

**Summary of Financial Statements for the Fiscal Year Ended March 31, 2020  
[Japan GAAP]**

May 13, 2020

Name of Listed Company: SENKO Group Holdings Co., Ltd. Stock Listed on: The First Section of the Tokyo Stock Exchange  
Code Number: 9069 URL <https://www.senkogroup.co.jp/en/>  
Representative: Title: President and Representative Director Name: Yasuhisa Fukuda  
Inquiries: Title: Executive Officer, Responsible for PR & IR Name: Satoru Kokubo Tel. (06) 6440-5156

Scheduled Date of Annual Meeting of Shareholders: June 25, 2020 Scheduled Date of Dividend Paid: June 26, 2020  
Scheduled Date of Issue of Financial Report: June 25, 2020  
Supplemental Information Materials: Yes  
Information Meeting for Financial Results: Yes (for analysts)

(Amounts less than ¥1 million have been rounded down)

1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	570,030	7.6	20,656	5.2	20,744	4.4	12,081	3.4
Fiscal year ended March 31, 2019	529,609	7.6	19,631	14.9	19,876	14.8	11,681	22.9

(Note) Comprehensive income

Fiscal year ended March 31, 2020: ¥10,677 million (1.2%) Fiscal year ended March 31, 2019: ¥10,547 million (-18.2%)

	Profit per share	Diluted profit per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2020	79.51	73.75	9.9	6.0	3.6
Fiscal year ended March 31, 2019	76.90	71.31	10.1	5.9	3.7

(Reference) Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2020: ¥408 million

Fiscal year ended March 31, 2019: ¥402 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	356,308	134,181	35.1	823.61
As of March 31, 2019	340,491	126,895	35.0	785.08

(Reference) Equity:

As of March 31, 2020: ¥125,158 million

As of March 31, 2019: ¥119,204 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2020	31,098	(18,030)	(9,155)	27,142
Fiscal year ended March 31, 2019	27,022	(15,770)	(13,224)	22,801

2. Dividends

	Annual dividend					Aggregate amount (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	June 30	September 30	December 31	March 31	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2019	-	13.00	-	13.00	26.00	3,966	33.8	3.4
Fiscal year ended March 31, 2020	-	13.00	-	13.00	26.00	3,969	32.7	3.2
Fiscal year ending March 31, 2021 (Forecast)	-	-	-	-	-	-	-	-

(Note) The dividend forecast for the fiscal year ending March 31, 2021 is undetermined at this time.

### 3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2021 (From April 1, 2020 to March 31, 2021)

The forecast of consolidated operating results for the fiscal year ending March 31, 2021 is undetermined as a reasonable assessment of the impact of the novel coronavirus disease (COVID-19) is difficult at this time. The forecast of consolidated operating results will be announced promptly when disclosure becomes possible.

#### Notes

(1) Changes in significant subsidiaries during the fiscal year (Changes in specified subsidiaries associated with change in scope of consolidation): None

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: Yes

(d) Retrospective restatement: None

(3) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury shares)

As of March 31, 2020: 152,861,921 shares As of March 31, 2019: 152,861,921 shares

(b) Treasury shares

As of March 31, 2020: 898,113 shares As of March 31, 2019: 1,024,460 shares

(c) Average number of shares

Fiscal year ended March 31, 2020: 151,936,796 shares Fiscal year ended March 31, 2019: 151,898,229 shares

(Note) Starting with the third quarter of the fiscal year ended March 31, 2018, the number of treasury shares at term-end includes Senko shares owned by the trust accounts of Performance-linked Stock Compensation Plan for Employees (as of March 31, 2020: 348,880 shares; as of March 31, 2019: 351,500 shares) and Performance-linked Stock Compensation Plan for Directors (as of March 31, 2020: 352,988 shares; as of March 31, 2019: 353,000 shares).

#### [Reference] Overview of Non-Consolidated Operating Results

#### Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(1) Non-Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	10,342	11.1	4,491	3.7	4,672	(0.7)	3,995	8.4
Fiscal year ended March 31, 2019	9,305	152.0	4,330	370.3	4,705	459.4	3,686	333.0

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended March 31, 2020	26.29	24.36
Fiscal year ended March 31, 2019	24.27	22.48

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	216,568	76,630	35.2	501.42
As of March 31, 2019	210,904	76,903	36.3	503.69

(Reference) Equity:

As of March 31, 2020: ¥76,198 million

As of March 31, 2019: ¥76,479 million

This financial report is exempt from audit conducted by certified public accountants or an audit corporation.

#### Cautionary statement regarding forecasts of operating results and special notes

- The forecast of consolidated operating results for the fiscal year ending March 31, 2021 is undetermined as a reasonable assessment of the impact of COVID-19 is difficult at this time. The forecast of consolidated operating results will be announced promptly when disclosure becomes possible. For details, please see "Forecasts" on page 3.
- The supplementary material on financial results will be available on the Company's website.

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## 1. Overview of Operating Results and Others

### (1) Overview of operating results and others

#### (a) Overview of results of operations in the fiscal year ended March 31, 2020

In the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020), the employment and income environment in the Japanese economy continued to improve, but the outlook remains unclear due to factors such as the development of a slowdown in overseas economies as a result of trade friction between the United States and China, and the rush in demand before the consumption tax hike and the recoil in demand after the tax hike.

In particular, the business environment has been highly challenging due to the impact of the spread of novel coronavirus disease (COVID-19) in the fourth quarter.

In this environment, the Senko Group has worked to expand and strengthen its business operations, as the third year of the “Senko Innovation Plan 2021 (SIP21)” five-year medium-term business plan.

The following provides an outline of our main activities in the fiscal year ended March 31, 2020.

In the Logistics, SENKO Co., Ltd. commenced operations of Inzai Logistics Center (Inzai City, Chiba Prefecture) in May, Oita PD Center (Oita City, Oita Prefecture) in October, and Amagasaki PD Center (Amagasaki City, Hyogo Prefecture) in February.

Moreover, Runtec Corporation commenced operations of the frozen and refrigerated storage warehouse of its Kansai Branch (Nishinomiya City, Hyogo Prefecture) in July.

Outside Japan, M-Senko Logistics Co., Ltd., a joint venture with MK Restaurant Group Public Company Limited, a major Thai restaurant chain conglomerate, commenced operations of its three-temperature zone (i.e., frozen, refrigerated, and normal) M-SENKO Logistics Center in October, and has been working to develop a cold logistics chain in Thailand.

In the Trading & Commerce, AST CORPORATION started to handle household paper products for large-scale mass-merchandise groups throughout Japan.

In the Living Support, we have been actively working to open new locations. VENUS CO., LTD., which operates day-care locations, has opened eleven new locations, BLUE EARTH JAPAN Co., Ltd., which operates fitness clubs, has opened six new locations including their first overseas location in Cebu Island in the Philippines, and KEIHANNA helper station Co., Ltd., which operates residential nursing homes, has opened two new locations.

In the Business Support, Tokyo Eastside Hotel Kaie, which had been constructed within the grounds of the Company's Head Office in Shiomi, Koto-ku, Tokyo, celebrated its grand opening in February.

With regard to initiatives to reduce environmental load, SENKO Co., Ltd. and Runtec Corporation respectively received the Special Logistics Environment Award from the Japan Association for Logistics and Transport in June, and four Group companies received the Award for Excellent Business Entities Working on Modal Shift from the same association in November.

The full-year performance was as follows.

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change	(Unit: Millions of Yen) %
Operating revenue	529,609	570,030	40,421	7.6
Operating profit	19,631	20,656	1,024	5.2
Ordinary profit	19,876	20,744	868	4.4
Profit attributable to owners of parent	11,681	12,081	399	3.4

Consolidated operating revenue for the fiscal year ended March 31, 2020 increased ¥40,421 million year on year to ¥570,030 million. This result mainly reflected effects of expanding sales and revising the freight charges, opening logistics centers, and making overseas Group companies and operating companies of living support services into consolidated subsidiaries. On the profit front, despite factors that include higher costs largely stemming from rises in outsourcing costs and the impact of the spread of COVID-19, consolidated operating profit increased ¥1,024 million year on year to ¥20,656 million and consolidated ordinary profit increased ¥868 million year on year to ¥20,744 million. This upturn in profits was largely attributable to the effects of the higher revenue mentioned previously and our efforts to improve productivity. Profit attributable to owners of parent increased to ¥12,081 million, up ¥399 million year on year.

The full-year operating revenue by segment was as follows.

## Logistics

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change	%
Operating revenue	375,384	392,728	17,343	4.6
Segment income	16,210	17,847	1,637	10.1

Operating revenue increased ¥17,343 million year on year to ¥392,728 million and segment income rose ¥1,637 million year on year to ¥17,847 million. This was mainly attributable to the effects of the commencement of operations of logistic centers in the current and the previous fiscal year as well as the effect of expanding sales and revising freight charges, and making seven overseas Group companies into consolidated subsidiaries.

## Trading & commerce

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change	%
Operating revenue	142,294	161,314	19,020	13.4
Segment income	2,280	2,119	(160)	(7.0)

Operating revenue increased ¥19,020 million year on year to ¥161,314 million and segment income fell ¥160 million year on year to ¥2,119 million. Although sales of household paper products for large-scale mass-merchandise groups grew, there were higher costs largely stemming from rises in outsourcing costs.

## Others

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Change	%
Operating revenue	11,930	15,987	4,057	34.0
Segment income	1,679	1,419	(260)	(15.5)

Operating revenue increased ¥4,057 million year on year to ¥15,987 million and segment income fell ¥260 million year on year to ¥1,419 million. Although there was business expansion such as making Life-eat Co., Ltd., which manages the food and drink business, into a consolidated subsidiary as well as opening new nursing care and fitness locations and opening a hotel, the segment has been affected by the spread of COVID-19.

### (b) Forecasts

As a result of the worldwide outbreak of COVID-19, the future outlook remains highly unclear. Under such circumstances, the forecast of operating results for the fiscal year ending March 31, 2021 is undetermined as calculation of a reasonable estimate is difficult at this time. The forecast of operating results will be announced promptly when disclosure becomes possible.

## (2) Financial condition

### (a) Assets, liabilities and net assets

#### Total assets

Total assets as of March 31, 2020 were ¥356,308 million, ¥15,817 million higher than at the end of the previous fiscal year.

Current assets amounted to ¥124,210 million, up ¥6,947 million from the end of the previous fiscal year. This mainly reflected increases of ¥3,246 million in cash and deposits and ¥3,050 million in trade notes and accounts receivable.

Non-current assets totaled ¥231,384 million, up ¥8,189 million from the end of the previous fiscal year. This was primarily due to increases of ¥8,763 million in property, plant and equipment and ¥1,131 million in intangible assets, despite a decrease of ¥1,706 million in investments and other assets.

#### Liabilities

Liabilities as of March 31, 2020 increased ¥8,531 million from the end of the previous fiscal year to ¥222,127 million.

Current liabilities totaled ¥111,638 million, up ¥12,969 million from the end of the previous fiscal year. This was mainly due to increases of ¥3,382 million in trade notes and accounts payable and ¥7,671 million in short-term borrowings.

Non-current liabilities totaled ¥110,489 million, down ¥4,437 million from the end of the previous fiscal year. This was primarily due to a decrease of ¥8,857 million in long-term borrowings, despite an increase of ¥3,412 million in lease obligations.

#### Net assets

Net assets as of March 31, 2020 rose ¥7,285 million from the end of the previous fiscal year to ¥134,181 million. This was primarily due to increases of ¥7,918 million in retained earnings and ¥1,324 million in non-controlling interests, despite a decrease of ¥1,519 million in remeasurements of defined benefit plans. The equity ratio as of March 31, 2020 increased by 0.1 percentage points to 35.1% from the end of the previous fiscal year.

(b) Cash flows

Cash and cash equivalents as of March 31, 2020 increased by ¥4,340 million from the end of the previous fiscal year to ¥27,142 million. Net cash provided by operating activities amounted to ¥31,098 million. This was mainly due to profit before income taxes of ¥19,648 million, depreciation of ¥15,565 million, an increase in cash due to an increase in trade payables of ¥1,572 million, and an increase in cash due to an increase in accrued consumption taxes of ¥2,317 million, despite a ¥2,866 million decrease in cash from an increase in trade receivables and income taxes paid of ¥7,645 million.

Net cash used in investing activities totaled ¥18,030 million. This was mainly due to the purchase of property, plant and equipment of ¥17,449 million.

Net cash used in financing activities totaled ¥9,155 million. This was mainly due to repayments of long-term borrowings of ¥6,978 million, repayments of finance lease obligations of ¥3,924 million and dividends paid of ¥3,964 million, despite proceeds from long-term borrowings of ¥5,210 million.

(c) Performance indicators associated with cash flows

Fiscal years ended March 31	2016	2017	2018	2019	2020
Equity ratio (%)	32.6	35.1	33.7	35.0	35.1
Market capitalization equity ratio (%)	36.4	38.0	37.6	41.0	35.7
Interest-bearing debt to cash flow ratio	5.7	4.1	4.9	4.2	3.6
Interest coverage ratio	14.7	21.9	25.4	26.2	28.3

Notes:

Equity ratio: Equity / Total assets

Market capitalization equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest expenses

- All figures are based on the consolidated financial statements.
- Market capitalization is calculated by multiplying the fiscal year-end stock price and the number of shares issued at the end of the fiscal year (after deducting treasury shares).
- Operating cash flows are the figure shown in the consolidated statement of cash flows. Interest-bearing debt is the sum of all liabilities on the consolidated balance sheet on which interest is paid. Interest expenses are the figure shown in the consolidated statement of cash flows.

(3) Fundamental policy for distribution of earnings and dividends for the current and the next fiscal years

While securing internal reserves necessary for future business development and management structure reinforcement, the basic policy of the Company is to return profits to shareholders by implementing stable dividends and dividends that are linked to business results with the aim of enhancing the return to its shareholders.

In accordance with this policy, the year-end dividend for the fiscal year ended March 31, 2020 is set at ¥13.00 per share as previously forecasted. Combined with the already declared interim dividend of ¥13.00, the total annual dividend is expected to be ¥26.00.

The dividend forecast of the fiscal year ending March 31, 2021 is undetermined at this time. The dividend forecast will be announced promptly when disclosure of a reasonable estimate becomes possible.

(4) Business risk

No discussion of business and other risks is presented here because there have been no significant changes involving these risks since the most recent Securities Report (dated June 26, 2019), which includes a section about business and other risks.

## **2. Basic Concept Regarding the Selection of Accounting Standards**

To facilitate comparisons of its consolidated financial statements across time periods and with other companies, the Senko Group intends to prepare its consolidated financial statements based on Japanese generally accepted accounting principles (JGAAP) for the time being. With regard to the adoption of International Financial Reporting Standards (IFRS), the Company intends to respond to this issue appropriately while giving consideration to various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

(Unit: Millions of Yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	25,232	28,479
Trade notes and accounts receivable	71,311	74,361
Electronically recorded monetary claims - operating	1,785	2,651
Merchandise and finished goods	8,513	8,368
Work in process	670	679
Raw materials and supplies	583	567
Other	9,181	9,125
Allowance for doubtful accounts	(14)	(21)
<b>Total current assets</b>	<b>117,263</b>	<b>124,210</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	142,722	145,107
Accumulated depreciation	(78,077)	(80,965)
Buildings and structures, net	64,645	64,141
Machinery, equipment and vehicles	62,543	67,912
Accumulated depreciation	(40,819)	(44,383)
Machinery, equipment and vehicles, net	21,723	23,528
Tools, furniture and fixtures	8,398	9,333
Accumulated depreciation	(6,656)	(7,061)
Tools, furniture and fixtures, net	1,742	2,272
Land	59,669	61,669
Leased assets	16,875	19,245
Accumulated depreciation	(6,751)	(6,173)
Leased assets, net	10,124	13,071
Construction in progress	4,308	6,293
<b>Total property, plant and equipment</b>	<b>162,214</b>	<b>170,978</b>
Intangible assets		
Goodwill	7,446	7,762
Other	4,576	5,391
<b>Total intangible assets</b>	<b>12,022</b>	<b>13,154</b>
Investments and other assets		
Investment securities	20,260	17,662
Long-term loans receivable	3,888	3,452
Retirement benefit asset	3,088	2,094
Guarantee deposits	13,271	14,556
Deferred tax assets	5,138	5,996
Other	4,019	4,269
Allowance for doubtful accounts	(709)	(779)
<b>Total investments and other assets</b>	<b>48,958</b>	<b>47,251</b>
<b>Total non-current assets</b>	<b>223,195</b>	<b>231,384</b>
Deferred assets		
Business commencement expenses	32	713
<b>Total deferred assets</b>	<b>32</b>	<b>713</b>
<b>Total assets</b>	<b>340,491</b>	<b>356,308</b>

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	37,603	40,985
Electronically recorded obligations - operating	7,047	6,559
Current portion of bonds payable	48	48
Short-term borrowings	21,580	29,252
Lease obligations	3,181	3,673
Income taxes payable	4,242	3,745
Provision for bonuses	5,253	5,433
Provision for bonuses for directors (and other officers)	347	401
Provision for loss on disaster	103	–
Other	19,261	21,537
Total current liabilities	98,669	111,638
Non-current liabilities		
Bonds payable	17,120	17,072
Convertible bond-type bonds with share acquisition rights	10,029	10,019
Long-term borrowings	64,696	55,839
Lease obligations	10,500	13,912
Provision for retirement benefits for directors (and other officers)	180	201
Provision for special repairs	80	90
Provision for share-based remuneration	124	271
Retirement benefit liability	6,970	7,060
Asset retirement obligations	1,011	1,145
Other	4,212	4,876
Total non-current liabilities	114,926	110,489
Total liabilities	213,595	222,127
<b>Net assets</b>		
Shareholders' equity		
Share capital	26,528	26,528
Capital surplus	29,841	29,770
Retained earnings	62,983	70,901
Treasury shares	(697)	(652)
Total shareholders' equity	118,656	126,548
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,350	779
Deferred gains or losses on hedges	(3)	14
Foreign currency translation adjustment	122	256
Remeasurements of defined benefit plans	(920)	(2,439)
Total accumulated other comprehensive income	548	(1,390)
Share acquisition rights	424	432
Non-controlling interests	7,265	8,590
Total net assets	126,895	134,181
Total liabilities and net assets	340,491	356,308

**(2) Consolidated statements of (comprehensive) income**

(Consolidated statements of income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019–March 31, 2020)
Operating revenue	529,609	570,030
Operating costs	471,129	503,687
Operating gross profit	58,479	66,342
Selling, general and administrative expenses	38,847	45,686
Operating profit	19,631	20,656
Non-operating income		
Interest income	122	110
Dividend income	146	143
Share of profit of entities accounted for using equity method	402	408
Rental income from land and buildings	246	302
Other	1,175	1,250
Total non-operating income	2,093	2,216
Non-operating expenses		
Interest expenses	1,035	1,099
Foreign exchange losses	–	236
Other	813	792
Total non-operating expenses	1,849	2,128
Ordinary profit	19,876	20,744
Extraordinary income		
Subsidy income	1,586	578
Gain on reversal of tax purpose reduction entry of non-current assets	–	237
Insurance claim income	–	144
Gain on sales of non-current assets	370	58
Gain on extinguishment of tie-in shares	–	51
Gain on termination of retirement benefit plan	–	46
Gain on sales of investment securities	259	–
Gain on liquidation of subsidiaries and associates	79	–
Reversal of allowance for doubtful accounts for subsidiaries and associates	34	–
Total extraordinary income	2,330	1,117
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	1,565	564
Loss on liquidation of subsidiaries	–	355
Loss on return of subsidies	–	237
Impairment loss	31	210
Provision of allowance for doubtful accounts for subsidiaries and associates	149	208
Loss on valuation of shares of subsidiaries and associates	675	189
Loss on retirement of non-current assets	334	159
Settlement package	–	117
Loss on valuation of investment securities	–	113
Litigation settlement	–	55
Loss on liquidation of subsidiaries	200	–
Loss on office withdrawal	133	–
Loss on disaster	111	–
Provision for loss on disaster	103	–
Total extraordinary losses	3,304	2,213

	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019–March 31, 2020)
Profit before income taxes	18,901	19,648
Income taxes - current	7,102	7,009
Income taxes - deferred	(295)	102
Total income taxes	6,806	7,111
Profit	12,094	12,536
Profit attributable to non-controlling interests	413	455
Profit attributable to owners of parent	11,681	12,081

	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019–March 31, 2020)
Profit	12,094	12,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(433)	(560)
Deferred gains or losses on hedges	58	21
Foreign currency translation adjustment	(294)	199
Remeasurements of defined benefit plans, net of tax	(877)	(1,519)
Total other comprehensive income	(1,547)	(1,859)
Comprehensive income	10,547	10,677
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,227	10,078
Comprehensive income attributable to non-controlling interests	320	598

**(3) Consolidated statements of changes in equity**

Fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(Unit: Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,528	29,730	54,968	(590)	110,637
Changes during period					
Dividends of surplus			(3,660)		(3,660)
Profit attributable to owners of parent			11,681		11,681
Purchase of treasury shares				(127)	(127)
Disposal of treasury shares		(2)		20	17
Change in scope of consolidation			(5)		(5)
Change in ownership interest of parent due to transactions with non-controlling interests		114			114
Net changes in items other than shareholders' equity					–
Total changes during period	–	111	8,015	(107)	8,018
Balance at end of period	26,528	29,841	62,983	(697)	118,656

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	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			
Balance at beginning of period	1,775	(61)	334	(42)	2,005	373	5,040	118,056
Changes during period								
Dividends of surplus					–			(3,660)
Profit attributable to owners of parent					–			11,681
Purchase of treasury shares					–			(127)
Disposal of treasury shares					–			17
Change in scope of consolidation					–			(5)
Change in ownership interest of parent due to transactions with non-controlling interests					–			114
Net changes in items other than shareholders' equity	(424)	57	(212)	(877)	(1,457)	51	2,225	820
Total changes during period	(424)	57	(212)	(877)	(1,457)	51	2,225	8,838
Balance at end of period	1,350	(3)	122	(920)	548	424	7,265	126,895

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,528	29,841	62,983	(697)	118,656
Changes during period					
Dividends of surplus			(3,967)		(3,967)
Profit attributable to owners of parent			12,081		12,081
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		46	50
Change in scope of consolidation		42	(195)		(152)
Change in ownership interest of parent due to transactions with non-controlling interests		(119)			(119)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(71)	7,918	45	7,892
Balance at end of period	26,528	29,770	70,901	(652)	126,548

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	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			
Balance at beginning of period	1,350	(3)	122	(920)	548	424	7,265	126,895
Changes during period								
Dividends of surplus					–			(3,967)
Profit attributable to owners of parent					–			12,081
Purchase of treasury shares					–			(0)
Disposal of treasury shares					–			50
Change of scope of consolidation					–			(152)
Change in ownership interest of parent due to transactions with non-controlling interests					–			(119)
Net changes in items other than shareholders' equity	(571)	17	134	(1,519)	(1,938)	7	1,324	(606)
Total changes during period	(571)	17	134	(1,519)	(1,938)	7	1,324	7,285
Balance at end of period	779	14	256	(2,439)	(1,390)	432	8,590	134,181

**(4) Consolidated statements of cash flows**

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	18,901	19,648
Depreciation	14,334	15,565
Amortization of goodwill	484	705
Increase (decrease) in allowance for doubtful accounts	98	171
Decrease (increase) in retirement benefit asset	(57)	(139)
Increase (decrease) in retirement benefit liability	(598)	(670)
Increase (decrease) in provision for bonuses	584	176
Increase (decrease) in provision for share-based remuneration	124	271
Increase (decrease) in provision for loss on disaster	103	(103)
Interest and dividend income	(272)	(253)
Foreign exchange losses (gains)	293	67
Interest expenses	1,035	1,099
Subsidy income	(1,586)	(578)
Loss on tax purpose reduction entry of non-current assets	1,565	564
Loss (gain) on liquidation of subsidiaries	–	355
Loss on return of subsidies	–	237
Gain on reversal of tax purpose reduction entry of non-current assets	–	(237)
Impairment loss	31	210
Loss on valuation of shares of subsidiaries and associates	675	189
Insurance claim income	–	(144)
Settlement package	–	117
Litigation settlement	–	55
Loss (gain) on extinguishment of tie-in shares	–	(51)
Gain on termination of retirement benefit plan	–	(46)
Loss on liquidation of subsidiaries	200	–
Loss on office withdrawal	133	–
Loss on disaster	111	–
Loss (gain) on sales of non-current assets	(348)	(52)
Loss on retirement of non-current assets	334	159
Decrease (increase) in trade receivables	(2,138)	(2,866)
Decrease (increase) in inventories	(1,547)	131
Increase (decrease) in trade payables	871	1,572
Increase (decrease) in accrued consumption taxes	(647)	2,317
Decrease (increase) in consumption taxes refund receivable	1,440	545
Other	(730)	(5)
<b>Subtotal</b>	<b>33,397</b>	<b>39,013</b>
Subsidies received	1,586	578
Settlement package paid	–	(105)
Subsidies returned	–	(237)
Interest and dividends received	718	594
Interest paid	(1,030)	(1,097)
Income taxes paid	(7,649)	(7,645)
<b>Net cash provided by (used in) operating activities</b>	<b>27,022</b>	<b>31,098</b>

	Fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 – March 31, 2020)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3,595)	(2,738)
Proceeds from withdrawal of time deposits	2,412	3,934
Purchase of property, plant and equipment	(24,375)	(17,449)
Proceeds from sales of property, plant and equipment	14,094	1,182
Purchase of shares of subsidiaries and associates	(1,295)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,380)	–
Payments of guarantee deposits	(1,576)	(2,043)
Other	(54)	(916)
Net cash provided by (used in) investing activities	(15,770)	(18,030)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(5,331)	212
Proceeds from long-term borrowings	7,711	5,210
Repayments of long-term borrowings	(9,865)	(6,978)
Repayments of finance lease obligations	(3,871)	(3,924)
Proceeds from share issuance to non-controlling shareholders	2,305	803
Dividends paid	(3,659)	(3,964)
Dividends paid to non-controlling interests	(86)	(170)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(169)	(152)
Other	(256)	(191)
Net cash provided by (used in) financing activities	(13,224)	(9,155)
Effect of exchange rate change on cash and cash equivalents	(115)	45
Net increase (decrease) in cash and cash equivalents	(2,087)	3,958
Cash and cash equivalents at beginning of period	23,795	22,801
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,093	315
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	66
Cash and cash equivalents at end of period	22,801	27,142