ANNUAL REPORT

2019

Growing Together with Our Customers

AMADA

Cover Story

AMADA's Technology

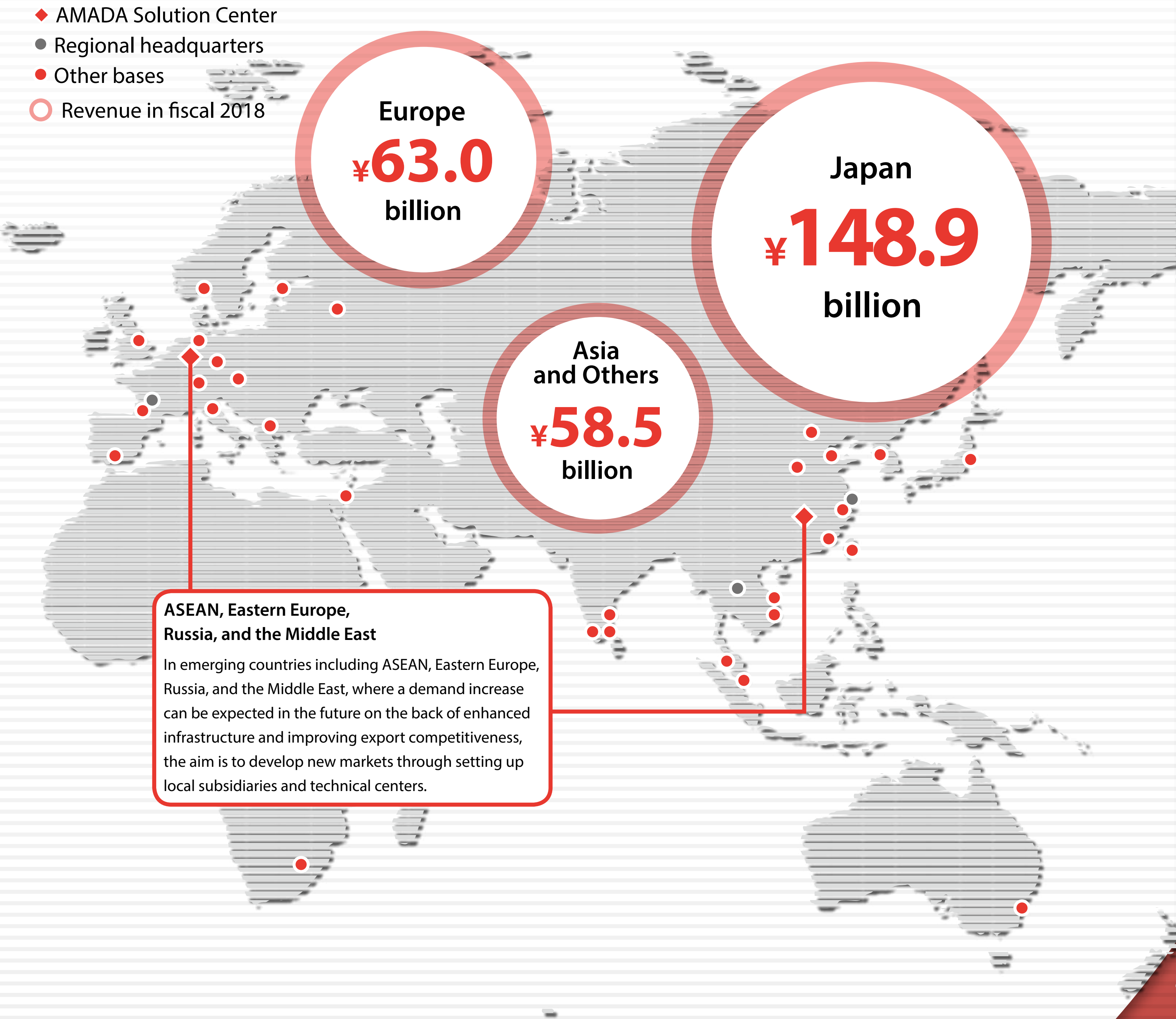
Is Found Everywhere

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.

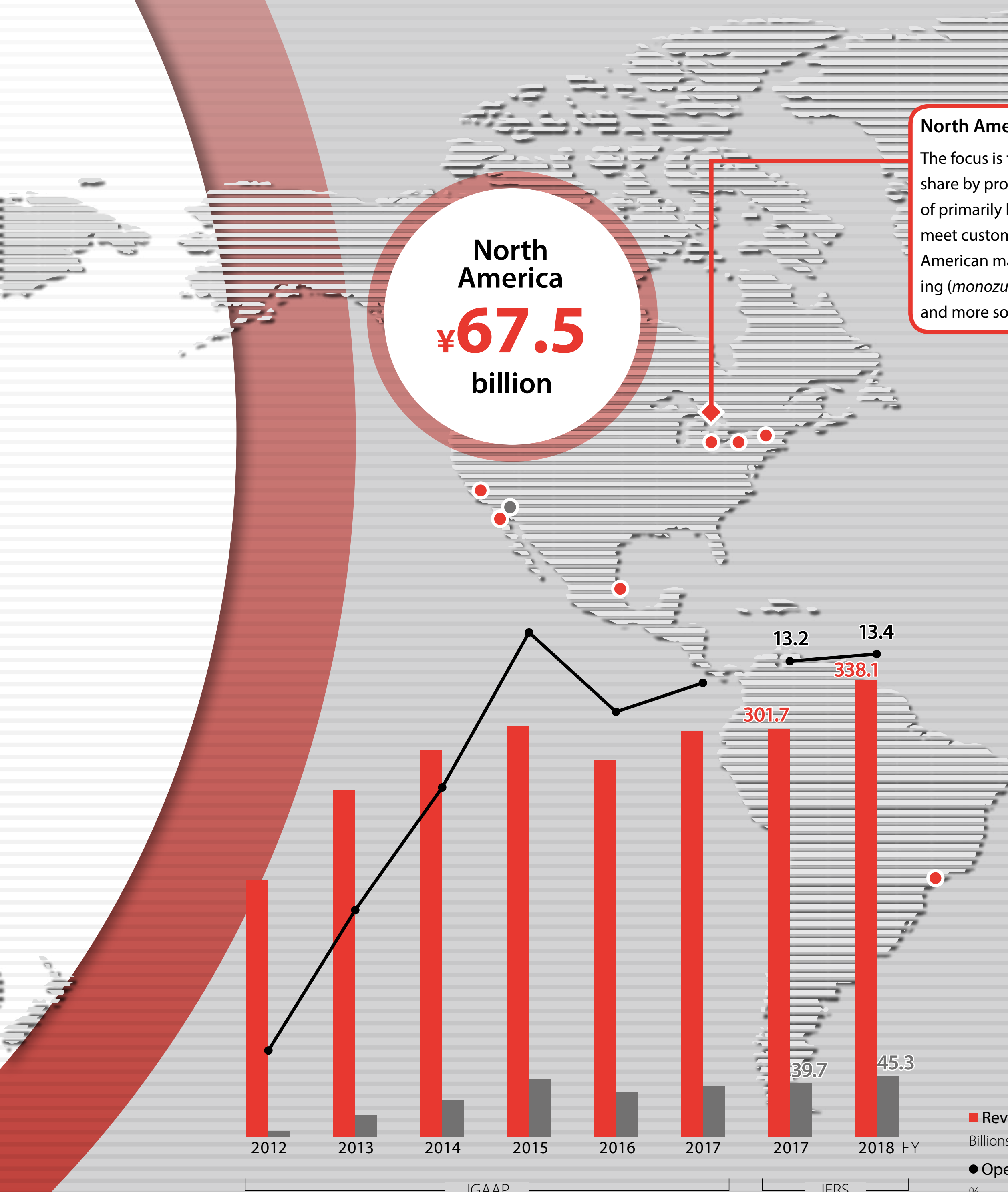
We will continue to develop together with our customers and grow as a company which contributes to the community.

Our Presence around the World



ASEAN, Eastern Europe, Russia, and the Middle East

In emerging countries including ASEAN, Eastern Europe, Russia, and the Middle East, where a demand increase can be expected in the future on the back of enhanced infrastructure and improving export competitiveness, the aim is to develop new markets through setting up local subsidiaries and technical centers.



North America

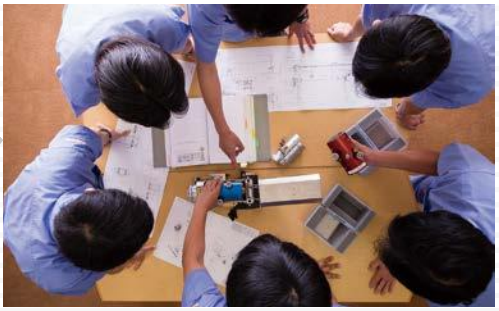
The focus is to increase our market share by promoting local production of primarily laser-related products to meet customers' needs in the North American markets, where manufacturing (*monozukuri*) is becoming more and more sophisticated.

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 our domestic and overseas metal product manufacturing customers the best machine, software, and equipment solutions so that they can make better metal products. Expertise is put to use in supporting the management of customers.

Service

The service function provides our domestic and overseas customers with periodic inspection, maintenance, and technical consultation so that their machines run smoothly. The voices of customers directly listened to by the service function are fed back to the development function for use in developing new products.

Production with Our Machines

Machines Supplied by AMADA

Production in Our Customers' Factories

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

Metal sheets

Laser machine

Metal sheets are cut by laser beams

Bending machine + robot

Cut sheets are bent into desired shapes

Welding machine + robot

Metal pieces are welded into com-pleted products

Stamping press:
Forming of metal sheets

Stamping press

Metal sheets are stamped by dies

Cutting:
Drilling and cutting of metal blocks

Metal blocks

Circular saw machine

Metal is cut by a circular band-shaped blade

Drilling machine

Steel beams are drilled with holes

Grinding:
Metal blocks are ground

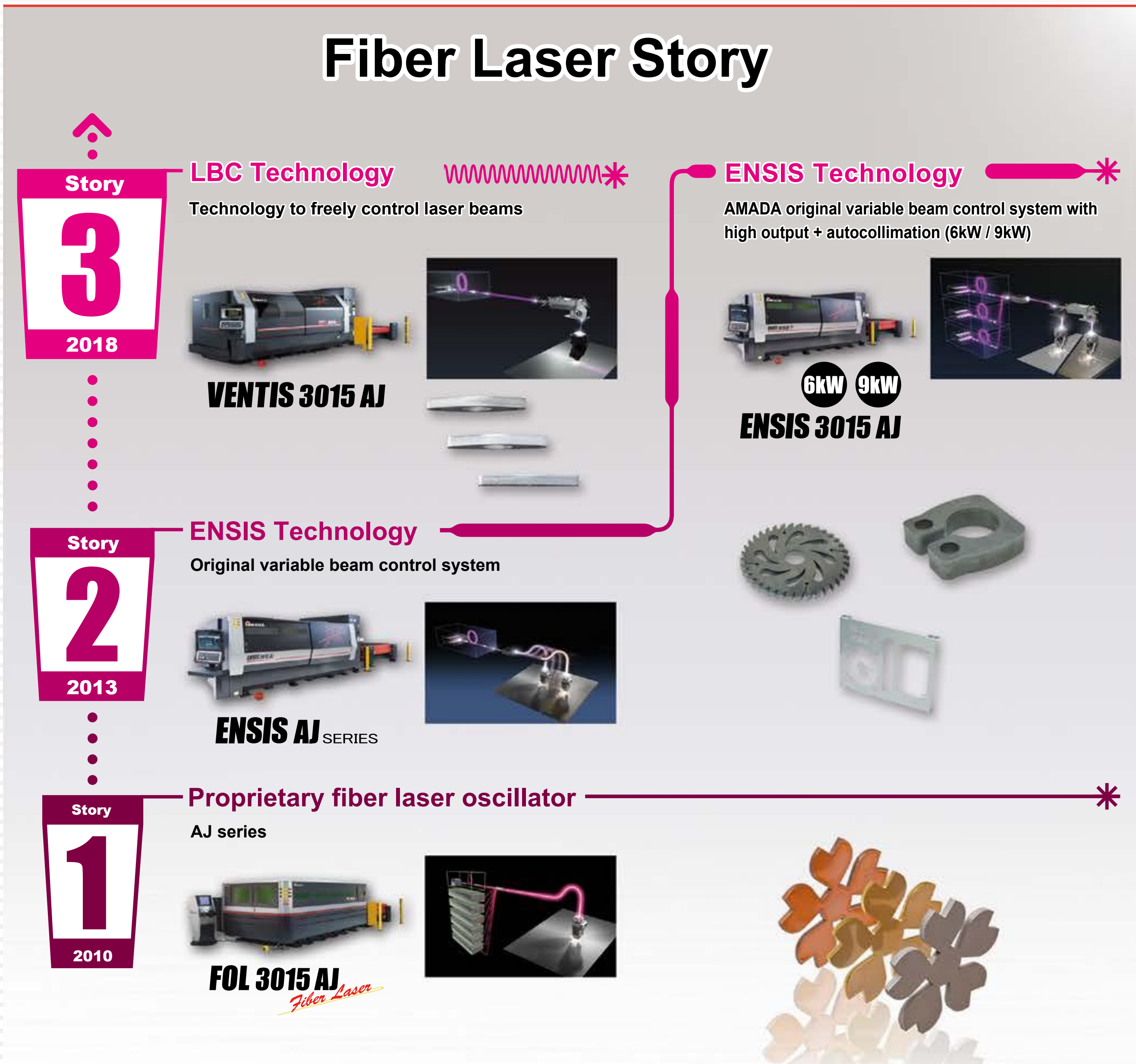
Grinding machine

Metal surfaces are precision finished

Factory Innovation

Locus Beam Control Technology “LBC Technology”

**LBC Technology is the world's first innovative processing technology that can control laser beams at high speed.
This processing technology allows for free manipulation of fiber laser beams to create an infinite number of locus patterns and creates innovative processing that supports manufacturing.**



Visualization, Oversight, Evolution "Vf Machines "

The AMADA-endorsed V-factory (Vf) is based on the concept of "Generating Customer Profit," made possible by establishing ties between AMADA and its customers. Vf-compatible machines, or Vf machines, bear the Vf mark and include laser machines, punch/laser combination machines, and bending machines standard-equipped with visualization and oversight functions. In the future we will evolve these functions further and increase the number of machines equipped with them.

Visualization

My V-factory

Visualize machine operation, production, and consumption

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

Visualize machine maintenance and utilization

- Machine condition
- Causes of machine stoppage
- Operational analysis

Oversight

IoT Support Front

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

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

Evolution

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.

Laser machines

Punch/laser combination machines

Bending robot systems

Bending machines

Contents

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.

These kinds of statements and forecasts based on projections of future situations are not guarantees of future performance. Please be aware that actual results may differ greatly from such statements and forecasts due to diverse factors, including trends in demand for products, 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.

Performance Highlights

AMADA HOLDINGS CO., LTD. and Consolidated Subsidiaries

Years ended March 31

Financial Data

	Millions of yen					
	JGAAP				IFRS	
	2015	2016	2017	2018	2018	**2019**
For the year:						
Revenue	¥286,527	¥304,018	¥278,840	¥300,655	¥301,732	**¥338,175**
Cost of sales	(165,961)	(167,813)	(155,916)	(169,871)	(169,037)	**(191,048)**
Gross profit	120,565	136,204	122,923	130,783	132,694	**147,127**
Selling, general and administrative expenses	(93,246)	(94,726)	(89,993)	(93,183)	(93,749)	**(102,396)**
Operating profit	27,694	42,526	33,030	37,965	39,723	**45,316**
Profit before tax	31,075	43,112	36,219	43,271	40,765	**47,913**
Profit attributable to owners of parent	18,423	27,425	25,894	29,856	27,094	**33,420**
Comprehensive income	31,844	13,540	17,119	32,954	30,030	**33,512**
Purchase of property, plant and equipment	7,504	6,258	15,306	(14,182)	(14,219)	**(13,093)**
Depreciation and amortization	8,552	8,849	8,949	10,080	11,554	**12,359**
Research and development costs	8,332	7,766	7,112	6,838	6,780	**7,172**
At year-end:						
Total equity	¥426,481	¥419,380	¥419,970	¥438,863	¥437,707	**¥445,397**
Total assets	573,537	565,266	533,433	557,170	556,104	**567,051**
Per share of common stock (yen):						
Net income —						
Basic	¥49.18	¥74.56	¥70.85	¥81.62	¥74.07	**¥91.82**
Diluted	49.12	74.49	70.81	81.61	74.06	**91.82**
Cash dividends applicable to the year	26.00	36.00	42.00	42.00	42.00	**46.00**
Sales composition:						
Metalworking Machinery Business	¥225,811	¥250,825	¥229,492	¥249,214	¥249,952	**¥272,872**
Sheet Metal Division	202,652	228,001	206,051	223,165	223,905	**243,241**
Micro Welding Division	23,158	22,823	23,441	26,048	26,047	**29,630**
Metal Machine Tools Business	¥59,466	¥51,470	¥48,056	¥50,118	¥50,359	**¥64,269**
Cutting Division	34,179	33,827	31,888	33,762	33,891	**38,629**
Stamping Press Division	9,349	9,919	9,423	9,383	9,460	**17,383**
Grinding Division	15,937	7,724	6,744	6,971	7,006	**8,257**
Others	1,249	1,722	1,291	1,322	1,420	**1,033**
Total	¥286,527	¥304,018	¥278,840	¥300,655	¥301,732	**¥338,175**

Notes:
1. The Financial Data yen figures are rounded down to millions of yen, except for per share amounts.
2. Effective April 1, 2015, the AMADA Group transitioned to a holding company system. In line with this restructuring, we had planned and executed a comprehensive strategy with regard to our product range for the stamping press market that fell within the Metalworking Machinery Business. We transferred the Stamping Press Division to AMADA MACHINE TOOLS CO., LTD. and included the product range for the stamping press market in the Metal Machine Tools Business, to undertake the planning and execution of the strategy of the Stamping Press Division in order to achieve synergistic benefits with the product range for machine tools market handled by AMADA MACHINE TOOLS CO., LTD. The Micro Welding Division handled by AMADA MIYACHI CO., LTD., a consolidated subsidiary which had been included in the Sheet Metal Division, is now presented as a separate classification. It should be noted that the year-on-year figures are compiled based on the classifications following these changes.

Non-Financial Data

CO_2 (t-CO_2)	2015	2016	2017	2018	**2019**
Overseas	17,235.8	18,520.1	17,955.2	14,488.5	**16,274.2**
Domestic	30,402.7	29,617.1	29,928.2	32,598.6	**32,623.3**

CO_2 Intensity (kg-CO_2/kWh)	2007 (Base)	2016	2017	2018	**2019**
Emission factor	1.000	0.817	0.840	0.860	**0.852**

Waste (t)	2015	2016	2017	2018	**2019**
Overseas	2,164.1	2,432.3	2,512.1	2,643.3	**2,757.3**
Domestic	3,354.7	3,481.3	3,546.5	3,376.0	**3,798.6**

Water Resources (thousand m^3)	2015	2016	2017	2018	**2019**
Overseas	120.4	96.6	145.8	102.2	**155.6**
Domestic	166.6	173.3	174.3	193.6	**257.1**

Employees (people)	2015	2016	2017	2018	**2019**
Number of employees	8,083	7,955	8,005	8,228	**9,256**
Number of overseas employees	4,006	4,038	4,127	4,232	**4,590**

TOPICS

AMADA Has Obtained Assurance by a Third-Party Organization

In order to enhance the reliability of the environmental data given in our report, we have obtained assurance by a third-party organization.

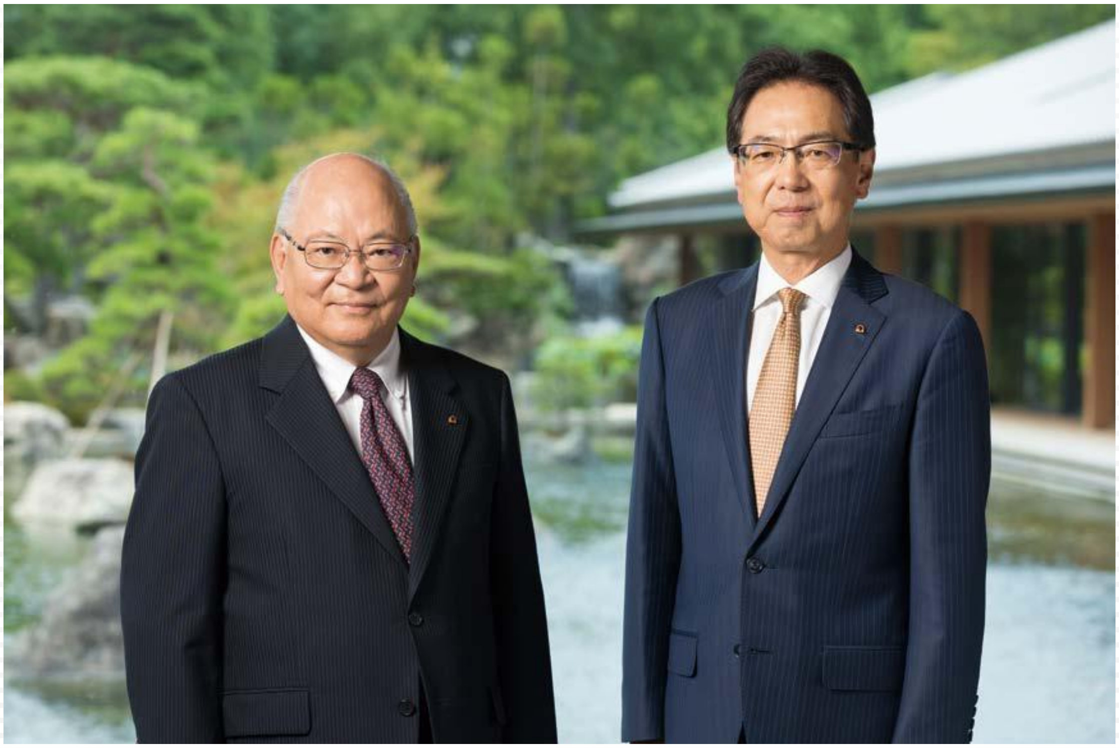
The target data and assurance standards for this certification are as follows:
- The CO_2 emissions from our 7 domestic business facilities
- International Standards on Assurance Engagements: ISAE 3000 and ISAE 3410

Disaster Management Energy Center (Isehara Works)

A new facility, the Disaster Management Energy Center, was completed in September 2017. This will play a central role in BCP measures for the AMADA Group.

In readiness for emergency business continuity, the center has aggregated communication servers and power facilities and is equipped with evacuation facilities where 600 employees and people in the surrounding area can live for three days. In order to withstand earthquakes with a magnitude of 6 or more, the seismic performance has been greatly improved. Power, drinking water, and heat essentials for business continuity will be supplied to each building.

AMADA HOLDINGS CO., LTD., a company which is constantly chosen by its customers and by the community, has taken the first step toward guaranteeing its first century in business.



Mitsuo Okamoto
Chairman & CEO

Tsutomu Isobe
President

Aiming Toward a 100-Year Company

The AMADA Group was fortunate enough to celebrate its 70th anniversary in September 2016.

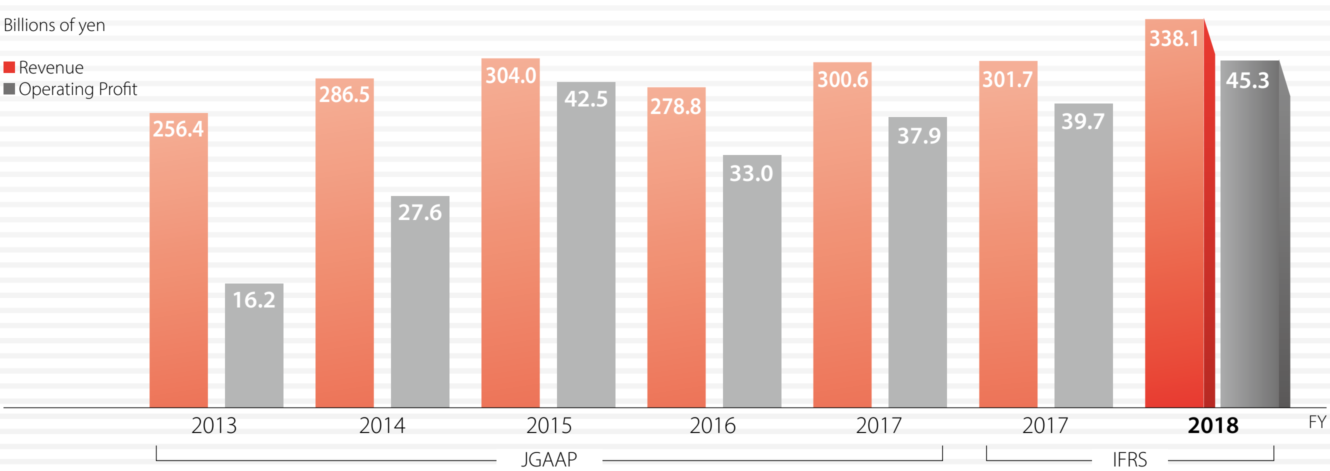
Since our founding in 1946, AMADA has never flagged in its management philosophy of "Growing Together with Our Customers." Under this philosophy, we have seen it as our mission to contribute to society through the *monozukuri* product creation process, and it is under this philosophy that we have pursued our business operations. In recent years, the environment which enfolds AMADA has rapidly globalized and diversified. Moreover, looking toward our 100th anniversary has reconfirmed for us the necessity of further improving our enterprise.

Recent Economic Environment and Business Performance

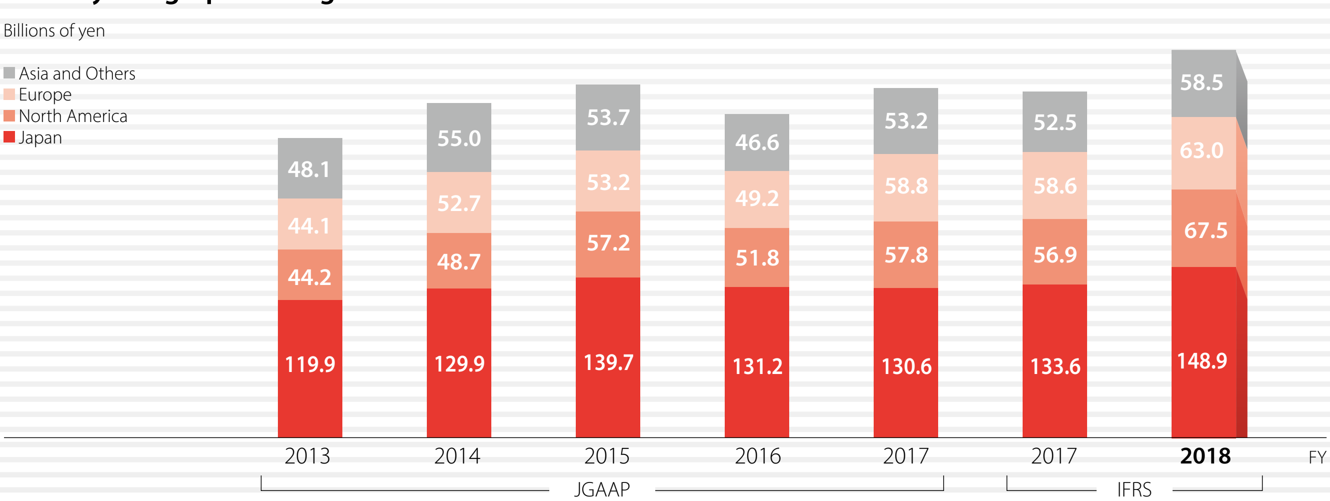
Regarding the consolidated operating results for the fiscal year under review, orders received were 335.1 billion yen (up 2.9 % YoY) and revenue was 338.1 billion yen (up 12.1% YoY), both exceeding the results of the previous fiscal year, becoming the highest posted results thus far. In Japan, all businesses and divisions surpassed their previous fiscal year results on the back of robust capital investment demand and new consolidations of Orii and Mec Corporation (now AMADA ORII CO., LTD.)—which was acquired and became a wholly owned subsidiary during the fiscal year under review—and others, resulting in domestic revenue rising to 148.9 billion yen (up 11.5% YoY). Overseas, revenue grew in all regions, resulting in overseas revenue of 189.1 billion yen (up 12.5% YoY). In North America in particular, continued strong sales in the Sheet Metal Division and the new acquisition of AMADA MARVEL, INC. in the Cutting Division and other factors contributed to the robust performance.

Regarding profit and loss, due to the effect of increased sales volume and the streamlined manufacturing of mainstay fiber laser machines, operating profit and profit attributable to owners of parent increased, respectively, to 45.3 billion yen (up 14.1% YoY) and 33.4 billion yen (up 23.3% YoY), record-high results for both.

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 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 proactive 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 the manufacturing innovation which 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%)

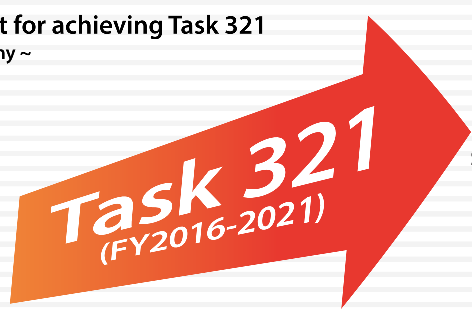
- Expansion of laser business by strengthening product appeal of fiber laser, which is tailored toward energy-saving and high-precision machining
- Promotion of automation business by utilizing robot and software technologies, in response to demand for energy-saving products
- Strengthening manufacturing proposal on V-factory/Smart Factory leveraging IoT technology
- Development of new markets including the new material field, based on accumulated know-how, M&A, and alliances

Medium-Term Business Target (FY2021)

Medium-term business target for achieving Task 321
~ New steps toward a 100-year company ~

- FY2015 -

Revenue	¥304 bn
Ordinary Income Ratio	14 %
ROE	6.5 %



- FY2021 -

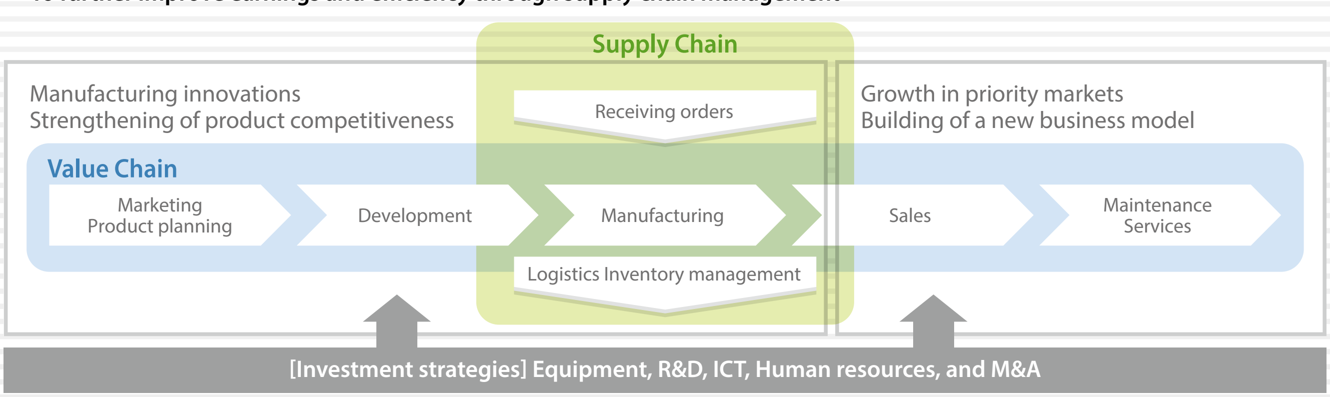
Expand market share by growth strategy
Revenue ¥400 bn

Strengthen profit structure by profitability improvement strategy
Ordinary Income ¥80 bn (20%)

Establish management base by investment strategy
ROE 10 %

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



2) Establishment of robust profit structure (ordinary income ratio of 20%)
- Pursuing QCD through manufacturing innovation which integrates development and manufacturing
- Realizing high-quality manufacturing on a global scale by building an IoT manufacturing system
- Enhancing quality and efficiency of services through preventative and predictive maintenance utilizing big data analysis
- Implementing a differentiation strategy by making high-value-added engineering proposals utilizing consulting sales bases

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
- Liquidation of accounts receivable by restructuring commercial credit business
- Consolidation and sale of non-core assets, including leasing and securities, based on profitability evaluation

4) Proactive ESG initiatives
- Product planning and creation 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
- Development of corporate governance structure for sound corporate activities based upon high ethical standards and fairness
- Promotion of "work style reform" to fundamentally review the operational procedure and establishment of a personnel system for promoting the advancement of women

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 FY2019, we intend to issue an annual dividend of ¥48 per share, making for a consolidated payout ratio of 51.1%.

Capital Measures: Toward ROE 10%

— To maintain approx. 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

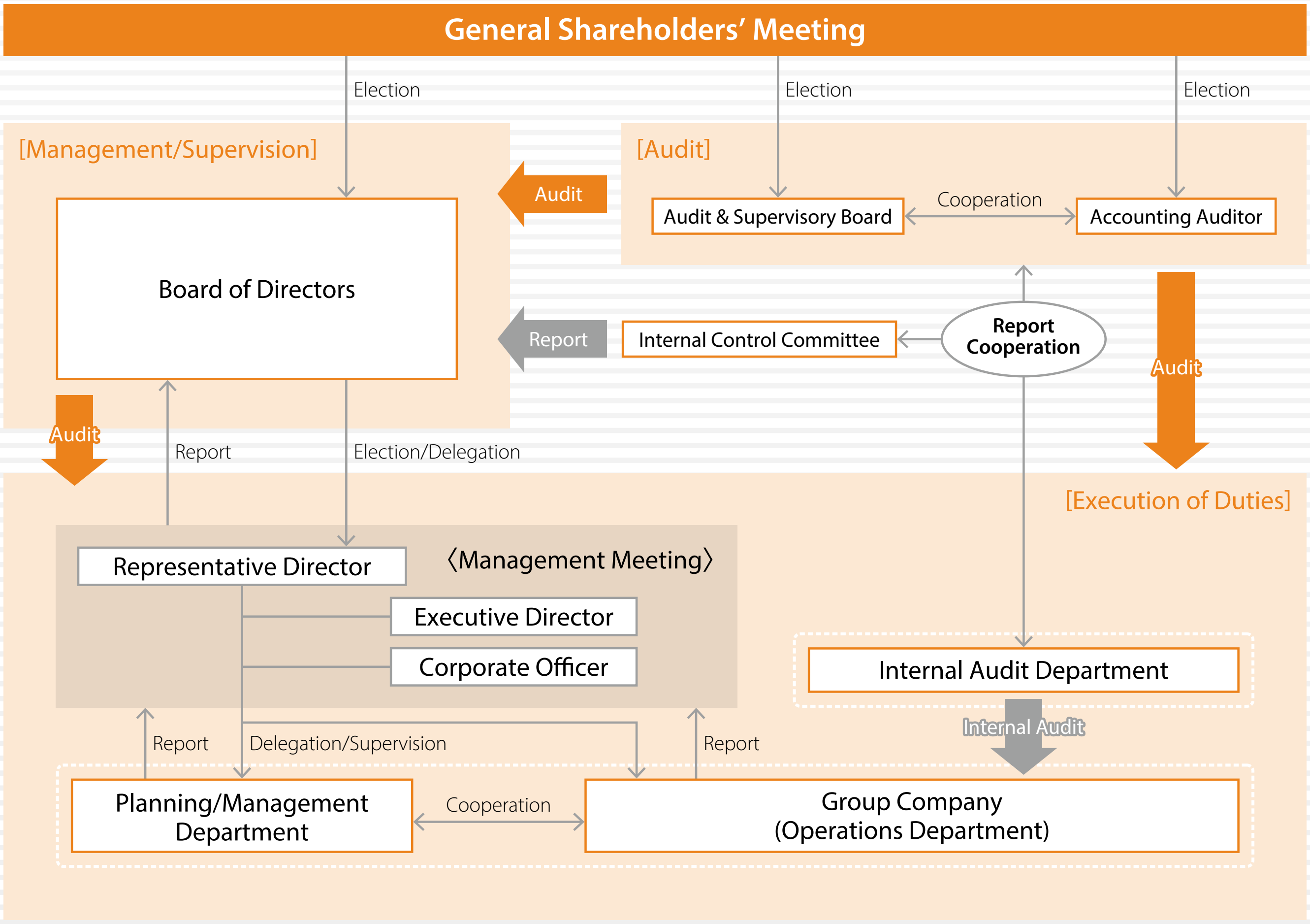
	FY2017 results	FY2018 results	FY2019 forecast	FY2020 and beyond
Net profit (Billions of yen)	29.8 (JGAAP)	33.4 (IFRS)	33.5 (IFRS)	
Dividend (Dividend payout ratio %)	42 yen (52%)	46 yen (50%)	48 yen (51%)	Approx. 50%
Share buybacks (Billions of yen)		10	Implemented flexibly	
Total return ratio (%)	52%	80%	51%	Approx. 50%
ROE (%)	7.0%	7.6%	~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 is currently comprised of 8 directors, including 3 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.

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 2 years to 1 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, aimed at speeding up the decision-making process and defining operational segregation.

Selection of External Officers

AMADA HOLDINGS 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 HOLDINGS CO., LTD.

1. Those who have not fallen under either of the below cases in the past 5 years:
i. A person who is a director, Audit and Supervisory Board member, executive or employee of a major shareholder (those who hold shares carrying10% 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 5 years.

3. Those who have not worked for a lead underwriter of the Company in the past 5 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 5 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 5 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 5 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 5 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 5 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 26, 2019)

Directors

Chairman & CEO

Mitsuo Okamoto

Director

Kazuhiko Miwa

President

Tsutomu Isobe

External Director

Michiyoshi Mazuka

Senior Managing Director

Kotaro Shibata

External Director

Toshitake Chino

Director

Hidekazu Kudo

External Director

Hidekazu Miyoshi

Audit and Supervisory Board Members

Auditors

Takaya Shigeta

Katsuhide Ito

External Auditors

Akira Takenouchi

Seiji Nishiura

AMADA HOLDINGS CO., LTD.

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

As a comprehensive manufacturer of metalworking machinery, the AMADA Group is mainly operating in the sheet metal fabrication machine business, metal cutting machine and structural steel fabrication machine business, machine tool business, stamping press business, and precision welding machine business. On April 1, 2015, the AMADA Group restructured and consolidated the businesses. We will now develop differentiated products, offer services to customers from their viewpoint, and contribute to their future as sheet metal fabricators.

AMADA HOLDINGS CO., LTD.
(Group strategy, management planning, etc.)

Sheet Metal Division

- **AMADA CO., LTD.**
  (Development, manufacturing, sales and service of sheet metal fabrication machines)
  - China sales companies
  - ASIA and ASEAN sales companies
- **AMADA TECHNICAL SERVICE CO., LTD.**
  (Sales of sheet metal fabrication machines and equipment)
- **AMADA AUTOMATION SYSTEMS CO., LTD.**
  (Manufacture of automation equipment for sheet metal fabrication machines)

Cutting Division, Grinding Division, and Stamping Press Division

- **AMADA MACHINE TOOLS CO., LTD.**
- **AMADA MARVEL, INC.**
- **AMADA SANWA DAIYA CO., LTD.**

Micro Welding Division

- **AMADA MIYACHI CO., LTD.**

- **Overseas AMADA Group companies**
  - North American sales companies
  - European sales companies
  - Other overseas companies
- **AMADA Group companies in Japan**

AMADA CO., LTD.

Sheet Metal Division

Sheet metal parts are used not only in 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 through control software and peripheral devices to maintenance.

- Turret punch presses
- Press brakes
- Welders
- Software

AMADA TECHNICAL SERVICE CO., LTD.

AMADA AUTOMATION SYSTEMS CO., LTD.

AMADA MACHINE TOOLS CO., LTD.

AMADA MARVEL, INC.

AMADA SANWA DAIYA CO., LTD.

Cutting Division

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

- Bandsaw machines
- Structural steel fabrication machines

Stamping Press Division

- Stamping press machines

Grinding Division

- Multi process center
- Grinding machines
- Electrical discharge machines

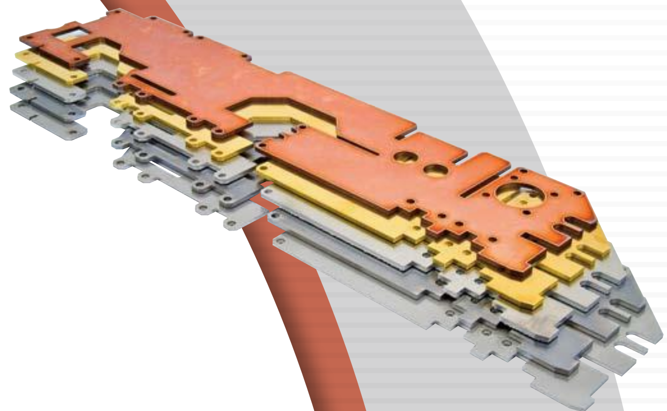
AMADA MIYACHI CO., LTD.

Micro Welding Division

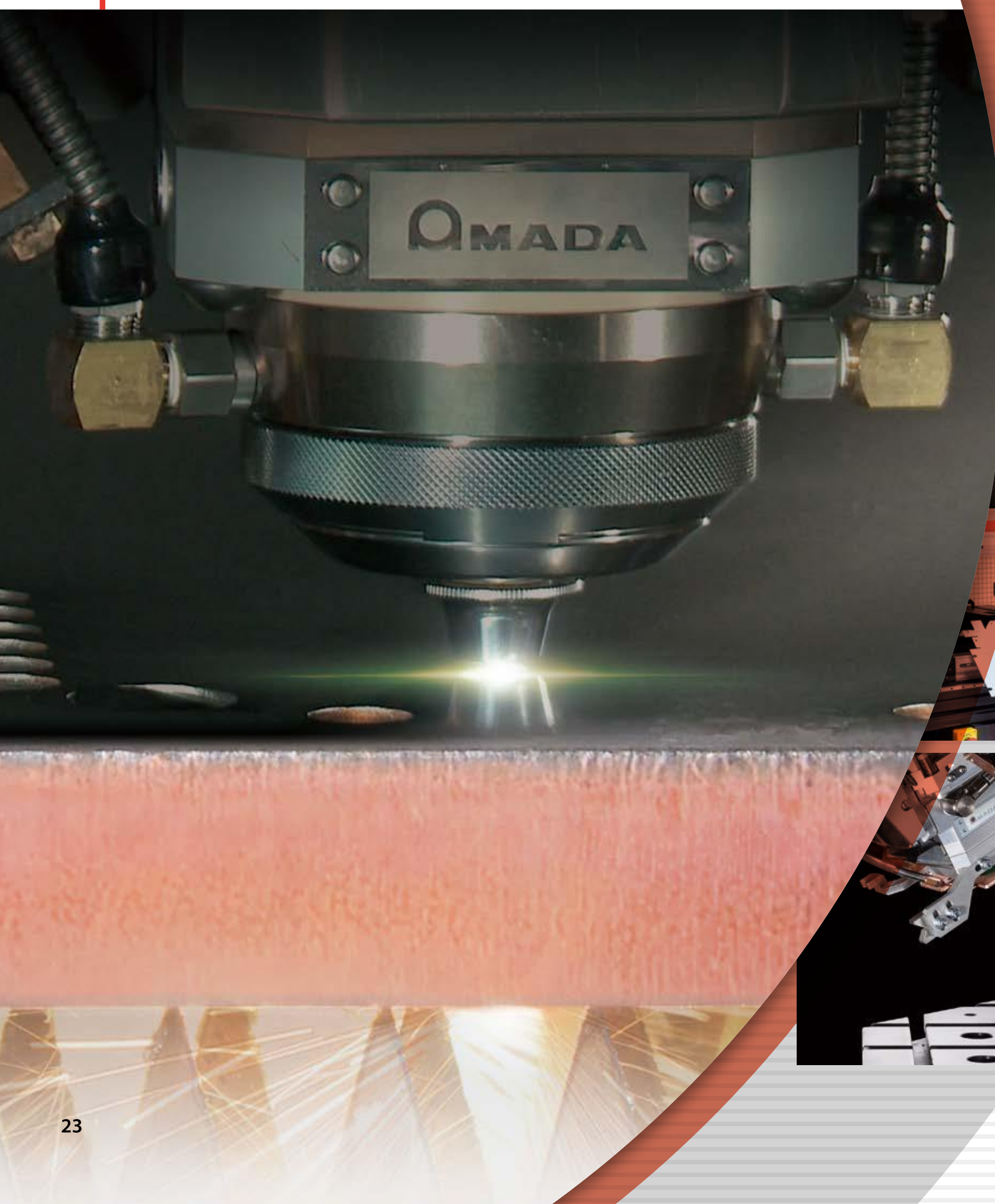
AMADA MIYACHI is providing throughout the world welding and processing solutions for automotive body panels and electrical equipment, LCD displays, personal computers, medical devices, and other familiar products.

- Laser welders
- Resistance welders
- Laser markers
- Systems

Sheet Metal Division



- AMADA CO., LTD.
- AMADA TECHNICAL SERVICE CO., LTD.
- AMADA AUTOMATION SYSTEMS CO., LTD.



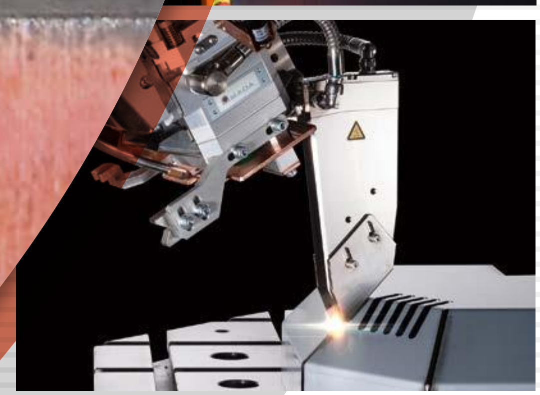


Image of processing on ENSIS

Proposal of total solutions for sheet metal fabrication

Sheet metal fabrication involves cutting, drilling, 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.

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 for converting a customer factory to a Smart Factory. By digitizing the processing know-hows in all processes while tracing back the manufacturing process from completed forms of products, the system will bring innovative effects.

Sale of sheet metal fabrication machines

Fiber laser machine equipped
with Locus Beam Control technology
VENTIS-3015AJ

Energy saving / V-mix, V-lot production /
wide range fiber laser machine
ENSIS-3015AJ

High speed punch /
fiber laser combination machine
EML-2512AJ

High accuracy bending robot system
HG-1003ARs

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

Fiber laser welding system
FLW-ENSIS

Major Products

Energy saving / V-mix, V-lot production /
wide range fiber laser machine
ENSIS-3015AJ

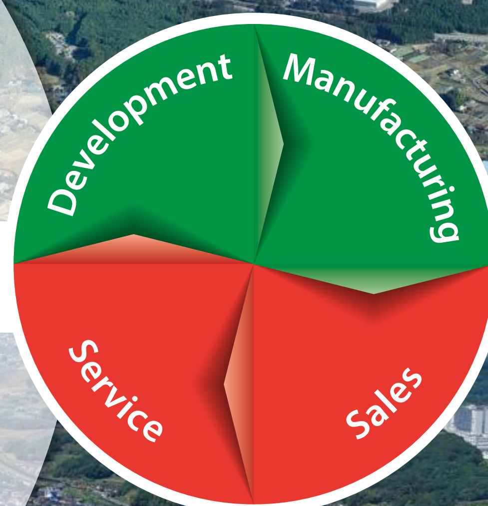
High accuracy bending robot system
HG-1003ARs

Fiber laser welding system
FLW-ENSIS

AMADA INNOVATION CENTER

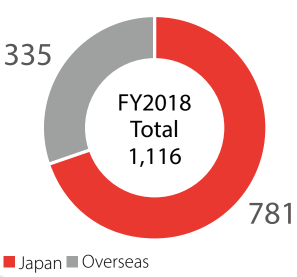
Supporting Customers in Manufacturing

AMADA proposes total machines, tooling, software, and automation equipment for entire sheet metal fabrication processes (blanking, bending, welding, and assembling) and supports customers the world over in their manufacturing operations.



- AMADA CO., LTD.
- AMADA TECHNICAL SERVICE CO., LTD.

Number of Patents Held



AMADA SOLUTION CENTER

AMADA CO., LTD.

Development system based on "voices of customers"

The core and elemental technologies of next-generation machines are developed with state-of-the-art design systems. As well, module design is performed with the manufacturing process in view.

Innovation room

Development center

System for manufacturing machines to customer specifications

Machines are module designed by the front-loading development concept and made by the "booth-stand" production system that can procure parts quickly and at the best quality, cost, and delivery (QCD) levels. Shorter lead time and higher-quality manufacturing are thus accomplished.

"Booth-stand" production system

Clean room

Sales system to "solve problems of customers"

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

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.

AMADA Solution Center (Isehara)

AMADA Solution Center (Schaumburg)

AMADA Technical Center

At our Technical Centers, customers can verify parts processed according to their data and can confirm the functions, performance, and operability of AMADA machines.

The customers can use the centers as base with reinforced technical service functions.

Shanghai Technical Center (China)

AMADA Satellite Center

The customers can see and operate our latest machines to verify their performance at any time.

Hokuriku Satellite Center

Service system that "does not allow machines of customers to stop operating"

AMADA CO., LTD.
AMADA TECHNICAL SERVICE CO., LTD.

AMADA supports customers in operating the machines installed at their shops and in producing parts with the machines as well as provides maintenance on the machines.

My V-factory

IoT Support Front

Tooling

Parts Center

Cutting Division, Grinding Division, and Stamping Press Division

- AMADA MACHINE TOOLS CO., LTD.
- AMADA MARVEL, INC.
- AMADA SANWA DAIYA CO., LTD.

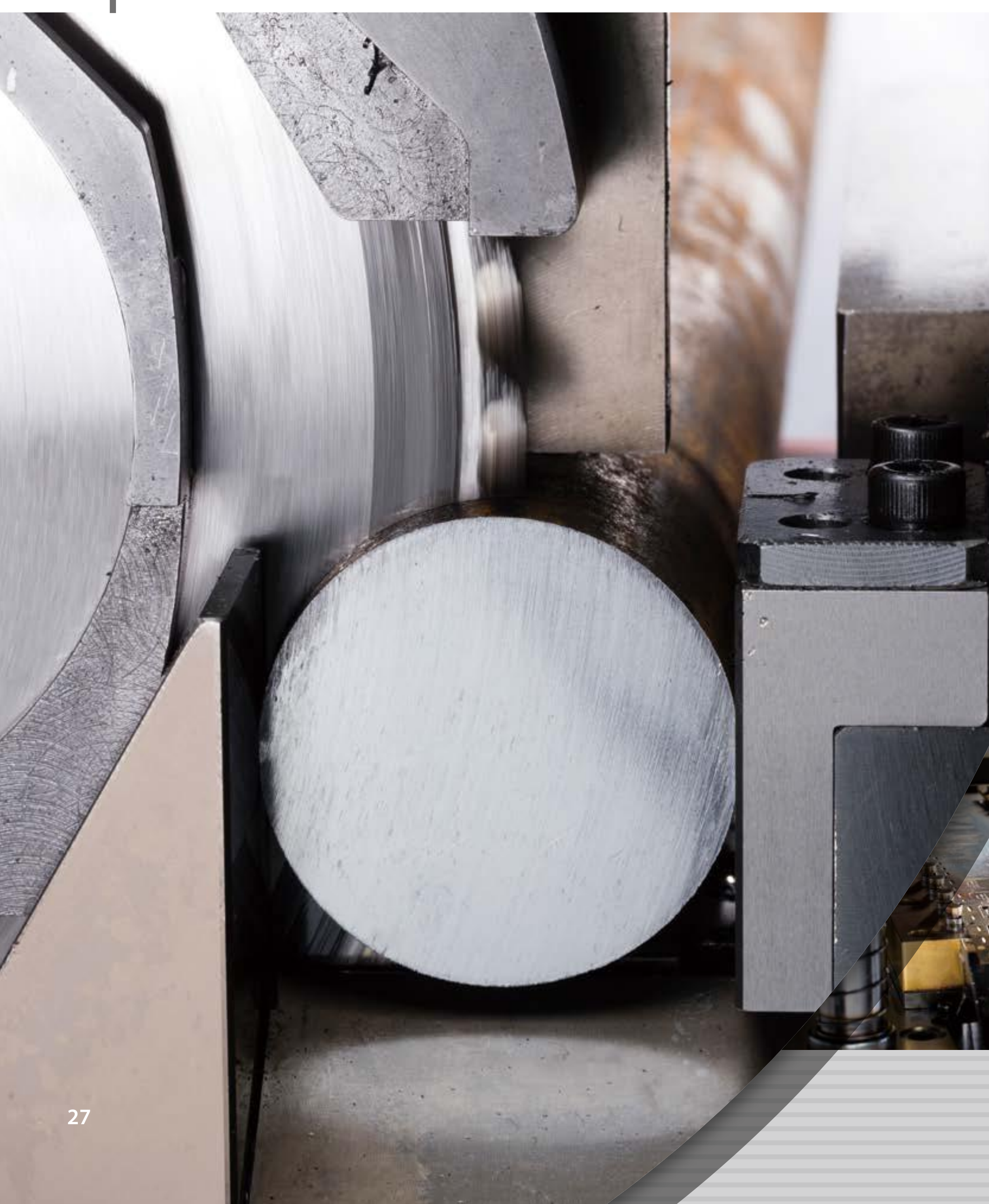
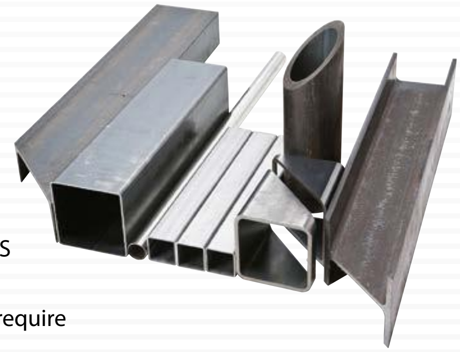


Image of processing on CMII-75DG

From huge structures to minute parts



AMADA MACHINE TOOLS operates integrated businesses from the development and manufacture to the sale and service of metal cutting, machine tools, and stamping presses. From global perspectives, AMADA MACHINE TOOLS develops cutting-edge technology, supplies high quality products to customers around the world, proposes optimum problem solutions to customers, and provides a wide range of services to customers. Metals machined with the machines of AMADA MACHINE TOOLS are used in various applications. The machines of AMADA MACHINE TOOLS are indispensable for making products that support our lives as well as products that not only require minute parts but products that require huge, robust structures.

AMADA to acquire US metal cutting machine manufacturer

AMADA HOLDINGS CO., LTD. acquired all of the shares of Marvel Manufacturing, Inc., a US metal cutting machine manufacturer, to make it a wholly owned subsidiary of AMADA HOLDINGS. Marvel's main products are vertical tilt-frame band saws, for which it holds a high market share in North America. These products are used to cut lightweight structural steels, which are used as construction materials for various vehicles, agricultural machines, etc. The acquisition of Marvel allows AMADA Group to add band saws for lightweight structural steels to its product lineup, and makes it the top manufacturer of band saw machines in North America in terms of sales. Through the acquisition of Marvel, AMADA will promote an expanded product lineup, and develop its global manufacturing and sales systems.

Development and manufacture with high quality and short delivery lead time

About 100 development staff members reside at the 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 is established for stably delivering high quality and high accuracy products within short lead times.

Technical center


Office building


Factory building


Saw blade development and manufacturing base, Ono Plant


Carbide-tipped circular saw machines
CMII-75DG


Optical profile grinder
GLS-150GL UP


Digital AC servo press
SDE-3020 GORIKI LCC04HR3

Major Products


Band saw machines
HPSAW-310


Digital AC servo press
SDE-3020 GORIKI LCC04HR3


Optical profile grinder
GLS-150GL UP

Micro Welding Division

■ AMADA MIYACHI CO., LTD.

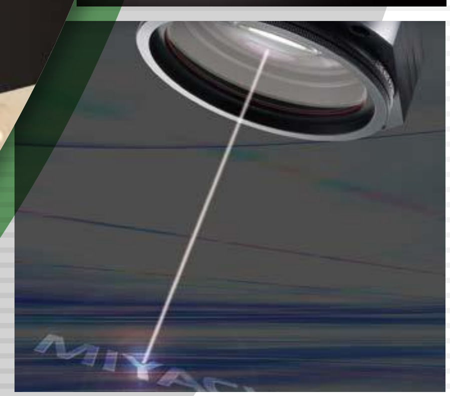


Image of resistance welding

Machines indispensable for state-of-the-art manufacturing in such fields as automobiles, electronic parts, communications equipment, and medical devices

AMADA MIYACHI offers total solutions centered on the four pillars of laser welders, laser markers, resistance welders, and laser marking and laser and resistance welding systems.

AMADA MIYACHI has a business model specializing in the precision welding and processing markets, has both joining and laser technologies, and has a unique position in the world.

The technologies of AMADA MIYACHI 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 MIYACHI 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 MIYACHI aims to achieve.

AMADA MIYACHI 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.

Fiber laser welder
MF-C1000A-S

Laser weld monitor
MM-L300A

YVO_4 SHG laser marker
ML-9011A

Fine spot welding power supply
IS-300A

Weld checker for resistance welder
MM-400A

Major Products

Fiber laser welder
MF-C1000A-S

Laser weld monitor
MM-L300A

Fine spot welding power supply
IS-300A

Weld checker for resistance welder
MM-400A

AMADA Group Environmental Declaration

The AMADA Group aggressively promotes environmental activities to its management in order to realize sustainable development of its business and society.

AMADA will help to build a bright and prosperous future for people around the world by optimally utilizing the engineering capabilities we have cultivated, and by providing eco-friendly, energy-saving products as a general manufacturer of metalworking machinery.

"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.

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.

Our eco-friendly merchandise assists customers to manufacture eco-friendly products

The AMADA Group's eco-friendly products enable customers to manufacture energy savings and highly efficient products at their plants.

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

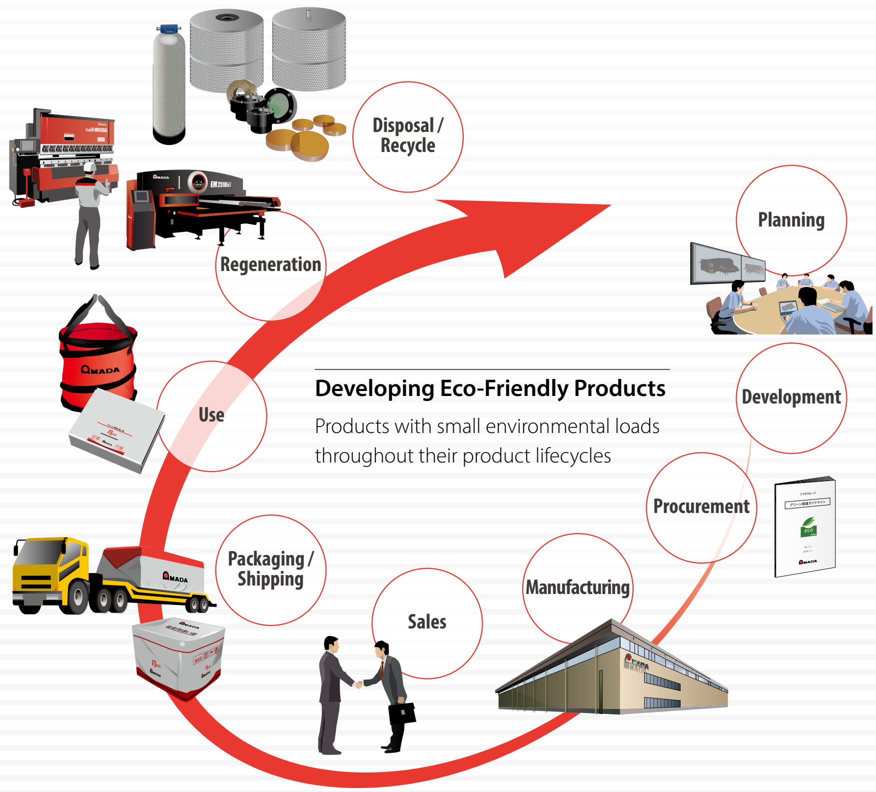
Approximately 60% of Fujinomiya Works' site, which is approximately 429,800m^2, remains as forests, and approximately 80% of them are artificial forests of "Japanese cypress." Since it has been 40 to 50 years since the trees were planted, we are planning to aggressively improve the forest into a forest 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 lifecycle of a product, from planning through development, procurement, manufacture, sale, shipping and use, to disposal.

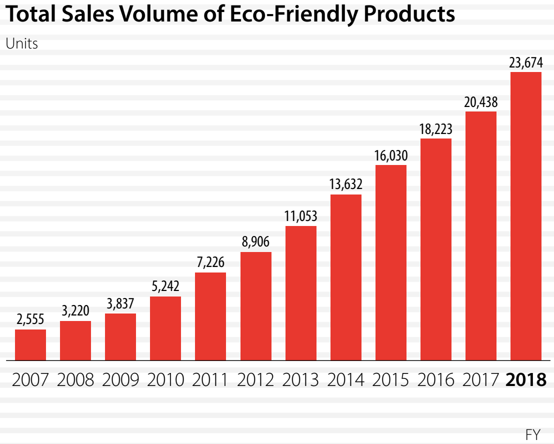
At AMADA, we are developing lifecycle management to create this kind of thorough lifecycle for our eco-friendly products.



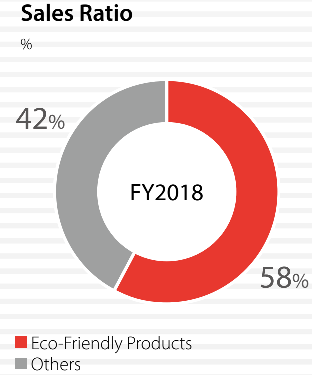
Creation of Eco Products

Since the AMADA Group's products are industrial goods, most of their lifecycle CO_2 emissions occur during customer use, which is why the Group believes that developing machines with high energy efficiency (eco products) is extremely important. By developing numerous 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_2 our products emit.

Total Sales Volume of Eco-Friendly Products



Eco-Friendly Products Sales Ratio



Eco-Friendly Products

Vertical automatic TIG welding machine
VC-500II

Stamping press machines
SDE-2017 GORIKI

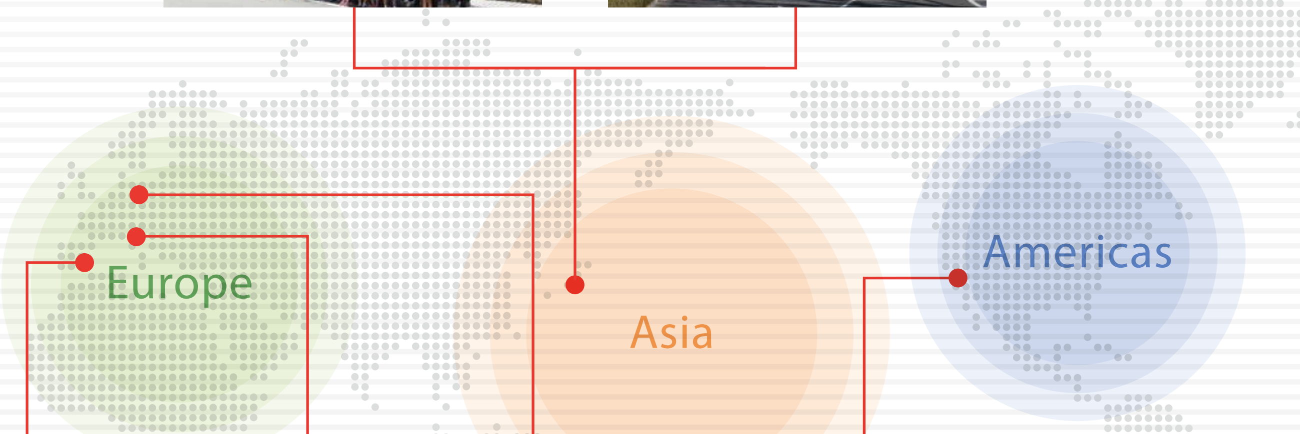
Ultimate press brake
EG-4010

Social Contribution Activities

The AMADA Group places importance on communication with people of 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 and charity and volunteer activities.

Open factory (AMADA Fujinomiya Works site)

Renovation of lounge building—addition of temporary evacuation site in the case of disasters



A traineeship for high school students in our Technical Center (AMADA ITALIA S.r.l.)

ATA sponsored Genesee Community College Tech Wars for the third year
(AMADA TOOL AMERICA)

ATA hosted two local high school tours for students researching future careers
(AMADA TOOL AMERICA)

Received Gavà Growth Award for local contributions
(AMADA Maquinaria Iberica)

Opened AMADA Poland Technical Center
(AMADA Sp.z o.o.)

New Tooling Factory at Toki Works

T876 Factory, which manufactures tools for sheet metal processing, has been newly established at Toki Works. Making use of the latest IoT technologies, the automated factory has been in operation since September 2017, making it possible for clients to place orders 24 hours a day, 365 days a year. At the T876 Factory, delivery time is significantly reduced (to a minimum of three hours) and by promoting automation, the production system can continuously be operated almost unattended. Further improvements are being made to reduce the defect rate in addition to strict temperature control to enhance accuracy.

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) 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 a support education course, Junior Management College (JMC), for those progressing to managerial positions.

Precision Sheet Metal Technology Fair

The Precision Sheet Metal Technology Fair is a competition established in 1989 by the AMADA School to promote the improvement of sheet metal processing technology and skills. Currently, the school collects entries from five categories around May each year and, following judgment, holds an award ceremony the following March. The 31st Precision Sheet Metal Technology Fair awards ceremony was held in March 2019. A total of 263 entries were submitted, of which 104 were submissions from overseas, with 32 submissions from students.

Fair poster

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.

Trade skill tests

Safety Management

The AMADA Group is engaging in initiatives to prevent the recurrence of any work-related injuries that occur within the Group by identifying the cause and horizontally developing measures to prevent recurrence. In 2017, priority was given to the implementation of safety training as part of better coordination between the Company and worksites in order to prevent work- and traffic-related accidents. In addition to educational lectures, we have introduced a curriculum that focuses on hands-on training that includes individualized driver training with objective evaluation with the aim of reducing accidents to zero.

Safety education for new employees to prevent traffic accidents

Construction utilizing the booth-stand production system

Booth-Stand Production System

The AMADA Group has adopted a booth-stand production system aimed at improving productivity and efficiency at its factories. Each booth-stand serves as an independent mini-factory. Parts necessary for production are supplied to these booth-stands in kit form and tools are available within arms' reach of operators, allowing for smooth production without wasted movement, which helps establish a safer working environment.

Promotion of Support for Childcare

The AMADA Group encourages male employees to take childcare leave by establishing an independent childcare leave system, which differs from the original system in that it allows employees who want to participate in childcare to redeem unused paid holidays that have expired.

Moreover, to encourage employees to take paid leave, in addition to systematic paid holidays and recommended days to redeem paid holidays, we have established leave for special events, such as school-related activities, which is separate from normal paid holidays. Furthermore, we conduct family tours at each worksite as an additional effort to encourage employees with families to actively participate in childcare.

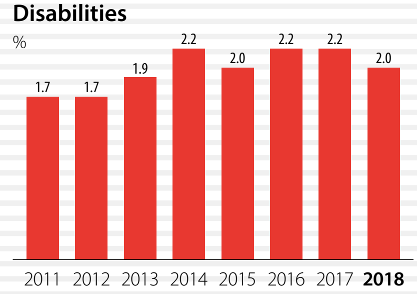
	FY2015	FY2016	FY2017	FY2018
Male	3	3	5	10
Female	13	14	12	6
Total	16	17	17	16

Workplace Where People with Disabilities Play a More Active Role

To assist social progression and promote the independence of people with disabilities, the AMADA Group actively employs differently abled individuals. We provide trial employment for those with intellectual disabilities and offer work experience programs for students of special needs schools, which in turn help these individuals find work in the future.

Furthermore, in June 2015 we established a special-purpose subsidiary within the Group that exclusively employs people with disabilities. This subsidiary, the first of its kind in the machine tool industry, resulted in an employment rate for people with disabilities of 2.0% in fiscal 2018.

Employment Rate of People with Disabilities



Communication with Our Suppliers

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 non-use 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.

AMADA Group Green Procurement Guidelines

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 dealing 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

Communication with Our Investors

Policy for 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 on the operations to improve our business. We also provide quarterly results briefings and individual interviews and answer the enquiries 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."


A financial results presentation

Various Tools

In addition to renewing its domestic IR website, AMADA HOLDINGS is promoting communication with its investors through various tools. The Company actively discloses both financial and non-financial information through its corporate brochure and CSR report. Going forward, the Company will make concerted efforts to communicate its corporate value in a more comprehensive manner.

Corporate tools

Financial Review

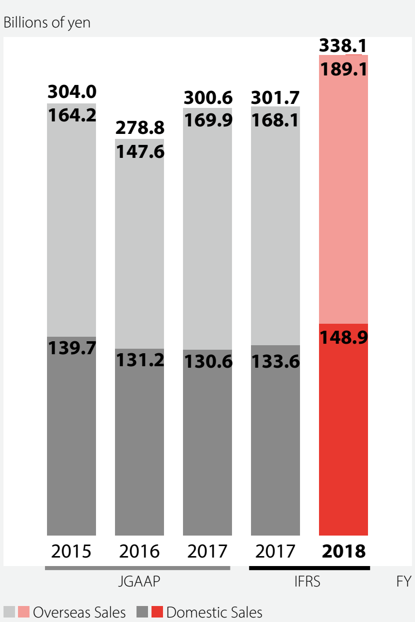
EARNINGS

The Group has voluntarily transitioned from Japanese Generally Accepted Accounting Principles (JGAAP) to International Financial Reporting Standards (IFRS) beginning with the fiscal year under review. This transition has been made in order to improve international comparability of financial information in the capital market. Figures for the previous consolidated fiscal year that were released in accordance with JGAAP have been reclassified according to IFRS for comparative analysis in the fiscal year under review.

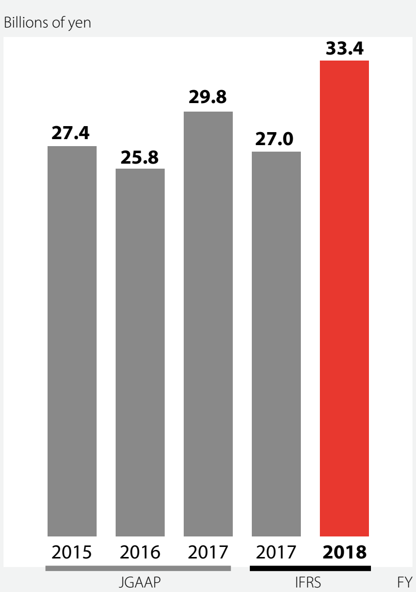
Regarding the consolidated operating results for the fiscal year under review, both orders received and revenue increased, with orders rising 2.9%, to ¥335,196 million, and revenue increasing 12.1%, for a record high of ¥338,175 million. Revenue in Japan increased 11.5% year on year, to ¥148,992 million. This increase was a result of increases across all businesses and departments against a background of strong demand for capital investment, plus the acquisition of the Orii and Mec Corporation (now AMADA ORII CO., LTD.) during the fiscal year. Overseas revenue also increased 12.5%, to ¥189,182 million, reflecting increases in every overseas region. In North America in particular, sales in the Sheet Metal Division remained strong, while the newly acquired Marvel Manufacturing, Inc. (now AMADA MARVEL, INC.) contributed to revenue in the Cutting Division.

Turning to profit and loss, increasing sales volume combined with efforts to streamline the production of our mainstay fiber laser machines resulted in a 14.1% increase in operating profit year on year, to ¥45,316 million, and a 23.3% increase in profit attributable to owners of parent, to ¥33,420 million. This result for the fiscal year under review marks an all-time record for profit attributable to owners of parent.

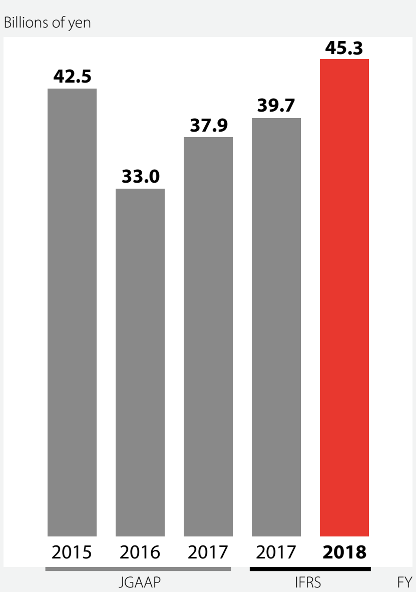
Domestic Sales and Overseas Sales



Profit Attributable to Owners of Parent



Operating Profit



FINANCIAL POSITION

At the end of the fiscal year under review, consolidated total assets were up ¥10,947 million year on year, to ¥567,051 million. Total current assets decreased ¥5,125 million, to ¥327,164 million, primarily due to a decrease in cash and cash equivalents. Total non-current assets increased ¥16,072 million, to ¥239,887 million, primarily due to an increase in property, plant, and equipment and goodwill.

Total liabilities increased ¥3,257 million, to ¥121,654 million, due to an increase in current liabilities. Furthermore, equity increased ¥7,689 million, to ¥445,397 million. As a result, equity attributable to owners of parent moved from 78.1% to 77.9%.

CASH FLOWS

Consolidated cash and cash equivalents, end of year, amounted to ¥56,295 million, down ¥24,169 million from the previous fiscal year.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities totaled ¥39,982 million, up ¥7,395 million from the previous fiscal year. This result reflected an increase in profit before tax.

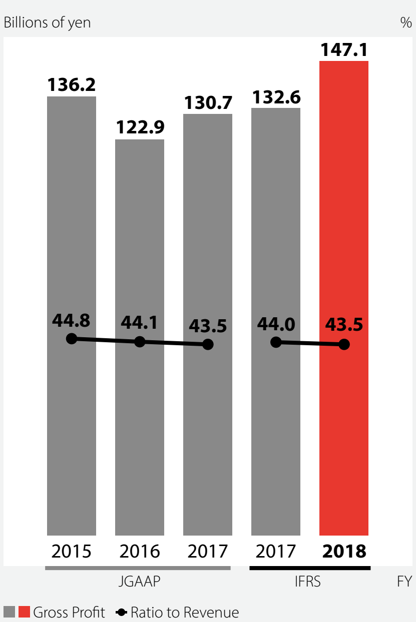
CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities amounted to ¥31,189 million, an increase of ¥4,021 million compared to the previous fiscal year. This increase was primarily attributed to an increase in payments for the acquisition of subsidiary company stock accompanying a change in the scope of consolidation.

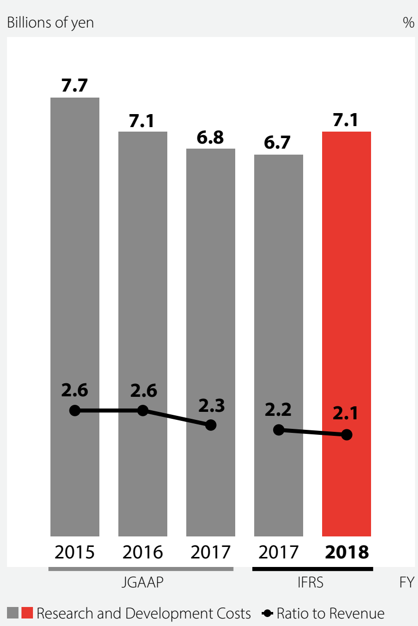
CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities amounted to ¥31,876 million, up ¥14,434 million from the previous fiscal year. The main cause of this increase was the acquisition of treasury stock.

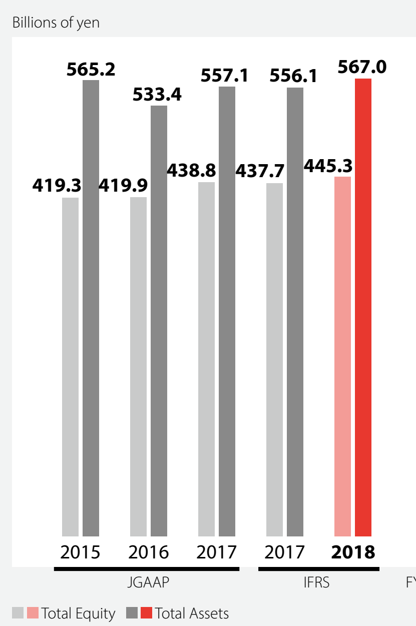
Gross Profit and Ratio to Revenue



Research and Development Costs and Ratio to Revenue



Total Equity and Total Assets



Consolidated Statement of Financial Position

AMADA HOLDINGS CO., LTD. and its Consolidated Subsidiaries
March 31, 2019

		Millions of yen			Thousands of U.S. dollars (Note 2 (3))
Assets	Notes	Transition date (April 1, 2017)	2018	2019	2019
Current assets					
Cash and cash equivalents	9	91,746	80,464	**56,295**	**507,120**
Trade and other receivables	10, 38	135,928	141,774	**140,965**	**1,269,844**
Inventories	11	75,755	82,109	**100,391**	**904,350**
Other financial assets	18, 38	17,111	19,584	**19,939**	**179,618**
Other current assets	12	5,739	8,355	**9,571**	**86,226**
Total current assets		326,281	332,289	**327,164**	**2,947,161**
Noncurrent assets					
Property, plant, and equipment	13, 15, 16	118,448	126,008	**130,595**	**1,176,430**
Goodwill	14, 16	950	967	**7,469**	**67,283**
Intangible assets	14, 16	7,288	9,287	**11,214**	**101,020**
Investments accounted for using equity method	17	1,423	1,598	**1,638**	**14,760**
Other financial assets	18, 38	52,777	63,297	**65,734**	**592,151**
Deferred tax assets	19	12,674	13,380	**14,213**	**128,038**
Other noncurrent assets	12	13,422	9,275	**9,021**	**81,266**
Total noncurrent assets		206,985	223,814	**239,887**	**2,160,952**
Total assets		533,267	556,104	**567,051**	**5,108,113**

Liabilities and equity	Notes	Millions of yen Transition date (April 1, 2017)	2018	2019	Thousands of U.S. dollars (Note 2 (3)) 2019
Liabilities					
Current liabilities					
Trade and other payables	20, 38	50,171	53,164	**65,917**	**593,800**
Borrowings	21, 38	15,150	9,897	**5,366**	**48,343**
Income taxes payable	19	2,413	7,784	**7,918**	**71,334**
Other financial liabilities	22, 38	1,521	1,343	**931**	**8,394**
Provisions	24	971	1,476	**1,900**	**17,120**
Other current liabilities	25, 30	20,115	23,490	**23,961**	**215,849**
Total current liabilities		90,345	97,156	**105,997**	**954,842**
Noncurrent liabilities					
Borrowings	21, 38	3,706	5,703	**4,556**	**41,047**
Other financial liability	22, 38	3,514	2,890	**2,907**	**26,190**
Retirement benefit liabilities	27	6,508	5,171	**2,855**	**25,720**
Provisions	24	6	6	**6**	**62**
Deferred tax liabilities	19	1,940	2,179	**1,270**	**11,447**
Other noncurrent liabilities		5,545	5,289	**4,060**	**36,574**
Total noncurrent liabilities		21,222	21,240	**15,657**	**141,042**
Total liabilities		111,567	118,396	**121,654**	**1,095,885**
Equity					
Share capital	28	54,768	54,768	**54,768**	**493,363**
Capital surplus	28	163,235	163,217	**153,119**	**1,379,331**
Retained earnings	28	210,921	224,850	**243,714**	**2,195,425**
Treasury shares	28	(11,841)	(11,695)	**(11,608)**	**(104,568)**
Other components of equity	28	1,079	2,950	**1,555**	**14,007**
Total equity attributable to owners of the parent		418,163	434,091	**441,548**	**3,977,559**
Noncontrolling interests	28	3,536	3,615	**3,848**	**34,668**
Total equity		421,699	437,707	**445,397**	**4,012,228**
Total liabilities and equity		533,267	556,104	**567,051**	**5,108,113**

Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

AMADA HOLDINGS CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2019

	Notes	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
		2018	**2019**	**2019**
Revenue	6, 30	301,732	**338,175**	**3,046,354**
Cost of sales		(169,037)	**(191,048)**	**(1,721,002)**
Gross profit		132,694	**147,127**	**1,325,351**
Selling, general, and administrative expenses	31	(93,749)	**(102,396)**	**(922,410)**
Other income	32	1,863	**1,324**	**11,933**
Other expenses	33	(1,085)	**(738)**	**(6,653)**
Operating profit		39,723	**45,316**	**408,220**
Finance income	34	1,858	**2,996**	**26,991**
Finance costs	34	(980)	**(703)**	**(6,339)**
Share of profit of investments accounted for using equity method		164	**303**	**2,736**
Profit before tax		40,765	**47,913**	**431,610**
Income tax expense	19	(13,329)	**(14,135)**	**(127,334)**
Profit for the year		27,435	**33,777**	**304,275**
Profit attributable to:				
Owners of parent		27,094	**33,420**	**301,060**
Noncontrolling interests		341	**356**	**3,214**
Profit for the year		27,435	**33,777**	**304,275**

	Notes	Yen		U.S. dollars
		2018	**2019**	**2019**
Earnings per share	36			
Basic earnings per share		74.07	**91.82**	**0.82**
Diluted earnings per share		74.06	**91.82**	**0.82**

Consolidated Statement of Comprehensive Income

AMADA HOLDINGS CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2019

	Notes	Millions of yen 2018	Millions of yen 2019	Thousands of U.S. dollars (Note 2 (3)) 2019
Profit for the year		27,435	**33,777**	**304,275**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans		186	**1,141**	**10,285**
Equity financial assets measured at fair value through other comprehensive income		(13)	**186**	**1,684**
Total of items		172	**1,328**	**11,969**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		2,332	**(1,505)**	**(13,559)**
Debt financial assets measured at fair value through other comprehensive income		19	**(34)**	**(308)**
Share of other comprehensive income of investments accounted for using equity method		70	**(54)**	**(492)**
Total of items		2,421	**(1,594)**	**(14,360)**
Total other comprehensive income	35	2,594	**(265)**	**(2,390)**
Total comprehensive income for the year		30,030	**33,512**	**301,884**
Comprehensive income attributable to:				
Owners of the parent		29,707	**33,197**	**299,051**
Noncontrolling interests		322	**314**	**2,833**
Total comprehensive income for the year		30,030	**33,512**	**301,884**

Consolidated Statement of Changes in Equity

AMADA HOLDINGS CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2019

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, 2017		54,768	163,235	210,921	(11,841)	—	1,079	—	—	1,079	418,163	3,536	421,699
Profit for the year		—	—	27,094	—	—	—	—	—	—	27,094	341	27,435
Other comprehensive income		—	—	—	—	185	5	2,351	70	2,613	2,613	(18)	2,594
Total comprehensive income for the year		—	—	27,094	—	185	5	2,351	70	2,613	29,707	322	30,030
Dividends	29	—	—	(13,898)	—	—	—	—	—	—	(13,898)	(214)	(14,112)
Purchase of treasury shares		—	—	—	(6)	—	—	—	—	—	(6)	—	(6)
Disposal of treasury shares (including through the exercise of share options)		—	(55)	—	153	—	—	—	—	—	97	—	97
Retirement of treasury shares		—	—	—	—	—	—	—	—	—	—	—	—
Change in ownership interest of the parent due to transactions with noncontrolling interests		—	27	—	—	—	—	—	—	—	27	(27)	—
Change due to newly consolidated subsidiaries		—	—	—	—	—	—	—	—	—	—	—	—
Transfer of negative balance in other capital surplus		—	9	(9)	—	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings		—	—	742	—	(185)	(555)	—	—	(741)	0	(0)	—
Total transactions with owners		—	(18)	(13,165)	146	(185)	(555)	—	—	(741)	(13,779)	(242)	(14,022)
Balance at March 31, 2018		54,768	163,217	224,850	(11,695)	—	529	2,351	70	2,950	434,091	3,615	437,707

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		—	—	33,420	—	—	—	—	—	—	33,420	356	33,777
Other comprehensive income		—	—	—	—	1,142	152	(1,463)	(54)	(223)	(223)	(42)	(265)
Total comprehensive income for the year		—	—	33,420	—	1,142	152	(1,463)	(54)	(223)	33,197	314	33,512
Dividends	29	—	—	(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 in ownership interest of the parent due to transactions with noncontrolling interests		—	—	—	—	—	—	—	—	—	—	—	—
Change due to newly consolidated subsidiaries		—	—	—	—	—	—	—	—	—	—	77	77
Transfer of negative balance in other capital surplus		—	—	—	—	—	—	—	—	—	—	—	—
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**	**243,714**	**(11,608)**	**—**	**651**	**888**	**15**	**1,555**	**441,548**	**3,848**	**445,397**

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

	Notes	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		493,363	1,470,292	2,025,500	(105,352)	—	4,765	21,183	633	26,582	3,910,386	32,572	3,942,958
Profit for the year		—	—	301,060	—	—	—	—	—	—	301,060	3,214	304,275
Other comprehensive income		—	—	—	—	10,290	1,375	(13,182)	(492)	(2,009)	(2,009)	(381)	(2,390)
Total comprehensive income for the year		—	—	301,060	—	10,290	1,375	(13,182)	(492)	(2,009)	299,051	2,833	301,884
Dividends	29	—	—	(141,696)	—	—	—	—	—	—	(141,696)	(1,437)	(143,134)
Purchase of treasury shares		—	(61)	—	(90,119)	—	—	—	—	—	(90,181)	—	(90,181)
Disposal of treasury shares (including through the exercise of share options)		—	0	—	3	—	—	—	—	—	4	—	4
Retirement of treasury shares		—	(90,899)	—	90,899	—	—	—	—	—	—	—	—
Change in ownership interest of the parent due to transactions with noncontrolling interests		—	—	—	—	—	—	—	—	—	—	—	—
Change due to newly consolidated subsidiaries		—	—	—	—	—	—	—	—	—	—	696	696
Transfer of negative balance in other capital surplus		—	—	—	—	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings		—	—	10,561	—	(10,290)	(275)	—	—	(10,565)	(4)	4	—
Total transactions with owners		—	(90,961)	(131,135)	784	(10,290)	(275)	—	—	(10,565)	(231,877)	(737)	(232,615)
Balance at March 31, 2019		**493,363**	**1,379,331**	**2,195,425**	**(104,568)**	**—**	**5,866**	**8,001**	**140**	**14,007**	**3,977,559**	**34,668**	**4,012,228**

Consolidated Statement of Cash Flows

AMADA HOLDINGS CO., LTD. and its Consolidated Subsidiaries
Year ended March 31, 2019

	Notes	Millions of yen 2018	Millions of yen 2019	Thousands of U.S. dollars (Note 2 (3)) 2019
Cash flows from operating activities				
Profit before tax		40,765	**47,913**	**431,610**
Depreciation and amortization		11,554	**12,359**	**111,332**
Finance income and finance costs		(877)	**(2,292)**	**(20,652)**
Share of profit of investments accounted for using equity method		(164)	**(303)**	**(2,736)**
Loss (gain) on sale of fixed assets		(164)	**355**	**3,201**
Decrease (increase) in inventories		(6,202)	**(14,432)**	**(130,014)**
Decrease (increase) in trade and other receivables		(4,586)	**3,869**	**34,856**
Increase (decrease) in trade and other payables		2,115	**10,556**	**95,097**
Increase (decrease) in retirement benefit liability		(858)	**(1,064)**	**(9,593)**
Increase (decrease) in provisions		504	**275**	**2,478**
Other		(1,896)	**(3,179)**	**(28,643)**
Subtotal		40,189	**54,054**	**486,936**
Interest received		1,358	**1,139**	**10,261**
Dividends received		529	**393**	**3,540**
Interest paid		(78)	**(112)**	**(1,017)**
Income taxes paid		(9,411)	**(15,491)**	**(139,552)**
Net cash provided by (used in) operating activities		32,586	**39,982**	**360,167**
Cash flows from investing activities				
Net decrease (increase) in time deposits		(2,674)	**(3,585)**	**(32,300)**
Purchase of marketable securities		(3,800)	**(1,000)**	**(9,008)**
Proceeds from sale of marketable securities		9,629	**7,400**	**66,666**
Purchase of investment securities		(29,911)	**(7,534)**	**(67,874)**
Proceeds from sale of investment securities		13,927	**3,164**	**28,507**
Purchase of property, plant, and equipment		(14,219)	**(13,093)**	**(117,949)**
Proceeds from sale of property, plant, and equipment		5,158	**381**	**3,441**
Purchase of intangible assets		(4,663)	**(4,328)**	**(38,994)**
Payments from purchase of shares of subsidiaries resulting in change in scope of consolidation		(140)	**(12,513)**	**(112,726)**
Other		(474)	**(80)**	**(722)**
Net cash provided by (used in) investing activities		(27,168)	**(31,189)**	**(280,960)**
Cash flows from financing activities				
Proceeds from short-term borrowings	23	4,291	**1,818**	**16,380**
Repayments of short-term borrowings	23	(4,481)	**(3,619)**	**(32,602)**
Net increase (decrease) in short-term borrowings	23	(1,463)	**(5,234)**	**(47,157)**
Proceeds from long-term borrowings	23	2,426	**3,443**	**31,020**
Repayments of long-term borrowings	23	(3,906)	**(2,364)**	**(21,303)**
Proceeds from exercise of employee share options		97	**—**	**—**
Repayments of lease obligations		(251)	**(51)**	**(461)**
Payments for purchase of treasury shares		(6)	**(10,004)**	**(90,119)**
Dividends paid		(13,878)	**(15,705)**	**(141,474)**
Dividends paid to noncontrolling interests		(212)	**(159)**	**(1,437)**
Other		(56)	**0**	**4**
Net cash provided by (used in) financing activities		(17,441)	**(31,876)**	**(287,151)**
Effect of exchange rate changes on cash and cash equivalents		741	**(1,085)**	**(9,776)**
Net increase (decrease) in cash and cash equivalents		(11,282)	**(24,169)**	**(217,721)**
Cash and cash equivalents at beginning of year	9	91,746	**80,464**	**724,841**
Cash and cash equivalents at end of year	9	80,464	**56,295**	**507,120**

Notes to the Consolidated Financial Statements

AMADA HOLDINGS CO., LTD. and its Consolidated Subsidiaries

1 REPORTING COMPANY

AMADA HOLDINGS CO., LTD. (the "Company" or "parent") 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, 2019, 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 major business is the development, manufacturing, and sales of metalworking machinery and equipment and metal machine tools and equipment, as well as other related services (including financing). (See "6. Operating segments.")

2 BASIS OF PREPARATION

(1) Statement of compliance with IFRS and matters related to first-time adoption

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. The Group has adopted IFRS for the first time for the fiscal year ended March 31, 2019, with the date of transition to IFRS on April 1, 2017. The previous accounting standards were the accounting standards generally accepted in Japan (JGAAP), and the last day of the most recent accounting period presented in the consolidated financial statements based on JGAAP is March 31, 2018.

Upon transitioning to IFRS, the Group has adopted IFRS 1 "First-time Adoption of International Financial Reporting Standards." In addition, the impacts of the transition to IFRS on the Group's consolidated financial position, business performance, and status cash flows are described in "43. First-time adoption."

(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 is 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 ¥111.01 to $1.00, the approximate rate of exchange prevailing at March 31, 2019. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could been, or could in the future be converted into U.S. dollars at this or any other rate of exchange.

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 proved.

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 is 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 credit-impaired.

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 (other than lease assets)

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

The cost of items of property, plant, and equipment comprises 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 (other than lease 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 indications 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

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

Leases are classified as finance leases when a lessor contractually transfers substantially all the risks and rewards arising from owning the assets to the Group. In other cases, leases are classified as operating leases.

1) Lessee lease

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.

2) Lessor lease

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 micro welding 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 and other services in relation to the products to customers. As such performance obligation related to the services is satisfied with the lapse of time as a general rule, revenue is recognized according to 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 are occurred from transaction (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.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENT ACCOMPANYING ESTIMATES

In preparing consolidated financial statements, the Group uses judgment that may have impact on application of accounting policies and on reported amounts of assets, liabilities, revenue, and expenses, as well as accounting estimates and assumptions. These estimates and assumptions are based on the best judgment of management that takes into account historical experience and information collected, as well as various factors deemed reasonable 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.

(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 in the fiscal year ended March 31, 2019, and the fiscal year ending March 31, 2020.

- Significant assumptions used for measuring the value in use of impairment losses for nonfinancial assets ("3. Significant accounting policies (11)")
- Future business plan used for judging the recoverability of deferred tax assets ("3. Significant accounting policies (18)")
- Recognition of provision and its measurement ("3. Significant accounting policies (12)")
- Assumptions used for measuring defined benefit liabilities ("3. Significant accounting policies (13)")
- Measurement of fair value of financial instruments ("38. Financial instruments")

5 ISSUED STANDARDS AND INTERPRETATIONS NOT YET APPLIED

Of the standards and interpretations newly established or amended as of the date of the approval for the consolidated financial statements, primary items not yet applied by the Group for the fiscal year ended March 31, 2019, are as follows. As a result of adopting IFRS 16, it is expected that the right-of-use asset and the lease liability each increase by approximately 1% of the total assets in the consolidated statement of financial position at the beginning of the period.

IFRS	Title	Effective date (or the year of initial application)	Timing of application by the Group	Summaries of new IFRS and amendments
IFRS 16	Leases	January 1, 2019	Fiscal year ending March 31, 2020	As a unified model for all leases with a lease term of 12 months or longer, it requires lessees to recognize all leases on financial statements, reflecting their right to use an asset and the associated liability for payments.

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 micro welding 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 MACHINE TOOLS CO., LTD., 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" deals in product group for sheet metal market such as laser machines, punch presses, and press brakes, and product group for the micro welding market including micro welding machines. "Metal Machine Tools business," deals in product group 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.

As of April 1, 2017 (Date of transition to IFRS)

Millions of yen

	Transition date (April 1, 2017)					
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	Consolidated financial statements
Segment assets	345,237	52,955	15,341	413,535	119,732	533,267
(Other items)						
Investments accounted for using equity method	1,344	78	—	1,423	—	1,423

(Notes) 1. The "Other" category is an operating segment not included in reportable segments, including Real estate leasing business, Automobile leasing business, etc.
2. The adjustment of segment assets of 119,732 million yen 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.

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

Millions of yen

	2018					
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	Consolidated financial statements
Revenue						
Revenue from external customers	249,952	50,359	1,420	301,732	—	301,732
Intersegment revenue	6	22	—	29	(29)	—
Total	249,959	50,382	1,420	301,762	(29)	301,732
Segment profit	31,992	7,212	518	39,723	—	39,723
Finance income						1,858
Finance costs						(980)
Share of profit of investments accounted for using equity method						164
Profit before tax						40,765
Segment assets	370,816	46,878	10,509	428,205	127,899	556,104
(Other items)						
Depreciation and amortization	9,856	1,311	5	11,173	380	11,554
Investments accounted for using equity method	1,504	93	—	1,598	—	1,598
Capital expenditures	10,191	713	—	10,904	8,543	19,448

(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 127,899 million yen 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 8,543 million yen is a capital expenditure related to corporate assets.

3. Segment profit is adjusted with operating profit in the consolidated statement of profit or loss.

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

Millions of yen

	2019					
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	Consolidated financial statements
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**	**9,277**	**347**	**45,316**	**—**	**45,316**
Finance income						**2,996**
Finance costs						**(703)**
Share of profit of investments accounted for using equity method						**303**
Profit before tax						**47,913**
Segment assets	**378,822**	**67,115**	**9,957**	**455,896**	**111,155**	**567,051**
(Other items)						
Depreciation and amortization	**10,095**	**1,563**	**5**	**11,664**	**694**	**12,359**
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 yen 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 yen is a capital expenditure related to corporate assets.

3. Segment profit is adjusted with operating profit in the consolidated statement of profit or loss.

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

	Thousands of U.S. dollars (Note 2 (3))					
	2019					
	Metalworking Machinery	Metal Machine Tools	Other	Total	Adjustment	Consolidated financial statements
Revenue						
Revenue from external customers	**2,458,090**	**578,955**	**9,309**	**3,046,354**	**—**	**3,046,354**
Intersegment revenue	**51**	**73**	**—**	**125**	**(125)**	**0**
Total	**2,458,141**	**579,028**	**9,309**	**3,046,479**	**(125)**	**3,046,354**
Segment profit	**321,512**	**83,574**	**3,133**	**408,220**	**—**	**408,220**
Finance income						**26,991**
Finance costs						**(6,339)**
Share of profit of investments accounted for using equity method						**2,736**
Profit before tax						**431,610**
Segment assets	**3,412,507**	**604,593**	**89,700**	**4,106,801**	**1,001,311**	**5,108,113**
(Other items)						
Depreciation and amortization	**90,942**	**14,081**	**53**	**105,077**	**6,255**	**111,332**
Investments accounted for using equity method	**13,967**	**792**	**—**	**14,760**	**—**	**14,760**
Capital expenditures	**132,302**	**15,996**	**—**	**148,299**	**5,503**	**153,802**

(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		
	2018	2019	2019
Metalworking Machinery business			
Sheet Metal Division	223,905	**243,241**	**2,191,170**
Micro Welding Division	26,047	**29,630**	**266,919**
Metal Machine Tools business			
Cutting Division	33,891	**38,629**	**347,982**
Stamping Press Division	9,460	**17,383**	**156,590**
Grinding Division	7,006	**8,257**	**74,382**
Other	1,420	**1,033**	**9,309**
Total	301,732	**338,175**	**3,046,354**

(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))
	2018	2019	2019
Japan	133,605	**148,992**	**1,342,158**
North America	56,916	**67,535**	**608,374**
Europe	58,699	**63,073**	**568,182**
China	18,791	**20,575**	**185,348**
Asia and others	33,720	**37,997**	**342,291**
Total	301,732	**338,175**	**3,046,354**

(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))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
Japan	100,214	104,505	**110,986**	**999,787**
North America	13,437	12,742	**18,854**	**169,842**
Europe	14,364	15,337	**14,944**	**134,620**
China	5,344	5,209	**5,502**	**49,565**
Asia and others	6,584	7,603	**7,812**	**70,376**
Total	139,945	145,397	**158,099**	**1,424,192**

(Note) 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.

(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, 2018 (From April 1, 2017, to March 31, 2018)

There is no relevant information.

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. Its 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 yen, 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	Thousands of U.S. dollars (Note 2 (3)) 2019
Fair value of the consideration transferred (Note)		
Cash	2,773	24,981
Total	2,773	24,981

(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	Thousands of U.S. dollars (Note 2 (3)) 2019
Fair value of assets acquired and liabilities assumed (Note) 1		
Current assets		
Trade and other receivables (Note) 2	225	2,033
Inventories	673	6,067
Other	22	202
Noncurrent assets		
Property, plant, and equipment	550	4,961
Intangible assets	1,024	9,226
Total assets	2,496	22,490
Current liabilities		
Trade and other payables	267	2,406
Borrowings	20	184
Other	2	26
Noncurrent liabilities		
Borrowings	96	865
Other	8	76
Total liabilities	394	3,557
Total equity	2,101	18,932

(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 yen of "trade and other receivables" included in acquired current assets, the total amount of contracts is 228 million yen and the estimate of the contractual cash flows not expected to be collected is 2 million yen.

(5) Goodwill generated through acquisition

Item	Millions of yen 2019	Thousands of U.S. dollars (Note 2 (3)) 2019
Consideration transferred	2,773	24,981
Fair values of assets acquired and liabilities assumed (net)	2,101	18,932
Goodwill (Note)	671	6,049

(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	Thousands of U.S. dollars (Note 2 (3)) 2019
Consideration transferred in cash	**2,773**	**24,981**
Cash and cash equivalents at acquired subsidiary	**0**	**0**
Purchase of subsidiary shares resulting in change in scope of consolidation	**2,773**	**24,981**

(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

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 yen 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	Thousands of U.S. dollars (Note 2 (3)) 2019
Fair value of the consideration transferred (Note)		
Cash	**12,736**	**114,732**
Total	**12,736**	**114,732**

(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	Thousands of U.S. dollars (Note 2 (3)) 2019
Fair value of assets acquired and liabilities assumed (Note) 1		
Current assets		
Cash and cash equivalents	**3,813**	**34,354**
Trade and other receivables (Note) 2	**2,765**	**24,912**
Inventories	**2,916**	**26,272**
Other	**131**	**1,183**
Noncurrent assets		
Property, plant, and equipment	**2,008**	**18,092**
Other	**657**	**5,915**
Total assets	**12,292**	**110,732**
Current liabilities		
Trade and other payables	**2,433**	**21,924**
Borrowings	**58**	**529**
Income taxes payable	**208**	**1,877**
Other	**1,586**	**14,291**
Noncurrent liabilities		
Retirement benefit liability	**602**	**5,431**
Other	**63**	**575**
Total liabilities	**4,954**	**44,630**
Fair value of assets acquired and liabilities assumed (net)	**7,338**	**66,102**

(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 yen of "trade and other receivables" included in acquired current assets, the total amount of contracts is 2,765 million yen and the estimate of the contractual cash flows not expected to be collected is 0 million yen.

(5) Goodwill generated through acquisition

Item	Millions of yen 2019	Thousands of U.S. dollars (Note 2 (3)) 2019
Consideration transferred	**12,736**	**114,732**
Fair value of assets acquired and liabilities assumed (net)	**7,338**	**66,102**
Noncontrolling interests (Note) 1	**77**	**696**
Goodwill (Note) 2	**5,475**	**49,326**

(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	Thousands of U.S. dollars (Note 2 (3)) 2019
Consideration transferred in cash	**12,736**	**114,732**
Cash and cash equivalents at acquired subsidiary	**3,813**	**34,354**
Purchase of subsidiary shares resulting in change in scope of consolidation	**8,922**	**80,378**

(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.

8 SALE OF SUBSIDIARY

Fiscal year ended March 31, 2018 (From April 1, 2017, to March 31, 2018)

There is no relevant information.

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	Thousands of U.S. dollars (Note 2 (3)) 2019
Current assets		
Cash and cash equivalents	**663**	**5,980**
Trade and other receivables	**13,794**	**124,261**
Other	**270**	**2,439**
Total current assets	**14,729**	**132,681**
Noncurrent assets		
Other	**399**	**3,598**
Total noncurrent assets	**399**	**3,598**
Total assets	**15,128**	**136,280**
Current liabilities		
Trade and other payables	**12,905**	**116,259**
Other	**642**	**5,788**
Total current liabilities	**13,548**	**122,048**
Noncurrent liabilities		
Other	**1,220**	**10,998**
Total noncurrent liabilities	**1,220**	**10,998**
Total liabilities	**14,769**	**133,046**

(2) Proceeds or expenditure by sale of subsidiary shares

Consideration	Millions of yen 2019	Thousands of U.S. dollars (Note 2 (3)) 2019
Consideration received in cash	**439**	**3,956**
Cash and cash equivalents of subsidiaries whose control was lost	**663**	**5,980**
Expenditure by sale of subsidiaries resulting in change in scope of consolidation	**(224)**	**(2,024)**

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 yen, 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 yen.

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))
	Transition date (April 1, 2017)	2018	2019	2019
Cash and deposits (Note)	67,347	65,464	**45,795**	**412,535**
Short-term investment	24,399	14,999	**10,499**	**94,584**
Total	91,746	80,464	**56,295**	**507,120**

(Note) Balance of "cash and cash equivalents" in the consolidated statement of financial position on the date of transition and as of March 31, 2018 and 2019, is equal to the balance of "cash and cash equivalents" in the consolidated statement of cash flows.

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))
	Transition date (April 1, 2017)	2018	2019	2019
Notes and electronically recorded monetary claims	32,351	30,433	**32,766**	**295,163**
Trade receivables	87,670	94,801	**106,748**	**961,615**
(of which, amount not to be recovered within one year)	(32,015)	(33,429)	**(38,790)**	**(349,429)**
Lease investment assets (including real estate)	16,479	12,754	**1,712**	**15,428**
(of which, amount not to be recovered within one year)	(12,588)	(9,416)	**(1,558)**	**(14,043)**
Accounts receivable - other	1,200	5,539	**1,565**	**14,097**
Other	178	159	**182**	**1,644**
Allowance for doubtful accounts	(1,952)	(1,913)	**(2,009)**	**(18,105)**
Total	135,928	141,774	**140,965**	**1,269,844**

(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))
	Transition date (April 1, 2017)	2018	2019	2019
Merchandise and finished goods	55,730	57,826	**66,056**	**595,048**
Work in process	7,590	10,225	**11,798**	**106,283**
Raw materials and supplies	12,434	14,057	**22,537**	**203,018**
Total	75,755	82,109	**100,391**	**904,350**

(Notes) 1. In the fiscal years ended March 31, 2018 and 2019, the amounts of inventories which were recognized as costs and included in "cost of sales" in the consolidated statement of profit or loss were 155,852 million yen and 177,392 million yen ($1,597,976 thousand), respectively.

2. In the fiscal years ended March 31, 2018 and 2019, 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 2,589 million yen and 3,253 million yen ($29,304 thousand), respectively.

In the fiscal years ended March 31, 2018 and 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))
	Transition date (April 1, 2017)	2018	2019	2019
Investment property	12,524	8,159	**8,142**	**73,348**
Consumption taxes receivable	2,616	4,090	**4,371**	**39,376**
Prepaid expenses	1,061	1,798	**1,990**	**17,928**
Other	2,958	3,583	**4,089**	**36,839**
Total	19,161	17,631	**18,593**	**167,492**
Current assets	5,739	8,355	**9,571**	**86,226**
Noncurrent assets	13,422	9,275	**9,021**	**81,266**

13 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	Lease assets	Land	Construction in progress	Total
Balance as of date of transition (April 1, 2017)	128,723	44,737	15,515	4,054	432	31,374	11,030	235,868
Acquisition	1,217	1,611	839	351	67	850	10,144	15,082
Acquisition through business combination	348	103	34	—	—	326	—	812
Sale or disposal	(1,059)	(6,555)	(1,553)	—	(96)	—	30	(9,235)
Transfer	8,118	6,269	791	(608)	71	85	(15,125)	(397)
Exchange rate differences on foreign currencies	557	424	195	(73)	(1)	10	74	1,188
Balance as of March 31, 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	1,217	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**	**34,422**	**3,763**	**250,814**

	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Lease assets	Land	Construction in progress	Total
	Thousands of U.S. dollars (Note 2 (3))							
Balance as of March 31, 2018	1,242,283	419,699	142,532	33,546	4,263	294,095	55,443	2,191,865
Acquisition	6,387	9,739	9,865	3,967	881	5,916	78,190	114,947
Acquisition through business combination	7,685	3,292	977	0	83	10,966	282	23,288
Sale or disposal	(6,944)	(21,138)	(6,380)	(688)	(2,785)	(1,120)	(24)	(39,081)
Exclusion of subsidiaries from consolidation	0	0	(31)	(15,416)	(20)	0	0	(15,469)
Transfer	66,533	19,531	4,148	(4,217)	2,606	149	(99,879)	(11,125)
Exchange rate differences on foreign currencies	(2,006)	(2,749)	(819)	552	10	79	(107)	(5,039)
Balance as of March 31, 2019	**1,313,939**	**428,374**	**150,293**	**17,744**	**5,040**	**310,086**	**33,905**	**2,259,384**

2) Accumulated depreciation and impairment losses

	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Lease assets	Land	Construction in progress	Total
	Millions of yen							
Balance as of date of transition (April 1, 2017)	(68,678)	(33,329)	(11,606)	(3,195)	(247)	(361)	—	(117,419)
Depreciation	(4,864)	(2,270)	(1,210)	(131)	(149)	—	—	(8,625)
Sale or disposal	744	5,651	1,448	—	63	—	—	7,907
Transfer	271	300	135	613	(5)	0	—	1,314
Exchange rate differences on foreign currencies	(65)	(345)	(94)	18	—	(0)	—	(487)
Balance as of March 31, 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)**

	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rent	Lease assets	Land	Construction in progress	Total
	Thousands of U.S. dollars (Note 2 (3))							
Balance as of March 31, 2018	(653,926)	(270,191)	(102,048)	(24,278)	(3,058)	(3,256)	—	(1,056,759)
Depreciation	(40,358)	(22,823)	(11,574)	(1,746)	(995)	—	—	(77,498)
Sale or disposal	5,394	20,145	6,071	481	2,783	—	—	34,875
Exclusion of subsidiaries from consolidation	0	0	29	15,416	20	—	—	15,466
Transfer	(2,299)	(3,569)	1,837	4,149	(1,373)	(115)	—	(1,370)
Exchange rate differences on foreign currencies	133	1,888	462	(143)	(8)	1	—	2,333
Balance as of March 31, 2019	**(691,057)**	**(274,551)**	**(105,220)**	**(6,122)**	**(2,631)**	**(3,370)**	**—**	**(1,082,953)**

3) Carrying amount

	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rental	Lease assets	Land	Construction in progress	Total
	Millions of yen							
Balance as of date of transition (April 1, 2017)	60,045	11,407	3,908	859	184	31,012	11,030	118,448
Balance as of March 31, 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**	**34,048**	**3,763**	**130,595**

	Buildings and structures	Machinery and vehicles	Tools, furniture, and fixtures	Assets for rental	Lease assets	Land	Construction in progress	Total
	Thousands of U.S. dollars (Note 2 (3))							
Balance as of March 31, 2019	**622,881**	**153,823**	**45,072**	**11,622**	**2,408**	**306,716**	**33,905**	**1,176,430**

(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 "41. Commitment and contingencies."

14 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	Lease assets	Other	Total
Balance as of date of transition (April 1, 2017)	1,153	9,883	36	470	10,390
Acquisition	—	4,857	—	58	4,915
Acquisition through business combination	—	0	—	3	3
Sale or disposal	—	(91)	—	(7)	(98)
Transfer	—	(236)	(0)	11	(225)
Exchange rate differences on foreign currencies	20	(0)	—	39	39
Balance as of March 31, 2018	1,173	14,413	35	574	15,024
Acquisition	—	4,288	—	15	4,304
Acquisition through business combination	6,503	1	0	1,595	1,597
Sale or disposal	—	(2,134)	—	(2)	(2,137)
Exclusion of subsidiaries from consolidation	—	(0)	(14)	—	(14)
Transfer	—	(275)	(21)	104	(191)
Exchange rate differences on foreign currencies	(3)	(4)	—	(29)	(34)
Balance as of March 31, 2019	**7,673**	**16,289**	**0**	**2,258**	**18,548**

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

	Goodwill	Intangible assets			
		Software	Lease assets	Other	Total
Balance as of March 31, 2018	10,571	129,841	323	5,179	135,345
Acquisition	—	38,635	—	141	38,777
Acquisition through business combination	58,584	11	6	14,374	14,391
Sale or disposal	—	(19,228)	—	(23)	(19,251)
Exclusion of subsidiaries from consolidation	—	(0)	(133)	—	(134)
Transfer	—	(2,479)	(189)	939	(1,728)
Exchange rate differences on foreign currencies	(31)	(41)	—	(267)	(308)
Balance as of March 31, 2019	**69,124**	**146,738**	**6**	**20,344**	**167,088**

2) Accumulated amortization and impairment losses

Millions of yen

	Goodwill	Intangible assets: Software	Lease assets	Other	Total
Balance as of date of transition (April 1, 2017)	(202)	(2,997)	(36)	(67)	(3,101)
Amortization	—	(2,751)	—	(67)	(2,818)
Sale or disposal	—	29	—	—	29
Transfer	—	189	0	(36)	154
Exchange rate differences on foreign currencies	(3)	0	—	(0)	(0)
Balance as of March 31, 2018	(206)	(5,529)	(35)	(171)	(5,737)
Amortization	—	(3,395)	(0)	(176)	(3,572)
Sale or disposal	—	1,992	—	2	1,994
Exclusion of subsidiaries from consolidation	—	—	14	—	14
Transfer	—	6	21	(76)	(48)
Exchange rate differences on foreign currencies	1	8	—	6	14
Balance as of March 31, 2019	**(204)**	**(6,918)**	**(0)**	**(415)**	**(7,334)**

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

	Goodwill	Intangible assets: Software	Lease assets	Other	Total
Balance as of March 31, 2018	(1,857)	(49,812)	(323)	(1,545)	(51,680)
Amortization	—	(30,586)	(6)	(1,586)	(32,178)
Sale or disposal	—	17,945	—	22	17,968
Exclusion of subsidiaries from consolidation	—	—	133	—	133
Transfer	—	56	189	(685)	(440)
Exchange rate differences on foreign currencies	17	73	—	55	128
Balance as of March 31, 2019	**(1,840)**	**(62,323)**	**(6)**	**(3,738)**	**(66,067)**

3) Carrying amount

Millions of yen

	Goodwill	Intangible assets: Software	Lease assets	Other	Total
Balance as of date of transition (April 1, 2017)	950	6,885	0	402	7,288
Balance as of March 31, 2018	967	8,884	0	403	9,287
Balance as of March 31, 2019	**7,469**	**9,370**	**—**	**1,843**	**11,214**

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

	Goodwill	Intangible assets: Software	Lease assets	Other	Total
Balance as of March 31, 2019	**67,283**	**84,414**	**—**	**16,606**	**101,020**

(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 "41. Commitment and Contingencies."

(2) Significant intangible assets

In the fiscal year ended March 31, 2019, 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, 2019.

(3) Research and development expenses

The Group's research and development expenses in the fiscal years ended March 31, 2018 and 2019, are 6,780 million yen and 7,172 million yen ($64,608 thousand), respectively, and are included in "selling, general, and administrative expenses" in the consolidated statement of profit or loss.

15 LEASE

(1) As lessee

1) Operating lease transactions

The Group leases buildings, machinery and vehicles under cancelable or noncancelable operating leases. Although certain lease contracts carry renewal option, there is no restriction (such as restrictions on dividends, additional borrowing, and additional leases) imposed by sublease contract and escalation clause or by lease contracts.

Future minimum lease payments under noncancelable operating lease contract are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	2019	2019
Due within one year	468	481	**405**	**3,656**
Due after one year through five years	647	517	**360**	**3,245**
Due after five years	0	14	**8**	**73**
Total	1,116	1,012	**774**	**6,975**

Lease payments of operating leases (including those cancelable) recognized as expenses in the fiscal years ended March 31, 2018 and 2019, are 216 million yen and 294 million yen ($2,650 thousand), respectively, and are included in "cost of sales" or "selling, general and administrative expenses" in the consolidated statement of profit or loss.

(2) As lessor

1) Finance lease transactions

The Group leases, as a lessor, the Company's merchandise, finished goods, and certain properties under finance leases.

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.

• Components of finance lease receivables

Present values of total uncollected lease investment and total future minimum lease payments receivable under finance lease contracts are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Total uncollected lease investment				Present value of minimum lease payments receivable			
	Transition date (April 1, 2017)	2018	2019	2019	Transition date (April 1, 2017)	2018	2019	2019
Due within one year	4,516	3,540	**252**	**2,278**	4,293	3,341	**239**	**2,158**
Due after one year through five years	11,521	8,687	**1,001**	**9,026**	9,758	7,308	**831**	**7,488**
Due after five years	2,851	2,319	**959**	**8,642**	1,764	1,386	**641**	**5,781**
Total	18,888	14,547	**2,214**	**19,947**	15,817	12,036	**1,712**	**15,428**
Less: Unearned finance income	(2,409)	(1,792)	**(501)**	**(4,518)**				
Net investment in the lease	16,479	12,754	**1,712**	**15,428**				
Less: Present value of unguaranteed residual value	(662)	(718)						
Present value of minimum lease payments receivable	15,817	12,036	**1,712**	**15,428**				

2) Operating lease transactions

The Group leases certain properties, etc., under operating lease contracts.

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

Future total minimum lease payments receivable under noncancelable operating lease contracts are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	2019	2019
Due within one year	673	847	**596**	**5,375**
Due after one year through five years	1,287	1,721	**1,868**	**16,828**
Due after five years	877	729	**581**	**5,233**
Total	2,838	3,297	**3,045**	**27,437**

16 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. In the fiscal years ended March 31, 2018 and 2019, there were no impairment losses.

(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 recoverable amount of goodwill for the impairment test is calculated based on value in use.

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

		Millions of yen			Thousands of U.S. dollars (Note 2 (3))
Reportable segment	Cash-generating unit group	Transition date (April 1, 2017)	2018	2019	2019
Metalworking Machinery	Amada Miyachi Group	841	858	**849**	**7,648**
	Other	108	108	**474**	**4,270**
	Total	950	967	**1,323**	**11,917**
Metal Machine Tool	Orii and Mec Group	—	—	**5,475**	**49,326**
	Other	—	—	**670**	**6,039**
	Total	—	—	**6,146**	**55,365**
Total		950	967	**7,469**	**67,283**

Of the above, significant goodwill as of March 31, 2019 was those with Amada Miyachi Group and Orii and Mec Group as cash-generating unit groups. The carrying amount of goodwill at Orii and Mec Group as of March 31, 2019 is calculated on a tentative basis as the fair value of assets acquired and liabilities assumed has not been determined.

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 pre-tax weighted-average equity costs of the cash-generating unit group.

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:

Amada Miyachi Group

Principal assumptions	Transition date (April 1, 2017)	2018	2019
Pretax discount rate	15.0%	16.2%	15.7%
Growth rate	2.0%	1.9%	2.2%

Orii and Mec Group

Principal assumptions	Transition date (April 1, 2017)	2018	2019
Pretax discount rate	—	—	15.2%
Growth rate	—	—	1.4%

As a result of calculations using the above assumptions, the value in use adequately exceeds the carrying amount of cash-generating unit groups; therefore, even if major assumptions used in impairment tests are changed to reasonably predictable extents, it is unlikely that a significant impairment will occur.

17 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))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
Total carrying amount	1,423	1,598	**1,638**	**14,760**

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))
	2018	**2019**	**2019**
Amount of profit attributable to associates from continuing operations	164	**303**	**2,736**
Amount of other comprehensive income attributable to associates	70	**(54)**	**(492)**
Amount of comprehensive income attributable to associates	234	**249**	**2,244**

18 OTHER FINANCIAL ASSETS

(1) Components

Components of other financial assets are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	2019	2019
Current assets				
Financial assets measured at amortized cost				
Deposits (due after three months)	10,423	12,938	**16,281**	**146,665**
Other	26	313	**14**	**131**
Financial assets measured at fair value through other comprehensive income				
Debt securities	5,514	4,110	**3,097**	**27,902**
Financial assets measured at fair value through profit or loss				
Debt securities	1,100	2,003	**495**	**4,466**
Derivative assets	33	218	**50**	**453**
Other	13			
Total current assets	17,111	19,584	**19,939**	**179,618**
Noncurrent assets				
Financial assets measured at amortized cost				
Leasehold deposits and guarantee deposits	530	512	**914**	**8,233**
Financial assets measured at fair value through other comprehensive income				
Shares	3,426	1,702	**10,557**	**95,105**
Debt securities	15,060	12,424	**11,081**	**99,820**
Financial assets measured at fair value through profit or loss				
Shares	8,205	8,096		
Debt securities	13,587	16,783	**18,199**	**163,947**
Investment trust	11,967	23,778	**24,982**	**225,044**
Total noncurrent assets	52,777	63,297	**65,734**	**592,151**

19 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

	Transition date (April 1, 2017)	Recognized through profit or loss	Recognized in other comprehensive income	Other	2018
Deferred tax assets					
Trade and other receivables	1,607	(129)		2	1,480
Tax loss carry forward	363	(53)		8	318
Inventories	1,819	(352)		0	1,468
Research and development assets	5,109	228			5,338
Retirement benefit liability (asset)	1,780	(417)	(83)	20	1,299
Accrued expenses	1,416	15		0	1,431
Unpaid paid leave	739	64		(2)	801
Provision (provision for product warranty)	237	104		(2)	339
Unrealized profit on inventories	2,989	(493)		9	2,504
Other	2,776	(148)	17	(19)	2,625
Subtotal	18,839	(1,182)	(66)	17	17,607
Deferred tax liabilities					
Unrealized profit on installment sale	(4,045)	881			(3,163)
Property, plant, and equipment	(2,179)	432		8	(1,737)
Other	(1,880)	149		225	(1,505)
Subtotal	(8,105)	1,464		234	(6,406)
Net	10,734	281	(66)	251	11,201

Other mainly includes exchange differences on translation of foreign operations.

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)	(767)		(77)	**(2,349)**
Subtotal	(6,406)	761		290	**(5,354)**
Net	11,201	2,415	(568)	(105)	**12,942**

Other mainly includes exchange differences on translation of foreign operations and changes due to business combinations and sales of subsidiaries.

	Thousands of U.S. dollars (Note 2 (3))				
	2018	Recognized through profit or loss	Recognized in other comprehensive income	Other	**2019**
Deferred tax assets					
Trade and other receivables	13,334	43		(5,369)	**8,009**
Tax loss carry forward	2,865	2,189		(621)	**4,433**
Inventories	13,225	1,997		147	**15,370**
Research and development assets	48,086	5,821			**53,907**
Retirement benefit liability (asset)	11,709	(3,099)	(4,941)	152	**3,820**
Accrued expenses	12,897	366		266	**13,531**
Unpaid paid leave	7,224	1,081		383	**8,689**
Provision (provision for product warranty)	3,055	(458)		252	**2,848**
Unrealized profit on inventories	22,562	(2,641)		3	**19,924**
Other	23,651	9,603	(178)	1,213	**34,290**
Subtotal	158,613	14,902	(5,119)	(3,570)	**164,825**
Deferred tax liabilities					
Unrealized profit on installment sale	(28,500)	6,602		4,393	**(17,505)**
Property, plant, and equipment	(15,652)	7,170		(1,078)	**(9,560)**
Other	(13,559)	(6,911)		(698)	**(21,169)**
Subtotal	(57,711)	6,861		2,616	**(48,234)**
Net	100,901	21,763	(5,119)	(954)	**116,591**

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

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))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
Deductible temporary difference	19,073	19,160	**20,330**	**183,137**
Tax loss carry forward	10,737	8,984	**5,615**	**50,581**
Total	29,811	28,144	**25,945**	**233,718**

(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))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
First year	18			
Second year		383	**2**	**24**
Third year	685	2	**120**	**1,084**
Fourth year	5	1,085	**24**	**217**
Fifth year and thereafter	10,029	7,513	**5,467**	**49,254**
Total	10,737	8,984	**5,615**	**50,581**

Taxable temporary differences related to investments in subsidiaries and associates, which are not recognized as deferred tax liabilities, as of date of transition and at the end of the fiscal years ended March 31, 2018 and 2019, are 104,561 million yen, 113,885 million yen, and 124,706 million yen ($1,123,383 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))
	2018	2019	2019
Current tax expenses	13,611	**16,551**	**149,098**
Deferred tax expenses			
Change in tax rate	510		
Occurrence and reversal of temporary differences	(792)	**(2,415)**	**(21,763)**
Total deferred tax expenses	(281)	**(2,415)**	**(21,763)**
Total income tax expenses	13,329	**14,135**	**127,334**

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, 2018 and 2019. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

In the United States on December 22, 2017, the Tax Cuts and Jobs Act was enacted to reduce the federal income tax rate on and after January 1, 2018, from 35% to 21%. In line with this change, deferred tax assets and deferred tax liabilities as of March 31, 2018, were calculated using the applicable income tax rate based on the tax rate after the said reform.

As a result, the amount of deferred tax assets (the amount less deferred tax liabilities) decreased by 489 million yen and income taxes - deferred recorded in the fiscal year ended March 31, 2018, increased by 510 million yen.

(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:

(%)

	2018	2019
Effective statutory tax rate	31.4	**31.4**
Items permanently nondeductible	0.7	**0.6**
Tax rate difference with foreign operations	(1.0)	**(2.6)**
Unrecognized changes in deferred tax assets	0.0	**(1.4)**
Change in tax rate	1.3	**—**
Other	0.3	**1.5**
Average actual tax rate	32.7	**29.5**

20 TRADE AND OTHER PAYABLES

Components of trade and other payables are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	2019	2019
Notes and accounts payable (of which, amount not to be settled within one year)	16,729 (—)	19,678 (—)	**23,034** **(—)**	**207,499** **(—)**
Electronically recorded obligations - operating	18,305	16,906	**25,699**	**231,507**
Accrued expenses	8,014	9,204	**9,725**	**87,605**
Other	7,121	7,375	**7,458**	**67,188**
Total	50,171	53,164	**65,917**	**593,800**

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

21 BORROWINGS

Components of borrowings are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))		
	Transition date (April 1, 2017)	2018	**2019**	**2019**	Average interest rate (Note) 1	Repayment date (Note) 2
Short-term borrowings	11,784	9,737	**3,098**	**27,908**	2.92%	—
Current portion of long-term borrowings	3,366	160	**2,268**	**20,435**	2.68%	—
Long-term borrowings (excluding current portion)	3,706	5,703	**4,556**	**41,047**	3.41%	2021–2024
Total	18,857	15,600	**9,923**	**89,391**		
Current liabilities	15,150	9,897	**5,366**	**48,343**		
Noncurrent liabilities	3,706	5,703	**4,556**	**41,047**		

(Notes) 1. Average interest rate represents the weighted-average rate applicable to the ending balance on March 31, 2019.
2. Repayment date represents repayment date applicable to the ending balance on March 31, 2019.
3. Borrowings are classified as financial liabilities measured at amortized cost.

22 OTHER FINANCIAL LIABILITIES

Components of other financial liabilities are as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
Deposits received (Note) 1	4,212	3,779	**3,314**	**29,855**
Lease obligations	383	233	**248**	**2,240**
Derivative liabilities (Note) 2	207	78	**56**	**504**
Other	232	141	**220**	**1,984**
Total	5,035	4,233	**3,839**	**34,585**
Current liabilities	1,521	1,343	**931**	**8,394**
Noncurrent liabilities	3,514	2,890	**2,907**	**26,190**

(Notes) 1. Deposits received are classified as financial liabilities measured at amortized cost.
2. Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.

23 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

Millions of yen

	Transition date (April 1, 2017)	Changes accompanying cash flows	Noncash flow: Changes due to acquisition or loss of control	Noncash flow: Foreign currency translation	2018
Borrowings	15,150	(4,818)	40	(474)	9,897
Long-term borrowings	3,706	1,684	581	(269)	5,703

Borrowings include current portion of long-term loans payable.

Millions of yen

	2018	Changes accompanying cash flows	Noncash flow: Changes due to acquisition or loss of control	Noncash flow: Foreign currency translation	**2019**
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.

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

	2018	Changes accompanying cash flows	Noncash flow: Changes due to acquisition or loss of control	Noncash flow: Foreign currency translation	**2019**
Borrowings	89,161	(43,238)	661	1,759	**48,343**
Long-term borrowings	51,374	(10,424)	(1,161)	1,258	**41,047**

Borrowings include current portion of long-term loans payable.

24 PROVISIONS

Components of provisions and changes thereof are as follows:

	Millions of yen		
	Provision for product warranty	Other	Total
Balance as of date of transition (April 1, 2017)	971	6	978
Increase during the period	1,483	8	1,491
Decrease during the period (provisions for anticipated expenditure)	(710)	—	(710)
Decrease during the period (reversal)	(286)	—	(286)
Exchange differences on translation of foreign operations	9	—	9
Balance as of March 31, 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**

	Thousands of U.S. dollars (Note 2 (3))		
	Provision for product warranty	Other	Total
Balance as of March 31, 2018	13,224	135	13,359
Increase during the period	18,220	96	18,317
Decrease during the period (provisions for anticipated expenditure)	(9,515)	—	(9,515)
Decrease during the period (reversal)	(4,880)	—	(4,880)
Exchange differences on translation of foreign operations	(98)	—	(98)
Balance as of March 31, 2019	**16,950**	**231**	**17,182**

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
Current liabilities	971	1,476	**1,900**	**17,120**
Noncurrent liabilities	6	6	**6**	**62**
Total	978	1,483	**1,907**	**17,182**

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.

25 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))
	Transition date (April 1, 2017)	2018	**2019**	**2019**
Accrued consumption taxes	4,774	5,557	**4,242**	**38,216**
Contract liabilities	12,669	14,652	**14,532**	**130,910**
Unpaid paid leave	2,956	3,434	**3,943**	**35,524**
Deferred revenue	1,848	1,780	**1,713**	**15,434**
Other	3,411	3,355	**3,589**	**32,336**
Total	25,660	28,779	**28,021**	**252,423**
Current liabilities	20,115	23,490	**23,961**	**215,849**
Noncurrent liabilities	5,545	5,289	**4,060**	**36,574**

26 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))
	Transition date (April 1, 2017)	2018	2019	2019
Other current liabilities	67	67	**67**	**608**
Other noncurrent liabilities	1,780	1,713	**1,645**	**14,826**

(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.

27 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 pre-determined policies.

Certain consolidated subsidiaries adopt 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))
	Transition date (April 1, 2017)	2018	2019	2019
Present value of funded defined benefit obligations (with plan assets)	45,947	46,606	**45,373**	**408,734**
Fair value of plan assets	(41,020)	(43,130)	**(44,341)**	**(399,434)**
Funding status	4,926	3,475	**1,032**	**9,300**
Present value of unfunded defined benefit obligation (without plan assets)	1,417	1,555	**1,621**	**14,611**
Net defined benefit liabilities (assets) recognized in consolidated statement of financial position	6,344	5,030	**2,654**	**23,911**
Retirement benefit liability	6,508	5,171	**2,855**	**25,720**
Retirement benefit asset	164	140	**200**	**1,808**

(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))
	2018	2019	2019
Present value of a defined benefit obligation (beginning of period)	47,364	**48,161**	**433,849**
Service cost	1,529	**1,689**	**15,220**
Interest expenses	375	**338**	**3,048**
Benefits paid	(2,241)	**(2,268)**	**(20,437)**
Remeasurement of defined benefit plans	921	**(1,368)**	**(12,328)**
(i) Actuarial gains and losses arising from the changes in assumptions in demographic statistics	424	**(545)**	**(4,917)**
(ii) Actuarial gains and losses arising from the changes in financial assumptions	454	**(741)**	**(6,683)**
(iii) Other revisions in the result	41	**(80)**	**(727)**
Past service cost (gain)	(2)	**6**	**55**
Exchange differences	214	**437**	**3,939**
Present value of a defined benefit obligation (end of period)	48,161	**46,995**	**423,345**

Weighted-average duration of defined benefit liabilities is 14.4 years and 13.1 years for the fiscal years ended March 31, 2018 and 2019, 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))
	2018	2019	2019
Fair value of plan assets (beginning of period)	41,020	**43,130**	**388,529**
Interest on plan assets	348	**322**	**2,902**
Remeasurement—revenue on plan assets	1,138	**392**	**3,531**
Contribution from proprietor	2,584	**2,595**	**23,383**
Benefit payment amount	(2,070)	**(1,940)**	**(17,479)**
Exchange differences and other	109	**(159)**	**(1,434)**
Fair value of plan assets (end of period)	43,130	**44,341**	**399,434**

In the Group's major defined benefit plans, in order to maintain 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, 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 2,637 million yen for the fiscal year ending March 31, 2020.

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))		
	Transition date (April 1, 2017)			2018			**2019**			**2019**		
	Quoted market price in active market			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	Available	Unavailable	Total
Equity financial assets												
Domestic shares	4,990		4,990	5,389		5,389	**5,257**		**5,257**	**47,359**		**47,359**
Foreign shares	4,869		4,869	5,188		5,188	**5,655**		**5,655**	**50,946**		**50,946**
Debt financial assets												
Domestic debt securities	8,697		8,697	9,881		9,881	**10,217**		**10,217**	**92,040**		**92,040**
Foreign debt securities	2,357		2,357	4,417		4,417	**4,514**		**4,514**	**40,671**		**40,671**
Cash and cash equivalents		223	223		207	207		**211**	**211**		**1,904**	**1,904**
Life insurance company general accounts		11,593	11,593		16,015	16,015		**16,171**	**16,171**		**145,673**	**145,673**
Other		8,289	8,289		2,031	2,031		**2,313**	**2,313**		**20,836**	**20,836**
Total	20,914	20,105	41,020	24,877	18,253	43,130	**25,645**	**18,695**	**44,341**	**231,019**	**168,415**	**399,434**

5) Principal assumptions used in the actuarial valuations

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

	Transition date (April 1, 2017)	2018	**2019**
Discount rate	0.77%	0.68%	**0.51%**

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))
		2018	**2019**	**2019**
Discount rate	0.5% increase	(2,922)	**(2,620)**	**(23,603)**
	0.5% decrease	3,292	**2,938**	**26,470**

(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))
	2018	**2019**	**2019**
Amount of contributions	921	**1,014**	**9,141**

(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, 2018 and 2019, are 66,041 million yen and 73,427 million yen ($661,448 thousand), respectively. These amounts are included in "cost of sales" and "selling, general, and administrative expenses" in the consolidated statement of profit or loss.

28 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)

	2018	2019
Number of shares authorized		
Common shares	550,000,000	**550,000,000**
Number of shares issued		
Balance, beginning of year	378,115,217	**378,115,217**
Increase during year	—	**—**
Decrease during year	—	**10,000,000**
Balance, end of year	378,115,217	**368,115,217**

(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)

	2018	2019
Balance, beginning of year	12,461,845	**12,305,750**
Increase during year (Note) 1	5,013	**9,198,283**
Decrease during year (Note) 2	161,108	**10,000,422**
Balance, end of year	12,305,750	**11,503,611**

(Notes) 1. Increase in treasury shares for the fiscal year ended March 31, 2018, is due to purchase of odd-lot shares. Increase in treasury shares in 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 10,000,000 common shares shall be acquired with a maximum total acquisition amount of 10,000 million yen during the period from November 15, 2018, to March 15, 2019, 9,194,600 shares were acquired at 9,999 million yen in the period from December 1, 2018, to March 31, 2019.
2. Decrease in treasury shares for the fiscal year ended March 31, 2018, is due to response to shareholders' demand to buy additional shares up to the trading unit and exercise of share options. Decrease in treasury shares for the fiscal year ended March 31, 2019, is due to response to shareholders' demand to buy additional shares up to the trading unit and retire treasury stock.

(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 (loss) 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.

29 DIVIDENDS

(1) Dividends paid

Dividends paid are as follows:

	2018				
Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 28, 2017, Ordinary General Meeting of Shareholders	Common shares	6,581	18.00	March 31, 2017	June 29, 2017
November 14, 2017, Board of Directors' meeting	Common shares	7,316	20.00	September 30, 2017	December 5, 2017

	2019				
Resolution	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**

	2019				
Resolution	Class of shares	Total dividends (Thousands of U.S. dollars)	Dividends per share (U.S. dollar)	Record date	Effective date
June 27, 2018, Ordinary General Meeting of Shareholders	**Common shares**	**72,496**	**0.20**	**March 31, 2018**	**June 28, 2018**
November 14, 2018, Board of Directors' meeting	**Common shares**	**69,201**	**0.19**	**September 30, 2018**	**December 5, 2018**

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

	2018					
Resolution	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 27, 2018, Ordinary General Meeting of Shareholders	Common shares	Retained earnings	8,047	22.00	March 31, 2018	June 28, 2018

	2019					
Resolution	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**

	2019					
Resolution	Class of shares	Source of dividends	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	**Common shares**	**Retained earnings**	**80,310**	**0.23**	**March 31, 2019**	**June 27, 2019**

30 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:

	Millions of yen			
	2018			
Segment	Metalworking Machinery	Metal Machine Tools	Other	Total
Major geographical markets				
Japan	100,960	31,334	1,311	133,605
North America	52,279	4,636	—	56,916
Europe	51,453	7,154	90	58,699
Asia and others	45,259	7,234	18	52,511
Total	249,952	50,359	1,420	301,732

	Millions of yen			
	2019			
Segment	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**

	Thousands of U.S. dollars (Note 2 (3))			
	2019			
Segment	Metalworking Machinery	Metal Machine Tools	Other	Total
Major geographical markets				
Japan	**990,620**	**342,397**	**9,139**	**1,342,158**
North America	**528,431**	**79,943**	**—**	**608,374**
Europe	**498,823**	**69,358**	**—**	**568,182**
Asia and others	**440,214**	**87,256**	**169**	**527,640**
Total	**2,458,090**	**578,955**	**9,309**	**3,046,354**

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

Interest revenues related to installment sale in the fiscal years ended March 31, 2018 and 2019, are 3,416 million yen and 2,781 million yen ($25,052 thousand), respectively.

2) Contract balance

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	2019	2019
Contract liabilities	12,669	14,652	**14,532**	**130,910**

(Notes) 1. Of the revenue recognized in the fiscal year ended March 31, 2018, the amount included in the contract liability balance at the beginning of the year was 10,513 million yen. There is no material change in the contract liabilities in the fiscal year ended March 31, 2018.
2. 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 yen ($120,095 thousand). There is no material change in the contract liabilities in the fiscal year ended March 31, 2019.
3. In the fiscal years ended March 31, 2018 and 2019, the amount of revenue recognized as a result of satisfaction of performance obligation during past periods has no materiality.
4. Contract liabilities are included in "other current liabilities" in the consolidated statement of financial position.
5. Obligations arising from contract with customers are described in "10. Trade and other receivables."

(2) Performance obligation

1) When performance obligation is satisfied

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 and other services in relation to the products to customers. As such, performance obligation related to the services is satisfied with the lapse of time as a general rule, and revenue is recognized according to the respective contract terms.

Revenue from sales of products is measured at the transaction price in the contract with customers.

2) Payment terms of consideration

Consideration for products in normal sales contracts is primarily received within one year from when performance obligation was satisfied. Consideration for installment sale conducted by certain consolidated subsidiaries is recovered approximately within three to seven years. As the transaction includes material financial elements, adjustment is made upon calculating the transaction price.

3) Contents of goods and services transferred to customer

The Group conducts sales of sheet metal and micro welding products in the Metalworking Machinery Business and of cutting, stamping presses, and grinding products in the Metal Machine Tools Business. Also, maintenance and other services related to such products are provided.

As a general rule, the Group is not engaged in transactions as an agent.

4) Obligation to respond to product return and repayment

The Group is not engaged in sales of products with product return right or similar rights.

5) Type of product warranty and obligations related thereto

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.

6) Transaction price allocated to remaining performance obligation

The Group has no material transactions with respective contract periods exceeding one year. 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 amounts of considerations from contracts with customers that are not included in transaction prices.

(3) Assets recognized from costs for obtaining or fulfilling contract with customer

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.

31 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))
	2018	2019	2019
Employee benefit expenses	42,575	**45,448**	**409,409**
Sales commissions	5,668	**5,392**	**48,573**
Packing and transportation costs	8,702	**10,122**	**91,187**
Depreciation and amortization	5,979	**6,548**	**58,989**
Research and development expenses	6,780	**7,172**	**64,608**
Other	24,042	**27,712**	**249,642**
Total	93,749	**102,396**	**922,410**

32 OTHER INCOME

Components of other income are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2018	2019	2019
Gain on sale of fixed assets	731	**136**	**1,228**
Other	1,132	**1,188**	**10,705**
Total	1,863	**1,324**	**11,933**

33 OTHER EXPENSES

Components of other expenses are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2018	2019	2019
Loss on retirement of fixed assets	483	**453**	**4,082**
Loss on sale of fixed assets	83	**38**	**346**
Other	518	**246**	**2,224**
Total	1,085	**738**	**6,653**

34 FINANCE INCOME AND FINANCE COSTS

Components of finance income and finance costs are as follows:

(1) Finance income

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2018	2019	2019
Interest income			
Financial assets measured at amortized cost	872	**815**	**7,349**
Debt financial assets measured at fair value through other comprehensive income	157	**126**	**1,138**
Financial assets measured at fair value through profit or loss	136	**178**	**1,608**
Dividend income			
Equity financial assets measured at fair value through other comprehensive income	111	**150**	**1,358**
Financial assets measured at fair value through profit or loss	417	**242**	**2,181**
Valuation and realized gain of marketable securities			
Financial assets measured at fair value through profit or loss	162	**1,122**	**10,114**
Other	—	**359**	**3,240**
Total	1,858	**2,996**	**26,991**

(2) Finance costs

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
	2018	2019	2019
Interest expense			
Financial liabilities measured at amortized cost	103	**110**	**995**
Derivatives			
Financial liabilities measured at fair value through profit or loss	90	**413**	**3,728**
Foreign exchange loss	487	**178**	**1,611**
Other	298	**0**	**4**
Total	980	**703**	**6,339**

35 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))
	2018	2019	2019
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans			
Amount during the year	269	**1,690**	**15,227**
Before tax effect adjustment	269	**1,690**	**15,227**
Amount of tax effects	(83)	**(548)**	**(4,941)**
After tax effect adjustment	186	**1,141**	**10,285**
Equity financial assets measured at fair value through other comprehensive income			
Amount during the year	(39)	**221**	**1,996**
Before tax effect adjustment	(39)	**221**	**1,996**
Amount of tax effects	25	**(34)**	**(312)**
After tax effect adjustment	(13)	**186**	**1,684**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations			
Amount during the year	2,344	**(1,505)**	**(13,559)**
Reclassification adjustments	(12)	**—**	**—**
Before tax effect adjustment	2,332	**(1,505)**	**(13,559)**
Amount of tax effects	—	**—**	**—**
After tax effect adjustment	2,332	**(1,505)**	**(13,559)**
Debt financial assets measured at fair value through other comprehensive income			
Amount during the year	27	**(49)**	**(442)**
Reclassification adjustments	—	**—**	**—**
Before tax effect adjustment	27	**(49)**	**(442)**
Amount of tax effects	(8)	**14**	**134**
After tax effect adjustment	19	**(34)**	**(308)**
Share of other comprehensive income of investments accounted for using equity method			
Amount during the year	70	**(54)**	**(492)**
Reclassification adjustments	—	**—**	**—**
Before tax effect adjustment	70	**(54)**	**(492)**
Amount of tax effects	—	**—**	**—**
After tax effect adjustment	70	**(54)**	**(492)**
Total other comprehensive income:			
Amount during the year	2,673	**302**	**2,729**
Reclassification adjustments	(12)	**—**	**—**
Before tax effect adjustment	2,660	**302**	**2,729**
Amount of tax effects	(66)	**(568)**	**(5,119)**
After tax effect adjustment	2,594	**(265)**	**(2,390)**

36 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))
	2018	2019	2019
Profit attributable to ordinary equity holders of the parent			
Profit attributable to owners of parent	27,094	**33,420**	**301,060**
Profit not attributable to ordinary equity holders of the parent	—	—	—
Profit used for calculating basic earnings per share	27,094	**33,420**	**301,060**

	Number of shares	
	2018	2019
Average number of common shares during the period	365,781,884	**363,968,169**

	Yen		U.S. dollars (Note 2 (3))
	2018	2019	2019
Basic earnings per share	74.07	**91.82**	**0.82**

(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))
	2018	2019	2019
Profit attributable to diluted ordinary equity holders			
Profit used for calculating basic earnings per share	27,094	**33,420**	**301,060**
Profit adjusted	—	—	—
Profit used for calculating diluted earnings per share	27,094	**33,420**	**301,060**

	Number of shares	
	2018	2019
Average number of common shares during the period	365,781,884	**363,968,169**
Dilutive effect	56,915	**8,884**
After adjustment of dilutive effect	365,838,799	**363,977,053**

	Yen		U.S. dollars (Note 2 (3))
	2018	2019	2019
Diluted earnings per share	74.06	**91.82**	**0.82**

(Note) There are no transactions that have an impact on earnings per share during the period from March 31, 2019, to the date of approval of the consolidated financial statements.

37 SHARE-BASED PAYMENT

(1) Outline of share-based remuneration plan

The Company adopts equity-settled share-based remuneration plans ("share option plans") as an 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, 2018 and 2019, 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 yen	(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 31, 2022, 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 yen per share and that of 2,400,000 shares with an exercise period from September 1, 2012, to August 31, 2017, is 114.65 yen 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

	2018		2019	
	Number of options (shares)	Weighted-average exercise price (Yen)	Number of options (shares)	Weighted-average exercise price (Yen)
Outstanding, beginning of year	318,000	605	**19,000**	**605**
Granted	—	—	—	—
Exercised	(161,000)	605	—	—
Expired and lapsed due to maturity	(138,000)	605	—	—
Outstanding, end of year	19,000	605	**19,000**	**605**
Options exercisable, end of year	19,000	605	**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, 2018, is 1,362 yen.
2. Exercise prices of issued options remaining at the end of periods are 605 yen for the fiscal year ended March 31, 2018, and 605 yen for the fiscal year ended March 31, 2019. Weighted-average remaining contract terms for the fiscal years ended March 31, 2018 and 2019, are 2.3 years and 1.3 years, respectively.

38 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, 2018	As of March 31, 2019
ROE (Note)	6.4	**7.6**

(Note) Profit attributable to owners of parent / Equity attributable to owners of parent (average at beginning and end of period)

(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 management department 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 "41. 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

	Transition date (April 1, 2017)			
		Allowance for doubtful account measured at the amount equivalent to lifetime expected credit losses		
	Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	Total
Book value in gross amount				
Within 30 days after due date (including before due date)	1,364	—	121,421	122,785
Past due over 30 days and within 90 days	3	—	6,076	6,080
Past due over 90 days	11	—	9,003	9,014
Total	1,379	—	136,501	137,880

	Millions of yen			
	2018			
		Allowance for doubtful account measured at the amount equivalent to lifetime expected credit losses		
	Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	Total
Book value in gross amount				
Within 30 days after due date (including before due date)	5,667	—	121,252	126,919
Past due over 30 days and within 90 days	6	—	6,818	6,825
Past due over 90 days	24	—	9,918	9,943
Total	5,698	—	137,989	143,688

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

	Millions of yen			
	2019			
		Allowance for doubtful account measured at the amount equivalent to lifetime expected credit losses		
	Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	Total
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.

	Thousands of U.S. dollars (Note 2 (3))			
	2019			
		Allowance for doubtful account measured at the amount equivalent to lifetime expected credit losses		
	Allowance for doubtful account measured at the amount equivalent to 12-month expected credit losses	Financial assets whose credit risk has significantly increased from the initial recognition	Trade receivables and lease receivables	Total
Book value in gross amount				
Within 30 days after due date (including before due date)	**15,707**	**—**	**1,153,088**	**1,168,795**
Past due over 30 days and within 90 days	**0**	**—**	**46,506**	**46,506**
Past due over 90 days	**35**	**—**	**72,613**	**72,648**
Total	**15,742**	**—**	**1,272,208**	**1,287,950**

(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 evaluation of external credit rating agencies. The Group's credit risk exposure of such debt securities is as follows:

Millions of yen

	Transition date (April 1, 2017)		
	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	17,472	—	17,472
BBB-BB	3,102	—	3,102
B or lower	—	—	—
Total	20,574	—	20,574

(Note) Ratings are based on external credit rating agencies or internal rating.

Millions of yen

	2018		
	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	13,733	—	13,733
BBB-BB	2,801	—	2,801
B or lower	—	—	—
Total	16,535	—	16,535

(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

	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.

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

	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	**106,130**	**—**	**106,130**
BBB-BB	**21,592**	**—**	**21,592**
B or lower	**—**	**—**	**—**
Total	**127,722**	**—**	**127,722**

(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))
	2018	2019	2019
Balance, beginning of year	1,952	**1,913**	**17,240**
Recognition and collection	174	**404**	**3,639**
Direct write-off	(260)	**(146)**	**(1,323)**
Exchange differences	48	**(25)**	**(231)**
Other	—	**(135)**	**(1,219)**
Balance, end of year	1,913	**2,009**	**18,105**

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						
	Transition date (April 1, 2017)						
	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	Total
Nonderivative financial liabilities							
Trade and other payables	50,171	—	—	—	—	—	50,171
Borrowings	15,150	175	2,292	44	1,162	31	18,857
Other financial liabilities (nonderivative liabilities)	2,987	704	83	117	41	894	4,828
Total	68,309	880	2,375	162	1,203	925	73,857
Derivative financial liabilities							
Other financial liabilities (derivative liabilities)	207	—	—	—	—	—	207
Total	207	—	—	—	—	—	207

	Millions of yen						
	2018						
	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	Total
Nonderivative financial liabilities							
Trade and other payables	53,164	—	—	—	—	—	53,164
Borrowings	9,897	2,232	97	1,155	2,192	25	15,600
Other financial liabilities (nonderivative liabilities)	2,942	112	131	63	47	858	4,155
Total	66,004	2,344	228	1,219	2,239	883	72,921
Derivative financial liabilities							
Other financial liabilities (derivative liabilities)	78	—	—	—	—	—	78
Total	78	—	—	—	—	—	78

	Millions of yen						
	2019						
	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	Total
Nonderivative financial liabilities							
Trade and other payables	**65,917**	**—**	**—**	**—**	**—**	**—**	**65,917**
Borrowings	**5,366**	**44**	**1,150**	**2,245**	**1,116**	**—**	**9,923**
Other financial liabilities (nonderivative liabilities)	**2,581**	**98**	**146**	**57**	**74**	**825**	**3,783**
Total	**73,866**	**143**	**1,296**	**2,302**	**1,190**	**825**	**79,624**
Derivative financial liabilities							
Other financial liabilities (derivative liabilities)	**56**	**—**	**—**	**—**	**—**	**—**	**56**
Total	**56**	**—**	**—**	**—**	**—**	**—**	**56**

	Thousands of U.S. dollars (Note 2 (3))						
	2019						
	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	Total
Nonderivative financial liabilities							
Trade and other payables	**593,800**						**593,800**
Borrowings	**48,343**	**405**	**10,360**	**20,225**	**10,056**		**89,391**
Other financial liabilities (nonderivative liabilities)	**23,257**	**886**	**1,315**	**517**	**668**	**7,434**	**34,080**
Total	**665,401**	**1,291**	**11,676**	**20,742**	**10,724**	**7,434**	**717,271**
Derivative financial liabilities							
Other financial liabilities (derivative liabilities)	**504**	**—**	**—**	**—**	**—**	**—**	**504**
Total	**504**	**—**	**—**	**—**	**—**	**—**	**504**

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, 2018 and 2019, 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.

	Millions of yen				Thousands of U.S. dollars (Note 2 (3))	
	2018		2019		2019	
Item	U.S. dollars	Euro	U.S. dollars	Euro	U.S. dollars	Euro
Profit before tax	97	61	**78**	**68**	**708**	**621**

(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, 2018 and 2019, 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.

	Millions of yen		Thousands of U.S. dollars (Note 2 (3))
Item	2018	2019	2019
Profit before tax	(3,187)	**(2,498)**	**(22,504)**
Other comprehensive income (before tax effect adjustment)	(170)	**(1,055)**	**(9,510)**

(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 customers, 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:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
Stock issuer	Transition date (April 1, 2017)	2018	**2019**	**2019**
Lumentum Holdings, Inc.	—	—	**9,126**	**82,216**
Mizuho Financial Group, Inc.	808	379	**339**	**3,059**
Mebuki Financial Group, Inc.	949	436	**301**	**2,719**
Mitsubishi UFJ Financial Group, Inc.	669	333	**263**	**2,372**
Mizuho Capital Co., Ltd.	291	—	**—**	**—**
MARUZEN CO., LTD.	135	269	**228**	**2,062**
Sumitomo Mitsui Financial Group, Inc.	114	63	**55**	**497**

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))
	2018	**2019**	**2019**
Investment held at the end of period	69	**149**	**1,351**
Investment derecognized during period	42	**0**	**7**
Total	111	**150**	**1,358**

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))
	2018	**2019**	**2019**
Fair value	1,717	**54**	**493**
Cumulative gains or losses	812	**29**	**268**

(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, 2018 and 2019, 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, 2018 and 2019, are 555 million yen and 30 million yen, 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 whose carrying amount approximates their fair values.

	Millions of yen						Thousands of U.S. dollars (Note 2 (3))	
	Transition date (April 1, 2017)		2018		**2019**		**2019**	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets								
Trade and other receivables	135,928	136,311	141,774	142,151	**140,965**	**141,365**	**1,269,844**	**1,273,450**
Total	135,928	136,311	141,774	142,151	**140,965**	**141,365**	**1,269,844**	**1,273,450**
Financial liabilities								
Borrowings (noncurrent)	3,706	3,790	5,703	5,691	**4,556**	**4,635**	**41,047**	**41,754**
Total	3,706	3,790	5,703	5,691	**4,556**	**4,635**	**41,047**	**41,754**

(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			
	Transition date (April 1, 2017)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through other comprehensive income				
Shares	2,987	147	291	3,426
Bonds	—	18,277	2,297	20,574
Financial assets measured at fair value through profit or loss				
Shares	—	—	8,205	8,205
Bonds	—	10,227	4,459	14,687
Investment trusts	1,367	10,600	—	11,967
Derivative assets	—	33	—	33
Other	—	—	13	13
Total	4,355	39,286	15,266	58,908
Financial liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative liabilities	—	207	—	207
Total	—	207	—	207

	Millions of yen			
	2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through other comprehensive income				
Shares	1,578	124	—	1,702
Bonds	—	15,239	1,295	16,535
Financial assets measured at fair value through profit or loss				
Shares	—	—	8,096	8,096
Bonds	—	16,037	2,749	18,786
Investment trusts	—	16,183	7,594	23,778
Derivative assets	—	218	—	218
Total	1,578	47,803	19,735	69,117
Financial liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative liabilities	—	78	—	78
Total	—	78	—	78

(Note) There are no significant transfers between levels.

	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				
Shares	**—**	**—**	**—**	**—**
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.

	Thousands of U.S. dollars (Note 2 (3))			
	2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through other comprehensive income				
Shares	**93,756**	**1,349**	**—**	**95,105**
Bonds	**—**	**116,056**	**11,666**	**127,722**
Financial assets measured at fair value through profit or loss				
Shares	**—**	**—**	**—**	**—**
Bonds	**—**	**155,821**	**12,591**	**168,413**
Investment trusts	**—**	**140,257**	**84,787**	**225,044**
Derivative assets	**—**	**453**	**—**	**453**
Total	**93,756**	**413,938**	**109,045**	**616,739**
Financial liabilities				
Other financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative liabilities	**—**	**504**	**—**	**504**
Total	**—**	**504**	**—**	**504**

(Note) There are no significant transfers between levels.

Calculation methods of fair values of above financial instruments are as follows:

(Shares)

Fair values of listed shares are market prices.

For unlisted shares, the discounted cash flow method, option-pricing model, and valuation techniques of the comparable company analysis method are used for calculation. In calculating fair value, unobservable inputs, such as equity costs, volatility, valuation ratio, and discount for lack of liquidity, are used.

(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 unlisted shares, bonds, and investment trusts.

Reconciliation between the beginning and ending balances is as follows:

	Millions of yen				Thousands of U.S. dollars (Note 2 (3))	
	2018		**2019**		**2019**	
	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	2,588	12,678	**1,295**	**18,439**	**11,673**	**166,110**
Gains or losses						
Profit or loss (Note) 1	0	76	**0**	**822**	**4**	**7,410**
Other comprehensive income (Note) 2	(65)	—	**(1)**	**—**	**(11)**	**—**
Purchases	—	8,420	**—**	**1,999**	**—**	**18,016**
Sale or redemption	(1,227)	(2,705)	**—**	**(1,860)**	**—**	**(16,760)**
Conversion (Note) 3	—	—	**—**	**(8,591)**	**—**	**(77,397)**
Other	—	(29)	**—**	**—**	**—**	**—**
Balance, end of year	1,295	18,439	**1,295**	**10,810**	**11,666**	**97,378**

(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, 2018 and 2019, are 48 million yen and 328 million yen, 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. Regarding fair value measurement classified as Level 3 on a recurring basis, primary quantitative information on significant unobservable inputs is as follows:

Item	Valuation techniques	Unobservable inputs	As of April 1, 2017 (Date of transition to IFRS)	As of March 31, 2018	As of March 31, 2019
Unlisted shares	Discounted cash flow method	Capital cost	11.6%	12.4%	—
	Option-pricing model	Volatility	41.7%	48.4%	—
	Comparable company analysis method	EBITDA ratio	5.9 times	—	—
		Discount for lack of liquidity	30.0%	—	—

Significant increase (decrease) in equity cost and discount for lack of liquidity, which are material unobservable inputs, will cause a significant decrease (increase) in fair value. Significant increase (decrease) in volatility and EBITDA ratio will cause a significant increase (decrease) in fair value.

5. 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. For financial instruments classified as Level 3, no material change in fair value is projected in a case where unobservable inputs are changed to reasonably possible alternative assumptions.

39 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. Subsidiaries and associates are described in "40. Major subsidiaries."

Millions of yen

Type	Name	Details of relationship with related party	Transition date (April 1, 2017) Outstanding balance
Officer	Hidekazu Miyoshi	Patent-related agency transactions concerning the Company's business	8
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	29

Millions of yen

Type	Name	Details of relationship with related party	2018	
			Transaction amount	Outstanding balance
Officer	Hidekazu Miyoshi	Patent-related agency transactions concerning the Company's business	85	2
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	91	6

Millions of yen

Type	Name	Details of relationship with related party	**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**

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

Type	Name	Details of relationship with related party	**2019**	
			Transaction amount	Outstanding balance
Officer	Hidekazu Miyoshi	Patent-related agency transactions concerning the Company's business	**769**	**31**
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	**1,220**	**23**

(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 2018	Millions of yen **2019**	Thousands of U.S. dollars (Note 2 (3)) **2019**
Compensation and bonuses	393	**442**	**3,990**

40 MAJOR SUBSIDIARIES

The Group's major subsidiaries as of March 31, 2019, are as follows:

Company name	Location	Capital or investments (Millions of yen)	Ownership ratio (%)	Relationship with the parent
AMADA CO., LTD.	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.	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.	Japan	1,606	100.0	2 directors concurrently working Development, manufacture, sales, and service of parent's products
AMADA ORII CO., LTD.	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 SWEDEN 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	8,500 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 Käldman Oy	Finland	50 Thousand EUR	40.0	Manufacture of parent's products
AMADA LIANYUNGANG MACHINE TECH CO., LTD.	China	16,880 Thousand CNY	25.0	Manufacture of parent's products

(Note) 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.

41 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))
	Transition date (April 1, 2017)	2018	2019	2019
Property, plant, and equipment	5,146	6,155	**13,344**	**120,209**
Intangible assets				

(2) Warranty obligations

The Group offers warranty obligations as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2 (3))
	Transition date (April 1, 2017)	2018	2019	2019
Warranty for obligations of travel agencies arising from ticket purchase consignment from the Group	45	56	**56**	**506**
Warranty for obligations of customers who purchased the Group's merchandise				
Loans from banks	268	151	**48**	**438**
Lease obligations to lease companies	2,483	1,996	**1,277**	**11,506**
Total	2,796	2,203	**1,382**	**12,451**

42 SUBSEQUENT EVENTS

Not applicable.

43 FIRST-TIME ADOPTION

The Group discloses consolidated financial statements prepared in accordance with IFRS starting from the fiscal year ended March 31, 2019. The latest consolidated financial statements which were prepared in accordance with JGAAP were pertaining to the fiscal year ended March 31, 2018. The date of transition to IFRS is April 1, 2017.

(1) Exemptions for retrospective application

IFRS 1 requires entities adopting IFRS for the first time to retrospectively apply IFRS as a general rule, however with certain exemptions granted. Exemptions adopted by the Group are as follows:

1) Business combinations

IFRS 3 "Business combinations" is not applied to the business combinations that occurred prior to the date of transition to IFRS.

2) Exchange differences

Cumulative exchange differences associated with investments in foreign operations are deemed to be zero as of the date of transition and are transferred from accumulated other comprehensive income to retained earnings.

3) Designation of financial instruments recognized prior to the date of transition pursuant to IFRS 9 "Financial instruments" was made based on the facts or circumstances as of the date of transition.

(2) Reconciliation

The impacts of the transition from JGAAP to IFRS on the Group's consolidated financial position, operating results, and cash flow status are as follows. In the table of reconciliation below, "Reclassification" represents items that do not have impact on retained earnings and comprehensive income, "Change in scope of consolidation" presents differences with JGAAP arising from review in the scope of consolidation based on IFRS, and "Difference of recognition and measurement" represents items that have impact on retained earnings and comprehensive income.

1) Reconciliation of equity

As of April 1, 2017 (Date of transition to IFRS)

(Millions of yen; amounts less than one million yen are truncated)

Accounting items under JGAAP	JGAAP	Re-classification	Change in scope of consolidation	Difference of recognition and measurement	IFRS	Notes	Accounting items under IFRS
Assets							Assets
Current assets							Current assets
Cash and deposits	75,503	13,719	2,523		91,746	A	Cash and cash equivalents
Notes and accounts receivable - trade	127,202	16,066	45	(7,386)	135,928	B, J	Trade and other receivables
Lease investment assets	14,254	(14,254)				B	
Marketable securities	30,527	(13,681)	243	22	17,111	A	Other financial assets
Merchandise and finished goods	50,767	19,925	289	4,772	75,755	C, J	Inventories
Work in process	7,397	(7,397)				C	
Raw materials and supplies	12,527	(12,527)				C	
Deferred tax assets	8,329	(8,329)				F	
Other	7,365	(1,856)	47	182	5,739	B, Q	Other current assets
Allowance for doubtful accounts	(1,966)	1,966				B	
Total current assets	331,909	(6,369)	3,149	(2,408)	326,281		Total current assets
Noncurrent assets							Noncurrent assets
Property, plant, and equipment	132,009	(10,112)	460	(3,909)	118,448	K	Property, plant, and equipment
Intangible assets	8,990						
Goodwill	1,153			(202)	950	L	Goodwill
Software	6,877	(6,877)					
Other	959	6,471	22	(164)	7,288		Intangible assets
Investments and other assets	60,523						
Investment securities	51,137	(51,137)				D, E	
		3,962	(2,524)	(13)	1,423	D	Investments accounted for using equity method
Long-term loans receivable	47	(47)					
		47,966	352	4,458	52,777	E, M	Other financial assets
Deferred tax assets	5,965	8,329	86	(1,706)	12,674	F, S	Deferred tax assets
Net defined benefit asset	135	(135)					
Other	3,527	7,660	166	2,066	13,422	B, O	Other noncurrent assets
Allowance for doubtful accounts	(290)	290					
Total noncurrent assets	201,523	6,369	(1,435)	527	206,985		Total noncurrent assets
Total assets	533,433		1,714	(1,880)	533,267		Total assets

(Millions of yen; amounts less than one million yen are truncated)

Accounting items under JGAAP	JGAAP	Re-classification	Change in scope of consolidation	Difference of recognition and measurement	IFRS	Notes	Accounting items under IFRS
Liabilities							Liabilities and equity
							Liabilities
Current liabilities							Current liabilities
Notes and accounts payable - trade	16,722	33,436	(859)	872	50,171	G	Trade and other payables
Electronically recorded obligations - operating	19,232	(19,232)				G	
Short-term loans payable	13,705		1,445		15,150		Borrowings
Lease obligations	218	(218)					
Income taxes payable	3,620	(1,227)	60	(40)	2,413		Income taxes payable
		1,393	(63)	191	1,521		Other financial liabilities
Deferred tax liabilities	8	(8)				F	
Provisions	3,779	(3,076)		268	971		Provisions
Deferred profit on installment sales	13,731			(13,731)		J	
Other	25,722	(10,876)	26	5,243	20,115	G, N, P	Other current liabilities
Total current liabilities	96,743	190	608	(7,197)	90,345		Total current liabilities
Noncurrent liabilities							Noncurrent liabilities
Long-term loans payable	3,366		340		3,706		Borrowings
Lease obligations	163	(163)					
Deferred tax liabilities	199	481	5	1,254	1,940	F, K, S	Deferred tax liabilities
Deferred tax liabilities for land revaluation	473	(473)					
Provisions	78	(71)			6		Provisions
Net defined benefit liability	5,274	78	142	1,013	6,508	O	Retirement benefit liability
Long-term guarantee deposited	3,012	(3,012)					
		3,317	196		3,514		Other financial liabilities
Other	4,152	(347)		1,740	5,545	P	Other noncurrent liabilities
Total noncurrent liabilities	16,719	(190)	685	4,007	21,222		Total noncurrent liabilities
Total liabilities	113,462		1,294	(3,189)	111,567		Total liabilities
Net assets							Equity
Capital stock	54,768				54,768		Share capital
Capital surplus	163,199	36			163,235	H	Capital surplus
Retained earnings	226,500		41	(15,619)	210,921	T	Retained earnings
Treasury shares	(11,841)				(11,841)		Treasury shares
Accumulated other comprehensive income	(15,829)		8	16,900	1,079	M, O, R	Other components of equity
Stock acquisition rights	36	(36)				H	
	416,833		50	1,280	418,163		Total equity attributable to owners of parent
Noncontrolling interests	3,137		369	29	3,536		Noncontrolling interests
Total net assets	419,970		419	1,309	421,699		Total equity
Total liabilities and net assets	533,433		1,714	(1,880)	533,267		Total liabilities and equity

As of March 31, 2018

(Millions of yen; amounts less than one million yen are truncated)

Accounting items under JGAAP	JGAAP	Re-classification	Change in scope of consolidation	Difference of recognition and measurement	IFRS	Notes	Accounting items under IFRS
Assets							Assets
Current assets							Current assets
Cash and deposits	75,964	2,274	2,225		80,464	A	Cash and cash equivalents
Notes and accounts receivable - trade	134,095	16,337	58	(8,716)	141,774	B, J	Trade and other receivables
Lease investment assets	10,612	(10,612)				B	
Marketable securities	21,414	(2,245)	213	202	19,584	A	Other financial assets
Merchandise and finished goods	51,380	24,145	440	6,143	82,109	C, J	Inventories
Work in process	10,015	(10,015)				C	
Raw materials and supplies	14,130	(14,130)				C	
Deferred tax assets	8,756	(8,756)				F	
Other	13,788	(6,003)	28	543	8,355	B, Q	Other current assets
Allowance for doubtful accounts	(1,937)	1,937				B	
Total current assets	338,220	(7,067)	2,965	(1,828)	332,289		Total current assets
Noncurrent assets							Noncurrent assets
Property, plant, and equipment	136,813	(5,779)	440	(5,466)	126,008	K	Property, plant, and equipment
Intangible assets:	10,736						
Goodwill	884			82	967	L	Goodwill
Software	8,876	(8,876)					
Other	975	8,452	6	(147)	9,287		Intangible assets
Investments and other assets	71,399						
Investment securities	62,268	(62,268)				D, E	
		4,167	(2,615)	45	1,598	D	Investments accounted for using equity method
Long-term loans receivable	30	(30)					
		58,663	183	4,450	63,297	E, M	Other financial assets
Deferred tax assets	5,874	8,756	78	(1,329)	13,380	F, S	Deferred tax assets
Net defined benefit asset	132	(132)					
Other	3,369	3,839	192	1,874	9,275	B, O	Other noncurrent assets
Allowance for doubtful accounts	(274)	274					
Total noncurrent assets	218,950	7,067	(1,713)	(489)	223,814		Total noncurrent assets
Total assets	557,170		1,251	(2,317)	556,104		Total assets

(Millions of yen; amounts less than one million yen are truncated)

Accounting items under JGAAP	JGAAP	Re-classification	Change in scope of consolidation	Difference of recognition and measurement	IFRS	Notes	Accounting items under IFRS
Liabilities							Liabilities and equity
							Liabilities
Current liabilities							Current liabilities
Notes and accounts payable - trade	19,162	33,735	(966)	1,233	53,164	G	Trade and other payables
Electronically recorded obligations - operating	18,081	(18,081)				G	
Short-term loans payable	8,092		1,728	76	9,897		Borrowings
Lease obligations	127	(127)					
Income taxes payable	8,160	(1,091)	98	617	7,784		Income taxes payable
		1,987	(699)	55	1,343		Other financial liabilities
Deferred tax liabilities	27	(27)				F	
Provisions	4,044	(2,870)		301	1,476		Provisions
Deferred profit on installment sales	11,911			(11,911)		J	
Other	32,853	(13,553)	177	4,011	23,490	G, N, P	Other current liabilities
Total current liabilities	102,461	(27)	338	(5,616)	97,156		Total current liabilities
Noncurrent liabilities							Noncurrent liabilities
Long-term loans payable	5,313		164	225	5,703		Borrowings
Lease obligations	103	(103)					
Deferred tax liabilities	341	500	5	1,331	2,179	F, K, S	Deferred tax liabilities
Deferred tax liabilities for land revaluation	473	(473)					
Provisions	85	(78)			6		Provisions
Net defined benefit liability	3,309	85	132	1,643	5,171	O	Retirement benefit liability
Long-term guarantee deposited	2,589	103	166	31	2,890		Other financial liabilities
Other	3,629	(6)		1,667	5,289	P	Other noncurrent liabilities
Total noncurrent liabilities	15,845	27	468	4,898	21,240		Total noncurrent liabilities
Total liabilities	118,307		807	(717)	118,396		Total liabilities
Net assets							Equity
Capital stock	54,768				54,768		Share capital
Capital surplus	163,199	2		15	163,217	H	Capital surplus
Retained earnings	242,449		34	(17,632)	224,850	T	Retained earnings
Treasury shares	(11,695)				(11,695)		Treasury shares
Accumulated other comprehensive income	(13,051)		5	15,996	2,950	M, O	Other components of equity
Stock acquisition rights	2	(2)				H	
	435,671		40	(1,620)	434,091		Total equity attributable to owners of parent
Noncontrolling interests	3,191		403	20	3,615		Noncontrolling interests
Total net assets	438,863		444	(1,599)	437,707		Total equity
Total liabilities and net assets	557,170		1,251	(2,317)	556,104		Total liabilities and equity

2) Reconciliation of comprehensive income

Fiscal year ended March 31, 2018 (From April 1, 2017, to March 31, 2018)

(Millions of yen; amounts less than one million yen are truncated)

Accounting items under JGAAP	JGAAP	Re-classification	Change in scope of consolidation	Difference of recognition and measurement	IFRS	Notes	Accounting items under IFRS
Net sales	300,655		324	752	301,732	J	Revenue
Cost of sales	169,871		(576)	(257)	169,037	N, O	Cost of sales
Gross profit	130,783		901	1,010	132,694		Gross profit
Selling, general, and administrative expenses	93,183	(273)	567	271	93,749	L, N, O, Q	Selling, general, and administrative expenses
		1,868	(28)	23	1,863	I, P	Other income
		1,037	19	29	1,085	I	Other expenses
Unrealized profit on installment sales and finance lease sales	365			(365)		J	
Operating income	37,965	1,105	285	367	39,723		Operating profit
Non-operating income	4,391	1,119	2	(3,655)	1,858	I, M	Finance income
Non-operating expenses	1,740	(519)	46	(286)	980	I, M	Finance costs
Extraordinary income	3,172	(3,172)				I	
Extraordinary losses	517	(517)				I	
		184	(78)	58	164		Share of profit of investments accounted for using equity method
Income before income taxes	43,271	273	162	(2,942)	40,765		Profit before tax
Income taxes	13,100	273	135	(179)	13,329	S	Income tax expense
Profit for the year	30,170		27	(2,762)	27,435		Profit for the year
Profit attributable to owners of parent	29,856		(7)	(2,754)	27,094		Profit attributable to owners of parent
Profit attributable to noncontrolling interests	314		34	(8)	341		Profit attributable to noncontrolling interests
Other comprehensive income							Other comprehensive income
							Items that will not be reclassified subsequently to profit or loss
Remeasurements of defined benefit plans, net of tax	723			(537)	186	O	Remeasurement of defined benefit plans
Valuation difference on available-for-sale securities	(615)			601	(13)	M	Equity financial assets measured at fair value through other comprehensive income
Share of other comprehensive income of entities accounted for using equity method	24		(24)				
							Items that may be reclassified subsequently to profit or loss
Foreign currency translation adjustments	2,345		16	(29)	2,332		Exchange differences on translation of foreign operations
				19	19	M	Debt financial assets measured at fair value through other comprehensive income
Deferred gains or losses on hedges	218			(218)			
Share of other comprehensive income of entities accounted for using equity method	86		(16)	0	70		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	2,783		(24)	(165)	2,594		Total other comprehensive income
Total comprehensive income for the year	32,954		3	(2,928)	30,030		Total comprehensive income for the year
Comprehensive income attributable to owners of parent	32,634		(31)	(2,895)	29,707		Comprehensive income attributable to owners of parent
Comprehensive income attributable to noncontrolling interests	320		34	(32)	322		Comprehensive income attributable to noncontrolling interests

3) Notes to reconciliation of equity and comprehensive income

(Notes related to change in scope of consolidation)

Subsidiaries to which the equity method was applied due to insignificance under JGAAP have been included in the scope of consolidation under IFRS.

(Notes related to reclassification)

A. Cash and cash equivalents

Time deposits of over three months which were included in "cash and deposits" under JGAAP are included in "other financial assets" under IFRS. Short-term investments with high liquidity that have maturities within three months from acquisition date which were included in "marketable securities" under JGAAP are included in "cash and cash equivalents" under IFRS.

B. Trade and other receivables

Under JGAAP, "lease investment assets" related to finance lease transactions as a lessor, which were independently presented as an item under current assets, and "other" under current assets, as well as property lease investment assets that were included in "other" in investments and other assets are all included in "trade and other receivables" under IFRS. In addition, "allowance for doubtful accounts," which was independently presented as an item in current assets under JGAAP, is directly deducted from "trade and other receivables" to be presented in the net amount under IFRS.

C. Inventories

"Merchandise and finished goods," "work in process," and "raw materials and supplies," which were independently presented under JGAAP, are collectively presented as "inventories" under IFRS.

D. Investments accounted for using equity method

Investments in associates that were included in "investment securities" under JGAAP are independently presented as "investments accounted for using equity method" under IFRS.

E. Other financial assets (noncurrent)

"Investment securities," which were independently presented under JGAAP, are reclassified as "other financial assets (noncurrent)" under IFRS.

F. Deferred tax assets and liabilities

"Deferred tax assets" and "deferred tax liabilities" were separated into current and fixed under JGAAP, but under IFRS, they are all reclassified and presented as noncurrent.

G. Trade and other payables

"Electronically recorded obligations – operating," which were independently presented, and "accounts payable – other" and "accrued expenses," which were included in "other" under current liabilities under JGAAP, are included in "trade and other payables" under IFRS.

H. Capital surplus

"Stock acquisition rights," which were independently presented under JGAAP, are included in "capital surplus" under IFRS.

I. Other income, other expenses, finance income, and finance costs

Of the items presented as "nonoperating income," "nonoperating expenses," "extraordinary income," and "extraordinary losses" under JGAAP, finance related items are now presented as "finance income" or "finance costs," while other items are presented as "other income" or "other expenses" under IFRS.

(Notes related to difference in recognition and measurement)

J. Revenue recognition

Under JGAAP, upon sale of certain products, certain subsidiaries recognized revenue at the time of shipment; however, in IFRS, the method was changed so as to recognize revenue at the time of acceptance inspection by customers.

Principal consolidated subsidiaries in Japan adopted the installment basis under JGAAP, thereby profit or loss on installment sales corresponding to the income for subsequent periods was deferred as "deferred profit on installment sales." Under IFRS, financial elements included in the transaction price based on the contract on installment sales with customers are segregated, thereby the transaction price, less financial elements, is recognized in a lump sum as revenue at the time of the contract. Interest rate portion is recognized as revenue according to the contract period with customers.

K. Property, plant, and equipment

Under JGAAP, property, plant, and equipment (other than lease assets) acquired on and before March 31, 2017, were in principle depreciated by the declining-balance method; however, under IFRS, the straight-line method is adopted.

Under JGAAP, revaluation reserve for land was recognized for certain property, plant, and equipment. Under IFRS, it is measured at initial recognition and, therefore, is recorded as acquisition cost. Moreover, under IFRS, the Group chose to use fair values as of the date of transition to IFRS as deemed cost of certain property, plant, and equipment. The carrying amount using deemed cost of such property, plant, and equipment as of the date of transition to IFRS under JGAAP was 52,278 million yen, and the fair value was 36,756 million yen. The fair value is valuated based on third-party appraisal evaluation, etc., and is classified as Level 3.

L. Goodwill

Goodwill is amortized under JGAAP, but is not amortized under IFRS.

Under JGAAP, necessity of impairment is considered only when there is an indication of impairment; however, under IFRS, impairment test is conducted regardless of indication of impairment. As a result, as of the date of transition, impairment losses of 202 million yen were recognized for certain goodwill. The recoverable amount is calculated based on value in use, and the discount rate is calculated reflecting the market evaluation on the time value of money and the risks specific to the asset or the cash-generating unit.

M. Financial instruments

Some other marketable securities under JGAAP are classified as "financial assets measured at fair value through profit or loss" under IFRS, and their valuation differences are also recognized as profit or loss. There were equity financial assets that were designated as "financial assets measured at fair value through other comprehensive income" of which gain or loss on sale was recognized as other comprehensive income.

Unlisted shares were recorded at acquisition cost under JGAAP; however, under IFRS, they are measured at fair value. Under JGAAP, reversal of deferred profit on installment sales accompanying the transfer of lease investment assets was recorded as extraordinary income; however, under IFRS, as revenue is recognized in a lump sum at the time of a transaction contract with a customer, realized profit is not recognized.

N. Debt related to paid leave

Debt related to paid leave, which was not recognized under JGAAP, is now recognized as debt related to unpaid paid leave under IFRS.

O. Retirement benefit asset or liability

Under JGAAP, actuarial gains and losses were recognized as other comprehensive income when incurred to be transferred to profit or loss within average number of remaining years of service of employees; however, under IFRS, remeasurement of defined benefit plans is recognized as other comprehensive income when incurred to be transferred to retained earnings. Retirement benefit obligations were recalculated pursuant to the rules of IFRS, with differences arising therefrom recorded as retained earnings.

P. Government grants

Concerning grants for acquisition of assets, under JGAAP, grants are recognized as revenue in a lump sum at the time of reception; however, under IFRS, grants are recognized as profit or loss on a systematic basis over the estimated economic lives of related assets.

Q. Levies

Fixed asset tax and other levies were recognized as costs in the period when they were paid under JGAAP; however, under IFRS, they are recognized as one-time expenses in the period when such payment obligation occurs.

R. Transfer of exchange differences on translation of foreign operations

By adopting an exemption provision stipulated in IFRS 1, exchange differences on translation of foreign operations were all transferred to "retained earnings" as of the date of transition to IFRS.

S. Tax effect accounting

Temporary differences were generated as a result of revenue recognition, recording of unpaid obligations, and other adjustments in line with the transition to IFRS.

Tax effects accompanying elimination of unrealized profit or loss were calculated using the effective tax rate of acquirees under JGAAP; however, under IFRS, they are calculated using the effective tax rate of acquirers.

Value-added proportionate portion of pro forma standard tax was not included in the calculation of effective tax rate under JGAAP; however, under IFRS, it is included in effective tax rate upon calculating tax effect accounting.

T. Reconciliation of retained earnings

(Millions of yen; amounts less than one million yen are truncated)

	As of April 1, 2017 (Date of transition to IFRS)	As of March 31, 2018
J. Revenue recognition	8,655	9,885
K. Property, plant, and equipment	(11,162)	(12,724)
L. Goodwill	(202)	156
M. Financial instruments	1,121	(569)
N. Debt related to paid leave	(2,202)	(2,421)
O. Retirement benefit asset or liability	(2,539)	(2,219)
P. Government grants	(1,848)	(1,780)
Q. Levies	(1,170)	(1,222)
R. Transfer of exchange differences on translation of foreign operations	(4,847)	(4,847)
S. Tax effect accounting	(1,047)	(1,025)
Other	(375)	(863)
Total	(15,619)	(17,632)

4) Reconciliation of cash flows

Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

There is no material difference between the consolidated statement of cash flows under JGAAP and the consolidated statement of cash flows based on IFRS.

44 DATE OF APPROVAL

These consolidated financial statements were approved by the Board of Directors on June 26, 2019.

Deloitte.

Deloitte Touche Tohmatsu LLC
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3-2-3 Marunouchi, Chiyoda-ku
Tokyo 100-8360
Japan

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated statement of financial position of AMADA HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2019, and the related consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of AMADA HOLDINGS CO., LTD. and its consolidated subsidiaries as of March 31, 2019, and the consolidated results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

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.

Deloitte Touche Tohmatsu LLC

June 26, 2019

Member of
Deloitte Touche Tohmatsu Limited

The AMADA Group

(As of October 1, 2019)

DOMESTIC NETWORK AND BASES

SALES NETWORK

AMADA CO., LTD.

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

AMADA MACHINE TOOLS CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: +81-463-96-3351
Major Activities: Development, manufacture, sales, and after-sales service of metal cutting machines and equipment and machine tools and equipment.
Development, manufacture, and sales of saw blades.

AMADA MIYACHI CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: +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 TECHNICAL SERVICE CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: +81-463-96-3111
Major Activities: Sales and after-sales service of sheet metal fabrication machines and equipment.

AMADA ORII CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: +81-463-96-3321
Major Activities: Development, manufacture, sales and after-sales 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 MACHINE TOOLS CO., LTD. (Ono Plant)

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

AMADA MIYACHI CO., LTD. (Noda Works)

Works: 95-3 Futatsuka, Noda-shi, Chiba 278-0016
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.

NICOTEC 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 ORII CO., LTD. (Suzukawa Works)

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

OTHER AFFILIATES

AMADA LEASE CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: +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
Phone: +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.

NICOTEC CO., LTD.

200, Ishida, Isehara-shi, Kanagawa 259-1196
Phone: +81-463-96-3221
Major Activities: Sales and after-sales service for metal cutting machines and environmental machines to distributors and agents.
Manufacture of band saw blades and sales to distributors and agents.

FUJINO CLUB CO., LTD.

350, Ishida, Isehara-shi, Kanagawa 259-1116
Phone: +81-463-96-3630
Major Activities: Management of training and hospitality facilities of AMADA Group.

SALES NETWORK

United States

AMADA NORTH AMERICA, INC.

7025 Firestone Boulevard, Buena Park, CA 90621, U.S.A.
Phone: +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.
Phone: +1-714-739-2111
Major Activities: Manufacture, sales, and after-sales service of metalworking machines.

AMADA CAPITAL CORPORATION

7025 Firestone Blvd, Buena Park, CA 90621 U.S.A.
Phone: +1-714-739-2111
Major Activities: Leasing and Financing.

AMADA MACHINE TOOLS AMERICA, INC.

2324 Palmer Drive, Schaumburg, IL 60173, U.S.A.
Phone: +1-847-285-4800
Major Activities: Sales and after-sales service of band saw machines and related products. Sales and after-sales service of machine tools and industrial tools.

AMADA MIYACHI AMERICA, INC.

1820 South Myrtle Avenue, Monrovia CA 91016, U.S.A.
Phone: +1-626-303-5676
Major Activities: Development, manufacture, and sales of laser welders, laser markers, and resistance welders and integration of these products.

AMADA MARVEL, INC.

3501 Marvel Drive, Oshkosh, WI 54902, U.S.A.
Phone: +1-800-472-9464
Major Activities: Development, manufacture, and after-sales service for cutting machines and band saw blades.

AMADA ORII AMERICA INC.

1840 Airport Exchange Blvd. #200 Erlanger, Kentucky, 41018 U.S.A.
Phone: +1-859-746-3318
Major Activities: Sales and after-sales service of stamping press, press room automation, and spring machines.

Canada

AMADA CANADA LTD.

155 Admiral Boulevard, Mississauga ON L5T 2T3, Canada
Phone: +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
Phone: +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
Phone: +52-442-225-2849
Major Activities: Sales and after-sales service of press room automation and spring machines.

Brazil

AMADA DO BRASIL LTDA.

Avenida Tamboré, 965/973, Tamboré, Barueri - SP CEP 06460-000, Brazil
Phone: +55-11-4134-2320
Major Activities: Sales and after-sales service of metalworking machines.

AMADA MIYACHI DO BRASIL LTDA.

Avenida Tamboré, 965/973
Salas P22 e F11, bairro Tamboré
Barueri-SP CEP 06460-000 Brazil
Phone: +55-11-4193-1187
Major Activities: Sales and after-sales service for AMADA MIYACHI products in South America.

United Kingdom

AMADA UNITED KINGDOM LTD.

Spennells Valley Road, Kidderminster,
Worcestershire DY10 1XS, England
Phone: +44-1562-749-500
Major Activities: Sales and after-sales service of metalworking machines.

AMADA MIYACHI EUROPE B.V.

69 Fred Dannatt Road, Mildenhall,
Suffolk, IP28 7RD United Kingdom
Phone: +44-1638-510-11
Major Activities: Develoment, manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders and integration of these products.

Spain

AMADA MAQUINARIA IBERICA

C/Recerca, 5–Esq. C/Imaginacio, 1 Poligono Industrial Gava Business Park, 08850–GAVA, Barcelona, Spain
Phone: +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
Phone: +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
Phone: +45-7563-1400
Major Activities: Sales and after-sales service of metalworking machines.

Norway

AMADA NORWAY AS

Myrveien 12, 1430 As, Norway
Phone: +47-6497-3100
Major Activities: Sales and after-sales service of metalworking machines.

Germany

AMADA GmbH

AMADA Allee 1, 42781 Haan, Germany
Phone: +49-2104-2126-0
Major Activities: Sales and after-sales service of metalworking machines.

AMADA MACHINE TOOLS EUROPE GmbH

AMADA Allee 3, 42781 Haan, Germany
Phone: +49-2104-1777-0
Major Activities: Sales and after-sales service of band saw machines and related products. Sales and after-sales service of machine tools and industrial tools.

AMADA MIYACHI EUROPE GmbH

Lindberghstrasse 1, DE-82178 Puchheim, Germany
Phone: +49-89-83-94-030
Major Activities: Development, manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders and integration of these products.

Russian Federation

AMADA OOO

Dokukina street 16, building 3, 5F
Moscow 129226, Russian Federation
Phone: +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
Phone: +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
Phone: +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
Phone: +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. MH.AYKOSAN ÇARŞI B BLOK VIP PLAZA DIŞ KAPI NO : 1 İÇ KAPI NO : 27 34490 BAŞAKŞEHİR / İSTANBUL-Turkiye
Phone: +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
Phone: +39-0523-872111
Major Activities: Sales and after-sales service of metalworking machines.

OVERSEAS NETWORK AND BASES

Netherlands

AMADA MIYACHI EUROPE B.V.

Schootense Dreef 21
NL-5708 HZ Helmond, The Netherlands
Phone: +31-492-542-225
Major Activities: Development, manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders and integration of these products.

Hungary

AMADA MIYACHI EUROPE kft.

Mester utca 87.
HU-1095, Budapest, Hungary
Phone: +36-1-4319927
Major Activities: Manufacture, sales, and after-sales service of laser welders, laser markers, and resistance welders and integration of these products.

South Africa

AMADA UNITED KINGDOM LTD. JOHANNESBURG BRANCH

225 Albert Amon Road, Millennium Business Park, Meadowdale Ext-7, Johannesburg, South Africa
Phone: +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, People's Republic of China
Phone: +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.,
People's Republic of China
Phone: +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
People's Republic of China
Phone: +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, People's Republic of China
Phone: +86-21-6212-1111
Major Activities: Sale, 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, People's Republic of China
Phone: +86-755-8358-0011
Major Activities: Sales, after-sales service, and trading service of metalworking machines.

AMADA MIYACHI SHANGHAI CO., LTD.

Unit.401, A206(C8), No.77, Hongcao Road, Xuhui District, Shanghai, People's Republic of China
Phone: +86-21-6448-6000
Major Activities: Sales and after-sales service for AMADA MIYACHI products in China.

AMADA ORII HONG KONG CO., LTD.

Flat 6, 14/F., Sunwise Industrial Building, 16-26 Wang Wo Tsai Street, Tsuen Wan, N.T., Hong Kong
Phone: +852-3568-9800
Major Activities: Wholesale of press room automation.

AMADA ORII SHANGHAI CO., LTD.

Room 806, No.3998, Hong Xin Road, Dibao Plaza, Min Hang District, Shanghai. 201101 China
Phone: +86-21-6226-8584
Major Activities: Sales and after-sales service of press room automation and spring machines.

Taiwan

AMADA TAIWAN INC.

No. 21, Wenming Rd., Guishan Dist.,
Taoyuan City 33382, Taiwan (R.O.C.)
Phone: +886-3-328-3511
Major Activities: Sales, after-sales service, and trading service of metalworking machines.

AMADA MIYACHI TAIWAN CO., LTD.

Rm. 5, 2F., No. 9, Dehui St., Zhongshan Dist.
Taipei 10461, Taiwan (R.O.C.)
Phone: +886-2-2585-0161
Major Activities: Sales and after-sales service for AMADA MIYACHI products in Taiwan.

Republic of Korea

AMADA KOREA CO., LTD.

12, Harmony-ro 177beon-gil, Yeonsu-gu, Incheon, 22013, Rep. of KOREA
Phone: +82-32-821-6010
Major Activities: Sales and after-sales service of metalworking machines.

AMADA MIYACHI KOREA CO., LTD.

28, Dongtanhana 1-gil, Hwaseong-si, Gyeonggi-do, 445-320 Republic of Korea
Phone: +82-31-8015-6810
Major Activities: Sales and after-sales service for AMADA MIYACHI products in Korea.

Thailand

AMADA ASIA PACIFIC CO., LTD.

88/41 Moo 4, Khlongsuan, Bangbo, Samutprakarn
10560, Thailand
Phone: +66-2-170-5900
Major Activities: Management of local AMADA Group subsidiaries in ASEAN.

AMADA (THAILAND) CO., LTD.

88/41 Moo 4, Khlongsuan, Bangbo, Samutprakarn
10560, Thailand
Phone: +66-2-170-5900
Major Activities: Sales and after-sales service of metalworking machines and precision welders.

AMADA ORII (THAILAND) CO., LTD.

120/37, Soi 21/2 King Kaeo Road, Moo 12, Tambol Rachathewa, Amphur Bangplee, Samutprakarn 10540
Phone: +66-2-750-0232
Major Activities: Sales and after-sales service of press room automation and spring machines.

AMADA ORII TRADING (THAILAND) CO., LTD.

120/37, Soi 21/2 King Kaeo Road, Moo 12, Tambol Rachathewa, Amphur Bangplee, Samutprakarn 10540
Phone: +66-2-750-1250
Major Activities: Wholesale and after-sales service of press room automation and spring machines.

Singapore

AMADA SINGAPORE (1989) PTE LTD.

100G Pasir Panjang Road, #01-15/16 Interlocal Centre, Singapore 118523
Phone: +65-6743-6334
Major Activities: Sales and after-sales service of metalworking machines.

OVERSEAS NETWORK AND BASES

AMADA ORII SINGAPORE PTE.LTD.

80 Marine Parade Road #12-03 Parkway Parade
Singapore 449269
Phone: +65-6348-8023
Major Activities: Sales and after-sales service of press room automation.

Malaysia

AMADA (MALAYSIA) SDN. BHD.

No. 20, Jalan Pendaftar, U1/54, Temasya Industrial Park, Section U1, Glenmarie, 40150 Shah Alam,
Selangor Darul Ehsan, Malaysia
Phone: +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
Phone: +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
Phone: +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
Phone: +62-21-8991-1481
Major Activities: After-sales service of stamping press and press room automation.

India

AMADA (INDIA) PVT. LTD.

No. 60, KIADB Bengaluru Aerospace Park, Singahalli Village, Budigere Post, Bangalore North Taluk-562 129, India
Phone: +91-80-7110-0200
Major Activities: Sales and after-sales service of metalworking machines.

AMADA MIYACHI INDIA PVT. LTD.

G-A Ground Floor, 5C-409, 5th Cross, Kammanahalli Main Road, HRBR Layout, Kalyan Nager, Bangalore - 560043, INDIA
Phone: +91-80-4092-1749
Major Activities: Sales and after-sales service for AMADA MIYACHI products in India.

Australia

AMADA OCEANIA PTY LTD.

Unit 7, 16 Lexington Drive, Bella Vista, NSW 2153, Australia
Phone: +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, Jebel Ali, Dubai, United Arab Emirates
Phone: +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
Phone: +1-714-739-2111
Major Activities: Manufacture, sales, and after-sales service of metalworking machines and metal machine tools.

AMADA MACHINE TOOLS AMERICA, INC.

2324 Palmer Drive, Schaumburg, IL 60173, U.S.A.
Phone: +1-847-285-4800
Major Activities: Sales and after-sales service of band saw machines and related products. Sales and after-sales service of machine tools and industrial tools.

AMADA TOOL AMERICA, INC.

4A Treadeasy Avenue, Batavia, NY 14020, U.S.A.
Phone: +1-585-344-3900
Major Activities: Manufacture of metal machine tools.

AMADA MARVEL, INC.

3501 Marvel Drive, Oshkosh, WI 54902, USA
Phone: +1-800-472-9464
Major Activities: Development, manufacture, and after-sales service for cutting machines and band saw blades.

France

AMADA EUROPE S.A.

Charleville-Mézières Plant:
Z.I. Mohon, 24 rue Camille Didier
08013 Charleville-Mézières, France
Phone: +33-3-24-56-80-90
Château du Loir Plant:
129 Avenue Jean-Jaures
72500 Château du Loir, France
Phone: +33-2-43-38-53-60
Major Activities: Manufacture of metalworking machines and related after-sales services.

AMADA OUTILLAGE S.A.

Zone Industrielle B.P.35 76720, Auffay, France
Phone: +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
Phone: +39-0523-952811
Major Activities: Research and development of software for metalworking machines.

Austria

AMADA AUSTRIA GmbH

Wassergasse 1, A-2630 Ternitz, Austria
Phone: +43-2630-35170
Major Activities: Manufacture of band saw blades and bending tools.

Finland

LKI Käldman Ltd.

Svartnäshagavägen 7 FIN-68910 Bennäs, FINLAND
Phone: +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, People's Republic of China
Phone: +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, People's Republic of China
Phone: +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, People's republic of China
Phone: +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, People's republic of China
Phone: +86-518-8591-8369
Major Activities: Manufacture of band saw machines.

AMADA MIYACHI WELDING EQUIPMENT (SHANGHAI) CO., LTD.

No. 400 Xiaonan Rd.
Shanghai Fengpu Industrial Park, Shanghai, People's Republic of China
Phone: +86-21-3365-5353
Major Activities: Development, manufacture, and after-sales service for AMADA MIYACHI products.

AMADA ORII GUANGZHOU CO., LTD.

No. 9 South 6 Jianye Road, East Section of Guangzhou Economic & Technological Development Dist., Guangzhou City Guangdong, 510530, People's Republic of China
Phone: +86-20-8226-5002
Major Activities: Manufacture and after-sales 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
Phone: +91-44-6663-0300
Major Activities: Research and development of software for metalworking machines.

Investor Information

Company Name

AMADA HOLDINGS CO., LTD.

Head Office

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

Phone: +81-463-96-1111

URL: https://www.amadaholdings.co.jp/

Founded

September 10, 1946

Incorporated

May 1, 1948

Number of Shares of Common Stock

(As of March 31, 2019)

Authorized: 550,000,000 shares

Issued: 368,115,217 shares

Number of Shareholders

(As of March 31, 2019)

37,552

Stock Listing

Tokyo Stock Exchange, First Section

Quarterly Stock Price Range on Tokyo Stock Exchange (¥)

	2018				2019	
	1st	2nd	3rd	4th	1st	2nd
High	1,692	1,350	1,225	1,273	**1,204**	**1,275**
Low	1,229	1,042	1,043	921	**933**	**1,084**

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, 2019)

Shareholder	Shares owned (1,000 shares)	Percent (%)
Japan Trustee Services Bank, Ltd. (Trust accounts)	54,883	15.4
The Master Trust Bank of Japan, Ltd. (Trust accounts)	41,560	11.7
Trust & Custody Services Bank, Ltd. (Trust accounts)	12,321	3.5
The AMADA FOUNDATION	9,936	2.8
SMBC Nikko Securities Inc.	8,291	2.3
Mizuho Bank, Ltd.	7,500	2.1
MISAKI ENGAGEMENT MASTER FUND	6,426	1.8
The Nomura Trust and Banking Co., Ltd. (Investment accounts)	6,098	1.7
Nippon Life Insurance Company	6,061	1.7
The Joyo Bank, Ltd.	5,756	1.6

Note: Ownership percentages have been calculated excluding treasury stock (11,503,611 shares).

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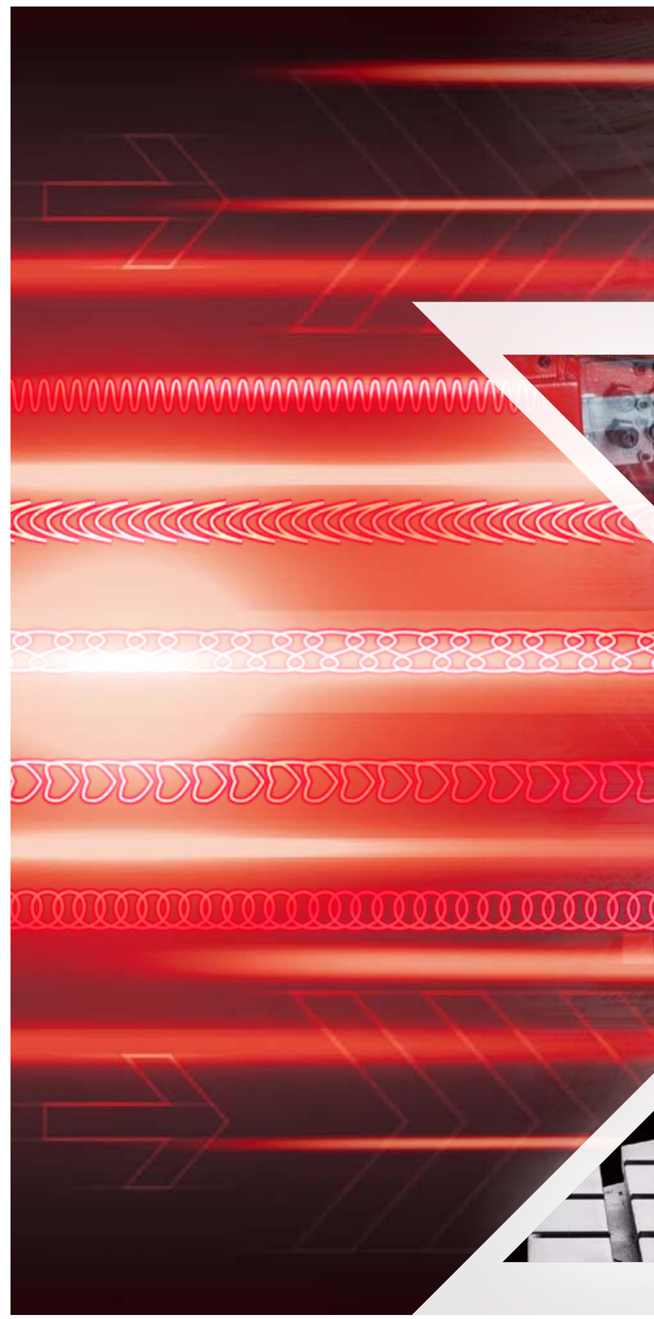
AMADA HOLDINGS CO., LTD.
200, Ishida, Isehara-shi, Kanagawa 259-1196, Japan



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