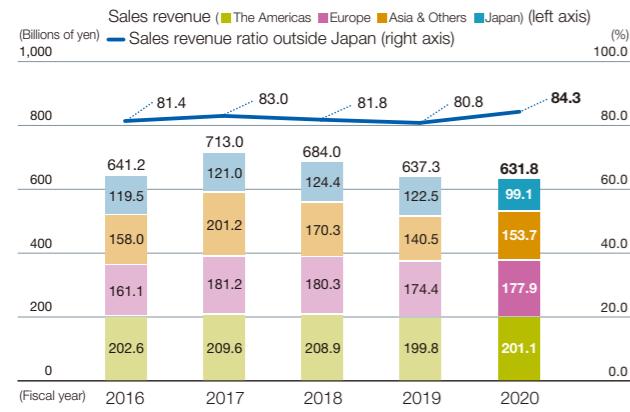


# Financial and Non-financial Highlights

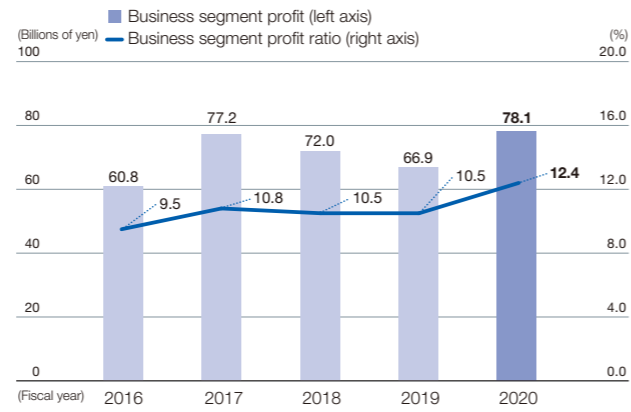
## Financial Indicators

### Sales Revenue / Sales Revenue Ratio Outside Japan



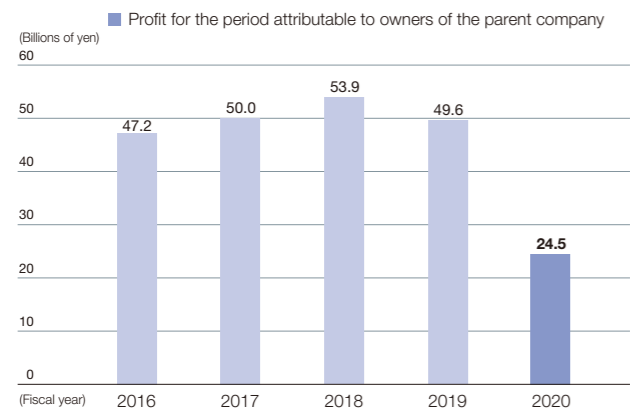
Maintained sales revenue at almost the same level as the previous year in FY2020 by taking advantage of a well-balanced regional mix even under the impact of the spread of COVID-19.

### Business Segment Profit / Business Segment Profit Ratio



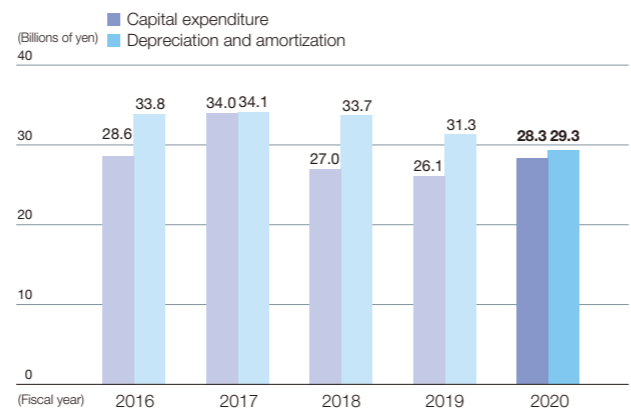
Recorded the highest profit in FY2020 as a result of strong sales in printers, All-in-Ones, and home sewing machines due to increased demand from people staying at home.

### Profit for the Period Attributable to Owners of the Parent Company



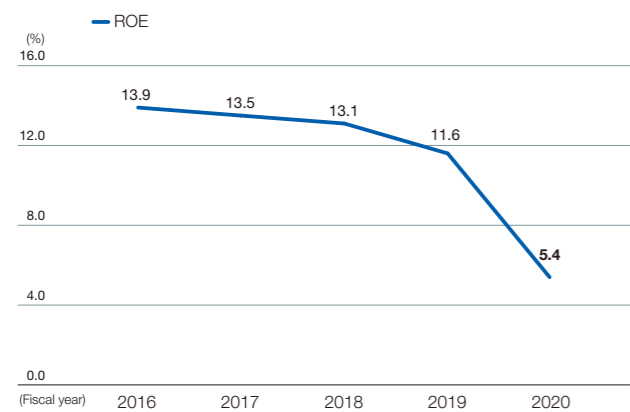
In FY2020, revenue decreased significantly due in part to impairment loss on a portion of goodwill in the Domino Business.

### Capital Expenditure / Depreciation and Amortization



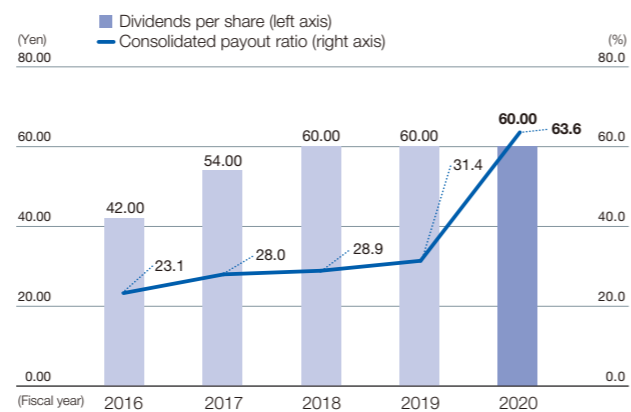
In FY2020, capital expenditure increased due mainly to factory reconstruction and investment in new product molds in the P&S Business and investment in the Xian Plant in the Machinery Business.

### ROE



Remained at above 11% but dropped to 5.4% in FY2020 due mainly to decrease in revenue resulting from an impairment loss on a portion of goodwill in the Domino Business.

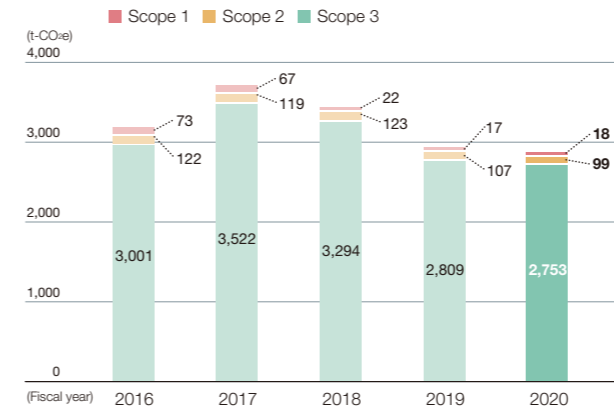
### Dividends per Share / Consolidated Payout Ratio



Stable return of profits targeting a consolidated dividend payout ratio of 35%. The minimum annual dividend is 60 yen per share, except when business performance is stagnant.

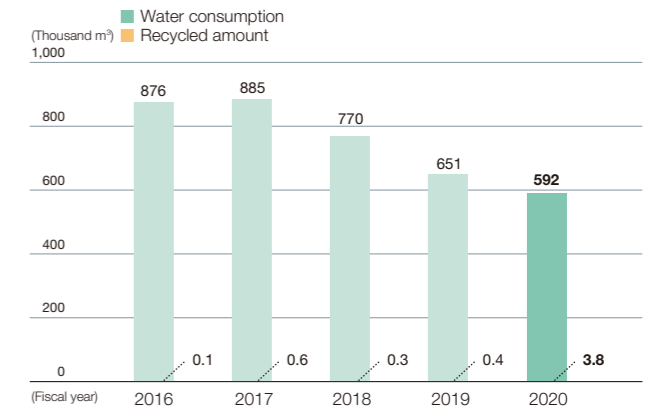
## Non-financial Indicators

### CO<sub>2</sub> Emissions (Scopes 1, 2, and 3)



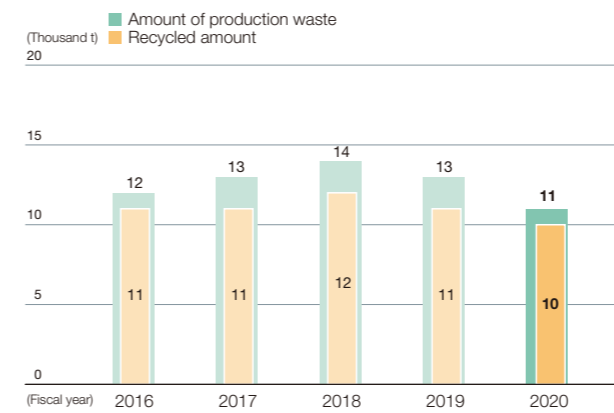
The FY2030 medium-term targets for CO<sub>2</sub> emissions are 70,149t-CO<sub>2</sub>e, a 65% reduction from FY2015 for Scopes 1 and 2, and 2,096,057t-CO<sub>2</sub>e, a 30% reduction for Scope 3 (Categories 1, 11, 12).

### Water Consumption / Amount of Recycling



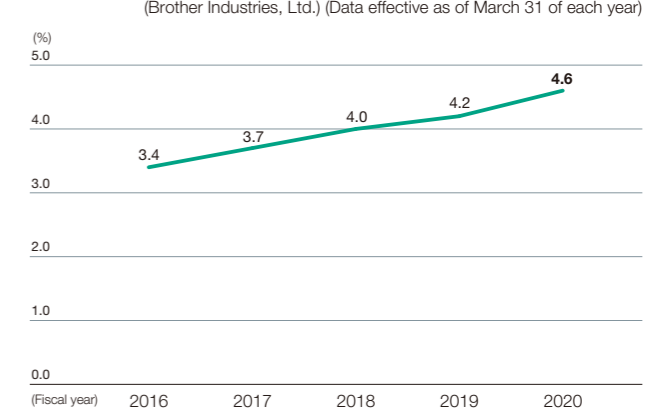
In FY2020, the amount of water intake at the Brother Group's main business sites was 591,596m<sup>3</sup> (the amount directly related to products), of which 3,759m<sup>3</sup> was recycled.

### Amount of Production Waste / Amount of Recycling



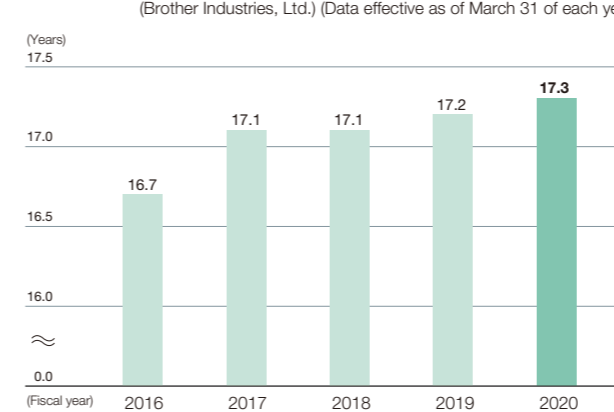
In FY2020, the amount of production waste directly related to products in the Brother Group's main business sites was 11,469t, of which 9,983t was recycled.

### Percentage of Females in Senior Management



The number of female employees is 20% of the total. The number of female managers has steadily increased as a result of setting a target number for female managers in the Brother Industries Action Plan and implementing various measures to encourage career development.

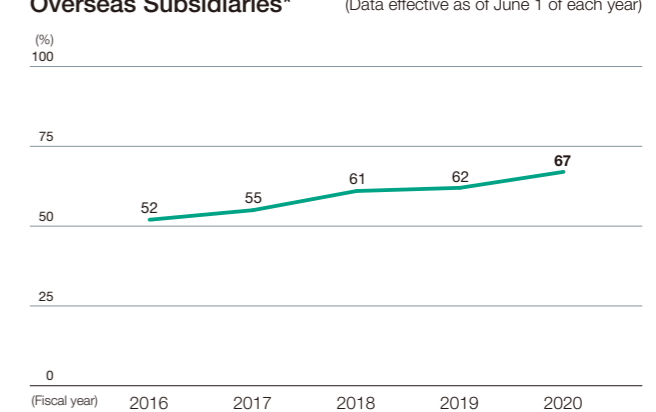
### Average Length of Service\*



As a result of efforts to respect diversity, flexible work styles, and reduction of overtime hours, the average length of service has increased.

\* Doesn't include incoming seconded employees, temporary employees or fixed-term employees

### Ratio of Local Executives to Total Local Employees in Overseas Subsidiaries\*



Steady training and appointment of local executives.

\* Local executives of Domino Printing Sciences PLC and affiliated companies are excluded because they are all foreign nationals.

## 11-Year Data

(Millions of yen)

|  | JGAAP    |          |          |          |          | JGAAP     | IFRS Reference Values |          | IFRS     |          |          |                 |
|--|----------|----------|----------|----------|----------|-----------|-----------------------|----------|----------|----------|----------|-----------------|
|  | FY2010   | FY2011   | FY2012   | FY2013   | FY2014   | FY2015    | FY2015                | FY2016   | FY2017   | FY2018   | FY2019   | FY2020          |
| <b>Operating results</b>   |          |          |          |          |          |           |                       |          |          |          |          |                 |
| Revenue / Net sales  | 502,830  | 497,390  | 516,066  | 616,834  | 707,237  | 745,888   | 682,119               | 641,185  | 712,997  | 683,972  | 637,259  | <b>631,812</b>  |
| Cost of sales  | 286,795  | 280,689  | 300,006  | 349,014  | 389,831  | 400,328   | 400,023               | 368,016  | 412,211  | 391,893  | 354,987  | <b>345,209</b>  |
| Gross profit   | 216,034  | 216,700  | 216,060  | 267,819  | 317,406  | 345,559   | 282,095               | 273,169  | 300,786  | 292,079  | 282,272  | <b>286,602</b>  |
| Sales, general, and administrative expenses                      | 179,942  | 182,517  | 186,284  | 224,518  | 259,864  | 298,282   | 227,161               | 212,410  | 223,557  | 220,105  | 215,330  | <b>208,526</b>  |
| Business segment profit  | —        | —        | —        | —        | —        | —         | 54,934                | 60,759   | 77,229   | 71,973   | 66,942   | <b>78,076</b>   |
| Business segment profit ratio (%)                                | —        | —        | —        | —        | —        | —         | 8.1                   | 9.5      | 10.8     | 10.5     | 10.5     | <b>12.4</b>     |
| Operating profit   | 36,092   | 34,183   | 29,775   | 43,301   | 57,541   | 47,276    | 58,640                | 59,152   | 68,672   | 71,925   | 67,329   | <b>42,731</b>   |
| Operating profit ratio (%)                                       | 7.2      | 6.9      | 5.8      | 7.0      | 8.1      | 6.3       | 8.6                   | 9.2      | 9.6      | 10.5     | 10.6     | <b>6.8</b>      |
| Ordinary profit  | 38,612   | 34,351   | 23,144   | 35,613   | 51,557   | 48,611    | —                     | —        | —        | —        | —        | <b>—</b>        |
| Profit before tax  | 34,061   | 34,107   | 27,946   | 33,527   | 65,399   | 49,346    | 57,192                | 61,257   | 69,669   | 72,274   | 67,046   | <b>42,944</b>   |
| Profit for the period  | 25,663   | 19,525   | 17,857   | 19,876   | 53,769   | 31,445    | 41,610                | 47,440   | 50,472   | 54,177   | 49,699   | <b>24,659</b>   |
| Profit for the year attributable to owners of the parent company | 26,238   | 19,525   | 17,826   | 19,220   | 53,969   | 31,017    | 41,238                | 47,242   | 50,020   | 53,902   | 49,566   | <b>24,520</b>   |
| Depreciation   | 24,027   | 23,069   | 24,476   | 27,613   | 28,205   | 34,341    | 34,934                | 33,811   | 34,141   | 33,674   | 31,270   | <b>29,279</b>   |
| Capital expenditure  | 19,787   | 27,833   | 30,237   | 34,858   | 34,064   | 39,976    | 41,469                | 28,644   | 33,993   | 27,030   | 26,141   | <b>28,266</b>   |
| Research and development expenses                                | 36,252   | 39,232   | 37,514   | 40,137   | 42,523   | 46,017    | 44,639                | 42,547   | 45,649   | 43,259   | 42,811   | <b>43,080</b>   |
| Debt to equity ratio (Times)                                     | 0.11     | 0.09     | 0.07     | 0.05     | 0.04     | 0.49      | 0.48                  | 0.40     | 0.29     | 0.23     | 0.25     | <b>0.12</b>     |
| <b>Financial position</b>  |          |          |          |          |          |           |                       |          |          |          |          |                 |
| Total assets   | 372,645  | 370,906  | 421,494  | 469,973  | 567,230  | 667,811   | 675,301               | 674,107  | 708,278  | 708,604  | 731,472  | <b>743,896</b>  |
| Equity attributable to owners of the parent company / Net assets | 220,468  | 231,425  | 278,769  | 308,310  | 367,284  | 339,722   | 333,440               | 345,061  | 395,514  | 424,759  | 428,520  | <b>483,050</b>  |
| Ratio of owners' equity to gross assets / Equity ratio (%)       | 59.1     | 62.3     | 62.4     | 62.0     | 61.7     | 48.2      | 49.4                  | 51.2     | 55.8     | 59.9     | 58.6     | <b>64.9</b>     |
| Interest-bearing debt  | 24,386   | 19,966   | 19,224   | 14,366   | 15,481   | 158,440   | 158,487               | 137,592  | 116,446  | 96,792   | 107,012  | <b>57,458</b>   |
| <b>Cash flows</b>  |          |          |          |          |          |           |                       |          |          |          |          |                 |
| Net cash provided by operating activities                        | 49,488   | 39,327   | 32,734   | 55,019   | 58,021   | 49,241    | 51,304                | 99,155   | 81,817   | 73,280   | 87,748   | <b>109,265</b>  |
| Net cash used in investing activities                            | (20,043) | (30,758) | (41,771) | (39,099) | (15,326) | (215,091) | (216,997)             | (23,271) | (37,090) | (22,624) | (27,955) | <b>(25,080)</b> |
| Net cash used in financing activities                            | (10,950) | (14,117) | (6,413)  | (13,433) | (18,451) | 134,317   | 134,317               | (30,389) | (34,551) | (39,040) | (14,916) | <b>(74,038)</b> |
| Cash and cash equivalents at the end of the period               | 65,100   | 58,731   | 55,059   | 68,934   | 104,732  | 66,690    | 67,387                | 112,032  | 121,384  | 131,152  | 168,422  | <b>191,002</b>  |
| <b>Information per share</b>                                     |          |          |          |          |          |           |                       |          |          |          |          |                 |
| Owners' equity per share (Yen)                                   | 822.43   | 863.01   | 985.85   | 1,097.01 | 1,348.69 | 1,240.77  | 1,284.27              | 1,328.97 | 1,523.09 | 1,635.22 | 1,649.22 | <b>1,858.28</b> |
| Basic earnings per share for the year (Yen)                      | 98.03    | 72.95    | 66.65    | 72.2     | 206.68   | 119.47    | 158.83                | 181.96   | 192.63   | 207.54   | 190.80   | <b>94.36</b>    |
| Diluted earnings per share for the year (Yen)                    | 97.91    | 72.85    | 66.54    | 72.06    | 206.24   | 119.19    | 158.47                | 181.46   | 192.08   | 206.90   | 190.21   | <b>94.07</b>    |
| Price-earnings ratio (Times)                                     | 12.5     | 15.4     | 14.8     | 20.0     | 9.3      | 10.8      | 8.1                   | 12.8     | 12.8     | 9.9      | 8.7      | <b>26.0</b>     |
| Dividend per share   | 24       | 24       | 24       | 24       | 30       | 36        | 36                    | 42       | 54       | 60       | 60       | <b>60</b>       |
| Consolidated payout ratio (%)                                    | 24.5     | 32.9     | 36.0     | 33.2     | 14.5     | 30.1      | 22.7                  | 23.1     | 28.0     | 28.9     | 31.4     | <b>63.6</b>     |
| <b>Profitability</b>   |          |          |          |          |          |           |                       |          |          |          |          |                 |
| Return on equity (ROE) (%)                                       | 12.1     | 8.7      | 7.2      | 6.9      | 16.8     | 9.2       | 12.1                  | 13.9     | 13.5     | 13.1     | 11.6     | <b>5.4</b>      |
| Return on assets (ROA) (%)                                       | 7.1      | 5.3      | 4.5      | 4.3      | 10.4     | 5.0       | 6.7                   | 7.0      | 7.2      | 7.6      | 6.9      | <b>3.3</b>      |
| <b>Major Non-Financial Indicators</b>                            |          |          |          |          |          |           |                       |          |          |          |          |                 |
| Number of Group employees  | 29,873   | 31,314   | 31,694   | 33,118   | 34,988   | 36,307    | 36,379                | 36,929   | 38,628   | 37,769   | 37,697   | <b>38,741</b>   |

Notes: Consolidated financial statements are prepared in accordance with the Japanese Generally Accepted Accounting Principles (JGAAP) for the fiscal years ended March 2016 and earlier and with the International Financial Reporting Standards (IFRS) for the fiscal years ended March 2017 and thereafter. Values based on IFRS are additionally stated as references for the year ended March 2016.

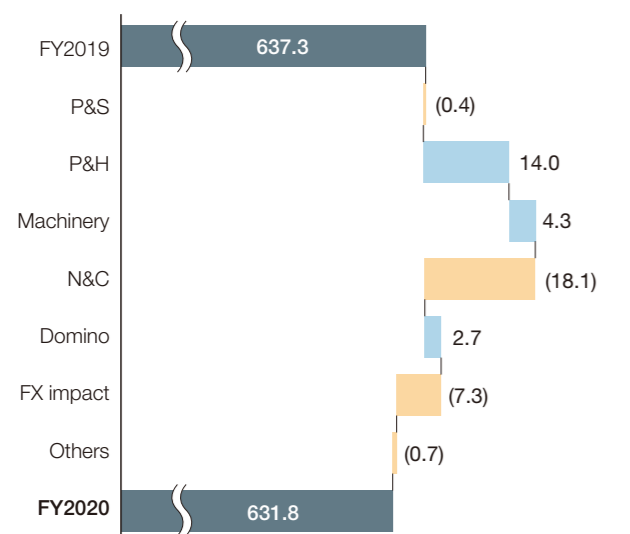
# Financial Review

## Performance in FY2020, the Year ended March 2021

In FY2020, the business environment of the Group varied greatly among segment due to the spread of COVID-19. While demand for small All-in-Ones, printers and home sewing machines increased significantly due to the increase in working from home and consumption by people staying at home, the domestic karaoke market faced extremely difficult conditions due to a significant decrease in the number of karaoke club patrons as a result of requests for business restraint and shortened business hours. In the industrial field, including machine tools and industrial printing equipment, although the impact of sluggish capital expenditure sentiment was seen in the first half of the fiscal year, demand showed signs of recovery toward the second half due to progress in countermeasures against COVID-19 in various countries.

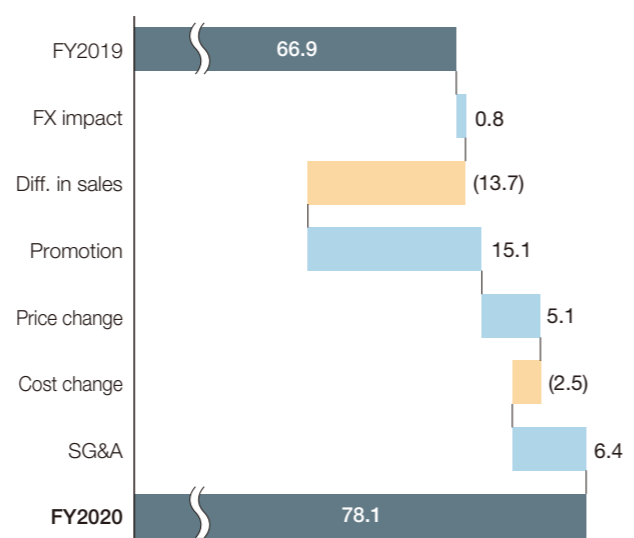
With regard to consolidated performance under these circumstances, in the P&S Business, demand for use while staying at home remained firm and sales of laser printers were steady, but demand for office printing decreased and there were effects from an inkjet printer supply shortage, and as a result, revenue for the segment as a whole was down. In the P&H Business, revenue was up substantially as a result of an increase in demand for handmade items such as masks. In the Machinery Business, capital expenditure for industrial sewing machines remained at low levels, but demand for machine tools began recovering, and revenue for the segment as a whole was up. In the N&C Business, revenue was down sharply due to effects of the closure of karaoke clubs and shortened operating hours. The Domino Business was supported by steady demand for daily necessities, and sales of coding and marking equipment were up, resulting in higher revenue.

Factors of Increase / Decrease in Revenue (Unit: Billions of yen)



With regard to business segment profits, mainly in the P&S Business, printer sales promotion costs were curtailed compared to previous levels due to increased demand for use at home, and product unit prices tended to rise due to changes in the supply-demand balance. In addition, income increased due to a decrease in SG&A expenses as a result of self-restraint in corporate activities to prevent the spread of COVID-19.

Factors of Increase / Decrease in Business Segment Profit (Unit: Billions of yen)



As a result of these factors, revenue decreased 0.9% year-on-year to 631,812 million yen and business segment income increased 16.6% year-on-year to 78,076 million yen. Operating profit was 42,731 million yen, a year-on-year decrease of 36.5%, due to goodwill impairment losses in the Domino Business, site reorganization expenses for some consolidated subsidiaries in the P&S Business, impairment losses relating to karaoke club assets in the N&C Business, and other factors. Profit for the period attributable to owners of the parent company was down 50.5% year-on-year to 24,520 million yen.

## Analysis of Financial Position

Current assets increased 19,970 million yen to 428,751 million yen due mainly to increases of 22,580 million yen in cash and cash equivalents and 2,328 million yen in inventories. Non-current assets decreased 7,546 million yen to 315,145 million yen due mainly to a decrease of 16,212 million yen in goodwill and intangible assets resulting from recording of impairment losses, etc. As a result, total assets were 743,896 million yen, an increase of 12,424 million yen compared to the end of FY2019.

With regard to liabilities, trade and other payables increased, while corporate bonds and borrowings decreased due to redemption of corporate bonds and repayment of loans using cash on hand borrowed at the end of the previous consolidated fiscal year in order to respond to changes in business and the financial environment caused by the COVID-19 pandemic, and as a result,

total liabilities were 244,189 million yen, a decrease of 42,111 million yen compared to the end of FY2019.

As the result of an increase in exchange differences on translating foreign operations, total equity was 99,707 million yen, an increase of 54,535 million yen compared to the end of FY2019.

Statement of Financial Position (Excerpt)

(Unit: Billions of yen)

|   | FY2019 | FY2020 | Change |
|---|--------|--------|--------|
| Current assets                                      | 408.8  | 428.8  | 20.0   |
| Cash & cash equivalents                             | 168.4  | 191.0  | 22.6   |
| Inventories   | 117.9  | 120.2  | 2.3    |
| Non-current assets                                  | 322.7  | 315.1  | (7.5)  |
| Total liabilities                                   | 286.3  | 244.2  | (42.1) |
| Interest-bearing debt                               | 107.0  | 57.5   | (49.6) |
| Equity attributable to owners of the parent company | 428.5  | 483.1  | 54.5   |
| Total assets  | 731.5  | 743.9  | 12.4   |

## Analysis of the Status of Cash Flows

Cash and cash equivalents at the end of FY2020 were 191,002 million yen, an increase of 22,580 million yen compared to the end of FY2019 as a result of a 109,265 million yen increase from operating activities, a 25,080 million yen decrease from investing activities, and a 74,038 million yen decrease from financing activities.

## Cash Flows from Investing Activities

Cash flows used in investing activities were 25,080 million yen. The main changed factors were expenditures of 20,655 million yen for acquisition of tangible fixed assets and 6,859 million for acquisition of intangible fixed assets.

## Cash Flows from Operating Activities

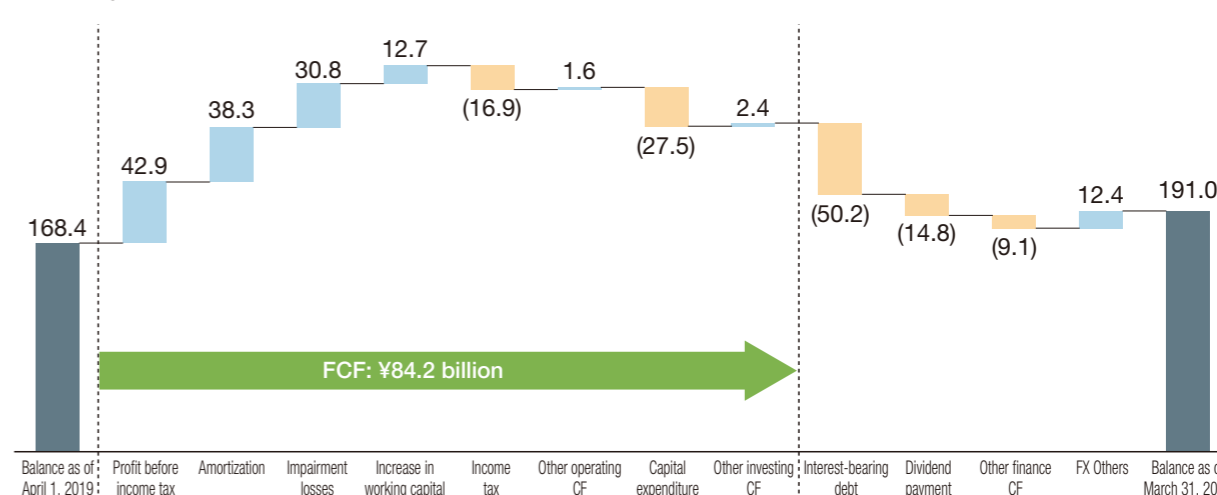
Cash flows from operating activities were 109,265 million yen. The main changed factors were an increase of 111,983 million yen due to adjustments of non-cash income (loss) including depreciation and amortization and impairment loss of income before income taxes, an increase of 12,669 million yen due to a decrease in working capital, and expenditures of 16,945 million yen for income tax payments.

## Cash Flows from Financing Activities

Cash flows used in financing activities were 74,038 million yen. The main changed factors were expenditures of 30,012 million yen for repayment of short-term loans, 20,140 million yen for redemption of corporate bonds, 8,798 million yen for repayment of lease liabilities, and 14,830 million yen for dividends.

Cash Flow Analysis

(Unit: Billions of yen)



# Consolidated Financial Statements

## Consolidated Statement of Financial Position

(Millions of yen)

|   | FY2019<br>(As of March 31, 2020) | FY2020<br>(As of March 31, 2021) |
|---|----------------------------------|----------------------------------|
| <b>Assets</b>                                     |                                  |                                  |
| Current assets                                    |                                  |                                  |
| Cash and cash equivalents                         | 168,422                          | 191,002                          |
| Trade and other receivables                       | 95,067                           | 93,055                           |
| Other financial assets                            | 11,277                           | 8,391                            |
| Inventories                                       | 117,858                          | 120,186                          |
| Other current assets                              | 15,554                           | 16,070                           |
| Subtotal  | 408,179                          | 428,705                          |
| Non-current assets classified as held for sale    | 601                              | 45                               |
| Total current assets                              | 408,780                          | 428,751                          |
| Non-current assets                                |                                  |                                  |
| Property, plant and equipment                     | 104,204                          | 107,742                          |
| Right-of-use assets                               | 25,727                           | 20,835                           |
| Investment property                               | 8,122                            | 8,248                            |
| Goodwill and intangible assets                    | 134,409                          | 118,196                          |
| Investments accounted for using the equity method | 1,594                            | 1,772                            |
| Other financial assets                            | 27,871                           | 36,042                           |
| Deferred tax assets                               | 14,533                           | 14,842                           |
| Other non-current assets                          | 6,229                            | 7,464                            |
| Total non-current assets                          | 322,692                          | 315,145                          |
| Total assets                                      | 731,472                          | 743,896                          |

(Millions of yen)

|   | FY2019<br>(As of March 31, 2020) | FY2020<br>(As of March 31, 2021) |
|---|----------------------------------|----------------------------------|
| <b>Liabilities and Equity</b>                       |                                  |                                  |
| <b>Liabilities</b>                                  |                                  |                                  |
| Current liabilities                                 |                                  |                                  |
| Trade and other payables                            | 51,041                           | 54,589                           |
| Bonds and borrowings                                | 50,361                           | 19,167                           |
| Other financial liabilities                         | 8,482                            | 9,887                            |
| Income tax payables                                 | 3,455                            | 6,779                            |
| Provisions  | 3,349                            | 4,015                            |
| Contract liabilities                                | 4,413                            | 5,636                            |
| Other current liabilities                           | 48,813                           | 51,412                           |
| Total current liabilities                           | 169,918                          | 151,489                          |
| Non-current liabilities                             |                                  |                                  |
| Bonds and borrowings                                | 56,650                           | 38,290                           |
| Other financial liabilities                         | 28,540                           | 23,295                           |
| Retirement benefits liabilities                     | 20,261                           | 19,316                           |
| Provisions  | 2,986                            | 2,848                            |
| Deferred tax liabilities                            | 5,564                            | 6,394                            |
| Contract liabilities                                | 1,189                            | 1,506                            |
| Other non-current liabilities                       | 1,188                            | 1,047                            |
| Total non-current liabilities                       | 116,382                          | 92,700                           |
| Total liabilities                                   | 286,300                          | 244,189                          |
| <b>Equity</b>                                       |                                  |                                  |
| Capital stock                                       | 19,209                           | 19,209                           |
| Capital surplus                                     | 17,632                           | 17,652                           |
| Retained earnings                                   | 491,803                          | 509,662                          |
| Treasury stock                                      | (2,597)                          | (2,477)                          |
| Other components of equity                          | (97,526)                         | (60,998)                         |
| Equity attributable to owners of the parent company | 428,520                          | 483,050                          |
| Non-controlling interests                           | 16,650                           | 16,657                           |
| Total equity  | 445,171                          | 499,707                          |
| Total equity and liabilities                        | 731,472                          | 743,896                          |

## Consolidated Financial Statements

## Consolidated Statement of Income

|   | (Millions of yen)                        |  |
|---|--|--|
|   | FY2019<br>(Year ended<br>March 31, 2020) | FY2020<br>(Year ended<br>March 31, 2021) |
| Revenue   | 637,259                                  | <b>631,812</b>                           |
| Cost of sales   | (354,987)                                | <b>(345,209)</b>                         |
| Gross profit  | 282,272                                  | <b>286,602</b>                           |
| Selling, general and administrative expenses                                  | (215,330)                                | <b>(208,526)</b>                         |
| Other income  | 3,264                                    | <b>6,107</b>                             |
| Other expenses  | (2,876)                                  | <b>(41,451)</b>                          |
| Operating profit  | 67,329                                   | <b>42,731</b>                            |
| Finance income  | 2,289                                    | <b>2,209</b>                             |
| Finance expenses  | (2,700)                                  | <b>(2,231)</b>                           |
| Share of profit / (loss) of investments accounted for using the equity method | 128                                      | <b>235</b>                               |
| Profit before income taxes  | 67,046                                   | <b>42,944</b>                            |
| Income tax expenses   | (17,347)                                 | <b>(18,285)</b>                          |
| Profit for the year   | 49,699                                   | <b>24,659</b>                            |
| Profit for the year attributable to:  |  |  |
| Owners of the parent company  | 49,566                                   | <b>24,520</b>                            |
| Non-controlling interests   | 132                                      | <b>138</b>                               |
| Profit for the year   | 49,699                                   | <b>24,659</b>                            |
| Earnings per share  |  |  |
| Basic earnings per share (Yen)  | 190.80                                   | <b>94.36</b>                             |
| Diluted earnings per share (Yen)  | 190.21                                   | <b>94.07</b>                             |

## Consolidated Statement of Comprehensive Income

|  | (Millions of yen)                        |  |
|--|--|--|
|  | FY2019<br>(Year ended<br>March 31, 2020) | FY2020<br>(Year ended<br>March 31, 2021) |
| Profit for the year  | 49,699                                   | <b>24,659</b>                            |
| Other comprehensive income, net of income tax  |  |  |
| Items that will not be reclassified subsequently to profit or loss                       |  |  |
| Gains / (Losses) on investments in equity instruments designated as FVTOCI               | (1,948)                                  | <b>6,128</b>                             |
| Remeasurement of the net defined benefit liability (asset)                               | (1,933)                                  | <b>2,128</b>                             |
| Share of other comprehensive income of investments accounted for using the equity method | (17)                                     | <b>(7)</b>                               |
| Total of items that will not be reclassified subsequently to profit or loss              | (3,899)                                  | <b>8,248</b>                             |
| Items that may be reclassified subsequently to profit or loss                            |  |  |
| Exchange differences on translating foreign operations                                   | (25,973)                                 | <b>36,565</b>                            |
| Total of items that may be reclassified subsequently to profit or loss                   | (25,973)                                 | <b>36,565</b>                            |
| Other comprehensive income for the year, net of income tax                               | (29,873)                                 | <b>44,814</b>                            |
| Comprehensive income for the year  | 19,826                                   | <b>69,474</b>                            |
| Comprehensive income for the year attributable to:                                       |  |  |
| Owners of the parent company   | 19,729                                   | <b>69,219</b>                            |
| Non-controlling interests  | 96                                       | <b>255</b>                               |
| Comprehensive income for the year  | 19,826                                   | <b>69,474</b>                            |

# Consolidated Financial Statements

## Consolidated Statement of Changes in Equity

FY2019 (Year Ended March 31, 2020)

(Millions of yen)

|   | Equity attributable to owners of the parent company |                 |                   |                | Other components of equity                             |  |  |          |          |        |          | Total | Total | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|----------------|--|--|--|----------|----------|--------|----------|-------|-------|---------------------------|--------------|
|   | Capital stock                                       | Capital surplus | Retained earnings | Treasury stock | Exchange differences on translating foreign operations | Gains / (losses) on investments in equity instruments designated as FVTOCI | Remeasurement of the net defined benefit liability (asset) | Total    | Total    |        |          |       |       |                           |              |
|   |   |                 |                   |                |  |  |  |          |          |        |          |       |       |                           |              |
| Balance as of March 31, 2019                                  | 19,209  | 17,577          | 462,244           | (2,694)        | (71,577)   | —  | —  | (71,577) | 424,759  | 16,833 | 441,593  |       |       |                           |              |
| Cumulative effect of adoption of the new accounting standards | —   | —               | (494)             | —              | —  | —  | —  | —        | (494)    | (8)    | (503)    |       |       |                           |              |
| Balance as of April 1, 2019                                   | 19,209  | 17,577          | 461,749           | (2,694)        | (71,577)   | —  | —  | (71,577) | 424,264  | 16,825 | 441,090  |       |       |                           |              |
| Profit for the year   | —   | —               | 49,566            | —              | —  | —  | —  | —        | 49,566   | 132    | 49,699   |       |       |                           |              |
| Other comprehensive income / (loss)                           | —   | —               | —                 | —              | (25,949)   | (1,927)  | (1,959)  | (29,836) | (29,836) | (36)   | (29,873) |       |       |                           |              |
| Total comprehensive income / (loss) for the year              | —   | —               | 49,566            | —              | (25,949)   | (1,927)  | (1,959)  | (29,836) | 19,729   | 96     | 19,826   |       |       |                           |              |
| Acquisition of treasury stock                                 | —   | —               | —                 | (10)           | —  | —  | —  | —        | (10)     | —      | (10)     |       |       |                           |              |
| Disposal of treasury stock                                    | —   | (76)            | (18)              | 107            | —  | —  | —  | —        | 12       | —      | 12       |       |       |                           |              |
| Dividends paid  | —   | —               | (15,607)          | —              | —  | —  | —  | —        | (15,607) | (270)  | (15,877) |       |       |                           |              |
| Share-based payment transaction                               | —   | 131             | —                 | —              | —  | —  | —  | —        | 131      | —      | 131      |       |       |                           |              |
| Reclassification to retained earnings                         | —   | —               | (3,887)           | —              | —  | 1,927  | 1,959  | 3,887    | —        | —      | —        |       |       |                           |              |
| Total transactions with owners                                | —   | 54              | (19,513)          | 97             | —  | 1,927  | 1,959  | 3,887    | (15,474) | (270)  | (15,744) |       |       |                           |              |
| Balance as of March 31, 2020                                  | 19,209  | 17,632          | 491,803           | (2,597)        | (97,526)   | —  | —  | (97,526) | 428,520  | 16,650 | 445,171  |       |       |                           |              |

FY2020 (Year Ended March 31, 2021)

(Millions of yen)

|  | Equity attributable to owners of the parent company |                 |                   |                | Other components of equity                             |  |  |          |          |        |          | Total | Total | Non-controlling interests | Total equity |
|--|---|-----------------|-------------------|----------------|--|--|--|----------|----------|--------|----------|-------|-------|---------------------------|--------------|
|  | Capital stock                                       | Capital surplus | Retained earnings | Treasury stock | Exchange differences on translating foreign operations | Gains / (losses) on investments in equity instruments designated as FVTOCI | Remeasurement of the net defined benefit liability (asset) | Total    | Total    |        |          |       |       |                           |              |
|  |   |                 |                   |                |  |  |  |          |          |        |          |       |       |                           |              |
| Balance as of April 1, 2020                      | 19,209  | 17,632          | 491,803           | (2,597)        | (97,526)   | —  | —  | (97,526) | 428,520  | 16,650 | 445,171  |       |       |                           |              |
| Profit for the year                              | —   | —               | 24,520            | —              | —  | —  | —  | —        | 24,520   | 138    | 24,659   |       |       |                           |              |
| Other comprehensive income / (loss)              | —   | —               | —                 | —              | 36,528   | 6,057  | 2,112  | 44,698   | 44,698   | 116    | 44,814   |       |       |                           |              |
| Total comprehensive income / (loss) for the year | —   | —               | 24,520            | —              | 36,528   | 6,057  | 2,112  | 44,698   | 69,219   | 255    | 69,474   |       |       |                           |              |
| Acquisition of treasury stock                    | —   | —               | —                 | (17)           | —  | —  | —  | —        | (17)     | —      | (17)     |       |       |                           |              |
| Disposal of treasury stock                       | —   | (100)           | —                 | 137            | —  | —  | —  | —        | 37       | —      | 37       |       |       |                           |              |
| Dividends paid                                   | —   | —               | (14,830)          | —              | —  | —  | —  | —        | (14,830) | (248)  | (15,079) |       |       |                           |              |
| Share-based payment transaction                  | —   | 120             | —                 | —              | —  | —  | —  | —        | 120      | —      | 120      |       |       |                           |              |
| Reclassification to retained earnings            | —   | —               | 8,170             | —              | —  | (6,057)  | (2,112)  | (8,170)  | —        | —      | —        |       |       |                           |              |
| Total transactions with owners                   | —   | 20              | (6,660)           | 120            | —  | (6,057)  | (2,112)  | (8,170)  | (14,689) | (248)  | (14,938) |       |       |                           |              |
| Balance as of March 31, 2021                     | 19,209  | 17,652          | 509,662           | (2,477)        | (60,998)   | —  | —  | (60,998) | 483,050  | 16,657 | 499,707  |       |       |                           |              |

## Consolidated Statement of Cash Flows

(Millions of yen)

|   | FY2019<br>(Year ended<br>March 31, 2020) | FY2020<br>(Year ended<br>March 31, 2021) |
|---|--|--|
| <b>Cash flows from operating activities</b>                                   |  |  |
| Profit before income taxes  | 67,046                                   | 42,944                                   |
| Depreciation and amortization   | 40,197                                   | 38,252                                   |
| Impairment losses   | 429                                      | 30,787                                   |
| Finance expenses / (income)   | 411                                      | 22                                       |
| Share of (profit) / loss of investments accounted for using the equity method | (128)                                    | (235)                                    |
| Losses / (gains) on sale or disposal of fixed assets                          | 289                                      | 859                                      |
| Decrease / (increase) in trade and other receivables                          | 1,658                                    | 7,484                                    |
| Decrease / (increase) in inventories  | 6,053                                    | 3,953                                    |
| Increase / (decrease) in trade and other payables                             | (9,366)                                  | 1,232                                    |
| Decrease / (increase) in retirement benefit assets                            | 66                                       | (831)                                    |
| Increase / (decrease) in retirement benefit liabilities                       | 3,161                                    | (1,863)                                  |
| Other   | (1,323)                                  | 3,643                                    |
| Subtotal  | 108,496                                  | 126,250                                  |
| Interest received   | 1,028                                    | 877                                      |
| Dividends received  | 360                                      | 312                                      |
| Interest paid   | (1,365)                                  | (1,229)                                  |
| Income taxes paid   | (20,772)                                 | (16,945)                                 |
| Net cash provided by operating activities                                     | 87,748                                   | 109,265                                  |
| <b>Cash flows from investing activities</b>                                   |  |  |
| Purchases of property, plant and equipment                                    | (16,872)                                 | (20,655)                                 |
| Proceeds from sales of property, plant and equipment                          | 1,172                                    | 1,674                                    |
| Purchases of intangible assets  | (9,212)                                  | (6,859)                                  |
| Purchases of investments in equity instruments                                | (834)                                    | (238)                                    |
| Proceeds from sales of investments in equity instruments                      | 859                                      | 706                                      |
| Purchases of investments in debt instruments                                  | (7,537)                                  | (7,299)                                  |
| Proceeds from sales or redemption of investments in debt instruments          | 7,666                                    | 8,541                                    |
| Payments for acquisition of business  | (2,030)                                  | —  |
| Other   | (1,166)                                  | (950)                                    |
| Net cash used in investing activities   | (27,955)                                 | (25,080)                                 |
| <b>Cash flows from financing activities</b>                                   |  |  |
| Proceeds from short-term borrowings   | 29,873                                   | —  |
| Repayment of short-term borrowings  | —  | (30,012)                                 |
| Proceeds from long-term borrowings  | 200                                      | 200                                      |
| Repayment of long-term borrowings   | (20,197)                                 | (200)                                    |
| Redemption of bonds   | (92)                                     | (20,140)                                 |
| Repayment of lease obligations  | (8,813)                                  | (8,798)                                  |
| Dividends paid  | (15,607)                                 | (14,830)                                 |
| Dividends paid to non-controlling interests                                   | (270)                                    | (248)                                    |
| Other   | (8)                                      | (6)                                      |
| Net cash used in financing activities   | (14,916)                                 | (74,038)                                 |
| Effect of exchange rate changes on cash and cash equivalents                  | (7,606)                                  | 12,434                                   |
| Net increase / (decrease) in cash and cash equivalents                        | 37,270                                   | 22,580                                   |
| Cash and cash equivalents at the beginning of the year                        | 131,152                                  | 168,422                                  |
| Cash and cash equivalents at the end of the year                              | 168,422                                  | 191,002                                  |