

N.B. This is a summary translation of a notice in Japanese addressed to shareholders and is provided merely for the convenience and reference of our international shareholders.

(Securities Identification Code : 5195)

June 3, 2020

Dear Shareholders:

Mitsutaka Yoshii, President
Bando Chemical Industries, Ltd.
6-6, Minatojima Minamimachi 4-chome,
Chuo-ku, Kobe, 650-0047 Japan

**NOTICE OF
THE 97TH GENERAL MEETING OF SHAREHOLDERS**

We take pleasure in inviting you to attend the 97th Ordinary General Meeting of Shareholders of Bando Chemical Industries, Ltd. (the “Company”), which will be held as outlined below.

If you are unable to attend, you may exercise your voting rights by either of the following methods. Please review the Referential Documents for Exercising Your Voting Rights attached hereto and exercise your voting rights by 5:30 p.m., Tuesday, June 23, 2020:

Exercise of voting rights in written form:

Please indicate your approval or disapproval on the enclosed Exercise of Voting Rights Form and return it so that it will arrive at the Company by the exercise time limit as described above.

Exercise of voting rights via Internet:

Please access the website for the exercise of voting rights designated by the Company (<https://evote.tr.mufig.jp/>) and exercise your voting rights by the exercise time limit as described above.

1. Date and Time : Wednesday, June 24, 2020, at 10:00 a.m.
2. Place : Head Office, 6-6, Minatojima Minamimachi 4-chome,
Chuo-ku, Kobe, 650-0047 Japan
3. Agenda
Reports :
 1. Business report and financial statements for the 97th business term (from April 1, 2019 to March 31, 2020)
 2. Auditing results of the consolidated financial statements for the 97th business term (from April 1, 2019 to March 31, 2020) by the Accounting Auditor and Audit and Supervisory Committee

Proposals :

- No.1 : Approval of the proposed appropriation (dividend) of retained earnings for the 97th business term (from April 1, 2019 to March 31, 2020)
- No.2 : Election of five (5) Directors who are not Audit and Supervisory Committee Members
- No.3 : Election of four (4) Directors who are Audit and Supervisory Committee Members

4. Information on Exercising Your Voting Rights :

(1) Exercising your voting rights by proxy

In the event that you are unable to attend the General Meeting of Shareholders, you may appoint another shareholder of the Company to act as proxy and attend on your behalf. Please note, however, that any delegation of your voting rights to a proxy must be presented to the Company in writing.

(2) Treatment of multiple exercise of voting rights

In the event that votes both in written form and via Internet are received from the same shareholder, the Internet vote will be considered as valid. When exercising voting rights via Internet, if multiple votes are made from the same shareholder, the last vote will be considered as valid.

(3) Announcement regarding modifications to financial statements and General Meeting documentation

Necessary notices of modifications to financial statements and documentation in relation to the General Meeting of Shareholders, if any, will be made available on the Company's homepage (<https://www.bandogrp.com>).

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Referential Documents for Exercising Your Voting Rights

1. Total number of voting rights held by shareholders:
456,645
2. Proposals and referential matters

Proposal 1: Approval of the proposed appropriation (dividend) of retained earnings for the 97th business term (from April 1, 2019 to March 31, 2020)

Our policy is to enhance the return of profits and aim for making stable dividend payments targeting presently the consolidated dividend payout ratio of 30%, while considering our profit and financial position. For this term, placing importance on making stable dividend payments, we propose that the year-end dividend be 16.00 yen per share.


Our proposal for the dividends for this business term is as follows;

- (1) The dividends will be made in cash.
- (2) The amount of the year-end dividend will be 16.00 yen per share and the total amount of dividends will be 734,454,352 yen.
- (3) The effective date of payment of dividends shall be June 25, 2020.

Proposal 2: Election of five (5) Directors who are not Audit and Supervisory Committee Members


At the end of this meeting, the term of office of all four (4) Directors who are not Audit and Supervisory Committee Members will expire. Furthermore, the Company proposes to increase the number of Directors who are not Audit and Supervisory Committee Members by one (1) to further enhance the management system. Accordingly, the Company asks shareholders to elect five (5) Directors who are not Audit and Supervisory Committee Members.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
1	<p>Mitsutaka Yoshii (August 18, 1958)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 15/15</p>	<p>Apr. 1981 Joined the Company</p> <p>Apr. 1999 General Manager, Automotive Parts Marketing Department, Power Transmission Belt Division</p> <p>May 2003 President, Bando Europe GmbH</p> <p>Apr. 2007 General Manager, Procurement Department, the Company</p> <p>Apr. 2009 General Manager, Corporate Planning Department</p> <p>Apr. 2011 General Manager, Industrial Products Division</p> <p> President and Director (Representative Director), Bando-Scholtz Corporation</p> <p>Jun. 2011 Director, the Company</p> <p>Apr. 2013 President and Director (Representative Director) (Present)</p> <p>(Important current duties)</p> <p>Chairperson, Kobe Association of Corporate Executives</p>		61,100
<p>The reason for nominating as a candidate for Director</p> <p>While Mr. Mitsutaka Yoshii has been serving as President and Director since April 2013, he demonstrated strong leadership to promote medium- to long-term management plan, and as a chairman of Board of Directors, he has been striving to organize the Board of Directors meetings as a place of constructive and active discussion and exchange of opinion, such as by actively bringing out opinions from Outside Directors. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his broad experience in the development of global business and in-depth insight as a corporate manager are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
2	<p>Shinji Kashiwada (February 27, 1962)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 15/15</p>	<p>Apr. 1985 Joined the Company</p> <p>Nov. 2002 General Manager, Automotive Parts Marketing Department, Tokyo Branch Office, Marketing Division</p> <p>Apr. 2007 General Manager, Osaka Branch Office, Marketing Division</p> <p>Apr. 2009 General Manager, Power Transmission Belt Division</p> <p>Jun. 2011 Director (Present)</p> <p>Apr. 2013 General Manager, Mid-Term Plan Promotion Department and Tokyo Branch Office</p> <p>Apr. 2018 Senior Managing Executive Officer (Present)</p> <p><Current responsibilities></p> <p>In charge of Personnel, General Administration, Finance and Accounting, Corporate Information Systems and Working Style Innovation</p>		10,700
<p>The reason for nominating as a candidate for Director</p> <p>While Mr. Shinji Kashiwada has been serving as a Director, he has performed his roles and responsibilities as a Director properly based on his broad experience and insight regarding transmission belt business and new business development, etc. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
3	<p>Atsushi Someda (February 28, 1963)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 15/15</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2008 General Manager, Power Transmission Technical Research Center</p> <p>Apr. 2013 General Manager, Automotive Parts Division</p> <p>Jun. 2017 Director (Present)</p> <p>Apr. 2018 Senior Executive Officer (Present) General Manager, Manufacturing Planning Center (Present)</p> <p><Current responsibilities> In charge of Manufacturing, Manufacturing Technology, Quality Control and Logistics</p>		9,000
<p>The reason for nominating as a candidate for Director</p> <p>While Mr. Atsushi Someda has been serving as a Director, he has performed his roles and responsibilities as a Director properly based on his broad experience and insight regarding power transmission technology and transmission belt business, etc. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
4	<p>Katsuhiko Hata (October 8, 1960)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 15/15</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2009 General Manager, Research and Development Center</p> <p>Apr. 2013 General Manager, Elastomer Products Business Administrative Headquarters</p> <p>Apr. 2017 Senior Executive Officer (Present)</p> <p>Apr. 2018 General Manager, New Businesses Promotion Center (Present)</p> <p>Jun. 2018 Director (Present)</p>		5,300
<p>The reason for nominating as a candidate for Director</p> <p>While Mr. Katsuhiko Hata has been serving as a Director, he has performed his roles and responsibilities as a Director properly based on his broad experience and insight regarding research and development, new product development, elastomer products business, etc. To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a candidate for Director.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
5	Tomio Ueno (September 2, 1968) [New candidate] 	Apr. 1992 Joined the Company Apr. 2007 General Manager, Automotive Parts Marketing Department, Nagoya Branch Office, Marketing Division Apr. 2011 General Manager, Personnel and General Affairs Department Apr. 2013 General Manager, Marketing and Sales Department, Automotive Parts Division, Belt Business Administrative Headquarters Apr. 2015 Deputy General Manager, Automotive Parts Division, and General Manager, Planning and Control Department Oct. 2017 President, Bando Manufacturing (Thailand) Ltd. Apr. 2019 Executive Officer (Present) <Current responsibilities> In charge of Overseas Business		10,100
The reason for nominating as a candidate for Director Mr. Tomio Ueno has broad experience and insight regarding transmission belt business, personnel and general affairs, etc. He recently served as President of an overseas subsidiary, and demonstrated leadership and management skills and led overseas business as the person in charge of Overseas Business (Asia). To realize sustainable growth and increase of medium- to long-term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated as a candidate for Director.				

Note: There is no special interest between the Company and the candidates.

Opinions of the Audit and Supervisory Committee


In regard to the election, remuneration of the Directors who are not Audit and Supervisory Committee Members, all four Audit and Supervisory Committee Members attended the Nominating Committee and the Compensation Committee and provided their respective opinions. After the discussion at the Audit and Supervisory Committee, the Committee has judged that there are no matters to be pointed out at the General Meeting of Shareholders.


Proposal 3: Election of four (4) Directors who are Audit and Supervisory Committee Members


At the end of this meeting, the term of office of all four (4) Directors who are Audit and Supervisory Committee Members will expire. Accordingly, the Company asks shareholders to elect four (4) Directors who are Audit and Supervisory Committee Members.


This proposal has been submitted with prior consent from the Audit and Supervisory Committee.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
1	<p>Kyosuke Nakamura (March 26, 1956)</p> <p>[Reelection]</p>  <p>Board of Directors meeting attendance: 15/15</p> <p>Audit and Supervisory Committee Members meeting attendance: 15/15</p>	<p>Apr. 1981 Joined the Company</p> <p>Dec. 2003 General Manager, Personnel and General Affairs Department</p> <p>Apr. 2011 General Manager, Corporate Information Systems Department</p> <p>Apr. 2013 General Manager, Corporate Planning Department</p> <p>Apr. 2014 Senior Executive Officer</p> <p>Jun. 2014 Director</p> <p>Jun. 2018 Director, Full-time Audit and Supervisory Committee Member (Present)</p> <p>(Important current duties)</p> <p>Corporate Auditor, Bando Industrial Components & Services, Ltd.</p>		32,267
<p>The reason for nominating as a candidate for Director</p> <p>Mr. Kyosuke Nakamura has broad experience and insight gained as the manager of head office departments such as the Corporate Planning Department and the Personnel and General Affairs Department, and as a Director. His experience and insight is expected to increase the information gathering ability of the Audit and Supervisory Committee, which is primarily composed of Outside Directors, and is expected to contribute to improving audit and supervising functions and further enhancing corporate governance. Therefore, he is nominated continuously as a candidate for Director who is an Audit and Supervisory Committee Member.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
2	<p>Takashi Shigematsu (November 3, 1949)</p> <p>[Reelection] Candidate for Outside Director Candidate for Independent Officer</p>  <p>Board of Directors meeting attendance: 15/15 Audit and Supervisory Committee Members meeting attendance: 15/15</p>	<p>Apr. 1975 Joined Toyota Motor Co., Ltd. (Current Toyota Motor Corporation)</p> <p>Jun. 2004 Managing Officer (retired in June 2009)</p> <p>Jun. 2005 Outside Director, Fujitsu Ten Limited (Current DENSO TEN Limited)</p> <p>Jun. 2010 President and Director, Fujitsu Ten Limited (Representative Director)</p> <p>Jun. 2014 Chairman and Director, Fujitsu Ten Limited (Representative Director)</p> <p>Jun. 2015 Outside Director of the Company Outside Director, Murata Manufacturing Co., Ltd. (Present)</p> <p>Jun. 2016 Outside Director of the Company (Audit and Supervisory Committee Member) (Present)</p> <p>Jun. 2019 Outside Director, Ashimori Industry Co., Ltd. (Present)</p> <p>(Important current duties) Outside Director, Murata Manufacturing Co., Ltd. Outside Director, Ashimori Industry Co., Ltd.</p>		0
<p>The reason for nominating as a candidate for Outside Director</p> <p>Mr. Takashi Shigematsu served as Outside Director from June 2015, and is serving as Outside Director who is an Audit and Supervisory Committee Member since June 2016. During this time, he has actively made statements from a comprehensive and specialist perspective based on his broad experience and insight cultivated as an engineer and a manager at a manufacturing company over many years. He has also been auditing and supervising appropriately as an Audit and Supervisory Committee Member. He is an appropriate person to audit and supervise management from an independent standpoint from Executive Directors. Therefore, he is nominated continuously as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Although Toyota Motor Corporation is a business partner of the Company, Mr. Takashi Shigematsu is not in a position to be influenced by the intentions of said corporation.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
3	<p>Haruo Shimizu (January 7, 1947)</p> <p>[Reelection] Candidate for Outside Director Candidate for Independent Officer</p>  <p>Board of Directors meeting attendance: 15/15 Audit and Supervisory Committee Members meeting attendance: 15/15</p>	<p>Feb. 1970 Joined Daikin Mfg. Co., Ltd. (Current Exedy Corporation)</p> <p>Jun. 1994 Director</p> <p>Jun. 1996 General Director, Sales Division</p> <p>Jun. 2006 President and Chief Executive Officer</p> <p>Apr. 2015 Chairman</p> <p>Jun. 2016 Advisor</p> <p>Outside Director of the Company (Audit and Supervisory Committee Member) (Present)</p> <p>Aug. 2016 Outside Director, Suminoe Textile Co., Ltd. (Present)</p> <p>Jun. 2019 Outside Director, Ashimori Industry Co., Ltd. (Present)</p> <p>(Important current duties) Outside Director, Suminoe Textile Co., Ltd. Outside Director, Ashimori Industry Co., Ltd.</p>		0
<p>The reason for nominating as a candidate for Outside Director</p> <p>Mr. Haruo Shimizu has been serving as Outside Director who is an Audit and Supervisory Committee Member since June 2016, he has actively made statements from a comprehensive and specialist perspective based on his broad experience in the development of global business and in-depth insight cultivated as a manager at a manufacturing company over many years. He has also been auditing and supervising appropriately as an Audit and Supervisory Committee Member. He is an appropriate person to audit and supervise management from an independent standpoint from Executive Directors. Therefore, he is nominated continuously as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>				

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties		Number of Company shares owned
4	<p>Sayuri Yoneda (January 31, 1967)</p> <p>[New candidate] Candidate for Outside Director Candidate for Independent Officer</p> 	<p>Sep. 1990 Joined Osaka Office, Chuo Shinko Audit Corporation</p> <p>Apr. 1994 Registered as certified public accountant</p> <p>Apr. 1997 Registered as a certified tax accountant Opened Yoneda Certified Public Accountant Office (Present)</p> <p>Aug. 1998 Joined Shinyo Audit Corporation</p> <p>Jul. 2000 Partner, Shinyo Audit Corporation (left in June 2019)</p> <p>(Important current duties) Head of Yoneda Certified Public Accountant Office</p>		0
<p>The reason for nominating as a candidate for Outside Director</p> <p>Ms. Sayuri Yoneda has broad auditing experience, including at listed companies, in addition to advanced expertise related to finance and accounting as a certified public accountant. She is an appropriate person to audit and supervise management from an independent standpoint from Executive Directors, and with her experience and insight, more diversity and contribution to further enhancement of corporate governance is expected. Therefore, she is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>				

Notes:

1. There is no special interest between the Company and the candidates.

2. Mr. Takashi Shigematsu, Mr. Haruo Shimizu, and Ms. Sayuri Yoneda are candidates for Outside Directors.

3. Mr. Takashi Shigematsu has been in the position of Outside Director of the Company for five years.

4. Mr. Haruo Shimizu has been in the position of Outside Director of the Company for four years.

5. We have concluded a Limitation of Liability Agreement with Mr. Kyosuke Nakamura, Mr. Takashi Shigematsu and Mr. Haruo Shimizu to limit their liabilities set forth in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act, to the minimum liability amount stated in the Companies Act. If Mr. Kyosuke Nakamura, Mr. Takashi Shigematsu and Mr. Haruo Shimizu's elections are approved, the Company intends to continue Limitation of Liability Agreement with all of them. If Ms. Sayuri Yoneda's election is approved, the Company intends to enter into the same Limitation of Liability Agreement with her.

6. Mr. Takashi Shigematsu and Mr. Haruo Shimizu are Independent Officers as stipulated by the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

Furthermore, Ms. Sayuri Yoneda fulfills the requirements for independence stipulated by the regulations of Tokyo Stock Exchange, Inc. If she is elected as proposed, the Company plans to newly appoint her as an Independent Officer.

7. Ms. Sayuri Yoneda is a certified public accountant, and has a considerable degree of knowledge in finance and accounting.

8. Although Ms. Sayuri Yoneda has never been directly involved in corporate management, the Company has judged that she will be able to appropriately execute her duties as an Outside Director due to her broad expertise and experience as a certified public accountant.

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 12, 2020.

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	17,530	14,493
Trade and other receivables	21,707	20,103
Inventories	12,949	12,851
Income taxes receivable	12	17
Other financial assets	471	634
Other current assets	894	722
Total current assets	53,564	48,822
Non-current assets		
Property, plant and equipment	32,597	33,913
Goodwill	72	8,594
Intangible assets	1,761	4,798
Investments accounted for using equity method	6,357	6,039
Other financial assets	6,997	7,010
Deferred tax assets	457	524
Other non-current assets	748	594
Total non-current assets	48,992	61,474
Total assets	102,557	110,297

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	16,650	13,483
Bonds and borrowings	2,768	6,774
Income taxes payable	552	348
Other financial liabilities	38	998
Provisions	315	26
Other current liabilities	3,908	4,198
Total current liabilities	24,232	25,829
Non-current liabilities		
Bonds and borrowings	7,635	14,700
Retirement benefit liability	1,623	777
Other financial liabilities	145	1,611
Deferred tax liabilities	470	932
Other non-current liabilities	316	2,537
Total non-current liabilities	10,192	20,558
Total liabilities	34,424	46,387
Equity		
Share capital	10,951	10,951
Capital surplus	3,092	3,075
Retained earnings	53,147	52,301
Treasury shares	-1,346	-1,692
Other components of equity	2,026	-988
Total equity attributable to owners of parent	67,871	63,648
Non-controlling interests	261	261
Total equity	68,132	63,909
Liabilities and equity	102,557	110,297

(2) Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Revenue	94,318	90,247
Cost of sales	66,755	63,181
Gross profit	27,562	27,065
Selling, general and administrative expenses	21,059	21,813
Other income	327	245
Other expenses	920	4,123
Share of profit of investments accounted for using equity method	905	682
Operating profit	6,815	2,056
Finance income	487	407
Finance costs	135	368
Profit before tax	7,166	2,095
Income tax expense	1,676	1,394
Profit	5,490	700
Profit attributable to		
Owners of parent	5,457	682
Non-controlling interests	33	18
Profit	5,490	700
Earnings per share		
Basic earnings per share	119.09	14.93

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	5,490	700
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	-828	-845
Remeasurements of defined benefit plans	-373	-27
Share of other comprehensive income of investments accounted for using equity method	31	-49
Total	-1,170	-921
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-96	-1,617
Share of other comprehensive income of investments accounted for using equity method	20	-535
Total	-76	-2,153
Total other comprehensive income	-1,246	-3,075
Comprehensive income	4,244	-2,374
Comprehensive income attributable to		
Owners of parent	4,200	-2,390
Non-controlling interests	43	16
Comprehensive income	4,244	-2,374

(4) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Equity attributable to owners of parent		
Balance at beginning of period	10,951	3,060	49,442	-1,433	2,952	64,974	235	65,209
Profit			5,457			5,457	33	5,490
Other comprehensive income					-1,256	-1,256	10	-1,246
Total	—	—	5,457	—	-1,256	4,200	43	4,244
Dividends of surplus			-1,421			-1,421	-17	-1,439
Purchase of treasury shares				-2		-2		-2
Disposal of treasury shares		14		84		98		98
Change in treasury shares arising from change in equity in entities accounted for using equity method				-7		-7		-7
Share-based payment transactions		18		12		30		30
Transfer from other components of equity to retained earnings			-330		330	—		—
Total	—	32	-1,751	86	330	-1,302	-17	-1,320
Balance at end of period	10,951	3,092	53,147	-1,346	2,026	67,871	261	68,132
Profit			682			682	18	700
Other comprehensive income					-3,073	-3,073	-2	-3,075
Total	—	—	682	—	-3,073	-2,390	16	-2,374
Dividends of surplus			-1,470			-1,470	-15	-1,486
Purchase of treasury shares				-475		-475		-475
Disposal of treasury shares		-12		126		113		113
Change in treasury shares arising from change in equity in entities accounted for using equity method						—		—
Share-based payment transactions		-3		3		-0		-0
Transfer from other components of equity to retained earnings			-58		58	—		—
Total	—	-16	-1,529	-345	58	-1,832	-15	-1,848
Balance at end of period	10,951	3,075	52,301	-1,692	-988	63,648	261	63,909

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	7,166	2,095
Depreciation and amortization	4,489	5,995
Impairment losses	166	3,274
Interest and dividend income	-301	-376
Interest expenses	117	164
Share of loss (profit) of investments accounted for using equity method	-905	-682
Loss (gain) on sale and retirement of fixed assets	281	165
Decrease (increase) in inventories	-851	47
Decrease (increase) in trade and other receivables	-288	1,743
Increase (decrease) in trade and other payables	-1,544	-2,417
Increase (decrease) in retirement benefit liability	224	-816
Increase in equity instruments due to retirement benefit trust return	—	-1,355
Changes in the amount of allowance	315	-288
Increase / decrease in other non-current liabilities	41	2,178
Other	-911	515
Subtotal	7,998	10,243
Interest and dividends received	701	784
Interest paid	-116	-167
Income taxes paid	-1,986	-2,015
Income taxes refund	5	2
Net cash provided by (used in) operating activities	6,602	8,847
Cash flows from investing activities		
Payments into time deposits	-441	-796
Proceeds from withdrawal of time deposits	432	607
Purchase of property, plant and equipment	-3,986	-4,274
Proceeds from sale of property, plant and equipment	29	72
Purchase of intangible assets	-568	-617
Purchase of equity instruments	-21	-24
Proceeds from sale of equity instruments	31	182
Payments for acquisition of subsidiaries	—	-9,291
Other	-51	18
Net cash provided by (used in) investing activities	-4,575	-14,122

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	2,608
Proceeds from long-term borrowings	—	10,500
Repayments of long-term borrowings	-1,772	-7,270
Repayments of lease liabilities	—	-1,265
Purchase of treasury shares	-1	-472
Proceeds from sale of treasury shares	98	113
Dividends paid to owners of parent	-1,421	-1,470
Dividends paid to non-controlling interests	-17	-15
Other	-19	—
Net cash provided by (used in) financing activities	-3,133	2,726
Effect of exchange rate changes on cash and cash equivalents	159	-488
Net increase (decrease) in cash and cash equivalents	-946	-3,036
Cash and cash equivalents at beginning of period	18,476	17,530
Cash and cash equivalents at end of period	17,530	14,493