

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on November 11, 2019.

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and cash equivalents	17,530	17,358
Trade and other receivables	21,707	21,184
Inventories	12,949	12,807
Income taxes receivable	12	12
Other financial assets	471	548
Other current assets	894	764
Total current assets	53,564	52,676
Non-current assets		
Property, plant and equipment	32,597	34,525
Goodwill	72	13,707
Intangible assets	1,761	1,915
Investments accounted for using equity method	6,357	6,386
Other financial assets	6,997	8,123
Deferred tax assets	457	453
Other non-current assets	748	646
Total non-current assets	48,992	65,759
Total assets	102,557	118,435

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities and equity		
Current liabilities		
Trade and other payables	16,650	13,480
Bonds and borrowings	2,768	18,429
Income taxes payable	552	321
Other financial liabilities	38	1,003
Provisions	315	31
Other current liabilities	3,908	3,944
Total current liabilities	24,232	37,210
Non-current liabilities		
Bonds and borrowings	7,635	7,590
Retirement benefit liability	1,623	734
Other financial liabilities	145	1,641
Deferred tax liabilities	470	219
Other non-current liabilities	316	2,733
Total non-current liabilities	10,192	12,920
Total liabilities	34,424	50,130
Equity		
Share capital	10,951	10,951
Capital surplus	3,092	3,103
Retained earnings	53,147	54,535
Treasury shares	-1,346	-1,287
Other components of equity	2,026	754
Total equity attributable to owners of parent	67,871	68,057
Non-controlling interests	261	247
Total equity	68,132	68,304
Liabilities and equity	102,557	118,435

(2) Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Revenue	48,299	46,234
Cost of sales	33,835	32,332
Gross profit	14,463	13,901
Selling, general and administrative expenses	10,428	10,882
Other income	158	115
Other expenses	193	598
Share of profit of investments accounted for using equity method	417	317
Operating profit	4,417	2,854
Finance income	422	227
Finance costs	69	399
Profit before tax	4,769	2,681
Income tax expense	1,129	550
Profit	3,640	2,131
Profit attributable to		
Owners of parent	3,621	2,122
Non-controlling interests	18	8
Profit	3,640	2,131
Earnings per share		
Basic earnings per share	79.07	46.25

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before tax	4,769	2,681
Depreciation and amortization	2,243	2,878
Interest and dividend income	−144	−210
Interest expenses	60	82
Share of loss (profit) of investments accounted for using equity method	−417	−317
Loss (gain) on sale and retirement of fixed assets	137	65
Decrease (increase) in inventories	−61	228
Decrease (increase) in trade and other receivables	−1,292	805
Increase (decrease) in trade and other payables	463	−1,885
Increase (decrease) in retirement benefit liability	−104	−878
Increase in equity instruments due to retirement benefit trust return	−	−1,355
Increase (decrease) in provisions	−	−283
Increase (decrease) in other non-current liabilities	27	2,375
Other	−266	141
Subtotal	5,414	4,328
Interest and dividends received	283	340
Interest paid	−59	−85
Income taxes paid	−1,087	−1,184
Income taxes refund	9	2
Net cash provided by (used in) operating activities	4,559	3,401
Cash flows from investing activities		
Payments into time deposits	−243	−340
Proceeds from withdrawal of time deposits	326	235
Purchase of property, plant and equipment	−2,370	−2,725
Proceeds from sale of property, plant and equipment	22	7
Purchase of intangible assets	−276	−328
Purchase of equity instruments	−10	−11
Proceeds from sale of equity instruments	30	30
Payments for acquisition of subsidiaries	−	−9,291
Other	−42	29
Net cash provided by (used in) investing activities	−2,563	−12,394

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	57	15,700
Repayments of long-term borrowings	-60	-5,325
Repayments of lease obligations	-	-611
Purchase of treasury shares	-0	-0
Proceeds from sale of treasury shares	47	54
Dividends paid to owners of parent	-687	-734
Dividends paid to non-controlling interests	-17	-15
Other	-16	-
Net cash provided by (used in) financing activities	-677	9,066
Effect of exchange rate changes on cash and cash equivalents	117	-244
Net increase (decrease) in cash and cash equivalents	1,436	-171
Cash and cash equivalents at beginning of period	18,476	17,530
Cash and cash equivalents	19,913	17,358

(4)Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	3,640	2,131
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	6	−163
Share of other comprehensive income of investments accounted for using equity method	−0	5
Total	5	−157
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	222	−939
Share of other comprehensive income of investments accounted for using equity method	3	−180
Total	226	−1,120
Total other comprehensive income	231	−1,278
Comprehensive income	3,871	852
Comprehensive income attributable to		
Owners of parent	3,836	850
Non-controlling interests	35	1
Comprehensive income	3,871	852

(5) Consolidated Statement of Changes in Equity

Six months ended September 30, 2018

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent		
Balance at beginning of period	10,951	3,060	49,442	-1,433	2,952	64,974	235	65,209
Profit			3,621			3,621	18	3,640
Other comprehensive income					214	214	16	231
Comprehensive income	-	-	3,621	-	214	3,836	35	3,871
Dividends of surplus			-687			-687	-17	-704
Purchase of treasury shares				-0		-0		-0
Disposal of treasury shares		6		41		47		47
Share-based remuneration transactions		3		12		15		15
Transfer from other components of equity to retained earnings			10		-10	-		-
Total	-	10	-677	52	-10	-624	-17	-642
Balance at end of period	10,951	3,071	52,387	-1,380	3,156	68,185	252	68,438

Six months ended September 30, 2019

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent		
Balance at beginning of period	10,951	3,092	53,147	-1,346	2,026	67,871	261	68,132
Profit			2,122			2,122	8	2,131
Other comprehensive income					-1,271	-1,271	-6	-1,278
Comprehensive income	-	-	2,122	-	-1,271	850	1	852
Dividends of surplus			-734			-734	-15	-750
Purchase of treasury shares				-0		-0		-0
Disposal of treasury shares		-2		56		54		54
Share-based remuneration transactions		12		3		16		16
Transfer from other components of equity to retained earnings						-		-
Total	-	10	-734	59	-	-664	-15	-680
Balance at end of period	10,951	3,103	54,535	-1,287	754	68,057	247	68,304