

Summary

(Translation)

FIELDS CORPORATION
Summary of Financial Information and Consolidated Business Results
for the Year Ended March 31, 2020 (Japan GAAP)

May 15, 2020
Listed on: TSE 1st

Company Name: FIELDS CORPORATION
(URL: <https://www.fields.biz/ir/e/>)
Stock code: 2767
Representative Director: Hidetoshi Yamamoto
Chairman, President and Group CEO
Inquiries: Hideaki Hatanaka
Corporate Officer; General Manager, Business Management Department
Tel: +81-3-5784-2111

Planned date for Annual General Meeting of Shareholders: June 17, 2020
Planned date for start of dividend payment: June 18, 2020
Planned date for submittal of the financial statements report: June 17, 2020
Full year earnings supplementary explanatory materials: Yes
Full year earnings presentation: No

(Rounded down to the nearest million)

1. Consolidated business results for the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

(Percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	66,587	31.2	713	—	939	—	490	—
Year ended March 31, 2019	50,755	(16.9)	(1,832)	—	(1,864)	—	(614)	—

(Note) Comprehensive income Year ended March 31, 2020: ¥ (27) million (—%)
Year ended March 31, 2019: ¥ (704) million (—%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
Year ended March 31, 2020	14.79	—	1.4	1.4	1.1
Year ended March 31, 2019	(18.52)	—	(1.8)	(2.7)	(3.6)

(Reference) Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2020: ¥ (47) million
Year ended March 31, 2019: ¥ (458) million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2020	64,317	34,279	52.6	1,018.63
Year ended March 31, 2019	67,450	34,638	50.8	1,031.63

(Reference) Shareholders' equity Year ended March 31, 2020: ¥ 33,801 million
Year ended March 31, 2019: ¥ 34,233 million

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	(2,427)	876	(2,537)	24,725
Year ended March 31, 2019	2,178	3,217	(962)	28,807

2. Dividends

	Annual dividends					Total dividend (annually)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	0.00	—	10.00	10.00	331	—	1.0
Year ended March 31, 2020	—	0.00	—	10.00	10.00	331	67.6	1.0
Year ending March 31, 2021 (Forecast)	—	—	—	—	—		—	

(Note) We have yet to decide the dividend forecast for the year ending March 31, 2021.

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

With regard to forecast of consolidated earnings, the Company will not disclose the forecast at this time, and will continue to collect rationale for calculations while assessing the impact of coronavirus disease (COVID-19), with the aim of disclosing them when it becomes possible to disclose reasonable forecasts.

***Notes**

(1) Transfer of important subsidiaries during the year under review (transfer of specific subsidiaries that results in a change in the scope of consolidation): No

(2) Changes in accounting policies, accounting estimates, and revisions/restatements

- 1) Changes in accounting policies due to the revision to the accounting standards, etc.: No
- 2) Changes in accounting policies due to any reason other than those in 1) above: No
- 3) Changes in accounting estimates: No
- 4) Revisions/restatements: No

(3) Number of shares issued (common shares)

1) Number of shares issued at end of year (including treasury shares)

Year ended March 31, 2020	34,700,000 shares
Year ended March 31, 2019	34,700,000 shares

2) Number of treasury shares at end of year

Year ended March 31, 2020	1,516,300 shares
Year ended March 31, 2019	1,516,300 shares

3) Average number of shares outstanding

Year ended March 31, 2020	33,183,700 shares
Year ended March 31, 2019	33,183,700 shares

(Reference) Overview of non-consolidated business results

Non-consolidated business results for the year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

Non-consolidated operating results

(Percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2020	57,515	35.1	995	—	1,516	—	1,091	—
Year ended March 31, 2019	42,571	(15.8)	(3,160)	—	(2,243)	—	(2,363)	—

	Profit per share		Diluted profit per share	
	Yen	Yen	Yen	Yen
Year ended March 31, 2020	32.88	—	—	—
Year ended March 31, 2019	(71.24)	—	—	—

(Note) Certain differences have arisen between non-consolidated operating results for the fiscal year ended March 31, 2020 and the results for the previous fiscal year. The reasons for these are given in *Notification of differences between the consolidated performance forecast and actual results for the year ended March 31, 2020, and differences between the non-consolidated results and the results for the previous fiscal year* announced on May 15, 2020 and (1) *Overview of operating results for the year ended March 31, 2020, 1. Overview of operating results.*

*Summaries of Financial Information and Consolidated Business Results are not subject to audit.

*Explanation of the appropriate usage of forecast earnings and other specific matters

(Disclaimer regarding forward-looking statements and projections)

With regard to forecast of consolidated earnings, the Company will not disclose the forecast at this time, and will continue to collect rationale for calculations while assessing the impact of coronavirus disease (COVID-19), with the aim of disclosing them when it becomes possible to disclose reasonable forecasts. Please refer to *Forecasts for the next fiscal year* on page 3 of the attached material for the business for the next fiscal year to be measured at the present time.

(How to obtain Earnings Supplementary Explanatory Materials)

In light of the spread of coronavirus disease (COVID-19) and the government-issued Declaration of Emergency Situation, we decided not to hold a financial results briefing (for analysts and institutional investors) scheduled for May 2020.

Supplementary materials for financial results will be posted on our IR website after Monday, May 18, 2020.

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1. Overview of operating results

(1) Overview of operating results for the year ended March 31, 2020

i.) Consolidated financial statement

Our group posted losses for 2 consecutive fiscal years in FY2016 and FY2017. In response, we began to improve and strengthen our management foundation in FY2018. First, we restructured our cross-media business and concentrated the entire business into 4 units: the pachinko/pachislot (hereinafter, “PS”) machine distribution unit, centered on FIELDS CORPORATION; the PS machine development unit, centered on BOOOM Corporation; the IP&MD unit, centered on Tsuburaya Productions Co., Ltd. (hereinafter, “Tsuburaya”); and the imaging products unit, centered on Digital Frontier Inc (hereinafter, “DF”). In addition, the PS machine distribution and development units worked to enhance their merchandise capabilities by strengthening cooperation with allied manufacturers and collaboration between distribution and development units. Furthermore, to realize management at optimal cost, we implemented a variety of cost-cutting measures and reduced consolidated SG&A expenses by approximately ¥10 billion from ¥24.07 billion to ¥14.09 billion.

In the fiscal year under review, we revised its initial earnings forecast downward in the *Notification of Revisions to Performance Forecast* dated February 14, 2020, due to the change in sales of the mainstay pachislot machine that had been scheduled to be sold to the next fiscal year. However, as a result of focusing on sales of *PACHI SLOT Onimusha: Dawn of Dreams* and the *EVANGELION FESTIVAL*, pachislot machines delivered in March in the fourth quarter, sales volume exceeded expectations. As a result, actual results exceeded the revised forecast mainly due to higher sales of net sales and operating profit.

As described above, our various management reform efforts over the past 2 years have borne fruit, and we have achieved profitability for the first time in 4 fiscal years.

In the fiscal year under review, our PS business launched merchandise, which was developed in light of the market needs under the new regulations. We successively launched the mainstay sales title for the fiscal year under review, after determining an appropriate sales timing that fully takes into account the lead time from application to compliance by the Security Communications Association (Hotsukyo)* model certification test. Consequently, the number of PS sold in the fiscal year under review increased to 191,000 units, an increase of 53,000 units from the previous fiscal year.

During the fiscal year under review, Tsuburaya focused on the monetization of movies and TVs and the creation of a foundation for its businesses in China/Asia. It began production of the *SHIN ULTRAMAN*, a big scale movie, toward its release in 2021. It also began production of the second season of *ULTRAMAN*, a 3DCG animation that is being distributed globally in NETFLIX and elsewhere. Outside Japan, sales of toys and other products were strong in China, and it made preparations to expand into Southeast Asia as well as China in anticipation of a recovery in consumption after the impact of coronavirus disease (COVID-19) subsided.

In the fiscal year under review, DF won a contract for the production of CG-related videos, mainly for game videos, in response to the strong demand from domestic game companies.

As a result, consolidated net sales increased 31.2% YoY to ¥66,587 million, operating profit increased ¥2,546 million to ¥713 million, ordinary profit increased ¥2,804 million to ¥939 million, and profit attributable to owners of parent increased ¥1,105 million to ¥490 million.

* The Security Communications Association (Hotsukyo)... National public safety commission designated testing institute conducting model certification test of PS machine

ii.) Forecasts for the next fiscal year

As noted above, two years have passed since the integration of our organizational structure into 4 units, and we are making steady progress in the development of this system. In order to further improve consolidated results, we will continue to strengthen the organizational structure of each unit to strengthen profitability and reduce costs.

In PS machine distribution unit, we are making steady progress in preparing for merchandise to meet the various demands from the marketplace.

In the first half of the year, several titles scheduled to be sold have already been compliant and other titles have been apply for model certification test. The PS machines are expected to be sold as planned, except the change of the delivery schedule for a pachislot title, which was changed from May to mid-June and thereafter in light of the market conditions.

In the second half of the fiscal year, we plan to sell our products at the optimal timing. We plan to maintain an adequate title lineup while assessing the replacement demand associated with each month's removal of machines.

In addition, we will continue to focus on web targeting advertisement that leverages our strengths as a distributor and trading company, as well as the installation and inspection business, in areas other than sales of new machines. At the same time, we will broadly respond to the demand for coronavirus disease (COVID-19) prevention merchandise. In addition, we will focus on the popularization of *Pachinko Pachislot Information Station*, a new-generation platform.

Based on its current medium-term business strategy, Tsuburaya is cultivating new markets in the fields of video, publishing, apparel, and toys. In the video field, the number of registered users of Tsuburaya Productions official YouTube channel distributed in Japan and overseas exceeded one million due to the rising staying at home and spending caused by self-restraint from going outside. In response, we have begun developing new services by the subscription model. In the area of publishing, we plan to collaborate with Marvel Entertainment to publish a comic book *THE RISE OF ULTRAMAN* by the end of 2020, and we expect business to develop in North America.

In the imaging products business, DF is expected to continue its strong demand for CG video production from domestic game companies and video distribution companies, and will proactively respond to those needs. In addition, we intend to expand into the video platform business beyond its former contract business, including new projects with partner companies based on world's leading video production technologies which it has.

With regard to forecast of consolidated earnings, the Company will not disclose the forecast at this time, and will continue to collect rationale for calculations while assessing the impact of coronavirus disease (COVID-19), with the aim of disclosing them when it becomes possible to disclose reasonable forecasts.

iii.) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

We consider the enhancement of corporate value to be an important management issue, and our basic policy is to pay dividends in line with profits. On the other hand, we believe that the most important means of returning profits to shareholders in the future, including by enhancing our corporate value, is to stabilize our financial base from a medium-to-long-term perspective in response to rapid changes in the operating environment and by prioritizing securing capital for investment aimed at expanding profits. Specifically, we will pay a year-end dividend of ¥10 per share for the fiscal year ended March 31, 2020. The matter will be discussed at the 32nd Annual General Meeting of Shareholders, which is to be held on June 17, 2020.

The dividend forecast for the next fiscal year will be announced as soon as it becomes possible to disclose the forecast of consolidated financial results.

(NOTE) The name of merchandise stated on this report is a trademark or registered trademark of each company.

(2) Overview of financial position for the year ended March 31, 2020

(Unit: Millions of yen)

	End of the current term (As of the end of March 2020)	End of the previous fiscal year (As of the end of March 2019)	YoY change
Total assets	64,317	67,450	(3,132)
Total liabilities	30,037	32,811	(2,774)
Total net assets	34,279	34,638	(358)

(Assets)

Current assets increased by ¥3,195 million from the end of the previous fiscal year to ¥50,580 million. This was mainly due to an increase in notes and accounts receivable-trade, despite a decrease in cash and deposits.

Property, plant and equipment decreased by ¥1,430 million from the end of the previous fiscal year to ¥4,734 million. This was mainly due to a reduction in tools, furniture and fixtures.

Intangible assets decreased by ¥178 million from the end of the previous fiscal year to ¥2,992 million. This was mainly due to a reduction in goodwill.

Investments and other assets decreased by ¥4,719 million from the end of the previous fiscal year to ¥6,008 million. This was mainly due to a reduction in investment securities.

As a consequence, assets decreased by ¥3,132 million from the end of the previous fiscal year to ¥64,317 million.

(Liabilities)

Current liabilities decreased by ¥3,477 million from the end of the previous fiscal year to ¥17,996 million. This was mainly due to a decrease in short-term borrowings, despite an increase in trade payable and current portion of long-term borrowings.

Non-current liabilities increased by ¥703 million from the end of the previous fiscal year to ¥12,040 million. This was mainly due to increased long-term borrowings.

As a consequence, liabilities decreased by ¥2,774 million from the end of the previous fiscal year to ¥30,037 million.

(Net assets)

Net assets decreased by ¥358 million from the end of the previous fiscal year to ¥34,279 million. This was mainly due to a decrease in valuation difference on available-for-sale securities, despite an increase in retained earnings.

(3) Overview of cash flows for the year ended March 31, 2020

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review decreased by ¥4,081 million from the end of the previous fiscal year to ¥24,725 million.

Cash flows from various activities during the fiscal year under review and their causes are as follows.

(Unit: Millions of yen)

	Current period (Year ended March 31, 2020)	Previous period (Year ended March 31, 2019)	YoY change
Cash flows from operating activities	(2,427)	2,178	(4,605)
Cash flows from investing activities	876	3,217	(2,340)
Cash flows from financing activities	(2,537)	(962)	(1,575)

(Cash flows from operating activities)

Net cash used in operating activities was ¥2,427 million (¥2,178 million provided in the same period of the previous fiscal year). This was mainly attributable to profit before income taxes of ¥667 million, an increase in notes and accounts receivable-trade of ¥8,537 million, an increase in notes and accounts payable-trade of ¥1,402 million, an increase in depreciation of ¥1,346 million, an increase in accrued consumption taxes of ¥832 million, and amortization of equity investment of ¥774 million.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥876 million (compared with ¥3,217 million provided in the same period of the previous fiscal year). This was mainly due to ¥3,623 million in proceeds from sales of investment securities and ¥2,276 million in purchase of non-current assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,537 million (compared with ¥962 million used in the same period of the previous fiscal year). This was mainly attributable to ¥8,250 million in proceeds from long-term borrowings, ¥4,656 million in repayments of long-term borrowings, a decrease in short-term borrowings of ¥5,760 million, and ¥331 million in dividends paid.

(Reference) Trends of cash flow indicators

	FY2015	FY2016	FY2017	FY2018	FY2019
Shareholders' equity ratio (%)	62.0	52.5	48.4	50.8	52.6
Shareholders' equity ratio at market value (%)	67.4	47.7	53.4	35.6	14.7
Interest-bearing debt/cash flow ratio (years)	0.9	—	—	7.1	—
Interest coverage ratio (times)	439.0	—	—	28.6	—

- Shareholders' equity ratio: shareholders' equity/total assets
- Shareholders' equity ratio at market value: aggregate market value (based on the closing stock price at the end of the fiscal year)/total assets
- Interest-bearing debt/cash flow ratio: interest-bearing debt/operating cash flow
- Interest coverage ratio: operating cash flow/interest expense

- (Notes) 1. All of the above indicators are calculated for their respective values on a consolidated basis.
 2. Aggregate market value is calculated based on the number of shares issued excluding treasury shares.
 3. Interest-bearing debt indicates all the liabilities for which interest is paid posted in the consolidated balance sheets.
 4. Interest-bearing debt/cash flow ratio and interest coverage ratio are not stated in the case of negative operating cash flows.

2. Basic approach to selecting accounting standards

The Group has determined that financial statements prepared according to Japanese standards are appropriate in light of current business conditions. We plan to appropriately address the adoption of IFRS after considering conditions in Japan and overseas.

3. Consolidated financial statements and important notes

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2019)	Current consolidated fiscal Year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	28,907	24,825
Notes and accounts receivable - trade	6,157	14,171
Electronically recorded monetary claims - operating	1,070	1,087
Merchandise and finished goods	750	446
Work in process	5,130	4,852
Raw materials and supplies	2,229	2,574
Merchandising rights advances	1,711	1,687
Other	1,536	964
Allowance for doubtful accounts	(108)	(29)
Total current assets	47,385	50,580
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,592	5,377
Accumulated depreciation	(2,963)	(3,022)
Buildings and structures, net	2,628	2,354
Machinery, equipment and vehicles	117	115
Accumulated depreciation	(87)	(93)
Machinery, equipment and vehicles, net	30	21
Tools, furniture and fixtures	5,622	4,010
Accumulated depreciation	(3,875)	(3,422)
Tools, furniture and fixtures, net	1,746	587
Land	1,676	1,644
Construction in progress	82	126
Total property, plant and equipment	6,165	4,734
Intangible assets		
Goodwill	2,715	2,156
Other	455	836
Total intangible assets	3,170	2,992
Investments and other assets		
Investment securities	5,785	1,325
Long-term loans receivable	1,738	373
Deferred tax assets	608	695
Other	4,284	3,986
Allowance for doubtful accounts	(1,689)	(373)
Total investments and other assets	10,728	6,008
Total non-current assets	20,064	13,736
Total assets	67,450	64,317

(Unit: Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2019)	Current consolidated fiscal Year (As of March 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,160	9,336
Short-term borrowings	5,960	200
Current portion of long-term borrowings	2,580	5,329
Income taxes payable	120	127
Provision for bonuses	249	251
Provision for bonuses for directors (and other officers)	10	14
Other	4,391	2,736
Total current liabilities	21,474	17,996
Non-current liabilities		
Long-term borrowings	6,847	7,691
Retirement benefit liability	628	674
Asset retirement obligations	903	889
Other	2,957	2,784
Total non-current liabilities	11,337	12,040
Total liabilities	32,811	30,037
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,579	7,579
Retained earnings	19,904	20,060
Treasury shares	(1,821)	(1,821)
Total shareholders' equity	33,610	33,767
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	598	10
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans	23	22
Accumulated other comprehensive income total	622	34
Non-controlling interests	404	477
Total net assets	34,638	34,279
Liabilities and net assets total	67,450	64,317

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2018-March 31, 2019)	Current consolidated fiscal Year (April 1, 2019-March 31, 2020)
Net sales	50,755	66,587
Cost of sales	37,454	51,777
Gross profit	13,300	14,809
Selling, general and administrative expenses		
Advertising expenses	1,034	1,233
Salaries	4,900	4,486
Provision for bonuses	118	139
Retirement benefit expenses	135	76
Outsourcing expenses	1,108	1,162
Travel and transportation expenses	432	364
Depreciation	761	595
Rent expenses on land and buildings	1,494	1,318
Provision of allowance for doubtful accounts	47	(68)
Amortization of goodwill	435	559
Provision for bonuses for directors (and other officers)	10	14
Other	4,653	4,211
Total selling, general and administrative expenses	15,132	14,095
Operating profit (loss)	(1,832)	713
Non-operating income		
Interest income	95	18
Dividend income	163	85
Purchase discounts	92	224
Distribution from investment	96	21
Other	123	87
Total non-operating income	571	437
Non-operating expenses		
Interest expenses	76	59
Share of loss of entities accounted for using equity method	458	47
Amortization of equity investment	13	-
Financing expenses	3	25
Provision of allowance for doubtful accounts for subsidiaries and associates	16	31
Other	35	48
Total non-operating expenses	604	211
Ordinary profit (loss)	(1,864)	939

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2018-March 31, 2019)	Current consolidated fiscal year (April 1, 2019-March 31, 2020)
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	1,400	-
Gain on sales of non-current assets	29	16
Gain on sales of investment securities	361	-
Gain on step acquisitions	748	-
Gain on liquidation of subsidiaries and associates	-	17
Other	-	0
Total extraordinary income	2,539	35
Extraordinary losses		
Loss on retirement of non-current assets	57	8
Impairment loss	278	-
Loss on sales of investment securities	-	212
Loss on business restructuring	472	-
Loss on litigation	167	75
Other	193	10
Total extraordinary losses	1,169	307
Profit (loss) before income taxes	(494)	667
Income taxes - current	172	175
Income taxes - deferred	47	(69)
Total income taxes	219	106
Profit (loss)	(714)	560
Profit (loss) attributable to non-controlling interests	(99)	70
Profit (loss) attributable to owners of parent	(614)	490

Consolidated Statement of comprehensive income

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2018-March 31, 2019)	Current consolidated fiscal year (April 1, 2019-March 31, 2020)
Profit (loss)	(714)	560
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(67)	(587)
Foreign currency translation adjustment	(0)	0
Remeasurements of defined benefit plans	76	(0)
Total other comprehensive income	9	(588)
Comprehensive income	(704)	(27)
Profit attributable to		
Comprehensive income attributable to owners of parent	(609)	(97)
Comprehensive income attributable to non-controlling interests	(95)	70

(3) Consolidated statement of change in equity

Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	7,948	7,579	20,684	(1,821)	34,391
Changes of items during period					
Dividends of surplus			(165)		(165)
Profit (loss) attributable to owners of parent			(614)		(614)
Increase (decrease) in sales of shares of consolidated subsidiaries					-
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes of items during period	-	-	(780)	-	(780)
Balance at end of current period	7,948	7,579	19,904	(1,821)	33,610

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	669	0	(53)	617	500	35,509
Changes of items during period						
Dividends of surplus						(165)
Profit (loss) attributable to owners of parent						(614)
Increase (decrease) in sales of shares of consolidated subsidiaries						-
Change in scope of consolidation						-
Net changes in items other than shareholders' equity	(71)	(0)	76	5	(95)	(90)
Total changes of items during period	(71)	(0)	76	5	(95)	(870)
Balance at end of current period	598	0	23	622	404	34,638

Fiscal year ended March 31, 2020 (April 1, 2019–March 31, 2020)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	7,948	7,579	19,904	(1,821)	33,610
Changes of items during period					
Dividends of surplus			(331)		(331)
Profit (loss) attributable to owners of parent			490		490
Increase (decrease) in sales of shares of consolidated subsidiaries		0			0
Change in scope of consolidation			(2)		(2)
Net changes in items other than shareholders' equity					
Total changes of items during period	-	0	156	-	156
Balance at end of current period	7,948	7,579	20,060	(1,821)	33,767

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	598	0	23	622	404	34,638
Changes of items during period						
Dividends of surplus						(331)
Profit (loss) attributable to owners of parent						490
Increase (decrease) in sales of shares of consolidated subsidiaries						0
Change in scope of consolidation						(2)
Net changes in items other than shareholders' equity	(587)	0	(0)	(588)	72	(515)
Total changes of items during period	(587)	0	(0)	(588)	72	(358)
Balance at end of current period	10	0	22	34	477	34,279

(4) Consolidated statements of cash flows

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2018-March 31, 2019)	Current Consolidated Fiscal Year (April 1, 2019-March 31, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	(494)	667
Depreciation	1,239	1,346
Impairment loss	278	-
Amortization of goodwill	435	559
Increase (decrease) in allowance for doubtful accounts	(17)	(84)
Increase (decrease) in provision for bonuses	(63)	1
Increase (decrease) in provision for bonuses for directors (and other officers)	1	4
Increase (decrease) in retirement benefit liability	35	46
Interest and dividend income	(259)	(104)
Purchase discounts	(92)	(224)
Share of loss (profit) of entities accounted for using equity method	458	47
Interest expenses	76	59
Amortization of equity investment	979	774
Loss (gain) on sales of investment securities	(361)	212
Loss (gain) on step acquisitions	(748)	-
Decrease (increase) in trade receivables	2,768	(8,537)
Decrease (increase) in inventories	279	237
Decrease (increase) in merchandising rights advances	(242)	23
Loss (gain) on sales of shares of subsidiaries and associates	(1,348)	-
Loss (gain) on sales of non-current assets	(28)	(15)
Decrease (increase) in prepaid expenses	317	(166)
Decrease (increase) in advances paid	(101)	234
Increase (decrease) in trade payables	(2,944)	1,402
Increase (decrease) in accounts payable - other	(0)	(444)
Increase (decrease) in accrued consumption taxes	312	832
Increase (decrease) in deposits received	(151)	(195)
Other, net	1,334	995
Subtotal	1,662	(2,328)
Interest and dividends received	267	104
Interest paid	(76)	(59)
Income taxes (paid) refund	325	(143)
Net cash provided by (used in) operating activities	2,178	(2,427)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,246)	(1,723)
Proceeds from sales of property, plant and equipment	225	48
Purchase of intangible assets	(144)	(553)
Purchase of investment securities	(2)	(256)
Proceeds from sales of investment securities	528	3,623
Proceeds from redemption of investment securities	-	200
Purchase of shares of subsidiaries and associates	-	(10)
Proceeds from sales of shares of subsidiaries and associates	1,800	-
Payments for investments in capital	(943)	(267)
Loan advances	(179)	(30)
Collection of loans receivable	68	54
Payments of leasehold and guarantee deposits	(31)	(66)
Proceeds from refund of leasehold and guarantee deposits	452	43
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	2,818	-
Other, net	(126)	(187)
Net cash provided by (used in) investing activities	3,217	876

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2018-March 31, 2019)	Current Consolidated Fiscal Year (April 1, 2019-March 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,809	(5,760)
Repayments of long-term borrowings	(2,580)	(4,656)
Proceeds from long-term borrowings	-	8,250
Dividends paid	(169)	(331)
Other, net	(22)	(39)
Net cash provided by (used in) financing activities	(962)	(2,537)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	4,434	(4,088)
Cash and cash equivalents at beginning of year	24,373	28,807
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	6
Cash and cash equivalents at end of year	28,807	24,725

(5) Note regarding the consolidated financial statements

(Note regarding the operation of the company as a going concern)

No relevant items

(Segment information, etc.)

[Segment information]

This statement is omitted as the Group engages in a single segment.

[Related information]

Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)

1. Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2. Information on each region

(1) Net sales

Information on net sales has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Information on the amount of property, plant and equipment has been omitted because the amount of property, plant and equipment in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information on each major customer

Information on major customers has been omitted because there is no external customer for which net sales represents 10% of net sales of the consolidated statements of income.

Fiscal year ended March 31, 2020 (April 1, 2019–March 31, 2020)

1. Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2. Information on each region

(1) Net sales

Information on net sales in Japan has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Information on the amount of property, plant and equipment in Japan has been omitted because the amount of property, plant and equipment in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information on each major customer

Information on major customers has been omitted because there is no external customer for which net sales represents 10% of net sales of the consolidated statements of income.

[Information relating to impairment loss of non-current assets by reportable segment]

This information has been omitted because the Group has only one segment.

[Information relating to amortization of goodwill and unamortized balance by reportable segment]

This information has been omitted because the Group has only one segment.

[Information relating to gain on bargain purchase by reportable segment]

No relevant items

(Per-share data)

Item	Previous consolidated fiscal year (April 1, 2018–March 31, 2019)	Current Consolidated Fiscal Year (April 1, 2019–March 31, 2020)
Net assets per share	1,031.63	1,018.63
Profit (loss) per share	(18.52)	14.79

(Notes) 1. The amount of diluted profit per share for the previous consolidated fiscal year is not stated because there is a loss per share and no latent shares exist. The amount of diluted profit per share for the current fiscal year is not stated because there is no latent shares exist.

2. The basis for calculation of the amount of profit (loss) per share is as follows:

Item	Previous consolidated fiscal year (April 1, 2018–March 31, 2019)	Current Consolidated Fiscal Year (April 1, 2019–March 31, 2020)
Profit (loss) attributable to owners of parent (millions of yen)	(614)	490
Amount not allocable to common shareholders (millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares income (millions of yen)	(614)	490
Average number of shares of common share outstanding (shares)	33,183,700	33,183,700
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	—	—

(Significant subsequent events)

No relevant items