

Financial Statements

Consolidated Statement of Financial Position

(Million yen)

	As of December 31, 2018	As of December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	¥ 129,633	¥ 123,300
Inventories	65,807	92,860
Trade and other receivables	179,269	212,844
Other financial assets	59,775	65,158
Other current assets	9,456	12,623
Subtotal	443,941	506,787
Assets held for sale	272	428
Total current assets	444,214	507,216
Non-current assets		
Property, plant and equipment	140,550	240,319
Goodwill	203,722	427,091
Other intangible assets	95,496	230,986
Investments accounted for using equity method	11,612	12,680
Other financial assets	40,942	54,381
Other non-current assets	14,374	2,818
Deferred tax assets	3,075	3,151
Total non-current assets	509,774	971,430
Total assets	953,988	1,478,646
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	121,999	153,277
Bonds and borrowings	51,583	384,049
Other financial liabilities	5,050	12,470
Income taxes payable	4,735	6,739
Provisions	992	2,197
Other current liabilities	31,415	39,413
Total current liabilities	215,776	598,147
Non-current liabilities		
Bonds and borrowings	37,881	58,147
Other financial liabilities	5,558	44,681
Retirement benefit liability	19,572	24,382
Provisions	385	900
Other non-current liabilities	1,209	1,847
Deferred tax liabilities	25,986	62,560
Total non-current liabilities	90,593	192,519
Total liabilities	306,370	790,667
Equity		
Share capital	78,862	78,862
Capital surplus	63,247	62,927
Treasury shares	(6,444)	(6,378)
Retained earnings	390,287	411,941
Other components of equity	(5,905)	5,568
Total equity attributable to owners of parent	520,047	552,922
Non-controlling interests	127,570	135,056
Total equity	647,618	687,979
Total liabilities and equity	953,988	1,478,646

Consolidated Statement of Profit or Loss

(Million yen)

	For the fiscal year ended December 31, 2018	For the fiscal year ended December 31, 2019
Revenue	¥ 627,670	¥ 692,009
Cost of sales	(385,506)	(416,359)
Gross profit	242,164	275,649
Selling, general and administrative expenses	(164,142)	(190,435)
Other income	10,700	6,717
Other expenses	(2,179)	(13,871)
Operating profit	86,542	78,060
Finance income	4,432	5,749
Finance costs	(3,134)	(5,729)
Share of profit of investments accounted for using equity method	1,235	1,438
Profit before tax	89,075	79,518
Income tax expense	(22,758)	(23,251)
Profit	66,316	56,267
Profit attributable to		
Owners of parent	45,351	36,717
Non-controlling interests	20,965	19,550
Profit	66,316	56,267
Earnings per share		
Basic earnings per share (yen)	141.41	114.48
Diluted earnings per share (yen)	141.39	114.45

Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31, 2018	For the fiscal year ended December 31, 2019
Profit	¥ 66,316	¥ 56,267
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(4,895)	3,229
Remeasurements of defined benefit plans	(1,353)	(828)
Total of items that will not be reclassified to profit or loss	(6,248)	2,400
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(23,070)	7,080
Cash flow hedges	—	(32,737)
Share of other comprehensive income of investments accounted for using equity method	(914)	(346)
Total of items that may be reclassified to profit or loss	(23,985)	(26,003)
Total other comprehensive income	(30,233)	(23,602)
Comprehensive income	36,083	32,664
Comprehensive income attributable to		
Owners of parent	22,752	14,929
Non-controlling interests	13,330	17,735
Comprehensive income	36,083	32,664

Financial Statements

Consolidated Statement of Changes in Equity

(Million yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance as of January 1, 2018	¥78,862	¥63,262	¥(6,454)	¥360,249	¥15,471	¥511,392	¥125,549	¥636,941
Profit	—	—	—	45,351	—	45,351	20,965	66,316
Other comprehensive income	—	—	—	—	(22,599)	(22,599)	(7,634)	(30,233)
Comprehensive income	—	—	—	45,351	(22,599)	22,752	13,330	36,083
Purchase of treasury shares	—	—	(7)	—	—	(7)	—	(7)
Disposal of treasury shares	—	18	16	—	(35)	0	—	0
Dividends	—	—	—	(14,110)	—	(14,110)	(12,325)	(26,436)
Share-based payment transactions	—	—	—	—	54	54	—	54
Changes in ownership interest in subsidiaries	—	(33)	—	—	—	(33)	(197)	(231)
Change in scope of consolidation	—	—	—	—	—	—	521	521
Transfer from other components of equity to retained earnings	—	—	—	(1,202)	1,202	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	790	790
Other	—	—	—	—	—	—	(97)	(97)
Total transactions with owners	—	(15)	9	(15,313)	1,222	(14,096)	(11,309)	(25,406)
Balance as of December 31, 2018	78,862	63,247	(6,444)	390,287	(5,905)	520,047	127,570	647,618
Profit	—	—	—	36,717	—	36,717	19,550	56,267
Other comprehensive income	—	—	—	—	(21,787)	(21,787)	(1,815)	(23,602)
Comprehensive income	—	—	—	36,717	(21,787)	14,929	17,735	32,664
Purchase of treasury shares	—	—	(11)	—	—	(11)	—	(11)
Disposal of treasury shares	—	162	77	—	(5)	234	—	234
Dividends	—	—	—	(14,433)	—	(14,433)	(12,047)	(26,481)
Share-based payment transactions	—	—	—	—	10	10	—	10
Changes in ownership interest in subsidiaries	—	(481)	—	—	—	(481)	(441)	(922)
Change in scope of consolidation	—	—	—	—	—	—	493	493
Transfer from other components of equity to retained earnings	—	—	—	(629)	629	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	—	32,626	32,626	—	32,626
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	1,793	1,793
Other	—	—	—	—	—	—	(47)	(47)
Total transactions with owners	—	(319)	66	(15,063)	33,261	17,945	(10,249)	7,695
Balance as of December 31, 2019	78,862	62,927	(6,378)	411,941	5,568	552,922	135,056	687,979

Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2018	For the fiscal year ended December 31, 2019
Cash flows from operating activities		
Profit before tax	¥ 89,075	¥ 79,518
Depreciation and amortization	18,390	25,769
Impairment loss	32	11,315
Interest and dividend income	(2,432)	(4,640)
Interest expenses	1,261	4,782
Share of loss (profit) of investments accounted for using equity method	(1,235)	(1,438)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	(5,158)	(918)
Decrease (increase) in inventories	1,220	(2,306)
Decrease (increase) in trade and other receivables	(9,176)	(586)
Increase (decrease) in trade and other payables	(1,625)	4,706
Increase (decrease) in retirement benefit liability	(121)	(820)
Increase (decrease) in provisions	(2,128)	(834)
Other	(4,015)	36
Subtotal	84,087	114,583
Interest received	1,384	2,543
Dividends received	1,930	2,095
Interest paid	(1,348)	(4,297)
Income taxes paid	(24,521)	(22,849)
Net cash provided by (used in) operating activities	61,533	92,076
Cash flows from investing activities		
Net decrease (increase) in time deposits	(34,472)	(4,518)
Net decrease (increase) in marketable securities	12,333	(1,167)
Purchase of property, plant and equipment	(18,399)	(22,764)
Proceeds from sale of property, plant and equipment	6,202	4,205
Purchase of intangible assets	(1,676)	(2,679)
Purchase of investment securities	(63)	(237)
Payments for acquisition of subsidiaries	(1,868)	(318,655)
Payments for sale of shares of subsidiaries	—	(57)
Payments for acquisition of businesses	—	(2,622)
Payments for loans receivable	(543)	(3,612)
Other	1,048	(658)
Net cash provided by (used in) investing activities	(37,439)	(352,769)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	22,354	301,178
Proceeds from long-term borrowings	16,995	7,054
Repayments of long-term borrowings	(7,104)	(21,209)
Repayments of lease obligations	(629)	(8,133)
Capital contribution from non-controlling interests	689	1,881
Dividends paid	(14,110)	(14,433)
Dividends paid to non-controlling interests	(12,038)	(12,310)
Other	70	(8)
Net cash provided by (used in) financing activities	6,228	254,018
Effect of exchange rate changes on cash and cash equivalents	(2,565)	341
Net increase (decrease) in cash and cash equivalents	27,757	(6,333)
Cash and cash equivalents at beginning of period	101,876	129,633
Cash and cash equivalents at end of period	129,633	123,300