

Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2020

[Japanese GAAP]

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Scheduled date of Annual General Meeting of Shareholders: September 26, 2020
 Scheduled date of payment of dividend: September 29, 2020
 Scheduled date of filing of Annual Securities Report: September 28, 2020
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: Yes

(All amounts are rounded down to the nearest million yen)

1. Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2020 (July 1, 2019 to June 30, 2020)

(1) Results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Jun. 30, 2020	1,760	(15.5)	451	(29.1)	462	(28.7)	319	(28.6)
Fiscal year ended Jun. 30, 2019	2,084	2.2	636	6.5	648	5.4	447	(3.0)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Jun. 30, 2020	66.58	-	3.9	5.1	25.6
Fiscal year ended Jun. 30, 2019	93.27	-	5.5	7.3	30.6

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Jun. 30, 2020: -

Fiscal year ended Jun. 30, 2019: -

Note: A-One Seimitsu conducted a 2-for-1 common stock split effective on July 1, 2020. Net income per share has been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2020	9,019	8,361	92.7	1,742.61
As of Jun. 30, 2019	9,006	8,227	91.4	1,714.62

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2020: 8,361 As of Jun. 30, 2019: 8,227

Note: A-One Seimitsu conducted a 2-for-1 common stock split effective on July 1, 2020. Net assets per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Jun. 30, 2020	443	(167)	(167)	1,028
Fiscal year ended Jun. 30, 2019	643	(478)	(168)	921

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio	Dividends on equity
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Jun. 30, 2019	-	0.00	-	70.00	70.00	167	37.5	2.1
Fiscal year ended Jun. 30, 2020	-	0.00	-	100.00	100.00	239	75.1	2.9
Fiscal year ending Jun. 30, 2021 (forecasts)	-	0.00	-	50.00	50.00		73.0	

Note: A-One Seimitsu conducted a 2-for-1 common stock split effective on July 1, 2020. Dividends for the fiscal year ended June 30, 2019 and 2020 are the actual amounts distributed before the stock split took place.

3. Earnings Forecast for the Fiscal Year Ending June 30, 2021 (July 1, 2020 to June 30, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	924	0.4	247	(0.8)	252	(1.0)	170	(3.4)	35.48
Full year	1,850	5.1	479	6.2	488	5.7	328	2.9	68.53

*** Notes**

(1) Changes in accounting policies and accounting estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(2) Number of shares outstanding (common shares)

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

As of Jun. 30, 2020:	6,000,000 shares	As of Jun. 30, 2019:	6,000,000 shares
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2) Number of treasury shares as of the end of the period

As of Jun. 30, 2020:	1,201,504 shares	As of Jun. 30, 2019:	1,201,504 shares
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3) Average number of outstanding shares during the period

Fiscal year ended Jun. 30, 2020:	4,798,496 shares	Fiscal year ended Jun. 30, 2019:	4,798,496 shares
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Note: A-One Seimitsu conducted a 2-for-1 common stock split effective on July 1, 2020. The number of outstanding shares as of the end of the period (including treasury shares), the number of treasury shares as of the end of the period and the average number of outstanding shares during the period have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* The current financial results are not subject to the audit by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the A-One Seimitsu's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 4 for forecast assumptions and notes of caution for usage

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1. Overview of Results of Operations

(1) Results of Operations for the Current Fiscal Year

Economic growth in Japan slowly declined during the fiscal year that ended in June 2020 but fell sharply in the fiscal year's last quarter.

In the manufacturing sector, orders have stopped increasing since last year because of higher tariffs due to U.S.-China trade friction, the increasing tendency of countries to make products internally and other reasons. During the past several decades, companies constructed factories worldwide in order to manufacture parts and finished products in the best locations in terms of quality, cost, markets for these items and other considerations. Around 2019, restrictions on the movement of goods between countries began to increase. The effects of these restrictions are starting to affect manufacturing operations worldwide. Furthermore, economic activity was suspended around March 2020 due to the COVID-19 outbreak. People altered their life styles and there were restrictions on the movements of people, lockdowns of regional economies and other effects of this crisis. The output of automobiles, aircraft and other durable goods plunged between March and June. Most significantly, the big downturn in the production of automobiles, an industry covering many business categories, had an enormous impact on global manufacturing activity.

The COVID-19 crisis created shortages of many hygiene products, medical devices, household products and food products. Manufacturing activity in these categories was strong as a result. The manufacturing sector also benefited from the consistently high level of capital expenditures involving 5G telecommunications since last year. Expenditures are remaining relatively strong despite the current global economic downturn.

During the fiscal year, orders received by A-One Seimitsu were slow in July 2019 as the fiscal year began but then the decline stopped and orders remained level. However, orders started falling again in April 2020.

Net sales for the fiscal year ended June 30, 2020 were 1,760 million yen, down 15.5% year on year. Operating profit decreased 29.1% to 451 million yen, ordinary profit decreased 28.7% to 462 million yen, and profit decreased 28.6% to 319 million yen.

Business segment performance was as follows.

(Collet Chucks)

Sales of collet chucks were generally flat between July 2019 and March 2020 but below the level of sales one year earlier. Sales then began to fall rapidly in April, with the magnitude of the decline increasing in each following month. A big reduction in automobile production in April was the main reason for this decline.

Segment sales were 1,231 million yen, down 16.3% year on year, and segment profit was 603 million yen, down 21.7% from one year earlier.

(Cutting Tools)

The cutting tools of this business segment are used for processing mass-produced components, individual machinery and equipment, and other products in various categories. Due to the breadth of demand for these tools, orders recovered somewhat following a downturn in August 2019 and then remained unchanged. However, orders in this segment were down in May and June 2020 because of the negative effect on demand for the regrinding of general-purpose cutting tools and for specialty cutting tools of the rapid decline in orders involving equipment, tools, jigs and other items as automobile production plummeted.

Segment sales were 503 million yen, down 14.4% year on year, and segment profit was 108 million yen, down 32.3% from one year earlier.

(Automatic Lathe Cams)

Manufacturers in Japan and other countries still use cam-type automatic lathes, although their use for processing mass-produced components is low. There was only a minimal decrease in orders for cams in the current fiscal year. Segment profit increased because of a decline in fixed expenses.

Segment sales were 25 million yen, down 0.7% year on year, and segment profit was 13 million yen, up 20.9% from one year earlier.

(2) Financial Position for the Current Fiscal Year

Assets

Current assets amounted to 7,447 million yen at the end of the current fiscal year, an increase of 37 million yen from 7,409 million yen at the end of the previous fiscal year. This is mainly due to increases of 108 million yen in cash and deposits and 31 million yen in work in process, which were partially offset by decreases of 74 million yen in accounts receivable-trade and 33 million yen in notes receivable-trade.

Non-current assets amounted to 1,572 million yen, a decrease of 24 million yen from 1,596 million yen at the end of the previous fiscal year. This is mainly due to decreases of 27 million yen in buildings, 24 million yen in investment securities and 12 million yen in machinery and equipment, which were partially offset by increases of 17 million yen in structures, 11 million yen in deferred tax assets, 6 million yen in tools, furniture and fixtures, and 4 million yen in land.

As a result, total assets at the end of the current fiscal year were 9,019 million yen, compared with 9,006 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 163 million yen at the end of the current fiscal year, a decrease of 139 million yen from 303 million yen at the end of the previous fiscal year. This is mainly due to decreases of 77 million yen in income taxes payable, 45 million yen in accounts payable-other, 9 million yen in deposits received, 5 million yen in provision for bonuses for directors (and other officers) and 2 million yen in accounts payable-trade, which were partially offset by an increase of 162 thousand yen in accrued expenses.

Non-current liabilities amounted to 493 million yen, an increase of 18 million yen from 475 million yen at the end of the previous fiscal year. This is mainly due to increases of 14 million yen in provision for retirement benefits and 4 million yen in provision for retirement benefits for directors (and other officers).

As a result, total liabilities at the end of the current fiscal year were 657 million yen, compared with 778 million yen at the end of the previous fiscal year.

Net assets

Net assets totaled 8,361 million yen, an increase of 134 million yen from 8,227 million yen at the end of the previous fiscal year. This is mainly due to an increase of 300 million yen in general reserve while there were decreases of 148 million yen in retained earnings brought forward and 17 million yen in valuation difference on available-for-sale securities.

(3) Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter "net cash") as of the end of the current fiscal year amounted to 1,028 million yen, an increase of 107 million yen, or 11.7%, over the end of the previous fiscal year. Positive cash flows include profit before income taxes of 462 million yen, depreciation of 177 million yen, a decrease in trade receivables of 107 million yen, an increase in provision for retirement benefits of 14 million yen, interest and dividends received of 6 million yen and an increase in provision for retirement benefits for directors (and other officers) of 4 million yen. Negative cash flows include income taxes paid of 220 million yen, dividends paid of 167 million yen, purchase of property, plant and equipment of 166 million yen, a decrease in accounts payable-other of 45 million yen, an increase in inventories of 35 million yen and a decrease in provision for bonuses for directors (and other officers) of 5 million yen.

Cash flows from operating activities

Net cash provided by operating activities for the current fiscal year totaled 443 million yen (compared with net cash provided of 643 million yen in the previous fiscal year). Positive factors include profit before income taxes of 462 million yen, depreciation of 177 million yen, a decrease in trade receivables of 107 million yen, an increase in provision for retirement benefits of 14 million yen, interest and dividends received of 6 million yen and an increase in provision for retirement benefits for directors (and other officers) of 4 million yen. Negative factors were income taxes paid of 220 million yen, a decrease in accounts payable-other of 45 million yen, an increase in inventories of 35 million yen and a decrease in provision for bonuses for directors (and other officers) of 5 million yen.

Cash flows from investing activities

Net cash used in investing activities for the current fiscal year totaled 167 million yen (compared with net cash used of 478 million yen in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 166 million yen and purchase of intangible assets of 1 million yen while there were proceeds of 73 thousand yen from sales of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities for the current fiscal year totaled 167 million yen (compared with net cash used of 168 million yen in the previous fiscal year). This was mainly due to dividends paid of 167 million yen.

(4) Outlook

The outlook for the fiscal year ending in June 2021 is becoming increasingly uncertain because of the inability to predict when the COVID-19 crisis will end. The crisis is restricting movements of people and goods, holding down economic activity, reducing personal income and having many other negative effects. The result has been a rapid economic decline that includes a decrease in consumer spending for items other than household goods and necessities.

Activity in the manufacturing sector reached a peak in the second half of 2018 and there has been a clear downward trend in orders since 2019. In addition, the COVID-19 crisis is expected to affect manufacturing activity. There are also concerns about declines in sales and earnings at manufacturers caused by the suspension of operations at large factories due to a shortage of workers and by the decreasing volume of orders.

Looking ahead, the manufacturing sector is likely to benefit from the emergence of a large number of parts and products that are vital to a broad spectrum of applications and needs. Examples include environmentally responsible social infrastructure and medical devices and equipment for improving hygiene in emerging countries, responding to new types of pandemics, caring for the increasing number of seniors and other requirements. Other important trends are industrial robots and other automation and labor-saving equipment at manufacturers and next-generation telecommunications equipment and electronic devices.

The operations of manufacturers are vital in diverse array of business fields, and we expect that the demand in the manufacturing sector will begin to recover slowly.

Based on this outlook, our earnings forecast for the next fiscal year is as follows:

Net sales	1,850 million yen	(up 5.1% year on year)
Operating profit	479 million yen	(up 6.2% year on year)
Ordinary profit	488 million yen	(up 5.7% year on year)
Profit	328 million yen	(up 2.9% year on year)

2. Basic Approach to the Selection of Accounting Standards

A-One Seimitsu has applied Japanese GAAP because most of our stakeholders are shareholders, creditors and business partners located in Japan, and we do not necessarily have to raise funds from overseas capital markets.

3. Non-consolidated Financial Statements and Notes**(1) Non-consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/19	FY6/20
	(As of Jun. 30, 2019)	(As of Jun. 30, 2020)
Assets		
Current assets		
Cash and deposits	6,758,282	6,866,762
Notes receivable - trade	143,851	110,242
Accounts receivable - trade	305,414	231,301
Finished goods	1,778	3,196
Raw materials	30,454	33,707
Work in process	169,876	201,028
Other	215	1,084
Allowance for doubtful accounts	(494)	(243)
Total current assets	7,409,379	7,447,080
Non-current assets		
Property, plant and equipment		
Buildings	1,369,198	1,373,138
Accumulated depreciation	(900,788)	(932,686)
Buildings, net	468,409	440,451
Structures	93,373	111,978
Accumulated depreciation	(84,551)	(85,691)
Structures, net	8,822	26,287
Machinery and equipment	3,688,196	3,787,290
Accumulated depreciation	(3,187,706)	(3,299,174)
Machinery and equipment, net	500,489	488,116
Vehicles	3,753	3,692
Accumulated depreciation	(3,504)	(3,503)
Vehicles, net	249	189
Tools, furniture and fixtures	69,595	57,676
Accumulated depreciation	(67,394)	(48,841)
Tools, furniture and fixtures, net	2,200	8,834
Land	328,869	333,534
Total property, plant and equipment	1,309,040	1,297,414
Intangible assets		
Software	1,037	1,706
Telephone subscription right	653	653
Total intangible assets	1,691	2,360
Investments and other assets		
Investment securities	125,765	101,081
Distressed receivables	1,006	1,058
Long-term prepaid expenses	780	334
Deferred tax assets	159,373	171,001
Other	19	20
Allowance for doubtful accounts	(1,006)	(1,058)
Total investments and other assets	285,939	272,438
Total non-current assets	1,596,671	1,572,212
Total assets	9,006,050	9,019,292

	(Thousands of yen)	
	FY6/19	FY6/20
	(As of Jun. 30, 2019)	(As of Jun. 30, 2020)
Liabilities		
Current liabilities		
Accounts payable - trade	17,074	14,477
Accounts payable - other	107,727	62,605
Accrued expenses	13,464	13,626
Income taxes payable	122,308	45,110
Advances received	325	321
Deposits received	26,137	16,368
Provision for bonuses for directors (and other officers)	16,000	11,000
Total current liabilities	303,037	163,508
Non-current liabilities		
Provision for retirement benefits	359,967	374,372
Provision for retirement benefits for directors (and other officers)	115,450	119,520
Total non-current liabilities	475,417	493,892
Total liabilities	778,454	657,400
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus		
Legal capital surplus	337,400	337,400
Total capital surpluses	337,400	337,400
Retained earnings		
Legal retained earnings	20,000	20,000
Other retained earnings		
General reserve	7,540,000	7,840,000
Retained earnings brought forward	853,222	704,772
Total retained earnings	8,413,222	8,564,772
Treasury shares	(841,335)	(841,335)
Total shareholders' equity	8,201,787	8,353,337
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	25,808	8,554
Total valuation and translation adjustments	25,808	8,554
Total net assets	8,227,595	8,361,891
Total liabilities and net assets	9,006,050	9,019,292

(2) Non-consolidated Statement of Income

	(Thousands of yen)	
	FY6/19	FY6/20
	(Jul. 1, 2018 – Jun. 30, 2019)	(Jul. 1, 2019 – Jun. 30, 2020)
Net sales	2,084,201	1,760,226
Cost of sales		
Beginning finished goods inventory	1,911	1,778
Cost of products manufactured	1,150,675	1,044,306
Total	1,152,587	1,046,084
Ending finished goods inventory	1,778	3,196
Total cost of sales	1,150,808	1,042,888
Gross profit	933,392	717,338
Selling, general and administrative expenses		
Advertising expenses	2,704	3,100
Freight and packing costs	41,581	37,806
Remuneration for directors (and other officers)	54,150	51,000
Salaries and allowances	41,469	42,168
Bonuses	19,553	11,800
Welfare expenses	20,977	19,548
Retirement benefit expenses	6,163	5,151
Provision for retirement benefits for directors (and other officers)	13,030	9,470
Provision for bonuses for directors (and other officers)	16,000	11,000
Depreciation	2,915	3,928
Taxes and dues	18,648	15,560
Fee expenses	18,399	18,615
Provision of allowance for doubtful accounts	601	-
Other	40,391	36,766
Total selling, general and administrative expenses	296,586	265,915
Operating profit	636,806	451,422
Non-operating income		
Interest income	621	628
Dividend income	5,804	6,242
Electricity sale income	4,286	3,234
Reversal of allowance for doubtful accounts	-	177
Other	845	791
Total non-operating income	11,557	11,074
Ordinary profit	648,364	462,496
Extraordinary income		
Gain on sales of non-current assets	-	73
Total extraordinary income	-	73
Extraordinary losses		
Loss on retirement of non-current assets	0	70
Total extraordinary losses	0	70
Profit before income taxes	648,363	462,499
Income taxes-current	215,700	147,200
Income taxes-deferred	(14,899)	(4,198)
Total income taxes	200,800	143,002
Profit	447,563	319,497

Manufacturing Statement

Category	Note	FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)		FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	
		Amount (Thousands of yen)	Composition (%)	Amount (Thousands of yen)	Composition (%)
I Material cost		130,710	11.3	116,651	10.9
II Labor cost		627,979	54.3	580,058	53.9
III Expenses	Note 1	398,191	34.4	378,748	35.2
Total manufacturing costs		1,156,881	100.0	1,075,459	100.0
Beginning inventory of work in process		163,669		169,876	
Total		1,320,551		1,245,335	
Ending inventory of work in process		169,876		201,028	
Cost of products manufactured		1,150,675		1,044,306	

Note 1: Major breakdown is as follows:

Item	FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)		FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	
	Amount (Thousands of yen)		Amount (Thousands of yen)	
Subcontract expenses		62,966		52,428
Depreciation		173,046		173,837
Supplies expenses		67,416		67,291

(Cost accounting)

A-One Seimitsu applies the simple process costing method. Pre-determined costs are used during the fiscal year and the difference is allocated to finished goods, work in process and cost of sales at the end of the fiscal year.

(3) Non-consolidated Statement of Changes in Net Assets

FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	292,500	337,400	337,400	20,000
Changes during period				
Dividends of surplus				
Profit				
Reversal of reserve for special depreciation				
Provision of general reserve				
Purchase of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	292,500	337,400	337,400	20,000

	Shareholders' equity			
	Retained earnings			Total retained earnings
	Other retained earnings			
	Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of period	19,655	7,240,000	853,951	8,133,606
Changes during period				
Dividends of surplus			(167,947)	(167,947)
Profit			447,563	447,563
Reversal of reserve for special depreciation	(19,655)		19,655	-
Provision of general reserve		300,000	(300,000)	-
Purchase of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	(19,655)	300,000	(728)	279,616
Balance at end of period	-	7,540,000	853,222	8,413,222

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(841,332)	7,922,173	39,712	39,712	7,961,886
Changes during period					
Dividends of surplus		(167,947)			(167,947)
Profit		447,563			447,563
Reversal of reserve for special depreciation		-			-
Provision of general reserve		-			-
Purchase of treasury shares	(2)	(2)			(2)
Net changes in items other than shareholders' equity			(13,904)	(13,904)	(13,904)
Total changes during period	(2)	279,613	(13,904)	(13,904)	265,709
Balance at end of period	(841,335)	8,201,787	25,808	25,808	8,227,595

FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of period	292,500	337,400	337,400	20,000
Changes during period				
Dividends of surplus				
Profit				
Provision of general reserve				
Purchase of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	-	-
Balance at end of period	292,500	337,400	337,400	20,000

	Shareholders' equity		
	Retained earnings		
	Other retained earnings		Total retained earnings
	General reserve	Retained earnings brought forward	
Balance at beginning of period	7,540,000	853,222	8,413,222
Changes during period			
Dividends of surplus		(167,947)	(167,947)
Profit		319,497	319,497
Provision of general reserve	300,000	(300,000)	-
Purchase of treasury shares			
Net changes in items other than shareholders' equity			
Total changes during period	300,000	(148,449)	151,550
Balance at end of period	7,840,000	704,772	8,564,772

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(841,335)	8,201,787	25,808	25,808	8,227,595
Changes during period					
Dividends of surplus		(167,947)			(167,947)
Profit		319,497			319,497
Provision of general reserve		-			-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity			(17,254)	(17,254)	(17,254)
Total changes during period	-	151,550	(17,254)	(17,254)	134,296
Balance at end of period	(841,335)	8,353,337	8,554	8,554	8,361,891

(4) Non-consolidated Statement of Cash Flows

(Thousands of yen)

	FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)
Cash flows from operating activities		
Profit before income taxes	648,363	462,499
Depreciation	175,961	177,766
Amortization of long-term prepaid expenses	445	445
Loss on retirement of non-current assets	0	70
Loss (gain) on sales of non-current assets	-	(73)
Increase (decrease) in allowance for doubtful accounts	443	(199)
Increase (decrease) in provision for bonuses for directors (and other officers)	1,000	(5,000)
Increase (decrease) in provision for retirement benefits	8,675	14,404
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13,030	4,070
Interest and dividend income	(6,425)	(6,870)
Decrease (increase) in trade receivables	16,564	107,722
Decrease (increase) in inventories	(10,080)	(35,823)
Increase (decrease) in trade payables	(1,484)	(2,597)
Increase (decrease) in accounts payable - other	8,787	(45,636)
Other, net	247	(13,625)
Subtotal	855,528	657,153
Interest and dividends received	6,415	6,894
Income taxes (paid) refund	(218,698)	(220,745)
Net cash provided by (used in) operating activities	643,246	443,302
Cash flows from investing activities		
Net decrease (increase) in time deposits	(400,493)	(548)
Proceeds from sales of property, plant and equipment	-	73
Purchase of property, plant and equipment	(77,951)	(166,286)
Purchase of intangible assets	-	(1,170)
Net cash provided by (used in) investing activities	(478,444)	(167,932)
Cash flows from financing activities		
Purchase of treasury shares	(2)	-
Dividends paid	(168,049)	(167,439)
Net cash provided by (used in) financing activities	(168,052)	(167,439)
Net increase (decrease) in cash and cash equivalents	(3,250)	107,930
Cash and cash equivalents at beginning of period	924,307	921,056
Cash and cash equivalents at end of period	921,056	1,028,987

(5) Notes to Non-consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the constituent units of A-One Seimitsu for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

There are three reportable segments: Collet Chucks, Cutting Tools, and Automatic Lathe Cams. Each segment is responsible for planning and other decision-making regarding its products and services.

The Collet Chucks segment manufactures and sells collet chucks for small automatic lathes, general-purpose industrial machinery and specialized machinery. The Cutting Tools segment regrinds blades used in cutting processing and manufactures and regrinds specialty cutting tools. The Automatic Lathe Cams segment manufactures and sells cams used in small automatic lathes and specialized machinery.

2. Calculation methods for net sales, profit or loss, assets, liabilities and other items for each reportable segment

The accounting policies for reportable business segments are consistent with those described in “Significant Accounting Policies.”

Profits for reportable segments represent gross profit.

3. Information related to net sales, profit or loss, assets, liabilities and other items for each reportable segment

FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)

	Reportable segment				Adjustment (Note 1)	(Thousands of yen)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		Amounts shown on non-consolidated financial statements (Note 2)
Net sales						
External sales	1,470,484	587,686	26,029	2,084,201	-	2,084,201
Inter-segment sales and transfers	-	-	-	-	-	-
Total	1,470,484	587,686	26,029	2,084,201	-	2,084,201
Segment profit	770,937	159,865	11,405	942,208	(305,401)	636,806
Segment assets	1,014,062	721,180	22,694	1,757,937	7,248,113	9,006,050
Other items						
Depreciation	75,707	94,699	482	170,889	5,072	175,961
Increase in property, plant and equipment and intangible assets	74,722	3,067	-	77,789	570	78,360

Notes: 1. Adjustment includes followings:

- (1) The adjustment to segment profit includes common expenses of (8,815) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.
- (2) The adjustment to segment assets are corporate assets that are not allocated to any of the reportable segments and mainly consist of cash and deposits and investment securities.

2. Segment profit is adjusted to be consistent with operating profit shown on the non-consolidated statement of income.

FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)

	Reportable segment				Adjustment (Note 1)	Amounts shown on non-consolidated financial statements (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	1,231,322	503,064	25,840	1,760,226	-	1,760,226
Inter-segment sales and transfers	-	-	-	-	-	-
Total	1,231,322	503,064	25,840	1,760,226	-	1,760,226
Segment profit	603,350	108,225	13,793	725,369	(273,947)	451,422
Segment assets	986,476	650,517	22,385	1,659,380	7,359,912	9,019,292
Other items						
Depreciation	81,602	89,134	753	171,490	6,276	177,766
Increase in property, plant and equipment and intangible assets	91,311	53,442	733	145,487	21,976	167,463

Notes: 1. Adjustment includes followings:

- (1) The adjustment to segment profit includes common expenses of (8,031) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.
 - (2) The adjustment to segment assets are corporate assets that are not allocated to any of the reportable segments and mainly consist of cash and deposits and investment securities.
2. Segment profit is adjusted to be consistent with operating profit shown on the non-consolidated statement of income.

Related information

FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)

1. Information by product or service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

(Thousands of yen)			
Japan	Asia	Other	Total
1,887,165	197,036	-	2,084,201

Note: Classification of net sales is based on the location of customers and categorized by country or region.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major client

No information is provided because no specific external customer accounts for 10% or more of net sales in the non-consolidated statement of income.

FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)

1. Information by product or service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

(Thousands of yen)			
Japan	Asia	Other	Total
1,575,421	184,805	-	1,760,226

Note: Classification of net sales is based on the location of customers and categorized by country or region.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major client

No information is provided because no specific external customer accounts for 10% or more of net sales in the non-consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

Not applicable.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)
Net assets per share	1,714.62	1,742.61
Net income per share	93.27	66.58

Notes: 1. A-One Seimitsu conducted a 2-for-1 common stock split effective on July 1, 2020. Net assets per share and net income per share have been calculated as if this stock split had taken place at the beginning of the previous fiscal year.

2. Diluted net income per share is not presented because there are no potential shares with dilutive effects.

3. The basis for calculating net income per share is as follows.

(Thousands of yen, unless otherwise stated)

	FY6/19 (Jul. 1, 2018 – Jun. 30, 2019)	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)
Net income per share		
Profit	447,563	319,497
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	447,563	319,497
Average number of shares of common stock during the period (shares)	4,798,496	4,798,496

4. The basis for calculating net assets per share is as follows.

(Thousands of yen, unless otherwise stated)

	FY6/19 (As of Jun. 30, 2019)	FY6/20 (As of Jun. 30, 2020)
Total net assets	8,227,595	8,361,891
Deduction on total net assets	-	-
Net assets applicable to common shares at end of period	8,227,595	8,361,891
Number of common shares used in calculation of net assets per share at end of period (shares)	4,798,496	4,798,496

Material Subsequent Events

Stock split

A-One Seimitsu resolved at the meeting of the Board of Directors held on April 27, 2020 to issue new shares by means of stock split and conducted a 2-for-1 common stock split effective on July 1, 2020.

1. Purpose

A-One Seimitsu intends to reduce the price of share-trading unit by the stock split with an aim to improve liquidity of its shares and expand its investor base.

2. Stock split ratio and timing

Each share of common stock owned by shareholders listed or recorded in the final shareholders registry on the record date of Tuesday, June 30, 2020, was split into two shares on July 1, 2020.

3. Number of shares to increase by stock split

Common stock 3,000,000 shares

4. Effect on per share information

The effect on per share information is provided in Per-share Information.

5. Partial revisions to the Articles of Incorporation following the stock split

(1) Reason for the revision to the Articles of Incorporation

In association with this stock split, Article 6 of the A-One Seimitsu's Articles of Incorporation were amended on July 1, 2020 to revise the total number of authorized shares at the same rate as the stock split based on the resolution of the Board of Directors held on the same day in accordance with provisions in Article 184, Paragraph 2 of the Companies Act.

(2) Details of the revision to the Articles of Incorporation

(Underlined parts are revised)

Current Articles of Incorporation		After revision	
Total number of authorized shares		Total number of authorized shares	
Article 6	The total number of authorized shares shall be <u>9,600,000</u> shares.	Article 6	The total number of authorized shares shall be <u>19,200,000</u> shares.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.