



Consolidated Financial Statements  
For the Year ended March 31,2020

**CONSOLIDATED BALANCE SHEET**

FUJI YAKUHIN CO., LTD. and consolidated subsidiaries

As of March 31, 2020

<b>ASSETS</b>	Millions of yen		Thousands of
	2019	2020	U.S. dollars
			2020
<b>Current assets:</b>			
Cash and deposits	¥ 7,481	¥ 10,318	\$ 94,811
Notes and accounts receivable - trade	13,590	14,820	136,184
Inventories	54,765	57,386	527,302
Short-term loans receivable	1,479	3	33
Other	8,332	7,191	66,078
Allowance for doubtful accounts	(35)	(74)	(683)
<b>Total current assets</b>	<b>85,613</b>	<b>89,646</b>	<b>823,727</b>
<b>Noncurrent assets</b>			
Property, plant and equipment			
Buildings and structures	32,260	31,629	290,631
Machinery, equipment and vehicles	2,849	2,616	24,042
Tools, furniture and fixtures	4,855	4,193	38,534
Land	22,695	22,406	205,885
Leased assets	1,532	1,520	13,971
Construction in progress	1,900	993	9,131
<b>Total property, plant and equipment</b>	<b>66,093</b>	<b>63,360</b>	<b>582,196</b>
Intangible assets:			
Goodwill	1,590	680	6,257
Other	1,358	1,695	15,578
<b>Total intangible assets</b>	<b>2,949</b>	<b>2,376</b>	<b>21,835</b>
Investments and other assets:			
Investment securities	724	1,046	9,612
Deferred tax assets	8,060	8,711	80,047
Lease and guarantee deposits	12,924	13,489	123,954
Construction assistance fund receivables	5,552	5,481	50,367
Other	1,606	1,405	12,918
Allowance for doubtful accounts	(82)	(63)	(581)
<b>Total investments and other assets</b>	<b>28,785</b>	<b>30,071</b>	<b>276,317</b>
<b>Total non-current assets</b>	<b>97,828</b>	<b>95,808</b>	<b>880,349</b>
<b>Total assets</b>	<b>¥ 183,441</b>	<b>¥ 185,454</b>	<b>\$ 1,704,076</b>

FUJI YAKUHIN CO., LTD. and consolidated subsidiaries  
As of March 31,2020

<b>LIABILITIES AND NET ASSETS</b>	<b>Millions of yen</b>		<b>Thousands of</b>
	<b>2019</b>	<b>2020</b>	<b>U.S. dollars</b>
			<b>2020</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable - trade	¥ 43,079	¥ 44,857	\$ 412,182
Short-term borrowings	2,305	1,985	18,239
Current portion of long-term debt	5,370	7,313	67,205
Lease obligations	755	692	6,367
Accounts payable-other	7,533	7,698	70,737
Accrued expenses	1,689	1,132	10,407
Income taxes payable	965	1,659	15,246
Provision for bonuses	2,580	2,645	24,305
Provision for point card certificates	6,936	6,384	58,668
Asset retirement obligations	100	146	1,349
Other	2,056	1,300	11,951
<b>Total current liabilities</b>	<b>73,371</b>	<b>75,817</b>	<b>696,661</b>
<b>Noncurrent liabilities:</b>			
Long-term debt	17,351	21,841	200,697
Lease obligations	1,254	1,334	12,263
Net defined benefit liability	9,313	9,696	89,095
Provision for directors' retirement benefits	854	1,114	10,239
Asset retirement obligations	4,334	4,790	44,020
Deferred tax liabilities	40	57	529
Other	565	560	5,149
<b>Total noncurrent liabilities</b>	<b>33,713</b>	<b>39,396</b>	<b>361,997</b>
<b>Total liabilities</b>	<b>107,085</b>	<b>115,213</b>	<b>1,058,659</b>
<b>Net assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	314	314	2,890
Capital surplus	270	270	2,485
Retained earnings	82,984	84,000	771,854
Treasury shares	(9,019)	(16,344)	(150,185)
<b>Total shareholders' equity</b>	<b>74,550</b>	<b>68,241</b>	<b>627,045</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	222	172	1,584
Remeasurements of defined benefit plans	(293)	(117)	(1,078)
<b>Total accumulated other comprehensive income</b>	<b>(71)</b>	<b>55</b>	<b>506</b>
<b>Non-controlling interests</b>	<b>1,876</b>	<b>1,944</b>	<b>17,865</b>
<b>Total net assets</b>	<b>76,355</b>	<b>70,240</b>	<b>645,417</b>
<b>Total liabilities and net assets</b>	<b>¥ 183,441</b>	<b>¥ 185,454</b>	<b>\$ 1,704,076</b>

## CONSOLIDATED STATEMENT OF INCOME

FUJI YAKUHIN CO., LTD. and consolidated subsidiaries

Year ended March 31, 2020

	Millions of yen		Thousands of
	2019	2020	U.S. dollars
			2020
<b>Net sales</b>	¥ 386,030	¥ 396,886	\$ 3,646,847
<b>Cost of sales</b>	(269,312)	276,130	2,537,266
<b>Gross profit</b>	116,718	120,755	1,109,580
<b>Selling, general and administrative expenses:</b>	(109,821)	113,339	1,041,435
<b>Operating income</b>	6,896	7,416	68,145
<b>Non-operating income (expenses):</b>			
Interest income	80	75	691
Dividend income	12	14	131
Real estate rental income	979	1,018	9,357
Reversal of allowance for doubtful accounts	47	26	240
Other income	626	676	6,218
Interest expenses	(69)	(83)	(768)
Real estate rental costs	(736)	(762)	(7,008)
Other expenses	(151)	(187)	(1,718)
<b>Total non-operating income (expenses)</b>	789	777	7,143
<b>Ordinary income</b>	7,686	8,193	75,288
<b>Extraordinary gains (losses):</b>			
Gain on sales of non-current assets	77	50	464
Gain on sales of investment securities	-	-	-
Reversal of provision for loss on business of subsidiaries and associate	146	-	-
Other gains	221	208	1,914
Loss on sales and retirement of non-current assets	(113)	(153)	(1,407)
Impairment loss	(3,649)	(4,682)	(43,026)
Loss on closing of stores	(111)	(95)	(873)
Loss on disaster	(87)	(166)	(1,527)
Other losses	(204)	(209)	(1,921)
<b>Total extraordinary income (losses)</b>	(3,720)	(5,048)	(46,378)
<b>Profit before income taxes</b>	3,965	3,146	28,910
<b>Income taxes</b>			
Current	2,187	2,434	22,366
Deferred	254	(684)	(6,285)
<b>Total income taxes</b>	2,441	1,750	16,081
<b>Profit</b>	1,523	1,396	12,829
<b>Profit attributable to non-controlling interests</b>	185	79	726
<b>Profit attributable to owners of parent</b>	¥ 1,337	¥ 1,317	\$ 12,103

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FUJI YAKUHIN CO., LTD. and consolidated subsidiaries

Year ended March 31, 2020

	Millions of yen		Thousands of
	2019	2020	U.S. dollars
			2020
<b>Profit</b>	¥ 1,523	¥ 1,396	\$ 12,829
Other comprehensive income:			
Valuation difference on available-for-sale securities	(140)	(48)	(450)
Remeasurements of defined benefit plans	73	176	1,622
Total other comprehensive income	(67)	127	1,171
<b>Comprehensive income</b>	<b>¥ 1,456</b>	<b>¥ 1,523</b>	<b>\$ 14,001</b>
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥ 1,270	¥ 1,443	\$ 13,267
Non-controlling interests	185	79	734

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FUJI YAKUHIN CO., LTD. and consolidated subsidiaries

Year ended March 31, 2020

	Shares			
	2019	2020		
	2019	2020		
<b>Number of shares of common stock:</b>				
Balance at the beginning of the year	8,354,840	8,354,840		
Balance at the end of the year	8,354,840	8,354,840		
	Millions of yen		Thousands of U.S. dollars	
FUJI YAKUHIN CO., LTD.	2019	2020	2020	
<b>Capital stock:</b>				
Balance at beginning of the year	¥ 314	¥ 314	\$ 2,890	
Balance at end of the year	314	314	2,890	
<b>Capital surplus:</b>				
Balance at beginning of the year	270	270	2,485	
Change of scope of consolidation	-	-	-	
Balance at end of the year	270	270	2,485	
<b>Retained earnings:</b>				
Balance at beginning of the year	82,351	82,984	762,514	
Cumulative impact of correction of errors	(370)	-	-	
Dividends of surplus	(333)	(300)	(2,763)	
Profit attributable to owners of parent	1,337	1,317	12,103	
Balance at end of the year	82,984	8,400	771,854	
<b>Treasury shares:</b>				
Balance at beginning of the year	(23)	(9,019)	(82,876)	
Purchase of treasury shares	(8,996)	(7,325)	(67,309)	
Balance at end of the year	(9,019)	(16,344)	(150,185)	
<b>Valuation difference on available-for-sale securities:</b>				
Balance at beginning of the year	361	222	2,043	
Other	-	-	-	
Net changes of items other than shareholders' equity	(139)	(49)	(458)	
Balance at end of the year	222	172	1,584	
<b>Remeasurements of defined benefit plans:</b>				
Balance at beginning of the year	(367)	(293)	(2,700)	
Net changes of items other than shareholders' equity	73	176	1,622	
Balance at end of the year	(293)	(117)	(1,078)	
<b>Total accumulated other comprehensive income</b>	<b>(67)</b>	<b>127</b>	<b>1,171</b>	
	Millions of yen		Thousands of U.S. dollars	
	2019	2020	2020	
<b>Non-controlling interests</b>				
Balance at beginning of the year	1,704	1,876	17,246	
Net changes of items other than shareholders' equity	172	67	619	
Balance at end of the year	1,876	1,944	17,865	
<b>Total net assets</b>	<b>¥ 76,355</b>	<b>¥ 70,240</b>	<b>\$ 645,417</b>	

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FUJI YAKUHHIN CO., LTD. and consolidated subsidiaries  
Year ended March 31, 2020

	Millions of yen		Thousands of
	2019	2020	U.S. dollars
<b>Cash flows from operating activities</b>			2020
Profit before income taxes	¥ 3,965	¥ 3,146	\$ 28,910
Depreciation	7,043	6,159	57,989
Amortization of goodwill	38	455	4,182
Impairment loss	3,649	4,682	43,026
FU Increase (decrease) in allowance for doubtful accounts	(90)	19	177
Increase (decrease) in provision for bonuses	(366)	63	583
Increase (decrease) in provision for point card certificates	(22)	(551)	(5,064)
Increase (decrease) in net defined benefit liability	707	369	3,395
Increase (decrease) in provision for directors' retirement benefits	89	203	1,870
Interest and dividend income	(93)	(89)	(823)
Interest expenses	69	83	768
Gain on sales of non-current assets	(77)	26	246
Loss on sales and retirement of non-current assets	113	75	697
Decrease (increase) in notes and accounts receivable - trade	(407)	(1,203)	(11,057)
Decrease (increase) in inventories	(1,965)	(2,490)	(22,885)
Increase (decrease) in notes and accounts payable - trade	(590)	1,691	15,543
Increase (decrease) in accounts payable - other	(402)	726	6,677
Increase (decrease) in accrued expenses	(147)	(560)	(5,154)
Decrease (increase) in consumption taxes refund receivable	837	369	3,394
Decrease (increase) in deposits paid	(102)	1,100	10,110
Increase (decrease) in deposits received	77	(646)	(5,939)
Increase (decrease) in Construction assistance fund receivables	574	533	4,905
Others	(666)	553	5,083
Subtotal	12,234	14,719	135,249
Interest and dividend income received	92	102	940
Interest expenses paid	(69)	(114)	(1,050)
Compensation for damage paid	(40)	-	-
Income taxes paid	(2,942)	(1,692)	(15,554)
<b>Net cash provided by (used in) operating activities</b>	<b>9,274</b>	<b>13,014</b>	<b>119,584</b>

	Millions of yen		Thousands of
	2019	2020	U.S. dollars
<b>Cash flows from investing activities</b>			2020
Payments into time deposits	(4)	-	-
Proceeds from withdrawal of time deposits	272	10	99
Purchase of property, plant and equipment	(10,610)	(7,555)	(69,428)
Proceeds from sales of property, plant and equipment	1,369	296	2,727
Purchase of intangible assets	308	(669)	(6,154)
Purchase of shares of subsidiaries	(160)	(393)	(3,611)
Purchase of insurance funds	(22)	-	-
Proceeds from maturity of insurance funds	24	-	-
Payments of construction assistance fund receivables	(796)	(398)	(3,665)
Collection of construction assistance fund receivables	21	15	143
Payments for lease and guarantee deposits	(1,427)	(800)	(7,356)
Proceeds from receive of lease and guarantee deposits	158	154	1,415
Net decrease (increase) in short-term loans receivable	865	1,475	13,562
Payments of long-term loans receivable	-	(2)	(21)
Collection of long-term loans receivable	22	4	37
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	140	1,294
Others	118	(880)	(8,087)
<b>Net cash provided by (used in) investing activities</b>	<b>(9,860)</b>	<b>(7,932)</b>	<b>(72,891)</b>

	Millions of yen		Thousands of U.S. dollars
	2019	2020	2020
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(5,200)	(320)	(2,940)
Repayments of lease obligations	(701)	(709)	(6,516)
Proceeds from long-term loans payable	16,593	12,000	110,263
Repayments of long-term loans payable	(5,119)	(5,569)	(51,178)
Purchase of treasury shares	(8,996)	(7,325)	(67,309)
Cash dividends paid	(333)	(300)	(2,763)
Dividends paid to non-controlling interests	(12)	(12)	(114)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,769)</b>	<b>(2,237)</b>	<b>(20,559)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,356)</b>	<b>2,856</b>	<b>26,133</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>11,792</b>	<b>7,436</b>	<b>68,330</b>
<b>Cash and cash equivalents at end of the year</b>	<b>¥ 7,436</b>	<b>¥ 10,280</b>	<b>\$ 94,464</b>