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Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Under Japanese GAAP]

May 21, 2021

Company name: Tsurumi Manufacturing Co.,Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6351
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Scheduled date of annual general meeting of shareholders: June 25, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 Scheduled date to file annual securities report: June 28, 2021
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	45,325	(0.6)	5,549	7.4	6,404	17.0	4,156	5.2
March 31, 2020	45,604	4.9	5,166	4.5	5,475	(4.5)	3,952	(1.5)

(Note) Comprehensive income

For the fiscal year ended March 31, 2021 : ¥5,765 million (67.3%)
 For the fiscal year ended March 31, 2020 : ¥3,446 million (0.5%)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2021	166.00	—	6.5	8.1	12.2
March 31, 2020	157.84	—	6.6	7.3	11.3

(Reference) Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2021 : —
 For the fiscal year ended March 31, 2020 : —

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2021	81,487	66,874	81.0	2,635.21
March 31, 2020	76,939	62,010	79.5	2,442.19

(Reference) Equity

As of March 31, 2021 : ¥65,980 million
 As of March 31, 2020 : ¥61,147 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31,2021	4,866	(3,357)	(233)	15,696
March 31,2020	4,369	(3,206)	(272)	14,084

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31,2020	—	14.00	—	20.00	34.00	851	21.5	1.4
March 31,2021	—	14.00	—	22.00	36.00	901	21.7	1.4
Fiscal year ending March 31,2022 (Forecast)	—	15.00	—	21.00	36.00		22.2	

3. Consolidated financial results forecast for the fiscal year ending March 31, 2022(from April 1, 2021 to March 31, 2022)

(Percentages indicate changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	20,800	2.8	2,200	(0.2)	2,400	(5.8)	1,660	(8.1)	66.30
Fiscal year ending March 31,2022	47,000	3.7	5,600	0.9	5,800	(9.4)	4,060	(2.3)	162.15

Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

- i . Changes in accounting policies due to revisions to accounting standards and other regulations: None
- ii . Changes in accounting policies due to other reasons: None
- iii . Changes in accounting estimates: None
- iv . Restatement: None

(3) Number of issued shares (common shares)

i . Number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021: 27,500,000 shares

As of March 31, 2020: 27,500,000 shares

ii . Number of treasury shares at the end of the period

As of March 31, 2021: 2,461,871 shares

As of March 31, 2020: 2,461,871 shares

iii . Average number of shares outstanding during the period

Fiscal year ended March 31, 2021: 25,038,129 shares

Fiscal year ended March 31, 2020: 25,038,193 shares

* The consolidated financial results are exempt from audit conducted by certified public accountants or an audit firm.

* Explanations of the appropriate use of financial forecasts and other special notes

The forecasts, including financial results forecast, given in this document are based on information available to the Company and on certain assumptions deemed to be reasonable at the time of the issuance of this document. And the Company does not commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

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1. Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	14,095	15,707
Notes and accounts receivable - trade	18,245	18,505
Securities	1,436	1,308
Merchandise	1,298	1,307
Finished goods	4,337	4,180
Semi-finished goods	1,734	1,550
Work in process	1,105	1,025
Raw materials and supplies	2,503	2,429
Other	1,201	3,034
Allowance for doubtful accounts	(48)	(40)
Total current assets	45,908	49,010
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,741	9,444
Accumulated depreciation	(4,848)	(4,970)
Buildings and structures, net	3,893	4,473
Machinery, equipment and vehicles	3,325	3,400
Accumulated depreciation	(2,496)	(2,652)
Machinery, equipment and vehicles, net	829	748
Tools, furniture and fixtures	2,349	2,498
Accumulated depreciation	(1,986)	(2,158)
Tools, furniture and fixtures, net	362	339
Land	8,244	8,189
Leased assets	104	116
Accumulated depreciation	(31)	(56)
Leased assets, net	73	59
Construction in progress	282	604
Total property, plant and equipment	13,685	14,415
Intangible assets	834	1,435
Investments and other assets		
Investment securities	13,324	14,368
Retirement benefit asset	—	46
Deferred tax assets	632	534
Other	2,708	1,833
Allowance for doubtful accounts	(2)	(2)
Allowance for investment loss	(154)	(154)
Total investments and other assets	16,509	16,626
Total non-current assets	31,030	32,477
Total assets	76,939	81,487

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,813	6,519
Current portion of long-term borrowings	500	300
Current portion of bonds payable	—	700
Income taxes payable	835	1,164
Provision for bonuses	996	953
Other	3,361	2,472
Total current liabilities	12,506	12,109
Non-current liabilities		
Bonds payable	700	—
Long-term borrowings	900	1,800
Deferred tax liabilities	97	159
Provision for retirement benefits for directors	182	195
Retirement benefit liability	417	140
Other	124	207
Total non-current liabilities	2,422	2,502
Total liabilities	14,928	14,612
Net assets		
Shareholders' equity		
Share capital	5,188	5,188
Capital surplus	7,810	7,810
Retained earnings	48,828	52,133
Treasury shares	(2,119)	(2,119)
Total shareholders' equity	59,707	63,012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,329	2,078
Foreign currency translation adjustment	290	834
Remeasurements of defined benefit plans	(179)	54
Total Accumulated other comprehensive income	1,440	2,968
Non-controlling interests	862	894
Total net assets	62,010	66,874
Total liabilities and net assets	76,939	81,487

2. Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Income (Year ended))

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Net sales	45,604	45,325
Cost of sales	30,340	30,225
Gross profit	15,264	15,100
Selling, general and administrative expenses		
Advertising expenses	236	154
Salaries and allowances	3,707	3,799
Provision for bonuses	640	614
Retirement benefit expenses	154	96
Provision for retirement benefits for directors	13	13
Welfare expenses	862	857
Rent expenses	183	190
Depreciation	259	273
Other	4,039	3,551
Total selling, general and administrative expenses	10,097	9,551
Operating profit	5,166	5,549
Non-operating income		
Interest income	255	256
Dividend income	198	199
Gain on investments in securities	—	175
Foreign exchange gains	—	252
Other	196	177
Total non-operating income	650	1,061
Non-operating expenses		
Interest expenses	13	22
Loss on abandonment of non-current assets	7	48
Foreign exchange losses	267	—
Loss on swap valuation	—	108
Other	52	27
Total non-operating expense	341	206
Ordinary profit	5,475	6,404
Extraordinary income		
Gain on sale of investment securities	—	106
Subsidy income	155	—
Total extraordinary income	155	106
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	—	743
Total extraordinary losses	—	743
Profit before income taxes	5,631	5,768
Income taxes - current	1,692	1,818
Income taxes - deferred	(86)	(271)
Income taxes	1,605	1,546
Profit	4,026	4,221
Profit attributable to non-controlling interests	74	65
Profit attributable to owners of parent	3,952	4,156

(Consolidated Statement of Comprehensive Income (Year ended))

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Profit	4,026	4,221
Other comprehensive income		
Valuation difference on available-for-sale securities	(140)	748
Foreign currency translation adjustment	(294)	560
Remeasurements of defined benefits plans	(144)	234
Total other comprehensive income	(579)	1,543
Comprehensive income	3,446	5,765
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,395	5,684
Comprehensive income attributable to non-controlling interests	50	81

3. Consolidated Statements of Changes in Equity
Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,188	7,896	45,874	(2,402)	56,556
Changes during period					
Dividends of surplus			(801)		(801)
Profit attributable to owners of parent			3,952		3,952
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		(86)	(196)	283	—
Net changes of items other than shareholders' equity					
Total changes during period	—	(86)	2,953	283	3,150
Balance at the end of the period	5,188	7,810	48,828	(2,119)	59,707

	Other accumulated comprehensive income				Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at the beginning of the period	1,470	561	(35)	1,996	852	59,405
Changes during period						
Dividends of surplus						(801)
Profit attributable to owners of parent						3,952
Purchase of treasury shares						(0)
Cancellation of treasury shares						—
Net changes of items other than shareholders' equity	(140)	(271)	(144)	(556)	10	(545)
Total changes during period	(140)	(271)	(144)	(556)	10	2,604
Balance at the end of the period	1,329	290	(179)	1,440	862	62,010

Current consolidated fiscal year (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,188	7,810	48,828	(2,119)	59,707
Changes during period					
Dividends of surplus			(851)		(851)
Profit attributable to owners of parent			4,156		4,156
Net changes of items other than shareholders' equity					
Total changes during period	—	—	3,304	—	3,304
Balance at the end of the period	5,188	7,810	52,133	(2,119)	63,012

	Other accumulated comprehensive income				Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at the beginning of the period	1,329	290	(179)	1,440	862	62,010
Changes during period						
Dividends of surplus						(851)
Profit attributable to owners of parent						4,156
Net changes of items other than shareholders' equity	748	544	234	1,527	31	1,559
Total changes during period	748	544	234	1,527	31	4,864
Balance at the end of the period	2,078	834	54	2,968	894	66,874

4. Consolidated Statement of Cash flows

(Millions of yen)

	Year ended March 31, 2020	Year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	5,631	5,768
Depreciation	785	903
Increase (decrease) in allowance for doubtful accounts	2	(8)
Increase (decrease) in provision for bonuses	222	(42)
Increase (decrease) in retirement benefit liability	244	(276)
Interest and dividend income	(453)	(456)
Interest expenses	13	22
Loss (gain) on investments in securities	23	(175)
Loss (gain) on swap valuation	—	108
Loss (gain) on sale of investment securities	—	(106)
Subsidy income	(155)	—
Loss on valuation of investments in capital	—	743
Decrease (increase) in trade receivables	(232)	(160)
Decrease (increase) in inventories	(1,599)	615
Increase (decrease) in trade payables	476	(385)
Other, net	909	(587)
Subtotal	5,867	5,962
Interest and dividends received	439	407
Interest paid	(14)	(12)
Income taxes paid	(1,922)	(1,491)
Net cash provided by (used in) operating activities	4,369	4,866
Cash flows from investing activities		
Purchase of securities	(109)	(330)
Proceeds from sale and redemption of securities	706	575
Purchase of property, plant and equipment	(1,640)	(1,669)
Purchase of intangible assets	(266)	(864)
Purchase of investment securities	(2,357)	(698)
Proceeds from sale and redemption of investment securities	682	1,063
loan advances	(678)	(2,195)
Proceeds from collection of loans receivable	309	609
Subsidies received	155	—
Other, net	(7)	152
Net cash provided by (used in) investing activities	(3,206)	(3,357)
Cash flows from financing activities		
Proceeds from long-term borrowings	600	1,200
Repayments of long-term borrowings	—	(500)
Dividends paid	(801)	(851)
Dividends paid to non-controlling interests	(40)	(49)
Other, net	(31)	(32)
Net cash provided by (used in) financing activities	(272)	(233)
Effect of exchange rate change on cash and cash equivalents	(329)	336
Net increase (decrease) in cash and cash equivalents	560	1,611
Cash and cash equivalents at beginning of period	13,523	14,084
Cash and cash equivalents at end of period	14,084	15,696

5. Note to Consolidated Financial Statements

(Segment Information)

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

(Millions of yen)

	Reportable segments				Other	Total	Adjustments	Amount in consolidated financial statements
	Japan	North America	China	Total				
Net sales								
Sales to external customers	34,567	6,662	1,692	42,923	2,680	45,604	—	45,604
Intersegment sales or transfers	6,970	0	1,698	8,668	3,554	12,223	(12,223)	—
Total	41,538	6,663	3,391	51,592	6,235	57,827	(12,223)	45,604
Segment profit	4,678	767	325	5,771	456	6,228	(1,061)	5,166
Segment assets	44,369	6,652	4,727	55,750	7,092	62,842	14,096	76,939
Other items								
Depreciation	558	37	74	670	94	764	21	785
Increase in property, plant and equipment, and intangible assets	1,730	21	387	2,139	85	2,225	—	2,225

Current consolidated fiscal year (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Reportable segments				Other	Total	Adjustments	Amount in consolidated financial statements
	Japan	North America	China	Total				
Net sales								
Sales to external customers	34,744	6,211	1,553	42,508	2,817	45,325	—	45,325
Intersegment sales or transfers	5,589	—	1,801	7,391	3,354	10,745	(10,745)	—
Total	40,334	6,211	3,354	49,899	6,171	56,071	(10,745)	45,325
Segment profit	4,868	758	387	6,014	419	6,434	(884)	5,549
Segment assets	46,614	7,548	4,575	58,738	7,922	66,661	14,826	81,487
Other items								
Depreciation	636	37	82	756	126	883	20	903
Increase in property, plant and equipment, and intangible assets	1,625	36	15	1,677	554	2,232	—	2,232