

2. Dividend Information

	Annual Dividend					Total Annual Dividends	Dividend Payout Ratio (consolidated)	Dividend on Equity Ratio (consolidated)
	1Q	Interim	3Q	Fiscal Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2019	-	0.00	-	30.00	30.00	268	24.8	1.1
Fiscal 2020	-	0.00	-	30.00	30.00	268	27.4	1.1
Fiscal 2021 (Forecast)	-	-	-	30.00	30.00		33.5	

3. Consolidated Performance Forecast for Fiscal 2021 (June 1, 2021 to May 31, 2022)

(Percentage figures show year-on-year increase or decrease.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First 6 months	15,000	(10.3)	(100)	-	50	(85.9)	150	(66.8)	16.78
Full year	34,000	2.6	450	6.2	700	(7.6)	800	(18.2)	89.48

* Notes:

- (1) Transfers of major subsidiaries during the period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): No

Newly included: - companies (name of the company)

Excluded: - companies (name of the company)

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

(a) Changes in accounting policies in accordance with revisions to accounting standards and related practices: No

(b) Any changes other than (a) above: No

(c) Changes in accounting estimates: No

(d) Restatement: No

- (3) Shares outstanding (common stock)

(a) Number of shares outstanding as of the end of the period (including treasury stock):

Fiscal 2020	9,735,000 shares	Fiscal 2019	9,735,000 shares
Fiscal 2020	794,128 shares	Fiscal 2019	793,403 shares
Fiscal 2020	8,941,272 shares	Fiscal 2019	8,941,814 shares

(b) Number of shares of treasury stock as of the end of the period:

(c) Average number of shares for the period (fiscal year-to-date)

3. Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Millions of yen)

	Fiscal 2019 (As of May 31, 2020)	Fiscal 2020 (As of May 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	3,293	3,964
Trade notes and accounts receivable	14,135	13,218
Electronically recorded monetary claims - operating	1,538	901
Products and finished goods	756	514
Work in process	3,424	3,565
Raw materials and stored goods	2,996	2,821
Advances	13	7
Other accounts receivable	39	114
Other	86	196
Allowance for doubtful accounts	(0)	(2)
Total current assets	26,284	25,300
Fixed assets		
Property, plant and equipment		
Buildings and structures	12,269	12,338
Accumulated depreciation	(5,515)	(5,928)
Buildings and structures, net	6,753	6,410
Machinery and equipment	8,179	8,397
Accumulated depreciation	(7,120)	(7,430)
Machinery and equipment, net	1,059	966
Land	1,301	1,301
Construction in progress	86	24
Other	4,654	4,857
Accumulated depreciation	(3,929)	(4,234)
Other, net	724	622
Total property, plant and equipment	9,925	9,325
Intangible assets		
Software	462	289
Software in progress	14	-
Other	14	14
Total intangible assets	490	303
Investments and other assets		
Investment securities	15,434	13,832
Deferred tax assets	170	223
Other	2,865	2,988
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	18,463	17,037
Total fixed assets	28,880	26,666
Total assets	55,165	51,967

Summary of Consolidated Business Results for Fiscal 2020 Toyo Denki Seizo K.K. (6505)

(Millions of yen)

	Fiscal 2019 (As of May 31, 2020)	Fiscal 2020 (As of May 31, 2021)
Liabilities		
Current liabilities		
Trade notes and accounts payable	2,224	1,668
Electronically recorded obligations - operating	5,877	4,705
Short-term debt	2,207	2,085
Accrued expenses	606	611
Income taxes payable	334	161
Consumption and other taxes payable	310	207
Advances received	45	34
Deposits received	198	193
Reserve for directors' bonuses	36	36
Reserve for employees' bonuses	876	827
Reserve for order losses	732	871
Other	218	224
Total current liabilities	13,669	11,628
Long-term liabilities		
Long-term debt	12,344	11,759
Long-term payables	25	17
Deferred tax liabilities	930	427
Net defined benefit liability	4,010	4,124
Other	3	1
Total long-term liabilities	17,312	16,330
Total liabilities	30,981	27,958
Net assets		
Shareholders' equity		
Capital stock	4,998	4,998
Capital surplus	3,177	3,177
Retained earnings	11,610	12,320
Treasury stock	(1,280)	(1,281)
Total shareholders' equity	18,505	19,214
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities	5,727	4,803
Foreign currency translation adjustments	79	88
Adjustments of defined benefit plans	(129)	(97)
Total accumulated other comprehensive income	5,677	4,793
Total net assets	24,183	24,008
Total liabilities and net assets	55,165	51,967

Summary of Consolidated Business Results for Fiscal 2020 Toyo Denki Seizo K.K. (6505)

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	(Millions of yen)	
	Fiscal 2019 (June 1, 2019, to May 31, 2020)	Fiscal 2020 (June 1, 2020, to May 31, 2021)
Net Sales	39,071	33,143
Cost of sales	30,828	25,805
Gross profit	8,242	7,338
Selling, general and administrative expenses	7,174	6,914
Operating Income	1,068	423
Non-operating income		
Interest income	1	0
Dividend income	233	202
Foreign exchange gains	—	133
Insurance claim income related to disaster	104	34
Subsidy income	40	40
Miscellaneous income	60	56
Total non-operating income	439	467
Non-operating expenses		
Interest expenses	83	67
Foreign exchange losses	56	-
Commission fee	3	3
Equity in loss of unconsolidated subsidiaries and affiliates	39	4
Disaster recovery expenses	79	-
Loss on disposal of fixed assets	5	5
Miscellaneous loss	32	53
Total non-operating expenses	300	133
Ordinary Income	1,207	757
Extraordinary income		
Gain on sales of investment securities	447	407
Total extraordinary income	447	407
Extraordinary loss		
Loss on valuation of investment securities	1	-
Total extraordinary losses	1	-
Income before income taxes	1,653	1,164
Income taxes: Current	577	352
Income taxes: Deferred	(5)	(165)
Total income taxes	571	186
Net Income	1,081	977
Net Income Attributable to Owners of the Parent	1,081	977

Summary of Consolidated Business Results for Fiscal 2020 Toyo Denki Seizo K.K. (6505)

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal 2019 (June 1, 2019, to May 31, 2020)	Fiscal 2020 (June 1, 2020, to May 31, 2021)
Net Income	1,081	977
Other comprehensive income		
Unrealized holding gains on available-for-sale securities	(1,448)	(924)
Foreign currency translation adjustments	(12)	(6)
Adjusted amounts of defined benefit plans	62	32
Share of other comprehensive income of affiliates to which the equity method is applied	(34)	14
Total other comprehensive income	(1,433)	(883)
Comprehensive income	(351)	94
Comprehensive income attributable to:		
Owners of the parent	(351)	94
Non-controlling interests	—	-

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended May 31, 2020 (June 1, 2019, to May 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal period under review	4,998	3,177	10,797	(1,280)	17,693
Change during fiscal period under review					
Distribution of retained earnings	-	-	(268)	-	(268)
Net Income Attributable to Owners of the Parent	-	-	1,081	-	1,081
Acquisition of treasury stock	-	-	-	(0)	(0)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total change during fiscal period under review	-	-	813	(0)	812
Balance as of the end of fiscal period under review	4,998	3,177	11,610	(1,280)	18,505

	Accumulated other comprehensive income				Total net assets
	Unrealized holding gains on available-for-sale securities	Foreign currency translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income	
Balance as of the beginning of the fiscal period under review	7,176	126	(192)	7,110	24,804
Change during fiscal period under review					
Distribution of retained earnings	-	-	-	-	(268)
Net Income Attributable to Owners of the Parent	-	-	-	-	1,081
Acquisition of treasury stock	-	-	-	-	(0)
Net changes in items other than shareholders' equity	(1,448)	(47)	62	(1,433)	(1,433)
Total change during fiscal period under review	(1,448)	(47)	62	(1,433)	(620)
Balance as of the end of fiscal period under review	5,727	79	(129)	5,677	24,183

Summary of Consolidated Business Results for Fiscal 2020 Toyo Denki Seizo K.K. (6505)

For the fiscal year ended May 31, 2021 (June 1, 2020, to May 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal period under review	4,998	3,177	11,610	(1,280)	18,505
Change during fiscal period under review					
Distribution of retained earnings	-	-	(268)	-	(268)
Net Income Attributable to Owners of the Parent	-	-	977	-	977
Acquisition of treasury stock	-	-	-	(0)	(0)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total change during fiscal period under review	-	-	709	(0)	708
Balance as of the end of fiscal period under review	4,998	3,177	12,320	(1,281)	19,214

	Accumulated other comprehensive income				Total net assets
	Unrealized holding gains on available-for-sale securities	Foreign currency translation adjustments	Adjustments of defined benefit plans	Total accumulated other comprehensive income	
Balance as of the beginning of the fiscal period under review	5,727	79	(129)	5,677	24,183
Change during fiscal period under review					
Distribution of retained earnings	-	-	-	-	(268)
Net Income Attributable to Owners of the Parent	-	-	-	-	977
Acquisition of treasury stock	-	-	-	-	(0)
Net changes in items other than shareholders' equity	(924)	8	32	(883)	(883)
Total change during fiscal period under review	(924)	8	32	(883)	(174)
Balance as of the end of fiscal period under review	4,803	88	(97)	4,793	24,008

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal 2019 (June 1, 2019, to May 31, 2020)	Fiscal 2020 (June 1, 2020, to May 31, 2021)
Cash Flow from Operating Activities		
Income before income taxes	1,653	1,164
Depreciation and amortization	1,487	1,413
Increase (decrease) in allowance for doubtful accounts	(7)	2
Increase (decrease) in reserve for employees' bonuses	57	(49)
Increase (decrease) in net defined benefit liability	138	97
Interest and dividends income	(235)	(202)
Interest expenses	83	67
Insurance claim income related to disaster	(104)	(34)
Subsidy income	(40)	(40)
Disaster recovery expenses	79	-
Loss (gain) on sales of investment securities	(447)	(407)
Decrease (increase) in notes and accounts receivable-trade	(64)	1,567
Decrease (increase) in inventories	372	274
Increase (decrease) in trade notes	(481)	(1,743)
Increase (decrease) in reserve for order losses	166	142
Increase (decrease) in advances received	(13)	(11)
Increase (decrease) in accrued expenses	(64)	(14)
Increase (decrease) in consumption and other taxes payable	(268)	(103)
Other	104	16
Subtotal	2,418	2,138
Interest and dividends income received	235	210
Interest expenses paid	(91)	(68)
Insurance claim income related to disaster received	104	34
Subsidy received	40	40
Disaster recovery expenses paid	(79)	-
Refund of (Payments for) corporate and other taxes	(477)	(580)
Cash Flow from Operating Activities	2,148	1,776
Cash Flow from Investing Activities		
Purchases of property, plant and equipment	(647)	(548)
Purchases of intangible assets	(33)	(43)
Purchases of investment securities	(14)	(14)
Proceeds from sales of investment securities	1,132	693
Payments of loans receivable	(26)	(111)
Collection of loans receivable	-	11
Payments for investments in capital of subsidiaries	(338)	(88)
Other	(31)	(53)
Cash Flow from Investing Activities	41	(155)
Cash Flow from Financing Activities		
Increase (decrease) in short-term loans payable, net	(287)	(83)
Repayment of long-term debt	(568)	(617)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(268)	(268)
Other	(1)	(1)
Cash Flow from Financing Activities	(1,126)	(971)
Effect of exchange rate change on cash and cash equivalents	(10)	21
Increase (decrease) in cash and cash equivalents	1,053	670
Balance of cash and cash equivalents at the beginning of the period	2,240	3,293
Balance of cash and cash equivalents at the end of the period	3,293	3,964

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Segment Information)

[Segment Information]

1. Outline of reporting segments

The reporting segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

The Group establishes business units by product and each business unit designs domestic and overseas comprehensive strategies for its products and develops business activities. Accordingly, the Group consists of three reporting segments by product based on the business units, which are Transportation Systems, Industrial Systems, and Information Equipment Systems.

[Details of each segment]

- Transportation Systems
Manufacturing, sales and related construction for electrical equipment used in rail vehicles, alternative rail vehicles, and special purpose vehicles, as well as electric storage systems for railway applications, etc.
- Industrial Systems
Manufacturing, sales and related construction for systems for industrial production and processing facilities, automobile testing systems, power generation and source systems, water supply and sanitation equipment systems, electrical equipment used in automobiles, etc.
- Information Equipment Systems
Manufacturing, sales and related construction services for station operating equipment systems, remote monitoring systems and information systems equipment, etc.

2. Basis for calculating net sales, profit (loss), assets and liabilities, and other items by reporting segment

The accounting process method for reporting segments is equivalent to the method described in “Notes on important matters for the preparation of consolidated financial statements.”

Segment profit is evaluated based on operating income. Inter-segment sales and transfers are recorded at the same prices used in transactions with third parties.

Summary of Consolidated Business Results for Fiscal 2020 Toyo Denki Seizo K.K. (6505)

3. Information regarding net sales, profit (loss), assets and liabilities, and other items by reporting segment

For the fiscal year ended May 31, 2020 (June 1, 2019, to May 31, 2020)

(Millions of yen)

	Reporting Segment			Other (Note)	Total	Adjustment Amount	Amount Recorded on Consolidated Statements of Income
	Transportation Systems	Industrial Systems	Information Equipment Systems				
Net Sales							
Sales to third parties	24,269	13,023	1,772	5	39,071	-	39,071
Inter-segment sales and transfers	12	1	-	510	524	(524)	-
Total	24,282	13,024	1,772	516	39,595	(524)	39,071
Segment profit	2,474	1,008	460	5	3,948	(2,880)	1,068
Segment assets	20,364	13,679	1,062	536	35,642	19,522	55,165
Other items							
Depreciation and amortization	592	608	27	4	1,232	255	1,487
Increase in property, plant and equipment and intangible assets	356	111	24	5	497	47	545

Note: The "Other" segment includes operations not included in reporting segments, such as the dispatch of temporary staff.

For the fiscal year ended May 31, 2021 (June 1, 2020, to May 31, 2021)

(Millions of yen)

	Reporting Segment			Other (Note)	Total	Adjustment Amount	Amount Recorded on Consolidated Statements of Income
	Transportation Systems	Industrial Systems	Information Equipment Systems				
Net Sales							
Sales to third parties	21,528	10,541	1,067	5	33,143	-	33,143
Inter-segment sales and transfers	50	0	-	346	397	(397)	-
Total	21,579	10,542	1,067	352	33,541	(397)	33,143
Segment profit (loss)	2,211	718	267	(39)	3,157	(2,734)	423
Segment assets	17,151	13,838	674	479	32,144	19,822	51,967
Other items							
Depreciation and amortization	607	527	25	4	1,165	247	1,413
Increase in property, plant and equipment and intangible assets	454	113	10	2	580	51	632

Note: The "Other" segment includes operations not included in reporting segments, such as the dispatch of temporary staff.

4. Description of nature and amounts of differences between reporting segment total and consolidated financial statements

(Millions of yen)

Net Sales	Fiscal 2019	Fiscal 2020
Reporting segment total	39,079	33,188
Sales under the Other category	516	352
Inter-segment elimination	(524)	(397)
Net sales in consolidated financial statements	39,071	33,143

(Millions of yen)

Profit	Fiscal 2019	Fiscal 2020
Reporting segment total	3,942	3,197
Profit under the Other category	5	(39)
Inter-segment elimination	(0)	1
Companywide expenses	(2,880)	(2,735)
Operating income in consolidated financial statements	1,068	423

Note: Companywide expenses are primarily selling, general and administrative expenses not belonging to any reporting segment.

(Millions of yen)

Assets	Fiscal 2019	Fiscal 2020
Reporting segment total	35,106	31,665
Assets under the Other category	536	479
Inter-segment elimination	(875)	(526)
Companywide assets	20,398	20,349
Total assets in consolidated financial statements	55,165	51,967

Note: Companywide assets are primarily assets managed by the head office and not belonging to any reporting segment.

(Millions of yen)

Other items	Reporting segment total		Other		Adjustment Amount		Amount recorded on consolidated statements of income	
	Fiscal 2019	Fiscal 2020	Fiscal 2019	Fiscal 2020	Fiscal 2019	Fiscal 2020	Fiscal 2019	Fiscal 2020
Depreciation and amortization	1,228	1,160	4	4	255	247	1,487	1,413
Increase in property, plant and equipment and intangible assets	492	577	5	2	47	51	545	632

Summary of Consolidated Business Results for Fiscal 2020 Toyo Denki Seizo K.K. (6505)

(Per Share Information)

	Fiscal 2019 (June 1, 2019, to May 31, 2020)	Fiscal 2020 (June 1, 2020, to May 31, 2021)
Net assets per share	2,704.61 yen	2,685.28 yen
Net income per share	120.98 yen	109.38 yen

Notes: 1. Diluted net income per share is not shown because there are no potentially dilutive shares.

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

Items	Fiscal 2019 (June 1, 2019, to May 31, 2020)	Fiscal 2020 (June 1, 2020, to May 31, 2021)
Net income per share		
Net income attributable to owners of the parent (Millions of yen)	1,081	977
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of the parent related to common shares (Millions of yen)	1,081	977
Average number of common shares outstanding during the year (1,000 shares)	8,941	8,941

(Significant Subsequent Events)

Not applicable

4. Other

(1) Status of Production, Orders, and Sales

(a) Production Status

Business segment	Fiscal 2019 (June 1, 2019, to May 31, 2020)		Fiscal 2020 (June 1, 2020, to May 31, 2021)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Systems	24,341	62.3	22,388	67.2
Industrial Systems	12,539	32.1	10,154	30.5
Information Equipment Systems	2,208	5.7	791	2.4
Other	—	—	—	—
Total	39,089	100.0	33,334	100.0

Notes: 1. Amounts are based on sales prices.

2. Amounts are exclusive of consumption and other taxes.

(b) Status of Orders Received

Business segment	Fiscal 2019 (June 1, 2019, to May 31, 2020)		Fiscal 2020 (June 1, 2020, to May 31, 2021)	
	Orders Received (Millions of yen)	Balance (Millions of yen)	Orders Received (Millions of yen)	Balance (Millions of yen)
Transportation Systems	25,712	24,108	18,818	21,465
Industrial Systems	11,198	5,358	10,597	5,415
Information Equipment Systems	1,611	539	633	105
Other	5	—	5	—
Total	38,527	30,006	30,055	26,986

Notes: 1. Amounts are based on sales prices.

2. Amounts are exclusive of consumption and other taxes.

(c) Sales Status

Business segment	Fiscal 2019 (June 1, 2019, to May 31, 2020)		Fiscal 2020 (June 1, 2020, to May 31, 2021)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Systems	24,269	62.1	21,528	65.0
Industrial Systems	13,023	33.3	10,541	31.8
Information Equipment Systems	1,772	4.5	1,067	3.2
Other	5	0.0	5	0.0
Total	39,071	100.0	33,143	100.0

Notes: 1. Amounts are based on sales prices.

2. Amounts are exclusive of consumption and other taxes.

(2) Personnel changes of directors and audit & supervisory board members

Please refer to the “Toyo Denki Announces Change of Director” released today.