



Consolidated Financial Statements  
For the Year ended March 31,2021

**CONSOLIDATED BALANCE SHEET**

FUJI YAKUHIN CO., Ltd. and consolidated subsidiaries

As of March 31,2021

<b>ASSETS</b>	Millions of yen		Thousands of
	2020	2021	U.S. dollars
			2021
<b>Current assets:</b>			
Cash and deposits	¥ 10,318	¥ 8,801	\$ 79,499
Notes and accounts receivable - trade	14,820	15,130	136,667
Inventories	57,386	58,655	529,813
Short-term loans receivable	3	123	1,116
Other	7,191	7,860	71,001
Allowance for doubtful accounts	(74)	(87)	(793)
<b>Total current assets</b>	<b>89,646</b>	<b>90,483</b>	<b>817,304</b>
<b>Noncurrent assets</b>			
Property, plant and equipment			
Buildings and structures	31,629	30,968	279,729
Machinery, equipment and vehicles	2,616	2,169	19,598
Tools, furniture and fixtures	4,193	3,795	34,281
Land	22,406	15,581	140,738
Leased assets	1,520	757	6,843
Construction in progress	993	1,788	16,156
<b>Total property, plant and equipment</b>	<b>63,360</b>	<b>55,061</b>	<b>497,347</b>
Intangible assets:			
Goodwill	680	416	3,766
Other	1,695	2,276	20,567
<b>Total intangible assets</b>	<b>2,376</b>	<b>2,693</b>	<b>24,333</b>
Investments and other assets:			
Investment securities	1,049	1,186	10,719
Deferred tax assets	8,711	9,373	84,663
Investment property	-	7,231	65,322
Lease and guarantee deposits	18,971	19,275	174,108
Other	1,402	1,402	12,668
Allowance for doubtful accounts	(63)	(21)	(195)
<b>Total investments and other assets</b>	<b>30,071</b>	<b>38,448</b>	<b>347,286</b>
<b>Total non-current assets</b>	<b>95,808</b>	<b>96,203</b>	<b>868,968</b>
<b>Total assets</b>	<b>¥ 185,454</b>	<b>¥ 186,687</b>	<b>\$ 1,686,273</b>

**CONSOLIDATED BALANCE SHEET (continued)**

FUJI YAKUHIN CO., Ltd. and consolidated subsidiaries

As of March 31, 2021

<b>LIABILITIES AND NET ASSETS</b>	<b>Millions of yen</b>		<b>Thousands of</b>
	<b>2020</b>	<b>2021</b>	<b>U.S. dollars</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable - trade	¥ 44,857	¥ 41,038	\$ 370,685
Short-term borrowings	1,985	1,080	9,755
Current portion of long-term debt	7,313	11,512	103,992
Lease obligations	692	510	4,614
Accounts payable-other	7,698	9,485	85,677
Accrued expenses	1,132	1,163	10,509
Income taxes payable	1,659	1,277	11,534
Provision for bonuses	2,645	2,653	23,969
Provision for point card certificates	6,384	6,285	56,775
Asset retirement obligations	146	34	315
Other	1,300	1,243	11,235
<b>Total current liabilities</b>	<b>75,817</b>	<b>76,286</b>	<b>689,065</b>
<b>Noncurrent liabilities:</b>			
Long-term debt	21,841	19,973	180,412
Lease obligations	1,334	833	7,524
Net defined benefit liability	9,696	10,705	96,697
Provision for directors' retirement benefits	1,114	1,108	10,009
Asset retirement obligations	4,790	5,700	51,494
Deferred tax liabilities	57	46	415
Other	560	788	7,120
<b>Total noncurrent liabilities</b>	<b>39,396</b>	<b>39,155</b>	<b>353,674</b>
<b>Total liabilities</b>	<b>115,213</b>	<b>115,441</b>	<b>1,042,739</b>
<b>Net assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	314	314	2,841
Capital surplus	270	270	2,443
Retained earnings	84,000	85,049	768,221
Treasury shares	(16,344)	(16,344)	(147,635)
<b>Total shareholders' equity</b>	<b>68,241</b>	<b>69,290</b>	<b>625,870</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	172	262	2,366
Remeasurements of defined benefit plans	(117)	(308)	(2,782)
<b>Total accumulated other comprehensive income</b>	<b>(55)</b>	<b>(46)</b>	<b>(415)</b>
<b>Non-controlling interests</b>	<b>1,944</b>	<b>2,001</b>	<b>18,078</b>
<b>Total net assets</b>	<b>70,240</b>	<b>71,245</b>	<b>643,533</b>
<b>Total liabilities and net assets</b>	<b>¥ 185,454</b>	<b>¥ 186,687</b>	<b>\$ 1,686,273</b>

**CONSOLIDATED STATEMENT OF INCOME**

FUJI YAKUHIN CO., Ltd. and consolidated subsidiaries

Year ended March 31, 2021

	Millions of yen		Thousands of
	2020	2021	U.S. dollars
			2021
<b>Net sales</b>	¥ 396,886	¥ 389,963	\$ 3,522,383
<b>Cost of sales</b>	276,130	271,511	2,452,454
<b>Gross profit</b>	120,755	118,451	1,069,929
<b>Selling, general and administrative expenses:</b>	113,339	114,050	1,030,175
<b>Operating income</b>	7,416	4,401	39,754
<b>Non-operating income (expenses):</b>			
Interest income	89	81	739
Real estate rental income	1,018	1,105	9,985
Subsidy income	-	403	3,646
Reversal of allowance for doubtful accounts	26	5	46
Other income	676	573	5,180
Interest expenses	(83)	(84)	(765)
Real estate rental costs	(762)	(757)	(6,837)
Other expenses	(187)	(227)	(2,053)
<b>Total non-operating income (expenses)</b>	777	1,100	9,941
<b>Ordinary income</b>	8,193	5,501	49,695
<b>Extraordinary gains (losses):</b>			
Gain on sales of non-current assets	50	6	59
Insurance claim income	159	45	410
Compensation income	-	67	613
Other gains	48	9	85
Loss on sales and retirement of non-current assets	(153)	(56)	(509)
Impairment loss	(4,682)	(2,689)	(24,292)
Loss on closing of stores	(95)	(66)	(605)
Loss on disaster	(166)	-	-
Other losses	(209)	(26)	(238)
<b>Total extraordinary income (losses)</b>	(5,048)	(2,709)	(24,476)
<b>Income taxes</b>			
Current	2,434	2,039	18,425
Deferred	(684)	(631)	(5,702)
<b>Total income taxes</b>	1,750	1,408	12,723
<b>Profit</b>	1,396	1,383	12,495
<b>Profit attributable to non-controlling interests</b>	79	67	612
<b>Profit attributable to owners of parent</b>	¥ 1,317	¥ 1,315	\$ 11,883

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FUJI YAKUHIN CO., Ltd. and consolidated subsidiaries

Year ended March 31, 2021

	Millions of yen		Thousands of
	2020	2021	U.S. dollars
			2021
<b>Profit</b>	¥ 1,396	¥ 1,383	\$ 12,495
Other comprehensive income:			
Valuation difference on available-for-sale securities	(48)	89	805
Remeasurements of defined benefit plans	176	(190)	(1,723)
Total other comprehensive income	127	(101)	(917)
<b>Comprehensive income</b>	¥ 1,523	¥ 1,281	\$ 11,578
<b>Comprehensive income attributable to:</b>			
Owners of the parent	¥ 1,443	¥ 1,212	\$ 10,949
Non-controlling interests	79	69	628

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FUJI YAKUHIN CO., Ltd. and consolidated subsidiaries

Year ended March 31, 2021

	Shares		
	2020	2021	
<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
	2020	2021	2021
<b>Capital stock:</b>			
Balance at beginning of the year	¥ 314	¥ 314	\$ 2,841
Balance at end of the year	314	314	2,841
<b>Capital surplus:</b>			
Balance at beginning of the year	270	270	2,443
Balance at end of the year	270	270	2,443
<b>Retained earnings:</b>			
Balance at beginning of the year	82,984	84,000	758,747
Dividends of surplus	(300)	(266)	(2,409)
Profit attributable to owners of parent	1,317	1,315	11,883
Balance at end of the year	8,400	85,049	768,221
<b>Treasury shares:</b>			
Balance at beginning of the year	(9,019)	(16,344)	(147,635)
Purchase of treasury shares	(7,325)	-	-
Balance at end of the year	(16,344)	(16,344)	(147,635)
<b>Total shareholders' equity</b>	<b>68,241</b>	<b>69,290</b>	<b>625,870</b>
<b>Valuation difference on available-for-sale securities:</b>			
Balance at beginning of the year	222	172	1,557
Net changes of items other than shareholders' equity	(49)	89	809
Balance at end of the year	172	262	2,366
<b>Remeasurements of defined benefit plans:</b>			
Balance at beginning of the year	(293)	(117)	(1,059)
Net changes of items other than shareholders' equity	176	(190)	(1,723)
Balance at end of the year	(117)	(308)	(2,782)
<b>Total accumulated other comprehensive income</b>	<b>55</b>	<b>(46)</b>	<b>(415)</b>
	Millions of yen		Thousands of U.S. dollars
	2020	2021	2021
<b>Non-controlling interests</b>			
Balance at beginning of the year	1,876	1,944	17,562
Net changes of items other than shareholders' equity	67	57	516
Balance at end of the year	1,944	2,001	18,078
<b>Total net assets</b>	<b>¥ 70,240</b>	<b>¥ 71,245</b>	<b>\$ 643,533</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FUJI YAKUHIN CO., Ltd. and consolidated subsidiaries  
Year ended March 31, 2021

	Millions of yen		Thousands of
	2020	2021	U.S. dollars
<b>Cash flows from operating activities</b>			<b>2021</b>
Profit before income taxes	¥ 3,146	¥ 2,791	25,218
Depreciation	6,159	5,495	49,641
Amortization of goodwill	455	319	2,888
Impairment loss	4,682	2,689	24,292
Increase (decrease) in allowance for doubtful accounts	19	(28)	(254)
Increase (decrease) in provision for bonuses	63	8	77
Increase (decrease) in provision for point card certificates	(551)	(99)	(896)
Increase (decrease) in net defined benefit liability	369	736	6,651
Increase (decrease) in provision for directors' retirement benefits	203	(6)	(56)
Interest and dividend income	(89)	(81)	(739)
Interest expenses	83	130	1,175
Decrease (increase) in notes and accounts receivable - trade	(1,203)	(309)	(2,796)
Decrease (increase) in inventories	(2,490)	(1,269)	(11,464)
Increase (decrease) in notes and accounts payable - trade	1,691	(3,801)	(34,338)
Increase (decrease) in accounts payable - other	726	1,795	16,221
Increase (decrease) in accrued expenses	(560)	32	295
Decrease (increase) in consumption taxes refund receivable	369	469	4,236
Decrease (increase) in deposits paid	1,100	(378)	(3,415)
Increase (decrease) in deposits received	(646)	207	1,870
Increase (decrease) in Construction assistance fund receivables	533	-	-
Others	655	(879)	(7,946)
Subtotal	14,719	7,822	70,657
Interest and dividend income received	102	63	572
Interest expenses paid	(114)	(84)	(761)
Income taxes paid	(1,692)	(2,706)	(24,449)
<b>Net cash provided by (used in) operating activities</b>	<b>13,014</b>	<b>5,094</b>	<b>46,019</b>

	Millions of yen		Thousands of
	2020	2021	U.S. dollars
<b>Cash flows from investing activities</b>			<b>2021</b>
Payments into time deposits	-	(313)	(2,835)
Purchase of property, plant and equipment	(7,555)	(5,193)	(46,910)
Proceeds from sales of property, plant and equipment	296	137	1,238
Purchase of intangible assets	(669)	(965)	(8,719)
Purchase of shares of subsidiaries	(393)	(9)	(82)
Payments for asset retirement obligations	-	(283)	(2,557)
Payments of construction assistance fund receivables	(398)	(764)	(6,901)
Collection of construction assistance fund receivables	15	573	5,178
Payments for lease and guarantee deposits	(800)	(521)	(4,710)
Proceeds from receive of lease and guarantee deposits	154	335	3,029
Net decrease (increase) in short-term loans receivable	1,475	(105)	(948)
Payments of long-term loans receivable	(2)	-	-
Collection of long-term loans receivable	4	7	71
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	140	-	-
Others	(199)	184	1,698
<b>Net cash provided by (used in) investing activities</b>	<b>(7,932)</b>	<b>(6,913)</b>	<b>(62,450)</b>

	Millions of yen		Thousands of U.S. dollars
	2020	2021	2021
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(320)	(1,951)	(17,630)
Repayments of lease obligations	(709)	(1,163)	(10,511)
Proceeds from long-term loans payable	12,000	12,500	112,907
Repayments of long-term loans payable	(5,569)	(9,124)	(82,414)
Purchase of treasury shares	(7,325)	-	-
Cash dividends paid	(300)	(266)	(2,409)
Dividends paid to non-controlling interests	(12)	(12)	(112)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,237)</b>	<b>(19)</b>	<b>(171)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,844</b>	<b>(1,838)</b>	<b>(16,602)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>7,436</b>	<b>10,280</b>	<b>92,859</b>
<b>Cash and cash equivalents at end of the year</b>	<b>¥ 10,280</b>	<b>¥ 8,442</b>	<b>\$ 76,256</b>