

May 18, 2020

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2020
<under Japanese GAAP>

Company name: **TAIYO HOLDINGS CO., LTD.**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 4626
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Scheduled date of ordinary general meeting of shareholders: June 20, 2020
 Scheduled date to commence dividend payments: June 22, 2020
 Scheduled date to file annual securities report: June 22, 2020
 Preparation of supplementary results briefing material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

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

(1) Operating results

(Millions of yen, % year on year)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
March 31, 2020	70,627	18.9	9,136	12.8	8,898	11.0	3,749	(14.7)
March 31, 2019	59,389	13.7	8,099	(28.6)	8,014	(28.4)	4,396	(9.5)

Note: Comprehensive income

For the fiscal year ended March 31, 2020: 2,499 millions of yen [(35.4%)]
 For the fiscal year ended March 31, 2019: 3,869 millions of yen [(22.8%)]

(Yen)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income/total assets	Operating income/net sales
			%	%	%
March 31, 2020	131.99	—	5.4	7.2	12.9
March 31, 2019	152.71	—	6.2	7.4	13.6

Reference: Share of (profit) loss of entities accounted for using equity method

For the fiscal year ended March 31, 2020: — Millions of yen
 For the fiscal year ended March 31, 2019: — Millions of yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2020	142,192	69,523	48.7	2,434.23
March 31, 2019	105,666	70,520	66.4	2,475.36

Reference: Equity (Net assets excluding non-controlling interests)

As of March 31, 2020: 69,222 millions of yen

As of March 31, 2019: 70,182 millions of yen

(3) Cash flows

(Millions of yen)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of period
March 31, 2020	13,739	(45,912)	31,593	29,115
March 31, 2019	5,907	(5,487)	(12,001)	30,101

2. Cash dividends

	Annual cash dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter- end	Second quarter- end	Third quarter- end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2019	–	65.10	–	65.10	130.20	3,734	85.3	5.2
Fiscal year ended March 31, 2020	–	65.10	–	65.10	130.20	3,722	98.6	5.3
Fiscal year ending March 31, 2021 (Forecast)	–	65.10	–	65.10	130.20		–	

Note: The cash dividends presented above are cash dividends related to common shares. Please refer to “Cash dividends for class shares” presented below, for information on cash dividends for class shares (unlisted) that have a different relationship of rights compared with the common shares issued by the Company.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen, % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Six months ending September 30, 2020	40,300	29.2	5,100	25.2	5,000	27.3	3,300	5.2	117.08
Fiscal year ending March 31, 2021	80,600	14.1	10,100	10.6	9,700	9.0	6,400	70.7	227.56

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly consolidated companies: 1; Company name: Taiyo Pharma Tech Co., Ltd.

Companies excluded from consolidation: 0 companies; Company name: –

Note: The Company acquired 100% of the shares in Taiyo Pharma Tech Co., Ltd. on October 1, 2019, bringing it within the scope of consolidation.

- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

Note: All overseas consolidated subsidiaries have adopted IFRS 16 Leases and the U.S. accounting standard ASU 2016-02, Leases (Topic 842) from the fiscal year ended March 31, 2020. This switches to the method of recognizing all leases as a lessee as assets and liabilities on the consolidated balance sheet, in principle. The impact of this change on the financial statements for the fiscal year ended March 31, 2020 is minor.

- (3) Number of issued shares

- a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	28,969,647 shares
As of March 31, 2019	28,910,436 shares

- b. Number of treasury shares at the end of the period

As of March 31, 2020	532,649 shares
As of March 31, 2019	557,958 shares

- c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2020	28,410,957 shares
Fiscal year ended March 31, 2019	28,789,526 shares

- Notes: 1. Series I Class A Shares and Series II Class A Shares possess the same rights as common shares in regard to the right to receive dividends of surplus and the right to receive distribution of residual assets. They are therefore included in the number of outstanding shares at period-end and the average number of outstanding shares during the period.
2. The number of treasury shares includes the Company's shares held by The Master Trust Bank of Japan, Ltd. (trust account for shares granted under the Employee Stock Ownership Plan (ESOP)).

*** Summary financial statements are not subject to review by a certified public accountant or audit firm.**

*** Proper use of earnings forecasts, and other special matters**

(Disclaimer concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company makes no promise regarding achievement of any content in the forward-looking statements. Actual business and other results may differ substantially due to various factors. See "1. Overview of Operating Results (4) Future Forecasts" on P. 4 of the attached materials for precautions on the use of earnings forecasts and the assumptions underlying earnings forecasts.

Cash dividends for class shares

The following is a breakdown of cash dividends per share for class shares granted different rights than common shares.

(Yen)

Series II Class A shares	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2019	–	65.10	–	65.10	130.20
Fiscal year ended March 31, 2020	–	–	–	–	–
Fiscal year ending March 31, 2021 (Forecast)	–	–	–	–	–

Note: Series II Class A shares were exchanged for common shares in June 2019, per the Articles of Incorporation, and simultaneously retired. Therefore, no dividend is planned for the fiscal year ending March 31, 2020.

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1. Overview of Operating Results

(1) Overview of operating results for fiscal year ended March 31, 2020

Net sales for the consolidated fiscal year ended March 31, 2020 were 70,627 million yen (up 18.9% year on year). Operating income was 9,136 million yen (up 12.8% year on year), ordinary income was 8,898 million yen (up 11.0% year on year), and profit attributable to owners of parent was 3,749 million yen (down 14.7% year on year).

Results by segment were as follows.

The Group divides its business into two segments, Electronics Materials and Medical and Pharmaceuticals, based on operating subsidiaries.

Electronics Materials

Demand for rigid board materials for vehicle installation parts declined due to the decline in global new vehicle sales. However, strong sales for parts used in consumer products, mainly in China, kept overall sales volume for rigid board materials on par with the previous fiscal year. Sales volume for semiconductor package board materials outperformed the previous fiscal year owing to a rebound in the semiconductor market on the back of growth in PC sales volume and server demand. As a result, net sales amounted to 48,884 million yen (up 1.7% year on year), and segment profit fell 0.2% year on year to 10,441 million yen.

Medical and Pharmaceuticals

At Taiyo Pharma Co., Ltd., the transfer of one long-term listed product was completed in October 2019. The company now possesses approval for the manufacture and sale of 14 products. Taiyo Pharma Tech Co., Ltd., which manufactures pharmaceuticals on consignment, was also added to the Group from October 2019. These additions resulted in net sales of 18,215 million yen (up 137.8% year on year), and segment profit of 1,286 million yen (compared to a segment loss of 351 million yen in the previous fiscal year.)

(2) Overview of financial position as of March 31, 2020

The following shows the status of assets, liabilities and net assets as of March 31, 2020.

	As of March 31, 2019 (Millions of yen)	As of March 31, 2020 (Millions of yen)	Change (Millions of yen)	Main factors (Comparison with the end of the previous fiscal year)
Current assets	58,136	62,380	4,244	Increases of 2,902 million yen in notes and accounts receivable – trade, 1,344 million yen in work in process, and 1,380 million yen in raw materials and supplies A decrease of 2,149 million yen in cash and deposits
Non-current assets	47,529	79,811	32,281	Increases of 5,664 million yen in buildings and structures, 8,052 million yen in machinery, equipment and vehicles, 7,791 million yen in land, 6,155 million yen in goodwill, and 6,904 million yen in customer-related assets
Total assets	105,666	142,192	36,525	
Total liabilities	35,146	72,668	37,522	An increase of 32,374 million yen in long-term borrowings
Total net assets	70,520	69,523	(996)	Positive factor: 3,749 million yen in profit attributable to owners of parent Negative factors: 3,719 million yen in dividends of surplus, and 1,175 million yen in foreign currency translation losses
Total liabilities and net assets	105,666	142,192	36,525	

(3) Consolidated statements of cash flows

The following is the status of cash flows for the fiscal year ended March 31, 2020.

	Fiscal year ended March 31, 2020 (Millions of yen)	Main factors
Net cash provided by (used in) operating activities	13,739	Cash inflows included 5,261 million yen in profit before income taxes, depreciation of 5,283 million yen, and recognition of an impairment loss of 3,540 million yen.
Net cash provided by (used in) investing activities	(45,912)	Cash outflows included 7,571 million yen for acquisition of property, plant and equipment, 1,133 million yen for acquisition of intangible assets, and 37,658 million yen for acquisition of subsidiary shares.
Net cash provided by (used in) financing activities	31,593	The cash inflow resulted from 40,117 million yen in long-term borrowings. Cash outflows included 5,902 million yen in repayment of long-term borrowings and 3,718 million yen in dividends paid.
Net increase (decrease) in cash and cash equivalents	(985)	
Cash and cash equivalents at end of period	29,115	

(4) Future forecasts

During fiscal year ending March 31, 2021, the Company anticipates that the Electronics Materials business will suffer from the substantial impact that the spread of the novel coronavirus will have on the electronics market, a market related to our Group. While a decline in demand for vehicle installation parts, smartphones, and other products is projected, active investment in the areas of communications infrastructure and data centers is expected to continue, and we project net sales on par with this fiscal year.

We anticipate growth in sales and profit in the Medical and Pharmaceuticals business next fiscal year. The growth will come from the full-year contribution from the performance of Taiyo Pharma Tech Co., Ltd., which was added to the Group during fiscal year ended March 31, 2020, and the positive impact from having new long-listed products, for which we expect to receive approval for manufacture and sale during the second half of fiscal year ending March 31, 2021.

The forecasts in these materials are based on information available at the time results were announced. Actual results may differ from the forecasts due to various future factors.

	Net sales (Millions of yen)	Operating income (Millions of yen)	Operating Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit Basic earnings per share (Yen)
For the fiscal year ending March 31, 2021 (Forecast)	80,600	10,100	9,700	6,400	227.56
For the fiscal year ended March 31, 2020 (Actual results)	70,627	9,136	8,898	3,749	131.99
Rate of change (%)	14.1	10.6	9.0	70.7	

Reference

Conservative exchange rate assumptions have been used in the calculation of the earnings forecasts for fiscal year ending March 31, 2021, in light of the current conditions.

The earnings forecasts for fiscal year ending March 31, 2021 shown below have been calculated based on the actual exchange rates used for fiscal year ending March 31, 2020 results.

	Net sales (Millions of yen)	Operating income (Millions of yen)	Operating Ordinary income (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Profit Basic earnings per share (Yen)
For the fiscal year ending March 31, 2021 (Forecast)	82,700	11,100	10,800	7,100	252.45
For the fiscal year ended March 31, 2020 (Actual results)	70,627	9,136	8,898	3,749	131.99
Rate of change (%)	17.1	21.5	21.4	89.3	

2. Basic Policy Concerning the Selection of Accounting Standards

The Group adopts the Japanese GAAP as the accounting standards in order to ensure comparability among other domestic companies in the same industry.

3. Consolidated Financial Statements and Explanatory Notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	31,340	29,191
Notes and accounts receivable - trade	16,610	19,513
Merchandise and finished goods	4,676	4,912
Work in process	495	1,839
Raw materials and supplies	3,275	4,656
Other	1,825	2,353
Allowance for doubtful accounts	(87)	(86)
Total current assets	58,136	62,380
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,891	16,555
Machinery, equipment and vehicles, net	4,005	12,057
Tools, furniture and fixtures, net	900	1,274
Land	4,022	11,814
Construction in progress	2,489	2,762
Other	3	296
Total property, plant and equipment	22,313	44,761
Intangible assets		
Goodwill	691	6,846
Sales rights	19,732	15,216
Customer-related assets	-	6,904
Other	1,013	1,801
Total intangible assets	21,436	30,769
Investments and other assets		
Investment securities	2,125	2,420
Shares of subsidiaries and associates	295	281
Deferred tax assets	225	196
Retirement benefit asset	319	314
Other	1,006	1,218
Allowance for doubtful accounts	(193)	(150)
Total investments and other assets	3,779	4,280
Total non-current assets	47,529	79,811
Total assets	105,666	142,192

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,285	7,231
Short-term borrowings	4,011	5,168
Current portion of long-term borrowings	3,852	5,725
Accounts payable - other	4,100	3,596
Income taxes payable	610	874
Provision for bonuses	499	801
Other	1,353	1,342
Total current liabilities	20,714	24,740
Non-current liabilities		
Deferred tax liabilities	1,190	1,959
Long-term borrowings	12,443	44,818
Retirement benefit liability	117	193
Asset retirement obligations	570	715
Other	109	242
Total non-current liabilities	14,431	47,928
Total liabilities	35,146	72,668
Net assets		
Shareholders' equity		
Capital stock	9,331	9,428
Capital surplus	14,817	14,913
Retained earnings	47,229	47,260
Treasury shares	(2,042)	(1,950)
Total shareholders' equity	69,336	69,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	94	8
Foreign currency translation adjustment	730	(444)
Remeasurements of defined benefit plans	22	7
Total accumulated other comprehensive income	846	(429)
Non-controlling interests	337	301
Total net assets	70,520	69,523
Total liabilities and net assets	105,666	142,192

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	59,389	70,627
Cost of sales	33,043	41,574
Gross profit	26,346	29,053
Selling, general and administrative expenses	18,247	19,917
Operating income	8,099	9,136
Non-operating income		
Interest income	81	57
Dividend income	23	25
Subsidy income	40	44
Other	70	113
Total non-operating income	215	240
Non-operating expenses		
Interest expenses	196	226
Commission expenses	23	32
Loss on retirement of non-current assets	–	75
Foreign exchange losses	21	108
Loss on investments in investment partnerships	32	7
Other	25	29
Total non-operating expenses	300	478
Ordinary profit	8,014	8,898
Extraordinary losses		
Impairment loss	1,311	3,540
Other	–	96
Total extraordinary losses	1,311	3,636
Profit before income taxes	6,703	5,261
Income taxes - current	2,387	2,425
Income taxes - deferred	(127)	(970)
Total income taxes	2,259	1,455
Profit	4,443	3,806
Profit attributable to non-controlling interests	46	56
Profit attributable to owners of parent	4,396	3,749

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	4,443	3,806
Other comprehensive income		
Valuation difference on available-for-sale securities	(227)	(86)
Foreign currency translation adjustment	(358)	(1,205)
Remeasurements of defined benefit plans, net of tax	12	(14)
Total other comprehensive income	(573)	(1,306)
Comprehensive income	3,869	2,499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,827	2,474
Comprehensive income attributable to non-controlling interests	42	25

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,232	14,717	47,415	(121)	71,244
Changes during period					
Dividends of surplus			(4,627)		(4,627)
Profit attributable to owners of parent			4,396		4,396
Issuance of new shares	99	99			199
Purchase of treasury shares				(1,992)	(1,992)
Disposal of treasury shares				71	71
Effect resulting from change of accounting period of consolidated subsidiaries			44		44
Net changes in items other than shareholders' equity					
Total changes during period	99	99	(186)	(1,921)	(1,907)
Balance at end of period	9,331	14,817	47,229	(2,042)	69,336

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	321	1,084	9	1,415	363	73,023
Changes during period						
Dividends of surplus						(4,627)
Profit attributable to owners of parent						4,396
Issuance of new shares						199
Purchase of treasury shares						(1,992)
Disposal of treasury shares						71
Effect resulting from change of accounting period of consolidated subsidiaries						44
Net changes in items other than shareholders' equity	(227)	(354)	12	(569)	(26)	(595)
Total changes during period	(227)	(354)	12	(569)	(26)	(2,503)
Balance at end of period	94	730	22	846	337	70,520

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,331	14,817	47,229	(2,042)	69,336
Changes during period					
Dividends of surplus			(3,719)		(3,719)
Profit attributable to owners of parent			3,749		3,749
Issuance of new shares	96	96			192
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				92	92
Net changes in items other than shareholders' equity					
Total changes during period	96	96	30	92	315
Balance at end of period	9,428	14,913	47,260	(1,950)	69,651

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	94	730	22	846	337	70,520
Changes during period						
Dividends of surplus						(3,719)
Profit attributable to owners of parent						3,749
Issuance of new shares						192
Purchase of treasury shares						(0)
Disposal of treasury shares						92
Net changes in items other than shareholders' equity	(86)	(1,175)	(14)	(1,275)	(36)	(1,312)
Total changes during period	(86)	(1,175)	(14)	(1,275)	(36)	(996)
Balance at end of period	8	(444)	7	(429)	301	69,523

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	6,703	5,261
Depreciation	3,357	5,283
Impairment loss	1,311	3,540
Amortization of goodwill	350	355
Commission expenses	23	32
Loss (gain) on investments in investment partnerships	32	7
Decrease (increase) in retirement benefit asset	18	(8)
Increase (decrease) in retirement benefit liability	1	75
Increase (decrease) in allowance for doubtful accounts	(72)	(33)
Increase (decrease) in provision for bonuses	18	303
Interest and dividend income	(105)	(83)
Interest expenses	196	226
Decrease (increase) in consumption taxes refund receivable	1,571	(409)
Decrease (increase) in trade receivables	(1,205)	(3,571)
Decrease (increase) in inventories	(2,478)	3,930
Increase (decrease) in trade payables	(1,341)	562
Other, net	1,396	760
Subtotal	9,778	16,231
Interest and dividends received	106	80
Interest paid	(219)	(222)
Income taxes paid	(3,757)	(2,349)
Net cash provided by (used in) operating activities	5,907	13,739
Cash flows from investing activities		
Payments into time deposits	(2,103)	(843)
Proceeds from withdrawal of time deposits	3,536	1,941
Purchase of property, plant and equipment	(4,183)	(7,571)
Purchase of intangible assets	(1,227)	(1,133)
Purchase of investment securities	(597)	(557)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(844)	(37,658)
Other, net	(66)	(88)
Net cash provided by (used in) investing activities	(5,487)	(45,912)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,254	1,269
Proceeds from long-term borrowings	–	40,117
Repayments of long-term borrowings	(6,622)	(5,902)
Purchase of treasury shares	(2,016)	(0)
Dividends paid	(4,625)	(3,718)
Dividends paid to non-controlling interests	(68)	(61)
Proceeds from issuance of shares	77	70
Other, net	(1)	(181)
Net cash provided by (used in) financing activities	(12,001)	31,593
Effect of exchange rate change on cash and cash equivalents	(134)	(406)
Net increase (decrease) in cash and cash equivalents	(11,715)	(985)
Cash and cash equivalents at beginning of period	41,816	30,101
Cash and cash equivalents at end of period	30,101	29,115

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Segment information and related information)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Group has operating subsidiaries for different products and services. Each operating subsidiary formulates comprehensive domestic and overseas strategies and conducts business activities for the products and services it handles.

Group business segments are therefore based on these operating subsidiaries, and are divided into two reportable segments: The Electronic Materials business and the Medical and Pharmaceuticals business.

The Electronics Materials business manufactures, sells, and procures and sells materials for printed wiring boards and chemical products for use in electronic components. The Medical and Pharmaceuticals business develops, manufactures, and sells pharmaceutical drugs, quasi-drugs, and other products.

2. Information on the calculation of net sales, profit or loss, assets and liabilities, and other items by reportable segment

The accounting methods used for reportable segments are generally the same methods described in “Significant matters forming the basis of preparing the consolidated financial statements.”

Profit by reportable segment represents operating income.

Inter-segment revenue and transactions are based on the market prices.

(Change in the method of calculation for reportable segment profit or loss)

To better evaluate and manage performance for each reportable segment, the amortization of goodwill, which had been included in the reconciliation (difference between total profit or loss for reportable segments and consolidated operating income) as a company-wide expense, has been allocated to the individual reportable segments from fiscal year ended March 31, 2020.

The segment profit or loss shown for the previous fiscal year was produced based on the new method of calculating profit or loss for reportable segments.

3. Information regarding net sales, profit or loss, assets and liabilities, and other items by reportable segment
Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments			Other (Note 1)	Total
	Electronics Materials	Medical and Pharmaceuticals	Total		
Net sales					
External sales	48,086	7,661	55,747	3,642	59,389
Inter-segment sales or transfers	–	–	–	106	106
Total sales	48,086	7,661	55,747	3,748	59,496
Segment profit (loss)	10,459	(351)	10,107	(484)	9,623
Segment assets	50,747	28,313	79,061	5,539	84,600
Other items					
Depreciation (Note 2)	1,278	1,453	2,731	179	2,910
Increase in property, plant and equipment and intangible assets	4,733	706	5,440	1,484	6,924

Notes: 1. The “Other” category represents operating segments not included in reportable segments, and includes the business of manufacturing dyes, pigments, and other chemicals, software development, the business of electric power generation using natural energy, and other businesses.

2. Depreciation does not include amortization of goodwill.

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments			Other (Note 1)	Total
	Electronics Materials	Medical and Pharmaceuticals	Total		
Net sales					
External sales	48,884	18,215	67,100	3,527	70,627
Inter-segment sales or transfers	–	–	–	110	110
Total sales	48,884	18,215	67,100	3,637	70,738
Segment profit (loss)	10,441	1,286	11,727	(178)	11,549
Segment assets	48,373	61,028	109,401	8,149	117,551
Other items					
Depreciation (Note 2)	1,661	2,813	4,475	337	4,812
Increase in property, plant and equipment and intangible assets	2,939	14,217	17,156	2,727	19,884

Notes: 1. The “Other” category represents operating segments not included in reportable segments, and includes the business of manufacturing dyes, pigments, and other chemicals, software development, the business of electric power generation using natural energy, and other businesses.

2. Depreciation does not include amortization of goodwill.

4. Differences between total amounts in reportable segments and the amount recorded on consolidated financial statements, and details of thereof (reconciliation)

(Millions of yen)

Net Sales	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Reportable segments total	55,747	67,100
“Other” segment sales	3,748	3,637
Inter-segment eliminations	(106)	(110)
Net sales in the consolidated statement of income	59,389	70,627

(Millions of yen)

Profit/Loss	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Reportable segments total	10,107	11,727
“Other” segment sales	(484)	(178)
Inter-segment eliminations	(65)	(21)
Profit/loss not allocated to business segments (Note)	(1,458)	(2,391)
Operating income in the consolidated statement of income	8,099	9,136

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

(Millions of yen)

Assets	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Reportable segments total	79,061	109,401
“Other” segment sales	5,539	8,149
Inter-segment eliminations	(74)	(101)
Assets not allocated to business segments (Note)	21,227	24,883
Reclassification by tax effect accounting	(86)	(140)
Total assets in the consolidated balance sheet	105,666	142,192

Note: Assets primarily related to the holding company (company filing the consolidated financial statements).

(Millions of yen)

Other items	Reportable segments total		Other		Adjustments (Note)		Amount on the consolidated financial statements	
	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2019	FY ended March 31, 2020
Depreciation	2,731	4,475	179	337	418	470	3,329	5,283
Increase in property, plant and equipment and intangible assets	5,440	17,156	1,484	2,727	535	667	7,460	20,552

Note: Primarily related to the holding company (company filing the consolidated financial statements).

[Related information]

I Fiscal year ended March 31, 2019

1. Information by product and service

(Millions of yen)

	Electronics Materials	Medical and Pharmaceuticals	Other	Total
External sales	48,086	7,661	3,642	59,389

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
17,029	21,985	6,298	9,240	4,835	59,389

Note: Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
16,034	2,005	2,678	1,432	162	22,313

3. Information by main customer

This information is not disclosed because there are no external customers to whom sales account for 10% or more of net sales in the consolidated statement of income.

II Fiscal year ended March 31, 2020

1. Information by product and service

(Millions of yen)

	Electronics Materials	Medical and Pharmaceuticals	Other	Total
External sales	48,884	18,215	3,527	70,627

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
26,919	22,680	6,634	9,843	4,549	70,627

Note: Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Taiwan	Korea	Other	Total
37,559	2,008	3,573	1,459	159	44,761

3. Information by main customer

This information is not disclosed because there are no external customers to whom sales account for 10% or more of net sales in the consolidated statement of income.

[Information regarding impairment loss on non-current assets by reportable segment]

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments			Other	Corporate and Elimination	Total
	Electronics Materials	Medical and Pharmaceuticals	Total			
Impairment loss	–	–	–	1,311	–	1,311

Note: The figure for “Other” is the impairment loss on operating segments not included in reportable segments.

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments			Other	Corporate and Elimination	Total
	Electronics Materials	Medical and Pharmaceuticals	Total			
Impairment loss	–	3,146	3,146	393	–	3,540

Note: The figure for “Other” is the impairment loss on operating segments not included in reportable segments.

[Information on amortization of goodwill and the unamortized balance by reportable segment]

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments			Other	Corporate and Elimination	Total
	Electronics Materials	Medical and Pharmaceuticals	Total			
Amortization for fiscal year ended March 31, 2019	42	–	42	308	–	350
Remaining balance as of March 31, 2019	600	–	600	91	–	691

Note: The figure for “Other” is the amount for the software development business.

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments			Other	Corporate and Elimination	Total
	Electronics Materials	Medical and Pharmaceuticals	Total			
Amortization for fiscal year ended March 31, 2020	41	214	256	98	–	355
Remaining balance as of March 31, 2020	557	6,232	6,790	55	–	6,846

Note: The figure for “Other” is the amount for the software development business.

[Information on negative goodwill by reportable segment]

Fiscal year ended March 31, 2019

No items to report.

Fiscal year ended March 31, 2020

No items to report.

(Per share information)

	Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Net assets per share	2,475.36 yen	2,434.23 yen
Basic earnings per share	152.71 yen	131.99 yen

- Notes: 1. Diluted earnings per share is not presented because there are no dilutive shares.
2. In calculating net assets per share, treasury shares are deducted, and shares held in the trust account for shares granted under the Employee Stock Ownership Plan (ESOP) are included in the treasury shares. (previous consolidated fiscal year: 182,680 shares; current consolidated fiscal year: 157,240 shares).
3. Basis for calculating basic earnings per share is shown below.

	Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)	Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Profit attributable to owners of parent (Millions of yen)	4,396	3,749
Amount not attributable to common shareholders and shareholders equivalent to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent concerning common shares and common share-equivalents (Millions of yen)	4,396	3,749
Average number of outstanding common shares and common share-equivalents during the period (Shares)	28,789,526	28,410,957
(of which common shares)	(28,741,641)	(28,401,057)
(of which Series I Class A shares)	(4,985)	(—)
(of which Series II Class A shares)	(42,900)	(9,900)

- Notes: 1. In calculating the average number of outstanding common shares during the period, treasury shares are deducted and shares held in the trust account for shares granted under the Employee Stock Ownership Plan are included in the treasury shares (previous consolidated fiscal year: 49,106 shares; current consolidated fiscal year: 165,137 shares).
2. Series I Class A shares and Series II Class A shares possess the same rights as common shares in regard to the right to claim dividends of surplus and the right to claim residual property distribution and are therefore included in calculating the number of common shares and per share information.
3. The Company acquired all Series I Class A shares on June 26, 2018, the three-year anniversary date after the shares were first issued, based on Article 12-2 of the Company's Articles of Incorporation, and delivered one common share in exchange for each Series I Class A share to the shareholders who held the Series I Class A shares. The Series I Class A shares were all retired upon acquisition.
4. The Company acquired all Series II Class A shares on June 27, 2019, the three-year anniversary date after the shares were first issued, based on Article 12-2 of the Company's Articles of Incorporation, and delivered one common share in exchange for each Series II Class A share to the shareholders who held the Series II Class A shares. The Series II Class A shares were all retired upon acquisition.

(Significant subsequent events)

Acceptance of Transfer of Significant Assets

The Company completed the acceptance of transfer of four long-listed products manufactured and sold in Japan by AstraZeneca K.K., the subsidiary of AstraZeneca plc, under the agreement concluded with AstraZeneca plc on April 27, 2020, based on the acceptance of transfer of the approval for manufacture and sales and manufacturing and sales rights held by AstraZeneca plc.

1. Name of Transferring Company

AstraZeneca plc

2. Type of Asset Transferred

The following four long-listed products and eight formulations on which AstraZeneca plc holds the manufacturing and sales rights in Japan.

	Brand Name	Therapeutic Category
	Inderal® Tab. 10 mg Inderal ® Inj. 2 mg	Therapeutic for hypertension, angina, arrhythmia, migraine Therapeutic for beta-blocking, arrhythmia, angina
	Omepral® Tab 10 mg Omepral® Tab 20 mg (Excluding Omepral® Inj. 20 mg)	Proton pump inhibitor
	Seloken® Tab. 20 mg SelokenL® Tab. 120 mg	Therapeutic for hypertension, angina, arrhythmia Extended release therapeutic for hypertension
	Tenormin® Tab. 25 mg Tenormin® Tab. 50 mg	Cardioselective beta-blocker

3. Transfer Date

April 27, 2020

The transfer of the approval for manufacture and sales for each product is scheduled to occur in the second half of fiscal year ending March 31, 2021.

4. Transfer Price

This information is not disclosed because the breakdown of the acquisition cost and price paid for each formulation is confidential under the agreement.