

Growing Together with Our Customers

2020

**AMADA CO., LTD.**

200, Ishida, Isehara-shi, Kanagawa 259-1196, Japan





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A CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS:

This annual report includes performance projections and descriptions of future strategies for use in connection with presentations and the provision of answers to inquiries, and these projections and descriptions are based on the judgment of the Company's management made in light of information available at the time of writing. Accordingly, these statements are not guarantees of future performance. Please be aware that actual results may differ greatly from those in the statements due to factors such as fluctuations in demand, currency exchange rates, and interest rates.



Our Management Philosophy

- 1

**Growing Together with Our Customers**

Our company has been sharing this philosophy as a starting point for all of our business activities since its formation.

We believe that the creation and provision of new values based on customers' perspectives will strengthen the relationship of mutual trust between our customers and the AMADA Group, and become a source of mutual development.
- 2

**Contribute to the international community through our business**

Our company recognizes that contributing to "manufacturing" conducted by our customers throughout the world leads to the development not only of local communities, but also the international community as a whole, and we conduct our business activities with the aim of providing the highest quality of solutions in each market around the world by optimally distributing our Group's management resources.
- 3

**Develop human resources who pursue creative and challenging activities**

Rather than being content with the present situation, we are constantly in search of new and better ideas to put into action in order to improve and enhance our business activities. This is the AMADA Group's basic philosophy of human resources development, and we believe that AMADA's unique corporate culture will be further developed by continuing to practice this philosophy.
- 4

**Conduct sound corporate activities based on high ethics and fairness**

We promote transparency and we comply with regulations in the AMADA Group's management and in all aspects of its business activities, and strive to further enhance its corporate value while conducting sound activities.
- 5

**Take good care of people and the earth's environment**

By treating the AMADA Group's stakeholders (such as shareholders, customers, business partners, employees and local residents) and the global environment with respect, we strive to continue to be a good company for both people and the Earth.

We aim to contribute toward the achievement of the international Sustainable Development Goals (SDGs) through eco-conscious manufacturing rooted in the AMADA Group's management philosophy.

For more information on the Group's efforts related to the SDGs, please refer to page 33–38.





# AMADA's Technology

Is Found Everywhere



## Our Manufacturing (*Monozukuri*)

Our manufacturing (*monozukuri*) contributes to the *monozukuri* of our customers all over the world, and we recognize that this is linked to the development of local and regional communities and the international community. It is our responsibility, as the AMADA Group, to continually enrich the futures of the people of the world through our metalworking industry.

We will continue to develop together with our customers and grow as a company which contributes to the community.

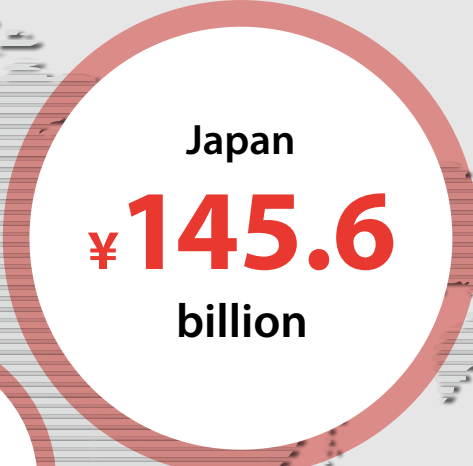




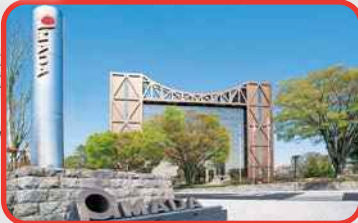
# Our Presence

## Around the World

- ◆ AMADA Solution Center
- Regional headquarters
- Other bases
- Revenue in fiscal 2019



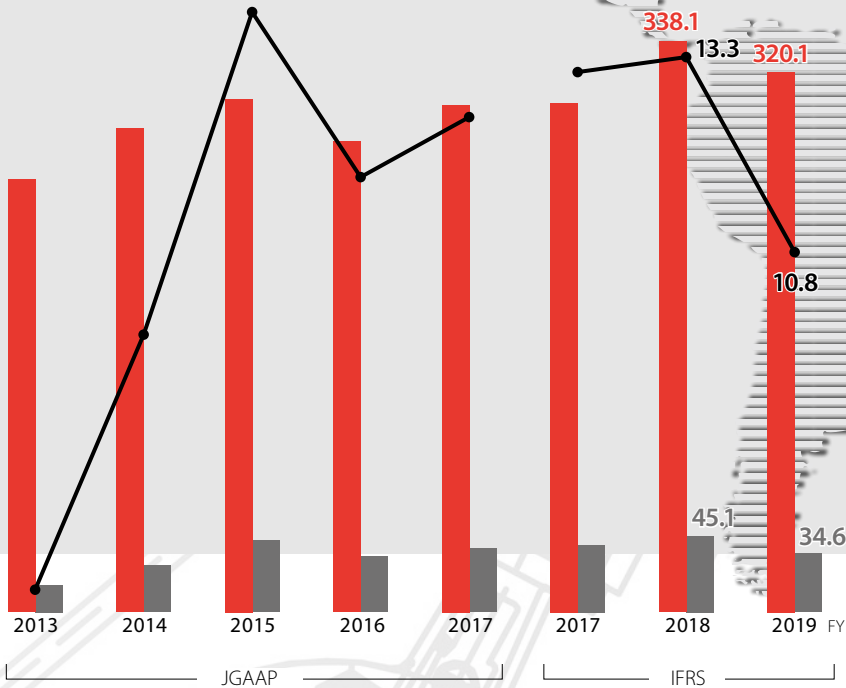
AMADA Solution Center (Haan)



AMADA Solution Center (Isehara)



AMADA Solution Center (Schaumburg)



■ Revenue ■ Operating profit  
Billions of yen  
● Operating profit ratio  
%



# Our Operations and Value Chain

## Operations

Voices of customers are relayed back to product development



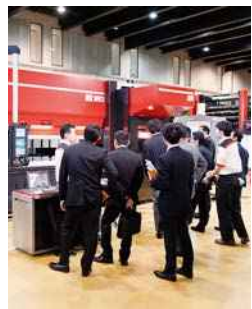
### Development

The development function creates the best technologies for customers to use. According to themes provided by customers, the AMADA Group staff and suppliers cooperate with the customers to conduct technology development for higher-quality machines.



### Manufacturing

The manufacturing function translates the latest developed technologies into actual machines. Technicians who have necessary manufacturing techniques and knowledge about machine construction and other related items make actual machines.



### Sales

The sales function provides domestic and overseas customers involved in metal product manufacturing the best machine, software, and equipment solutions that will to allow them to engage in the kind of metalworking processes that are best suited to their needs. Expertise is put to use in supporting the management of customers.



### Service

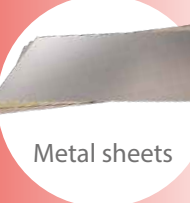
The service function supports domestic and overseas customers by conducting periodic inspections and maintenance while providing technical consultations to ensure their machines run smoothly. This support is provided by the Company directly or through its network.

## Production with Our Machines

### Machines Supplied by AMADA

### Production in Our Customers' Factories

Sheet metal fabrication:  
Cutting, punching, bending, and welding of metal sheets



Laser machine



Metal sheets are cut by laser beams



Bending machine + robot



Cut sheets are bent to create various shapes



Welding machine + robot



Parts are precision bonded



Micro welding machine



Precise bonding of parts

Micro welding:  
Micro welding of metals, processing, and marking

Stamping press:  
Forming of metal sheets

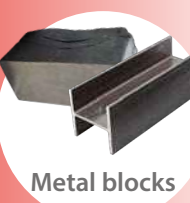


Stamping press



Materials are stamped with dies

Cutting:  
Drilling and cutting of metal blocks



Band saw and circular saw machine



Steel round bar is cut



Drilling machine



Steel beams are drilled with holes

Grinding:  
Grinding of metal blocks



Grinding machine



Metal surfaces are precision finished



# Factory Innovation

## The Future of Monozukuri Begins with Automation

Our solution packs, which combine metal fabrication machines with peripheral equipment, allow these machines to display their capabilities to the fullest, thereby creating time, creating space, and creating with people.

1	"Create Time"	By automating machine setup, material setting, and sorting, it is possible to greatly reduce labor-hours and shorten production lead time.
2	"Create Space"	Since materials are set in machines automatically and collected with consideration for the next stage of processing, work can take place in a compact space.
3	"Create with People"	Though processes ranging from supplying materials to collecting and sorting parts, heavy-duty tasks and overall work load are reduced, creating a people-friendly work environment.

### 8 Standard model -hour model

#### ENSIS-AJ+ASFH+TK-L

Supports continuous operation for thin-mid thickness steel processing over long periods utilizing packaged materials with automated component separation and sorting



### 4 Compact model -hour model

#### ENSIS-AJ+MPL-C

Supports continuous operation for thin-mid thickness steel processing utilizing packaged materials



### 8 Thick sheet model -hour model

#### ENSIS-AJ+AS

Supports continuous operation over long periods for thick steel processing



### 16 Two-storage model that supports a variety of materials -hour model

#### ENSIS-AJ+AS-TFS

Supports material production for a variety of materials, from thin to thick levels of thickness



### 24 Long operating time with expanded variety of materials support model -hour model

#### ENSIS-AJ+MPL-C + MARS-N

Supports material production for a wide range of materials, with variable mix and lot production



## AMADA IoT

## V-factory

### Visualization



### Oversight



### Cloud

### My V-factory

#### Visualize machine operation, production, and consumption

- Factory-wide operation status
- Machine work volume (production and operational performance)
- Material and energy use

#### Visualize machine maintenance and utilization

- Machine condition
- Causes of machine stoppage
- Operational analysis

### Evolution

### IoT Support Front

#### Make connections between customer machines and AMADA and provide machine operational assistance

- Preventative maintenance proposals
- Early recovery support
- Operational improvement proposals

### AMNC 3i Control Unit

The AMNC 3i control unit supports customers as a highly functional NC unit that can be operated like a smartphone and also functions as a V-factory compatible interface.



Fiber laser machines



High-speed punch/fiber laser combination machines



Bending robot system



Bending machines

## Software

### Sheet Metal Engineering System VPSS 3i

The Sheet Metal Engineering System VPSS 3i developed by AMADA is a program process solution, which functions as the core means for converting a customer factory to a Smart Factory. This system creates ground-breaking results by tracing the manufacturing process from products in their completed forms backwards while digitalizing processing know-how at every processing stage.





Performance Highlights

AMADA CO., LTD. and its Consolidated Subsidiaries  
Years ended March 31

Financial Data

	Millions of yen					
	JGAAP			IFRS		
	2016	2017	2018	2018	2019	2020
<b>For the year:</b>						
Revenue	¥304,018	¥278,840	¥300,655	¥301,732	¥338,175	<b>¥320,112</b>
Cost of sales	(167,813)	(155,916)	(169,871)	(169,037)	(191,081)	<b>(186,650)</b>
Gross profit	136,204	122,923	130,783	132,694	147,094	<b>133,461</b>
Selling, general, and administrative expenses	(94,726)	(89,993)	(93,183)	(93,749)	(102,534)	<b>(100,187)</b>
Operating profit	42,526	33,030	37,965	39,723	45,145	<b>34,682</b>
Profit before tax	43,112	36,219	43,271	40,765	47,742	<b>33,789</b>
Profit attributable to owners of parent	27,425	25,894	29,856	27,094	33,303	<b>23,390</b>
Comprehensive income	13,540	17,119	32,954	30,030	33,395	<b>17,032</b>
Purchase of property, plant, and equipment	6,258	15,306	(14,182)	(14,219)	(13,093)	<b>(26,263)</b>
Depreciation and amortization	8,849	8,949	10,080	11,554	12,529	<b>16,080</b>
Research and development costs	7,766	7,112	6,838	6,780	7,172	<b>6,789</b>
<b>At year-end:</b>						
Total equity	¥419,380	¥419,970	¥438,863	¥437,707	¥445,280	<b>¥434,549</b>
Total assets	565,266	533,433	557,170	556,104	567,861	<b>558,595</b>
<b>Per share of common stock (yen):</b>						
Net income —						
Basic	¥74.56	¥70.85	¥81.62	¥74.07	¥91.50	<b>¥65.91</b>
Diluted	74.49	70.81	81.61	74.06	91.50	<b>65.91</b>
Cash dividends applicable to the year	36.00	42.00	42.00	42.00	46.00	<b>48.00</b>
<b>Sales composition:</b>						
Metalworking Machinery Business	¥250,825	¥229,492	¥249,214	¥249,952	¥272,872	<b>¥257,126</b>
Sheet Metal Division	228,001	206,051	223,165	223,905	243,241	<b>228,556</b>
Micro Welding Division	22,823	23,441	26,048	26,047	29,630	<b>28,569</b>
Metal Machine Tools Business	¥51,470	¥48,056	¥50,118	¥50,359	¥64,269	<b>¥61,744</b>
Cutting Division	33,827	31,888	33,762	33,891	38,629	<b>35,916</b>
Stamping Press Division	9,919	9,423	9,383	9,460	17,383	<b>19,241</b>
Grinding Division	7,724	6,744	6,971	7,006	8,257	<b>6,587</b>
Others	1,722	1,291	1,322	1,420	1,033	<b>1,240</b>
Total	¥304,018	¥278,840	¥300,655	¥301,732	¥338,175	<b>¥320,112</b>

Note:  
1. The Financial Data yen figures are rounded down to millions of yen, except for per share amounts.

Non-Financial Data

CO <sub>2</sub> (t-CO <sub>2</sub> )	2016	2017	2018	2019	2020
Overseas	18,497.0	18,110.0	20,388.0	16,274.2	19,752.6
Domestic	29,617.2	29,928.8	32,598.5	32,623.3	31,815.4
CO <sub>2</sub> Intensity (kg-CO <sub>2</sub> /kWh)	2007 (Base)	2017	2018	2019	2020
Emission factor	1.000	0.840	0.890	0.852	0.891
Waste (t)	2016	2017	2018	2019	2020
Overseas	2,432.3	2,512.1	2,643.3	2,757.3	2,515.9
Domestic	3,775.7	3,548.2	3,421.0	3,789.0	3,580.4
Water Resources (thousand m <sup>3</sup> )	2016	2017	2018	2019	2020
Overseas	96.6	103.1	106.5	115.7	162.2
Domestic	173.3	174.3	154.2	229.5	152.9
Employees (people)	2016	2017	2018	2019	2020
Number of employees	7,955	8,005	8,446	9,256	9,531
Number of overseas employees	4,038	4,127	4,232	4,590	4,867

TOPICS

Introduction of a BCP Location Confirmation System

We have introduced a system that allows us to confirm who is on location without any slip-ups, something that was previously carried out with roll calls or similar actions. In the unlikely event of a person going missing during a disaster, knowing where they went missing can help with the initial response in saving that person's life.

Even amid measures such as flextime and teleworking, which were implemented to mitigate the effects of COVID-19, it is still possible to determine the status of employees at a location, which can lead to greater efficiency and a safer work environment. In the future we will continue to make the safety of our employees and their families our number one priority and implement workstyle reforms accordingly.



Establishment of AMADA AI INNOVATION LABORATORY

In order to conduct research that will grow the AMADA Group and to acquire cutting-edge technology rooted in artificial intelligence, the Group has established AMADA AI INNOVATION LABORATORY Inc. (AAIIL). AAIIL has two main roles.

- (1) Expand the potential of sheet metal processing by utilizing AI and other cutting-edge technology. AAIIL will collaborate with the AMADA Group companies to optimize the entire production process, impart advanced technical knowledge, and assist the processing needs of various regions around the world.
- (2) Conduct marketing activities to develop new businesses and technologies for the future.

The AMADA Group will consistently conduct innovative business activities as a company that grows with its customers and continues to contribute to society.





Looking forward, we will continue to take on challenges to ensure we remain the company of choice for customers in the manufacturing business



Aiming Toward a 100-Year Company

As of April 1, 2020, We, the AMADA Group, started with a new structure.

Since our founding in 1946, AMADA has never flagged in its management philosophy of “Growing Together with our Customers.” Under this philosophy, we have seen it as our mission to contribute to society through the monozukuri product creation process, and it is under this philosophy that we have pursued our

business operations. In recent years, the environment which enfolds AMADA has undergone rapid change. We are looking toward our 100th anniversary with the intention of continuing forward as a company that contributes to society and our customers through monozukuri and will take on the challenge of doing so with more speed, strength, and professionalism than before.

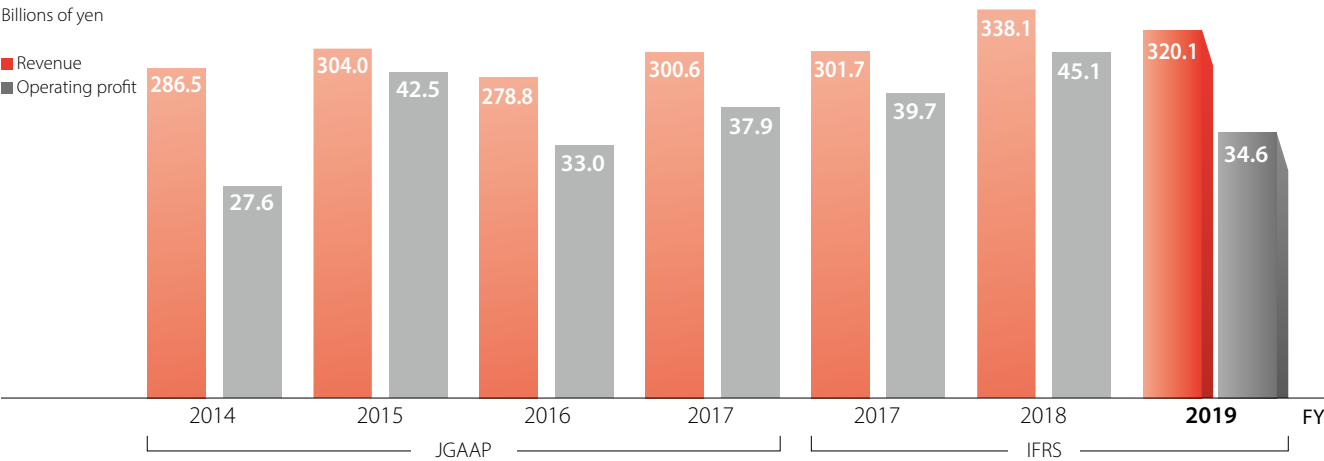
Recent Economic Environment and Business Performance

Regarding the consolidated operating results for the fiscal year under review, orders received amounted to ¥303.1 billion (down 9.6% year on year) and revenue was ¥320.1 billion (down 5.3% year on year). In Japan, discreet capital investment from the third quarter onward coupled with sluggish personal consumption stemming from the consumption tax hike caused a downward trend in domestic revenue, which fell to ¥145.6 billion (down 2.2% year on year). Overseas, while the sales for the Sheet Metal Division in North America remained relatively strong, sales in major European countries were sluggish, and sales in Asia decreased due to

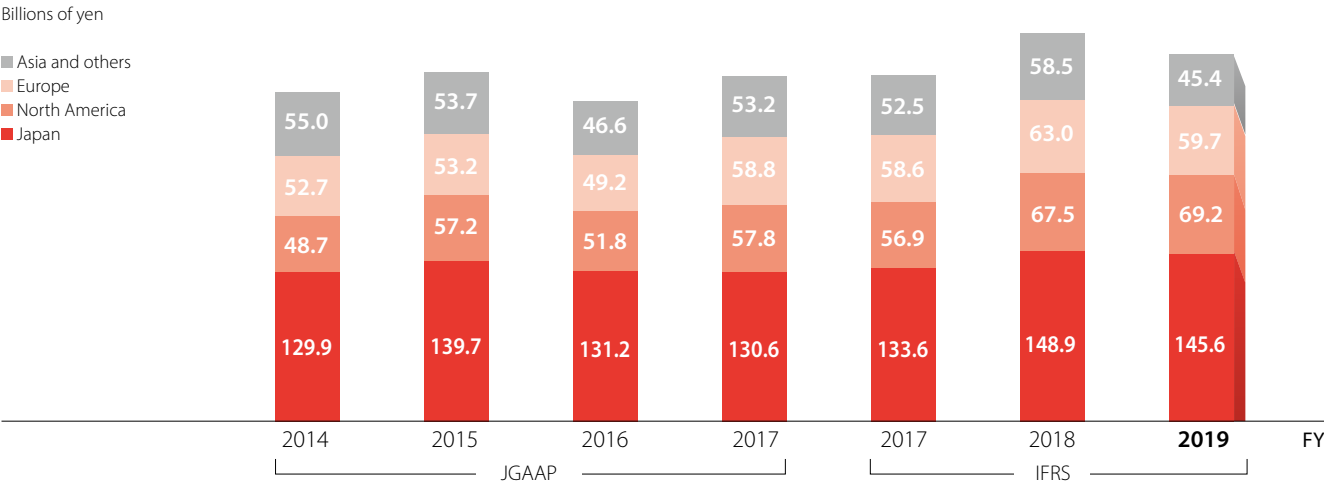
trade friction between the United States and China, resulting in overseas revenue of ¥174.4 billion (down 7.8% year on year).

Regarding profit and loss, profits increased due to more streamlined manufacturing and an improved product lineup, however, due to the impact of decreased sales and the strong yen, operating profit and profit attributable to owners of parent decreased, respectively, to ¥34.6 billion (down 23.2% year on year) and ¥23.3 billion (down 29.8% year on year).

Revenue / Operating Profit



Sales by Geographical Segment





## Medium-Term Management Plan Task 321

The AMADA Group has formulated the Medium-Term Management Plan Task 321, which covers the period from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2022 (FY2016 to FY2021).

Task 321 aims to achieve the following three goals.

- Expansion of revenue by 30% (¥400 billion in FY2021)
- Increase of recurring ordinary income ratio by 20% (¥80 billion in FY2021)
- ROE at 10%

Toward achieving Task 321, the Company will strive to 1) make steady strategic investments, 2) expand the sales network and enhance product appeal, 3) implement growth strategies through the development of new business models, 4) further enhance profitability and efficiency by promoting manufacturing innovation that integrates development and manufacturing, 5) build a supply chain management (SCM) system that utilizes the IoT, and 6) enhance capital productivity by reforming the balance sheets.

In addition, the Company will implement initiatives for strengthening the corporate governance structure and environmental and CSR activities. Specific measures are as follows.

- 1) Execution of growth strategy (expansion of revenue by 30%)
- Expansion of laser business based in the development of innovative technologies
  - Promotion of automation business by utilizing robot and software technologies
  - Promotion of proposals to improve productivity that leverage the IoT through the use of V-factory
  - Expansion of business in the nonmetal market by pursuing new material processing technologies

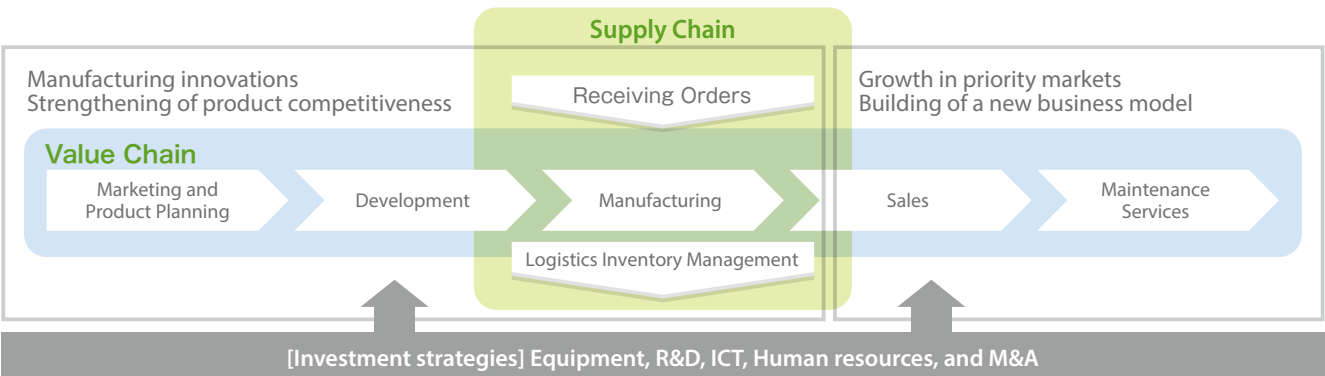
- 2) Establishment of robust profit structure (ordinary income ratio of 20%)
- Pursuit of higher quality, lower costs, and shorter delivery times through manufacturing innovation that integrates manufacturing and development.
  - Realization of human-friendly, cutting-edge manufacturing via IoT-based manufacturing reform
  - Enhancement of quality and efficiency of services through preventative and predictive maintenance utilizing big data analysis

- 3) Enhancement of corporate value through improving capital productivity (ROE at 10%)
- Reduction of lead time through local production and optimization of inventory assets by building regional SCM structures
  - Consolidation and sale of noncore assets, including idle real estate
  - Reduction of cross-shareholdings including securities

- 4) Proactive ESG initiatives
- Product planning and promotion of an eco-friendly production structure based on “AMADA GREEN ACTION”
  - Aim to be a company that is indispensable for society, through activities that contribute to society in a wide range of areas, such as local communities, culture, education, and sports
  - Enhancement of corporate governance structure for sound corporate activities based upon high ethical standards and fairness
  - Promotion of “workstyle reform” to fundamentally review the operational procedure and establishment of a personnel system for promoting the advancement of women

### Management Policies for the Medium-Term Management Plan (FY2016–FY2021)

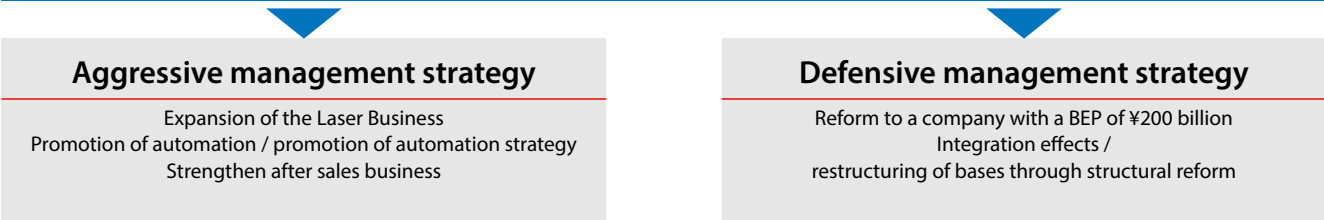
- To secure competitive advantage through reconstruction of a solid value chain
- To further improve earnings and efficiency through supply chain management



### Basic Policy for the Future

Looking at the external environment of the future, global economic growth is expected to be sluggish as a result of the spread of COVID-19. Based on these circumstances, we intend to promote management that will be able to adapt to the changing environment. Therefore, we have positioned the next two years as a time for defensive strategy, with a management strategy geared toward structural reforms and other measures to increase the Group's sturdiness. At the same time, we will also employ more offensive management strategies, some of which are currently underway as part of the priority measures of our current Medium-Term Management Plan, as well as product strategy, which we are working to align with a post-COVID-19 society.

### Taking “aggressive and defensive strategies” as the two prongs of management strategy



### Policy on Shareholder Returns Dividend and Capital Policy

AMADA maintains a policy of establishing a solid business foundation for sustainable growth and working toward the enhancement of corporate value. For this policy to succeed, we believe it is necessary to improve capital efficiency while maintaining financial soundness.

Under the Medium-Term Management Plan Task 321, we are working to enhance our growth potential and profitability. At the same time, we are making efforts to improve capital productivity with the aim of achieving ROE of 10%. Guided by these kinds of efforts, our basic policy on shareholder returns is to maintain a

sufficient level of retained earnings to prepare for future business expansion while continuously allocating profits in an appropriate manner. We also set a standard of implementing a consolidated dividend payout ratio of about 50%. Furthermore, we flexibly acquire treasury stock giving consideration to maintaining a healthy balance with strategic investment.

For FY2020, we intend to issue an annual dividend of ¥30 per share, making for a consolidated payout ratio of 348%.

### Capital Measures: Toward ROE 10%

- To maintain approximately 50% payout ratio and carry out stable dividend payouts
- To carry out strategic investment and flexible share buybacks
- To further improve capital productivity (ROE) through reforming the balance sheets

	FY2017 results	FY2018 results	FY2019 results	FY2020 forecast
Net profit (Billions of yen)	29.8 (JGAAP)	33.3 (IFRS)	23.3 (IFRS)	3.0 (IFRS)
Dividend (Dividend payout ratio %)	42 yen (52%)	46 yen (50%)	48 yen (73%)	30 yen (348%)
Share buybacks (Billions of yen)		10	10	
Total return ratio (%)	52%	80%	116%	Not yet determined
ROE (%)	7.0%	7.6%	5.4%	~10%

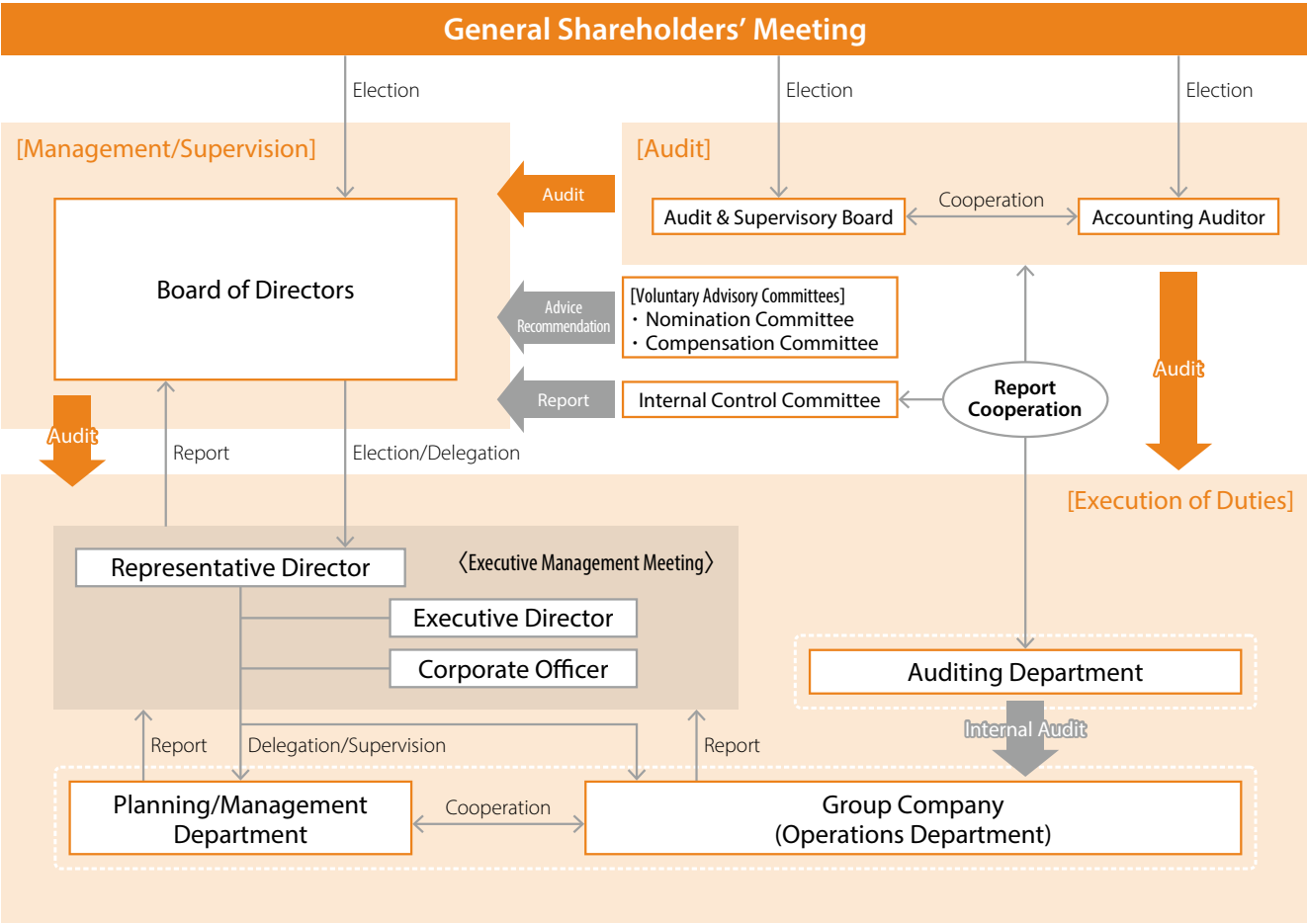


BASIC POLICY

At the Company, we believe that sound corporate activities based upon high ethical standards and fairness make up a crucial part of our business philosophy, and thus we shall endeavor to strengthen corporate governance according to the principles stated below, ensuring the transparency and compliance across our management and operations as our fundamental objective:

- 1 Strive to protect shareholders’ rights and ensure the equitable treatment of all shareholders
- 2 Strive to appropriately collaborate with stakeholders other than shareholders
- 3 Strive to ensure proper disclosure and transparency of information
- 4 Strive to have the Board of Directors appropriately fulfill its roles and responsibilities, reflecting upon fiduciary duty and accountability to the shareholders
- 5 Strive to have constructive dialogue with shareholders

Chart of Corporate Governance Structure



Board of Directors and Directors

The Board of Directors limits the number of directors to a maximum of 10 as stipulated in the Articles of Incorporation. The Board currently comprises eight directors, including three external directors, all of whom are independent officers. In order to reinforce management decision-making and supervisory functions by incorporating an outside perspective, the Board of Directors shall have at least two independent external directors with independence and neutrality. In light of the need to make effective use of the independent external directors, we have appointed three independent external directors since the adoption of a resolution by the 78th ordinary general meeting of shareholders held on June 28, 2016.

The Board of Directors makes decisions on matters stipulated by laws and regulations and other important matters related to general management, and is positioned as an entity that oversees business execution. To fulfill this role, Board meetings are held as required in order to make prompt and flexible management decisions.

Furthermore, to increase the functionality and effectiveness of the Board of Directors, management meetings are held in a timely manner. During these meetings, participants deliberate over important matters related to business execution and time is allotted for discussions on a select set of topics.

Audit & Supervisory Board and Audit & Supervisory Board Members

The Company has adopted an Audit & Supervisory Board system. As stipulated in the Articles of Incorporation, the number of Audit & Supervisory Board members shall be limited to a maximum of four. At least half of the Audit & Supervisory Board members shall be independent external officers with neutrality and independence. Currently, two of the four members of the Audit & Supervisory Board are independent external officers.

As an organization that is independent from the management, the Audit & Supervisory Board shall audit the execution of duties by directors, corporate officers and other employees, internal control systems, accounting, and the like. To ensure independence and the quality of accounting auditors, the Audit & Supervisory Board shall formulate criteria for proper evaluation of the candidates or incumbent accounting auditors and regularly confirm whether or not they meet the set criteria.

Voluntary Advisory Committees

In April 2020, the Company established the Nomination Committee and Compensation Committee, both of which are chaired by an outside director, to serve as voluntary advisory bodies for the Board of Directors with the purpose of utilizing the knowledge and advice of outside directors and enhancing the independence, objectivity, and accountability of the Board of Directors. Each

committee is composed of four members, with three members—over half of each committee—being independent outside directors.

The Nomination Committee deliberates on the appointment and dismissal of directors, and the Compensation Committee deliberates on the policies and specifics of remuneration and other compensation received by directors and key employees. Both committees provide advice and recommendations to the Board of Directors.

Information Management and Disclosure

At the Company and each Group subsidiary, the responsible person for information handling and the department responsible for information disclosure keep control over and manage important decisions, emerging facts, and information on financial results. This shall be done after they have been viewed by the representative director, each responsible director, or each responsible person. They shall then make decisions on whether such information falls under matters to be disclosed while reflecting on the timely disclosure rules or IR practices, and disclose them, depending on such decision, in a timely manner. Namely, this shall be done after obtaining approval from the Board of Directors for the decisions and information on financial results and after identifying the emerging facts. Information disclosed shall be made available on the Company’s website as IR information as soon as possible after the timely disclosure.

Strengthen Corporate Governance

The Company has appointed three independent external directors following the resolution made at the 78th ordinary general meeting of shareholders held in June 2016 for the purpose of further reinforcing its corporate governance. A director’s tenure was shortened from two years to one in order to further clarify management responsibilities during a business year, as well as to increase opportunities for shareholders to participate in a confidence vote. Furthermore, the corporate officer system was introduced with the aim of at speeding up the decision-making process and defining operational segregation.



Selection of External Officers

AMADA CO., LTD. (hereinafter referred to as “the Company”) shall set independence standards as below for the purpose of defining standards of independence and consider external directors and

external Audit and Supervisory Board members (hereinafter referred to as “external officers”) as having sufficient independence from the Company if an external officer meets all of the below criteria.

(Reference) Independence Standards for External Officers

AMADA CO., LTD.

1. Those who have not fallen under either of the below cases in the past five years:

- i. A person who is a director, Audit and Supervisory Board member, executive, or employee of a major shareholder (those who hold shares carrying 10% or more of the total voting rights) of the Company;
- ii. A person who is a director, Audit and Supervisory Board member, executive, or employee of a company, one of whose main shareholders is the Company.

2. Those who have not worked for any of the major lenders to the Company and its affiliates (hereinafter referred to as “the Company’s group”) in the past five years.

3. Those who have not worked for a lead underwriter of the Company in the past five years.

4. Those who have not been a director, Audit and Supervisory Board member, executive, or employee of a company that is a major business counterparty of the Company’s group or to whom the Company’s group is a major business counterparty in the past five years.

5. Those who have not been a representative partner, staff member, partner, or employee of an accounting auditor of the Company’s group in the past five years.

6. Those who have not been a certified public accountant, certified public tax accountant, attorney-at-law, or other consultant who receives a large amount of money or other property other than the officer remuneration from the Company’s group in each of the past five years.

7. Those who are not and were not a director (excluding external directors), Audit and Supervisory Board member (excluding external Audit and Supervisory Board members), or employee of the Company’s group.

8. Those who are not a director, Audit and Supervisory Board member, executive, or employee of a company, its parent company, or its subsidiary with whom the Company’s group mutually delegates officers.

9. Those who have not been a director, Audit and Supervisory Board member, executive, or employee of a company with whom the Company cross holds shares within the past five years.

10. Those who do not have a conflict of interest when performing their duties as an external officer, or have an interest that may affect the decisions they make.

11. Those who are not a spouse or relative within the second degree of kinship of a person who falls under any of the following:

- i. A person who is in a position of director, Audit and Supervisory Board member, or executive of the Company’s group or higher;
- ii. A person who has been in a position of director, Audit and Supervisory Board member, or executive of the Company’s group or higher in any of the past five years;
- iii. A person who is restricted to take a position mentioned in the other items

12. Those who have any reasons other than those stated above that interfere with performing duties as an external officer in terms of their independence.

Enacted on December 18, 2015

Directors, Audit and Supervisory Board Members

(As of June 25, 2020)

Directors



Representative Director,  
President  
Tsutomu Isobe



Director, Executive Advisor  
Mitsuo Okamoto



Director, Senior Executive  
Officer  
Senior Executive General  
Manager of Sheet Metal Sales  
HQ  
Toshinori Kurihara



External Director  
Michiyoshi Mazuka



Director, Senior Executive  
Officer  
Senior Executive General  
Manager of Global Production  
HQ  
Executive Supervisor of Sheet  
Metal Machinery Development HQ  
Yukihiro Fukui



External Director  
Toshitake Chino



Director, Executive Officer  
Senior Executive General  
Manager of Corporate  
Management HQ  
Kazuhiko Miwa



External Director  
Hidekazu Miyoshi

Audit and Supervisory Board Members



Auditor  
Takaya Shigeta



External Auditor  
Akira Takenouchi



Auditor  
Kotaro Shibata



External Auditor  
Seiji Nishiura

Note: Voluntary Advisory Committee Members  
• Nomination Committee: Michiyoshi Mazuka (chair), Tsutomu Isobe, Toshitake Chino, Hidekazu Miyoshi,  
• Compensation Committee: Toshitake Chino (chair), Tsutomu Isobe, Michiyoshi Mazuka, Hidekazu Miyoshi,

# We contribute to the future of the manufacturing industry with the strength of our Group.

As a global manufacturer of metalworking machinery, the AMADA Group mainly operates in the Sheet Metal Division, the Cutting and Grinding Division, the Precision Micro Welding Division, and the Press Automation Solution Division, among others. On April 1, 2020, the AMADA Group restructured and consolidated its businesses further, allowing it to develop differentiated products, offer services to customers attuned to their viewpoint, and contribute to the future of customers with aspirations in the manufacturing industry.

Sheet Metal Division  
AMADA CO., LTD.

Cutting and Grinding Division  
AMADA MACHINERY CO., LTD.

Micro Welding Division  
AMADA WELD TECH CO., LTD.

Press Automation Solution Division  
AMADA PRESS SYSTEM CO., LTD.

- Overseas AMADA Group companies
  - North American sales companies
  - European sales companies
  - Other overseas companies

- AMADA Group companies in Japan

## Cutting / Bending / Punching / Welding

### Sheet Metal Division

Sheet metal parts are used not only in the cell phones, smartphones, clips, and mechanical pencils we use every day but also in traffic signals, elevators, and aircraft and rockets. AMADA's Sheet Metal Division offers all solutions, from machines to control software and peripheral devices to maintenance.

- Blanking machines
- Press brakes
- Welders
- Software
- Automation Systems



## Cutting / Drilling / Grinding

### Cutting and Grinding Division

The machines of AMADA MACHINERY are at work in many different fabrication applications, from minute precision parts for medical equipment to large steel frames for high-rise buildings, bridges, and other structures.

- Band saw machines
- Structural steel fabrication machines
- Blades
- New material processing machines
- Grinding machines
- Electrical discharge machines
- Shearing machines
- Tapping machines
- Iron workers
- Distribution products (NCC brands)



## Marking / Welding

### Micro Welding Division

AMADA WELD TECH is providing welding and processing solutions for automotive body panels and electrical equipment, LCD displays, personal computers, medical devices, and other familiar products throughout the world.

- Laser welders
- Resistance welders
- Laser markers
- Systems



## Forming

### Press Automation Solution Division

AMADA Press System provides parts pressed from thin metal sheets are used in familiar products such as automobiles, home appliances, and electronic devices.

- Stamping press machines
- Press room automation
- Spring machines





# Sheet Metal Division

AMADA CO., LTD.



Image of processing on sheet metal fabrication machines

## Proposal of Total Solutions for Sheet Metal Fabrication

Sheet metal fabrication involves cutting, punching, bending, and welding sheet metal. Many of the metal parts found in various products we use every day are made from sheet metal. The AMADA Group offers integrated solutions to customers, from the development and manufacture to the sale and service of sheet metal fabrication machines, to meet their specific conditions.

### Establishment of a New Factory at Toki (Toki Works)

We have constructed a new factory building, The Second Production Facility at Toki Works in Toki, Gifu Prefecture.

This factory produces machines for bending metal sheets and equipment for the automatic transfer of materials. In addition to beginning production of storage shelves and machines for loading and unloading materials, both of which are used with automated laser markers, we are developing a system that facilitates integrated production of bending machines, from the welding and processing of parts to the assembly of finished products, in order to reduce lead time and production costs. Moreover, we plan to expand production of highly productive fiber laser machines at our existing factory.

At Toki Works as a whole, we are working to address labor shortages and respond to workstyle reforms while reforming our work environment into one where a variety of human resources can flourish regardless of age, sex, or nationality. We also plan to utilize the IoT to formulate production plans automatically and visualize production status to help build a system that will reduce the burden on employees.

As one of the main factories of the Sheet Metal Division, Toki Works will promote efficient production and stable product supply, as well as implement manufacturing reforms in response to changes in the working environment.



## Major Products



Fiber laser machine equipped with Locus Beam Control technology  
VENTIS-AJ series



Energy saving/V-mix, V-lot production wide range fiber laser machine  
ENSIS-AJ series



High-speed punch/fiber laser combination machine  
EML-AJ series



High-accuracy bending robot system  
HG-1003ARs



Ultimate press brake for extremely high-mix, low-volume production  
HG-1003ATC



Fiber laser welding system  
FLW-ENSIS



# Supporting Customers in Manufacturing

AMADA provides machines, tooling, software, and automation equipment for entire sheet metal fabrication processes (blanking, bending, welding, and assembling), and has established a service system that takes advantage of the IoT, supporting customers the world over in their manufacturing operations.

## AMADA INNOVATION CENTER

### Manufacturing system

Machines are produced by employing a front-loaded development process that involves just-in-time (JIT) procurement of module designed parts that are assembled at “booth-stands,” an ideal production system in terms of quality, cost, and delivery (QCD) that results in shorter lead time and high-quality manufacturing.



“Booth-stand” production system



Clean room

### Development system

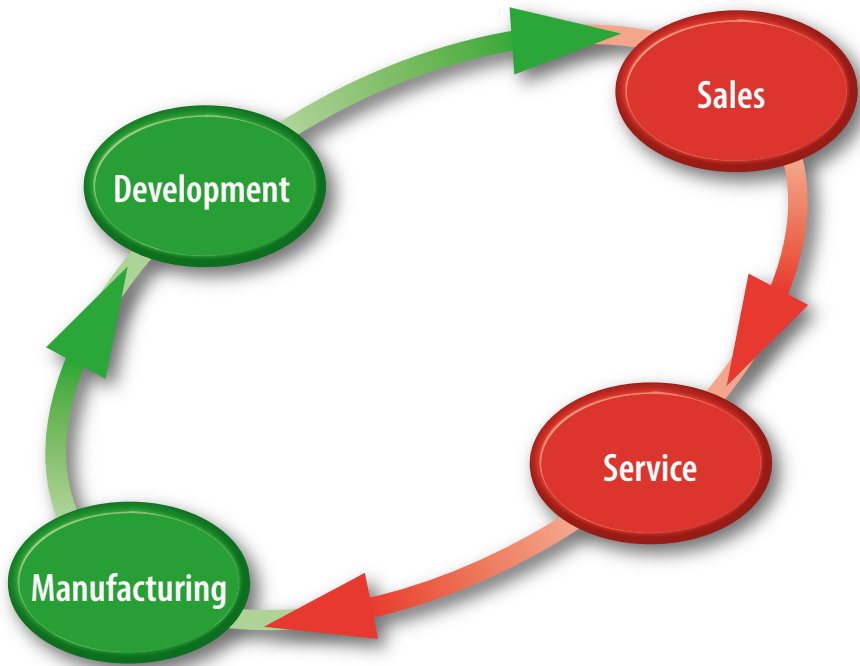
We are constantly developing new technologies. The core and elemental technologies of next-generation machines are developed with state-of-the-art design systems. In addition, module design is performed with the manufacturing process in view.



Innovation room



Development center



## AMADA SOLUTION CENTER

### Sales system

AMADA offers customers solutions for their manufacturing problems as well as engineering proposals by making use of its solution model.



AMADA Solution Center



Process verification

### Service system

The AMADA Group has high-quality service capabilities that take advantage of its domestic and overseas networks as well as the IoT and provide dies, software, and peripheral equipment—the tools customers need to process their products.



IoT Support Front



Tooling



Parts Center

## Comprehensive Problem Solving Proposal Facilities

### AMADA SOLUTION CENTER

The AMADA Solution Center is the place where AMADA offers solutions to the problems of customers. The center acts as an exhibition and showroom site to show customers the various products AMADA offers and also as a place of “process verification” where AMADA finds the problems of customers, proposes solutions to the problems, and helps the customers to verify the proposed solutions.

#### Proposing Customer-Specific Solutions (Process Verification)

With process verification, customers can actually process components using their drawings with AMADA's latest solution pack. With process verification, the effect of introducing our solution packs can be confirmed and measured.



Process verification



Processing of customer's product



Confirming

#### Organizing Events

At the AMADA MACHINE TOOL PLAZA, we introduce and propose digital manufacturing to visitors by operating our VPSS (Virtual Prototype Simulation System) in combination with our latest machine tool solutions.



### AMADA TECHNICAL CENTER

#### Base for Customers

The Technical Center serves as a base for improving our technical services function, allowing customers to utilize their data to verify parts processing and to confirm the functions, performance and operability of AMADA machines in person.



Kansai Technical Center



AMADA SCHOOL



P&P Room (proposal and presentation)

### AMADA SATELLITE CENTER

#### Closer to Customers

AMADA has opened five Satellite Centers to bring our services closer to our customers. The customers can see and operate our latest machines to verify their performance at any time or try out our various software offerings and participate in seminars.



Tohoku Satellite Center



Kitakanto Satellite Center



Chubu Satellite Center



Hokuriku Satellite Center



Kyushu Satellite Center



# Cutting and Grinding Division

AMADA MACHINERY CO., LTD.



## From Huge Structures to Minute Parts

AMADA MACHINERY CO., LTD. operates integrated businesses from the development and manufacture to the sale and service of tools in the Cutting and Grinding Division. From a global perspective, AMADA MACHINERY develops cutting-edge technology, supplies high-quality products to customers around the world, proposes optimum solutions to customer problems, and provides a wide range of services to customers. Metals machined with the machines of AMADA MACHINERY are used in various applications. The machines of AMADA MACHINERY are indispensable for making products that support our lives as well as products that require minute parts and products that require huge, robust structures.



### Expansion of Blade Factory (Ono Factory)

AMADA MACHINERY has expanded its Ono Factory in Hyogo Prefecture, which makes blades for the company, and has established a system to increase production of long-lasting, highly productive carbide tipped blades. We started manufacturing and selling contour-machines in 1955 and have continued the pursuit of technological innovations in blade materials, shapes, and surface treatments. Going forward, we will continue to deliver products that meet the needs of our customers by leveraging the know-how we have accumulated over many years in the cutting business and to introduce the latest technology.

### General Fabrication Machines

We provide various machines that are necessary for metal processing, such as shearing machines that cut metal plates to any size, tapping machines that process threads, and machines that remove burrs after processing.



DCT Series

### New Material Processing Machines

This series of machines uses a diamond blade to cut hard and brittle nonmetal materials such as quartz glass and silicon.



DBSAW-500

### Development and Manufacture with High Quality and Short Delivery Lead Time

About 50 development staff members work at Toki Works and mainly develop machine tools with the latest design systems and video equipment. The latest high-accuracy and high-performance equipment is introduced at the manufacturing factory and quality is thoroughly built into products on each manufacturing line. A system has been established for stably delivering high-quality and high-accuracy products within short lead times.



Saw blade development and manufacturing base, Ono Plant



Toki Technical Center (Toki Works)



Toki Works office building



Toki Works factory building

## Major Products



Pulse Cutting Band saw  
PCSAW-430AX



Optical profile grinder  
GLS-150GL UP



High-Precision Forming Grinder  
MEISTER-G3 UP



Vertical Tilt-Frame Band Saw  
VT-3850A



Grinding machines, drilling machines, and band saws



# Micro Welding Division

AMADA WELD TECH CO., LTD.



Laser welders, fine spot welders, and laser markers

## Machines Indispensable for State-of-the-Art Manufacturing in Such Fields as Automobiles, Electronic Parts, Communications Equipment, and Medical Devices

AMADA WELD TECH offers total solutions centered on the four pillars of laser welders, laser markers, resistance welders, and laser and resistance welding systems. AMADA WELD TECH, which has a business model specializing in the micro welding and processing markets, has both joining and laser technologies and has a unique position in the world. The technologies of AMADA WELD TECH are used in the joining and processing of electronic devices and other precision parts and are helpful in improving or maintaining the quality of familiar products.



### From Development and Manufacture to Sales and Service

AMADA WELD TECH develops original product technologies; creates added value, such as excellent maintainability and operability and the accommodation of various inputs and outputs; realizes truly easy-to-use systems; and operates as a one-stop supplier, from discreet equipment to system products. The synergistic effects of these endeavors are what AMADA WELD TECH aims to achieve. AMADA WELD TECH will continue to maintain its solid position in welding and processing for the electronics, automotive, and energy industries, and it will strive for the ability to propose solutions optimized for specific customers and for the achievement of outstanding customer satisfaction.



### Welding and Processing Samples



Laser welding of stainless steel (SUS) sheets



Attaching battery tabs



Nameplate logo marking



Laser soldering for mounting components to circuit boards

### Major Products



Fiber laser welder  
MF-C2000A-S/M



Laser weld monitor  
MM-L300A



DC inverter-controlled welding power supply  
IS-300A

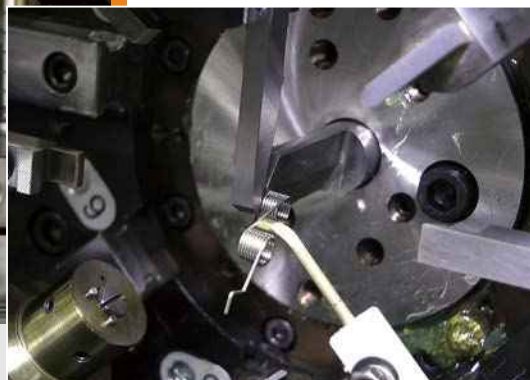
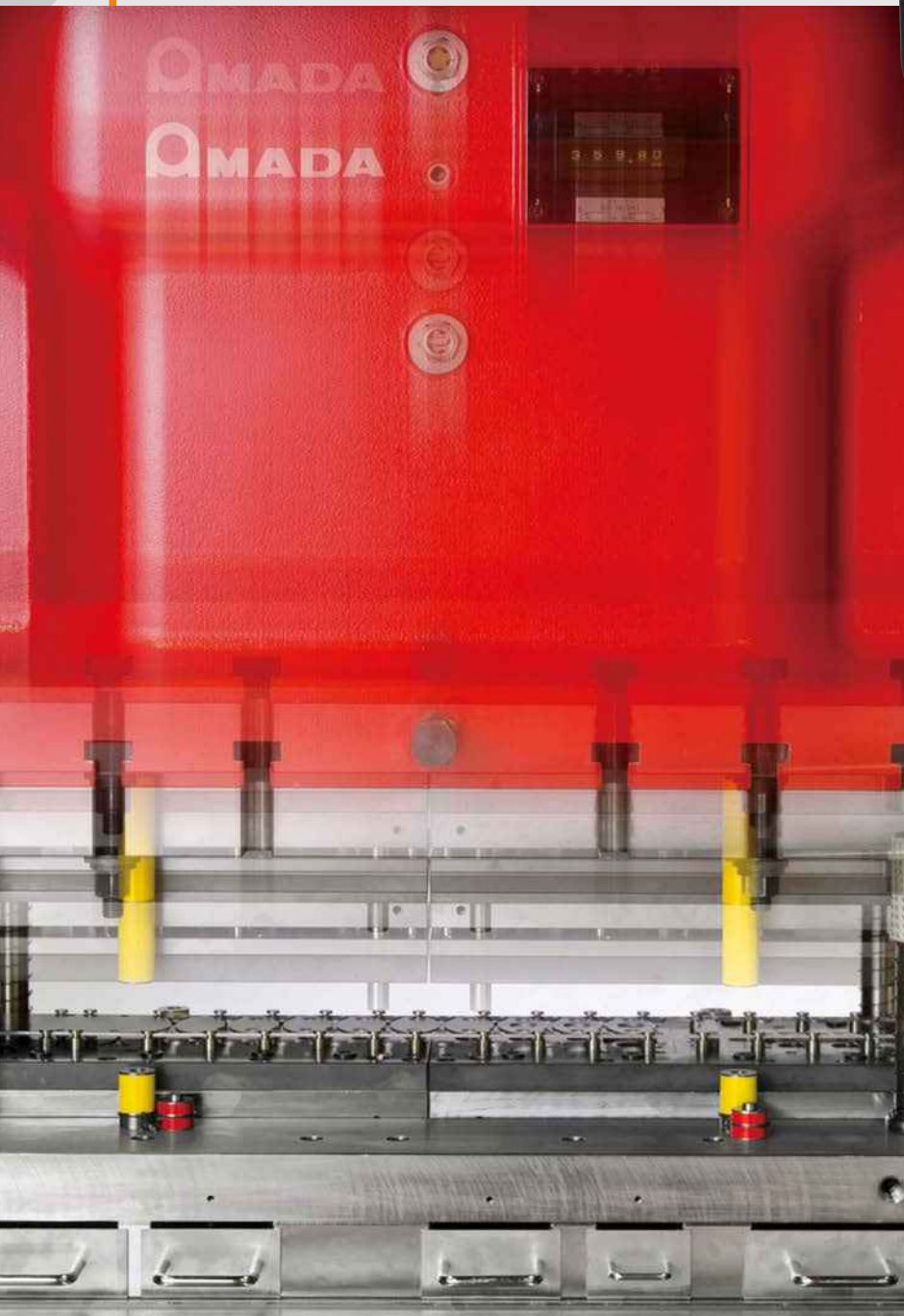


Weld checker for resistance welder  
MM-400A



# Press Automation Solution Division

AMADA PRESS SYSTEM CO., LTD.



Stamping press machines, press room automation, and spring machines

## A Worldwide Comprehensive Manufacturer of Stamping Press Systems and Spring Machines

AMADA PRESS SYSTEM is responsible for development, manufacture, sales, and service for stamping press machines, press room automation equipment, and spring forming machines, all of which are part of the metal forming industry. Our machines and equipment produce metal parts used in products that are essential to our daily lives, such as automobiles, housing construction equipment, home appliances, electrical components, semiconductors, precision equipment, medical equipment, and devices. Our strength is offering turn-key automated solutions utilizing stamping press machines and automated peripheral equipment. Therefore, by leveraging our exceptional products along with phenomenal service support and through collaboration between our business units, we are able to propose optimal total solutions globally to meet our customers needs for diversification. Our goal is to contribute to society by becoming an indispensable part of the global metal forming community, not only as an equipment manufacturer but also as a leader from a management perspective.



Stamping press machine and straightener-feeder for automated material supply



Stamping press machines and workpiece transfer robots

### Stamping Press Machines

Materials, such as metal, are formed by applying pressure utilizing precision dies. By making full use of a variety of unique motion patterns that match the shape, this lends the possibility to process high-tensile strength materials and complex shapes, supporting process reduction and high value-added production. Furthermore, through the integration of stamping press machines and automated peripheral equipment, it is possible to quickly determine technical specifications.



### Press Room Automation

Our ORII is the top brand in Japan among automated material handling systems for stamping press machines. This unique straightener-feeder system straightens coiled materials and feeds them into stamping presses at fixed speeds and our robot line system transfers workpieces between stamping press machines. The aforementioned systems are used in a wide range of facilities that manufacture parts ranging from high-precision applications to automotive frame components.



### Spring Machines

In the field of precision spring and extension spring forming machines, the MEC brand is beloved worldwide as one of the top brands boasting the most unique technology in the industry. Springs made from these machines are widely used for items such as a spring tip of ultra-fine ballpoint pen, precision parts that are indispensable in the semiconductor manufacturing process, and guide wires for medical catheters.



## Major Products



Digital AC servo press  
SDE-i3 GORIKI



Digital AC 2-points servo press  
SDEW-i3 Series



Compact straightener-feeder  
LCC PM2 Series



Spring former  
TM-20M



# AMADA Group Environmental Declaration

“Linkage through eco-conscious manufacturing”

The AMADA Group aspires to become a business enterprise to link with customers, society, and the world through eco-conscious manufacturing.

### 1. Producing eco-friendly machines at eco-friendly business establishments

All of the AMADA Group’s operations are carried out with the aim of achieving optimal compatibility between environmental preservation and business activities through promotion of energy- and resource-saving efforts.

### 2. Our eco-friendly merchandise assists customers to manufacture eco-friendly products

The AMADA Group’s AMADA Eco-Products enable customers to manufacture energy-saving and highly efficient products at their plants.

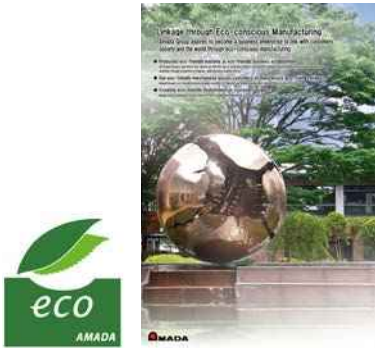
### 3. Creating eco-friendly environments at customers’ plants

The AMADA Group contributes to the creation of eco-friendly environments at customers’ plants by utilizing its accumulated environmental know-how.

#### AMADA FOREST

Approximately 60% of Fujinomiya Works’ site, which is approximately 429,800m<sup>2</sup>, remains as forests, and approximately 80% of them are artificial forests of “Japanese cypress.” Since it has been 40 to 50 years since the trees were planted, we are planning to aggressively improve the forest and make it rich in plants and animals.

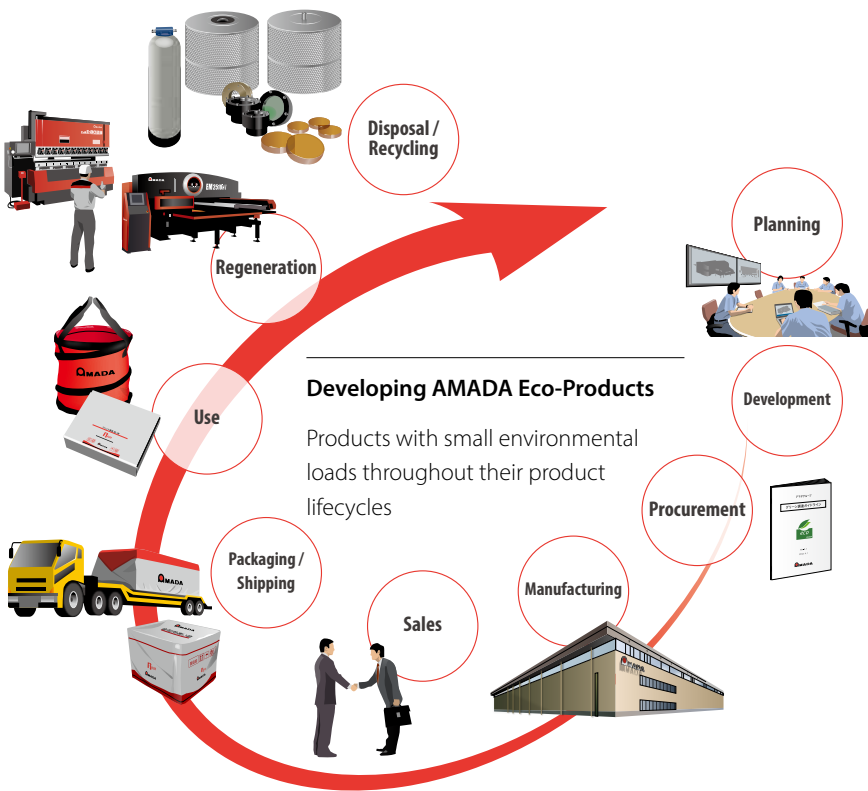
Approximately 700 species of plants have been found on the Fujinomiya Works premises. When we re-organized the forest next to Factory #2, we found trees such as konara oak and Japanese snowbell, as well as the plant *Cypripedium japonicum*, designated as a category II (VU) endangered species by the Ministry of the Environment and Shizuoka Prefecture.



## The AMADA Group Environmental Management

Fundamental to the AMADA Group’s environmental management approach is environmental protection activities during our products’ lifecycles with the aim of continually reducing environmental impacts “from the cradle to the grave,” meaning throughout the life-cycle of a product, from planning through development, procurement, manufacturing, sales, packaging and shipping, use, and regeneration, to disposal and recycling.

At AMADA, we are developing life-cycle management to create this kind of thorough lifecycle for our AMADA Eco-Products



In fiscal 2019, AMADA began efforts to calculate indirect greenhouse gas emissions from both the upstream and downstream portions of the supply chain (scope 3 emissions) based on the guidelines put forth by the Ministry of the Environment.\*1 These calculations reaffirmed the importance of creating AMADA Eco-Products that contribute to efficient electricity usage. Going forward, we will continue our efforts to improve the accuracy of data for scope 3 greenhouse gas emissions that occur as a result of our products.

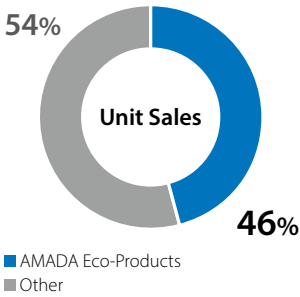
\*1: Ministry of the Environment, Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, Version 2.3.

## Creation of AMADA Eco-Products

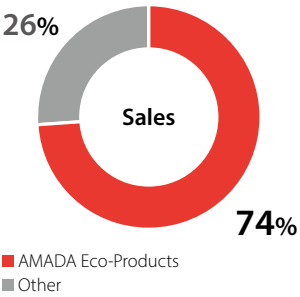
Since the AMADA Group’s products are industrial goods, most of their lifecycle CO<sub>2</sub> emissions occur during customer use, which is why the Group believes that developing machines with high energy efficiency (AMADA Eco-Products) is extremely important. By developing numerous AMADA Eco-Products such as fiber laser machines that consume 80% less power than conventional models, as well as combination machines that realize a high level of productivity through lower energy consumption and integrated production processes, we have made strides in our efforts to reduce the amount of CO<sub>2</sub> our products emit.

In fiscal 2019, the AMADA Eco-Products (specifically machines) accounted for 46% of unit sales and 74% of machine sales. Going forward, we will continue to create and expand sales of these products.

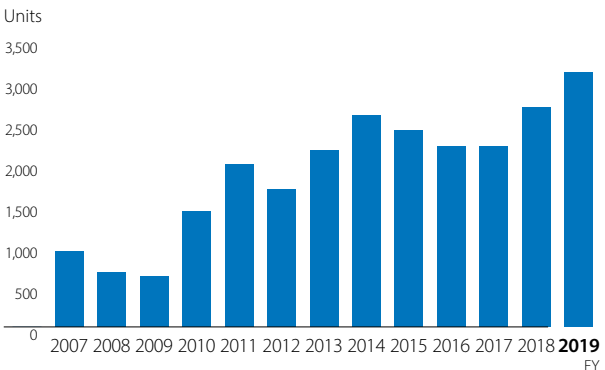
AMADA Eco-Products Unit Sales Ratio for FY2019



AMADA Eco-Products Sales Ratio for FY2019



Total Sales Volume of AMADA Eco-Products



AMADA Eco-Products Sales for FY2019

Products	Unit Sales	Sales (Millions of Yen)
AMADA Eco-Products	3,100	109,000
Other	3,600	38,000
Total	6,700	147,000

New AMADA Eco-Products







Social Contribution Activities

The AMADA Group places importance on communication with people in local communities and is expanding its social contribution activities in each of the regions of Europe, Asia, and the Americas. The Group is widening its sphere of activities, including internships, charity, and volunteer activities.

Donating equipment to neighborhood elementary school  
AMADA (INDIA) PVT. LTD.



Holding a job fair for local job seekers  
AMADA (THAILAND) CO., Ltd.



Assisting FRENCH WORLD SKILL  
AMADA S.A.



Receiving students on a factory tour  
AMADA EUROPE S.A.



Co-sponsoring Genesee Community College Tech Wars  
AMADA TOOL AMERICA, INC.



Cooperating with the Woodfield Area Children's  
Organization  
AMADA AMERICA, INC.

AMADA SCHOOL

The AMADA SCHOOL was established in 1978 as Japan's first vocational training corporation dedicated to metalworking machinery. As an educational institution, the school leverages AMADA's wealth of technology and cutting-edge facilities. The school is built upon the two pillars of skills education (manufacturing) and support education (personnel development) and teaches students about machines, CAD/CAM operation, and the fundamentals of sheet metal processing. In addition, the school offers preparatory courses for the National Trade Skill Test (factory sheet metal work) both for the theory and practical examinations. The school also provides courses with the goal of supporting human resources development for new employees, administrative staff, and supervisory staff at small- and medium-sized businesses as well as educational Junior Management College courses for those progressing to managerial positions.



JMC course for those progressing to managerial positions

Support for Sheet Metal Industry Associations

Sheet metal industry associations are established in each region of Japan by companies involved in the sheet metal processing industry to promote the planning, proposal, implementation, and research of activities for the prosperity and global expansion of member companies. To date, 26 such industry associations have been established in Japan. To help improve the skills of all association member companies, train human resources, and promote industry development, AMADA provides assistance through the industry association secretariats and takes such measures as dispatching lecturers for workshops.



Seminars and other various events Skill tests

Precision Sheet Metal Technology Fair

The Precision Sheet Metal Technology Fair is a competition that was established in 1989 by the AMADA SCHOOL to promote the improvement of sheet metal processing technology and skills. Currently, the school starts soliciting products from five categories in around May each year and, following judgment, holds an award ceremony the following March. However, due to the spread of COVID-19, the 2020 award ceremony was canceled. In its place, a "Paper Award Ceremony" was held in honor of the award winners, in which the award winning-works were introduced in the *Nikkan Kogyo Shimbun* newspaper.

In total, 296 entries were submitted, of which 108 were submissions from overseas—a record high—with 26 submissions from students. Outstanding works received the Minister of Labour, Health and Welfare Award, the Minister of Economy, Trade and Industry Award, the Kanagawa Prefectural Governor's Award, the Japan Vocational Ability Development Association Chairman's Award, the Nikkan Kogyo Shimbun Award, the Japan Society for Technology of Plasticity President's Award, the Overseas Best Award, the Judging Committee's Special Award, and the AMADA Award. Additionally, superior works in the Sheet Metal Parts, Sheet Metal Assembly Parts, Welding Fabrication, and Formative Arts Fabrication categories were awarded the Grand Prix, and, in the Student's Fabrication category, Gold, Silver, and Bronze prizes.



"Paper Award Ceremony" published in the *Nikkan Kogyo Shimbun* newspaper on March 24, 2020

The Main Award Winners



Winner of the Minister of Labour, Health and Welfare Award



Winner of the Minister of Economy, Trade and Industry Award



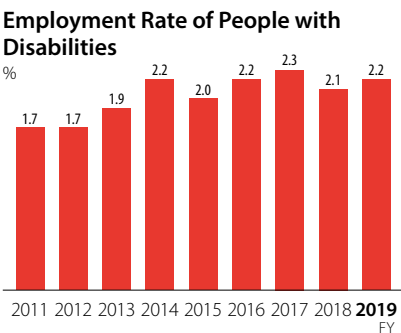
Measures to Prevent the Spread of COVID-19

In order to prevent the spread of COVID-19, we have established a COVID-19 prevention headquarters. In addition, we implemented temporary leave and teleworking at Group companies beginning in April 12, 2020 in a move to put the safety of our employees first. Although the government has ended the state of emergency, there remains the risk of a second wave of infection so when at the workplace, we are careful to wear masks, wash and disinfect hands, and to avoid the “three C’s” (closed spaces, crowded places, and close-contact settings). We have also made adjustments to production at factories and are continuing to implement temporary leave. Furthermore, we regularly provide information on our infection prevention measures.

Promoting Diversity

■ Employment of Persons with Disabilities

The AMADA Group maintains the special subsidiary AMADA PLANTECH CO., LTD. as a location for working together with our employees with disabilities. Primary jobs undertaken include cleanup work, on-site greening efforts at plants, and mail delivery. We hold promotion committee meetings for the employment of persons with disabilities bimonthly, and discuss ways of having our employees approach work as well as promoting their employment. What is more, in order to make our commitment to meet the legally mandated ratio of persons with disabilities, in cooperation with the external organization, we promote the employment of persons with disabilities, not only those with physical or intellectual disabilities but also mental disorders.



■ Career Support for Women

We are moving forward with the proactive cultivation and appointment of female leaders to shoulder the responsibility of the next generation. With regard to training, we have organized career training for female employees who have joined the Company within the past five years. We are progressing with the proactive hiring of female employees from science and technology backgrounds in our hiring of new graduates and moving forward with the application of female personnel to planning and development fields. Our many female employees with proficiency in languages are also demonstrating this ability in various fields, from domestic and international presentations to communication with overseas customers.

Going forward, we will continue to maintain an environment where people can work around life events such as marriage and child-birth, thereby fostering a corporate culture to motivate female employees to play active roles without being overburdened.

Safety Management

With regard to occupational health and safety in the AMADA Group, a General Safety and Health Committee has been jointly formed with Group companies that operate within its worksites. A Safety Committee, Health Committee, Disaster Prevention Committee, and Transportation Committee have been established as specialized organizations, working to systematically promote the resolution of safety and health-related issues throughout the entire Group, including at its business offices. Furthermore, we focused efforts on workplace accident prevention for service engineers. We have utilized monthly workplace safety meetings to make thorough reexaminations of the fundamentals of safety management, promoting initiatives that include having clients wear helmets when visiting production plants and holding meetings on pre-work hazard prediction, with the aim of reducing accidents to zero.



Pre-operations danger forecast meeting

Green Procurement

AMADA positions “green procurement,” procuring materials with low environmental load, as one of its important environmental conservation activities.

Our products are not subject to the RoHS directives enforced since July 2006, but we promote the nonuse of RoHS regulated substances due to the fact that the regulated substances may come in contact with our customers’ products that are made with AMADA machines.

Our Approach toward Green Procurement

In order to promote green procurement, the AMADA Group is implementing the following approaches.

- (1) Prioritizing business partners who are active in environmental protection activities
  - 1. Survey and evaluate the environmental protection activities carried out by our business partners
  - 2. Request for cooperation based on the evaluation results and dealings with priority business partners
- (2) Procurement of materials with little environmental impact (procurement of items which do not use controlled chemical substances)
  - 1. Survey and evaluation of the environmental impact of procured materials
  - 2. Selection of materials based on evaluation results and prioritized procurement
- (3) Compliance with environmental laws



AMADA Group Green Procurement Guidelines

Communication with Our Investors

Constructive Dialogue with Shareholders

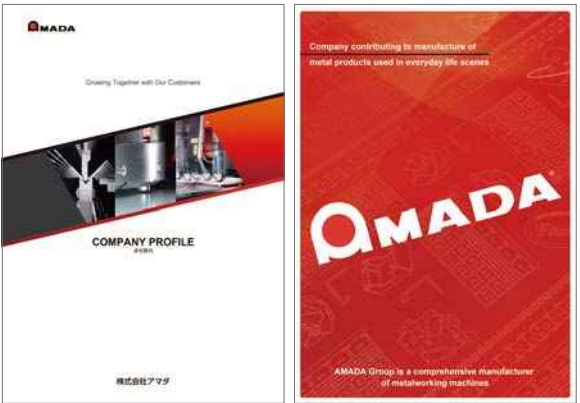
The Company will actively enter into constructive dialogue with shareholders and investors with the aim of sustaining growth and boosting medium- to long-term corporate value. It will strive to further create value by reflecting their opinions and issues presented at such dialogues in our operations to improve our business. We also provide quarterly results briefings and individual interviews and answer the inquiries from individual investors as required in order for them to deepen their understanding of business conditions, details of the business, and strategies of the Company. Upon receiving a request for information disclosure, the Company shall try to do so in a timely, equitable, and active manner, conforming to the Disclosure Policy.



Financial results presentation

Various Tools

The AMADA Group promotes communication with its investors through various tools in addition to its IR website. The Company actively discloses both financial and non-financial information through its corporate brochure and its Environmental and Social Report. Going forward, the Company will make concerted efforts to communicate its corporate value in a more comprehensive manner.



Corporate tools



Financial Section

Financial Review

EARNINGS

The future of the global economy became increasingly unclear over the course of the consolidated fiscal year under review as a result of trade friction between the U.S. and China. While the U.S. economy remained solid, a drop-off in economic growth was seen in China, the impact of which was felt in Korea and other Asian countries, where there was a pervading sense that capital investment in the manufacturing industry was slowing down. Business sentiment in the European manufacturing industry also deteriorated due to the economic downturn in Germany. Amid these circumstances, the Japanese economy also remained sluggish due to cautious capital investment from the third quarter onward and the slump in personal consumption accompanying the consumption tax hike. In addition, the global economy as a whole saw a further slowdown in the fourth quarter due to the spread of COVID-19.

Regarding the consolidated operating results for the fiscal year under review, both orders and revenue decreased, with orders decreasing 9.6% year on year, to ¥303,179 million, and revenue decreasing 5.3% year on year, to ¥320,112 million. Revenue in Japan decreased 2.2% year on year, to ¥145,668 million, while overseas revenue decreased 7.8% year on year, to ¥174,443 million.

Operating profit decreased 23.2% year on year, to ¥34,682 million, due to the impact of lower earnings and the strong yen, despite more streamlined manufacturing and an improved product lineup. Profit attributable to owners of parent decreased 29.8% year on year, to ¥23,390 million, as a result of foreign exchange losses stemming from a sharp rise in the yen at the end of the fiscal year.

FINANCIAL POSITION

Total assets amounted to ¥558,595 million, down ¥9,266 million from the previous fiscal year. Total current assets amounted to ¥299,338 million, a decrease of ¥27,826 million, due to a drop in trade and other receivables as a result of lower earnings. Total noncurrent assets amounted to ¥259,256 million, an increase of ¥18,559 million, due to an increase in property, plant and equipment stemming from the application of IFRS 16 “Leases.”

Total liabilities amounted to ¥124,045 million, up ¥1,463 million from the previous fiscal year, due to an increase in borrowings and other noncurrent liabilities. In addition, total equity amounted to ¥434,549 million, down ¥10,730 million, due to the acquisition of treasury shares amounting to approximately ¥10 billion. As a result, equity ratio attributable to owners of parent decreased from 77.7% to 77.2%.

CASH FLOWS

Consolidated cash and cash equivalents, end of year, amounted to ¥47,167 million, down ¥9,128 million from the previous fiscal year.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities totaled ¥32,455 million, down ¥7,526 million from the previous fiscal year. This result reflected a decrease in profit before tax due to a drop in earnings.

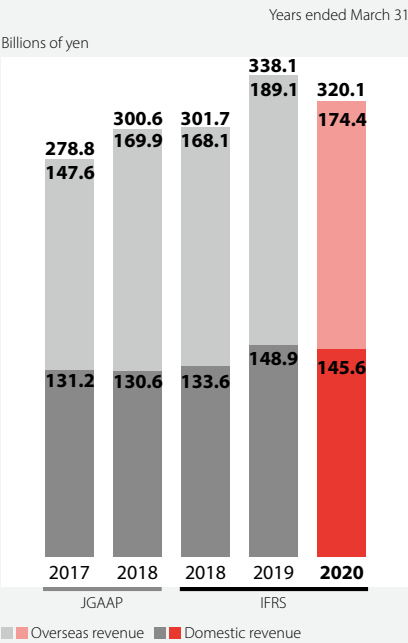
CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities amounted to ¥20,944 million, a decrease of ¥10,244 million compared with the previous fiscal year. This decrease was primarily attributed to a decrease in payments for the acquisition of subsidiary company stock accompanying a change in the scope of consolidation as a result of Japanese manufacturer of automated stamping press machines AMADA ORII CO., LTD. (renamed AMADA PRESS SYSTEM CO., LTD. on April 1, 2020) and U.S.-based manufacturer of cutting machines AMADA MARVEL, INC. becoming subsidiaries in the previous consolidated fiscal year.

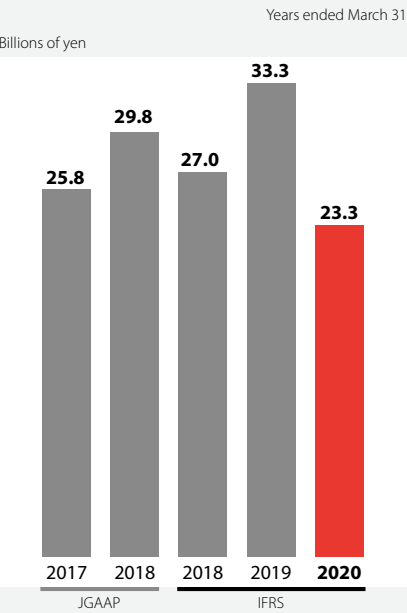
CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities amounted to ¥18,929 million, down ¥12,946 million from the previous fiscal year. The main cause of this decrease was a net increase in short-term borrowings for capital investments and other purposes.

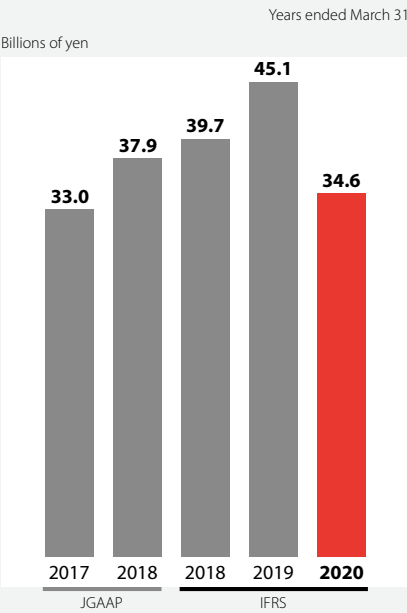
Domestic Revenue and Overseas Revenue



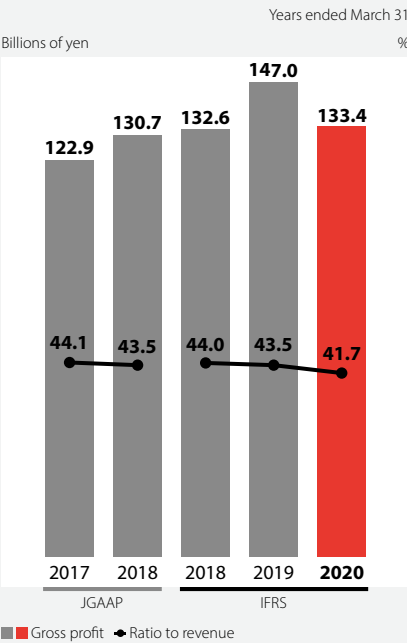
Profit Attributable to Owners of Parent



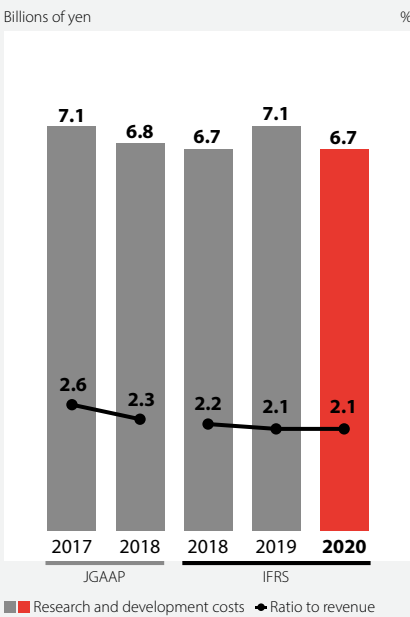
Operating Profit



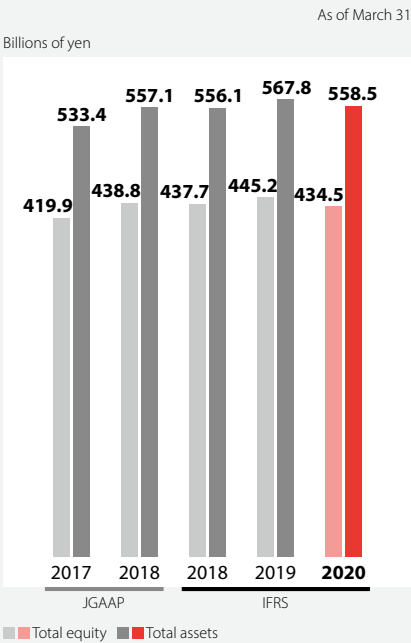
Gross Profit and Ratio to Revenue



Research and Development Costs and Ratio to Revenue



Total Equity and Total Assets



Consolidated Financial Statements

Consolidated Statement of Financial Position

AMADA CO., LTD. and its Consolidated Subsidiaries  
March 31, 2020

Assets	Notes	Millions of yen		Thousands of
		2019	2020	U.S. dollars (Note 2 (3))
				2020
Current assets				
Cash and cash equivalents	9	¥ 56,295	¥ 47,167	\$ 433,404
Trade and other receivables	10, 39	140,965	126,058	1,158,308
Inventories	11	100,391	100,495	923,420
Other financial assets	19, 39	19,939	15,736	144,599
Other current assets	12, 13	9,571	9,879	90,778
Total current assets		327,164	299,338	2,750,511
Noncurrent assets				
Property, plant, and equipment	2, 14, 16, 17	130,914	154,907	1,423,392
Goodwill	15, 17	4,811	5,928	54,472
Intangible assets	15, 17	14,623	15,009	137,915
Investments accounted for using the equity method	18	1,638	422	3,883
Other financial assets	19, 39	65,734	59,958	550,933
Deferred tax assets	20	13,953	13,496	124,012
Other noncurrent assets	12	9,021	9,534	87,609
Total noncurrent assets		240,697	259,256	2,382,219
Total assets		¥567,861	¥558,595	\$5,132,730

Liabilities and equity	Notes	Millions of yen		Thousands of
		2019	2020	U.S. dollars (Note 2 (3))
				2020
Liabilities				
Current liabilities				
Trade and other payables	21, 39	¥ 65,917	¥ 51,745	\$ 475,467
Borrowings	22, 39	5,366	16,879	155,100
Income taxes payable	20	7,918	2,909	26,734
Other financial liabilities	2, 23, 39	931	3,086	28,363
Provisions	25	1,900	1,712	15,731
Other current liabilities	26, 31	23,961	23,470	215,657
Total current liabilities		105,997	99,803	917,054
Noncurrent liabilities				
Borrowings	22, 39	4,556	4,353	40,000
Other financial liability	2, 23, 39	2,907	10,125	93,043
Retirement benefit liabilities	28	2,855	3,001	27,582
Provisions	25	6	6	63
Deferred tax liabilities	20	2,198	2,651	24,360
Other noncurrent liabilities	26	4,060	4,103	37,704
Total noncurrent liabilities		16,584	24,242	222,754
Total liabilities		122,581	124,045	1,139,808
Equity				
Share capital	29	54,768	54,768	503,245
Capital surplus	29	153,119	143,884	1,322,099
Retained earnings	29	243,596	248,515	2,283,518
Treasury shares	29	(11,608)	(12,089)	(111,082)
Other components of equity	29	1,555	(3,986)	(36,630)
Total equity attributable to owners of parent		441,431	431,091	3,961,150
Noncontrolling interests	29	3,848	3,457	31,771
Total equity		445,280	434,549	3,992,921
Total liabilities and equity		¥567,861	¥558,595	\$5,132,730



Consolidated Statement of Profit or Loss

AMADA CO., LTD. and its Consolidated Subsidiaries  
Years ended March 31

	Notes	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
		2019	2020	2020
Revenue	6, 31	¥338,175	<b>¥320,112</b>	<b>\$2,941,397</b>
Cost of sales		(191,081)	<b>(186,650)</b>	<b>(1,715,062)</b>
Gross profit		147,094	<b>133,461</b>	<b>1,226,334</b>
Selling, general, and administrative expenses	32	(102,534)	<b>(100,187)</b>	<b>(920,587)</b>
Other income	33	1,324	<b>2,233</b>	<b>20,518</b>
Other expenses	34	(738)	<b>(825)</b>	<b>(7,581)</b>
Operating profit		45,145	<b>34,682</b>	<b>318,683</b>
Finance income	35	2,996	<b>1,494</b>	<b>13,729</b>
Finance costs	35	(703)	<b>(2,717)</b>	<b>(24,974)</b>
Share of profit of investments accounted for using equity method	18	303	<b>330</b>	<b>3,041</b>
Profit before tax		47,742	<b>33,789</b>	<b>310,479</b>
Income tax expense	20	(14,081)	<b>(10,147)</b>	<b>(93,241)</b>
Profit for the year		33,660	<b>23,642</b>	<b>217,237</b>
Profit attributable to:				
Owners of parent		33,303	<b>23,390</b>	<b>214,929</b>
Noncontrolling interests		356	<b>251</b>	<b>2,308</b>
Profit for the year		¥ 33,660	<b>¥ 23,642</b>	<b>\$ 217,237</b>

	Notes	Yen		U.S. dollars
		2019	2020	2020
Earnings per share	37			
Basic earnings per share		¥91.50	<b>¥65.91</b>	<b>\$0.60</b>
Diluted earnings per share		91.50	<b>65.91</b>	<b>0.60</b>

Consolidated Statement of Comprehensive Income

AMADA CO., LTD. and its Consolidated Subsidiaries  
Years ended March 31

	Notes	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
		2019	2020	2020
Profit for the year		¥33,660	<b>¥23,642</b>	<b>\$217,237</b>
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans		1,141	<b>(976)</b>	<b>(8,976)</b>
Equity financial assets measured at fair value through other comprehensive income		186	<b>1,534</b>	<b>14,099</b>
Total of items		1,328	<b>557</b>	<b>5,122</b>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(1,505)	<b>(6,940)</b>	<b>(63,776)</b>
Debt financial assets measured at fair value through other comprehensive income		(34)	<b>(204)</b>	<b>(1,882)</b>
Share of other comprehensive income of investments accounted for using equity method		(54)	<b>(21)</b>	<b>(197)</b>
Total of items		(1,594)	<b>(7,167)</b>	<b>(65,856)</b>
Total other comprehensive income	36	(265)	<b>(6,609)</b>	<b>(60,734)</b>
Total comprehensive income for the year		¥33,395	<b>¥17,032</b>	<b>\$156,503</b>
Comprehensive income attributable to:				
Owners of parent		33,080	<b>16,848</b>	<b>154,819</b>
Noncontrolling interests		314	<b>183</b>	<b>1,684</b>
Total comprehensive income for the year		¥33,395	<b>¥17,032</b>	<b>\$156,503</b>

Consolidated Statement of Changes in Equity

AMADA CO., LTD. and its Consolidated Subsidiaries  
Years ended March 31

Millions of yen													
Equity attributable to owners of parent													
	Other components of equity												
	Notes	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total	Total	Noncontrolling interests	Total equity
Balance at April 1, 2018		¥54,768	¥163,217	¥224,850	¥(11,695)	¥ —	¥529	¥2,351	¥70	¥2,950	¥434,091	¥3,615	¥437,707
Profit for the year		—	—	33,303	—	—	—	—	—	—	33,303	356	33,660
Other comprehensive income		—	—	—	—	1,142	152	(1,463)	(54)	(223)	(223)	(42)	(265)
Total comprehensive income for the year		—	—	33,303	—	1,142	152	(1,463)	(54)	(223)	33,080	314	33,395
Dividends	30	—	—	(15,729)	—	—	—	—	—	—	(15,729)	(159)	(15,889)
Purchase of treasury shares		—	(6)	—	(10,004)	—	—	—	—	—	(10,010)	—	(10,010)
Disposal of treasury shares (including through the exercise of share options)		—	0	—	0	—	—	—	—	—	0	—	0
Retirement of treasury shares		—	(10,090)	—	10,090	—	—	—	—	—	—	—	—
Change due to newly consolidated subsidiaries		—	—	—	—	—	—	—	—	—	—	77	77
Transfer from other components of equity to retained earnings		—	—	1,172	—	(1,142)	(30)	—	—	(1,172)	(0)	0	—
Total transactions with owners		—	(10,097)	(14,557)	87	(1,142)	(30)	—	—	(1,172)	(25,740)	(81)	(25,822)
Balance at March 31, 2019		¥54,768	¥153,119	¥243,596	¥(11,608)	¥ —	¥651	¥ 888	¥15	¥1,555	¥441,431	¥3,848	¥445,280

Millions of yen													
Equity attributable to owners of parent													
	Other components of equity												
	Notes	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total	Total	Noncontrolling interests	Total equity
Balance at April 1, 2019		¥54,768	¥153,119	¥243,596	¥(11,608)	¥ —	¥ 651	¥ 888	¥15	¥ 1,555	¥441,431	¥3,848	¥445,280
Profit for the year		—	—	23,390	—	—	—	—	—	—	23,390	251	23,642
Other comprehensive income		—	—	—	—	(978)	1,329	(6,871)	(21)	(6,541)	(6,541)	(67)	(6,609)
Total comprehensive income for the year		—	—	23,390	—	(978)	1,329	(6,871)	(21)	(6,541)	16,848	183	17,032
Dividends	30	—	—	(17,473)	—	—	—	—	—	—	(17,473)	(127)	(17,600)
Purchase of treasury shares		—	(3)	—	(10,003)	—	—	—	—	—	(10,007)	—	(10,007)
Disposal of treasury shares (including through the exercise of share options)		—	(7)	—	19	—	—	—	—	—	12	—	12
Change in ownership interest of the parent due to transactions with noncontrolling interests		—	(9,502)	—	9,502	—	—	—	—	—	—	—	—
Change due to newly consolidated subsidiaries		—	—	—	—	—	—	—	—	—	—	19	19
Changes in ownership interests in subsidiaries		—	278	—	—	—	—	—	—	—	278	(464)	(185)
Transfer from other components of equity to retained earnings		—	—	(998)	—	978	21	—	—	1,000	1	(1)	—
Total transactions with owners		—	(9,235)	(18,472)	(480)	978	21	—	—	1,000	(27,188)	(574)	(27,762)
Balance at March 31, 2020		¥54,768	¥143,884	¥248,515	¥(12,089)	¥ —	¥2,002	¥(5,982)	¥ (5)	¥(3,986)	¥431,091	¥3,457	¥434,549

Thousands of U.S. dollars (Note 2 (3))													
Equity attributable to owners of parent													
		Other components of equity											
	Notes	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total	Total	Noncontrolling interests	Total equity
Balance at March 31, 2019		\$503,245	\$1,406,961	\$2,238,325	\$(106,663)	\$ —	\$ 5,983	\$ 8,161	\$143	\$14,288	\$4,056,157	\$35,362	\$4,091,520
Profit for the year		—	—	214,929	—	—	—	—	—	—	214,929	2,308	217,237
Other comprehensive income		—	—	—	—	(8,993)	12,216	(63,136)	(197)	(60,110)	(60,110)	(623)	(60,734)
Total comprehensive income for the year		—	—	214,929	—	(8,993)	12,216	(63,136)	(197)	(60,110)	154,819	1,684	156,503
Dividends	30	—	—	(160,561)	—	—	—	—	—	—	(160,561)	(1,167)	(161,728)
Purchase of treasury shares		—	(32)	—	(91,918)	—	—	—	—	—	(91,950)	—	(91,950)
Disposal of treasury shares (including through the exercise of share options)		—	(70)	—	180	—	—	—	—	—	110	—	110
Change in ownership interest of the parent due to transactions with noncontrolling interests		—	(87,318)	—	87,318	—	—	—	—	—	—	—	—
Change due to newly consolidated subsidiaries		—	—	—	—	—	—	—	—	—	—	175	175
Changes in ownership interests in subsidiaries		—	2,558	—	—	—	—	—	—	—	2,558	(4,267)	(1,709)
Transfer from other components of equity to retained earnings		—	—	(9,174)	—	8,993	197	—	—	9,191	16	(16)	—
Total transactions with owners		—	(84,862)	(169,736)	(4,419)	8,993	197	—	—	9,191	(249,827)	(5,275)	(255,102)
Balance at March 31, 2020		\$503,245	\$1,322,099	\$2,283,518	\$(111,082)	\$ —	\$18,398	\$(54,974)	\$ (54)	\$(36,630)	\$3,961,150	\$31,771	\$3,992,921



Consolidated Statement of Cash Flows

AMADA CO., LTD. and its Consolidated Subsidiaries  
Years ended March 31

	Notes	Millions of yen	Thousands of U.S. dollars (Note 2 (3))	
		2019	2020	2020
Cash flows from operating activities				
Profit before tax		¥47,742	¥33,789	\$310,479
Depreciation and amortization		12,529	16,080	147,754
Finance income and finance costs		(2,292)	(355)	(3,268)
Share of profit of investments accounted for using equity method		(303)	(330)	(3,041)
Loss (gain) on sale of fixed assets		355	50	464
Decrease (increase) in inventories		(14,432)	(1,387)	(12,744)
Decrease (increase) in trade and other receivables		3,869	12,318	113,188
Increase (decrease) in trade and other payables		10,556	(13,999)	(128,637)
Increase (decrease) in retirement benefit liability		(1,064)	(1,404)	(12,906)
Increase (decrease) in provisions		275	(133)	(1,229)
Other		(3,179)	3,304	30,359
Subtotal		54,054	47,930	440,418
Interest received		1,139	831	7,638
Dividends received		393	211	1,939
Interest paid		(112)	(141)	(1,300)
Income taxes paid		(15,491)	(16,376)	(150,474)
Net cash provided by (used in) operating activities		39,982	32,455	298,221
Cash flows from investing activities				
Net decrease (increase) in time deposits		(3,585)	6,448	59,248
Purchase of marketable securities		(1,000)	(3,000)	(27,565)
Proceeds from sale of marketable securities		7,400	3,809	35,002
Purchase of investment securities		(7,534)	(3,754)	(34,498)
Proceeds from sale of investment securities		3,164	7,494	68,862
Purchase of property, plant, and equipment		(13,093)	(26,263)	(241,329)
Proceeds from sale of property, plant, and equipment		381	293	2,695
Purchase of intangible assets		(4,328)	(5,042)	(46,330)
Payments from purchase of shares of subsidiaries resulting in change in scope of consolidation		(12,513)	(1,058)	(9,726)
Other		(80)	129	1,186
Net cash provided by (used in) investing activities		(31,189)	(20,944)	(192,455)
Cash flows from financing activities				
Proceeds from short-term borrowings	24	1,818	—	—
Repayments of short-term borrowings	24	(3,619)	(142)	(1,313)
Net increase (decrease) in short-term borrowings	24	(5,234)	13,963	128,305
Proceeds from long-term borrowings	24	3,443	11	103
Repayments of long-term borrowings	24	(2,364)	(2,350)	(21,601)
Repayments of lease obligations		(51)	(2,591)	(23,811)
Payments for purchase of treasury shares		(10,004)	(10,003)	(91,918)
Dividends paid		(15,705)	(17,514)	(160,935)
Dividends paid to noncontrolling interests		(159)	(127)	(1,167)
Other		0	(174)	(1,599)
Net cash provided by (used in) financing activities		(31,876)	(18,929)	(173,938)
Effect of exchange rate changes on cash and cash equivalents		(1,085)	(1,708)	(15,700)
Net increase (decrease) in cash and cash equivalents		(24,169)	(9,128)	(83,874)
Cash and cash equivalents at beginning of year	9	80,464	56,295	517,278
Cash and cash equivalents at end of year	9	¥56,295	¥47,167	\$433,404

Notes to the Consolidated Financial Statements

AMADA CO., LTD. and its Consolidated Subsidiaries

1 REPORTING COMPANY

AMADA CO., LTD. (the “Company” or “the parent”) (formerly, AMADA HOLDINGS CO., LTD.) is a company incorporated in Japan. The address of the registered head office is 200, Ishida, Isehara-shi, Kanagawa. The Company’s consolidated financial statements as of March 31, 2020, comprise the financial statements of the Company and its subsidiaries (collectively, the “Group”), as well as interests in associates of the Group. The Group’s

2 BASIS OF PREPARATION

(1) Statement of compliance with International Financial Reporting Standards

The Group’s consolidated financial statements were prepared based on IFRS pursuant to Article 93 of the Consolidated Financial Statements Ordinance, as it satisfies the requirements for “Specified Company for Designated International Accounting Standards” stipulated in Article 1-2 of the Consolidated Financial Statements Ordinance.

(2) Basis of measurement

The Group’s consolidated financial statements have been prepared based on the accounting policies described in “3. Significant Accounting Policies.” The balances of assets and liabilities are recorded at historical cost, except for specified financial instruments measured at fair value.

(3) Functional currency and presentation currency

The Group’s consolidated financial statements are presented in Japanese yen, which is the Company’s functional currency (shown in millions of yen, and amounts less than one million yen are truncated).

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate of ¥108.83 to \$1.00, the approximate rate of exchange prevailing at March 31, 2020. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be converted into U.S. dollars at this or any other rate of exchange.

(4) Changes in accounting policies

The Group has applied IFRS 16 “Leases” beginning with the fiscal year under review.

1) Leases as a lessee

Please see “3. Significant Accounting Policies (9) Leases.”

In applying IFRS 16, the Group elected to recognize the cumulative effect of the initial application at the date of initial application (April 1, 2019) as allowed as a transitional measure. In determining whether a contract contains a lease upon the transition to IFRS 16, the Group chose the practical expedient in IFRS 16 Paragraph C3; thereby judgements made pursuant to the previous international accounting standards (hereinafter referred to as “IAS”) 17 “Leases” and IFRIC (Interpretation) 4 “Determining Whether an Arrangement Contains a Lease” are retained and the following practical expedients described in IFRS 16 Paragraph C10 are used.

major business is the development, manufacturing, and sales of metal-working machinery and equipment and metal machine tools and equipment, as well as other related services (including financing). (See “6. Operating Segments.”) Furthermore, on April 1, 2020, the Company merged Amada CO., LTD. which was a wholly owned subsidiary and absorbed on the same day.

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics
- Rely on the assessment of whether or not leases are disadvantageous by applying IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” immediately before the date of initial application as an alternative to performing an impairment review
- Account for leases for which the lease term ends within 12 months of the date of initial application in the same way as short-term leases
- Exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease

Due to the transition to IFRS 16, the Group additionally recognized right-of-use assets of ¥9,895 million (included in property, plant, and equipment in the consolidated statement of financial position), lease liabilities (current) of ¥2,354 million (included in other financial liabilities under current liabilities in the consolidated statement of financial position) and lease liabilities (noncurrent) of ¥7,932 million (included in other financial liabilities under noncurrent liabilities in the consolidated statement of financial position) at the date of initial application. The weighted-average lessee’s incremental borrowing rate applied to lease liabilities recognized at the date of initial application is 0.7%.

With regard to noncancellable operating lease contracts as of March 31, 2019, reconciliation between the amount of such contracts discounted using the incremental borrowing rate at the date of initial application and the amount of lease liabilities recognized at the date of initial application is as follows:

Millions of yen	
Total future minimum lease payments for noncancellable operating leases (March 31, 2019) (discounted using the incremental borrowing rate)	¥ 758
Finance lease obligations (March 31, 2019)	248
Noncancellable operating lease contracts, etc. (primarily, real estate leasing contracts of sales offices, etc.)	9,528
Lease liabilities at the date of initial application	¥10,536

2) Leases as a lessor

Leases where the Group is a lessor are accounted for substantively in the same way as those pursuant to the lessor accounting requirements in the previous IAS 17.

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are applied for all periods described in these consolidated financial statements (including the consolidated statement of financial position as of the date of transition).

(1) Basis of consolidation

1) Subsidiaries

Subsidiaries are entities (including business entities without corporate status, such as partnerships) which are controlled by the Group. An investor is deemed to control an investee only when the investor possesses all of the following elements:

- Power over an investee
- Exposure or rights to variable returns from its involvement with an investee
- Ability to exercise power over an investee to affect the amount of returns of an investor

Control by the Group is determined based on a comprehensive evaluation on the status of voting rights or other similar rights and terms of contracts related to an investee.

Subsidiaries' nonconsolidated financial statements are included in the Group's consolidated financial statements from the day on which the Company acquired control over the subsidiary to the day on which the Company loses control over the subsidiary.

Due to requirements of local laws and regulations, certain subsidiaries are required to use ends of reporting periods that differ from that of the Company, and it is impractical to unify the end of the reporting period. Therefore, they adopt the ends of reporting periods that differ from that of the Company. If a reporting period of a subsidiary differs from that of the Company, financial figures of the subsidiary based on provisional accounting prepared as of the end of the consolidated reporting period are used in the consolidated financial statements.

The Group prepares consolidated financial statements using unified accounting policies for transactions and events in similar circumstances.

All inter-Group transactions, balances, and any unrealized gains and losses arising from inter-Group transactions are eliminated in preparing the consolidated financial statements. Total comprehensive income is attributed to owners of parent and noncontrolling interests even if the noncontrolling interests are in negative balances.

Of the changes in ownership interests in subsidiaries, those that do not result in a loss of control over subsidiaries are accounted for as equity transactions.

2) Associates

Associates are entities over which the Group has significant influence but does not have control to govern decision-making on financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting rights of an entity. Another element considered in the judgment on whether or not the Group has significant influence is attendance at board of directors' meetings. If the Group holds less than 20% of the voting rights of an investee, it is presumed that the

Group does not have significant influence, unless significant influence is unambiguously proven.

Investments in associates are accounted for by the equity method from the day on which the Group begins to have significant influence to the day on which the Group loses its influence.

Due to requirements of local laws and regulations, certain associates are required to use ends of reporting periods that differ from that of the Company, and it is impractical to unify the end of the reporting period. Therefore, they adopt the ends of reporting periods that differ from that of the Company. If a reporting period of an associate differs from that of the Company, necessary adjustments are made in the consolidated financial statements for the effects of significant transactions or events that occur between the end of the reporting period of the associate and that of the Company. Profit or loss, other comprehensive income, and net assets to be considered in applying the equity method are the amounts recognized in the associates' financial statements with certain revisions necessary for applying unified accounting policies. In the equity method, at the time of initial recognition, investments in associates are recognized at cost, and carrying amounts will be increased or decreased to recognize an investor's interests in an investee's profit or loss and other comprehensive income after the share acquisition date. Additional losses after reducing the equity in an investee to zero are recognized as liabilities to the extent of the amount of legal obligation and constructive obligation incurred by the Group or the amount the Group pays on behalf of the associate.

(2) Business combinations

Business combinations are accounted for by the acquisition method.

An acquisition price is measured as the total sum of fair values of the assets transferred to the Group, liabilities assumed by the Group, and equity interests issued by the Group as of the acquisition date. In certain cases, contingent considerations are included in the acquisition price.

An acquiree's identifiable assets, liabilities, and contingent liabilities that satisfy the requirements for recognition pursuant to IFRS 3 "Business Combinations" are measured at fair values as of the acquisition date, except for the following cases:

- Deferred tax assets (or deferred tax liabilities) and liabilities or assets related to employee benefit contracts are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively.
- Liability or equity instruments related to share-based payment transactions of an acquiree or the portion of liability or equity instruments associated with the replacement of an acquiree's share-based payment transaction to an acquirer's share-based payment transaction are measured at the acquisition date in accordance with the method in IFRS 2 "Share-based Payment."
- Assets or disposal group classified as held for sale pursuant to IFRS 5 "Noncurrent Assets Held for Sale and Discontinued Operations" are measured in accordance with the standard.

Goodwill is measured as an excess amount when an acquisition price exceeds the fair values of identifiable assets and liabilities as of the acquisition date. If the excess amount is negative, it is immediately recognized as profit or loss.

Acquisition-related costs incurred to achieve business combinations are recognized as profit or loss as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted during the 'measurement period' (which cannot exceed one year from the acquisition date) or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at the date.

(3) Foreign currencies

1) Functional currency and presentation currency

Separate financial statements of Group companies are prepared in the respective functional currencies. The Group's consolidated financial statements are presented in Japanese yen, which is the Company's functional currency.

2) Foreign currency transactions

Foreign currency transactions are translated into functional currencies using the spot exchange rate as of the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated into functional currencies using the exchange rate at the reporting date. Regarding nonmonetary items denominated in foreign currencies, those measured at cost are translated using the exchange rate as of the date of the transaction, while those measured at fair value are translated using the exchange rate on the day on which the fair value was measured.

Exchange differences are recognized as profit or loss as a general rule during the period in which such differences incurred. However, if profit or loss of nonmonetary items is recognized as other comprehensive income, exchange differences are also recognized as other comprehensive income.

3) Foreign operation

Assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on the acquisition of foreign operations) are translated using the exchange rate as of the reporting date. Revenue and expenses are translated at the average exchange rate for the period, unless the exchange rate during the period fluctuates significantly. Exchange differences arising from translation of financial statements of foreign operations are recognized in other comprehensive income and the cumulative amounts are classified as the equity's other components of equity.

Cumulative exchange differences in foreign operations are transferred to profit or loss during the period in which the profit or loss arising from the disposal of the foreign operation is recognized.

(4) Financial instruments

1) Financial assets

(a) Initial recognition and measurement

Of financial assets, trade and other receivables are initially recognized on the date they are incurred, and other financial assets are initially recognized on the date on which the Company becomes a party to the contractual provisions of the instrument. At the initial recognition, financial assets are classified as follows and measured at their fair values. If financial assets are not measured at fair values through profit or loss, transaction costs directly derived from acquisition of the financial assets are added to their fair values.

(i) Financial assets measured at amortized cost

If both of the following conditions are satisfied, financial assets are classified as financial assets measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets measured at fair value through other comprehensive income (debt financial assets)

If both of the following conditions are satisfied, financial assets are classified as debt financial assets measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved through collection of contractual cash flows and sale.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at fair value through other comprehensive income (equity financial assets)

If an irrevocable election is made to present subsequent changes in fair value of equity financial assets after initial recognition as other comprehensive income, these are classified as financial assets measured at fair value through other comprehensive income.

(iv) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

The Group designates no debt financial assets as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce mismatches in accounting.

(b) Subsequent measurement

Financial assets after initial recognition are measured as follows, in accordance with their classification:

(i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method. Gains or losses from amortization using the effective interest method or derecognition are recognized as profit or loss.



(ii) Financial assets measured at fair value through other comprehensive income (debt financial assets)

Changes in fair value concerning debt financial assets measured at fair value through other comprehensive income are recognized as other comprehensive income, except for impairment gains and losses and foreign exchange gains and losses, until the derecognition of such financial assets. If financial assets are derecognized, previously recognized other comprehensive income is transferred to profit or loss.

(iii) Financial assets measured at fair value through other comprehensive income (equity financial assets)

Changes in fair value concerning equity financial assets measured at fair value through other comprehensive income are recognized as other comprehensive income. If such financial assets are derecognized or if their fair values significantly drop, previously recognized other comprehensive income is directly transferred to retained earnings. Dividends from such financial assets are recognized as profit or loss.

(iv) Financial assets measured at fair value through profit or loss  
Financial assets measured at fair value through profit or loss are measured at fair values after initial recognition, and changes thereof are recognized as profit or loss.

(c) Impairment losses on financial assets

The Group recognizes allowance for doubtful accounts for financial assets measured at amortized cost, debt financial assets measured at fair value through other comprehensive income, and expected credit losses related to lease receivables.

If credit risk of financial assets is significantly increasing after the initial recognition, allowance for doubtful accounts concerning such financial assets is measured at the amount equivalent to lifetime expected credit losses. If credit risk of financial assets is not significantly increasing after the initial recognition, allowance for doubtful accounts concerning such financial assets is measured at the amount equivalent to the expected credit losses for 12 months. With regard to trade receivables and lease receivables, irrespective of existence of a significant increase in credit risk after the initial recognition, allowance for doubtful accounts is measured at the amount equivalent to lifetime expected credit losses.

Whether or not credit risk is significantly increasing is judged based on the changes in default risk, and for the judgment on whether or not there are changes in default risk, the following information is considered in principle. If the credit risk is judged to be low as of the end of the period, the credit risk of such financial assets is deemed to have not significantly increased after the initial recognition.

- Significant changes in external credit rating on financial assets
- Significant changes in operating results
- Information on past due

Expected credit losses are measured individually if they are individually significant, or measured on a collective basis if they are individually insignificant, by segmenting them into independent groups or subgroups by company.

In case any payment is not made long after the repayment date despite the enforcement of performance, or in case a debtor files for legal

proceedings for bankruptcy, corporate reorganization, civil rehabilitation, or special liquidation, it is judged that a default has occurred. If a default is the case or if there is evidence of impairment such as a debtor's significant financial difficulties, it is judged as impaired credit.

Expected credit losses are the difference between the entire contractual cash flow payable to a company under the contract and the entire cash flow projected to be received by the company, and are estimated by reflecting reasonable and supportable information, which is available at the reporting date without undue cost or effort, about past events, including the historical default rate, current conditions, and forecasts of future economic conditions, etc.

The provision amount of allowance for doubtful accounts concerning financial assets is recognized as profit or loss. In the event that allowance for doubtful accounts is reduced, the reversal amount of allowance for doubtful accounts is recognized as profit or loss. When there is no reasonable expectation of full or partial recovery of a financial asset, the Group directly reduces the total carrying amount of financial assets.

(d) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Group transfers the financial assets and substantially all the risks and economic benefits of ownership of the financial assets.

2) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are initially recognized on a transaction date and are measured at the amount of fair value, less directly derived transaction costs.

(b) Subsequent measurement

It is measured at amortized cost using the effective interest method. Gains and losses from amortization using the effective interest method and derecognition are recognized as profit or loss.

(c) Derecognition

The Group derecognizes financial liabilities when financial liabilities are extinguished, i.e., when the obligation specified in the contract is discharged, canceled, or expired.

3) Offset presentation of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amounts are presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4) Derivative and hedge accounting

The Group engages in derivative transactions, such as forward exchange contracts, to manage currency risk. Derivatives are initially recognized at fair value at the time when the Group became a contracting party and are subsequently measured at fair value thereafter. Changes in fair value are recognized as profit or loss.

The Group does not apply hedge accounting to derivatives. Derivatives are classified as financial assets measured at fair value through profit or loss.

5) Fair value of financial instruments

Financial instruments measured at fair value are calculated using various valuation techniques and inputs. According to observability of inputs to valuation techniques used in measurement of fair value, fair values are classified into the following three levels:

- Level 1: Fair values measured at quoted prices in active markets
- Level 2: Fair values other than Level 1 that are calculated using observable prices either directly or indirectly
- Level 3: Fair values that are calculated using valuation techniques, including inputs not based on observable market data

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits that can be withdrawn at any time, and short-term investments that are readily convertible into cash; are exposed to insignificant risk of changes in value; and are matured or redeemable in three months or less from each acquisition date.

(6) Inventories

Inventories are measured at cost or net realizable value, whichever is lower. Cost of inventories includes purchase costs, processing costs, and all other costs incurred in bringing the inventories to the present location and condition. Processing costs include fixed manufacturing indirect costs based on the normal capacity of production facilities. Cost of inventories is calculated, in the case of merchandise, finished goods, and work in process, based on the specific identification method or the moving-average method, and in the case of raw materials, based on the first-in, first-out method or the moving-average method.

Net realizable values represent the estimated selling price in the ordinary course of business, less any estimated costs of completion and the estimated costs necessary to make the sale.

(7) Property, plant, and equipment (excluding right-of-use assets)

Property, plant, and equipment are measured at cost, less any accumulated depreciation and impairment losses, using the cost model.

The costs of items of property, plant, and equipment comprise costs directly attributable to the acquisition of assets, costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs of assets that meet the qualifying criteria.

The depreciable amount obtained by deducting residual value from the cost of property, plant, and equipment is depreciated over estimated economic life using the straight-line method. The estimated economic lives of principal property, plant, and equipment are as follows:

- |                          |              |
|--------------------------|--------------|
| Buildings and structures | 3 – 60 years |
| Machinery and vehicles   | 2 – 17 years |

Residual values and economic lives of the items of property, plant, and equipment are reviewed at each fiscal year end, and estimates are changed when necessary.

(8) Goodwill and intangible assets (excluding right-of-use assets)

1) Goodwill

Measurement of goodwill at initial recognition is as shown in “(2) Business combinations.” Goodwill after the initial recognition is recognized at cost less accumulated impairment losses. Goodwill is not to be amortized but instead tested for impairment annually, and whenever there is an indication of impairment.

2) Intangible assets

Intangible assets are recorded at cost, net of accumulated amortization and impairment losses, using the cost model.

(a) Intangible assets acquired individually

Cost of intangible assets acquired individually is measured inclusive of the cost directly attributed to the acquisition of assets.

(b) Intangible assets acquired in business combinations

Cost of intangible assets acquired in business combinations is measured at the fair value as of the acquisition date.

(c) Internally generated intangible assets (development expense)

Expenditures arising from development (or development phase of internal projects) are recognized as assets only if all of the following are verifiable, and other expenditures are recognized as expenses as incurred:

- Technical feasibility of completing the intangible assets so that they will be available for use or sale
- Company's intention to complete the intangible assets and use or sell them
- Ability to use or sell the intangible assets
- How the intangible assets will generate highly probable future economic benefits
- Availability of adequate technical, financial, and other resources necessary for completing the development of, and for using or selling, intangible assets
- Ability to measure reliably the expenditure attributable to the intangible assets during their development

Intangible assets with finite economic lives are amortized over their respective estimated economic lives using the straight-line method. Amortization of such assets begins from the point when they become available for use. Estimated economic lives of primary intangible assets are as follows:

- |                           |             |
|---------------------------|-------------|
| Software for internal use | Five years  |
| Software for sale         | Three years |
| Trademarks                | 15–20 years |
| Customer-related assets   | 10–15 years |

A period and a method of amortization of intangible assets with finite economic lives are reviewed at each fiscal year end and estimates are changed when necessary.

Intangible assets with indefinite economic lives and intangible assets not yet available for use are not amortized and are instead tested for impairment annually or whenever there is an indication of impairment.

(9) Leases

1) Lease as a lessee

Fiscal year ended March 31, 2019 (From April 1, 2018, to March 31, 2019)

Finance leases are recorded as assets at fair value at the inception of the lease or at present value of the minimum lease payments, whichever is lower. Lease obligations are recorded as current liabilities and noncurrent liabilities in the consolidated statement of financial position.

After initial recognition, they are depreciated using the straight-line method based on the accounting policies applied for such assets. Minimum lease payments are allocated to finance costs and the repayment portion in the liability balance. Finance costs are measured so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognized in expenses on a straight-line basis over the lease term.

Fiscal year ended March 31, 2020 (From April 1, 2019, to March 31, 2020)

Lease liabilities in lease transactions are measured at the discounted present value of the outstanding portion of total lease payments at the lease commencement date. Right-of-use assets are initially measured at the amount of the initial measurement of lease liabilities adjusted by initial direct costs and prepaid lease payments, etc. The right-of-use assets are depreciated on a systematic basis over the lease term.

Lease payments are allocated to finance costs and repayments to the remaining balance of lease liabilities, so as to produce a constant periodic rate of interest on the remaining balance of lease liabilities. In the consolidated statement of profit or loss, finance costs are presented separately from the depreciation charge for the right-of-use assets.

The Group assesses whether the contract is, or contains, a lease based on the substance of the contract even if the contract does not take the legal form of a lease. Additionally, lease payments related to leases for which the lease term ends within 12 months and leases for which the underlying asset is of low value are recognized as costs on a straight-line basis over the lease term.

2) Lease as a lessor

Finance leases are initially recognized as lease receivables (trade and other receivables) at the current value of net investment in the lease at the inception of the lease that have been discounted with the interest rate implicit in the lease. Total lease payments receivable are classified into lease receivables, principal portion, and interest portion, and lease payments receivable are distributed to interest portion using the interest method.

If the finance leases are primarily intended to sell goods and services, fair values or total minimum lease payments discounted by the market interest rate, whichever is lower, of the assets subject to lease are recognized as revenue. At the same time, expenses arising from entering into such a lease contract are recognized as cost of sales.

In operating leases, lease properties subject to lease are recognized in the consolidated statement of financial position, and lease payments receivable are recognized as revenue over the respective lease terms using the straight-line method.

(10) Investment property

Investment property is a property held for the primary purpose of earning rental income.

Investment property is recorded at cost, net of accumulated depreciation and impairment losses, using the cost model.

The depreciable amount obtained by deducting residual value from the cost of investment property is depreciated over estimated economic life, using primarily the straight-line method. Economic lives of investment property by type are as follows:

Buildings and structures	10 – 31 years
Land is not subject to depreciation.	
Residual value of investment property and estimated economic life are reviewed at each fiscal year end.	

(11) Impairment losses on non-financial assets

The Group assesses whether there is any indication of impairment in assets at the end of each reporting period. If any such indication exists, the recoverable amount of such assets is estimated. Regardless of indication of impairment, intangible assets with indefinite economic lives, or intangible assets not yet available for use, and goodwill acquired in business combinations are tested for impairment annually.

The recoverable amount is the higher of its value in use or its fair value, less costs for disposal of assets or a cash-generating unit. If the recoverable amount of an individual asset is not estimable, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

Value in use is the present value calculated by discounting the estimated future cash inflows and outflows from the continued use and eventual disposition of the asset by the pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized when the recoverable amount of assets or cash-generating unit is lower than the carrying amount of such assets or cash-generating unit.

Impairment losses recognized in the past periods, for assets other than goodwill were reversed only when there was a change in estimates used for calculating the recoverable amount of such assets, based on indication that impairment losses may no longer exist or may have decreased after the final recognition of such impairment losses.

(12) Provisions

Provisions are recognized when the Group has present legal or constructive obligations that are reliably estimable as a result of past events and it is probable that outflows of resources embodying economic benefits will be required to settle the obligations.

Provisions are, based on the best estimates of expenses required to settle the current obligations at each fiscal year end (future cash flows), measured at the present value of estimated future cash flows discounted using a discount rate that reflects the risks specific to the liability if the impact of time value of money is material. The unwinding of the discount is recognized as finance costs.

The Group's primary provisions are as follows:

Provision for product warranty

The Group sells products with product warranties. Repair cost projected to be incurred during the warranty period of sold products is calculated based on historical record and recorded as provision for product warranty. Even after the product warranty period, the amount of repair costs associated with product defects (including recall) arising from product liability projected to be incurred in the future is recorded as provision for product warranty by individually estimating the number of products subject to repair, cost of measure per product, and historical record.

(13) Employee benefits

1) Short-term employee benefits

Short-term employee benefits are recognized as expenses on an undiscounted basis during the period when the service is rendered. Short-term employee benefits of the Group are composed of bonus accrual and paid leave.

Paid leave is recognized as liabilities when, in the cumulative paid leave plans, the Group may have legal or constructive obligations to pay as a result of cumulative and unused rights at each fiscal year end and when reliable estimates of the obligations can be made.

Bonus accrual is recognized as liabilities when the Group has legal or constructive obligations to pay as a result of past employee service and when reliable estimates of the obligation can be made.

2) Postemployment benefits

As postemployment benefit plans, the Group adopts corporate pension plans (cash balance plans), defined contribution pension plans, and lump-sum benefit plans.

(a) Defined contribution plans

Contributions to defined contribution plans are recognized as an expense as incurred, except in cases where they can be included in the costs of inventories or property, plant, and equipment.

(b) Defined benefit plans

The net amount of assets or liabilities related to defined benefit plans is an amount obtained by deducting the fair value of plan assets (including adjustment to the upper limit of defined benefit assets or minimum funding requirements, if necessary) from the present value of a defined benefit obligation, and is recognized as assets or liabilities in the consolidated statement of financial position. Defined benefit liabilities are calculated based on the projected unit credit method, and their present value is calculated by applying a discount rate to the future payments. The discount rate is determined by referring to yields on high-quality corporate bonds with maturity terms approximating to the terms in which the payment is projected.

Service cost and net interest expenses on net assets or liabilities associated with defined benefit liabilities are recognized as profit or loss.

Actuarial gains and losses and fluctuations in income related to plan assets, excluding the portion included in net interest expenses, are regarded as remeasurement of defined benefit plans and are recognized as other comprehensive income in the period when they are incurred, to be immediately transferred from other components of equity to retained earnings.

Past service cost is recognized as profit or loss upon occurrence of plan modification or curtailment or upon recognition of related restructuring expenses or termination benefits, whichever comes first.

(14) Government grants

Government grants are recognized when the Group satisfies the conditions attached to the grants and there is reasonable assurance that the grants will be received.

Government grants related to incurred expenses are recognized regularly as revenue over the period in which the related costs projected to be reimbursed by grants are recognized as expenses. Government grants related to assets are recognized as deferred revenue and are recognized regularly as revenue over the estimated economic life of such assets.

(15) Equity

1) Share capital and capital surplus

Equity instruments issued by the Company are recognized as share capital and capital surplus at their issuance price. Transaction costs directly arising from the issuance are deducted from capital surplus.

2) Treasury shares

Purchase of treasury shares is recognized at cost and presented less equity. Transaction costs directly arising from the purchase are deducted from equity. When treasury shares are sold, the consideration received is recognized as an increase in equity, and the difference between the carrying amount and the consideration received is included in capital surplus.

(16) Revenue recognition

The Group recognizes revenue in the amount that reflects the consideration to which it expects to be entitled in exchange for customers, goods, or services based on the following five-step approach:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group's primary business consists of "Metalworking Machinery Business" engaged in production and sales of sheet metal and microwelding products and "Metal Machine Tools Business" focused on production and sales of cutting, stamping presses, and grinding products. Regarding sales of these products, it is judged that customers acquire control of such products and the Group's performance obligation is satisfied primarily at the time of an acceptance inspection by the customers. Therefore, revenue is recognized at the time of the acceptance inspection.

The Group may provide maintenance in relation to the products, real estate leasing, and other services to customers. Regarding performance obligations related to such services, customers receive benefits as the Group performs obligations in the contracts with customers. Therefore, revenue is recognized over the respective contract terms.



(17) Borrowing costs

The Group recognizes borrowing costs directly attributable to the acquisition, construction, or production of certain assets (“qualifying assets”), which take a considerable period of time to become ready for their intended use or sale, as part of costs of those assets.

Other borrowing costs are recognized as expenses in the period they are incurred.

(18) Income taxes

Income taxes comprise current taxes and deferred taxes. These are recognized in profit or loss, except for the taxes, which arise from business combinations or are recognized either in other comprehensive income or directly in equity.

1) Current tax

Current tax is measured in the amount of expected taxes payable to taxing authority or taxes receivable from taxing authority. Calculation of the tax amount is based on tax rates and tax regulations enacted or substantially enacted by the end of the reporting period in each country.

2) Deferred tax

Deferred tax is calculated based on temporary differences between tax basis of assets and liabilities at the end of the reporting period and the carrying amount, operating loss carryforwards, and carryforward tax deduction. Deferred tax assets for deductible temporary differences are only recognized to the extent it is probable that there will be taxable profits against which the benefits of the temporary differences can be utilized in the foreseeable future, and deferred tax liabilities are recognized, as a general rule, for all taxable temporary differences.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Temporary differences arising from the initial recognition of goodwill
- Temporary differences arising from the initial recognition of assets and liabilities which occurred from transactions (other than business combination transactions) that do not have impact on neither accounting profit nor taxable profit for tax purpose
- Taxable temporary difference related to investments in subsidiaries and associates and interests in joint arrangements when the timing of the reversal is controlled and when it is probable that the temporary difference will not reverse in the foreseeable future
- Deductible temporary difference related to investments in subsidiaries

and associates and interests in joint arrangements when it is not probable that the temporary difference will not reverse in the foreseeable future or it is not probable that there will be taxable profits against which the benefits of such temporary differences can be utilized

Deferred tax assets and liabilities are measured by tax rates (and tax regulations) projected to be applied to the period when the assets will be realized or liabilities will be settled based on tax rates (and tax regulations) enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and if either of the following cases is applied:

- When income taxes relate to income taxes levied by the same tax authority on the same taxable entity.
- Although income taxes are levied on different taxable entities, when these taxable entities intend either to settle current tax assets and current tax liabilities on a net basis or to realize current tax assets and settle current tax liabilities simultaneously.

The carrying amount of deferred tax assets is reviewed at each fiscal year end. The carrying amount of deferred tax assets is reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be realized. The reduced amount is reversed to the extent it is no longer probable that sufficient taxable profits will be available.

(19) Profit per share

Basic earnings per share are calculated by dividing profit or loss attributable to owners of parent (ordinary equity holders) by the average number of common shares issued, less treasury shares, during the period.

Diluted earnings per share are calculated upon adjusting the impact of all the potential common shares with dilutive effect.

(20) Noncurrent assets held for sale

Among noncurrent assets and disposal group, which will be recovered through a sale instead of through continuing use, those whose sale is highly probable within one year are available for immediate sale in their present conditions, and those whose sale is committed by the management of a consolidated subsidiary, these noncurrent assets are classified as noncurrent assets and disposal group held for sale and are measured at the carrying amount or fair value, less costs to sell, whichever is lower, without depreciation or amortization.

at the end of the reporting period. Due to their nature, however, figures based on these estimates and assumptions may differ from the actual results.

Estimates and their underlying assumptions are reviewed on a continual basis. The impact of these reviews on estimates is recognized in the period in which the estimates were reviewed and in the future period. In the fiscal year ended March 31, 2020, the impact of the outbreak of COVID-19 was

limited on the Group as a whole, although production and sales activities were restricted in some areas. On the other hand, since the beginning of April 2020, economic activities have been significantly restricted due to the impact of lockdowns in various countries, such as the announcement of emergencies in Japan. As a result, the year-on-year growth rate of orders received, which is a leading indicator of net sales, has been sluggish, and there are concerns that this will have an impact on business performance from the next fiscal year onward.

Under these circumstances, our Group assumes that the impact of COVID-19 will converge in the second half of the fiscal year, that customers’ capital investment sentiment will improve due to fiscal and monetary policies in each country, and that the Group’s performance will recover and remain stable thereafter, referring to the current order status and the forecasts of industry associations related to our group.

The Company assessed the applicability of impairment loss of non-financial assets including goodwill and the recoverability of deferred tax assets, which are expected to affect the accounting estimates in the consolidated financial statements for the current fiscal year, based on this certain assumption. As a result, the amount of the impact on the consolidated financial statements for the current fiscal year was calculated to be insignificant.

(1) Significant judgment for applying accounting policies

Significant judgment made in the course of applying accounting policies is as follows:

- Determination of the scope of consolidated subsidiaries and companies accounted for by equity method (“3. Significant Accounting Policies (1)”)
- Classification of leases (“3. Significant Accounting Policies (9)”)

(2) Matters constituting uncertainties in estimates

The following notes include major information in respect of assumptions made about future and uncertainties of other estimates at the end of the current period, which have a significant risk to cause material adjustment in the carrying amount of assets and liabilities.

- Significant assumptions used for measuring the value in use of impairment losses for nonfinancial assets (“3. Significant Accounting Policies (11)”), (“17. Impairment of Nonfinancial Assets”)
- Future business plan used for judging the recoverability of deferred tax assets (“3. Significant Accounting Policies (18)”), (“20. Income Taxes”)
- Recognition of provision and its measurement (“3. Significant Accounting Policies (12)”), (“25. Provisions”)
- Assumptions used for measuring defined benefit liabilities (“3. Significant Accounting Policies (13)”), (“28. Employee Benefits”)
- Measurement of fair value of financial instruments (“3. Significant Accounting Polices (4)”), (“39. Financial Instruments”)

5 ISSUED STANDARDS AND INTERPRETATIONS NOT YET APPLIED

None of the new issued standards and new interpretations that were newly established or revised by the date of publication of the consolidated financial statements have a significant impact on the consolidated financial statements of the Group.

6 OPERATING SEGMENTS

(1) Outline of reportable segments

The Group’s reportable segments are the business units for which the Group is able to obtain respective financial information separately in order for the Company’s Board of Directors to conduct periodic investigation to distribute management resources and evaluate their business results.

The Group’s business comprises “Metalworking Machinery Business” engaged in production and sales of sheet metal and microwelding products and “Metal Machine Tools Business” focused on production and sales of products for cutting, stamping presses, and grinding. The business activities of “Metalworking Machinery Business” and “Metal Machine Tools Business” are developed by, and comprehensive strategies for Japan and overseas with respect to the respective products and services are formulated by the Company and AMADA CO., LTD., AMADA MACHINE TOOLS CO., LTD. (Changed its trade name to AMADA Machinery LTD. on April 1, 2020.) and AMADA ORII CO., LTD. ((Changed its trade name to AMADA PRESS SYSTEM LTD. on April 1, 2020.)), respectively.

Therefore, the Group consists of these different business segments based on production and sales systems and has two reportable segments of “Metalworking Machinery Business” and “Metal Machine Tools Business.”

“Metalworking Machinery Business” manufacturers products for the sheet metal market, such as laser machines, punch presses, and press brakes, and manufacturers products for the microwelding market including microwelding machines. “Metal Machine Tools Business” manufacturers products for the cutting market including metal-cutting band saws, the stamping presses market such as mechanical presses, and grinding for grinding market.

(2) Reportable segment information

Accounting policies for reported operating segments are generally the same as the description in “3. Significant Accounting Policies.”

Information by the Group’s reportable segment is as follows. Profit by reportable segment is calculated based on operating profit. Intersegment transactions are based on a wholesale price determined in consideration of market prices.

Fiscal year ended March 31, 2019 (From April 1, 2018, to March 31, 2019)

	Millions of yen					
	2019					Consolidated financial statements
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	
Revenue						
Revenue from external customers	¥272,872	¥64,269	¥1,033	¥338,175	¥ —	¥338,175
Intersegment revenue	5	8	—	13	(13)	—
Total	¥272,878	¥64,278	¥1,033	¥338,189	¥ (13)	¥338,175
Segment profit	¥ 35,691	¥ 9,106	¥ 347	¥ 45,145	¥ —	¥ 45,145
Finance income						2,996
Finance costs						(703)
Share of profit of investments accounted for using equity method						303
Profit before tax						47,742
Segment assets	¥378,822	¥67,926	¥9,957	¥456,706	¥111,155	¥567,861
(Other items)						
Depreciation and amortization	¥ 10,095	¥ 1,734	¥ 5	¥ 11,835	¥ 694	¥ 12,529
Investments accounted for using equity method	1,550	88	—	1,638	—	1,638
Capital expenditures	14,686	1,775	—	16,462	610	17,073

(Notes) 1. "Other" category is an operating segment not included in reportable segments, including Real estate leasing business, Automobile leasing business, etc.  
2. Adjustments are as follows:  
(1) The adjustment of segment assets of ¥111,155 million is corporate assets not allocated to each reportable segment. Major components are the Company's excess funds (deposits, marketable securities, etc.), long-term investment funds (investment securities), and customer training and reception facilities.  
(2) Of corporate assets, revenue or expenses on customer training and reception facilities are included in each reportable segment and presented based on a reasonable allocation method. As a reasonable allocation is difficult for assets, they are included in "adjustment" as common assets.  
(3) Increase in property, plant, and equipment and intangible assets of ¥610 million is a capital expenditure related to corporate assets.  
3. Segment profit is adjusted with operating profit in the consolidated statement of profit or loss.  
4. In the fiscal year ended March 31,2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31,2019 have been revised.

Fiscal year ended March 31, 2020 (From April 1, 2019, to March 31, 2020)

	Millions of yen					
	2020					Consolidated financial statements
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	
Revenue						
Revenue from external customers	¥257,126	¥61,744	¥1,240	¥320,112	¥ —	¥320,112
Intersegment revenue	6	5	—	11	(11)	—
Total	¥257,133	¥61,750	¥1,240	¥320,124	¥ (11)	¥320,112
Segment profit	¥ 27,537	¥ 6,510	¥ 633	¥ 34,682	¥ —	¥ 34,682
Finance income						1,494
Finance costs						(2,717)
Share of profit of investments accounted for using equity method						330
Profit before tax						33,789
Segment assets	¥386,353	¥68,671	¥9,799	¥464,824	¥93,770	¥558,595
(Other items)						
Depreciation and amortization	¥ 13,401	¥ 1,968	¥ 5	¥ 15,376	¥ 703	¥ 16,080
Investments accounted for using equity method	335	87	—	422	—	422
Capital expenditures	28,326	4,491	—	32,818	273	33,091

(Notes) 1. "Other" category is an operating segment not included in reportable segments, including Real estate leasing business, Automobile leasing business, etc.  
2. Adjustments are as follows:  
(1) The adjustment of segment assets of ¥93,770 million is corporate assets not allocated to each reportable segment. Major components are the Company's excess funds (deposits, marketable securities, etc.), long-term investment funds (investment securities), and customer training and reception facilities.  
(2) Of corporate assets, revenue or expenses on customer training and reception facilities are included in each reportable segment and presented based on a reasonable allocation method. As a reasonable allocation is difficult for assets, they are included in "adjustment" as common assets.  
(3) Increase in property, plant, and equipment and intangible assets of ¥273 million is a capital expenditure related to corporate assets.  
3. Segment profit is adjusted with operating profit in the consolidated statement of profit or loss.  
4. Capital expenditures includes the increase in right-of-use assets.

Fiscal year ended March 31, 2020 (From April 1, 2019, to March 31, 2020)

	Thousands of U.S. dollars (Note 2 (3))					
	2020					Consolidated financial statements
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	
Revenue						
Revenue from external customers	\$2,362,646	\$567,352	\$11,398	\$2,941,397	\$ —	\$2,941,397
Intersegment revenue	60	47	—	108	(108)	—
Total	\$2,362,706	\$567,400	\$11,398	\$2,941,505	\$ (108)	\$2,941,397
Segment profit	\$ 253,032	\$ 59,826	\$ 5,824	\$ 318,683	\$ —	\$ 318,683
Finance income						13,729
Finance costs						(24,974)
Share of profit of investments accounted for using equity method						3,041
Profit before tax						310,479
Segment assets	\$3,550,061	\$631,002	\$90,041	\$4,271,105	\$861,624	\$5,132,730
(Other items)						
Depreciation and amortization	\$ 123,142	\$ 18,091	\$ 51	\$ 141,285	\$ 6,468	\$ 147,754
Investments accounted for using equity method	3,081	802	—	3,883	—	3,883
Capital expenditures	260,283	41,270	—	301,553	2,513	304,067

(3) Information about products and services

Revenue from external customers by product and service is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	Revenue from external customers		
	2019	2020	2020
Metalworking Machinery Business			
Sheet Metal Division	¥243,241	¥228,556	\$2,100,127
Microwelding Division	29,630	28,569	262,518
Metal Machine Tools Business			
Cutting Division	38,629	35,916	330,024
Stamping Press Division	17,383	19,241	176,799
Grinding Division	8,257	6,587	60,528
Other	1,033	1,240	11,398
Total	¥338,175	¥320,112	\$2,941,397

(4) Geographic information

Revenue from external customers and noncurrent assets by geographical area are as follows:

1) Revenue from external customers

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Japan	¥148,992	¥145,668	\$1,338,494
North America	67,535	69,233	636,158
Europe	63,073	59,781	549,315
China	20,575	13,020	119,643
Asia and others	37,997	32,408	297,785
Total	¥338,175	¥320,112	\$2,941,397

(Note) Revenue is classified by country or geographical area based on customer location.



2) Noncurrent assets

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Japan	¥112,056	¥127,765	\$1,173,991
North America	18,854	25,885	237,855
Europe	14,944	18,042	165,781
China	5,502	5,668	52,085
Asia and others	7,812	7,475	68,685
Total	¥159,169	¥184,836	\$1,698,399

(Notes) 1. Noncurrent assets are classified by country or geographical area based on company's location. Financial instruments, deferred tax assets, and retirement benefit asset are not included.  
2. In the fiscal year ended March 31,2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31,2019 have been revised.

(5) Information about major customers

Of revenue from external customers, there is no single customer that accounts for 10% or more of revenue in the consolidated statement of profit or loss and, therefore, the description is omitted.

7 BUSINESS COMBINATION

Fiscal year ended March 31, 2019 (From April 1, 2018, to March 31, 2019)

Business combination through acquisition of Marvel Manufacturing Company, Inc. (“Marvel”) and Marvel Real Estate Co., LLC (“Marvel Real Estate”)

The Company acquired all the issued shares of and equity interests in Marvel and its subsidiary, Marvel Real Estate, and made them into wholly owned subsidiaries on July 31, 2018. Additionally, Marvel Real Estate was merged into Marvel on October 3, 2018.

(1) Overview of the business combination

1) Names of acquirees and description of business

Names of acquirees:

- Marvel
- Marvel Real Estate

(Note) Marvel changed its trade name to Amada Marvel, Inc. (“Amada Marvel”) on September 19, 2018.

Description of business of acquirees:

- Manufacture and sales of metal-cutting machines, parts, and blades

2) Reason for the business combination

Marvel is a long-standing manufacturer which has been engaged in the manufacture and sale of metal-cutting machines, parts, and blades. Marvel's main products are vertical tilt frame band saws for which it holds a high share in North America as a metal-cutting band saw. By adding Marvel to the Group as a member, the Group will develop special blades for vertical tilt frame band saws in Japan, and Amada Marvel will sell them in North America. Besides, through the Group's overseas subsidiaries, the Group will sell Amada Marvel’s products in regions other than North America. In this manner, it was judged that by leveraging the Group's development and sales capabilities, the cutting business can be expanded globally.

3) Date of business combination

July 31, 2018

4) Acquired ratio of equity interests with voting rights

100%

5) Method used to acquire control of acquiree

Purchase of shares in exchange for cash

(2) Major acquisition-related costs and amount thereof

Acquisition-related expenses, such as advisory expenses of ¥186 million, are recorded as “selling, general, and administrative expenses” in the consolidated statement of profit or loss for the fiscal year ended March 31, 2019.

(3) Consideration transferred and its components

Item	Millions of yen
	2019
Fair value of the consideration transferred (Note)	
Cash	¥2,773
Total	¥2,773

(Note) Fair value of the consideration transferred is distributed to assets acquired and liabilities assumed based on the fair value on the day on which control was acquired.

(4) Fair value of assets acquired and liabilities assumed as of the date of business combination

Item	Millions of yen
	2019
Fair value of assets acquired and liabilities assumed (Note) 1	
Current assets	
Trade and other receivables (Note) 2	¥ 225
Inventories	673
Other	22
Noncurrent assets	
Property, plant, and equipment	550
Intangible assets	1,024
Total assets	¥2,496
Current liabilities	
Trade and other payables	¥ 267
Borrowings	20
Other	2
Noncurrent liabilities	
Borrowings	96
Other	8
Total liabilities	¥ 394
Total equity	¥2,101

(Notes) 1. The fair value of assets acquired and liabilities assumed was determined in the year ended March 31, 2019.  
2. As for fair value of ¥225 million of “trade and other receivables” included in acquired current assets, the total amount of contracts is ¥228 million and the estimate of the contractual cash flows not expected to be collected is ¥2 million.

(5) Goodwill generated through acquisition

Item	Millions of yen
	2019
Consideration transferred	¥2,773
Fair values of assets acquired and liabilities assumed (net)	2,101
Goodwill (Note)	¥ 671

(Note) Goodwill arises primarily as a reasonable estimate of future economic benefits expected to be generated from acquisition, including synergies with existing operations.  
Goodwill is expected to be deductible for tax purposes.

(6) Proceeds or expenditure by sale of shares of subsidiaries

Item	Millions of yen
	2019
Consideration transferred in cash	¥2,773
Cash and cash equivalents at acquired subsidiary	0
Purchase of subsidiary shares resulting in change in scope of consolidation	¥2,773

(7) Impact on the Group’s business performance

Revenue and profit generated from Amada Marvel on and after the acquisition date, which are included in the Group’s consolidated statement of profit or loss, and profit or loss information on the assumption that the said business combination was executed at the beginning of the period are omitted due to their insignificant impact on the consolidated statement of profit or loss.

Business combination through acquisition of Orii and Mec Corporation (“Orii and Mec”)

Based on the share transfer agreement concluded with Namura Shipbuilding Co., Ltd. (“Namura Shipbuilding”), the Company acquired all of the shares of Orii and Mec, which had been a subsidiary of Namura Shipbuilding, on October 1, 2018, and made it a wholly owned subsidiary.

(1) Overview of the business combination

1) Name of acquiree and description of its business

Name of acquiree:

Orii and Mec

(Note) Orii and Mec changed its trade name to AMADA PRESS SYSTEM CO.,LTD. on April 1, 2020.

Description of business of acquiree:

Development, manufacture, sales, and services related to automation equipment for press processing, spring machines, etc.

2) Reason for the business combination

The Group believes that the business combination will enable the provision of comprehensive, one-stop automated solutions to customers by integrating Orii and Mec’s peripheral equipment, such as transfer robot for stamping press machines and the Group’s stamping press machines. Furthermore, the Group will be able to contribute to improving the productivity of customers’ stamping press lines, such as for automotive parts production and reducing person-hours and the costs of introducing machines and peripheral equipment in addition to improving maintenance efficiency.

Besides, through synergies of sales networks in and outside Japan and capabilities in providing technical solutions possessed by both companies, the Group’s global stamping press business is projected to expand. In addition, the business combination will accelerate transformation of the Group’s business from simple machine sales to a solution business, in which the Group proposes automated production lines to customers. This will strengthen the Group’s competitive edge in the stamping press business globally.

3) Date of business combination

October 1, 2018

4) Acquired ratio of equity interests with voting rights

100%

5) Method used to acquire control of acquiree

Purchase of shares in exchange for cash

(2) Major acquisition-related expenses and amount thereof

Acquisition-related expenses, such as advisory expenses, of ¥105 million are recorded as “selling, general, and administrative expenses” in the consolidated statement of profit or loss for the fiscal year ended March 31, 2019.

(3) Consideration transferred and its components

Item	Millions of yen
	2019
Fair value of the consideration transferred (Note)	
Cash	¥12,736
Total	¥12,736

(Note) Fair value of the consideration transferred is distributed to assets acquired and liabilities assumed based on the fair value on the day on which control was acquired.

(4) Fair value of assets acquired and liabilities assumed as of the date of business combination

Item	Millions of yen
	2019
Fair value of assets acquired and liabilities assumed (Note) 1	
Current assets	
Cash and cash equivalents	¥ 3,813
Trade and other receivables (Note) 2	2,765
Inventories	2,916
Other	131
Noncurrent assets	
Property, plant, and equipment	2,008
Other	657
Total assets	¥12,292
Current liabilities	
Trade and other payables	¥ 2,433
Borrowings	58
Income taxes payable	208
Other	1,586
Noncurrent liabilities	
Retirement benefit liability	602
Other	63
Total liabilities	¥ 4,954
Fair value of assets acquired and liabilities assumed (net)	¥ 7,338

(Notes) 1. As the fair value measurement by an independent expert is incomplete and the allocation of acquisition cost is not completed as of the reporting day, the fair values of assets acquired and liabilities assumed are provisional fair values based on the best estimate at this point and are subject to revision for one year from the date on which the control was acquired, if additional information related to the facts and circumstances existed as of the date on which the control was acquired is made available and evaluable.  
2. As for fair value of ¥2,765 million of “trade and other receivables” included in acquired current assets, the total amount of contracts is ¥2,765 million and the estimate of the contractual cash flows not expected to be collected is ¥0 million.

(5) Goodwill generated through acquisition

Item	Millions of yen
	2019
Consideration transferred	¥12,736
Fair value of assets acquired and liabilities assumed (net)	7,338
Noncontrolling interests (Note) 1	77
Goodwill (Note) 2	¥ 5,475

(Notes) 1. Noncontrolling interests are those related to subsidiaries of Orii and Mec and are measured by multiplying the net assets as of the acquisition date by noncontrolling interest ratio.  
2. Goodwill arises primarily as a reasonable estimate of future economic benefits expected to be generated from acquisition, including synergies with existing operations. However, as fair values of assets acquired and liabilities assumed have not been determined, it is an amount calculated on a tentative basis. After the determination of fair value, the amount of goodwill will be determined primarily by allocating the consideration transferred to intangible assets, which will be recognized apart from the goodwill unidentified as of the reporting date.  
Tax treatment of the goodwill is not yet determined as of the reporting date.

(6) Proceeds or expenditure by sale of shares of subsidiaries

Item	Millions of yen
	2019
Consideration transferred in cash	¥12,736
Cash and cash equivalents at acquired subsidiary	3,813
Purchase of subsidiary shares resulting in change in scope of consolidation	¥ 8,922



(7) Impact on the Group's business performance

Revenue and profit generated from Orii and Mec on and after the acquisition date, which are included in the Group's consolidated statement of profit or loss, and profit or loss information on the assumption that the said business combination was executed at the beginning of the period are omitted due to their insignificant impact on the consolidated statement of profit or loss.

Fiscal year ended March 31, 2020 (From April 1, 2019, to March 31, 2020)

Determination of provisional accounting for business combinations

Business combination through acquisition of Orii and Mec Corporation (“Orii and Mec”)

Based on the share transfer agreement concluded with Namura Shipbuilding, on October 1, 2018, the Company acquired all of the shares of Orii and Mec, which had been a subsidiary of Namura Shipbuilding, and made it a wholly owned subsidiary.

As the allocation of acquisition cost was not completed in the fiscal year ended March 31, 2019, fair values of assets acquired and liabilities assumed were provisional amounts. Following the determination of the fair values in the fiscal year ended March 31, 2020, the provisional amounts were revised as listed below. Additionally, as initial accounting for the business combination is complete, the consolidated statement of financial position for the fiscal year ended March 31, 2019, has been retrospectively revised. As a result, compared with the figures prior to the retrospective revision, intangible assets and deferred tax liabilities primarily increased by ¥3,409 million and ¥927 million, respectively, and goodwill decreased by ¥2,658 million for the fiscal year ended March 31, 2019. The comparative information included in the consolidated financial statements is in an amount that reflects the said effect.

(1) Fair value of assets acquired and liabilities assumed as of the date of business combination

Item	Millions of yen		
	2020		
	Provisional amount	Subsequent revision	Revised amount
Fair value of assets acquired and liabilities assumed (Note) 1			
Current assets			
Cash and cash equivalents	¥ 3,813	¥ —	¥ 3,813
Trade and other receivables (Note) 2	2,765	—	2,765
Inventories	2,916	—	2,916
Other	131	—	131
Noncurrent assets			
Property, plant, and equipment	2,008	319	2,327
Intangible assets (Note) 3	1	3,580	3,581
Other	655	(260)	395
Total assets	¥12,292	¥3,639	¥15,931
Current liabilities			
Trade and other payables	¥ 2,433	¥ —	¥ 2,433
Borrowings	58	—	58
Income taxes payable	208	—	208
Other	1,586	—	1,586
Noncurrent liabilities			
Retirement benefit liability	602	—	602
Other	63	981	1,045
Total liabilities	¥ 4,954	¥ 981	¥ 5,935
Fair value of assets acquired and liabilities assumed (net)	¥ 7,338	¥2,658	¥ 9,996

(Notes) 1. Following the completion of the fair value measurement, the allocation of acquisition cost was completed in the fiscal year ended March 31, 2020.  
2. As for fair value of ¥2,765 million of “trade and other receivables” included in acquired current assets, the total amount of contracts is ¥2,765 million and the estimate of the contractual cash flows not expected to be collected is ¥0 million.  
3. Intangible assets are depreciable intangible assets primarily comprising customer-related assets with estimated economic lives of 15 years amounting to ¥1,886 million and trademarks with estimated economic lives of 15 years amounting to ¥948 million.

(2) Goodwill generated through acquisition

Item	Millions of yen		
	2020		
	Provisional amount	Subsequent revision	Revised amount
Consideration transferred	¥12,736	¥ —	¥12,736
Fair value of assets acquired and liabilities assumed (net)	7,338	2,658	9,996
Noncontrolling interests (Note) 1	77	—	77
Goodwill (Note) 2	¥ 5,475	¥(2,658)	¥ 2,817

(Notes) 1. Noncontrolling interests are those related to subsidiaries of Orii and Mec and are measured by multiplying the net assets as of the acquisition date by noncontrolling interest ratio.  
2. Goodwill arises primarily as a reasonable estimate of future economic benefits expected to be generated from acquisition, including synergies with existing operations.  
In the fiscal year ended March 31, 2020, following the completion of the fair value measurement, the amount of goodwill was determined primarily by allocating the consideration transferred to intangible assets, which will be recognized separately from goodwill. No goodwill is expected to be deductible for tax purposes.

Business combination through acquisition of LKI Källdman LTD.

On January 31, 2020, the Company increased its shareholding ratio in LKI Källdman LTD. (“LKI Källdman”), an associate accounted for by equity method of the Company, from 40% to 100%, and made it a wholly owned subsidiary.

(1) Overview of the business combination

1) Name of acquiree and description of business

Names of acquirees:  
LKI Källdman LTD.  
(Note) LKI Källdman changed its trade name to AMADA AUTOMATION EUROPE LTD. on April 1, 2020.

Description of business of acquiree:  
Development and manufacture of automated equipment for sheet metal cutting operation machines

2) Reason for the business combination

Recently, in the sheet metal processing industry, demand for fiber laser machines is rapidly increasing due to higher oscillator output and advanced laser technology. Moreover, in Europe, due to limited working hours and heightened labor costs, there is an increasing need to automate facilities for the sheet metal cutting process. Against this backdrop, the supply speed of the unification of the latest machines and automated equipment has been a major issue for the AMADA Group in Europe. In order to resolve this issue, the Company decided to make LKI Källdman a wholly owned subsidiary for the following purposes:

- Work in close cooperation with the AMADA Group in Europe and allow for agile decision-making
- Develop, design, and manufacture automated equipment simultaneously with the development of AMADA's latest machines
- Promptly deliver automated solutions most suited to countries in Europe

3) Date of business combination

January 31, 2020

4) Acquired ratio of equity interests with voting rights

The Company held 40% of LKI Källdman's stock with voting rights immediately prior to the date of business combination. Following the additional 60% acquisition on the date of business combination, LKI Källdman became a wholly owned subsidiary.

5) Method used to acquire control of acquiree

Purchase of shares in exchange for cash

(2) Major acquisition-related costs and amount thereof

Acquisition-related costs are omitted due to their insignificant impact on the consolidated statement of profit or loss.

(3) Acquisition cost of acquiree and components of consideration by type

Item	Millions of yen	Thousands of U.S. dollars (Note 2 (3))
	2020	2020
Market value as of the date of business combination of common shares that were held immediately prior to the business combination	¥1,444	\$13,273
Cash expended for additional acquisition	2,166	19,910
Total	¥3,611	\$33,183

(Note) Acquisition cost is allocated to assets acquired and liabilities assumed based on the fair value as of the date on which control was acquired.

(4) Gain on step acquisitions

As a result of remeasuring the 40% stake that was held by the Group on the date of business combination at the fair value as of the date of business combination, a gain on step acquisitions of ¥117 million was recognized as a result of the business combination. The gain is included in other income on the consolidated statement of profit or loss.

(5) Fair value of assets acquired and liabilities assumed as of the date of business combination

Item	Millions of yen	Thousands of U.S. dollars (Note 2 (3))
	2020	2020
Fair value of assets acquired and liabilities assumed		
Current assets		
Cash and cash equivalents	¥1,058	\$ 9,728
Trade and other receivables (Note)	504	4,637
Inventories	473	4,350
Noncurrent assets		
Property, plant, and equipment	877	8,060
Other	46	422
Total assets	¥2,960	\$27,200
Current liabilities		
Trade and other payables	¥ 260	\$ 2,389
Other	278	2,556
Noncurrent liabilities		
Other	35	326
Total liabilities	¥ 573	\$ 5,272
Total equity	¥2,386	\$21,928

(Note) As for fair value of ¥504 million of "trade and other receivables" included in acquired current assets, contractual cash flow not expected to be collected is ¥0 million.

(6) Goodwill generated through acquisition

Item	Millions of yen	Thousands of U.S. dollars (Note 2 (3))
	2020	2020
Acquisition cost	¥3,611	\$33,183
Fair value of assets acquired and liabilities assumed (net)	2,386	21,928
Goodwill (Note)	¥1,224	\$11,255

(Note) Goodwill arises primarily as a reasonable estimate of future economic benefits expected to be generated from acquisition. No goodwill is expected to be deductible for tax purposes.

(7) Expenditure by acquisition of subsidiary

Item	Millions of yen	Thousands of U.S. dollars (Note 2 (3))
	2020	2020
Cash expended for additional acquisition	¥2,166	\$19,910
Cash and cash equivalents at acquired subsidiary	1,058	9,728
Expenditure by acquisition of subsidiary	¥1,108	\$10,181

(8) Impact on the Group's business performance

Revenue and profit generated from LKI Kälðman on and after the acquisition date, which are included in the Group's consolidated statement of profit or loss, and profit or loss information on the assumption that the said business combination was executed at the beginning of the period are omitted due to their insignificant impact on the consolidated statement of profit or loss.

8 SALE OF SUBSIDIARY

Fiscal year ended March 31, 2019 (From April 1, 2018, to March 31, 2019)

The Company transferred 60% of Amada Lease Co., Ltd., a wholly-owned subsidiary, to Tokyo Century Corporation.

Components of assets and liabilities of subsidiaries whose control was lost as a result of sale of shares, and gains and losses are as follows:

(1) Assets and liabilities of subsidiary as of the date the Group lost control of the subsidiary

Item	Millions of yen
	2019
Current assets	
Cash and cash equivalents	¥ 663
Trade and other receivables	13,794
Other	270
Total current assets	14,729
Noncurrent assets	
Other	399
Total noncurrent assets	399
Total assets	¥15,128
Current liabilities	
Trade and other payables	¥12,905
Other	642
Total current liabilities	13,548
Noncurrent liabilities	
Other	1,220
Total noncurrent liabilities	1,220
Total liabilities	¥14,769

(2) Proceeds or expenditure by sale of subsidiary shares

Consideration	Millions of yen
	2019
Consideration received in cash	¥ 439
Cash and cash equivalents of subsidiaries whose control was lost	663
Expenditure by sale of subsidiaries resulting in change in scope of consolidation	¥(224)

Expenditure by sale of subsidiaries resulting in change in scope of consolidation is included in "Other" in cash flows from investing activities of Consolidated Statement of Cash Flows.

(3) Gains and losses from sale of subsidiary shares

In the fiscal year ended March 31, 2019, gains due to the sale of subsidiary shares were ¥358 million, which are included in "finance income" in the consolidated statement of profit or loss. Gains recognized by measuring the retained investment at fair value are ¥145 million.

Fiscal year ended March 31, 2020 (From April 1, 2019, to March 31, 2020)

There is no relevant information.



9 CASH AND CASH EQUIVALENTS

Components of cash and cash equivalents are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Cash and deposits (Note)	¥45,795	¥41,762	\$383,741
Short-term investment	10,499	5,404	49,662
Total	¥56,295	¥47,167	\$433,404

(Notes) 1. Balance of “cash and cash equivalents” in the consolidated statement of financial position on the date of transition and as of March 31, 2019 and 2020, is equal to the balance of “cash and cash equivalents” in the consolidated statement of cash flows.  
2. The content of short-term investment is a certificate of deposit with a deposit period of 3 months or less.

10 TRADE AND OTHER RECEIVABLES

Components of trade and other receivables are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Notes and electronically recorded monetary claims	¥ 32,766	¥ 26,236	\$ 241,078
Trade receivables	106,748	98,318	903,411
(of which, amount not to be recovered within one year)	(38,790)	(36,788)	(338,036)
Lease investment assets (including real estate)	1,712	1,959	18,000
(of which, amount not to be recovered within one year)	(1,558)	(1,914)	(17,594)
Accounts receivable - other	1,565	1,435	13,187
Other	182	232	2,137
Allowance for doubtful accounts	(2,009)	(2,122)	(19,505)
Total	¥140,965	¥126,058	\$1,158,308

(Note) Trade and other receivables other than lease investment assets are classified as financial assets measured at amortized cost.

11 INVENTORIES

Components of inventories are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Merchandise and finished goods	¥ 66,056	¥ 69,225	\$636,090
Work in process	11,798	8,924	82,004
Raw materials and supplies	22,537	22,345	205,326
Total	¥100,391	¥100,495	\$923,420

(Notes) 1. In the fiscal years ended March 31, 2019 and 2020, the amounts of inventories which were recognized as costs and included in “cost of sales” in the consolidated statement of profit or loss were ¥177,391 million and ¥166,166 million (\$1,526,844 thousand), respectively.  
2. In the fiscal years ended March 31, 2019 and 2020, amounts of write-down of inventories which were recognized as costs and included in “cost of sales” in the consolidated statement of profit or loss were ¥3,253 million and ¥2,955 million (\$27,153 thousand), respectively.  
In the fiscal years ended March 31, 2019, there was no material reversal of write-down.

12 OTHER ASSETS

Components of other current assets and other noncurrent assets are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Investment property	¥ 8,142	¥ 8,142	\$ 74,814
Consumption taxes receivable	4,371	3,269	30,039
Prepaid expenses	1,990	2,000	18,378
Other	4,089	6,002	55,156
Total	¥18,593	¥19,413	\$178,387
Current assets	9,571	9,879	90,778
Noncurrent assets	¥ 9,021	¥ 9,534	\$ 87,609

13 ASSETS HELD FOR SALE

Assets held for sale are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Assets held for sale			
Property, plant, and equipment	¥—	¥449	\$4,126
Total	¥—	¥449	\$4,126

Assets held for sale as of March 31, 2020, are buildings and structures and land that are held as distribution warehouses attributable to the Metalworking Machinery Business, and are included in “Other” under “Current assets” in the consolidated statement of financial position.

Related information is described in “43. Subsequent Events.”

There were no assets held for sale as of March 31, 2019.

14 PROPERTY, PLANT, AND EQUIPMENT

(1) Changes in amount

Acquisition cost of property, plant, and equipment; changes in accumulated depreciation and impairment losses; and their carrying amounts are as follows:

1) Acquisition cost

	Millions of yen							
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Right-of-use assets (Note 4)	Land	Construction in progress	Total
Balance as of April 1, 2018	¥137,905	¥46,590	¥15,822	¥3,724	¥ 473	¥32,647	¥ 6,154	¥243,318
Acquisition	709	1,081	1,095	440	97	656	8,679	12,760
Acquisition through business combination	853	365	108	—	9	1,536	31	2,585
Sale or disposal	(770)	(2,346)	(708)	(76)	(309)	(124)	(2)	(4,338)
Exclusion of subsidiaries from consolidation	—	—	(3)	(1,711)	(2)	—	—	(1,717)
Transfer	7,385	2,168	460	(468)	289	16	(11,087)	(1,235)
Exchange rate differences on foreign currencies	(222)	(305)	(90)	61	1	8	(11)	(559)
Balance as of March 31, 2019	¥145,860	¥47,553	¥16,684	¥1,969	¥ 559	¥34,741	¥ 3,763	¥251,133
Effect of applying IFRS 16	—	—	—	—	9,895	—	—	9,895
Balance as of April 1, 2019	¥145,860	¥47,553	¥16,684	¥1,969	¥10,454	¥34,741	¥ 3,763	¥261,028
Acquisition	769	3,104	1,033	3	1,674	402	20,957	27,945
Acquisition through business combination	508	354	5	—	10	15	0	894
Sale or disposal	(215)	(662)	(423)	(409)	(354)	—	(29)	(2,094)
Exclusion of subsidiaries from consolidation	—	—	—	—	—	—	—	—
Transfer (Note 6)	5,253	903	(129)	(55)	(172)	192	(11,462)	(5,470)
Exchange rate differences on foreign currencies	(1,558)	(742)	(386)	(37)	(102)	(320)	(100)	(3,247)
Balance as of March 31, 2020	¥150,618	¥50,512	¥16,783	¥1,470	¥11,509	¥35,032	¥13,129	¥279,055

Thousands of U.S. dollars (Note 2 (3))								
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Right-of-use assets	Land	Construction in progress	Total
Balance as of March 31, 2019	\$1,340,258	\$436,955	\$153,303	\$18,099	\$ 5,142	\$319,231	\$ 34,584	\$2,307,576
Effect of applying IFRS 16	—	—	—	—	90,923	—	—	90,923
Balance as of April 1, 2019	\$1,340,258	\$436,955	\$153,303	\$18,099	\$ 96,065	\$319,231	\$ 34,584	\$2,398,499
Acquisition	7,069	28,529	9,494	33	15,389	3,701	192,566	256,784
Acquisition through business combination	4,673	3,253	46	—	95	144	5	8,219
Sale or disposal	(1,975)	(6,088)	(3,887)	(3,765)	(3,258)	—	(273)	(19,248)
Exclusion of subsidiaries from consolidation	—	—	—	—	—	—	—	—
Transfer	48,271	8,306	(1,186)	(512)	(1,588)	1,764	(105,323)	(50,268)
Exchange rate differences on foreign currencies	(14,323)	(6,819)	(3,553)	(344)	(942)	(2,940)	(920)	(29,844)
Balance as of March 31, 2020	\$1,383,975	\$464,137	\$154,217	\$13,510	\$105,759	\$321,901	\$120,640	\$2,564,141

2) Accumulated depreciation and impairment losses

Millions of yen								
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Right-of-use assets	Land	Construction in progress	Total
Balance as of April 1, 2018	¥(72,592)	¥(29,993)	¥(11,328)	¥(2,695)	¥ (339)	¥(361)	¥—	¥(117,310)
Depreciation	(4,480)	(2,533)	(1,284)	(193)	(110)	—	—	(8,603)
Sale or disposal	598	2,236	673	53	309	—	—	3,871
Exclusion of subsidiaries from consolidation	—	—	3	1,711	2	—	—	1,716
Transfer	(255)	(396)	204	460	(152)	(12)	—	(152)
Exchange rate differences on foreign currencies	14	209	51	(15)	(0)	0	—	259
Balance as of March 31, 2019	¥(76,714)	¥(30,477)	¥(11,680)	¥ (679)	¥ (292)	¥(374)	¥—	¥(120,218)
Depreciation	(4,579)	(2,671)	(1,375)	(191)	(2,412)	—	—	(11,231)
Sale or disposal	191	643	388	227	194	—	—	1,645
Exclusion of subsidiaries from consolidation	—	—	—	—	—	—	—	—
Transfer (Note 6)	3,740	75	277	55	80	(9)	—	4,220
Exchange rate differences on foreign currencies	578	523	290	11	31	0	—	1,435
Balance as of March 31, 2020	¥(76,783)	¥(31,907)	¥(12,099)	¥ (576)	¥(2,397)	¥(383)	¥—	¥(124,147)

Thousands of U.S. dollars (Note 2 (3))								
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Right-of-use assets	Land	Construction in progress	Total
Balance as of March 31, 2019	\$(704,899)	\$(280,051)	\$(107,328)	\$(6,244)	\$ (2,684)	\$(3,437)	\$—	\$(1,104,646)
Depreciation	(42,076)	(24,550)	(12,642)	(1,763)	(22,165)	—	—	(103,197)
Sale or disposal	1,764	5,914	3,567	2,089	1,786	—	—	15,122
Exclusion of subsidiaries from consolidation	—	—	—	—	—	—	—	—
Transfer	34,366	693	2,552	512	743	(84)	—	38,784
Exchange rate differences on foreign currencies	5,312	4,808	2,668	106	290	2	—	13,188
Balance as of March 31, 2020	\$(705,533)	\$(293,185)	\$(111,182)	\$(5,298)	\$(22,029)	\$(3,519)	\$—	\$(1,140,749)

3) Carrying amount

Millions of yen								
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rental	Right-of-use assets	Land	Construction in progress	Total
Balance as of date of transition (April 1, 2018)	¥65,313	¥16,596	¥4,494	¥1,028	¥ 133	¥32,286	¥ 6,154	¥126,008
Balance as of March 31, 2019	¥69,146	¥17,075	¥5,003	¥1,290	¥ 267	¥34,367	¥ 3,763	¥130,914
Balance as of March 31, 2020	¥73,834	¥18,604	¥4,683	¥ 893	¥9,112	¥34,649	¥13,129	¥154,907

Thousands of U.S. dollars (Note 2 (3))								
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rental	Right-of-use assets	Land	Construction in progress	Total
Balance as of March 31, 2020	\$678,441	\$170,952	\$43,035	\$8,211	\$83,729	\$318,381	\$120,640	\$1,423,392

(Notes) 1. Depreciation is included in "cost of sales" and "selling, general, and administrative expenses" in the consolidated statement of profit or loss.  
2. As there is no materiality in the amount of property, plant, and equipment which has been pledged as collateral to secure debt, the description is omitted.  
3. For commitment related to the acquisition of property, plant, and equipment, please see "42. Commitment and Contingencies."  
4. Changes in lease assets in relation to finance leases are described for the fiscal year ended March 31, 2019.  
5. In the fiscal year ended March 31,2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31,2019 have been revised.  
6. Transfer includes "assets held for sale".

15 GOODWILL AND INTANGIBLE ASSETS

(1) Changes in amount

Acquisition cost of goodwill and intangible assets, changes in accumulated amortization and impairment losses, and their carrying amounts are as follows:

1) Acquisition cost

Millions of yen					
	Goodwill	Intangible assets			
		Software	Customer-related assets	Other	Total
Balance as of date of transition (April 1, 2018)	¥1,173	¥14,413	¥ —	¥ 610	¥15,024
Acquisition	—	4,288	—	15	4,304
Acquisition through business combination	3,845	1	2,784	2,392	5,177
Sale or disposal	—	(2,134)	—	(2)	(2,137)
Exclusion of subsidiaries from consolidation	—	(0)	—	(14)	(14)
Transfer	—	(275)	—	83	(191)
Exchange rate differences on foreign currencies	(3)	(4)	13	(43)	(34)
Balance as of March 31, 2019	¥5,015	¥16,289	¥2,798	¥3,040	¥22,128
Acquisition	—	5,112	—	31	5,144
Acquisition through business combination	1,245	24	—	21	45
Sale or disposal	—	(841)	—	(15)	(857)
Exclusion of subsidiaries from consolidation	—	—	—	—	—
Transfer	—	345	—	54	399
Exchange rate differences on foreign currencies	(128)	(37)	(17)	4	(50)
Balance as of March 31, 2020	¥6,132	¥20,892	¥2,780	¥3,137	¥26,810

Thousands of U.S. dollars (Note 2 (3))					
	Goodwill	Intangible assets			
		Software	Customer-related assets	Other	Total
Balance as of March 31, 2019	\$46,085	\$149,677	\$25,711	\$27,942	\$203,331
Acquisition	—	46,977	—	292	47,270
Acquisition through business combination	11,442	222	—	197	419
Sale or disposal	—	(7,736)	—	(141)	(7,877)
Exclusion of subsidiaries from consolidation	—	—	—	—	—
Transfer	—	3,173	—	496	3,670
Exchange rate differences on foreign currencies	(1,178)	(340)	(164)	45	(459)
Balance as of March 31, 2020	\$56,349	\$191,974	\$25,546	\$28,833	\$246,354



2) Accumulated amortization and impairment losses

	Millions of yen				
	Goodwill	Intangible assets			
		Software	Customer-related assets	Other	Total
Balance as of date of transition (April 1, 2018)	¥(206)	¥ (5,529)	¥ —	¥(207)	¥ (5,737)
Amortization	—	(3,395)	(135)	(212)	(3,743)
Sale or disposal	—	1,992	—	2	1,994
Exclusion of subsidiaries from consolidation	—	—	—	14	14
Transfer	—	6	—	(55)	(48)
Exchange rate differences on foreign currencies	1	8	(0)	6	14
Balance as of March 31, 2019	¥(204)	¥ (6,918)	¥(135)	¥(451)	¥ (7,505)
Amortization	—	(4,164)	(215)	(318)	(4,698)
Sale or disposal	—	788	—	6	795
Exclusion of subsidiaries from consolidation	—	—	—	—	—
Transfer	—	(294)	—	(124)	(418)
Exchange rate differences on foreign currencies	—	15	1	8	25
Balance as of March 31, 2020	¥(204)	¥(10,572)	¥(348)	¥(879)	¥(11,801)

	Thousands of U.S. dollars (Note 2 (3))				
	Goodwill	Intangible assets			
		Software	Customer-related assets	Other	Total
Balance as of March 31, 2019	\$ (1,877)	\$ (63,572)	\$ (1,242)	\$ (4,147)	\$ (68,962)
Amortization	—	(38,266)	(1,976)	(2,926)	(43,169)
Sale or disposal	—	7,244	—	61	7,306
Exclusion of subsidiaries from consolidation	—	—	—	—	—
Transfer	—	(2,702)	—	(1,146)	(3,848)
Exchange rate differences on foreign currencies	—	147	12	76	235
Balance as of March 31, 2020	\$ (1,877)	\$ (97,150)	\$ (3,206)	\$ (8,082)	\$ (108,439)

3) Carrying amount

	Millions of yen				
	Goodwill	Intangible assets			
		Software	Customer-related assets	Other	Total
Balance as of date of transition (April 1, 2018)	¥ 967	¥ 8,884	¥ —	¥ 403	¥ 9,287
Balance as of March 31, 2019	¥4,811	¥ 9,370	¥2,662	¥2,589	¥14,623
Balance as of March 31, 2020	¥5,928	¥10,319	¥2,431	¥2,258	¥15,009

	Thousands of U.S. dollars (Note 2 (3))				
	Goodwill	Intangible assets			
		Software	Customer-related assets	Other	Total
Balance as of March 31, 2020	\$54,472	\$94,824	\$22,339	\$20,751	\$137,915

(Notes) 1. Amortization of intangible assets is included in “cost of sales” or “selling, general, and administrative expenses” in the consolidated statement of profit or loss.  
2. There are no intangible assets which have been pledged as collateral to secure debt.  
3. For commitment related to the acquisition of intangible assets, please see “42. Commitment and Contingencies.”  
4. In the fiscal year ended March 31, 2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31, 2019 have been revised.

(2) Significant intangible assets

In the fiscal year ended March 31, 2020, the Group’s intangible assets mainly consist of software for internal use. The average remaining amortization period is from one year to five years as of March 31, 2020.

(3) Research and development expenses

The Group’s research and development expenses in the fiscal years ended March 31, 2019 and 2020, are ¥7,172 million and ¥6,789 million (\$62,388 thousand), respectively, and are included in “selling, general, and administrative expenses” in the consolidated statement of profit or loss.

16 LEASE

(1) As lessee

As a lessee, the Group mainly rents buildings and land of business offices. Extension options and cancellation options are mainly included in real estate leases, etc. The Group is appropriately considering the necessity of exercising these options for the purpose of utilizing real estate in business.

1) Profit and loss in relation to right-of-use assets

Profit and loss in relation to right-of-use assets are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 2 (3))
	2020	2020
Depreciation of right-of-use assets		
Buildings and structures	¥1,366	\$12,305
Machinery and vehicles	715	6,447
Tools, furniture, and fixtures	167	1,506
Other	26	237
Total depreciation	¥2,275	\$20,496
Interest expense on lease liabilities	¥ 62	\$ 562
Expense for short-term leases	1,652	14,881
Expense for leases of low-value assets	21	195

2) Right-of-use assets

Components of carrying amounts of right-of-use assets (lease assets in relation to finance leases for the fiscal year ended March 31, 2019) are as follows:

	Millions of yen				
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Other	Total
Balance as of April 1, 2019	¥7,837	¥1,791	¥468	¥357	¥10,454
Balance as of March 31, 2020	¥6,968	¥1,543	¥309	¥291	¥ 9,112

	Thousands of U.S. dollars (Note 2 (3))				
	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Other	Total
Balance as of March 31, 2020	\$64,028	\$14,184	\$2,841	\$2,674	\$83,729

3) Lease liabilities

A maturity analysis of lease liabilities is described in “39. Financial Instruments (2) Financial risk management 2) Liquidity risk.”

Future minimum lease payments under noncancelable operating lease contract for the fiscal year ended March 31, 2019) are as follows:

Item	Millions of yen
	2019
Due within one year	¥405
Due after one year through five years	360
Due after five years	8
Total	¥774

4) Total amount of cash flow related to lease

Total amount of cash flow related to lease is ¥4,691 million.

(2) As lessor

The Group leases primarily certain properties as a lessor.

To ensure the collection of lease payments by renting and costs of restoring the real estate, etc., the Group accepts leasehold deposits.

1) Finance lease transactions

A maturity analysis of uncollected lease investment under finance lease contracts is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	Total uncollected lease investment (undiscounted lease payments receivable)		
	2019	2020	2020
Due within one year	¥ 252	¥ 403	\$ 3,708
Due after one year through two years	252	362	3,329
Due after two years through three years	250	323	2,970
Due after three years through four years	249	298	2,746
Due after four years through five years	258	274	2,519
Due after five years	959	712	6,547
Total	¥2,214	¥2,374	\$21,820
Less: Unearned finance income	(501)	(415)	(3,819)
Net investment in the lease	¥1,712	¥1,959	\$18,000

Income related to finance lease transactions (primarily, finance income recognized for net investment in the lease) for the fiscal years ended March 31, 2019 and 2020, were ¥111 million and ¥106 million (\$978 thousand), respectively.

In these transactions, there is no recognition of material doubtful accounts for finance lease receivables or variable lease payments recognized as revenue during the period.

There are no significant changes in the carrying amount of net investment in the lease.

2) Operating lease transactions

A maturity analysis of undiscounted future lease payments receivable under operating lease contracts is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	Total undiscounted future lease payments		
	2019	2020	2020
Due within one year	¥ 992	¥1,047	\$ 9,626
Due after one year through two years	1,047	1,047	9,626
Due after two years through three years	1,047	1,047	9,626
Due after three years through four years	1,047	1,041	9,527
Due after four years through five years	1,041	1,020	9,378
Due after five years	4,413	3,392	31,172
Total	¥9,590	¥8,597	\$79,002

Income related to operating lease transactions for the fiscal years ended March 31, 2019 and 2020, were ¥1,038 million and ¥1,318 million (\$12,199 thousand), respectively, and it is included in “Revenue” on the consolidated of profit or loss.

In these transactions, there is no variable lease payment recognized as revenue during the period.

17    IMPAIRMENT OF NONFINANCIAL ASSETS

(1) Cash-generating unit

The Group groups assets based on the smallest identifiable group of assets that generates cash inflows that are largely independent. Idle assets are reviewed for impairment according to each individual property.

(2) Impairment losses

If the recoverable amount of an asset is lower than its carrying amount, the Group reduces its value to the recoverable amount to recognize an impairment loss. Impairment loss is included in other expenses in the consolidated statement of profit or loss. In the fiscal years ended March 31, 2019 and 2020, we have recognized impairment losses on idle assets, etc. that are no longer expected to be used, but there were no significant impairment of assets.

(3) Impairment test on goodwill

Cash-generating units to which goodwill is allocated are tested for impairment annually or more frequently when there are indicators of impairment.

The carrying amount of goodwill allocated to cash-generating unit is as follows:

Reportable segment	Cash-generating unit group	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
		2019	2020	2020
Metalworking Machinery	LKI Källdman LTD. (Note 1)	¥ —	¥1,217	\$11,187
	Amada Miyachi Group (Note 2)	849	841	7,731
	Other	474	427	3,932
	Total	¥1,323	¥2,486	\$22,852
Metal Machine Tool	Orii and Mec Group (Note 3)	2,817	2,817	25,890
	Other	670	623	5,729
	Total	¥3,488	¥3,441	\$31,620
Total		¥4,811	¥5,928	\$54,472

(Notes) 1. LKI Källdman changed its trade name to AMADA AUTOMATION EUROPE LTD. on April 1, 2020.  
2. Amada Miyachi Group changed its management name to Amada Weld Tech Group. on April 1, 2020.  
3. Orii and Mec Group changed its management name to Amada Press System Group. on April 1, 2020.

Of the above, significant goodwill as of March 31, 2020 was those with LKI Källdman LTD. and Orii and Mec Group as cash-generating unit groups. In the fiscal year ended March 31,2020, the provisional accounting for business combinations has been determined and the carrying amount of goodwill of the Orii and Mec Group for the fiscal year ended March 31,2019 have been revised.

The recoverable amount of goodwill of these cash-generating unit groups for impairment tests is calculated based on value in use.

Value in use is calculated by discounting estimated cash flows that reflect past experience and external information, which is based on future business plans (within five years) approved by management, to the present values using the pretax weighted-average equity costs of the cash-generating unit group.

The assumptions for future business plans are described in (“4. Significant Accounting Estimates and Judgment Accompanying Estimates”).

The growth rate used for the estimated cash flows for periods exceeding that in the business plan approved by management factors in the long-term average growth rate in the market or country in which the cash-generating unit operates, and is determined within a range not exceeding such rate.

Principal assumptions used in the calculation of value in use are as follows:

LKI Källdman LTD.

Principal assumptions	2019	2020
Pretax discount rate	—	12.9%
Growth rate	—	1.5%

Orii and Mec Group

Principal assumptions	2019	2020
Pretax discount rate	15.2%	13.9%
Growth rate	1.4%	0.9%

For LKI Källdman, the recoverable amount exceeded the book value by ¥910 million during the fiscal year under review. However, there is a risk of impairment if the major assumptions underlying the value in use change. If the discount rate increased by 3.2% or the growth rate used to calculate the going-concern value of the business decreased by 6.2%, the recoverable amount and the carrying amount would be equal.

The recoverable amounts of Orii and Mec Group's assets exceeded their carrying amounts by ¥2,274 million and ¥644 million, respectively, for the previous fiscal year and the fiscal year under review. However, there is a risk that impairment may occur if the major assumptions underlying the value in use change. In the previous fiscal year, if the discount rate increased by 2.5%, or if the growth rate used to calculate the continuing value of the business decreased by 4.0%, in the current fiscal year the discount rate will be 0.6%. If the growth rate used to calculate the going-concern value of the business increased or decreased by 1.2%, the recoverable amount and the carrying amount would be equal.

18    INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The carrying amount of investment in associates individually immaterial is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Total carrying amount	¥1,638	¥422	\$3,883



Amounts of profit or loss and comprehensive income attributable to associates that are individually immaterial are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Amount of profit attributable to associates from continuing operations	¥303	¥330	\$3,041
Amount of other comprehensive income attributable to associates	(54)	(21)	(197)
Amount of comprehensive income attributable to associates	¥249	¥309	\$2,843

19 OTHER FINANCIAL ASSETS

(1) Components

Components of other financial assets are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Current assets			
Financial assets measured at amortized cost			
Deposits (due after three months)	¥16,281	¥12,386	\$113,812
Other	14	18	167
Financial assets measured at fair value through other comprehensive income			
Debt securities	3,097	2,802	25,749
Financial assets measured at fair value through profit or loss			
Debt securities	495	167	1,536
Derivative assets	50	362	3,334
Other		—	—
Total current assets	19,939	15,736	144,599
Noncurrent assets			
Financial assets measured at amortized cost			
Leasehold deposits and guarantee deposits	914	838	7,700
Financial assets measured at fair value through other comprehensive income			
Shares	10,557	12,439	114,305
Debt securities	11,081	6,868	63,116
Financial assets measured at fair value through profit or loss			
Shares		—	—
Debt securities	18,199	17,750	163,100
Investment trust	24,982	22,061	202,710
Total noncurrent assets	¥65,734	¥59,958	\$550,933

(Note) The contents of deposits (due after three months) are time deposits and certificates of deposit with a deposit period of more than 3 months.

20 INCOME TAXES

(1) Components of deferred tax assets and deferred tax liabilities by cause and detail of changes

Components of deferred tax assets and deferred tax liabilities by cause and detail of changes are as follows:

	Millions of yen				
	2018	Recognized through profit or loss	Recognized in other comprehensive income	Other	2019
Deferred tax assets					
Trade and other receivables	¥ 1,480	¥ 4	¥ —	¥ (596)	¥ 889
Tax loss carry forward	318	243	—	(68)	492
Inventories	1,468	221	—	16	1,706
Research and development assets	5,338	646	—	—	5,984
Retirement benefit liability (asset)	1,299	(344)	(548)	16	424
Accrued expenses	1,431	40	—	29	1,502
Unpaid paid leave	801	120	—	42	964
Provision (provision for product warranty)	339	(50)	—	27	316
Unrealized profit on inventories	2,504	(293)	—	0	2,211
Other	2,625	1,066	(19)	134	3,806
Subtotal	17,607	1,654	(568)	(396)	18,297
Deferred tax liabilities					
Unrealized profit on installment sale	(3,163)	732	—	487	(1,943)
Property, plant, and equipment	(1,737)	795	—	(119)	(1,061)
Other	(1,505)	(713)	—	(1,318)	(3,537)
Subtotal	(6,406)	815	—	(950)	(6,542)
Net	¥11,201	¥2,469	¥(568)	¥(1,347)	¥11,755

(Notes) 1. Other mainly includes exchange differences on translation of foreign operations and changes to business combinations and sales of subsidiaries.

2. In the fiscal year ended March 31,2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31,2019 have been revised.

	Millions of yen				
	2019	Recognized through profit or loss	Recognized in other comprehensive income	Other	2020
Deferred tax assets					
Trade and other receivables	¥ 889	¥ 65	¥ —	¥ (11)	¥ 943
Tax loss carry forward	492	(166)	—	(6)	319
Inventories	1,706	(97)	—	(29)	1,578
Research and development assets	5,984	126	—	—	6,110
Retirement benefit liability (asset)	424	(600)	516	(15)	324
Accrued expenses	1,502	(126)	—	0	1,375
Unpaid paid leave	964	(51)	—	(2)	910
Provision (provision for product warranty)	316	(44)	—	(5)	266
Unrealized profit on inventories	2,211	(371)	—	(7)	1,832
Other	3,806	810	(564)	(173)	3,880
Subtotal	18,297	(455)	(47)	(251)	17,543
Deferred tax liabilities					
Unrealized profit on installment sale	(1,943)	348	—	—	(1,594)
Property, plant, and equipment	(1,061)	264	—	(28)	(824)
Other	(3,537)	(741)	—	0	(4,278)
Subtotal	(6,542)	(127)	—	(28)	(6,698)
Net	¥11,755	¥(583)	¥(47)	¥(279)	¥10,845

Other mainly includes exchange differences on translation of foreign operations.

	Thousands of U.S. dollars (Note 2 (3))				2020
	2019	Recognized through profit or loss	Recognized in other comprehensive income	Other	
Deferred tax assets					
Trade and other receivables	\$ 8,169	\$ 603	\$ —	\$ (103)	<b>\$ 8,669</b>
Tax loss carry forward	4,522	(1,526)	—	(59)	<b>2,936</b>
Inventories	15,678	(896)	—	(273)	<b>14,508</b>
Research and development assets	54,987	1,163	—	—	<b>56,150</b>
Retirement benefit liability (asset)	3,897	(5,517)	4,750	(144)	<b>2,985</b>
Accrued expenses	13,802	(1,159)	—	—	<b>12,641</b>
Unpaid paid leave	8,863	(476)	—	(19)	<b>8,367</b>
Provision (provision for product warranty)	2,905	(407)	—	(47)	<b>2,450</b>
Unrealized profit on inventories	20,324	(3,416)	—	(71)	<b>16,835</b>
Other	34,977	7,450	(5,183)	(1,591)	<b>35,653</b>
Subtotal	168,127	(4,183)	(433)	(2,311)	<b>161,198</b>
Deferred tax liabilities					
Unrealized profit on installment sale	(17,855)	3,202	—	—	<b>(14,653)</b>
Property, plant, and equipment	(9,751)	2,433	—	(260)	<b>(7,578)</b>
Other	(32,504)	(6,810)	—	—	<b>(39,314)</b>
Subtotal	(60,112)	(1,174)	—	(259)	<b>(61,546)</b>
Net	\$108,015	\$ (5,358)	\$ (433)	\$ (2,571)	<b>\$ 99,652</b>

(2) Deductible temporary difference, etc., for which deferred tax assets are not recognized

In recognizing deferred tax assets, the Company considers the availability of certain or all of the deductible temporary differences and tax loss carry forwards against future taxable income. The realizability of deferred tax assets is assessed by considering the expected reversal of deferred tax liabilities, projected future taxable income, and tax planning. Recognized deferred tax assets are considered probable to be recoverable based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible.

Amounts of deductible temporary differences for which deferred tax assets are not recognized and tax loss carry forward are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Deductible temporary difference	¥20,330	<b>¥20,736</b>	<b>\$190,542</b>
Tax loss carry forward	5,615	<b>6,470</b>	<b>59,458</b>
Total	¥25,945	<b>¥27,207</b>	<b>\$250,001</b>

(Note) Carryforward deadlines of tax loss carry forward for which deferred tax assets are not recognized are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
First year	¥ —	<b>¥ 31</b>	<b>\$ 290</b>
Second year	2	<b>115</b>	<b>1,058</b>
Third year	120	<b>67</b>	<b>622</b>
Fourth year	24	<b>35</b>	<b>326</b>
Fifth year and thereafter	5,467	<b>6,220</b>	<b>57,160</b>
Total	¥5,615	<b>¥6,470</b>	<b>\$59,458</b>

Taxable temporary differences related to investments in subsidiaries and associates, which are not recognized as deferred tax liabilities, at the end of the fiscal years ended March 31, 2019 and 2020, are ¥124,706 million and ¥86,435 million (\$794,220 thousand), respectively. As the timing of the reversal of temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future, deferred tax liabilities are not recognized, except for those related to undistributed earnings scheduled to be distributed at the end of the reporting period.

(3) Components of income tax expenses

Components of income tax expenses are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Current tax expenses	¥16,551	<b>¥ 9,564</b>	<b>\$87,883</b>
Deferred tax expenses			
Change in tax rate	—	—	—
Occurrence and reversal of temporary differences	(2,469)	<b>583</b>	<b>5,358</b>
Total deferred tax expenses	(2,469)	<b>583</b>	<b>5,358</b>
Total income tax expenses	¥14,081	<b>¥10,147</b>	<b>\$93,241</b>

The Company is subject to mainly national corporate tax, inhabitant tax, and deductible business tax, which in aggregate resulted in an applicable income tax rate of 31.4% for the years ended March 31, 2019 and 2020. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

In the fiscal year ended March 31, 2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31, 2019 have been revised.

(4) Reconciliation of applicable income tax rate with average actual tax rate

Reconciliation of effective statutory tax rate with average actual tax rates is as follows:

	2019		(%)
	2019	2020	
Effective statutory tax rate	31.4	<b>31.4</b>	
Items permanently nondeductible	0.6	<b>0.8</b>	
Tax rate difference with foreign operations	(2.6)	<b>(2.4)</b>	
Unrecognized changes in deferred tax assets	(1.4)	<b>2.2</b>	
Other	1.5	<b>(2.0)</b>	
Average actual tax rate	29.5	<b>30.0</b>	

21 TRADE AND OTHER PAYABLES

Components of trade and other payables are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Notes and accounts payable	¥23,034	<b>¥17,083</b>	<b>\$156,974</b>
(of which, amount not to be settled within one year)	(—)	<b>(—)</b>	<b>(—)</b>
Electronically recorded obligations - operating	25,699	<b>18,866</b>	<b>173,353</b>
Accrued expenses	9,725	<b>8,592</b>	<b>78,956</b>
Other	7,458	<b>7,202</b>	<b>66,182</b>
Total	¥65,917	<b>¥51,745</b>	<b>\$475,467</b>

(Note) Trade and other payables are classified as financial liabilities measured at amortized cost.



22 BORROWINGS

Components of borrowings are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))	Average interest rate (Note) 1	Repayment date (Note) 2
	2019	2020	2020		
Short-term borrowings	¥3,098	<b>¥16,879</b>	<b>\$155,100</b>	1.48%	—
Current portion of long-term borrowings	2,268	—	—	—	—
Long-term borrowings (excluding current portion)	4,556	<b>4,353</b>	<b>40,000</b>	1.94%	2022~2023
Total	¥9,923	<b>¥21,232</b>	<b>\$195,100</b>		
Current liabilities	5,366	<b>16,879</b>	<b>155,100</b>		
Noncurrent liabilities	¥4,556	<b>¥ 4,353</b>	<b>\$ 40,000</b>		

(Notes) 1. Average interest rate represents the weighted-average rate applicable to the ending balance on March 31, 2020.  
2. Repayment date represents repayment date applicable to the ending balance on March 31, 2020.  
3. Borrowings are classified as financial liabilities measured at amortized cost.

23 OTHER FINANCIAL LIABILITIES

Components of other financial liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Deposits received (Note) 1	¥3,314	<b>¥ 3,453</b>	<b>\$ 31,737</b>
Lease liabilities (Note) 2	248	<b>9,459</b>	<b>86,923</b>
Derivative liabilities (Note) 3	56	<b>133</b>	<b>1,227</b>
Other	220	<b>165</b>	<b>1,517</b>
Total	¥3,839	<b>¥13,212</b>	<b>\$121,406</b>
Current liabilities	931	<b>3,086</b>	<b>28,363</b>
Noncurrent liabilities	¥2,907	<b>¥10,125</b>	<b>\$ 93,043</b>

(Notes) 1. Deposits received are classified as financial liabilities measured at amortized cost.  
2. The balance of lease liabilities for the fiscal year ended March 31, 2019, is the balance of lease obligations in relation to finance leases. As a result of the application of IFRS 16, the said balance was transferred to lease liabilities on April 1, 2019. Please see "2. Basis of Preparation (4) Changes in accounting policies" for details.  
3. Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.

24 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Increase and decrease in liabilities arising from financing activities are as follows:

	Millions of yen				2019
	2018	Changes accompanying cash flows	Noncash flow		
			Changes due to acquisition or loss of control	Foreign currency translation	
Borrowings	¥9,897	¥(4,799)	¥ 73	¥195	¥5,366
Long-term borrowings	5,703	(1,157)	(128)	139	4,556

Borrowings include current portion of long-term loans payable.

	Millions of yen					2020
	2019	Changes accompanying cash flows	Noncash flow			
			New lease	Changes due to acquisition or loss of control	Foreign currency translation	
Borrowings	¥ 5,366	¥11,597	¥ —	¥—	¥ (84)	¥16,879
Long-term borrowings	4,556	(116)	—	—	(87)	4,353
Lease liabilities	10,536	(2,591)	1,678	—	(163)	9,459

Borrowings include current portion of long-term loans payable.

	Thousands of U.S. dollars (Note 2 (3))					2020
	2019	Changes accompanying cash flows	Noncash flow			
			New lease	Changes due to acquisition or loss of control	Foreign currency translation	
Borrowings	\$49,311	\$106,562	\$ —	\$—	\$ (774)	\$155,100
Long-term borrowings	41,869	(1,068)	—	—	(801)	40,000
Lease liabilities	96,813	(23,811)	15,422	—	(1,500)	86,923

1. Borrowings include current portion of long-term loans payable.
2. The balance of lease liabilities as of April 1, 2019, reflects the effect of the application of IFRS 16.

25 PROVISIONS

Components of provisions and changes thereof are as follows:

	Millions of yen		
	Provision for product warranty	Other	Total
Balance as of April 1, 2018	¥1,468	¥15	¥1,483
Increase during the period	2,022	10	2,033
Decrease during the period (provisions for anticipated expenditure)	(1,056)	—	(1,056)
Decrease during the period (reversal)	(541)	—	(541)
Exchange differences on translation of foreign operations	(10)	—	(10)
Balance as of March 31, 2019	¥1,881	¥25	¥1,907
Increase during the period	1,624	7	1,631
Decrease during the period (provisions for anticipated expenditure)	(1,144)	—	(1,144)
Decrease during the period (reversal)	(621)	—	(621)
Exchange differences on translation of foreign operations	(53)	(0)	(54)
<b>Balance as of March 31, 2020</b>	<b>¥1,686</b>	<b>¥32</b>	<b>¥1,719</b>

	Thousands of U.S. dollars (Note 2 (3))		
	Provision for product warranty	Other	Total
Balance as of March 31, 2019	\$17,290	\$236	\$17,526
Increase during the period	14,926	67	14,993
Decrease during the period (provisions for anticipated expenditure)	(10,517)	—	(10,517)
Decrease during the period (reversal)	(5,706)	—	(5,706)
Exchange differences on translation of foreign operations	(495)	(5)	(501)
<b>Balance as of March 31, 2020</b>	<b>\$15,496</b>	<b>\$298</b>	<b>\$15,795</b>

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Current liabilities	¥1,900	<b>¥1,712</b>	<b>\$15,731</b>
Noncurrent liabilities	6	<b>6</b>	<b>63</b>
Total	¥1,907	<b>¥1,719</b>	<b>\$15,795</b>

Provision for product warranty is recognized as provision in the amount expected to accrue for free repair and recurrence prevention measures in the future. Provision for product warranty is largely expected to incur within one year from the incident occurrence. However, there are some that are expected to incur for several years.

26 OTHER LIABILITIES

Components of other current liabilities and other noncurrent liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Accrued consumption taxes	¥ 4,242	¥ 2,880	\$ 26,470
Contract liabilities (Note)	14,532	15,474	142,190
Unpaid paid leave	3,943	3,927	36,088
Deferred revenue	1,713	1,703	15,656
Other	3,589	3,586	32,956
Total	¥28,021	¥27,573	\$253,362
Current liabilities	23,961	23,470	215,657
Noncurrent liabilities	¥ 4,060	¥ 4,103	\$ 37,704

(Note) For contract liabilities, please see "31. Revenue."

27 GOVERNMENT GRANTS

Government grants included in other current liabilities and other noncurrent liabilities are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Other current liabilities	¥ 67	¥ 69	\$ 638
Other noncurrent liabilities	1,645	1,634	15,017

(Note) Government grants were received primarily for the purpose of purchasing property, plant, and equipment related to production system development and are amortized on a straight-line basis over the respective economic lives of assets subject to the grants. There are no unfulfilled conditions or other contingencies incidental to the above-mentioned grants.

28 EMPLOYEE BENEFITS

The Company and its consolidated subsidiaries in Japan adopt corporate pension plan (cash balance plan), defined contribution pension plan, or lump-sum benefit plan as a funded defined benefit plan.

In the cash balance plan, a specified percentage of participants' salaries is granted and accumulated, plus interest according to the market interest rate. A payment method can be selected from either guaranteed lifetime annuity or lump-sum payment. The Company and certain consolidated subsidiaries adopt fund-type pension plans based on pension agreement, which is managed by Amada Corporate Pension Fund, an organization statutorily separated from the Group. The board of corporate pension plan and the pension management trustee organization are required by laws and regulations to act in favor of the interests of plan participants and bear responsibilities for the management of plan assets in accordance with predetermined policies.

Certain consolidated subsidiaries adopt a defined contribution pension plan, corporate pension plan (funded plan), and lump-sum benefit plan. Extra payments may be added upon retirement of employees.

The defined benefit plan is exposed to actuarial risk and to the risk of fluctuation in the fair value of plan assets. Actuarial risk primarily involves interest risk. Interest rate risk involves the potential for an increase in defined benefit plan obligations if the discount rate used to determine their present value decreases, because this discount rate is based on market yields on instruments including high-quality corporate bonds. The risk of fluctuation in the fair value of plan assets involves underfunding if actual interest rates are lower than the interest rate criteria for managing the plan assets.

(1) Defined benefits

1) Amounts recognized in the consolidated statement of financial position

Amounts recognized in the consolidated statement of financial position are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Present value of funded defined benefit obligations (with plan assets)	¥45,373	¥43,662	\$401,195
Fair value of plan assets	(44,341)	(42,697)	(392,331)
Funding status	1,032	964	8,864
Present value of unfunded defined benefit obligation (without plan assets)	1,621	1,493	13,727
Net defined benefit liabilities (assets) recognized in consolidated statement of financial position	2,654	2,458	22,591
Retirement benefit liability	2,855	3,001	27,582
Retirement benefit asset	200	543	4,990

(Note) Retirement benefit asset is included in "other noncurrent assets" in the consolidated statement of financial position.

2) Changes in present value of a defined benefit obligation

Changes in present value of a defined benefit obligation are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Present value of a defined benefit obligation (beginning of period)	¥48,161	¥46,995	\$431,825
Service cost	1,689	1,691	15,540
Interest expenses	338	247	2,273
Benefits paid	(2,268)	(2,896)	(26,614)
Remeasurement of defined benefit plans	(1,368)	(56)	(520)
(i) Actuarial gains and losses arising from the changes in assumptions in demographic statistics	(545)	157	1,445
(ii) Actuarial gains and losses arising from the changes in financial assumptions	(741)	109	1,005
(iii) Other revisions in the result	(80)	(323)	(2,972)
Past service cost	6	10	95
Exchange differences	437	(834)	(7,668)
Present value of a defined benefit obligation (end of period)	¥46,995	¥45,156	\$414,923

Weighted-average duration of defined benefit liabilities is 13.1 years and 13.0 years for the fiscal years ended March 31, 2019 and 2020, respectively.

3) Changes in fair value of plan assets

Components of changes in fair value of plan assets are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Fair value of plan assets (beginning of period)	¥43,130	¥44,341	\$407,435
Interest on plan assets	322	247	2,278
Remeasurement—revenue on plan assets	392	(801)	(7,362)
Contribution from proprietor	2,595	2,662	24,461
Benefit payment amount	(1,940)	(2,092)	(19,224)
Exchange differences and other	(159)	(1,660)	(15,257)
Fair value of plan assets (end of period)	¥44,341	¥42,697	\$392,331

In the Group's major defined benefit plans, in order to maintain a balanced budget into the future, the amount of premium is recalculated every five years. In addition, in the accounting of corporate pension plans at the end of every fiscal year, the validity of basic rates used to determine premium as well as the amount of premium are examined.

Plan assets management is conducted in order to secure future payment of pension benefit and lump-sum benefit stipulated in defined benefit corporate pension agreements, with an eye to retaining total revenue required within acceptable boundaries of risk over the middle to long term and building high-quality plan assets.

The Group will contribute a premium of ¥2,593 million for the fiscal year ending March 31, 2021.



4) Components of fair value of plan assets by type

Components of fair value of plan assets by type are as follows:

	Millions of yen						Thousands of U.S. dollars (Note 2 (3))		
	2019			2020			2020		
	Quoted market price in active market			Quoted market price in active market			Quoted market price in active market		
	Available	Unavailable	Total	Available	Unavailable	Total	Available	Unavailable	Total
Equity financial assets									
Domestic shares	¥ 5,257	¥ —	¥ 5,257	¥ 4,864	¥ —	¥ 4,864	\$ 44,694	\$ —	\$ 44,694
Foreign shares	5,655	—	5,655	4,909	—	4,909	45,108	—	45,108
Debt financial assets									
Domestic debt securities	10,217	—	10,217	10,636	—	10,636	97,739	—	97,739
Foreign debt securities	4,514	—	4,514	4,737	—	4,737	43,527	—	43,527
Cash and cash equivalents	—	211	211	—	216	216	—	1,988	1,988
Life insurance company general accounts	—	16,171	16,171	—	16,360	16,360	—	150,327	150,327
Other	—	2,313	2,313	—	973	973	—	8,946	8,946
Total	¥25,645	¥18,695	¥44,341	¥25,147	¥17,550	¥42,697	\$231,068	\$161,262	\$392,331

5) Principal assumptions used in the actuarial valuations

Principal assumptions used in the actuarial valuations (weighted average) are as follows:

	2019	2020
Discount rate	0.51%	0.53%

6) Sensitivity analysis

Defined benefit liabilities in the sensitivity analysis are calculated by the same method as applied to the calculation of defined benefit liabilities recognized in the consolidated statement of financial position.

Sensitivity analysis is conducted based on the changes in reasonably presumable assumptions at the end of the period. Sensitivity analysis is

based on the assumption that all the actuarial assumptions are constant, except the assumption subject to the analysis. However, in actuality, changes in other actuarial assumptions may affect the result of analysis.

Impact on defined benefit liabilities in case of a 0.5% fluctuation in the actuarial assumption is as follows:

		Millions of yen	Thousands of U.S. dollars (Note 2 (3))	
		2019	2020	2020
Discount rate	0.5% increase	¥(2,620)	¥(2,595)	\$(23,848)
	0.5% decrease	2,938	2,913	26,767

(2) Defined contribution plans

The Company and its consolidated subsidiaries adopt defined contribution pension plans as a defined contribution plan. Amounts recognized as an expense in defined contribution plan are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 2 (3))	
	2019	2020	2020
Amount of contributions	¥1,014	¥979	\$9,004

(Note) The above amounts are included in “cost of sales” and “selling, general, and administrative expenses” in the consolidated statement of profit or loss.

(3) Employee benefit expenses

Total employee benefit expenses in the fiscal years ended March 31, 2019 and 2020, are ¥73,427 million and ¥73,259 million (\$673,153 thousand), respectively. These amounts are included in “cost of sales” and “selling, general, and administrative expenses” in the consolidated statement of profit or loss.

29 EQUITY AND OTHER EQUITY ITEMS

(1) Number of shares authorized and number of shares issued

Changes in the number of shares authorized and number of shares issued are as follows:

	(Shares)	
	2019	2020
Number of shares authorized		
Common shares	550,000,000	550,000,000
Number of shares issued		
Balance, beginning of year	378,115,217	368,115,217
Increase during year	—	—
Decrease during year	10,000,000	9,000,000
Balance, end of year	368,115,217	359,115,217

(Notes) 1. All the shares issued by the Company are no-par value common shares with no limitation on right.  
2. All the shares issued were fully paid up.  
3. The decrease in the number of shares is due to retirement of treasury stock.

(2) Treasury shares

Changes in treasury shares are as follows:

	(Shares)	
	2019	2020
Balance, beginning of year	12,305,750	11,503,611
Increase during year (Note) 1	9,198,283	8,965,173
Decrease during year (Note) 2	10,000,422	9,019,360
Balance, end of year	11,503,611	11,449,424

(Notes) 1. Increase in treasury shares for the fiscal year ended March 31, 2019, is due to purchase of odd-lot shares and acquisition of treasury shares conducted based on a resolution adopted at the Board of Directors’ meeting held on November 14, 2018. Pursuant to the resolution to the effect that 9,194,600 common shares shall be acquired with a maximum total acquisition amount of ¥10,000 million during the period from November 8, 2019, to March 31, 2020, 8,962,200 shares were acquired at ¥9,999 million in the period from December 1, 2018, to March 15, 2019.  
Increase in treasury shares for the fiscal year ended March 31, 2020, is due to purchase of odd-lot shares and acquisition of treasury shares conducted based on a resolution adopted at the Board of Directors’ meeting held on November 7, 2019. Pursuant to the resolution to the effect that 9,000,000 common shares shall be acquired with a maximum total acquisition amount of ¥10,000 million during the period from November 8, 2019, to March 31, 2020, 8,962,200 shares were acquired at ¥9,999 million in the period from December 1, 2019, to March 25, 2020.  
2. Decrease in treasury shares for the fiscal year ended March 31, 2019, is due to response to shareholders’ demands to purchase additional shares up to the trading unit, the retirement of treasury shares.  
Decrease in treasury shares for the fiscal year ended March 31, 2020, is due to response to shareholders’ demands to purchase additional shares up to the trading unit, the retirement of treasury shares, and exercise of share options.

(3) Details and purposes of surpluses

1) Capital surplus

In the Companies Act of Japan (the “Companies Act”), it is stipulated that a half or more of the paid-in amount upon issuance of shares or the amount of contribution shall be recorded as share capital and the remaining amount shall be recorded as capital reserves under capital surplus. Also under the Companies Act, capital reserves may be recorded as share capital by resolution at a general meeting of shareholders.

2) Retained earnings

Under the Companies Act, it is stipulated that an amount equivalent to one-tenth of the amount of reduced surplus as a result of the payment of such dividends of surplus is accumulated as capital reserves or retained earnings to the extent that a sum of capital reserves and retained earnings does not exceed one-fourth of share capital. Accumulated retained earnings may be appropriated to cover a deficit. Additionally, retained earnings may be reversed by resolution of a general meeting of shareholders.

The amount of the Company’s retained earnings distributable as dividends is measured based on the amount of retained earnings carried on the Company’s accounting books prepared in accordance with accounting principles generally accepted in Japan.

Additionally, the Companies Act imposes certain restrictions on how the amount of retained earnings distributable as dividends is measured. The Company distributes retained earnings within the constraints stipulated by those restrictions.

3) Other components of equity

(a) Exchange differences on translation of foreign operations

These are exchange differences due to conversion of foreign operations’ financial statements into Japanese yen, which is the presentation currency.

(b) Financial assets measured at fair value through other comprehensive income

These are differences between the cost of financial assets measured at fair value through other comprehensive income and fair values thereof at the end of the period.

(c) Exchange difference on translation of foreign operations

Exchange difference that arises when foreign operations’ financial statements prepared in a foreign currency are consolidated.

(d) Share of other comprehensive income of associates accounted for using equity method

The Company's share of the exchange difference on translation of the financial statements of foreign operations of associates for using equity method.

30 DIVIDENDS

(1) Dividends paid					
Dividends paid are as follows:					
Resolution	2019				
	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 27, 2018, Ordinary General Meeting of Shareholders	Common shares	¥8,047	¥22.00	March 31, 2018	June 28, 2018
November 14, 2018, Board of Directors' meeting	Common shares	7,681	21.00	September 30, 2018	December 5, 2018
Resolution	2020				
	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 26, 2019, Ordinary General Meeting of Shareholders	<b>Common shares</b>	<b>¥8,915</b>	<b>¥25.00</b>	<b>March 31, 2019</b>	<b>June 27, 2019</b>
November 7, 2019, Board of Directors' meeting	<b>Common shares</b>	<b>8,558</b>	<b>24.00</b>	<b>September 30, 2019</b>	<b>December 5, 2019</b>
Resolution	2020				
	Class of shares	Total dividends (Thousands of U.S. dollars)	Dividends per share (U.S. dollar)	Record date	Effective date
June 26, 2019, Ordinary General Meeting of Shareholders	<b>Common shares</b>	<b>\$81,919</b>	<b>\$0.23</b>	<b>March 31, 2019</b>	<b>June 27, 2019</b>
November 7, 2019, Board of Directors' meeting	<b>Common shares</b>	<b>78,642</b>	<b>0.22</b>	<b>September 30, 2019</b>	<b>December 5, 2019</b>

(2) Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year are as follows:

Resolution	2019					
	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 26, 2019, Ordinary General Meeting of Shareholders	Common shares	Retained earnings	¥8,915	¥25.00	March 31, 2019	June 27, 2019
Resolution	2020					
	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 25, 2020, Ordinary General Meeting of Shareholders	<b>Common shares</b>	<b>Retained earnings</b>	<b>¥8,343</b>	<b>¥24.00</b>	<b>March 31, 2020</b>	<b>June 26, 2020</b>
Resolution	2020					
	Class of shares	Source of dividends	Total dividends (Thousands of U.S. dollars)	Dividends per share (U.S. dollar)	Record date	Effective date
June 25, 2020, Ordinary General Meeting of Shareholders	<b>Common shares</b>	<b>Retained earnings</b>	<b>\$76,669</b>	<b>\$0.22</b>	<b>March 31, 2020</b>	<b>June 26, 2020</b>

31 REVENUE

(1) Contract with customer

1) Revenue decomposition

The Group's organization is structured based on the Metalworking Machinery Business, the Metal Machine Tools Business, and other businesses, which are the business units on which the Company's Board of Directors conducts periodic investigation to distribute management resources and evaluate business results. Accordingly, revenue recorded in these businesses is presented as revenue. Revenue is decomposed by geographical area based on customer location. The relationship of the decomposed revenue and the revenue of each reportable segment is as follows:

Segment	Millions of yen			
	2019			
	Metalworking Machinery	Metal Machine Tools	Other	Total
Major geographical markets				
Japan	¥109,968	¥38,009	¥1,014	¥148,992
North America	58,661	8,874	—	67,535
Europe	55,374	7,699	—	63,073
Asia and others	48,868	9,686	18	58,573
Total	¥272,872	¥64,269	¥1,033	¥338,175

Segment	Millions of yen			
	2020			
	Metalworking Machinery	Metal Machine Tools	Other	Total
Major geographical markets				
Japan	<b>¥106,175</b>	<b>¥38,263</b>	<b>¥1,229</b>	<b>¥145,668</b>
North America	<b>59,492</b>	<b>9,740</b>	<b>—</b>	<b>69,233</b>
Europe	<b>53,934</b>	<b>5,847</b>	<b>—</b>	<b>59,781</b>
Asia and others	<b>37,523</b>	<b>7,894</b>	<b>11</b>	<b>45,428</b>
Total	<b>¥257,126</b>	<b>¥61,744</b>	<b>¥1,240</b>	<b>¥320,112</b>

Segment	Thousands of U.S. dollars (Note 2 (3))			
	2020			
	Metalworking Machinery	Metal Machine Tools	Other	Total
Major geographical markets				
Japan	<b>\$ 975,612</b>	<b>\$351,585</b>	<b>\$11,295</b>	<b>\$1,338,494</b>
North America	<b>546,659</b>	<b>89,499</b>	<b>—</b>	<b>636,158</b>
Europe	<b>495,587</b>	<b>53,727</b>	<b>—</b>	<b>549,315</b>
Asia and others	<b>344,786</b>	<b>72,539</b>	<b>103</b>	<b>417,428</b>
Total	<b>\$2,362,646</b>	<b>\$567,352</b>	<b>\$11,398</b>	<b>\$2,941,397</b>

The Metalworking Machinery Business is engaged in production and sale of sheet metal and microwelding products, handling product group for sheet metal market such as laser machines, punch presses and press brakes, and product group for microwelding market including microwelding machines.

In the Metal Machine Tools Business, products related to cutting, stamping presses, and grinding are produced and sold. The product group for cutting market, such as metal-cutting band saws, product group for

stamping presses market including mechanical presses, and product group for grinding market such as grinding are handled.

Other business is an operating segment not included in reportable segment and includes the real estate leasing business.

Interest revenues related to installment sale in the fiscal years ended March 31, 2019 and 2020, are ¥2,781 million and ¥2,102 million (\$19,318 thousand), respectively.



2) Contract balance

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Contract liabilities	¥14,532	¥15,474	\$142,190

(Notes) 1. Of the revenue recognized in the fiscal year ended March 31, 2019, the amount included in the contract liability balance at the beginning of the year was ¥13,331 million. There is no material change in the contract liabilities in the fiscal year ended March 31, 2019.  
2. Of the revenue recognized in the fiscal year ended March 31, 2020, the amount included in the contract liability balance at the beginning of the year was ¥11,712 million (\$107,619 thousand). There is no material change in the contract liabilities in the fiscal year ended March 31, 2020.  
3. In the fiscal years ended March 31, 2019 and 2020, the amount of revenue recognized as a result of satisfaction of performance obligation during past periods has no materiality.

3) Performance obligations

Regarding the products sold by the Group, it is judged that at the time of an acceptance inspection by a customer, the customer acquires control of the products and the Group's performance obligation is satisfied. Therefore, revenue is recognized at the time of the acceptance inspection. The Group may provide maintenance in relation to the products, real estate leasing, and other services to customers. Regarding performance obligations related to such services, customers receive benefits as the Group performs obligations in the contracts with customers. Therefore, revenue is recognized over the respective contract terms. As a general rule, the Group is not engaged in transactions as an agent.

Revenue is measured at the amount of the consideration to which the Group expects to be entitled in exchange for the transfer of promised goods or services to customers (hereinafter referred to as “transaction price”). As a general rule, the Group is not engaged in sales of products with product return rights or similar rights.

Consideration in contracts with customers is primarily received within one year from when the performance obligation was satisfied. Therefore, the Group uses the practical expedient and does not adjust material financial elements. However, as consideration for installment sales conducted by certain consolidated subsidiaries is recovered approximately within three to seven years, the effect of material financial elements is adjusted.

The Group sells products with product warranties. However, such warranties only guarantee that the sold products were in compliance with the agreed specifications. Therefore, such product warranties are not considered as independent performance obligations, and the transaction price is not partially allocated to product warranty. There are no other material contracts that include multiple performance obligations.

4) Transaction price allocated to remaining performance obligations

The Group uses the practical expedient and does not disclose information on the remaining performance obligations because it has no significant transactions with individual contract terms exceeding one year. There are no significant considerations from contracts with customers that are not included in transaction prices.

5) Assets recognized from costs for obtaining or fulfilling contract with customers

The Group has no incremental costs incurred in obtaining a contract, or costs incurred to fulfill a contract, which should be recognized as assets. The Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less, as allowed as practical expedients.

32 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Components of selling, general, and administrative expenses are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Employee benefit expenses	¥ 45,448	¥ 45,057	\$414,014
Sales commissions	5,392	4,792	44,034
Packing and transportation costs	10,122	9,775	89,819
Depreciation and amortization	6,686	8,985	82,568
Research and development expenses	7,172	6,789	62,388
Other	27,712	24,787	227,761
Total	¥102,534	¥100,187	\$920,587

(Note) In the fiscal year ended March 31, 2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31, 2019 have been revised.

33 OTHER INCOME

Components of other income are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Gain on sale of fixed assets	¥ 136	¥ 25	\$ 231
Other	1,188	2,207	20,287
Total	¥1,324	¥2,233	\$20,518

34 OTHER EXPENSES

Components of other expenses are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Loss on retirement of fixed assets	¥453	¥ 55	\$ 508
Loss on sale of fixed assets	38	21	198
Other	246	748	6,874
Total	¥738	¥825	\$7,581

35 FINANCE INCOME AND FINANCE COSTS

Components of finance income and finance costs are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Interest income			
Financial assets measured at amortized cost	¥ 815	¥ 559	\$ 5,139
Debt financial assets measured at fair value through other comprehensive income	126	97	895
Financial assets measured at fair value through profit or loss	178	186	1,716
Dividend income			
Equity financial assets measured at fair value through other comprehensive income	150	68	626
Financial assets measured at fair value through profit or loss	242	142	1,312
Valuation and realized gain of marketable securities			
Financial assets measured at fair value through profit or loss	1,122	—	—
Derivatives			
Financial assets measured at fair value through profit or loss	—	439	4,038
Other	359	—	—
Total	¥2,996	¥1,494	\$13,729

(Note) For other for the fiscal year ended March 31, 2019, please see "8. Sale of Subsidiary."

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Interest expense			
Financial liabilities measured at amortized cost	¥109	¥ 79	\$ 726
Lease liabilities	0	62	573
Valuation and realized gain of marketable securities			
Financial assets measured at fair value through profit or less	—	766	7,039
Derivatives			
Financial liabilities measured at fair value through profit or loss	413	—	—
Foreign exchange loss	178	1,810	16,634
Other	0	0	0
Total	¥703	¥2,717	\$24,974

36 OTHER COMPREHENSIVE INCOME

Reclassification adjustments of other comprehensive income

Amounts of reclassification adjustments and tax effects of other comprehensive income by component are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans			
Amount during the year	¥1,690	¥(1,493)	\$(13,726)
Before tax effect adjustment	1,690	(1,493)	(13,726)
Amount of tax effects	(548)	516	4,750
After tax effect adjustment	1,141	(976)	(8,976)
Equity financial assets measured at fair value through other comprehensive income			
Amount during the year	221	2,176	19,998
Before tax effect adjustment	221	2,176	19,998
Amount of tax effects	(34)	(641)	(5,898)
After tax effect adjustment	186	1,534	14,099
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations			
Amount during the year	(1,505)	(6,940)	(63,776)
Reclassification adjustments	—	—	—
Before tax effect adjustment	(1,505)	(6,940)	(63,776)
Amount of tax effects	—	—	—
After tax effect adjustment	(1,505)	(6,940)	(63,776)
Debt financial assets measured at fair value through other comprehensive income			
Amount during the year	(49)	(282)	(2,598)
Reclassification adjustments	—	—	—
Before tax effect adjustment	(49)	(282)	(2,598)
Amount of tax effects	14	77	715
After tax effect adjustment	(34)	(204)	(1,882)
Share of other comprehensive income of investments accounted for using equity method			
Amount during the year	(54)	(21)	(197)
Reclassification adjustments	—	—	—
Before tax effect adjustment	(54)	(21)	(197)
Amount of tax effects	—	—	—
After tax effect adjustment	(54)	(21)	(197)
Total other comprehensive income:			
Amount during the year	302	(6,562)	(60,300)
Reclassification adjustments	—	—	—
Before tax effect adjustment	302	(6,562)	(60,300)
Amount of tax effects	(568)	(47)	(433)
After tax effect adjustment	¥ (265)	¥(6,609)	\$(60,734)

37 EARNINGS PER SHARE

(1) Basis of calculation of basic earnings per share

Basic earnings per share and basis of calculation thereof are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Profit attributable to ordinary equity holders of the parent			
Profit attributable to owners of parent	¥33,303	¥23,390	\$214,929
Profit not attributable to ordinary equity holders of the parent	—	—	—
Profit used for calculating basic earnings per share	¥33,303	¥23,390	\$214,929

	Number of shares	
	2019	2020
Average number of common shares during the period	363,968,169	354,901,878

	Yen		U.S. dollars (Note 2 (3))
	2019	2020	2020
Basic earnings per share	¥91.50	¥65.91	\$0.60

(2) Basis of calculation of diluted earnings per share

Diluted earnings per share and basis of calculation thereof are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Profit attributable to diluted ordinary equity holders			
Profit used for calculating basic earnings per share	¥33,303	¥23,390	\$214,929
Profit adjusted	—	—	—
Profit used for calculating diluted earnings per share	¥33,303	¥23,390	\$214,929

	Number of shares	
	2019	2020
Average number of common shares during the period	363,968,169	354,901,878
Dilutive effect	8,884	5,332
After adjustment of dilutive effect	363,977,053	354,907,210

	Yen		U.S. dollars (Note 2 (3))
	2019	2020	2020
Diluted earnings per share	¥91.50	¥65.91	\$0.60

(Note) There are no transactions that have an impact on earnings per share during the period from March 31, 2020, to the date of approval of the consolidated financial statements.  
In the fiscal year ended March 31, 2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31, 2019 have been revised.

38 SHARE-BASED PAYMENT

(1) Outline of share-based remuneration plan

The Company adopts equity-settled share-based remuneration plans (“share option plans”) as incentive plans for its directors and employees.

The exercise period of the share options is the period stipulated in the allotment contract, and if they are not exercised during the period, the options will expire. The options shall also expire if the eligible holders resign from the Company before the vesting date, unless otherwise allowed in the share acquisition rights allotment contract, including the case of resignation due to the expiration of term of office.

The Company’s share option plans are accounted for as equity-settled share-based remuneration.

Details of the share option plans existed in the fiscal years ended March 31, 2019 and 2020, are as follows:

	Number of shares granted	Grant date	Exercise period	Exercise price	Fair value as of grant date
Second series	2,500,000	August 31, 2010	(Note) 1	¥605	(Note) 2

(Notes) 1. In the contracts with grantees of share acquisition rights allotment, it is stipulated that the exercise periods for 100,000 shares and 2,400,000 shares are from September 1, 2012, to August 5, 2020, and from September 1, 2012, to August 31, 2017, respectively.  
2. Fair value per share of 100,000 shares with an exercise period from September 1, 2012, to August 5, 2020, is ¥117.60 per share and that of 2,400,000 shares with an exercise period from September 1, 2012, to August 31, 2017, is ¥114.65 per share.

(2) Number of share options and average exercise price

The number of share options granted during the period and the average exercise price are as follows:

The number of share options is converted to and presented in the number of shares.

Second series share option plans	2019		2020	
	Number of options (shares)	Weighted-average exercise price (Yen)	Number of options (shares)	Weighted-average exercise price (Yen)
Outstanding, beginning of year	19,000	¥605	19,000	¥605
Granted	—	—	—	—
Exercised	—	—	19,000	605
Expired and lapsed due to maturity	—	—	—	—
Outstanding, end of year	19,000	605	—	—
Options exercisable, end of year	19,000	¥605	—	¥ —

(Notes) 1. Weighted-average share prices of the share options as of the exercise date exercised in the fiscal year ended March 31, 2020, is ¥1,178.  
2. Exercise prices of issued options remaining at the end of periods are ¥605 for the fiscal year ended March 31, 2019. Weighted-average remaining contract terms for the fiscal years ended March 31, 2019, are 1.3 years.



39 FINANCIAL INSTRUMENTS

(1) Capital management

The Group's managerial basic policy is to maintain stable shareholder returns and efficient use of management resources for sustainable growth and corporate value improvement.

The major indicator the Group adopts for capital management is as follows:

There are no material capital regulations applicable to the Group (excluding general regulations such as the Companies Act).

	As of March 31, 2019	As of March 31, 2020
ROE (Note)	7.6	5.4

(Note) Profit attributable to owners of parent / Equity attributable to owners of parent (average at beginning and end of period)  
In the fiscal year ended March 31, 2020, the provisional accounting for business combinations has been determined and the financial figures for the fiscal year ended March 31, 2019 have been revised.

(2) Financial risk management

The Group is exposed to various financial risks (such as credit risk, liquidity risk, and market risk) in the course of executing business operations. Therefore, pursuant to its internal management regulations, financial risks are monitored on a regular basis and are addressed as necessary to avoid or mitigate such risks.

Additionally, the Group uses derivatives solely to mitigate financial risks and is not engaged in derivative transactions for speculative purposes.

1) Credit risk

(a) Credit risk management

For trade and other receivables at the Group, pursuant to its credit management rules, sales department management of each business division monitors the status of major clients on a regular basis to check payment term and credit balance for each client to ensure early identification and minimization of doubtful collections that may arise in the event of client financial distress or in other cases. Machines sold are subject to retention of title clause as a general rule to supplement credit obligation. No material credit risk exposure is recognized for certain customers, and significant concentrations of credit risk requiring close management do not exist.

Other financial instruments comprise mainly high-rate debt securities invested in accordance with internal fund management regulations and, therefore, their credit risk is minimal.

(b) Credit risk exposure

Maximum exposure to credit risk at the end of reporting period is the carrying amount of financial assets after impairment. No significant bad-debt losses were recognized in the past periods. For warranty obligations, balance of warranty obligations presented in “42. Commitment and Contingencies” is the Group's maximum exposure to credit risk.

(i) Trade and other receivables

With regard to trade receivables and lease receivables, the Group adopts a simplified approach stipulated in IFRS 9 for expected credit losses, under which allowance for doubtful accounts is measured at the amount equivalent to their lifetime expected credit losses. For other receivables, allowance for doubtful accounts is measured at the amount equivalent to their 12-month expected credit losses as a general rule. Of other receivables, assets, and credit-impaired financial assets whose credit risks have significantly increased from the time of initial recognition, such as a case where repayment date has passed, allowance for doubtful accounts is recognized at the amount equivalent to their lifetime-expected credit losses.

The Group's credit risk exposure for trade receivables and trade and other receivables is as follows:

		Millions of yen		
		2019		
	Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Allowance for doubtful account measured at the amount equivalent to lifetime-expected credit losses		Total
		Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	
Book value in gross amount				
Within 30 days after due date (including before due date)	¥1,743	¥—	¥128,004	¥129,747
Past due over 30 days and within 90 days	0	—	5,162	5,162
Past due over 90 days	3	—	8,060	8,064
Total	¥1,747	¥—	¥141,227	¥142,975

(Note) There are no significant changes in estimation technique or assumptions.

	Millions of yen			
	2020			
	Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Allowance for doubtful account measured at the amount equivalent to lifetime-expected credit losses		Total
		Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	
Book value in gross amount				
Within 30 days after due date (including before due date)	¥1,659	¥—	¥113,810	¥115,469
Past due over 30 days and within 90 days	4	—	4,742	4,747
Past due over 90 days	3	—	7,960	7,964
Total	¥1,667	¥—	¥126,513	¥128,181

(Note) There are no significant changes in estimation technique or assumptions.

		Thousands of U.S. dollars (Note 2 (3))			
		2020			
		Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Allowance for doubtful account measured at the amount equivalent to lifetime-expected credit losses		Total
			Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	
Book value in gross amount					
Within 30 days after due date (including before due date)		\$15,250	\$—	\$1,045,760	\$1,061,010
Past due over 30 days and within 90 days		39	—	43,580	43,619
Past due over 90 days		34	—	73,149	73,184
Total		\$15,324	\$—	\$1,162,490	\$1,177,814

(ii) Other financial assets

Of other financial assets, the Group determines ratings of credit risk for debt securities (other than financial assets measured at fair value through profit or loss) based on the evaluation of external credit rating agencies. The Group's credit risk exposure of such debt securities is as follows:

	Millions of yen		
	2019		
	Measured at the amount equivalent to 12-month expected credit losses	Measured at the amount equivalent to lifetime- expected credit losses	Total
Total book value			
AAA-A	¥11,781	¥—	¥11,781
BBB-BB	2,396	—	2,396
B or lower	—	—	—
Total	¥14,178	¥—	¥14,178

(Notes) 1. Ratings are based on external credit rating agencies or internal rating.  
2. There are no significant changes in estimation technique or assumptions.

	Millions of yen		
	2020		
	Measured at the amount equivalent to 12-month expected credit losses	Measured at the amount equivalent to lifetime- expected credit losses	Total
Total book value			
AAA-A	¥9,371	¥—	¥9,371
BBB-BB	300	—	300
B or lower	—	—	—
Total	¥9,671	¥—	¥9,671

(Notes) 1. Ratings are based on external credit rating agencies or internal rating.  
2. There are no significant changes in estimation technique or assumptions.

	Thousands of U.S. dollars (Note 2 (3))		
	2020		
	Measured at the amount equivalent to 12-month expected credit losses	Measured at the amount equivalent to lifetime- expected credit losses	Total
Total book value			
AAA-A	\$86,107	\$—	\$86,107
BBB-BB	2,757	—	2,757
B or lower	—	—	—
Total	\$88,865	\$—	\$88,865

(Notes) 1. Ratings are based on external credit rating agencies or internal rating.  
2. There are no significant changes in estimation technique or assumptions.

There are no financial instruments with significant credit risk concentration other than the above.

(c) Allowance for doubtful accounts

The Group records allowance for doubtful accounts based on unrecoverable amounts for individually significant financial assets and based on historical default rates for individually insignificant financial assets. At the time of estimation, recovery based on retention of title clause is reflected. Changes in allowance for doubtful accounts for trade receivables and other receivables are as follows: The allowance for doubtful accounts targets primarily trade receivables and lease receivables constantly measured at the amount equivalent to lifetime-expected credit losses. Allowance for doubtful accounts, except for those related to trade receivables and other receivables, has no significance, including debt financial assets measured at fair value through other comprehensive income.

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Balance, beginning of year	¥1,913	¥2,009	\$18,468
Recognition and collection	404	346	3,181
Direct write-off	(146)	(142)	(1,306)
Exchange differences	(25)	(91)	(837)
Other	(135)	—	—
Balance, end of year	¥2,009	¥2,122	\$19,505

There are no significant changes in the total carrying amount of financial instruments that have an impact on increase/decrease in allowance for doubtful accounts.

2) Liquidity risk

(a) Management of liquidity risk in fundraising

The Group is exposed to liquidity risk in which fulfillment of payment obligation becomes difficult. However, to address such risk and maintain sound fund management, the Group optimizes capital efficiency through efficient working capital management and by central fund management by the Company. In addition, the Group prepares and updates funding plans based on business plans in a timely manner and secures sufficient short-term liquidity to manage such risk.

(b) Quantitative information on liquidity risk

Balance of financial liabilities (including derivative financial instruments) by due date is as follows:

	Millions of yen							
	2019							
	Carrying amount	Contractual cash flows	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Nonderivative financial liabilities								
Trade and other payables	¥65,917	¥65,917	¥65,917	¥ —	¥ —	¥ —	¥ —	¥ —
Borrowings	9,923	10,535	5,565	200	1,301	2,328	1,139	—
Other financial liabilities (nonderivative liabilities)	3,783	3,783	2,581	98	146	57	74	825
Total	¥79,624	¥80,236	¥74,065	¥298	¥1,447	¥2,385	¥1,213	¥825
Derivative financial liabilities								
Other financial liabilities (derivative liabilities)	56	56	56	—	—	—	—	—
Total	¥ 56	¥ 56	¥ 56	¥ —	¥ —	¥ —	¥ —	¥ —

Millions of yen								
	2020							
	Carrying amount	Contractual cash flows	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Nonderivative financial liabilities								
Trade and other payables	¥51,745	¥51,745	¥51,745	¥ —	¥ —	¥ —	¥ —	¥ —
Borrowings	21,232	21,641	17,036	148	4,434	22	—	—
Lease liabilities	9,459	9,973	2,187	1,648	1,130	774	494	3,738
Other financial liabilities (nonderivative liabilities)	3,619	3,619	2,581	111	34	46	50	794
Total	¥86,056	¥86,978	¥73,550	¥1,908	¥5,598	¥843	¥544	¥4,532
Derivative financial liabilities								
Other financial liabilities (derivative liabilities)	133	133	133	—	—	—	—	—
Total	¥ 133	¥ 133	¥ 133	¥ —	¥ —	¥ —	¥ —	¥ —

Thousands of U.S. dollars (Note 2 (3))								
	2020							
	Carrying amount	Contractual cash flows	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Nonderivative financial liabilities								
Trade and other payables	\$475,467	\$475,467	\$475,467	\$ —	\$ —	\$ —	\$ —	\$ —
Borrowings	195,100	198,855	156,539	1,364	40,746	205	—	—
Lease liabilities	86,923	91,638	20,100	15,145	10,385	7,117	4,539	34,348
Other financial liabilities (nonderivative liabilities)	33,254	33,254	23,722	1,021	313	429	466	7,300
Total	\$790,746	\$799,216	\$675,829	\$17,532	\$51,445	\$7,752	\$5,006	\$41,648
Derivative financial liabilities								
Other financial liabilities (derivative liabilities)	1,227	1,227	1,227	—	—	—	—	—
Total	\$ 1,227	\$ 1,227	\$ 1,227	\$ —	\$ —	\$ —	\$ —	\$ —

3) Market risk

(a) Market risk management

Among the risks arising from changes in market environment, major risks to which the Group is exposed include currency risk, interest rate risk, and stock price fluctuation risk. To address these risks, the Group implements risk management in accordance with certain policies.

(b) Currency risk

(i) Currency risk management

The Group conducts business activities globally and is exposed to currency exchange fluctuation risk for transactions executed in currencies other than Group companies’ functional currencies. To mitigate such fluctuation risk, the Group uses forward foreign exchange contracts and other derivatives for currency exchange fluctuation risk analyzed by currency and settlement month, which are relevant to certain foreign currency receivables, etc. Hedge accounting is not applied to such derivatives and changes in fair value are entirely recognized as net loss.

(ii) Foreign exchange sensitivity analysis

With regard to foreign currency-denominated financial instruments owned by the Group, the following table represents hypothetical impact on the amount of “profit before tax” in the fiscal years ended March 31, 2019 and 2020, that would result from a 1% depreciation of the yen against U.S. dollars and Euro, based on the assumption that all other factors are constant. There is no materiality in currency exchange fluctuation exposure other than yen’s fluctuation against U.S. dollars and Euro.

The amount of exposure is presented, less the amount of mitigated currency risk using the foreign exchange contract, etc. Impact of converting foreign operations’ assets and liabilities, and revenue and expenses into yen is excluded.

Item	Millions of yen				Thousands of U.S. dollars (Note 2 (3))	
	2019		2020		2020	
	U.S. dollars	Euro	U.S. dollars	Euro	U.S. dollars	Euro
Profit before tax	¥78	¥68	¥51	¥37	\$472	\$348

(Note) If the impact on profit before tax is negative, ( ) is attached.

(c) Interest rate risk

(i) Interest rate risk management

In order to procure operating capital and funds for capital investment, certain consolidated subsidiaries of the Group use borrowings subject to a variable interest rate and are, therefore, exposed to interest rate fluctuation risk. The impact of interest rate fluctuation on the Group’s profit and loss is insignificant.

(d) Securities price fluctuation risk

(i) Securities price fluctuation risk management

In fund management, the Group invests a certain amount in investment trusts as part of diversified investment, in addition to investments in debt securities, etc., with high degree of safety. In addition, with the aim of executing business strategy smoothly, it owns shares of companies with business relationships. These shares are exposed to price fluctuation risk. With regard to such investments, their current fair market value and the financial position of the issuers are checked regularly, while the necessity of holding such shares and portfolio is reviewed on a continual basis. The Group does not hold shares for trading purposes.

(ii) Market price fluctuation risk sensitivity analysis

With regard to the shares and investment trusts owned by the Group as of March 31, 2019 and 2020, the following table represents hypothetical impact on the amount of “profit before tax” and “other comprehensive income (before tax effect adjustment)” that would result from a 10% decline in the market price as of the end of periods, based on the assumption that all other factors are constant.

Item	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Profit before tax	¥(2,498)	¥(2,206)	\$(20,271)
Other comprehensive income (before tax effect adjustment)	(1,055)	(1,243)	(11,430)

(Note) If the impact on profit before tax and other comprehensive income (before tax effect adjustment) is negative, ( ) is attached.



(3) Equity financial assets measured at fair value through other comprehensive income

The Group designates long-term held shares, etc., which are aimed at expanding revenue base through maintaining and enhancing relationships with cus-  
tomers, as equity financial assets measured at fair value through other comprehensive income.

1) Principal stocks and fair value

Principal stocks and fair values of equity financial assets measured at fair value through other comprehensive income are as follows:

Stock issuer	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Lumentum Holdings, Inc.	¥9,126	¥11,663	\$107,169
MARUZEN CO., LTD.	228	209	1,927
Mizuho Financial Group, Inc.	339	122	1,125
Mebuki Financial Group, Inc.	301	117	1,078
Mitsubishi UFJ Financial Group, Inc.	263	96	886

2) Dividend income

Components of dividend income from equity financial assets measured at fair value through other comprehensive income are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Investment held at the end of period	¥149	¥46	\$429
Investment derecognized during period	0	21	197
Total	¥150	¥68	\$626

3) Derecognized equity financial assets measured at fair value through other comprehensive income

Fair value and cumulative gains or losses (before tax effect adjustment) as of the date of derecognition of equity financial assets measured at fair value through  
other comprehensive income, which were derecognized during the period, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Fair value	¥54	¥359	\$3,299
Cumulative gains or losses	29	(31)	(288)

(Notes) 1. The Group partially disposed of these equity financial assets measured at fair value through other comprehensive income through sale and derecognized them in the fiscal years ended March 31,  
2019 and 2020, mainly as a result of reviewing business relationships.  
2. When equity financial assets measured at fair value through other comprehensive income are derecognized, or fair value thereof significantly declines, cumulative gains or losses (after tax effect  
adjustment) which were recognized as other components of equity are transferred to retained earnings. The amounts for the fiscal years ended March 31, 2019 and 2020, are ¥30 million and –¥21  
million, respectively.

(4) Fair value of financial instruments

1) Comparison of fair value and carrying amount of financial instruments

Comparison of fair value and carrying amount of financial assets and financial liabilities is as follows:

The table does not include financial instruments measured at fair value and financial instruments and lease liabilities whose carrying amount approximates  
their fair values.

	Millions of yen				Thousands of U.S. dollars (Note 2 (3))	
	2019		2020		2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Trade and other receivables	¥140,965	¥141,365	¥126,058	¥127,526	\$1,158,308	\$1,171,799
Total	¥140,965	¥141,365	¥126,058	¥127,526	\$1,158,308	\$1,171,799
Financial liabilities						
Borrowings (noncurrent)	4,556	4,635	4,353	4,590	40,000	42,177
Total	¥ 4,556	¥ 4,635	¥ 4,353	¥ 4,590	\$ 40,000	\$ 42,177

(Note) The level of fair value hierarchy of “trade and other receivables” and “borrowings (noncurrent)” is Level 3.

The calculation method of the fair values of the above financial instruments is as follows:  
(Trade and other receivables)  
Trade and other receivables are measured based on the present value that is calculated by discounting the amount of each trade receivable for each  
period using an interest rate that reflects the period until the due date and the credit risk.  
(Borrowings (noncurrent))  
Borrowings (noncurrent) are measured based on the present value that is calculated by discounting the future cash flows using an interest rate that would  
be applied for a new loan contract under the same conditions and terms.

2) Classification of financial instruments measured at fair value by level

Financial instruments measured at fair value are classified as below using a fair value hierarchy, in accordance with the observability of inputs to the valuation  
techniques used to measure fair value:

- Level 1: Fair values measured at quoted prices in active market
  - Level 2: Fair values calculated using, either directly or indirectly, observable prices other than Level 1
  - Level 3: Fair values calculated using valuation techniques, including inputs not based on observable market data
- The level of fair value hierarchy used in fair value measurement is determined on the basis of the lowest-level input that is significant to the fair value  
measurement in its entirety.
- Transfers between levels in fair value hierarchy are recognized on the assumption that such transfers have occurred at the end of each quarter.

(a) Components of financial assets and financial liabilities measured at fair value

Components of financial assets and financial liabilities measured at fair value on a recurring basis classified according to the level of fair value hierarchy are as follows:

	Millions of yen			
	2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through other comprehensive income				
Shares	¥10,407	¥ 149	¥ —	¥10,557
Bonds	—	12,883	1,295	14,178
Financial assets measured at fair value through profit or loss				
Bonds	—	17,297	1,397	18,695
Investment trusts	—	15,569	9,412	24,982
Derivative assets	—	50	—	50
Total	¥10,407	¥45,951	¥12,105	¥68,464
Financial liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative liabilities	—	56	—	56
Total	¥ —	¥ 56	¥ —	¥ 56

(Note) There are no significant transfers between levels.

	Millions of yen			
	2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through other comprehensive income				
Shares	¥12,289	¥ 149	¥ —	¥12,439
Bonds	—	9,671	—	9,671
Financial assets measured at fair value through profit or loss				
Bonds	—	17,601	315	17,917
Investment trusts	—	13,926	8,134	22,061
Derivative assets	—	362	—	362
Total	¥12,289	¥41,711	¥8,450	¥62,452
Financial liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative liabilities	—	133	—	133
Total	¥ —	¥ 133	¥ —	¥ 133

(Note) There are no significant transfers between levels.

Thousands of U.S. dollars (Note 2 (3))

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through other comprehensive income				
Shares	\$112,927	\$ 1,377	\$ —	\$114,305
Bonds	—	88,865	—	88,865
Financial assets measured at fair value through profit or loss				
Bonds	—	161,733	2,903	164,636
Investment trusts	—	127,961	74,749	202,710
Derivative assets	—	3,334	—	3,334
Total	\$112,927	\$383,272	\$77,652	\$573,852
Financial liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative liabilities	—	1,227	—	1,227
Total	\$ —	\$ 1,227	\$ —	\$ 1,227

(Note) There are no significant transfers between levels.

Calculation methods of fair values of above financial instruments are as follows:  
(Shares)  
Fair values are market prices.  
(Bonds, investment trusts, and derivative assets and liabilities)  
For bonds, investment trusts, and derivative assets and liabilities, fair values obtained from counterparty financial institutions are used.

(b) Reconciliation of financial instruments classified as Level 3

Financial instruments classified as fair value hierarchy Level 3 include bonds, and investment trusts, etc.

Reconciliation between the beginning and ending balances is as follows:

	Millions of yen				Thousands of U.S. dollars (Note 2 (3))	
	2019		2020		2020	
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss
Balance, beginning of year	¥1,295	¥18,439	¥1,295	¥10,810	\$11,900	\$99,329
Gains or losses						
Profit or loss (Note) 1	0	822	—	279	—	2,565
Other comprehensive income (Note) 2	(1)	—	3	—	31	—
Purchases	—	1,999	—	454	—	4,176
Sale or redemption	—	(1,860)	(1,298)	(3,092)	(11,931)	(28,418)
Conversion (Note) 3	—	(8,591)	—	—	—	—
Balance, end of year	¥1,295	¥10,810	¥ —	¥ 8,450	\$ —	\$77,652

(Notes) 1. Gains or losses recognized as profit or loss are presented as “finance income” or “finance costs” in the consolidated statement of profit or loss. Of the total gains or losses recognized as profit or loss those pertaining to the financial instruments owned at the fiscal year end for the fiscal years ended March 31, 2019 and 2020, are ¥328 million and ¥278 million, respectively.  
2. Gains or losses recognized as other comprehensive income are presented as “debt financial assets measured at fair value through other comprehensive income” in the consolidated statement of comprehensive income.  
3. These financial instruments were derecognized due to the exercise of conversion rights of unlisted shares to listed parent shares.  
4. Fair value of assets and liabilities classified as Level 3 is measured by a responsible division that determines the valuation techniques for the assets and liabilities subject to measurement, in accordance with the valuation policies and procedures for fair value measurement approved by appropriate authorized persons. The result of fair value measurement is approved by appropriate authorized persons.

40 RELATED-PARTY TRANSACTIONS

(1) Related-party transactions

Transactions and balances of current and noncurrent trade receivables and payables between the Group and its related parties are as follows: Although the Group's subsidiaries are the Company's related parties, transactions with subsidiaries are eliminated in the consolidated financial statements and are, therefore, not disclosed.

Type	Name	Details of relationship with related party	Millions of yen	
			2019	
			Transaction amount	Outstanding balance
Officer	Hidekazu Miyoshi	Patent-related agency transactions concerning the Company's business	¥ 85	¥3
Company whose majority of the voting rights is held by officer and his/her close relatives	Miyoshi Industrial Property Rights Research Center K.K.	Patent-related agency transactions concerning the Company's business	135	¥2

Type	Name	Details of relationship with related party	Millions of yen	
			2020	
			Transaction amount	Outstanding balance
Officer	Hidekazu Miyoshi	Patent-related agency transactions concerning the Company's business	¥ 86	¥6
Company whose majority of the voting rights is held by officer and his/her close relatives	Miyoshi Industrial Property Rights Research Center K.K.	Patent-related agency transactions concerning the Company's business	134	6

Type	Name	Details of relationship with related party	Thousands of U.S. dollars (Note 2 (3))	
			2020	
			Transaction amount	Outstanding balance
Officer	Hidekazu Miyoshi	Patent-related agency transactions concerning the Company's business	\$ 794	\$58
Company whose majority of the voting rights is held by officer and his/her close relatives	Miyoshi Industrial Property Rights Research Center K.K.	Patent-related agency transactions concerning the Company's business	1,233	63

(Notes) 1. Transaction amount is exclusive of consumption taxes and outstanding balance is inclusive of consumption taxes.  
2. Terms for transactions and policies for determining such terms are determined in the same fashion as regular transactions with independent third-party customers.

(2) Compensation for key management personnel

Compensation for the Group's major key management personnel is as follows:

Type	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Compensation and bonuses	¥442	¥400	\$3,682



41 MAJOR SUBSIDIARIES

The Group's major subsidiaries as of March 31, 2020, are as follows:

Company name	Location	Capital or investments (Millions of yen)	Ownership ratio (%)	Relationship with the parent
AMADA CO., LTD. (Note) 3	Japan	5,000	100.0	3 directors concurrently working Development, manufacture, sales, and service of parent's products Office and factory rental from the parent
AMADA MACHINE TOOLS CO., LTD. (Note) 4	Japan	400	100.0	2 directors concurrently working Development, manufacture, sales, and service of parent's products Office and factory rental from the parent
AMADA MIYACHI CO., LTD. (Note) 5	Japan	1,606	100.0	2 directors concurrently working Development, manufacture, sales, and service of parent's products
AMADA ORII CO., LTD. (Note) 6	Japan	1,491	100.0	1 director concurrently working Development, manufacture, sales, and service of parent's products
NICOTEC CO., LTD.	Japan	200	100.0	1 director concurrently working Manufacture and sales of parent's products
AMADA SANWA DAIYA CO., LTD.	Japan	50	100.0	Development, manufacture, sales, and service of parent's products
AMADA AUTOMATION SYSTEMS CO., LTD.	Japan	80	100.0	Manufacture of parent's products Factory rental from the parent
AMADA TOOL PRECISION CO., LTD.	Japan	400	100.0	Manufacture of parent's products
AMADA TECHNICAL SERVICE CO., LTD.	Japan	100	100.0	1 director concurrently working Service of parent's products
AMADA BUTSURYU CO., LTD.	Japan	100	100.0 (2.8)	Logistics agency
FUJINO CLUB CO., LTD.	Japan	185	100.0	Management of golf course, training and dining facilities
AMADA NORTH AMERICA, INC.	U.S.A.	148,450 Thousand USD	100.0	Management control of North American subsidiaries
AMADA AMERICA, INC.	U.S.A.	59,000 Thousand USD	100.0 (100.0)	Manufacture, sales, and service of parent's products
AMADA CAPITAL CORPORATION.	U.S.A.	6,000 Thousand USD	100.0 (100.0)	Leasing and Financing
AMADA MACHINE TOOLS AMERICA, INC.	U.S.A.	4,220 Thousand USD	100.0 (5.3)	Sales and service of parent's products
AMADA TOOL AMERICA, INC.	U.S.A.	700 Thousand USD	100.0 (100.0)	Manufacture of parent's products
AMADA MARVEL, INC.	U.S.A.	300 Thousand USD	100.0	Development, manufacture, sales, and service of parent's products

Company name	Location	Capital or investments (Millions of yen)	Ownership ratio (%)	Relationship with the parent
AMADA CANADA LTD.	Canada	3,000 Thousand CAD	100.0	Sales and service of parent's products
AMADA de MEXICO, S. de R.L. de C.V.	Mexico	9,494 Thousand MXN	100.0 (100.0)	Sales and service of parent's products
AMADA MIYACHI AMERICA, INC.	U.S.A.	4 Thousand USD	100.0 (100.0)	Development, manufacture, sales, and service of parent's products
AMADA UNITED KINGDOM LTD.	United Kingdom	2,606 Thousand GBP	100.0	Sales and service of parent's products
AMADA GmbH	Germany	6,474 Thousand EUR	100.0 (8.8)	Sales and service of parent's products
AMADA MACHINE TOOLS EUROPE GmbH	Germany	6,000 Thousand EUR	100.0 (100.0)	Sales and service of parent's products
AMADA EUROPE S.A.	France	28,491 Thousand EUR	100.0	1 director concurrently working Management control of European subsidiaries Manufacture of parent's products
AMADA S.A.	France	8,677 Thousand EUR	100.0 (71.9)	Sales and service of parent's products
AMADA OUTILLAGE S.A.	France	42 Thousand EUR	100.0	Manufacture of parent's products
AMADA ITALIA S.r.l.	Italy	21,136 Thousand EUR	100.0 (2.2)	Sales and service of parent's products
AMADA ENGINEERING EUROPE S.r.l.	Italy	905 Thousand EUR	100.0	Development of parent's products
AMADA SWISS GmbH	Switzerland	20 Thousand CHF	100.0 (100.0)	Sales and service of parent's products
AMADA AUSTRIA GmbH	Austria	16,206 Thousand EUR	100.0	Manufacture and sales of parent's products
AMADA SCANDINAVIA AB	Sweden	500 Thousand SEK	100.0 (100.0)	Sales and service of parent's products
AMADA Sp. z o.o.	Poland	5,000 Thousand PLN	100.0 (100.0)	Sales and service of parent's products
AMADA OOO	Russia	7,300 Thousand RUB	100.0 (100.0)	Sales and service of parent's products
AMADA TURKEY MAKINA TEKNOLOJI SANAYI VE TICARET LTD. STI.	Turkey	6,000 Thousand TRY	100.0	Sales and service of parent's products
AMADA TAIWAN INC.	Taiwan	82,670 Thousand TWD	75.0 (7.6)	1 director concurrently working Sales and service of parent's products
AMADA (CHINA) CO., LTD.	China	3,000	100.0	1 director concurrently working Management of local AMADA Group subsidiaries in China
AMADA HONG KONG CO., LTD.	Hong Kong	712	96.0 (16.0)	1 director concurrently working Sales and service of parent's products
BEIJING AMADA MACHINE & TOOLING CO., LTD.	China	800 Thousand USD	100.0 (81.5)	1 director concurrently working Sales and service of parent's products
AMADA LIANYUNGANG MACHINERY CO., LTD.	China	796	100.0 (80.0)	Manufacture of parent's products

Company name	Location	Capital or investments (Millions of yen)	Ownership ratio (%)	Relationship with the parent
AMADA LIANYUNGANG MACHINE TOOL CO., LTD.	China	5,880 Thousand USD	100.0 (100.0)	Manufacture of parent's products
AMADA INTERNATIONAL INDUSTRY & TRADING (SHANGHAI) CO., LTD.	China	500 Thousand USD	100.0 (100.0)	1 director concurrently working Sales and service of parent's products
AMADA INTERNATIONAL TRADING (SHENZHEN) CO., LTD.	China	300 Thousand USD	100.0 (100.0)	1 director concurrently working Sales and service of parent's products
AMADA SHANGHAI MACHINE TECH CO., LTD.	China	4,094	100.0	Manufacture of parent's products
AMADA KOREA CO., LTD.	Korea	22,200 Million KRW	100.0	Sales and service of parent's products
AMADA SINGAPORE (1989) PTE LTD.	Singapore	400 Thousand SGD	100.0 (100.0)	Sales and service of parent's products
AMADA ASIA PACIFIC CO., LTD	Thailand	550,850 Thousand THB	100.0 (22.5)	Management of local AMADA Group subsidiaries in ASEAN
AMADA (THAILAND) CO., LTD	Thailand	476,000 Thousand THB	100.0 (100.0)	1 director concurrently working Sales and service of parent's products
AMADA (MALAYSIA) SDN. BHD.	Malaysia	1,000 Thousand MYR	100.0 (100.0)	Sales and service of parent's products
AMADA VIETNAM CO., LTD	Vietnam	8,500 Million VND	100.0	1 director concurrently working Sales and service of parent's products
AMADA (INDIA) PVT. LTD.	India	87,210 Thousand INR	100.0	Sales and service of parent's products
AMADA SOFT (INDIA) PVT. LTD.	India	6,500 Thousand INR	100.0	Development of parent's products
PT AMADA MACHINERY INDONESIA	Indonesia	13,500 Million IDR	100.0	1 director concurrently working Sales and service of parent's products
AMADA OCEANIA PTY LTD.	Australia	6,450 Thousand AUD	100.0	Sales and service of parent's products
AMADA DO BRASIL LTDA.	Brazil	35,600 Thousand BRL	100.0	Sales and service of parent's products
Ab LKI Kälðman Oy (Note) 7	Finland	50 Thousand EUR	100.0	Manufacture of parent's products
AMADA LIANYUNGANG MACHINE TECH CO., LTD.	China	16,880 Thousand CNY	25.0	Manufacture of parent's products

(Notes) 1. The percentages in parentheses under "Ownership ratio (%)" indicate the indirect ownership out of total ownership noted above.  
2. There are no subsidiaries with material noncontrolling shareholders.  
3. AMADA CO., LTD. a consolidated subsidiary of the Company, was merged into the Company on April 1, 2020.  
4. AMADA MACHINE TOOLS CO., LTD. changed its trade name to AMADA MACHINERY CO., LTD. on April 1, 2020.  
5. AMADA MIYACHI CO., LTD. changed its trade name to AMADA WELD TECH CO., LTD. on April 1, 2020.  
6. AMADA ORII CO., LTD. changed its trade name to AMADA PRESS SYSTEM CO., LTD. on April 1, 2020.  
7. LKI Kälðman changed its trade name to AMADA AUTOMATION EUROPE LTD. on April 1, 2020.

42 COMMITMENT AND CONTINGENCIES

(1) Commitment related to acquisition of assets

Regarding acquisition of assets, significant commitments contracted but not recognized in the consolidated financial statements, are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Property, plant, and equipment	¥13,344	¥7,899	\$72,586
Intangible assets	—	—	—

(2) Warranty obligations

The Group offers warranty obligations as follows (The warranty period of each is within 3 years.):

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2019	2020	2020
Warranty for obligations of travel agencies arising from ticket purchase consignment from the Group	¥ 56	¥ 56	\$ 516
Warranty for obligations of customers who purchased the Group's merchandise			
Loans from banks	48	3	30
Lease obligations to lease companies	1,277	639	5,874
Total	¥1,382	¥698	\$6,421

43 SUBSEQUENT EVENTS

Transfer of noncurrent assets

With the aim to improve capital productivity, the Company decided to transfer buildings and structures and land that were used as distribution warehouses. The transaction agreement was concluded on November 29, 2019, and the transfer was completed on April 16, 2020.

(1) Reasons for transfer

In order to increase asset turnover and enhance financial standing through effective utilization of management resources, the Company decided to transfer the following assets:

(2) Overview of transferred assets

Location:	158/159-1/160/167/168, Shimoobari-nakashima 2-chome, Komaki-shi, Aichi Prefecture, and other
Contents of assets:	Buildings and structures (6,868.53 m²), land (85,400.84 m²)
Transfer price:	¥11,040 million
Current state of assets:	Distribution warehouses

(3) Overview of an entity to which assets were transferred

The entity is a general industrial corporation. The name cannot be disclosed because of a confidentiality agreement.

There are no capital, personal, or transactional relationships between the Group and the entity to which the assets were transferred, and the entity is not a related party of the Group.

(4) Transfer schedule

Date of execution of transaction agreement:	November 29, 2019
Date of transfer:	April 16, 2020

44 DATE OF APPROVAL

These consolidated financial statements were approved by Tsutomu Isobe, President and Representative Director on June 25, 2020.



Independent Auditor’s Report



Deloitte Touche Tohmatsu LLC  
Marunouchi Nijubashi Building  
3-2-3 Marunouchi, Chiyoda-ku  
Tokyo 100-8360  
Japan  
  
Tel: +81 (3) 6213 1000  
Fax: +81 (3) 6213 1005  
www.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AMADA CO., LTD.:

Opinion

We have audited the consolidated financial statements of AMADA CO., LTD. (formerly, AMADA HOLDINGS CO., LTD.) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

*Deloitte Touche Tohmatsu LLC*

June 25, 2020

# The AMADA Group

(As of October 2020)

NETWORK AND BASES IN JAPAN

SALES NETWORK

AMADA CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196  
Tel. +81-463-96-1111  
*Major Activities:* Sales and after-sales service of sheet metal fabrication machines and equipment.

AMADA MACHINERY CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196  
Tel. +81-463-96-3351  
*Major Activities:* Development, manufacture, sales, and after-sales service of metal-cutting machines, grinding machines, general fabrication machines (including shearing machines, deburring machines), and other metal processing tools. Development, manufacture, and sales of band saw blades, cutting equipment and tools, and petroleum products such as hydraulic oil and oil for cutting machines.

AMADA WELD TECH CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196  
Tel. +81-4-7125-6177  
*Major Activities:* Development, design, manufacture, and sales of laser welding equipment, laser marking equipment, and resistance welding equipment (welding controls, weld monitoring instruments, welding power supplies, peripherals) and integration of these products.

AMADA PRESS SYSTEM CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196  
Tel. +81-463-96-3321  
*Major Activities:* Development, manufacture, sales, and service of stamping presses, press room automation, and spring machines.

MANUFACTURING NETWORK

AMADA CO., LTD. (Fujinomiya Works)

Works: 7020 Kitayama, Fujinomiya-shi, Shizuoka 418-0112  
*Major Activities:* Development, manufacture, sales, and after-sales service of sheet metal fabrication machines and equipment.

AMADA CO., LTD. (Toki Works)

Works: 1431-37 Kitayama, Kujiri, Izumi-cho, Toki-shi, Gifu 509-5142  
*Major Activities:* Development and manufacture of metal cutting machines and equipment and machine tools and equipment.

AMADA AUTOMATION SYSTEMS CO., LTD. (Fukushima Plant)

Plant: 113-1, Hara, Ozawa, Nihonmatsu-shi, Fukushima 969-1513  
*Major Activities:* Manufacture, sales, contract remodeling, maintenance inspection and management, and other after-sales services pertaining to conveyor devices, power transmission devices, automatic control units, and various other equipment.

AMADA MACHINERY CO., LTD. (Ono Plant)

Plant: 56 Hata-cho, Ono-shi, Hyogo 675-1377  
*Major Activities:* Development and manufacture of band saw blades.

AMADA WELD TECH CO., LTD. (Noda Works)

Works: 95-3 Futatsuka, Noda-shi, Chiba 278-0016  
*Major Activities:* Development, design, manufacture, sales, and maintenance of laser welding equipment, laser marking equipment, and resistance welding equipment (welding controls, weld monitoring instruments, welding power supplies, peripherals).

AMADA MACHINERY CO., LTD. (Miki Plant)

Plant: 45, Tomoe, Bessho-cho, Miki-shi, Hyogo 673-0443  
*Major Activities:* Manufacture of band saw blades.

AMADA TOOL PRECISION CO., LTD.

Head Office / Plant: 200, Ishida, Isehara-shi, Kanagawa 259-1196  
*Major Activities:* Manufacture and sales of tooling for punching and bending, tooling for hydraulic punch presses, and tooling peripheral machines.

AMADA PRESS SYSTEM CO., LTD. (Isehara Suzukawa Works)

6, Suzukawa, Isehara-shi, Kanagawa 259-1198  
Tel. +81-463-93-0811  
*Major Activities:* Development, manufacture, sales, and service of press room automation equipment.

AMADA PRESS SYSTEM CO., LTD. (Kawaguchi Works)

1-17-24 Kamiaoki Nishi, Kawaguchi-shi, Saitama 333-0845  
Tel. +81-48-256-3511  
*Major Activities:* Development, manufacture, sales, and service of spring machines

ORII SEIKI CO., LTD.

7-4-3, Wakabadai Minami, Tottori-shi, Tottori 689-1112  
Tel. +81-857-52-0011  
*Major Activities:* Manufacture of press room automation equipment

OTHER AFFILIATES

AMADA LEASE CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196  
Tel. +81-463-96-3663  
*Major Activities:* Leasing operation for sheet metal machines, metal cutting machines, and power press machines.

AMADA BUTSURYU CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196  
Tel. +81-463-96-3334  
*Major Activities:* Forwarding and import/export agency for sheet metal machines, metal cutting machines, and power press machines. Used machine distributor for sheet metal machines and metal cutting machines.

FUJINO CLUB CO., LTD.

350, Ishida, Isehara-shi, Kanagawa 259-1116  
Tel. +81-463-96-3711  
*Major Activities:* Management of training and hospitality facilities of AMADA Group.

OVERSEAS NETWORK AND BASES

SALES NETWORK

United States

AMADA NORTH AMERICA, INC.

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.  
Tel. +1-714-739-2111  
*Major Activities:* Management of local AMADA Group subsidiaries (in North America).

AMADA AMERICA, INC.

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.  
Tel. +1-714-739-2111  
*Major Activities:* Manufacture, sales, and service of metalworking machines.

AMADA CAPITAL CORPORATION

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.  
Tel. +1-714-739-2111  
*Major Activities:* Leasing and financing.

AMADA MACHINERY AMERICA, INC.

100 South Puente Street, Brea, CA 92821, U.S.A.  
Tel. +1-847-285-4800  
*Major Activities:* Sales and after-sales service of metal cutting machines, grinding machines, and other metal machine tools and equipment. Sales of band saw blades.

AMADA WELD TECH, INC.

1820 South Myrtle Avenue, Monrovia CA 91016, U.S.A.  
Tel. +1-626-303-5676  
*Major Activities:* Development, manufacture, sales, and maintenance of laser welders, laser markers, and resistance welders.

AMADA ORII AMERICA INC.

1840 Airport Exchange Boulevard #200 Erlanger, Kentucky, 41018 U.S.A.  
Tel. +1-859-746-3318  
*Major Activities:* Sales and service of stamping press, press room automation, and spring machines.

Canada

AMADA CANADA LTD.

155 Admiral Boulevard, Mississauga ON L5T 2T3, Canada  
Tel. +1-905-676-9610  
*Major Activities:* Sales and after-sales service of metalworking machines.

Mexico

AMADA de MEXICO, S. de R.L. de C.V.

Avenida TLC 57E Parque Industrial Stiva, Apodaca NL CP 66626 Mexico  
Tel. +52-81-1234-0700  
*Major Activities:* Sales and after-sales service of metalworking machines.

AMADA ORII DE MEXICO, S. A. DE C.V.

Rufino Tamayo No.11 Int. No.101 Pueblo Nuevo, El Pueblito, 76900 Corregidora Queretaro, Mexico  
Tel. +52-442-225-2849  
*Major Activities:* Sales and service of stamping press machines, press room automation equipment, and spring machines.

Brazil

AMADA DO BRASIL LTDA.

Avenida Tamboré, 965/973, Tamboré, Barueri – SP CEP 06460-000, Brazil  
Tel. +55-11-4134-2320  
*Major Activities:* Sales and after-sales service of metalworking machines.

United Kingdom

AMADA UNITED KINGDOM LTD.

Spennells Valley Road, Kidderminster, Worcestershire DY10 1XS, England  
Tel. +44-1562-749-500  
*Major Activities:* Sales and after-sales service of metalworking machines.

AMADA WELD TECH UK LTD.

69 Fred Dannatt Road, Mildenhall, Suffolk, IP28 7RD United Kingdom  
Tel. +44-1638-510-11  
*Major Activities:* Development, manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders and integration of these products.

Spain

AMADA MAQUINARIA IBERICA S.L.

C/Recerca, 5–Esq. C/Imaginacio, 1 Poligono Industrial Gava Business Park, 08850–GAVA, Barcelona, Spain  
Tel. +34-93-4742725  
*Major Activities:* Sales and after-sales service of metalworking machines.

Sweden

AMADA SCANDINAVIA AB

Borgens Gata 16-18, SE-441 39 Alingsas, Sweden  
Tel. +46-322-20-99-00  
*Major Activities:* Management of local AMADA Group subsidiaries in Scandinavia. Sales and after-sales service of metalworking machines.

Denmark

AMADA DENMARK A/S

Erhvervsbyvej 4, 8700 Horsens, Denmark  
Tel. +45-7563-1400  
*Major Activities:* Sales and after-sales service of metalworking machines.

Norway

AMADA NORWAY AS

Myrveien 12, 1430 As, Norway  
Tel. +47-6497-3100  
*Major Activities:* Sales and after-sales service of metalworking machines.

Germany

AMADA GmbH

AMADA Allee 1, 42781 Haan, Germany  
Tel. +49-2104-2126-0  
*Major Activities:* Sales and after-sales service of metalworking machines.

AMADA MACHINERY EUROPE GmbH

AMADA Allee 3, 42781 Haan, Germany  
Tel. +49-2104-1777-0  
*Major Activities:* Sales and after-sales service of metal cutting machines, grinding machines, and other metal machine tools and equipment. Sales of saw blades.

AMADA WELD TECH GmbH

Lindberghstrasse 1, DE-82178 Puchheim, Germany  
Tel. +49-89-83-94-030  
*Major Activities:* Development, manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders.

Russian Federation

AMADA O.O.O.

Dokukina Street 16, Building 3, 5F Moscow 129226, Russian  
Tel. +7-495-518-9650  
*Major Activities:* Sales and after-sales service of metalworking machines

Poland

AMADA Sp. z o.o.

Cholerzyn 467, 32-060 Liszki, Poland  
Tel. +48-1237-93185  
*Major Activities:* Sales and after-sales service of metalworking machines

France

AMADA S.A.

ZI Paris Nord II, 96, Avenue de la Pyramide, 93290 Tremblay-en-France, France  
Tel. +33-1-49-90-30-00  
*Major Activities:* Sales and after-sales service of metalworking machines.

Switzerland

AMADA SWISS GmbH

Daettlikonerstrasse 5, CH-8422 Pfungen, Switzerland  
Tel. +41-52-304-00-34  
*Major Activities:* Sales and after-sales service of metalworking machines.

Turkey

AMADA TURKEY MAKINA TEKNOLOJI SANAYI VE TICARET LTD. STI.

İKİTELLİ O.S.B. M.H.AYKOSAN ÇARŞI B BLOK VIP PLAZA DIŞ KAPI NO : 1 İÇ KAPI NO : 27 34490 BAŞAKŞEHİR / İSTANBUL-Turkiye  
Tel. +90-212-549-10-70  
*Major Activities:* Sales and after-sales service of metalworking machines.

Italy

AMADA ITALIA S.r.l.

Via AMADA I., 1/3, 29010 Pontenure, Piacenza, Italy  
Tel. +39-0523-872111  
*Major Activities:* Sales and after-sales service of metalworking machines.

OVERSEAS NETWORK AND BASES

Netherlands

AMADA WELD TECH B.V.

Schootense Dreef 21 NL-5708 HZ Helmond, The Netherlands  
Tel. +31-492-542-225  
*Major Activities:* Development, manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders.

Hungary

AMADA WELD TECH kft.

Mester utca 87. HU-1095, Budapest, Hungary  
Tel. +36-1-4319927  
*Major Activities:* Manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders.

South Africa

AMADA UNITED KINGDOM LTD. JOHANNESBURG BRANCH

225 Albert Amon Road, Millennium Business Park, Meadowdale Ext-7, Johannesburg, South Africa  
Tel. +27-11-453-5459  
*Major Activities:* Sales and after-sales service of metalworking machines.

China

AMADA (CHINA) CO., LTD.

No. 89 Zhuoqing Road, Qingpu District, 201799 Shanghai, China  
Tel. +86-21-5985-8222  
*Major Activities:* Management of local AMADA Group subsidiaries in China.

AMADA HONG KONG CO., LTD.

Unit 1101-2, 11/F., Austin Tower, 22-26 Austin Ave., Jordan, Kowloon, Hong Kong, S.A.R., China  
Tel. +852-2868-9186  
*Major Activities:* Sales of AMADA products for the Chinese market and international trading.

BEIJING AMADA MACHINE & TOOLING CO., LTD.

No. 3, 705 Yong Chang Bei Lu, Beijing Economic Technological Development Area 100176, Beijing, China  
Tel. +86-10-6786-9380  
*Major Activities:* Sales and after-sales service of metalworking machines.

AMADA INTERNATIONAL INDUSTRY & TRADING (SHANGHAI) CO., LTD.

No. 89 Zhuoqing Road, Qingpu District, 201799 Shanghai, China  
Tel. +86-21-6212-1111  
*Major Activities:* Sales, after-sales service, and trading service of metalworking machines.

AMADA INTERNATIONAL TRADING (SHENZHEN) CO., LTD.

Rooms 801-803, 8th Floor, Talfook Chong, No. 9, Shihua Road, Futian Free Trade Zone, 518038 Shenzhen, China  
Tel. +86-755-8358-0011  
*Major Activities:* Sales, after-sales service, and trading service of metalworking machines.

AMADA WELD TECH SHANGHAI CO., LTD.

Unit. 401, A206 (C8), No. 77, Hongcao Road, Xuhui District, Shanghai, China  
Tel. +86-21-6448-6000  
*Major Activities:* Sales and after-sales service for AMADA WELD TECH products in China.

AMADA ORII HONG KONG CO., LTD.

Flat 5, 14/F., Sunwise Industrial Building, 16-26 Wang Wo Tsai Street, Tsuen Wan, N.T., Hong Kong, China  
Tel. +852-3568-9800  
*Major Activities:* Import and export trade of AMADA PRESS SYSTEM products.

AMADA ORII SHANGHAI CO., LTD.

Room 806, No. 3998, Hong Xin Road, Dibao Plaza, Min Hang District, Shanghai 201101, China  
Tel. +86-21-6226-8584  
*Major Activities:* Sales and service of stamping press machines, press room automation equipment, and spring machines.

Taiwan

AMADA TAIWAN INC.

No. 21, Wenming Rd., Guishan Dist., Taoyuan City 33382, Taiwan (R.O.C.)  
Tel. +886-3-328-3511  
*Major Activities:* Sales, after-sales service, and trading service of metalworking machines.

AMADA WELD TECH TAIWAN CO., LTD.

Rm. 5, 2F., No. 9, Dehui St., Zhongshan Dist. Taipei 10461, Taiwan (R.O.C.)  
Tel. +886-2-2585-0161  
*Major Activities:* Sales and after-sales service for AMADA WELD TECH products in Taiwan.

Republic of Korea

AMADA KOREA CO., LTD.

12, Harmony-ro 177beon-gil, Yeonsu-gu, Incheon, 22013, Republic of Korea  
Tel. +82-32-821-6010  
*Major Activities:* Sales and after-sales service of metalworking machines.

AMADA WELD TECH KOREA CO., LTD.

28, Dongtanhana 1-gil, Hwaseong-si, Gyeonggi-do, 445-320 Republic of Korea  
Tel. +82-31-8015-6810  
*Major Activities:* Sales and after-sales service for AMADA WELD TECH products in Korea.

Thailand

AMADA ASIA PACIFIC CO., LTD.

88/41 Moo 4, Khlongsuan, Bangbo, Samutprakarn 10560, Thailand  
Tel. +66-2-170-5900  
*Major Activities:* Management of local AMADA Group subsidiaries in the ASEAN region.

AMADA (THAILAND) CO., LTD.

88/41 Moo 4, Khlongsuan, Bangbo, Samutprakarn 10560, Thailand  
Tel. +66-2-170-5900  
*Major Activities:* Sales and after-sales service of metalworking machines, micro welding machines, and metal machine tools.

AMADA ORII (THAILAND) CO., LTD.

120/37, Soi 21/2 King Kao Road, Moo 12, Tambol Rachathewa, Amphur Bangplee, Samutprakarn 10540, Thailand  
Tel. +66-2-750-0232  
*Major Activities:* Sales and service of press room automation and spring machines.

AMADA ORII TRADING (THAILAND) CO., LTD.

120/37, Soi 21/2 King Kao Road, Moo 12, Tambol Rachathewa, Amphur Bangplee, Samutprakarn 10540, Thailand  
Tel. +66-2-750-1250  
*Major Activities:* Wholesaling and service of stamping presses, press room automation equipment, and spring machines.

Singapore

AMADA SINGAPORE (1989) PTE. LTD.

100G Pasir Panjang Road, #01-15/16 Interlocal Centre, Singapore 118523  
Tel. +65-6743-6334  
*Major Activities:* Sales and after-sales service of metalworking machines.

AMADA ORII SINGAPORE PTE. LTD.

80 Marine Parade Road #12-03 Parkway Parade Singapore 449269  
Tel. +65-6348-8023  
*Major Activities:* Sales and service of stamping presses and press room automation equipment.

Malaysia

AMADA (MALAYSIA) SDN. BHD.

No. 20, Jalan Pendaftar, U1/54, Temasya Industrial Park, Section U1, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia  
Tel. +60-3-5569-6233  
*Major Activities:* Sales and after-sales service of metalworking machines.

Vietnam

AMADA VIETNAM CO., LTD.

469 Ha Huy Tap Road, Yen Vien, Gia Lam, Hanoi, Vietnam  
Tel. +84-24-6261-4583  
*Major Activities:* Sales and after-sales service of metalworking machines.

Indonesia

PT. AMADA MACHINERY INDONESIA

Green Sedayu Biz Park Cakung, Unit GS 9/038A Jl. Cilincing Raya Sisi Timur, Jakarta 13910, Indonesia  
Tel. +62-021-2246-7226  
*Major Activities:* Sales and after-sales service of metalworking machines.

PT. AMADA ORII INDONESIA

Ruko Trivium Square, Jl. Kemang No. 25, Lippo Cikarang Bekasi 17550, Indonesia  
Tel. +62-21-8991-1481  
*Major Activities:* After-sales service of stamping press and press room automation.

OVERSEAS NETWORK AND BASES

India  
AMADA (INDIA) PVT. LTD.

No. 60, KIADB Bengaluru Aerospace Park, Singahalli Village, Budigere Post, Bangalore North Taluk-562 129, India  
Tel. +91-80-7110-0200  
Major Activities: Sales and after-sales service of metalworking machines.

AMADA WELD TECH INDIA PVT. LTD.

G-A Ground Floor, 5C-409, 5th Cross, Kammanahalli Main Road, HRBR Layout, Kalyan Nager, Bangalore-560043, India  
Tel. +91-80-4092-1749  
Major Activities: Sales and after-sales service for WELD TECH products in India.

Australia  
AMADA OCEANIA PTY. LTD.

Unit 7, 16 Lexington Drive, Bella Vista, NSW 2153, Australia  
Tel. +61-2-8887-1100  
Major Activities: Sales and after-sales service of metalworking machines.

United Arab Emirates  
AMADA MIDDLE EAST FZCO

P.O. Box No. 18735, XC08 Jebel Ali, Free zone Dubai, United Arab Emirates  
Tel. +971-4-883-3744  
Major Activities: Sales and after-sales service of metalworking machines.

MANUFACTURING NETWORK

United States  
AMADA AMERICA, INC.

Brea Plant:  
100 South Puente Street, Brea, CA 92821, U.S.A  
Tel. +1-714-739-2111  
High Point Plant:  
3789 AMADA Drive High Point, NC 27265, U.S.A.  
Tel. +1-336-646-5384  
Major Activities: Manufacture, sales, and after-sales service of metalworking machines and machine tools.

AMADA TOOL AMERICA, INC.

4A Treadeasy Avenue, Batavia, NY 14020, U.S.A.  
Tel. +1-585-344-3900  
Major Activities: Manufacture of metal die casting machines.

AMADA MARVEL, INC.

3501 Marvel Drive, Oshkosh, WI 54902, U.S.A.  
Tel. +1-800-472-9464  
Major Activities: Development and manufacture of cutting machines.

France  
AMADA EUROPE S.A.

Charleville-Mézières Plant:  
Z.I. Mohon, 24 rue Camille Didier 08013 Charleville-Mézières, France  
Tel. +33-2-32-80-81-00  
Château du Loir Plant:  
129 Avenue Jean-Jaures 72500 Château-du-Loir, France  
Tel. +33-2-32-80-81-00  
Major Activities: Manufacture of metalworking machines and related after-sales services.

AMADA OUTILLAGE S.A.

Zone Industrielle B.P.35 76720, Auffay, France  
Tel. +33-2-3280-8100  
Major Activities: Manufacture, export, import, and sales of dies.

Italy  
AMADA ENGINEERING EUROPE S.r.l.

Via AMADA I., 1/3, 29010 Pontenure, Piacenza, Italy  
Tel. +39-0523-952811  
Major Activities: Sales and after-sales service of software for metalworking machines.

AMADA INNOVATIVE SOFTWARE EUROPE S.r.l.

Via G. Agnelli,15, 10026 Santena, Torino, Italy  
Tel. +39-011-7412749  
Major Activities: Research and development of software for metalworking machines.

Austria  
AMADA AUSTRIA GmbH

Wassergasse 1, A-2630 Ternitz, Austria  
Tel. +43-2630-35170  
Major Activities: Manufacture of band saw blades and bending tools.

Finland  
AMADA AUTOMATION EUROPE LTD.

Svartnäshagavägen 7 FIN-68910 Bennäs, Finland  
Tel. +358-20-7009-000  
Major Activities: Manufacture of sheet metal machines and peripheral equipment.

China  
AMADA SHANGHAI MACHINE TECH CO., LTD.

No. 89 Zhuoqing Road, Qingpu District, 201799 Shanghai, China  
Tel. +86-21-6917-1352  
Major Activities: Manufacture, sales, and after-sales service of metalworking machines, metalworking machine parts, and consumables.

AMADA LIANYUNGANG MACHINERY CO., LTD.

No. 21 Zhenxing Road, Songtiao, Lianyungang Eco. & Tech. Development Zone, 222006 Jiangsu, China  
Tel. +86-518-8515-1111  
Major Activities: Manufacture of band saw blades.

AMADA LIANYUNGANG MACHINE TOOL CO., LTD.

No. 3-2 Songtiao Eco. & Tech. Development Zone, Lianyungang, Jiangsu, China  
Tel. +86-518-8515-1111  
Major Activities: Manufacture of band saw blades.

AMADA LIANYUNGANG MACHINE TECH CO., LTD.

No. 117 Qufeng Road, Haizhou Development Zone, Lianyungang, Jiangsu, China  
Tel. +86-518-8591-8369  
Major Activities: Manufacture of band saw machines.

AMADA WELD TECH SHANGHAI MANUFACURING CO., LTD.

No. 400 Xiaonan Rd. Shanghai Fengpu Industrial Park Shanghai, China  
Tel. +86-21-3365-5353  
Major Activities: Development, manufacture, and after-sales service for AMADA WELD TECH products.

AMADA ORII GUANGZHOU CO., LTD.

No. 9 South 6 Jianye Road, East Section of Guangzhou Economic & Technological Development Dist., Guangzhou City Guangdong, 510530, China  
Tel. +86-20-8226-5002  
Major Activities: Manufacture and service of press room automation.

India  
AMADA SOFT (INDIA) PVT. LTD.

IITM Research Park, 2nd Floor, MGR Film City Load, Off Rajiv Gandhi Salai Taramani, Chennai, 600113, India  
Tel. +91-44-6663-0300  
Major Activities: Research and development of software for metalworking machines.

Investor Information

Company Name

AMADA CO., LTD.

Head Office

200, Ishida, Isehara-shi, Kanagawa 259-1196

Phone: +81-463-96-1111

URL: https://www.amada.co.jp/en/

Founded

September 10, 1946

Incorporated

May 1, 1948

Number of Shares of Common Stock

(As of March 31, 2020)

Authorized: 550,000,000 shares

Issued: 359,115,217 shares

Number of Shareholders

(As of March 31, 2020)

40,034

Stock Listing

Tokyo Stock Exchange, First Section

Quarterly Stock Price Range on Tokyo Stock Exchange (¥)

	2019				2020	
	1st	2nd	3rd	4th	1st	2nd
High	1,204	1,275	1,266	1,332	1,281	1,039
Low	933	1,084	1,013	1,104	755	767

Ordinary General Meeting of Shareholders

June

Shareholder Register Administrator

Mizuho Trust & Banking Co., Ltd.

2-8-4, Izumi, Suginami-ku, Tokyo, 168-8507, Japan

Major Shareholders

(As of March 31, 2020)

Shareholder	Shares owned (1,000 shares)	Percent (%)
Japan Trustee Services Bank, Ltd. (Trust accounts)	49,336	14.2
The Master Trust Bank of Japan, Ltd. (Trust accounts)	40,412	11.6
The AMADA FOUNDATION	9,936	2.9
Trust & Custody Services Bank, Ltd. (Trust accounts)	8,841	2.5
Mizuho Bank, Ltd.	7,500	2.2
SMBC Nikko Securities Inc.	7,184	2.1
Nippon Life Insurance Company	6,020	1.7
STANDARD LIFE ASSURANCE LIMITED PENSION FUNDS	5,752	1.7
JP MORGAN CHASE BANK 385151	5,613	1.6
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	5,592	1.6

Note: Ownership percentages have been calculated excluding treasury stock (11,499,424 shares).



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This report was printed using 100% vegetable-based ink containing zero volatile organic compounds (VOCs).



Waterless Printing  
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