

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(Thousand yen)

	Fiscal 2019 (As of September 30, 2019)	First quarter of fiscal 2020 (As of December 31, 2019)
Assets		
Current assets		
Cash and deposits	4,548,545	4,737,605
Notes and accounts receivable - trade	16,440,959	18,287,977
Electronically recorded monetary claims - operating	1,038,506	1,241,110
Merchandise and finished goods	12,807,508	13,018,491
Work in process	9,567	6,168
Raw materials and supplies	2,944	2,867
Other	1,560,079	1,633,892
Allowance for doubtful accounts	(31,961)	(41,313)
Total current assets	36,376,150	38,886,799
Non-current assets		
Property, plant and equipment	2,195,378	2,531,220
Intangible assets		
Goodwill	269,804	966,704
Other	621,233	585,271
Total intangible assets	891,038	1,551,976
Investments and other assets		
Investment securities	3,261,750	3,359,753
Other	1,007,804	1,082,049
Allowance for doubtful accounts	(876)	—
Total investments and other assets	4,268,678	4,441,803
Total non-current assets	7,355,095	8,525,000
Total assets	43,731,246	47,411,799

(Thousand yen)

	Fiscal 2019 (As of September 30, 2019)	First quarter of fiscal 2020 (As of December 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,348,338	8,272,012
Short-term borrowings	1,189,283	4,580,651
Current portion of long-term borrowings	50,000	50,000
Income taxes payable	1,103,870	678,163
Provisions	21,669	145,178
Other	2,515,160	2,280,721
Total current liabilities	13,228,323	16,006,727
Non-current liabilities		
Long-term borrowings	70,000	70,000
Provisions	—	14,000
Retirement benefit liability	847,580	847,383
Other	241,878	317,189
Total non-current liabilities	1,159,458	1,248,573
Total liabilities	14,387,782	17,255,301
Net assets		
Shareholders' equity		
Share capital	1,006,587	1,006,587
Capital surplus	405,231	405,231
Retained earnings	27,113,375	27,688,263
Treasury shares	(181,115)	(181,224)
Total shareholders' equity	28,344,078	28,918,858
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	721,055	848,941
Foreign currency translation adjustment	(110,093)	7,702
Total accumulated other comprehensive income	610,961	856,643
Share acquisition rights	95,023	95,023
Non-controlling interests	293,400	285,972
Total net assets	29,343,463	30,156,498
Total liabilities and net assets	43,731,246	47,411,799

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

Consolidated first three months

(Thousand yen)

	First three months of fiscal 2019 (from October 1, 2018 to December 31, 2018)	First three months of fiscal 2020 (from October 1, 2019 to December 31, 2019)
Net sales	22,494,878	21,177,749
Cost of sales	18,460,947	17,065,180
Gross profit	4,033,930	4,112,568
Selling, general and administrative expenses	2,240,073	2,537,527
Operating profit	1,793,857	1,575,041
Non-operating income		
Interest income	3,247	4,297
Dividend income	21,633	24,256
Foreign exchange gains	2,946	183,279
Other	16,321	9,329
Total non-operating income	44,149	221,162
Non-operating expenses		
Interest expenses	8,151	5,564
Sales discounts	2,444	2,385
Other	6,410	7,125
Total non-operating expenses	17,005	15,074
Ordinary profit	1,821,000	1,781,128
Extraordinary income		
Compensation income	17,650	–
Total extraordinary income	17,650	–
Profit before income taxes	1,838,651	1,781,128
Income taxes	621,343	663,221
Profit	1,217,307	1,117,907
Profit attributable to non-controlling interests	19,333	4,667
Profit attributable to owners of parent	1,197,974	1,113,240

Quarterly consolidated statement of comprehensive income
Consolidated first three months

(Thousand yen)

	First three months of fiscal 2019 (from October 1, 2018 to December 31, 2018)	First three months of fiscal 2020 (from October 1, 2019 to December 31, 2019)
Profit	1,217,307	1,117,907
Other comprehensive income		
Valuation difference on available-for-sale securities	(331,597)	127,883
Foreign currency translation adjustment	(100,732)	117,797
Total other comprehensive income	(432,329)	245,680
Comprehensive income	784,978	1,363,588
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	766,188	1,358,922
Comprehensive income attributable to non-controlling interests	18,789	4,666