis of operating results and financial conditions	4-6
	(1) Analysis of operating results	4-5
	(2) Analysis of financial conditions	5-6
	(3) Future forecast.	6
	(4) Basic policy on profit allocation and payment of dividends for current and next financial years	6
<b>2</b>	Basic philosophy on selection of accounting standards	6
<b>3</b>	Consolidated financial information and notes	7-21
	(1) Consolidated Balance Sheets	7-8
	(2) Consolidated statements of income and comprehensive income	9-11
	Consolidated Statements of Income	9-10
	Consolidated Statements of Comprehensive Income	11
	(3) Consolidated Statements of Changes in Net Assets	12-15
	(4) Consolidated cash flows	16-17
	(5) Notes on Consolidated Financial Information	17
	(Notes Concerning Going Concern Assumption)	17
	(Changes of accounting policy)	17
	(Changes in accounting estimates)	17
	(Additional information)	17
	(Segment Information)	18-20
	(Information on per share)	21

## 1. Analysis of operating results and financial conditions

### (1) Analysis of operating results

#### a) Operating result of this financial period

The global economy in the current consolidated fiscal year was slowdown influenced by the U.S.-China trade friction and the Brexit, addition to this world wide spread threat of COVID-19 to the end of the financial year, and finally world economy has significantly cooled down. The Japanese economy also remained sluggish due to the slowdown in overseas economies and COVID-19. Regarding the industry to which we belong, the FPD industry started to restrain investment in both large and small sizes, addition to this due to the influence of COVID-19, corporate activities in China, which is the main market, stagnated to the end of the financial year. The semiconductor industry was affected by COVID-19, and although there was a special demand for communication devices for remote work, it remained sluggish due to stagnant corporate activities. Under these economic circumstances, our group has been endeavoring to develop and sell equipment that captures every time changing customer needs with expectations of new demand for 5G-related, AI, and IoT. However, due to the tendency of restraining capital investment in the manufacturing industry in general, and addition to this, due to the influence of COVID-19 in the fourth quarter, which has been recording the largest sales and profits each year for our group.

As results of these, sales amounted to ¥21,914 million (39.2% decreased compared to the previous financial year), operating loss marked ¥361 million (the previous financial year was profit ¥1,842 million), and ordinary loss marked ¥443 million (the previous financial year was profit ¥1,852 million), net loss attributable to owners of the parent marked ¥958 million (the previous financial year was profit ¥1,094 million yen). Regarding to net loss, we recorded loss on business liquidation of ¥ 699 million due to the decision to withdraw from the wet etching business during the third quarter of this financial year. Also, during the fourth quarter of this financial period, a gain on negative goodwill of ¥502 million was recorded as a result of consolidating Daiichi Co., Ltd. as a consolidated subsidiary.

Each segment result is as follows:

Since the first quarter of this financial term, we have reorganized three reportable segments to four reportable segments such as “Mechatronics related business”, “Display related business”, “Industrial machinery related business” and “Electronics related businesses” based on their business. Segment information of the previous corresponding period is reported by the changed classification method of reportable segments.

For details, please refer to “3. Consolidated Financial Statements and notes, (5) Notes to Consolidated Financial Statements (Segment Information)”.

(Mechatronics-related business)

Sales of hard disk-related equipment went well, but business performance was sluggish due to overall restraint in capital investment in the manufacturing industry due to the U.S.-China trade friction and the impact of COVID-19. As a result, net sales in the mechatronics-related business amounted to ¥ 8,412 million (21.0% decreased compared to the previous financial year), and segment profit was ¥ 262 million (68.4% decreased compared to the previous financial year).

(Display related business)

Due to the delay in capital investment for large-scale projects and the impact of COVID-19 in the Chinese market, business performance was sluggish. In terms of profits, intensifying price competition and increased costs due to defects in some projects. As a result, sales of display-related business amounted to ¥4,570 million (71.2% decreased compared to the previous financial year), and segment loss was ¥1,047 million (the previous financial year was profit ¥262 million).

(Industrial machinery related business)

The domestic cleaning market continues to decline. Although we are promoting sales expansion into the Chinese market, the performance was sluggish due to the impact of COVID-19. As a result, sales in the industrial machinery related business amounted to

¥1,768 million (9.9% decreased compared to the previous financial year), and segment loss was ¥13 million (the previous financial year was profit ¥161 million).

(Electronics related business)

Although demand for measuring equipment for electric power companies has circulated, large-scale sales of dialyzer have been strong, and performance has been flat. Profit decreased due to investment in development of new type dialyzer. As a result, net sales of the electronics related business amounted to ¥7,162 million (4.9% decreased compared to the previous financial year), and segment income was ¥289 million (35.0% decreased compared to the previous financial year).

## **(2) Analysis of financial conditions**

### **a) Conditions of assets, liabilities, and net assets**

Current assets as of Mar.31, 2020 stood at ¥30,552 million decreased by ¥2,310 million compared to Mar.31, 2019. Main increased items were work in process by ¥1,389 million and merchandise and finished products by ¥321 million. Main decreased items were trade note and accounts receivable by ¥1,896 million, cash and deposit by ¥1,501 million and securities by ¥258 million. Noncurrent assets as of Mar.31, 2020 amounted to ¥8,583 million decreased by ¥198 million compared to Mar.31, 2019. As a result, total assets as of Mar.31, 2020 stood at ¥39,135 million, decreased by ¥2,509 million compared to Mar.31, 2019.

Current liabilities as of Mar.31, 2020 stood at ¥17,446 million, decreased by ¥100 million compared to Mar.31, 2019. Main increased items were short term loans payable by ¥2,542 million and current portion of bond payable by ¥700 million, main decreased items were notes and account payable trade by ¥2,402 million and income tax payable by ¥478 million.

Fixed liabilities as of Mar.31, 2020 amounted to ¥7,623 million, increased by ¥1,212 million compared to Mar.31, 2019. Main increased item was provision for business liquidation losses by ¥592 million, and main decreased items were long term loans payable by ¥1,132 million and bonds payable by ¥700 million. As a result, total liabilities as of Mar.31, 2020 stood at ¥25,070 million, decreased by ¥1,313 million compared to Mar.31, 2019.

Total net assets as of Mar.31, 2020 amounted to ¥14,065 million decreased by ¥1,196 million compared to Mar.31, 2019. As a result, equity ratio at the end of this consolidated financial year came to 35.3% and net assets per share came to ¥1,525.83.

### **b) Condition of Cash Flows**

Cash and cash equivalent at the end of this financial year was decreased by ¥1,448 million compared to the previous financial year end, to ¥6,450 million.

Condition of cash flows and main factors of this consolidated financial year are as follows.

(Cash flows from operating activities)

Cash flows from operating activities during this financial year ended Mar.31, 2020 was negative ¥2,652 million (the previous financial year ended Mar.31, 2019 was negative ¥1,505 million).

The main positive factors were decrease ¥2,061 million in trade receivables, decrease ¥661 in accrued consumption tax, increase ¥592 million in allowance for loss on business liquidation and ¥572 million depreciation and amortization, and main negative factors were ¥2,446 million decrease in trade payable, ¥1,857 million increase in inventories, ¥1,007 income taxes paid and ¥636 million loss before income taxes and ¥502 million income on negative good will.

(Cash flows from investing activities.)

Cash flows from investing activities during this financial year ended Mar.31, 2020 was positive ¥44 million compared to positive ¥99 million during the previous financial year.

The main positive factor was ¥658 million proceed from drawing of time deposit, and main negative factors were ¥348 million payment for establishment of time deposit, ¥233 million payment for acquisition of affiliate companies' stock and ¥214 million payment for acquisition of tangible fixed assets.

(Cash flows from financing activities)

Cash flows from financing activities during this financial year ended Mar.31, 2020 was positive ¥1,188 million compared to positive ¥1,328 million during the previous financial

year ended Mar.31. 2019.

The main positive factor is ¥2,650 million proceeds from long-term loans payable and main negative factors were ¥1,911 million repayment of long-term loans payable and ¥180 million payment for dividends.

### **(3) Future forecast.**

Regarding the prospects, under the 4th Industrial Revolution, mainly in the semiconductor industry demand for 5G communication-related, AI, IoT, etc. are expected to expand, but because of the global spread of the COVID-19, corporate activities have been severely constrained, and the current global economy is rapidly chilling. Under this business environment, we will aim to build a stronger and more sustainable group toward the 50th anniversary of our foundation in 2023. We will work to reduce costs by reorganizing and streamlining 19 group companies, aiming to become a more muscular company, and strive to develop new products that will be needed in the coming 5G society and the post-Corona society. We have also changed the structure of the holding company. We will reduce the number of directors and build a system that allows for quicker management decisions, and we will make further jump. Regarding business forecast for the next fiscal year we will promptly disclose when it becomes possible to reasonably forecast it in view of the impact of the new coronavirus.

### **(4) Basic policy on profit allocation and payment of dividends for current and next financial years**

Basic policy of YAC group is to let corporate value keep increasing continuously and to return profit to shareholders corresponding amount to corporate operating results. In order to achieve our basic policy, we endeavor to strengthen corporate body, to proceed our R&D activities and to pay dividends stably with considering the amount of retained earnings balance to cope with the changes of atmosphere.

We plan to pay a dividend 10 yen per share as a year-end dividend of this financial year. As a result, the dividend entire financial year is planned to be 20 yen per share including the interim dividend 10 yen per share.

For the following financial year, we will disclose as soon as possible at the time when it become possible to disclose considering the impact of COVID-19.

## **2. Basic philosophy on selection of accounting standards**

Our group's consolidated financial statements have been prepared in accordance with Japanese G.A.A.P. in order to secure the comparability with competitors in Japan.

### 3. Consolidated financial information

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2019	As of Mar. 31, 2020
<b>(Assets)</b>		
Current assets		
Cash and deposits	8,032	6,531
Trade notes and account receivables	14,366	12,469
Securities	258	0
Merchandise and finished goods	752	1,073
Work in process	6,952	8,341
Raw materials and supplies	1,264	1,423
Others	1,422	859
Allowance for doubtful accounts	-186	-148
Total current assets	<u>32,863</u>	<u>30,552</u>
Noncurrent assets		
<b>Tangible fixed assets</b>		
Buildings and structures	4,632	5,165
Accumulated depreciation	-2,824	-3,206
Building and structures(net)	<u>1,808</u>	<u>1,959</u>
Machinery, equipment, and vehicle	2,002	2,202
Accumulated depreciation	-1,509	-1,739
Machinery, equipment, and vehicle(net)	<u>492</u>	<u>462</u>
Tools, equipment, and fixtures	3,218	3,483
Accumulated depreciation	-2,713	-3,067
Tools, equipment, and fixtures(net)	<u>505</u>	<u>415</u>
Land	3,563	3,610
Leased assets	227	264
Accumulated depreciation	-84	-111
Leased assets(net)	<u>143</u>	<u>153</u>
Construction in progress account	390	157
Total tangible fixed assets	<u>6,904</u>	<u>6,759</u>
<b>Intangible assets</b>		
Goodwill	425	299
Soft wares	80	80
Leased assets	39	44
Telephone subscription rights	18	20
Others	4	5
Total intangible assets	<u>568</u>	<u>450</u>
<b>Investments and other assets</b>		
Investment securities	227	393
Long-term lending	1	1
Differed income taxes	917	781
Long-term retention receivables	195	188
Others	200	221
Allowance for doubtful accounts	-234	-213
Total investments and other assets	<u>1,309</u>	<u>1,373</u>
Total noncurrent assets	<u>8,781</u>	<u>8,583</u>
Total assets	<u>41,645</u>	<u>39,135</u>

(Millions of yen)

	As of Mar. 31, 2019	As of Mar. 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and account payable trade	8,157	5,754
Short-term loans payable	5,780	8,322
Lease obligations	59	66
Income taxes payable	478	---
Provision for bonuses	446	363
Provision for product warranties	134	82
Expense payable	470	404
Advances received	1,739	1,603
Current portion of bonds payable	---	700
Others	280	148
Total current liabilities	17,547	17,446
<b>Fixed liabilities</b>		
Bonds payable	700	---
Long-term loans payable	6,571	5,439
Expense payable long term	88	81
Lease obligations	141	158
Deferred tax payable	100	96
Obligations related to retirement benefits	1,127	1,160
Asset retirement obligation	75	63
Provision for business liquidation losses	---	592
Others	30	30
Total fixed liabilities	8,835	7,623
Total liabilities	26,383	25,070
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,801	2,801
Capital surplus	3,630	3,635
Retained earnings	9,436	8,296
Treasury stock	-638	-600
Total shareholders' equity	15,230	14,132
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale security	13	-27
Foreign currency translation adjustment	-277	-298
Pension liability adjustments	-5	11
Total accumulated other comprehensive Income	-269	-314
Subscription rights to shares	51	51
Non controlling interest	249	195
Total net assets	15,261	14,065
Total liabilities and net assets	41,645	39,135



(2) Consolidated statements of income and comprehensive income  
(Consolidated Statements of Income 1)

(Millions of yen)

	The previous corresponding period. (Apr.1, 2018 to Mar.31, 2019)	This financial year (Apr.1, 2019 to Mar.31,2020)
Net sales	36,025	21,914
Cost of sales	29,270	17,613
Gross profit	6,754	4,300
Selling, G&A expenses		
Salary & directors' compensations	1,714	1,751
Provision for bonuses	124	106
Fringe benefit expenses	74	67
Rent expenses	177	187
Outsourcing expenses	151	138
R&D expenses	562	498
Depreciation	238	202
Others	1,867	1,709
Total selling, G&A expenses	4,911	4,662
Operating income (loss)	1,842	-361
Non-operating income		
Interest income	15	13
Dividends income	41	23
Foreign exchange gains	55	---
Rents income	14	13
Insurance proceed	19	---
Others	41	62
Total non-operating income	188	112
Non-operating expenses		
Interest expenses	75	83
Foreign currency exchange loss	---	45
Reserve for doubtful account	55	---
Office relocation cost.	12	---
Equity in earnings (losses) of affiliates accounted for by the equity method	---	0
Others	35	64
Total non-operating losses	178	194
Ordinary income (loss)	1,852	-443

**(Consolidated Statements of Income 2)**

(Millions of Yen)

	<b>The previous corresponding period. (Apr.1, 2018 to Mar.31, 2019)</b>	<b>This financial year (Apr.1,2019 to Mar.31,2020)</b>
Extraordinary income		
Gains on disposal of fixed assets	0	1
Gains on disposal of securities.	78	36
Income on negative good will	---	502
Others	---	26
Total extraordinary income	79	566
Extraordinary loss		
Loss on disposal of fixed assets	10	2
Valuation losses on investment securities	5	3
Business restructuring expenses	---	18
Loss on liquidation of affiliates	---	20
Loss on business liquidation	---	699
Others	---	15
Total extraordinary loss	16	759
Income (loss) before income tax	1,915	-636
Income taxes	916	220
Income tax adjustment	-132	137
Total income tax	783	357
Profit (loss)	1,132	-994
Profit attributable to non-controlling interest(loss)	37	-35
Profit attributable to owners of parent(loss)	1,094	-958

**(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	<b>The previous corresponding period (Apr.1, 2018 to Mar.31, 2019)</b>	<b>This financial year (Apr.1, 2019 to Mar. 31, 2020)</b>
Profit (loss)	1,132	-994
Other comprehensive income		
Valuation difference on available for sale securities	-85	-41
Foreign currency translation adjustment	-73	-20
Pension liability adjustments	16	17
Total other comprehensive income	-143	-45
Comprehensive income	988	-1,039
(Breakdown)		
Comprehensive income attributable to owners of parent	951	-1,003
non controlling interests	37	-35

(3) Consolidated Statements of Changes in Net Assets  
The previous corresponding period (From Apr.1, 2018 to Mar.31, 2019)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,778	3,608	8,521	-638	14,270
Changes during period					
New stock issue	22	22			45
Payout of retained earning			-179		-179
Profit attributable to owners of parent			1,094		1,094
Acquisition of treasury stock				-0	-0
Net changes during period except shareholders' equity					
Total changes during period	22	22	914	-0	959
Balance at end of period	2,801	3,630	9,436	-638	15,230

(Millions of ¥)

	Accumulated Other Comprehensive Income				Subscription right to share	Non controllin g Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	98	-204	-22	-127	51	224	14,419
Changes during period							
New stock issue							45
Payout of retained earning							-179
Profit attributable to owners of parent							1,094
Acquisition of treasury' stock							-0
Disposal of treasury stock							
Net changes during period except shareholders' equity	-85	-73	16	-142	---	25	-117
Total changes during period	-85	-73	16	-142	---	25	842
Balance at end of period	13	-277	-5	-269	51	249	15,261

This financial period (From Apr.1, 2019 to Mar.31, 2020)

(Millions of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,801	3,630	9,436	-638	15,230
Changes during period					
New stock issue					
Payout of retained earning			-180		-180
Profit attributable to owners of parent			-958		-958
Acquisition of treasury stock				-0	-0
Disposal of treasury stock		4		37	42
Net changes during period except shareholders' equity					
Total changes during period		4	-1,139	37	-1,097
Balance at end of period	2,801	3,635	8,296	-600	14,132

(Millions of ¥)

	Accumulated Other Comprehensive Income				Subscription right to shares	Minority Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of period	13	-277	-5	-269	51	249	15,261
Changes during period							
New stock issue							
Payout of retained earning							-180
Profit attributable to owners of parent							-958
Acquisition of treasury' stock							-0
Disposal of treasury stock							42
Net changes during period except shareholders' equity	-41	-20	17	-44		-54	-98
Total changes during period	-41	-20	17	-44		-54	-1,196
Balance at end of period	-27	-298	11	-314	51	195	14,065

#### (4) Consolidated cash flows

(Millions of ¥)

	The Previous Corresponding Period (Apr.1, 2018 to Mar.31, 2019)	This Financial Period (Apr.1,2019 to Mar.31, 2020)
<b>Cash flows from operating activities</b>		
Earnings/(loss)before income taxes	1,915	(636)
Depreciation and amortization	604	572
Increase/(decrease) in allowance for doubtful accounts	(18)	(61)
Increase/(decrease) in obligations related to retirement benefits	25	26
Increase/(decrease) in allowance for loss on business liquidation	---	592
Interest and dividend revenue	(56)	(36)
Interest paid	75	83
Equity in earnings (losses) of affiliates accounted for by the equity method	---	0
Foreign currency exchange loss/ (income)	(105)	5
Loss/(Income) on disposal of fixed assets	9	---
Income on negative goodwill	---	(502)
Loss (Income) on liquidation of affiliates	---	20
(Increase)/decrease in trade receivable	(2,618)	2,061
Increase /(decrease) of advances received	893	(132)
(Increase)/decrease in inventories	(1,477)	(1,857)
Increase/(decrease) in trade payable	191	(2,446)
Decrease/(increase)in accrued consumption tax	(369)	661
(Decrease)/Increase in others	346	(98)
Subtotal	-585	-1,746
Receipts of interest and dividends	49	31
Interest paid	-64	-79
Income taxes paid	-1,003	-1,007
Refund of paid income tax	98	148
<b>Cash flows from operating activities</b>	-1,505	-2,652
<b>Cash flows from investing activities</b>		
Payment for establishment of time deposit.	-298	-348
Proceeds from drawing of time deposit.	340	658
Payment for acquisition of tangible fixed asset.	-1,095	-214
Proceed from sale of tangible fixed asset	35	36
Payment for acquisition of intangible asset.	-35	-28
Payment for acquisition of affiliate companies' stock	---	-233
Proceed from acquisition of subsidiaries' stock involving changes in scope of consolidation	---	123
Proceed from redemption of securities	876	---
Payment for acquisition of investment securities	-62	-2
Proceed from sale of investment securities	212	50
Proceed from distribution of investment association	13	2
Payment for accumulation of insurance reserve fund	-1	-1
Proceed from refunding of insurance reserve fund	62	---
Payment for lending	-0	-1
Proceed from repayment of lending	52	1
Cash flows from investing activities	99	44



## Consolidated cash flows

(Millions of ¥)

(Millions of ¥)

	<b>The previous corresponding period (Apr.1, 2018 to Mar.31, 2019)</b>	<b>This financial period (Apr.1, 2019 to Mar.31, 2020)</b>
<b>Cash flows from financing activities</b>		
Increase /(Decrease) of short-term loans payable	936	698
Proceeds from long-term loans payable	2,185	2,650
Repayment of long-term loans payable	-1,601	-1,911
Proceeds from new stock issue	45	---
Payment for dividends	-179	-180
Payment for dividends to non-controlling interest	-11	-18
Payment for acquisition of treasury stock	---	-0
(Decrease)/increase in others	-44	-50
<b>Cash flows from financing activities</b>	<b>1,328</b>	<b>1,188</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>49</b>	<b>-29</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(27)</b>	<b>(1,448)</b>
<b>Cash and cash equivalents balance at beginning of period</b>	<b>7,926</b>	<b>7,898</b>
<b>Cash and cash equivalents balance at end of period</b>	<b>7,898</b>	<b>6,450</b>

### (5) Notes on Consolidated Financial Information

(Notes Concerning Going Concern Assumption)

None

(Changes of accounting policy)

None

(Changes in accounting estimates)

None

(Additional information)

None

## **(Segment Information)**

### **[Segment information.]**

#### 1. Outline of Reportable Segment

Our group reportable segments are the subject to be reviewed regularly in order board of directors to decide the allocation of management resources and review its results and make it possible to get isolated financial information of each segment. Our operation consists of four segments by products and services based on business decisions and we identify as a reportable segment “Mechatronics related business”, “Display related business”, “Industrial machinery related business” and “Electronics related business”.

“Mechatronics related business” includes manufacturing, sales and maintenance service business of hard disc manufacturing related products, semiconductor manufacturing related products, solar cell manufacturing related products, laser process and precise dicing and slicing machine. “Display related business” includes manufacturing, sales and maintenance service business of dry etching related equipment for manufacturing of flat panel and precise heat treatment related products. “Industrial machinery related business” includes manufacturing, sales and maintenance service business of cleaning related finisher and automated packaging equipment. “Electronics related business” includes manufacturing, sales and maintenance service business of industrial metering equipment and telemetering and controlling equipment, medical equipment and mold heater related products.

We have changed classification of each reportable segment in the 1<sup>st</sup> quarter of this financial year.

#### 2. Calculation method of net sales, income, assets, liabilities and other amounts by reportable segments.

The method used to account for each reportable segment is similar to “The accounting policies adopted for the preparation of the consolidated financial statements”.

Income for each reportable segment is based on operating income.

Intersegment revenues and transfers are based on market prices.

### 3. Amount of sales and income or loss in reportable segment

The previous financial period (Apr. 1, 2018 to Mar.31, 2019)

(Millions of Yen)

	Reportable segments				Total	Adjustment Note 1	Posted on consolidated statement of income. Note 2
	Mechatronics related business.	Display related business.	Industrial machinery related business.	Electronics related business.			
Sales							
Sales to outside customer	10,651	15,883	1,961	7,528	36,025	---	36,025
Intersegment sales and transfers	17	4	12	43	77	-77	---
Total	10,668	15,887	1,974	7,571	36,103	-77	36,025
Segment income (loss)	828	262	161	445	1,697	144	1,842
Segment assets	9,619	14,720	3,121	9,163	36,625	5,019	41,645
Other Depreciation and amortization	249	200	9	120	580	23	604
Increase in tangible fixed assets and intangible assets	344	626	13	1,755	2,740	25	2,765

#### Notes

- (1) Segment income (loss) adjustment of ¥144 million is the corporate expense and income not apportioned in each reportable segment. Corporate income mainly comprises management fee and others ¥799 million from consolidated subsidiaries belong to each reportable segment. Corporate expenses are ¥654 million administration division cost not attributed to each reportable segment.  
(2) Segment assets adjustment of ¥5,019 million is mainly surplus operating cash by parent company and consolidated subsidiaries and assets of headquarter.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.

This financial period (Apr. 1, 2019 to Mar.31, 2020)

(Millions of Yen)

	Reportable segments				Total	Adjustment Note 1	Posted on consolidated statement of income. Note 2
	Mechatronics related business.	Display related business.	Industrial machinery related business.	Electronics related business.			
Sales							
Sales to outside customer	8,412	4,570	1,768	7,162	21,914	---	21,914
Intersegment sales and transfers	0	14	1	19	36	-36	---
Total	8,413	4,585	1,770	7,182	21,951	-36	21,914
Segment income (loss)	262	(1,047)	(13)	289	(509)	147	(361)
Segment assets	10,272	13,629	3,053	8,270	35,226	3,909	39,135
Other							
Depreciation and amortization	221	132	11	155	520	51	572
Increase in tangible fixed assets and intangible assets	259	76	17	259	613	33	647

Notes

2. (1) Segment income (loss) adjustment of ¥147 million is the corporate expense and income not apportioned in each reportable segment. Corporate income mainly comprises management fee and others ¥888 million from consolidated subsidiaries belong to each reportable segment. Corporate expenses are ¥740 million administration division cost not attributed to each reportable segment.
- (2) Segment assets adjustment of ¥3,909 million is mainly surplus operating cash by parent company and consolidated subsidiaries and assets of headquarter.
2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

(Information on per share)

(Yen)

	The previous financial period (Apr.1, 2018 to Mar.31, 2019)	This financial period (Apr.1,2019 to Mar.31,2020)
Net assets per share	1,659.97	1,525.83
Profit per share	121.68	-106.08
Profit per share-diluted	120.73	---

Note

1.End of this financial period, there were no diluted shares.

2.Calculation base of profit per share is as follows.

	The previous financial period (Apr.1, 2018 to Mar.31, 2019)	This financial period (Apr.1, 2019 to Mar.31, 2020)
<b>Profit per share</b>		
Profit attributable to owners (Thousands of ¥)	1,094	-958
Amount not attributable to shareholders of ordinary stocks (Thousands of ¥)	---	---
Profit attributable to owners of parent of ordinary stocks (Thousands of ¥)	1,094	-958
Average number of shares issued during financial period (Thousands of share)	8,993	9,039
<b>Profit per share-diluted</b>		
Number of common stocks Increased. (Number of stock acquisition rights) (Thousands of share)	71 (71)	71 (71)
Residual securities not included in the calculation of profit per share after adjustment of residual securities as they do not have any diluting effect		---