

# Consolidated Balance Sheet

## March 31, 2019

ASSETS	Thousands of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents (Note 8)	¥ 9,077,071	¥ 8,069,172	\$ 81,782
Receivables (Notes 8):			
Trade notes	14,008,945	12,307,707	126,218
Trade accounts	44,238,917	40,746,705	398,584
Unconsolidated subsidiaries and associated companies	1,053,169	568,270	9,488
Other	2,429,411	2,140,186	21,888
Allowance for doubtful receivables	(467,582)	(182,617)	(4,212)
Inventories	23,675,843	20,166,465	213,315
Other current assets	4,730,130	4,673,578	42,617
<b>Total current assets</b>	<b>98,745,904</b>	<b>88,489,468</b>	<b>889,682</b>
<b>PROPERTY, PLANT AND EQUIPMENT (Note 5):</b>			
Land	3,485,394	3,152,265	31,402
Buildings and structures	6,524,006	6,985,102	58,780
Machinery and equipment	7,845,035	8,323,367	70,682
Furniture and fixtures	1,049,441	1,096,101	9,455
Lease assets	819,658	1,047,798	7,384
Construction in progress	542,951	223,287	4,891
<b>Total property, plant and equipment</b>	<b>20,266,487</b>	<b>20,827,923</b>	<b>182,597</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities (Notes 4 and 8)	45,861,114	48,208,833	413,200
Investments in and advances to unconsolidated subsidiaries and associated companies (Note 8)	3,822,638	3,575,499	34,441
Goodwill	962,153	1,135,991	8,668
Asset for retirement benefits	5,060,309	5,040,037	45,592
Deferred tax assets	278,066	142,657	2,505
Other assets	1,762,886	1,765,160	15,883
<b>Total investments and other assets</b>	<b>57,747,168</b>	<b>59,868,177</b>	<b>520,291</b>
<b>TOTAL</b>	<b>¥ 176,759,561</b>	<b>¥ 169,185,569</b>	<b>\$ 1,592,571</b>

See notes to consolidated financial statements.

<b>LIABILITIES AND EQUITY</b>	<b>Thousands of Yen</b>		<b>Thousands of U.S. Dollars (Note 1)</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>
<b>CURRENT LIABILITIES:</b>			
Short-term bank loans (Note 8)	¥ 26,691,422	¥ 18,659,319	\$ 240,484
Current portion of long-term debt (Note 8)	11,926,439	13,850,667	107,455
Payables (Notes 4 and 8):			
Trade notes	2,014,905	1,865,167	18,153
Trade accounts	34,444,391	33,113,981	310,337
Unconsolidated subsidiaries and associated companies	109,137	93,121	983
Other	2,951,335	2,731,923	26,591
Income taxes payable	19,945	18,335	179
Other current liabilities	<u>4,941,665</u>	<u>4,934,658</u>	<u>44,523</u>
<b>Total current liabilities</b>	<b><u>83,099,243</u></b>	<b><u>75,267,174</u></b>	<b><u>748,709</u></b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt (Note 8)	35,799,746	34,813,937	322,549
Liability for retirement benefits	1,784,927	1,795,324	16,081
Deferred tax liabilities	4,404,120	5,472,100	39,680
Other	<u>431,335</u>	<u>474,372</u>	<u>3,886</u>
<b>Total long-term liabilities</b>	<b><u>42,420,129</u></b>	<b><u>42,555,735</u></b>	<b><u>382,197</u></b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Note 6)</b>			
<b>EQUITY (Notes 7 and 9):</b>			
Common stock—authorized, 24,000,000 shares; issued, 17,000,000 shares in 2019 and 2018	5,100,000	5,100,000	45,950
Additional paid-in capital	1,383	1,383	12
Retained earnings	39,111,360	34,959,519	352,386
Treasury stock—at cost, 1,800,000 shares in 2019 and 2018	(310,049)	(310,049)	(2,793)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	7,309,174	10,114,102	65,854
Foreign currency translation adjustments	(1,436,518)	(345,182)	(12,942)
Defined retirement benefit plans	<u>1,410,909</u>	<u>1,784,351</u>	<u>12,712</u>
<b>Total</b>	<b><u>51,186,262</u></b>	<b><u>51,304,124</u></b>	<b><u>461,179</u></b>
Noncontrolling interests	<u>53,925</u>	<u>58,534</u>	<u>485</u>
<b>Total equity</b>	<b><u>51,240,188</u></b>	<b><u>51,362,659</u></b>	<b><u>461,664</u></b>
<b>TOTAL</b>	<b><u>176,759,561</u></b>	<b><u>¥ 169,185,569</u></b>	<b><u>\$ 1,592,571</u></b>

## Consolidated Statement of Income Year Ended March 31, 2019

	Thousands of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
NET SALES	¥ 194,334,856	¥ 176,680,362	\$ 1,750,922
COST OF SALES	<u>170,415,917</u>	<u>154,926,715</u>	<u>1,535,416</u>
<b>Gross profit</b>	<b>23,918,938</b>	<b>19,753,646</b>	<b>215,505</b>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>16,613,808</u>	<u>16,174,447</u>	<u>149,687</u>
<b>Operating income</b>	<b><u>7,305,130</u></b>	<b><u>3,579,198</u></b>	<b><u>65,817</u></b>
<b>OTHER INCOME (EXPENSES):</b>			
Interest and dividend income	862,257	872,092	7,768
Interest expense	(743,886)	(694,886)	(6,702)
Foreign exchange gain	237,632	67,136	2,141
Gain on sales of investment securities	297,574	2,377,030	2,681
Loss on valuation of investment securities	(595,632)	(376,389)	(5,366)
Provision of allowance for doubtful accounts	(434,587)	(96,204)	(3,915)
Loss on product claims		(1,026,609)	
Other—net	<u>469,483</u>	<u>296,876</u>	<u>4,229</u>
Other income—net	<u>92,842</u>	<u>1,419,044</u>	<u>836</u>
<b>INCOME BEFORE INCOME TAXES</b>	<b><u>7,397,972</u></b>	<b><u>4,998,243</u></b>	<b><u>66,654</u></b>
<b>INCOME TAXES:</b>			
Current	2,858,243	2,260,489	25,752
Deferred	<u>176,244</u>	<u>287,170</u>	<u>1,587</u>
Total income taxes	<u>3,034,488</u>	<u>2,547,660</u>	<u>27,340</u>
<b>NET INCOME</b>	<b>4,363,483</b>	<b>2,450,582</b>	<b>39,314</b>
<b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>	<b><u>(1,157)</u></b>	<b><u>1,196</u></b>	<b><u>(10)</u></b>
<b>NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b><u>¥ 4,364,641</u></b>	<b><u>¥ 2,449,386</u></b>	<b><u>\$ 39,324</u></b>
	Yen	U.S. Dollars	
PER SHARE OF COMMON STOCK:			
Basic net income	¥ 287.15	¥ 161.14	\$ 2.59
Cash dividends applicable to the year	14.00	13.00	0.13

Note: Effective July 1, 2019, the Company will implement a 2-for-1 stock split of common stock. Per share of common stock is not retroactively adjusted. Per share information as if the reverse stock split had been effected at the beginning of the fiscal year ended March 31, 2018, is disclosed in Note 10 to the consolidated financial statements.

See notes to consolidated financial statements.