

Consolidated Financial Statements for the 12-month period ended March 31st, 2020 (FY2020/3), Japan GAAP

May 11th, 2020

Company Name



Tokyo Seimitsu Co., Ltd.

Stock Listing: First Section TSE

ACCRETECH

Code number: 7729

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Date of Shareholders Meeting (planned): June 22nd, 2020

Dividend Payment Date (planned): June 23rd, 2020

Date of Annual Financial Statement Filing (planned) : June 29th, 2020

Supplementary document for Quarterly Financial Results : Yes

Holding of Financial Results Meeting: Yes (for Security Analysts, Investors)

(Millions of yen, rounded down)

1. Consolidated Results for Period of FY2020/3 (April 1st, 2019- March 31st, 2020)

(1) Consolidated sales and earnings

(Percentage figures represent changes from of previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit Attributable to Owners of the Parent (Millions of Yen)	
FY2020/3	87,927	- 13.4%	12,282	- 39.3%	12,360	- 40.6%	7,156	- 51.2%
FY2019/3	101,520	15.1%	20,221	17.0%	20,805	20.1%	14,665	15.3%

Note: Comprehensive Income in FY2020/3: 6,385 (- 47.8%) million yen, in FY2019/3 12,240 million yen (- 19.1%)

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)	Return on Equity	Recurring Profit on Total Assets	Operating Profit Ratio
FY2020/3	171.89	170.72	6.7%	8.1%	14.0%
FY2019/3	352.92	350.23	14.4%	14.3%	19.9%

Note: Equity in earnings of affiliated companies in FY2020/3: - million yen, in FY2019/3: - million yen

(2) Consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio	Net Assets per Share (yen)
FY2020/3	146,549	109,674	73.9%	2,601.10
FY2019/3	157,573	107,403	67.3%	2,551.20

Note: Equity in FY2020/3: 108,357 million yen, in FY2019/3: 106,031 million yen

(3) Consolidated Statements of Cash Flows

	Cash flows from operating activities (Millions of Yen)	Cash flows from investing activities: (Millions of Yen)	Cash flows from financing activities: (Millions of Yen)	Cash and cash equivalents at end of Fiscal Year (Millions of Yen)
FY2020/3	5,965	- 6,116	- 6,375	34,605
FY2019/3	12,932	- 13,952	5,443	41,290

2. Dividends

	Per Share Dividend in Fiscal Year					Total Dividend (for Year)	Dividend Pay Out Ratio (consolidated)	Dividend on Net Assets (consolidated)
	Q1 End	Q2 End	Q3 End	Q4 End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY2019/3	-	59.00	-	66.00	125.00	5,195	35.4	5.1
FY2020/3	-	38.00	-	38.00	76.00	3,165	44.2	3.0
FY2021/3 (Projected)	-	-	-	-	-		-	

Note: (1) Q2 End and Q4 End dividend for FY2019/3 include 70th anniversary commemorative dividend of 10 yen respectively.

(2) Dividend projections for FY2021/3 will be announced when it is possible to release.

2. Forecast for FY2021/3 (April 1st, 2020-March 31st, 2021)

(% figures represent changes from the previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit attributable to Owners of the Parent (Millions of Yen)		Net Profit per Share (yen)
1 st Half	47,000	11.9%	7,600	36.0%	7,600	32.4%	5,600	31.4%	134.00

Note: The Company announces forecast for the first half of the year, only. Pending further clarification of the impacts of COVID-19 on ongoing business conditions, the Company will release Full Year forecasts when available.

*** Notes**

(1) Significant changes in subsidiaries during the term under review: No

- (2) Changes in accounting principles, estimates and restatements
- 1) Changes due to revision of accounting standards, etc.: Yes
 - 2) Changes other than 1): Yes
 - 3) Changes in accounting estimates: No
 - 4) Restatement: No

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):	FY2020/3	41,695,381 shares	FY2019/3	41,598,381 shares
2) Number of treasury shares at the end of period:	FY2020/3	37,207 shares	FY2019/3	36,791 shares
3) Average Number of shares outstanding during the period:	FY2020/3	41,634,084 shares	FY2019/3 3Q	41,554,806 shares

Reference: Summary of non-consolidated results

Non-Consolidated Results for the Period of FY2020/3 (April 1st, 2019 - March 31st, 2020)

(1) Non-consolidated sales and earnings (percentage figures represent changes from previous year)

	Net Sales (Millions of Yen)		Operating Profit (Millions of Yen)		Recurring Profit (Millions of Yen)		Net Profit (Millions of Yen)	
FY2020/3	68,647	- 18.9%	7,310	- 44.5%	14,928	0.2%	10,942	-1.5%
FY2019/3	84,655	16.5%	13,173	15.0%	14,895	19.6%	11,110	15.4%

	Net Profit per Share (Yen)	Net Profit per Share (diluted) (Yen)
FY2020/3	262.83	261.03
FY2019/3	267.37	265.33

(2) Non-consolidated financial position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets per Share (yen)
FY2020/3	119,436	87,068	72.3%	2,071.56
FY2019/3	125,784	80,992	63.8%	1,929.86

Notes : Equity in FY2020/3:86,297 million yen, in FY2019/3: 80,207 million yen

*** This consolidated financial statements report is not subject to audit procedures.**

*** Cautionary Statements with respect to Forward-looking Statements**

All forecasts and other forward-looking statements in this document are based on information currently available to the Company and assumptions that the Company considers reasonable. Various uncertainties could cause actual results to significantly differ from these forecasts. Please refer to supplementary statement.

*** Cautionary Statements with respect to the translation of the document**

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Contents of supplementary statement

1. Overview of Business Performance and Financial Position	2
(1) Overview of Business Performance.....	2
(2) Analysis of Financial Position.....	3
(3) Analysis of Cash flows.....	3
(4) Forecasts for Next Fiscal Year.....	4
(5) Policy for Profit Distribution and Dividends for Fiscal Year 2020/3 and 2021/3.....	5
2. Management Policy	5
(1) Core Policy.....	5
(2) Key Management Indicators.....	6
(3) Medium- to Long-term Management Strategies and Issues.....	6
3. Selection of Accounting Standards	6
4. Consolidated Financial Statements and Notes	7
(1) Consolidated Balance Sheet.....	7
(2) Consolidated Statements of Income, and Comprehensive Income.....	9
(Consolidated Statements of Income).....	9
(Consolidated Statements of Comprehensive Income).....	10
(3) Consolidated Statements of Changes in Net Assets.....	11
(4) Consolidated Statements of Cash Flows.....	13
(5) Notes.....	15
(Note on Assumptions for Going Concern).....	15
(Changes in Accounting Principles).....	15
(Segment Information).....	15
(Per Share Information).....	17
(Significant subsequent events).....	17
5. Additional Information	18
(1) Production, Orders and Sales.....	18
(2) Director Changes.....	19

1. Overview of Business Performance and Financial Position

(1) Overview of Business Performance

[Overall]

In the Fiscal Year 2020/3 ended March 2020, while the US economy remained steady led by strong private consumption, worldwide economies including Japan, Asian nations and the EU faced great uncertainties arising from trade conflicts between USA and China, and the Chinese economic slowdown as well as the withdrawal of the United Kingdom from the EU. In addition, there were concerns of rapid world-wide economic downturn due to the coronavirus (COVID-19) outbreak at the end of the 4th quarter.

Under these business conditions, because the investment demand from semiconductor manufacturers decreased due to the supply-demand adjustment in Memory devices that began in the previous fiscal year combined with continuing low capital investment from the automobile industry, both Sales and Profits were reduced from the previous Fiscal Year. Consolidated Orders in the Fiscal Year 2020/3 (April 1st, 2019 - March 31st, 2020) were ¥87.576 billion (down 11.5% YoY), Sales were ¥87.927 billion (down 13.4% YoY), Operating Profit was ¥12.282 billion (down 39.3% YoY), Recurring Profit was ¥12.360 billion (down 40.6% YoY). Net Profit Attributable to Owners of the Parent was also impacted by bringing to account an extraordinary loss of ¥1.712 billion arising from an impairment loss relating to the recently acquired Hino Plant. Plans for this building now include a complete demolition as well as reconstruction investment to allow for expanded production capacity. Including this one-off extraordinary loss, Net Profit Attributable to Owners of the Parent came to ¥7.156 billion (down 51.2% YoY).

[Performance by Business Segments]

A. Semiconductor Production Equipment (SPE) Segment

In the SPE business segment, both Sales and Orders decreased from the previous fiscal year due to lower capital investment by semiconductor and electronic components companies related to the supply-demand adjustment for investment in Memory devices, while the demand for 5th generation wireless technology for cellular network generation (5G) maintained relatively higher Orders and Sales levels. Orders sequentially increased after the 4th quarter of FY2019/3 that was the lowest point of volume. Logic devices and sensors related to 5G infrastructures were the main drivers of demand in the first half and demand for 5G devices and related electronic components for end-user devices increased in the second half. Furthermore, investment in semiconductor equipment for Logic devices and Memory devices led by new semiconductor and electronic components companies in China continued to expand across the entire Fiscal Year.

Orders and Sales of equipment for both testing and assembly processes relatively stayed firm in China and Japan and Orders in Taiwan recovered in the 4th quarter.

As a result, Orders for our SPE segment in the same period was ¥57.709 billion (down 11.7% YoY), Sales was ¥56.198 billion (down 18.7% YoY), and Operating Profit was ¥7.915 billion (down 40.0% YoY).

B. Metrology Equipment Segment

The automotive industry, which is the major user of our products in our Metrology Equipment segment, has reduced capital investment and the demand for Machine Tools showed a slowdown. Overall manufacturing industries continued to reduce investment demand across the fiscal year and both Orders and Sales decreased in the Metrology segment YoY.

Under these circumstances, we made efforts to add product mix by R&D and provide solution for the needs of automation in manufacturing industries in addition to strengthening overseas sales, expand our products for New Energy Vehicles (NEV) and medical fields and improve contract measurement services.

Operating Profit decreased from the previous Fiscal Year due to the sales decrease, the inclusion of prior years adjustment in Retirement benefit expenses in a subsidiary (1st quarter) and R&D and innovation expenses for Charge/discharge testing system business in an acquired subsidiary (Consolidated period).

As a result, Orders in our Metrology Equipment segment in the same period was ¥29.866 billion (down 11.0% YoY), Sales was ¥31.728 billion (down 2.1% YoY) and Operating Profit was ¥4.366 billion (down 37.9% YoY).

(2) Analysis of Financial Position

[Assets, Liabilities and Net Assets]

Total Assets as at March 31st, 2020 amounted to ¥146.549 billion, a decrease of ¥11.024 billion from the end of FY2019/3. The major factors behind this change include decreases in Cash and cash equivalents of ¥6.877 billion, in Notes and accounts receivable (including electronically recorded monetary claims) of ¥6.512 billion, in Building and structures of ¥1.370 billion, in Securities such as investment securities of ¥1.081 billion and an increase in Construction in process of ¥2.024 billion.

Total Liabilities decreased by ¥13.295 billion to ¥36.874 billion. This was mainly from decreases in Notes and accounts payable (including electronically recorded obligations-operating) of ¥9.433 billion, Income taxes payable of ¥2.926 billion, and in Long-term debt of ¥2.000 billion.

Net Assets increased by ¥2.270 billion and totaled ¥109.674 billion; the Equity Ratio increased by 6.6 point and came to 73.9%.

(3) Analysis of Cash flows

Cash and cash equivalents as at March 31st, 2020 amounted to ¥34.605 billion, a decrease of ¥6.685 billion from the end of FY2019/3. The status of cash flows and factors behind them are given below.

Net cash earned from operating activities was ¥ 5.965 billion, mainly due to Income before income taxes and minority interests of ¥10.705 billion, a decrease in Notes and accounts receivable of ¥6.598 billion, Depreciation of ¥3.450 billion, Impairment loss of ¥1.652 billion, a decrease in Notes and accounts payable of ¥9.347 billion and Payment of income taxes of ¥ 6.668 billion.

Net cash used in investment activities was ¥6.116 billion, mainly reflected by Purchases of tangible fixed assets of ¥4.433 billion and Payments for transfer of business of ¥1.208 billion.

Net cash earned from financing activities came to ¥6.375 billion. The major element of this was Payment of dividends of ¥4.325 billion and Repayments of long-term debt of ¥2.000 billion.

Trends in financial indices are shown below.

	FY2018/3	FY2019/3	FY2020/3
Equity ratio (%)	74.0	67.3	73.9
Equity ratio, based on market value (%)	134.1	74.3	87.6
Interest-bearing debt/cash flow ratio	0.1	0.9	1.6
Interest coverage ratio (times)	662.9	690.1	150.4

Equity ratio: Equity/total assets

Equity ratio based on market value: Total market value of equity/total assets

Interest-bearing dept/cash flow ratio: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/interest payments

Notes:

1. All indices are calculated on consolidated financial statements.
2. The total market value of equity is calculated by multiplying market price at the end of FY by the number of shares outstanding at the end of FY.
3. "Operating cash flows" refers to cash flows from operating activities as shown in the consolidated cash flow statements.
4. Interest-bearing debts refer to all debts in Consolidated Balance Sheet on which we pay interest. "Interest payments" denotes interest payments as reflected in the consolidated cash flow statements.

(4) Forecasts for Next Fiscal Year

[Overall and Business Segment-based Forecasts]

Looking ahead to the Fiscal Year 2021/3 (ending March 31st, 2021), the demand from semiconductor businesses related to 5G is expected to be higher. However, the impact of the COVID-19 outbreak around the globe is expanding and is causing a significant lowering of consumption, the suspension of our customers' factory operations, delays in the transportation of products and materials and limited traveling around the world. It is difficult to foresee the total impact of the COVID-19 given the uncertainty of the outlook for global economic activity and the timing of restart programs.

In light of these conditions, Tokyo Seimitsu Group aims to operate its factories, continue sales and service activities as usual on top of avoidance of COVID-19 infection among its employees. Under the circumstances, the Group considers it is imprudent to publish business forecasts for the entire Fiscal Year. Until the global economic outlook becomes clearer the Company will suspend full year forecasting but announces forecasts limited to the first half year.

Expected Consolidated Business Results for the first half of the Fiscal Year 2021/3 ending March 31st, 2021 are as follows.

	First half(April-September, 2020)
Sales	¥47.0 billion (up 11.9% YoY)
SPE	¥35.5 billion (up 28.9% YoY)
Metrology	¥11.5 billion (down 20.4% YoY)
Operating Profit	¥7.6 billion (up 36.0% YoY)
Recurring Profit	¥7.6 billion (up 32.4% YoY)
Net Profit attributable to owners of the parent	¥5.6 billion (up 31.4% YoY)

The followings are overall and Business Segment-based Forecasts, excluding impacts of COVID-19.

A. Semiconductor Production Equipment (SPE) Segment

To respond to the increasing demand from data centers and for 5G devices related to current 5G infrastructure maintenance, it is anticipated that capital expenditure will continue in order to increase manufacture of logic devices, processors, memory devices and electronic components.

In addition, demand in technology innovation of the existing semiconductor devices, the expansion of usage of IoT and AI will be the driving force in the Semiconductor market.

Under the situation that the needs for our products are advanced and diversified, Tokyo Seimitsu Group will maintain its focus on developing products and specifications to meet customers' needs and provide solutions for assembly products that are rapidly improving and changing.

B. Metrology Equipment Segment

The automotive industry and machine tool industries, which are the major users of our Metrology products, are anticipated to postpone expansion of their capital expenditures until the second half of FY2021/3.

Under these business conditions, the Company will focus on developing products to meet the demand for higher precision and higher functionality, across our full product line-up: in multipurpose measuring instruments such as the 3D coordinate measuring machine, surface texture and contour measuring instruments, and roundness and cylindrical profile measuring instruments; and automatic measuring instruments such as machine control gauges and sensors.

Also, the Company will further continue to expand new markets for the Charge/discharge testing system business and an acquired SBS balancer business by responding carefully to customers' needs.

(5) Policy for Profit Distribution and Dividends for Fiscal Year 2020/3 and 2021/3

Tokyo Seimitsu management is committed to enhancing its corporate value and constantly distributing profits to shareholders through a business model of providing World's No. 1 products based on state-of-the-art technologies in the SPE market and the Metrology Equipment market. The Company determines distribution of its profits in line with its policy for profit distribution to shareholders, outlined below.

For FY2020/3, although net profit decreased due to various factors including an extraordinary loss (an impairment loss) for the existing building at our Hino Plant, the company ratified to set a consolidated dividend payout ratio of 35% EXCLUDING the one-off impact of this accounting loss, therefore the Company has committed to maintain the ¥38 per share year-end dividend as previously announced on February 14th, 2020.

Consequently, including the interim dividend (¥38 per share) already paid on December 10th 2019, dividend payments in the FY2020/3 will total ¥76 per share.

Looking ahead to FY2021/3, the Company will announce forecasts for interim and year-end dividends when it is possible to firmly do so as the depth of the impact of current economic uncertainties become clearer.

< Policy for Profit Distribution to the Shareholders >

The Company considers maintaining a core policy regarding the distribution of profits linked to the business performance of the Company and aims to pay stable dividends targeting a consolidated dividend payout ratio of 35%. Also, considering the aim to provide stable and continuous dividend payments, the Company deems to maintain an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this basic policy if the Company experiences losses in two consecutive years.

The Company's normal operating procedure is to pay a dividend twice a year. The shareholders' meeting determines the year-end dividend and the Company's Board of Directors decides the interim dividend.

Retained earnings will be used effectively for the research and development and capital investment that are necessary for growing existing businesses and improving our competitiveness, strength and optimization of production and sales activities, expansion of overseas sales, sophistication of information security systems, new business development, and M&A investment. Also, since our product lines are greatly impacted by economic fluctuations, the Company considers it important to strengthen our financial position and prepare for possible economic downturns.

The Company's acquisition of its own outstanding stock is one of the returns that supplement its dividends from retained earnings. The Company will analyze its cash flows and retained earnings before undertaking stock acquisition.

2. Management Policy

(1) Core Policy

- (i). As a manufacturer of SPE and precision Metrology instruments, The Group has consistently focused on developing state-of-the-art products that contribute to improving our customers' productivity and on providing good customer support. While meeting the commitments that are the requirements of a growing company; Occupational Health and Safety, Quality Control, Environmental Sustainability, and employment equity, The Group will contribute to society including customers, shareholders, employees and regional/international society through developing/supplying innovative SPE and Metrology Equipment.
- (ii). The Group's philosophy is "Growing together with partners and customers by collaborating technology, knowledge and information to create the world's No.1 products.", and the Group has adopted as a corporate motto "Win-Win Relationships Create the World's No. 1 Products." and a corporate brand "ACCRETECH". The Group is striving to establish a structure that is capable of creating world-leading products. To do this, we apply the core technologies we have developed, and build cooperative Win-Win relationships with domestic and overseas companies and individuals that share the common goal of creating the world's best products. Behind all our efforts is the goal of being a truly global company.
- (iii) Tokyo Seimitsu implements an internal company system under which the entire company has been divided into three internal companies – the Semiconductor Company, the Metrology Company and the Administration Company and an executive officer system. These internal companies, as fully functioning organizations with

appropriate responsibilities and authority, are positioned to improve the level of customer satisfaction and business performance by responding to each customer more flexibly and promptly.

(2) Key Management Indicators

Under a business environment that requires high levels of technological innovation with high speed, the Group aims to establish higher profitability and structural efficiency by providing world No.1 products with advanced technology into growing markets, and continuously improve capital efficiency by effectively using funds for investment for growth. The Group aims to maintain a business structure with at least 10% ROE as a long-term target to underpin sustainable growth in earnings per share and corporate value.

In the medium-term, the consolidated operating profit target that rolls over every three years is shared within the Tokyo Seimitsu Group, and the Company continues to adopt a Plan-Do-Check-Action management approach.

(3) Medium- to Long-term Management Strategies and Issues

- (i). The Group has promoted, with advanced technology, further quality improvement and product innovation that establishes a profitable operational structure to continuously provide world' No.1 products. These efforts have obtained reliable results after several years. The Group will further be engaged in expanding its business by taking advantage of its solid company structure.
- (ii) Company management believes that increasing corporate value and sustainable profit distribution remains a key indicator of business success and thorough business growth.
- (iii). The Group holds that corporate governance is essential to improve corporate value and to conduct fair and transparent business activities as a global corporate citizen, and has established a “Core policy for corporate governance.”
 - 1. The Board of Directors strives to properly perform its roles and responsibilities to make transparent, fair, timely and committed decisions.
 - 2. The Group respects the rights of shareholders and ensures the equality of shareholders.
 - 3. The Group strives to have constructive dialogue with shareholders on investment policy that considers mid to long-term returns for shareholders.
 - 4. The Group strives to maintain appropriate collaboration with stakeholders other than shareholders.
 - 5. The Group strives to ensure proper information disclosure and transparency.
- (iv). Since the Sales organization has been fully localized and the Group's overseas sales have exceeded domestic sales, the Group has also commenced local manufacturing such as in China and Thailand. With this continuing outlook, the Group will optimize management organization for its global operations through actions such as hiring local management executives, establishing localized supply chains, and standardizing management information flows to and from Head office.

3. Selection of Accounting Standards

In consideration of ease of comparing business results over several periods and/or against other enterprises, Tokyo Seimitsu plans to continue adopting Japan GAAP accounting conventions for presentation of its Consolidated Financial Statements.

The Company will actively review the adoption of International Financial Reporting Standards (IFRS), in light of changes that may emerge from convergence to Japan GAAP, and revisions to IFRS itself.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of Yen)

	FY2019/3 (March 31 st , 2019)	FY2020/3 (March 31 st , 2020)
ASSETS		
Current Assets		
Cash and cash equivalents	41,518	34,640
Notes and accounts receivable	29,230	24,279
Electronically recorded monetary claims	6,915	5,353
Merchandise and finished goods	1,830	2,344
Work in progress	19,999	20,120
Raw materials and supplies	8,165	7,687
Others	2,510	3,389
Allowance for doubtful accounts	- 75	- 44
Total current assets	110,094	97,711
Fixed Assets		
Tangible fixed assets		
Building and structures	28,180	28,885
Accumulated depreciation	- 12,772	- 14,848
Building and structures(net)	15,407	14,037
Machinery, equipment and vehicles	9,368	10,031
Accumulated depreciation	- 7,626	- 8,164
Machinery, equipment and vehicles (net)	1,742	1,866
Equipment	7,459	7,995
Accumulated depreciation	- 4,967	- 5,923
Equipment(net)	2,492	2,072
Land	13,201	14,055
Lease assets	130	522
Accumulated depreciation	- 48	- 211
Lease assets (net)	81	311
Construction in process account	222	2,246
Total Tangible Fixed Assets	33,147	34,589
Intangible Fixed Assets		
Goodwill	82	263
Lease assets	29	22
Others	3,661	4,260
Total Intangible Fixed Assets	3,773	4,546
Investments and other assets		
Investment securities	4,361	3,279
Long-term loans receivable	123	119
Net defined benefit assets	2,825	2,579
Differed tax assets	2,473	3,070
Others	774	593
Allowance for doubtful accounts	- 0	-
Total Investments and other assets	10,557	9,642
Total Fixed Assets	47,478	48,777
Total Assets	157,573	146,549

(Millions of Yen)

	FY2019/3 (March 31 st , 2019)	FY2020/3 (March 31 st , 2020)
LIABILITIES		
Current Liabilities		
Notes and accounts payable	9,350	7,500
Electronically recorded obligations-operating	16,977	9,395
Short-term debt	1,300	1,300
Current portion of long-term debt	2,000	2,000
Lease liabilities	32	110
Income taxes payable	3,519	593
Reserves for bonus	1,364	1,340
Reserves for director's bonuses	10	6
Others	6,392	6,771
Total current liabilities	40,948	29,017
Long-term Liabilities		
Long-term debt	8,000	6,000
Lease liabilities	83	231
Deferred tax liabilities	7	7
Allowance for director retirement benefits	53	60
Net defined benefit liabilities	809	1,157
Asset retirement obligations	241	297
Others	25	104
Total long-term liabilities	9,220	7,857
Total Liabilities	50,169	36,874
NET ASSETS		
Shareholder's Equity		
Common stock	10,591	10,703
Capital surplus	21,608	21,721
Retained earnings	72,200	75,032
Treasury stock	- 120	- 122
Total Shareholder's Equity	104,280	107,334
Accumulated other comprehensive income		
Holding gain or loss in investment	868	117
Foreign currency translation adjustment	199	670
Remeasurements of defined benefit plans	683	234
Total accumulated other comprehensive income	1,751	1,022
Share subscription rights	784	770
Non-controlling interests	587	546
Total Net Assets	107,403	109,674
Total Liabilities and Net Assets	157,573	146,549

(2) Consolidated Statements of Income, and Comprehensive Income
(Consolidated Statements of Income)

(Millions of Yen)

	FY2019/3 (April 1 st , 2018- March 31 st , 2019)	FY2020/3 (April 1 st , 2019- March 31 st , 2020)
Net Sales	101,520	87,927
Cost of goods sold	60,430	53,452
Gross Profit on Sales	41,090	34,474
Selling, general and administrative expenses	20,869	22,192
Operating profit (loss)	20,221	12,282
Non-operating income		
Interest income	29	30
Dividend income	123	100
Foreign exchange gains	385	-
Subsidy income	73	-
Others	75	124
Total Non-operating income	688	255
Non-operating expenses		
Interest expenses	43	81
Foreign exchange loss	-	31
Loss on disposal or sales of fixed assets	48	14
Others	13	50
Total Non-operating expenses	104	177
Recurring profit (loss)	20,805	12,360
Extraordinary gains		
Gain on sales of investment securities	55	55
Gain on reversal of subscription rights to shares	2	2
Total Extraordinary gains	58	57
Extraordinary losses		
Loss on valuation of investment securities	121	-
Loss on valuation of shares of affiliates	263	-
Loss on valuation of investments in capital of affiliates	33	-
Impairment loss for fixed assets	-	1,652
Extra retirement payments	-	60
Total extraordinary losses	419	1,712
Profit (loss) before income taxes and minority interests	20,443	10,705
Income tax and other taxes	5,999	3,654
Adjustment on income tax	- 279	- 55
Total Income tax and others	5,719	3,598
Profit (loss) before minority interests	14,724	7,106
Net Profit(loss) attributable to minority interests	58	- 49
Net Profit(loss) attributable to Owners of the Parent	14,665	7,156

(Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2019/3 (April 1 st , 2018- March 31 st , 2019)	FY2020/3 (April 1 st , 2019- March 31 st , 2020)
Profit (Loss) before minority interests	14,724	7,106
Accumulated other comprehensive income		
Holding gain or loss in investment	- 696	- 751
Foreign currency translation adjustment	- 612	478
Remeasurements of defined benefit plans	- 1,174	- 449
Total accumulated other comprehensive income	- 2,483	- 722
Comprehensive Income	12,240	6,384
(breakdown)		
Comprehensive income attributable to owners of the parent	12,182	6,426
Comprehensive income attributable to non-controlling interests	57	- 42

(3) Consolidated Statements of Changes in Net Assets

FY 2019/3 (April 1st, 2018 – March 31st, 2019)

(Millions of Yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance as of previous fiscal year	10,561	21,579	62,105	- 118	94,128
Changes during the fiscal year					
Issue of new shares	29	29			58
Cash dividends paid			- 4,570		- 4,570
Net Profit (loss) attributable to Owners of the Parent			14,665		14,665
Purchases of treasury stock				- 1	- 1
Changes of items other than shareholders' equity(net)					
Total changes during the fiscal year	29	29	10,094	- 1	10,152
Balance as of end of the fiscal year	10,591	21,608	72,200	- 120	104,280

	Accumulated other comprehensive income				Share Subscription Rights	Minority Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of previous fiscal year	1,564	811	1,858	4,234	623	368	99,354
Changes during the fiscal year							
Issue of new shares							58
Cash dividends paid							- 4,570
Net Profit (loss) attributable to Owners of the Parent							14,665
Purchases of treasury stock							- 1
Changes of items other than Shareholders' equity(net)	- 696	- 611	- 1,174	- 2,482	160	219	- 2,102
Total changes during the fiscal year	- 696	- 611	- 1,174	- 2,482	160	219	8,049
Balance as of end of the fiscal year	868	199	683	1,751	784	587	107,403

FY 2020/3 (April 1st, 2019 – March 31st, 2020)

(Millions of Yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance as of previous fiscal year	10,591	21,608	72,200	- 120	104,280
Changes during the fiscal year					
Issue of new shares	112	112			224
Cash dividends paid			- 4,325		- 4,325
Net Profit (loss) attributable to Owners of the Parent			7,156		7,156
Purchases of treasury stock				- 1	- 1
Changes of items other than shareholders' equity(net)					
Total changes during the fiscal year	112	112	2,831	- 1	3,054
Balance as of end of the fiscal year	10,703	21,721	75,032	- 122	107,334

	Accumulated other comprehensive income				Share Subscription Rights	Minority Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of previous fiscal year	868	199	683	1,751	781	587	107,403
Changes during the fiscal year							
Issue of new shares							224
Cash dividends paid							- 4,325
Net Profit (loss) attributable to Owners of the Parent							7,156
Purchases of treasury stock							- 1
Changes of items other than Shareholders' equity(net)	- 751	471	- 449	- 729	- 13	- 40	- 783
Total changes during the fiscal year	- 751	471	- 449	- 729	- 13	- 40	2,270
Balance as of end of the fiscal year	117	670	234	1,022	770	546	109,674

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2019/3 (April 1 st , 2018- March 31 st , 2019)	FY2020/3 (April 1 st , 2019- March 31 st , 2020)
Cash flows from operating activities:		
Profit(loss) before income taxes and minority interests	20,443	10,705
Depreciation	2,655	3,450
Amortization of goodwill	226	41
Stock related expense	175	135
Change in allowance for employee retirement benefits (-:decrease)	- 31	334
Change in allowance for director retirement benefits (-:decrease)	- 96	6
Change in allowance for doubtful accounts (-:decrease)	- 65	- 31
Interest and dividend income	- 153	- 130
Interest expense	43	81
Gain(loss) on sales of investment securities (-: gain)	- 55	- 55
Gain(loss) on revaluation of investment securities (-: gain)	121	-
Loss on valuation of shares of affiliated company	263	-
Loss on valuation of investments in capital of affiliates	33	-
Impairment loss for fixed assets	-	1,652
Extra retirement payments	-	60
Change in trade notes and accounts receivable (-: increase)	- 2,031	6,598
Change in inventories (-: increase)	- 7,891	- 171
Change in trade notes and accounts payable(-:decrease)	4,273	- 9,347
Others	662	- 742
Subtotal	18,575	12,587
Proceeds from interest and dividend income	153	130
Payment of interest	- 27	- 84
Payment/Refund of income taxes (-: payment)	- 5,769	- 6,668
Net cash provided by (used in) operating activities	12,932	5,965
Cash flows from investing activities:		
Payment for time deposits	- 336	- 133
Proceeds from time deposits	236	308
Payment for purchase of tangible fixed assets	- 11,205	- 4,433
Proceeds from sales of tangible fixed assets	17	19
Payment for purchase of intangible fixed assets	- 1,751	- 442
Payment for purchase of investment securities	- 154	- 99
Proceeds from sales of investment securities	118	357
Payment for purchase of shares of subsidiary company	- 559	-
Payment for purchase of shares of affiliated company	-	- 217
Payment for purchase of investments in capital of affiliates	- 10	- 31
Payments for transfer of business	-	- 1,208
Payment for loans receivable	- 33	-
Proceeds from collection of loans receivable	2	2
Payments for lease deposits and guarantee deposits	- 281	- 247
Proceed from collection of lease deposits and guarantee deposits	5	8
Net cash provided by (used in) investing activities	- 13,952	- 6,116

	FY2019/3 (April 1 st , 2018- March 31 st , 2019)	FY2020/3 (April 1 st , 2019- March 31 st , 2020)
Cash flows from financing activities:		
Proceeds from long-term loans payable	10,000	-
Repayment of long-term debt	-	- 2,000
Repayment of lease liability	- 31	- 127
Proceeds from exercise of stock options	46	78
Dividend payments	- 4,570	- 4,325
Others	- 1	- 1
Net cash provided by (used in) financing activities	5,443	- 6,375
Effect of exchange rate changes on cash and cash equivalents	- 223	- 159
Net increase/decrease in cash and cash equivalents (-: decrease)	4,200	- 6,685
Cash and cash equivalents at beginning of year	37,090	41,290
Cash and cash equivalents at end of year	41,290	34,605

(5) Notes

(Note on Assumptions for Going Concern)

Not applicable.

(Changes in Accounting Principles)

Change in measurement of Inventories

Upon the launch of the Company's new enterprise system from the beginning of the 1st quarter of FY2020/3 and considering appropriate evaluation of Inventories and Periodic Profit and Loss accounting, inventories (excluding Work in progress) of the Company previously stated at cost determined by the first-in/first-out method has been changed to a weighted average method.

Note that reevaluation of Inventories for the previous fiscal years and a retroactive impact calculation are practically unavailable, therefore, the book value of the inventory as at the end of the FY2019/3 has been applied as an opening amount for 1st quarter of FY2020/3.

As a result, there is a minor impact to the Consolidated Financial Statement for FY2020/3.

Application of IFRS standard 16 Leases

The subsidiary companies that apply International Financial Reporting Standards (hereinafter referred to as IFRS) apply IFRS standard 16 Leases (IFRS 16) from the beginning of the 1st quarter of FY2020/3. This requires that a lessee shall measure all assets and liabilities arising from a lease as assets or liabilities of the Balance Sheet. In addition, as transitional measures, a retroactive impact from applying IFRS 16 has been recognized at the beginning date of the fiscal term.

As a result, there is a minor impact to the Consolidated Financial Statement for FY2020/3.

(Segment Information)

(i). Overview of reportable segments

The reportable segments of the Company and consolidated subsidiaries are the business segments for which separate financial information can be obtained and are at the level where the Company's board of directors conducts periodic reviews leading to the allocation of resources and evaluation of business performance. The Company consists of internal companies known as the Semiconductor Company and the Metrology Company, and each company's products and services are managed under comprehensive strategies inside and outside of Japan.

Therefore, the Company defines "SPE" and "Metrology Equipment" as reportable segments based on the intercompany system and their outputs.

The "SPE" consists of manufacturing and sales of Assembly and Testing equipment to be applied to Semiconductor Manufacturing Processes and the "Metrology Equipment" consists of manufacturing and sales of precision measurement equipment such as 3D coordinate measuring machines, surface texture and contour measuring instruments.

(ii). Method of calculation of sales, profit/loss, assets/liabilities and/or others in reportable segments

The method of calculating segment results is mostly the same as applied to the consolidated financial statements. Therefore, segment profit is based on consolidated Operating Profit. Corporate assets are not allotted to each segment.

(iii). Net sales, profit/loss assets/liabilities and/or others in reportable segments

FY2019/3 (April 1st, 2018 – March 31st, 2019)

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	69,117	32,403	101,520	-	101,520
Intersegment sales to transfer	-	-	-	-	-
Total	69,117	32,403	101,520	-	101,520
Segment Profit	13,195	7,025	20,221	-	20,221
Segment Assets	104,498	52,278	156,777	795	157,573
Others					
Depreciation and amortization	1,909	746	2,655	-	2,655
Amortization of goodwill	102	123	226	-	226
Increase in tangible / intangible Fixed assets	12,235	1,636	13,872	-	13,872

FY2020/3 (April 1st, 2019 – March 31st, 2020)

(Millions of yen)

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	56,198	31,728	87,927	-	87,927
Intersegment sales to transfer	-	-	-	-	-
Total	56,198	31,728	87,927	-	87,927
Segment Profit	7,915	4,366	12,282	-	12,282
Segment Assets	99,393	46,350	145,743	805	146,549
Others					
Depreciation and amortization	2,450	1,000	3,450	-	3,450
Amortization of goodwill	39	1	41	-	41
Increase in tangible / intangible Fixed assets	3,832	3,644	7,477	-	7,566

Notes *1: Adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities).

*2: Segment profit is same amount as Operating Profit stated in the Consolidated Financial Statements.

(Per Share Information)

FY2019/3 (April 1 st , 2018 - March 31 st , 2019)		FY2020/3 (April 1 st , 2019 - March 31 st , 2020)	
Net assets per share	2,551.20 yen	Net assets per share	2,601.10 yen
Earnings per share	352.92 yen	Earnings per share	171.89 yen
Diluted earnings per share	350.23 yen	Diluted earnings per share	170.72 yen

Notes 1: Bases for calculation of net assets per share are as follows.

Item	FY2019/3 (March 31 st , 2019)	FY2020/3 (March 31 st , 2020)
Total net assets in consolidated balance sheet (millions of yen)	107,403	109,674
Amounts to be deducted from total net assets (millions of yen)	1,371	1,317
(Share subscription rights (millions of yen))	(784)	(770)
(Minority Interests(millions of yen))	(587)	(546)
Net assets related to common stock as at the end of Fiscal Year (millions of yen)	106,031	108,357
Number of outstanding shares that are bases for calculation of net assets per share as at the end of Fiscal Year (thousands of shares)	41,561	41,658

Notes 2: Bases for calculation of earnings per share and diluted earnings per share are as follows.

Item	FY2019/3 (April 1 st , 2018 - March 31 st , 2019)	FY2020/3 (April 1 st , 2019 - March 31 st , 2020)
Earnings per Share		
Net profit (loss) attributable to owners of the parent (millions of yen)	14,665	7,156
Amount not attributed to common shareholders (millions of yen)	-	-
Net profit (loss) attributable to owners of the parent related to common stock (millions of yen)	14,655	7,156
Average number of shares of common stock during the fiscal year (thousands of shares)	41,554	41,634
Diluted earnings per share		
Details of adjusted net profit (millions of yen)	-	-
Increase in common stock share subscription rights (thousands of shares)	318	286
Shares excluded from the calculation of diluted earnings per share due to the lack of dilutive effects	Share Subscription rights (Stock Option Type)(units) The 14 th 77 The 15 th 74	Share Subscription rights (Stock Option Type)(units) The 15 th 74

(Significant subsequent events)

Not applicable.

5. Additional Information

(1) Production, Orders and Sales

(i). Actual Production (Millions of yen)

Reportable Segment	FY2019/3 (April 1 st , 2018 - March 31 st , 2019)	FY2020/3 (April 1 st , 2019 - March 31 st , 2020)
SPE	67,351	61,005
Metrology Equipment	30,459	29,281
Total	97,811	90,287

Note: The above production results are based on the sales prices and are exclusive of consumption tax.

(ii). Actual Orders (Millions of yen)

Reportable Segment	FY2019/3 (April 1 st , 2018 - March 31 st , 2019)		FY2020/3 (April 1 st , 2019 - March 31 st , 2020)	
	Orders received	Order backlog	Orders received	Order backlog
SPE	65,335	27,670	57,709	29,182
Metrology Equipment	33,573	9,165	29,866	7,782
Total	98,909	36,836	87,576	36,965

Note: The above amounts are exclusive of consumption tax.

(iii). Actual Sales (Millions of yen)

Reportable Segment	FY2019/3 (April 1 st , 2018 - March 31 st , 2019)	FY2020/3 (April 1 st , 2019 - March 31 st , 2020)
SPE	69,117	56,198
Metrology Equipment	32,403	31,728
Total	101,520	87,927

Note: The above amounts are exclusive of consumption tax.

(2) Director Changes

(Effective date (planned): June 22nd, 2020)

Changes in director served as a served as an the Audit and Supervisory Committee member

Candidate for a external director (To be elected at the Annual General Meeting of Shareholders
scheduled on June 22nd, 2020)

Mr. TAKAMASU, Kiyoshi current position: President of The Japan Society for Precision Engineering

Retiring director

Mr. MATSUMOTO, Hirokazu current position: External director

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