

Consolidated Financial Highlights for the Year Ended March 31, 2019 [under Japanese GAAP]

Company name : **SMC Corporation**
 Stock exchange listing : **Tokyo Stock Exchange First section**
 Security code : **6273**
 URL : <https://www.smcworld.com/ir/en/>
 Representative : **Katsunori Maruyama, President**
 Contact person : **Ikuji Usui, Director and Senior Managing Executive Officer**
 Projected date of annual shareholders' meeting : **June 27, 2019**
 Projected date of filing Annual report : **June 27, 2019**
 Projected starting date of dividend payment : **June 28, 2019**

1. Consolidated Financial Highlights for the Year Ended March 31, 2019

(April 1, 2018 to March 31, 2019)

(Millions of yen, except per share figures)

(1) Consolidated Operating Results

Fiscal Year ended March 31	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	
2019	576,948 (2.4%)	180,203 (6.4%)	198,201 0.7%	130,631	(4.6%)
2018	591,035 21.2%	192,428 36.4%	196,846 32.8%	136,869	21.0%

Fiscal Year ended March 31	Net income per share (Yen)	Net income per share (diluted basis) (Yen)	Return on equity	Return on assets	Operating income ratio
2019	1,943.35	—	10.9%	14.5%	31.2%
2018	2,036.33	—	12.6%	15.5%	32.6%

(Note) Comprehensive Income Year ended March 31, 2019 : ¥ 119,759 million (18.1%)
 Year ended March 31, 2018 : ¥ 146,163 million 43.4%

(2) Consolidated Financial Positions

As of March 31	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
2019	1,389,308	1,243,252	89.3%	18,447.39
2018	1,342,890	1,150,416	85.4%	17,067.08

(Note) Shareholders' equity As of March 31, 2019 : ¥ 1,240,019 million
 As of March 31, 2018 : ¥ 1,147,245 million

(3) Consolidated Cash Flows

Fiscal Year ended March 31	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of period
2019	75,627	(58,800)	(26,151)	312,366
2018	154,315	(70,658)	(36,785)	322,690

2. Dividends

For the year ended March 31	Dividend per share (Yen)					Total dividends	Dividend ratio	Dividend on equity
	1Q	2Q	3Q	4Q	Total			
2018(Actual)	—	200.00	—	200.00	400.00	26,887	19.6%	2.5%
2019(Actual)	—	200.00	—	200.00	400.00	26,887	20.6%	2.3%
2020(Projected)	—	*	—	*	*		*	

(Notes) Breakdown of the dividend per share 2018 2Q (Actual) Ordinary dividend: ¥100.00 Special dividend: ¥100.00
 2018 4Q (Actual) Ordinary dividend: ¥100.00 Special dividend: ¥100.00
 2019 2Q (Actual) Ordinary dividend: ¥100.00 Special dividend: ¥100.00
 2019 4Q (Actual) Ordinary dividend: ¥100.00 Special dividend: ¥100.00

*Dividends for 2020 2Q and 4Q are not determined yet.

3. Forecasts of Consolidated Operating Results for the Year Ending March 31, 2020

(Millions of yen, except per share figures)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (Yen)
Half year ending September 30, 2019	275,000 (9.1%)	80,000 (18.0%)	82,500 (26.6%)	57,500 (24.4%)	855.41
Year ending March 31, 2020	550,000 (4.7%)	160,000 (11.2%)	165,000 (16.8%)	115,000 (12.0%)	1,710.82

*Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2019: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1. Changes in accounting policies applied due to revisions of accounting standards: None
 2. Changes in accounting policies other than the above: None
 3. Changes in accounting estimates: None
 4. Retrospective restatement: None
- (3) Number of shares issued (As of March 31, 2019) (As of March 31, 2018)
1. Number of common shares issued (including treasury shares) 67,369,359 67,369,359
 2. Number of treasury shares 150,139 149,588
 3. Average number of common shares for the year 67,219,481 67,213,727

< Reference >

Non-consolidated Financial Highlights for the Year Ended March 31, 2019

(April 1, 2018 to March 31, 2019)

(Millions of yen, except per share figures)

(1) Non-consolidated Operating Results

Fiscal Year ended March 31	Net sales	Operating profit	Ordinary profit	Profit	Net income per share (Yen)
2019	371,574 (5.8%)	111,362 (12.7%)	150,562 18.8%	112,907 24.9%	1,679.69
2018	394,581 24.9%	127,500 54.0%	126,784 45.4%	90,363 28.3%	1,344.42

(2) Non-consolidated Financial Positions

As of March 31	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
2019	863,159	753,551	87.3%	11,210.35
2018	831,134	670,610	80.7%	9,976.38

(Note) Shareholders' equity As of March 31, 2019 : ¥ 753,551 million
 As of March 31, 2018: ¥ 670,610 million

*These consolidated Financial Highlights are not subject to audit procedures by the independent accounting auditor.

*Explanation of appropriate use of financial forecasts; other special items

Forecasts are based on information and certain premises that we consider to be reasonable at the time we released these Consolidated Financial Highlights.

Some factors could cause actual results to differ from expectations.

1. Overview of Operating Results

(1) Overview of the fiscal year 2018

During the fiscal year 2018, ended March 31, 2019, global economy was steadily maintained in the first half. The U.S. economy continued to grow around personal consumption, the European showed a steady undertone, and the Chinese reduced the speed but maintained its high growth rate. In Japan, employment situation was steadily maintained and corporate performance improved. However, in the second half, under escalation of the U.S. – China trade friction and commotions caused by the UK's withdrawal from the EU, the economy slowdown has been drastically accelerated.

In the automatic control equipment business, there was a substantial drop in demand in the second half of the fiscal year, in response to the sharp rise in the previous fiscal year by the semi-conductor related industries in Japan, Asia and North America. Industries related with automobile steadily maintained around Europe, machine tools and food machinery industries kept the same levels as in the previous period.

Under these circumstances, SMC group strengthened its supply chain management and drove forward in rationalizing and cost reduction within and outside of Japan, while with an eye toward the future, expanded in its production capability together with continuous diligent developments of downsized energy / space products which market requires and aggressive tasks tackling in its sales activities.

As a result, consolidated net sales for the fiscal year 2018 were 576,948 million yen (2.4% decrease year on year) and operating profit was 180,203 million yen (6.4% decrease) mainly because the decrease in revenue and increase in selling, general and administrative expenses. Ordinary profit was 198,201 million yen (0.7% increase) due to the foreign exchange gains created by the stability in the exchange rates which resolved the foreign exchange losses, but profit attributable to owners of parent ended up with 130,631 million yen (4.6% decrease), due to increases such as in income taxes related by the transfer pricing taxation.

ROE became 10.9%, declined by 1.7 points from previous period.

(2) Overview of financial positions

Total assets as of the end of the fiscal year 2018 were 1,389,308 million yen, which was increase of 46,417 million yen (3.5%) yoy, mainly due to increases in cash and deposits, inventories and property, plant and equipment.

Total liabilities decreased 46,417 million yen (24.1%) yoy to 146,056 million yen which the decreases in notes and accounts payable-trade and income taxes payable contributed, although deferred tax liabilities increased.

Net assets increased 92,835 million yen (8.1%) yoy to 1,243,252 million yen, mainly due to increases in retained earnings.

(3) Overview of cash flow

The balance of cash and cash equivalents (hereinafter “cash”) as of the end of the fiscal year 2018 was 312,366 million yen, decrease of 10,323 million yen yoy.

(Cash flow from operating activities)

Net cash provided by operating activities was 75,627 million yen (revenue decrease of 78,687 million yen yoy), resulted by increases in profit before income taxes and depreciation, decrease in trade payables, increase in inventories and decrease in payments such as income taxes.

(Cash flow from investing activities)

Net cash used in investing activities was 58,800 million yen (decrease of 11,857 million yen yoy). This resulted from payments into time deposits (net by income of proceeds from withdrawal) and payments for purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in financing activities was 26,151 million yen (decrease of 10,634 million yen yoy), resulted from payments of cash dividends.

(4) Outlook for the next fiscal year

Although trend in demand is expected to steadily increase in automobile and food machinery industries around Europe and sign of bottomed out in semi-conductor related industries is shown in U.S. and Asia region, it is difficult to get a clear view of its full-scale recovery and its situation will remain severe. However, since the needs for the automation and energy saving investments are expected to increase in the mid-long term in each developed and emerging countries, SMC group will continue to steadily carry out increasing production capabilities, fulfilling sales and supply chain systems and reforming information network in order to be prepared when the trend recovers.

Consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar, the euro and the Chinese yuan against yen are 110 yen, 125 yen and 16.50 yen respectively. Net sales 550,000 million yen, operating profit 160,000 million yen, ordinary profit 165,000 million yen and profit attributable to owners of parent 115,000 million yen.

Also, from the next fiscal year, we are expecting to newly add 9 subsidiaries* to our consolidated companies.

*SMC Turkey, SMC Poland, SMC Finland, SMC Hungary, SMC Denmark, SMC Slovenia,
Nihon Kizai Shanghai, SMC Vietnam and SMC Indonesia.

2. Basic concept on selection of accounting standards

In order to maintain the adequacy in figure comparison at all times, SMC Group will continue to disclose consolidated financial statements in accordance with the accounting principles (GAAP) generally adopted in Japan.

We will appropriately consider adopting IFRS through addressing internal and external factors which affect both within and outside of Japan when necessary.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
[ASSETS]		
Current assets		
Cash and deposits	506,436	519,609
Notes and accounts receivable-trade	162,637	158,079
Securities	37,074	31,977
Merchandise and finished goods	89,731	102,936
Work in process	18,210	19,753
Raw materials and supplies	97,717	107,578
Other	28,829	28,449
Allowance for doubtful accounts	(697)	(460)
Total current assets	939,940	967,924
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,203	73,752
Machinery, equipment and vehicles, net	28,444	27,928
Tools, furniture and fixtures, net	6,804	7,453
Land	35,391	38,194
Construction in progress	13,081	23,012
Total property, plant and equipment	156,925	170,342
Intangible assets		
Leasehold interests in land	9,348	9,046
Other	2,408	2,409
Total intangible assets	11,756	11,456
Investments and other assets		
Investment securities	96,058	96,320
Retirement benefit asset	60	48
Insurance funds	126,861	132,936
Deferred tax assets	8,765	6,021
Other	4,062	5,736
Allowance for doubtful accounts	(1,541)	(1,479)
Total investments and other assets	234,267	239,585
Total non-current assets	402,950	421,384
Total assets	1,342,890	1,389,308

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
[LIABILITIES]		
Current liabilities		
Notes and accounts payable-trade	88,411	38,513
Short-term borrowings	1,640	4,503
Income taxes payable	33,935	23,800
Provision for bonuses	3,062	2,894
Other	45,986	47,959
Total current liabilities	173,036	117,670
Non-current liabilities		
Long-term borrowings	4,798	2,735
Deferred tax liabilities	1,535	11,287
Provision for retirement benefits for directors	890	956
Retirement benefit liability	7,022	6,398
Other	5,190	7,007
Total non-current liabilities	19,437	28,385
Total liabilities	192,473	146,056
[NET ASSETS]		
Shareholders' equity		
Share capital	61,005	61,005
Capital surplus	73,372	73,372
Retained earnings	985,216	1,088,960
Treasury shares	(3,066)	(3,086)
Total shareholders' equity	1,116,528	1,220,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,864	7,667
Foreign currency translation adjustment	20,594	12,824
Remeasurements of defined benefit plans	(742)	(724)
Total accumulated other comprehensive income	30,716	19,767
Non-controlling interests	3,171	3,232
Total net assets	1,150,416	1,243,252
Total liabilities and net assets	1,342,890	1,389,308

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

1. Consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Net sales	591,035	576,948
Cost of sales	286,381	280,104
Gross profit	304,654	296,843
Selling, general and administrative expenses	112,226	116,640
Operating profit	192,428	180,203
Non-operating income		
Interest income	7,885	9,301
Foreign exchange gains	—	2,827
Gain on investments in insurance funds	927	1,749
Other	2,971	4,902
Total non-operating income	11,784	18,781
Non-operating expenses		
Interest expenses	110	116
Sales discounts	259	261
Loss on sales of securities	876	281
Foreign exchange losses	6,025	—
Other	95	124
Total non-operating expenses	7,366	783
Ordinary profit	196,846	198,201
Extraordinary income		
Gain on sales of non-current assets	197	111
Gain on sales of investment securities	43	214
Other	17	15
Total extraordinary income	259	341
Extraordinary losses		
Loss on retirement of non-current assets	94	208
Impairment loss	923	—
Loss on valuation of shares of subsidiaries	—	1,202
Other	20	50
Total extraordinary losses	1,038	1,460
Profit before income taxes	196,067	197,081
Income taxes-current	57,592	52,465
Income taxes-deferred	1,305	13,801
Total income taxes	58,897	66,267
Profit	137,169	130,814
Profit attributable to non-controlling interests	300	183
Profit attributable to owners of parent	136,869	130,631

2. Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Profit	137,169	130,814
Other comprehensive income		
Valuation difference on available-for-sale securities	2,101	(3,287)
Foreign currency translation adjustment	6,158	(7,784)
Remeasurements of defined benefit plans, net of tax	733	17
Total other comprehensive income	8,993	(11,054)
Comprehensive income	146,163	119,759
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	145,737	119,682
Comprehensive income attributable to non-controlling interests	425	77

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of period	61,005	72,871	875,230	(3,348)	1,005,758
Changes in items during period					
Dividends of surplus			(26,883)		(26,883)
Profit attributable to owners of parent			136,869		136,869
Purchase of treasury shares				(30)	(30)
Disposal of treasury shares		501		312	814
Net changes in items other than shareholders' equity					
Total changes in items during period	—	501	109,986	282	110,769
Net assets at end of period	61,005	73,372	985,216	(3,066)	1,116,528

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of period	8,864	14,459	(1,475)	21,848	2,761	1,030,369
Changes in items during period						
Dividends of surplus						(26,883)
Profit attributable to owners of parent						136,869
Purchase of treasury shares						(30)
Disposal of treasury shares						814
Net changes in items other than shareholders' equity	1,999	6,134	733	8,868	409	9,277
Total changes in items during period	1,999	6,134	733	8,868	409	120,047
Net assets at end of period	10,864	20,594	(742)	30,716	3,171	1,150,416

Current consolidated fiscal year (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of period	61,005	73,372	985,216	(3,066)	1,116,528
Changes in items during period					
Dividends of surplus			(26,887)		(26,887)
Profit attributable to owners of parent			130,631		130,631
Purchase of treasury shares				(20)	(20)
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	103,743	(20)	103,723
Net assets at end of period	61,005	73,372	1,088,960	(3,086)	1,220,251

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of period	10,864	20,594	(742)	30,716	3,171	1,150,416
Changes in items during period						
Dividends of surplus						(26,887)
Profit attributable to owners of parent						130,631
Purchase of treasury shares						(20)
Net changes in items other than shareholders' equity	(3,196)	(7,769)	17	(10,948)	61	(10,887)
Total changes in items during period	(3,196)	(7,769)	17	(10,948)	61	92,835
Net assets at end of period	7,667	12,824	(724)	19,767	3,232	1,243,252

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	196,067	197,081
Depreciation	15,252	16,255
Impairment loss	923	—
Increase (decrease) in allowance for doubtful accounts	(432)	(243)
Increase (decrease) in provision for retirement benefits for directors	20	66
Increase (decrease) in retirement benefit liability	(392)	(599)
Interest and dividend income	(8,379)	(9,942)
Interest expenses	110	116
Foreign exchange losses (gains)	5,094	(2,863)
Loss (gain) on sales of investment securities	(43)	(214)
Loss (gain) on valuation of investment securities	—	1,202
Decrease (increase) in trade receivables	(19,819)	2,485
Decrease (increase) in inventories	(25,951)	(25,653)
Increase (decrease) in trade payables	26,882	(49,140)
Decrease (increase) in other current assets	(3,501)	1,000
Increase (decrease) in other current liabilities	3,840	873
Other, net	262	(2,229)
Subtotal	189,934	128,195
Interest and dividends received	9,047	9,925
Interest paid	(126)	(99)
Income taxes (paid) refund	(44,540)	(62,392)
Net cash provided by (used in) operating activities	154,315	75,627

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Cash flows from investing activities		
Payments into time deposits	(118,580)	(301,880)
Proceeds from withdrawal of time deposits	110,455	276,719
Purchase of property, plant and equipment	(24,152)	(29,647)
Purchase of intangible assets	(1,364)	(1,672)
Purchase of short-term and long-term investment securities	(45,400)	(18,153)
Proceeds from sales and redemption of short-term and long-term investment securities	11,327	18,270
Loan advances	(779)	(0)
Collection of loans receivable	268	206
Purchase of insurance funds	(8,233)	(8,713)
Proceeds from maturity of insurance funds	4,099	5,003
Other, net	1,701	1,069
Net cash provided by (used in) investing activities	(70,658)	(58,800)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10,070)	(30)
Proceeds from long-term borrowings	1,000	2,600
Repayments of long-term borrowings	(1,565)	(1,770)
Purchase of treasury shares	(30)	(20)
Dividends paid	(26,880)	(26,882)
Other, net	760	(48)
Net cash provided by (used in) financing activities	(36,785)	(26,151)
Effect of exchange rate change on cash and cash equivalents	(1,630)	(999)
Net increase (decrease) in cash and cash equivalents	45,241	(10,323)
Cash and cash equivalents at beginning of period	277,449	322,690
Cash and cash equivalents at end of period	322,690	312,366

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

N/A

(Change in presentation method)

(Changes made by adopting "Partial Amendments to Accounting Standard for Tax Effect Accounting")

The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No.28, February 16, 2018) from the beginning of the current consolidated fiscal year.

Accordingly, deferred tax assets have been presented under investments and other assets, and deferred tax liabilities have been presented under non-current liabilities.

As a result, in the consolidated balance sheet for the previous fiscal year, deferred tax assets 24,144 million yen under current assets are included under deferred tax assets under investments and other assets. In addition, deferred tax liabilities 115 million yen included in the others under current liabilities are included in the deferred tax liabilities under non-current liabilities.

The deferred tax assets and deferred tax liabilities of the same taxable entity have been offset and presented on a net basis. Accordingly, total assets have decreased by 17,992 million yen compared with total assets under the method before the change.

(Consolidated statement of income)

Interest expenses and sales discount were included in others of non-operating expenses in the consolidated statement of income for the previous fiscal year, but they will be separately presented from the current fiscal year, as they have reached 10 out of 100 of the total sum of non-operating expenses. In order to reflect this change in presentation method, we reconstructed the consolidated financial statements for the previous fiscal year.

As a result, 465 million yen which was recorded under others of non-operating expenses in the consolidated statement of income for the previous fiscal year are reconstructed as interest expenses 110 million yen, sales discounts 259 million yen and others 95 million yen.

(Segment information, etc.)

[Segment information]

Reportable segment information on net sales and profit/loss

Previous consolidated fiscal year (from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Reportable segment	Others	Total	Adjustment amount	Amount included in consolidated financial statements
	Automatic control equipment business				
Net sales					
Sales to external customers	589,044	1,991	591,035	—	591,035
Inter-segment sales or transfers	—	161	161	(161)	—
Total	589,044	2,152	591,197	(161)	591,035
Segment profit	197,902	189	198,091	(5,663)	192,428

Current consolidated fiscal year (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segment	Others	Total	Adjustment amount	Amount included in consolidated financial statements
	Automatic control equipment business				
Net sales					
Sales to external customers	574,803	2,144	576,948	—	576,948
Inter-segment sales or transfers	—	181	181	(181)	—
Total	574,803	2,325	577,129	(181)	576,948
Segment profit	185,287	219	185,507	(5,304)	180,203

[Related information]

(1) Geographical Net sales

(Millions of yen)

Fiscal Year ended March 31	Japan	United States	China	Asia (excl. China)	Europe	Other	Total
2018	179,354	68,153	113,612	107,506	94,790	27,616	591,035
2019	179,602	62,931	108,017	98,263	100,232	27,899	576,948

(2) Geographical Property, plant and equipment

(Millions of yen)

Fiscal Year ended March 31	Japan	China	Asia (excl. China)	Other	Total
2018	65,884	29,986	26,665	34,389	156,925
2019	69,855	33,562	27,807	39,116	170,342

(Per share information)

	Previous consolidated FY (April 1, 2017 – March 31, 2018)	Current consolidated FY (April 1, 2018 – March 31, 2019)
Net assets per share	17,067.08 yen	18,447.39 yen
Net income per share	2,036.33 yen	1,943.35 yen

(Significant subsequent events)

(Repurchase of own shares)

The Company resolved at the board of directors' meeting held on May 15, 2019, to repurchase its own shares, pursuant to article 156 and article 165, paragraph 3 of Companies Act of Japan, as follows.

1. Reason for the repurchase

To implement flexible capital policies, enhance returns to shareholders, and improve capital efficiency.

2. Details of repurchase

(1) Type of shares to be repurchased

Common shares of the Company

(2) Total number of shares to be repurchased

Up to 700,000 shares (1.0% of outstanding shares (excluding treasury shares))

(3) Total amount of repurchase

Up to 30,000 million yen

(4) Period of repurchase

From June 3, 2019 to September 30, 2019

(5) Method of repurchase

Market purchase on the Tokyo Stock Exchange

4. Additional Information

(1) Geographic segment information

(Millions of yen)

	Year ended March 31, 2019							
	Japan	North America	Europe	Asia	Other	Total	Intersegment Eliminations	Consolidated
Net sales								
(1) Sales to external customers	188,895	82,681	95,897	197,620	11,852	576,948	—	576,948
(2) Intersegment sales	206,772	4,018	1,955	50,606	16	263,369	(263,369)	—
Total	395,667	86,700	97,853	248,227	11,868	840,317	(263,369)	576,948
Operating profit	117,439	10,188	9,100	39,916	1,645	178,290	1,912	180,203

(2) Consolidated capital expenditures, Depreciation and R&D expenses

(Millions of yen)

	Year ended March 31, 2019 (Actual)		Year ending March 31, 2020 (Forecast)	
Capital expenditures	31,936	34.8%	49,000	53.4%
Depreciation	16,255	6.6%	18,100	11.3%
R&D expenses	21,367	5.6%	22,000	3.0%

(3) Foreign currency exchange rates

	Year ended March 31, 2019 (Actual)		Year ending March 31, 2020 (Forecast)
	(average)	(at end)	(average)
U S \$	¥ 110.92	¥ 111.01	¥ 110
E U R	¥ 128.44	¥ 124.56	¥ 125
C N Y	¥ 16.53	¥ 16.48	¥ 16.50

(4) Consolidated full-time employees and temporary employees

(Number of personnel)

	Year ended March 31, 2019	increase from last year end
Full-time employees (at end)	19,746	66
Temporary employees (average)	5,513	(274)