

# Financial Statements (Consolidated)



## Consolidated Balance Sheets

(Unit: ¥ million)

	2019/12	2020/12		2019/12	2020/12
<b>Assets</b>			<b>Liabilities</b>		
Current assets			Current liabilities		
Cash and deposits	3,414	3,736	Notes and accounts payable - trade	2,418	2,031
Notes and accounts receivable-trade	5,084	5,418	Short-term loans payable	6,991	6,558
Merchandise and finished goods	3,041	2,642	Accounts payable - other	645	522
Work in process	490	355	Income taxes payable	297	192
Raw materials and supplies	1,647	1,475	Provision for bonuses	30	31
Other	784	870	Provision for sales rebates	38	42
Allowance for doubtful accounts	(26)	(55)	Provision for sales returns	17	16
Total current assets	14,436	14,441	Provision for loss on compensation for damage	137	46
Non-current assets			Other	1,321	1,365
Property, plant and equipment			Total current liabilities	11,899	10,807
Buildings and structures, net	1,380	1,295	Non-current liabilities		
Machinery, equipment and vehicles, net	773	677	Long-term loans payable	9,150	8,673
Land	1,128	1,012	Long-term deposits received	210	173
Leased assets, net	461	391	Retirement benefit liability	244	280
Construction in progress	11	0	Deferred tax liabilities	942	938
Other, net	291	245	Other	470	341
Total property, plant and equipment	4,047	3,623	Total non-current liabilities	11,017	10,408
Intangible assets			Total liabilities	22,917	21,215
Goodwill	6,848	6,497	<b>Net assets</b>		
Software	101	100	Shareholders' equity		
Customer relation assets	2,878	2,780	Capital stock	461	461
Other	316	293	Capital surplus	2,410	2,410
Total intangible assets	10,144	9,672	Retained earnings	4,059	4,680
Investments and other assets			Treasury shares	(162)	(162)
Investment securities	586	648	Total shareholders' equity	6,769	7,390
Shares of subsidiaries and associates	30	29	Accumulated other comprehensive income		
Deferred tax assets	157	141	Valuation difference on available-for-sale securities	6	90
Other	321	290	Foreign currency translation adjustment	(671)	(557)
Total investments and other assets	1,095	1,110	Remeasurements of defined benefit plans	(19)	(41)
Total non-current assets	15,288	14,406	Total accumulated other comprehensive income	(685)	(509)
Total assets	29,724	28,848	Non-controlling interests	724	751
			Total net assets	6,807	7,632
			Total liabilities and net assets	29,724	28,848

## Consolidated Statements of Income

(Unit: ¥ million)

	2019/12	2020/12
Net sales	21,909	20,288
Cost of sales	12,520	10,824
Gross profit	9,389	9,464
Selling, general and administrative expenses	8,312	7,951
Operating income	1,077	1,512
Non-operating income		
Interest income	17	15
Dividend income	10	11
Technical support fee income	42	—
Subsidy income	—	5
Insurance premiums refunded cancellation	16	—
Share of profit of entities accounted for using equity method	—	7
Other	27	32
Total non-operating income	114	72
Non-operating expenses		
Interest expenses	234	181
Foreign exchange losses	22	47
Commission expenses	76	0
Share of loss of entities accounted for using equity method	13	—
Other	6	10
Total non-operating expenses	353	239
Ordinary income	837	1,346
Extraordinary income		
Gain on sales of non-current assets	4	4
Gain on liquidation of subsidiaries	—	154
Total extraordinary income	4	159
Extraordinary losses		
Loss on retirement of non-current assets	—	1
Loss on valuation of inventories	77	—
Loss on abandonment of inventories	—	7
Impairment loss	114	61
Loss on valuation of investment securities	—	59
Provision for loss on compensation for damage	137	—
Other	38	—
Total extraordinary losses	367	129
Profit before income taxes	475	1,376
Income taxes-current	666	512
Income taxes for prior periods-income taxes	65	—
Income taxes-deferred	(273)	(28)
Total income taxes	459	484
Profit	16	891
Profit attributable to non-controlling interests	11	54
Profit attributable to owners of parent	4	837

## Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	2019/12	2020/12
Profit	16	891
Other comprehensive income		
Valuation difference on available-for-sale securities	62	84
Foreign currency translation adjustment	(523)	108
Remeasurements of defined benefit plans, net of tax	(1)	(39)
Total other comprehensive income	(462)	153
Comprehensive income	(446)	1,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(439)	995
Comprehensive income attributable to non-controlling interests	(6)	49

## Consolidated Statements of Cash Flows

(Unit: ¥ million)

	2019/12	2020/12
Cash flows from operating activities		
Profit before income taxes	475	1,376
Depreciation	912	842
Amortization of goodwill	572	570
Impairment loss	114	61
Increase (decrease) in net defined benefit liability	13	36
Retirement benefit expenses	16	—
Increase (decrease) in allowance for doubtful accounts	(8)	28
Increase (decrease) in provision for sales returns	1	(1)
Increase (decrease) in provision for sales rebates	0	3
Increase (decrease) in provision for bonuses	(3)	0
Interest and dividend income	(27)	(26)
Interest expenses	234	181
Commission expenses	76	—
Foreign exchange losses (gains)	19	(18)
Share of loss (profit) of entities accounted for using equity method	13	(7)
Technical support fee income	(42)	—
Loss (gain) on sales of non-current assets	(4)	(4)
Compensation for damage	156	—
Decrease (increase) in notes and accounts receivable-trade	(11)	(307)
Loss (gain) on liquidation of subsidiaries	—	(154)
Loss (gain) on valuation of investment securities	—	59
Decrease (increase) in inventories	906	736
Increase (decrease) in notes and accounts payable - trade	(41)	(391)
Increase (decrease) in accounts payable-other	(80)	(47)
Other, net	24	(150)
Subtotal	3,318	2,786
Interest and dividend income received	27	21
Interest expenses paid	(234)	(176)
Compensation for damage paid	(19)	(92)
Retirement benefit expenses	(16)	—
Income taxes paid	(725)	(601)
Proceeds from technical support fee income	42	—
Net cash provided by (used in) operating activities	2,392	1,937
Cash flows from investing activities		
Payments into time deposits	(390)	(377)
Proceeds from withdrawal of time deposits	414	306
Purchase of property, plant and equipment	(426)	(217)
Proceeds from sales of property, plant and equipment	9	224
Purchase of intangible assets	(74)	(75)
Purchase of investment securities	(0)	—
Purchase of shares of subsidiaries	—	(96)
Other, net	4	(23)
Net cash provided by (used in) investing activities	(464)	(258)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(6,625)	(155)
Proceeds from long-term loans payable	7,937	2,779
Repayments of long-term loans payable	(1,800)	(3,576)
Repayments of lease obligations	(145)	(151)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(216)	(216)
Dividends paid to non-controlling interests	(48)	(19)
Other, net	4	(0)
Net cash provided by (used in) financing activities	(893)	(1,339)
Effect of exchange rate change on cash and cash equivalents	(17)	(139)
Net increase (decrease) in cash and cash equivalents	1,016	199
Cash and cash equivalents at beginning of period	2,294	3,328
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	17	—
Cash and cash equivalents at end of period	3,328	3,527

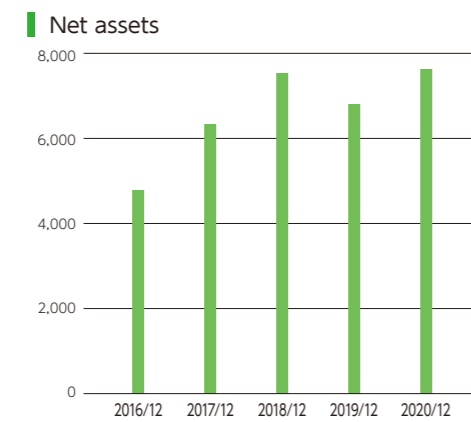
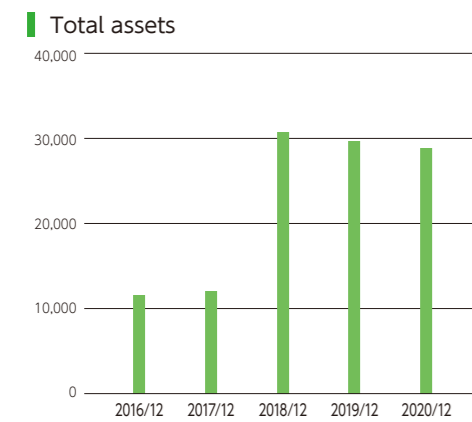
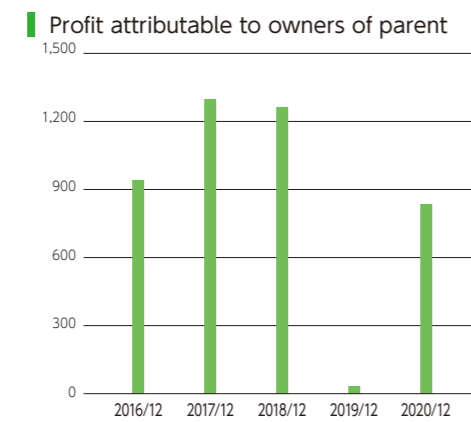
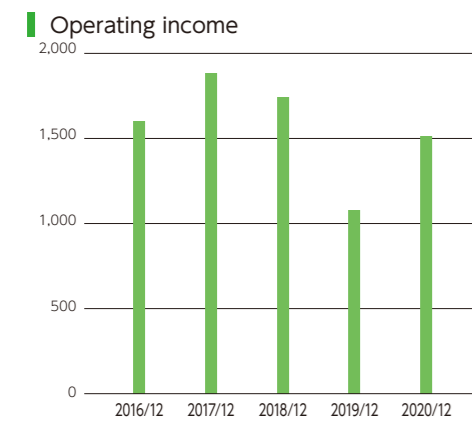
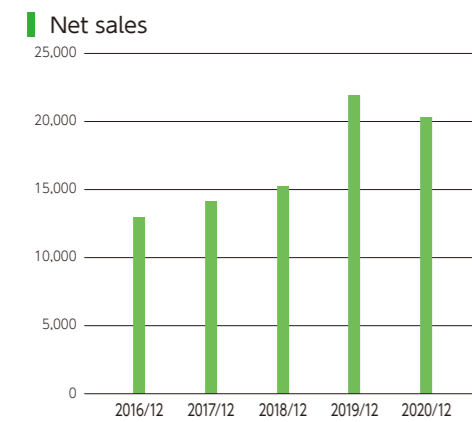


Fact Book 2020

## Financial Highlights (Consolidated)

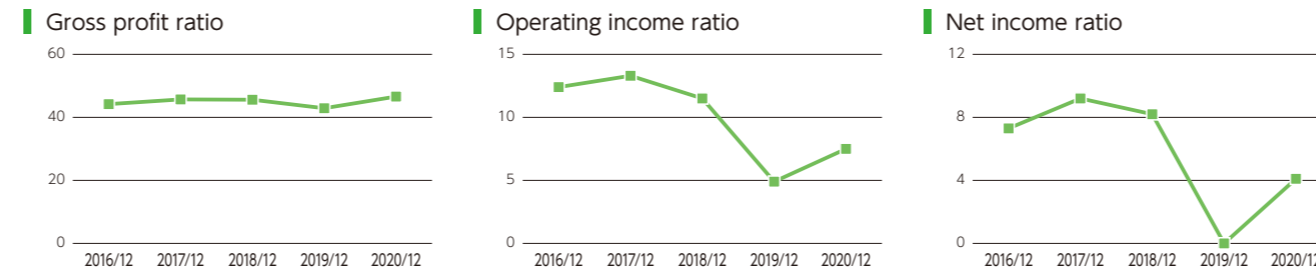
(Unit: ¥ million)

	2016/12	2017/12	2018/12	2019/12	2020/12
Net sales	12,938	14,118	15,278	21,909	20,288
Gross profit	5,716	6,455	6,968	9,389	9,464
Operating income	1,603	1,882	1,743	1,077	1,512
Profit attributable to owners of parent	942	1,298	1,261	4	837
Total assets	11,547	12,094	30,684	29,724	28,848
Net assets	4,785	6,333	7,532	6,807	7,632



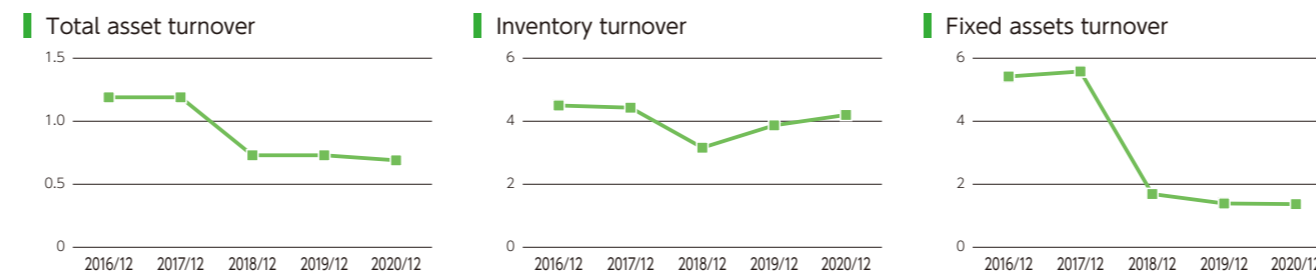
## Management Indicators (Consolidated)

### Profitability (Unit: %)



	2016/12	2017/12	2018/12	2019/12	2020/12
Gross profit ratio	44.2	45.7	45.6	42.9	46.6
Operating income ratio	12.4	13.3	11.4	4.9	7.5
Net income ratio	7.3	9.2	8.3	0.0	4.1

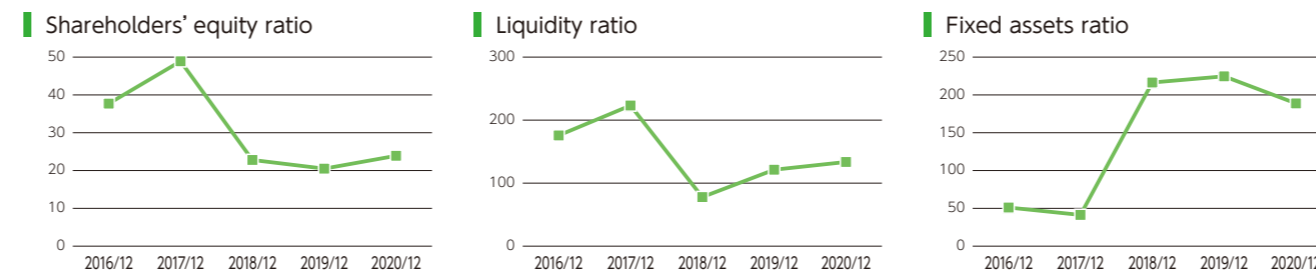
### Efficiency (Unit: times)



	2016/12	2017/12	2018/12	2019/12	2020/12
Total asset turnover	1.19	1.19	0.71	0.73	0.69
Inventory turnover	4.51	4.43	3.16	3.87	4.20
Fixed assets turnover	5.42	5.58	1.62	1.39	1.37

Note: The amount of total assets, inventory and fixed assets are calculated using the average of the figures at the beginning and end of the period.

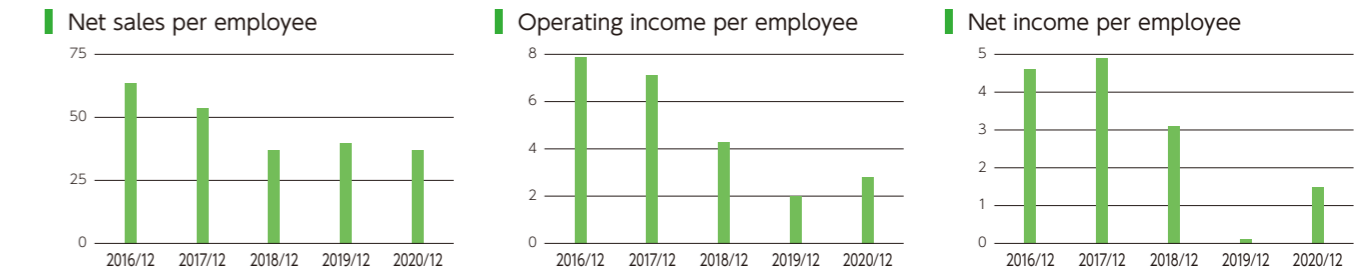
### Stability (Unit: %)



	2016/12	2017/12	2018/12	2019/12	2020/12
Shareholders' equity ratio	37.7	48.9	22.0	20.5	23.9
Liquidity ratio	175.7	223.2	77.9	121.3	133.6
Fixed assets ratio	51.1	41.3	216.4	224.6	188.8



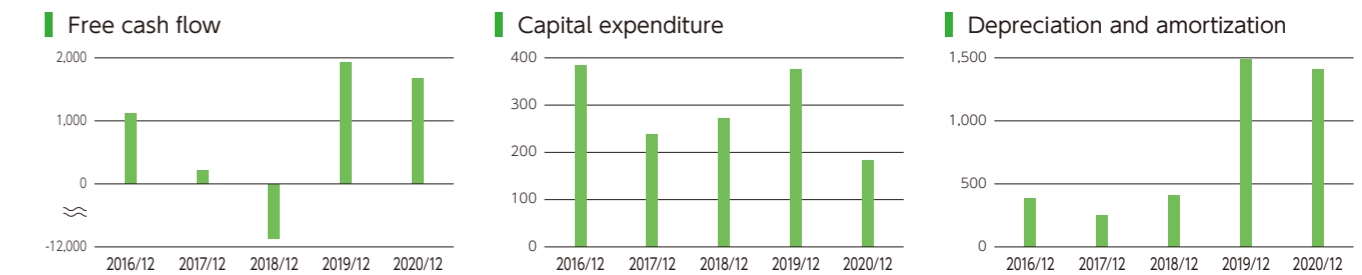
### Productivity (Unit: ¥ million)



	2016/12	2017/12	2018/12	2019/12	2020/12
Net sales per employee	63.6	53.6	37.2	39.9	37.1
Operating income per employee	7.9	7.1	4.2	2.0	2.8
Net income per employee	4.6	4.9	3.1	0.0	1.5
Number of employees (persons)	246	281	541	556	537
(Average number of part time employees)	95	100	121	112	92

Note: Net sales per employee, operating income per employee and net income per employee are calculated using the average number of employees during the period.

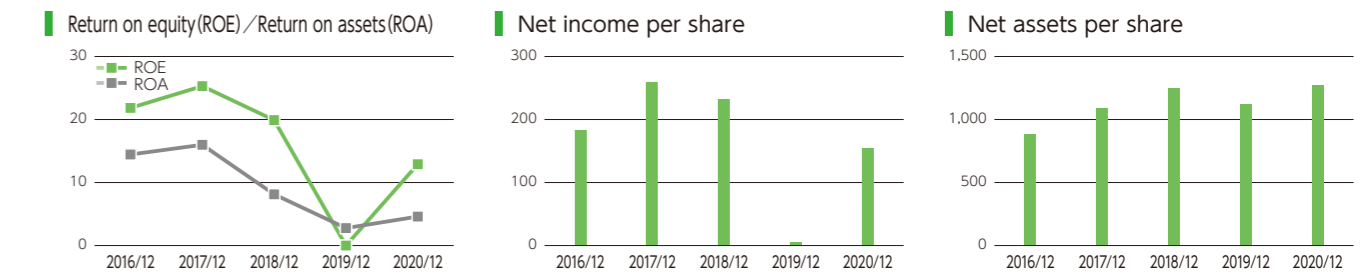
### Cash Flows (Unit: ¥ million)



	2016/12	2017/12	2018/12	2019/12	2020/12
Free cash flow	1,124	207	(10,420)	1,928	1,679
Capital expenditure	385	239	272	375	184
Depreciation and amortization	358	246	411	1,484	1,412

Note: Free cash flow= cash flows from operating activities + cash flows from investing activities

### Other Investment Indicators/Indicators per share (Unit: %/yen)



	2016/12	2017/12	2018/12	2019/12	2020/12
Return on equity (ROE) (%)	21.90	25.28	19.91	0.06	12.91
Return on assets (ROA) (%)	14.45	15.99	8.13	2.77	4.60
Net income per share (yen)	183.24	260.05	233.13	0.87	154.76
Net assets per share (yen)	883.44	1,092.73	1,247.26	1,124.13	1,271.42

Notes: Shareholder's equity and total assets are calculated using the average of the figures at the beginning and end of the period.