

**Develops, manufactures and sells tailor-made valves that meet customers' needs**

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**【 6229 OKUMURA ENGINEERING Sector : Machinery】**

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Mar. 2019	8,646	-	1,338	-	1,335	-	891	-	268.8	1,556.9	20.0
Mar. 2020	8,852	2.4	892	-33.3	849	-36.4	573	-35.7	172.9	1,704.4	20.0
Mar. 2021 f	8,278	-6.5	856	-4.0	834	-1.8	569	-0.7	157.9	-	35.0

Note: Consolidated basis. Figures for the fiscal year ending March 2021 are the company's forecasts.

It conducted 1-to-10 stock split on August 4, 2020. Per share indices are adjusted retroactively.

**Valve Manufacturer Strong in Tailor-Made Products**

OKUMURA ENGINEERING manufactures and sells fluid control equipment. Its main products are butterfly valves, knife gate valves and pinch valves. Its butterfly valves are used in a wide range of fields including construction, power generation, shipbuilding and at plants, and account for 83% of its net sales for the fiscal year ended March 2020.

The company mainly handles tailor-made valves that meet customers' needs that standard products cannot meet. It manufactures various products, with over 100 thousand varieties produced through the combination of model, size, part, material and control method specs. As it handles many tailor-made products, much of the production is based on orders.

**Almost Half of the Products are for Land Use and the Other Half for Marine Use**

The company's customers are in various fields, and its net sales are classified into the land use market segment and marine use market segment. The land use products are shipped to industries including building equipment, electricity and gas, chemical, steel, pulp and paper, and water treatment; and the marine use products are shipped to be used for shipbuilding and ship exhaust gas treatment.

**Net Sales by Market Segment**

Market Segment	Industry	Fiscal year ended Mar. 2020		Six months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)
Land Use	Building equipment, industrial plant, electricity and gas, chemical, steel, pulp and paper, and water treatment industries	4,630	52.3	2,084	46.9
Marine Use	Shipbuilding, ship exhaust gas treatment	4,221	47.7	2,355	53.1
Total		8,852	100.0	4,439	100.0

Source: Prepared by Stock Research Center based on the notifiable prospectus.

Valves for the selective catalytic reduction system, valves for the SOx scrubber system on ships, valves for ballast water management system and other valves for environment protection devices are expected to show strong growth with the tightening of environmental restrictions surrounding the marine industry.

**OKUMURA ENGINEERING (6229-TSE Second Section) - - - - December 18,2020****Financial Statements**

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Six months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		8,646	100.0	8,852	100.0	4,439	100.0
Cost of sales		4,989	57.7	5,483	61.9	2,560	57.7
Gross profit		3,656	42.3	3,368	38.0	1,878	42.3
Selling, general and administrative expenses		2,318	26.8	2,475	28.0	1,156	26.0
Operating profit		1,338	15.5	892	10.1	722	16.3
Non-operating income		43	-	29	-	42	-
Non-operating expenses		45	-	72	-	30	-
Ordinary profit		1,335	15.4	849	9.6	734	16.5
Profit before income taxes		1,344	15.5	825	9.3	732	16.5
Profit attributable to owners of parent		891	10.3	573	6.5	526	11.8

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Six months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		7,692	70.7	6,513	63.1	6,519	60.6
Cash and deposits		2,147	19.7	2,015	19.5	1,992	18.5
Accounts receivable-trade		3,228	29.7	2,074	20.1	2,246	20.9
Inventories		2,136	19.6	2,391	23.2	2,219	20.6
Non-current assets		3,192	29.3	3,804	36.9	4,230	39.4
Property, plant and equipment		2,778	25.5	3,222	31.2	3,595	33.4
Intangible assets		110	1.0	257	2.5	243	2.3
Investments and other assets		302	2.8	323	3.1	391	3.6
Total assets		10,884	100.0	10,318	100.0	10,749	100.0
Current liabilities		3,432	31.5	2,272	22.0	2,437	22.7
Accounts payable-trade		1,362	12.5	845	8.2	850	7.9
Short-term borrowings		700	6.4	100	1.0	500	4.7
Current portion of long-term borrowings		273	2.5	371	3.6	240	2.2
Non-current liabilities		2,290	21.0	2,395	23.2	2,257	21.0
Bonds payable		170	1.6	170	1.6	170	1.6
Long-term borrowings		1,716	15.8	1,478	14.3	1,363	12.7
Net assets		5,161	47.4	5,650	54.8	6,054	56.3
Owners' equity		5,161	47.4	5,650	54.8	6,054	56.3

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020	Six months to Sep. 2020
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		288	1,573	462
Depreciation		214	301	144
Cash flows from investing activities		-1,389	-819	-528
Cash flows from financing activities		545	-859	58
Dividends paid		-66	-66	-66
Net increase in cash and cash equivalents		-590	-132	-22
Cash and cash equivalents		2,147	2,015	1,992

Note: Consolidated basis

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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