

Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 [Japanese GAAP]



May 13, 2020

Company name: TOA Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6809
 URL: <https://www.toa.jp/>
 Representative: Kazuhiro Takeuchi, President, CEO
 Contact: Keigo Yoshida, General Manager of Accounting & Financial Department
 Scheduled date of Ordinary General Meeting of Shareholders: June 23, 2020
 Scheduled date of filing annual securities report: June 23, 2020
 Scheduled date of commencing dividend payments: June 24, 2020
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: Yes (Only in the form of a video posted on the Company's website.)

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

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

(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, 2020	45,068	(2.7)	3,465	(11.2)	3,577	(12.7)	2,065	(17.5)
March 31, 2019	46,338	4.9	3,903	11.2	4,099	15.1	2,504	17.1

(Note) Comprehensive income: Fiscal year ended March 31, 2020: ¥2,490 million [217.0 %]

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

	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, 2020	60.99	-	-	-	4.8	6.1	7.7	7.7		
March 31, 2019	73.97	-	-	-	5.8	7.1	8.4	8.4		

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

Fiscal year ended March 31, 2020: ¥(2) million

Fiscal year ended March 31, 2019: ¥- 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	58,653	72.9	44,780	74.8	72.9	1,262.02	72.9	
As of March 31, 2019	57,742	74.8	45,689	74.8	74.8	1,275.99	74.8	

(Reference) Equity: As of March 31, 2020: ¥42,756 million

As of March 31, 2019: ¥43,207 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	1,832	(2,558)	(2,746)	(865)	16,108	16,108	16,108	16,108
March 31, 2019	3,261	(2,025)	(865)	(865)	19,660	19,660	19,660	19,660

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, 2019	-	10.00	-	16.00	26.00	880	35.1	2.0
Fiscal year ended March 31, 2020	-	10.00	-	16.00	26.00	880	42.6	2.0
Fiscal year ending March 31, 2021 (Forecast)	-	10.00	-	10.00	20.00		108.4	

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

Breakdown of the dividends for the fiscal year ended March 31, 2020: Stable dividend ¥20, Performance-based dividend ¥2, Commemorative dividend ¥4

Dividends for the fiscal year ending March 31, 2021 (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, 2021 (April 1, 2020 to March 31, 2021)

(% 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
Full year	40,500	(10.1)	700	(79.8)	750	(79.0)	600	(71.0)	18.45

* 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: Yes
 - 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, 2020: 34,536,635 shares
 - March 31, 2019: 34,536,635 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2020: 657,114 shares
 - March 31, 2019: 674,539 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2020: 33,874,001 shares
 - Fiscal year ended March 31, 2019: 33,862,209 shares

(Reference) Overview of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)**

(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, 2020	31,713	(3.4)	1,597	3.7	2,008	(0.7)	1,549	2.1
March 31, 2019	32,815	4.9	1,540	0.3	2,022	10.2	1,517	7.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2020	45.75	-
March 31, 2019	44.81	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2020	40,008	32,709	81.8	965.48
March 31, 2019	37,642	31,587	83.9	932.82

(Reference) Equity: As of March 31, 2020: ¥32,709 million

As of March 31, 2019: ¥31,587 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.

In order to prevent the spread of Coronavirus disease (COVID-19), the Company plans to post a financial results briefing video and a supplementary briefing material on financial results on its website instead of holding a financial results briefing session for institutional investors as in the past.

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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, 2020, the economy continued to slow down due to factors including the U.S-China trade frictions and uncertainty in the UK after its withdrawal from the EU. In addition, the impact of the novel coronavirus (COVID-19) began to emerge, and the global economy is expected to slow down rapidly.

In such an environment, we engage in activities to further strengthen our “connection with our customers” through interactions with both people and goods in order to realize our corporate value “Smiles for the Public.” In the domestic market, we have provided value in line with the social circumstances, including preparation for natural disasters, inbound demand, and work style reform, centered on the disaster reduction and prevention markets, and the transportation infrastructure market. Overseas, we acquired additional shares of a consolidated subsidiary in Singapore, with the aim of expanding our Asia & Pacific business by further accelerating decision making and promoting a business based on local production and local consumption. In addition, we established a joint venture with a Chinese communications equipment manufacturer, with the aim of quickly planning, developing and introducing products based on a locally-focused strategy. We aim to become the leader in the Chinese market in terms of the market share.

As a result, net sales during the fiscal year ended March 31, 2020 amounted to ¥45,068 million (down ¥1,269 million, or 2.7%, year on year). In terms of profits, as selling, general and administrative expenses increased, operating profit amounted to ¥3,465 million (down ¥437 million, or 11.2%, year on year), ordinary profit to ¥3,577 million (down ¥522 million, or 12.7%, year on year), and profit attributable to owners of parent to ¥2,065 million (down ¥438 million, or 17.5%, year on year).

Performance by segment is as follows.

Effective from the fiscal year ended March 31, 2019, the accounting method for reportable segments has changed. As a result of this change, comparison was made with the figures for the same period of the previous fiscal year recalculated to reflect the new segmentation. For details, see the Segment Information below.

(Japan)

Net sales amounted to ¥29,412 million (down ¥540 million, or 1.8%, year on year), and segment profit (operating profit) to ¥6,775 million (up ¥163 million, or 2.5%, year on year).

Net sales declined as the increase in sales of “Horn Array Speakers” and “Slim Array Speakers for Disaster Prevention” to municipalities was offset by factors including a decline in the shipments for railway cars. Meanwhile, segment profit increased due to a decline in selling, general, and administrative expenses.

(Asia & Pacific)

Net sales amounted to ¥7,455 million (up ¥272 million, or 3.8%, year on year), and segment profit (operating profit) to ¥1,373 million (up ¥127 million, or 10.3%, year on year).

Net sales and segment profit increased due to the progress of delivery of subway projects and others for the transportation infrastructure markets in Thailand and delivery to large sports facilities and airports in Indonesia.

(Europe, Middle East & Africa)

Net sales amounted to ¥4,381 million (down ¥924 million, or 17.4%, year on year), and segment profit (operating profit) to ¥513 million (down ¥417 million, or 44.9%, year on year).

Net sales and segment profit decreased due to the decline in sales caused by the slowdown of the economies in Europe and the Middle East in addition to the appreciation of yen and a decline in large-scale projects.

(The Americas)

Net sales amounted to ¥2,148 million (down ¥25 million, or 1.2%, year on year), and segment profit (operating profit) to ¥138 million (down ¥93 million, or 40.4%, year on year).

Net sales decreased due to the impact of the appreciation of the yen, despite an increase in sales of audio equipment to retailers in the Americas. Segment profit decreased due to a decrease in sales and an increase in selling, general and administrative expenses.

(China & East Asia)

Net sales amounted to ¥1,670 million (down ¥50 million, or 2.9%, year on year), and segment profit (operating profit) to ¥181 million (down ¥20 million, or 10.1%, year on year).

Net sales declined due to the impact of the appreciation of the yen, despite an increase in sales in Taiwan and Hong Kong. Segment profit decreased due to a decrease in sales and an increase in selling, general and administrative expenses.

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

Total assets at the end of the fiscal year ended March 31, 2020 increased ¥910 million from the end of the previous fiscal year to ¥58,653 million. Assets increased due an increase in inventory assets and property, plant and equipment, and other factors, despite decreases in cash and deposits as well as securities. Liabilities increased due to factors including an increase in short-term borrowings and an increase in accounts payable - other due to capital investment. Net assets decreased, due to factors including a decline in capital surplus, despite an increase in retained earnings.

(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, 2020 (hereinafter “cash”) decreased by ¥3,552 million from the end of the previous fiscal year to ¥16,108 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 ¥1,832 million. This was mainly attributable to ¥3,297 million of profit before income taxes, depreciation of ¥1,437 million, an increase of ¥975 million in inventories, and ¥1,106 million of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,558 million. This was mainly attributable to the construction of a research and development facility and the purchase of manufacturing equipment that amounted to ¥2,391 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥2,746 million. This was mainly attributable to ¥879 million of cash dividends paid, and ¥2,458 million used to acquire shares of a subsidiary without a change in the scope of consolidation.

(4) Future Outlook

The Company has been advancing the three-year medium-term management plan concluding in March 2021. We have 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. Furthermore, we have striven to 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.

However, looking forward, the novel coronavirus (COVID-19) is spreading around the world, and we expect that the stagnation of global economic activities will have an avoidable impact on the performance of the TOA Group.

Amid this situation, at present, our performance forecasts for the fiscal year ending March 31, 2021 are: Net sales of ¥40,500 million, operating profit of ¥700 million, ordinary profit of ¥750 million, and profit attributable to owners of parent of ¥600 million.

There are possibilities that the Company's earnings will significantly fluctuate based on how the novel coronavirus continues to spread or settles down going forward. For details, please refer to "Notification regarding a Correction of the Medium-Term Management Plan's Results Targets" issued today.

(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.

The Company celebrated its 70th anniversary in the fiscal year ended March 31, 2020. To express its appreciation for shareholders' support, the Company decided to pay a commemorative dividend of ¥4 per share along with the year-end dividend for the fiscal year ended March 31, 2020.

For the fiscal year ended March 31, 2020, the Company plans to pay an annual dividend of ¥26 per share (stable annual dividend of ¥20, performance-based dividend of ¥2 and commemorative dividend of ¥4), which includes the interim dividend of ¥10 per share already paid. For the fiscal year ending March 31, 2021, 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, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	17,014	15,610
Notes and accounts receivable - trade	10,305	10,312
Securities	3,500	1,200
Merchandise and finished goods	6,175	6,845
Work in process	846	1,045
Raw materials and supplies	2,994	3,065
Other	671	880
Allowance for doubtful accounts	(85)	(75)
Total current assets	41,423	38,885
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,631	10,159
Accumulated depreciation	(5,022)	(3,922)
Buildings and structures, net	2,609	6,237
Machinery, equipment and vehicles	1,579	1,590
Accumulated depreciation	(1,219)	(1,225)
Machinery, equipment and vehicles, net	360	365
Tools, furniture and fixtures	3,818	3,933
Accumulated depreciation	(3,444)	(3,281)
Tools, furniture and fixtures, net	374	651
Land	2,450	2,451
Leased assets	731	1,433
Accumulated depreciation	(351)	(598)
Leased assets, net	380	835
Construction in progress	1,571	38
Total property, plant and equipment	7,747	10,579
Intangible assets		
Goodwill	551	507
Software	914	721
Software in progress	42	149
Other	194	220
Total intangible assets	1,703	1,599
Investments and other assets		
Investment securities	5,524	6,163
Deferred tax assets	353	334
Retirement benefit asset	15	7
Other	977	1,085
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	6,869	7,589
Total non-current assets	16,319	19,768
Total assets	57,742	58,653

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,066	3,409
Short-term borrowings	934	1,915
Lease obligations	107	236
Income taxes payable	417	332
Provision for bonuses	168	157
Provision for product warranties	14	19
Other	2,364	3,112
Total current liabilities	8,073	9,183
Non-current liabilities		
Lease obligations	341	647
Deferred tax liabilities	284	466
Retirement benefit liability	2,625	2,841
Other	727	734
Total non-current liabilities	3,979	4,689
Total liabilities	12,053	13,872
Net assets		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus	6,866	5,058
Retained earnings	29,050	30,236
Treasury shares	(394)	(385)
Total shareholders' equity	40,802	40,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,250	3,682
Foreign currency translation adjustment	(868)	(1,009)
Remeasurements of defined benefit plans	23	(104)
Total accumulated other comprehensive income	2,404	2,567
Non-controlling interests	2,481	2,024
Total net assets	45,689	44,780
Total liabilities and net assets	57,742	58,653

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

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	46,338	45,068
Cost of sales	26,152	24,983
Gross profit	20,185	20,085
Selling, general and administrative expenses	16,282	16,620
Operating profit	3,903	3,465
Non-operating income		
Interest income	31	43
Dividend income	88	95
Insurance claim and dividend income	27	23
Other	147	99
Total non-operating income	295	261
Non-operating expenses		
Interest expenses	43	72
Foreign exchange losses	42	46
Share of loss of entities accounted for using equity method	-	2
Other	12	27
Total non-operating expenses	98	149
Ordinary profit	4,099	3,577
Extraordinary income		
Subsidy income	-	120
Total extraordinary income	-	120
Extraordinary losses		
Dismantlement expenses	-	168
Loss on liquidation of subsidiaries and associates	-	232
Total extraordinary losses	-	401
Profit before income taxes	4,099	3,297
Income taxes - current	1,105	915
Income taxes - deferred	73	61
Total income taxes	1,178	976
Profit	2,921	2,320
Profit attributable to non-controlling interests	417	254
Profit attributable to owners of parent	2,504	2,065

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Profit	2,921	2,320
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,417)	431
Foreign currency translation adjustment	(734)	(139)
Share of other comprehensive income of entities accounted for using equity method	-	0
Remeasurements of defined benefit plans, net of tax	16	(121)
Total other comprehensive income	(2,136)	170
Comprehensive income	785	2,490
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	484	2,228
Comprehensive income attributable to non-controlling interests	301	261

(3) Consolidated Statements of Changes in Net Assets
Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,279	6,866	27,324	(393)	39,077
Changes 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
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	0	1,725	(0)	1,725
Balance at end of 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	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,668	(253)	11	4,425	2,283	45,786
Changes during period						
Dividends of surplus						(778)
Profit attributable to owners of parent						2,504
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes in items other than shareholders' equity	(1,417)	(614)	12	(2,020)	197	(1,822)
Total changes during period	(1,417)	(614)	12	(2,020)	197	(96)
Balance at end of period	3,250	(868)	23	2,404	2,481	45,689

Fiscal Year Ended March 31, 2019 (April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,279	6,866	29,050	(394)	40,802
Changes during period					
Dividends of surplus			(880)		(880)
Profit attributable to owners of parent			2,065		2,065
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		13		9	22
Change in ownership interest of parent due to transactions with non-controlling interests		(1,821)			(1,821)
Net changes in items other than shareholders' equity					
Total changes during period	-	(1,807)	1,185	8	(613)
Balance at end of period	5,279	5,058	30,236	(385)	40,189

	Accumulated other comprehensive income				Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,250	(868)	23	2,404	2,481	45,689
Changes during period						
Dividends of surplus						(880)
Profit attributable to owners of parent						2,065
Purchase of treasury shares						(0)
Disposal of treasury shares						22
Change in ownership interest of parent due to transactions with non-controlling interests						(1,821)
Net changes in items other than shareholders' equity	431	(140)	(127)	162	(457)	(294)
Total changes during period	431	(140)	(127)	162	(457)	(908)
Balance at end of period	3,682	(1,009)	(104)	2,567	2,024	44,780

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	4,099	3,297
Depreciation	1,068	1,437
Increase (decrease) in retirement benefit liability	(47)	27
Interest and dividend income	(120)	(139)
Foreign exchange losses (gains)	(157)	(17)
Share of loss (profit) of entities accounted for using equity method	-	2
Interest expenses	43	72
Subsidy income	-	(120)
Increase (decrease) in accounts payable - other	94	(85)
Decrease (increase) in trade receivables	352	(19)
Decrease (increase) in inventories	(1,215)	(975)
Increase (decrease) in trade payables	255	(667)
Other, net	(70)	67
Subtotal	4,302	2,878
Interest and dividends received	118	133
Interest paid	(42)	(72)
Income taxes (paid) refund	(1,117)	(1,106)
Net cash provided by (used in) operating activities	3,261	1,832
Cash flows from investing activities		
Payments into time deposits	(827)	(595)
Proceeds from withdrawal of time deposits	749	744
Purchase of property, plant and equipment	(1,615)	(2,391)
Proceeds from sales of property, plant and equipment	3	6
Purchase of intangible assets	(293)	(243)
Other, net	(42)	(79)
Net cash provided by (used in) investing activities	(2,025)	(2,558)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100	986
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	-
Repayments of finance lease obligations	(74)	(315)
Dividends paid	(777)	(879)
Dividends paid to non-controlling interests	(113)	(78)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(2,458)
Net cash provided by (used in) financing activities	(865)	(2,746)
Effect of exchange rate change on cash and cash equivalents	(380)	(78)
Net increase (decrease) in cash and cash equivalents	(10)	(3,552)
Cash and cash equivalents at beginning of period	19,670	19,660
Cash and cash equivalents at end of period	19,660	16,108

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	7,226	6,576
Notes receivable - trade	2,492	2,104
Accounts receivable - trade	5,669	5,470
Securities	3,500	1,200
Finished goods	2,829	3,466
Work in process	2	80
Raw materials and supplies	293	262
Prepaid expenses	137	155
Other	254	293
Allowance for doubtful accounts	(50)	(53)
Total current assets	22,355	19,556
Non-current assets		
Property, plant and equipment		
Buildings, net	1,705	4,710
Structures, net	6	161
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	135	429
Land	2,217	2,217
Leased assets, net	11	8
Construction in progress	1,446	28
Total property, plant and equipment	5,525	7,557
Intangible assets		
Software	779	594
Software in progress	37	149
Other	70	64
Total intangible assets	887	809
Investments and other assets		
Investment securities	5,522	6,161
Shares of subsidiaries and associates	2,491	4,949
Investments in capital of subsidiaries and associates	670	670
Other	191	303
Allowance for doubtful accounts	(1)	(0)
Total investments and other assets	8,875	12,084
Total non-current assets	15,287	20,451
Total assets	37,642	40,008

(Million yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable – trade	1,459	1,580
Lease obligations	2	2
Accounts payable – other	525	1,629
Income taxes payable	206	229
Accrued expenses	533	480
Other	207	85
Total current liabilities	2,935	4,008
Non-current liabilities		
Lease obligations	9	6
Provision for retirement benefits	2,204	2,174
Deferred tax liabilities	293	513
Other	613	595
Total non-current liabilities	3,120	3,289
Total liabilities	6,055	7,298
Net assets		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	0	13
Total capital surpluses	6,808	6,822
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	13,032	13,701
Total retained earnings	16,642	17,311
Treasury shares	(394)	(385)
Total shareholders' equity	28,336	29,027
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,250	3,682
Total valuation and translation adjustments	3,250	3,682
Total net assets	31,587	32,709
Total liabilities and net assets	37,642	40,008

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	32,815	31,713
Cost of sales	20,594	19,154
Gross profit	12,221	12,558
Selling, general and administrative expenses	10,680	10,960
Operating profit	1,540	1,597
Non-operating income		
Interest and dividend income	388	417
Foreign exchange gains	45	-
Miscellaneous income	57	66
Total non-operating income	490	484
Non-operating expenses		
Interest expenses	4	5
Foreign exchange losses	-	62
Miscellaneous loss	4	5
Total non-operating expenses	8	73
Ordinary profit	2,022	2,008
Extraordinary income		
Subsidy income	-	120
Total extraordinary income	-	120
Extraordinary losses		
Dismantlement expenses	-	168
Total extraordinary losses	-	168
Profit before income taxes	2,022	1,960
Income taxes - current	402	387
Income taxes - deferred	102	23
Total income taxes	504	410
Profit	1,517	1,549

(3) Non-consolidated Statements of Changes in Net Assets
 Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	5,279	6,808	0	6,808	679	2,930	12,293	15,903
Changes during period								
Dividends of surplus							(778)	(778)
Profit							1,517	1,517
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	0	0	-	-	738	738
Balance at end of 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 period	(393)	27,598	4,668	4,668	32,266
Changes 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 in items other than shareholders' equity			(1,417)	(1,417)	(1,417)
Total changes during period	(0)	738	(1,417)	(1,417)	(679)
Balance at end of period	(394)	28,336	3,250	3,250	31,587

Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity							
	Share capital	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 period	5,279	6,808	0	6,808	679	2,930	13,032	16,642
Changes during period								
Dividends of surplus							(880)	(880)
Profit							1,549	1,549
Purchase of treasury shares								
Disposal of treasury shares			13	13				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	13	13	-	-	669	669
Balance at end of period	5,279	6,808	13	6,822	679	2,930	13,701	17,311

(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 period	(394)	28,336	3,250	3,250	31,587
Changes during period					
Dividends of surplus		(880)			(880)
Profit		1,549			1,549
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	9	22			22
Net changes in items other than shareholders' equity			431	431	431
Total changes during period	8	691	431	431	1,122
Balance at end of period	(385)	29,027	3,682	3,682	32,709