

# Financial Performance (Consolidated)

## Operating Results

### Net Sales

Net sales totaled ¥217,527 million (US\$1,999 million), down ¥2,626 million, or 1.2%, year on year. This was because sales of both the Industrial Machinery Products Business and the Steel and Energy Products Business were virtually on par with those in the previous fiscal year.

### Operating Income

Operating income decreased ¥5,581 million, or 23.0%, to ¥18,709 million (US\$172 million), and the operating income margin decreased 2.4 percentage points to 8.6%.

### Profit Attributable to Owners of Parent

Profit attributable to owners of parent was ¥9,310 million (US\$86 million), down ¥10,655 million, or 53.4%, from the previous fiscal year. This equates to profit per share of ¥126.66 for the year.

### Sales by Region

The Japanese market accounted for sales of ¥103,249 million (US\$949 million) and the Chinese market for ¥44,126 million (US\$405 million), with all other markets accounting for ¥70,151 million (US\$645 million).

### Cash Flow

At year-end, cash and cash equivalents stood at ¥74,477 million (US\$684 million), an increase of ¥657 million from a year earlier.

### Cash Flow from Operating Activities

Net cash provided by operating activities amounted to ¥18,959 million (US\$174 million) compared with ¥1,092 million in the previous fiscal year. The primary contributing factors for the increase included profit before income taxes as well as a decrease in operating funds.

### Cash Flow from Investing Activities

Net cash used in investing activities totaled ¥13,172 million (US\$121 million) compared with ¥1,334 million in the previous fiscal year. This was due mainly to an increase in tangible and intangible assets.

### Cash Flow from Financing Activities

Net cash used in financing activities was ¥6,164 million (US\$57 million) compared with ¥3,758 million in the previous fiscal year. This was attributable primarily to cash dividends paid and net decrease in short-term borrowings.

## Financial Position

As of March 31, 2020, total assets amounted to ¥297,173 million (US\$2,731 million), down ¥8,298 million from a year earlier. This was due primarily to a decline in investment securities arising from a drop in stock prices in addition to a decrease in such current assets as notes and accounts receivable.

Total liabilities stood at ¥164,680 million (US\$1,513 million), down ¥10,963 million from a year earlier. This was due mainly to a decrease in current liabilities, including notes and accounts payable.

Net assets amounted to ¥132,492 million (US\$1,217 million), up ¥2,665 million, due mainly to an increase in retained earnings.

