

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2020	28,218	(16,659)	(6,428)	44,439
March 31, 2019	13,048	(16,955)	(5,991)	41,753

2. Cash Dividends

	Cash dividends per share for the fiscal year (yen)				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen —	Yen 10.21	Yen —	Yen 10.99	Yen 21.20
Fiscal year ended March 31, 2020	—	7.51	—	7.04	14.55
Fiscal year ending March 31, 2021 (Forecast)	—	—	—	—	—

Note: Dividends for the fiscal year ending March 31, 2021 have yet to be determined.

	Amount of dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	Million yen	%	%
Fiscal year ended March 31, 2019	6,010	25.0	3.1
Fiscal year ended March 31, 2020	4,128	25.0	2.0
Fiscal year ending March 31, 2021 (Forecast)		—	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

With respect to the consolidated business forecast for the fiscal year ending March 2021, it is necessary to scrutinize what impact the COVID-19 pandemic has had and will have on investment demand in the manufacturing industry, as well as customers' operations. For the time being, it is difficult to make a rational calculation, and therefore pending.

Going forward, we will disclose consolidated business forecast as soon as practicably possible, when such calculations become possible.

*** Notes:**

- (1) Changes in significant consolidated subsidiaries during the fiscal year: Yes
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: MISUMI TREASURY SINGAPORE PTE. LTD.
Excluded : None

(Note) Please see page 13 “3. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements (Changes in scope of consolidation or scope of equity method)” for details.

- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(Note) Please see page 13 “3. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements (Changes in accounting policies)” for details.

- (3) Total number of shares outstanding (common shares)
1) Total number of shares outstanding at the end of the fiscal year (including treasury stock):
As of March 31, 2020 : 284,028,197 shares
As of March 31, 2019 : 283,756,497 shares

2) Total number of treasury stock at the end of the fiscal year:
As of March 31, 2020 : 129,616 shares
As of March 31, 2019 : 129,626 shares

3) Weighted average number of shares outstanding during the fiscal year:
Fiscal year ended March 31, 2020 : 283,700,700 shares
Fiscal year ended March 31, 2019 : 283,426,313 shares

(Reference) Overview of Non-consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2020	23,608	(10.1)	4,051	(10.8)	4,177	(10.2)	3,885	(11.3)
March 31, 2019	26,248	9.4	4,542	(27.4)	4,653	(30.0)	4,379	(31.8)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2020	13.70		13.65	
March 31, 2019	15.45		15.39	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of March 31, 2020	71,849		63,755		86.6		219.07	
As of March 31, 2019	70,070		64,472		90.1		222.62	

(Reference) Shareholders' equity: As of March 31, 2020: ¥62,194 million
As of March 31, 2019: ¥63,140 million

* These financial results are outside the scope of audit by certified public accountants or audit corporations.

* Explanation on the appropriate use of forecasts and other notes

· With respect to the consolidated business forecast for the fiscal year ending March 2021, it is necessary to scrutinize what impact the COVID-19 pandemic has had and will have on investment demand in the manufacturing industry, as well as customers' operations. For the time being, it is difficult to make a rational calculation, and therefore pending.

Going forward, we will disclose consolidated business forecast as soon as practicably possible, when such calculations become possible.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year

The global economy during FY2019 was mired by harsh circumstances, namely the prolonged US-China trade conflict causing restraint on capital expenditures and operation; in addition to the impact caused by the spread of COVID-19 pandemic around the fiscal year end period. Automotive demand in principal countries remained sluggish, and in Japan, impact from decrease in export of production machinery was apparent.

Even in such economic environment, MISUMI Group is leveraging its unique business model, which encompasses both manufacturing and distribution businesses, and by advancing the business foundation that supports these businesses globally, we are contributing to the manufacturing industry worldwide by responding to customer's reliable quick delivery needs. Innovations to our business model was sought throughout this fiscal year, to be better adapted to the world's evolving "digital manufacturing" trend that is ever accelerating; all the while continuing to carefully select themes for making investments geared towards strengthening the IT and logistics infrastructure.

Also, when the operation in China faced temporary suspension due to the impact of COVID-19 taking place around the fiscal year end period, steady provision of products meeting customers' needs for reliable and quick delivery was made possible by leveraging our global network. Shipments were made out from Japan and Vietnam instead, where the same products of those from China can be manufactured. However, both sales and profits decreased year-on-year mainly due to continued sluggish capital investment demand and operations in the manufacturing industry.

Consequently, consolidated net sales was ¥313,337 million, (5.6% decrease year-on-year). In terms of profit, decrease in sales volume, continued upfront investments which are carefully selected for sustainable growth both impacted upon profits. Subsequently, operating income was ¥23,640 million, (25.8% decrease year-on-year), and ordinary income was ¥23,245 million, (26.9% decrease year-on-year). Net income attributable to owners of parent was ¥16,504 million (31.3% decrease year-on-year).

(Million yen)

	Net Sales			Operating Income		
	Previous Consolidated fiscal year	Current Consolidated fiscal year	Percentage Change (%)	Previous Consolidated fiscal year	Current Consolidated fiscal year	Percentage Change (%)
Factory Automation (FA) Business	109,230	99,403	(9.0)	18,835	12,578	(33.2)
Die Components Business	76,443	72,413	(5.3)	6,109	5,009	(18.0)
VONA Business	146,262	141,519	(3.2)	6,929	6,052	(12.7)
Total	331,936	313,337	(5.6)	31,874	23,640	(25.8)

① Factory Automation (FA) Business

In the FA business, excluding the Americas, sluggish capital investment demand and operations continued in principal countries especially in Japan, caused net sales to be ¥99,403 million (9.0% decrease year-on-year). Operating income was ¥12,578 million (33.2% decrease year-on-year) impacted by decline in sales, and upfront investments which are carefully selected, aimed at strengthening the business foundation.

② Die Components Business

Despite mostly steady sales activities in Southeast Asia, net sales in the Die components business was ¥72,413 million (5.3% decrease year-on-year) due to sluggish market conditions in the automotive related sectors in regions elsewhere. Operating income was ¥5,009 million (18.0% decrease year-on-year) impacted by decline in sales, and upfront investments which are carefully selected, aimed at strengthening the business foundation.

③ VONA Business

VONA business is MISUMI Group's sales and distribution business of production facilities related components, production auxiliary materials and MRO* products. This business segment includes MISUMI brand products, as well as third party manufacturer's products. Enhanced product lineup continued to support business growth. Items handled reached 31 million globally as at the end of FY2019. These efforts coupled with carrying out proactive sales expansion measures resulted in sales expansion in the Americas, Southeast Asia and Europe, but could not compensate for the slowdown in Japan and China. Consequently, net sales was ¥141,519 million (3.2% decrease year-on-year). Notwithstanding profit improvement measures taking effect, decreased sales and carefully selected investments made geared towards fortifying the reliable quick delivery system, resulted in the operating income to be ¥6,052 million (12.7% decrease year-on-year).

*MRO: Maintenance, repair, and operations; i.e. expendable supplies/ consumables

(2) Overview of Financial Position for the Fiscal Year

• Assets, liabilities and net assets

1) Assets

Total assets as of the end of fiscal year was ¥264,684 million, an increase of ¥12,291 million (4.9%) compared to the previous year-end. Current assets was ¥176,395 million, an increase of ¥774 million (0.4%). This was mainly attributable to an increase of ¥3,710 million (8.7%) in merchandise and finished goods and ¥962 million (1.9%) in cash and deposits, while notes and accounts receivable – trade decreased by ¥4,074 million (6.1%). Non-current assets was ¥88,289 million, an increase of ¥11,516 million (15.0%). Property, plant and equipment was ¥45,503 million, an increase of ¥7,866 million (20.9%). This was mainly attributable to an increase of ¥5,147 million in right-of-use assets, net as a result of application of IFRS 16 “Leases” to certain overseas consolidated subsidiaries from the current fiscal year. Intangible assets increased ¥2,672 million (9.0%) to ¥32,334 million. Investments and other assets increased ¥977 million (10.3%) to ¥10,451 million.

2) Liabilities

Total liabilities amounted to ¥53,054 million, an increase of ¥6,085 million (13.0%) compared to the previous year-end. Current liabilities was ¥40,592 million, an increase of ¥1,071 million (2.7%). This was mainly attributable to an increase of ¥1,662 million in lease obligations as a result of application of IFRS 16 “Leases” to certain overseas consolidated subsidiaries as mentioned above, while there was a decrease of ¥770 million (4.2%) in notes and accounts payable – trade and ¥116 million (4.2%) in income taxes payable. Long-term liabilities was ¥12,462 million, mainly due to increases of ¥3,528 million in lease obligations and ¥582 million (10.7%) in liability for retirement benefits.

As a result, the current ratio was 4.3 times, and the company maintained high stability.

3) Net assets

Total net assets amounted to ¥211,630 million, an increase of ¥6,205 million (3.0%) compared to the previous year-end. This was mainly because shareholders' equity increased ¥11,673 million (5.8%) mainly due to an increase of ¥11,257 million (6.8%) in retained earnings, although accumulated other comprehensive income including foreign currency translation adjustments decreased ¥5,679 million.

As a result, the equity ratio was 79.2%, compared to 80.6% at the end of the previous year.

(3) Overview of Cash Flows for the Fiscal Year

• Cash flows

At the end of the fiscal year, cash and cash equivalents amounted to ¥44,439 million, an increase of ¥2,686 million compared to the previous year-end.

1) Cash flows from operating activities

Cash inflows from operating activities was ¥28,218 million, an increase of ¥15,170 million compared to the previous year.

The breakdown of cash flows from operating activities is as follows. Income before income taxes was ¥22,781 million. Depreciation and amortization was ¥13,070 million. A decrease in notes and accounts receivable - trade was ¥2,486 million. An increase in inventories was ¥5,151 million. A decrease in notes and accounts payable - trade was ¥341 million. Income taxes paid was ¥7,024 million.

2) Cash flows from investing activities

Cash outflows from investing activities was ¥16,659 million, a decrease of ¥295 million compared to the previous year. The breakdown of cash flows from investing activities is as follows. The purchase of fixed assets was ¥18,442 million. Payments into time deposits was ¥8,291 million. Refund from time deposits was ¥9,987 million. Payments for lease and guarantee deposits was ¥692 million.

3) Cash flows from financing activities

Cash outflows from financing activities was ¥6,428 million, an increase of ¥436 million compared to the previous year. The main item of cash flows from financing activities was dividends pay-out of ¥5,247 million.

(Reference) Trend of cash flow indicators

	Fiscal year ended March 2016	Fiscal year ended March 2017	Fiscal year ended March 2018	Fiscal year ended March 2019	Fiscal year ended March 2020
Equity ratio (%)	72.8	72.9	76.1	80.6	79.2
Equity ratio (market value basis) (%)	227.7	261.5	339.9	309.3	252.6
Interest-bearing debt to cash flow ratio (%)	67.4	53.3	0.4	—	18.4
Interest coverage ratio (times)	5,179.8	4,972.6	21,868.1	8,853.9	360.1

1. Equity ratio: Shareholders' equity / Total assets
2. Equity ratio (market value basis): Total market capitalization / Total assets
3. Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows
4. Interest coverage ratio: Cash flows / Interest expenses

Notes:

1. All indicators are calculated using consolidated financial figures.
2. Total market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury stock) as of that date.
3. Cash flows are cash flows from operating activities stated in the consolidated statements of cash flows. Interest-bearing debt includes convertible bonds and lease obligations according to application of IFRS16 "Leases" from the fiscal year ended March 31, 2020. Interest expenses are interest expenses paid stated in the consolidated statements of cash flows.

(4) Future Outlook

Prolonged US-China trade conflict coupled with the spread of COVID-19 pandemic, are causing uncertainties to global economies, including Japan. With the highest priority being placed on ensuring the health and safety of our employees, MISUMI Group set up a response task force headquarter, monitoring the health status of our global employees and their families on a daily basis. In the meantime, we are fulfilling our supply responsibilities to our customers with best endeavors, in terms of production, logistics and customer support.

Since our customers represent a wide array of industries, including medical devices, pharmaceuticals, food manufacturing and so on, we believe that it is our social responsibility to supply products necessary in maintaining critical 'lifelines'. We will steadily meet customers' needs for reliable and quick delivery by continuing to supply products, utilizing the strong business foundation established so far, such as a production system where same items can be manufactured elsewhere within the global production network.

Going forward, while thoroughly implementing infection control measures both inside and outside the Company, we will continue to leverage the strength of our "globally reliable quick delivery" that can respond immediately to environmental changes. Carefully selected investments will continue to be made in anticipation of ever accelerating "digital manufacturing" trend, while also striving to bring about business model innovation geared towards sustainable growth for when business conditions recover.

With respect to the consolidated business forecast for the fiscal year ending March 2021, it is necessary to scrutinize what impact the COVID-19 pandemic has had and will have on investment demand in the manufacturing industry, as well as customers' operations. For the time being, it is difficult to make a rational calculation, and therefore pending.

Going forward, we will disclose consolidated business forecast as soon as practicably possible, when such calculations become possible.

2. Basic Policy Regarding Selection of Accounting Standards

The Group intends to consider adopting the International Financial Reporting Standards (IFRS) in view of the trend of the ratio of foreign shareholders and the trend in IFRS adoption by other companies in Japan from now on.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	50,684	51,646
Notes and accounts receivable - trade	67,252	63,178
Merchandise and finished goods	42,795	46,506
Work in process	2,372	2,391
Raw materials and supplies	6,564	6,280
Income taxes receivable	463	776
Other	5,692	5,857
Allowance for doubtful accounts	(205)	(242)
Total current assets	175,620	176,395
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,843	22,685
Accumulated depreciation	(9,283)	(10,216)
Buildings and structures, net	10,560	12,469
Machinery, equipment and vehicles	30,118	33,342
Accumulated depreciation	(16,099)	(17,998)
Machinery, equipment and vehicles, net	14,018	15,344
Land	3,758	4,249
Right-of-use assets	—	6,856
Accumulated depreciation	—	(1,708)
Right-of-use assets, net	—	5,147
Construction in progress	6,926	5,844
Other	6,809	7,441
Accumulated depreciation	(4,437)	(4,993)
Other, net	2,371	2,447
Total property, plant and equipment	37,637	45,503
Intangible assets		
Software	22,186	25,734
Other	7,475	6,600
Total intangible assets	29,661	32,334
Investments and other assets		
Investment securities	6	6
Deferred tax assets	5,346	5,737
Other	4,308	4,914
Allowance for doubtful accounts	(186)	(206)
Total investments and other assets	9,474	10,451
Total non-current assets	76,772	88,289
Total assets	252,393	264,684

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,218	17,448
Lease obligations	0	1,663
Accounts payable - other	10,150	9,961
Income taxes payable	2,774	2,658
Provision for bonuses	2,549	2,463
Provision for directors' bonuses	35	30
Other	5,790	6,365
Total current liabilities	39,520	40,592
Long-term liabilities		
Lease obligations	0	3,529
Deferred tax liabilities	1,317	1,353
Liability for retirement benefits	5,425	6,008
Other	704	1,571
Total long-term liabilities	7,448	12,462
Total liabilities	46,968	53,054
Net assets		
Shareholders' equity		
Common stock	13,023	13,231
Capital surplus	23,378	23,586
Retained earnings	166,060	177,317
Treasury stock	(78)	(78)
Total shareholders' equity	202,384	214,057
Accumulated other comprehensive income		
Foreign currency translation adjustments	1,211	(4,455)
Defined retirement benefit plans	(75)	(88)
Total accumulated other comprehensive income	1,135	(4,543)
Stock acquisition rights	1,331	1,560
Non-controlling interests	572	555
Total net assets	205,424	211,630
Total liabilities and net assets	252,393	264,684

(2) Consolidated Statement of Income and Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	331,936	313,337
Cost of sales	189,846	179,751
Gross profit	142,090	133,585
Selling, general and administrative expenses	110,215	109,944
Operating income	31,874	23,640
Non-operating income		
Interest income	276	276
Share of profit of entities accounted for using equity method	60	50
Insurance premiums refunded	143	—
Miscellaneous income	310	342
Total non-operating income	791	670
Non-operating expenses		
Interest expenses	1	78
Sales discounts	87	72
Foreign exchange losses	608	683
Loss on retirement of non-current assets	61	138
Miscellaneous loss	91	92
Total non-operating expenses	850	1,065
Ordinary income	31,815	23,245
Extraordinary losses		
Impairment loss	—	464
Total extraordinary losses	—	464
Income before income taxes	31,815	22,781
Income taxes - current	7,641	6,665
Income taxes - deferred	75	(415)
Income taxes	7,717	6,249
Net income	24,098	16,531
Net income attributable to non-controlling interests	64	27
Net income attributable to owners of parent	24,034	16,504

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net income	24,098	16,531
Other comprehensive income (loss)		
Foreign currency translation adjustments	(105)	(5,696)
Defined retirement benefit plans	7	(12)
Share of other comprehensive income (loss) in associates	(11)	(6)
Total other comprehensive income	(109)	(5,715)
Comprehensive income	23,988	10,816
Comprehensive income attributable to		
Owners of parent	23,961	10,824
Non-controlling interests	27	(8)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	12,812	23,201	148,059	(77)	183,994
Changes of items during fiscal year					
Issuance of new shares	211	211	—	—	422
Dividends of surplus	—	—	(6,032)	—	(6,032)
Net income attributable to owners of parent	—	—	24,034	—	24,034
Changes in scope of consolidation	—	(33)	—	—	(33)
Purchase of treasury stock	—	—	—	(0)	(0)
Disposal of treasury stock	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during fiscal year	211	177	18,001	(0)	18,390
Balance at end of fiscal year	13,023	23,378	166,060	(78)	202,384

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	1,291	(83)	1,208	986	529	186,719
Changes of items during fiscal year						
Issuance of new shares	—	—	—	—	—	422
Dividends of surplus	—	—	—	—	—	(6,032)
Net income attributable to owners of parent	—	—	—	—	—	24,034
Changes in scope of consolidation	—	—	—	—	—	(33)
Purchase of treasury stock	—	—	—	—	—	(0)
Disposal of treasury stock	—	—	—	—	—	—
Net changes of items other than shareholders' equity	(80)	7	(73)	344	43	314
Total changes of items during fiscal year	(80)	7	(73)	344	43	18,705
Balance at end of fiscal year	1,211	(75)	1,135	1,331	572	205,424

Fiscal year ended March 31, 2020 (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 at beginning of fiscal year	13,023	23,378	166,060	(78)	202,384
Changes of items during fiscal year					
Issuance of new shares	208	208	—	—	416
Dividends of surplus	—	—	(5,247)	—	(5,247)
Net income attributable to owners of parent	—	—	16,504	—	16,504
Changes in scope of consolidation	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—
Disposal of treasury stock	—	—	—	0	0
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during fiscal year	208	208	11,257	0	11,673
Balance at end of fiscal year	13,231	23,586	177,317	(78)	214,057

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	1,211	(75)	1,135	1,331	572	205,424
Changes of items during fiscal year						
Issuance of new shares	—	—	—	—	—	416
Dividends of surplus	—	—	—	—	—	(5,247)
Net income attributable to owners of parent	—	—	—	—	—	16,504
Changes in scope of consolidation	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	—
Disposal of treasury stock	—	—	—	—	—	0
Net changes of items other than shareholders' equity	(5,666)	(12)	(5,679)	229	(17)	(5,467)
Total changes of items during fiscal year	(5,666)	(12)	(5,679)	229	(17)	6,205
Balance at end of fiscal year	(4,455)	(88)	(4,543)	1,560	555	211,630

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Cash flows from operating activities		
Income before income taxes	31,815	22,781
Depreciation and amortization	8,840	13,070
Impairment loss	—	464
Increase (decrease) in liability for retirement benefits	556	577
Increase (decrease) in provision for bonuses	(982)	(14)
Increase (decrease) in provision for directors' bonuses	(225)	(5)
Increase (decrease) in allowance for doubtful accounts	(111)	73
Interest and dividend income	(282)	(282)
Interest expenses	1	78
Share-based compensation expenses	626	626
Foreign exchange (gains) losses	(14)	(75)
Share of (profit) loss of entities accounted for using equity method	(60)	(50)
Insurance premiums refunded	(143)	—
(Increase) decrease in notes and accounts receivable - trade	(1,529)	2,486
(Increase) decrease in inventories	(10,345)	(5,151)
Increase (decrease) in accounts payable - other	(3,633)	(115)
(Increase) decrease in consumption taxes refund receivable	133	39
Increase (decrease) in notes and accounts payable - trade	(1,699)	(341)
(Increase) decrease in other assets	(1,314)	(406)
Increase (decrease) in other liabilities	81	1,244
Subtotal	21,714	35,000
Interest and dividend income received	383	270
Interest expenses paid	(1)	(78)
Insurance premiums received	143	—
Income taxes refund	191	50
Income taxes paid	(9,383)	(7,024)
Net cash provided by operating activities	13,048	28,218
Cash flows from investing activities		
Purchase of fixed assets	(21,414)	(18,442)
Proceeds from sales of fixed assets	46	475
Payments into time deposits	(27,940)	(8,291)
Refund from time deposits	32,920	9,987
Payments for lease and guarantee deposits	(1,051)	(692)
Proceeds from collection of lease and guarantee deposits	415	123
Other, net	69	180
Net cash used in investing activities	(16,955)	(16,659)
Cash flows from financing activities		
Proceeds from issuance of stock	50	416
Repayments of lease obligations	—	(1,597)
Dividends paid	(6,032)	(5,247)
Other, net	(10)	0
Net cash used in financing activities	(5,991)	(6,428)
Effect of exchange rate change on cash and cash equivalents	(60)	(2,443)
Net increase (decrease) in cash and cash equivalents	(9,959)	2,686
Cash and cash equivalents at beginning of fiscal year	51,713	41,753
Cash and cash equivalents at end of fiscal year	41,753	44,439

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Changes in scope of consolidation or scope of equity method)

In the current fiscal year, MISUMI TREASURY SINGAPORE PTE. LTD., MISUMI Investment (Shanghai) Co., Ltd., MISUMI (Shanghai) Supply Chain Management Co., Ltd. and Suruga Seiki (Foshan) Co., Ltd. were established and included in the scope of consolidation. MISUMI TREASURY SINGAPORE PTE. LTD. is a specified subsidiary of the Company.

(Changes in accounting policies)

MISUMI Group has applied IFRS 16 “Leases” from the beginning of current fiscal year to certain overseas consolidated subsidiaries and record assets and liabilities on the consolidated balance sheet, in principle, for all leases as lessees' accounting treatment. The Group adopts a method to recognize the cumulative effect of adoption of this new accounting standard, which is recognized as a transitional measure, on the initial date of adoption.

As a result of having applied this standard, “right-of-use assets, net” under property, plant and equipment increased by ¥5,147 million, “lease obligations” under current liabilities increased by ¥1,662 million, and “lease obligations” under long-term liabilities increased by ¥3,528 million.

The application of this standard had no material effect on profit or loss in the financial results or on per share information for the current fiscal year.

Regarding the current fiscal year's consolidated statement of cash flows, cash flows from operating activities increased by ¥1,597 million and cash flows from financing activities decreased by the same amount.

(Changes in presentation)

(Related to consolidated balance sheet)

In the previous fiscal year, “lease obligations,” included in “other” under current liabilities and long-term liabilities, increased importance in monetary terms, and therefore it is stated as a separate item in the current fiscal year. The consolidated financial statements for the previous fiscal year have been adjusted in order to reflect this change in presentation.

As a result, the ¥5,791 million stated as “other” under current liabilities in the consolidated balance sheet for the previous fiscal year has been reclassified to ¥0 million as “lease obligations” and ¥5,790 million as “other.” The ¥705 million stated as “other” under long-term liabilities in the consolidated balance sheet for the previous fiscal year has been reclassified to ¥0 million as “lease obligations” and ¥704 million as “other.”

(Related to consolidated statement of income)

In the previous fiscal year, “loss on retirement of non-current assets,” included in “miscellaneous loss” under non-operating expenses, exceeded 10% of total non-operating expenses, and therefore it is stated as a separate item in the current fiscal year. The consolidated financial statements for the previous fiscal year have been adjusted in order to reflect this change in presentation.

As a result, the ¥152 million stated as “miscellaneous loss” under non-operating expenses in the consolidated statement of income for the previous fiscal year has been reclassified to ¥61 million as “loss on retirement of non-current assets” and ¥91 million as “miscellaneous loss.”

(Segment information)

[Segment information]

1. Description of reportable segments

Reportable segments are parts of the Group whose financial data can be obtained separately. The Board of Directors reviews the financial data periodically to evaluate earnings and determine how to allocate business resources.

The Group consists of MISUMI Group Inc. (the Company), 49 consolidated subsidiaries, 1 non-consolidated subsidiary and 2 affiliated companies, operating in three business segments: FA Business, Die Components Business and VONA Business.

“FA Business” develops and provides standard components that help streamline production and save labor costs in a production system such as factory automation as well as auto locating modules for high-precision production equipment. Various optics research and experimental equipment and components for production equipment, which change due to digitalization of electronic devices, are also developed and offered.

“Die Components Business” serves the automotive, electronics, and electrical machinery industries by developing and supplying standardized die components for metal press and plastic injection molding applications and precision die components.

“VONA Business” provides third-party brands alongside original MISUMI-branded products mainly through online sales. It provides indirect materials or MRO (consumables) as well as production equipment.

2. Method of computing net sales, income/loss and assets/liabilities by reportable segment

Accounting treatment applied for reportable business segments is consistent with those described in “Basis of Presentation of Consolidated Financial Statements”.

Income of reportable segments is presented on an operating income basis.

3. Net sales, income/loss and assets/liabilities by reportable segment

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable Segments				Adjustments	Consolidated
	FA Business	Die Components Business	VONA Business	Total		
Net sales						
Sales to customers	109,230	76,443	146,262	331,936	–	331,936
Internal sales to other segments	–	–	–	–	–	–
Total	109,230	76,443	146,262	331,936	–	331,936
Segment income	18,835	6,109	6,929	31,874	–	31,874

Segment income before amortization of goodwill*	18,835	6,725	6,929	32,490	–	32,490
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*(Note)

Amortization of other intangible assets related to the acquisition of Dayton Lamina Corporation was added back to Segment income.

(Note) For the Group's internal management, assets (or liabilities) are not allocated to reportable segments.

Thus, assets (or liabilities) by reportable segment are not presented.

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable Segments				Adjustments	Consolidated
	FA Business	Die Components Business	VONA Business	Total		
Net sales						
Sales to customers	99,403	72,413	141,519	313,337	–	313,337
Internal sales to other segments	–	–	–	–	–	–
Total	99,403	72,413	141,519	313,337	–	313,337
Segment income	12,578	5,009	6,052	23,640	–	23,640

Segment income before amortization of goodwill*	12,578	5,616	6,052	24,247	–	24,247
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*(Note)

Amortization of other intangible assets related to the acquisition of Dayton Lamina Corporation was added back to Segment income.

(Note) For the Group's internal management, assets (or liabilities) are not allocated to reportable segments.

Thus, assets (or liabilities) by reportable segment are not presented.

4. Differences between the total amount of reportable segments and the amounts in consolidated statement of income, and major breakdown of such differences (reconciliation)

Not applicable

[Supplementary information]

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

1. Information by product and service

Information by product and service is not presented because similar information is presented in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	America	Europe	Others	Total
176,127	56,837	47,849	28,236	17,255	5,630	331,936

(Note) Net sales represent the net sales of the Group in Japan and other countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Vietnam	America	Others	Total
14,367	7,889	8,440	3,263	3,675	37,637

3. Information by major customer

Information by major customer is not presented because sales to no specific customer account for 10% or more of net sales in the consolidated statement of income.

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

1. Information by product and service

Information by product and service is not presented because similar information is presented in segment information.

2. Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	America	Europe	Others	Total
168,331	50,406	44,872	28,001	15,999	5,724	313,337

(Note) Net sales represent the net sales of the Group in Japan and other countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Vietnam	America	Others	Total
16,202	8,018	7,761	4,927	8,594	45,503

3. Information by major customer

Information by major customer is not presented because sales to no specific customer account for 10% or more of net sales in the consolidated statement of income.

[Information on impairment losses of fixed assets by reportable segment]

For the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

Not applicable

For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

For the Group's internal management, impairment losses of non-current assets are not allocated to reportable segments. Thus, impairment losses by reportable segment are ¥464 million.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Not applicable

[Information on gain from negative goodwill by reportable segment]

Not applicable

(Per share information)

(Yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net assets per share	717.56	737.99
Earnings per share attributable to owners of the parent (basic)	84.80	58.18
Earnings per share attributable to owners of the parent (diluted)	84.48	57.98

Notes:

1. The basis for the calculation of net assets per share is as follows.

	As of March 31, 2019	As of March 31, 2020
Total net assets (Millions of yen)	205,424	211,630
Net assets pertaining to shares of common stock (Millions of yen)	203,520	209,514
Major components of the difference (Millions of yen)		
Stock acquisition rights	1,331	1,560
Non-controlling interests	572	555
Number of shares of common stock outstanding (Thousands of shares)	283,756	284,028
Number of treasury stock (Thousands of shares)	129	129
Number of shares of common stock used for calculation of net assets per share (Thousands of shares)	283,626	283,898

2. The basis for the calculation of earnings per share attributable to owners of the parent (basic) and earnings per share attributable to owners of the parent (diluted) is as follows.

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Earnings per share attributable to owners of the parent (basic)		
Basic earnings attributable to owners of parent (Millions of yen)	24,034	16,504
Amount not attributable to common shareholders (Millions of yen)	—	—
Basic earnings attributable to owners of parent pertaining to shares of common stock (Millions of yen)	24,034	16,504
Average number of shares of common stock in the fiscal year (Thousands of shares)	283,426	283,700
Earnings per share attributable to owners of the parent (diluted)		
Adjusted basic earnings attributable to owners of parent (Millions of yen)	—	—
Major components of the increase in the number of shares of common stock used for calculation of earnings per share attributable to owners of the parent (diluted) (Thousands of shares)		
Stock acquisition rights	1,085	950
Increase in the number of shares of common stock (Thousands of shares)	1,085	950
Summary of residual shares not included in calculation of earnings per share attributable to owners of the parent (diluted) because of no dilutive effect	—	—

(Significant subsequent events)

Not applicable