

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	-	4.00	-	30.00	-
Fiscal year ending March 31, 2020	-	20.00	-		
Fiscal year ending March 31, 2020 (Forecast)				40.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

The Company carried out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018. Accordingly, the amount of the year-end dividend per share for the year ended March 31, 2019 takes this share consolidation into account and disclosure of the total annual dividends per share is described as "-".

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020(April 01, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	485,000	1.7	17,000	(5.5)	15,500	(5.9)	11,000	(1.9)	200.16

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2019

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2019: 57,629,140 shares

March 31, 2019: 57,629,140 shares

2) Total number of treasury shares at the end of the period:

December 31, 2019: 2,642,427 shares

March 31, 2019: 2,670,805 shares

3) Average number of shares during the period:

Nine months ended December 31, 2019: 54,977,699 shares

Nine months ended December 31, 2018: 54,953,396 shares

(Note) The Company carried out the share consolidation at a ratio of one for every five common shares, effective on October 01, 2018. Accordingly, average number of shares during the period have been calculated assuming that the stock split was executed at the beginning of the previous fiscal year.

Quarterly Consolidated Financial Statement
Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31,2019	As of December 31,2019
Assets		
Current assets		
Cash and deposits	45,501	55,556
Group deposits paid	9,996	5,407
Notes and accounts receivable - trade	60,054	53,503
Merchandise and finished goods	34,775	40,113
Work in process	1,905	6,451
Raw materials and supplies	6,584	8,137
Other	31,888	30,806
Allowance for doubtful accounts	(1,443)	(1,392)
Total current assets	189,263	198,582
Non-current assets		
Property, plant and equipment	28,290	46,959
Intangible assets		
Goodwill	3,691	2,711
Other	10,055	9,565
Total intangible assets	13,746	12,277
Investments and other assets		
Other	43,909	45,659
Allowance for doubtful accounts	(153)	(88)
Total investments and other assets	43,755	45,570
Total non-current assets	85,792	104,806
Total assets	275,055	303,389

(Million yen)

	As of March 31,2019	As of December 31,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,215	64,952
Short-term borrowings	383	525
Income taxes payable	1,800	3,308
Other	68,374	67,815
Total current liabilities	126,774	136,602
Non-current liabilities		
Long-term borrowings	0	595
Retirement benefit liability	34,621	33,849
Other	12,901	26,899
Total non-current liabilities	47,523	61,343
Total liabilities	174,297	197,945
Net assets		
Shareholders' equity		
Share capital	39,970	39,970
Capital surplus	-	24
Retained earnings	45,103	52,718
Treasury shares	(5,474)	(5,420)
Total shareholders' equity	79,599	87,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,835	1,788
Deferred gains or losses on hedges	21	(11)
Foreign currency translation adjustment	9,111	7,454
Minimum pension liability adjustments	(458)	(452)
Remeasurements of defined benefit plans	788	608
Total accumulated other comprehensive income	11,298	9,387
Share acquisition rights	147	110
Non-controlling interests	9,712	8,652
Total net assets	100,758	105,443
Total liabilities and net assets	275,055	303,389

Quarterly Consolidated Statement of Income and Comprehensive Income
Quarterly Consolidated Statement of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2018	For the nine months ended December 31,2019
Net sales	354,417	366,034
Cost of sales	205,835	216,527
Gross profit	148,581	149,506
Selling, general and administrative expenses	134,477	136,123
Operating profit	14,103	13,383
Non-operating income		
Interest income	265	238
Dividend income	47	75
Foreign exchange gains	30	629
Other	316	363
Total non-operating income	660	1,307
Non-operating expenses		
Interest expenses	263	355
Loss on valuation of derivatives	647	685
Other	1,469	1,196
Total non-operating expenses	2,380	2,237
Ordinary profit	12,383	12,454
Extraordinary income		
Gain on sales of investment securities	506	3
Total extraordinary income	506	3
Extraordinary losses		
Impairment loss of non-current assets	-	85
Restructuring cost	-	300
Total extraordinary losses	-	386
Profit before income taxes	12,889	12,071
Income taxes	3,639	2,305
Profit	9,249	9,765
Profit (loss) attributable to non-controlling interests	81	(643)
Profit attributable to owners of parent	9,168	10,408

Quarterly Consolidated Statement of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2018	For the nine months ended December 31,2019
Profit	9,249	9,765
Other comprehensive income		
Valuation difference on available-for-sale securities	(654)	(47)
Deferred gains or losses on hedges	7	(33)
Foreign currency translation adjustment	(1,164)	(1,836)
Minimum pension liability adjustment	236	5
Remeasurements of defined benefit plans, net of tax	165	(180)
Total other comprehensive income	(1,410)	(2,091)
Comprehensive income	7,839	7,673
Comprehensive income attributable to		
Owners of parent	7,366	8,496
Non-controlling interests	473	(823)

Notes to Quarterly Consolidated Financial Statement

(Changes in Accounting Policies)

(Application of IFRS 16 “Leases” and ASU 2016-02 “Leases”)

The Company's overseas consolidated subsidiaries have applied IFRS 16 “Leases” and ASU 2016-02 “Leases” from the first quarter of the fiscal year ending March 31, 2020.

Under this standard, the lessee should in principle recognize assets and liabilities arising from all leases.

In applying IFRS 16 “Leases” and ASU 2016-02 “Leases” the Company has adopted a method that recognizes the cumulative effect of applying this standard on the effective date of application as a transitional measure as of the beginning of the first quarter of the fiscal year ending March 31, 2020.

As a result, as of the beginning of the first quarter of the fiscal year ending March 31, 2020, mainly leased assets increased by 18,680 million yen, lease obligations in current liabilities increased by 4,495 million yen, lease obligations in non-current liabilities increased by 14,230 million yen, and retained earnings decreased by 44 million yen.

The impact of the application of said accounting standard on profit and loss for the third quarter of the fiscal year under review was insignificant.