

Financial Statements (Consolidated)



Consolidated Balance Sheets

(Unit: ¥ million)

	2020/12	2021/12		2020/12	2021/12
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	3,736	3,651	Notes and accounts payable - trade	2,031	3,076
Notes and accounts receivable-trade	5,418	5,281	Short-term loans payable	6,558	4,728
Merchandise and finished goods	2,642	2,682	Accounts payable - other	522	617
Work in process	355	605	Income taxes payable	192	465
Raw materials and supplies	1,475	1,687	Provision for bonuses	31	33
Other	870	643	Provision for sales rebates	42	35
Allowance for doubtful accounts	(55)	(54)	Provision for sales returns	16	16
Total current assets	14,441	14,498	Provision for loss on compensation for damage	46	21
Non-current assets			Other	1,365	1,343
Property, plant and equipment			Total current liabilities	10,807	10,340
Buildings and structures, net	1,295	1,222	Non-current liabilities		
Machinery, equipment and vehicles, net	677	698	Long-term loans payable	8,673	7,401
Land	1,012	1,037	Long-term deposits received	173	8
Leased assets, net	391	507	Retirement benefit liability	280	161
Other, net	245	242	Deferred tax liabilities	938	916
Total property, plant and equipment	3,623	3,708	Other	341	370
Intangible assets			Total non-current liabilities	10,408	8,859
Goodwill	6,497	6,085	Total liabilities	21,215	19,199
Software	100	98	Net assets		
Customer relation assets	2,780	2,651	Shareholders' equity		
Other	293	357	Capital stock	461	461
Total intangible assets	9,672	9,193	Capital surplus	2,410	2,404
Investments and other assets			Retained earnings	4,680	5,907
Investment securities	648	370	Treasury shares	(162)	(433)
Shares of subsidiaries and associates	29	74	Total shareholders' equity	7,390	8,339
Deferred tax assets	141	173	Accumulated other comprehensive income		
Other	290	301	Valuation difference on available-for-sale securities	90	83
Total investments and other assets	1,110	920	Foreign currency translation adjustment	(557)	(172)
Total non-current assets	14,406	13,822	Remeasurements of defined benefit plans	(41)	45
Total assets	28,848	28,321	Total accumulated other comprehensive income	(509)	(43)
			Non-controlling interests	751	825
			Total net assets	7,632	9,122
			Total liabilities and net assets	28,848	28,321

Consolidated Statements of Income

(Unit: ¥ million)

	2020/12	2021/12
Net sales	20,288	22,657
Cost of sales	10,824	11,969
Gross profit	9,464	10,687
Selling, general and administrative expenses	7,951	8,705
Operating income	1,512	1,982
Non-operating income		
Interest income	15	11
Dividend income	11	7
Subsidy income	5	—
Insurance fee income	—	29
Foreign exchange gains	—	82
Share of profit of entities accounted for using equity method	7	7
Other	32	35
Total non-operating income	72	174
Non-operating expenses		
Interest expenses	181	171
Foreign exchange losses	47	—
Commission for purchase of treasury shares	0	2
Other	10	13
Total non-operating expenses	239	186
Ordinary income	1,346	1,969
Extraordinary income		
Gain on sales of investment securities	—	78
Gain on sales of non-current assets	4	3
Gain on sale of businesses	—	234
Gain on liquidation of subsidiaries	154	—
Total extraordinary income	159	316
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Loss on abandonment of inventories	7	—
Impairment loss	61	8
Loss on valuation of investment securities	59	18
Loss on valuation of shares of subsidiaries and associates	—	7
Total extraordinary losses	129	36
Profit before income taxes	1,376	2,249
Income taxes-current	512	838
Income taxes-deferred	(28)	(122)
Total income taxes	484	716
Profit	891	1,532
Profit attributable to non-controlling interests	54	89
Profit attributable to owners of parent	837	1,443

Consolidated Statements of Comprehensive Income

(Unit: ¥ million)

	2020/12	2021/12
Profit	891	1,532
Other comprehensive income		
Valuation difference on available-for-sale securities	84	(6)
Foreign currency translation adjustment	108	430
Remeasurements of defined benefit plans, net of tax	(39)	87
Total other comprehensive income	153	510
Comprehensive income	1,044	2,043
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	995	1,909
Comprehensive income attributable to non-controlling interests	49	134

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	2020/12	2021/12
Cash flows from operating activities		
Profit before income taxes	1,376	2,249
Depreciation	842	825
Amortization of goodwill	570	591
Loss (gain) on sale of businesses	—	(234)
Loss (gain) on valuation of investment securities	—	(78)
Loss (gain) on liquidation of subsidiaries	(154)	—
Loss (gain) on sales of non-current assets	(4)	(3)
Impairment loss	61	8
Loss (gain) on valuation of investment securities	59	18
Share of loss (profit) of entities accounted for using equity method	(7)	(7)
Insurance claim income	—	(29)
Interest and dividend income	(26)	(19)
Share-based remuneration expenses	—	22
Foreign exchange losses (gains)	(18)	10
Interest expenses	181	171
Increase (decrease) in net defined benefit liability	36	(121)
Increase (decrease) in allowance for doubtful accounts	28	(2)
Increase (decrease) in provision for sales returns	(1)	(0)
Increase (decrease) in provision for sales rebates	3	(6)
Increase (decrease) in provision for bonuses	0	2
Decrease (increase) in trade receivables	(307)	209
Decrease (increase) in inventories	736	(429)
Increase (decrease) in trade payables	(391)	996
Increase (decrease) in accounts payable-other	(47)	13
Other, net	(150)	132
Subtotal	2,786	4,320
Interest and dividends received	21	24
Interest paid	(176)	(173)
Compensation for damage paid	(92)	(25)
Income taxes paid	(601)	(570)
Proceeds from insurance income	—	29
Net cash provided by (used in) operating activities	1,937	3,603
Cash flows from investing activities		
Payments into time deposits	(377)	(390)
Proceeds from withdrawal of time deposits	306	476
Purchase of property, plant and equipment	(217)	(259)
Proceeds from sales of property, plant and equipment	224	6
Purchase of intangible assets	(75)	(146)
Proceeds from sales of investment securities	—	288
Proceeds from sales of shares of subsidiaries and associates	—	12
Purchase of shares of subsidiaries	(96)	(0)
Proceeds from sale of businesses	—	234
Other, net	(23)	0
Net cash provided by (used in) investing activities	(258)	221
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(155)	(1,801)
Proceeds from long-term borrowings	2,779	—
Repayments of long-term borrowings	(3,576)	(1,416)
Repayments of lease obligations	(151)	(146)
Purchase of treasury shares	(0)	(299)
Dividends paid	(216)	(215)
Dividends paid to non-controlling interests	(19)	(55)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,339)	(3,936)
Effect of exchange rate change on cash and cash equivalents	(139)	97
Net increase (decrease) in cash and cash equivalents	199	(12)
Cash and cash equivalents at beginning of period	3,328	3,527
Cash and cash equivalents at end of period	3,527	3,514



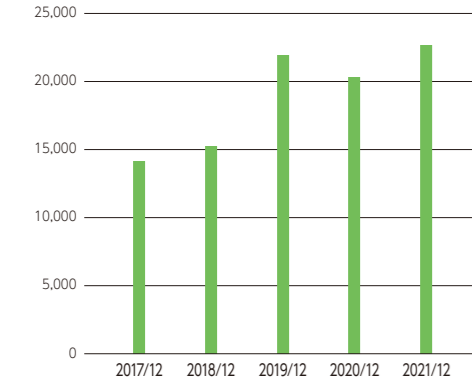
Fact Book 2021

Financial Highlights (Consolidated)

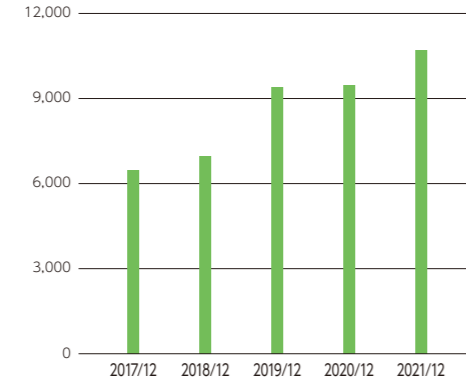
(Unit: ¥ million)

	2017/12	2018/12	2019/12	2020/12	2021/12
Net sales	14,118	15,278	21,909	20,288	22,657
Gross profit	6,455	6,968	9,389	9,464	10,687
Operating income	1,882	1,743	1,077	1,512	1,982
Profit attributable to owners of parent	1,298	1,261	4	837	1,443
Total assets	12,094	30,684	29,724	28,848	28,321
Net assets	6,333	7,532	6,807	7,632	9,122

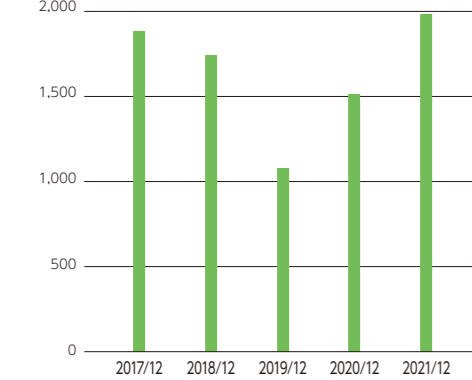
Net sales



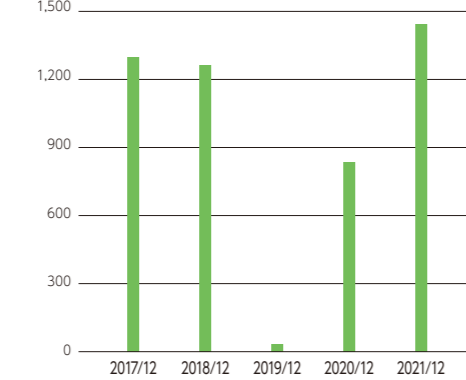
Gross profit



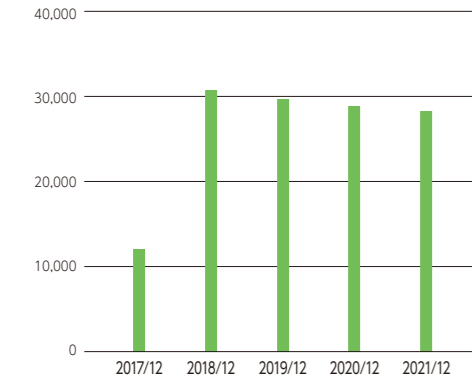
Operating income



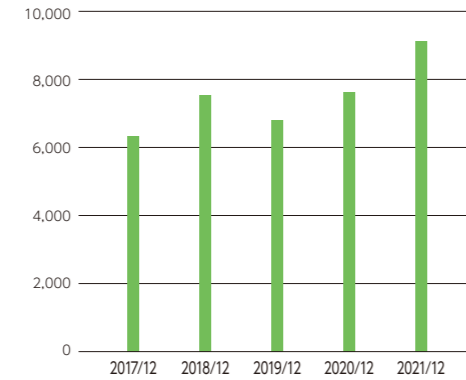
Profit attributable to owners of parent



Total assets

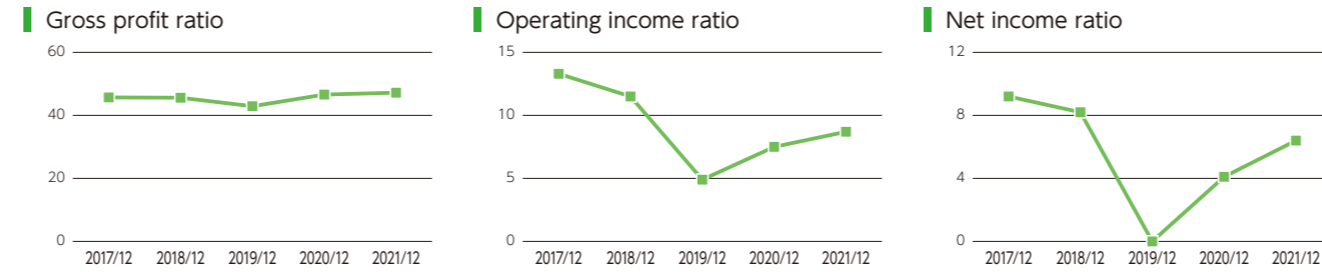


Net assets



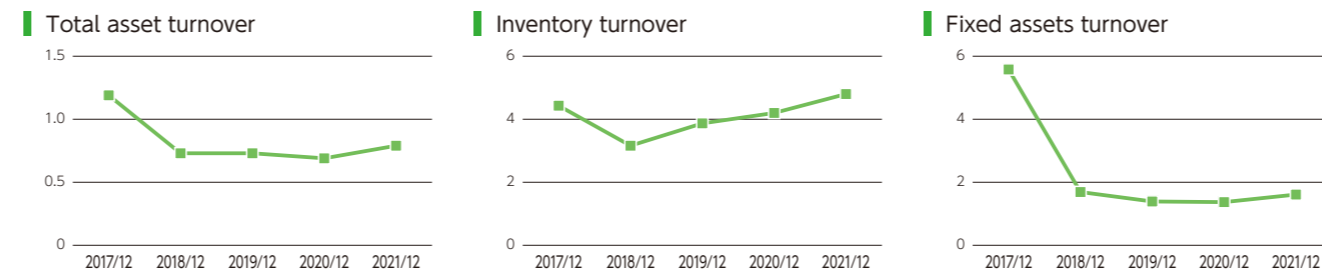
Management Indicators (Consolidated)

Profitability (Unit: %)



	2017/12	2018/12	2019/12	2020/12	2021/12
Gross profit ratio	45.7	45.6	42.9	46.6	47.2
Operating income ratio	13.3	11.4	4.9	7.5	8.7
Net income ratio	9.2	8.3	0.0	4.1	6.4

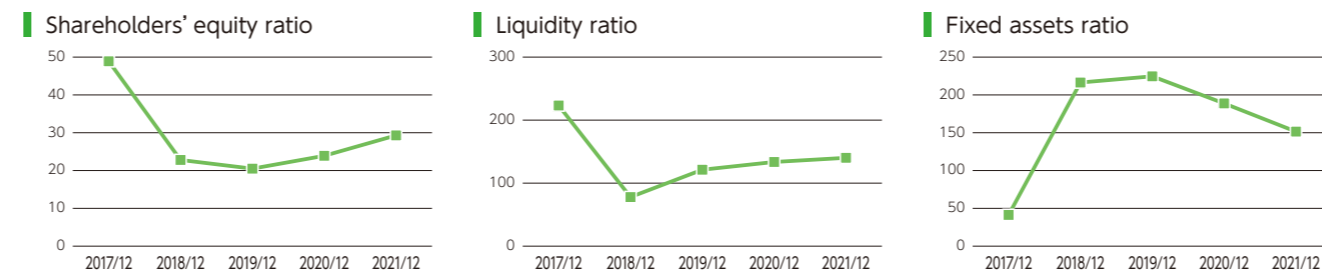
Efficiency (Unit: times)



	2017/12	2018/12	2019/12	2020/12	2021/12
Total asset turnover	1.19	0.71	0.73	0.69	0.79
Inventory turnover	4.43	3.16	3.87	4.20	4.80
Fixed assets turnover	5.58	1.62	1.39	1.37	1.61

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.

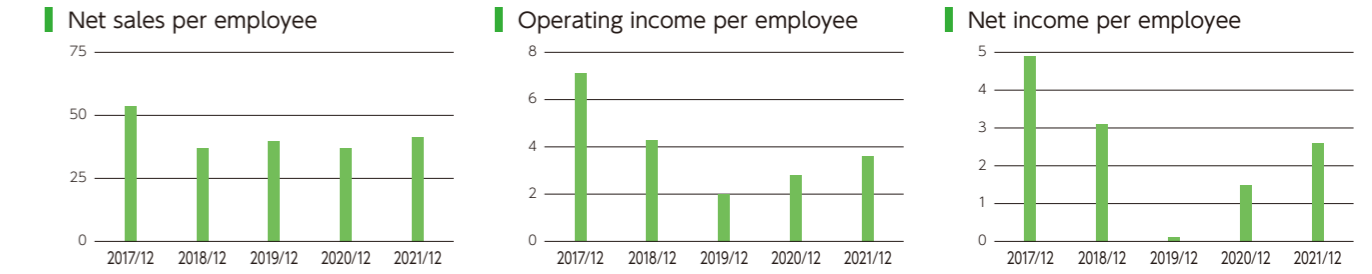
Stability (Unit: %)



	2017/12	2018/12	2019/12	2020/12	2021/12
Shareholders' equity ratio	48.9	22.0	20.5	23.9	29.3
Liquidity ratio	223.2	77.9	121.3	133.6	140.2
Fixed assets ratio	41.3	216.4	224.6	188.8	151.5



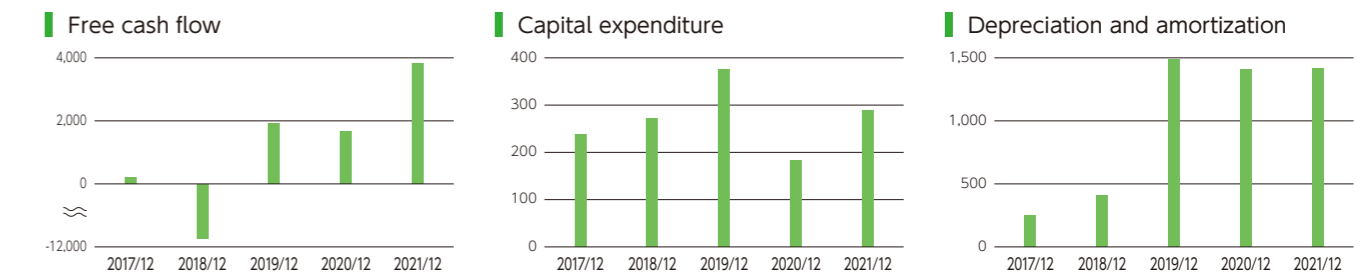
Productivity (Unit: ¥ million)



	2017/12	2018/12	2019/12	2020/12	2021/12
Net sales per employee	53.6	37.2	39.9	37.1	41.5
Operating income per employee	7.1	4.2	2.0	2.8	3.6
Net income per employee	4.9	3.1	0.0	1.5	2.6
Number of employees (persons)	281	541	556	537	556
(Average number of part time employees)	100	121	112	92	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.

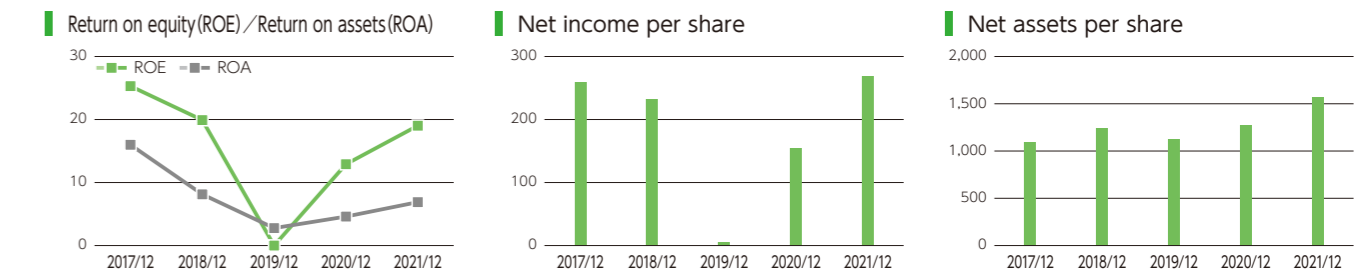
Cash Flows (Unit: ¥ million)



	2017/12	2018/12	2019/12	2020/12	2021/12
Free cash flow	207	△10,420	1,928	1,679	3,824
Capital expenditure	239	272	375	184	288
Depreciation and amortization	246	411	1,484	1,412	1,416

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

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



	2017/12	2018/12	2019/12	2020/12	2021/12
Return on equity (ROE) (%)	25.28	19.91	0.06	12.91	19.02
Return on assets (ROA) (%)	15.99	8.13	2.77	4.60	6.89
Net income per share (yen)	260.05	233.13	0.87	154.76	268.32
Net assets per share (yen)	1,092.73	1,247.26	1,124.13	1,271.42	1,573.90

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