

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

#### (1) Consolidated operating results

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

	Six months ended September 30, 2019		Six months ended September 30, 2018	
		%		%
Net sales	25,693	2.2	25,130	0.8
Operating income	3,567	3.7	3,441	(13.3)
Ordinary income	3,626	(3.2)	3,746	(11.3)
Net income attributable to owners of the Parent	2,534	(0.3)	2,541	(11.6)
Basic earnings per share (Yen)	43.38		43.50	
Diluted earnings per share (Yen)	-		-	

Note: Comprehensive income 1,840 million yen (31.8%) 2,699 million yen (35.1%)

#### (2) Consolidated financial position

(Millions of yen)

	September 30, 2019	March 31, 2019
Total assets	90,325	92,191
Total equity	71,565	70,370
Ratio of equity attributable to owners of the Parent	78.3%	75.5%

Reference: Equity attributable to owners of the Parent 70,769 million yen 69,582 million yen

### 2. Dividends

	Year ending March 31, 2020 (Forecast)	Year ending March 31, 2020	Year ended March 31, 2019
Annual cash dividends per share (Yen)			
1st quarter end		-	-
2nd quarter end		12.00	11.00
3rd quarter end	-		-
Fiscal year end	12.00		11.00
Total	24.00		22.00

Note: Revisions to the cash dividends forecasts most recently announced: Yes

### 3. Forecast of consolidated operating results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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

	Year ending March 31, 2020	
		%
Net sales	53,500	1.3
Operating income	8,200	1.9
Ordinary income	8,500	0.8
Net income attributable to owners of the Parent	5,800	7.5
Basic earnings per share (Yen)	99.28	

Note: Revisions to the consolidated operating results forecasts most recently announced: None

**4 . Others**

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

	September 30, 2019	March 31, 2019
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	527,836 shares	527,764 shares

	Six months ended September 30, 2019	Six months ended September 30, 2018
Average number of shares outstanding during the period	58,420,268 shares	58,420,747 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, 2019	September 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	26,641	24,679
Notes and accounts receivable - trade	14,496	12,100
Electronically recorded monetary claims - operating	2,149	1,787
Securities	3,800	8,300
Merchandise and finished goods	6,158	6,049
Work in process	47	42
Raw materials and supplies	3,233	3,123
Other	310	217
Allowance for doubtful accounts	△1	△0
<b>Total current assets</b>	<b>56,836</b>	<b>56,299</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	5,327	5,163
Machinery, equipment and vehicles, net	4,506	4,022
Land	8,835	8,835
Construction in progress	112	300
Other, net	734	655
<b>Total property, plant and equipment</b>	<b>19,515</b>	<b>18,977</b>
Intangible assets	176	141
<b>Investments and other assets</b>		
Investment securities	14,390	13,390
Deferred tax assets	647	922
Other	627	597
Allowance for doubtful accounts	△3	△3
<b>Total investments and other assets</b>	<b>15,662</b>	<b>14,907</b>
<b>Total non-current assets</b>	<b>35,355</b>	<b>34,025</b>
<b>Total assets</b>	<b>92,191</b>	<b>90,325</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,430	6,136
Electronically recorded obligations - operating	439	383
Short-term borrowings	1,930	1,630
Current portion of long-term borrowings	914	730
Income taxes payable	940	1,131
Provision for bonuses for directors (and other officers)	66	34
Other	3,985	3,537
<b>Total current liabilities</b>	<b>16,707</b>	<b>13,583</b>
<b>Non-current liabilities</b>		
Long-term borrowings	680	791
Deferred tax liabilities	23	8
Deferred tax liabilities for land revaluation	1,111	1,111
Provision for retirement benefits for directors (and other officers)	111	78
Retirement benefit liability	2,219	2,224
Asset retirement obligations	378	378
Provision for share-based remuneration	—	10
Other	587	572
<b>Total non-current liabilities</b>	<b>5,113</b>	<b>5,176</b>
<b>Total liabilities</b>	<b>21,820</b>	<b>18,759</b>

Consolidated Financial Statements  
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2019	September 30, 2019
Net assets		
Shareholders' equity		
Share capital	6,867	6,867
Capital surplus	5,740	5,815
Retained earnings	51,798	53,690
Treasury shares	△322	△397
Total shareholders' equity	64,084	65,976
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,199	2,508
Deferred gains or losses on hedges	△4	△6
Revaluation reserve for land	2,533	2,533
Foreign currency translation adjustment	△93	△116
Remeasurements of defined benefit plans	△137	△125
Total accumulated other comprehensive income	5,498	4,793
Non-controlling interests	788	796
Total net assets	70,370	71,565
Total liabilities and net assets	92,191	90,325

## Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	25,130	25,693
Cost of sales	15,346	15,545
Gross profit	9,783	10,148
Selling, general and administrative expenses		
Transportation and storage costs	2,021	2,195
Advertising expenses	373	385
Salaries	1,122	1,118
Provision for bonuses for directors (and other officers)	33	36
Retirement benefit expenses	93	89
Provision for retirement benefits for directors (and other off	9	10
Research and development expenses	621	635
Other	2,067	2,110
Total selling, general and administrative expenses	6,342	6,580
Operating profit	3,441	3,567
Non-operating income		
Interest income	6	11
Dividend income	291	271
Foreign exchange gains	98	—
Miscellaneous income	11	27
Total non-operating income	408	310
Non-operating expenses		
Interest expenses	8	8
Sales discounts	58	66
Foreign exchange losses	—	142
Loss on abandonment of inventories	35	25
Miscellaneous loss	1	8
Total non-operating expenses	103	251
Ordinary profit	3,746	3,626
Extraordinary income		
Subsidy income	—	44
Gain on sales of non-current assets	2	1
Total extraordinary income	2	45
Extraordinary losses		
Loss on retirement of non-current assets	10	7
Total extraordinary losses	10	7
Profit before income taxes	3,738	3,663
Income taxes	1,183	1,113
Profit	2,554	2,550
Profit attributable to non-controlling interests	13	16
Profit attributable to owners of parent	2,541	2,534

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	2,554	2,550
Other comprehensive income		
Valuation difference on available-for-sale securities	129	△695
Deferred gains or losses on hedges	△49	△2
Foreign currency translation adjustment	53	△22
Remeasurements of defined benefit plans, net of tax	10	11
Total other comprehensive income	144	△709
Comprehensive income	2,699	1,840
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,689	1,829
Comprehensive income attributable to non-controlling interests	9	11

## Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,738	3,663
Depreciation	1,080	1,061
Increase (decrease) in retirement benefit liability	29	12
Decrease (increase) in retirement benefit asset	22	12
Interest and dividend income	△298	△282
Interest expenses	8	8
Subsidy income	—	△44
Loss on retirement of property, plant and equipment	10	7
Decrease (increase) in trade receivables	585	2,714
Decrease (increase) in inventories	△8	210
Increase (decrease) in trade payables	△930	△2,322
Other, net	△649	△25
Subtotal	3,588	5,017
Interest and dividends received	298	282
Interest paid	△8	△9
Subsidies received	—	44
Income taxes (paid) refund	△1,665	△932
Net cash provided by (used in) operating activities	2,212	4,401
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△714	△732
Purchase of securities	—	△3,500
Payments for retirement of property, plant and equipment	△7	△1
Purchase of investment securities	△3	△4
Decrease (increase) in time deposits	△1,000	2,000
Other, net	4	16
Net cash provided by (used in) investing activities	△1,721	△2,221
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	—	△300
Proceeds from long-term borrowings	100	800
Repayments of long-term borrowings	△75	△874
Purchase of treasury shares	△0	△0
Dividends paid	△642	△642
Dividends paid to non-controlling interests	△3	△3
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of	△14	—
Other, net	△21	△12
Net cash provided by (used in) financing activities	△657	△1,032
Effect of exchange rate change on cash and cash equivalents	94	△108
Net increase (decrease) in cash and cash equivalents	△71	1,038
Cash and cash equivalents at beginning of period	26,872	27,441
Cash and cash equivalents at end of period	26,801	28,479