\leq Quarterly Consolidated Financial Statements \geq

Quarterly consolidated statement of income and Quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(June 1, 2019 - August 31, 2019)

(Unit: thousands of yen)

Cost of sales		Three month ended August 31, 2018	Three month ended August 31, 2019
Gross profit 929,521 8 Selling, general and administrative expenses 576,868 6 Operating income 352,653 1 Non-operating income 840 1 Interest income 840 200 Real estate rent 25,566 200 Share of profit of entities accounted for using equity method 17,857 7 Foreign exchange gains 21,695 0 Other 5,907 7 Total non-operating income 72,067 0 Non-operating expenses 720 0 Foreign exchange losses 7 0 Rent expenses on real estates 22,105 0 Other 162 0 Total non-operating expenses 22,988 0 Ordinary income 401,732 2 Extraordinary losses — — Los on sales of non-current assets — — Total extraordinary losses — — Income taxes - current 158,292 1 <tr< td=""><td>Net sales</td><td>2,249,019</td><td>2,166,180</td></tr<>	Net sales	2,249,019	2,166,180
Selling, general and administrative expenses 576,868 6 Operating income 352,653 1 Non-operating income 840 1 Interest income 840 200 Real estate rent 25,566 2 Share of profit of entities accounted for using equity method 17,857 17,857 Foreign exchange gains 21,695 0 Other 5,907 1 Total non-operating expenses 720 1 Interest expenses 720 1 Foreign exchange losses — 1 Rent expenses on real estates 22,105 0 Other 162 1 Total non-operating expenses 22,988 0 Ordinary income 401,732 2 Extraordinary losses — — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - deferred A23,662	Cost of sales	1,319,497	1,342,138
Operating income 352,653 Non-operating income 840 Interest income 200 Real estate rent 25,566 Share of profit of entities accounted for using equity method 17,857 Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses 720 Interest expenses 720 Foreign exchange losses — Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred A23,662 A Total income taxes 134,630	Gross profit	929,521	824,041
Non-operating income 840 Interest income 840 Dividend income 200 Real estate rent 25,566 Share of profit of entities accounted for using equity method 17,857 Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses - Interest expenses 720 Foreign exchange losses - Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses - Loss on sales of non-current assets - - Total extraordinary losses - - Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred △23,662 △ Total income taxes 134,630 -	Selling, general and administrative expenses	576,868	634,917
Interest income 840 Dividend income 200 Real estate rent 25,566 Share of profit of entities accounted for using equity method 17,887 Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses 720 Interest expenses 7 Foreign exchange losses — Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred A23,662 A Total income taxes 134,630	Operating income	352,653	189,124
Dividend income 200 Real estate rent 25,566 Share of profit of entities accounted for using equity method 17,857 Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses 720 Interest expenses 720 Foreign exchange losses — Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred A23,662 A Total income taxes 134,630	Non-operating income		
Real estate rent 25,566 Share of profit of entities accounted for using equity method 17,857 Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses 720 Interest expenses 720 Foreign exchange losses − Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses − Loss on sales of non-current assets − − Total extraordinary losses − − Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred △23,662 △ Total income taxes 134,630 △	Interest income	840	943
Share of profit of entities accounted for using equity method 17,857 Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses - Interest expenses 720 Foreign exchange losses - Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses - Loss on sales of non-current assets - - Total extraordinary losses - - Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred △23,662 △ Total income taxes 134,630	Dividend income	200	170
Foreign exchange gains 21,695 Other 5,907 Total non-operating income 72,067 Non-operating expenses 720 Interest expenses - Foreign exchange losses - Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses - Loss on sales of non-current assets - - Total extraordinary losses - - Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred A23,662 A Total income taxes 134,630	Real estate rent	$25,\!566$	31,381
Other 5,907 Total non-operating income 72,067 Non-operating expenses 720 Interest expenses 720 Foreign exchange losses - Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses - Loss on sales of non-current assets - - Total extraordinary losses - - Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred A23,662 A Total income taxes 134,630	Share of profit of entities accounted for using equity method	17,857	12,075
Total non-operating income 72,067 Non-operating expenses 720 Interest expenses 720 Foreign exchange losses – Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses – Loss on sales of non-current assets – – Total extraordinary losses – – Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630	Foreign exchange gains	21,695	-
Non-operating expenses 720 Interest expenses 720 Foreign exchange losses − Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses − Loss on sales of non-current assets − Total extraordinary losses − Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630 1	Other	5,907	8,562
Interest expenses 720 Foreign exchange losses — Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630	Total non-operating income	72,067	53,133
Foreign exchange losses — Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630 —	Non-operating expenses		
Rent expenses on real estates 22,105 Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630	Interest expenses	720	656
Other 162 Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses − Loss on sales of non-current assets − Total extraordinary losses − Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630 Δ	Foreign exchange losses	_	11,560
Total non-operating expenses 22,988 Ordinary income 401,732 2 Extraordinary losses — — Loss on sales of non-current assets — — Total extraordinary losses — — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 □ Income taxes - deferred Δ23,662 Δ Total income taxes 134,630 □	Rent expenses on real estates	22,105	19,004
Ordinary income $401,732$ $200,732$ Extraordinary losses-Loss on sales of non-current assets-Total extraordinary losses-Income before income taxes and minority interests $401,732$ $200,732$ Income taxes - current $158,292$ $150,732$ Income taxes - deferred $\Delta 23,662$ $\Delta 23,662$ Total income taxes $134,630$	Other	162	2,587
Extraordinary losses Loss on sales of non-current assets — Total extraordinary losses — Income before income taxes and minority interests 401,732 2 Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630	Total non-operating expenses	22,988	33,808
Loss on sales of non-current assets — Total extraordinary losses — Income before income taxes and minority interests 401,732 Ω Income taxes - current 158,292 Ω Income taxes - deferred Δ23,662 Δ Total income taxes 134,630 Δ	Ordinary income	401,732	208,448
Total extraordinary losses—Income before income taxes and minority interests401,7322Income taxes - current158,2921Income taxes - deferredΔ23,662ΔTotal income taxes134,630	Extraordinary losses		
Income before income taxes and minority interests $401,732$ $200,732$ Income taxes - current $158,292$ $158,292$ Income taxes - deferred $\Delta 23,662$ $\Delta 23,662$ Total income taxes $134,630$	Loss on sales of non-current assets	-	1,618
Income taxes - current 158,292 1 Income taxes - deferred Δ23,662 Δ Total income taxes 134,630	Total extraordinary losses	_	1,618
Income taxes - deferredΔ23,662ΔTotal income taxes134,630	Income before income taxes and minority interests	401,732	206,829
Total income taxes 134,630	Income taxes - current	158,292	104,471
	Income taxes - deferred	$\Delta 23,662$	Δ33,723
	Total income taxes	134,630	70,747
Profit 267,102	Profit	267,102	136,082
Profit attributable to non-controlling interests 2,397	Profit attributable to non-controlling interests		1,625
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(Quarterly consolidated statement of comprehensive income) (June 1, 2019 – August 31, 2019)

(Unit: thousands of yen)

	Three month ended August 31, 2018	Three month ended August 31, 2019
Profit	267,102	136,082
Other comprehensive income		
Valuation difference on available-for-sale securities	$\Delta 11,539$	1,668
Deferred gains or losses on hedges	_	$\Delta 6,805$
Foreign currency translation adjustment	41,905	△81,362
Remeasurements of defined benefit plans, net of tax	1,844	1,745
Total other comprehensive income	32,211	$\triangle 84,754$
Comprehensive income	299,313	51,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	297,860	52,735
Comprehensive income attributable to non-controlling	1,453	$\Delta 1,408$
interests		