February 12, 2021

# Quarterly Financial Results for the Fiscal Year Ending September 30, 2021(J-GAAP) (1st Quarter / October 1, 2020 - December 31, 2020)

Company Name Hosokawa Micron Corporation

Stock Exchange Listing Tokyo Stock Exchange

Stock Code URL <a href="https://www.hosokawamicron.co.jp">https://www.hosokawamicron.co.jp</a>

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Scheduled date of filing Quarterly Report February 12, 2021

(Figures are rounded down to the nearest million yen)

1. Quarterly Consolidated Financial Results (October 1, 2020 - December 31, 2020)

## (1) Consolidated Results of Operation

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1st quarter ended Dec. 2020	13,729	4.2	1,308	39.3	1,393	39.5	1,030	44.2
1st quarter ended Dec. 2019	13,170	(6.5)	939	(38.7)	999	(36.8)	714	(36.4)

(Reference) Comprehensive Income (million Yen) 1st quarter ended Dec.2020: 1,367 1st quarter ended Dec.2019: 1,735

	Earnings per share	Diluted earnings per share
	Yen	Yen
1st quarter ended Dec. 2020	127.24	126.78
1st quarter ended Dec. 2019	88.24	87.94

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2020	65,535	41,501	63.2
As of Sep. 30, 2020	65,180	40,575	62.1

(Reference) Shareholders' Equity (million Yen) Dec. 2020: 41,403 Sep. 2020: 40,456

#### 2. Dividends

		Dividends per share					
	1st Quarter	1st Quarter 2nd Quarter 3rd Quarter Year-end Annual					
	Yen	Yen	Yen	Yen	Yen		
Year ended Sept. 2020 (actual)	_	55.00	_	55.00	110.00		
Year ended Sept. 2021 (actual)	_						
Year ended Sept. 2021 (forecast)		55.00	_	55.00	110.00		

Note: Revisions of the forecast dividends since the latest announcement: No

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2021 (October 1, 2020 - September 30, 2021)

(Percentages represent year-on-year changes)

	Net sale	es	Operating	profit	Ordinary p	profit	Profit attribu		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1st Half	26,000	(2.4)	1,500	(19.8)	1,500	(25.7)	1,050	(14.0)	129.74
Full Year	53,000	(0.9)	4,000	(16.5)	4,000	(20.1)	2,700	(18.6)	333.63

Note: Revisions of the Consolidated forecast since the latest announcement: No

#### 4. Others

- (1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None
- (2) Adoption of simplified accounting treatment for quarterly closing: Yes
- (3) Changes in accounting treatment for quarterly consolidated financial statement
  - 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Number of shares outstanding (common stock)
  - 1) Number of shares outstanding at the end of the period (incl. treasury stock)

Dec. 2020: 8,615,269 shares Sept. 2020: 8,615,269 shares

2) Number of treasury stock at the end of the period

Dec. 2020: 515,637 shares Sept. 2020: 522,836 shares

3) Average number of shares in the fiscal year

Dec. 2020: 8,095,141 shares Dec. 2019: 8,093,201 shares

Note: The forecasts above are based on currently available information at the time of announcement. Actual results may differ from these forecasts for a number of factors.

<sup>\*</sup> This quarterly consolidated financial statements is not subject to quarterly review procedures.

<sup>\*</sup> Explanation regarding appropriate use of earnings forecasts and other special notes

#### 5. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of Yen) As of September 30, 2020 As of December 31, 2020 Assets Current Assets Cash and deposits 15,445 16,747 Notes and accounts receivable-trade 14,128 15,334 Securities 1,999 Finished goods 2,188 2,460 Work in process 3,965 3,405 Raw materials and supplies 1,885 1,968 Other 1,126 1,065 Allowance for doubtful accounts (182)(180)**Total Current Assets** 40,557 40,800 Non-Current Assets Property, plant and equipment Buildings and structures 20,321 21,249 Machinery, equipment and vehicles 11,863 12,001 4,989 5,021 529 Construction in progress 130 Other 2,335 2,406 Accumulated depreciation and (18,357)(18,859)impairment loss Total property, plant and equipment 21,681 21,949 Intangible assets Goodwill 184 183 Other 410 407 Total intangible assets 595 590 Investments and other assets Investment securities 1,418 1,291 Deferred tax assets 769 766 Other 179 155 Allowance for doubtful accounts (20)(19) Total investments and other assets 2,347 2,194 24,734 **Total Non-Current Assets** 24,623 **Total Assets** 65,180 65,535

Liabilities         As of September 30, 2020         As of December 31, 2020           Current Liabilities         Current Portion of long-term loans payable         426         420           Accrued expenses         2,543         1,776           Income taxes payable         906         215           Income taxes payable         4,345         5,779           Provision for brouses         525         148           Provision for directors'bonuses         72         20           Provision for product warranties         678         888           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         18,024         17,297           Not defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,738           Net Assets         5,580         6,738           Shareholders' Equity         4         4,96           Capital stock         14,496         14,496           Capital stock         14,496         14,496           Capital sur			(Millions of Yen)
Notes and accounts payable-trade		As of September 30, 2020	As of December 31, 2020
Notes and accounts payable-trade         6.538         6.009           Current portion of long-term loans payable         426         420           Accrued expenses         2,543         1,776           Income taxes payable         906         215           Advances received         4,345         5,779           Provision for bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         18,024         17,297           Non-Current Liabilities         18,024         17,297           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Shareholders' Equity         4,496         14,496           Capital stock         14,496         14,496           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719	Liabilities		
Current portion of long-term loans payable         426         420           Accrued expenses         2,543         1,776           Income taxes payable         906         215           Advances received         4,345         5,779           Provision for bonuses         525         148           Provision for directors' bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         1,772         1,730           Net defined benefit liability         4,323         4,372           Net defined benefit liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         5,80         6,736           Total Sock         14,496         14,496           Capital stock         14,496         14,496           Capital stock         14,496         14,496           Capital stock         2,239         2,366           Treasury stock         (2,399)         (2,366) <td>Current Liabilities</td> <td></td> <td></td>	Current Liabilities		
Accrued expenses         2,543         1,776           Income taxes payable         906         215           Advances received         4,345         5,779           Provision for bonuses         525         148           Provision for directors bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         5,580         6,736           Total Shore-Current Liabilities         24,605         24,034           Net Assets         14,496         14,496           Shareholders' Equity         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548<	Notes and accounts payable-trade	6,538	6,009
Income taxes payable         906         215           Advances received         4,345         5,779           Provision for bonuses         525         148           Provision for directors'bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Nor-Current Liabilities         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         6,580         6,736           Total Shareholders' Equity         14,496         14,496           Capital stock         14,496         14,496           Capital stock         14,496         14,496           Capital stock         12,399         2,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         Valuation differenc	Current portion of long-term loans payable	426	420
Advances received         4,345         5,779           Provision for bonuses         525         148           Provision for directors' bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         18,024         17,297           Non-Current Liabilities         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         333         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         6,580         6,736           Total Stareholders' Equity         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         44         23           Valuation difference on available-for-sale securities         64         88           Deferred gain	Accrued expenses	2,543	1,776
Provision for bonuses         525         148           Provision for directors' bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets           Shareholders' Equity         14,496         14,496           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         64         88           Deferred gains or losses on hedges         44         23 <td< td=""><td>Income taxes payable</td><td>906</td><td>215</td></td<>	Income taxes payable	906	215
Provision for directors'bonuses         72         20           Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         8         2,239           Not defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         5,122         5,113           Capital stock         14,496         14,496         14,496           Capital surplus         5,122         5,113         28,719         29,305           Treasury stock         (2,399)         (2,366)         6,488         88           Deferred gains or losses on hedges         44         23         86           Poreign currency translation adjustment         (4,949)         (4,609)         4,609         6,642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)         5	Advances received	4,345	5,779
Provision for product warranties         678         688           Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         383         4,372           Long-term loans payable         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         5,122         24,034           Capital stock         14,496         14,496         14,496           Capital surplus         5,122         5,113         29,305           Treasury stock         (2,399)         (2,366)         12,360           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         44         23           Poreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated	Provision for bonuses	525	148
Other         1,988         2,239           Total Current Liabilities         18,024         17,297           Non-Current Liabilities         1,772         1,730           Long-term loans payable         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         14,496         14,496           Capital stock         14,496         14,496         14,496           Capital surplus         5,122         5,113         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         64         88           Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined bene	Provision for directors'bonuses	72	20
Total Current Liabilities         18,024         17,297           Non-Current Liabilities         1,772         1,730           Long-term loans payable         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         24,605         24,034           Capital stock         14,496	Provision for product warranties	678	688
Non-Current Liabilities         1,772         1,730           Long-term loans payable         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         Shareholders' Equity         45,932         5,113           Retained earnings         28,719         29,305         29,305         14,496         14,496         24,606         24,606         14,496	Other	1,988	2,239
Long-term loans payable         1,772         1,730           Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling	Total Current Liabilities	18,024	17,297
Net defined benefit liability         4,323         4,372           Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         4,496         14,496           Capital stock         14,496         14,496         14,496           Capital surplus         5,122         5,113         28,719         29,305           Treasury stock         (2,399)         (2,366)         46,548           Accumulated other comprehensive income         Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501	Non-Current Liabilities		
Deferred tax liabilities         383         549           Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity         4           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         64         88           Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501 <td>Long-term loans payable</td> <td>1,772</td> <td>1,730</td>	Long-term loans payable	1,772	1,730
Other         100         85           Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets           Shareholders' Equity           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         64         88           Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501		4,323	4,372
Total Non-Current Liabilities         6,580         6,736           Total Liabilities         24,605         24,034           Net Assets         Shareholders' Equity           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         64         88           Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501	Deferred tax liabilities	383	549
Total Liabilities         24,605         24,034           Net Assets           Shareholders' Equity	Other	100	85
Net Assets           Shareholders' Equity         14,496         14,496           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501	Total Non-Current Liabilities	6,580	6,736
Shareholders' Equity         14,496         14,496           Capital stock         14,496         14,496           Capital surplus         5,122         5,113           Retained earnings         28,719         29,305           Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         64         88           Valuation difference on available-for-sale securities         44         23           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501	Total Liabilities	24,605	24,034
Capital stock       14,496       14,496         Capital surplus       5,122       5,113         Retained earnings       28,719       29,305         Treasury stock       (2,399)       (2,366)         Total Shareholders' Equity       45,939       46,548         Accumulated other comprehensive income       Valuation difference on available-for-sale securities       64       88         Deferred gains or losses on hedges       44       23         Foreign currency translation adjustment       (4,949)       (4,609)         Remeasurements of defined benefit plans       (642)       (647)         Total accumulated other comprehensive income       (5,483)       (5,145)         Subscription rights to shares       113       92         Non-controlling interests       5       5         Total Net Assets       40,575       41,501	Net Assets		
Capital stock       14,496       14,496         Capital surplus       5,122       5,113         Retained earnings       28,719       29,305         Treasury stock       (2,399)       (2,366)         Total Shareholders' Equity       45,939       46,548         Accumulated other comprehensive income       Valuation difference on available-for-sale securities       64       88         Deferred gains or losses on hedges       44       23         Foreign currency translation adjustment       (4,949)       (4,609)         Remeasurements of defined benefit plans       (642)       (647)         Total accumulated other comprehensive income       (5,483)       (5,145)         Subscription rights to shares       113       92         Non-controlling interests       5       5         Total Net Assets       40,575       41,501	Shareholders' Equity		
Retained earnings       28,719       29,305         Treasury stock       (2,399)       (2,366)         Total Shareholders' Equity       45,939       46,548         Accumulated other comprehensive income       Valuation difference on available-for-sale securities       64       88         Deferred gains or losses on hedges       44       23         Foreign currency translation adjustment       (4,949)       (4,609)         Remeasurements of defined benefit plans       (642)       (647)         Total accumulated other comprehensive income       (5,483)       (5,145)         Subscription rights to shares       113       92         Non-controlling interests       5       5         Total Net Assets       40,575       41,501		14,496	14,496
Treasury stock         (2,399)         (2,366)           Total Shareholders' Equity         45,939         46,548           Accumulated other comprehensive income         Valuation difference on available-for-sale securities         64         88           Deferred gains or losses on hedges         44         23           Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501	Capital surplus	5,122	5,113
Total Shareholders' Equity  Accumulated other comprehensive income Valuation difference on available-for-sale securities  Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income  Subscription rights to shares  Total Net Assets  45,939  46,548  88  64  88  (4,949) (4,609) (4,609) (5,483) (5,145)  5  5  Total Net Assets	Retained earnings	28,719	29,305
Accumulated other comprehensive income  Valuation difference on available-for-sale securities  Deferred gains or losses on hedges  Foreign currency translation adjustment  Remeasurements of defined benefit plans  Total accumulated other comprehensive income  Subscription rights to shares  Total Net Assets  Accumulated other comprehensive income  (4,949)  (4,609)  (5,483)  (5,145)  5  Total Net Assets	Treasury stock	(2,399)	(2,366)
Accumulated other comprehensive income  Valuation difference on available-for-sale securities  Deferred gains or losses on hedges  Foreign currency translation adjustment  Remeasurements of defined benefit plans  Total accumulated other comprehensive income  Subscription rights to shares  Total Net Assets  Accumulated other comprehensive income  (4,949)  (4,609)  (642)  (647)  (5,483)  (5,145)  5  Total Net Assets  40,575  41,501		45,939	46,548
Valuation difference on available-for-sale securities       64       88         Deferred gains or losses on hedges       44       23         Foreign currency translation adjustment       (4,949)       (4,609)         Remeasurements of defined benefit plans       (642)       (647)         Total accumulated other comprehensive income       (5,483)       (5,145)         Subscription rights to shares       113       92         Non-controlling interests       5       5         Total Net Assets       40,575       41,501			
Foreign currency translation adjustment         (4,949)         (4,609)           Remeasurements of defined benefit plans         (642)         (647)           Total accumulated other comprehensive income         (5,483)         (5,145)           Subscription rights to shares         113         92           Non-controlling interests         5         5           Total Net Assets         40,575         41,501	Valuation difference on available-for-sale	64	88
Remeasurements of defined benefit plans(642)(647)Total accumulated other comprehensive income(5,483)(5,145)Subscription rights to shares11392Non-controlling interests55Total Net Assets40,57541,501	Deferred gains or losses on hedges	44	23
Total accumulated other comprehensive income (5,483) (5,145)  Subscription rights to shares 113 92  Non-controlling interests 5 5  Total Net Assets 40,575 41,501	Foreign currency translation adjustment	(4,949)	(4,609)
Total accumulated other comprehensive income (5,483) (5,145)  Subscription rights to shares 113 92  Non-controlling interests 5 5  Total Net Assets 40,575 41,501	Remeasurements of defined benefit plans	(642)	(647)
Non-controlling interests         5         5           Total Net Assets         40,575         41,501		(5,483)	
Total Net Assets 40,575 41,501	Subscription rights to shares	113	92
	Non-controlling interests	5	5
Total Liabilities and Net Assets 65,180 65,535	Total Net Assets	40,575	41,501
	Total Liabilities and Net Assets	65,180	65,535

# (2) Consolidated Statements of Income

	Oct. 1, 2019 - Dec. 31, 2019	(Millions of Yen) Oct. 1, 2020- Dec. 31, 2020
Net sales	13,170	13,729
Cost of sales	8,442	8,889
Gross profit	4,727	4,840
Selling, general and administrative expenses	3,788	3,531
Operating profit	939	1,308
Non-operating income	-	·
Interest income	16	6
Dividend income	7	7
Equity in earnings of affiliates	14	77
Foreign exchange gains	5	_
Gain on valuation of derivatives	12	10
Other	14	19
Total non-operating Income	69	121
Non-operating expenses		
Interest expenses	2	4
Foreign exchange losses	_	19
Other	7	11
Total non-operating Expenses	10	36
Ordinary profit	999	1,393
Extraordinary income		
Gain on sales of non-current assets	0	3
Gain on sales of investment securities		15
Total extraordinary income	0	19
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	5
Loss on sales of investment securities		29
Total extraordinary loss	0	34
Income before income taxes	998	1,378
Income taxes	284	348
Net income	713	1,029
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	714	1,030

# (3) Consolidated Statements of Comprehensive Income

1		(Millions of Yen)
	Oct. 1, 2019 - Dec. 31, 2019	Oct. 1, 2020 - Dec. 31, 2020
Net income	713	1,029
Other comprehensive income		
Valuation difference on available-for-sale securities	38	23
Deferred gains or losses on hedges	33	(20)
Foreign currency translation adjustment	971	339
Remeasurements of defined benefit plans, net of tax	(21)	(4)
Total other comprehensive income	1,021	338
Comprehensive income	1,735	1,367
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,735	1,368
Comprehensive income attributable to non- controlling interests	(0)	(0)