

## Directors (As of March 26, 2021)



**Takahisa Takahara**  
President & CEO

<Career summary>

April 1991 Joined the Company  
June 1995 Director  
April 1996 Director, General Manager of Procurement Division and Deputy General Manager of International Division  
June 1997 Senior Director  
April 1998 Senior Director, General Manager of Feminine Hygiene Business Division  
October 2000 Senior Director, Responsible for Management Strategy  
June 2001 Representative Director, President  
June 2004 Representative Director, President & CEO (to present)

<Reasons for Appointment>

Mr. Takahara has steered Unicharm's global strategy since 2001, when he was appointed representative director. In that time, the Unicharm Group has seen dramatic growth in earnings, underscoring his capabilities as a business leader. In addition, as Chairman of the Board of Directors, he has enhanced the decision-making capabilities of the Board. As such, Mr. Takahara is deemed to be a suitable person for supporting sustained growth in corporate value.

<2020 Board of Directors Meeting Attendance>  
100% (Attended 10 out of 10 meetings)



**Hiroko Wada**

Director, Audit & Supervisory Committee Member (Outside Director)

<Career summary>

April 1977 Joined Procter & Gamble Sun Home Co., Ltd. (currently Procter & Gamble Company of Japan)  
February 1995 General Manager responsible for paper products division and new business development of Procter & Gamble Far East Inc.(currently same as above)  
January 1998 Vice President, Responsible for Corporate New Venture Asia of US Procter & Gamble  
March 2001 Representative Director and President of Dyson KK  
April 2004 President and Representative Director, and Chief Operating Officer of Toys "R" Us - Japan, Ltd.  
November 2004 Established Office WaDa, Representative (to present)  
May 2009 Outside Director of Aderans Holdings Company Limited (currently Aderans Company Limited)  
March 2019 Director, Audit & Supervisory Committee Member of the Company (to present)

<Reasons for Appointment>

Ms. Wada has a diverse track record in international business and experience in marketing. Based on that experience, Ms. Wada is deemed to be a suitable person for providing appropriate insights about management strategy, finance, governance and marketing to support the Group's further global development.

<2020 Board of Directors Meeting Attendance>  
100% (Attended 10 out of 10 meetings)

<2020 Audit and Supervisory Committee Meeting Attendance>  
100% (Attended 12 out of 12 meetings)



**Eiji Ishikawa**  
Director, Vice President in charge of Production, Research & Development

<Career summary>

February 1980 Joined the Company  
October 1996 Department Manager of Production Planning Office, Production Division  
April 1998 General Manager of Production Division  
June 1999 Executive Officer  
July 2003 Senior Executive Officer  
July 2004 Senior Executive Officer  
June 2005 Director, Senior Executive Officer  
April 2010 Director, Managing Executive Officer, Chief Quality Officer, General Manager of Global Research & Development Division, Representative Director, President & CEO of Unicharm Products Co., Ltd.  
January 2018 Director, Vice President and Managing Executive Officer, Chief Quality Officer, General Manager of Global Research & Development Division, Representative Director, President & CEO of Unicharm Products Co., Ltd.  
January 2020 Director, Vice President in charge of Production, Research & Development (to present)

<Reasons for Appointment>

Drawing on his experience as the Director responsible for production departments, Mr. Ishikawa conducts appropriate oversight of management by providing his opinion on matters related to global supply chains and quality control. As such, Mr. Ishikawa is deemed to be a suitable person for supporting sustained growth in corporate value.

<2020 Board of Directors Meeting Attendance>  
100% (Attended 10 out of 10 meetings)



**Hiroaki Sugita**

Director, Audit & Supervisory Committee Member (Outside Director)

<Career summary>

April 1983 Joined JAPAN TRAVEL BUREAU Inc. (currently JTB Corp)  
April 1994 Joined the Boston Consulting Group  
January 2001 Partner & Managing Director  
November 2006 Supervisor of Japan Office  
May 2007 Senior Partner & Managing Director  
January 2014 Asia Pacific Client Team Leader  
January 2016 Japan Co-chair  
January 2021 Managing Director & Senior Partner (to present)  
March 2021 Director, Audit & Supervisory Committee Member of the Company (to present)

<Reasons for Appointment>

With the background as the Japanese representative of major foreign consulting firm, Mr. Sugita possesses high level of insight and is highly experienced in finance and accounting, as well as management strategies within business management, particularly in globalization strategy, digitalization, and transformation. The Company determined that he is qualified in further developing its global expansion and providing appropriate advice on both governance and management strategies.

<2020 Board of Directors Meeting Attendance>  
Newly appointed in March 2021, and records not applicable

<2020 Audit and Supervisory Committee Meeting Attendance>  
Newly appointed in March 2021, and records not applicable



**Shinji Mori**  
Director, Vice President in charge of Sales

<Career summary>

April 1979 Joined the Company  
April 1994 Branch Manager of the Hiroshima Branch, Sales Division  
April 1998 Branch Manager of the Osaka Branch, Sales Division  
June 1999 Deputy Executive Officer  
June 2000 Executive Officer  
July 2003 Senior Executive Officer  
July 2004 Senior Executive Officer  
June 2005 Director, Senior Executive Officer  
October 2005 Director, Senior Executive Officer, General Manager of Sales Division  
April 2010 Director, Managing Executive Officer  
January 2014 Director, Managing Executive Officer, President of Unicharm PetCare Company  
October 2016 Director, Managing Executive Officer, President of Unicharm PetCare Company and General Manager of Japan Sales Head Office  
January 2017 Director, Managing Executive Officer, General Manager of Japan Sales Head Office  
January 2018 Director, Vice President and Managing Executive Officer, General Manager of Japan Sales Head Office  
January 2020 Director, Vice President in charge of Sales (to present)

<Reasons for Appointment>

Drawing on his experience gained from restructuring sales divisions and developing Unicharm's online sales channels, Mr. Mori conducts appropriate oversight of management by providing his opinion on matters related to global sales strategy. As such, Mr. Mori is deemed to be a suitable person for supporting sustained growth in corporate value.

<2020 Board of Directors Meeting Attendance>  
100% (Attended 10 out of 10 meetings)



**Shigeru Asada**

Director, Audit & Supervisory Committee Member

<Career summary>

April 1973 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)  
March 1994 Managing Director Chief Financial Officer of Panasonic Do Brasil Limitada  
April 1999 General Manager (tax) of Corporate Accounting Department of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)  
April 2004 Managing Director Chief Financial Officer of Panasonic Europe Co., Ltd.  
April 2006 Director General Manager of Internal Auditing Department of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)  
April 2009 Standing Corporate Auditor of IPS Alpha Technology, Ltd. (currently Panasonic Liquid Crystal Display Co., Ltd.)  
February 2013 Advisor for the Office of Audit and Supervisory Committee Member of the Company  
April 2013 Executive Officer, General Manager of Accounting and Finance Division  
March 2017 Director, Audit & Supervisory Committee Member  
April 2019 Advisor, Audit & Supervisory Committee Member  
March 2021 Director, Audit & Supervisory Committee Member of the Company (to present)

<Reasons for Appointment>

Mr. Asada has consistently served in the accounting department at Panasonic Corporation and possesses a great insight in accounting and financing within global management. He has demonstrated his business administration skills at the Company as Executive Officer General Manager of Accounting and Finance Division since 2013, and as a director and Audit and Supervisor Committee member between 2017 and 2019. The Company has determined that he is an appropriate person to supervise the management of the Company given his track record.

<2020 Board of Directors Meeting Attendance>  
Newly appointed in March 2021, and records not applicable

<2020 Audit and Supervisory Committee Meeting Attendance>  
Newly appointed in March 2021, and records not applicable

## Executive Officers (As of January 1, 2021)

President and Chief Executive Officer	<b>Takahisa Takahara</b>
Managing Executive Officer	<b>Kenji Takaku</b>
Managing Executive Officer	<b>Yukihiro Kimura</b>
Managing Executive Officer	<b>Toshifumi Hikosaka</b>
Managing Executive Officer	<b>Tadashi Nakai</b>

Managing Executive Officer	<b>Tetsuya Shite</b>
Senior Executive Officer	<b>Atsushi Iwata</b>
Senior Executive Officer	<b>Shinobu Seki</b>
Senior Executive Officer	<b>Tetsuo Ukai</b>
Senior Executive Officer	<b>Satoru Kiuchi</b>

Senior Executive Officer	<b>Chikara Oka</b>
Senior Executive Officer	<b>Tsutomu Watanabe</b>
Senior Executive Officer	<b>Hirotsu Shimada</b>
Executive Officer	<b>Seichi Motoi</b>
Executive Officer	<b>Takahiro Batou</b>

Executive Officer	<b>Eijun Sato</b>
Executive Officer	<b>Hideo Kato</b>
Executive Officer	<b>Toru Morita</b>
Executive Officer	<b>Hiroe Inaba</b>
Executive Officer	<b>Masanori Murakami</b>

Executive Officer	<b>Takumi Terakawa</b>
Executive Officer	<b>Toru Fujita</b>
Executive Officer	<b>Masahiro Kashiwagi</b>
Executive Officer	<b>Takeshi Oda</b>
Executive Officer	<b>Shigeto Yamanaka</b>

Executive Officer	<b>Masanori Yano</b>
Executive Officer	<b>Tsutomu Kido</b>

# Key Financial and Non-Financial Data for the Last 10 Years

(Millions of Yen)

	2012/3 (JGAAP)	2013/3 (JGAAP)	2014/3 (JGAAP)	2014/12 (JGAAP) <sup>*2</sup>	2015/12 (JGAAP)	2016/12 (JGAAP)	2016/12 (IFRS) <sup>*4</sup>	2017/12 (IFRS) <sup>*4</sup>	2018/12 (IFRS) <sup>*4</sup>	2019/12 (IFRS) <sup>*4</sup>	2020/12 (IFRS) <sup>*4</sup>
<b>For the Fiscal Period:</b>											
Net sales	428,391	495,771	599,455	553,661	738,707	710,965	604,653	641,647	688,290	714,233	727,475
Overseas sales to net sales ratio	46.9%	52.6%	57.7%	64.4%	61.4%	57.7%	58.4%	58.9%	59.8%	62.1%	60.5%
Cost of sales	233,936	268,743	331,807	308,421	406,521	376,510	376,842	393,101	423,005	447,495	434,866
Gross profit	194,455	227,028	267,648	245,240	332,186	334,455	227,811	248,546	265,285	266,738	292,609
Selling, general and administrative expenses	142,554	167,539	200,407	183,892	252,250	256,178	148,695	161,707	170,178	176,959	177,865
Operating income/Core operating income <sup>*5</sup> (IFRS)	51,900	59,488	67,240	61,347	79,934	78,277	79,116	86,838	95,107	89,779	114,744
Current profit/Profit attributable to owners of parent (IFRS)	26,981	43,121	38,216	32,731	40,511	44,134	46,971	52,772	61,353	46,116	52,344
Basic earnings per share <sup>*1</sup> (Yen)	48.32	77.92	64.10	54.33	67.55	74.29	79.06	89.85	103.73	77.53	87.60
Annual cash dividends per share <sup>*1</sup> (Yen)	10.67	11.33	12.67	12.73	14.80	16.00	16.00	20.00	24.00	28.00	32.00
Consolidated dividend payout ratio	22.1%	14.5%	19.8%	23.4%	21.9%	21.5%	20.2%	22.3%	23.1%	36.1%	36.5%
Cash flows from operating activities	59,570	68,758	95,659	68,892	85,009	103,604	103,604	98,086	110,867	84,936	150,254
Cash flows from investing activities	(58,861)	(53,304)	(58,220)	(36,741)	(68,166)	(42,612)	(42,612)	(38,778)	(113,400)	(69,235)	(41,698)
Free cash flows	709	15,454	37,439	32,151	16,843	60,992	60,992	59,308	(2,533)	15,701	108,556
Capital expenditures	69,498	52,340	51,908	41,756	47,993	39,436	39,437	33,397	73,688	56,022	39,632
Depreciation <sup>*3</sup>	13,257	16,814	22,101	20,393	27,343	26,750	27,598	29,345	30,353	38,676	36,165
Amortization of goodwill	3,899	4,239	9,203	3,769	4,640	4,519	—	—	—	—	—
Research and development expense	4,733	5,098	5,265	4,248	5,993	6,070	6,071	6,554	6,621	7,584	7,808
<b>Fiscal Year-end:</b>											
Total assets	472,497	535,055	620,419	699,108	702,601	711,541	668,592	736,644	795,483	864,003	893,413
Property, plant and equipment	116,821	163,129	204,417	240,082	247,808	244,325	236,629	228,521	240,628	284,105	258,814
Current portion of long-term debt/Corporate bonds and borrowings (IFRS)	35,219	23,000	21,000	5,420	10,757	12,084	61,190	58,000	21,428	27,601	24,202
Net assets/Total equity (IFRS)	243,207	329,201	432,152	492,844	451,091	449,974	414,387	453,029	503,670	542,900	562,653
Equity ratio /Ratio of equity attributable to owners of parent (IFRS)	45.1%	54.2%	60.3%	60.0%	55.1%	54.4%	52.7%	52.6%	55.5%	54.8%	55.2%
Number of employees	10,287	10,855	12,795	13,901	15,500	15,843	15,843	15,757	16,207	16,304	16,665
Japan	3,027	3,009	2,994	2,994	2,974	3,001	3,001	3,109	3,200	3,244	3,307
Overseas	7,260	7,846	9,801	10,907	12,526	12,842	12,842	12,648	13,007	13,060	13,358
<b>Performance Indicators:</b>											
Operating profit margin/Core operating income ratio (IFRS)	12.1%	12.0%	11.2%	11.1%	10.8%	11.0%	13.1%	13.5%	13.8%	12.6%	15.8%
Profit margin/Profit attributable to owners of parent ratio (IFRS)	6.3%	8.7%	6.4%	5.9%	5.5%	6.2%	7.8%	8.2%	8.9%	6.5%	7.2%
Gross profit percentage	45.4%	45.8%	44.6%	44.3%	45.0%	47.0%	37.7%	38.7%	38.5%	37.3%	40.2%
SG&A ratio	33.3%	33.8%	33.4%	33.2%	34.1%	36.0%	24.6%	25.2%	24.7%	24.8%	24.4%
ROE: Return On Equity/Return on equity attributable to owners of parent (IFRS)	13.0%	17.2%	11.5%	8.2%	10.0%	11.4%	13.4%	14.3%	14.8%	10.1%	10.8%
ROA: Return On Assets/Total profit margin before tax on assets (IFRS)	10.6%	12.9%	11.8%	9.9%	10.2%	10.2%	11.4%	13.2%	12.0%	8.4%	10.9%
<b>Business Segments:</b>											
Personal Care Business	362,885	417,187	515,253	486,960	647,573	619,047	523,116	555,388	599,290	620,742	624,758
Partner Animal (Pet) Care Business	59,557	73,182	78,672	62,564	85,624	85,756	75,390	79,847	82,073	86,977	95,693
Other Business	5,948	5,401	5,530	4,136	5,508	6,161	6,147	6,412	6,927	6,514	7,024
<b>Geographical Regions:</b>											
Japan	—	236,993	255,767	198,745	287,135	302,851	253,544	266,010	279,589	273,773	292,380
Asia	—	189,172	256,253	272,904	341,240	305,099	254,372	275,311	302,866	329,934	323,147
Other area	—	69,604	87,435	82,011	110,331	103,014	96,736	100,326	105,835	110,526	111,947
<b>Non-financial Indicators:</b>											
Energy consumption <sup>*6</sup>	11	10.8	11	10.5	10.3	9.5	10.7	10.7	10.6	10.8	10.3
Recycling rate in industrial waste at four main plants in Japan <sup>*7</sup>	99.2%	99.1%	99.4%	99.5%	99.5%	99.5%	99.5%	99.5%	99.4%	99.3%	99.6%
Percentage of environmental-friendly products	55%	56%	62%	67%	72%	78%	78%	80%	86%	89%	93%

(Note) JGAAP amounts and IFRS amounts have been rounded off.

\*1 The Company conducted 1-for-3 stock splits on October 1, 2010 and on October 1, 2014. Per-share data have been adjusted retroactively to reflect the impact of the stock splits.

\*2 Fiscal 2014, ended December 31, 2014, was a nine-month transitional period due to a change in the accounting period.

\*3 Depreciation includes goodwill amortization costs.

\*4 Unicharm adopted IFRS starting fiscal 2017 (ended December 31, 2017).

\*5 Core operating income refers to gross profit after deducting sales, general, and administrative expenses.

\*6 Unit (energy consumption (GJ) / sales (yen millions))

\*7 Through fiscal 2018 (ended December 31, 2018), the recycling rate reflected the three main plants in Japan.

## Consolidated statement of financial position

(Millions of Yen)

	Fiscal Year Ended December 31, 2019 <small>(as of December 31, 2019)</small>	Fiscal Year Ended December 31, 2020 <small>(as of December 31, 2020)</small>
<b>[Assets]</b>		
<b>Current assets</b>		
Cash and cash equivalents	128,787	199,522
Trade and other receivables	121,784	112,698
Inventories	65,240	61,617
Other current financial assets	86,418	97,588
Other current assets	24,891	19,536
<b>Total current assets</b>	<b>427,120</b>	<b>490,962</b>
<b>Non-current assets</b>		
Property, plant and equipment	284,105	258,814
Intangible assets	94,162	90,006
Deferred tax assets	13,141	13,078
Investments accounted for using equity method	939	1,262
Other non-current financial assets	42,342	37,372
Other non-current assets	2,193	1,920
<b>Total non-current assets</b>	<b>436,882</b>	<b>402,451</b>
<b>Total assets</b>	<b>864,003</b>	<b>893,413</b>
<b>[Liabilities and equity]</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	150,007	145,316
Bonds and borrowings	10,264	8,975
Income tax payables	7,041	16,183
Other current financial liabilities	5,998	5,765
Other current liabilities	43,557	56,976
<b>Total current liabilities</b>	<b>216,868</b>	<b>233,215</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	27,601	24,202
Deferred tax liabilities	20,682	21,116
Retirement benefit liabilities	10,173	11,483
Other non-current financial liabilities	40,500	36,743
Other non-current liabilities	5,279	4,001
<b>Total non-current liabilities</b>	<b>104,234</b>	<b>97,545</b>
<b>Total liabilities</b>	<b>321,102</b>	<b>330,760</b>
<b>Equity</b>		
<b>Equity attributable to owners of parent</b>		
Capital stock	15,993	15,993
Share premium	14,960	13,208
Retained earnings	513,066	547,259
Treasury shares	(58,769)	(54,572)
Other components of equity	(12,177)	(28,886)
<b>Total equity attributable to owners of parent</b>	<b>473,073</b>	<b>493,002</b>
Non-controlling interests	69,827	69,651
<b>Total equity</b>	<b>542,900</b>	<b>562,653</b>
<b>Total liabilities and equity</b>	<b>864,003</b>	<b>893,413</b>

## Consolidated statement of income

(Millions of Yen)

	Fiscal Year Ended December 31, 2019 <small>(January 1, 2019 - December 31, 2019)</small>	Fiscal Year Ended December 31, 2020 <small>(January 1, 2020 - December 31, 2020)</small>
Net sales	714,233	727,475
Cost of sales	(447,495)	(434,866)
<b>Gross profit</b>	<b>266,738</b>	<b>292,609</b>
Selling, general and administrative expenses	(176,959)	(177,865)
Other income	2,324	2,664
Other expenses	(22,358)	(21,818)
Financial income	3,385	4,152
Financial costs	(3,593)	(3,893)
<b>Profit before tax</b>	<b>69,538</b>	<b>95,849</b>
Income tax expenses	(16,900)	(33,268)
<b>Profit for the period</b>	<b>52,638</b>	<b>62,580</b>
<b>Profit attributable to</b>		
Owners of parent	46,116	52,344
Non-controlling interests	6,521	10,237
<b>Profit for the period</b>	<b>52,638</b>	<b>62,580</b>
<b>Earnings per share attributable to owners of parent</b>		
Basic earnings per share (Yen)	77.53	87.60
Diluted earnings per share (Yen)	77.05	87.46

## Consolidated statement of comprehensive income

(Millions of Yen)

	Fiscal Year Ended December 31, 2019 <small>(January 1, 2019 - December 31, 2019)</small>	Fiscal Year Ended December 31, 2020 <small>(January 1, 2020 - December 31, 2020)</small>
<b>Profit for the period</b>	<b>52,638</b>	<b>62,580</b>
<b>Other comprehensive income, net of tax</b>		
Items that will not be reclassified to profit or loss		
Net changes in equity instruments measured at fair value through other comprehensive income	766	(310)
Re-measurements related to net defined benefit liabilities (assets)	958	(972)
<b>Subtotal</b>	<b>1,724</b>	<b>(1,282)</b>
<b>Items that may be reclassified to profit or loss</b>		
Net changes in debt instruments measured at fair value through other comprehensive income	-	(1)
Changes in fair value of cash flow hedges	(15)	(10)
Exchange differences on translation in foreign operations	2,737	(16,859)
Share of other comprehensive income of investments accounted for using equity method	-	(16)
<b>Subtotal</b>	<b>2,722</b>	<b>(16,887)</b>
<b>Total other comprehensive income, net of tax</b>	<b>4,446</b>	<b>(18,169)</b>
<b>Total comprehensive income</b>	<b>57,083</b>	<b>44,411</b>
<b>Total comprehensive income attributable to</b>		
Owners of parent	52,458	36,248
Non-controlling interests	4,625	8,163
<b>Total comprehensive income</b>	<b>57,083</b>	<b>44,411</b>

## Consolidated statement of changes in equity

Fiscal Year Ended December 31, 2019 (January 1, 2019 - December 31, 2019)

(Millions of Yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of January 1, 2019	15,993	13,058	480,457	(52,776)	(15,276)	441,456	62,214	503,670
Cumulative effects of changes in accounting policies	—	—	(530)	—	—	(530)	(23)	(554)
Restated balance at January 1, 2019	15,993	13,058	479,927	(52,776)	(15,276)	440,926	62,190	503,116
Profit for the period	—	—	46,116	—	—	46,116	6,521	52,638
Other comprehensive income	—	—	—	—	6,341	6,341	(1,896)	4,446
Total comprehensive income	—	—	46,116	—	6,341	52,458	4,625	57,083
Purchase of treasury shares	—	—	—	(15,001)	—	(15,001)	—	(15,001)
Conversion of convertible bond-type bonds with share acquisition rights	—	867	—	9,008	(745)	9,130	—	9,130
Dividends	—	—	(15,475)	—	—	(15,475)	(2,211)	(17,686)
Equity transactions with non-controlling interests	—	1,036	—	—	—	1,036	5,222	6,257
Transfer from other components of equity to retained earnings	—	—	2,497	—	(2,497)	—	—	—
Total transactions with owners	—	1,902	(12,978)	(5,993)	(3,242)	(20,310)	3,011	(17,299)
Balance as of December 31, 2019	15,993	14,960	513,066	(58,769)	(12,177)	473,073	69,827	542,900

Fiscal Year Ended December 31, 2020 (January 1, 2020 - December 31, 2020)

(Millions of Yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of January 1, 2020	15,993	14,960	513,066	(58,769)	(12,177)	473,073	69,827	542,900
Profit for the period	—	—	52,344	—	—	52,344	10,237	62,580
Other comprehensive income	—	—	—	—	(16,095)	(16,095)	(2,074)	(18,169)
Total comprehensive income	—	—	52,344	—	(16,095)	36,248	8,163	44,411
Purchase of treasury shares	—	—	—	(7,193)	—	(7,193)	—	(7,193)
Disposal of treasury shares	—	1,230	—	3,875	(580)	4,525	—	4,525
Conversion of convertible bond-type bonds with share acquisition rights	—	280	—	3,510	(286)	3,504	—	3,504
Dividends	—	—	(17,898)	—	—	(17,898)	(8,822)	(26,720)
Change in scope of consolidation	—	—	—	—	—	—	7	7
Equity transactions with non-controlling interests	—	(283)	—	—	—	(283)	475	192
Share-based payment transactions	—	(2,979)	—	4,004	—	1,025	—	1,025
Transfer from other components of equity to retained earnings	—	—	(253)	—	253	—	—	—
Total transactions with owners	—	(1,752)	(18,151)	4,196	(614)	(16,320)	(8,339)	(24,659)
Balance as of December 31, 2020	15,993	13,208	547,259	(54,572)	(28,886)	493,002	69,651	562,653

## Consolidated statement of cash flows

(Millions of Yen)

	Fiscal Year Ended December 31, 2019 (January 1, 2019 - December 31, 2019)	FFiscal Year Ended December 31, 2020 (January 1, 2020 - December 31, 2020)
Cash flows from operating activities		
Profit before tax	69,538	95,849
Depreciation and amortization expenses	38,676	36,165
Impairment losses	19,654	—
Loss due to fire	—	15,929
Interest and dividend income	(3,380)	(3,836)
Interest expenses	2,296	1,330
Foreign exchange loss (gain)	265	849
Loss (gain) on sale and retirement of fixed assets	626	593
Decrease (increase) in trade and other receivables	(20,264)	5,395
Decrease (increase) inventories	6,700	(419)
Increase (decrease) in trade and other payables	(6,763)	(967)
Increase (decrease) in other current liabilities	50	16,959
Other, net	3,469	2,405
Subtotal	110,866	170,252
Interest and dividends received	3,489	3,470
Interest paid	(1,540)	(1,331)
Proceeds from insurance income	2,025	—
Income taxes refund	13	—
Income taxes paid	(29,919)	(22,136)
Net cash provided by (used in) operating activities	84,936	150,254
Cash flows from investing activities		
Payments into time deposits	(66,717)	(52,232)
Proceeds from withdrawal of time deposits	34,092	41,101
Purchase of property, plant and equipment, and intangible assets	(44,017)	(35,507)
Proceeds from sale of property, plant and equipment, and intangible assets	760	2,115
Purchase of financial assets measured at fair value through profit or loss	—	(6,100)
Purchase of equity instruments measured at fair value through other comprehensive income	(4,015)	(3,014)
Purchase of debt instruments measured at fair value through other comprehensive income	—	(401)
Proceeds from sale and redemption of financial assets measured at amortized cost	—	1,000
Proceeds from sale and redemption of financial assets measured at fair value through profit or loss	4,000	3,000
Proceeds from sale and redemption of equity instruments measured at fair value through other comprehensive income	6,850	8,019
Other, net	(188)	323
Cash flows from investing activities	(69,235)	(41,698)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,869)	25
Proceeds from long-term borrowings	23,000	725
Repayments of long-term borrowings	(9,503)	(1,341)
Repayments of lease liabilities	(5,933)	(5,149)
Payments for purchase of treasury shares	(15,001)	(7,193)
Dividends paid to owners of parent	(15,482)	(17,895)
Dividends paid to non-controlling interests	(2,179)	(8,822)
Proceeds from share issuance to non-controlling interests	8,904	30
Proceeds from exercise of employee share options	—	4,525
Other, net	—	(144)
Cash flows from financing activities	(23,062)	(35,239)
Effect of exchange rate changes on cash and cash equivalents	1,083	(2,583)
Net increase (decrease) in cash and cash equivalents	(6,278)	70,735
Cash and cash equivalents at beginning of period	135,065	128,787
Cash and cash equivalents at end of period	128,787	199,522