

COMSYS Holdings Corporation

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

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange (Securities code: 1721)
 URL: <https://www.comsys-hd.co.jp/english/index.html>
 Representative: Takashi Kagaya, President and Representative Director
 For Inquiry: Hidehiko Ozaki, Director and General Manager of Finance & Accounting Department (Telephone:81-3-3448-7000)
 Scheduled Annual General Meeting of Shareholders: June 26, 2020
 Scheduled Commencement of Dividend Payment: June 29, 2020
 Scheduled Filing of Securities Report: June 26, 2020
 Supplementary Materials on Financial Results: Attached
 IR Presentation on Financial Results: Scheduled (For Institutional Investors and Analysts)

Amounts less than one million yen have been omitted.

1. Consolidated Financial Results (for the fiscal year ended March 31, 2020)

(1) Consolidated Operating Results

(Millions of yen, except per share data and percentages)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
Year ended March 31, 2020	¥560,882	16.4%	¥38,953	10.5%	¥40,064	11.1%	¥25,994	(7.2)%
Year ended March 31, 2019	481,783	26.8	35,267	16.2	36,071	17.5	28,018	37.4

Notes: 1. Comprehensive income: Year ended March 31, 2020: ¥23,605 million [(10.1)%] Year ended March 31, 2019: ¥26,253 million [17.9%]
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Primary Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Profit / Total Assets	Operating Margin
Year ended March 31, 2020	¥202.97	¥202.46	8.6%	9.0%	6.9%
Year ended March 31, 2019	230.10	229.21	10.6	9.4	7.3

(Reference) Equity in earnings of affiliates: Year ended March 31, 2020: ¥— million Year ended March 31, 2019: ¥— million

(2) Consolidated Financial Position

(Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Equity Ratio	Book Value per Share
As of March 31, 2020	¥450,043	¥310,694	68.3%	¥2,424.83
As of March 31, 2019	439,926	301,459	67.8	2,318.35

(Reference) Shareholders' equity: As of March 31, 2020: ¥307,553 million As of March 31, 2019: ¥298,373 million

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year ended March 31, 2020	¥37,496	¥(9,919)	¥(19,819)	¥35,503
Year ended March 31, 2019	8,964	(11,550)	(15,382)	27,778

2. Cash Dividends for Shareholders of Common Stock

(Millions of yen, except per share data and percentages)

	Dividends per Share					Total Dividends (Annual)	Consolidated Basis	
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-End	Annual		Dividend Payout Ratio	Ratio of Dividends to Net Assets
Year ended March 31, 2019	¥ —	¥30.00	¥ —	¥30.00	¥60.00	¥7,265	26.1%	2.8%
Year ended March 31, 2020	—	35.00	—	40.00	75.00	9,557	37.0	3.2
Year ending March 31, 2021 (Forecast)	—	40.00	—	40.00	80.00		39.8	

3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2021)

(Millions of yen, except per share data and percentages)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Primary Earnings per Share
Year ending March 31, 2021	¥560,000	(0.2)%	¥38,000	(2.4)%	¥38,500	(3.9)%	¥25,500	(1.9)%	¥201.05

Note. For fiscal-year figures, percentages indicate the percentage change from the previous fiscal year. For first-half figures, percentages indicate the percentage change from the corresponding half of the previous fiscal year.

***Notes:**

- (1) Changes in significant subsidiaries during the period under review (changes to subsidiaries that would alter the scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements due to error correction
- a) Changes in accounting policies due to revisions of accounting standards: No
 - b) Changes in accounting policies due to other reasons: No
 - c) Changes in accounting estimates: No
 - d) Restatements of prior period financial statements due to error correction: No

(3) Number of shares issued (common shares)

	As of March 31, 2020	As of March 31, 2019
a) Number of shares issued (including treasury shares)	141,000,000 shares	141,000,000 shares
b) Number of treasury shares	14,164,947 shares	12,299,356 shares
	Year ended March 31, 2020	Year ended March 31, 2019
c) Average number of shares issued in the period	128,070,044 shares	121,767,784 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results (for the fiscal year ended March 31, 2020)

(1) Non-Consolidated Operating Results

(Millions of yen, except per share data and percentages)

	Operating Revenues		Operating Profit		Ordinary Profit		Profit	
Year ended March 31, 2020	¥12,894	23.1%	¥11,537	25.3%	¥11,537	24.8%	¥11,459	24.8%
Year ended March 31, 2019	10,473	33.1	9,210	35.7	9,247	35.6	9,179	35.8

Note: Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Primary Earnings per Share	Diluted Earnings per Share
Year ended March 31, 2020	¥89.48	¥89.25
Year ended March 31, 2019	75.35	75.06

(2) Non-Consolidated Financial Position

(Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Equity Ratio	Book Value per Share
As of March 31, 2020	¥157,841	¥131,611	83.0%	¥1,032.52
As of March 31, 2019	159,103	134,425	84.1	1,039.38

(Reference) Shareholders' equity:

As of March 31, 2020: ¥130,959 million

As of March 31, 2019: ¥133,768 million

**This Consolidated Financial Results report has not been subjected to audit procedures by certified public accountants or an audit corporation.*

***Disclaimer concerning the Proper Use of Business Results Forecasts and Other Relevant Specific Items**

- Forward-looking statements including earnings forecasts contained in this document are based on certain reasonable assumptions and beliefs in light of information currently available to management. Readers are advised that actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to "1. Business Review" of this Consolidated Financial Results report in the Accompanying Materials section on page 3.
- The Company plans to stream a video of the results briefing for institutional investors and analysts on Tuesday, May 19, 2020 (available only in Japanese). The materials for the briefing will be uploaded to the corporate website before the video is streamed.

Accompanying Materials

1. Business Review

(1) Operating Results

During the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020), the Japanese economy maintained a moderate recovery, backed by improvements in corporate earnings and the employment and income environment. However, the COVID-19 pandemic in the final part of the fiscal year began having an immense economic impact in Japan and overseas, and the extremely challenging conditions are expected to continue.

As for the business environment surrounding the COMSYS Group, in the information and communications field, there was expansion in value-added services such as content provision. Also, the upgrading of the mobile network was promoted to accommodate the sharply increasing, higher-volume traffic, including advancing use of digital technology and big data. In both the public and private sectors, expansion was anticipated in social infrastructure investment. This includes building national resilience, such as disaster prevention and mitigation measures for intensifying natural disasters, as well as development in renewable energy policies. Also, investment expansion was expected in ICT that utilizes cloud technology, IoT, and AI.

The COMSYS Group concentrated on the Social Systems-related and IT Solutions segments, which it identifies as the Group's growth businesses. This includes the renewable energy business, particularly solar power and biomass power construction projects, as well as response to public- and private-sector investment in ICT aimed at the development of a smart society. Moreover, the Group sought to generate synergies as soon as possible from the October 2018 business consolidation with three companies in the communications construction industry. The Group also worked to improve profit, including increasing construction efficiency and cutting costs by promoting workstyle innovation utilizing ICT.

Under these circumstances, orders received in the current fiscal year increased 16.8% year on year to ¥590,718 million, and net sales rose 16.4% year on year to ¥560,882 million.

From a profit perspective, operating profit increased by 10.5% year on year to ¥38,953 million, while profit attributable to owners of parent decreased 7.2% year on year to ¥25,994 million.

The decrease in profit attributable to owners of parent is due to gain on negative goodwill recorded as extraordinary income as a result of the business consolidation in the previous fiscal year.

(2) Financial Position

(a) Assets

Current assets as of March 31, 2020 stood at ¥257,080 million, ¥10,067 million higher than at the end of the previous fiscal year. This was mainly attributable to a ¥8,081 million increase in notes receivable, accounts receivable from completed construction contracts and other, a ¥7,374 million increase in cash and deposits, and a ¥2,913 million decrease in costs on construction contracts in progress. Non-current assets as of March 31, 2020 stood at ¥192,962 million, ¥49 million higher than at the end of the previous fiscal year. This was mainly attributable to an increase of ¥2,868 million in property and equipment, a decrease of ¥1,763 million in intangible assets, and a ¥1,054 million decrease in investments and other assets.

As a result, total assets amounted to ¥450,043 million as of March 31, 2020, an increase of ¥10,117 million compared with the end of the previous fiscal year.

(b) Liabilities

Current liabilities as of March 31, 2020 stood at ¥118,042 million, up ¥1,916 million compared with the previous fiscal year-end. This was mainly attributable to an increase of ¥2,604 million in notes payable, accounts payable for construction contracts and other, an increase of ¥1,051 million in advances received on construction contracts in progress, and a ¥1,505 million decrease in short-term borrowings. As of March 31, 2020, non-current liabilities amounted to ¥21,307 million, ¥1,033 million lower compared with the end of the previous fiscal year. This was mainly attributable to a ¥2,105 million decrease in long-term borrowings, a ¥615 million increase in retirement benefit liability, and a ¥472 million increase in other non-current liabilities.

As a result, total liabilities amounted to ¥139,349 million, an increase of ¥882 million compared with the end of the previous fiscal year.

(c) Net assets

Net assets stood at ¥310,694 million as of March 31, 2020, an increase of ¥9,234 million compared with the end of the previous fiscal year. This was primarily due to a ¥17,771 million increase in retained earnings mainly resulting from the recording of profit attributable to owners of parent, and a ¥6,586 million increase in treasury shares, due to the purchase of treasury shares.

As of the end of the fiscal year under review, the equity ratio stood at 68.3%, up from 67.8% as of March 31, 2019.

(3) Cash Flow

Cash and cash equivalents stood at ¥35,503 million at the end of the fiscal year, an increase of ¥7,725 million, or 27.8%, compared with the end of the previous fiscal year.

The principal factors underpinning movements in each of the Group's major cash flows for the fiscal year ended March 31, 2020 are presented as follows.

(a) Cash flows from operating activities

Net cash provided by operating activities stood at ¥37,496 million compared with ¥8,964 million for the previous fiscal year. The major cash inflows were profit before income taxes of ¥39,478 million and depreciation of ¥9,150 million. Major cash included trade receivables of ¥7,711 million and income taxes paid of ¥14,043 million.

(b) Cash flows from investing activities

Net cash used in investing activities totaled ¥9,919 million for the fiscal year under review compared with net cash of ¥11,550 million used in the previous fiscal year. The major cash outflows were purchase of property, plant and equipment of ¥10,264 million and purchase of intangible assets of ¥920 million. Major cash inflows included proceeds from sale of investment securities of ¥887 million.

(c) Cash flows from financing activities

Net cash used in financing activities was ¥19,819 million for the fiscal year ended March 31, 2020, compared with ¥15,382 million used in financing activities in the previous fiscal year. Purchase of treasury shares amounted to ¥8,024 million, dividends paid totaled ¥8,345 million, and repayments of long-term borrowings amounted to ¥2,456 million.

(4) Outlook for fiscal year ending March 31, 2021

The future outlook is becoming increasingly uncertain. This includes the risk of further economic downturn in Japan and overseas and the risk of volatility in financial and capital markets due to the impact of the COVID-19 pandemic.

Given this situation, the COMSYS Group will maintain its business activities and continue to satisfy the demands of society as a company undertaking key telecommunications and social infrastructure construction, while assuming Covid-19 infection prevention measures in line with government guidelines by giving full attention to the health of employees, including those of partner companies.

In the outlook for the fiscal year ending March 31, 2021, the COMSYS Group expects orders received to be slightly lower year on year due to a decline in reaction to large-scale orders and front-loaded orders in the fiscal year ended March 31, 2020. Net sales and profit are also forecast to be slightly lower year on year due to a decrease in the telecommunications carrier business despite expectations of expansion in 5G services and increase in social infrastructure and ICT investments.

The forecast below assumes that the impact of COVID-19 will be limited. The Company will promptly disclose any necessary revisions to the business forecast in the event of significant changes to the expected conditions.

Consolidated Earnings Forecast

(Millions of yen, except percentages)

	Year ended March 31, 2020	Year ending March 31, 2021	Change
Orders received	¥590,718	¥565,000	(4.4)%
Net sales	560,882	560,000	(0.2)
Gross profits	73,612	73,000	(0.8)
Operating profit	38,953	38,000	(2.4)
Ordinary profit	40,064	38,500	(3.9)
Profit attributable to owners of parent	25,994	25,500	(1.9)

2. Basic Approach to Selection of Accounting Standard

The COMSYS Group's policy for the time being is to use Japanese GAAP for the preparation of its consolidated financial statements because its business operations are primarily carried out in Japan, and comparison with other Japanese companies is thus facilitated.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
ASSETS		
Current assets:		
Cash and deposits	28,618	35,992
Notes receivable, accounts receivable		
from completed construction contracts and other	169,186	177,267
Investments in leases	5,671	5,320
Costs on construction contracts in progress	28,983	26,070
Real estate for sale	1,987	2,750
Merchandise	771	991
Raw materials and supplies	1,817	2,046
Other current assets	10,111	6,776
Allowance for doubtful accounts	(136)	(135)
Total current assets	247,013	257,080
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	87,826	90,025
Accumulated depreciation	(45,979)	(47,342)
Buildings and structures, net	41,847	42,683
Machinery, equipment and vehicles and tools, furniture and fixtures	55,124	58,918
Accumulated depreciation	(29,021)	(32,048)
Machinery, equipment and vehicles and tools, furniture and fixtures, net	26,103	26,869
Land	65,748	67,285
Lease assets	2,389	2,983
Accumulated depreciation	(1,087)	(1,384)
Lease assets, net	1,302	1,599
Construction in progress	743	175
Total property, plant and equipment	135,744	138,612
Intangible assets		
Goodwill	4,999	3,902
Other intangible assets	4,606	3,940
Total intangible assets	9,606	7,842
Investments and other assets:		
Investment securities	27,712	26,084
Long-term loans receivable	963	881
Deferred tax assets	2,158	3,283
Retirement benefit asset	11,197	11,076
Other assets	5,886	5,533
Allowance for doubtful accounts	(356)	(352)
Total investments and other assets	47,561	46,507
Total non-current assets	192,912	192,962
Total assets	439,926	450,043

	Millions of yen	
	As of March 31, 2019	As of March 31, 2020
LIABILITIES		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	77,685	80,289
Short-term borrowings	8,543	7,038
Income taxes payable	6,017	5,318
Advances received on construction contracts in progress	4,045	5,097
Provision for warranties for completed construction	246	235
Provision for loss on construction contracts	1,005	728
Other current liabilities	18,583	19,335
Total current liabilities	116,125	118,042
Non-current liabilities:		
Long-term borrowings	3,212	1,107
Deferred tax liabilities	583	656
Deferred tax liabilities for land revaluation	1,369	1,315
Retirement benefit liability	13,508	14,123
Provision for retirement benefits for directors (and other officers)	622	587
Other non-current liabilities	3,044	3,516
Total non-current liabilities	22,340	21,307
Total liabilities	138,466	139,349
NET ASSETS		
Shareholders' equity:		
Share capital	10,000	10,000
Capital surplus	91,549	92,203
Retained earnings	223,261	241,033
Treasury shares	(20,539)	(27,125)
Total shareholders' equity	304,271	316,111
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	2,810	1,264
Deferred gains or losses on hedges	(0)	(12)
Revaluation reserve for land	(7,905)	(8,028)
Remeasurements of defined benefit plans	(802)	(1,780)
Total accumulated other comprehensive income	(5,898)	(8,557)
Share acquisition rights	657	652
Non-controlling interests	2,428	2,487
Total net assets	301,459	310,694
Total liabilities and net assets	439,926	450,043

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

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Net sales	481,783	560,882
Cost of sales	416,530	487,269
Gross profits	65,253	73,612
Selling, general and administrative expenses	29,985	34,658
Operating profit	35,267	38,953
Non-operating income:		
Interest income	24	42
Dividend income	442	721
Rental income from non-current assets	245	330
Other	358	450
Total non-operating income	1,070	1,545
Non-operating expenses:		
Interest expenses	37	52
Rent expenses	124	174
Foreign exchange losses	1	45
Other	103	162
Total non-operating expenses	267	434
Ordinary profit	36,071	40,064
Extraordinary income:		
Gain on sales of investment securities	87	523
Gain on sales of non-current assets	52	27
Compensation income	—	84
Gain on negative goodwill	5,159	—
Other	75	22
Total extraordinary income	5,375	658
Extraordinary loss:		
Loss on retirement of non-current assets	57	78
Impairment loss	124	494
Loss on valuation of investment securities	22	350
Extra retirement payments	105	151
Loss on liquidation of business	432	—
Data recovery expenses	396	—
Loss on sale of businesses	256	—
Other	451	169
Total extraordinary loss	1,846	1,244
Profit before income taxes	39,600	39,478
Income taxes:		
Current	12,422	13,269
Deferred	(899)	64
Total income taxes	11,522	13,333
Profit	28,077	26,144
Profit attributable to non-controlling interests	59	149
Profit attributable to owners of parent	28,018	25,994

(Consolidated Statements of Comprehensive Income)

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Profit	28,077	26,144
Other comprehensive income:		
Valuation difference on available-for-sale securities	(990)	(1,548)
Deferred gains or losses on hedges	(0)	(12)
Remeasurements of defined benefit plans	(833)	(978)
Total other comprehensive income (loss)	(1,824)	(2,539)
Comprehensive income	26,253	23,605
(Breakdown)		
Comprehensive income attributable to owners of parent	26,199	23,457
Comprehensive income attributable to non-controlling interests	53	147

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2019	Millions of yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	10,000	60,883	201,329	(38,014)	234,199
Changes in items during period:					
Dividends of surplus			(6,267)		(6,267)
Profit attributable to owners of parent			28,018		28,018
Purchase of treasury shares				(8,011)	(8,011)
Disposal of treasury shares		360		985	1,346
Purchase of treasury shares of subsidiaries					—
Purchase of shares of consolidated subsidiaries		(9)			(9)
Changes of scope of consolidation			180		180
Increase by share exchanges		30,313		24,501	54,815
Reversal of revaluation reserve for land					—
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	30,665	21,931	17,475	70,072
Balance at end of period	10,000	91,549	223,261	(20,539)	304,271

Year ended March 31, 2019	Millions of yen							
	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,795	—	(7,905)	30	(4,079)	513	1,134	231,767
Changes in items during period:								
Dividends of surplus								(6,267)
Profit attributable to owners of parent								28,018
Purchase of treasury shares								(8,011)
Disposal of treasury shares								1,346
Purchase of treasury shares of subsidiaries								—
Purchase of shares of consolidated subsidiaries								(9)
Changes of scope of consolidation								180
Increase by share exchanges								54,815
Reversal of revaluation reserve for land								—
Net changes in items other than shareholders' equity	(984)	(0)	—	(833)	(1,818)	143	1,294	(380)
Total changes in items during period	(984)	(0)	—	(833)	(1,818)	143	1,294	69,691
Balance at end of period	2,810	(0)	(7,905)	(802)	(5,898)	657	2,428	301,459

Year ended March 31, 2020	Millions of yen				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of period	10,000	91,549	223,261	(20,539)	304,271
Changes in items during period:					
Dividends of surplus			(8,345)		(8,345)
Profit attributable to owners of parent			25,994		25,994
Purchase of treasury shares				(8,005)	(8,005)
Disposal of treasury shares		146		778	925
Purchase of treasury shares of subsidiaries		65			65
Purchase of shares of consolidated subsidiaries		(74)			(74)
Changes of scope of consolidation					—
Increase by share exchanges		517		639	1,157
Reversal of revaluation reserve for land			122		122
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	654	17,771	(6,586)	11,839
Balance at end of period	10,000	92,203	241,033	(27,125)	316,111

Year ended March 31, 2020	Millions of yen							
	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	2,810	(0)	(7,905)	(802)	(5,898)	657	2,428	301,459
Changes in items during period:								
Dividends of surplus								(8,345)
Profit attributable to owners of parent								25,994
Purchase of treasury shares								(8,005)
Disposal of treasury shares								925
Purchase of treasury shares of subsidiaries								65
Purchase of shares of consolidated subsidiaries								(74)
Changes of scope of consolidation								—
Increase by share exchanges								1,157
Reversal of revaluation reserve for land								122
Net changes in items other than shareholders' equity	(1,546)	(12)	(122)	(977)	(2,659)	(4)	58	(2,604)
Total changes in items during period	(1,546)	(12)	(122)	(977)	(2,659)	(4)	58	9,234
Balance at end of period	1,264	(12)	(8,028)	(1,780)	(8,557)	652	2,487	310,694

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities:		
Profit before income taxes	39,600	39,478
Depreciation	7,444	9,150
Impairment loss	124	494
Gain on negative goodwill	(5,159)	—
Amortization of goodwill	1,116	1,097
Loss on liquidation of business	432	—
Loss on sale of businesses	256	—
Data recovery expenses	396	—
Increase (decrease) in allowance for doubtful accounts	0	(5)
Increase (decrease) in retirement benefit liability	(78)	118
Interest and dividend income	(467)	(764)
Interest expenses	37	52
Increase in trade receivables	(22,600)	(7,711)
Decrease (increase) in costs on construction contracts in progress	(1,692)	1,702
Increase in trade payables	8,256	1,896
Gain on sale of investment securities	(77)	(523)
Loss on valuation of investment securities	22	350
Decrease (increase) in other assets	(6,814)	2,573
Increase in other liabilities	1,934	2,059
Other, net	592	856
	23,326	50,827
Interest and dividends received	466	764
Interest paid	(37)	(51)
Income taxes paid	(14,790)	(14,043)
Net cash provided by operating activities	8,964	37,496
Cash flows from investing activities:		
Net decrease in time deposits	279	570
Purchase of investment securities	(1,603)	(261)
Proceeds from sale of investment securities	414	887
Purchase of shares of subsidiaries	(14)	(265)
Proceeds from sale of businesses	83	—
Purchase of property, plant and equipment	(9,460)	(10,264)
Purchase of intangible assets	(1,235)	(920)
Proceeds from sales of property, plant and equipment	608	189
Loan advances	(171)	(76)
Collection of loans receivable	162	170
Purchase of insurance funds	(24)	(176)
Proceeds from cancellation of insurance funds	54	496
Other, net	(642)	(271)
Net cash used in investing activities	(11,550)	(9,919)

	Millions of yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from financing activities:		
Net decrease in short-term borrowings	(1,205)	(1,080)
Proceeds from long-term borrowings	500	—
Repayments of long-term borrowings	(1,282)	(2,456)
Purchase of treasury shares	(8,027)	(8,024)
Proceeds from sales of treasury shares	1,072	645
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(54)	(83)
Purchase of treasury shares of subsidiaries	—	(1)
Dividends paid	(6,267)	(8,345)
Dividends paid to non-controlling interests	(2)	(13)
Repayments of finance lease obligations	(114)	(460)
Net cash used in financing activities	(15,382)	(19,819)
Effect of exchange rate change on cash and cash equivalents	(0)	(31)
Net increase (decrease) in cash and cash equivalents	(17,967)	7,725
Cash and cash equivalents at beginning of period	28,957	27,778
Increase in cash and cash equivalents resulting from change in scope of consolidation	163	—
Increase in cash and cash equivalents resulting from merger	75	—
Increase in cash and cash equivalents resulting from share exchange	16,549	—
Cash and cash equivalents at end of period	27,778	35,503

(Per share Information)

	Yen	
	Year ended March 31, 2019	Year ended March 31, 2020
Book value per share	2,318.35	2,424.83
Primary earnings per share	230.10	202.97
Diluted earnings per share	229.21	202.46

Notes. The bases for calculation of primary earnings per share and diluted earnings per share are as follows:

	Millions of yen, except per share data and number of shares	
	Year ended March 31, 2019	Year ended March 31, 2020
Primary earnings per share		
Profit attributable to owners of parent	28,018	25,994
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent attributable to common shares	28,018	25,994
Average number of common shares during the period (in thousands)	121,767	128,070
Diluted earnings per share		
Adjustment for profit attributable to owners of parent	—	—
Increase in number of shares of common shares (in thousands) [Of which share acquisition rights (in thousands)]	469 [469]	326 [326]
Outline of dilutive shares which were not included in the calculation of “Diluted earnings per share” because they do not have dilutive effect:	August 3, 2018 Board of Directors resolution	August 7, 2019 Board of Directors resolution
	Stock options (Share acquisition rights)	Stock options (Share acquisition rights)
	Common stock 389 thousand shares	Common stock 399 thousand shares

(Significant Subsequent Event)

(Acquisition of Treasury Stock)

The meeting of the Board of Directors held on May 13, 2020 resolved as follows on the matters related to the acquisition of treasury stock in accordance with Article 156 of Japan’s Companies Act, as applied pursuant to paragraph 3, Article 165 of the Act.

(1) Reason for Purchase of Treasury Shares	The Company will acquire treasury stock in order to facilitate enhancement of shareholder returns and the execution of flexible capital policies that respond to changes in the corporate environment.
(2) Type of Shares to be Acquired	Common shares of the Company
(3) Total Number of Shares to be Acquired	Up to 1,500,000 shares
(4) Total Acquisition Price	Up to ¥3,000,000,000
(5) Acquisition Period	From May 14, 2020 to March 31, 2021

4. Other

Change of Directors

1) Changes in Representatives

Not applicable.

2) Changes in Other Officers (scheduled for June 26, 2020)

1. Candidates for Appointment as New Directors (excluding Audit and Supervisory Committee Member)

Hideyuki Noike, Director (currently Associate Director)

Kunihiko Uchide, Director (currently Associate Director)

2. Retiring Directors (excluding Audit and Supervisory Committee Member)

Akihiko Aoyama, Director (scheduled to be appointed as Associate Director)

Hidenori Fukumoto, Director (scheduled to be appointed as Associate Director)