

DATA BOOK

FY2019

Year ended March 31, 2019

May 9th, 2019

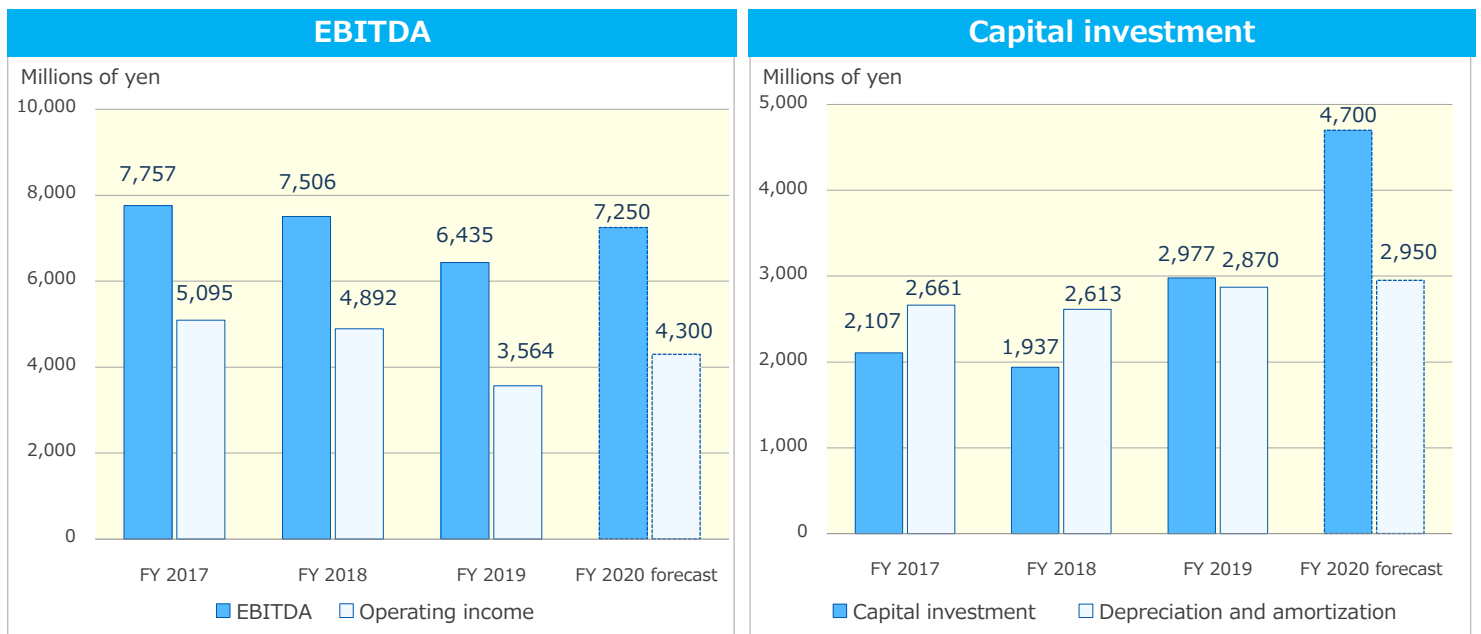
ARAKAWA CHEMICAL INDUSTRIES, LTD.

Achievement Transition (Consolidated)



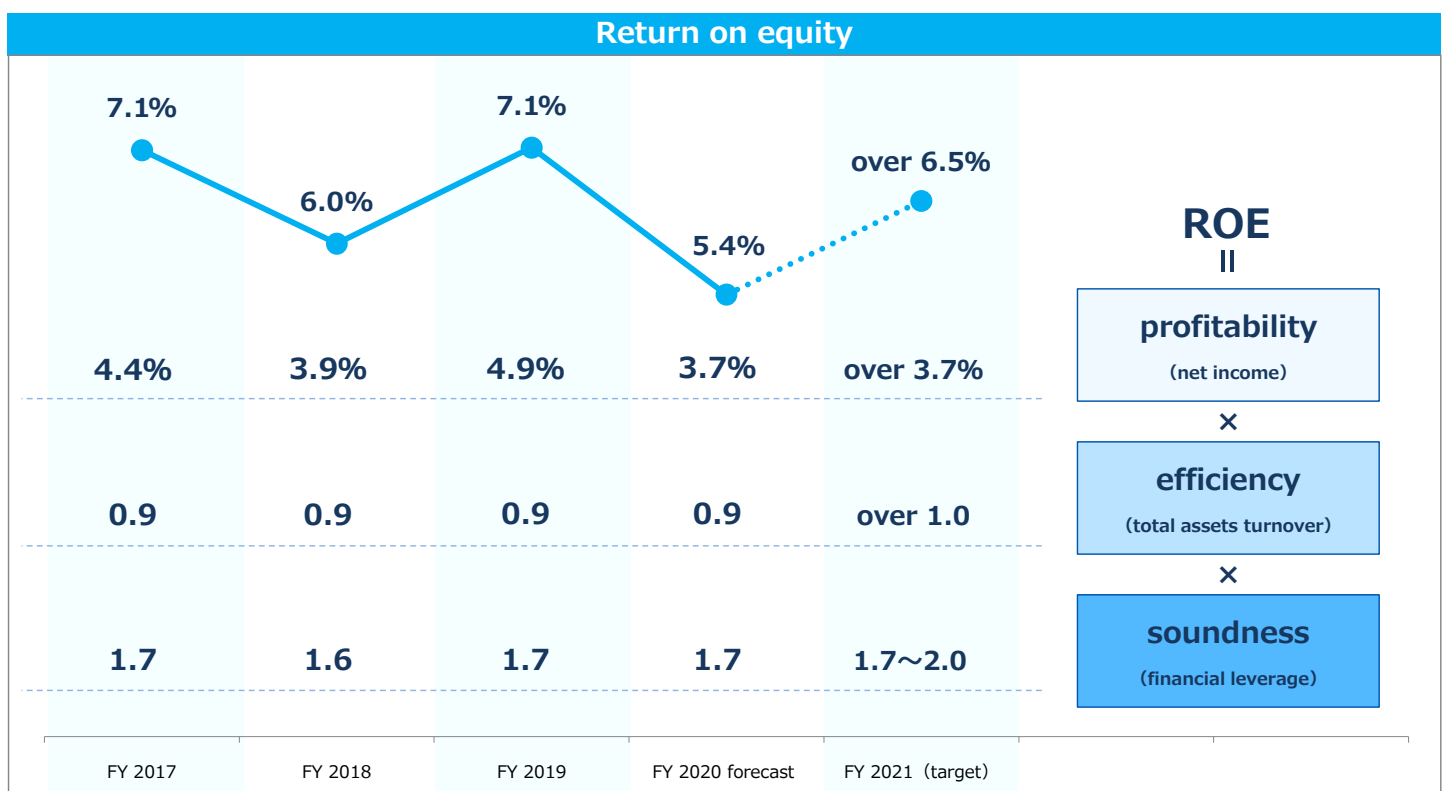
Consolidated	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Net sales	79,119	△ 3.2	77,380	△ 2.2	80,782	4.4	79,501	△ 1.6	82,000	3.1
Operating income	3,639	22.9	5,095	40.0	4,892	△ 4.0	3,564	△ 27.1	4,300	20.6
Ordinary income	3,851	12.2	5,314	38.0	5,218	△ 1.8	3,950	△ 24.3	4,600	16.4
Profit attributable to owners of parent	2,311	3.9	3,416	47.8	3,111	△ 8.9	3,890	25.0	3,000	△ 22.9

Management index Transition



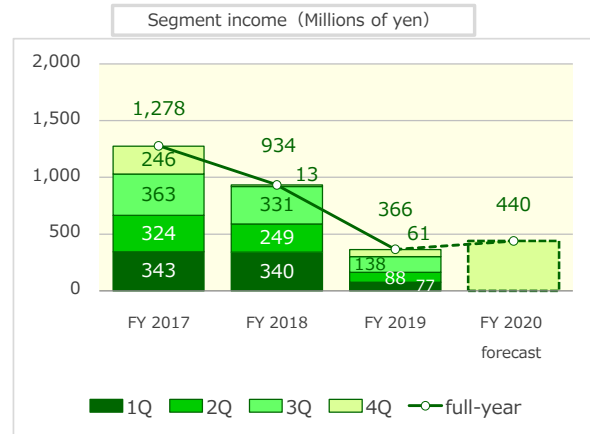
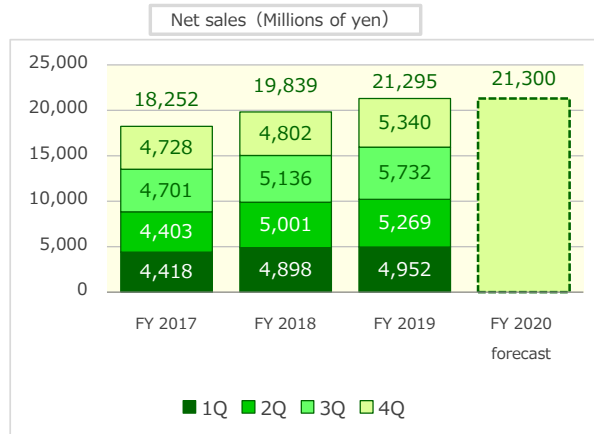
Consolidated	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	2,993	1,185	2,107	△ 885	1,937	△ 170	2,977	1,040	4,700	1,722
Depreciation and amortization	2,717	17	2,661	△ 55	2,613	△ 48	2,870	257	2,950	79
R&D expenses	2,819	116	3,179	359	3,220	41	3,051	△ 169	3,400	348
Interest-bearing debt	17,426	151	13,300	△ 4,126	11,269	△ 2,031	14,349	3,080	18,500	4,150
EBITDA	6,357	695	7,757	1,400	7,506	△ 251	6,435	△ 1,070	7,250	814

[EBITDA] Earnings Before Interest , Taxes , Depreciation , and Amortization

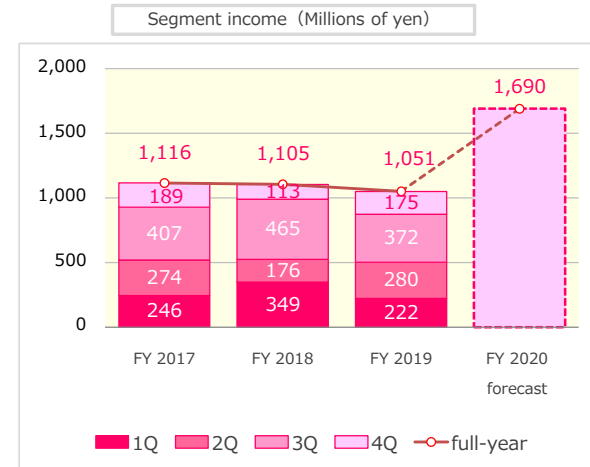
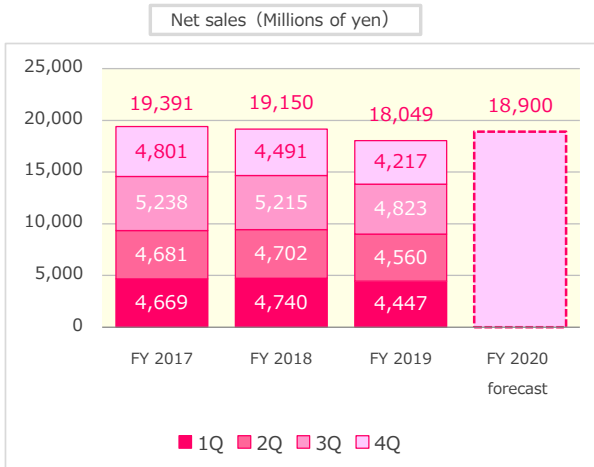


Segment Information (Consolidated)

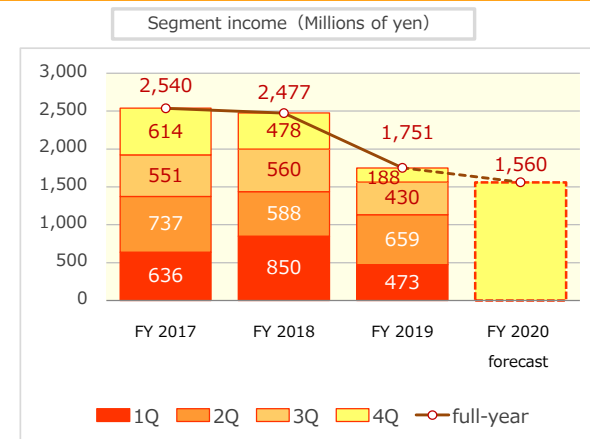
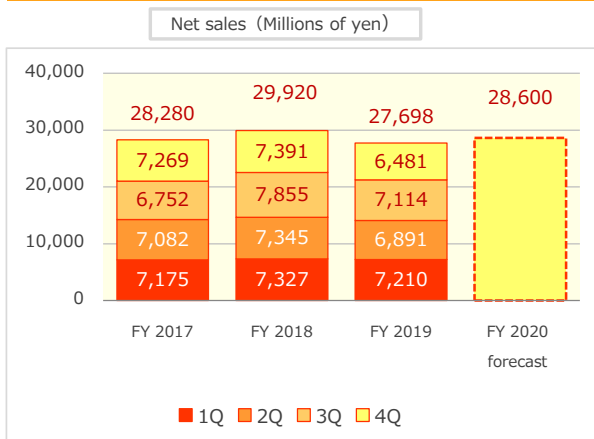
Paper Chemicals



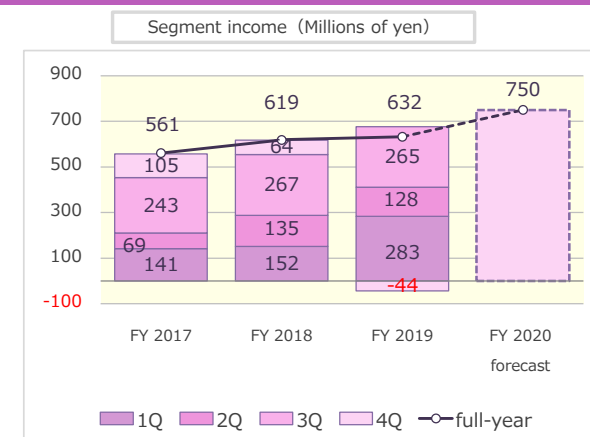
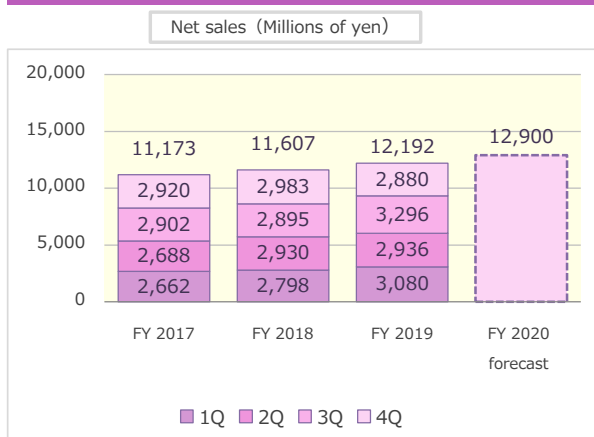
Coating Chemicals



Adhesive Materials



Functional Materials



Segment Information (Consolidated)

Consolidated		FY 2017		FY 2018		FY 2019		FY 2020 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Paper Chemicals	Net sales	18,252	△ 8.0	19,839	8.7	21,295	7.3	21,300	0.0
	Segment income	1,278	△ 2.0	934	△ 26.9	366	△ 60.8	440	20.1
	Segment income/sales	7.0%		4.7%		1.7%		2.1%	
Coating Chemicals	Net sales	19,391	△ 5.4	19,150	△ 1.2	18,049	△ 5.7	18,900	4.7
	Segment income	1,116	28.9	1,105	△ 1.0	1,051	△ 4.8	1,690	60.7
	Segment income/sales	5.8%		5.8%		5.8%		8.9%	
Adhesive Materials	Net sales	28,280	—	29,920	5.8	27,698	△ 7.4	28,600	3.3
	Segment income	2,540	—	2,477	△ 2.5	1,751	△ 29.3	1,560	△ 10.9
	Segment income/sales	9.0%		8.3%		6.3%		5.5%	
Functional Materials	Net sales	11,173	—	11,607	3.9	12,192	5.0	12,900	5.8
	Segment income	561	—	619	10.5	632	2.1	750	18.5
	Segment income/sales	5.0%		5.3%		5.2%		5.8%	
Others	Net sales	282	△ 3.1	265	△ 5.8	266	0.3	300	12.7
	Segment income	16	19.3	24	55.3	26	7.2	30	12.5
	Segment income/sales	5.7%		9.4%		10.0%		10.0%	
Subtotal	Net sales	77,380	△ 2.2	80,782	4.4	79,501	△ 1.6	82,000	3.1
	Segment income	5,512	41.7	5,162	△ 6.4	3,828	△ 25.8	4,470	16.7
	Segment income/sales	7.1%		6.4%		4.8%		5.5%	
Consolidated total	Development Investment	△ 385	—	△ 374	—	△ 352	—	△ 300	—
	Segment income	5,126	42.9	4,787	△ 6.6	3,476	△ 27.4	4,170	19.9
	Segment income/sales	6.6%		5.9%		4.4%		5.1%	

*Applied research and development expense that will be the source of growth in the medium to long term.

The sales of business segmentation do not include intersegment sales.

[Functional Materials]

[Paper Chemicals] Size agent, Paper strengthening agent, Latex, etc.

[Coating Chemicals] Printing ink resin, Paint resin, Polymerization emulsifier, UV/EB curable resin, etc.

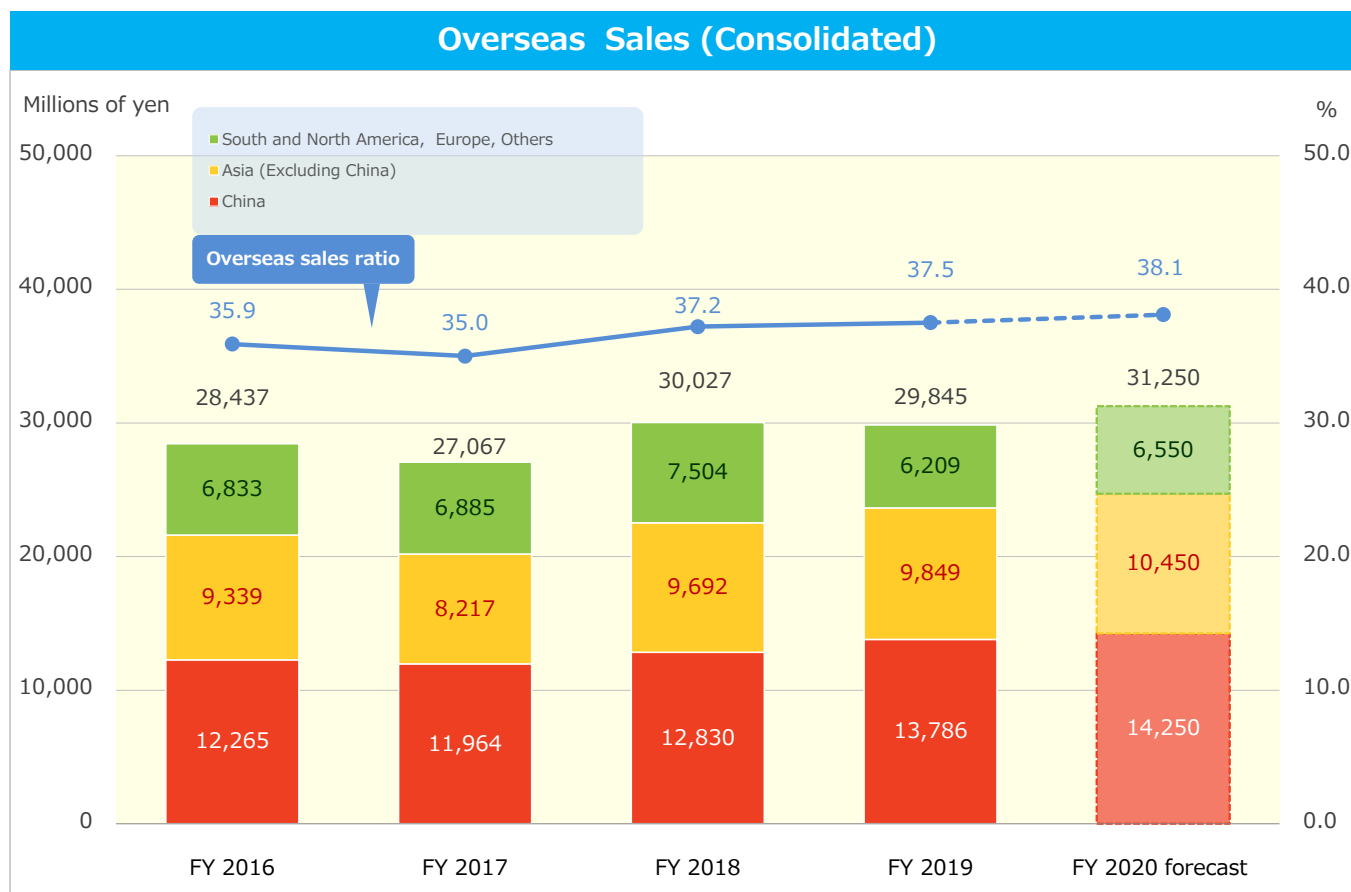
[Adhesive Materials] Adhesive resin, Colorless rosin derivatives, etc.

[Functional Materials] Compound materials for electronics, Functional fine chemical materials, Polishing agent for hard disk substrates, Flux cleanig System, etc.

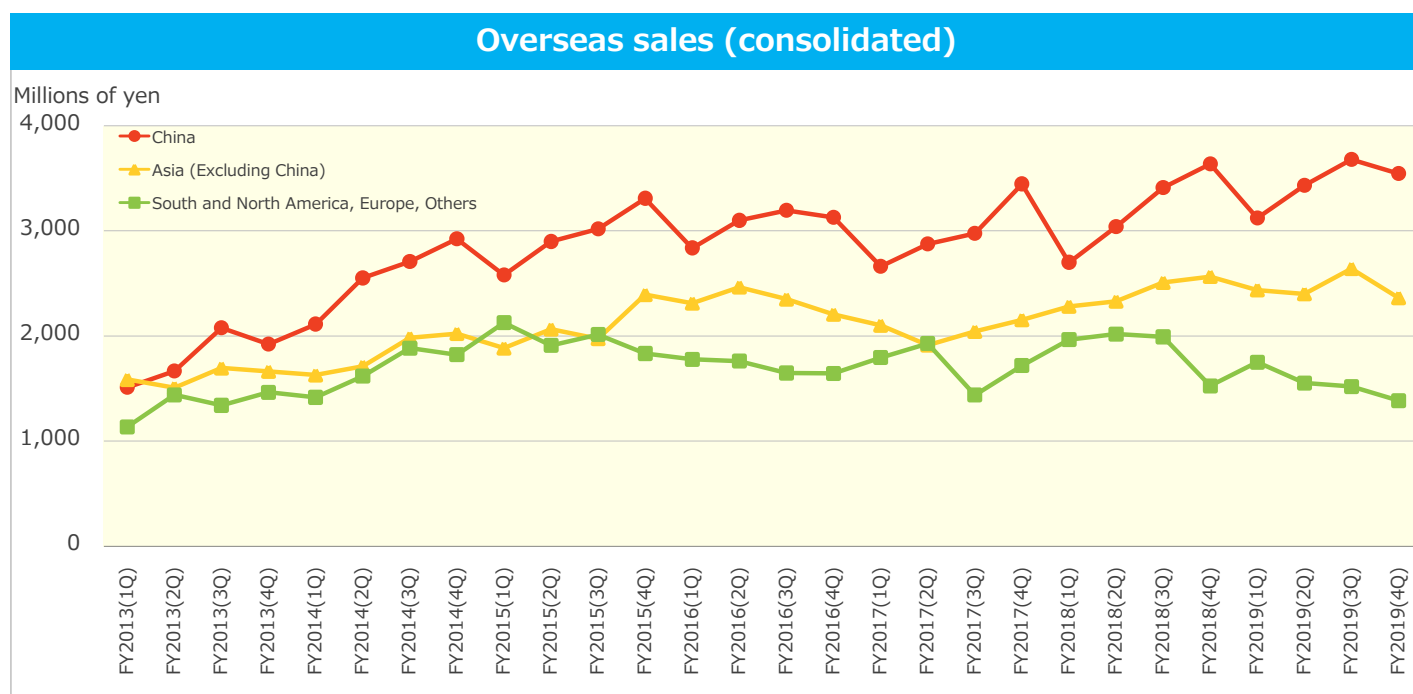
[Others] Insurance business, Real estate agent, etc.

*Some products of Functional Materials will be reclassified into Adhesive Materials from 2018.(Net sales of approximately 1,400 million yen.)

Overseas Sales (Consolidated)



Consolidated	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Overseas sales	28,437	1.5	27,067	△ 4.8	30,027	10.9	29,845	△ 0.6	31,250	4.7
Overseas sales in Asia	21,604	7.3	20,182	△ 6.6	22,522	11.6	23,635	4.9	24,700	4.5
Overseas sales in China	12,265	3.8	11,964	△ 2.4	12,830	7.2	13,786	7.5	14,250	3.4
Overseas sales ratio	35.9%		35.0%		37.2%		37.5%		38.1%	



Management Index(Consolidated)

	FY2015 (^{'14/4-} '15/3)	FY2016 (^{'15/4-} '16/3)	FY2017 (^{'16/4-} '17/3)	FY2018* (^{'17/4-} '18/3)	FY2019 (^{'18/4-} '19/3)	FY2020 (^{'19/4-} '20/3)
Capital investment (Completion basis) (Millions of yen)	1,807	2,993	2,107	1,937	2,977	4,700
Capital investment (Cash flows basis) (Millions of yen)	1,781	2,992	1,857	2,215	7,995	11,800
Depreciation and amortization (Millions of yen)	2,700	2,717	2,661	2,613	2,870	2,950
R & D expenses (Millions of yen)	2,703	2,819	3,179	3,220	3,051	3,400
Interest-bearing debt (Millions of yen)	17,275	17,426	13,300	11,269	14,349	18,500
Debt equity ratio (Times)	0.37	0.38	0.27	0.21	0.26	0.32
Total assets (Millions of yen)	85,245	83,380	83,898	89,019	92,174	98,000
Shareholders' equity (Millions of yen)	46,252	46,129	49,915	54,123	54,747	57,000
Shareholders' equity to total assets (%)	54.3	55.3	59.5	60.8	59.4	58.2
Return on equity (%)	5.0	5.0	7.1	6.0	7.1	5.4
Net profit to sales(%)	2.7	2.9	4.4	3.9	4.9	3.7
Total asset turnover	1.0	0.9	0.9	0.9	0.9	0.9
Financial Leverage	1.8	1.8	1.7	1.6	1.7	1.7
Operating income to net sales (%)	3.5	4.6	6.6	6.1	4.5	5.2
Ordinary income to net sales (%)	4.0	4.9	6.9	6.5	5.0	5.6
Earnings per share (Yen)	109.94	113.10	166.18	150.76	188.50	145.35
Book-value per share (Yen)	2,279.68	2,247.53	2,418.47	2,622.38	2,652.60	2,760.00
Price to earnings ratio (Times)	11.5	8.6	12.3	12.5	7.2	—
Annual dividends per share (Yen)	28.00	30.00	38.00	38.00	42.00	44.00
Payout ratio (%)	25.5	26.5	22.9	25.2	22.3	30.3
Number of employees	1,349	1,422	1,442	1,477	1,532	1,580

* The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. Individual management index related to the period ended March 31, 2018 have had the accounting standards applied retroactively.

Balance Sheets (Consolidated)

(Unit : Millions of yen)

	FY2015 ('14/4-'15/3)	FY2016 ('15/4-'16/3)	FY2017 ('16/4-'17/3)	FY2018* ('17/4-'18/3)	FY2019 ('18/4-'19/3)
Assets					
◇ Current assets	56,018	54,541	53,804	56,158	56,956
Cash and deposits	8,228	9,620	10,212	8,471	9,061
Notes and accounts receivable-trade	29,142	26,529	25,939	28,342	27,069
Electronically recorded monetary claims - operating	507	935	1,161	1,829	1,969
Securities	—	232	—	—	—
Inventories	16,987	16,166	15,019	16,217	17,826
Deferred tax assets	549	532	668	—	—
Other	745	655	956	1,420	1,143
Allowance for doubtful accounts	△ 142	△ 131	△ 153	△ 123	△ 114
◇ Noncurrent assets	29,227	28,839	30,094	32,861	35,201
• Property, plant and equipment	20,827	21,553	20,199	20,691	25,268
Buildings and structures	7,793	8,105	7,766	7,708	7,684
Machinery, equipment and vehicles	7,352	7,032	6,614	6,181	5,956
Land	4,797	5,204	5,190	5,195	5,140
Construction in progress	553	739	163	1,139	5,937
Other	331	471	465	466	549
• Intangible assets	571	983	1,481	1,204	941
• Investments and other assets	7,828	6,301	8,413	10,964	8,991
Investment securities	7,125	5,549	7,430	8,806	7,261
Net defined benefit asset	—	—	386	1,538	1,105
Deferred tax assets	187	204	159	291	305
Other	530	635	521	401	386
Allowance for doubtful accounts	△ 14	△ 87	△ 85	△ 72	△ 66
◇ Deferred assets	—	—	—	—	17
Business commencement expenses	—	—	—	—	17
Total assets	85,245	83,380	83,898	89,019	92,174
Liabilities					
◇ Current liabilities	26,926	30,996	24,459	25,651	24,853
Notes and accounts payable-trade	11,807	10,286	9,967	12,043	12,178
Short-term loans payable	9,592	9,993	7,957	6,269	5,454
Current portion of bonds	—	5,000	—	—	—
Income taxes payable	451	650	880	642	752
Accrued consumption taxes	243	219	179	135	142
Provision for bonuses	1,035	1,086	1,276	1,272	1,222
Notes payable-facilities	134	54	63	214	111
Other	3,661	3,706	4,134	5,073	4,990
◇ Noncurrent liabilities	10,474	4,639	7,881	7,671	10,994
Bonds payable	5,000	—	5,000	5,000	5,000
Long-term loans payable	2,683	2,433	343	—	3,895
Deferred tax liabilities	1,393	895	1,695	1,724	1,186
Provision for retirement benefits/Net defined benefit liability	813	764	335	328	305
Other	583	546	507	618	607
Total liabilities	37,400	35,636	32,340	33,323	35,848
Net assets					
◇ Shareholders' equity	40,893	42,819	45,697	47,962	51,047
Capital stock	3,192	3,293	3,343	3,343	3,343
Capital surplus	3,414	3,514	3,564	3,564	3,564
Retained earnings	34,298	36,022	38,802	41,068	44,153
Treasury stock	△ 11	△ 12	△ 12	△ 13	△ 13
◇ Accumulated other comprehensive income	5,358	3,310	4,218	6,161	3,699
Valuation difference on available-for-sale securities	2,572	1,619	2,904	3,880	2,796
Foreign currency translation adjustment	2,620	1,746	1,026	1,434	727
Remeasurements of defined benefit plans	165	△ 56	286	847	175
◇ Subscription rights to shares	23	16	—	—	—
◇ Minority interests	1,570	1,598	1,641	1,572	1,579
Total net assets	47,845	47,744	51,557	55,696	56,326
Total liabilities and net assets	85,245	83,380	83,898	89,019	92,174

* The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year ended March 31, 2019. Individual management index related to the period ended March 31, 2018 have had the accounting standards applied retroactively.

Statements of Income (Consolidated)

(Unit : Millions of yen)

	FY2015 (¹⁴ / ₄ - ¹⁵ / ₃)	FY2016 (¹⁵ / ₄ - ¹⁶ / ₃)	FY2017 (¹⁶ / ₄ - ¹⁷ / ₃)	FY2018 (¹⁷ / ₄ - ¹⁸ / ₃)	FY2019 (¹⁸ / ₄ - ¹⁹ / ₃)
◇ Net sales	81,742	79,119	77,380	80,782	79,501
◇ Cost of sales	66,777	62,757	59,111	62,478	62,123
Gross profit	14,965	16,361	18,269	18,303	17,378
Selling, general and administrative expenses	12,004	12,722	13,173	13,410	13,813
Operating income	2,961	3,639	5,095	4,892	3,564
◇ Non-operating income	849	674	527	568	667
Interest income	33	30	25	13	18
Dividends income	126	156	157	184	197
Real estate rent	119	121	58	113	107
Foreign exchange gains	246	28	3	23	146
Other	324	338	282	233	195
◇ Non-operating expenses	379	463	308	242	280
Interest expenses	261	239	177	164	149
Equity in losses of affiliates	49	26	—	—	—
Bond issuance cost	—	—	31	—	—
Commission fee	—	89	—	—	—
Compensation expenses	—	—	—	5	68
Other	69	106	98	73	62
Ordinary income	3,431	3,851	5,314	5,218	3,950
◇ Extraordinary income	511	188	36	452	2,130
Gain on sales of noncurrent assets	21	45	5	0	5
Gain on sales of investment securities	—	126	1	151	7
Insurance income	—	—	—	—	2,118
Gain on reversal of foreign currency translation adjustment	—	—	—	285	—
Gain on reversal of share acquisition rights	—	—	13	—	—
Other	490	15	15	15	—
◇ Extraordinary loss	58	177	174	949	250
Loss on sales and retirement of noncurrent assets	54	25	80	99	235
Loss on explosion and fire accident	—	—	—	554	—
Loss on valuation of noncurrent assets	4	—	2	—	0
Loss on sales of investment securities	—	—	0	—	0
Loss on valuation of investment securities	—	—	—	44	14
Loss on valuation of investments in capital of subsidiaries and associates	—	—	91	—	—
Loss on liquidation of subsidiaries and associates	—	—	—	251	—
Other	—	152	—	—	—
Income before income taxes	3,884	3,862	5,176	4,721	5,831
Income taxes—current	1,164	1,166	1,469	1,258	1,385
Income taxes—deferred	139	133	△ 17	△ 123	211
Profit attributable to non-controlling interests	356	251	307	475	344
Profit attributable to owners of parent	2,224	2,311	3,416	3,111	3,890

Statements of Cash Flows (Consolidated)

	(Unit : Millions of yen)				
	FY2015 (¹⁴ /4- ¹⁵ /3)	FY2016 (¹⁵ /4- ¹⁶ /3)	FY2017 (¹⁶ /4- ¹⁷ /3)	FY2018 (¹⁷ /4- ¹⁸ /3)	FY2019 (¹⁸ /4- ¹⁹ /4)
I . Net cash provided by (used in) operating					
Income before income taxes	3,884	3,862	5,176	4,721	5,831
Depreciation and amortization	2,700	2,717	2,661	2,613	2,870
Amortization of goodwill	61	155	210	282	281
Increase (decrease) in allowance for doubtful accounts	△ 15	67	30	△ 47	△ 7
Increase (decrease) in provision for bonuses	41	48	192	△ 6	△ 43
Increase (decrease) in provision for directors' bonuses	6	11	23	—	△ 20
Increase (decrease) in provision for retirement benefits	△ 205	△ 53	△ 427	△ 9	△ 21
Decrease (increase) in net defined benefit asset	—	—	△ 386	△ 1,151	433
Loss (gain) on sales of investment securities	—	△ 126	△ 1	△ 151	△ 7
Gain on reversal of share acquisition rights	—	—	△ 13	—	—
Loss on valuation of non-current assets	—	—	—	—	0
Loss (gain) on valuation of investment securities	—	—	—	44	14
Gain on reversal of foreign currency translation adjustment	—	—	—	△ 285	—
Loss on explosion and fire accident	—	—	—	554	—
Loss on liquidation of subsidiaries and associates	—	—	—	251	—
Loss (gain) on sales and retirement of non-current assets	33	△ 20	74	98	230
Loss on valuation of investments in capital of subsidiaries and associates	—	—	91	—	—
Insurance income	—	—	—	—	△ 2,118
Interest and dividends income	△ 160	△ 186	△ 182	△ 198	△ 216
Interest expenses	261	239	209	164	149
Share of (profit) loss of entities accounted for using equity method	49	26	—	—	—
Decrease (increase) in notes and accounts receivable-trade	△ 767	1,853	△ 166	△ 2,705	649
Decrease (increase) in inventories	839	575	944	△ 912	△ 1,962
Increase (decrease) in notes and accounts payable-trade	△ 1,305	△ 1,622	△ 139	1,897	339
Increase (decrease) in accrued consumption taxes	206	△ 23	△ 30	△ 54	45
Other, net	1,682	△ 515	872	203	△ 1,163
Sub-total	6,177	7,008	9,140	5,310	5,285
Interest and dividends income received	165	188	183	194	215
Interest expenses paid	△ 286	△ 247	△ 212	△ 145	△ 168
Proceeds from insurance income	—	—	—	—	2,621
Income taxes (paid) refund	△ 961	△ 1,008	△ 1,267	△ 1,551	△ 1,225
Net cash provided by (used in) operating activities	5,094	5,941	7,843	3,808	6,728
II . Net cash provided by (used in) investment activities					
Purchase of noncurrent assets	△ 1,781	△ 2,992	△ 1,857	△ 2,215	△ 7,996
Purchase of investment securities	△ 25	△ 27	△ 35	△ 32	△ 33
Proceeds from sales of investment securities	—	244	8	179	9
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△ 1,498	—	—	—
Payments for transfer of business	—	—	△ 911	—	—
Payments for deferred assets	—	—	—	—	△ 16
Other, net	△ 2	110	98	20	△ 172
Net cash provided by (used in) investment activities	△ 1,810	△ 4,163	△ 2,698	△ 2,048	△ 8,208
III . Net cash provided by (used in) financing activities					
Net increase (decrease) in short-term loans payable	△ 2,145	569	△ 1,715	△ 549	△ 122
Proceeds from long-term loans payable	2,660	2,200	—	—	4,000
Repayment of long-term loans payable	△ 1,995	△ 2,264	△ 2,001	△ 1,688	△ 567
Proceeds from issuance of bonds	—	—	5,000	—	—
Redemption of bonds	—	—	△ 5,000	—	—
Proceeds from share issuance to non-controlling shareholders	—	—	—	19	—
Cash dividends paid	△ 525	△ 611	△ 636	△ 846	△ 804
Dividends paid to non-controlling interests	△ 136	△ 159	△ 194	△ 521	△ 262
Other, net	124	190	94	△ 0	△ 0
Net cash provided by (used in) financing activities	△ 2,017	△ 75	△ 4,452	△ 3,586	△ 2,243
IV . Effect of exchange rate change on cash and cash equivalents	293	△ 217	△ 196	111	△ 196
V . Net increase (decrease) in cash and cash equivalents	1,560	1,485	496	△ 1,714	566
VI . Cash and cash equivalents, beginning of term	6,576	8,136	9,622	10,118	8,404
VII . Cash and cash equivalents, end of term	8,136	9,622	10,118	8,404	8,970

Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2018 (As of March 31, 2018)		FY2019 (As of March 31, 2019)		Increase /Decrease
	Amount	Com- position ratio	Amount	Com- position ratio	
		%		%	
(Assets)					
I Current assets					
1. Cash and deposits	8,471		9,061		590
2. Notes and accounts receivable - trade	28,342		27,069	△	1,273
3. Electronically recorded monetary claims - operating	1,829		1,969		139
4. Merchandise and finished goods	8,051		9,508		1,456
5. Work in process	893		1,006		113
6. Raw materials and supplies	7,272		7,311		39
7. Other	1,420		1,143	△	277
8. Allowance for doubtful accounts	△ 123		△ 114		9
Total current assets	56,158	63.1	56,956	61.8	797
II Noncurrent assets					
1. Property, plant and equipment					
(1) Buildings and structures	7,708		7,684	△	24
(2) Machinery, equipment and vehicles	6,181		5,956	△	224
(3) Land	5,195		5,140	△	55
(4) Construction in progress	1,139		5,937		4,797
(5) Other	466		549		83
Total property, plant and equipment	20,691	23.2	25,268	27.4	4,577
2. Intangible assets					
(1) Goodwill	824		543	△	281
(2) Other	379		398		18
Total intangible assets	1,204	1.4	941	1.0	△ 263
3. Investments and other assets					
(1) Investment securities	8,806		7,261	△	1,545
(2) Net defined benefit asset	1,538		1,105	△	433
(3) Deferred tax assets	291		305		14
(4) Other	401		386	△	15
Allowance for doubtful accounts	△ 72		△ 66		6
Total investments and other assets	10,964	12.3	8,991	9.8	△ 1,973
Total noncurrent assets	32,861	36.9	35,201	38.2	2,340
III Deferred assets					
(1) Business commencement expenses	-		17		17
Total deferred assets	-	-	17	0.0	17
Total assets	89,019	100.0	92,174	100.0	3,155

(Unit: Millions of yen)

Item	FY2018 (As of March 31, 2018)		FY2019 (As of March 31, 2019)		Increase /Decrease
	Amount	Com- position ratio	Amount	Com- position ratio	
(Liabilities)		%		%	
I Current liabilities					
1. Notes and accounts payable - trade	12,043		12,178		135
2. Short-term loans payable	6,269		5,454	△	814
3. Income taxes payable	642		752		109
4. Accrued consumption taxes	135		142		7
5. Provision for bonuses	1,272		1,222	△	49
6. Provision for directors' bonuses	80		60	△	20
7. Provision for repairs	-		105		105
8. Notes payable - facilities	214		111	△	102
9. Other	4,993		4,825	△	168
Total current liabilities	25,651	28.8	24,853	27.0	△ 798
II Noncurrent liabilities					
1. Bonds payable	5,000		5,000		-
2. Long-term loans payable	-		3,895		3,895
3. Deferred tax liabilities	1,724		1,186	△	537
4. Provision for repairs	45		-	△	45
5. Net defined benefit liability	328		305	△	23
6. Asset retirement obligations	297		330		33
7. Other	276		276		0
Total noncurrent liabilities	7,671	8.6	10,994	11.9	3,323
Total liabilities	33,323	37.4	35,848	38.9	2,524
(Net assets)					
I Shareholders' equity					
1. Capital stock	3,343		3,343		-
2. Capital surplus	3,564		3,564		-
3. Retained earnings	41,068		44,153		3,085
4. Treasury shares	△ 13		△ 13	△	0
Total shareholders' equity	47,962	53.9	51,047	55.4	3,085
II Accumulated other comprehensive income					
1. Valuation difference on available-for-sale securities	3,880		2,796	△	1,083
2. Foreign currency translation adjustment	1,434		727	△	706
3. Remeasurements of defined benefit plans	847		175	△	671
Total accumulated other comprehensive income	6,161	6.9	3,699	4.0	△ 2,461
IV Minority interests	1,572	1.8	1,579	1.7	6
Total net assets	55,696	62.6	56,326	61.1	630
Total liabilities and net assets	89,019	100.0	92,174	100.0	3,155

Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2018		FY2019		Increase /Decrease	
	'17/4-'18/3		'18/4-'19/3		Amount	Rate of change
	Amount	Ratio	Amount	Ratio		
I Net sales	80,782	100.0	79,501	100.0	△ 1,280	△ 1.6
II Cost of sales	62,478	77.3	62,123	78.1	△ 355	△ 0.6
Gross profit	18,303	22.7	17,378	21.9	△ 925	△ 5.1
III Selling, general and administrative expenses	13,410	16.6	13,813	17.4	402	3.0
Operating income	4,892	6.1	3,564	4.5	△ 1,327	△ 27.1
IV Non-operating income						
Interest income	13		18		5	
Dividend income	184		197		13	
Real estate rent	113		107		△ 5	
Foreign exchange gains	23		146		123	
Other	233		195		△ 37	
Total non-operating income	568	0.7	667	0.8	98	17.4
V Non-operating expenses						
Interest expenses	164		149		△ 14	
Compensation expenses	5		68		63	
Other	73		62		△ 10	
Total non-operating expenses	242	0.3	280	0.4	37	15.6
Ordinary income	5,218	6.5	3,950	4.9	△ 1,267	△ 24.3
VI Extraordinary income						
Gain on sales of non-current assets	0		5		5	
Gain on sales of investment securities	151		7		△ 144	
Insurance income	-		2,118		2,118	
Gain on reversal of foreign currency translation adjustment	285		-		△ 285	
State subsidy	15		-		△ 15	
Total extraordinary income	452	0.6	2,130	2.7	1,678	370.5
VII Extraordinary loss						
Loss on sales and retirement of non-current assets	99		235		136	
Loss on explosion and fire	554		-		△ 554	
Loss on valuation of non-current assets	-		0		0	
Loss on sales of investment securities	-		0		0	
Loss on valuation of investment securities	44		14		△ 30	
Loss on business liquidation of subsidiaries and associates	251		-		△ 251	
Total extraordinary loss	949	1.3	250	0.3	△ 698	△ 73.6
Income before income taxes	4,721	5.8	5,831	7.3	1,109	23.5
Income taxes-current	1,258	1.6	1,385	1.7	126	10.1
Income taxes-deferred	△ 123	△ 0.2	211	0.3	335	-
Income before minority interests	3,587	4.4	4,235	5.3	647	18.1
Profit attributable to non-controlling interests	475	0.5	344	0.4	△ 131	△ 27.6
Profit attributable to owners of parent	3,111	3.9	3,890	4.9	778	25.0

<Reference> Statements of Comprehensive Income (Consolidated)

(Unit: Millions of yen)

Income before minority interests	3,587		4,235		647	18.1
Other comprehensive income						
Valuation difference on available-for-sale securities	975		△ 1,083		△ 2,058	
Foreign currency translation adjustment	367		△ 780		△ 1,147	
Remeasurements of defined benefit plans, net of tax	557		△ 673		△ 1,231	
Total other comprehensive income	1,900		△ 2,537		△ 4,437	
Comprehensive income	5,487		1,697		△ 3,789	△ 69.1

Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2018	FY2019	Increase /Decrease
	'17/4-' 18/3	'18/4-' 19/3	
	Amount	Amount	
I Net cash provided by (used in) operating			
Income before income taxes	4,721	5,831	1,109
Depreciation	2,613	2,870	257
Amortization of goodwill	282	281	△ 1
Increase (decrease) in allowance for doubtful accounts	△ 47	△ 7	△ 39
Increase (decrease) in provision for bonuses	△ 6	△ 43	△ 36
Increase (decrease) in provision for directors' bonuses	△ -	△ 20	△ 20
Increase (decrease) in net defined benefit liability	△ 9	△ 21	△ 12
Decrease (increase) in net defined benefit asset	△ 1,151	△ 433	1,584
Loss (gain) on sales of investment securities	△ 151	△ 7	144
Loss on valuation of non-current assets	△ -	△ 0	0
Loss (gain) on valuation of investment securities	△ 44	△ 14	△ 30
Gain on reversal of foreign currency translation adjustment	△ 285	△ -	285
Loss on explosion and fire accident	△ 554	△ -	△ 554
Loss on liquidation of subsidiaries and associates	△ 251	△ -	△ 251
Loss (gain) on sales and retirement of non-current assets	△ 98	△ 230	△ 131
Insurance income	△ -	△ 2,118	△ 2,118
Interest and dividend income	△ 198	△ 216	△ 18
Interest expenses	△ 164	△ 149	△ 14
Decrease (increase) in notes and accounts receivable - trade	△ 2,705	△ 649	3,354
Decrease (increase) in inventories	△ 912	△ 1,962	△ 1,049
Increase (decrease) in notes and accounts payable - trade	△ 1,897	△ 339	△ 1,558
Increase (decrease) in accrued consumption taxes	△ 54	△ 45	△ 9
Other	△ 203	△ 1,163	△ 1,366
Subtotal	5,310	5,285	△ 24
Interest and dividend income received	△ 194	△ 215	△ 20
Interest expenses paid	△ 145	△ 168	△ 23
Proceeds from insurance income	△ -	△ 2,621	2,621
Income taxes (paid) refund	△ 1,551	△ 1,225	△ 326
Net cash provided by (used in) operating activities	3,808	6,728	2,920
II Net cash provided by (used in) investing activities			
Decrease (increase) in time deposits	△ 26	△ 25	△ 52
Purchase of property, plant and equipment	△ 2,160	△ 7,954	△ 5,794
Proceeds from sales of property, plant and equipment	△ 21	△ 69	△ 48
Purchase of investment securities	△ 32	△ 33	△ 0
Proceeds from sales of investment securities	△ 179	△ 9	△ 169
Purchase of intangible assets	△ 55	△ 41	△ 14
Decrease (increase) in short-term loans receivable	△ 34	△ -	△ 34
Payments for deferred assets	△ -	△ 16	△ 16
Decrease (increase) in other investments	△ 5	△ 3	△ 2
Other	△ 66	△ 220	△ 153
Net cash provided by (used in) investing activities	△ 2,048	△ 8,208	△ 6,160
III Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	△ 549	△ 122	426
Proceeds from long-term loans payable	△ -	△ 4,000	4,000
Repayments of long-term loans payable	△ 1,688	△ 567	1,121
Proceeds from share issuance to non-controlling shareholders	△ 19	△ -	△ 19
Purchase of treasury shares	△ 0	△ 0	0
Cash dividends paid	△ 846	△ 804	△ 41
Dividends paid to non-controlling interests	△ 521	△ 262	258
Net cash provided by (used in) financing activities	△ 3,586	2,243	5,829
IV Effect of exchange rate change on cash and cash equivalents	111	△ 196	△ 307
V Net increase (decrease) in cash and cash equivalents	△ 1,714	566	2,281
VI Cash and cash equivalents at beginning of period	10,118	8,404	△ 1,714
VII Cash and cash equivalents at end of period	8,404	8,970	566