

**Summary of Financial Statements for the Fiscal Year
Ended March 31, 2020**



May 12, 2020

Listed company name	SEIKOH GIKEN Co., Ltd.	Listed market	JASDAQ
Code number	6834	URL	https://www.seikoh-giken.co.jp
Representative	(Title) President & CEO	(Name)	Masatoshi Ueno
Inquiries	(Title) Executive Officer & Department Manager	(Name)	Yuji Saitoh
Date of general shareholders' meeting	June 19, 2020	Date of dividend payment	June 22, 2020
Date of securities report submission	June 19, 2020		

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

1. Consolidated business results for the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated business performance

(Percentage figures show the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2020	15,729	1.5	1,614	(0.3)	1,688	(3.8)	1,152	(6.5)
Year ended March 31, 2019	15,502	14.4	1,619	73.9	1,754	66.5	1,232	34.8

	Net profit per share	Fully diluted net profit per share	Net profit ratio per shareholders' equity	Ordinary profit ratio to total assets	Operating profit ratio to sales amount
	Yen	Yen	%	%	%
Year ended March 31, 2020	125.78	125.17	5.0	6.1	10.3
Year ended March 31, 2019	133.34	–	5.4	6.5	10.4

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2020	27,744	23,528	84.5	2,571.49
Year ended March 31, 2019	27,686	23,204	83.5	2,502.04

(Reference) Shareholders' equity Year ended March 31, 2020 23,451 million yen Year ended March 31, 2019 23,128 million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2020	2,225	(1,752)	(685)	3,550
Year ended March 31, 2019	2,393	(1,526)	(254)	3,816

2. Dividend status

(Base date)	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the year	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2019	–	0.00	–	30.00	30.00	278	22.5	1.2
Year ended March 31, 2020	–	0.00	–	40.00	40.00	368	31.8	1.6
Year ending March 31, 2021 (Forecast)	–	0.00	–	40.00	40.00		36.7	

3. Forecast of consolidated business performance for the year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentage figures for "Full year" show the changes from the previous year,

and percentage figures for "Half year" show the changes from the previous interim period.)

	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	6,900	(13.1)	590	(37.5)	630	(32.6)	330	(47.0)	36.01
Full year	15,420	(2.0)	1,500	(7.1)	1,580	(6.4)	1,000	(13.3)	109.11

1. Summary of business results, etc.

(1) Business results in the fiscal year under review

In the first half of the fiscal year under review, the global economy experiences a slowdown overall against the backdrop of trade friction between the US and China. In the US, although the employment environment and personal consumption were firm, business confidence worsened due to the stagnation of imports and exports, especially in the manufacturing sector. In China, corporate production and investment continued to lack momentum due to the US tariff hikes and investment restraint in the previous fiscal year. In Europe, with Brexit and business activity weakening due to stagnant external demand, there is uncertainty about the future of trade negotiations between the UK and other countries. In the Japanese economy, an economic slowdown intensified due to the enormous damage caused by the typhoon that hit the country last fall and stagnation in consumption caused by the tax hike. In January 2020, a first stage agreement was reached in the US-China trade dispute, which had been a heavy weight of the global economy. However, the spread of the coronavirus has now replaced this as a pressing issue. The traffic of goods and people has been interrupted on a global level and corporate production activities have ceased, and the negative impact on the global economy could reach levels more severe than the financial crisis of 2009.

In the information and telecommunications-related markets and electronics-related markets relevant to the Group, as trade friction between the U.S. and China has had an effect including export restrictions imposed by the US on major telecommunications equipment companies in China, smartphones that are compatible with 5th generation mobile communication system (5G) have been released in several countries and commercial services have expanded. In Japan, a major telecommunications carrier provided pre-service for 5G at an international sporting event held last September, and preparations for full-scale commercialization have advanced. Digital technologies, such as AI and IoT, have become increasingly used in actual business situations as a tool to improve productivity in the manufacturing industry, and in the distribution and retail industries as a means to save manpower and increase convenience for consumers in applications such as unattended stores, self-checkouts, and cashless payments. In addition, the automotive-related market has reached a major turning point, represented by CASE (Connected, autonomous, shared, electric), and technological innovation has progressed to make travel safer and more comfortable. However, factors such as the slowdown in the Chinese economy have slowed the growth of automobile sales worldwide.

In this environment, the Group has started the last three years (second phase) of the six-year medium-term management plan "Master Plan 2016" that commenced in fiscal year 2016, and has executed measures for strengthening the earning power of existing businesses, optimizing the business portfolio, and reinforcing the management base.

In order to strengthen the earning power of existing businesses, in two segments, the Precision Machinery Business (with main products in molded products, molds, and precision metal processed parts) and the Optical Products Business (with main products in optical communication network components, related equipment, lenses, optical transmission equipment, and optical electric field sensors), in addition to strengthening our sales and price competitiveness, we have applied the Group's technological resources of precision processing, precision molding, and optical technologies to develop new products and technologies that meet the needs of the market and customers.

In order to optimize the business portfolio, we have worked to strengthen partnerships with customers and partner companies to evolve our precision resin molded products and lenses, which are positioned as growth potential business, into growth driver businesses. At the same time, in order to create next-generation businesses that will promote the Group's sustainable growth, we also sought M&A and business partners to invest the funds acquired in growth driver businesses and income generator businesses.

In order to reinforce the management base, we held discussions on sharing values and resolving business issues through communication opportunities that transcended barriers between Group companies, such as World Wide Meetings and Global Quality Meetings. At the Head Office, we continued to implement bottom-up improvement activities through sub-group activities and promoted flexible work schedules for work style reform to create a robust organizational structure to obtain more profits in a shorter period of time.

As a result of the various measures implemented, consolidated sales in the period under review increased 1.5% to 15,729,674 thousand yen, operating income decreased 0.3% to 1,614,147 thousand yen, ordinary income decreased 3.8% to 1,688,833 thousand yen, and net income attributable to shareholders of the parent company decreased 6.5% to 1,152,840 thousand yen.

Segment performances developed as follows.

(i) Precision Machinery Business

The Precision Machinery Business provides customers with precision molded products that utilize technologies such as press molding of metallic materials and insert molding for shaping objects consisting of combinations of resin and metals, high-quality molds for efficient mass production of molded products, and metal parts that require high dimensional accuracy. During the fiscal year under review, the Company was able to steadily increase sales of core elements of sensors that detect fuel injection pressure, brake pressure, sunlight, and other factors in automobiles, as well as in-vehicle insert-molded products such as cases for engine control units that electronically control fuel supply. We have gradually started operations at the production line that was introduced in 2017 at the plant we opened in Chitose City, Hokkaido, and we are currently working on expanding the space in order to further increase production. Meanwhile, sales of metal pressed molded products used in the keyboards of smartphones and mobile devices declined due to downward pressure on sales prices and partial stagnation in the supply chain caused by the spread of the coronavirus. In terms of development, we have adopted precision mold technology, thin-wall molding technology, and micro-transfer technology that applies micron-level unevenness for resin molded products, which we have cultivated since our founding, to solve technical problems for mass production of new products together with customers in automotive, medical, bio science, and other industrial fields.

As a result, sales at the Precision Machinery Business in the period under review marked 8,808,078 thousand yen (0.9% increase compared with the previous fiscal year).

(ii) Optical Products Business

In the Optical Products Business, our main products include optical connectors used for the optical communications networks that enable fault-free Internet environments, as well as manufacturing, inspection, and measurement equipment for these optical communication network components. Aside from optical communications components, we provide customers with optical transmission equipment for stable live transmission of high-definition television images and micro resin lenses mounted on smartphones and other devices. Optical communication networks are currently being strengthened on a global scale in preparation for the full-scale commercialization of 5G. As a result, demand for optical communication network components that connect base stations and data centers is growing on a global scale. However, during the fiscal year under review, against the backdrop of trade frictions between the US and China, investments in data centers by Chinese companies and supply chains going through major Chinese telecommunications equipment companies that were subject to US sanctions stagnated, resulting in sluggish sales of optical communication network components. Meanwhile, our micro resin lenses have been adopted for several overseas smartphone models, resulting in an increase in sales. In development, we conducted trial production aimed at the commercialization of optical electric field sensors that measure the strength of high-frequency radio waves emitted from 5G base station antennas.

As a result, sales at the Optical Products Business in the period under review marked 6,921,596 thousand yen (2.2% increase compared with the previous fiscal year).

(2) Financial status in the period under review

[Assets]

Consolidated assets at the end of the period under review totaled 27,744,754 thousand yen, reflecting an increase of 58,680 thousand yen compared with the end of the previous fiscal year. Current assets marked 17,339,230 thousand yen, a decrease of 204,917 thousand yen compared with the end of the previous fiscal year. Main factor was a decrease in cash and deposits from the payment of dividends and income taxes and the acquisition of non-current assets and treasury shares. Non-current assets increased 263,597 thousand yen compared with the end of the previous fiscal year to 10,405,523 thousand yen. Main factor was an increase in property, plant, and equipment such as machinery, equipment, and molds for the volume production of molded products.

[Liabilities]

Consolidated liabilities at the end of the period under review totaled 4,216,671 thousand yen, reflecting a decrease of 264,615 thousand yen compared with the end of the previous fiscal year. Main factor was a decrease in accounts payable-trade and income taxes payable.

[Net assets]

Consolidated net assets at the end of the period under review totaled 23,528,083 thousand yen, reflecting an increase of 323,296 thousand yen compared with the end of the previous fiscal year. Main factor was an increase in retained earnings.

(3) Cash flows in the period under review

Consolidated cash and cash equivalents at the end of the period under review totaled 3,550,376 thousand yen, which was 265,782 thousand yen lower than at the end of the previous fiscal year. Status of cash flows and underlying factors developed as follows.

[Operating cash flows]

Net cash provided by operating activities totaled 2,225,752 thousand yen (compared with an increase of 2,393,920 thousand yen in the previous fiscal year). Cash provided by operating activities comprised mainly 1,691,240 thousand yen in net income before income taxes and minority interests, 1,179,307 thousand yen in depreciation charges, 304,657 thousand yen in goodwill amortization, and a 118,728 thousand yen decrease in accounts receivable-trade. Main factors behind the decrease in cash were 752,993 thousand yen in income taxes paid, a 195,319 thousand yen increase in inventories, and a 106,444 thousand yen decrease in notes and accounts payable-trade.

[Investing cash flows]

Net cash used in investing activities was 1,752,988 thousand yen (compared with a decrease of 1,526,805 thousand yen at the end of the previous fiscal year). Cash used in investing activities comprised mainly 1,697,646 thousand yen in expenditures for the acquisition of property, plant, and equipment such as buildings, attached facilities, and machinery and equipment and a 59,271 thousand yen net balance in term deposits made less term deposit repayments.

[Financing cash flows]

Net cash used in financing activities was 685,909 thousand yen (compared with a decrease of 254,227 thousand yen at the end of the previous fiscal year). Cash used in financing activities comprised mainly 424,256 thousand yen in payments for purchase of treasury shares and 279,165 thousand yen in dividend payments.

(4) Outlook

The global economy in the fiscal year ending March 2021 (from April 1, 2020 to March 31, 2021), the global economy is expected to decelerate significantly due to the spread of the coronavirus. It has been projected the deterioration in economic indicators will surpass the financial crisis of 2009 as a result of the brakes being put on corporate production and capital investment on a global level, and the movement of goods and people and the flow of money being stalled.

In the telecommunications and electronic equipment markets, where the Group operates, the expansion of optical communication networks and 5G-compatible mobile terminals is expected ahead of the full-scale operation of the 5G next-generation mobile communication standard. In the automotive-related market, the development of technologies for the practical application of automated driving is expected to continue in order to achieve driving environments of higher comfort and safety. Although macroscopic market trends are a tailwind, corporate investment is expected to remain extremely weak until the spread of the coronavirus is over.

Under this environment, consolidated results projections for the fiscal year ending March 2021 call for sales of 15,420 million yen with operating income of 1,500 million yen, ordinary income of 1,580 million yen, and 1,000 million yen in net income attributable to shareholders of the parent company. This forecast is based on the assumption that the spread of the coronavirus will gradually come to an end in the second half of the fiscal year, and the impact of the spread has been calculated accordingly. If the spread of the infection is prolonged and demand continues to be weak, actual results could deviate from estimates.

(5) Fundamental policies concerning dividend payment and dividend outlook for the current and next fiscal year

The Company considers returning profits to shareholders as one of the most important management issues and holds to a fundamental policy of sustained stable dividend payments while taking into account internal retention to provide for future investments.

Considering the business results for the term under review, as well as the fundamental policy of the Company for returning profits to shareholders, and business initiatives in the time ahead, the Company plans to pay a fiscal year-end dividend of 40.0 yen per share of stock, reflecting a dividend increase of 10.0 yen compared with the previous period.

A dividend of 40.0 yen per share is planned also for the next fiscal year.

2. Fundamental concepts concerning the selection of accounting standards

With consideration of the inter-periodic comparability and inter-company comparability of consolidated financial statements, for the time being, it remains the fundamental policy of the Company to prepare its consolidated financial statements in accordance with Japan-GAAP.

With respect to the application of IFRS it is the policy of the Company that appropriate action will be taken with consideration of the situations in Japan and overseas.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2019)	Current Consolidated Accounting Year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	11,285,404	11,066,728
Notes and accounts receivable-trade	3,632,827	3,366,856
Merchandise and finished goods	648,743	690,424
Work in process	550,739	619,794
Raw materials and supplies	749,043	788,100
Income taxes receivable	65,608	111,786
Other	614,073	697,137
Allowance for doubtful accounts	(2,292)	(1,596)
Total current assets	17,544,147	17,339,230
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	6,312,878	6,632,188
Accumulated depreciation	(4,056,748)	(4,181,365)
Buildings and structures, net	2,256,129	2,450,822
Machinery, equipment and vehicles	6,171,234	6,767,219
Accumulated depreciation	(4,500,920)	(4,808,719)
Machinery, equipment and vehicles, net	1,670,314	1,958,500
Land	2,335,796	2,335,796
Construction in progress	523,116	542,114
Other	5,414,470	5,984,957
Accumulated depreciation	(4,880,434)	(5,276,238)
Other, net	534,035	708,718
Total property, plant and equipment	7,319,392	7,995,952
Intangible assets		
Goodwill	1,377,504	1,061,590
Customer related assets	280,120	212,891
Other	101,823	79,082
Total intangible assets	1,759,448	1,353,564
Investments and other assets		
Investment securities	53,608	45,634
Real estate for investment, net	884,621	884,557
Other	124,855	125,815
Total investments and other assets	1,063,084	1,056,007
Total noncurrent assets	10,141,925	10,405,523
Total assets	27,686,073	27,744,754

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (As of March 31, 2019)	Current Consolidated Accounting Year (As of March 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	1,694,322	1,563,813
Income taxes payable	356,043	227,274
Reserve for bonuses	106,613	111,357
Other	1,221,771	1,048,372
Total current liabilities	3,378,749	2,950,817
Noncurrent liabilities		
Pension liabilities	839,155	937,909
Provision for stock awards for corporate officers	43,533	65,399
Long-term accounts payable-other	145,070	144,870
Long-term lease deposited	19,037	19,037
Deferred tax liability	16,843	28,918
Other	38,897	69,719
Total noncurrent liabilities	1,102,537	1,265,853
Total liabilities	4,481,286	4,216,671
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,624,801
Retained earnings	5,634,918	6,508,894
Treasury stock	(169,267)	(564,553)
Total Shareholders' equity	22,828,753	23,360,825
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,054	(624)
Foreign currency translation adjustment	305,374	165,282
Cumulative pension adjustment amount	(9,605)	(74,327)
Total accumulated other comprehensive income	299,822	90,331
Subscription rights to shares	59,140	58,788
Equity of non-controlling shareholders	17,069	18,137
Total net assets	23,204,786	23,528,083
Total liabilities and net assets	27,686,073	27,744,754

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (from April 1, 2019 to March 31, 2020)
Sales amount	15,502,383	15,729,674
Cost of sales	10,443,555	10,600,428
Gross profit	5,058,828	5,129,246
Selling, general and administrative expenses	3,439,770	3,515,098
Operating income	1,619,058	1,614,147
Non-operating income		
Interest income	12,713	24,054
Dividends income	978	1,018
Compensation received	-	21,400
Royalties received	6,778	2,452
Income from subsidiaries	17,150	34,604
Rent of real estate for investment	56,080	55,995
Gains on foreign exchange	35,184	-
Other	28,877	15,737
Total non-operating income	157,763	155,265
Non-operating expenses		
Cost of real estate rent	14,541	29,069
Foreign exchange losses	-	10,906
Equity in losses of affiliates	1,568	2,586
Compensation expenses	3,288	34,511
Other	2,680	3,505
Total non-operating expenses	22,078	80,579
Ordinary income	1,754,742	1,688,833
Extraordinary income		
Gain on sales of noncurrent assets	2,893	3,333
Total extraordinary income	2,893	3,333
Extraordinary loss		
Loss on disposition of non-current assets	2,816	926
Total extraordinary losses	2,816	926
Net income before income taxes and minority interests	1,754,819	1,691,240
Income taxes-current	561,883	517,260
Income taxes-deferred	(45,595)	15,591
Total income taxes	516,287	532,852
Net income for the period	1,238,532	1,158,388
Net income for the period attributable to non-controlling shareholders	5,983	5,547
Net income for the period attributable to shareholders of the parent company	1,232,548	1,152,840

(Statement of Consolidated Comprehensive Income)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (from April 1, 2019 to March 31, 2020)
Net income for the quarter	1,238,532	1,158,388
Other comprehensive income		
Net unrealized holding gains on securities	(8,334)	(4,678)
Foreign currency translation adjustments	(297,019)	(140,092)
Cumulative adjustment of retirement benefits	4,467	(64,721)
Equity in earnings of equity-method affiliates	-	-
Total other comprehensive income	(300,886)	(209,491)
Comprehensive income	937,646	948,896
(Items)		
Comprehensive income attributable to owners of the parent	932,491	943,897
Comprehensive income attributable to non-controlling shareholders	5,154	4,998

3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,571,419	4,653,349	(169,136)	21,847,315
Changes of items during the period					
Distribution of surplus			(250,979)		(250,979)
Net income for the period attributable to shareholders of the parent company			1,232,548		1,232,548
Purchase of treasury stock				(131)	(131)
Disposal of treasury share					
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	—	981,569	(131)	981,437
Balance at the end of current period	6,791,682	10,571,419	5,634,918	(169,267)	22,828,753

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	12,388	602,394	(14,073)	600,709	22,302	14,298	22,484,626
Changes of items during the period							
Distribution of surplus							(250,979)
Net income for the period attributable to shareholders of the parent company							1,232,548
Purchase of treasury stock							(131)
Disposal of treasury share							—
Net change during the period in items other than shareholders' equity	(8,334)	(297,019)	4,467	(300,886)	36,837	2,771	(261,277)
Total changes of items during the period	(8,334)	(297,019)	4,467	(300,886)	36,837	2,771	720,159
Balance at the end of current period	4,054	305,374	(9,605)	299,822	59,140	17,069	23,204,786

Current Consolidated Accounting Year (April 1, 2019 to March 31, 2020)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,571,419	5,634,918	(169,267)	22,828,753
Changes of items during the period					
Distribution of surplus			(278,864)		(278,864)
Net income for the period attributable to shareholders of the parent company			1,152,840		1,152,840
Purchase of treasury stock				(424,256)	(424,256)
Disposal of treasury share		53,381		28,970	82,352
Net change during the period in items other than shareholders' equity					
Total changes of items during the period	—	53,381	873,976	(395,285)	532,072
Balance at the end of current period	6,791,682	10,624,801	6,508,894	(564,553)	23,360,825

	Accumulated other comprehensive income				Subscription rights to shares	Equity of non-controlling shareholders	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Cumulative adjustment of retirement benefits	Total accumulated other comprehensive income			
Balance at the end of previous period	4,054	305,374	(9,605)	299,822	59,140	17,069	23,204,786
Changes of items during the period							
Distribution of surplus							(278,864)
Net income for the period attributable to shareholders of the parent company							1,152,840
Purchase of treasury stock							(424,256)
Disposal of treasury share							82,352
Net change during the period in items other than shareholders' equity	(4,678)	(140,092)	(64,721)	(209,491)	(351)	1,067	(208,775)
Total changes of items during the period	(4,678)	(140,092)	(64,721)	(209,491)	(351)	1,067	323,296
Balance at the end of current period	(624)	165,282	(74,327)	90,331	58,788	18,137	23,528,083

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (from April 1, 2019 to March 31, 2020)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interest	1,754,819	1,691,240
Depreciation and amortization	1,087,321	1,179,307
Amortization of goodwill	306,533	304,657
Interest and dividends income	(13,692)	(25,073)
Investment loss (gain) on equity method	1,568	2,586
Property rents received	(56,080)	(55,995)
Compensation received	-	(21,400)
Loss (gain) on sales of noncurrent assets	(17,150)	(34,604)
Compensation paid	-	34,511
Increase (decrease) in allowance for doubtful accounts	(77)	(2,407)
Increase (decrease) in provisioning for bonuses	279	(650)
Increase (decrease) in provision for retirement benefits	18,745	4,743
Increase (decrease) in pension liabilities	49,820	34,032
Increase (decrease) in provisions for stock awards to corporate officers	17,809	21,865
Foreign exchange losses (gains)	32,956	13,186
Decrease (increase) in notes and accounts receivable-trade	(713,062)	118,728
Decrease (increase) in inventories	(244,823)	(195,319)
Decrease (increase) in other current assets	(34,216)	19,627
Increase (decrease) in notes and accounts payable-trade	406,371	(106,444)
Increase (decrease) in accounts payable	11,936	(10,464)
Increase (decrease) in other current liabilities	169,548	(100,688)
Subtotal	2,778,607	2,871,440
Interest and dividends income received	11,093	23,720
Income taxes refund	91,472	59,849
Subsidies received	10,295	32,309
Amount of compensation received	-	17,899
Amount of compensation paid	-	(26,472)
Income taxes paid	(497,548)	(752,993)
Net cash provided by (used in) operating activities	2,393,920	2,225,752
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,005,834)	(8,746,168)
Proceeds from withdrawal of time deposits	7,628,227	8,686,896
Purchase of property, plant and equipment	(1,158,446)	(1,697,646)
Proceeds from sales of property, plant and equipment	3,127	5,276
Purchase of intangible assets	(23,962)	(56,132)
Purchase of investment securities	(16,638)	(506)
Proceeds from rental of real estate for investment	47,513	55,995
Other	(790)	(703)
Net cash provided by (used in) investing activities	(1,526,805)	(1,752,988)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (from April 1, 2019 to March 31, 2020)
Net cash provided by (used in) financing activities		
Expenditure for the settlement of lease obligations	(854)	(38,479)
Purchase of treasury shares	(131)	(424,256)
Dividend payment amount	(250,858)	(279,165)
Dividends paid to non-controlling interests	(2,383)	(3,931)
Income from the exercise of stock options	-	59,923
Net cash provided by (used in) financing activities	(254,227)	(685,909)
Effect of exchange rate change on cash and cash equivalents	(102,328)	(52,637)
Net increase (decrease) in cash and cash equivalents	510,559	(265,782)
Cash and cash equivalents at beginning of period	3,305,599	3,816,159
Cash and cash equivalents at end of period	3,816,159	3,550,376