

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



May 11, 2020

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
 URL: <https://www.ryoden.co.jp/>
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Scheduled date of Annual General Meeting of Shareholders: June 25, 2020

Scheduled date of filing annual securities report: June 25, 2020

Scheduled date of commencing dividend payments: June 4, 2020

Availability of supplementary briefing material on annual financial results: Yes (Japanese only)

Schedule of annual financial results briefing session: Yes (Video distribution only)

(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 | 230,087 | (4.3) | 5,559 | (1.2) | 5,758 | 1.9 | 3,860 | 3.4 |
| Fiscal year ended March 31, 2019 | 240,312 | 1.6 | 5,624 | 10.8 | 5,648 | 11.7 | 3,731 | 4.0 |

(Note) Comprehensive income: Fiscal year ended March 31, 2020: ¥3,009 million [8.1%]

Fiscal year ended March 31, 2019: ¥2,784 million [(30.4)%]

| | Profit per share | Diluted profit per share | Return on equity | Ordinary profit to total assets | Operating profit to net sales |
|----------------------------------|------------------|--------------------------|------------------|---------------------------------|-------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2020 | 177.77 | 176.96 | 5.8 | 4.4 | 2.4 |
| Fiscal year ended March 31, 2019 | 171.98 | 171.34 | 5.8 | 4.2 | 2.3 |

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

Fiscal year ended March 31, 2020: ¥43 million

Fiscal year ended March 31, 2019: ¥17 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 | 128,304 | 67,557 | 52.5 | 3,104.00 |
| As of March 31, 2019 | 132,729 | 65,716 | 49.4 | 3,022.78 |

(Reference) Equity: As of March 31, 2020: ¥67,415 million

As of March 31, 2019: ¥65,594 million

(3) Consolidated Cash Flows

| | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|-------------------------------------|---|---|---|--|
| | Million yen | Million yen | Million yen | Million yen |
| Fiscal year ended March 31, 2020 | 5,938 | (518) | (2,281) | 20,165 |
| Fiscal year ended March 31, 2019 | 4,479 | (686) | (563) | 17,107 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (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 | — | 28.00 | — | 28.00 | 56.00 | 1,215 | 32.6 | 1.9 |
| Fiscal year ended March 31, 2020 | — | 28.00 | — | 28.00 | 56.00 | 1,216 | 31.5 | 1.8 |
| Fiscal year ending March 31, 2021 (Forecast) | — | 28.00 | — | 28.00 | 56.00 | | 55.3 | |

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 | | Profit per share |
|------------|-------------|--------|------------------|--------|-----------------|--------|--|--------|------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 90,000 | (21.9) | 200 | (92.8) | 200 | (93.0) | 150 | (92.3) | 6.91 |
| Full year | 209,000 | (9.2) | 3,100 | (44.2) | 3,100 | (46.2) | 2,200 | (43.0) | 101.31 |

*** 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 stock)
- 1) Total number of issued shares at the end of the period (including treasury stock):
March 31, 2020: 22,824,977 shares
March 31, 2019: 22,824,977 shares
 - 2) Total number of treasury stock at the end of the period:
March 31, 2020: 1,105,965 shares
March 31, 2019: 1,124,755 shares
 - 3) Average number of shares during the period:
Fiscal year ended March 31, 2020: 21,714,533 shares
Fiscal year ended March 31, 2019: 21,698,780 shares

(Reference) 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.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|----------------------------------|-------------|-------|------------------|-------|-----------------|-------|-------------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Fiscal year ended March 31, 2020 | 203,965 | (4.4) | 4,938 | (2.4) | 5,187 | (0.2) | 3,426 | (4.8) |
| Fiscal year ended March 31, 2019 | 213,440 | 1.5 | 5,060 | 11.8 | 5,198 | 11.0 | 3,599 | (0.4) |

| | Profit per share | | Diluted profit per share | |
|----------------------------------|------------------|--|--------------------------|--|
| | Yen | | Yen | |
| Fiscal year ended March 31, 2020 | 157.80 | | 157.08 | |
| Fiscal year ended March 31, 2019 | 165.91 | | 165.29 | |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of March 31, 2020 | 117,302 | 61,309 | 52.1 | 2,816.32 |
| As of March 31, 2019 | 120,793 | 59,639 | 49.3 | 2,742.77 |

(Reference) Equity: As of March 31, 2020: ¥61,167 million

As of March 31, 2019: ¥59,518 million

* These financial results are outside the scope of audit by certified public accountant or audit firm.

* Explanation of the proper use of financial results forecast and other notes

The statements concerning future performance presented in this document are prepared based on currently available information and certain preconditions which the Company believes to be reasonable at this time. Actual results may be different from any projections presented herein due to various factors.

Although the Company scheduled a financial results briefing session for institutional investors and analysts in May 2020, on-demand video distribution is being considered from the view point of preventing the spread of COVID-19.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 17,117 | 20,174 |
| Notes and accounts receivable - trade | 57,688 | 53,028 |
| Electronically recorded monetary claims - operating | 16,013 | 16,626 |
| Securities | 44 | — |
| Merchandise and finished goods | 23,784 | 20,857 |
| Other | 3,140 | 2,906 |
| Allowance for doubtful accounts | (35) | (27) |
| Total current assets | 117,753 | 113,565 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 2,921 | 2,987 |
| Accumulated depreciation | (2,076) | (2,199) |
| Buildings and structures, net | 844 | 787 |
| Machinery, equipment and vehicles | 662 | 674 |
| Accumulated depreciation | (301) | (352) |
| Machinery, equipment and vehicles, net | 360 | 322 |
| Tools, furniture and fixtures | 1,309 | 1,202 |
| Accumulated depreciation | (1,022) | (942) |
| Tools, furniture and fixtures, net | 287 | 259 |
| Land | 3,087 | 2,752 |
| Total property, plant and equipment | 4,580 | 4,122 |
| Intangible assets | | |
| Software | 622 | 561 |
| Other | 51 | 61 |
| Total intangible assets | 673 | 623 |
| Investments and other assets | | |
| Investment securities | 6,905 | 6,639 |
| Long-term prepaid expenses | 40 | 43 |
| Deferred tax assets | 1,110 | 1,607 |
| Other | 2,093 | 2,141 |
| Allowance for doubtful accounts | (427) | (439) |
| Total investments and other assets | 9,722 | 9,993 |
| Total non-current assets | 14,976 | 14,738 |
| Total assets | 132,729 | 128,304 |

(Million yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 44,031 | 39,064 |
| Electronically recorded obligations - operating | 10,842 | 10,332 |
| Short-term borrowings | 1,358 | 246 |
| Income taxes payable | 1,035 | 1,127 |
| Other | 3,948 | 3,974 |
| Total current liabilities | 61,216 | 54,745 |
| Non-current liabilities | | |
| Retirement benefit liability | 4,667 | 4,875 |
| Other | 1,129 | 1,125 |
| Total non-current liabilities | 5,797 | 6,001 |
| Total liabilities | 67,013 | 60,746 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,334 | 10,334 |
| Capital surplus | 7,405 | 7,419 |
| Retained earnings | 47,900 | 50,544 |
| Treasury shares | (846) | (832) |
| Total shareholders' equity | 64,793 | 67,465 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,650 | 1,060 |
| Foreign currency translation adjustment | 405 | 314 |
| Remeasurements of defined benefit plans | (1,254) | (1,425) |
| Total accumulated other comprehensive income | 800 | (49) |
| Share acquisition rights | 121 | 142 |
| Total net assets | 65,716 | 67,557 |
| Total liabilities and net assets | 132,729 | 128,304 |

(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 | 240,312 | 230,087 |
| Cost of sales | 215,173 | 204,658 |
| Gross profit | 25,139 | 25,428 |
| Selling, general and administrative expenses | 19,515 | 19,869 |
| Operating profit | 5,624 | 5,559 |
| Non-operating income | | |
| Interest income | 69 | 60 |
| Dividend income | 119 | 127 |
| Share of profit of entities accounted for using equity method | 17 | 43 |
| Gain on valuation of investment securities | 8 | — |
| Rental income from non-current assets | 60 | 59 |
| Received settlement fee | — | 61 |
| Compensation income | 65 | 9 |
| Other | 115 | 92 |
| Total non-operating income | 455 | 456 |
| Non-operating expenses | | |
| Interest expenses | 41 | 35 |
| Sales discounts | 52 | 48 |
| Loss on sales of trade receivables | 31 | 14 |
| Foreign exchange losses | 265 | 111 |
| Other | 39 | 46 |
| Total non-operating expenses | 431 | 256 |
| Ordinary profit | 5,648 | 5,758 |
| Extraordinary income | | |
| Gain on sales of shares of subsidiaries and associates | — | 209 |
| Gain on sales of investment securities | 57 | 24 |
| Total extraordinary income | 57 | 234 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | — | 38 |
| Loss on sales of investment securities | 20 | — |
| Loss on valuation of shares of subsidiaries and associates | 93 | 3 |
| Impairment loss | — | 340 |
| Total extraordinary losses | 113 | 381 |
| Profit before income taxes | 5,591 | 5,611 |
| Income taxes - current | 1,747 | 1,915 |
| Income taxes - deferred | 112 | (163) |
| Total income taxes | 1,859 | 1,751 |
| Profit | 3,731 | 3,860 |
| Profit attributable to owners of parent | 3,731 | 3,860 |

Consolidated Statements of Comprehensive Income

(Million yen)

| | For the fiscal year ended March 31, 2019 | For the fiscal year ended March 31, 2020 |
|--|---|---|
| Profit | 3,731 | 3,860 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (655) | (589) |
| Foreign currency translation adjustment | (305) | (90) |
| Remeasurements of defined benefit plans, net of tax | 13 | (171) |
| Total other comprehensive income | (946) | (850) |
| Comprehensive income | 2,784 | 3,009 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,784 | 3,009 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Consolidated Statements of Change in Net Assets
For the fiscal year ended March 31, 2019

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 10,334 | 7,399 | 45,340 | (850) | 62,224 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,171) | | (1,171) |
| Profit attributable to owners of parent | | | 3,731 | | 3,731 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | 5 | | 5 | 10 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | | 5 | 2,560 | 4 | 2,569 |
| Balance at end of period | 10,334 | 7,405 | 47,900 | (846) | 64,793 |

| | Accumulated other comprehensive income | | | | Share acquisition rights | 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 | 2,305 | 710 | (1,267) | 1,747 | 86 | 64,057 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (1,171) |
| Profit attributable to owners of parent | | | | | | 3,731 |
| Purchase of treasury shares | | | | | | (0) |
| Disposal of treasury shares | | | | | | 10 |
| Net changes in items other than shareholders' equity | (655) | (305) | 13 | (946) | 35 | (911) |
| Total changes during period | (655) | (305) | 13 | (946) | 35 | 1,658 |
| Balance at end of period | 1,650 | 405 | (1,254) | 800 | 121 | 65,716 |

For the fiscal year ended March 31, 2020

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 10,334 | 7,405 | 47,900 | (846) | 64,793 |
| Changes during period | | | | | |
| Dividends of surplus | | | (1,215) | | (1,215) |
| Profit attributable to owners of parent | | | 3,860 | | 3,860 |
| Purchase of treasury shares | | | | (1) | (1) |
| Disposal of treasury shares | | 13 | | 14 | 28 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | | 13 | 2,644 | 13 | 2,671 |
| Balance at end of period | 10,334 | 7,419 | 50,544 | (832) | 67,465 |

| | Accumulated other comprehensive income | | | | Share acquisition rights | 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 | 1,650 | 405 | (1,254) | 800 | 121 | 65,716 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (1,215) |
| Profit attributable to owners of parent | | | | | | 3,860 |
| Purchase of treasury shares | | | | | | (1) |
| Disposal of treasury shares | | | | | | 28 |
| Net changes in items other than shareholders' equity | (589) | (90) | (171) | (850) | 20 | (830) |
| Total changes during period | (589) | (90) | (171) | (850) | 20 | 1,841 |
| Balance at end of period | 1,060 | 314 | (1,425) | (49) | 142 | 67,557 |

(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 | 5,591 | 5,611 |
| Depreciation | 492 | 521 |
| Impairment loss | — | 340 |
| Increase (decrease) in allowance for doubtful accounts | (28) | (5) |
| Increase (decrease) in retirement benefit liability | (31) | (37) |
| Interest and dividend income | (188) | (188) |
| Interest expenses | 41 | 35 |
| Share of loss (profit) of entities accounted for using equity method | (17) | (43) |
| Loss (gain) on sales and retirement of non-current assets | 3 | 17 |
| Loss (gain) on sales of investment securities | (36) | (24) |
| Loss (gain) on valuation of investment securities | (8) | 38 |
| Loss (gain) on sales of shares of subsidiaries and associates | — | (209) |
| Loss on valuation of shares of subsidiaries and associates | 93 | 3 |
| Decrease (increase) in trade receivables | 21 | 3,971 |
| Decrease (increase) in inventories | 1,393 | 2,888 |
| Increase (decrease) in trade payables | (2,714) | (5,442) |
| Other, net | 1,780 | 93 |
| Subtotal | 6,392 | 7,567 |
| Interest and dividends received | 193 | 231 |
| Interest paid | (41) | (35) |
| Income taxes paid | (2,065) | (1,825) |
| Net cash provided by (used in) operating activities | 4,479 | 5,938 |
| Cash flows from investing activities | | |
| Proceeds from redemption of securities | 101 | 200 |
| Purchase of property, plant and equipment | (157) | (185) |
| Proceeds from sales of property, plant and equipment | 0 | 0 |
| Purchase of intangible assets | (150) | (137) |
| Purchase of investment securities | (712) | (810) |
| Proceeds from sales of investment securities | 220 | 492 |
| Decrease (increase) in short-term loans receivable | (39) | — |
| Other, net | 50 | (78) |
| Net cash provided by (used in) investing activities | (686) | (518) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 609 | (1,065) |
| Net decrease (increase) in treasury shares | (0) | (1) |
| Dividends paid | (1,171) | (1,215) |
| Net cash provided by (used in) financing activities | (563) | (2,281) |
| Effect of exchange rate change on cash and cash equivalents | (234) | (81) |
| Net increase (decrease) in cash and cash equivalents | 2,995 | 3,057 |
| Cash and cash equivalents at beginning of period | 14,112 | 17,107 |
| Cash and cash equivalents at end of period | 17,107 | 20,165 |

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 | 11,599 | 14,730 |
| Notes receivable - trade | 7,256 | 5,717 |
| Electronically recorded monetary claims - operating | 15,799 | 16,519 |
| Accounts receivable - trade | 47,369 | 44,349 |
| Securities | 44 | — |
| Merchandise and finished goods | 18,516 | 16,302 |
| Advance payments - trade | 70 | 201 |
| Prepaid expenses | 14 | 20 |
| Short-term loans receivable | 1,068 | 823 |
| Accounts receivable - other | 2,816 | 2,612 |
| Other | 63 | 51 |
| Allowance for doubtful accounts | (36) | (27) |
| Total current assets | 104,583 | 101,301 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 839 | 786 |
| Machinery and equipment | 359 | 317 |
| Vehicles | 1 | 0 |
| Tools, furniture and fixtures | 247 | 225 |
| Land | 3,014 | 2,679 |
| Leased assets | 5 | 3 |
| Total property, plant and equipment | 4,467 | 4,012 |
| Intangible assets | | |
| Software | 618 | 559 |
| Other | 48 | 33 |
| Total intangible assets | 666 | 592 |
| Investments and other assets | | |
| Investment securities | 5,455 | 5,141 |
| Shares of subsidiaries and associates | 2,673 | 2,662 |
| Long-term prepaid expenses | 40 | 43 |
| Deferred tax assets | 857 | 1,327 |
| Other | 2,167 | 2,330 |
| Allowance for doubtful accounts | (118) | (111) |
| Total investments and other assets | 11,075 | 11,395 |
| Total non-current assets | 16,209 | 16,000 |
| Total assets | 120,793 | 117,302 |

(Million yen)

| | As of March 31, 2019 | As of March 31, 2020 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable - trade | 6,405 | 3,256 |
| Electronically recorded obligations - operating | 10,842 | 10,332 |
| Accounts payable - trade | 34,308 | 32,407 |
| Short-term borrowings | 600 | 600 |
| Lease obligations | 8 | 8 |
| Accounts payable - other | 923 | 1,075 |
| Accrued expenses | 1,380 | 1,451 |
| Income taxes payable | 978 | 1,080 |
| Advances received | 104 | 202 |
| Deposits received | 170 | 166 |
| Provision for bonuses for directors (and other officers) | 59 | 21 |
| Other | 967 | 890 |
| Total current liabilities | 56,750 | 51,491 |
| Non-current liabilities | | |
| Lease obligations | 7 | 11 |
| Provision for retirement benefits | 3,280 | 3,386 |
| Long-term accounts payable - other | 34 | 146 |
| Long-term guarantee deposits | 1,053 | 930 |
| Asset retirement obligations | 26 | 26 |
| Total non-current liabilities | 4,402 | 4,500 |
| Total liabilities | 61,153 | 55,992 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,334 | 10,334 |
| Capital surplus | | |
| Legal capital surplus | 7,355 | 7,355 |
| Other capital surplus | 49 | 63 |
| Total capital surpluses | 7,405 | 7,419 |
| Retained earnings | | |
| Legal retained earnings | 788 | 788 |
| Other retained earnings | | |
| Reserve for tax purpose reduction entry of land | 238 | 238 |
| Reserve for special depreciation | 140 | 82 |
| General reserve | 11,100 | 11,100 |
| Retained earnings brought forward | 28,707 | 30,975 |
| Total retained earnings | 40,974 | 43,185 |
| Treasury shares | (846) | (832) |
| Total shareholders' equity | 57,868 | 60,106 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 1,650 | 1,060 |
| Total valuation and translation adjustments | 1,650 | 1,060 |
| Share acquisition rights | 121 | 142 |
| Total net assets | 59,639 | 61,309 |
| Total liabilities and net assets | 120,793 | 117,302 |

(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 | 213,440 | 203,965 |
| Cost of sales | 191,070 | 181,296 |
| Gross profit | 22,370 | 22,668 |
| Selling, general and administrative expenses | 17,309 | 17,730 |
| Operating profit | 5,060 | 4,938 |
| Non-operating income | | |
| Interest and dividend income | 266 | 325 |
| Other | 230 | 225 |
| Total non-operating income | 496 | 550 |
| Non-operating expenses | | |
| Interest expenses | 22 | 21 |
| Foreign exchange losses | 225 | 179 |
| Other | 110 | 100 |
| Total non-operating expenses | 358 | 301 |
| Ordinary profit | 5,198 | 5,187 |
| Extraordinary income | | |
| Gain on sales of shares of subsidiaries and associates | — | 209 |
| Gain on sales of investment securities | 57 | 24 |
| Total extraordinary income | 57 | 234 |
| Extraordinary losses | | |
| Impairment loss | — | 340 |
| Loss on valuation of shares of subsidiaries and associates | — | 59 |
| Loss on valuation of investment securities | — | 38 |
| Loss on sales of investment securities | 20 | — |
| Total extraordinary losses | 20 | 438 |
| Profit before income taxes | 5,235 | 4,983 |
| Income taxes - current | 1,608 | 1,768 |
| Income taxes - deferred | 27 | (210) |
| Total income taxes | 1,635 | 1,557 |
| Profit | 3,599 | 3,426 |

(3) Non-consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2019

(Million yen)

| | Shareholders' equity | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | Share capital | Capital surplus | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus |
| Balance at beginning of period | 10,334 | 7,355 | 44 | 7,399 |
| Changes during period | | | | |
| Dividends of surplus | | | | |
| Profit | | | | |
| Reversal of reserve for special depreciation | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | 5 | 5 |
| Net changes in items other than shareholders' equity | | | | |
| Total changes during period | | | 5 | 5 |
| Balance at end of period | 10,334 | 7,355 | 49 | 7,405 |

| | Shareholders' equity | | | | | |
|--|-------------------------|----------------------------------|-----------------|-----------------------------------|---------|-------------------------|
| | Retained earnings | | | | | Total retained earnings |
| | Legal retained earnings | Other retained earnings | | | | |
| Reserve for tax purpose reduction entry of land | | Reserve for special depreciation | General reserve | Retained earnings brought forward | | |
| Balance at beginning of period | 788 | 238 | 198 | 11,100 | 26,220 | 38,546 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | (1,171) | (1,171) |
| Profit | | | | | 3,599 | 3,599 |
| Reversal of reserve for special depreciation | | | (57) | | 57 | — |
| Purchase of treasury shares | | | | | | |
| Disposal of treasury shares | | | | | | |
| Net changes in items other than shareholders' equity | | | | | | |
| Total changes during period | | | (57) | | 2,486 | 2,428 |
| Balance at end of period | 788 | 238 | 140 | 11,100 | 28,707 | 40,974 |

(Million yen)

| | Shareholders' equity | | Valuation and translation adjustments | | Share acquisition rights | 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 | (850) | 55,430 | 2,305 | 2,305 | 86 | 57,821 |
| Changes during period | | | | | | |
| Dividends of surplus | | (1,171) | | | | (1,171) |
| Profit | | 3,599 | | | | 3,599 |
| Reversal of reserve for special depreciation | | — | | | | — |
| Purchase of treasury shares | (0) | (0) | | | | (0) |
| Disposal of treasury shares | 5 | 10 | | | | 10 |
| Net changes in items other than shareholders' equity | | | (655) | (655) | 35 | (620) |
| Total changes during period | 4 | 2,438 | (655) | (655) | 35 | 1,818 |
| Balance at end of period | (846) | 57,868 | 1,650 | 1,650 | 121 | 59,639 |

For the fiscal year ended March 31, 2020

(Million yen)

| | Shareholders' equity | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | Share capital | Capital surplus | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus |
| Balance at beginning of period | 10,334 | 7,355 | 49 | 7,405 |
| Changes during period | | | | |
| Dividends of surplus | | | | |
| Profit | | | | |
| Reversal of reserve for special depreciation | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | 13 | 13 |
| Net changes in items other than shareholders' equity | | | | |
| Total changes during period | | | 13 | 13 |
| Balance at end of period | 10,334 | 7,355 | 63 | 7,419 |

| | Shareholders' equity | | | | | |
|--|-------------------------|----------------------------------|-----------------|-----------------------------------|---------|-------------------------|
| | Retained earnings | | | | | Total retained earnings |
| | Legal retained earnings | Other retained earnings | | | | |
| Reserve for tax purpose reduction entry of land | | Reserve for special depreciation | General reserve | Retained earnings brought forward | | |
| Balance at beginning of period | 788 | 238 | 140 | 11,100 | 28,707 | 40,974 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | (1,215) | (1,215) |
| Profit | | | | | 3,426 | 3,426 |
| Reversal of reserve for special depreciation | | | (57) | | 57 | — |
| Purchase of treasury shares | | | | | | |
| Disposal of treasury shares | | | | | | |
| Net changes in items other than shareholders' equity | | | | | | |
| Total changes during period | | | (57) | | 2,268 | 2,210 |
| Balance at end of period | 788 | 238 | 82 | 11,100 | 30,975 | 43,185 |

(Million yen)

| | Shareholders' equity | | Valuation and translation adjustments | | Share acquisition rights | 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 | (846) | 57,868 | 1,650 | 1,650 | 121 | 59,639 |
| Changes during period | | | | | | |
| Dividends of surplus | | (1,215) | | | | (1,215) |
| Profit | | 3,426 | | | | 3,426 |
| Reversal of reserve for special depreciation | | — | | | | — |
| Purchase of treasury shares | (1) | (1) | | | | (1) |
| Disposal of treasury shares | 14 | 28 | | | | 28 |
| Net changes in items other than shareholders' equity | | | (589) | (589) | 20 | (568) |
| Total changes during period | 13 | 2,238 | (589) | (589) | 20 | 1,669 |
| Balance at end of period | (832) | 60,106 | 1,060 | 1,060 | 142 | 61,309 |