

# Balance Sheet

(Thousands of yen)

|  | As of March 31, 2017     | As of March 31, 2018     |
|--|--------------------------|--------------------------|
| <b>Assets [abstract]</b>                                   |                          |                          |
| <b>Current assets [abstract]</b>                           |                          |                          |
| Cash and deposits  | 2,364,338                | 2,595,762                |
| Notes and accounts receivable-trade                        | 854,811                  | 842,777                  |
| Electronically recorded monetary claims-operating-CA       | 11,512                   | 30,293                   |
| Securities   | —                        | 105,206                  |
| Merchandise and finished goods                             | 272,986                  | 261,843                  |
| Work in process  | 136,556                  | 89,968                   |
| Raw materials  | 183,584                  | 190,175                  |
| Deferred tax assets-CA                                     | 16,000                   | 23,183                   |
| Other-CA   | 81,607                   | 56,318                   |
| Allowance for doubtful accounts-CA-by group                | Δ1,052                   | Δ914                     |
| <b>Current assets</b>                                      | <b>3,920,344</b>         | <b>4,194,614</b>         |
| <b>Non-current assets [abstract]</b>                       |                          |                          |
| <b>Property, plant and equipment [abstract]</b>            |                          |                          |
| Buildings and structures                                   | ※ <sub>1</sub> 4,070,429 | ※ <sub>1</sub> 4,070,948 |
| Accumulated depreciation-buildings and structures          | Δ2,624,014               | Δ2,689,077               |
| Buildings and structures, net                              | 1,446,415                | 1,381,871                |
| Machinery, equipment and vehicles                          | 265,698                  | 265,698                  |
| Accumulated depreciation-machinery, equipment and vehicles | Δ242,842                 | Δ249,298                 |
| Machinery, equipment and vehicles, net                     | 22,856                   | 16,400                   |
| Land   | ※ <sub>1</sub> 1,592,577 | ※ <sub>1</sub> 1,592,577 |
| Leased assets-PPE  | 2,960                    | 2,960                    |
| Accumulated depreciation-lease assets-PPE                  | Δ1,849                   | Δ2,343                   |
| Leased assets, net-PPE                                     | 1,110                    | 616                      |
| Construction in progress                                   | 5,840                    | 37,067                   |
| Other-PPE  | 1,126,968                | 1,179,613                |
| Accumulated depreciation-other-PPE                         | Δ995,411                 | Δ1,041,567               |
| Other, net-PPE   | 131,556                  | 138,046                  |
| Property, plant and equipment                              | 3,200,356                | 3,166,579                |
| <b>Intangible assets [abstract]</b>                        |                          |                          |
| Other-IA   | 27,863                   | 26,816                   |
| <b>Intangible assets</b>                                   | <b>27,863</b>            | <b>26,816</b>            |
| <b>Investments and other assets [abstract]</b>             |                          |                          |
| Investment securities                                      | 2,154,460                | 2,211,663                |
| Deferred tax assets-IOA                                    | 1,274                    | 472                      |
| Other-IOA  | 37,871                   | 37,764                   |
| <b>Investments and other assets</b>                        | <b>2,193,605</b>         | <b>2,249,900</b>         |
| <b>Non-current assets</b>                                  | <b>5,421,825</b>         | <b>5,443,296</b>         |
| <b>Assets</b>  | <b>9,342,169</b>         | <b>9,637,911</b>         |

(Thousands of yen)

|   | As of March 31, 2017 | As of March 31, 2018   |
|---|----------------------|------------------------|
| <b>Liabilities [abstract]</b>                           |                      |                        |
| <b>Current liabilities [abstract]</b>                   |                      |                        |
| Notes and accounts payable-trade                        | 291,709              | ※ <sup>2</sup> 268,575 |
| Income taxes payable                                    | 59,255               | 128,573                |
| Provision for bonuses                                   | 24,776               | 9,099                  |
| Provision for directors' bonuses                        | 5,020                | —                      |
| Other-CL  | 367,872              | ※ <sup>2</sup> 315,007 |
| <b>Current liabilities</b>                              | <b>748,634</b>       | <b>721,255</b>         |
| <b>Non-current liabilities [abstract]</b>               |                      |                        |
| Deferred tax liabilities-NCL                            | 43,482               | 42,607                 |
| Net defined benefit liability                           | 418,728              | 454,469                |
| Asset retirement obligations-NCL                        | 12,164               | 12,444                 |
| Other-NCL   | 12,639               | 11,795                 |
| <b>Non-current liabilities</b>                          | <b>487,014</b>       | <b>521,316</b>         |
| <b>Liabilities</b>                                      | <b>1,235,649</b>     | <b>1,242,572</b>       |
| <b>Net assets [abstract]</b>                            |                      |                        |
| <b>Shareholders' equity [abstract]</b>                  |                      |                        |
| Capital stock   | 4,978,566            | 4,978,566              |
| Capital surplus   | 1,209,465            | 1,209,465              |
| Retained earnings                                       | 2,066,940            | 2,470,648              |
| Treasury shares   | △97,194              | △97,374                |
| <b>Shareholders' equity</b>                             | <b>8,157,777</b>     | <b>8,561,305</b>       |
| <b>Valuation and translation adjustments [abstract]</b> |                      |                        |
| Valuation difference on available-for-sale securities   | △12,876              | △117,104               |
| Foreign currency translation adjustment                 | △38,380              | △48,862                |
| <b>Valuation and translation adjustments</b>            | <b>△51,257</b>       | <b>△165,966</b>        |
| <b>Net assets</b>                                       | <b>8,106,520</b>     | <b>8,395,338</b>       |
| <b>Liabilities and net assets</b>                       | <b>9,342,169</b>     | <b>9,637,911</b>       |

# Statement of Income

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 4,511,146                           | 4,609,205                           |
| Cost of sales   | ※ <sub>1</sub> 2,211,627            | ※ <sub>1</sub> 2,139,555            |
| Gross profit (loss)                                     | 2,299,519                           | 2,469,649                           |
| Selling, general and administrative expenses            | ※ <sub>2,3</sub> 1,664,035          | ※ <sub>2,3</sub> 1,803,719          |
| Operating profit (loss)                                 | 635,483                             | 665,930                             |
| Non-operating income [abstract]                         |                                     |                                     |
| Interest income-NOI                                     | 94,259                              | 113,917                             |
| Dividend income-NOI                                     | 2,076                               | 2,509                               |
| Foreign exchange gains-NOI                              | 53,635                              | —                                   |
| Rent income-NOI   | 25,454                              | 27,091                              |
| Other-NOI   | 7,583                               | 4,214                               |
| Non-operating income                                    | 183,009                             | 147,732                             |
| Non-operating expenses [abstract]                       |                                     |                                     |
| Interest expenses-NOE                                   | 40                                  | 40                                  |
| Foreign exchange losses-NOE                             | —                                   | 62,149                              |
| Expenses of real estate for rent -NOE                   | 12,777                              | 12,686                              |
| Expenses of inactive noncurrent assets-NOE              | 20,503                              | 20,434                              |
| Loss on valuation of compound financial instruments-NOE | 2,150                               | 1,860                               |
| Other-NOE   | 348                                 | 2,344                               |
| Non-operating expenses                                  | 35,820                              | 99,516                              |
| Ordinary profit (loss)                                  | 782,672                             | 714,146                             |
| Extraordinary income [abstract]                         |                                     |                                     |
| Gain on sales of non-current assets-EI                  | ※ <sub>4</sub> 4,836                | —                                   |
| Gain on sales of investment securities-EI               | 3,530                               | 28,042                              |
| Extraordinary income                                    | 8,366                               | 28,042                              |
| Extraordinary losses [abstract]                         |                                     |                                     |
| Loss on retirement of non-current assets-EL             | ※ <sub>5</sub> 936                  | ※ <sub>5</sub> 990                  |
| Loss on valuation of investment securities-EL           | 140,535                             | —                                   |
| Loss on redemption of investment securities-EL          | —                                   | 1,009                               |
| Extraordinary losses                                    | 141,472                             | 1,999                               |
| Profit (loss) before income taxes                       | 649,567                             | 740,189                             |
| Income taxes-current                                    | 138,053                             | 183,194                             |
| Income taxes-deferred                                   | 15,650                              | 397                                 |
| Income taxes  | 153,703                             | 183,591                             |
| Profit (loss) (after amendment dated 2014-03-28)        | 495,863                             | 556,597                             |
| Profit (loss) attributable to owners of parent          | 495,863                             | 556,597                             |

## Statement of Comprehensive Income

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| Profit (loss) (after amendment dated 2014-03-28)                      | 495,863                             | 556,597                             |
| Other comprehensive income [abstract]                                 |                                     |                                     |
| Valuation difference on available-for-sale securities, net of tax-OCI | 31,981                              | Δ104,227                            |
| Foreign currency translation adjustment, net of tax-OCI               | Δ12,113                             | Δ10,482                             |
| Other comprehensive income  | ※ 1, ※ 2 19,868                     | ※ 1, ※ 2 Δ114,709                   |
| Comprehensive income  | 515,731                             | 441,888                             |
| Comprehensive income attributable to [abstract]                       |                                     |                                     |
| Comprehensive income attributable to owners of parent                 | 515,731                             | 441,888                             |
| Comprehensive income attributable to non-controlling interests        | —                                   | —                                   |

## Cash Flow

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2017 | Fiscal year ended<br>March 31, 2018 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities [abstract]</b>            |                                     |                                     |
| Profit (loss) before income taxes                                 | 649,567                             | 740,189                             |
| Depreciation-OpeCF  | 158,274                             | 156,350                             |
| Increase (decrease) in net defined benefit liability-OpeCF        | 36,779                              | 35,740                              |
| Increase (decrease) in provision for bonuses-OpeCF                | 4,765                               | △15,251                             |
| Increase (decrease) in provision for directors' bonuses-OpeCF     | △10,823                             | △5,020                              |
| Increase (decrease) in allowance for doubtful accounts-OpeCF      | 840                                 | △195                                |
| Interest and dividend income-OpeCF                                | △96,336                             | △116,422                            |
| Interest expenses-OpeCF   | 40                                  | 90                                  |
| Foreign exchange losses (gains)-OpeCF                             | △49,623                             | 45,588                              |
| Loss (gain) on valuation of compound financial instruments-OpeCF  | 2,150                               | 1,860                               |
| Loss (gain) on sales of investment securities-OpeCF               | △3,530                              | △28,042                             |
| Loss (gain) on redemption of investment securities-OpeCF          | —                                   | 1,009                               |
| Loss (gain) on valuation of investment securities-OpeCF           | 140,535                             | —                                   |
| Loss (gain) on sales of non-current assets-OpeCF                  | △4,836                              | —                                   |
| Loss on retirement of non-current assets-OpeCF                    | 936                                 | 990                                 |
| Decrease (increase) in notes and accounts receivable-trade-OpeCF  | 3,858                               | △18,019                             |
| Decrease (increase) in inventories-OpeCF                          | △3,122                              | 50,653                              |
| Increase (decrease) in notes and accounts payable-trade-OpeCF     | △29,299                             | △16,236                             |
| Increase (decrease) in accrued consumption taxes-OpeCF            | 36,850                              | 23,568                              |
| Other, net-OpeCF  | 184,392                             | △72,765                             |
| Subtotal-OpeCF  | 1,021,420                           | 784,089                             |
| Interest and dividend income received-OpeCF/InvCF                 | 93,685                              | 111,164                             |
| Interest expenses paid-OpeCF/FinCF                                | △40                                 | △90                                 |
| Income taxes paid-OpeCF   | △204,187                            | △119,118                            |
| Net cash provided by (used in) operating activities               | 910,877                             | 776,044                             |
| <b>Cash flows from investing activities [abstract]</b>            |                                     |                                     |
| Purchase of property, plant and equipment-InvCF                   | △76,532                             | △89,500                             |
| Proceeds from sales of property, plant and equipment-InvCF        | 4,836                               | —                                   |
| Purchase of intangible assets-InvCF                               | △10,662                             | △10,154                             |
| Purchase of short-term and long-term investment securities-InvCF  | △779,814                            | △548,075                            |
| Proceeds from sales and redemption of investment securities-InvCF | 579,793                             | 295,980                             |
| Other, net-InvCF  | 1,446                               | 8,104                               |
| Net cash provided by (used in) investing                          | △280,933                            | △343,646                            |

|   |               |               |
|---|---------------|---------------|
| activities  |               |               |
| Cash flows from financing activities [abstract]             |               |               |
| Purchase of treasury shares-FinCF                           | —             | △ 180         |
| Cash dividends paid-FinCF                                   | △ 164,442     | △ 151,848     |
| Other, net-FinCF  | △ 520         | △ 520         |
| Net cash provided by (used in) financing activities         | △ 164,962     | △ 152,548     |
| Effect of exchange rate change on cash and cash equivalents | △ 49,133      | △ 48,426      |
| Net increase (decrease) in cash and cash equivalents        | 415,848       | 231,423       |
| Cash and cash equivalents                                   | 1,948,490     | 2,364,338     |
| Cash and cash equivalents                                   | ※ 1 2,364,338 | ※ 1 2,595,762 |