

Financial Statements

Consolidated Balance Sheet

	(¥million)			(¥million)	
	Previous consolidated fiscal year (March 31, 2019)	Current consolidated fiscal year (March 31, 2020)		Previous consolidated fiscal year (March 31, 2019)	Current consolidated fiscal year (March 31, 2020)
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	16,865	16,839	Notes and accounts payable-trade	22,902	20,209
Notes and accounts receivable-trade	43,012	35,825	Electronically recorded obligations-operating	7,671	6,637
Electronically recorded monetary claims-operating	7,499	6,267	Short-term loans payable	5,929	8,885
Securities	15	-	Current portion of bonds	400	7,000
Merchandise and finished goods	12,009	15,812	Current portion of long-term loans payable	3,414	3,260
Work in process	3,687	4,064	Lease obligations	37	140
Raw materials and supplies	5,667	7,134	Accounts payable-other	22,526	19,486
Other	2,915	2,113	Income taxes payable	2,021	1,671
Allowance for doubtful accounts	(120)	(123)	Accrued consumption taxes	60	1,150
Total current assets	91,553	87,934	Provision for bonuses	2,120	2,397
Non-current assets			Provision for product warranties	850	740
Property, plant, and equipment			Provision for loss on litigation	-	168
Buildings and structures, net	10,744	12,335	Other	4,002	5,827
Machinery, equipment, and vehicles, net	13,344	20,356	Total current liabilities	71,938	77,575
Land	13,735	14,649	Non-current liabilities		
Leased assets, net	70	37	Bonds payable	10,000	13,000
Construction in progress	1,416	1,103	Long-term loans payable	10,939	11,394
Other, net	2,009	2,943	Lease obligations	62	195
Total property, plant, and equipment	41,321	51,426	Deferred tax liabilities	1,342	1,479
Intangible assets			Provision for product warranties	465	266
Goodwill	4,473	12,631	Net deferred benefit liability	3,508	3,554
Software	1,619	1,574	Negative goodwill	23	19
Other	281	627	Other	137	176
Total intangible assets	6,375	14,834	Total non-current liabilities	26,478	30,087
Investments and other assets			Total liabilities	98,416	107,662
Investment securities	16,761	12,620	Net assets		
Net defined benefit asset	1,795	879	Shareholder's equity		
Deferred tax assets	513	1,421	Capital Stock	15,300	15,300
Other	1,795	1,498	Capital surplus	14,071	14,080
Allowance for doubtful accounts	(34)	(68)	Retained earnings	25,507	29,081
Total investments and other assets	20,831	16,351	Treasury shares	(1,418)	(1,403)
Total non-current assets	68,528	82,612	Total shareholder's equity	53,460	57,059
Deferred assets			Accumulated other comprehensive income		
Bond issuance cost	75	91	Valuation difference on available-for-sale securities	5,161	2,912
Total deferred assets	75	91	Deferred gains or losses on hedges	132	(443)
Total assets	160,158	170,638	Foreign currency transaction adjustment	(176)	(3,493)
			Remeasurements of defined benefit plans	326	(256)
			Total accumulated other comprehensive income	5,444	(1,281)
			Non-controlling interests	2,837	7,197
			Total net assets	61,741	62,975
			Total liabilities and net assets	160,158	170,638

Consolidated Statements of Income

(¥million)

	Previous consolidated fiscal year (April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (April 1, 2019 to March 31, 2020)
Net sales	182,962	202,481
Cost of sales	139,289	151,442
Gross profit	43,673	51,038
Selling, general, and administrative expenses	37,940	42,653
Operating profit	5,733	8,384
Non-operating profit		
Interest profit	63	58
Dividend income	454	452
Rent income	178	171
Dividend income of life insurance	48	40
Amortization of negative goodwill	10	3
Share of profit of entities accounted for using equity method	52	49
Exchange gain	39	–
Reversal of allowance for doubtful accounts	1	–
Miscellaneous profit	659	606
Total non-operating profit	1,506	1,380
Non-operating expenses		
Interest expenses	161	291
Sales discounts	128	132
Loss on sales of accounts receivable	7	15
Foreign exchange losses	–	81
Miscellaneous expenses	103	136
Total non-operating expenses	401	656
Ordinary profit	6,838	9,108
Extraordinary profit		
Gain on sales of non-current assets	30	39
Gain on sales of investment securities	165	345
State subsidy	–	163
Compensation income	953	–
Total extraordinary profit	1,149	549
Extraordinary losses		
Loss on sale of non-current assets	13	13
Loss on retirement of non-current assets	220	157
Loss on reduction of non-current assets	–	156
Loss on sales of investment securities	–	148
Loss on valuation of investment securities	104	–
Compensation payments	347	–
Provision for loss on litigation	–	184
Other	0	126
Total extraordinary losses	686	786
Profit before income taxes	7,301	8,871
Income taxes - current	2,195	2,830
Income taxes in the past fiscal year	681	–
Income taxes - deferred	(172)	(470)
Total income taxes	2,703	2,359
Profit	4,597	6,512
Profit attributable to non-controlling interests	195	1,064
Profit attributable to owners of parent	4,402	5,447

Consolidated Statements of Comprehensive Income

(¥million)

	Previous consolidated fiscal year (April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (April 1, 2019 to March 31, 2020)
Profit	4,597	6,512
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,738)	(2,251)
Deferred gains or losses on hedges	103	(608)
Foreign currency transaction adjustment	(453)	(3,691)
Re-measurements of defined benefit plans, net of tax	(82)	(583)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(2,170)	(7,135)
Comprehensive income	2,427	(623)
(breakdown)		
Comprehensive income attributable to owners of parent	2,272	(1,277)
Comprehensive income attributable to non-controlling interests	154	654

Financial Statements

Consolidated Statements of Changes in Net Assets

(¥million)

	Previous consolidated fiscal year (April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (April 1, 2019 to March 31, 2020)
Shareholder's equity		
Capital Stock		
Balance at beginning of current period	13,150	15,300
Issuance of new shares	2,149	
Balance at end of current period	15,300	15,300
Capital surplus		
Balance at beginning of current period	11,943	14,071
Issuance of new shares	2,117	
Disposal of treasury shares	10	9
Balance at end of current period	14,071	14,080
Retained earnings		
Balance at beginning of current period	23,007	25,507
Dividends of surplus	(1,902)	(1,873)
Profit attributable to owners of parent	4,402	5,447
Balance at end of current period	25,507	29,081
Treasury shares		
Balance at beginning of current period	(1,430)	(1,418)
Purchase of treasury shares	(0)	(0)
Disposal of treasury shares	12	15
Balance at end of current period	(1,418)	(1,403)
Total shareholders' equity		
Balance at beginning of current period	46,670	53,460
Issuance of new shares	4,267	
Dividends of surplus	(1,902)	(1,873)
Profit attributable to owners of parent	4,402	5,447
Purchase of treasury shares	(0)	(0)
Disposal of treasury shares	22	25
Balance at end of current period	53,460	57,059
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of current period	6,897	5,161
Net changes of items other than shareholders' equity, net	(1,735)	(2,249)
Balance at end of current period	5,161	2,912
Deferred gains or losses on hedges		
Balance at beginning of current period	22	132
Net changes of items other than shareholders' equity, net	110	(575)
Balance at end of current period	132	(443)
Foreign currency transaction adjustment		
Balance at beginning of current period	245	(176)
Net changes of items other than shareholders' equity, net	(421)	(3,316)
Balance at end of current period	(176)	(3,493)
Remeasurements of defined benefit plans		
Balance at beginning of current period	409	326
Net changes of items other than shareholders' equity, net	(82)	(583)
Balance at end of current period	326	(256)
Total accumulated other comprehensive income		
Balance at beginning of current period	7,574	5,444
Net changes of items other than shareholders' equity, net	(2,129)	(6,725)
Balance at end of current period	5,444	(1,281)
Non-controlling interests		
Balance at beginning of current period	2,734	2,837
Net changes of items other than shareholders' equity, net	102	4,359
Balance at end of current period	2,837	7,197
Total net assets		
Balance at beginning of current period	56,979	61,741
Issuance of new shares	4,267	
Dividends of surplus	(1,902)	(1,873)
Profit attributable to owners of parent	4,402	5,447
Purchase of treasury shares	(0)	(0)
Disposal of treasury shares	22	25
Net changes of items other than shareholders' equity, net	(2,026)	(2,365)
Balance at end of current period	61,741	62,975

Consolidated Statements of Cash Flows

(¥million)

	Previous consolidated fiscal year (April 1, 2018 to March 31, 2019)	Current consolidated fiscal year (April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	7,301	8,871
Depreciation	4,134	5,079
Amortization of bond issuance cost	29	35
Loss on retirement of non-current assets	220	157
Loss (gain) on sales of non-current assets	(17)	(26)
Loss (gain) on sales of investment securities	(165)	(196)
Loss (gain) on valuation of investment securities	104	—
Amortization of goodwill	475	1,315
Increase (decrease) in allowance for doubtful accounts	0	35
Increase (decrease) in provision for bonuses	(76)	171
Increase (decrease) in provision for product warranties	(562)	(318)
Increase (decrease) in net defined benefit liability	629	996
Increase (decrease) in provision for loss on litigation	—	169
Interest and dividend income	(517)	(510)
Interest expenses	161	291
Foreign exchange losses (gains)	64	(23)
Share of (profit) loss of entities accounted for using equity method	(52)	(49)
Decrease (increase) in notes and accounts receivable-trade	(2,438)	9,902
Decrease (increase) in inventories	(3,914)	(847)
Increase (decrease) in notes and accounts payable-trade	5,352	(6,986)
Decrease (increase) in consumption taxes refund receivable	(368)	364
Increase (decrease) in accrued consumption taxes	(336)	1,089
Other	1,117	252
Subtotal	11,143	19,773
Interest and dividend income received	517	510
Interest expenses paid	(161)	(290)
Income taxes paid	(1,446)	(3,185)
Cash flows from operating activities	10,052	16,807
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	131
Purchase of property, plant and equipment	(6,932)	(5,526)
Proceeds from sales of property, plant and equipment	40	143
Purchase of investment securities	(5)	(54)
Proceeds from sales and redemption of investment securities	466	1,183
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(8,237)	(13,419)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	140
Other	(412)	(461)
Cash flows from investing activities	(15,079)	(17,863)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	315	(3,037)
Proceeds from issuance of bonds	—	9,949
Redemption of bonds	—	(474)
Proceeds from long-term loans payable	12,200	800
Repayments of long-term loans payable	(3,623)	(3,715)
Repayments of finance lease obligations	(39)	(116)
Proceeds from share issuance	4,267	—
Proceeds from share issuance to non-controlling shareholders	9	—
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,902)	(1,873)
Dividends paid to non-controlling interest	(60)	(62)
Cash flows from financing activities	11,165	1,468
Effect of exchange rate change on cash and cash equivalents	(40)	(438)
Net increase (decrease) in cash and cash equivalents	6,097	(26)
Cash and cash equivalents at beginning of period	10,767	16,865
Cash and cash equivalents at end of period	16,865	16,839

Stock Information (As of March 31, 2020)

Stock Information

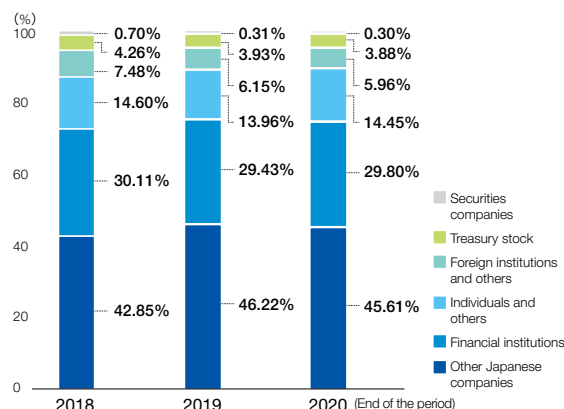
Total number of authorized shares	79,643,600
Total number of shares issued	27,080,043
Number of shareholders	4,055
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited

Major Shareholders

Name	Number of Shares	Ownership Ratio (%)
ITOCHU Corporation	9,103,100	35.0
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,031,000	4.0
Sumitomo Mitsui Banking Corporation	986,980	3.8
SUMITOMO LIFE INSURANCE COMPANY	931,200	3.6
Japan Trustee Service Bank Ltd. (Trust Account)	896,500	3.4
DAIKEN CORPORATION Trading-Partner Shareholding Association	790,100	3.0
Sumitomo Mitsui Trust Bank, Limited	688,000	2.6
Sumitomo Forestry Co., Ltd.	638,200	2.5
Marubeni Corporation	564,388	2.2
DAIKEN CORPORATION Employee Shareholding Association	551,864	2.1

(Note) 1. DAIKEN CORPORATION is in possession of 1,051,904 treasury shares. However, the Company is excluded from the above list of major shareholders.
2. The ownership ratio is calculated excluding the treasury stock.

Breakdown of Shares by Type of Shareholder



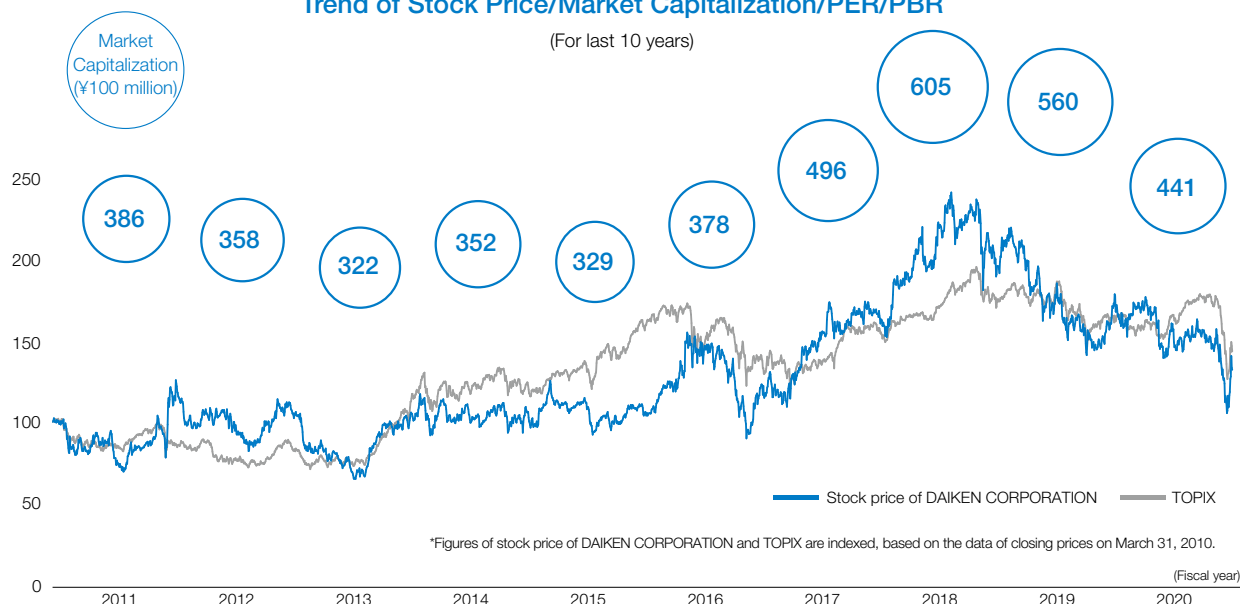
Total Shareholder Return

	2016	2017	2018	2019	2020 (Fiscal year)
DAIKEN CORPORATION (%)	119.6	160.5	199.3	178.3	149.7
TOPIX (%)	89.2	102.3	118.5	112.5	101.8

(Note) 1. Total shareholder return: This expresses the total investment return for a shareholder that combines the amount of the stock price increase and dividend.
2. This is calculated using the calculation formula specified by the Cabinet Office Ordinance.
3. Figures are as of the end of each fiscal year from 2016 to 2020.

Trend of Stock Price/Market Capitalization/PER/PBR

(For last 10 years)



*Figures of stock price of DAIKEN CORPORATION and TOPIX are indexed, based on the data of closing prices on March 31, 2010.

High (¥)	1,615	1,635	1,450	1,530	1,635	2,050	2,349	3,150	2,844	2,291
Low (¥)	885	1,045	830	1,135	1,180	1,130	1,918	1,950	1,747	1,316
Stock price at the end of the period (¥)	1,540	1,430	1,285	1,405	1,355	1,570	2,061	2,512	2,154	1,696
PER (times)	28.30	41.06	24.46	13.85	12.13	9.53	9.68	10.27	12.34	8.10
PBR (times)	1.16	1.07	0.90	0.95	0.81	0.93	1.07	1.12	0.95	0.79

(Note) 1. Market capitalization = Stock price at the end of the period (Total number of shares issued - Number of treasury shares at the end of the period)

2. PER (price earnings ratio) = Stock price at the end of the period / Net income per share (times)

3. PBR (price book-value ratio) = Stock price at the end of the period / Net assets per share (times)

4. The company consolidated shares at a rate of one share per five as of October 1, 2016. The past figures were also consolidated retrospectively for ease of comparison.