

**Non-consolidated Financial Results for the
First Quarter of the Fiscal Year Ending June 30, 2021
(Three Months Ended September 30, 2020)**

[Japanese GAAP]

November 6, 2020

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Stock code: 6156

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Scheduled date of filing of Quarterly Report:

Listing: Tokyo Stock Exchange (JASDAQ)

URL: <http://www.a-one-seimitsu.co.jp/>

Scheduled date of payment of dividend:

November 13, 2020

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Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

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

**1. Non-consolidated Financial Results for the First Quarter of the Fiscal Year Ending June 30, 2021
(July 1, 2020 to September 30, 2020)**

(1) Results of operations

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Sep. 30, 2020	337	(27.4)	62	(51.7)	63	(51.1)	43	(51.2)
Three months ended Sep. 30, 2019	465	(8.8)	129	(23.5)	130	(23.8)	89	(24.1)
				(Percentages represent year-on-year changes)				
		Net income per share		Diluted net income per share				

*** Notes**

(1) Application of special accounting methods for presenting quarterly non-consolidated financial statements: None

(2) 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

(3) Number of shares outstanding (common shares)

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

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

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

Three months ended Sep. 30, 2020:	4,798,496 shares	Three months ended Sep. 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 quarterly financial results are not subject to the quarterly review 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 "Explanation of Earnings Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year, the Japanese economy was severely impacted by the temporary suspension of most economic activity worldwide. However, the sharp economic decline in Japan ended in August and signs of a recovery began to appear in September.

In the global manufacturing sector, orders have been declining since 2019. Nevertheless, production has been increasing in some categories, including semiconductors and electronic components used in devices complying with next-generation communication standards. However, beginning in April 2020, the level of mass-produced processes involving transportation equipment, aircraft and many other products has plummeted due to COVID-19, resulting in a big decline in the output of companies that make materials and parts for these products. Along with this trend, our orders decreased in July and August. In September, orders began to show a sign of recovery and improved somewhat.

In Japan, capital expenditures for high-volume production lines and other projects are down as companies report lower earnings. Even in this environment, investments are increasing in a number of sectors, such as robots and other equipment for automation and using fewer people and software needed to accommodate the growth of teleworking. Worldwide, there is a recovery in demand for capital goods, electronic devices and automobiles, especially in China where the COVID-19 crisis has largely ended. Exports from Japan are increasing along with this upturn in demand.

In the collet chucks segment, the first quarter started with a big decrease in orders in July, continuing the weakness of the previous fiscal year. Orders were down even more in August but started recovering in September in part because companies in Japan increased production of mass-produced components exported to other countries.

Segment sales in the first quarter were 230 million yen, down 28.9% year on year, and the segment profit was 103 million yen, down 38.0%.

In the cutting tools segment, orders in July were low following the decline in orders in the previous fiscal year and orders were even lower in August. In September, there was a small increase in orders because of a recovery in the production volume of mass-produced components.

Segment sales in the first quarter were 103 million yen, down 22.2% year on year, and the segment profit was 17 million yen, down 40.6%.

In the automatic lathe cams segment, orders were down about 50% because of a big decline in the output of mass-produced components that are made by using cam-type automatic lathes.

Segment sales were 3 million yen, down 51.7% year on year, and the segment profit was 1 million yen, down 50.6%.

First quarter net sales were 337 million yen, down 27.4% year on year. Operating profit decreased 51.7% to 62 million yen, ordinary profit decreased 51.1% to 63 million yen, and profit decreased 51.2% to 43 million yen.

Business segment sales were as follows.

(Percentages represent year-on-year changes)

	First three months of FY6/20 (Jul. 1, 2019 – Sep. 30, 2019)	First three months of FY6/21 (Jul. 1, 2020 – Sep. 30, 2020)	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	
	Millions of yen	%	Millions of yen	%
Collet Chucks	324	(90.0)	230	(71.1)
Cutting Tools	132	(92.8)	103	(77.8)
Automatic Lathe Cams	7	(119.2)	3	(48.3)
Total	465	(91.2)	337	(72.6)
			1,760	(84.5)

(2) Explanation of Financial Position

Assets

Current assets amounted to 7,220 million yen at the end of the first quarter of the current fiscal year, a decrease of 226 million yen from 7,447 million yen at the end of the previous fiscal year. This is mainly due to decreases of 199 million yen in cash and deposits and 46 million yen in notes and accounts receivable-trade, which were partially offset by increases of 15 million yen in work in process and 2 million yen in raw materials.

Non-current assets amounted to 1,591 million yen, an increase of 19 million yen from 1,572 million yen at the end of the previous fiscal year. This is mainly due to an increase of 24 million yen in machinery, equipment and vehicles, which was partially offset by decreases of 3 million yen in investment securities, 1 million yen in deferred tax assets and 1 million yen in buildings and structures.

As a result, total assets at the end of the first quarter of the current fiscal year were 8,812 million yen, compared with 9,019 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 161 million yen at the end of the first quarter of the current fiscal year, a decrease of 2 million yen from 163 million yen at the end of the previous fiscal year. This is mainly due to an increase of 36 million yen in accounts payable-other, which was partially offset by decreases of 23 million yen in income taxes payable and 9 million yen in provision for bonuses for directors (and other officers).

Non-current liabilities amounted to 487 million yen, a decrease of 6 million yen from 493 million yen at the end of the previous fiscal year. This is mainly due to a decrease of 8 million yen in provision for retirement benefits, which were partially offset by an increase of 2 million yen in provision for retirement benefits for directors (and other officers).

As a result, total liabilities at the end of the first quarter were 648 million yen, compared with 657 million yen at the end of the previous fiscal year.

Net assets

Net assets totaled 8,163 million yen, a decrease of 198 million yen from 8,361 million yen at the end of the previous fiscal year. This is mainly due to decreases of 196 million yen in retained earnings and 2 million yen in valuation difference on available-for-sale securities.

(3) Explanation of Earnings Forecast and Other Forward-looking Statements

There are no changes at this time in the first half and full year forecasts that were announced on August 7, 2020. However, due to the big changes in first quarter orders, we are currently reexamining these forecasts.

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

	FY6/20 (As of Jun. 30, 2020)	First quarter of FY6/21 (As of Sep. 30, 2020)	(Thousands of yen)
Assets			
Current assets			
Cash and deposits	6,866,762	6,666,858	
Notes and accounts receivable - trade	341,543	295,185	
Finished goods	3,196	5,138	
Raw materials	33,707	35,828	
Work in process	201,028	216,267	
Other	1,084	1,276	
Allowance for doubtful accounts	(243)	(183)	
Total current assets	7,447,080	7,220,370	
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	466,739	465,616	
Machinery, equipment and vehicles, net	488,305	512,871	
Land	333,534	333,534	
Other, net	8,834	8,645	
Total property, plant and equipment	1,297,414	1,320,667	
Intangible assets	2,360	2,797	
Investments and other assets			
Investment securities	101,081	97,941	
Long-term prepaid expenses	334	222	
Deferred tax assets	171,001	169,769	
Other	1,078	1,557	
Allowance for doubtful accounts	(1,058)	(1,058)	
Total investments and other assets	272,438	268,433	
Total non-current assets	1,572,212	1,591,899	
Total assets	9,019,292	8,812,269	
Liabilities			
Current liabilities			
Accounts payable - trade	14,477	14,144	
Accounts payable - other	62,605	98,818	
Income taxes payable	45,110	21,269	
Provision for bonuses for directors (and other officers)	11,000	1,560	
Other	30,315	25,218	
Total current liabilities	163,508	161,010	
Non-current liabilities			
Provision for retirement benefits	374,372	365,729	
Provision for retirement benefits for directors (and other officers)	119,520	121,870	
Total non-current liabilities	493,892	487,599	
Total liabilities	657,400	648,609	

	(Thousands of yen)	
	FY6/20 (As of Jun. 30, 2020)	First quarter of FY6/21 (As of Sep. 30, 2020)
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus	337,400	337,400
Retained earnings	8,564,772	8,368,735
Treasury shares	(841,335)	(841,335)
Total shareholders' equity	<u>8,353,337</u>	<u>8,157,299</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,554	6,359
Total valuation and translation adjustments	<u>8,554</u>	<u>6,359</u>
Total net assets	<u>8,361,891</u>	<u>8,163,659</u>
Total liabilities and net assets	<u>9,019,292</u>	<u>8,812,269</u>

**(2) Quarterly Non-consolidated Statement of Income
For the Three-month Period**

	First three months of FY6/20 (Jul. 1, 2019 – Sep. 30, 2019)	First three months of FY6/21 (Jul. 1, 2020 – Sep. 30, 2020)	(Thousands of yen)
Net sales	465,173	337,784	
Cost of sales	266,891	217,535	
Gross profit	198,281	120,249	
Selling, general and administrative expenses	69,144	57,859	
Operating profit	129,137	62,389	
Non-operating income			
Interest income	175	116	
Electricity sale income	758	835	
Reversal of allowance for doubtful accounts	118	59	
Other	115	262	
Total non-operating income	1,167	1,274	
Ordinary profit	130,304	63,663	
Extraordinary income			
Gain on sales of non-current assets	73	-	
Total extraordinary income	73	-	
Extraordinary losses			
Loss on retirement of non-current assets	0	0	
Total extraordinary losses	0	0	
Profit before income taxes	130,377	63,663	
Income taxes - current	39,230	17,600	
Income taxes - deferred	1,245	2,177	
Total income taxes	40,475	19,777	
Profit	89,902	43,886	

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information**I. First three months of FY6/20 (Jul. 1, 2019 – Sep. 30, 2019)**

Information related to net sales and profit or loss for each reportable segment

	Reportable segment				Adjustment (Note 1)	(Thousands of yen) Amounts shown on quarterly non-consolidated statement of income (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	324,417	132,884	7,871	465,173	-	465,173
Inter-segment sales and transfers	-	-	-	-	-	-
Total	324,417	132,884	7,871	465,173	-	465,173
Segment profit	166,488	30,185	3,900	200,574	(71,437)	129,137

Notes:1. The adjustment to segment profit includes common expenses of (2,292) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.

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

II. First three months of FY6/21 (Jul. 1, 2020 – Sep. 30, 2020)

Information related to net sales and profit or loss for each reportable segment

	Reportable segment				Adjustment (Note 1)	(Thousands of yen) Amounts shown on quarterly non-consolidated statement of income (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	230,653	103,332	3,798	337,784	-	337,784
Inter-segment sales and transfers	-	-	-	-	-	-
Total	230,653	103,332	3,798	337,784	-	337,784
Segment profit	103,172	17,938	1,925	123,036	(60,646)	62,389

Notes:1. The adjustment to segment profit includes common expenses of (2,787) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.

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

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.