

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



May 7, 2021

Company name: TOA Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6809  
 URL: <https://www.toa.jp/>  
 Representative: TAKEUCHI Kazuhiro, President, CEO  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 22, 2021  
 Scheduled date of filing annual securities report: June 22, 2021  
 Scheduled date of commencing dividend payments: June 23, 2021  
 Availability of supplementary briefing material on financial results: Yes  
 Schedule of financial results briefing session: Yes (Only in the form of a video posted on the Company's website.)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	40,575	(10.0)	2,293	(33.8)	2,558	(28.5)	1,596	(22.7)
March 31, 2020	45,068	(2.7)	3,465	(11.2)	3,577	(12.7)	2,065	(17.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥3,707 million [48.9 %]

Fiscal year ended March 31, 2020: ¥2,490 million [217.0 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	48.87	-	3.7	4.4	5.7
March 31, 2020	60.99	-	4.8	6.1	7.7

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

Fiscal year ended March 31, 2021: ¥(4) million

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

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of March 31, 2021	58,572	46,365	75.8	1,365.41
As of March 31, 2020	58,653	44,780	72.9	1,262.02

(Reference) Equity: As of March 31, 2021: ¥44,402 million

As of March 31, 2020: ¥42,756 million

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2021	5,290	(2,072)	(3,055)	16,268
March 31, 2020	1,832	(2,558)	(2,746)	16,108

## 2. Dividends

	Annual dividends					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended March 31, 2020	yen -	yen 10.00	yen -	yen 16.00	yen 26.00	Million yen 880	% 42.6	% 2.0
Fiscal year ended March 31, 2021	-	10.00	-	10.00	20.00	650	40.9	1.5
Fiscal year ending March 31, 2022 (Forecast)	-	10.00	-	10.00	20.00		38.3	

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

Breakdown of the dividends for the fiscal year ended March 31, 2021: Stable dividend ¥20

Dividends for the fiscal year ending March 31, 2022 (Forecast) will be determined by taking into account the performances on stable dividend of ¥20, aiming at a consolidated dividend payout ratio of 35%, as specified in “(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 7.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	42,000	3.5	2,550	11.2	2,600	1.6	1,700	6.5	52.23

#### \* 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 shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - March 31, 2021: 34,536,635 shares
    - March 31, 2020: 34,536,635 shares
  - 2) Total number of treasury shares at the end of the period:
    - March 31, 2021: 2,017,212 shares
    - March 31, 2020: 657,114 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended March 31, 2021: 32,673,357 shares
    - Fiscal year ended March 31, 2020: 33,874,001 shares

**(Reference) Overview of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	28,629	(9.7)	983	(38.4)	1,448	(27.9)	1,067	(31.1)
March 31, 2020	31,713	(3.4)	1,597	3.7	2,008	(0.7)	1,549	2.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	32.67	-
March 31, 2020	45.75	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	40,944	33,953	82.9	1,044.11
March 31, 2020	40,008	32,709	81.8	965.48

(Reference) Equity: As of March 31, 2021: ¥33,953 million

As of March 31, 2020: ¥32,709 million

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.\* Explanation of the proper use of financial results forecast and other notes

Forecasts presented herein are the current prospects based on information currently available and contain elements of uncertainty. Actual results may therefore differ from the above forecasts due to subsequent changes in the circumstances.

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

## Table of Contents

1. Overview of Operating Results, Etc. ....	5
(1) Overview of Operating Results for the Fiscal Year Under Review .....	5
(2) Overview of Financial Position for the Fiscal Year Under Review .....	6
(3) Overview of Cash Flows for the Fiscal Year Under Review .....	6
(4) Future Outlook .....	7
(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year.....	7
2. Basic Views on the Selection of Accounting Standards .....	7
3. Consolidated Financial Statements and Primary Notes .....	8
(1) Consolidated Balance Sheets.....	8
(2) Consolidated Statements of Income and Comprehensive Income .....	10
Consolidated Statements of Income.....	10
Consolidated Statements of Comprehensive Income.....	11
(3) Consolidated Statements of Changes in Net Assets .....	12
(4) Consolidated Statements of Cash Flows .....	14
4. Non-consolidated Financial Statements.....	15
(1) Non-consolidated Balance Sheets .....	15
(2) Non-consolidated Statements of Income.....	17
(3) Non-consolidated Statements of Changes in Net Assets .....	18

## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

During the fiscal year ended March 31, 2021, the business environment surrounding the Group experienced a significant decline in economic activities during the three months ended June 30, 2020 attributable to the global spread of the novel coronavirus (COVID-19), but there were signs of recovery due to the resumption of economic activities beginning from the three months ended September 30, 2020. However, there are differences in the speed of recovery among countries and regions due to discrepancies in the pace of widespread vaccine administration and the scale of fiscal stimulus in each country, and a significant economic downturn has been anticipated due to the emergence and spread of new virus variants, causing the future outlook to remain uncertain.

In such an environment, we engage in activities to further strengthen our “connection with our customers” through interactions with both people and goods in order to realize our corporate value “Smiles for the Public,” and on December 10, 2020, we had our grand opening of “Knowledge Square,” a new research and development base. We have started utilizing the base as a venue for “co-creation,” where a wide variety of people and information gather to create new value together. In the domestic market, we are taking measures against natural disasters that require continued vigilance and providing value in line with new forms of society and lifestyles. Specifically, we contributed to solving issues over communication in the new forms of society and lifestyles, centered on a lineup of products including partition-mounted conversation assistance systems and hands-free megaphones, as well as the provision of a congestion status distribution solution in order to help people avoid congestion.

We also introduced and launched a new system platform to improve the efficiency of our marketing activities in five regions around the world, while pursuing initiatives to achieve user satisfaction at a higher level in accordance with each market environment. Even in the environment affected by the spread of COVID-19, we are promoting continued and more efficient business activities through investment in various work styles and digital tools.

However, due to the impact of the stagnation of global economic activities, net sales during the fiscal year ended March 31, 2021 were ¥40,575 million (down ¥4,493 million, or 10.0%, year on year). In terms of profits, while selling, general and administrative expenses decreased, operating profit was ¥2,293 million (down ¥1,171 million, or 33.8%, year on year), ordinary profit was ¥2,558 million (down ¥1,019 million, or 28.5%, year on year), and profit attributable to owners of parent was ¥1,596 million (down ¥469 million, or 22.7%, year on year).

Performance by segment is as follows.

#### (Japan)

Net sales amounted to ¥27,562 million (down ¥1,850 million, or 6.3%, year on year), and segment profit (operating profit) to ¥6,139 million (down ¥635 million, or 9.4%, year on year).

Despite the increase in delivery of products for railway cars and growth in sales to public offices, such as sales for disaster reduction and prevention markets, net sales of the entire segment decreased due to sluggish private sector demand resulting from stagnant economic activities. Segment profit declined due to lower revenues, despite an improvement in the cost ratio and a decrease in selling, general and administrative expenses.

#### (Asia & Pacific)

Net sales amounted to ¥5,927 million (down ¥1,528 million, or 20.5%, year on year), and segment profit (operating profit) to ¥1,010 million (down ¥362 million, or 26.4%, year on year).

Sales grew in Vietnam due mainly to progress in delivering large-scale projects for public offices. In Indonesia and Malaysia, despite the delivery of certain large-scale projects, net sales decreased as a result of sluggish sales to the religious facility market, which is a particularly important market, due to the impact

of sluggish economic activities. Sales were sluggish in Thailand as well, resulting in a decline in net sales of the entire segment. Segment profit decreased due to lower revenues, despite a decrease in selling, general and administrative expenses.

(Europe, Middle East & Africa)

Net sales amounted to ¥3,895 million (down ¥486 million, or 11.1%, year on year), and segment profit (operating profit) to ¥313 million (down ¥199 million, or 39.0%, year on year).

Net sales and segment profit decreased due to the impact of stagnant economic activities in key countries in Europe, as well as in the Middle East and South Africa, despite signs of a recovery in the three months ended March 31, 2021.

(The Americas)

Net sales amounted to ¥1,640 million (down ¥507 million, or 23.6%, year on year), and segment profit (operating profit) to ¥33 million (down ¥104 million, or 75.5%, year on year).

In the United States, net sales decreased due to sluggish sales of audio equipment for retailers, despite progress in delivering multiple large-scale projects. In Canada, despite an increase in sales to the education market, net sales declined due to the impact of the appreciation of the yen. Segment profit declined due to lower overall segment revenues.

(China & East Asia)

Net sales amounted to ¥1,549 million (down ¥120 million, or 7.2%, year on year), and segment profit (operating profit) to ¥165 million (down ¥15 million, or 8.7%, year on year).

In Hong Kong and Taiwan, sales increased due to progress in delivering multiple large-scale projects. In China, despite progress in delivering some large-scale projects to public offices, overall sales were sluggish, leading to a decline in net sales and segment profit.

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

Total assets at the end of the fiscal year ended March 31, 2021 decreased by ¥80 million from the end of the previous fiscal year to ¥58,572 million. Assets decreased due mainly to the declines in notes and accounts receivable – trade and inventories, despite an increase due mainly to revaluation of investment securities. Liabilities and net assets decreased due mainly to a decrease in trade payables and the purchase of treasury shares, despite an increase in valuation difference on available-for-sale securities.

## (3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year ended March 31, 2021 (hereinafter “cash”) increased by ¥160 million from the end of the previous fiscal year to ¥16,268 million. The status of cash flows and their contributing factors during the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥5,290 million. This was mainly attributable to ¥2,547 million of profit before income taxes, depreciation of ¥1,445 million, a decrease of ¥1,149 million in trade receivables and a decrease of ¥1,056 million in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥2,072 million. This was mainly attributable to the purchase of production and development equipment that amounted to ¥2,011 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥3,055 million. This was mainly attributable to

¥1,006 million of cash dividends paid, ¥1,005 million of purchase of treasury shares, and a ¥592 million decrease in short-term borrowings.

#### (4) Future Outlook

From the fiscal year ending March 31, 2022, the Company will start activities to realize our management vision targeting 2030 “Become Dr. Sound –A professional organization that improves sound in society –.” In addition to the “Sound that can be heard, and sound that is easy to hear” according to the various indoor and outdoor environments and the diversity of people that we have provided up until this point, we will realize and provide value that can be more easily approached to the creation of the experience of reassurance, reliability, emotion brought by the sounds of public spaces surrounding us (= the “sounds of society”). By doing so, we will aim to realize along with our customers a cycle of identifying, solving, and improving social issues through the continuous provision of “good sound experiences” that customers will choose.

Especially in the upcoming two years, the fiscal year ending March 31, 2022, and the fiscal year ending March 31, 2023, the Company will work to increase global profitability and competitiveness and build a new platform for growth, in order to quickly realize a framework towards realizing this management vision.

For details, please refer to the “Announcement of Formulation of Management Vision 2030” disclosed today.

Due to the above, at present, our performance forecasts for the fiscal year ending March 31, 2022 are: Net sales of ¥42,000 million, operating profit of ¥2,550 million, ordinary profit of ¥2,600 million, and profit attributable to owners of parent of ¥1,700 million.

There are possibilities that the Company’s earnings will significantly fluctuate based on how the novel coronavirus continues to spread or settles down going forward. If any changes that could have a material impact on the Company’s earnings are observed, the Company will provide notification at that time.

#### (5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year

The Company views an increase of returns of profits to shareholders as an important managerial task.

Regarding the distribution of profits, in addition to our basic policy of providing stable dividends, we endeavor to provide returns to shareholders by taking our business performance into consideration. We also aim to maintain sufficient internal reserves, so as to secure a stable management foundation in the long term, and to raise the competitiveness of the Company through actively carrying out R&D investments. By endeavoring to strengthen our financial structure, we aim to increase our corporate value.

In addition, to further specify our policy of providing dividends based on business performance, we adopt a basic policy of maintaining an annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), and aim for a consolidated dividend payout ratio of 35% based on our business performance. The amount of dividends paid will also be determined by considering the overall balance with our internal reserves, so as to enable sustainable growth of the Company.

For the fiscal year ended March 31, 2021, the Company plans to pay an annual dividend of ¥20 per share (stable annual dividend of ¥20), which includes the interim dividend of ¥10 per share already paid. For the fiscal year ending March 31, 2022, in addition to the stable annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), we will determine the dividend amount by aiming for a consolidated dividend payout ratio of 35% based on our business performance.

## 2. Basic Views on the Selection of Accounting Standards

In consideration of the ease of comparison of the consolidated financial statements, in terms of comparison with previous years and comparison with other companies, the TOA Group plans to continue adopting Japanese GAAP in the preparation of its consolidated financial statements.

With regard to the adoption of IFRS, in view of the various circumstances within and outside of Japan, the Group will adopt the IFRS appropriately, as necessary.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	15,610	16,838
Notes and accounts receivable - trade	10,312	9,095
Securities	1,200	-
Merchandise and finished goods	6,845	6,242
Work in process	1,045	554
Raw materials and supplies	3,065	2,916
Other	880	728
Allowance for doubtful accounts	(75)	(53)
Total current assets	38,885	36,322
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,159	10,659
Accumulated depreciation	(3,922)	(4,215)
Buildings and structures, net	6,237	6,443
Machinery, equipment and vehicles	1,590	1,659
Accumulated depreciation	(1,225)	(1,250)
Machinery, equipment and vehicles, net	365	409
Tools, furniture and fixtures	3,933	3,831
Accumulated depreciation	(3,281)	(3,247)
Tools, furniture and fixtures, net	651	583
Land	2,451	2,453
Leased assets	1,433	1,563
Accumulated depreciation	(598)	(723)
Leased assets, net	835	839
Construction in progress	38	19
Total property, plant and equipment	10,579	10,749
Intangible assets		
Goodwill	507	444
Software	721	628
Software in progress	149	52
Other	220	221
Total intangible assets	1,599	1,347
Investments and other assets		
Investment securities	6,163	9,073
Deferred tax assets	334	326
Retirement benefit asset	7	3
Other	1,085	752
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	7,589	10,154
Total non-current assets	19,768	22,250
<b>Total assets</b>	<b>58,653</b>	<b>58,572</b>



(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,409	2,704
Short-term borrowings	1,915	1,271
Lease obligations	236	273
Income taxes payable	332	261
Provision for bonuses	157	150
Provision for product warranties	19	36
Other	3,112	2,062
Total current liabilities	9,183	6,759
Non-current liabilities		
Lease obligations	647	638
Deferred tax liabilities	466	1,560
Retirement benefit liability	2,841	2,504
Other	734	743
Total non-current liabilities	4,689	5,447
Total liabilities	13,872	12,207
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus	5,058	5,061
Retained earnings	30,236	30,819
Treasury shares	(385)	(1,370)
Total shareholders' equity	40,189	39,790
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,682	5,708
Foreign currency translation adjustment	(1,009)	(1,168)
Remeasurements of defined benefit plans	(104)	72
Total accumulated other comprehensive income	2,567	4,611
Non-controlling interests	2,024	1,962
Total net assets	44,780	46,365
Total liabilities and net assets	58,653	58,572

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

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	45,068	40,575
Cost of sales	24,983	23,266
Gross profit	20,085	17,308
Selling, general and administrative expenses	16,620	15,014
Operating profit	3,465	2,293
Non-operating income		
Interest income	43	28
Dividend income	95	99
Insurance claim and dividend income	23	44
Subsidy income	-	130
Other	99	94
Total non-operating income	261	398
Non-operating expenses		
Interest expenses	72	65
Foreign exchange losses	46	43
Share of loss of entities accounted for using equity method	2	4
Other	27	20
Total non-operating expenses	149	133
Ordinary profit	3,577	2,558
Extraordinary income		
Subsidy income	120	-
Total extraordinary income	120	-
Extraordinary losses		
Dismantlement expenses	168	11
Loss on liquidation of subsidiaries and associates	232	-
Total extraordinary losses	401	11
Profit before income taxes	3,297	2,547
Income taxes - current	915	658
Income taxes - deferred	61	134
Total income taxes	976	793
Profit	2,320	1,754
Profit attributable to non-controlling interests	254	157
Profit attributable to owners of parent	2,065	1,596

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit	2,320	1,754
Other comprehensive income		
Valuation difference on available-for-sale securities	431	2,026
Foreign currency translation adjustment	(139)	(248)
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Remeasurements of defined benefit plans, net of tax	(121)	175
Total other comprehensive income	170	1,953
Comprehensive income	2,490	3,707
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,228	3,641
Comprehensive income attributable to non-controlling interests	261	66

(3) Consolidated Statements of Changes in Net Assets  
 Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Million yen)

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

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

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,279	5,058	30,236	(385)	40,189
Changes during period					
Dividends of surplus			(1,013)		(1,013)
Profit attributable to owners of parent			1,596		1,596
Purchase of treasury shares				(1,005)	(1,005)
Disposal of treasury shares		2		20	22
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	2	583	(984)	(398)
Balance at end of period	5,279	5,061	30,819	(1,370)	39,790

	Accumulated other comprehensive income				Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,682	(1,009)	(104)	2,567	2,024	44,780
Changes during period						
Dividends of surplus						(1,013)
Profit attributable to owners of parent						1,596
Purchase of treasury shares						(1,005)
Disposal of treasury shares						22
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes in items other than shareholders' equity	2,026	(159)	176	2,044	(61)	1,983
Total changes during period	2,026	(159)	176	2,044	(61)	1,584
Balance at end of period	5,708	(1,168)	72	4,611	1,962	46,365

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,297	2,547
Depreciation	1,437	1,445
Increase (decrease) in retirement benefit liability	27	(66)
Interest and dividend income	(139)	(128)
Foreign exchange losses (gains)	(17)	9
Share of loss (profit) of entities accounted for using equity method	2	4
Interest expenses	72	65
Subsidy income	(120)	-
Subsidy income	-	(130)
Decrease (increase) in trade receivables	(19)	1,149
Decrease (increase) in inventories	(975)	1,056
Increase (decrease) in trade payables	(667)	(652)
Increase (decrease) in accounts payable - other	(85)	85
Other, net	67	345
Subtotal	2,878	5,731
Interest and dividends received	133	137
Interest paid	(72)	(62)
Subsidies received	-	130
Income taxes refund (paid)	(1,106)	(645)
Net cash provided by (used in) operating activities	1,832	5,290
Cash flows from investing activities		
Payments into time deposits	(595)	(696)
Proceeds from withdrawal of time deposits	744	810
Purchase of property, plant and equipment	(2,391)	(2,011)
Proceeds from sale of property, plant and equipment	6	24
Purchase of intangible assets	(243)	(209)
Other, net	(79)	9
Net cash provided by (used in) investing activities	(2,558)	(2,072)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	986	(592)
Purchase of treasury shares	(0)	(1,005)
Repayments of finance lease obligations	(315)	(313)
Dividends paid	(879)	(1,006)
Dividends paid to non-controlling interests	(78)	(137)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,458)	-
Net cash provided by (used in) financing activities	(2,746)	(3,055)
Effect of exchange rate change on cash and cash equivalents	(78)	(2)
Net increase (decrease) in cash and cash equivalents	(3,552)	160
Cash and cash equivalents at beginning of period	19,660	16,108
Cash and cash equivalents at end of period	16,108	16,268

#### 4. Non-consolidated Financial Statements

##### (1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	6,576	7,535
Notes receivable - trade	2,104	1,939
Accounts receivable - trade	5,470	4,939
Securities	1,200	-
Finished goods	3,466	2,364
Work in process	80	107
Raw materials and supplies	262	253
Prepaid expenses	155	143
Other	293	226
Allowance for doubtful accounts	(53)	(30)
Total current assets	19,556	17,480
Non-current assets		
Property, plant and equipment		
Buildings, net	4,710	4,799
Structures, net	161	343
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	429	406
Land	2,217	2,217
Leased assets, net	8	6
Construction in progress	28	12
Total property, plant and equipment	7,557	7,786
Intangible assets		
Software	594	542
Software in progress	149	52
Leased assets	-	35
Other	64	59
Total intangible assets	809	689
Investments and other assets		
Investment securities	6,161	9,071
Shares of subsidiaries and associates	4,949	4,949
Investments in capital of subsidiaries and associates	670	670
Other	303	297
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	12,084	14,988
Total non-current assets	20,451	23,464
Total assets	40,008	40,944

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	1,580	1,443
Lease obligations	2	10
Accounts payable – other	1,629	414
Income taxes payable	229	101
Accrued expenses	480	340
Other	85	450
Total current liabilities	4,008	2,762
Non-current liabilities		
Lease obligations	6	30
Provision for retirement benefits	2,174	2,075
Deferred tax liabilities	513	1,524
Other	595	596
Total non-current liabilities	3,289	4,228
Total liabilities	7,298	6,990
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	13	15
Total capital surplus	6,822	6,824
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	13,701	13,901
Total retained earnings	17,311	17,511
Treasury shares	(385)	(1,370)
Total shareholders' equity	29,027	28,245
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,682	5,708
Total valuation and translation adjustments	3,682	5,708
Total net assets	32,709	33,953
Total liabilities and net assets	40,008	40,944



## (2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	31,713	28,629
Cost of sales	19,154	17,537
Gross profit	12,558	11,092
Selling, general and administrative expenses	10,960	10,108
Operating profit	1,597	983
Non-operating income		
Interest and dividend income	417	417
Miscellaneous income	66	60
Total non-operating income	484	478
Non-operating expenses		
Interest expenses	5	7
Foreign exchange losses	62	0
Miscellaneous losses	5	5
Total non-operating expenses	73	13
Ordinary profit	2,008	1,448
Extraordinary income		
Subsidy income	120	-
Total extraordinary income	120	-
Extraordinary losses		
Dismantlement expenses	168	11
Total extraordinary losses	168	11
Profit before income taxes	1,960	1,437
Income taxes - current	387	242
Income taxes - deferred	23	127
Total income taxes	410	370
Profit	1,549	1,067

## (3) Non-consolidated Statements of Changes in Net Assets

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

(Million yen)

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

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(394)	28,336	3,250	3,250	31,587
Changes during period					
Dividends of surplus		(880)			(880)
Profit		1,549			1,549
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	9	22			22
Net changes in items other than shareholders' equity			431	431	431
Total changes during period	8	691	431	431	1,122
Balance at end of period	(385)	29,027	3,682	3,682	32,709

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	5,279	6,808	13	6,822	679	2,930	13,701	17,311
Changes during period								
Dividends of surplus							(867)	(867)
Profit							1,067	1,067
Purchase of treasury shares								
Disposal of treasury shares			2	2				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	2	2	-	-	200	200
Balance at end of period	5,279	6,808	15	6,824	679	2,930	13,901	17,511

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(385)	29,027	3,682	3,682	32,709
Changes during period					
Dividends of surplus		(867)			(867)
Profit		1,067			1,067
Purchase of treasury shares	(1,005)	(1,005)			(1,005)
Disposal of treasury shares	20	22			22
Net changes in items other than shareholders' equity			2,026	2,026	2,026
Total changes during period	(984)	(782)	2,026	2,026	1,244
Balance at end of period	(1,370)	28,245	5,708	5,708	33,953