Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: Scroll Corporation
Stock exchange listing: Tokyo
Stock code: 8005 URL https://www.scroll.jp/
Representative: Chairman, CEO Mamoru Horita
Inquiries: Director, Corporate Officer, General Manager of Corporate Management Dept. Yasunori Sugimoto TEL 053-464-1114
Scheduled date to file Quarterly Securities Report: February 9, 2021
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	65,581	16.1	6,372	150.8	6,504	144.9	4,515	336.4
Nine months ended December 31, 2019	56,464	2.4	2,541	17.5	2,656	21.9	1,034	(28.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	130.62	130.25
Nine months ended December 31, 2019	30.11	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	48,488	25,683	53.0
As of March 31, 2020	43,270	21,462	49.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	5.00	–	5.00	10.00
Year ending March 31, 2021	–	7.50	–		
Year ending March 31, 2021 (Forecast)				44.50	52.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	83,000	14.3	6,400	198.3	6,500	183.0	4,500	539.5	129.27

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2020	34,818,050 shares	As of March 31, 2020	34,818,050 shares

Number of treasury shares at the end of the period

As of December 31, 2020	6,748 shares	As of March 31, 2020	303,072 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	34,572,553 shares	Nine months ended December 31, 2019	34,359,105 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	4,828	2,834
Accounts receivable - trade	9,577	14,486
Inventories	8,390	9,399
Other	4,485	4,552
Allowance for doubtful accounts	(305)	(357)
Total current assets	26,976	30,916
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,895	7,388
Land	5,520	5,520
Other, net	3,282	976
Total property, plant and equipment	12,698	13,884
Intangible assets		
Goodwill	171	139
Other	788	675
Total intangible assets	959	814
Investments and other assets		
Other	2,871	3,275
Allowance for doubtful accounts	(235)	(401)
Total investments and other assets	2,636	2,873
Total non-current assets	16,294	17,572
Total assets	43,270	48,488
Liabilities		
Current liabilities		
Accounts payable - trade	2,561	3,401
Short-term borrowings	100	4,300
Accounts payable - other	11,691	6,724
Income taxes payable	395	1,789
Provisions	321	243
Other	1,007	1,753
Total current liabilities	16,077	18,211
Non-current liabilities		
Long-term borrowings	4,375	3,100
Provisions	82	63
Retirement benefit liability	1,180	1,275
Other	94	155
Total non-current liabilities	5,731	4,594
Total liabilities	21,808	22,805

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	6,005	6,005
Capital surplus	6,657	6,631
Retained earnings	8,662	12,746
Treasury shares	(169)	(3)
Total shareholders' equity	21,155	25,380
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	219	315
Deferred gains or losses on hedges	61	(20)
Foreign currency translation adjustment	4	4
Total accumulated other comprehensive income	285	299
Share acquisition rights	21	3
Total net assets	21,462	25,683
Total liabilities and net assets	43,270	48,488

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	56,464	65,581
Cost of sales	35,842	40,997
Gross profit	20,622	24,584
Selling, general and administrative expenses	18,080	18,212
Operating profit	2,541	6,372
Non-operating income		
Interest income	12	16
Dividend income	40	34
Foreign exchange gains	31	70
Other	62	37
Total non-operating income	147	159
Non-operating expenses		
Interest expenses	16	21
Other	15	5
Total non-operating expenses	32	26
Ordinary profit	2,656	6,504
Extraordinary income		
Gain on sales of investment securities	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	7	0
Impairment loss	778	105
Other	–	0
Total extraordinary losses	785	107
Profit before income taxes	1,870	6,397
Income taxes - current	799	2,081
Income taxes - deferred	35	(199)
Total income taxes	835	1,881
Profit	1,034	4,515
Profit attributable to owners of parent	1,034	4,515

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	1,034	4,515
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	96
Deferred gains or losses on hedges	17	(81)
Foreign currency translation adjustment	(9)	(0)
Total other comprehensive income	6	13
Comprehensive income	1,041	4,529
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,041	4,529
Comprehensive income attributable to non-controlling interests	–	–