

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [Japanese GAAP]



May 8, 2019

Company name: TOA Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6809  
 URL: <https://www.toa.jp/>  
 Representative: Kazuhiro Takeuchi, President, CEO  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 20, 2019  
 Scheduled date of filing annual securities report: June 20, 2019  
 Scheduled date of commencing dividend payments: June 21, 2019  
 Availability of supplementary briefing material on financial results: Yes  
 Schedule of financial results briefing session: Yes (for institutional investors)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2019	46,338	4.9	3,903	11.2	4,099	15.1	2,504	17.1
March 31, 2018	44,180	3.9	3,510	19.6	3,561	17.1	2,138	22.2

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥785 million [(82.2) %]

Fiscal year ended March 31, 2018: ¥4,409 million [167.5%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2019	73.97	-	5.8	7.1	8.4
March 31, 2018	63.16	-	5.1	6.4	7.9

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2019: ¥- million

Fiscal year ended March 31, 2018: ¥- million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of March 31, 2019	57,742	45,689	74.8	1,275.99
As of March 31, 2018	57,824	45,786	75.2	1,284.69

(Reference) Equity: As of March 31, 2019: ¥43,207 million

As of March 31, 2018: ¥43,502 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, 2019	3,261	(2,025)	(865)	19,660
March 31, 2018	2,760	(1,158)	(1,393)	19,670

## 2. Dividends

	Annual dividends					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	Million yen	%	%
Fiscal year ended March 31, 2018	-	10.00	-	13.00	23.00	778	36.4	1.9
Fiscal year ended March 31, 2019	-	10.00	-	16.00	26.00	880	35.1	2.0
Fiscal year ending March 31, 2020 (Forecast)	-	10.00	-	10.00	20.00		27.6	

Breakdown of the dividends for the fiscal year ended March 31, 2018: Stable dividend ¥20, Performance-based dividend ¥3

Breakdown of the dividends for the fiscal year ended March 31, 2019: Stable dividend ¥20, Performance-based dividend ¥6

Dividends for the fiscal year ending March 31, 2020 (Forecast) will be determined by taking into account the performances on stable dividend of ¥20, aiming at a consolidated dividend payout ratio of 35%, as specified in “(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 7.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half (Cumulative)	22,000	9.4	1,300	10.0	1,400	2.7	800	12.7	23.63
Full year	49,000	5.7	4,000	2.5	4,100	0.0	2,450	(2.2)	72.35

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - March 31, 2019: 34,536,635 shares
    - March 31, 2018: 34,536,635 shares
  - 2) Total number of treasury shares at the end of the period:
    - March 31, 2019: 674,539 shares
    - March 31, 2018: 674,280 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended March 31, 2019: 33,862,209 shares
    - Fiscal year ended March 31, 2018: 33,862,443 shares

**(Reference) Overview of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	32,815	4.9	1,540	0.3	2,022	10.2	1,517	7.5
March 31, 2018	31,297	1.9	1,536	20.0	1,835	13.6	1,411	55.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2019	44.81	-
March 31, 2018	41.68	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	37,642	31,587	83.9	932.82
As of March 31, 2018	39,013	32,266	82.7	952.88

(Reference) Equity: As of March 31, 2019: ¥31,587 million

As of March 31, 2018: ¥32,266 million

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.\* Explanation of the proper use of financial results forecast and other notes

Forecasts presented herein are the current prospects based on information currently available and contain elements of uncertainty. Actual results may therefore differ from the above forecasts due to subsequent changes in the circumstances.

The Company plans to hold a financial results briefing session for institutional investors on Thursday, May 23, 2019. The materials that will be distributed at the briefing are scheduled to be posted on our website promptly after the session.

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## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

During the fiscal year ended March 31, 2019, the Japanese economy continued its moderate recovery trend, backed by improvements in corporate earnings. The overall outlook however remains unclear, with periods of stagnation due to a string of natural disasters and a weakening trend in exports due to the impact of trade frictions, as well as uncertainty in overseas economies.

In such an environment, we launched our new “medium-term management plan” from the fiscal year ended March 31, 2019 in order to realize our corporate value “Smiles for the Public.” In the domestic market, we have created and presented original solutions facilitating effective product use suited to customer applications. These include a combination of consulting services aimed at increasing sound clarity for applications in public spaces, such as anti-disaster broadcast systems, and services such as Multi-language Broadcasting for public transport and commercial facilities responding to inbound demand. Furthermore, we are continuing to strengthen our marketing function in overseas markets, accelerate product development and expand sales channels to meet the specific needs of each market.

As a result, net sales during the fiscal year ended March 31, 2019 amounted to ¥46,338 million (up ¥2,157 million, or 4.9%, year on year). Operating profit amounted to ¥3,903 million (up ¥392 million, or 11.2%, year on year), ordinary profit to ¥4,099 million (up ¥538 million, or 15.1%, year on year), and profit attributable to owners of parent to ¥2,504 million (up ¥366 million, or 17.1%, year on year).

Performance by segment is as follows.

#### (Japan)

Net sales amounted to ¥28,454 million (up ¥1,155 million, or 4.2%, year on year), and segment profit (operating profit) to ¥5,670 million (up ¥286 million, or 5.3%, year on year).

Despite lower sales for disaster reduction and prevention markets, sales in commercial facilities and transportation infrastructure markets increased. Sales of products such as video equipment were robust. Consequently, net sales and segment profit increased.

#### (Asia & Pacific)

Net sales amounted to ¥7,185 million (up ¥460 million, or 6.8%, year on year), and segment profit (operating profit) to ¥977 million (up ¥118 million, or 13.9%, year on year).

Net sales and segment profit increased due mainly to the development of distribution channels in Indonesia and robust sales to transportation infrastructure markets in Thailand, as well as an increase in sales for the government sector in Vietnam.

#### (Europe, Middle East & Africa)

Net sales amounted to ¥5,306 million (up ¥509 million, or 10.6%, year on year), and segment profit (operating profit) to ¥578 million (up ¥152 million, or 35.9%, year on year).

Net sales and segment profit increased due to robust sales of emergency broadcasting systems, etc. in European countries, as well as sales of large transaction items for Egypt.

#### (The Americas)

Net sales amounted to ¥3,666 million (down ¥190 million, or 4.9%, year on year), and segment profit (operating profit) to ¥179 million (up ¥21 million, or 13.5%, year on year).

Net sales decreased due to lower sales of audio equipment in the U.S. and Canada, and a decrease in the delivery of railway cars. Segment profit increased partly due to an improvement in the cost ratio.

(China & East Asia)

Net sales amounted to ¥1,725 million (up ¥222 million, or 14.8%, year on year), and segment profit (operating profit) to ¥206 million (down ¥9 million, or 4.2%, year on year).

Although net sales increased mainly due to large transactions for airports and new distribution expansion in China, as well as robust sales of emergency broadcasting equipment to airports and factories in Taiwan, segment profit decreased due to an increase in operating expenses.

## (2) Overview of Financial Position for the Fiscal Year Under Review

Total assets at the end of the fiscal year ended March 31, 2019 decreased ¥81 million from the end of the previous fiscal year to ¥57,742 million. Assets decreased due mainly to a decrease resulting from revaluation of investment securities, despite an increase in property, plant and equipment. Liabilities and net assets decreased, mainly due to a decrease in the valuation difference on available-for-sale securities, despite an increase in retained earnings owing to the recording of profit attributable to owners of parent.

## (3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year ended March 31, 2019 (hereinafter “cash”) decreased by ¥10 million from the end of the previous fiscal year to ¥19,660 million. The status of cash flows and their contributing factors during the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥3,261 million. This was mainly attributable to ¥4,099 million of profit before income taxes, depreciation of ¥1,068 million, an increase of ¥1,215 million in inventories, and ¥1,117 million of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,025 million. This was mainly attributable to the construction of a research and development facility and the purchase of manufacturing equipment that amounted to ¥1,615 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥865 million. This was mainly attributable to ¥777 million of cash dividends paid.

## (4) Future Outlook

The next fiscal year will be the second year of the medium-term management plan concluding in March 2021. We aim to strengthen further our “connection with our customers,” by making our products more IoT-compatible as well as by deploying sales and engineering strategies closely matched to customer needs. Using our unique perspective as a specialized manufacturer having strength in “Audio notification capabilities,” we will combine service and consulting to develop businesses capable of continuing to create and provide ideal solutions suited to customer applications.

Furthermore, we will realize the “5 TOAs in the World,” in which each global region will become an independent business, by strengthening the marketing function of each, and further accelerating product development to meet each market’s needs.

At present, our performance forecasts for the fiscal year ending March 31, 2020 are: Net sales of ¥49,000 million, operating profit of ¥4,000 million, ordinary profit of ¥4,100 million, and profit attributable to owners of parent of ¥2,450 million.

#### (5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year

The Company views an increase of returns of profits to shareholders as an important managerial task.

Regarding the distribution of profits, in addition to our basic policy of providing stable dividends, we endeavor to provide returns to shareholders by taking our business performance into consideration. We also aim to maintain sufficient internal reserves, so as to secure a stable management foundation in the long term, and to raise the competitiveness of the Company through actively carrying out R&D investments. By endeavoring to strengthen our financial structure, we aim to increase our corporate value.

In addition, to further specify our policy of providing dividends based on business performance, we adopt a basic policy of maintaining an annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), and aim for a consolidated dividend payout ratio of 35% based on our business performance. The amount of dividends paid will also be determined by considering the overall balance with our internal reserves, so as to enable sustainable growth of the Company.

For the fiscal year ended March 31, 2019, the Company plans to pay an annual dividend of ¥26 per share (stable annual dividend of ¥20 and performance-based dividend of ¥6), which includes the interim dividend of ¥10 per share already paid. For the fiscal year ending March 31, 2020, in addition to the stable annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), we will determine the dividend amount by aiming for a consolidated dividend payout ratio of 35% based on our business performance.

#### 2. Basic Views on the Selection of Accounting Standards

In consideration of the ease of comparison of the consolidated financial statements, in terms of comparison with previous years and comparison with other companies, the TOA Group plans to continue adopting Japanese GAAP in the preparation of its consolidated financial statements.

With regard to the adoption of IFRS, in view of the various circumstances within and outside of Japan, the Group will adopt the IFRS appropriately, as necessary.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	16,958	17,014
Notes and accounts receivable - trade	10,759	10,305
Securities	3,500	3,500
Merchandise and finished goods	5,607	6,175
Work in process	818	846
Raw materials and supplies	2,658	2,994
Other	666	671
Allowance for doubtful accounts	(93)	(85)
Total current assets	40,875	41,423
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,629	7,631
Accumulated depreciation	(4,851)	(5,022)
Buildings and structures, net	2,778	2,609
Machinery, equipment and vehicles	1,540	1,579
Accumulated depreciation	(1,213)	(1,219)
Machinery, equipment and vehicles, net	326	360
Tools, furniture and fixtures	3,984	3,818
Accumulated depreciation	(3,615)	(3,444)
Tools, furniture and fixtures, net	368	374
Land	2,457	2,450
Leased assets	508	731
Accumulated depreciation	(316)	(351)
Leased assets, net	192	380
Construction in progress	395	1,571
Total property, plant and equipment	6,519	7,747
Intangible assets		
Goodwill	306	551
Software	1,072	914
Software in progress	49	42
Other	208	194
Total intangible assets	1,635	1,703
Investments and other assets		
Investment securities	7,577	5,524
Deferred tax assets	316	353
Retirement benefit asset	22	15
Other	880	977
Allowance for doubtful accounts	(3)	(1)
Total investments and other assets	8,794	6,869
Total non-current assets	16,949	16,319
<b>Total assets</b>	<b>57,824</b>	<b>57,742</b>



(Million yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,906	4,066
Short-term loans payable	852	934
Lease obligations	69	107
Income taxes payable	468	417
Provision for bonuses	172	168
Provision for product warranties	25	14
Other	2,169	2,364
Total current liabilities	7,663	8,073
Non-current liabilities		
Lease obligations	192	341
Deferred tax liabilities	823	284
Retirement benefit liability	2,704	2,625
Other	653	727
Total non-current liabilities	4,374	3,979
<b>Total liabilities</b>	<b>12,037</b>	<b>12,053</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus	6,866	6,866
Retained earnings	27,324	29,050
Treasury shares	(393)	(394)
Total shareholders' equity	39,077	40,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,668	3,250
Foreign currency translation adjustment	(253)	(868)
Remeasurements of defined benefit plans	11	23
Total accumulated other comprehensive income	4,425	2,404
Non-controlling interests	2,283	2,481
<b>Total net assets</b>	<b>45,786</b>	<b>45,689</b>
<b>Total liabilities and net assets</b>	<b>57,824</b>	<b>57,742</b>

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net sales	44,180	46,338
Cost of sales	25,007	26,152
Gross profit	19,173	20,185
Selling, general and administrative expenses	15,663	16,282
Operating profit	3,510	3,903
Non-operating income		
Interest income	39	31
Dividend income	74	88
Insurance and dividend income	27	27
Other	75	147
Total non-operating income	217	295
Non-operating expenses		
Interest expenses	28	43
Foreign exchange losses	106	42
Other	32	12
Total non-operating expenses	166	98
Ordinary profit	3,561	4,099
Profit before income taxes	3,561	4,099
Income taxes - current	1,079	1,105
Income taxes - deferred	(21)	73
Total income taxes	1,057	1,178
Profit	2,503	2,921
Profit attributable to non-controlling interests	364	417
Profit attributable to owners of parent	2,138	2,504

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Profit	2,503	2,921
Other comprehensive income		
Valuation difference on available-for-sale securities	1,359	(1,417)
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	474	(734)
Remeasurements of defined benefit plans, net of tax	72	16
Total other comprehensive income	1,906	(2,136)
Comprehensive income	4,409	785
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,005	484
Comprehensive income attributable to non-controlling interests	404	301

(3) Consolidated Statements of Changes in Net Assets  
Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,279	6,866	25,930	(393)	37,683
Changes of items during period					
Dividends of surplus			(744)		(744)
Profit attributable to owners of parent			2,138		2,138
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,393	(0)	1,393
Balance at end of current period	5,279	6,866	27,324	(393)	39,077

	Accumulated other comprehensive income					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 current period	3,308	0	(683)	(66)	2,558	2,065	42,307
Changes of items during period							
Dividends of surplus							(744)
Profit attributable to owners of parent							2,138
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	1,359	(0)	429	77	1,866	218	2,084
Total changes of items during period	1,359	(0)	429	77	1,866	218	3,478
Balance at end of current period	4,668	-	(253)	11	4,425	2,283	45,786

Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,279	6,866	27,324	(393)	39,077
Changes of items during period					
Dividends of surplus			(778)		(778)
Profit attributable to owners of parent			2,504		2,504
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,725	(0)	1,725
Balance at end of current period	5,279	6,866	29,050	(394)	40,802

	Accumulated other comprehensive income					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 current period	4,668	-	(253)	11	4,425	2,283	45,786
Changes of items during period							
Dividends of surplus							(778)
Profit attributable to owners of parent							2,504
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(1,417)	-	(614)	12	(2,020)	197	(1,822)
Total changes of items during period	(1,417)	-	(614)	12	(2,020)	197	(96)
Balance at end of current period	3,250	-	(868)	23	2,404	2,481	45,689

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,561	4,099
Depreciation	917	1,068
Increase (decrease) in retirement benefit liability	73	(47)
Interest and dividend income	(114)	(120)
Foreign exchange losses (gains)	(23)	(157)
Interest expenses	28	43
Increase (decrease) in accounts payable - other	143	94
Decrease (increase) in notes and accounts receivable - trade	(751)	352
Decrease (increase) in inventories	(144)	(1,215)
Increase (decrease) in notes and accounts payable - trade	(23)	255
Other, net	60	(70)
<b>Subtotal</b>	<b>3,727</b>	<b>4,302</b>
Interest and dividend income received	110	118
Interest expenses paid	(26)	(42)
Income taxes (paid) refund	(1,052)	(1,117)
<b>Net cash provided by (used in) operating activities</b>	<b>2,760</b>	<b>3,261</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(482)	(827)
Proceeds from withdrawal of time deposits	522	749
Purchase of property, plant and equipment	(688)	(1,615)
Proceeds from sales of property, plant and equipment	8	3
Purchase of intangible assets	(508)	(293)
Other, net	(9)	(42)
<b>Net cash provided by (used in) investing activities</b>	<b>(1,158)</b>	<b>(2,025)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(409)	100
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	0
Repayments of finance lease obligations	(39)	(74)
Cash dividends paid	(743)	(777)
Dividends paid to non-controlling interests	(200)	(113)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,393)</b>	<b>(865)</b>
Effect of exchange rate change on cash and cash equivalents	300	(380)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>508</b>	<b>(10)</b>
Cash and cash equivalents at beginning of period	19,161	19,670
<b>Cash and cash equivalents at end of period</b>	<b>19,670</b>	<b>19,660</b>

#### 4. Non-consolidated Financial Statements

##### (1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	7,393	7,226
Notes receivable - trade	2,440	2,492
Accounts receivable - trade	5,627	5,669
Securities	3,500	3,500
Finished goods	2,823	2,829
Work in process	136	2
Raw materials and supplies	284	293
Prepaid expenses	127	137
Other	232	254
Allowance for doubtful accounts	(69)	(50)
Total current assets	22,495	22,355
Non-current assets		
Property, plant and equipment		
Buildings, net	1,810	1,705
Structures, net	8	6
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	122	135
Land	2,217	2,217
Leased assets, net	6	11
Construction in progress	367	1,446
Total property, plant and equipment	4,534	5,525
Intangible assets		
Software	940	779
Software in progress	35	37
Other	70	70
Total intangible assets	1,046	887
Investments and other assets		
Investment securities	7,575	5,522
Shares of subsidiaries and associates	2,491	2,491
Investments in capital of subsidiaries and associates	670	670
Other	203	191
Allowance for doubtful accounts	(3)	(1)
Total investments and other assets	10,937	8,875
Total non-current assets	16,518	15,287
<b>Total assets</b>	<b>39,013</b>	<b>37,642</b>

(Million yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	1,581	1,459
Lease obligations	1	2
Accounts payable – other	552	525
Income taxes payable	287	206
Accrued expenses	493	533
Other	153	207
Total current liabilities	3,070	2,935
Non-current liabilities		
Lease obligations	4	9
Provision for retirement benefits	2,299	2,204
Deferred tax liabilities	825	293
Other	546	613
Total non-current liabilities	3,676	3,120
Total liabilities	6,747	6,055
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	0	0
Total capital surpluses	6,808	6,808
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	12,293	13,032
Total retained earnings	15,903	16,642
Treasury shares	(393)	(394)
Total shareholders' equity	27,598	28,336
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,668	3,250
Total valuation and translation adjustments	4,668	3,250
Total net assets	32,266	31,587
Total liabilities and net assets	39,013	37,642



## (2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net sales	31,297	32,815
Cost of sales	19,296	20,594
Gross profit	12,000	12,221
Selling, general and administrative expenses	10,464	10,680
Operating profit	1,536	1,540
Non-operating income		
Interest and dividend income	297	388
Foreign exchange gains	-	45
Miscellaneous income	64	57
Total non-operating income	362	490
Non-operating expenses		
Interest expenses	4	4
Foreign exchange losses	47	-
Miscellaneous loss	11	4
Total non-operating expenses	63	8
Ordinary profit	1,835	2,022
Profit before income taxes	1,835	2,022
Income taxes - current	469	402
Income taxes - deferred	(45)	102
Total income taxes	424	504
Profit	1,411	1,517

(3) Non-consolidated Statements of Changes in Net Assets  
 Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	5,279	6,808	0	6,808	679	2,930	11,627	15,237
Changes of items during period								
Dividends of surplus							(744)	(744)
Profit							1,411	1,411
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	666	666
Balance at end of current period	5,279	6,808	0	6,808	679	2,930	12,293	15,903

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(393)	26,932	3,308	3,308	30,241
Changes of items during period					
Dividends of surplus		(744)			(744)
Profit		1,411			1,411
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			1,359	1,359	1,359
Total changes of items during period	(0)	666	1,359	1,359	2,025
Balance at end of current period	(393)	27,598	4,668	4,668	32,266

Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	5,279	6,808	0	6,808	679	2,930	12,293	15,903
Changes of items during period								
Dividends of surplus							(778)	(778)
Profit							1,517	1,517
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	738	738
Balance at end of current period	5,279	6,808	0	6,808	679	2,930	13,032	16,642

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(393)	27,598	4,668	4,668	32,266
Changes of items during period					
Dividends of surplus		(778)			(778)
Profit		1,517			1,517
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			(1,417)	(1,417)	(1,417)
Total changes of items during period	(0)	738	(1,417)	(1,417)	(679)
Balance at end of current period	(394)	28,336	3,250	3,250	31,587