

Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2021

[Japanese GAAP]

August 10, 2021

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Scheduled date of Annual General Meeting of Shareholders: September 25, 2021
 Scheduled date of payment of dividend: September 28, 2021
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 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, 2021 (July 1, 2020 to June 30, 2021)

(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, 2021	1,669	(5.1)	378	(16.1)	389	(15.7)	268	(15.9)
Fiscal year ended Jun. 30, 2020	1,760	(15.5)	451	(29.1)	462	(28.7)	319	(28.6)

	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, 2021	55.97	-	3.2	4.3	22.7
Fiscal year ended Jun. 30, 2020	66.58	-	3.9	5.1	25.6

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Jun. 30, 2021: -

Fiscal year ended Jun. 30, 2020: -

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, 2021	9,096	8,412	92.5	1,753.09
As of Jun. 30, 2020	9,019	8,361	92.7	1,742.61

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2021: 8,412 As of Jun. 30, 2020: 8,361

Note: A-One Seimitsu conducted a 2-for-1 common stock split effective on July 1, 2020. Net assets per share has 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, 2021	392	(137)	(240)	1,043
Fiscal year ended Jun. 30, 2020	443	(167)	(167)	1,028

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, 2020	-	0.00	-	100.00	100.00	239	75.1	2.9
Fiscal year ended Jun. 30, 2021	-	0.00	-	70.00	70.00	335	125.1	4.0
Fiscal year ending Jun. 30, 2022 (forecasts)	-	0.00	-	70.00	70.00		98.8	

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, 2020 are the actual amounts distributed before the stock split took place.

3. Earnings Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 to June 30, 2022)

(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	928	24.6	258	80.0	263	76.8	176	71.9	36.87
Full year	1,850	10.8	497	31.3	506	30.0	340	26.6	70.88

*** 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, 2021:	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 Jun. 30, 2021:	1,201,549 shares	As of Jun. 30, 2020:	1,201,504 shares
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3) Average number of outstanding shares during the period

Fiscal year ended Jun. 30, 2021:	4,798,478 shares	Fiscal year ended Jun. 30, 2020:	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

The recovery of the Japanese economy from the COVID-19 downturn in 2020 gained momentum in the current fiscal year as the economy continued to recover at a moderate pace. Most significant was a recovery in Japan's manufacturing sector backed by economic recoveries in the United States, China, Europe and other regions.

The U.S. and Chinese economies have recovered quickly because of extensive fiscal and monetary measures accompanied by rapid progress with vaccinations and were major sources of growth for the global economy. Consumer spending increased along with economic activity, asset prices moved up and the flow of funds improved.

In Japan, there was a recovery centered on large manufacturers that benefited from strong external demand. Consumer spending is sluggish but still supporting the Japanese economy to some extent. An increasing number of manufacturers in Japan are utilizing massive volumes of data involving equipment, machinery, devices and many other items. Overall demand of semiconductor and electronic devices and electronic components is increasing as more items become electronic devices. Furthermore, remote work is increasing as well as data transmissions that can be used anywhere. As a result, there is an enormous volume of capital expenditures for communication infrastructures concerning data centers and 5G. Automobile companies are channeling resources to the production of electric and other environmentally responsible vehicles. Investments for development and production of batteries, fuel cells and other components for these vehicles are expected to continue to increase.

Orders received stopped falling in August 2020 and recovered rapidly from September to December. During the first half of 2021, orders were mostly unchanged at the level before the COVID-19 pandemic. Beginning in the fall of 2020, there was a rapid upturn in orders mainly from manufacturers of automotive parts that had completed inventory reductions. In addition, manufacturers of semiconductor manufacturing machinery, electronic components, electronic devices and other products raised their output. There was also an increase in the output of machine tools and equipment, primarily for export.

Net sales for the fiscal year ended June 30, 2021 were 1,669 million yen, down 5.1% year on year. Operating profit decreased 16.1% to 378 million yen, ordinary profit decreased 15.7% to 389 million yen, and profit decreased 15.9% to 268 million yen.

Business segment performance was as follows.

(Collet Chucks)

Orders in this segment plummeted in July and August 2020 and started recovering in September and increased every month until December. Orders remained mostly unchanged during the remaining six months of the fiscal year. There was a recovery in orders from high-volume manufacturing and processing companies in the automotive parts and electronic components sectors. Orders from companies in the precision machinery and medical equipment sectors also remained strong.

Segment sales were 1,167 million yen, down 5.2% year on year, and segment profit was 543 million yen, down 9.9%.

(Cutting Tools)

Orders in this segment declined in July and August 2020 and then rebounded 15% in September from this big downturn. In general, orders have been slowly recovering since October. Orders from manufacturers of automotive parts and electronic components recovered and the performance of semiconductor machinery manufacturing companies was consistently strong. The performance of this segment was also supported by companies in the precision machinery, machine tools and medical equipment sectors. However, sales and earnings were lower than in the previous fiscal year because of the sharp downturn in orders in July and August 2020.

Segment sales were 481 million yen, down 4.3% year on year, and segment profit was 95 million yen, down 12.2%.

(Automatic Lathe Cams)

Orders in this segment decreased because of a decline in Japan and other countries in the volume of mass-produced components that are processed by using cam-type automatic lathes.

Segment sales were 21 million yen, down 18.6% year on year, and segment profit was 8 million yen, down 37.3%.

(2) Financial Position for the Current Fiscal Year

Assets

Current assets amounted to 7,546 million yen at the end of the current fiscal year, an increase of 99 million yen from 7,447 million yen at the end of the previous fiscal year. This is mainly due to increases of 60 million yen in accounts receivable - trade, 22 million yen in work in process and 14 million yen in cash and deposits, which were partially offset by a decrease of 2 million yen in raw materials.

Non-current assets amounted to 1,550 million yen, a decrease of 22 million yen from 1,572 million yen at the end of the previous fiscal year. This is mainly due to decreases of 31 million yen in machinery and equipment, 14 million yen in buildings and 11 million yen in deferred tax assets, which were partially offset by increases of 30 million yen in investment securities and 5 million yen in leased assets recognized from the current fiscal year.

As a result, total assets at the end of the current fiscal year were 9,096 million yen, compared with 9,019 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 198 million yen at the end of the current fiscal year, an increase of 35 million yen from 163 million yen at the end of the previous fiscal year. This is mainly due to increases of 22 million yen in accounts payable - other, 13 million yen in income taxes payable and 1 million yen in accounts payable - trade, which were partially offset by decreases of 1 million yen in provision for bonuses for directors (and other officers) and 1 million yen in deposits received.

Non-current liabilities amounted to 485 million yen, a decrease of 8 million yen from 493 million yen at the end of the previous fiscal year. This is mainly due to a decrease of 22 million yen in provision for retirement benefits, which was partially offset by increases of 9 million yen in provision for retirement benefits for directors (and other officers) and 4 million yen in lease obligations.

As a result, total liabilities at the end of the current fiscal year were 684 million yen, compared with 657 million yen at the end of the previous fiscal year.

Net assets

Net assets totaled 8,412 million yen, an increase of 50 million yen from 8,361 million yen at the end of the previous fiscal year. This was mainly due to increases of 300 million yen in general reserve and 21 million yen in valuation difference on available-for-sale securities, which were partially offset by a decrease of 271 million yen in retained earnings brought forward.

(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 1,043 million yen, an increase of 14 million yen, or 1.4%, over the end of the previous fiscal year. Positive cash flows include profit before income taxes of 389 million yen, depreciation of 181 million yen, an increase in accounts payable - other of 25 million yen, an increase in provision for retirement benefits for directors (and other officers) of 9 million yen and interest and dividends received of 6 million yen. Negative cash flows include dividends paid of 239 million yen, purchase of property, plant and equipment of 133 million yen, income taxes paid of 105 million yen, an increase in trade receivables of 65 million yen, a decrease of provision for retirement benefits of 22 million yen and an increase in inventories of 19 million yen.

Cash flows from operating activities

Net cash provided by operating activities for the current fiscal year totaled 392 million yen (compared with net cash provided of 443 million yen in the previous fiscal year). Positive factors include profit before income taxes of 389 million yen, depreciation of 181 million yen, an increase in accounts payable - other of 25 million yen, an increase in provision for retirement benefits for directors (and other officers) of 9 million yen and interest and dividends received of 6 million yen. Negative factors were income taxes paid of 105 million yen, an increase in trade receivables of 65 million yen, a decrease in provision for retirement benefits of 22 million yen and an increase in inventories of 19 million yen.

Cash flows from investing activities

Net cash used in investing activities for the current fiscal year totaled 137 million yen (compared with net cash used of 167 million yen in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 133 million yen and purchase of intangible assets of 2 million yen.

Cash flows from financing activities

Net cash used in financing activities for the current fiscal year totaled 240 million yen (compared with net cash used of 167 million yen in the previous fiscal year). This was mainly due to dividends paid of 239 million yen and repayments of lease obligations of 713 thousand yen.

(4) Outlook

Although it is still uncertain when the pandemic will end due to the emergence of new strains and other events, the global economy is likely to return to normal because of progress with vaccinations and the continuation of fiscal and monetary measures worldwide.

In the manufacturing sector, orders are expected to be firm as the extended period of worldwide monetary easing continues and has positive effects on the economy. Asset prices are increasing, the liquidity of various products is improving, wages are rising and consumer spending is becoming high. In addition, it is expected that investments will be needed to reduce emissions of greenhouse gases, which has been regard as a global issue. There will be expenditures involving social infrastructure, improvements to manufacturing equipment, more production facilities, power generation from renewable energy sources and other activities. All of these investments will support the manufacturing sector. Furthermore, demand is expected to be strong for communication infrastructures along with more advances with information technology and for devices and equipment needed to provide even more advanced medical care.

Although the global economy remains healthy because of rising prices of assets, resources and materials resulting from many years of monetary easing, there are also sources of economic instability.

We believe that market conditions in the manufacturing sector will remain favorable for the time being and anticipate upturns in orders as needed by manufacturers. However, manufacturers are vulnerable to changes in the health of the economy because their output is linked real demand. This includes capital goods, consumer goods, equipment for protecting the environment, medical equipment and other goods.

Based on this outlook, our earnings forecast for the fiscal year ending in June 2022 is as follows:

Net sales	1,850 million yen	(up 10.8% year on year)
Operating profit	497 million yen	(up 31.3% year on year)
Ordinary profit	506 million yen	(up 30.0% year on year)
Profit	340 million yen	(up 26.6% 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 foresee any need at this time to procure funds in overseas capital markets.

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

	(Thousands of yen)	
	FY6/20 (As of Jun. 30, 2020)	FY6/21 (As of Jun. 30, 2021)
Assets		
Current assets		
Cash and deposits	6,866,762	6,881,276
Notes receivable - trade	110,242	114,543
Accounts receivable - trade	231,301	292,098
Finished goods	3,196	3,608
Raw materials	33,707	30,912
Work in process	201,028	223,135
Other	1,084	1,119
Allowance for doubtful accounts	(243)	(250)
Total current assets	7,447,080	7,546,445
Non-current assets		
Property, plant and equipment		
Buildings	1,373,138	1,389,097
Accumulated depreciation	(932,686)	(963,334)
Buildings, net	440,451	425,762
Structures	111,978	112,928
Accumulated depreciation	(85,691)	(88,045)
Structures, net	26,287	24,883
Machinery and equipment	3,787,290	3,889,998
Accumulated depreciation	(3,299,174)	(3,433,785)
Machinery and equipment, net	488,116	456,213
Vehicles	3,692	3,692
Accumulated depreciation	(3,503)	(3,651)
Vehicles, net	189	41
Tools, furniture and fixtures	57,676	59,564
Accumulated depreciation	(48,841)	(51,303)
Tools, furniture and fixtures, net	8,834	8,260
Leased assets	-	5,754
Accumulated depreciation	-	(717)
Leased assets, net	-	5,037
Land	333,534	333,534
Total property, plant and equipment	1,297,414	1,253,733
Intangible assets		
Software	1,706	3,057
Telephone subscription right	653	653
Total intangible assets	2,360	3,710
Investments and other assets		
Investment securities	101,081	132,075
Distressed receivables	1,058	724
Long-term prepaid expenses	334	393
Deferred tax assets	171,001	159,564
Other	20	554
Allowance for doubtful accounts	(1,058)	(724)
Total investments and other assets	272,438	292,587
Total non-current assets	1,572,212	1,550,032
Total assets	9,019,292	9,096,477

	(Thousands of yen)	
	FY6/20	FY6/21
	(As of Jun. 30, 2020)	(As of Jun. 30, 2021)
Liabilities		
Current liabilities		
Accounts payable - trade	14,477	16,112
Accounts payable - other	62,605	85,080
Accrued expenses	13,626	13,646
Income taxes payable	45,110	58,660
Advances received	321	210
Deposits received	16,368	14,847
Lease obligations	-	904
Provision for bonuses for directors (and other officers)	11,000	9,300
Total current liabilities	163,508	198,762
Non-current liabilities		
Lease obligations	-	4,711
Provision for retirement benefits	374,372	351,961
Provision for retirement benefits for directors (and other officers)	119,520	128,910
Total non-current liabilities	493,892	485,583
Total liabilities	657,400	684,345
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus		
Legal capital surplus	337,400	337,400
Total capital surplus	337,400	337,400
Retained earnings		
Legal retained earnings	20,000	20,000
Other retained earnings		
General reserve	7,840,000	8,140,000
Retained earnings brought forward	704,772	433,408
Total retained earnings	8,564,772	8,593,408
Treasury shares	(841,335)	(841,395)
Total shareholders' equity	8,353,337	8,381,912
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,554	30,219
Total valuation and translation adjustments	8,554	30,219
Total net assets	8,361,891	8,412,131
Total liabilities and net assets	9,019,292	9,096,477

(2) Non-consolidated Statement of Income

(Thousands of yen)

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Net sales	1,760,226	1,669,853
Cost of sales		
Beginning finished goods inventory	1,778	3,196
Cost of products manufactured	1,044,306	1,031,682
Total	1,046,084	1,034,878
Ending finished goods inventory	3,196	3,608
Total cost of sales	1,042,888	1,031,270
Gross profit	717,338	638,582
Selling, general and administrative expenses		
Advertising expenses	3,100	3,600
Freight and packing costs	37,806	37,401
Remuneration for directors (and other officers)	51,000	48,900
Salaries and allowances	42,168	43,218
Bonuses	11,800	11,446
Welfare expenses	19,548	16,742
Retirement benefit expenses	5,151	4,936
Provision for retirement benefits for directors (and other officers)	9,470	9,390
Provision for bonuses for directors (and other officers)	11,000	9,300
Depreciation	3,928	3,113
Taxes and dues	15,560	14,702
Fee expenses	18,615	18,964
Other	36,766	38,059
Total selling, general and administrative expenses	265,915	259,775
Operating profit	451,422	378,807
Non-operating income		
Interest income	628	327
Dividend income	6,242	6,242
Electricity sale income	3,234	3,010
Reversal of allowance for doubtful accounts	177	59
Other	791	1,536
Total non-operating income	11,074	11,175
Ordinary profit	462,496	389,983
Extraordinary income		
Gain on sale of non-current assets	73	-
Total extraordinary income	73	-
Extraordinary losses		
Loss on retirement of non-current assets	70	341
Total extraordinary losses	70	341
Profit before income taxes	462,499	389,642
Income taxes-current	147,200	118,974
Income taxes-deferred	(4,198)	2,108
Total income taxes	143,002	121,082
Profit	319,497	268,560

Manufacturing Statement

Category	Note	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)		FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	
		Amount (Thousands of yen)	Composition (%)	Amount (Thousands of yen)	Composition (%)
I Material cost		116,651	10.9	98,071	9.3
II Labor cost		580,058	53.9	575,154	54.6
III Expenses	Note 1	378,748	35.2	380,562	36.1
Total manufacturing costs		1,075,459	100.0	1,053,788	100.0
Beginning inventory of work in process		169,876		201,028	
Total		1,245,335		1,254,817	
Ending inventory of work in process		201,028		223,135	
Cost of products manufactured		1,044,306		1,031,682	

Note 1: Major breakdown is as follows:

Item	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)		FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	
	Amount (Thousands of yen)		Amount (Thousands of yen)	
Subcontract expenses		52,428		51,443
Depreciation		173,837		178,120
Supplies expenses		67,291		70,153

(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

FY6/20 (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

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

(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	7,840,000	704,772	8,564,772
Changes during period			
Dividends of surplus		(239,924)	(239,924)
Profit		268,560	268,560
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	(271,364)	28,635
Balance at end of period	8,140,000	433,408	8,593,408

	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)	8,353,337	8,554	8,554	8,361,891
Changes during period					
Dividends of surplus		(239,924)			(239,924)
Profit		268,560			268,560
Provision of general reserve		-			-
Purchase of treasury shares	(60)	(60)			(60)
Net changes in items other than shareholders' equity			21,664	21,664	21,664
Total changes during period	(60)	28,575	21,664	21,664	50,239
Balance at end of period	(841,395)	8,381,912	30,219	30,219	8,412,131

(4) Non-consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY6/20	FY6/21
	(Jul. 1, 2019 – Jun. 30, 2020)	(Jul. 1, 2020 – Jun. 30, 2021)
Cash flows from operating activities		
Profit before income taxes	462,499	389,642
Depreciation	177,766	181,233
Amortization of long-term prepaid expenses	445	340
Loss on retirement of non-current assets	70	341
Loss (gain) on sale of non-current assets	(73)	-
Increase (decrease) in allowance for doubtful accounts	(199)	(327)
Increase (decrease) in provision for bonuses for directors (and other officers)	(5,000)	(1,700)
Increase (decrease) in provision for retirement benefits	14,404	(22,410)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4,070	9,390
Interest and dividend income	(6,870)	(6,569)
Decrease (increase) in trade receivables	107,722	(65,098)
Decrease (increase) in inventories	(35,823)	(19,723)
Increase (decrease) in trade payables	(2,597)	1,635
Increase (decrease) in accounts payable - other	(45,636)	25,448
Other, net	(13,625)	(904)
Subtotal	657,153	491,297
Interest and dividends received	6,894	6,705
Income taxes refund (paid)	(220,745)	(105,753)
Net cash provided by (used in) operating activities	443,302	392,250
Cash flows from investing activities		
Net decrease (increase) in time deposits	(548)	(388)
Proceeds from sale of property, plant and equipment	73	-
Purchase of property, plant and equipment	(166,286)	(133,771)
Purchase of intangible assets	(1,170)	(2,232)
Other, net	-	(1,150)
Net cash provided by (used in) investing activities	(167,932)	(137,543)
Cash flows from financing activities		
Purchase of treasury shares	-	(60)
Dividends paid	(167,439)	(239,808)
Repayments of lease obligations	-	(713)
Net cash provided by (used in) financing activities	(167,439)	(240,581)
Net increase (decrease) in cash and cash equivalents	107,930	14,125
Cash and cash equivalents at beginning of period	921,056	1,028,987
Cash and cash equivalents at end of period	1,028,987	1,043,113

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

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.
 3. Profits for reportable segments represent gross profit.

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

	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	1,167,349	481,458	21,045	1,669,853	-	1,669,853
Inter-segment sales and transfers	-	-	-	-	-	-
Total	1,167,349	481,458	21,045	1,669,853	-	1,669,853
Segment profit	543,732	95,036	8,654	647,423	(268,615)	378,807
Segment assets	993,773	679,626	23,504	1,696,905	7,399,571	9,096,477
Other items						
Depreciation	78,619	95,009	731	174,360	6,872	181,233
Increase in property, plant and equipment and intangible assets	28,721	98,683	-	127,404	11,839	139,244

Notes: 1. Adjustment includes followings:

- (1) The adjustment to segment profit includes common expenses of (8,840) 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.
3. Profits for reportable segments represent gross profit.

Related information

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.

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

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
1,500,043	169,809	-	1,669,853

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)

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Net assets per share	1,742.61	1,753.09
Net income per share	66.58	55.97

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)

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Net income per share		
Profit	319,497	268,560
Amount not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	319,497	268,560
Average number of shares of common stock during the period (shares)	4,798,496	4,798,478

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

(Thousands of yen, unless otherwise stated)

	FY6/20 (As of Jun. 30, 2020)	FY6/21 (As of Jun. 30, 2021)
Total net assets	8,361,891	8,412,131
Deduction on total net assets	-	-
Net assets applicable to common shares at end of period	8,361,891	8,412,131
Number of common shares used in calculation of net assets per share at end of period (shares)	4,798,496	4,798,451

Material Subsequent Events

Not applicable.

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.