

Summary of Consolidated Financial Results for the Fiscal Year Ended February 29, 2020

[Japanese GAAP]

Company name: Freund Corporation

Listing: Tokyo (JASDAQ)

Securities code: 6312

URL: <http://www.freund.co.jp>

Representative: Iwao Fusejima, President & CEO

Contact: Masao Wakai, Corporate Officer, Division Director, Corporate Planning Division

Tel: +81-3-6890-0750

Scheduled date of Annual General Meeting of Shareholders: May 28, 2020

Scheduled date of filing of Annual Securities Report: May 29, 2020

Scheduled date of payment of dividend: May 29, 2020

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (only video distribution)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2020

(March 1, 2019 – February 29, 2020)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 29, 2020	16,772	(8.9)	558	(54.3)	582	(56.1)	381	(54.8)
Fiscal year ended Feb. 28, 2019	18,408	(7.0)	1,223	(37.9)	1,326	(33.5)	843	(42.9)

Note: Comprehensive income Fiscal year ended Feb. 29, 2020: 328 million yen (down 64.5%)

Fiscal year ended Feb. 28, 2019: 925 million yen (down 34.0%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
Fiscal year ended Feb. 29, 2020	22.79	-	2.9	3.2	3.3
Fiscal year ended Feb. 28, 2019	50.15	-	6.4	7.2	6.6

Reference: Equity in earnings of affiliates Fiscal year ended Feb. 29, 2020: - million yen

Fiscal year ended Feb. 28, 2019: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 29, 2020	18,505	13,243	71.6	790.94
As of Feb. 28, 2019	17,448	13,250	75.9	791.34

Reference: Equity capital As of Feb. 29, 2020: 13,243 million yen As of Feb. 28, 2019: 13,250 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Feb. 29, 2020	(27)	(852)	(325)	4,314
Fiscal year ended Feb. 28, 2019	435	(566)	(921)	5,534

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Feb. 28, 2019	-	0.00	-	20.00	20.00	334	39.9	2.6
Fiscal year ended Feb. 29, 2020	-	0.00	-	20.00	20.00	334	87.8	2.5
Fiscal year ending Feb. 28, 2021 (forecast)	-	-	-	-	-	-	-	-

Note: Dividend forecast for the fiscal year ending Feb. 28, 2021 has not been determined at this time.

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2021 (March 1, 2020 – February 28, 2021)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	17,800	6.1	1,000	79.1	1,000	71.6	700	83.5	41.80

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: Yes
 2) Changes in accounting policies other than 1) above: None
 3) Changes in accounting-based estimates: None
 4) Restatements: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Feb. 29, 2020: 18,400,000 shares As of Feb. 28, 2019: 18,400,000 shares

2) Number of treasury shares at the end of the period

As of Feb. 29, 2020: 1,655,480 shares As of Feb. 28, 2019: 1,655,480 shares

3) Average number of shares outstanding during the period

Fiscal year ended Feb. 29, 2020: 16,744,520 shares Fiscal year ended Feb. 28, 2019: 16,821,233 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2020

(March 1, 2019 – February 29, 2020)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Feb. 29, 2020	11,908	(9.2)	534	(54.7)	588	(54.4)	361	(60.2)
Fiscal year ended Feb. 28, 2019	13,114	(8.2)	1,180	(31.7)	1,290	(33.7)	907	(39.6)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Feb. 29, 2020	21.56	-
Fiscal year ended Feb. 28, 2019	53.94	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 29, 2020	16,930	12,514	73.9	747.39
As of Feb. 28, 2019	15,581	12,510	80.3	747.12

Reference: Shareholders' equity As of Feb. 29, 2020: 12,514 million yen As of Feb. 28, 2019: 12,510 million yen

This financial report is not subject to audit by certified public accountants or auditing firms.

Cautionary statement with respect to forecasts of future performance and other special items

Forecasts regarding future performance in these materials are based on certain assumptions judged to be valid and information currently available to the Company. Actual performance may differ significantly from these forecasts for a number of reasons.