

< Consolidated Financial Statements >

Consolidated statement of income and Quarterly consolidated statement of comprehensive income

(Consolidated statement of income)

(June 1, 2016 – May 31, 2017)

(Unit: thousands of yen)

	Fiscal year ended May 31, 2016	Fiscal year ended May 31, 2017
Net sales	7,466,759	7,846,973
Cost of sales	4,467,391	4,773,624
Gross profit	2,999,367	3,073,349
Selling, general and administrative expenses		
Packing and transportation expenses	59,929	64,865
Advertising expenses	82,754	87,358
Promotion expenses	345,719	307,085
Salaries and allowances	600,105	644,252
Provision for directors' bonuses	13,750	15,500
Retirement benefit expenses	24,616	29,056
Welfare expenses	109,617	111,536
Rent expenses	43,337	43,354
Depreciation	60,243	49,494
Taxes and dues	50,777	74,655
Commission fee	148,608	126,557
Experiment and research expenses	307,250	272,077
Other	362,275	334,747
Total selling, general and administrative expenses	2,208,986	2,160,543
Operating income	790,381	912,805
Non-operating income		
Interest income	14,245	8,732
Dividend income	2,484	2,742
Real estate rent	134,368	103,480
Share of profit of entities accounted for using equity method	21,040	34,987
Other	27,069	51,122
Total non-operating income	199,208	201,065
Non-operating expenses		
Interest expenses	3,707	2,525
Rent expenses on real estates	88,173	70,865
Foreign exchange losses	20,488	—
Other	2,155	4,189
Total non-operating expenses	114,524	77,580
Ordinary income	875,065	1,036,290
Extraordinary income		
Gain on sales of non-current assets	—	70
Total extraordinary income	—	70
Extraordinary losses		
Loss on sales of non-current assets	—	3,324
Impairment loss	2,064	—
Total extraordinary losses	2,064	3,324
Income before income taxes and minority interests	873,000	1,033,036
Income taxes - current	274,270	338,123
Income taxes - deferred	△3,252	△55,699
Total income taxes	271,017	282,424
Profit	601,982	750,611
Profit attributable to non-controlling interests	5,031	4,009
Profit attributable to owners of parent	596,950	746,602

(Consolidated statement of comprehensive income)
(June 1, 2016 – May 31, 2017)

(Unit: thousands of yen)

	Fiscal year ended May 31, 2016	Fiscal year ended May 31, 2017
Profit	601,982	750,611
Other comprehensive income		
Valuation difference on available-for-sale securities	△13,901	38,134
Foreign currency translation adjustment	△152,665	△45,767
Remeasurements of defined benefit plans, net of tax	△45,959	6,085
Total other comprehensive income	△212,527	△1,548
Comprehensive income	389,455	749,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	389,981	748,190
Comprehensive income attributable to non-controlling interests	△525	873