

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 12, 2020.

(1) Consolidated statement of financial position

(Millions of yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 17,530 | 14,493 |
| Trade and other receivables | 21,707 | 20,103 |
| Inventories | 12,949 | 12,851 |
| Income taxes receivable | 12 | 17 |
| Other financial assets | 471 | 634 |
| Other current assets | 894 | 722 |
| Total current assets | 53,564 | 48,822 |
| Non-current assets | | |
| Property, plant and equipment | 32,597 | 33,913 |
| Goodwill | 72 | 8,594 |
| Intangible assets | 1,761 | 4,798 |
| Investments accounted for using equity method | 6,357 | 6,039 |
| Other financial assets | 6,997 | 7,010 |
| Deferred tax assets | 457 | 524 |
| Other non-current assets | 748 | 594 |
| Total non-current assets | 48,992 | 61,474 |
| Total assets | 102,557 | 110,297 |

(Millions of yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 16,650 | 13,483 |
| Bonds and borrowings | 2,768 | 6,774 |
| Income taxes payable | 552 | 348 |
| Other financial liabilities | 38 | 998 |
| Provisions | 315 | 26 |
| Other current liabilities | 3,908 | 4,198 |
| Total current liabilities | 24,232 | 25,829 |
| Non-current liabilities | | |
| Bonds and borrowings | 7,635 | 14,700 |
| Retirement benefit liability | 1,623 | 777 |
| Other financial liabilities | 145 | 1,611 |
| Deferred tax liabilities | 470 | 932 |
| Other non-current liabilities | 316 | 2,537 |
| Total non-current liabilities | 10,192 | 20,558 |
| Total liabilities | 34,424 | 46,387 |
| Equity | | |
| Share capital | 10,951 | 10,951 |
| Capital surplus | 3,092 | 3,075 |
| Retained earnings | 53,147 | 52,301 |
| Treasury shares | -1,346 | -1,692 |
| Other components of equity | 2,026 | -988 |
| Total equity attributable to owners of parent | 67,871 | 63,648 |
| Non-controlling interests | 261 | 261 |
| Total equity | 68,132 | 63,909 |
| Liabilities and equity | 102,557 | 110,297 |

(2) Consolidated Statement of Income

(Millions of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Revenue | 94,318 | 90,247 |
| Cost of sales | 66,755 | 63,181 |
| Gross profit | 27,562 | 27,065 |
| Selling, general and administrative expenses | 21,059 | 21,813 |
| Other income | 327 | 245 |
| Other expenses | 920 | 4,123 |
| Share of profit of investments accounted for using equity method | 905 | 682 |
| Operating profit | 6,815 | 2,056 |
| Finance income | 487 | 407 |
| Finance costs | 135 | 368 |
| Profit before tax | 7,166 | 2,095 |
| Income tax expense | 1,676 | 1,394 |
| Profit | 5,490 | 700 |
| Profit attributable to | | |
| Owners of parent | 5,457 | 682 |
| Non-controlling interests | 33 | 18 |
| Profit | 5,490 | 700 |
| Earnings per share | | |
| Basic earnings per share | 119.09 | 14.93 |

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit | 5,490 | 700 |
| 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 | -828 | -845 |
| Remeasurements of defined benefit plans | -373 | -27 |
| Share of other comprehensive income of investments accounted for using equity method | 31 | -49 |
| Total | -1,170 | -921 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | -96 | -1,617 |
| Share of other comprehensive income of investments accounted for using equity method | 20 | -535 |
| Total | -76 | -2,153 |
| Total other comprehensive income | -1,246 | -3,075 |
| Comprehensive income | 4,244 | -2,374 |
| Comprehensive income attributable to | | |
| Owners of parent | 4,200 | -2,390 |
| Non-controlling interests | 43 | 16 |
| Comprehensive income | 4,244 | -2,374 |

(4) Consolidated Statement of Changes in Equity

(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 | | | 5,457 | | | 5,457 | 33 | 5,490 |
| Other comprehensive income | | | | | -1,256 | -1,256 | 10 | -1,246 |
| Total | — | — | 5,457 | — | -1,256 | 4,200 | 43 | 4,244 |
| Dividends of surplus | | | -1,421 | | | -1,421 | -17 | -1,439 |
| Purchase of treasury shares | | | | -2 | | -2 | | -2 |
| Disposal of treasury shares | | 14 | | 84 | | 98 | | 98 |
| Change in treasury shares arising from change in equity in entities accounted for using equity method | | | | -7 | | -7 | | -7 |
| Share-based payment transactions | | 18 | | 12 | | 30 | | 30 |
| Transfer from other components of equity to retained earnings | | | -330 | | 330 | — | | — |
| Total | — | 32 | -1,751 | 86 | 330 | -1,302 | -17 | -1,320 |
| Balance at end of period | 10,951 | 3,092 | 53,147 | -1,346 | 2,026 | 67,871 | 261 | 68,132 |
| Profit | | | 682 | | | 682 | 18 | 700 |
| Other comprehensive income | | | | | -3,073 | -3,073 | -2 | -3,075 |
| Total | — | — | 682 | — | -3,073 | -2,390 | 16 | -2,374 |
| Dividends of surplus | | | -1,470 | | | -1,470 | -15 | -1,486 |
| Purchase of treasury shares | | | | -475 | | -475 | | -475 |
| Disposal of treasury shares | | -12 | | 126 | | 113 | | 113 |
| Change in treasury shares arising from change in equity in entities accounted for using equity method | | | | | | — | | — |
| Share-based payment transactions | | -3 | | 3 | | -0 | | -0 |
| Transfer from other components of equity to retained earnings | | | -58 | | 58 | — | | — |
| Total | — | -16 | -1,529 | -345 | 58 | -1,832 | -15 | -1,848 |
| Balance at end of period | 10,951 | 3,075 | 52,301 | -1,692 | -988 | 63,648 | 261 | 63,909 |

(5) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 7,166 | 2,095 |
| Depreciation and amortization | 4,489 | 5,995 |
| Impairment losses | 166 | 3,274 |
| Interest and dividend income | -301 | -376 |
| Interest expenses | 117 | 164 |
| Share of loss (profit) of investments accounted for using equity method | -905 | -682 |
| Loss (gain) on sale and retirement of fixed assets | 281 | 165 |
| Decrease (increase) in inventories | -851 | 47 |
| Decrease (increase) in trade and other receivables | -288 | 1,743 |
| Increase (decrease) in trade and other payables | -1,544 | -2,417 |
| Increase (decrease) in retirement benefit liability | 224 | -816 |
| Increase in equity instruments due to retirement benefit trust return | — | -1,355 |
| Changes in the amount of allowance | 315 | -288 |
| Increase / decrease in other non-current liabilities | 41 | 2,178 |
| Other | -911 | 515 |
| Subtotal | 7,998 | 10,243 |
| Interest and dividends received | 701 | 784 |
| Interest paid | -116 | -167 |
| Income taxes paid | -1,986 | -2,015 |
| Income taxes refund | 5 | 2 |
| Net cash provided by (used in) operating activities | 6,602 | 8,847 |
| Cash flows from investing activities | | |
| Payments into time deposits | -441 | -796 |
| Proceeds from withdrawal of time deposits | 432 | 607 |
| Purchase of property, plant and equipment | -3,986 | -4,274 |
| Proceeds from sale of property, plant and equipment | 29 | 72 |
| Purchase of intangible assets | -568 | -617 |
| Purchase of equity instruments | -21 | -24 |
| Proceeds from sale of equity instruments | 31 | 182 |
| Payments for acquisition of subsidiaries | — | -9,291 |
| Other | -51 | 18 |
| Net cash provided by (used in) investing activities | -4,575 | -14,122 |

(Millions of yen)

| | Fiscal year ended March 31, 2019 | Fiscal year ended March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | — | 2,608 |
| Proceeds from long-term borrowings | — | 10,500 |
| Repayments of long-term borrowings | -1,772 | -7,270 |
| Repayments of lease liabilities | — | -1,265 |
| Purchase of treasury shares | -1 | -472 |
| Proceeds from sale of treasury shares | 98 | 113 |
| Dividends paid to owners of parent | -1,421 | -1,470 |
| Dividends paid to non-controlling interests | -17 | -15 |
| Other | -19 | — |
| Net cash provided by (used in) financing activities | -3,133 | 2,726 |
| Effect of exchange rate changes on cash and cash equivalents | 159 | -488 |
| Net increase (decrease) in cash and cash equivalents | -946 | -3,036 |
| Cash and cash equivalents at beginning of period | 18,476 | 17,530 |
| Cash and cash equivalents at end of period | 17,530 | 14,493 |