

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2020**
**[Japanese GAAP]**

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Listing: Second Section of the Tokyo Stock Exchange  
 URL: <https://www.uyemura.co.jp/>

Scheduled date of annual general meeting of shareholders: June 26, 2020  
 Scheduled date of filing of annual securities report: June 26, 2020  
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 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: None

Note: The original disclosure in Japanese was released on May 14, 2020 at 13:20 (GMT +9).

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)**

(1) Results of operations (Percentages represent year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2020	52,223	0.5	7,539	(8.2)	7,870	(8.0)	5,358	(5.2)
Fiscal year ended Mar. 31, 2019	51,979	8.0	8,212	(1.3)	8,554	1.5	5,653	5.9

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2020: 5,095 (up 19.4%)

Fiscal year ended Mar. 31, 2019: 4,267 (down 32.7%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2020	598.60	-	8.6	10.0	14.4
Fiscal year ended Mar. 31, 2019	627.99	-	9.5	11.3	15.8

Reference: Equity in earnings of unconsolidated subsidiaries (million yen) Fiscal year ended Mar. 31, 2020: -

Fiscal year ended Mar. 31, 2019: -

**(2) Financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	79,117	63,887	80.8	7,202.86
As of Mar. 31, 2019	77,943	61,142	78.4	6,792.21

Reference: Shareholders' equity (million yen) As of Mar. 31, 2020: 63,887 As of Mar. 31, 2019: 61,142

**(3) Cash flows**

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	operating activities	investing activities	financing activities	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2020	4,302	(9,109)	(2,495)	23,145
Fiscal year ended Mar. 31, 2019	8,374	(3,044)	(1,930)	30,593

**2. Dividends**

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2019	-	0.00	-	150.00	150.00	1,350	23.9	2.3
Fiscal year ended Mar. 31, 2020	-	0.00	-	160.00	160.00	1,419	26.7	2.3
Fiscal year ending Mar. 31, 2021 (forecast)	-	0.00	-	160.00	160.00		32.9	

**3. Consolidated Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)**

(Percentages represent year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	24,130	(0.8)	3,141	(7.1)	3,356	(3.5)	2,248	(8.1)	251.11
Full year	45,990	(11.9)	6,520	(13.5)	6,760	(14.1)	4,350	(18.8)	485.90

**\*Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies” on page 15 of the attachments for further information.

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2020: 9,878,040 shares As of Mar. 31, 2019: 9,878,040 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2020: 1,008,245 shares As of Mar. 31, 2019: 876,129 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2020: 8,952,421 shares Fiscal year ended Mar. 31, 2019: 9,001,914 shares

**(Reference) Summary of Non-consolidated Financial Results****Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)**

(1) Results of operations

(Percentages represent year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2020	29,414	15.5	4,029	20.6	8,014	21.1	5,903	28.4
Fiscal year ended Mar. 31, 2019	25,463	1.3	3,342	(13.4)	6,618	(26.1)	4,597	(25.7)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2020	659.40	-
Fiscal year ended Mar. 31, 2019	510.70	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	52,121	42,466	81.5	4,787.78
As of Mar. 31, 2019	49,337	39,267	79.6	4,362.15

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2020: 42,466

As of Mar. 31, 2019: 39,267

**\*The current financial report is not subject to audit by certified public accountants or auditing firms.**

**\*Cautionary statement with respect to forward-looking statements and other special items**

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to “1. Overview of Results of Operations, (4) Outlook” on page 4 of the attachments.

**Contents of Attachments**

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	4
(5) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years	4
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Shareholders' Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
Going Concern Assumption	13
Basis for Presentation of the Consolidated Financial Statements	13
Changes in Accounting Policies	15
Notes to Consolidated Balance Sheets	15
Notes to Consolidated Statements of Income and Comprehensive Income	16
Notes to Consolidated Statements of Changes in Shareholders' Equity	18
Notes to Consolidated Statements of Cash Flows	19
Segment and Other Information	20
Per Share Data	23
Material Subsequent Events	23
4. Others	23
Changes in Directors and Corporate Auditors	23

## **1. Overview of Results of Operations**

### **(1) Results of Operations**

The Japanese economy for the fiscal year ended March 31, 2020 (hereinafter “the fiscal year under review”) remained on track to recovery as employment conditions and personal income continued improving. However, concern over the prolonged U.S.-China trade friction and the worldwide spread of the new coronavirus disease (COVID-19) has made the economic outlook even more cautious.

In the electronic devices market, which is the Uyemura Group’s main market area, production volume of on-board electronics components remained firm along with a movement to ensure automotive safety and improved convenience. Meanwhile, despite a continued slowdown due to weak demand, the smartphone market showed a sign of recovery in demand toward the introduction of the 5G mobile communication system.

In this environment, the Group has focused on the development of high value-added products, and proposal and sales activities for these products to make the operations more profitable.

As a result, consolidated sales for the fiscal year under review were 52,223 million yen (up 0.5% year-over-year), operating profit 7,539 million yen (down 8.2% year-over-year), ordinary profit 7,870 million yen (down 8.0% year-over-year), and profit attributable to owners of parent 5,358 million yen (down 5.2% year-over-year).

The results of operations by business segment are shown as below.

#### **1) Surface finishing materials business**

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs decreased year-over-year due to a decreased demand for high-end smartphones despite a continued strong demand for car electronics products.

Consequently, sales in the surface finishing materials business decreased 2.6% year-over-year to 38,549 million yen, and a segment profit decreased 18.5% year-over-year to 6,393 million yen.

#### **2) Surface finishing machinery business**

The order-taking environment for machinery business was improving as electronics components and automotive parts manufacturers in Japan were taking a positive attitude toward capital investments. This caused the segment to exceed sales and a segment profit for the previous fiscal year.

Consequently, sales in the surface finishing machinery business increased 40.2% year-over-year to 7,434 million yen with a segment profit of 740 million yen (compared with a segment loss of 64 million yen in the previous fiscal year).

#### **3) Plating job business**

Both segment sales and profit of the plating job business decreased year-over-year, affected by the slowdown in the automotive industry in Thailand and the withdrawal from this business in Japan.

Consequently, sales in the plating job business decreased 14.4% year-over-year to 5,561 million yen with a segment loss of 15 million yen (compared with a segment profit of 119 million yen in the previous fiscal year).

#### **4) Real estate rental business**

Both segment sales and profit of the real estate rental business increased year-over-year thanks to the rent revision for an office building for rent in Shin-Osaka.

Consequently, sales in the real estate rental business increased 4.0% year-over-year to 769 million yen, and a segment profit increased 34.7% year-over-year to 410 million yen.

It is noted that sales of the segments above include intersegment sales and transfers.

**(2) Financial Position**

Analysis of assets, liabilities, net assets

Total assets increased 1,174 million yen from the end of the previous fiscal year to 79,117 million yen at the end of the fiscal year under review. This was primarily attributable to a 7,023 million yen increase in investment securities, a 1,180 million yen increase in notes and accounts receivable-trade, and a 1,067 million yen increase in buildings and structures, net, which were partially offset by a 7,557 million yen decrease in cash and deposits, a 1,347 million yen decrease in construction in progress, and a 431 million yen decrease in land.

Total liabilities decreased 1,570 million yen from the end of the previous fiscal year to 15,229 million yen. This was primarily attributable to a 434 million yen decrease in notes and accounts payable-trade, a 310 million yen decrease in deferred tax liabilities, and a 268 million yen decrease in electronically recorded obligations-operating, which were partially offset by a 125 million yen increase in retirement benefit liability and an 85 million yen increase in lease obligations.

Total net assets increased 2,744 million yen from the end of the previous fiscal year to 63,887 million yen. This was primarily attributable to a 4,008 million yen increase in retained earnings, which was partially offset by a 999 million yen increase in treasury shares and a 359 million yen decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio increased from 78.4% at the end of the previous fiscal year to 80.8%.

**(3) Cash Flows**

Cash and cash equivalents (hereinafter “net cash”) at the end of the fiscal year under review decreased 7,448 million yen from the end of the previous fiscal year to 23,145 million yen.

A summary of cash flows for the fiscal year under review is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 4,302 million yen (compared with net cash provided of 8,374 million yen in the previous fiscal year). Positive factors included profit before income taxes of 7,777 million yen, depreciation of 2,143 million yen, and impairment loss of 467 million yen, while negative factors included income taxes paid of 2,787 million yen, a 1,247 million yen increase in trade receivables, and a 793 million yen increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was 9,109 million yen (compared with net cash used of 3,044 million yen in the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 575 million yen, while negative factors included purchase of investment securities of 7,574 million yen and purchase of non-current assets of 2,213 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,495 million yen (compared with 1,930 million yen used in the previous fiscal year). Negative factors included dividends paid of 1,350 million yen, purchase of treasury shares of 999 million yen, and repayments of lease obligations of 106 million yen.

The following table illustrates the movements of cash flow-related indicators

	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020
Shareholders' equity ratio (%)	73.8	76.4	79.1	78.4	80.8
Shareholders' equity ratio based on market prices (%)	64.1	78.3	100.3	75.0	65.6
Cash flows to debt ratio (years)	0.3	0.2	0.2	0.1	0.1
Interest coverage ratio (x)	177.9	318.0	299.4	467.4	371.0

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. These indicators are calculated on a consolidated basis.
2. Market capitalization: Closing price of stock on the balance sheet date x Number of shares outstanding (net of treasury shares) on the balance sheet date.
3. Net cash provided by operating activities on the consolidated statements of cash flows is used as operating cash flow. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest. Interests paid on the consolidated statements of cash flows are used as interest payments.

#### **(4) Outlook**

Regarding the future prospects of the domestic economy, the outlook remains extremely uncertain with the spread of COVID-19 infection and trends in overseas economies such as U.S.-China trade friction. Among others, the rapid spread of COVID-19 infection on a global scale has been forcing each country to respond to it urgently, generating concern about a serious, long-lasting effect on the world economy.

In the electronic devices market, which is the primary market for products of the Uyemura Group, the demand for electronic components are still expected to increase in the medium run thanks primarily to the introduction of the 5G mobile communication system and increase in the number of advanced driver assistance system (ADAS) and other in-vehicle components in the car electronics segment. However, the business environment is expected to remain harsh because the spread of COVID-19 infection is expected to have tremendous negative impact on corporate capital investment and consumer activity.

Under such environment, the Group will aim for continued growth in the 21st century. We will optimize the collective strength of our group in order to get well-prepared to take immediate measures and we will improve our competitive position by emphasizing innovation at the factory level.

We will proactively engage in marketing and technological development by strengthening development and sales capabilities for the plating chemicals which are used in the semiconductor and car electronics industries and also for those which meet environmental regulations, and at the same time by establishing the machinery business that can deliver new functions to the customers and win the competition for lower cost.

By taking these measures, we forecast sales of 45,990 million yen (down 11.9% year-over-year), operating profit of 6,520 million yen (down 13.5% year-over-year), ordinary profit of 6,760 million yen (down 14.1% year-over-year), and profit attributable to owners of parent of 4,350 million yen (down 18.8% year-over-year) for the fiscal year ending March 31, 2021.

#### **(5) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years**

Strengthening corporate governance and providing benefits for shareholders by improvement of capital efficiency is positioned as one of the major management challenges of us. We have a policy to strengthen financial soundness and reserve retained earnings to make investments in business fields and regions with prospects for growth, M&A opportunities and acquisition of new technologies if necessary, as well as flexibly repurchase treasury shares based on comprehensive consideration of the current economic conditions and our financial conditions etc.

In addition, we have a basic policy to maintain a sound foundation for business activities and improve the return on equity. We believe that the consistent payment of dividends in accordance with its operating results is necessary for return of earnings to shareholders. In accordance with this policy, we target 10% for the return on equity and 30% for the total shareholder earnings distribution ratio on a consolidated basis.

We plan to pay an ordinary year-end dividend of 160 yen per share (consolidated dividend payout ratio of 26.7%) for the fiscal year under review.

Regarding the fiscal year ending March 31, 2021, we plan to pay an ordinary dividend of 160 yen per share at this moment. However, the final decision will be made based on an overall consideration of the financial position and operating results.

## **2. Basic Approach to the Selection of Accounting Standards**

The Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being so as to ensure cross-sectional as well as inter-temporal comparability of the consolidated financial statements.

We will nevertheless consider applying International Financial Reporting Standards (IFRS) in light of future trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheets**

	(Thousands of yen)	
	FY3/2019 (As of Mar. 31, 2019)	FY3/2020 (As of Mar. 31, 2020)
Assets		
Current assets		
Cash and deposits	34,029,803	26,472,648
Notes and accounts receivable-trade	*3 13,694,398	14,874,974
Securities	37,285	45,471
Merchandise and finished goods	2,197,452	2,254,642
Work in process	2,004,378	2,653,921
Raw materials and supplies	1,395,019	1,350,852
Other	1,134,913	1,342,568
Allowance for doubtful accounts	(90,756)	(72,060)
Total current assets	54,402,496	48,923,020
Non-current assets		
Property, plant and equipment		
Buildings and structures	*1 20,882,827	*1 21,991,903
Accumulated depreciation	*2 (12,533,007)	*2 (12,574,873)
Buildings and structures, net	8,349,819	9,417,029
Machinery, equipment and vehicles	10,729,213	11,407,297
Accumulated depreciation	*2 (8,322,632)	*2 (8,725,302)
Machinery, equipment and vehicles, net	2,406,580	2,681,994
Land	*1 4,691,456	*1 4,259,787
Leased assets	235,613	297,336
Accumulated depreciation	*2 (121,810)	*2 (146,690)
Leased assets, net	113,803	150,645
Construction in progress	1,874,685	527,407
Other	5,084,699	5,463,815
Accumulated depreciation	*2 (3,848,718)	*2 (4,211,277)
Other, net	1,235,980	1,252,537
Total property, plant and equipment	18,672,326	18,289,402
Intangible assets	269,301	296,239
Investments and other assets		
Investment securities	3,768,139	10,791,241
Retirement benefit asset	83,983	64,650
Deferred tax assets	268,048	293,805
Other	548,250	527,004
Allowance for doubtful accounts	(69,513)	(68,275)
Total investments and other assets	4,598,908	11,608,426
Total non-current assets	23,540,536	30,194,068
Total assets	77,943,032	79,117,088

	(Thousands of yen)	
	FY3/2019	FY3/2020
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	2,866,067	2,431,413
Electronically recorded obligations-operating	*3 4,057,985	3,789,010
Short-term borrowings	*1 511,503	*1 516,642
Current portion of long-term borrowings	41,813	-
Lease obligations	54,715	125,823
Income taxes payable	2,687,876	2,489,948
Provision for bonuses	152,879	169,408
Provision for bonuses for directors (and other officers)	166,650	159,150
Other	2,238,815	1,614,198
<b>Total current liabilities</b>	<b>12,778,309</b>	<b>11,295,595</b>
<b>Non-current liabilities</b>		
Long-term guarantee deposits	608,068	624,406
Lease obligations	93,333	179,314
Deferred tax liabilities	2,131,537	1,821,132
Provision for retirement benefits for directors (and other officers)	205,525	182,165
Retirement benefit liability	720,210	846,136
Other	263,158	280,482
<b>Total non-current liabilities</b>	<b>4,021,833</b>	<b>3,933,637</b>
<b>Total liabilities</b>	<b>16,800,142</b>	<b>15,229,233</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,336,936	1,336,936
Capital surplus	1,269,750	1,269,750
Retained earnings	58,382,870	62,391,536
Treasury shares	(3,327,258)	(4,327,166)
<b>Total shareholders' equity</b>	<b>57,662,299</b>	<b>60,671,056</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	717,304	358,230
Foreign currency translation adjustment	2,780,323	2,881,214
Remeasurements of defined benefit plans	(17,036)	(22,646)
<b>Total accumulated other comprehensive income</b>	<b>3,480,590</b>	<b>3,216,798</b>
<b>Total net assets</b>	<b>61,142,889</b>	<b>63,887,855</b>
<b>Total liabilities and net assets</b>	<b>77,943,032</b>	<b>79,117,088</b>

**(2) Consolidated Statements of Income and Comprehensive Income**

	(Thousands of yen)	
	FY3/2019	FY3/2020
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Net sales	51,979,592	52,223,003
Cost of sales	*1 33,572,920	*1 34,619,916
Gross profit	18,406,672	17,603,086
Selling, general and administrative expenses		
Packing and Carrying expense	575,700	582,486
Provision of allowance for doubtful accounts	42,133	(17,074)
Salaries and allowances	2,758,490	2,700,934
Bonuses	545,383	500,668
Provision for bonuses	71,203	76,647
Provision for bonuses for directors (and other officers)	166,500	159,150
Retirement benefit expenses	146,278	192,334
Provision for retirement benefits for directors (and other officers)	14,930	12,225
Communication and transportation expenses	385,645	364,774
Depreciation	426,363	506,633
Taxes and dues	190,010	197,607
Research and development expenses	*2 2,209,504	*2 2,274,683
Other	2,662,286	2,512,107
Total selling, general and administrative expenses	10,194,430	10,063,177
Operating profit	8,212,241	7,539,909
Non-operating income		
Interests income	138,345	174,130
Dividend income	46,471	48,668
Valuable resource recovery income	53,323	26,957
Subsidy income	-	51,250
Technical advisory fee income	116,078	13,796
Other	155,819	161,689
Total non-operating income	510,038	476,493
Non-operating expenses		
Interest expenses	20,010	11,764
Sales discounts	8,165	8,204
Foreign exchange losses	107,407	79,975
Commission expenses	15,342	14,821
Other	17,176	31,325
Total non-operating expenses	168,102	146,091
Ordinary profit	8,554,178	7,870,311

	(Thousands of yen)	
	FY3/2019	FY3/2020
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Extraordinary income		
Gains on sales of non-current assets	*3 23,051	*3 455,084
Total extraordinary income	23,051	455,084
Extraordinary losses		
Loss on sales and retirement of non-current assets	*4 27,787	*4 67,064
Impairment loss	*5 34,867	*5 467,948
Loss on withdrawal from business	*6 297,901	-
Loss on valuation of investment securities	-	13,020
Total extraordinary losses	360,556	548,033
Profit before income taxes	8,216,673	7,777,362
Income taxes-current	2,696,702	2,590,045
Income taxes-deferred	(133,163)	(171,635)
Total income taxes	2,563,538	2,418,410
Profit	5,653,135	5,358,951
Profit attributable to:		
Profit attributable to owners of parent	5,653,135	5,358,951
Other comprehensive income		
Valuation difference on available-for-sale securities	(200,553)	(359,073)
Foreign currency translation adjustment	(1,177,334)	100,891
Remeasurements of defined benefit plans, net of tax	(7,624)	(5,609)
Total other comprehensive income	*7 (1,385,512)	*7 (263,792)
Comprehensive income	4,267,622	5,095,159
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,267,622	5,095,159

**(3) Consolidated Statements of Changes in Shareholders' Equity**

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,336,936	1,269,750	54,080,028	(3,326,952)	53,359,762
Changes during period					
Dividends of surplus			(1,350,292)		(1,350,292)
Profit attributable to owners of parent			5,653,135		5,653,135
Purchase of treasury shares				(306)	(306)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,302,842	(306)	4,302,536
Balance at end of period	1,336,936	1,269,750	58,382,870	(3,327,258)	57,662,299

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	917,857	3,957,658	(9,412)	4,866,103	-	58,225,865
Changes during period						
Dividends of surplus						(1,350,292)
Profit attributable to owners of parent						5,653,135
Purchase of treasury shares						(306)
Net changes in items other than shareholders' equity	(200,553)	(1,177,334)	(7,624)	(1,385,512)	-	(1,385,512)
Total changes during period	(200,553)	(1,177,334)	(7,624)	(1,385,512)	-	2,917,023
Balance at end of period	717,304	2,780,323	(17,036)	3,480,590	-	61,142,889

FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,336,936	1,269,750	58,382,870	(3,327,258)	57,662,299
Changes during period					
Dividends of surplus			(1,350,286)		(1,350,286)
Profit attributable to owners of parent			5,358,951		5,358,951
Purchase of treasury shares				(999,907)	(999,907)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,008,665	(999,907)	3,008,757
Balance at end of period	1,336,936	1,269,750	62,391,536	(4,327,166)	60,671,056

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	717,304	2,780,323	(17,036)	3,480,590	-	61,142,889
Changes during period						
Dividends of surplus						(1,350,286)
Profit attributable to owners of parent						5,358,951
Purchase of treasury shares						(999,907)
Net changes in items other than shareholders' equity	(359,073)	100,891	(5,609)	(263,792)	-	(263,792)
Total changes during period	(359,073)	100,891	(5,609)	(263,792)	-	2,744,965
Balance at end of period	358,230	2,881,214	(22,646)	3,216,798	-	63,887,855

**(4) Consolidated Statements of Cash Flows**

	(Thousands of yen)	
	FY3/2019	FY3/2020
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	8,216,673	7,777,362
Depreciation	2,048,798	2,143,969
Impairment loss	34,867	467,948
Increase (decrease) in allowance for doubtful accounts	41,895	(17,074)
Increase (decrease) in provision for bonuses for directors (and other officers)	13,700	(7,500)
Increase (decrease) in retirement benefit liability	14,908	110,681
Decrease (increase) in retirement benefit asset	(12,459)	793
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14,930	(23,360)
Interest and dividend income	(184,817)	(222,798)
Interest expenses	20,010	11,764
Losses (gains) on sales and retirement of non-current assets	4,735	(388,020)
Loss on withdrawal from business	297,901	-
Decrease (increase) in trade receivables	(574,357)	(1,247,408)
Decrease (increase) in inventories	(1,362,672)	(793,415)
Increase (decrease) in trade payables	1,487,992	(546,071)
Other, net	(83,233)	(364,534)
Subtotal	9,978,874	6,902,336
Interest and dividends received	179,801	199,688
Interest paid	(17,917)	(11,596)
Income taxes paid	(1,766,235)	(2,787,915)
Net cash provided by (used in) operating activities	8,374,522	4,302,512
Cash flows from investing activities		
Payments into time deposits	(1,330,531)	(391,825)
Proceeds from withdrawal of time deposits	1,495,496	575,137
Purchase of non-current assets	(2,265,202)	(2,213,103)
Proceeds from sales of non-current assets	67,445	493,761
Purchase of investment securities	(1,030,042)	(7,574,966)
Other, net	18,246	1,504
Net cash provided by (used in) investing activities	(3,044,588)	(9,109,490)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(361,945)	(38,813)
Repayments of long-term borrowings	(158,511)	-
Repayments of lease obligations	(59,652)	(106,281)
Purchase of treasury shares	(306)	(999,907)
Dividends paid	(1,350,292)	(1,350,286)
Net cash provided by (used in) financing activities	(1,930,708)	(2,495,288)
Effect of exchange rate change on cash and cash equivalents	(451,410)	(145,884)
Net increase (decrease) in cash and cash equivalents	2,947,814	(7,448,152)
Cash and cash equivalents at beginning of period	27,645,553	30,593,368
Cash and cash equivalents at end of period	30,593,368	23,145,215

## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Basis for Presentation of the Consolidated Financial Statements**

#### 1. Scope of consolidation

The number of consolidated subsidiaries: 11

Names of consolidated subsidiaries

Sumix Corporation  
Taiwan Uyemura Co., Ltd.  
Uyemura International Corporation  
Uyemura (Shanghai) Co., Ltd.  
Sum Hitech Co., Ltd.  
Uyemura (Malaysia) Sdn. Bhd.  
Uyemura International (Singapore) Pte Ltd  
Uyemura International (Hong Kong) Co., Ltd.  
Uyemura (Shenzhen) Co., Ltd.  
Uyemura Korea Co., Ltd.  
PT. Uyemura Indonesia

#### 2. Application of equity method

The Company has no subsidiaries and affiliates accounted for by the equity method.

#### 3. Closing date of consolidated subsidiaries

Of the consolidated subsidiaries, overseas subsidiaries' fiscal year ends on December 31. Therefore, the financial statements of the overseas consolidated subsidiaries as of their closing date are used herein with necessary adjustments applied for consolidation purposes regarding the important transactions that have occurred between the said closing date, December 31 and the consolidated closing date, March 31.

#### 4. Accounting policies

##### (1) Valuation standards and method for major assets

##### 1. Securities

##### 1) Trading securities

Valued at the market price, cost of sales that is determined by the moving average method.

##### 2) Other securities

Securities with market quotations

Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold that is determined by the moving average method.

Securities without market quotations

Valued at cost that is determined by the moving average method.

##### 2. Inventories

##### 1) Merchandise

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

##### 2) Finished goods and work in process

Plating chemicals

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

Surface finishing machinery

Primarily valued at cost that is determined by the identification method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

3) Raw materials and supplies

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation method for major depreciable assets

1) Property, plant and equipment (excluding leased assets)

The declining balance method is used in the Company and its domestic consolidated subsidiary, while the straight-line method is primarily used in overseas consolidated subsidiaries.

Useful life of principle assets is as follows:

Buildings and structures: 10-50 years

Machinery, equipment and vehicles: 2-15 years

2) Intangible assets

Intangible assets are amortized using the straight-line method.

Software for internal use is amortized over an estimated useful period of internal use, which is 3 to 5 years.

3) Leased assets

Leased assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

(3) Recognition of major reserves

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are accounted for based on historical write-off ratio for general receivables, and based on case-by-case determination of collectibility for bad receivables and claims in bankruptcy.

2) Provision for bonuses

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to employees, an allowance is accounted for a portion accrued for the fiscal year under review of the estimated amount of future payment.

3) Provision for bonuses for directors (and other officers)

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to directors, an allowance is accounted for the estimated bonus obligations in the fiscal year under review.

4) Provision for retirement benefits for directors (and other officers)

In the Company and its domestic consolidated subsidiary, to prepare for the payment of retirement benefits to directors, an allowance is accounted for in the aggregate amount payable at the end of the fiscal year pursuant to the Company's rules on directors' retirement benefits.

(4) Accounting method for retirement benefit obligations

i. Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the straight-line method for attributing estimated retirement benefit obligations to periods.

ii. Amortization of actuarial differences

The actuarial differences are mainly amortized and charged to expense in the year following the fiscal year in which such actuarial differences are recognized by the straight-line method over a certain period (12 years) which is within the average length of remaining work period of employees.

(5) Translation of the important assets or liabilities in foreign currency into Japanese currency

The monetary assets and liabilities in foreign currency are translated into Japanese currency based on the spot exchange rate as of the closing date of the fiscal year under review, with the conversion difference to be accounted for as profit or loss. The assets and liabilities of overseas consolidated subsidiaries are translated into Japanese currency based on the spot exchange rate as of the closing date of the fiscal year under review, and revenue and expenses into Japanese currency based on the average conversion rate throughout the entire period, with the conversion difference to be accounted for so as to be included in foreign currency translation adjustment in the net assets section.

## (6) Definition of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows is composed of 1) cash on hand, 2) bank deposit payable on demand, and 3) short-term investments readily redeemable within six months from the acquisition that has little risk on changes in valuation.

## (7) Other important principles for presentation of consolidated financial statements

Consumption taxes

All amounts stated are exclusive of consumption taxes.

**Changes in Accounting Policies**

(Application of IFRS 16 *Leases*)

Our overseas subsidiaries adopting IFRS have applied IFRS 16 *Leases* (hereinafter “the Standard”) from the beginning of the fiscal year ended March 31, 2020. The Standard requires a lessee to recognize, in principle, all leases as asset and liability on the balance sheet.

The effect of applying the Standard on the consolidated financial statements is insignificant.

**Notes to Consolidated Balance Sheets****\*1. Assets pledged as collateral and liabilities with collateral**

Assets pledged as collateral	(Thousands of yen)	
	FY3/2019	FY3/2020
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Buildings and structures	1,883,659	1,750,837
Land	47,200	47,200
Total	1,930,859	1,798,037

  

Liabilities with collateral	(Thousands of yen)	
	FY3/2019	FY3/2020
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Short-term borrowings	400,000	400,000
Total	400,000	400,000

**\*2. Accumulated depreciation**

Amounts of accumulated depreciation include accumulated impairment losses.

**\*3. Notes receivable and payable maturing on the balance sheet date**

The settlement of notes receivable and payable maturing on the balance sheet date is accounted for as of the clearing date or the settlement date of the notes. As the balance sheet date for the previous fiscal year was a bank holiday, the following notes receivable and payable maturing on the balance sheet date were included in the balance at the end of the previous fiscal year.

	(Thousands of yen)	
	FY3/2019	FY3/2020
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Notes receivable	437,817	-
Electronically recorded obligations-operating	285,834	-

**Notes to Consolidated Statements of Income and Comprehensive Income**

\*1. The ending inventory is the amount written down to reflect the effect of lower profit margins. The following loss on valuation of inventories is included in cost of sales.

(Thousands of yen)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
	6,351	36,446

\*2. Research and development expenses included in selling, general and administrative expenses

(Thousands of yen)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
	2,209,504	2,274,683

\*3. Gains on sales of non-current assets

(Thousands of yen)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
Machinery, equipment and vehicles	21,661	28,488
Land	-	370,315
Others	1,390	56,280
Total	23,051	455,084

\*4. Losses on disposal and sales of non-current assets

(Thousands of yen)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
Buildings and structures	3,857	6,007
Machinery, equipment and vehicles	12,739	2,186
Retirement cost	273	56,218
Others	10,917	2,650
Total	27,787	67,064

\*5. Impairment loss

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

The Group recognized impairment losses on the following groups of assets.

Location	Use	Item
West Java Province, Indonesia	Operating assets	Buildings and structures, machinery, equipment and vehicles, other
Taoyuan City, Taiwan	Operating assets	Buildings and structures, land

In principle, we group our operating assets into the smallest unit that generates largely independent cash flows.

For the fiscal year ended March 31, 2019, we wrote down the carrying value of the groups of assets that have reported operating losses on a consistent basis to its recoverable amount. The difference between the carrying value and the recoverable amount was then accounted for as impairment loss of 34,867 thousand yen and presented as an extraordinary losses. The amount of impairment loss consists of 21,296 thousand yen for West Java Province, Indonesia (of which, 1,580 thousand yen for buildings and structures, 13,973 thousand yen for machinery, equipment and vehicles, and 5,743 thousand yen for other items) and 13,571 thousand yen for Taoyuan City, Taiwan (of which, (2,689) thousand yen for buildings and structures and 16,260 thousand yen for land).

The recoverable amounts of the groups of assets are measured at net selling price. The net selling price is calculated based on real estate appraisal price. The assets other than land and buildings are evaluated at the memorandum value because it was determined that they had no substantial value.

FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)

The Group recognized impairment losses on the following groups of assets.

Location	Use	Item
Taoyuan City, Taiwan	Operating assets	Buildings and structures, land
Yao City, Osaka Prefecture, Japan	Idle assets	Land, construction in progress

In principle, we group our operating assets into the smallest unit that generates largely independent cash flows and our idle assets according to each asset type.

For the fiscal year under review, we wrote down the carrying value of the groups of assets that have reported operating losses on a consistent basis and that of the idle assets not in use for business to their recoverable amounts. The difference between the carrying value and the recoverable amount was then accounted for as impairment loss of 467,948 thousand yen and presented as an extraordinary losses. The amount of impairment loss consists of 2,097 thousand yen for Taoyuan City, Taiwan (of which, (14,040) thousand yen for buildings and structures and 16,138 thousand yen for land) and 465,850 thousand yen for Yao City, Osaka Prefecture, Japan (of which, 434,010 thousand yen for land and 31,840 thousand yen for construction in progress).

The recoverable amounts of the groups of assets are measured at net selling price. The net selling price is calculated based on real estate appraisal price.

## \*6. Loss on withdrawal from business

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

Loss on withdrawal from business was recognized as a result of Sumix Corporation, a consolidated subsidiary of the Company, withdrawing from the plating business. The amount of loss on withdrawal from business consists of the following:

	(Thousands of yen)
Impairment loss <sup>(Note)</sup>	122,929
Cost for soil contamination countermeasures	114,120
Special retirement payment	19,000
Other cost related to business withdrawal	41,852
Total	<u>297,901</u>

(Note) For the fiscal year under review, the Group recognized an impairment loss on the following groups of assets.

Location	Use	Item
Yao City, Osaka Prefecture, Japan	Operating assets	Buildings and structures, machinery, equipment and vehicles, land, leased assets, other

In principle, we group our operating assets into the smallest unit that generates largely independent cash flows.

At the Board of Directors held on September 10, 2018, the Company resolved to terminate the plating business of Sumix Corporation on March 31, 2019 and made a decision to sell out its factory in Yao City. Consequently, with the recoverable amount of the said assets declining significantly, we wrote down the carrying value of the groups of assets to its recoverable amount. The difference between the carrying value and the recoverable amount was then accounted for as loss on withdrawal from business of 122,929 thousand yen and presented as an extraordinary losses. The amount of loss on withdrawal from business consists of 28,192 thousand yen for buildings and structures, 10,140 thousand yen for machinery, equipment and vehicles, 78,691 thousand yen for land, 4,424 thousand yen for leased assets, and 1,479 thousand yen for other items.

## \*7. Reclassification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
Valuation difference on available-for-sale securities		
Amount incurred during the year	(289,065)	(517,546)
Re-classification adjustments	-	-
Before tax effect adjustments	(289,065)	(517,546)
Tax effect	88,511	158,472
Valuation difference on available-for-sale securities	(200,553)	(359,073)
Foreign currency translation adjustment		
Amount incurred during the year	(1,177,334)	100,891
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	(18,924)	(18,091)
Re-classification adjustments	7,935	10,006
Before tax effect adjustments	(10,989)	(8,085)
Tax effect	3,364	2,475
Remeasurements of defined benefit plans, net of tax	(7,624)	(5,609)
Total other comprehensive income	(1,385,512)	(263,792)

**Notes to Consolidated Statements of Changes in Shareholders' Equity**

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

## 1. Types and total number of outstanding shares and treasury shares

	Number of shares as of Apr. 1, 2018 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2019 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury shares				
Common shares (Note)	876,091	38	-	876,129
Total	876,091	38	-	876,129

Note: The number of common shares of treasury shares was increased by 38 shares due to purchase of odd-lot shares.

## 2. Dividends

## (1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 28, 2018	Common shares	1,350,292	150	Mar. 31, 2018	Jun. 29, 2018

## (2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 27, 2019	Common shares	1,350,286	Retained earnings	150	Mar. 31, 2019	Jun. 28, 2019

FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)

## 1. Types and total number of outstanding shares and treasury shares

	Number of shares as of Apr. 1, 2019 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2020 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury shares				
Common shares (Note)	876,129	132,116	-	1,008,245
Total	876,129	132,116	-	1,008,245

Note: The number of common shares of treasury shares was increased by 132,100 shares due to the acquisition of treasury shares resolved at the Board of Directors meeting and by 16 shares due to purchase of odd-lot shares.

## 2. Dividends

## (1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 27, 2019	Common shares	1,350,286	150	Mar. 31, 2019	Jun. 28, 2019

## (2) Dividends with a record date in the fiscal year under review but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 26, 2020	Common shares	1,419,167	Retained earnings	160	Mar. 31, 2020	Jun. 29, 2020

**Notes to Consolidated Statements of Cash Flows**

\*1. Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and the amount stated in the consolidated balance sheets

	(Thousands of yen)	
	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
Cash and deposits	34,029,803	26,472,648
Time deposits maturing with deposit period of more than 6 months	(3,436,434)	(3,327,432)
Cash and cash equivalents	30,593,368	23,145,215

## Segment and Other Information

### Segment information

#### 1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company has established individual sales divisions that oversee specific product, merchandise and service categories. Each division conducts its business in line with the comprehensive strategy it has devised for products, merchandise and services in both domestic and overseas markets.

The Company's business activities thus comprise of four reportable segments classified by type and nature of the products, merchandise and services; the surface finishing materials business, the surface finishing machinery business, the plating job business and the real estate rental business.

The surface finishing materials business mainly handles the sale of plating chemicals for PWBs, plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals and others. The surface finishing machinery business mainly deals with plating machinery for PWBs and plating machinery for aluminum magnetic disks. The plating job business is mainly engaged in plastic plating services and PWB plating services. The real estate rental business generates revenue by renting out office buildings and apartment houses.

#### 2. Calculation method for sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is the same as the methods listed in "Basis for Presentation of the Consolidated Financial Statements."

Intersegment sales and transfer are based on market prices.

#### 3. Information related to sales, profit or loss, assets or liabilities, and other items for each reportable segment

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Net sales									
Sales to third parties	39,467,273	5,262,652	6,496,602	740,105	51,966,633	12,959	51,979,592	-	51,979,592
Intersegment sales and transfers	129,096	39,783	394	-	169,273	-	169,273	(169,273)	-
Total	39,596,369	5,302,435	6,496,996	740,105	52,135,907	12,959	52,148,866	(169,273)	51,979,592
Segment profit (loss)	7,841,714	(64,917)	119,698	304,959	8,201,455	10,785	8,212,241	-	8,212,241
Segment assets	36,762,618	7,455,589	7,883,246	2,675,207	54,776,662	-	54,776,662	23,166,369	77,943,032
Other items									
Depreciation	1,169,964	136,908	601,432	140,492	2,048,798	-	2,048,798	-	2,048,798
Amortization of goodwill	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	144,225	13,571	157,796	-	157,796	-	157,796
Increase in property, plant and equipment and intangible assets	1,426,654	86,568	326,997	244,167	2,084,387	-	2,084,387	-	2,084,387

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

2. The 23,166,369 thousand yen adjustment of segment assets includes minus 77,400 thousand yen in elimination of inter-segment transactions and corporate assets of 23,243,769 thousand yen. Corporate assets mainly include excess funds (cash and deposits) and long-term invested assets (investment securities) of the parent company.

3. Total segment profit (loss) is equal to operating profit shown on the consolidated financial statements.

FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Notes 2, 3)	Amounts shown on consolidated financial statements (Note 4)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Net sales									
Sales to third parties	38,495,541	7,383,783	5,561,130	769,933	52,210,388	12,614	52,223,003	-	52,223,003
Intersegment sales and transfers	54,041	50,751	102	-	104,895	-	104,895	(104,895)	-
Total	38,549,582	7,434,535	5,561,232	769,933	52,315,283	12,614	52,327,898	(104,895)	52,223,003
Segment profit (loss)	6,393,260	740,454	(15,158)	410,863	7,529,419	10,489	7,539,909	-	7,539,909
Segment assets	36,977,242	8,119,205	7,488,794	2,522,398	55,107,641	-	55,107,641	24,009,446	79,117,088
Other items									
Depreciation	1,305,310	122,534	560,006	156,118	2,143,969	-	2,143,969	-	2,143,969
Amortization of goodwill	-	-	-	-	-	-	-	-	-
Impairment loss	-	-	-	2,097	2,097	-	2,097	465,850	467,948
Increase in property, plant and equipment and intangible assets	1,586,500	118,962	409,496	91	2,115,051	-	2,115,051	-	2,115,051

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

2. The 24,009,446 thousand yen adjustment of segment assets includes minus 14,764 thousand yen in elimination of inter-segment transactions and corporate assets of 24,024,211 thousand yen. Corporate assets mainly include excess funds (cash and deposits) and long-term invested assets (investment securities) of the parent company.

3. The 465,850 thousand yen adjustment of impairment loss represents impairment loss on idle assets.

4. Total segment profit (loss) is equal to operating profit shown on the consolidated financial statements.

### Related information

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

#### 1. Information by product or service

Omitted because the same information is presented in the segment information section.

#### 2. Information by region

##### (1) Net sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
18,765,480	9,789,582	7,719,304	15,705,225	51,979,592

##### (2) Property, plant and equipment

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
9,791,146	3,677,881	2,801,909	2,401,389	18,672,326

#### 3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and comprehensive income.

FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)

## 1. Information by product or service

Omitted because the same information is presented in the segment information section.

## 2. Information by region

## (1) Net sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
21,208,316	9,683,502	6,799,073	14,532,111	52,223,003

## (2) Property, plant and equipment

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
8,921,467	3,648,063	3,144,179	2,575,691	18,289,402

## 3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and comprehensive income.

**Information related to impairment losses of non-current assets for each reportable segment**

FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)

Omitted because the same information is presented in the segment information section.

FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)

Omitted because the same information is presented in the segment information section.

**Information related to goodwill amortization and the unamortized balance for each reportable segment**

Not applicable.

**Information related to gain on bargain purchase for each reportable segment**

Not applicable.

**Per Share Data**

(Yen)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
Net assets per share	6,792.21	7,202.86
Net income per share (basic)	627.99	598.60

Notes: 1. Net income per share (diluted) is not disclosed since there is no dilutive share.

2. Basis for calculation of net assets per share is as follows:

(Thousands of yen, unless otherwise stated)

	FY3/2019 (As of Mar. 31, 2019)	FY3/2020 (As of Mar. 31, 2020)
Total net assets on balance sheets	61,142,889	63,887,855
Deduction from total net assets	-	-
Net assets applicable to common shares	61,142,889	63,887,855
Number of shares outstanding (common shares)	9,878,040 shares	9,878,040 shares
Number of treasury shares (common shares)	876,129 shares	1,008,245 shares
Number of common shares used in calculation of net assets per share	9,001,911 shares	8,869,795 shares

3. Basis for calculation of net income per share (basic) is as follows:

(Thousands of yen, unless otherwise stated)

	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/2020 (Apr. 1, 2019 – Mar. 31, 2020)
Profit attributable to owners of parent	5,653,135	5,358,951
Amount not available to common shareholders	-	-
Profit attributable to common shareholders of parent	5,653,135	5,358,951
Average number of shares of common shares outstanding during period	9,001,914 shares	8,952,421 shares

**Material Subsequent Events**

Not applicable.

**4. Others****Changes in Directors and Corporate Auditors**

## 1) Changes in Representative Director

Not applicable.

## 2) Changes in other Directors and Corporate Auditors (to be effective on June 26, 2020)

## i. Candidate for a newly appointed Director

Director: Kaori Nishimoto (Labor and Social Security Attorney and representative of a Labor and Social Security Attorney office (current))

(Note) Ms. Kaori Nishimoto is a candidate for Outside Director.

*Note: This report of consolidated financial results is solely a translation of summary of Japanese “Kessan Tanshin” (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.*