

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019
[Japanese GAAP]

Company name:	C. Uyemura & Co., Ltd.	Listing:	Second Section of the Tokyo Stock Exchange
Stock code:	4966	URL:	https://www.uyemura.co.jp/
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Scheduled date of annual general meeting of shareholders:	June 27, 2019		
Scheduled date of filing of annual securities report:	June 27, 2019		
Starting date of dividend payment:	June 28, 2019		
Preparation of supplementary materials for financial results:	Yes		
Holding of financial results meeting:	Yes (for institutional investors and analysts)		

Note: The original disclosure in Japanese was released on May 13, 2019 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, 2019 (April 1, 2018 – March 31, 2019)

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

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2019	51,979	8.0	8,212	(1.3)	8,554	1.5	5,653	5.9
Fiscal year ended Mar. 31, 2018	48,120	14.3	8,322	46.7	8,424	47.3	5,336	0.8

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2019: 4,267 (down 32.7%)

Fiscal year ended Mar. 31, 2018: 6,340 (up 34.1%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2019	627.99	-	9.5	11.3	15.8
Fiscal year ended Mar. 31, 2018	592.83	-	9.6	11.7	17.3

Reference: Equity in earnings of unconsolidated subsidiaries (million yen) Fiscal year ended Mar. 31, 2019: -

Fiscal year ended Mar. 31, 2018: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2019	77,943	61,142	78.4	6,792.21
As of Mar. 31, 2018	73,611	58,225	79.1	6,468.14

Reference: Shareholders' equity (million yen) As of Mar. 31, 2019: 61,142 As of Mar. 31, 2018: 58,225

(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, 2019	8,374	(3,044)	(1,930)	30,593
Fiscal year ended Mar. 31, 2018	6,150	(4,374)	(1,975)	27,645

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, 2018	-	0.00	-	150.00	150.00	1,350	25.3	2.4
Fiscal year ended Mar. 31, 2019	-	0.00	-	150.00	150.00	1,350	23.9	2.3
Fiscal year ending Mar. 31, 2020 (forecast)	-	0.00	-	160.00	160.00		25.7	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(Percentages represent year-over-year changes.)

	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	24,700	(1.8)	4,000	(0.9)	4,100	(4.0)	2,800	1.5	311.04
Full year	53,600	3.1	8,300	1.1	8,600	0.5	5,600	(0.9)	622.09

*** 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: None

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

3) Changes in accounting-based estimates: None

4) Restatements: None

(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, 2019: 9,878,040 shares As of Mar. 31, 2018: 9,878,040 shares

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

As of Mar. 31, 2019: 876,129 shares As of Mar. 31, 2018: 876,091 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2019: 9,001,914 shares Fiscal year ended Mar. 31, 2018: 9,002,068 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(1) Results of operations

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2019	25,463	1.3	3,342	(13.4)	6,618	(26.1)	4,597	(25.7)
Fiscal year ended Mar. 31, 2018	25,143	15.0	3,861	84.7	8,953	117.9	6,187	99.6

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2019	510.70	-
Fiscal year ended Mar. 31, 2018	687.38	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2019	49,337	39,267	79.6	4,362.15
As of Mar. 31, 2018	44,613	36,208	81.2	4,022.35

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2019: 39,267

As of Mar. 31, 2018: 36,208

***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.

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1. Overview of Results of Operations

(1) Results of Operations

The Japanese economy for the fiscal year ended March 31, 2019 (hereinafter “the fiscal year under review”) remained on track to recovery as corporate earnings stayed resilient, and employment conditions and personal income moderately improved. Meanwhile, the world economy has been recovering, but its outlook still remains unclear due to factors such as uncertainties over trends of the U.S. administration and its trade policies, intensified global trade frictions, and sharp fluctuations of the financial and capital markets.

In the electronic devices market, which is the Uyemura Group’s main market area, the demand for electronic components expanded thanks to the advancement of the mounting technology that allows smartphones to be more functional and high-performing, as well as a phenomenal increase in the number of on-board electrical components for car electronics.

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

As a result, consolidated sales for the fiscal year under review were 51,979 million yen (up 8.0% year-over-year), operating profit 8,212 million yen (down 1.3% year-over-year), ordinary profit 8,554 million yen (up 1.5% year-over-year), and profit attributable to owners of parent 5,653 million yen (up 5.9% year-over-year).

Performance by business segment is shown as below.

1) Surface finishing materials business

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs increased year-over-year thanks to the continued strong demand for electronic components used for smartphones and car electronics products. In particular for car electronics applications, trends for improved safety and eco-friendliness caused sales of the plating chemicals for automotive power devices and on-board camera modules to increase and exceed those for the previous fiscal year.

Consequently, sales in the surface finishing materials business increased 7.8% year-over-year to 39,596 million yen, and segment profit increased 2.5% year-over-year to 7,841 million yen.

2) Surface finishing machinery business

In the electronic components industry, capital investments to accommodate demand for new thin and high-density wiring boards for high-end smartphones ran their course. This caused the segment to report a year-over-year decrease in sales. In addition, the segment reported a loss due to a squeeze in profit margin caused by price competition mainly in Greater China and additional costs incurred by a change in specifications.

Consequently, sales in the surface finishing machinery business decreased 10.1% year-over-year to 5,302 million yen, while there was a segment loss of 64 million yen (compared with a segment profit of 528 million yen in the previous fiscal year).

3) Plating job business

Sales of the segment increased year-over-year thanks to a solid growth in orders of plating job operations for automotive PWBs received by the consolidated subsidiary in Taiwan as well as the recovering automobile industry in Thailand and Indonesia. Furthermore, an improved yield helped the segment turn into the black in terms of profitability.

Consequently, sales in the plating job business increased 28.4% year-over-year to 6,496 million yen with a segment profit of 119 million yen (compared with a segment loss of 236 million yen in the previous fiscal year).

4) Real estate rental business

The real estate rental business was adversely affected by an increased cost due to major renovation of an office building for rent in Shin-Osaka, resulting in a year-over-year decrease in segment profit, whereas sales of the segment increased year-over-year thanks to an improvement in the occupancy ratio of the office building.

Consequently, sales in the real estate rental business increased 2.4% year-over-year to 740 million yen, but a segment profit decreased 27.0% year-over-year to 304 million yen.

It is noted that intersegment sales and transfers are included in the above segment sales.

(2) Financial Position

Analysis of assets, liabilities, net assets

Total assets increased 4,331 million yen from the end of the previous fiscal year to 77,943 million yen at the end of the fiscal year under review. This was primarily attributable to a 2,626 million yen increase in cash and deposits with banks, a 740 million yen increase in work in process, and a 731 million yen increase in investment securities, which were partially offset by a 430 million yen decrease in machinery and vehicles, net, a 313 million yen decrease in buildings and structures, net, and a 75 million yen decrease in construction in progress.

Total liabilities increased 1,414 million yen from the end of the previous fiscal year to 16,800 million yen. This was primarily attributable to a 927 million yen increase in income taxes payable and an 878 million yen increase in electronically recorded obligations-operating, which were partially offset by a 370 million yen decrease in short-term loans payable and a 192 million yen decrease in deferred tax liabilities.

Net assets increased 2,917 million yen from the end of the previous fiscal year to 61,142 million yen. This was primarily attributable to a 4,302 million yen increase in retained earnings, which was partially offset by a 1,177 million yen decrease in foreign currency translation adjustments and a 200 million yen decrease in cumulative securities holding gain.

As a result, the equity ratio decreased from 79.1% at the end of the previous fiscal year to 78.4%.

(3) Cash Flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the fiscal year under review increased 2,947 million yen from the end of the previous fiscal year to 30,593 million yen.

A summary of cash flows is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 8,374 million yen (compared with net cash provided of 6,150 million yen in the previous fiscal year). Positive factors included profit before income taxes of 8,216 million yen, depreciation and amortization of 2,048 million yen, and a 1,487 million yen increase in notes and accounts payable-trade, while negative factors included income taxes paid of 1,766 million yen, a 1,362 million yen increase in inventories, and a 574 million yen increase in notes and accounts receivable-trade.

(Cash flows from investing activities)

Net cash used in investing activities was 3,044 million yen (compared with net cash used of 4,374 million yen in the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 1,495 million yen, while negative factors included payment for acquisition of fixed assets of 2,265 million yen, payments into time deposits of 1,330 million yen, and payment for acquisition of investment securities of 1,030 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,930 million yen (compared with 1,975 million yen used in the previous fiscal year). Negative factors included cash dividends paid of 1,350 million yen, a 361 million yen net decrease in short-term loans payable, and repayments for long-term loans payable of 158 million yen.

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

	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019
Shareholders' equity ratio (%)	69.3	73.8	76.4	79.1	78.4
Shareholders' equity ratio based on market prices (%)	77.9	64.1	78.3	100.3	75.0
Cash flows to debt ratio (years)	0.4	0.3	0.2	0.2	0.1
Interest coverage ratio (x)	127.3	177.9	318.0	299.4	467.4

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. Effective from the beginning of the fiscal year under review, the Company applied *Partial Amendments to Accounting Standard for Tax Effect Accounting* (ASBJ Statement No. 28, February 16, 2018) and other related pronouncements. Accordingly, the cash flow-related indicators for the previous fiscal year (FY3/2018) are adjusted for retrospective application of the said standard and pronouncements.

(4) Outlook

Regarding the future prospects of the domestic economy, moderate recovery trend will continue to be observed backed by improved corporate earnings and employment environment. However, the outlook remains uncertain with sluggish personal consumption caused by the consumption tax hike that is scheduled to be effective in October 2019, and a concern over downside risks due to a drastic change in the world situation.

In the Group's mainstay electronic device market, smartphone shipment, which has been a driver of the market, is slowing its pace of growth. Nevertheless, we can still expect an increasing number of electronic components to be installed due to sophistication of terminals and higher value-added components along with the growth in demand for new products. In the car electronics segment, demand for advanced driver assistance system, power devices and other in-vehicle components is expected to grow steadily to enhance automobile eco-friendliness, safety and convenience.

Under such environment, the Uyemura 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 in response to business globalization, 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 53,600 million yen (up 3.1% year-over-year), operating profit of 8,300 million yen (up 1.1% year-over-year), ordinary profit of 8,600 million yen (up 0.5% year-over-year), and profit attributable to owners of parent of 5,600 million yen (down 0.9% year-over-year) for the fiscal year ending March 31, 2020.

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

As we recognize profit distribution to our shareholders as an important management issue, we will continue stable payment of dividends with the amount linked to operating results as our basic policy while striving to establish a solid management foundation and to increase return on equity.

In accordance with the policy above, we have set the medium- to long-term dividend payout target of approximately 25% on a consolidated basis after considering various financial ratios in a comprehensive manner.

We plan to pay an ordinary year-end dividend of 150 yen per share (consolidated dividend payout ratio of 23.9%) for the fiscal year under review.

Regarding the fiscal year ending March 31, 2020, 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 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)

	FY3/2018		FY3/2019	
	(As of Mar. 31, 2018)		(As of Mar. 31, 2019)	
Assets				
Current assets				
Cash and deposits with banks		31,403,251		34,029,803
Notes and accounts receivable-trade	*3	13,536,467	*3	13,694,398
Marketable securities		40,581		37,285
Merchandise and finished goods		2,027,445		2,197,452
Work in process		1,263,488		2,004,378
Raw materials and supplies		1,146,193		1,395,019
Other current assets		782,927		1,134,913
Allowance for doubtful accounts		(51,936)		(90,756)
Total current assets		50,148,416		54,402,496
Fixed assets				
Tangible fixed assets				
Buildings and structures	*1	20,671,622	*1	20,882,827
Accumulated depreciation	*2	(12,007,809)	*2	(12,533,007)
Buildings and structures, net		8,663,812		8,349,819
Machinery and vehicles		10,890,322		10,729,213
Accumulated depreciation	*2	(8,052,879)	*2	(8,322,632)
Machinery and vehicles, net		2,837,443		2,406,580
Land	*1	4,692,402	*1	4,691,456
Lease assets		203,539		235,613
Accumulated depreciation	*2	(115,901)	*2	(121,810)
Lease assets, net		87,638		113,803
Construction in progress		1,950,302		1,874,685
Other tangible fixed assets		4,750,187		5,084,699
Accumulated depreciation	*2	(3,667,656)	*2	(3,848,718)
Other tangible fixed assets, net		1,082,531		1,235,980
Total tangible fixed assets		19,314,130		18,672,326
Intangible assets		302,273		269,301
Investments and other assets				
Investment securities		3,037,070		3,768,139
Net defined benefit asset		90,535		83,983
Deferred tax assets		243,565		268,048
Other investments and other assets		548,517		548,250
Allowance for doubtful accounts		(73,365)		(69,513)
Total investments and other assets		3,846,323		4,598,908
Total fixed assets		23,462,726		23,540,536
Total assets		73,611,143		77,943,032

	(Thousands of yen)	
	FY3/2018	FY3/2019
	(As of Mar. 31, 2018)	(As of Mar. 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,715,595	2,866,067
Electronically recorded obligations-operating	*3 3,179,285	*3 4,057,985
Short-term loans payable	*1 882,448	*1 511,503
Current portion of long-term loans payable	171,704	41,813
Lease obligations	53,014	54,715
Income taxes payable	1,760,095	2,687,876
Accrued bonuses	154,369	152,879
Allowance for directors' bonuses	152,950	166,650
Other current liabilities	2,111,939	2,238,815
Total current liabilities	11,181,402	12,778,309
Long-term liabilities		
Long-term loans payable	42,676	-
Long-term guarantee deposit	592,790	608,068
Lease obligations	86,847	93,333
Deferred tax liabilities	2,323,677	2,131,537
Allowance for directors' retirement benefits	190,595	205,525
Net defined benefit liability	736,907	720,210
Other long-term liabilities	230,380	263,158
Total long-term liabilities	4,203,874	4,021,833
Total liabilities	15,385,277	16,800,142
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,269,750	1,269,750
Retained earnings	54,080,028	58,382,870
Treasury shares	(3,326,952)	(3,327,258)
Total shareholders' equity	53,359,762	57,662,299
Accumulated other comprehensive income		
Cumulative securities holding gain	917,857	717,304
Foreign currency translation adjustments	3,957,658	2,780,323
Remeasurements of defined benefit plans	(9,412)	(17,036)
Total accumulated other comprehensive income	4,866,103	3,480,590
Total net assets	58,225,865	61,142,889
Total liabilities and net assets	73,611,143	77,943,032

(2) Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
Sales	48,120,469	51,979,592
Cost of goods sold	*1 29,874,223	*1 33,572,920
Gross profit	18,246,246	18,406,672
Selling, general and administrative expenses		
Packing and transportation	538,817	575,700
Provision of allowance for doubtful accounts	(2,818)	42,133
Salaries and wages	2,763,913	2,758,490
Bonuses	520,139	545,383
Provision of accrued bonuses	68,898	71,203
Provision of allowance for directors' bonuses	154,531	166,500
Retirement benefit expenses	225,839	146,278
Provision for directors' retirement benefits	13,970	14,930
Telecommunication and traveling expenses	389,416	385,645
Depreciation	419,877	426,363
Taxes and public charges	153,445	190,010
R&D expenses	*2 2,092,871	*2 2,209,504
Others	2,584,442	2,662,286
Total selling, general and administrative expenses	9,923,344	10,194,430
Operating profit	8,322,902	8,212,241
Non-operating income		
Interests received	116,240	138,345
Dividends received	43,552	46,471
Gains on valuable resources recovery	21,940	53,323
Technical advisory fee	-	116,078
Other non-operating income	113,949	155,819
Total non-operating income	295,683	510,038
Non-operating expenses		
Interest expense	13,424	20,010
Sales discounts	6,805	8,165
Foreign exchange losses	153,632	107,407
Commission fee	14,195	15,342
Other non-operating expenses	6,516	17,176
Total non-operating expenses	194,575	168,102
Ordinary profit	8,424,010	8,554,178

	(Thousands of yen)			
	FY3/2018		FY3/2019	
	(Apr. 1, 2017 – Mar. 31, 2018)		(Apr. 1, 2018 – Mar. 31, 2019)	
Extraordinary income				
Gains on sales of fixed assets	*3	24,938	*3	23,051
Total extraordinary income		24,938		23,051
Extraordinary loss				
Loss on disposal and sales of fixed assets	*4	69,438	*4	27,787
Impairment loss	*5	571,631	*5	34,867
Loss on business withdrawal		-	*6	297,901
Total extraordinary losses		641,070		360,556
Profit before income taxes		7,807,878		8,216,673
Income taxes-current		1,927,916		2,696,702
Income taxes-deferred		523,152		(133,163)
Total income taxes		2,451,068		2,563,538
Profit		5,356,809		5,653,135
Profit attributable to:				
Owners of parent		5,336,669		5,653,135
Non-controlling interests		20,140		-
Other comprehensive income				
Cumulative securities holding gain		93,292		(200,553)
Foreign currency translation adjustments		875,870		(1,177,334)
Remeasurements of defined benefit plans, net of tax		14,546		(7,624)
Total other comprehensive income	*7	983,709	*7	(1,385,512)
Comprehensive income		6,340,519		4,267,622
Comprehensive income attributable to:				
Owners of parent		6,311,129		4,267,622
Non-controlling interests		29,389		-

(3) Consolidated Statements of Changes in Shareholders' Equity

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,336,936	1,321,570	50,003,674	(3,324,935)	49,337,246
Changes of items during period					
Dividends of surplus			(1,260,315)		(1,260,315)
Profit attributable to owners of parent			5,336,669		5,336,669
Purchase of treasury shares				(2,016)	(2,016)
Purchase of shares of consolidated subsidiaries		(51,820)			(51,820)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(51,820)	4,076,353	(2,016)	4,022,516
Balance at end of current period	1,336,936	1,269,750	54,080,028	(3,326,952)	53,359,762

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Cumulative securities holding gain	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	824,565	3,091,036	(23,958)	3,891,642	407,625	53,636,514
Changes of items during period						
Dividends of surplus						(1,260,315)
Profit attributable to owners of parent						5,336,669
Purchase of treasury shares						(2,016)
Purchase of shares of consolidated subsidiaries						(51,820)
Net changes of items other than shareholders' equity	93,292	866,621	14,546	974,460	(407,625)	566,835
Total changes of items during period	93,292	866,621	14,546	974,460	(407,625)	4,589,351
Balance at end of current period	917,857	3,957,658	(9,412)	4,866,103	-	58,225,865

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

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,336,936	1,269,750	54,080,028	(3,326,952)	53,359,762
Changes of items 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)
Purchase of shares of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,302,842	(306)	4,302,536
Balance at end of current 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
	Cumulative securities holding gain	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	917,857	3,957,658	(9,412)	4,866,103	-	58,225,865
Changes of items during period						
Dividends of surplus						(1,350,292)
Profit attributable to owners of parent						5,653,135
Purchase of treasury shares						(306)
Purchase of shares of consolidated subsidiaries						
Net changes of items other than shareholders' equity	(200,553)	(1,177,334)	(7,624)	(1,385,512)	-	(1,385,512)
Total changes of items during period	(200,553)	(1,177,334)	(7,624)	(1,385,512)	-	2,917,023
Balance at end of current period	717,304	2,780,323	(17,036)	3,480,590	-	61,142,889

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
Cash flows from operating activities		
Profit before income taxes	7,807,878	8,216,673
Depreciation and amortization	2,033,150	2,048,798
Impairment loss	571,631	34,867
Increase (decrease) in allowance for doubtful accounts	(2,818)	41,895
Increase (decrease) in allowance for directors' bonuses	16,700	13,700
Increase (decrease) in net defined benefit liability	79,861	14,908
Decrease (increase) in net defined benefit asset	1,073	(12,459)
Increase (decrease) in allowance for directors' retirement benefits	10,900	14,930
Interests and dividends income	(159,793)	(184,817)
Interest expense	13,424	20,010
Losses (gains) on disposal and sales of fixed assets	44,500	4,735
Loss on withdrawal from business	-	297,901
Decrease (increase) in notes and accounts receivable-trade	(2,036,946)	(574,357)
Decrease (increase) in inventories	(480,163)	(1,362,672)
Increase (decrease) in notes and accounts payable-trade	730,405	1,487,992
Others	(533,732)	(83,233)
Subtotal	8,096,071	9,978,874
Interests and dividends received	159,901	179,801
Interests paid	(20,545)	(17,917)
Income taxes paid	(2,084,581)	(1,766,235)
Net cash provided by operating activities	6,150,846	8,374,522
Cash flows from investing activities		
Payments into time deposits	(1,237,930)	(1,330,531)
Proceeds from withdrawal of time deposits	1,194,787	1,495,496
Payment for acquisition of fixed assets	(3,314,611)	(2,265,202)
Proceeds from sales of fixed assets	73,956	67,445
Payment for acquisition of investment securities	(1,053,812)	(1,030,042)
Others	(36,561)	18,246
Net cash used in investing activities	(4,374,173)	(3,044,588)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	62,309	(361,945)
Repayments for long-term loans payable	(230,276)	(158,511)
Repayments for lease obligations	(58,021)	(59,652)
Payment for acquisition of treasury shares	(2,016)	(306)
Payment for acquisition of treasury shares of subsidiaries	(487,334)	-
Cash dividends paid	(1,260,315)	(1,350,292)
Net cash used in financing activities	(1,975,656)	(1,930,708)
Effect of exchange rate changes on cash and cash equivalents	112,688	(451,410)
Increase (decrease) in cash and cash equivalents	(86,294)	2,947,814
Cash and cash equivalents at beginning of period	27,731,847	27,645,553
Cash and cash equivalents at end of period	27,645,553	30,593,368

(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. Marketable 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 and amortization method for major depreciable assets

1) Tangible fixed assets (excluding lease 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 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) Lease assets

Lease 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) Accrued 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) Allowance for directors' bonuses

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) Allowance for directors' retirement benefits

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.

iii. Adoption of a simplified method by small-scale companies, etc.

One domestic consolidated subsidiary calculates net defined benefit liability and retirement benefit expenses by using a simplified method in which the retirement benefit obligations are equal to the amount that would be paid if all employees voluntarily requested retirement benefits at the end of the fiscal year.

(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 adjustments and non-controlling interests 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.

Reclassifications

Changes resulting from the application of *Partial Amendments to Accounting Standard for Tax Effect Accounting*

Effective from the beginning of the fiscal year under review, the Company applied *Partial Amendments to Accounting Standard for Tax Effect Accounting* (ASBJ Statement No. 28, February 16, 2018) and other related pronouncements. Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the long-term liabilities section of the balance sheet, respectively.

Notes to Consolidated Balance Sheets

*1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral	(Thousands of yen)	
	FY3/2018 (As of Mar. 31, 2018)	FY3/2019 (As of Mar. 31, 2019)
Buildings and structures	1,439,905	1,883,659
Land	47,200	47,200
Total	1,487,105	1,930,859

Liabilities with collateral	(Thousands of yen)	
	FY3/2018 (As of Mar. 31, 2018)	FY3/2019 (As of Mar. 31, 2019)
Short-term loans payable	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 fiscal year under review 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 fiscal year.

	(Thousands of yen)	
	FY3/2018 (As of Mar. 31, 2018)	FY3/2019 (As of Mar. 31, 2019)
Notes receivable	448,259	437,817
Electronically recorded obligations-operating	228,132	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 goods sold.

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
	12,171	6,351

*2. R&D expenses included in selling, general and administrative expenses

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
	2,092,871	2,209,504

*3. Gains on sales of fixed assets

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
Machinery and vehicles	22,955	21,661
Others	1,983	1,390
Total	24,938	23,051

*4. Losses on disposal and sales of fixed assets

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
Buildings and structures	12,434	3,857
Machinery and vehicles	34,165	12,738
Retirement cost	21,750	273
Others	1,089	10,917
Total	69,438	27,787

*5. Impairment loss

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

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

Location	Use	Item
West Java Province, Indonesia	Operating assets	Buildings and structures, machinery and vehicles, lease assets, other
Taoyuan County, Taiwan	Operating assets	Land

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

For the previous fiscal year ended March 31, 2018, 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 571,631 thousand yen and presented as an extraordinary loss. The amount of impairment loss consists of 564,313 thousand yen for West Java Province, Indonesia (of which, 223,074 thousand yen for buildings and structures, 288,983 thousand yen for machinery and vehicles, 32,169 thousand yen for lease assets, and 20,085 thousand yen for other items) and 7,317 thousand yen for Taoyuan County, Taiwan (all of which is 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.

FY3/2019 (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 and vehicles, other
Taoyuan County, 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 under review, 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 loss. 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 and vehicles, and 5,743 thousand yen for other items) and 13,571 thousand yen for Taoyuan County, 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.

*6. Loss on business withdrawal

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

	(Thousands of yen)
Impairment loss ^(Note)	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 and vehicles, land, lease 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 business withdrawal of 122,929 thousand yen and presented as an extraordinary loss. The amount of loss on business withdrawal consists of 28,192 thousand yen for buildings and structures, 10,140 thousand yen for machinery and vehicles, 78,691 thousand yen for land, 4,424 thousand yen for lease assets, and 1,479 thousand yen for other items.

*7. Re-classification adjustments and tax effect with respect to other comprehensive income

	(Thousands of yen)	
	FY3/2018	FY3/2019
	(Apr. 1, 2017 – Mar. 31, 2018)	(Apr. 1, 2018 – Mar. 31, 2019)
Cumulative securities holding gain		
Amount incurred during the year	133,058	(289,065)
Re-classification adjustments	-	-
Before tax effect adjustments	<u>133,058</u>	<u>(289,065)</u>
Tax effect	(39,766)	88,511
Cumulative securities holding gain	<u>93,292</u>	<u>(200,553)</u>
Foreign currency translation adjustments		
Amount incurred during the year	<u>875,870</u>	<u>(1,177,334)</u>
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	15,138	(18,924)
Re-classification adjustments	5,827	7,935
Before tax effect adjustments	<u>20,966</u>	<u>(10,989)</u>
Tax effect	(6,419)	3,364
Remeasurements of defined benefit plans, net of tax	<u>14,546</u>	<u>(7,624)</u>
Total other comprehensive income	<u>983,709</u>	<u>(1,385,512)</u>

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

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

	Number of shares as of Apr. 1, 2017 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2018 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury shares				
Common shares (Note)	875,785	306	-	876,091
Total	875,785	306	-	876,091

Note: The number of common shares of treasury shares was increased by 306 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. 29, 2017	Common shares	1,260,315	140	Mar. 31, 2017	Jun. 30, 2017

(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. 28, 2018	Common shares	1,350,292	Retained earnings	150	Mar. 31, 2018	Jun. 29, 2018

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

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)	
	FY3/2018	FY3/2019
	(Apr. 1, 2017 – Mar. 31, 2018)	(Apr. 1, 2018 – Mar. 31, 2019)
Cash and deposits with banks	31,403,251	34,029,803
Time deposits maturing with deposit period of more than 6 months	(3,757,697)	(3,436,434)
Cash and cash equivalents	27,645,553	30,593,368

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 business 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

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(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				
Sales									
Sales to third parties	36,610,843	5,719,108	5,057,999	722,766	48,110,717	9,752	48,120,469	-	48,120,469
Intersegment sales and transfers	130,121	177,692	360	-	308,174	-	308,174	(308,174)	-
Total	36,740,965	5,896,800	5,058,359	722,766	48,418,891	9,752	48,428,644	(308,174)	48,120,469
Segment profit (loss)	7,647,585	528,389	(236,908)	417,528	8,356,594	8,106	8,364,700	(41,798)	8,322,902
Segment assets	35,866,105	6,550,955	8,433,997	2,722,396	53,573,454	-	53,573,454	20,037,688	73,611,143
Other items									
Depreciation	1,065,672	129,997	732,051	105,428	2,033,150	-	2,033,150	-	2,033,150
Amortization of goodwill	12,890	5,524	-	-	18,414	-	18,414	-	18,414
Impairment loss	-	-	564,313	7,317	571,631	-	571,631	-	571,631
Increase in tangible fixed assets and intangible assets	2,109,349	127,913	1,280,926	400,982	3,919,172	-	3,919,172	-	3,919,172

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. (1) Adjustment of segment profit (loss) includes elimination of inter-segment transactions.

(2) The 20,037,688 thousand yen adjustment of segment assets includes minus 53,340 thousand yen in elimination of inter-segment transactions and corporate assets of 20,091,029 thousand yen. Corporate assets mainly include excess funds (cash and deposits with banks) and long-term invested assets (investment securities) of the parent company.

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

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				
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
Impairment loss	-	-	144,225	13,571	157,796	-	157,796	-	157,796
Increase in tangible fixed assets 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 with banks) 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.

Related information

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

1. Information by product or service

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

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
18,454,682	8,571,316	7,255,576	13,838,894	48,120,469

(2) Tangible fixed assets

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
10,090,000	3,907,448	2,839,200	2,477,480	19,314,130

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 consolidated statements of comprehensive income.

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) 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) Tangible fixed assets (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 consolidated statements of comprehensive income.

Information related to impairment losses of fixed assets for each reportable segment

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

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

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

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

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or corporate	Total
Amortization for the period	12,890	5,524	-	-	-	-	18,414
Balance at the end of period	-	-	-	-	-	-	-

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

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

Not applicable.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Data

(Yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
Net assets per share	6,468.14	6,792.21
Net income per share (basic)	592.83	627.99

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)

	FY3/2018 (As of Mar. 31, 2018)	FY3/2019 (As of Mar. 31, 2019)
Total net assets on balance sheets	58,225,865	61,142,889
Deduction from total net assets	-	-
Net assets applicable to common stock	58,225,865	61,142,889
Number of shares outstanding (common stock)	9,878,040 shares	9,878,040 shares
Number of treasury shares (common stock)	876,091 shares	876,129 shares
Number of common stock used in calculation of net assets per share	9,001,949 shares	9,001,911 shares

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

(Thousands of yen)

	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)	FY3/2019 (Apr. 1, 2018 – Mar. 31, 2019)
Profit attributable to owners of parent	5,336,669	5,653,135
Amount not available to common shareholders	-	-
Profit attributable to common shareholders of parent	5,336,669	5,653,135
Average number of shares of common stock outstanding during period	9,002,068 shares	9,001,914 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 27, 2019)

i. Candidate for a newly appointed Director

Not applicable.

ii. Director to be promoted

Managing Director: Shigeo Sakabe (currently Director)

iii. Retiring directors

Managing Director: Yoshitsugu Katayama (to be appointed as **Senior Adviser**)

Director: Kazutoshi Komori (to be appointed as **Senior Adviser**)

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.