

## Financial Review

### Long Term Financial Performance Trend

(From FY2009 to FY2019)

	2009	2010	2011	2012	2013
Sales	149.0	154.2	148.6	153.8	163.7
Operating Profit	19.2	19.8	15.5	19.5	22.2
Ordinary Income	19.2	19.4	15.9	20.5	23.7
Net Income	12.8	13.0	11.0	13.9	16.7
EBITDA	30.1	30.2	25.9	29.0	30.8
Operating Margin	12.8%	12.9%	10.4%	12.7%	13.6%
ROE	12.6%	11.9%	9.5%	11.4%	12.7%
EPS (¥/share)	74.00	75.94	64.52	83.74	102.11
Dividend (¥/share)	24	24	24	26	30
Dividend Payout Ratio	32.4%	31.6%	37.2%	31.0%	29.4%
Share Repurchase	–	2.8	–	5.0	5.0
Total Assets	181.4	183.4	190.1	199.2	208.0
Net Assets	107.7	112.4	119.6	126.7	137.8
Cash	14.8	21.1	27.9	31.9	30.8
Liabilities with Interest	42.1	39.9	38.9	38.1	36.1
Equity Ratio	58.7%	60.7%	62.4%	63.0%	65.7%
Capex	10.1	9.6	8.3	8.1	8.8
Depreciation	11.0	10.4	10.5	9.5	8.5
R&D Expenses	13.1	12.6	13.6	13.7	14.2
R&D Expenses/Sales	8.8%	8.2%	9.2%	8.9%	8.7%



(Billions of yen)

2014	2015	2016	2017	2018	2019
171.2	176.9	180.3	193.4	204.9	206.8
25.3	28.6	31.4	35.0	37.1	38.6
26.4	29.5	31.7	36.2	39.1	40.0
18.2	22.4	24.0	27.1	29.4	30.8
33.8	38.3	40.3	45.5	48.0	49.2
14.8%	16.2%	17.4%	18.1%	18.1%	18.7%
12.7%	14.6%	15.1%	16.1%	16.6%	16.9%
113.99	143.37	156.97	180.30	197.67	210.09
36	44	52	68	82	90
31.6%	30.7%	33.1%	37.7%	41.5%	42.8%
6.0	9.0	9.0	9.0	9.0	10.0
223.9	228.2	231.7	246.0	247.0	249.5
151.3	156.9	163.7	176.4	182.1	185.5
31.3	35.3	35.7	37.7	36.2	30.6
35.1	33.1	30.8	28.6	26.6	24.6
66.9%	68.1%	69.9%	71.0%	73.0%	73.7%
9.8	10.2	14.3	13.7	9.9	15.7
8.5	9.7	8.9	10.5	10.9	10.5
15.0	15.8	16.1	17.2	17.8	17.2
8.7%	8.9%	8.9%	8.9%	8.7%	8.3%

## Financial Review of the Year Ended March 31, 2020

### Overview

The domestic economy continued to recover moderately in the current fiscal year (April 1, 2019 to March 31, 2020) against the backdrop of an improvement in the employment and income environment. However, in addition to the sluggish exports caused by the slowdown in the overseas economy, economic activity worldwide stagnated in the second half of the fiscal year due to the impacts of COVID-19. Under these circumstance, sales of Basic Chemicals decreased in the Chemicals Division. In the Performance Materials Division, Display Materials and Semiconductor Materials performed well. The Agricultural Chemicals Division sales strongly increased. In the Pharmaceuticals Division, although sales of contracting business increased, sales of in-house drug discovery decreased.

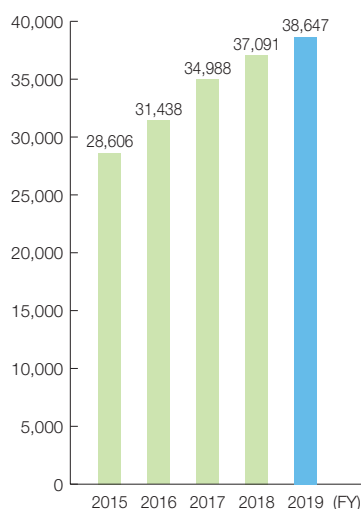
### Operating Results

As a result, the Company's results for the current fiscal year were net sales 206,837 million yen (an increase of 1,941 million yen), operating income 38,647 million yen (an increase of 1,556 million yen) and ordinary income 40,003 million yen (an increase of 905 million yen), and net income attributable to owners of parent 30,779 million yen (an increase of 1,407 million yen). Operating and ordinary income achieved record highs for the sixth consecutive year and net income attributable to owners of parent for the seventh consecutive year, exceeding the earnings outlook announced in November.

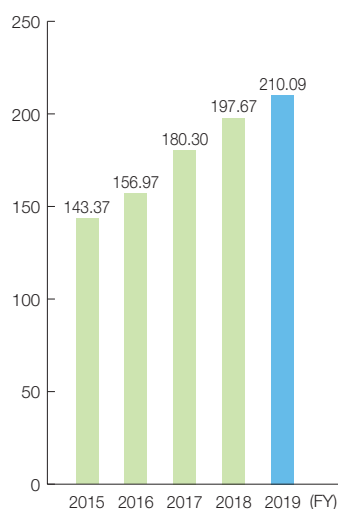
ROE was 16.9% and we have achieved Vista2021 Stage II target (maintain above 16%) in the current fiscal year.

Dividend was 90 yen and dividend payout ratio became 42.8%. We have repurchased share of 10.0 billion yen and total payout ratio was 75.1%.

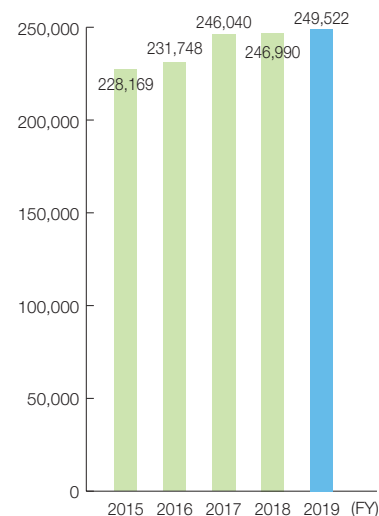
Operating Income (Millions of Yen)



Net Income per Share (Yen)



Total Assets (Millions of Yen)



## Financial Position

Total assets as of March 31, 2020 were 249,522 million yen (an increase of 2,531 million yen from the previous year). It is mainly due to the increase of notes and accounts receivable-trade, merchandise and finished goods, and intangible assets.

Total liabilities as of March 31, 2020 were 63,993 million yen (a decrease of 922 million yen). It is mainly due to the decrease of loans payable.

Net assets as of March 31, 2020 were 185,528 million yen (an increase of 3,454 million yen).

As a result of these factors, equity ratio was 73.7% (an increase of 0.7% from March 31, 2019).

## Position of Cash Flow

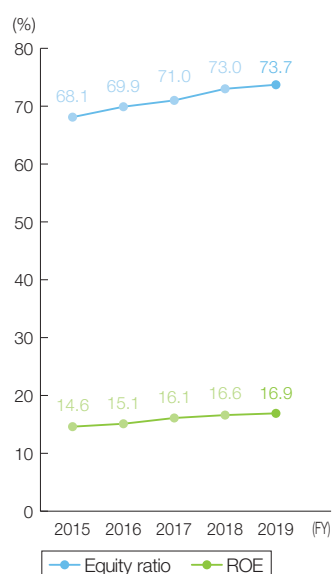
Deducting income taxes paid from income before income taxes and non-controlling interests, depreciation and gain and loss in working capital, net cash provided by operating activities for the consolidated fiscal year ended March 31, 2020 was 35,550 million yen (32,070 million yen for the previous year).

Due to investment on plant and equipment, net cash used in investing activities for the consolidated fiscal year ended March 31, 2020 was 15,624 million yen (10,884 million yen for the previous year).

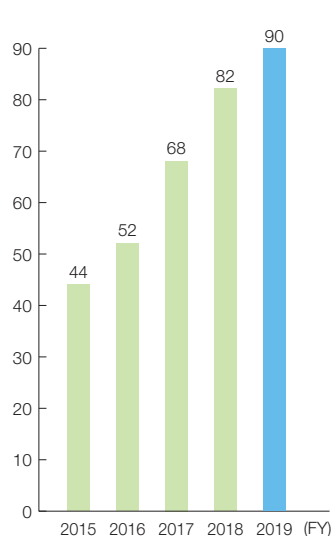
Due to share repurchase, payment for dividends and of long-term loans payable, net cash used in financing activities for the consolidated fiscal year ended March 31, 2020 was 25,186 million yen (22,563 million yen for the previous year).

As a result of these factors, cash and cash equivalents for the consolidated fiscal year ended March 31, 2020 were 30,639 million yen (36,183 million yen for the previous year), reflecting exchange of 283 million yen. It decreased by 5,544 million yen compared to the previous year.

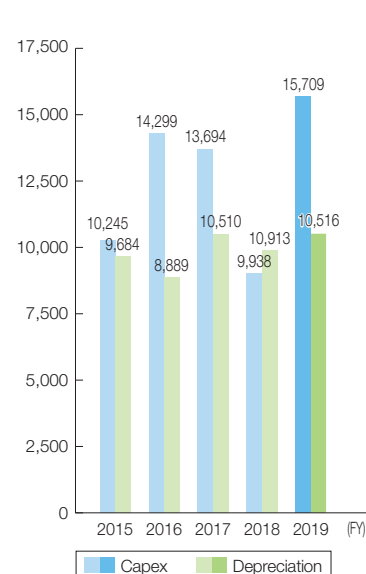
### Equity Ratio and ROE



### Dividend per Share (Yen)



### Capex and Depreciation (Millions of yen)



## Overview by Segments

### The Chemicals Division

In Basic Chemicals, although sales of high purity sulfuric acid (agent used for cleaning semiconductor) increased, sales of melamine (adhesives agent for particle board) declined due to market conditions. In the Fine Chemicals, sales of TEPIC® for electronic materials (solder resist inks, LED-sealing materials, etc.) decreased, while sales for general use (powder coating agent for paint) increased.

As a result, sales of this division were 34,336 million yen (a decrease of 1,314 million yen) and operating income was 1,372 million yen (a decrease 1,674 million yen). Compared to the outlook, net sales were below 3.0 billion yen and operating income was below 2.0 billion yen.

As outlook of business result for the next term, we assume net sales will be 35.6 billion yen and operating income will be 2.7 billion yen.

### The Performance Materials Division

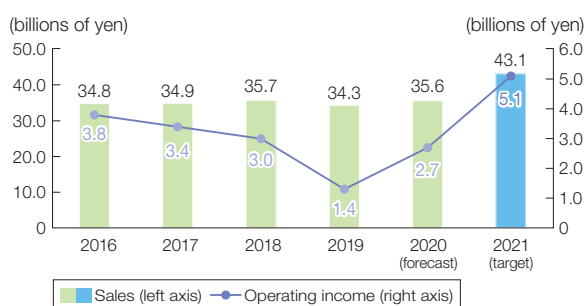
In the Display Materials, sales of SUNEVER® (alignment material for liquid crystal display) for both small-and medium-sized products such as smartphones and large-scale products such as TVs performed well. In the Semiconductor Materials, sales of anti-reflective coating for semiconductors (ARC®\*) increased, reflecting favorable operation by customers. In the Inorganic Materials, sales of SNOWTEX® for polishing electronic materials decreased. Sales of Organo / Monomer sol (various kinds of coating materials, resin additive) and Oilfield materials (for enhancing oil recovery) also decreased.

As a result, sales of this division were 65,460 million yen (an increase of 2,428 million yen) and operating income was 17,353 million yen (an increase of 2,386 million yen). Compared to the outlook, net sales were above 2.0 billion yen and operating income was above 2.3 billion yen.

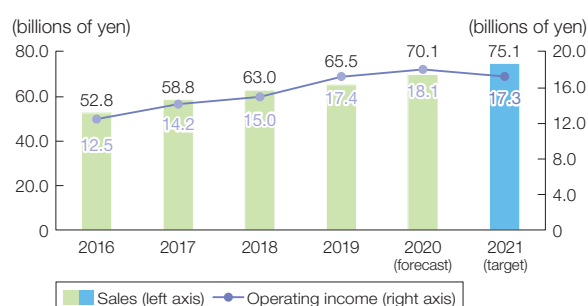
As outlook of business result for the next term, we assume net sales will be 70.1 billion yen and operating income will be 18.1 billion yen.

\* ARC® is a registered trademark of Brewer Science, Inc.

Business Results and Outlook



Business Results and Outlook



### Trading

Sales of this segment were 67,907 million yen (an increase of 27 million yen), and operating income was 2,113 million yen (an increase of 75 million yen). Compared to the outlook, net sales were above 0.8

billion yen and operating income was the same.

As outlook of business result for the next term, we assume net sales will be 68.2 billion yen and operating income will be 2.0 billion yen.

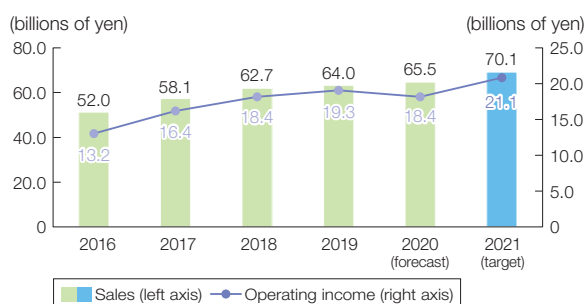
## The Agricultural Chemicals Division

Sales of Fluralaner (active ingredients for veterinary pharmaceuticals) decreased due to the impact of inventories of customers. In domestic agrochemicals market, sales of GRACIA® (insecticide) launched in May in Japan were strong. ROUNDUP® (non-selective leaf treatment herbicide) revenues increased from the previous year due to natural disasters in the first half of the previous fiscal year, and remained steady in the second half of this fiscal year. In overseas agrochemicals market, sales of TARGA® (herbicide) decreased, but sales of GRACIA® for the Korean market and Quintec® (fungicide) acquired in the third quarter contributed to sales.

As a result, sales of this division were 64,038 million yen (an increase of 1,313 million yen) and operating income was 19,303 million yen (an increase of 952 million yen). Compared to the outlook, net sales were below 0.3 billion yen and operating income was below 0.3 billion yen.

As outlook of business result for the next term, we assume net sales will be 65.5 billion yen and operating income will be 18.4 billion yen.

### Business Results and Outlook



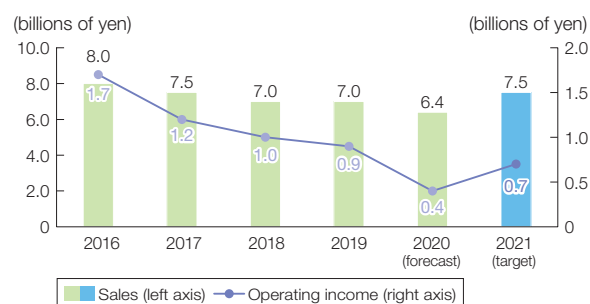
## The Pharmaceuticals Division

Sales of API of LIVALO® (anti-cholesterol drug) decreased, as selling prices fell due to an increase in sales of generic drugs outside Japan, despite an increase in shipments in Japan. In contracting business, sales of generic-APIs increased steadily.

As a result, sales of this division were 6,962 million yen (a decrease of 46 million yen) and operating income was 939 million yen (a decrease of 60 million yen). Compared to the outlook, net sales were the same and operating income was below 0.2 billion yen.

As outlook of business result for the next term, we assume net sales will be 6.4 billion yen and operating income will be 0.4 billion yen.

### Business Results and Outlook



## Others

Sales of this segment were 22,394 million yen (a decrease of 2,215 million yen) and operating income was 693 million yen (a decrease of 229 million yen).

As outlook of business result for the next term, we assume net sales will be 25.0 billion yen and operating income will be 0.7 billion yen.

## Consolidated Balance Sheets

(For FY2019 and FY2018)

Assets	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2019	FY2018	FY2019
<b>Current assets</b>			
Cash and deposits	¥30,639	¥36,183	\$281,531
Notes and accounts receivable - trade	72,509	69,193	666,259
Merchandise and finished goods	33,131	32,215	304,429
Work in process	153	41	1,406
Raw materials and supplies	10,590	9,742	97,308
Accounts receivable - other	2,765	2,207	25,407
Short-term loans receivable	2,045	512	18,791
Other	2,387	2,427	21,933
Allowance for doubtful accounts	(26)	(32)	(239)
Total current assets	154,196	152,490	1,416,852
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures	67,110	65,942	616,650
Accumulated depreciation and impairment loss	(42,260)	(40,690)	(388,312)
Buildings and structures, net	24,850	25,251	228,338
Machinery, equipment and vehicles	135,476	130,490	1,244,841
Accumulated depreciation and impairment loss	(123,035)	(117,523)	(1,130,525)
Machinery, equipment and vehicles, net	12,440	12,966	114,307
Tools, furniture and fixtures	39,625	38,458	364,100
Accumulated depreciation and impairment loss	(35,829)	(34,385)	(329,220)
Tools, furniture and fixtures, net	3,796	4,073	34,880
Land	8,995	9,059	82,652
Construction in progress	1,499	1,378	13,774
Total property, plant and equipment	51,581	52,729	473,959
<b>Intangible assets</b>			
Software	566	721	5,201
Other	6,812	796	62,593
Total intangible assets	7,379	1,517	67,803
<b>Investments and other assets</b>			
Investment securities	30,873	35,229	283,681
Deferred tax assets	721	110	6,625
Net defined benefit asset	1,609	2,089	14,785
Other	3,244	2,917	29,808
Allowance for doubtful accounts	(84)	(92)	(772)
Total investments and other assets	36,364	40,253	334,136
Total non-current assets	95,325	94,500	875,907
<b>Total assets</b>	¥249,522	¥246,990	\$2,292,769

Liabilities	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2019	FY2018	FY2019
<b>Current liabilities</b>			
Notes and accounts payable - trade	¥16,876	¥17,809	\$155,068
Short-term loans payable	22,898	23,605	210,402
Current portion of long-term loans payable	640	1,860	5,881
Income taxes payable	6,167	4,330	56,666
Provision for bonuses	2,151	2,137	19,765
Provision for directors' bonuses	26	25	239
Other	11,254	10,430	103,409
Total current liabilities	60,015	60,198	551,456
<b>Non-current liabilities</b>			
Long-term loans payable	1,076	1,116	9,887
Deferred tax liabilities	76	823	698
Provision for business structure improvement	284	370	2,610
Provision for loss on business of subsidiaries and affiliates	309	309	2,839
Provision for share-based remuneration for directors (and other officers)	46	-	423
Net defined benefit liability	208	152	1,911
Other	1,976	1,945	18,157
Total non-current liabilities	3,978	4,717	36,552
<b>Total liabilities</b>	¥63,993	¥64,916	\$588,009
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	¥18,942	¥18,942	\$174,051
Capital surplus	13,613	13,613	125,085
Retained earnings	146,997	143,200	1,350,703
Treasury shares	(2,470)	(6,291)	(22,696)
Total shareholders' equity	177,082	169,464	1,627,143
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	7,782	10,634	71,506
Foreign currency translation adjustment	(896)	(11)	(8,233)
Remeasurements of defined benefit plans	(51)	258	(469)
Total accumulated other comprehensive income	6,834	10,880	62,795
<b>Non-controlling interests</b>	1,610	1,728	14,794
Total net assets	185,528	182,074	1,704,751
<b>Total liabilities and net assets</b>	¥249,522	¥246,990	\$2,292,769



## Consolidated Statements of Income

(For FY2019 and FY2018)

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2019	FY2018	FY2019
<b>Net sales</b>	<b>¥206,837</b>	¥204,896	<b>\$1,900,551</b>
<b>Cost of sales</b>	<b>122,379</b>	119,911	<b>1,124,497</b>
<b>Gross profit</b>	<b>84,458</b>	84,985	<b>776,054</b>
<b>Selling, general and administrative expenses</b>	<b>45,810</b>	47,893	<b>420,932</b>
<b>Operating income</b>	<b>38,647</b>	37,091	<b>355,113</b>
<b>Non-operating income</b>			
Interest income	26	31	239
Dividend income	785	981	7,213
Equity in earnings of affiliates	945	970	8,683
Other	852	1,142	7,829
Total non-operating income	2,609	3,126	23,973
<b>Non-operating expenses</b>			
Interest expenses	123	110	1,130
Loss on disposal of non-current assets	443	630	4,071
Plant stop losses	298	249	2,738
Foreign exchange losses	235	24	2,159
Other	151	104	1,387
Total non-operating expenses	1,252	1,119	11,504
<b>Ordinary income</b>	<b>40,003</b>	39,098	<b>367,573</b>
<b>Extraordinary income</b>			
Gain on sales of investment securities	1,834	-	16,852
Total extraordinary income	1,834	-	16,852
<b>Extraordinary losses</b>			
Licensing arrangement fee	834	-	7,663
Total extraordinary losses	834	-	7,663
<b>Income before income taxes and non-controlling interests</b>	<b>41,003</b>	39,098	<b>376,762</b>
Income taxes - current	10,102	8,690	92,824
Income taxes - deferred	36	893	331
Total income taxes	10,138	9,583	93,154
<b>Net income</b>	<b>30,864</b>	29,514	<b>283,598</b>
Net income attributable to non-controlling interests	84	141	772
<b>Net income attributable to owners of parent</b>	<b>¥30,779</b>	¥29,372	<b>\$282,817</b>

## Consolidated Statements of Comprehensive Income

(For FY2019 and FY2018)

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2019	FY2018	FY2019
<b>Net income</b>	<b>¥30,864</b>	¥29,514	<b>\$283,598</b>
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	(2,851)	(3,018)	(26,197)
Foreign currency translation adjustment	(976)	(159)	(8,968)
Remeasurements of defined benefit plans, net of tax	(309)	(132)	(2,839)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)	(0)
Total other comprehensive income	(4,137)	(3,311)	(38,013)
<b>Comprehensive income</b>	<b>26,726</b>	26,203	<b>245,576</b>
(Comprehensive income attributable to)			
Owners of parent	26,733	26,083	245,640
Non-controlling interests	(¥6)	¥119	(\$55)

# Consolidated Statements of Changes in Net Assets

(For FY2019)

(Millions of Yen)

	Total shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	¥18,942	¥13,613	¥143,200	(¥6,291)	¥169,464
Changes of items during period					
Dividends of surplus			(12,360)		(12,360)
Net income attributable to owners of parent			30,779		30,779
Share repurchase				(10,801)	(10,801)
Disposal of treasury shares			(0)	0	0
Cancellation of treasury shares			(14,622)	14,622	–
Net changes of items other than shareholders' equity					–
<b>Total changes of items during period</b>	–	–	3,797	3,821	7,618
Balance at end of current period	¥18,942	¥13,613	¥146,997	(¥2,470)	¥177,082

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at beginning of current period	¥10,634	(¥11)	¥258	¥10,880	¥1,728	¥182,074
Changes of items during period						
Dividends of surplus						(12,360)
Net income attributable to owners of parent						30,779
Share repurchase						(10,801)
Disposal of treasury shares						0
Cancellation of treasury shares						–
Net changes of items other than shareholders' equity	(2,851)	(884)	(309)	(4,046)	(117)	(4,164)
<b>Total changes of items during period</b>	(2,851)	(884)	(309)	(4,046)	(117)	3,454
Balance at end of current period	¥7,782	(¥896)	(¥51)	¥6,834	¥1,610	¥185,528

## Consolidated Statements of Changes in Net Assets

(For FY2018)

(Millions of yen)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥18,942	¥13,613	¥133,822	(¥5,962)	¥160,416
Changes of items during period					
Dividends of surplus			(11,320)		(11,320)
Net income attributable to owners of parent			29,372		29,372
Share repurchase				(9,004)	(9,004)
Cancellation of treasury shares			(8,674)	8,674	–
Net changes of items other than shareholders' equity					–
<b>Total changes of items during period</b>	–	–	9,377	(329)	9,048
Balance at end of current period	¥18,942	¥13,613	¥143,200	(¥6,291)	¥169,464

## Accumulated other comprehensive income

(Millions of yen)

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at beginning of current period	¥13,653	¥125	¥390	¥14,170	¥1,778	¥176,364
Changes of items during period						
Dividends of surplus						(11,320)
Net income attributable to owners of parent						29,372
Share repurchase						(9,004)
Cancellation of treasury shares						–
Net changes of items other than shareholders' equity	(3,019)	(137)	(132)	(3,289)	(49)	(3,338)
<b>Total changes of items during period</b>	(3,019)	(137)	(132)	(3,289)	(49)	5,709
Balance at end of current period	¥10,634	(¥11)	¥258	¥10,880	¥1,728	¥182,074

## Consolidated Statements of Changes in Net Assets

(For FY2019)

(Thousands of U.S. dollars)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	\$174,051	\$125,085	\$1,315,814	(\$57,806)	\$1,557,144
Changes of items during period					
Dividends of surplus			(113,572)		(113,572)
Net income attributable to owners of parent			282,817		282,817
Share repurchase				(99,247)	(99,247)
Disposal of treasury shares			(0)	0	0
Cancellation of treasury shares			(134,356)	134,356	–
Net changes of items other than shareholders' equity					–
<b>Total changes of items during period</b>	–	–	34,889	35,110	69,999
<b>Balance at end of current period</b>	<b>\$174,051</b>	<b>\$125,085</b>	<b>\$1,350,703</b>	<b>(\$22,696)</b>	<b>\$1,627,143</b>

### Accumulated other comprehensive income

(Thousands of U.S. dollars)

	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
	Balance at beginning of current period	\$97,712	(\$101)	\$2,371	\$99,972	\$15,878
Changes of items during period						
Dividends of surplus						(113,572)
Net income attributable to owners of parent						282,817
Share repurchase						(99,247)
Disposal of treasury shares						0
Cancellation of treasury shares						–
Net changes of items other than shareholders' equity	(26,197)	(8,123)	(2,839)	(37,177)	(1,075)	(38,262)
<b>Total changes of items during period</b>	<b>(26,197)</b>	<b>(8,123)</b>	<b>(2,839)</b>	<b>(37,177)</b>	<b>(1,075)</b>	<b>31,738</b>
<b>Balance at end of current period</b>	<b>\$71,506</b>	<b>(\$8,233)</b>	<b>(\$469)</b>	<b>\$62,795</b>	<b>\$14,794</b>	<b>\$1,704,751</b>

## Consolidated Statements of Changes in Net Assets

(For FY2018)

(Thousands of U.S. dollars)

	Total shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	\$170,633	\$122,629	\$1,205,495	(\$53,707)	\$1,445,059
Changes of items during period					
Dividends of surplus			(101,973)		(101,973)
Net income attributable to owners of parent			264,589		264,589
Share repurchase				(81,110)	(81,110)
Cancellation of treasury shares			(78,137)	78,137	–
Net changes of items other than shareholders' equity					–
<b>Total changes of items during period</b>	<b>–</b>	<b>–</b>	<b>84,470</b>	<b>(2,964)</b>	<b>81,506</b>
Balance at end of current period	\$170,633	\$122,629	\$1,289,974	(\$56,671)	\$1,526,565

(Thousands of U.S. dollars)

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	\$122,989	\$1,126	\$3,513	\$127,646	\$16,017	\$1,588,722
Changes of items during period						
Dividends of surplus						(101,973)
Net income attributable to owners of parent						264,589
Share repurchase						(81,110)
Cancellation of treasury shares						–
Net changes of items other than shareholders' equity	(27,196)	(1,234)	(1,189)	(29,628)	(441)	(30,069)
<b>Total changes of items during period</b>	<b>(27,196)</b>	<b>(1,234)</b>	<b>(1,189)</b>	<b>(29,628)</b>	<b>(441)</b>	<b>51,428</b>
Balance at end of current period	\$95,793	(\$99)	\$2,324	\$98,009	\$15,566	\$1,640,159

# Consolidated Statements of Cash Flows

(For FY2019 and FY2018)

	(Millions of Yen)		(Thousands of U.S. dollars)
	FY2019	FY2018	FY2019
<b>Cash flows from operating activities</b>			
Income before income taxes and non-controlling interests	¥41,003	¥39,098	\$376,762
Depreciation and amortization	10,516	10,915	96,628
Amortization of goodwill	28	-	257
Interest and dividend income	(811)	(1,013)	(7,452)
Loss (gain) on sales of investment securities	(1,834)	(296)	(16,852)
Interest expenses	123	110	1,130
Loss (gain) on disposal of non-current assets	443	630	4,071
Decrease (increase) in notes and accounts receivable - trade	(3,656)	(3,877)	(33,594)
Decrease (increase) in inventories	(2,352)	(4,304)	(21,612)
Increase (decrease) in notes and accounts payable - trade	(715)	(671)	(6,570)
Other	(263)	(617)	(2,417)
Subtotal	42,481	39,974	390,343
Interest and dividend income received	1,565	1,633	14,380
Interest expenses paid	(123)	(111)	(1,130)
Income taxes paid	(8,373)	(9,426)	(76,937)
Net cash provided by (used in) operating activities	35,550	32,070	326,656
<b>Cash flows from investing activities</b>			
Purchase of investment securities	(657)	(910)	(6,037)
Proceeds from sales of investment securities	3,206	450	29,459
Purchase of property, plant and equipment	(8,904)	(9,747)	(81,816)
Payments for retirement of property, plant and equipment	(391)	(525)	(3,593)
Purchase of intangible assets	(285)	(192)	(2,619)
Payments for transfer of business	(6,335)	-	(58,210)
Net decrease (increase) in short-term loans receivable	(1,538)	(2)	(14,132)
Purchase of long-term prepaid expenses	(645)	(46)	(5,927)
Other	(73)	90	(671)
Net cash provided by (used in) investing activities	(15,624)	(10,884)	(143,563)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(653)	(46)	(6,000)
Proceeds from long-term loans payable	600	530	5,513
Repayments of long-term loans payable	(1,860)	(2,554)	(17,091)
Cash dividends paid	(12,360)	(11,320)	(113,572)
Dividends paid to non-controlling interests	(111)	(167)	(1,020)
Share repurchase	(10,801)	(9,004)	(99,247)
Other	0	(0)	0
Net cash provided by (used in) financing activities	(25,186)	(22,563)	(231,425)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(283)	(141)	(2,600)
<b>Net increase (decrease) in cash and cash equivalents</b>	(5,544)	(1,518)	(50,942)
<b>Cash and cash equivalents at beginning of period</b>	36,183	37,702	332,473
<b>Cash and cash equivalents at end of period</b>	¥30,639	¥36,183	\$281,531

(Note 1) The consolidated financial statements are a translation of the Japanese annual securities report's consolidated financial statements.

(Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2020 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥108.83 to US \$1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2020. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.