



Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japanese GAAP)

May 10, 2019

Company name: Sac's Bar Holdings Inc. Stock exchange: Tokyo Stock Exchange

Code Number: 9990 URL: <http://www.sacs-bar.co.jp>

Representative: Takeshi Kiyama, President and Representative Director

Contact: Yoh Yamada, Managing Director / General Manager, Administration Division

Tel. +81-3-3654-5315

Scheduled date of regular general meeting of shareholders: June 25, 2019

Scheduled date of filing securities report: June 25, 2019

Scheduled date of commencement of dividend payment: June 26, 2019

Supplementary materials prepared for financial results: Yes

Results briefing held: Yes (for institutional investors and analysts)

(Millions of yen, rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
FY2018	55,774	0.0	3,723	-2.0	3,775	-2.2	2,177	-1.9
FY2017	55,756	-1.7	3,800	-14.9	3,860	-14.7	2,221	-16.5

Note: Comprehensive income: FY2018 JPY2,237 million (1.7%);
FY2017 JPY2,200 million (-20.7%)

	Net income per share	Diluted net income per share	ROE	ROA	Operating Income Margin
	(Yen)	(Yen)	%	%	%
FY2018	73.93	—	7.7	9.2	6.7
FY2017	75.40	—	8.3	9.8	6.8

Reference: Equity in net income (losses) of affiliates: FY2018 JPY -- million;
FY2017 JPY -- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Million yen)	(Million yen)	%	(Yen)
FY2018	41,541	29,070	69.7	983.42
FY2017	40,114	27,634	68.6	934.46

Reference: Shareholders' equity: FY2018 JPY28,968 million; FY2017 JPY27,526 million

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	(Million yen)	(Million yen)	(Million yen)	(Million yen)
FY2018	3,451	-2,452	-1,391	3,485
FY2017	2,568	-939	-1,226	3,846

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	1Q end	2Q end	3Q end	Year-end	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Million yen)	%	%
FY2017	—	0.00	—	27.00	27.00	795	35.8	3.0
FY2018	—	0.00	—	30.00	30.00	883	40.6	3.1
FY2019 (projected)	—	0.00	—	30.00	30.00		38.8	

3. Forecast of Consolidated Operating Results for the fiscal year ending March 31, 2020

(April 1, 2019 - March 31, 2020)

(Percentages indicate changes from the previous fiscal year for full-year, and year-on-year changes for quarter.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Yen)
Through 2Q (cumulative)	27,456	1.8	1,723	0.0	1,741	-1.0	1,043	-0.8	35.41
Full-year	57,077	2.3	3,877	4.1	3,913	3.7	2,280	4.7	77.40

Notes:

- (1) Significant changes in consolidated subsidiaries during the period (changes in specific subsidiaries resulting in changes in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and revisions and restatements
 - (i) Changes in accounting policies in accordance with changes in accounting standards, etc.: None
 - (ii) Changes in accounting policies other than the above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Revisions and restatements: None
- (3) Number of shares issued and outstanding (common stock)
 - (i) Number of shares issued and outstanding as of end of period (including treasury stock):
 - (ii) Treasury stock as of end of period:
 - (iii) Average number of shares issued and outstanding during period:

FY2018	29,859,900 shares	FY2017	29,859,900 shares
FY2018	402,864 shares	FY2017	402,565 shares
FY2018	29,457,200 shares	FY2017	29,457,413 shares

- * The summary of financial results is not subject to audit performed by a certified public accountant or an auditing firm.
- * Explanation concerning appropriate use of forecasts of business performance and other notes: Forecasts of business performance and other forward-looking statements in this document are based on information currently available and certain assumptions that the Company considers reasonable at the time of preparation and are not intended as a promise that such forecasts will be achieved. Actual results may differ materially owing to various causes. For information including the assumptions of the forecasts of business performance and notes on their use, see "(4) Outlook for the next fiscal year under 1. Outline of Business Performance" on p. 4 of the attached document.

1. Outline of Business Performance

(1) Outline of operating results for this consolidated fiscal year

During this consolidated fiscal year, Japan's economy continued a gentle growing trend that included a steady increase in corporate earnings and capital investment. Meanwhile, the economic prospects still remained uncertain, reflecting intensified worldwide trade conflicts and stock market turmoil.

In the retail industry, although personal consumption improved, business environments remained challenging because consumers continued to be cautious about purchases. In addition, sales generally remained weak owing to no significant change in trends in the fashion industry, including the apparel industry, and impacts by natural disasters, such as the Torrential Rain in July 2018, large typhoons that hit many places in Japan, the Hokkaido Eastern Iburi Earthquake, and a record warm winter.

Under such conditions, the Sac's Bar Group improved its store network and reviewed its product range. As a result, in this consolidated fiscal year, net sales increased slightly to JPY55,774 million (up 0.0% YoY), but operating income declined slightly to JPY3,723 million (down 2.0% YoY) and ordinary income to JPY3,775 million (down 2.2% YoY). Profit attributable to owners of parent was JPY2,177 million (down 1.9% YoY) as a result of recording impairment loss of JPY187 million and store closure loss of JPY71 million as extraordinary loss.

Since the Group employs only one reporting segment, it does not present results differentiated by business segment.

Conditions by business section are outlined below. Figures shown below are after elimination of transactions conducted within business sections but before elimination of transactions between business sections.

<Retail and Other Businesses>

In the retail business, under the theme of "evolution", we strived for "evolution of real stores", "evolution of e-commerce (EC) services", and "evolution of products".

As for real stores, efforts are underway to increase sales by increasing the size of stores and enhancing product lineups when the stores are newly opened or remodeled. In September 2018, we launched real-store EC services which will make it possible for customers to place an order for out-of-stock merchandise on a tablet PC at the store. The ordered product will either be delivered to the customer at home or made available for purchase at the store.

As for EC services, we strived to secure and increase capable manpower as well as continuously enhance product lineups and improve the management system, but EC sales increased only by 12.9% YoY owing to a decline in sales of some EC sites as they placed emphasis on generating revenue and offered special discounts less frequently.

As for products, we have introduced and tried to increase sales of fast-moving products, such as logo brand products, mini shoulder bags, satchels, small bags/wallets, smartphone-related goods, and business rucksacks, etc., responding to customer needs.

We are also making efforts to enhance product lineups, identify fast-moving products, and control distribution costs, by making use of SAC'S BAR DEPOT, a large distribution warehouse established in Togane City, Chiba in April 2018.

We aimed to achieve sales growth by attracting customers to visit our stores across the country and use our EC site through publicity activities using the SAC'S BAR App for smartphone, the SAC'S BAR MAGAZINE distributed at the store's counter, and SAC'S BAR LOOK BOOK.

We opened new stores in various types of retail facilities, including large shopping centers, railway-station buildings, fashion centers, and shopping centers serving smaller markets. In addition, we made progress on opening of 22 stores during the year, including three stores in department stores. A breakdown by region shows that five of these are located in the Hokkaido-Tohoku region, six in the Kanto region, four in the Chubu region, five in the Kinki region, one in the Chugoku-Shikoku region, and one in the Kyushu region. Tokyo Derica Co., Ltd. opened new stores under the main shop brands of SAC'S BAR, GRAN SAC'S, and LAPAX, and launched Amatone Accesso'rio as an accessory brand shop. Carnival Company Inc. launched Banana and Tees Cees as accessory brand shops.

Meanwhile, we aggressively pursued a closure of 43 unprofitable stores, so that our total number of stores at the end of this fiscal year stood at 639 stores, which decreased by 16 stores from a year earlier, although five stores of Carnival Company Inc. were added at the beginning of this fiscal year.

A look at net sales by product type shows that sales of handbags decreased by 3.8% YoY to JPY8,848 million, reflecting sales of private-brand (PB) products and national private-brand (NPB) products which remained almost the same as the previous year and a decline in sales of products, which we generally purchase, owing to an impact by evolving casual fashion. Sales of imported bags increased by 5.8% YoY to JPY4,486 million, reflecting strong sales of brands that offer moderately priced products. Sales of casual bags decreased by 18.8% YoY to JPY4,195 million owing to a continued decrease in sales of tie-up brand products targeting F1 consumers (women aged 20-34). Among wallets and accessories, sales of wallets increased by 5.2% YoY thanks to a contribution in sales of small wallets and products related to smartphones. Sales of accessories decreased from last year, but falling only by 0.4% YoY thanks to a contribution in sales by Carnival Company Inc., which has been added to the consolidated accounts since this fiscal year. Total sales of wallets and accessories increased by 3.6% YoY to JPY15,033 million. Meanwhile, sales of men's bags increased by 6.8% YoY to JPY13,401 million, reflecting a large increase in sales of logo brand products, but sales of travel bags fell by 7.8% YoY to JPY6,034 million owing to a slowdown in sales of large-scale carry cases.

The existing-store sales maintained the same level as the previous year, representing 100.1% for full-year, thanks to an increase in sales since August 2018 on a monthly basis.

As a result, net sales in these businesses remained almost unchanged from the previous year, which totaled JPY52,609 million (down 0.1% YoY).

On the other hand, the ratio of gross profit to sales as a whole decreased by a 0.2 percentage point YoY to 47.8%, resulting from increased sales of imported bags, whose gross margin is the lowest among the product types, decline in gross margin on imported bags, and unchanged sales of private-brand (PB) products and national private-brand (NPB) products, having a high gross margin, from the previous year. Meanwhile, the selling, general and administrative expenses ratio decreased by a 0.1 percentage point YoY to 41.5% as a result of efforts to reduce expenses.

<Manufacturing, Wholesaling Businesses>

In the manufacturing and wholesaling businesses, we have introduced new brand products as required. In addition, Lo jel brand suitcases, on which we have focused a sales expansion since the previous year, have been selling well, and our new business partners increased. Accordingly, sales have been increasing despite a decline in sales of large-scale frame cases.

As a result, net sales in these businesses remained strong, totaling JPY3,722 million (up 2.6% YoY). The ratio of gross profit to sales increased by a 0.9 percentage point YoY to

38.6% mainly by the appreciation of the yen in the current consolidated cumulative second quarter compared with the same period the previous year.

(2) Outline of financial position for this fiscal year

(Assets)

Current assets increased by JPY273 million from the end of the previous consolidated fiscal year, to JPY22,495 million. This was due mainly to factors such as a JPY107 million increase in notes and accounts receivable-trade and a JPY451 million increase in merchandise and finished goods, partially offset by a decrease of JPY360 million in cash and deposits.

Non-current assets rose by JPY1,152 million from the end of the previous consolidated fiscal year, to JPY19,045 million. This was due mainly to factors such as an increase of JPY1,118 million in investment securities and an increase of JPY323 million in property, plant and equipment, partially offset by a decrease of JPY233 million in lease and guarantee deposits.

As a result of the above factors, total assets at the end of this consolidated fiscal year were up JPY1,426 million from the end of the previous consolidated financial year to JPY41,541 million.

(Liabilities)

Current liabilities decreased by JPY1,369 million from the end of the previous consolidated fiscal year, to JPY7,699 million. This was due mainly to factors such as an increase of JPY104 million in income tax payable, partially offset by a decrease of JPY1,500 million in the current portion of bonds.

Non-current liabilities increased by JPY1,360 million from the end of the previous consolidated fiscal year, to JPY4,771 million. This was due mainly to factors such as a JPY1,500 million increase in bonds payable, partially offset by a decrease of JPY110 million in repayments of lease obligations.

As a result of the above factors, total liabilities at the end of this consolidated fiscal year were down JPY9 million from the end of the previous consolidated financial year to JPY12,470 million.

(Net Assets)

Net assets at the end of this consolidated fiscal year were up JPY1,435 million from the end of the previous consolidated financial year to JPY29,070 million. This mainly reflected an increase of JPY2,177 million in net income attributable to owners of parent, partially offset by a dividend payment of JPY795 million from surplus.

(3) Outline of cash flows for this consolidated fiscal year

The balance of cash and cash equivalents at the end of this consolidated fiscal year totaled JPY3,485 million, down JPY360 million from the end of the previous consolidated financial year. The conditions of each type of cash flow in this consolidated fiscal year are summarized below.

(Cash flows from operating activities)

Cash flow from operating activities totaled JPY3,451 million, up JPY882 million from the previous consolidated financial year.

The main positive factor was the recording of JPY3,443 million in profit before income taxes, while the main negative factors were an increase of JPY410 million in inventories and payment of JPY1,171 million in income taxes.

(Cash flows from investing activities)

Investing activities use of JPY2,452 million was JPY1,513 million more than that for the previous consolidated financial year.

The main negative factors were capital investment of JPY1,264 million for purposes such as opening new stores and remodeling and payment of JPY1,109 million for purchase of investment securities.

(Cash flows from financing activities)

Financing activities use of JPY1,391 million was JPY165 million more than that for the previous consolidated financial year.

The main negative factors were payment of JPY795 million in dividends and JPY525 million in repayments of lease obligations.

(4) Outlook for the next fiscal year

There are concerns over a slowdown in the overseas economy and an impact from trade conflicts. In addition, domestic personal consumption is expected to remain at a low level because consumers will become more cautious about spending in view of rising prices and the consumption tax increase scheduled on October 1.

Under such circumstances, the Group will take active steps to realize omnichannel retailing, strengthen PB products, expand NPB products, enhance EC services, and transform real stores, with the aim of expanding its business.

We consider this year as an innovation year towards the realization of omnichannel retailing, under the theme of "Bags of SAC'S BAR, available anytime, anywhere". We aim to realize a seamless purchase experience, mainly through smartphone applications, by using our over 600 stores, while integrating our systems, including the sales point system for stores and EC services, customer management system, and inventory management system.

We will make efforts for the development of PB products and strengthening of our core brands, such as kissora, effy, SALON de RUBAN, Ficce, Brave, and Hinomoto Hanpu, a brand of Sankodo, which will join the Group in July. In spring next year, we will open a flagship shop of kissora having an atelier and cafe in Kuramae, Taito City so that we can strongly promote the concept of kissora for further strengthening our branding strategy.

For the expansion of NPB products, we will focus on the development of products to be promoted at our stores, while using the advantages of the purchase system of the stores. Along with PB products, we will strive to increase sales and profit by strengthening Web advertisements and SNS marketing as well as by expanding sales in EC services.

As for the enhancement of EC services, we will make consistent efforts, including acquisition and expansion of capable manpower, enhancement of product lineups, and improvements made to the management system. We will also create a new EC site under the themes of "cross-border EC" and "next luxury".

In order to transform our real stores, we will position the stores as an experience-oriented showroom and service center so that they can use the strength of consultative sales and play an important role as a touch point where customers can handle products of various brands. We will also try to create a circle of customers by using real-store EC services and improving our service level.

We will improve the ratio of gross profit to sales by increasing sales of PB products and NPB products and by negotiating improvements of purchase terms and conditions, etc. with the suppliers.

As for the retail and other businesses in the next consolidated fiscal year, under the plan, including the establishment of new commercial facilities, we will open 27 new stores and close 15 stores during the term. The sales amount in the existing stores is expected to be 102.3% compared with this fiscal year. Also, the ratio of gross profit to sales is expected to improve by 0.4 percentage points. As for manufacturing and wholesaling businesses, the sales amount is expected to be 101.5% compared with this fiscal year.

We are scheduled to acquire stocks of Sankodo, an enterprise that designs, manufactures, and sells canvas bags, wallets, and accessories, on July 1, and its performance will be reflected in the consolidated financial results from the second quarter. Its impact on the consolidated financial results will be negligible because its business is small in size.

As a result, we project the following consolidated business performance for the Group: net sales of JPY57,077 million (up 2.3% YoY), operating income of JPY3,877 million (up 4.1% YoY), ordinary income of JPY3,913 million (up 3.7% YoY), and net income attributable to owners of parent of JPY2,280 million (up 4.7% YoY).

2. Basic concept on selection of accounting policies

Since at present the Group is not active overseas and does business in Japan only, for now we apply Japanese GAAP. We intend to consider applying for International Financial Reporting Standards (IFRS) in the future while taking into consideration trends in our percentage of foreign shareholders and application of IFRS standards by other companies in Japan.

3. Consolidated Financial Statements and Important Remarks

(1) Consolidated Balance Sheet

	(Unit: JPY thousands)	
	Previous consolidated fiscal year (March 31, 2018)	This consolidated fiscal year (March 31, 2019)
Assets		
Current assets		
Cash and deposits	3,873,941	3,513,157
Notes and accounts receivable-trade	4,712,775	4,820,640
Merchandise and finished goods	13,343,619	13,794,625
Raw materials and supplies	42,648	57,391
Other	249,107	309,771
Total current assets	22,222,092	22,495,587
Non-current assets		
Property, plant and equipment		
Building and structures	5,160,796	5,951,937
Accumulated depreciation	-2,788,111	-2,889,542
Buildings and structures (net)	2,372,684	3,062,394
Land	1,921,930	2,192,609
Leased assets	3,137,358	3,193,915
Accumulated depreciation	-2,143,468	-2,324,106
Leased assets (net)	993,890	869,808
Other	2,096,421	1,603,538
Accumulated depreciation	-1,256,837	-1,277,207
Other (net)	839,584	326,330
Total property, plant and equipment	6,128,089	6,451,142
Intangible assets	37,336	75,121
Investments and other assets		
Investment securities	3,300,793	4,418,828
Retirement benefit asset	117,356	135,336
Deferred tax assets	872,728	860,612
Lease and guarantee deposits	6,812,009	6,578,802
Other	722,998	525,637
Allowance for doubtful accounts	-98,689	-
Total investments and other assets	11,727,196	12,519,217
Total non-current assets	17,892,622	19,045,481
Total assets	40,114,715	41,541,068
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,710,827	3,757,646
Current portion of bonds	1,600,000	100,000
Lease obligations	450,452	419,267
Income tax payable	565,346	669,520
Provision for bonuses	353,189	356,325
Provision for directors' bonuses	52,800	52,800
Provision for shareholder benefit program	20,000	24,000
Other	2,316,293	2,319,592
Total current liabilities	9,068,910	7,699,152

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japanese GAAP)

	Previous consolidated fiscal year (March 31, 2018)	This consolidated fiscal year (March 31, 2019)
Non-current liabilities		
Bonds payable	200,000	1,700,000
Lease obligations	777,538	667,142
Provision for directors' retirement benefits	129,762	138,012
Retirement benefit liability	1,083,364	1,072,556
Deferred tax liabilities	28,416	23,795
Asset retirement obligations	694,694	684,584
Other	497,112	485,194
Total non-current liabilities	3,410,889	4,771,286
Total liabilities	12,479,799	12,470,438
Net assets		
Shareholders' equity		
Capital stock	2,986,400	2,986,400
Capital surplus	4,569,597	4,569,597
Retained earnings	19,930,731	21,313,148
Treasury stock	-109,708	-110,018
Total shareholders' equity	27,377,021	28,759,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	192,683	198,832
Remeasurements of defined benefit plans	-42,983	10,795
Total accumulated other comprehensive income	149,699	209,628
Subscription rights to shares	108,195	101,874
Total net assets	27,634,916	29,070,630
Total liabilities and net assets	40,114,715	41,541,068

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

Consolidated Income Statement

(Unit: JPY thousands)

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	This consolidated fiscal year (April 1, 2018 - March 31, 2019)
Net sales	55,756,135	55,774,125
Cost of sales	29,134,579	29,220,227
Gross profit	26,621,555	26,553,898
Selling, general and administrative expenses	22,821,482	22,830,042
Operating income	3,800,073	3,723,855
Non-operating income		
Interest income	64,771	71,316
Dividends income	8,613	4,922
Insurance income	3,571	10,292
Commission fees	11,241	9,306
Compensation income	7,403	18,765
Other	19,128	20,644
Total non-operating income	114,730	135,247
Non-operating expenses		
Interest expenses	43,032	41,713
Guarantee commission	5,239	6,584
Bond issuance cost	2,259	30,072
Other	3,707	5,544
Total non-operating expenses	54,238	83,915
Ordinary income	3,860,564	3,775,187
Extraordinary profits		
Gain on reversal of stock acquisition rights	5,617	6,320
Total extraordinary profit	5,617	6,320
Extraordinary losses		
Loss on retirement of non-current assets	39,419	50,941
Loss on closing of stores	59,094	71,126
Impairment loss	184,651	187,772
Loss due to disaster	—	27,701
Provision of allowance for doubtful accounts of subsidiaries and affiliates	41,364	—
Total extraordinary loss	324,530	337,542
Profit before income taxes	3,541,652	3,443,965
Income taxes-current	1,320,592	1,285,256
Income taxes-deferred	14	-19,056
Total income taxes	1,320,606	1,266,200
Net income	2,221,045	2,177,764
Net income attributable to owners of parent	2,221,045	2,177,764

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japanese GAAP)

Consolidated Statement of Comprehensive Income

(Unit: JPY thousands)

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	This consolidated fiscal year (April 1, 2018 - March 31, 2019)
Net income	2,221,045	2,177,764
Other comprehensive income		
Valuation difference on available-for-sale securities	12,212	6,148
Remeasurements of defined benefit plans	-32,316	53,779
Total other comprehensive income	-20,104	59,928
Comprehensive income	2,200,941	2,237,693
(Breakdown)		
Comprehensive income attributable to owners of parent	2,200,941	2,237,693
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)

(Unit: JPY thousands)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	2,986,400	4,569,597	18,505,036	-109,579	25,951,455
Changes during period					
Dividends from surplus			-795,350		-795,350
Net income attributable to owners of parent			2,221,045		2,221,045
Purchase of treasury stock				-128	-128
Change of scope of consolidation					—
Net changes of items other than shareholders' equity					
Total changes during period	—	—	1,425,694	-128	1,425,566
Balance at end of current period	2,986,400	4,569,597	19,930,731	-109,708	27,377,021

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	180,471	-10,667	169,804	113,813	26,235,072
Changes during period					
Dividends from surplus					-795,350
Net income attributable to owners of parent					2,221,045
Purchase of treasury stock					-128
Change of scope of consolidation					—
Net changes of items other than shareholders' equity	12,212	-32,316	-20,104	-5,617	-25,722
Total changes during period	12,212	-32,316	-20,104	-5,617	1,399,844
Balance at end of current period	192,683	-42,983	149,699	108,195	27,634,916

Company name: Sac's Bar Holdings Inc. (9990)
Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japanese GAAP)

This consolidated fiscal year (April 1, 2018 - March 31, 2019)

(Unit: JPY thousands)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	2,986,400	4,569,597	19,930,731	-109,708	27,377,021
Changes during period					
Dividends from surplus			-795,348		-795,348
Net income attributable to owners of parent			2,177,764		2,177,764
Purchase of treasury stock				-310	-310
Change of scope of consolidation			-0		-0
Net changes of items other than shareholders' equity					
Total changes during period	-	-	1,382,416	-310	1,382,105
Balance at end of current period	2,986,400	4,569,597	21,313,148	-110,018	28,759,127

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	192,683	-42,983	149,699	108,195	27,634,916
Changes during period					
Dividends from surplus					-795,348
Net income attributable to owners of parent					2,177,764
Purchase of treasury stock					-310
Change of scope of consolidation					-0
Net changes of items other than shareholders' equity	6,148	53,779	59,928	-6,320	53,608
Total changes during period	6,148	53,779	59,928	-6,320	1,435,714
Balance at end of current period	198,832	10,795	209,628	101,874	29,070,630

(4) Consolidated Cash Flow Statement

	(Unit: JPY thousands)	
	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	This consolidated fiscal year (April 1, 2018 - March 31, 2019)
Cash flows from operating activities		
Income before income taxes	3,541,652	3,443,965
Depreciation	941,162	940,717
Impairment loss	184,651	187,772
Increase (decrease) in allowance for doubtful accounts	41,364	-
Increase (decrease) in provision for bonuses	-20,148	3,135
Increase (decrease) in provision for directors' bonuses	9,950	-
Increase (decrease) in provision for directors' retirement benefits	7,356	8,250
Increase (decrease) in liability for employees' retirement benefits	85,667	-10,807
Interest and dividends income	-73,385	-76,238
Interest expenses	43,032	41,713
Bond issuance cost	2,259	30,072
Loss on retirement of non-current assets	39,419	50,941
Decrease (increase) in notes and accounts receivable-trade	-589,761	-95,442
Decrease (increase) in inventories	-160,082	-410,015
Increase (decrease) in notes and accounts payable-trade	-125,444	37,426
Increase (decrease) in accrued consumption taxes	-11,252	-13,400
Other	156,361	454,519
Subtotal	4,072,801	4,592,610
Interest and dividends income received	73,385	71,969
Interest expenses paid	-43,027	-41,394
Income tax paid	-1,534,293	-1,171,723
Income tax refunded	44	141
Net cash provided by (used in) operating activities	2,568,911	3,451,602
Cash flows from investment activities		
Purchase of property, plant and equipment and intangible assets	-894,157	-1,264,896
Proceeds from sale of property, plant and equipment and intangible assets	-	10,346
Payments for retirement of property, plant and equipment	-44,899	-88,458
Purchase of investment securities	-	-1,109,070
Net cash provided by (used in) investment activities	-939,056	-2,452,079
Cash flows from financing activities		
Repayment of long-term loans payable	-20,000	-
Increase in accounts payable-installment purchase	259,773	266,870
Decrease in accounts payable-installment purchase	-284,118	-306,982
Repayments of lease obligations	-484,850	-525,293
Proceeds from issuance of bonds	97,740	1,569,927
Redemption of bonds	-	-1,600,000
Purchase of treasury stock	-128	-310
Cash dividends paid	-794,478	-795,452
Net cash provided by (used in) financing activities	-1,226,062	-1,391,240
Effect of exchange rate change on cash and cash equivalents	1,824	-31
Net increase (decrease) in cash and cash equivalents	405,617	-391,748
Cash and cash equivalents at beginning of current period	3,440,623	3,846,241
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	30,964
Cash and cash equivalents at end of current period	3,846,241	3,485,457

(5) Notes on consolidated financial statements

(Notes on going-concern assumption)

Not applicable

(Segment information)

Since the Group employs only one reporting segment, it does not present results differentiated by business segment.

(Per-share information)

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	This consolidated fiscal year (April 1, 2018 - March 31, 2019)
Net assets per share	JPY934.46	JPY983.42
Net income per share	JPY75.40	JPY73.93
Diluted net income per share	—	—

Notes:

1. The bases for calculating net income per share and diluted net income per share are shown below. Diluted net income per share is not shown because although there were potential dilutive securities, there was no dilutive effect.

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	This consolidated fiscal year (April 1, 2018 - March 31, 2019)
Net income per share		
Net income attributable to owners of parent (JPY thousands)	2,221,045	2,177,764
Amount not attributable to owners of common stock (JPY thousands)	—	—
Net income attributable to owners of parent on common stock (JPY thousands)	2,221,045	2,177,764
Average shares of common stock outstanding during the period (shares)	29,457,413	29,457,200
Diluted net income per share		
Increase in common stock (shares)	—	—
(Subscription rights to shares [shares] included in above)	(—)	(—)
Summary of information on potential dilutive securities not included in the basis for calculating diluted net income per share since there is no dilutive effect	Subscription rights to shares Date of special resolution of general meeting of shareholders: June 26, 2014 (215,700 shares of common stock)	Subscription rights to shares Date of special resolution of general meeting of shareholders: June 26, 2014 (203,100 shares of common stock)

2. The bases for calculating net assets per share are shown below.

	Previous consolidated fiscal year (March 31, 2018)	This consolidated fiscal year (March 31, 2019)
Total net assets (JPY thousands)	27,634,916	29,070,630
Deductions from total assets (JPY thousands)	108,195	101,874
(Subscription rights to shares [JPY thousands] included in above)	(108,195)	(101,874)
Total net assets attributable to common stock at end of period (JPY thousands)	27,526,721	28,968,755
Common stock (shares) at end of period used in calculating net assets per share	29,457,335	29,457,036

(Notes on significant post-balance sheet events)

Not applicable