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<Code Number 6794>  
June 1, 2020

To Our Shareholders with Voting Rights

Hiromi Yoshizawa, President  
**Foster Electric Company, Limited**  
1-1-109, Tsutsujigaoka, Akishima City, Tokyo

## NOTICE OF THE 86TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 86th Ordinary General Meeting of Shareholders of Foster Electric Company, Limited (the “Company”), to be held as follows.

Having carefully considered the risk of novel coronavirus (COVID-19) infection, we have decided to hold this meeting by taking appropriate measures beforehand to avoid infection.

In order to prevent the spread of infection, you are strongly encouraged to exercise your voting rights prior to the meeting in writing or by using the Internet, etc. Regardless of your own health condition, we recommend that you refrain from attending the meeting.

You will be able to watch the meeting via Internet-based livestreaming.

You can exercise your voting rights in writing or by using the Internet, etc.; so please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the “Guidance on Exercising Voting Rights” (in Japanese only), by no later than the closing time of our daily business hours (5:15 p.m.) on Tuesday, June 23, 2020 (Japan Time).

**1. Date and Time:** Wednesday, June 24, 2020 at 10:00 a.m. (Japan Time)

**2. Place:** “SYLVAN HALL” (2F), Forest Inn Showakan,  
4017-3 Haijimacho, Akishima City, Tokyo

### 3. Agenda of the Meeting

#### Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the 86th Fiscal Year (from April 1, 2019 to March 31, 2020) and audits results of the Consolidated Financial Statements by the Financial Auditor and the Board of Corporate Auditors.
2. Standalone Financial Statements for the 86th Fiscal Year (from April 1, 2019 to March 31, 2020)

#### Matters to be resolved:

- Proposal 1:** Dividends of Surplus
- Proposal 2:** Election of One (1) Director
- Proposal 3:** Election of Three (3) Corporate Auditors

### 4. Others

- (1) If you attend the meeting, please show the enclosed Exercise Voting Rights Form at the reception of the meeting upon arrival. Please bring this notice for eco purposes.
- (2) If you exercise your voting rights by proxy, you may nominate one (1) shareholder with a voting right as a proxy to attend the meeting, provided that a document verifying the proxy right of the person representing you must be submitted.

(3) Of the documents that the Company needs to provide along with this notice, pursuant to laws and regulations, and Article 15 of the Articles of Incorporation of the Company, the matters below are posted on the corporate website ([https://www.foster.co.jp/investors/shareholder\\_info/meeting.html](https://www.foster.co.jp/investors/shareholder_info/meeting.html)). Therefore, these matters are not included in this notice and the attached Reference Documents for the General Meeting of Shareholders.

- “Structure and Policy of the Company” in the Business Report
- “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements.
- “Notes to the Standalone Financial Statements” in the Standalone Financial Statements

The Business Report, the Consolidated Financial Statements and the Standalone Financial Statements in the attached Reference Documents for the General Meeting of Shareholders are part of the Business Report and the Consolidated and Standalone Financial Statements that were audited by the Financial Auditor and Corporate Auditors of the Company when preparing the Financial Auditor’s Report and the Corporate Auditors’ Report.

- (4) If you exercise your voting rights in duplicate through the Internet and in writing, the vote using the Internet, etc., will be validated. If you exercise your voting rights multiple times, the vote you exercise last will be validated.
- (5) On the day of the meeting, our executives will be dressed casually (“Cool Biz”).
- (6) In the event any matters are to be changed with respect to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Standalone Financial Statements or the Consolidated Financial Statements, the changes will be disclosed immediately on the corporate website (<https://www.foster.co.jp/>).

An English translation of the Notice of the 86th Ordinary General Meeting of Shareholders is posted on the corporate website (<https://www.foster-electric.com/investors/meeting/index.html>).

#### About the platform for exercising voting rights electronically

In addition to the voting methods of in writing and through the Internet as described above, institutional investors may exercise their voting rights electronically by using the platform operated by ICJ, Inc.

## **Prevention of Novel Coronavirus (COVID-19) Infection**

This time we ask you to give priority to avoiding infection and give consideration to abstaining from attending the meeting. You are instead strongly recommended to exercise your voting rights in writing or by using the Internet, etc.

Please refer to “Guidance on Exercising Voting Rights” (in Japanese only).

You will be able to watch the meeting via Internet-based livestreaming. For details, please refer to “Guidance on Livestreaming” on page 4.

If you will be attending the meeting in person, we ask that before traveling to the venue you check the situation regarding the spread of the infection, confirm your own physical health, and take precautions to prevent infection, such as wearing a face mask.

We ask that senior citizens, individuals suffering from chronic illness, and pregnant women in particular fully consider the potential risks when deciding whether or not to attend the meeting.

### To prevent COVID-19 infection for the General Meeting of Shareholders

- The Company intends to make the meeting shorter than usual. A limit may be placed on lengthy questions and comments.
- If you come to the venue, your temperature will be checked. Those who appear unwell may be requested to refrain from entering the venue.
- Hand sanitizer will be ready inside the venue.
- Inside the venue, the Company’s executives and employees will wear face masks.
- No social gathering will be held after the meeting.

If any change in the meeting plans arises, we will inform you via the corporate website. (<https://www.foster.co.jp/>).

The Company sincerely hopes that the novel coronavirus disease will be brought under control as soon as possible.

## Guidance on Livestreaming

### Livestreaming of the General Meeting of Shareholders

Livestreaming will be available, enabling you to watch the meeting without traveling to the venue. The camera will be set at the back of the venue to avoid showing the faces of shareholders, but some shareholders' faces may inevitably be shown. Please be aware, moreover, that the voices of shareholders who ask questions or make comments in the meeting will be streamed via the livestream. The livestream is scheduled to take place from 10:00 a.m. on June 24, 2020, until the end of the meeting.

Please use the following website to watch the meeting:

URL	<a href="https://foster.webcdn.stream.ne.jp">https://foster.webcdn.stream.ne.jp</a>
Password:	ellipsis

To watch the livestream, you will need **your shareholder number, etc.** in addition to the URL and password above. Your shareholder number is printed on the Exercise Voting Rights Form.

#### Points to Note

- The livestream audio will be provided only in Japanese.
- Depending on your equipment and network environment, it may not be possible to access the livestream.
- Telecommunication charges for accessing the Company's website and the livestream are payable by shareholders themselves.
- To watch the livestream comfortably on smartphones or tablets, use of Wi-Fi is recommended.

If any change in the meeting plans arises, we will inform you via the corporate website (URL: <https://www.foster.co.jp/>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Proposal No. 1: Dividends of Surplus

The Company regards the enhancement of corporate value as a major management issue and maintains a basic policy of comprehensively improving shareholder profits while distributing profits that are commensurate with the Company's business results and enhancing internal reserves from a long-term viewpoint.

We propose a year-end dividend of ¥15 per share for the fiscal year under review as a distribution of profit commensurate with our business results, as a reward to reciprocate the support that our shareholders have bestowed upon us. Accordingly, since the Company paid an interim dividend of ¥20 (ordinary dividend of ¥15 and a commemorative dividend of ¥5 in celebration of the 70th anniversary of our founding) per share, the annual total of the dividend for the fiscal year under review is ¥35 per share.

Matters related to year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the total amount

¥15 per share of common stock of the Company                      Total amount: ¥342,065,640

(3) Effective date of dividends of surplus

June 25, 2020

**Proposal No. 2:** Election of One (1) Director

We propose the election of an additional Director, increasing the number of Directors by one (1) to further enhance the corporate governance. In addition, as provided for in the Articles of Incorporation of the Company, the term of office of the elected Director will be expired until the terms of office of the other currently serving Directors expire.

The candidate for Director is as follows:

Name (Date of birth)	Career summary, position and responsibilities and significant positions concurrently held	Number of Company's shares held
 <p>Yasuhiro Goto (September 18, 1958)</p> <p>[New election] [Outside] [Independent] [Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (13 out of 13 times)</p>	<p>Apr. 1984      Joined Nikkei Inc. Sept. 1988      Assigned to Bahrain Bureau, Nikkei Inc. Jan. 1990        Assigned to London (Europe Headquarter), Nikkei Inc. Sept. 1992      Industrial Department, Tokyo Head Office, Nikkei Inc. Sept. 1997      Assigned to Beijing (Chinese Headquarter), Nikkei Inc. Sept. 2000      Senior Staff Writer, Industrial Department, Tokyo Head Office, Nikkei Inc. Mar. 2002        Editorial Writer and newscaster on Nikkei CNBC, Nikkei Inc. Mar. 2008        Head of Editorial Office in Asia, Nikkei Inc. Apr. 2010        Senior Staff Writer, Nikkei Inc. Mar. 2016        Resigned from Nikkei Inc. Apr. 2016        Professor, Faculty of Urban Innovation, Asia University (to the present) June 2017        Outside Corporate Auditor of the Company (to the present)</p> <p>(Significant positions concurrently held) Professor, Faculty of Urban Innovation, Asia University</p>	<p>500</p>
<p>Reason for election of the candidate for Outside Director</p> <p>Mr. Yasuhiro Goto has profound knowledge of Asian economics and industrial theory as a former editorial writer and senior staff writer at Nikkei Inc. and as a current university professor, and has garnered expert knowledge throughout his many years of experiences. Based on this, he gives us his useful opinions on the Company's management as an Outside Corporate Auditor. Going forward, we judge that he is suitable for achieving sustainable growth and improvement of corporate value of the Company utilizing his expert perspective as an Outside Director and propose him as a candidate for Outside Director. Even though he does not have experience of involvement in corporate management directly, we judge that he will perform his duties appropriately as an Outside Director, so we request that he be elected as an Outside Director for the above reasons.</p>		

- Notes:
1. No conflict of interest exists between the Company and the above candidate for Director.
  2. Mr. Yasuhiro Goto is a candidate for Outside Director.
  3. Mr. Yasuhiro Goto is an Outside Corporate Auditor of the Company, and he will have served in that capacity for three (3) years (until the conclusion of this Ordinary General Meeting of Shareholders). Mr. Yasuhiro Goto plans to resign as Outside Corporate Auditor at the conclusion of this Ordinary General Meeting of Shareholders.
  4. His attendance rate at meetings of the Board of Directors is based on attendance as an Outside Corporate Auditor.
  5. Upon the approval of the election of Mr. Yasuhiro Goto, the Company is scheduled to conclude an agreement with him to limit his liability stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation. The amount of damages under the said agreement will be limited within an amount prescribed by laws and regulations.
  6. The Company has designated Mr. Yasuhiro Goto as an Independent Corporate Auditor who will not have any conflicts of interest with the general shareholders as stipulated by provisions of the Tokyo Stock Exchange. If his election is approved, the Company will designate him as an Independent Director.

**Proposal No. 3:** Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors Takuma Ino and Takashi Suzuki will expire and Corporate Auditor Yasuhiro Goto will resign at the conclusion of this Ordinary General Meeting of Shareholders. We therefore propose that three (3) Corporate Auditors be elected.

The Board of Corporate Auditors has previously given its approval for this proposition.

The candidates for Corporate Auditor are as follows:


No.	Name	Gender	Attribute	Attendance rate at meetings of the Board of Directors (Attendance status)	Attendance rate at meetings of the Board of Corporate Auditors (Attendance status)	Number of years in office
1	Takuma Ino	Male	[Reelection] [Outside] [Independent]	100% (13 out of 13 times)	100% (8 out of 8 times)	8 years
2	Takashi Suzuki	Male	[Reelection] [Outside] [Independent]	100% (13 out of 13 times)	100% (8 out of 8 times)	4 years
3	Satoko Kimoto	Female	[New election] [Outside] [Independent]	–	–	–

New election: Candidate for new Corporate Auditor


Reelection: Candidate for Corporate Auditor to be reelected


Outside: Candidate for Outside Corporate Auditor

Independent: Independent corporate auditor as provided for by stock exchanges and other institutions

No.	Name (Date of birth)	Career summary, position and significant positions concurrently held	Number of Company's shares held
1	 <p>Takuma Ino (July 25, 1945)</p> <p>[Reelection] [Outside] [Independent] [Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (13 out of 13 times) ■ Attendance rate at meetings of the Board of Corporate Auditors 100% (8 out of 8 times)</p>	<p>Apr. 1970 Large Examination Division, Large Enterprise Examination and Criminal Investigation Department, National Tax Agency JAPAN</p> <p>June 2000 Deputy Commissioner, Collection Department, National Tax Agency JAPAN</p> <p>June 2001 Managing Director, Kansai International Airport Co., Ltd.</p> <p>June 2004 Standing Auditor, Takara Shuzo Co., Ltd.</p> <p>June 2005 Managing Director, Takara Shuzo Co., Ltd.</p> <p>July 2010 Established Takuma Ino Certified Tax Accountant Office (to the present)</p> <p>June 2012 Standing Outside Corporate Auditor of the Company</p> <p>June 2016 Outside Corporate Auditor of the Company (to the present)</p> <p>(Significant positions concurrently held) Head, Takuma Ino Certified Tax Accountant Office</p>	3,300
<p>Reason for election of the candidate for Outside Corporate Auditor</p> <p>Mr. Takuma Ino has acquired a wealth of experience through his engagement in tax administration and corporate management over many years, and he has substantial knowledge in tax affairs, finance, and accounting that he has garnered through this experience. He uses such outstanding skills to benefit the Company's audit system and help improve the quality of audits. In addition, we judge that he is highly independent from the Company's management. For these reasons, we request that Mr. Takuma Ino continue to serve as an Outside Corporate Auditor.</p>			



No.	Name (Date of birth)	Career summary, position and significant positions concurrently held	Number of Company's shares held
2	 <p>Takashi Suzuki (September 15, 1962)</p> <p>[Reelection] [Outside] [Independent] [Male]</p> <p>■ Attendance rate at meetings of the Board of Directors 100% (13 out of 13 times) ■ Attendance rate at meetings of the Board of Corporate Auditors 100% (8 out of 8 times)</p>	<p>Apr. 1988 Certified as a lawyer and joined Anderson Mōri &amp; Rabinowitz (currently Anderson Mōri &amp; Tomotsune)</p> <p>Jan. 1996 Established Takashi Suzuki Law Firm</p> <p>June 1999 Partner, Hamada &amp; Matsumoto (currently Mori Hamada &amp; Matsumoto)</p> <p>Sept. 2003 Partner, KYO SOGO LAW OFFICES (to the present)</p> <p>Oct. 2006 Outside Auditor, MONEY PARTNERS CO., LTD. (currently MONEY PARTNERS GROUP CO., LTD.)</p> <p>May 2008 Outside Auditor, MONEY PARTNERS SPIN-OFF PREPARATION CO., LTD. (currently MONEY PARTNERS CO., LTD.)</p> <p>June 2015 Outside Director (Audit and Supervisory Committee Member), MONEY PARTNERS GROUP CO., LTD.</p> <p>Aug. 2015 Supervisory Director, TAKARA LEBEN INFRASTRUCTURE FUND, INC. (to the present)</p> <p>June 2016 Outside Corporate Auditor of the Company (to the present)</p> <p>(Significant positions concurrently held) Partner, KYO SOGO LAW OFFICES Supervisory Director, TAKARA LEBEN INFRASTRUCTURE FUND, INC.</p>	400
<p>Reason for election of the candidate for Outside Corporate Auditor</p> <p>Mr. Takashi Suzuki has a wealth of experience as a lawyer and possesses substantial knowledge of securities, finance and general corporate law in particular. We have determined that his high-level legal advice from the standpoint of an expert in corporate law will strengthen our corporate governance. For these reasons, we request that Mr. Takashi Suzuki continue to serve as an Outside Corporate Auditor. For these reasons, we judge that he will perform his duties as an Outside Corporate Auditor appropriately and contribute to improving the quality of the auditing function even though he does not have experience of involvement in corporate management other than as an Outside Director/Outside Corporate Auditor, so we request that Mr. Takashi Suzuki be elected as an Outside Corporate Auditor.</p>			

No.	Name (Date of birth)	Career summary, position and significant positions concurrently held	Number of Company's shares held
3	 Satoko Kimoto (April 12, 1960) [New election] [Outside] [Independent] [Female]	Apr. 1983 Large Enterprise Division, Large Enterprise and Criminal Investigation Department, National Tax Agency July 2007 Assistant Regional Commissioner of First Taxation Department, Kanto-Shinetsu Regional Taxation Bureau July 2008 Assistant Regional Commissioner of Planning and Administration Department, Sendai Regional Taxation Bureau July 2010 Director of Consumption Tax Office, Taxation Management Division, Taxation Department, National Tax Agency July 2011 Director of Information Technology Office, Planning Division, Commissioner's Secretariat, National Tax Agency July 2014 Vice President, National Printing Bureau July 2018 Director-General, Nagoya National Tax Tribunal Apr. 2020 Visiting Professor of Graduate School of Accounting & Finance, Chiba University of Commerce (to the present) (Significant positions concurrently held) Visiting Professor of Graduate School of Accounting & Finance, Chiba University of Commerce	0
Reason for election of the candidate for Outside Corporate Auditor Ms. Satoko Kimoto possesses substantial knowledge and experience related to tax affairs, finance, and accounting that she has cultivated over many years in the field of tax administration. She is also highly independent from the Company's management. For these reasons, we have determined that she will provide objective, unbiased audits, so we request that Ms. Satoko Kimoto be elected as an Outside Corporate Auditor. Even though she does not have experience of involvement in corporate management, we judge that she will perform her duties appropriately as an Outside Corporate Auditor.			

- Notes:
1. No conflict of interest exists between the Company and the above candidates for Corporate Auditor.
  2. Mr. Takuma Ino, Mr. Takashi Suzuki and Ms. Satoko Kimoto are candidates for Outside Corporate Auditor.
  3. Mr. Takuma Ino will have served as Corporate Auditor for eight (8) years at the conclusion of this General Meeting of Shareholders.
  4. Mr. Takashi Suzuki will have served as Corporate Auditor for four (4) years at the conclusion of this General Meeting of Shareholders.
  5. The Company has concluded an agreement with Mr. Takuma Ino and Mr. Takashi Suzuki to limit their liability stipulated in Article 423, paragraph (1) of the Companies Act, in accordance with Article 427, paragraph (1) of the Act and the provisions of the Company's Articles of Incorporation. The Company is scheduled to continue the agreement with them upon the approval of their reelection. Furthermore, upon the approval of the election of Ms. Satoko Kimoto, the Company is scheduled to conclude a similar agreement with her. The amount of damages under the said agreement will be limited within an amount prescribed by laws and regulations.
  6. The Company has designated Mr. Takuma Ino and Mr. Takashi Suzuki as Independent Corporate Auditors who will not have any conflicts of interest with the general shareholders as stipulated by provisions of the Tokyo Stock Exchange. If their election is approved, the Company will continue to designate them both as Independent Corporate Auditors. Ms. Satoko Kimoto also satisfies the requirements for being independent as stipulated by provisions of Tokyo Stock Exchange, and the Company is scheduled to register her as an independent corporate auditor with the Tokyo Stock Exchange.

<<Reference 1>> Nominating Advisory Committee

The Company established the Nominating Advisory Committee chaired by an Outside Director as an advisory organ of the Board of Directors.

Regarding the nomination of Directors, Corporate Auditors, and Executive Officers, the committee contributes to ensuring the appropriateness of such elections and transparency of the decision-making process by recommending candidates after deliberating the expectations. The committee also deliberates on the independence of Outside Directors/Outside Corporate Auditors.

All candidates for this proposal have passed through the deliberation process of the same Committee.

<<Reference 2>> Independence Criteria for Outside Directors/Outside Corporate Auditors

The Company determines the independence of Independent Outside Directors/Outside Corporate Auditors based on both the requirements of the Companies Act and the criteria of the Tokyo Stock Exchange. Additionally, the Company emphasizes high-level expertise and rich experience enabling constructive advice for the improvement of corporate value as qualities of Outside Directors/Outside Corporate Auditors.

(REFERENCE)

## **Financial Highlights**

(Year ended March 31)

		March 2016	March 2017	March 2018	March 2019	March 2020
<b>1. Consolidated financial highlights</b>						
Net sales	(Millions of yen)	190,928	160,896	184,800	140,303	107,298
Ordinary income	(Millions of yen)	10,847	3,017	9,062	4,318	2,599
Net income attributable to owners of the parent	(Millions of yen)	6,833	1,088	4,265	(2,026)	1,565
Comprehensive income	(Millions of yen)	3,603	43	4,201	(1,558)	457
Net assets	(Millions of yen)	67,017	63,901	66,792	59,294	58,995
Total assets	(Millions of yen)	98,735	102,409	101,350	91,271	80,825
Net assets per share	(Yen)	2,350.26	2,316.09	2,412.06	2,404.10	2,369.46
Net income per share	(Yen)	255.44	41.16	165.78	(83.21)	69.15
Diluted net income per share	(Yen)	–	–	–	–	–
Equity ratio	(%)	63.7	58.2	61.2	59.5	66.5
Return on equity	(%)	11.0	1.8	7.0	(3.5)	2.9
Cash flows from operating activities	(Millions of yen)	24,057	4,372	8,153	17,961	11,092
Cash flows from investing activities	(Millions of yen)	(3,946)	(11,089)	(7,131)	(3,425)	516
Cash flows from financing activities	(Millions of yen)	(6,676)	1,690	(2,859)	(2,937)	(8,823)
Cash and cash equivalents, end of year	(Millions of yen)	17,858	12,037	10,150	21,524	23,930
<b>2. Standalone financial highlights</b>						
Net sales	(Millions of yen)	139,060	117,059	132,723	90,345	59,284
Ordinary income	(Millions of yen)	2,942	654	438	1,427	(2,053)
Net income	(Millions of yen)	3,096	933	504	772	338
Common stock	(Millions of yen)	6,770	6,770	6,770	6,770	6,770
Total number of shares outstanding	(Thousands of shares)	26,931	26,931	26,931	26,000	26,000
Net assets	(Millions of yen)	33,700	31,401	30,790	25,808	25,050
Total assets	(Millions of yen)	56,151	61,054	59,745	52,411	42,093
Net assets per share	(Yen)	1,259.64	1,220.44	1,196.71	1,141.61	1,103.85
Annual dividends per share [Interim dividends per share]	(Yen)	50.00 [25.00]	40.00 [15.00]	55.00 [20.00]	20.00 [10.00]	35.00 [15.00]
Net income per share	(Yen)	115.73	35.31	19.61	31.72	14.95
Equity ratio	(%)	60.0	51.4	51.5	49.2	59.5
Return on equity	(%)	9.4	2.9	1.6	2.7	1.3
Payout ratio	(%)	43.2	113.3	280.5	63.1	234.1

Notes: 1. The financial highlights are not presented in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

2. Moreover, some of the figures in this document have been prepared based on financial statements, which are not included in the original Notice of the Ordinary General Meeting of Shareholders in Japanese.

3. Figures have been prepared in accordance with the accounting principles generally accepted in Japan, which are different in certain respects from application and disclosure requirements of the International Financial Reporting Standards.

## Consolidated Balance Sheet

(as of March 31, 2020)

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Account item	Amount	Account item	Amount
<b>Current assets</b>	<b>59,952</b>	<b>Current liabilities</b>	<b>17,783</b>
Cash and deposits	14,770	Notes and accounts payable—trade	7,390
Notes and accounts receivable—trade	14,852	Short-term bank loans	2,138
Electronically recorded monetary claims-operating	293	Current portion of long-term debt	1,766
Securities	10,098	Accounts payable—other	2,782
Finished goods	11,856	Income taxes payable	646
Raw materials	4,342	Accrued expenses	1,739
Work in process	1,293	Reserve for bonuses	549
Supplies	131	Other	770
Accounts receivable—other	921	<b>Long-term liabilities</b>	<b>4,047</b>
Other	1,424	Long-term debt	2,637
Allowance for doubtful accounts	(31)	Deferred tax liabilities	633
<b>Non-current assets</b>	<b>20,872</b>	Liability for employees' retirement benefits	63
<b>Property, plant and equipment</b>	<b>17,980</b>	Liability for director's retirement benefits	16
Buildings and structures	8,127	Provisions for stock benefit program	121
Machinery and equipment	5,382	Asset retirement obligations	249
Furniture and fixtures	1,787	Other	323
Land	1,435	<b>Total liabilities</b>	<b>21,830</b>
Construction in progress	1,247	<b>Net assets</b>	
<b>Intangible assets</b>	<b>217</b>	<b>Shareholders' equity</b>	<b>55,335</b>
Software	98	Common stock	6,770
Other	118	Capital surplus	7,957
<b>Investments and other assets</b>	<b>2,675</b>	Retained earnings	45,696
Investment securities	1,297	Treasury stock	(5,089)
Long-term prepaid expenses	112	<b>Accumulated other comprehensive income</b>	<b>(1,563)</b>
Asset for employees' retirement benefits	715	Unrealized gain on available-for-sale securities	126
Deferred tax assets	263	Foreign currency translation adjustment	(1,281)
Other	286	Remeasurements of defined benefit plans	(409)
		<b>Non-controlling interests</b>	<b>5,224</b>
		<b>Total net assets</b>	<b>58,995</b>
<b>Total assets</b>	<b>80,825</b>	<b>Total liabilities and net assets</b>	<b>80,825</b>

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

## Consolidated Statement of Income

(from April 1, 2019 to March 31, 2020)

(Millions of yen)

Account item	Amount	
Net sales		107,298
Cost of sales		92,611
<b>Gross profit</b>		<b>14,687</b>
Selling, general and administrative expenses		12,623
<b>Operating income</b>		<b>2,064</b>
Non-operating income:		
Interest income	287	
Dividend income	406	
Miscellaneous income	412	1,106
Non-operating expenses:		
Interest expenses	128	
Foreign currency exchange loss	273	
Miscellaneous loss	168	571
<b>Ordinary income</b>		<b>2,599</b>
Extraordinary income:		
Gain on sales of property, plant and equipment	2,952	
Gain on sales of investment securities	882	
Government subsidy	298	4,133
Extraordinary losses:		
Loss on impairment of long-lived assets	2,529	
Special retirement expenses	956	3,485
<b>Income before income taxes</b>		<b>3,247</b>
Income taxes—current	1,018	
Income taxes—deferred	89	1,108
<b>Net income</b>		<b>2,139</b>
Net income attributable to non-controlling interests		574
<b>Net income attributable to owners of the parent</b>		<b>1,565</b>

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

## Consolidated Statement of Changes in Shareholders' Equity

(from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2019	6,770	7,961	44,813	(5,222)	54,322
Changes during the fiscal year					
Cash dividends paid			(681)		(681)
Net loss attributable to owners of the parent			1,565		1,565
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(3)		133	129
Net change in items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	-	(3)	883	133	1,012
Balance, March 31, 2020	6,770	7,957	45,696	(5,089)	55,335

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance, April 1, 2019	677	(161)	(488)	27	4,944	59,294
Changes during the fiscal year						
Cash dividends paid						(681)
Net loss attributable to owners of the parent						1,565
Purchase of treasury stock						(0)
Disposal of treasury stock						129
Net change in items other than shareholders' equity during the fiscal year	(550)	(1,119)	79	(1,591)	279	(1,311)
Total changes during the fiscal year	(550)	(1,119)	79	(1,591)	279	(298)
Balance, March 31, 2020	126	(1,281)	(409)	(1,563)	5,224	58,995

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

## Standalone Balance Sheet

(as of March 31, 2020)

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Account item	Amount	Account item	Amount
<b>Current assets</b>	<b>25,059</b>	<b>Current liabilities</b>	<b>14,170</b>
Cash and deposits	2,741	Account payable—trade	11,103
Notes receivable—trade	5	Short-term bank loans	200
Electronically recorded monetary claims-operating	175	Current portion of long-term debt	1,275
Account receivable—trade	9,117	Accounts payable—other	686
Securities	6,999	Income taxes payable	254
Finished goods	3,178	Accrued expenses	172
Raw materials and supplies	154	Advance received	0
Prepaid expenses	66	Deposits received	33
Short-term loans receivable	2,363	Reserve for bonuses	444
Accounts receivable—other	256	Other	0
Other	2	<b>Long-term liabilities</b>	<b>2,872</b>
Allowance for doubtful accounts	(0)	Long-term debt	2,093
<b>Non-current assets</b>	<b>17,034</b>	Provisions for stock benefit program	121
<b>Property, plant and equipment</b>	<b>2,215</b>	Deferred tax liabilities	399
Buildings	2,068	Asset retirement obligations	249
Land	128	Other	7
Construction in progress	19	<b>Total liabilities</b>	<b>17,043</b>
<b>Investments and other assets</b>	<b>14,818</b>	<b>Net assets</b>	
Investment securities	1,025	<b>Shareholders' equity</b>	<b>24,932</b>
Stocks of subsidiaries and affiliates	12,639	Common stock	6,770
Long-term loans receivable	326	Capital surplus	7,957
Prepaid pension cost	1,030	Capital reserve	6,896
Other	122	Other capital surplus	1,060
Allowance for doubtful accounts	(326)	Retained earnings	15,293
		Legal reserve	373
		Other retained earnings	14,919
		Reserve for special depreciation	11
		General reserve	4,700
		Retained earnings brought forward	10,207
		Treasury stock	(5,089)
		<b>Valuation and translation adjustments</b>	<b>118</b>
		Net unrealized gain on securities	118
		<b>Total net assets</b>	<b>25,050</b>
<b>Total assets</b>	<b>42,093</b>	<b>Total liabilities and net assets</b>	<b>42,093</b>

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.



## Standalone Statement of Income

(from April 1, 2019 to March 31, 2020)

(Millions of yen)

Account item	Amount	
Net sales		59,284
Cost of sales		57,154
<b>Gross profit</b>		<b>2,130</b>
Selling, general and administrative expenses		5,052
<b>Operating loss</b>		<b>(2,921)</b>
Non-operating income:		
Interest and dividend income	1,414	
Miscellaneous income	88	1,503
Non-operating expenses:		
Interest expenses	8	
Foreign currency exchange loss	279	
Provision of allowance for doubtful accounts	326	
Miscellaneous loss	20	634
<b>Ordinary loss</b>		<b>(2,053)</b>
Extraordinary income:		
Gain on sales of property, plant and equipment	2,706	
Gain on sales of investment securities	882	3,588
Extraordinary losses:		
Loss on impairment of long-lived assets	977	977
<b>Income before income taxes</b>		<b>557</b>
Income taxes—current	239	
Income taxes—deferred	(20)	218
<b>Net income</b>		<b>338</b>

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

## Standalone Statement of Changes in Shareholders' Equity

(from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance, April 1, 2019	6,770	6,896	1,064	7,961
Changes during the fiscal year				
Reversal of reserve for special depreciation				
Cash dividends paid				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			(3)	(3)
Net change in items other than shareholders' equity during the fiscal year				
Net change in the year	–	–	(3)	(3)
Balance, March 31, 2020	6,770	6,896	1,060	7,957

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal reserve	Other retained earnings			Total retained earnings		
		Reserve for special depreciation	General reserve	Retained earnings brought forward			
Balance, April 1, 2019	373	17	4,700	10,544	15,636	(5,222)	25,145
Changes during the fiscal year							
Reversal of reserve for special depreciation		(5)		5	–		–
Cash dividends paid				(681)	(681)		(681)
Net income				338	338		338
Purchase of treasury stock						(0)	(0)
Disposal of treasury stock						133	129
Net change in items other than shareholders' equity during the fiscal year							
Net change in the year	–	(5)	–	(337)	(343)	133	(213)
Balance, March 31, 2020	373	11	4,700	10,207	15,293	(5,089)	24,932

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain on securities	Total valuation and translation adjustments	
Balance, April 1, 2019	662	662	25,808
Changes during the fiscal year			
Reversal of reserve for special depreciation			–
Cash dividends paid			(681)
Net income			338
Purchase of treasury stock			0
Disposal of treasury stock			129
Net change in items other than shareholders' equity during the fiscal year	(544)	(544)	(544)
Net change in the year	(544)	(544)	(758)
Balance, March 31, 2020	118	118	25,050

Note: Figures less than ¥1,000,000 are rounded down to the nearest ¥1,000,000.