

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

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

	Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2019	
		%		%
Net sales	51,564	(2.4)	52,813	4.0
Operating income	7,848	(2.5)	8,049	(1.4)
Ordinary income	8,022	(4.9)	8,431	(0.2)
Net income attributable to owners of the Parent	5,610	3.9	5,397	(18.4)
Basic earnings per share (Yen)	96.92		92.39	
Diluted earnings per share (Yen)	-		-	
Return on equity (%)	8.0		7.9	
Ratio of ordinary income to total assets (%)	8.3		9.2	
Ratio of operating income to net sales (%)	15.2		15.2	

Note: Comprehensive income 4,412 million yen [21.0%] 3,645 million yen [(52.8%)]

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

(2) Consolidated financial position

(Millions of yen)

	March 31, 2020	March 31, 2019
Total assets	100,896	92,191
Total equity	71,647	70,370
Ratio of equity attributable to owners of the Parent	70.2%	75.5%
Equity per share attributable to owners of the Parent (Yen)	1,241.76	1,191.07
Reference: Equity attributable to owners of the Parent	70,839 million yen	69,582 million yen

(3) Consolidated Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019
Operating activities	7,385	5,984
Investing activities	(6,018)	(4,174)
Financing activities	3,875	(1,294)
Cash and cash equivalents at the end of period	32,607	27,441

2 . Dividends

	Year ending March 31, 2021 (Forecast)	Year ending March 31, 2020	Year ending March 31, 2019
Annual cash dividends per share (Yen)			
1st quarter end	-	-	-
2nd quarter end	12.00	12.00	11.00
3rd quarter end	-	-	-
Fiscal year end	12.00	12.00	11.00
Total	24.00	24.00	22.00
Total amount of annual cash dividends (Millions of yen)		1,389	1,285
Consolidated dividend payout ratio (%)	-	24.8	23.8
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, 2021 (from April 1, 2020 to March 31, 2021)

The forecast of business results for the fiscal year ending March 31, 2021 has not yet been determined at the present moment, because of the effect of the worldwide spread of the novel coronavirus(COVID-19). We will carefully assess the impact and announce it promptly when we can disclose reasonable forecast.

4 . Others

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

	March 31, 2020	March 31, 2019
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	1,900,015 shares	527,764 shares

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019
Average number of shares outstanding during the period	57,892,498 shares	58,420,641 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)

	2019	2020
Assets		
Current assets		
Cash and deposits	26,641	26,607
Notes and accounts receivable - trade	14,496	13,057
Electronically recorded monetary claims - operating	2,149	2,095
Securities	3,800	11,000
Merchandise and finished goods	6,158	6,912
Work in process	47	47
Raw materials and supplies	3,233	3,100
Other	310	283
Allowance for doubtful accounts	△1	△0
Total current assets	56,836	63,103
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,327	5,148
Machinery, equipment and vehicles, net	4,506	3,929
Land	8,835	8,849
Construction in progress	112	736
Other, net	734	651
Total property, plant and equipment	19,515	19,315
Intangible assets		
Software	170	143
Other	5	0
Total intangible assets	176	143
Investments and other assets		
Investment securities	14,390	16,607
Long-term loans receivable	3	3
Deferred tax assets	647	1,159
Retirement benefit asset	230	201
Other	393	365
Allowance for doubtful accounts	△3	△3
Total investments and other assets	15,662	18,333
Total non-current assets	35,355	37,792
Total assets	92,191	100,896
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,430	6,530
Electronically recorded obligations - operating	439	415
Short-term borrowings	1,930	2,730
Current portion of long-term borrowings	914	693
Accrued expenses	1,423	1,396
Income taxes payable	940	1,356
Accrued consumption taxes	123	313
Provision for bonuses for directors (and other officers)	66	73
Notes payable - facilities	142	58
Electronically recorded obligations-facilities	28	53
Other	2,266	4,127
Total current liabilities	16,707	17,747

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	2019	2020
Non-current liabilities		
Long-term borrowings	680	7,157
Deferred tax liabilities	23	1
Deferred tax liabilities for land revaluation	1,111	1,111
Provision for retirement benefits for directors (and other office)	111	88
Retirement benefit liability	2,219	2,201
Asset retirement obligations	378	379
Provision for share-based remuneration	—	23
Other	587	537
Total non-current liabilities	5,113	11,500
Total liabilities	21,820	29,248
Net assets		
Shareholders' equity		
Share capital	6,867	6,867
Capital surplus	5,740	5,815
Retained earnings	51,798	56,063
Treasury shares	△322	△2,183
Total shareholders' equity	64,084	66,563
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,199	1,972
Deferred gains or losses on hedges	△4	△4
Revaluation reserve for land	2,533	2,533
Foreign currency translation adjustment	△93	△109
Remeasurements of defined benefit plans	△137	△115
Total accumulated other comprehensive income	5,498	4,276
Non-controlling interests	788	808
Total net assets	70,370	71,647
Total liabilities and net assets	92,191	100,896

Consolidated Statements of Income

(Millions of yen)

	2019	2020
Net sales	52,813	51,564
Cost of sales	31,681	30,479
Gross profit	21,132	21,085
Selling, general and administrative expenses		
Transportation and storage costs	4,373	4,532
Advertising expenses	649	674
Salaries	2,248	2,211
Provision for bonuses for directors (and other officers)	69	76
Retirement benefit expenses	177	170
Provision for retirement benefits for directors (and other offi	18	20
Research and development expenses	1,295	1,338
Other	4,251	4,212
Total selling, general and administrative expenses	13,083	13,236
Operating profit	8,049	7,848
Non-operating income		
Interest income	15	23
Dividend income	543	476
Miscellaneous income	86	35
Total non-operating income	645	535
Non-operating expenses		
Interest expenses	15	14
Loss on sales of notes receivable - trade	0	0
Sales discounts	130	137
Foreign exchange losses	10	174
Loss on abandonment of inventories	47	25
Donations	50	—
Miscellaneous loss	7	9
Total non-operating expenses	262	362
Ordinary profit	8,431	8,022
Extraordinary income		
Gain on sales of non-current assets	3	1
Gain on sales of investment securities	—	5
Subsidy income	—	44
Total extraordinary income	3	50
Extraordinary losses		
Loss on retirement of non-current assets	25	19
Loss on valuation of investment securities	593	—
Total extraordinary losses	619	19
Profit before income taxes	7,815	8,053
Income taxes - current	2,284	2,401
Income taxes - deferred	75	7
Total income taxes	2,360	2,408
Profit	5,455	5,644
Profit attributable to non-controlling interests	57	33
Profit attributable to owners of parent	5,397	5,610

Consolidated Statements of Comprehensive Income

(Millions of yen)

	2019	2020
Profit	5,455	5,644
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ1,810	Δ1,237
Deferred gains or losses on hedges	Δ22	Δ0
Foreign currency translation adjustment	34	Δ16
Remeasurements of defined benefit plans, net of tax	Δ11	22
Total other comprehensive income	Δ1,809	Δ1,231
Comprehensive income	3,645	4,412
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,605	4,389
Comprehensive income attributable to non-controlling interests	40	22

Consolidated Statements of Cash Flows

(Millions of yen)

	2019	2020
Cash flows from operating activities		
Profit before income taxes	7,815	8,053
Depreciation	2,281	2,189
Increase (decrease) in retirement benefit liability	16	13
Decrease (increase) in retirement benefit asset	44	29
Interest and dividend income	△558	△500
Interest expenses	15	14
Loss (gain) on valuation of investment securities	593	—
Loss (gain) on sales of investment securities	—	△5
Subsidy income	—	△44
Loss on retirement of property, plant and equipment	25	19
Loss (gain) on sales of property, plant and equipment	△3	△1
Decrease (increase) in trade receivables	△1,136	1,459
Decrease (increase) in inventories	△1,028	△631
Increase (decrease) in trade payables	655	△1,902
Increase (decrease) in accrued consumption taxes	△117	189
Other, net	△157	△9
Subtotal	8,447	8,874
Interest and dividends received	558	500
Interest paid	△16	△16
Subsidies received	—	44
Income taxes paid	△3,005	△2,017
Net cash provided by (used in) operating activities	5,984	7,385
Cash flows from investing activities		
Purchase of securities	△1,000	△4,000
Proceeds from redemption of securities	—	1,000
Purchase of property, plant and equipment	△2,124	△1,479
Proceeds from sales of property, plant and equipment	5	2
Payments for retirement of property, plant and equipment	△20	△13
Purchase of investment securities	△7	△2,506
Proceeds from sales and redemption of investment securities	—	6
Loan advances	△0	△0
Collection of loans receivable	1	0
Decrease (increase) in time deposits	△1,000	1,000
Other, net	△28	△27
Net cash provided by (used in) investing activities	△4,174	△6,018
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	800
Proceeds from long-term borrowings	100	7,200
Repayments of long-term borrowings	△146	△945
Purchase of treasury shares	△0	△1,786
Dividends paid	△1,285	△1,345
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	55	△44
Net cash provided by (used in) financing activities	△1,294	3,875
Effect of exchange rate change on cash and cash equivalents	52	△76
Net increase (decrease) in cash and cash equivalents	568	5,166
Cash and cash equivalents at beginning of period	26,872	27,441
Cash and cash equivalents at end of period	27,441	32,607