

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

(Millions of yen, except per share amounts; Percentages indicate year-on-year changes)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2017	
		%		%
Net sales	50,791	2.7	49,467	(1.6)
Operating income	8,167	4.0	7,855	(1.5)
Ordinary income	8,450	1.9	8,294	1.2
Net income attributable to owners of the Parent	6,610	13.2	5,837	20.2
Basic earnings per share (Yen)	113.15		99.91	
Diluted earnings per share (Yen)	-		-	
Return on equity (%)	10.3		10.1	
Ratio of ordinary income to total assets (%)	9.7		10.3	
Ratio of operating income to net sales (%)	16.1		15.9	

Note: Comprehensive income 7,730 million yen [1.0%] 7,650 million yen [105.6%]

Reference: Share of profit of entities accounted for using equity method — million yen — million yen

(2) Consolidated financial position

(Millions of yen)

	March 31, 2018	March 31, 2017
Total assets	90,949	83,432
Total equity	68,029	61,503
Ratio of equity attributable to owners of the Parent	74.0%	72.9%
Equity per share attributable to owners of the Parent (Yen)	1,151.38	1,041.24
Reference: Equity attributable to owners of the Parent	67,264 million yen	60,834 million yen

(3) Consolidated Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Operating activities	9,676	7,100
Investing activities	(4,146)	(3,438)
Financing activities	(1,417)	(976)
Cash and cash equivalents at the end of period	26,872	22,817

2 . Dividends

	Year ending March 31, 2019 (Forecast)	Year ending March 31, 2018	Year ending March 31, 2017
Annual cash dividends per share (Yen)			
1st quarter end	-	-	-
2nd quarter end	11.00	11.00	8.50
3rd quarter end	-	-	-
Fiscal year end	11.00	11.00	10.00
Total	22.00	22.00	18.50
Total amount of annual cash dividends (Millions of yen)		1,285	1,080
Consolidated dividend payout ratio (%)	24.7	19.4	18.5
Consolidated dividend on equity attributable to owners of the Parent (%)		2.0	1.9

3 . Forecast of consolidated operating results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen, except per share amounts; Percentages indicate year-on-year changes)

	Six months ending September 30, 2018	Year ending March 31, 2019
	%	%
Net sales	25,100 0.7	52,200 2.8
Operating income	3,000 (24.4)	7,300 (10.6)
Ordinary income	3,300 (21.9)	7,600 (10.1)
Net income attributable to owners of the Parent	2,200 (23.5)	5,200 (21.3)
Basic earnings per share (Yen)	37.66	89.01

4 . Others

Number of issued shares outstanding at the end of the periods (ordinary shares)

	March 31, 2018	March 31, 2017
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	527,254 shares	523,062 shares

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Average number of shares outstanding during the period	58,422,289 shares	58,428,977 shares

Explanation regarding the appropriate use of forecast of operating results and other special items

Forward-looking statements such as earnings forecasts and other projections contained in this report are based on information currently available and certain assumptions judged by management to be reasonable, and do not constitute guarantees of future performance. Actual results may differ materially from expectations due to various factors.

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31	
	2017	2018
Assets		
Current assets		
Cash and deposits	22,817	27,872
Notes and accounts receivable - trade	13,558	13,927
Electronically recorded monetary claims - operating	1,299	1,524
Merchandise and finished goods	5,183	5,719
Work in process	34	45
Raw materials and supplies	2,420	2,623
Deferred tax assets	698	725
Other	238	178
Allowance for doubtful accounts	△1	△1
Total current assets	46,249	52,617
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,749	5,541
Machinery, equipment and vehicles, net	4,997	4,633
Land	8,794	8,835
Construction in progress	74	77
Other, net	657	608
Total property, plant and equipment	20,273	19,695
Intangible assets		
Software	293	206
Other	29	17
Total intangible assets	323	224
Investments and other assets		
Investment securities	15,728	17,596
Long-term loans receivable	4	4
Deferred tax assets	97	100
Net defined benefit asset	333	299
Other	426	414
Allowance for doubtful accounts	△3	△3
Total investments and other assets	16,586	18,411
Total non-current assets	37,183	38,331
Total assets	83,432	90,949

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31	
	2017	2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,118	7,769
Electronically recorded obligations - operating	371	405
Short-term loans payable	1,930	1,930
Current portion of long-term loans payable	134	120
Accrued expenses	1,342	1,396
Income taxes payable	946	1,677
Accrued consumption taxes	104	240
Provision for directors' bonuses	78	79
Notes payable - facilities	117	85
Electronically recorded obligations-facilities	436	109
Other	2,534	2,259
Total current liabilities	15,114	16,075
Non-current liabilities		
Long-term loans payable	1,562	1,520
Deferred tax liabilities	717	949
Deferred tax liabilities for land revaluation	1,344	1,111
Provision for directors' retirement benefits	84	110
Net defined benefit liability	2,169	2,211
Asset retirement obligations	344	377
Other	592	563
Total non-current liabilities	6,814	6,845
Total liabilities	21,929	22,920
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,741
Retained earnings	42,302	47,686
Treasury shares	△315	△321
Total shareholders' equity	54,596	59,974
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,163	4,991
Deferred gains or losses on hedges	2	18
Revaluation reserve for land	2,301	2,533
Foreign currency translation adjustment	△84	△127
Remeasurements of defined benefit plans	△144	△126
Total accumulated other comprehensive income	6,237	7,290
Non-controlling interests	668	764
Total net assets	61,503	68,029
Total liabilities and net assets	83,432	90,949

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31	
	2017	2018
Net sales	49,467	50,791
Cost of sales	29,236	29,917
Gross profit	20,231	20,873
Selling, general and administrative expenses		
Transportation and warehousing expenses	4,005	4,025
Advertising expenses	617	623
Salaries	2,138	2,197
Provision for directors' bonuses	79	79
Retirement benefit expenses	191	183
Provision for directors' retirement benefits	21	18
Research and development expenses	1,235	1,310
Other	4,087	4,268
Total selling, general and administrative expenses	12,375	12,706
Operating profit	7,855	8,167
Non-operating income		
Interest income	9	11
Dividend income	575	458
Miscellaneous income	63	21
Total non-operating income	649	491
Non-operating expenses		
Interest expenses	17	16
Loss on sales of notes receivable - trade	1	0
Sales discounts	121	124
Foreign exchange losses	49	56
Miscellaneous loss	20	8
Total non-operating expenses	210	207
Ordinary profit	8,294	8,450
Extraordinary income		
Gain on sales of non-current assets	13	0
Gain on sales of investment securities	0	16
Insurance income	—	351
Subsidy income	14	401
Total extraordinary income	28	769
Extraordinary losses		
Loss on sales of non-current assets	12	3
Loss on retirement of non-current assets	38	58
Total extraordinary losses	51	62
Profit before income taxes	8,271	9,157
Income taxes - current	2,267	2,767
Income taxes - deferred	105	Δ275
Total income taxes	2,373	2,492
Profit	5,897	6,665
Profit attributable to non-controlling interests	60	55
Profit attributable to owners of parent	5,837	6,610

Consolidated Statements of Comprehensive Income

(Millions of yen)

Fiscal year ended March 31

	2017	2018
Profit	5,897	6,665
Other comprehensive income		
Valuation difference on available-for-sale securities	1,715	840
Deferred gains or losses on hedges	△36	16
Revaluation reserve for land	—	232
Foreign currency translation adjustment	△1	△42
Remeasurements of defined benefit plans, net of tax	75	18
Total other comprehensive income	1,753	1,064
Comprehensive income	7,650	7,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,593	7,663
Comprehensive income attributable to non-controlling interests	57	67

Consolidated Statements of Cash Flows

(Millions of yen)

Fiscal year ended March 31

	2017	2018
Cash flows from operating activities		
Profit before income taxes	8,271	9,157
Depreciation	1,645	2,318
Increase (decrease) in provision for directors' retirement benefits	△14	16
Increase (decrease) in net defined benefit liability	△12	51
Decrease (increase) in net defined benefit asset	53	50
Interest and dividend income	△585	△469
Interest expenses	17	16
Loss (gain) on sales of investment securities	△0	△16
Insurance income	—	△351
Subsidy income	△14	△401
Loss on retirement of property, plant and equipment	38	58
Loss (gain) on sales of property, plant and equipment	△0	3
Decrease (increase) in notes and accounts receivable - trade	△3	△628
Decrease (increase) in inventories	777	△728
Increase (decrease) in notes and accounts payable - trade	△265	706
Increase (decrease) in accrued consumption taxes	△94	138
Other, net	△185	551
Subtotal	9,627	10,474
Interest and dividend income received	585	469
Interest expenses paid	△17	△16
Proceeds from insurance income	—	351
Proceeds from subsidy income	14	401
Income taxes paid	△3,109	△2,003
Net cash provided by (used in) operating activities	7,100	9,676
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,683	△2,562
Proceeds from sales of property, plant and equipment	54	4
Payments for retirement of property, plant and equipment	△58	△21
Purchase of intangible assets	△130	△41
Proceeds from purchase of shares of subsidiaries resulting in chang	—	12
Purchase of investment securities	△20	△792
Proceeds from sales and redemption of investment securities	400	245
Payments of loans receivable	—	△0
Collection of loans receivable	0	0
Decrease (increase) in time deposits	—	△1,000
Other, net	△1	8
Net cash provided by (used in) investing activities	△3,438	△4,146
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	△19
Proceeds from long-term loans payable	100	100
Repayments of long-term loans payable	△165	△222
Purchase of treasury shares	△6	△6
Cash dividends paid	△993	△1,226
Dividends paid to non-controlling interests	△3	△3
Other, net	91	△39
Net cash provided by (used in) financing activities	△976	△1,417
Effect of exchange rate change on cash and cash equivalents	56	△55
Net increase (decrease) in cash and cash equivalents	2,741	4,055
Cash and cash equivalents at beginning of period	20,075	22,817
Cash and cash equivalents at end of period	22,817	26,872