

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Consolidated operating results

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

	Nine months ended December 31, 2019		Nine months ended December 31, 2018	
		%		%
Net sales	38,160	(2.0)	38,919	3.5
Operating income	5,564	(6.0)	5,917	(4.1)
Ordinary income	5,760	(9.0)	6,331	(4.0)
Net income attributable to owners of the Parent	4,027	(7.1)	4,336	(3.9)
Basic earnings per share (Yen)	69.27		74.22	
Diluted earnings per share (Yen)	-		-	
Note: Comprehensive income	4,680 million yen	[205.3%]	1,532 million yen	[(76.3%)]

(2) Consolidated financial position

(Millions of yen)

	December 31, 2019	March 31, 2019
Total assets	91,618	92,191
Total equity	71,916	70,370
Ratio of equity attributable to owners of the Parent	77.6%	75.5%
Reference: Equity attributable to owners of the Parent	71,091 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: None

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)

	December 31, 2019	March 31, 2019
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	1,899,965 shares	527,764 shares

	Nine months ended December 31, 2019	Nine months ended December 31, 2018
Average number of shares outstanding during the period	58,145,828 shares	58,420,704 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	December 31, 2019
Assets		
Current assets		
Cash and deposits	26,641	17,221
Notes and accounts receivable - trade	14,496	13,144
Electronically recorded monetary claims - operating	2,149	1,949
Securities	3,800	12,000
Merchandise and finished goods	6,158	6,954
Work in process	47	46
Raw materials and supplies	3,233	3,113
Other	310	238
Allowance for doubtful accounts	△1	△0
Total current assets	56,836	54,667
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,327	5,154
Machinery, equipment and vehicles, net	4,506	3,778
Land	8,835	8,849
Construction in progress	112	659
Other, net	734	604
Total property, plant and equipment	19,515	19,045
Intangible assets	176	129
Investments and other assets		
Investment securities	14,390	16,786
Deferred tax assets	647	398
Other	627	593
Allowance for doubtful accounts	△3	△3
Total investments and other assets	15,662	17,775
Total non-current assets	35,355	36,950
Total assets	92,191	91,618
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,430	6,833
Electronically recorded obligations - operating	439	342
Short-term borrowings	1,930	1,930
Current portion of long-term borrowings	914	708
Income taxes payable	940	665
Provision for bonuses for directors (and other officers)	66	53
Other	3,985	3,997
Total current liabilities	16,707	14,530
Non-current liabilities		
Long-term borrowings	680	774
Deferred tax liabilities	23	33
Deferred tax liabilities for land revaluation	1,111	1,111
Provision for retirement benefits for directors (and other officers)	111	83
Retirement benefit liability	2,219	2,233
Asset retirement obligations	378	378
Provision for share-based remuneration	—	17
Other	587	539
Total non-current liabilities	5,113	5,172
Total liabilities	21,820	19,702

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2019	December 31, 2019
Net assets		
Shareholders' equity		
Share capital	6,867	6,867
Capital surplus	5,740	5,815
Retained earnings	51,798	54,480
Treasury shares	Δ322	Δ2,183
Total shareholders' equity	64,084	64,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,199	3,813
Deferred gains or losses on hedges	Δ4	Δ12
Revaluation reserve for land	2,533	2,533
Foreign currency translation adjustment	Δ93	Δ103
Remeasurements of defined benefit plans	Δ137	Δ119
Total accumulated other comprehensive income	5,498	6,111
Non-controlling interests	788	824
Total net assets	70,370	71,916
Total liabilities and net assets	92,191	91,618

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	38,919	38,160
Cost of sales	23,363	22,767
Gross profit	15,555	15,392
Selling, general and administrative expenses		
Transportation and storage costs	3,224	3,355
Advertising expenses	489	510
Salaries	1,681	1,675
Provision for bonuses for directors (and other officers)	51	55
Retirement benefit expenses	138	132
Provision for retirement benefits for directors (and other officers)	14	15
Research and development expenses	929	956
Other	3,108	3,127
Total selling, general and administrative expenses	9,638	9,828
Operating profit	5,917	5,564
Non-operating income		
Interest income	8	14
Dividend income	483	418
Foreign exchange gains	15	—
Miscellaneous income	58	31
Total non-operating income	565	463
Non-operating expenses		
Interest expenses	11	11
Sales discounts	92	99
Foreign exchange losses	—	120
Loss on abandonment of inventories	40	25
Miscellaneous loss	6	9
Total non-operating expenses	151	266
Ordinary profit	6,331	5,760
Extraordinary income		
Subsidy income	—	44
Gain on sales of non-current assets	3	1
Total extraordinary income	3	45
Extraordinary losses		
Loss on retirement of non-current assets	23	10
Total extraordinary losses	23	10
Profit before income taxes	6,311	5,796
Income taxes	1,938	1,730
Profit	4,372	4,065
Profit attributable to non-controlling interests	36	37
Profit attributable to owners of parent	4,336	4,027

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	4,372	4,065
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ2,880	616
Deferred gains or losses on hedges	Δ8	Δ8
Foreign currency translation adjustment	33	Δ10
Remeasurements of defined benefit plans, net of tax	16	17
Total other comprehensive income	Δ2,839	615
Comprehensive income	1,532	4,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,519	4,640
Comprehensive income attributable to non-controlling interests	13	39