# Gun Ei Chemical Industry Co., Ltd.

## **Consolidated Financial Statements**

#### **Consolidated balance sheets**

As of March 31, 2019 and 2020

Assets  Current assets  Current assets  Cash and deposits  Notes and accounts receivable-trade  8,418  7,532  Short-term investment securities  1,900  Merchandise and finished goods  Work in process  Raw materials and supplies  Allowance for doubtful accounts  Total current assets  Property, plant and equipment  Buildings and structures  Buildings and structures, net  Accumulated depreciation and impairment loss  Buildings and structures, net  Accumulated depreciation and impairment loss  Machinery, equipment and vehicles, net  Land  Accumulated depreciation and impairment loss  Capable  Lease assets, net  Land  7,969  7,969  7,969  Construction in progress  Accumulated depreciation and impairment loss  Capable  Accumulated depreciation and impairment loss  Capable  Construction in progress  783  34  Other  Construction in progress  783  34  Other  Total property, plant and equipment  19,185  Intangible assets  Intangible assets  Investments and other assets  11,139  7,067  Total intangible assets  10,046  Other  10,106  7,067  7,069  7,06		Unit : Millions of yen		
Current assets         5,475         6,400           Notes and accounts receivable-trade         8,418         7,532           Short-term investment securities         1,900         3,199           Merchandise and finished goods         2,179         2,266           Work in process         596         679           Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969         7,969           Lease assets, net         27		March 31,	March 31,	
Cash and deposits         5,475         6,400           Notes and accounts receivable-trade         8,418         7,532           Short-term investment securities         1,900         3,199           Merchandise and finished goods         2,179         2,266           Work in process         596         679           Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Accumulated depriciation and impairment loss         (61,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss	Assets			
Notes and accounts receivable-trade         8,418         7,532           Short-term investment securities         1,900         3,199           Merchandise and finished goods         2,179         2,266           Work in process         596         679           Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)	Current assets			
Short-term investment securities         1,900         3,199           Merchandise and finished goods         2,179         2,266           Work in process         596         679           Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Land         7,969         7,969         7,969           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)	Cash and deposits	5,475	6,400	
Merchandise and finished goods         2,179         2,266           Work in process         596         679           Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,006           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         18           Accumulated depreciation and impairment loss         (84)         (95)     <		8,418	7,532	
Work in process         596         679           Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Property, plant and equipment         40,174         6,606           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113 </td <td>Short-term investment securities</td> <td>1,900</td> <td>3,199</td>	Short-term investment securities	1,900	3,199	
Raw materials and supplies         1,165         1,133           Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Property, plant and equipment         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,6	Merchandise and finished goods	2,179	2,266	
Other         309         231           Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         22,418         22,864           Property, plant and equipment         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         <	Work in process	596	679	
Allowance for doubtful accounts         (0)         (3)           Total current assets         20,044         21,440           Non-current assets         20,044         21,440           Non-current assets         20,044         21,440           Property, plant and equipment         8         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment	Raw materials and supplies	1,165	1,133	
Total current assets	Other	309	231	
Non-current assets   Property, plant and equipment	Allowance for doubtful accounts	(0)	(3)	
Property, plant and equipment         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185     <	Total current assets	20,044	21,440	
Buildings and structures         22,418         22,864           Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         363         404	Non-current assets			
Accumulated depreciation and impairment loss         (16,244)         (16,258)           Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404	Property, plant and equipment			
Buildings and structures, net         6,174         6,606           Machinery, equipment and vehicles         31,644         32,701           Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts <td>Buildings and structures</td> <td>22,418</td> <td>22,864</td>	Buildings and structures	22,418	22,864	
Machinery, equipment and vehicles       31,644       32,701         Accumulated depreciation and impairment loss       (27,848)       (28,918)         Machinery, equipment and vehicles, net       3,796       3,782         Land       7,969       7,969         Lease assets       111       185         Accumulated depreciation and impairment loss       (84)       (95)         Lease assets, net       27       90         Construction in progress       783       34         Other       2,956       3,113         Accumulated depreciation and impairment loss       (2,521)       (2,640)         Other, net       434       473         Total property, plant and equipment       19,185       18,956         Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets	Accumulated depreciation and impairment loss	(16,244)	(16,258)	
Accumulated depreciation and impairment loss         (27,848)         (28,918)           Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           Today         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139	Buildings and structures, net	6,174	6,606	
Machinery, equipment and vehicles, net         3,796         3,782           Land         7,969         7,969           7,969         7,969         7,969           Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Machinery, equipment and vehicles	31,644	32,701	
Land       7,969       7,969         Lease assets       111       185         Accumulated depreciation and impairment loss       (84)       (95)         Lease assets, net       27       90         Construction in progress       783       34         Other       2,956       3,113         Accumulated depreciation and impairment loss       (2,521)       (2,640)         Other, net       434       473         Total property, plant and equipment       19,185       18,956         Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       9,655       8,185         Deferred tax assets       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Accumulated depreciation and impairment loss	(27,848)	(28,918)	
Lease assets         111         185           Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Machinery, equipment and vehicles, net	3,796	3,782	
Accumulated depreciation and impairment loss         (84)         (95)           Lease assets, net         27         90           Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Land	7,969	7,969	
Lease assets, net       27       90         Construction in progress       783       34         Other       2,956       3,113         Accumulated depreciation and impairment loss       (2,521)       (2,640)         Other, net       434       473         Total property, plant and equipment       19,185       18,956         Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Lease assets	111	185	
Construction in progress         783         34           Other         2,956         3,113           Accumulated depreciation and impairment loss         (2,521)         (2,640)           Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Accumulated depreciation and impairment loss	(84)	(95)	
Other       2,956       3,113         Accumulated depreciation and impairment loss       (2,521)       (2,640)         Other, net       434       473         Total property, plant and equipment       19,185       18,956         Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Lease assets, net	27	90	
Accumulated depreciation and impairment loss       (2,521)       (2,640)         Other, net       434       473         Total property, plant and equipment       19,185       18,956         Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Construction in progress	783	34	
Other, net         434         473           Total property, plant and equipment         19,185         18,956           Intangible assets         629         481           Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Other	2,956	3,113	
Total property, plant and equipment       19,185       18,956         Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Accumulated depreciation and impairment loss	(2,521)	(2,640)	
Intangible assets         Goodwill       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       1nvestment securities       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Other, net	434	473	
Intangible assets       629       481         Other       50       71         Total intangible assets       679       552         Investments and other assets       8,185         Investment securities       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Total property, plant and equipment	19,185	18,956	
Other         50         71           Total intangible assets         679         552           Investments and other assets         9,655         8,185           Investment securities         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185				
Total intangible assets       679       552         Investments and other assets       9,655       8,185         Investment securities       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Goodwill	629	481	
Investments and other assets         9,655         8,185           Deferred tax assets         363         404           Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Other	50	71	
Investment securities       9,655       8,185         Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Total intangible assets	679	552	
Deferred tax assets       363       404         Other       1,196       1,162         Allowance for doubtful accounts       (76)       (75)         Total investments and other assets       11,139       9,677         Total non-current assets       31,004       29,185	Investments and other assets			
Other         1,196         1,162           Allowance for doubtful accounts         (76)         (75)           Total investments and other assets         11,139         9,677           Total non-current assets         31,004         29,185	Investment securities	9,655	8,185	
Allowance for doubtful accounts  Total investments and other assets  Total non-current assets  (76)  (75)  11,139  9,677  31,004  29,185	Deferred tax assets	363	404	
Total investments and other assets 11,139 9,677  Total non-current assets 31,004 29,185	Other	1,196	1,162	
Total investments and other assets 11,139 9,677  Total non-current assets 31,004 29,185	Allowance for doubtful accounts	(76)	(75)	
Total non-current assets         31,004         29,185				
	Total assets	51,048	50,626	

	Un	Unit : Millions of yen		
	March 31, 2019	March 31, 2020		
Liabilities				
Current liabilities				
Accounts payable-trade	3,915	3,603		
Current portion of long-term loans payable	600	450		
Accounts payable-other	1,485	1,610		
Income taxes payable	98	295		
Provision for bonuses	305	339		
Other	123	114		
Total current liabilities	6,528	6,413		
Non-current liabilities				
Long-term loans payable	450	_		
Deferred tax liabilities	96	100		
Provision for environmental measures	7	7		
Provision for assets removal	24	22		
Retirement benefit liability	1,741	1,543		
Other	454	518		
Total non-current liabilities	2,774	2,192		
Total liabilities	9,302	8,605		
Net assets				
Shareholders' equity				
Capital stock	5,000	5,000		
Capital surplus	25,690	25,690		
Retained earnings	14,118	14,934		
Treasury shares	(5,474)	(5,975)		
Total shareholders' equity	39,334	39,649		
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	915	554		
Deferred gains or losses on hedges	(0)	(0)		
Foreign currency translation adjustment	86	217		
Remeasurements of defined benefit plans	(53)	(2)		
Total accumulated other comprehensive income	948	769		
Non-controlling interests	1,463	1,601		
Total net assets	41,746	42,020		
Total liabilities and net assets	51,048	50,626		

## **Consolidated Statements of income and statements of comprehensive income**

#### **Consolidated Statements of income**

For the fiscal year ended March 31, 2019 and 2020

Net sales         April 2018 - March 2019 - March 2020           Cost of sales         27,636         26,983           Gross profit         5,242         5,828           Selling, general and administrative expenses         3,627         3,891           Operating income         1,614         1,936           Non-operating income         58         56           Dividends income         33         56           Dividends income         276         250           Non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14         8           Total non-operating expenses         5         45           Ordinary income         1,836         2,141           Extraordinary income         1,836         2,141           Extraordinary income         1,836         2,141           Extraordinary income         3         168           Extraordinary income         9         125           Extraordinary income         9         125           Loss on disposal o		Uni	it: Millions of yen
Net sales         27,636         26,983           Cost of sales         22,393         21,155           Gross profit         5,242         5,828           Selling, general and administrative expenses         3,627         3,891           Operating income         1,614         1,936           Non-operating income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         1,836         2,141           Extraordinary income         3         168           Extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71		April 2018	April 2019
Cost of sales         22,393         21,155           Gross profit         5,242         5,828           Selling, general and administrative expenses         3,627         3,891           Operating income         1,614         1,936           Non-operating income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Interest expenses         4         2           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Reversal of provision for retirement benefits         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99		- March 2019	- March 2020
Gross profit         5,242         5,828           Selling, general and administrative expenses         3,627         3,891           Operating income         1,614         1,936           Non-operating income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Interest expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         1,836         2,141           Extraordinary income         3         168           Extraordinary lose         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary lose         99         125           Loss on disposal of non-current assets         71         232	Net sales	27,636	26,983
Selling, general and administrative expenses         3,627         3,891           Operating income         1,614         1,936           Non-operating income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Interest expenses         4         2           Interest expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         1,836         2,141           Extraordinary income         3         168           Extraordinary loss         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1	Cost of sales	22,393	21,155
Operating income         1,614         1,936           Non-operating income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Reversal of provision for retirement benefits         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359<	Gross profit	5,242	5,828
Non-operating income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         4         25           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Reversal of provision for retirement benefits         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668	Selling, general and administrative expenses	3,627	3,891
Interest income         58         56           Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         -         250           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Gain on sales of investment securities         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950<	Operating income	1,614	1,936
Dividends income         134         137           Other         83         56           Total non-operating income         276         250           Non-operating expenses         36         20           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         1         37           Gain on sales of investment securities         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-deferred         8 <td< td=""><td>Non-operating income</td><td></td><td></td></td<>	Non-operating income		
Other         83         56           Total non-operating income         276         250           Non-operating expenses         36         250           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Reversal of provision for retirement benefits         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-deferred         8         24           Total income taxes         393	Interest income	58	56
Total non-operating income         276         250           Non-operating expenses         4         2           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         —         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         —         131           Reversal of provision for retirement benefits         —         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes         393         465           Profit         1,275	Dividends income	134	137
Non-operating expenses         4         2           Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         -         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98	Other	83	56
Interest expenses         4         2           Litigation expenses         36         20           Foreign exchange losses         —         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         8         2,141           Extraordinary income         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income before income taxes         1,668         1,950           Income taxes-current         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Total non-operating income	276	250
Litigation expenses         36         20           Foreign exchange losses         —         14           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         —         131           Gain on sales of investment securities         —         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Non-operating expenses		
Foreign exchange losses         -         14         8           Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         -         131           Gain on sales of investment securities         -         131           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Interest expenses	4	2
Other         14         8           Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         Reversal of provision for retirement benefits         —         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Litigation expenses	36	20
Total non-operating expenses         55         45           Ordinary income         1,836         2,141           Extraordinary income         Reversal of provision for retirement benefits         ———————————————————————————————————	Foreign exchange losses	_	14
Ordinary income         1,836         2,141           Extraordinary income         Reversal of provision for retirement benefits         ———————————————————————————————————	Other	14	8
Extraordinary income         —         131           Gain on sales of investment securities         1         37           Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Total non-operating expenses	55	45
Reversal of provision for retirement benefits       —       131         Gain on sales of investment securities       1       37         Other       1       0         Total extraordinary income       3       168         Extraordinary loss       99       125         Loss on disposal of non-current assets       71       232         Other       0       1         Total extraordinary losses       170       359         Income before income taxes       1,668       1,950         Income taxes-current       384       440         Income taxes-deferred       8       24         Total income taxes       393       465         Profit       1,275       1,485         Profit attributable to non-controlling interests       98       115	Ordinary income	1,836	2,141
Gain on sales of investment securities       1       37         Other       1       0         Total extraordinary income       3       168         Extraordinary loss       99       125         Loss on disposal of non-current assets       71       232         Other       0       1         Total extraordinary losses       170       359         Income before income taxes       1,668       1,950         Income taxes-current       384       440         Income taxes-deferred       8       24         Total income taxes       393       465         Profit       1,275       1,485         Profit attributable to non-controlling interests       98       115	Extraordinary income		
Other         1         0           Total extraordinary income         3         168           Extraordinary loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Reversal of provision for retirement benefits	_	131
Total extraordinary income         3         168           Extraordinary loss         Impairment loss         99         125           Loss on disposal of non-current assets         71         232           Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Gain on sales of investment securities	1	37
Extraordinary loss         Impairment loss       99       125         Loss on disposal of non-current assets       71       232         Other       0       1         Total extraordinary losses       170       359         Income before income taxes       1,668       1,950         Income taxes-current       384       440         Income taxes-deferred       8       24         Total income taxes       393       465         Profit       1,275       1,485         Profit attributable to non-controlling interests       98       115	Other	1	0
Impairment loss       99       125         Loss on disposal of non-current assets       71       232         Other       0       1         Total extraordinary losses       170       359         Income before income taxes       1,668       1,950         Income taxes-current       384       440         Income taxes-deferred       8       24         Total income taxes       393       465         Profit       1,275       1,485         Profit attributable to non-controlling interests       98       115	Total extraordinary income	3	168
Loss on disposal of non-current assets       71       232         Other       0       1         Total extraordinary losses       170       359         Income before income taxes       1,668       1,950         Income taxes-current       384       440         Income taxes-deferred       8       24         Total income taxes       393       465         Profit       1,275       1,485         Profit attributable to non-controlling interests       98       115	Extraordinary loss		
Other         0         1           Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Impairment loss	99	125
Total extraordinary losses         170         359           Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Loss on disposal of non-current assets	71	232
Income before income taxes         1,668         1,950           Income taxes-current         384         440           Income taxes-deferred         8         24           Total income taxes         393         465           Profit         1,275         1,485           Profit attributable to non-controlling interests         98         115	Other	0	1
Income taxes-current384440Income taxes-deferred824Total income taxes393465Profit1,2751,485Profit attributable to non-controlling interests98115	Total extraordinary losses	170	359
Income taxes-deferred824Total income taxes393465Profit1,2751,485Profit attributable to non-controlling interests98115	Income before income taxes	1,668	1,950
Total income taxes393465Profit1,2751,485Profit attributable to non-controlling interests98115	Income taxes-current	384	440
Profit1,2751,485Profit attributable to non-controlling interests98115	Income taxes-deferred	8	24
Profit attributable to non-controlling interests 98 115	Total income taxes	393	465
	Profit	1,275	1,485
Profit attributable to owners of parent 1,176 1,370	Profit attributable to non-controlling interests	98	115
	Profit attributable to owners of parent	1,176	1,370

## Consolidated Statements of comprehensive income

For the fiscal year ended March 31, 2019 and 2020

	Un	it: Millions of yen
	April 2018	April 2019
	- March 2019	- March 2020
Profit	1,275	1,485
Other comprehensive income		
Valuation difference on available-for-sale securities	(842)	(347)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(66)	221
Remeasurements of defined benefit plans, net of tax	(14)	50
Total other comprehensive income	(923)	(74)
Comprehensive income	351	1,410
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	277	1,191
Comprehensive income attributable to non-controlling interests	73	219

## **Consolidated Statements of Changes in Net Assets**

For the fiscal year ended March 31, 2019

(Unit: Millions of yen)

Q1 :	1 1	1 1			• .
Share	hΩl	М	orc'	20	111111
Share	ш	u	$\sim$	CU	uitv

				•	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,000	25,690	13,496	(5,463)	38,723
Changes of items during the period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			1,176		1,176
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		0		0	0
Total changes of items during the period	_	0	622	(10)	611
Balance at the end of the period	5,000	25,690	14,118	(5,474)	39,334

. 1 . 1	.1			
Accumulated	other	compre	hensive	income

7 Iccuii	recumulated other comprehensive meome				
Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non- controlling interests	
1,758	(0)	127	(39)	1,383	
(842)	0	(41)	(14)	79	
(842)	0	(41)	(14)	79	
915	(0)	86	(53)	1,463	

Balance at the beginning of the period
Changes of items during the period
Net changes of items other than
shareholders' equity
Total changes of items during the period
Balance at the end of the period

(Unit: Millions of yen)

Shareholders' equity

			1	3	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,000	25,690	14,118	(5,474)	39,334
Changes of items during the period					
Dividends from surplus			(554)		(554)
Profit attributable to owners of parent			1,370		1,370
Purchase of treasury shares				(501)	(501)
Total changes of items during the period	_	_	815	(501)	314
Balance at the end of the period	5,000	25,690	14,934	(5,975)	39,649

	Accum	Accumulated other comprehensive income				
	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Non- controlling interests	
Balance at the beginning of the period Changes of items during the period	915	(0)	86	(53)	1,463	
Net changes of items other than shareholders' equity	(360)	0	131	50	138	
Total changes of items during the period	(360)	0	131	50	138	
Balance at the end of the period	554	(0)	217	(2)	1,601	

### **Consolidated Statements of Cash Flows**

For the fiscal year ended March 31, 2019 and 2020

	Un	it: Millions of yen
	April 2018	April 2019
	- March 2019	- March 2020
Net cash provided by (used in) operating activities		
Income before income taxes	1,668	1,950
Depreciation	1,435	1,616
Impairment loss	99	125
Amortization of goodwill	111	148
Increase (decrease) in net defined benefit liability	36	(201)
Interest and dividends income	(193)	(194)
Interest expenses	4	2
Decrease (increase) in notes and accounts receivable-trade	(314)	949
Decrease (increase) in inventories	(57)	(116)
Increase (decrease) in notes and accounts payable - trade	(26)	(324)
Other, net	(77)	449
Subtotal	2,685	4,405
Interest and dividends income received	188	196
Interest expenses paid	(4)	(2)
Income taxes paid	(641)	(263)
Net cash provided by (used in) operating activities	2,227	4,336
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	3,500	200
Purchase of securities	(1,299)	(1,299)
Proceeds from redemption of securities	1,200	2,400
Purchase of property, plant and equipment	(2,566)	(1,490)
Purchase of investment securities	(905)	(1,103)
Proceeds from sales and redemption of investment securities	801	582
Payments for transfer of business	(987)	_
Other, net	3	(36)
Net cash provided by (used in) investing activities	(254)	(748)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(600)	(600)
Proceeds from share issuance to non-controlling shareholders	84	_
Net decrease (increase) in treasury shares	(10)	(501)
Cash dividends paid	(552)	(553)
Dividends paid to non-controlling interests	(78)	(80)
Net cash provided by (used in) financing activities	(1,157)	(1,735)
Effect of exchange rate change on cash and cash equivalents	(33)	71
Net increase (decrease) in cash and cash equivalents	781	1,924
Cash and cash equivalents at beginning of period	4,778	5,560
Cash and cash equivalents at end of period	5,560	7,485
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