

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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

May 14, 2020

Company name: PROTO CORPORATION  
 Stock exchange listing: Tokyo, Nagoya  
 Code number: 4298  
 URL: <https://www.proto-g.co.jp/>  
 Representative: Kenji Kamiya                      President  
 Contact: Akito Ode                                      Executive officer  
 Phone: +81-52-934-2000  
 Scheduled date of Annual General Meeting of Shareholders: June 26, 2020  
 Scheduled date of commencing dividend payments: June 05, 2020  
 Scheduled date of filing annual securities report: June 29, 2020  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 01, 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	59,127	(5.0)	5,136	12.5	5,354	7.0	4,991	58.0
March 31, 2019	62,251	0.2	4,565	24.2	5,004	34.0	3,159	508.4

(Note) Comprehensive income: Fiscal year ended March 31, 2020:                      ¥                      4,908 million [ 61.2%]  
 Fiscal year ended March 31, 2019:                      ¥                      3,044 million [ 458.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2020	124.33	-	16.7	12.1	8.7
March 31, 2019	78.75	-	11.7	11.3	7.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2020:                      ¥                      - million  
 Fiscal year ended March 31, 2019:                      ¥                      - million

(Note) PROTO CORPORATION carried out a 2-for-1 split of common shares on July 1, 2019.

Basic earnings per share was calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2020	44,726	31,932	71.3	794.38
March 31, 2019	43,879	28,029	63.8	697.85

(Reference) Equity: As of March 31, 2020:                      ¥                      31,903 million  
 As of March 31, 2019:                      ¥                      27,995 million

(Note) PROTO CORPORATION carried out a 2-for-1 split of common shares on July 1, 2019.

Net assets per share was calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2020	6,014	401	(4,459)	17,336
March 31, 2019	3,807	(1,352)	(2,846)	15,356

### 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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2019	-	25.00	-	25.00	50.00	1,002	31.7	3.7
March 31, 2020	-	13.75	-	13.75	27.50	1,104	22.1	3.7
Fiscal year ending								
March 31, 2021 (Forecast)	-	12.50	-	12.50	25.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2020 :

Commemorative dividend 25.00 yen

Special dividend 2.50 yen

(Note) PROTO CORPORATION carried out a 2-for-1 split of common shares on July 1, 2019.

For the year ended Mar. 2019, the actual dividend amounts before the stock split are indicated.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 01, 2020 to March 31, 2021)

Due to the impact of the COVID-19, it is difficult to make a reasonable forecast of the consolidated financial results and has not yet been determined. The Company will promptly disclose the earnings forecast when it becomes possible to do so.

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: PROTO Ventures )

Exclusion: 2 (Company name: Bike Bros. Inc. and PROTO (TAIWAN) CO., LTD. )

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2020: 41,925,300 shares

March 31, 2019: 41,880,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2020: 1,763,392 shares

March 31, 2019: 1,763,060 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2020: 40,144,645 shares

Fiscal Year ended March 31, 2019: 40,116,940 shares

\*PROTO CORPORATION carried out a 2-for-1 split of common shares on July 1, 2019.

Therefore, "Total number of issued shares at the end of the period (including treasury shares)" "Total number of treasury shares at the end of the period" and "Average number of shares during the period" were calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 01, 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		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	30,077	0.7	4,205	6.5	4,250	6.2	3,919	148.9
March 31, 2019	29,877	5.5	3,950	20.0	4,002	16.5	1,574	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2020	97.64	-
March 31, 2019	39.25	-

(Note) PROTO CORPORATION carried out a 2-for-1 split of common shares on July 1, 2019.

Basic earnings per share was calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2020	32,988	28,391	86.1	706.93
March 31, 2019	30,025	25,337	84.4	631.59

(Reference) Equity: As of March 31, 2020: ¥ 28,391 million

As of March 31, 2019: ¥ 25,337 million

(Note) PROTO CORPORATION carried out a 2-for-1 split of common shares on July 1, 2019.

Net assets per share was calculated under the assumption that said share split had been conducted at the beginning of the previous consolidated accounting year.

**\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporations.**

**\* Explanation for appropriate use of forecasts and other notes**

1. The forward-looking statements such as operational forecasts contained in this statements summary are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ significantly from these forecasts due to various factors.
2. The company will have a financial results briefing for institutional investors and analysts on May 20, 2020. The document to use on the day for the financial briefing will be posted on the company website.
3. The amounts of accounts and other matters presented in the Company's consolidated financial statements were previously stated in units of 1,000 yen, but from the current consolidated fiscal year, they are stated in units of 1,000,000 yen. For ease of comparison, the figures for the previous fiscal year have been reclassified and presented in millions of yen.

## **1. Business Performance Overview**

### **(1) Business Performance Overview for the Current Term**

#### **(a) Business Performance Overview for the Current Term**

Although the Japanese economy in this consolidated fiscal year was partly stagnant for corporate earnings, the employment and income environments continued to improve, and the economy was on a moderate recovery track. On the other hand, the trade friction between the U.S. and China and the geopolitical risks in the Middle East, in addition to the spread of the new coronavirus, are expected to have a significant impact on domestic and overseas economic conditions. Hence, uncertainty about the future is becoming stronger than ever.

Under this economic environment, the automobile sale industry, including major clients of the PROTO Group, has been affected by a series of natural disasters. As a result, new cars sales for both registered and mini-vehicles have dropped from the previous year. Also, the number of registered used cars has fallen below the previous year's level.

In these circumstances, our corporate group has been working on establishing the No.1 position in the field of automobile-related information by proactively investing in businesses to strengthen the development and provision of private brand products and services which are mainly for used car dealers, maintenance shops, and new car dealers, and improving profitability by reforming the cost structure. In addition, the PROTO Group expanded sales opportunities by developing a new business base that utilizes its resources and actualizing the synergy. Moreover, it proceeded with the increase of points of contact with users by cementing the alliances, while eliminating unprofitable business through absorption-type mergers of consolidated subsidiaries.

As a result, the sales for the current consolidated fiscal year were 59,127 million yen (5.0% year on year decrease) due to factors such as the previously mentioned discontinuation of unprofitable businesses through absorption-type mergers of consolidated subsidiaries and sluggish export sales of cars. Operating income was 5,136 million yen (12.5% year on year increase), and ordinary income stood at 5,354 million yen (7.0% year on year increase). This was mainly due to the reform of the cost structure in the Goo Series, a rush in demand before the consumption tax hike in sales of software for maintenance shops, the replacement purchase demand that followed the end of support for Windows 7, and the discontinuation of unprofitable businesses through the absorption-type mergers of consolidated subsidiaries. Net income attributable to owners of parent was 4,991 million yen (58.0% year on year increase), due to factors, such as gains from the sale of fixed assets. Consequently, the ROE for the current consolidated fiscal year was 16.7% (the target value in the mid-term management plan: 12.0%).

The performance of each business segment is as described below.

#### **(b) Overview of each segment**

##### **Automobile-related information**

We have strived to increase the number of business partners, maintain and raise the unit price of transactions per customer, and strengthen our services to meet the needs of users in car life.

In this consolidated fiscal year, in the field of used cars, we have proceeded with maximizing the contents of "Goo-net," the provision of "MOTOR GATE," which is a background system of "Goo-net," and the improvement of its functions to increase the number of our business partners and enhance our productivity. In the new car field, we continued to work on expanding sales of the "DataLine SalesGuide."

In the car maintenance field, we enriched the contents of "Goo-net Pit" and strengthened the comprehensive support for car life. As for the sales of tires and wheels, etc., we continued to improve sales of major brands and the sales of tires and wheels as a set as well. Also, we worked on expanding our sales opportunities by pursuing synergies with "Goo-net," "Goo-net Pit," "MOTOR GATE Shopping," etc.

Furthermore, in the current consolidated fiscal year, the company has discontinued the unprofitable mail-order business of motorcycle parts and supplies and the business of issuing specialized motorcycle magazines through an absorption-type merger of its consolidated subsidiary Bike Bros. Inc.

Consequently, sales were 52,870 million yen (5.9% year on year decrease). The main factors in the drop in sales were the discontinuation of the unprofitable business of Bike Bros. Inc., the sluggish growth of cars export sales at Kings Auto Co., Ltd. (currently known as GOONET EXCHANGE), and the decrease in sales of tires and wheels at AUTOWAY Co., Ltd. The operating income increased to reach 6,582 million yen (14.3% year on year increase). The main factors contributing to this increase were the enhancement of the Group's brand power by strengthening sales promotion, increasing the points of contact with users by cementing the alliances with leading companies, and reforming the cost structure of Goo Series. Also, the strong sales of software for maintenance shops at PROTO-RIOS INC. due to a rush in demand before the consumption tax hike and the replacement purchase demand that followed the end of support for Windows 7, as well as the increase in sales of tires and wheels and improving profitability at TIRE WORLD KAN BEST CO., LTD. played a role in the improvement of the operating income.

### **Lifestyle-related information**

As for the business related to nursing care, medicine, and welfare, we strived to increase the number of our business partners through continuing to improve the brand power of products and services and fortifying its business base by enhancing the website functions and expanding the content and services.

As for the business of Goo School and Goo Home at PROTO SOLUTION Co., Ltd., which are websites for retrieving information on hobbies and qualifications, we kept improving profitability, enriching their contents, and increasing business partners.

Consequently, sales were 4,168 million yen (3.8% year on year decrease). The main factors in the drop in sales were the transfer of the business of "Oikura" in February 2019, as well as a decrease in sales from the nurse dispatching business and the house call dental services support business at PROTO MEDICAL CARE. Operating income was 169 million yen (32.2% year on year decrease), due to factors such as the impact of the above-mentioned decrease in sales and the withdrawal costs related to the withdrawal of the house call dental services support business.

### **Real estate**

As PROTO CORPORATION mainly conducted the lease management for its real estate, sales were 160 million yen (17.7% year on year decrease), and operating income was 135 million yen (30.0% year on year decrease).

### **Other**

Sales were 1,928 million yen (24.2% year on year increase), and operating income was 58 million yen (2.9% year on year increase). This was attributed to the growth of PROTO SOLUTION Co., Ltd. in software development and sales to external customers, the increased performance of existing consolidated subsidiaries in the worker dispatch business, in addition to Associe Co., Ltd. becoming a subsidiary in October 2019.

## **(2) Financial Standing Overview for Current Term**

Total assets at the end of the current consolidated fiscal year were 44,726 million yen, up 846 million yen from the end of the previous consolidated fiscal year. The situation of assets, liabilities, and net assets is as follows.

### **i. Assets**

Current assets were 28,231 million yen, an increase of 1,142 million yen from the end of the previous consolidated fiscal year. This increase was mainly due to a rise in operating income and growth in cash and deposits due to the sale of real estate owned by the company, etc.

Fixed assets dropped to 16,494 million yen, a decrease of 296 million yen from the end of the previous consolidated fiscal year. The main factors behind this decrease were the increase in investment and other assets due to a rise of capital for investment limited partnerships at PROTO Ventures, the decrease of tangible fixed assets due to sale of land, etc. and the decrease of intangible fixed assets resulting from the amortization of goodwill and the sale of land lease rights.

### **ii. Liabilities**

Current liabilities were 11,268 million yen, down 2,766 million yen from the end of the previous consolidated fiscal year, mainly due to the repayment of short-term debts.

Long-term liabilities were 1,524 million yen, down 290 million yen from the end of the previous consolidated fiscal year, mainly due to the repayment of long-term debts.

### **iii. Net assets**

Net assets were 31,932 million yen, up 3,903 million yen from the end of the previous consolidated fiscal year. This was due to factors such as the dividend of surplus reaching 1,053 million yen, the net income attributable to owners of parent standing at 4,991 million yen, and issuance of new shares related to the restricted stock compensation plan.

## **(3) Consolidated Cash Flows**

Cash and cash equivalents at the end of the current consolidated fiscal year stood at 17,336 million yen, up 1,980 million yen from the end of the previous consolidated fiscal year. The main factors in the increase in cash and cash equivalents are as follows.

### **i. Cash flow from operating activities**

The cash flow from operating activities yielded 6,014 million yen, as the corporate income tax increased to 2,090 million yen year on year while 7,139 million yen was posted as net income before taxes and other adjustments.

### **ii. Cash flow from investing activities**

The cash flow from investing activities yielded 401 million yen, as there was an expenditure of 1,828 million yen for acquiring tangible and intangible fixed assets and an expenditure of 760 million yen for payment of capital, while the proceeds from the sale of tangible and intangible fixed assets were 3,862 million yen.

### **iii. Cash flow from financing activities**

The cash flow from financial activities stood at the expenditure of 4,459 million yen, mainly because short-term and long-term debts decreased 3,330 million yen and the company paid 1,053 million yen as dividends.

(Reference) Cash Flow Indicators

	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2020
Equity ratio (%)	63.6	63.0	58.5	63.8	71.3
Equity ratio based on market value (%)	68.5	70.0	75.2	91.4	77.0
Interest-bearing debts to cash flow ratio (%)	1.9	2.1	2.1	1.9	0.6
Interest coverage ratio (times)	77.8	80.9	138.1	139.7	305.5

Equity ratio : Equity capital/Total assets  
Equity ratio based on market value : Total stock based on market/Total assets  
Interest-bearing debts to cash flow ratio : Interest bearing debts/cash flow  
Interest coverage ratio : Operating cash flow/Interest paid

Notes:

1. Each index is calculated based on consolidated financial figures.
2. Market capitalization is calculated by multiplying the closing stock price at the end of the year by the number of shares outstanding at the end of the year (after deducting the number of treasury shares).
3. Cash flow and interest paid are calculated using the operating cash flow and interest payment amount recorded in the Consolidated Statement of Cash Flows.
4. Interest-bearing debts refer to all debts with interest (listed in the Consolidated Balance Sheet).

#### (4) Future Forecast

PROTO CORPORATION carries out business administration under the ethos: "To convert the information (data) of today into the wisdom of tomorrow, and contribute to society with dreams, inspirations, and joy." With the corporate goal of becoming a "Changing Company," it aims to establish a brand, and will strive to improve its mid/long-term corporate value, by satisfying users and clients through the provision of useful information and services.

The PROTO Group produced a "mid-term management plan (the term ending Mar. 2020 to the term ending Mar. 2022)," while considering the diversifying needs and the changes in the market environment. Based on this mid-term management plan, the PROTO Group aims to grow the automobile-related information business by enriching the products and services for used car dealers, maintenance shops, and new car dealers, and improve profitability by actualizing the synergy among group companies and reforming the cost structure. In the term ending Mar. 2022, which is the final fiscal year of the mid-term management plan, the PROTO Group plans to achieve an ROE of 12% or higher exceeding the capital cost, and its concrete activities are as follows.

In the field of automobile-related information, which is the core business domain of the PROTO Group, the Group will strive to strengthen "Goo-net" and enhance profitability by increasing the affiliated firms of "MOTOR GATE" and improving productivity, in the used car business. For the car maintenance business, the Group aims to grow the business by increasing the affiliated shops for "Goo-net Pit," which is a website specializing in car maintenance, and strengthening the "booking service" for escorting customers to maintenance shops. For the new car business, the Group aims to grow the business by promoting more dealers to install "DataLine SalesGuide," a sales support tool, and increasing the variety of services. AUTOWAY Co., Ltd. and TIRE WORLD KAN BEST CO., LTD., which sell mainly tires and wheels, will pursue synergy with group companies by sharing the customer base, etc. and aim to grow the business. In the lifestyle-related information business, the Group aims to grow the business by increasing the business partners for the advertisement business and the welfare goods rental business in the field of nursing care, medicine, and welfare.

However, regarding the future economic outlook, the new coronavirus continues to spread, the timing of the subsiding and the impact of the spread of infection cannot be foreseen. Hence, the future is very uncertain. In line with the state of national emergency declared on Apr. 16, 2020, it is difficult to foresee its impact on the group's automobile-related industry and its period.

Therefore, our company will not issue a consolidated performance forecast for the next fiscal year (FY Mar. 2021), as it is difficult to make a rational estimation. However, the company will promptly disclose the information as soon as a reasonable forecast becomes possible.

## **2. Basic Principle of Selecting Accounting Standard**

The Group is intending to develop consolidated financial statements based on the Japanese standard for the time being, in consideration for the financial statements' comparability between periods and comparability between companies.

Appropriate actions will be taken to apply IFRS in the future based on careful consideration of various domestic and international situations.



# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2019	As of March 31,2020
<b>Assets</b>		
Current assets		
Cash and deposits	15,747	18,057
Notes and accounts receivable - trade	4,799	4,913
Inventories	4,422	4,048
Other	2,131	1,219
Allowance for doubtful accounts	(11)	(6)
Total current assets	27,088	28,231
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,933	6,059
Land	5,689	4,570
Other, net	1,568	690
Total property, plant and equipment	12,191	11,320
Intangible assets		
Goodwill	1,851	1,546
Other	1,219	1,002
Total intangible assets	3,070	2,548
Investments and other assets		
Investment securities	778	1,014
Deferred tax assets	375	356
Other	420	1,260
Allowance for doubtful accounts	(46)	(6)
Total investments and other assets	1,528	2,625
Total non-current assets	16,791	16,494
Total assets	43,879	44,726

(Million yen)

	As of March 31,2019	As of March 31,2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,285	1,720
Short-term borrowings	5,240	2,400
Current portion of long-term borrowings	490	388
Accrued expenses	2,389	2,303
Income taxes payable	1,218	1,328
Provision for sales returns	32	10
Provision for bonuses	138	151
Provision for merchandise warranties	-	35
Provision for point card certificates	24	29
Other	3,216	2,901
Total current liabilities	14,035	11,268
Non-current liabilities		
Long-term borrowings	1,069	681
Retirement benefit liability	-	4
Provision for retirement benefits for directors (and other officers)	264	281
Asset retirement obligations	207	294
Other	273	262
Total non-current liabilities	1,814	1,524
Total liabilities	15,850	12,793
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,824	1,849
Capital surplus	2,011	2,036
Retained earnings	24,710	28,647
Treasury shares	(1,305)	(1,306)
Total shareholders' equity	27,240	31,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59	199
Foreign currency translation adjustment	694	477
Total accumulated other comprehensive income	754	676
Non-controlling interests	34	28
Total net assets	28,029	31,932
<b>Total liabilities and net assets</b>	<b>43,879</b>	<b>44,726</b>

## 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	62,251	59,127
Cost of sales	38,461	34,741
Gross profit	23,789	24,385
Reversal of provision for sales returns	75	32
Provision for sales returns	32	10
Gross profit - net	23,832	24,406
Selling, general and administrative expenses	19,267	19,270
Operating profit	4,565	5,136
Non-operating income		
Interest and dividend income	18	12
Foreign exchange gains	163	229
Gain on valuation of derivatives	211	-
Other	85	72
Total non-operating income	478	313
Non-operating expenses		
Interest expenses	27	20
Loss on investments in investment partnerships	-	31
Loss on valuation of derivatives	-	24
Other	12	21
Total non-operating expenses	39	96
Ordinary profit	5,004	5,354
Extraordinary income		
Gain on sales of non-current assets	48	1,811
Gain on sales of investment securities	-	18
Gain on sales of shares of subsidiaries and associates	-	221
Gain on transfer from business divestitures	75	-
Total extraordinary income	123	2,051
Extraordinary losses		
Loss on sales and retirement of non-current assets	28	31
Loss on valuation of investment securities	-	199
Other	33	33
Total extraordinary losses	62	265
Profit before income taxes	5,065	7,139
Income taxes - current	1,908	2,191
Income taxes - deferred	3	(38)
Total income taxes	1,911	2,153
Profit	3,153	4,986
Loss attributable to non-controlling interests	(5)	(4)
Profit attributable to owners of parent	3,159	4,991

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2019	For the fiscal year ended March 31,2020
Profit	3,153	4,986
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	139
Foreign currency translation adjustment	(13)	(217)
Total other comprehensive income	(108)	(77)
Comprehensive income	3,044	4,908
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,050	4,913
Comprehensive income attributable to non-controlling interests	(5)	(5)

Consolidated Statements of Changes 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	1,824	2,011	22,554	(1,305)	25,084
Changes during period					
Issuance of new shares					
Dividends of surplus			(1,002)		(1,002)
Profit attributable to owners of parent			3,159		3,159
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,156	-	2,156
Balance at end of period	1,824	2,011	24,710	(1,305)	27,240

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	155	708	863	29	25,977
Changes during period					
Issuance of new shares					
Dividends of surplus					(1,002)
Profit attributable to owners of parent					3,159
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	(95)	(13)	(108)	4	(104)
Total changes during period	(95)	(13)	(108)	4	2,052
Balance at end of period	59	694	754	34	28,029

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	1,824	2,011	24,710	(1,305)	27,240
Changes during period					
Issuance of new shares	24	24			49
Dividends of surplus			(1,053)		(1,053)
Profit attributable to owners of parent			4,991		4,991
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	24	24	3,937	(0)	3,986
Balance at end of period	1,849	2,036	28,647	(1,306)	31,227

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	59	694	754	34	28,029
Changes during period					
Issuance of new shares					49
Dividends of surplus					(1,053)
Profit attributable to owners of parent					4,991
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	139	(217)	(77)	(5)	(83)
Total changes during period	139	(217)	(77)	(5)	3,903
Balance at end of period	199	477	676	28	31,932

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2019	For the fiscal year ended March 31,2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,065	7,139
Depreciation	916	890
Amortization of goodwill	437	429
Increase (decrease) in allowance for doubtful accounts	(26)	(44)
Increase (decrease) in provision for sales returns	(42)	(15)
Increase (decrease) in provision for bonuses	(8)	7
Increase (decrease) in provision for merchandise warranties	-	35
Increase (decrease) in provision for point card certificates	1	5
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	16
Interest and dividend income	(18)	(12)
Interest expenses	27	20
Foreign exchange losses (gains)	(33)	(60)
Loss (gain) on investments in investment partnerships	-	31
Loss (gain) on valuation of derivatives	(211)	24
Loss (gain) on sales and retirement of non-current assets	(20)	(1,780)
Loss (gain) on sales of investment securities	-	(18)
Loss (gain) on valuation of investment securities	-	199
Gain on transfer from business divestitures	(75)	-
Loss on disaster	28	1
Decrease (increase) in trade receivables	247	647
Decrease (increase) in inventories	2	370
Increase (decrease) in trade payables	(656)	441
Increase (decrease) in accrued expenses	97	(103)
Other, net	(181)	(121)
Subtotal	5,551	8,103
Interest and dividends received	18	12
Interest paid	(27)	(19)
Income taxes (paid) refund	(1,734)	(2,081)
Net cash provided by (used in) operating activities	3,807	6,014

(Million yen)

	For the fiscal year ended March 31,2019	For the fiscal year ended March 31,2020
<b>Cash flows from investing activities</b>		
Payments into time deposits	-	(500)
Proceeds from withdrawal of time deposits	-	170
Purchase of property, plant and equipment	(1,323)	(1,398)
Proceeds from sales of property, plant and equipment	222	3,588
Purchase of intangible assets	(277)	(430)
Proceeds from sales of intangible assets	-	274
Purchase of long-term prepaid expenses	(9)	(9)
Purchase of investment securities	-	(270)
Proceeds from sales of investment securities	-	53
Payments for investments in capital	-	(760)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(115)
Payments of leasehold and guarantee deposits	-	(117)
Proceeds from separation of business	75	-
Other, net	(39)	(84)
Net cash provided by (used in) investing activities	(1,352)	401
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	(1,210)	(2,840)
Repayments of long-term borrowings	(580)	(490)
Purchase of treasury shares	-	0
Dividends paid	(1,002)	(1,053)
Repayments of lease obligations	(63)	(76)
Proceeds from share issuance to non-controlling shareholders	10	-
Net cash provided by (used in) financing activities	(2,846)	(4,459)
Effect of exchange rate change on cash and cash equivalents	17	24
Net increase (decrease) in cash and cash equivalents	(373)	1,980
Cash and cash equivalents at beginning of period	15,729	15,356
Cash and cash equivalents at end of period	15,356	17,336