

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results

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

	Three months ended June 30, 2020		Three months ended June 30, 2019	
		%		%
Net sales	11,592	(9.6)	12,823	3.7
Operating income	1,262	(27.0)	1,729	11.6
Ordinary income	1,441	(19.2)	1,782	(4.5)
Net income attributable to owners of the Parent	946	(21.8)	1,209	(2.0)
Basic earnings per share (Yen)	16.82		20.71	
Diluted earnings per share (Yen)	-		-	
Note: Comprehensive income	1,868 million yen	[552.8%]	286 million yen	[(59.8%)]

(2) Consolidated financial position

(Millions of yen)

	June 30, 2020	March 31, 2020
Total assets	97,337	100,896
Total equity	71,222	71,647
Ratio of equity attributable to owners of the Parent	72.4%	70.2%
Reference: Equity attributable to owners of the Parent	70,425 million yen	70,839 million yen

2 . Dividends

	Year ending March 31, 2021 (Forecast)	Year ending March 31, 2021	Year ended March 31, 2020
Annual cash dividends per share (Yen)			
1st quarter end		-	-
2nd quarter end	12.00		12.00
3rd quarter end	-		-
Fiscal year end	12.00		12.00
Total	24.00		24.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3 . Forecast of consolidated operating results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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

	Six months ending September 30, 2020	Year ending March 31, 2021
	%	%
Net sales		48,000 (6.9)
Operating income		6,300 (19.7)
Ordinary income		6,600 (17.7)
Net income attributable to owners of the Parent		4,600 (18.0)
Basic earnings per share (Yen)		82.82

Note: Revisions to the consolidated operating results forecasts most recently announced: Yes

4 . Others

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

	June 30, 2020	March 31, 2020
Number of issued shares including treasury shares	55,877,263 shares	58,948,063 shares
Number of treasury shares	337,995 shares	1,900,015 shares

	Three months ended June 30, 2020	Three months ended June 30, 2019
Average number of shares outstanding during the period	56,293,678 shares	58,420,299 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, 2020	June 30, 2020
Assets		
Current assets		
Cash and deposits	26,607	23,888
Notes and accounts receivable - trade	13,057	11,496
Electronically recorded monetary claims - operating	2,095	1,949
Securities	11,000	10,995
Merchandise and finished goods	6,912	6,905
Work in process	47	38
Raw materials and supplies	3,100	2,911
Other	283	329
Allowance for doubtful accounts	Δ0	Δ0
Total current assets	63,103	58,514
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,148	5,071
Machinery, equipment and vehicles, net	3,929	3,677
Land	8,849	8,849
Construction in progress	736	1,233
Other, net	651	595
Total property, plant and equipment	19,315	19,427
Intangible assets	143	128
Investments and other assets		
Investment securities	16,607	17,955
Deferred tax assets	1,159	745
Other	570	569
Allowance for doubtful accounts	Δ3	Δ3
Total investments and other assets	18,333	19,266
Total non-current assets	37,792	38,822
Total assets	100,896	97,337
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,530	5,521
Electronically recorded obligations - operating	415	407
Short-term borrowings	2,730	2,530
Current portion of long-term borrowings	693	500
Income taxes payable	1,356	501
Other	6,022	4,317
Total current liabilities	17,747	13,778
Non-current liabilities		
Long-term borrowings	7,157	8,008
Deferred tax liabilities	1	6
Deferred tax liabilities for land revaluation	1,111	1,111
Provision for retirement benefits for directors (and other officers)	88	64
Retirement benefit liability	2,201	2,207
Asset retirement obligations	379	379
Provision for share-based remuneration	23	22
Other	537	536
Total non-current liabilities	11,500	12,336
Total liabilities	29,248	26,115

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2020	June 30, 2020
Net assets		
Shareholders' equity		
Share capital	6,867	6,867
Capital surplus	5,815	5,740
Retained earnings	56,063	52,985
Treasury shares	△2,183	△375
Total shareholders' equity	66,563	65,218
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,972	2,903
Deferred gains or losses on hedges	△4	△2
Revaluation reserve for land	2,533	2,533
Foreign currency translation adjustment	△109	△118
Remeasurements of defined benefit plans	△115	△108
Total accumulated other comprehensive income	4,276	5,207
Non-controlling interests	808	796
Total net assets	71,647	71,222
Total liabilities and net assets	100,896	97,337

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	12,823	11,592
Cost of sales	7,777	7,179
Gross profit	5,046	4,413
Selling, general and administrative expenses		
Transportation and storage costs	1,110	1,142
Advertising expenses	219	101
Salaries	575	558
Retirement benefit expenses	46	44
Provision for retirement benefits for directors (and other offi	5	5
Research and development expenses	291	280
Other	1,068	1,019
Total selling, general and administrative expenses	3,317	3,151
Operating profit	1,729	1,262
Non-operating income		
Interest income	3	8
Dividend income	215	198
Miscellaneous income	4	19
Total non-operating income	223	226
Non-operating expenses		
Interest expenses	4	7
Sales discounts	33	32
Foreign exchange losses	99	6
Loss on abandonment of inventories	25	—
Miscellaneous loss	6	0
Total non-operating expenses	170	47
Ordinary profit	1,782	1,441
Extraordinary income		
Subsidy income	44	35
Gain on sales of non-current assets	1	—
Gain on sales of investment securities	—	4
Total extraordinary income	45	39
Extraordinary losses		
Loss on retirement of non-current assets	0	14
Total extraordinary losses	0	14
Profit before income taxes	1,827	1,466
Income taxes	617	529
Profit	1,209	936
Profit attributable to non-controlling interests	Δ0	Δ10
Profit attributable to owners of parent	1,209	946

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,209	936
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ917	932
Deferred gains or losses on hedges	13	2
Foreign currency translation adjustment	Δ24	Δ8
Remeasurements of defined benefit plans, net of tax	5	6
Total other comprehensive income	Δ923	932
Comprehensive income	286	1,868
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	292	1,877
Comprehensive income attributable to non-controlling interests	Δ5	Δ8