

# Financial Data

## Trend in Principal Management Indicators and Other Financial Data

| Fiscal year                                      | 110 <sup>th</sup><br>(Millions of yen) | 111 <sup>th</sup><br>(Millions of yen) | 112 <sup>th</sup><br>(Millions of yen) | 113 <sup>th</sup><br>(Millions of yen) | 114 <sup>th</sup><br>(Millions of yen) | 115 <sup>th</sup><br>(Millions of yen) | 115 <sup>th</sup><br>(Thousands of U.S. dollars) |
|--|--|--|--|--|--|--|--|
| End of fiscal year                               | March 2014                             | March 2015                             | March 2016                             | March 2017                             | March 2018                             | March 2019                             | March 2019                                       |
| Net sales  | ¥ 96,334                               | ¥ 103,875                              | ¥ 113,088                              | ¥ 116,309                              | ¥ 118,199                              | ¥ 121,951                              | \$ 1,098,753                                     |
| Operating income                                 | ¥ 8,424                                | ¥ 8,223                                | ¥ 9,189                                | ¥ 10,974                               | ¥ 10,030                               | ¥ 11,604                               | \$ 104,551                                       |
| Ordinary profit                                  | ¥ 9,449                                | ¥ 9,116                                | ¥ 9,646                                | ¥ 11,606                               | ¥ 10,670                               | ¥ 12,334                               | \$ 111,128                                       |
| Profit attributable to owners of parent          | ¥ 8,835                                | ¥ 8,030                                | ¥ 7,817                                | ¥ 8,551                                | ¥ 7,847                                | ¥ 8,854                                | \$ 79,772  |
| Comprehensive income                             | ¥ 9,935                                | ¥ 9,398                                | ¥ 7,149                                | ¥ 9,937                                | ¥ 10,177                               | ¥ 7,325                                | \$ 66,000  |
| Net assets                                       | ¥ 43,889                               | ¥ 52,516                               | ¥ 58,809                               | ¥ 67,727                               | ¥ 76,726                               | ¥ 83,088                               | \$ 748,603                                       |
| Total assets                                     | ¥ 108,520                              | ¥ 123,127                              | ¥ 132,614                              | ¥ 140,201                              | ¥ 151,489                              | ¥ 155,989                              | \$ 1,405,431                                     |
| Net assets per share (JPY or USD)                | ¥ 527.50                               | ¥ 631.53                               | ¥ 708.18                               | ¥ 815.77                               | ¥ 924.25                               | ¥ 1,000.34                             | \$ 9.01  |
| Net income per share (JPY or USD)                | ¥ 106.86                               | ¥ 97.12                                | ¥ 94.55                                | ¥ 103.43                               | ¥ 94.93                                | ¥ 107.10                               | \$ 0.96  |
| Diluted net income per share (JPY or USD)        | -                                      | -                                      | -                                      | -                                      | -                                      | -                                      | -  |
| Capital adequacy ratio (%)                       | 40.2                                   | 42.4                                   | 44.1                                   | 48.1                                   | 50.4                                   | 53.0                                   | 53.0   |
| Return on equity (%)                             | 22.7                                   | 16.8                                   | 14.1                                   | 13.6                                   | 10.9                                   | 11.1                                   | 11.1   |
| Price-to-earnings ratio                          | 6.9                                    | 9.7                                    | 10.7                                   | 10.5                                   | 12.3                                   | 12.3                                   | 12.3   |
| Cash flows from operating activities             | ¥ 8,270                                | ¥ 21,727                               | ¥ 6,728                                | ¥ 9,590                                | ¥ 5,141                                | ¥ 10,817                               | \$ 97,460  |
| Cash flows from investing activities             | ¥ (1,430)                              | ¥ (160)                                | ¥ (445)                                | ¥ 143                                  | ¥ (328)                                | ¥ (1,382)                              | \$ (12,453)                                      |
| Cash flows from financing activities             | ¥ (5,867)                              | ¥ (3,707)                              | ¥ (2,900)                              | ¥ (1,787)                              | ¥ (1,670)                              | ¥ (9,120)                              | \$ (82,164)                                      |
| End-of-year balance of cash and cash equivalents | ¥ 27,030                               | ¥ 45,008                               | ¥ 48,335                               | ¥ 57,132                               | ¥ 60,283                               | ¥ 61,027                               | \$ 549,844                                       |
| Number of employees                              | 3,315                                  | 3,266                                  | 3,366                                  | 3,447                                  | 3,609                                  | 3,619                                  | 3,619  |

### Note:

1. U.S. dollar amounts are shown solely for the convenience of readers and are translated at the rate of ¥110.99 to U.S.\$1.00, the exchange rate prevailing at March 31, 2019.
2. Ordinary profit is a measure of accounting profit that equals operating income plus other income minus other expenses, except for extraordinary items under Japanese GAAP.

## Business Performance During the Fiscal Year Under Review

Demand for products such as Energy from Waste plants and biomass power plants remained robust during the fiscal year under review as growth in orders for construction and operation of such facilities led to order volume of 179,829 million yen, up 2,713 million yen from the previous year. In addition, smooth progress in the construction of ordered plants led to sales of 121,951 million yen, an increase of 3,752 million yen. As a result, the backlog rose 57,879 million yen to 330,939 million yen.

As growth in sales was augmented by improved profitability thanks to progress in efforts to cut costs, operating income rose 1,574 million yen to 11,604 million yen, ordinary profit rose 1,664 million yen to 12,334 million yen, and profit attributable to owners of parent rose 1,007 million yen to 8,854 million yen.

Performance by segment was as follows:

| Segment                                  | Orders received | Sales amount | Operating income | Backlog |
|--|-----------------|--------------|------------------|---------|
| Domestic Environment and Energy Business | 153,628         | 93,724       | 12,405           | 322,292 |
| Overseas Environment and Energy Business | 799             | 3,057        | 163              | 525     |
| Package Boiler Business                  | 17,476          | 16,955       | 904              | 3,872   |
| Equipment and Systems Business           | 8,567           | 8,836        | 361              | 4,502   |
| Sub-total                                | 180,472         | 122,572      | 13,835           | 331,192 |
| Adjustment                               | (642)           | (621)        | (2,231)          | (252)   |
| Total                                    | 179,829         | 121,951      | 11,604           | 330,939 |

# Financial Data

## Consolidated Balance Sheets

TAKUMA CO., LTD. and Consolidated Subsidiaries  
As of March 31, 2019 and 2018

| ASSETS  | Millions of yen  |                  | Thousands of<br>U.S. dollars |
|---|------------------|------------------|------------------------------|
|   | 2019             | 2018             | 2019                         |
| <b>Current assets:</b>  |                  |                  |                              |
| Cash and time deposits  | ¥ 61,769         | ¥ 60,864         | \$ 556,529                   |
| Notes and accounts receivable:                                  |                  |                  |                              |
| Trade   | 49,046           | 50,049           | 441,899                      |
| Unconsolidated subsidiaries<br>and affiliated companies         | 764              | 380              | 6,884                        |
| Other   | 281              | 381              | 2,526                        |
| Less allowance for doubtful accounts                            | (28)             | (38)             | (252)                        |
| Total   | 50,063           | 50,772           | 451,057                      |
| Inventories   | 4,356            | 4,307            | 39,246                       |
| Other   | 1,732            | 1,372            | 15,606                       |
| <b>Total current assets</b>                                     | <b>117,920</b>   | <b>117,315</b>   | <b>1,062,438</b>             |
| <b>Property, plant and equipment:</b>                           |                  |                  |                              |
| Land  | 3,013            | 3,011            | 27,145                       |
| Buildings and structures  | 11,905           | 12,287           | 107,267                      |
| Machinery, equipment, lease assets and construction in progress | 8,969            | 10,653           | 80,805                       |
|   | 23,887           | 25,951           | 215,217                      |
| Less accumulated depreciation                                   | (15,593)         | (17,450)         | (140,491)                    |
| <b>Total property, plant and equipment</b>                      | <b>8,294</b>     | <b>8,501</b>     | <b>74,726</b>                |
| <b>Investments and other assets:</b>                            |                  |                  |                              |
| Investment securities   | 15,138           | 16,885           | 136,387                      |
| Investments in:   |                  |                  |                              |
| Unconsolidated subsidiaries<br>and affiliated companies         | 4,163            | 5,015            | 37,506                       |
| Other   | 5,460            | 1,823            | 49,201                       |
| Less allowance for doubtful accounts                            | (109)            | (471)            | (986)                        |
| Total   | 9,514            | 6,367            | 85,721                       |
| Deferred tax assets   | 4,810            | 2,081            | 43,335                       |
| Other   | 313              | 340              | 2,824                        |
| <b>Total investments and other assets</b>                       | <b>29,775</b>    | <b>25,673</b>    | <b>268,267</b>               |
| <b>Total assets</b>   | <b>¥ 155,989</b> | <b>¥ 151,489</b> | <b>\$ 1,405,431</b>          |

| LIABILITIES AND NET ASSETS   | Millions of yen  |                  | Thousands of<br>U.S. dollars |
|--|------------------|------------------|------------------------------|
|  | 2019             | 2018             | 2019                         |
| <b>Current liabilities:</b>  |                  |                  |                              |
| Short-term loans payable   | ¥ 645            | ¥ 7,675          | \$ 5,811                     |
| Current portion of long-term debt                                    | 117              | 470              | 1,052                        |
| Notes and accounts payable:  |                  |                  |                              |
| Trade  | 37,587           | 34,913           | 338,651                      |
| Unconsolidated subsidiaries<br>and affiliated companies              | 334              | 234              | 3,006                        |
| Other  | 1,227            | 979              | 11,057                       |
| Total  | 39,148           | 36,126           | 352,714                      |
| Accrued income taxes   | 3,628            | 281              | 32,690                       |
| Advances received  | 9,798            | 13,592           | 88,276                       |
| Allowance for guarantees on completed work                           | 149              | 86               | 1,344                        |
| Allowance for losses on sales contracts                              | 1,739            | 373              | 15,672                       |
| Provision for loss on liquidation of subsidiaries and associates     | 999              | -                | 9,001                        |
| Other  | 6,023            | 5,709            | 54,265                       |
| <b>Total current liabilities</b>                                     | <b>62,246</b>    | <b>64,312</b>    | <b>560,825</b>               |
| <b>Long-term liabilities:</b>  |                  |                  |                              |
| Long-term debt   | 342              | 459              | 3,083                        |
| Allowance for directors' and executive officers' retirement benefits | 185              | 183              | 1,664                        |
| Net defined benefit liability  | 9,746            | 9,406            | 87,808                       |
| Other  | 382              | 403              | 3,448                        |
| <b>Total long-term liabilities</b>                                   | <b>10,655</b>    | <b>10,451</b>    | <b>96,003</b>                |
| <b>Total liabilities</b>   | <b>72,901</b>    | <b>74,763</b>    | <b>656,828</b>               |
| <b>Contingent liabilities</b>  |                  |                  |                              |
| <b>Net assets:</b>   |                  |                  |                              |
| Common stock   | 13,367           | 13,367           | 120,438                      |
| Authorized: 321,840,000 shares                                       |                  |                  |                              |
| Issued: 83,000,000 shares  |                  |                  |                              |
| Capital surplus  | 3,768            | 3,768            | 33,951                       |
| Retained earnings  | 60,866           | 52,949           | 548,390                      |
| Treasury stock, at cost  | (235)            | (235)            | (2,122)                      |
| 331,644 shares in 2019 and<br>331,385 shares in 2018                 |                  |                  |                              |
| Total shareholders' equity   | 77,766           | 69,849           | 700,657                      |
| Unrealized gains on securities                                       | 5,390            | 7,161            | 48,558                       |
| Deferred gains and losses on hedges                                  | 8                | (46)             | 75                           |
| Foreign currency translation adjustments                             | (4)              | 2                | (37)                         |
| Remeasurements of defined benefit plans                              | (463)            | (559)            | (4,170)                      |
| Total accumulated other comprehensive income                         | 4,931            | 6,558            | 44,426                       |
| Non-controlling interests in consolidated subsidiaries               | 391              | 319              | 3,520                        |
| <b>Total net assets</b>  | <b>83,088</b>    | <b>76,726</b>    | <b>748,603</b>               |
| <b>Total liabilities and net assets</b>                              | <b>¥ 155,989</b> | <b>¥ 151,489</b> | <b>\$ 1,405,431</b>          |

## Financial Data

### Consolidated Statements of Operations

TAKUMA CO., LTD. and Consolidated Subsidiaries  
For the years ended March 31, 2019 and 2018

|  | Millions of yen  |           | Thousands of<br>U.S. dollars |
|--|------------------|-----------|------------------------------|
|  | 2019             | 2018      | 2019                         |
| <b>Net sales</b>   | <b>¥ 121,951</b> | ¥ 118,199 | <b>\$ 1,098,753</b>          |
| <b>Cost of sales</b>   | <b>94,491</b>    | 93,372    | <b>851,340</b>               |
| Gross profit   | 27,460           | 24,827    | 247,413                      |
| <b>Selling, general and administrative expenses</b>                                      | <b>15,856</b>    | 14,797    | <b>142,862</b>               |
| Operating income   | 11,604           | 10,030    | 104,551                      |
| <b>Other income (expenses):</b>  |                  |           |                              |
| Interest and dividend income   | 419              | 367       | 3,776                        |
| Interest expense   | (59)             | (66)      | (535)                        |
| Foreign currency exchange loss   | (57)             | (157)     | (509)                        |
| Gain on sales of investment securities   | -                | 111       | -                            |
| Gain on liquidation of subsidiaries and associates                                       | -                | 90        | -                            |
| Provision for loss on liquidation of subsidiaries and associates                         | (999)            | -         | (9,001)                      |
| Loss on valuation of investment securities   | (155)            | (60)      | (1,396)                      |
| Loss on disposal of property, plant and equipment  | (58)             | (44)      | (527)                        |
| Provision for doubtful accounts  | (49)             | -         | (446)                        |
| Equity in earnings of affiliated companies   | 473              | 461       | 4,265                        |
| Other, net   | 21               | 79        | 189                          |
| <b>Other income (expenses), net</b>  | <b>(464)</b>     | 781       | <b>(4,184)</b>               |
| <b>Income before income taxes</b>  | <b>11,140</b>    | 10,811    | <b>100,367</b>               |
| <b>Income taxes:</b>   |                  |           |                              |
| Current  | 4,179            | 1,352     | 37,649                       |
| Deferred   | (1,991)          | 1,581     | (17,936)                     |
| <b>Total income taxes</b>  | <b>2,188</b>     | 2,933     | <b>19,713</b>                |
| <b>Profit</b>  | <b>8,952</b>     | 7,878     | <b>80,654</b>                |
| <b>Profit attributable to non-controlling interests<br/>in consolidated subsidiaries</b> | <b>98</b>        | 31        | <b>882</b>                   |
| <b>Profit attributable to owners of parent</b>   | <b>¥ 8,854</b>   | ¥ 7,847   | <b>\$ 79,772</b>             |
| <b>Per share:</b>  |                  | Yen       | U.S. dollars                 |
| Net income   | ¥ 107.10         | ¥ 94.93   | \$ 0.96                      |
| Diluted net income   | -                | -         | -                            |
| Cash dividends applicable to the year  | 22.00            | 16.00     | 0.20                         |

### Consolidated Statements of Comprehensive Income

TAKUMA CO., LTD. and Consolidated Subsidiaries  
For the years ended March 31, 2019 and 2018

|  | Millions of yen |          | Thousands of<br>U.S. dollars |
|--|-----------------|----------|------------------------------|
|  | 2019            | 2018     | 2019                         |
| <b>Profit</b>                              | <b>¥ 8,952</b>  | ¥ 7,878  | <b>\$ 80,654</b>             |
| <b>Other comprehensive income:</b>         |                 |          |                              |
| Unrealized gains (losses) on securities    | (1,772)         | 2,275    | (15,966)                     |
| Deferred gains and losses on hedges        | 58              | (3)      | 519                          |
| Foreign currency translation adjustments   | (9)             | (4)      | (77)                         |
| Remeasurements of defined benefit plans    | 96              | 31       | 870                          |
| <b>Total other comprehensive income</b>    | <b>(1,627)</b>  | 2,299    | <b>(14,654)</b>              |
| <b>Comprehensive income</b>                | <b>¥ 7,325</b>  | ¥ 10,177 | <b>\$ 66,000</b>             |
| <b>Comprehensive income attributed to:</b> |                 |          |                              |
| Owners of the parent                       | ¥ 7,227         | ¥ 10,125 | \$ 65,114                    |
| Non-controlling interests                  | 98              | 52       | 886                          |

# Financial Data

## Consolidated Statements of Changes in Net Assets

TAKUMA CO., LTD. and Consolidated Subsidiaries  
For the years ended March 31, 2019 and 2018

|  | Common stock              | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity | Unrealized gains on securities | Deferred gains and losses on hedges | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Non-controlling interests in consolidated subsidiaries | Total net assets |
|--|---------------------------|-----------------|-------------------|-------------------------|----------------------------|--------------------------------|-------------------------------------|--|---|--|--|------------------|
| For the year ended March 31, 2019          |                           |                 |                   |                         |                            |                                |                                     |  |   |  |  |                  |
|  | Millions of yen           |                 |                   |                         | Millions of yen            |                                |                                     |  |   |  |  |                  |
| Balance at the beginning of current period | ¥ 13,367                  | ¥ 3,768         | ¥ 52,949          | ¥ (235)                 | ¥ 69,849                   | ¥ 7,161                        | ¥ (46)                              | ¥ 2                                      | ¥ (559)                                 | ¥ 6,558                                      | ¥ 319  | ¥ 76,726         |
| Cash dividends (¥19.00 per share)          | -                         | -               | (1,571)           | -                       | (1,571)                    | -                              | -                                   | -  | -                                       | -  | -  | (1,571)          |
| Profit attributable to owners of parent    | -                         | -               | 8,854             | -                       | 8,854                      | -                              | -                                   | -  | -                                       | -  | -  | 8,854            |
| Change in scope of consolidation           | -                         | -               | 657               | -                       | 657                        | -                              | -                                   | -  | -                                       | -  | -  | 657              |
| Change in scope of equity method           | -                         | -               | (23)              | -                       | (23)                       | -                              | -                                   | -  | -                                       | -  | -  | (23)             |
| Purchase of treasury stock                 | -                         | -               | -                 | (0)                     | (0)                        | -                              | -                                   | -  | -                                       | -  | -  | (0)              |
| Other changes during the year, net         | -                         | -               | -                 | -                       | -                          | (1,771)                        | 54                                  | (6)                                      | 96                                      | (1,627)                                      | 72   | (1,555)          |
| Balance at the end of current period       | ¥ 13,367                  | ¥ 3,768         | ¥ 60,866          | ¥ (235)                 | ¥ 77,766                   | ¥ 5,390                        | ¥ 8                                 | ¥ (4)                                    | ¥ (463)                                 | ¥ 4,931                                      | ¥ 391  | ¥ 83,088         |
| For the year ended March 31, 2018          |                           |                 |                   |                         |                            |                                |                                     |  |   |  |  |                  |
|  | Millions of yen           |                 |                   |                         | Millions of yen            |                                |                                     |  |   |  |  |                  |
| Balance at the beginning of current period | ¥ 13,367                  | ¥ 3,768         | ¥ 46,258          | ¥ (234)                 | ¥ 63,159                   | ¥ 4,886                        | ¥ (21)                              | ¥ 6                                      | ¥ (591)                                 | ¥ 4,280                                      | ¥ 288  | ¥ 67,727         |
| Cash dividends (¥14.00 per share)          | -                         | -               | (1,156)           | -                       | (1,156)                    | -                              | -                                   | -  | -                                       | -  | -  | (1,156)          |
| Profit attributable to owners of parent    | -                         | -               | 7,847             | -                       | 7,847                      | -                              | -                                   | -  | -                                       | -  | -  | 7,847            |
| Purchase of treasury stock                 | -                         | -               | -                 | (1)                     | (1)                        | -                              | -                                   | -  | -                                       | -  | -  | (1)              |
| Other changes during the year, net         | -                         | -               | -                 | -                       | -                          | 2,275                          | (25)                                | (4)                                      | 32                                      | 2,278  | 31   | 2,309            |
| Balance at the end of current period       | ¥ 13,367                  | ¥ 3,768         | ¥ 52,949          | ¥ (235)                 | ¥ 69,849                   | ¥ 7,161                        | ¥ (46)                              | ¥ 2                                      | ¥ (559)                                 | ¥ 6,558                                      | ¥ 319  | ¥ 76,726         |
| For the year ended March 31, 2019          |                           |                 |                   |                         |                            |                                |                                     |  |   |  |  |                  |
|  | Thousands of U.S. dollars |                 |                   |                         | Thousands of U.S. dollars  |                                |                                     |  |   |  |  |                  |
| Balance at the beginning of current period | \$ 120,438                | \$ 33,951       | \$ 477,057        | \$ (2,119)              | \$ 629,327                 | \$ 64,523                      | \$ (419)                            | \$ 21                                    | \$ (5,040)                              | \$ 59,085                                    | \$ 2,874   | \$ 691,286       |
| Cash dividends (\$0.17 per share)          | -                         | -               | (14,152)          | -                       | (14,152)                   | -                              | -                                   | -  | -                                       | -  | -  | (14,152)         |
| Profit attributable to owners of parent    | -                         | -               | 79,772            | -                       | 79,772                     | -                              | -                                   | -  | -                                       | -  | -  | 79,772           |
| Change in scope of consolidation           | -                         | -               | 5,919             | -                       | 5,919                      | -                              | -                                   | -  | -                                       | -  | -  | 5,919            |
| Change in scope of equity method           | -                         | -               | (206)             | -                       | (206)                      | -                              | -                                   | -  | -                                       | -  | -  | (206)            |
| Purchase of treasury stock                 | -                         | -               | -                 | (3)                     | (3)                        | -                              | -                                   | -  | -                                       | -  | -  | (3)              |
| Other changes during the year, net         | -                         | -               | -                 | -                       | -                          | (15,965)                       | 494                                 | (58)                                     | 870                                     | (14,659)                                     | 646  | (14,013)         |
| Balance at the end of current period       | \$ 120,438                | \$ 33,951       | \$ 548,390        | \$ (2,122)              | \$ 700,657                 | \$ 48,558                      | \$ 75                               | \$ (37)                                  | \$ (4,170)                              | \$ 44,426                                    | \$ 3,520   | \$ 748,603       |

# Financial Data

## Consolidated Statements of Cash Flows

TAKUMA CO., LTD. and Consolidated Subsidiaries  
For the years ended March 31, 2019 and 2018

|  | Millions of yen |          | Thousands of<br>U.S. dollars |
|--|-----------------|----------|------------------------------|
|  | 2019            | 2018     | 2019                         |
| <b>Cash flows from operating activities:</b>   |                 |          |                              |
| Income before income taxes   | ¥ 11,140        | ¥ 10,811 | \$ 100,367                   |
| Adjustments to reconcile income before income taxes<br>to net cash provided by operating activities: |                 |          |                              |
| Depreciation   | 798             | 790      | 7,187                        |
| Impairment loss  | 40              | -        | 364                          |
| Loss (gain) on sales of investment securities  | 7               | (111)    | 67                           |
| Loss (gain) on liquidation of subsidiaries and associates  | -               | (90)     | -                            |
| Loss (gain) on valuation of investment securities  | 155             | 60       | 1,396                        |
| Increase (decrease) in allowance for doubtful accounts   | (5)             | 20       | (45)                         |
| Increase (decrease) in allowance for bonuses   | 4               | 307      | 33                           |
| Increase (decrease) in allowance for losses on sales contracts                                       | 1,367           | (3,205)  | 12,315                       |
| Increase (decrease) in provision for loss on liquidation of subsidiaries and associates              | 999             | -        | 9,001                        |
| Increase (decrease) in net defined benefit liability   | 470             | 441      | 4,235                        |
| Interest and dividend income   | (419)           | (367)    | (3,776)                      |
| Interest expense   | 59              | 66       | 535                          |
| Equity in losses (earnings) of affiliated companies  | (473)           | (461)    | (4,265)                      |
| Net decrease (increase) in notes and accounts receivable and advances received                       | (2,229)         | 200      | (20,083)                     |
| Decrease (increase) in inventories   | 3               | (387)    | 25                           |
| Decrease (increase) in other current assets  | (27)            | (305)    | (243)                        |
| Net increase (decrease) in notes and accounts payable and advance money                              | 1,865           | 1,959    | 16,801                       |
| Increase (decrease) in other current liabilities   | 431             | (426)    | 3,888                        |
| Other  | (3,192)         | (798)    | (28,761)                     |
| Subtotal   | 10,993          | 8,504    | 99,040                       |
| Interest and dividend received   | 647             | 456      | 5,832                        |
| Interest paid  | (60)            | (66)     | (541)                        |
| Income taxes received (paid)   | (763)           | (3,753)  | (6,871)                      |
| Net cash provided by operating activities  | 10,817          | 5,141    | 97,460                       |
| <b>Cash flows from investing activities:</b>   |                 |          |                              |
| Net decrease (increase) in time deposits   | (14)            | 4        | (126)                        |
| Purchase of property, plant and equipment  | (482)           | (343)    | (4,347)                      |
| Purchase of intangible fixed assets  | (51)            | (125)    | (462)                        |
| Purchase of investment securities  | (802)           | (561)    | (7,221)                      |
| Sale of investment securities  | 105             | 230      | 944                          |
| Disbursement for loans receivable  | -               | (151)    | -                            |
| Collection of loans receivable   | 112             | 550      | 1,011                        |
| Other  | (250)           | 68       | (2,252)                      |
| Net cash used in investing activities  | (1,382)         | (328)    | (12,453)                     |

|  | Millions of yen |          | Thousands of<br>U.S. dollars |
|--|-----------------|----------|------------------------------|
|  | 2019            | 2018     | 2019                         |
| <b>Cash flows from financing activities:</b>   |                 |          |                              |
| Net increase (decrease) in short-term bank loans   | (7,030)         | -        | (63,339)                     |
| Payment of long-term debt  | (470)           | (468)    | (4,233)                      |
| Purchase of treasury stock   | (0)             | (1)      | (3)                          |
| Payment of cash dividends  | (1,571)         | (1,157)  | (14,152)                     |
| Dividends paid to non-controlling interests  | (28)            | (21)     | (250)                        |
| Other  | (21)            | (23)     | (187)                        |
| Net cash used in financing activities  | (9,120)         | (1,670)  | (82,164)                     |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                              | (11)            | 8        | (103)                        |
| Net increase in cash and cash equivalents  | 304             | 3,151    | 2,740                        |
| <b>Cash and cash equivalents at beginning of year</b>  | 60,283          | 57,132   | 543,141                      |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | 440             | -        | 3,963                        |
| <b>Cash and cash equivalents at end of year</b>  | ¥ 61,027        | ¥ 60,283 | \$ 549,844                   |