

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [Japanese GAAP]



May 13, 2019

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2613
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 Scheduled date of Annual General Meeting of Shareholders: June 26, 2019
 Scheduled date of commencing dividend payments: June 27, 2019
 Scheduled date of filing annual securities report: June 26, 2019
 Availability of supplementary briefing material on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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, 2019	186,778	1.9	5,663	41.4	6,326	23.1	4,749	15.1
March 31, 2018	183,361	1.7	4,005	(26.8)	5,137	(11.9)	4,127	26.6

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥4,154 million [49.1%]

Fiscal year ended March 31, 2018: ¥2,786 million [-46.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	288.57	-	5.6	4.2	3.0
March 31, 2018	249.52	-	4.9	3.2	2.2

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

Fiscal year ended March 31, 2019: ¥262 million

Fiscal year ended March 31, 2018: ¥203 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	147,688	86,908	58.8	5,276.75
As of March 31, 2018	153,642	84,115	54.7	5,107.63

(Reference) Equity: As of March 31, 2019: ¥86,841 million

As of March 31, 2018: ¥84,061 million

(Note) "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board (ASBJ) Statement No. 28, February 16, 2018), etc. have been applied from the beginning of the fiscal year under review. Figures showing the consolidated financial position for the previous fiscal year have been retrospectively adjusted.

(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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2019	13,075	(2,623)	(11,066)	2,407
March 31, 2018	6,572	(3,766)	(5,600)	2,839

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2018	-	45.00	-	45.00	90.00	1,500	36.1	1.8
March 31, 2019	-	45.00	-	45.00	90.00	1,500	31.2	1.7
Fiscal year ending March 31, 2020 (Forecast)	-	50.00	-	50.00	100.00		30.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% 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
First half	94,000	0.7	3,300	1.2	3,500	1.8	2,700	(7.5)	164.06
Full year	190,000	1.7	6,500	14.8	6,900	9.1	5,400	13.7	328.12

* 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, 2019: 16,754,223 shares
March 31, 2018: 16,754,223 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2019: 296,939 shares
March 31, 2018: 296,315 shares
 - 3) Average number of shares during the period:
Fiscal year ended March 31, 2019: 16,457,597 shares
Fiscal year ended March 31, 2018: 16,541,011 shares

- * Shares of the Company remaining in the Share Benefit Trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares excluded from the calculation of the total number of treasury shares at the end of the period and the average number of shares during the period. The average number of shares of the Company held by the trust during the period was 92,292 shares in the previous fiscal year, and 174,900 shares in the fiscal year under review.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2019	176,983	1.6	4,891	54.1	5,485	28.4	4,757	(0.8)
March 31, 2018	174,219	1.4	3,173	(31.2)	4,273	(17.1)	4,796	85.1

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2019	288.37		-	
March 31, 2018	289.26		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2019	142,746	82,193	57.6	4,982.04
As of March 31, 2018	148,290	79,172	53.4	4,798.74

(Reference) Equity: As of March 31, 2019: ¥82,193 million

As of March 31, 2018: ¥79,172 million

(Note) "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc. have been applied from the beginning of the fiscal year under review. Figures showing the non-consolidated financial position for the previous fiscal year have been retrospectively adjusted.

* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

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

The forward-looking statements contained in this material, including the financial results forecast, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company makes no warranty as to the achievability of these forecasts. Actual business results may differ substantially due to a number of factors. With regard to assumptions for financial results forecast and notes on using the financial results forecast, please refer to "1. Overview of Business Results, etc. (4) Future Outlook" on page 4 of the attached materials.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Period Under Review

In the fiscal year under review, sales and profits increased, owing partly to solid performance of the Oils and Fats Business under favorable conditions in the meal market, expanded sales of high-value-added products, and the effect of revisions to the selling prices of oil and fat products implemented from fiscal 2017. In addition, extraordinary gain and losses included a gain on sales of fixed assets from the sale of land made idle by the reorganization of production sites, and a loss on disaster from typhoon 21 damage at the Kobe Factory.

As a result, net sales were ¥186,778 million (up 1.9% year on year), operating profit was ¥5,663 million (up 41.4% year on year), ordinary profit was ¥6,326 million (up 23.1% year on year), and profit attributable to owners of parent was ¥4,749 million (up 15.1% year on year).

Trends by business segment are as follows.

The Company has changed its reportable segments from the fiscal year under review. Comparisons and analysis for the fiscal year under review are based on the amended classifications.

(Oils and Fats Business)

In terms of the business environment in the Oils and Fats Business, soybean prices on the Chicago Grain Market were trending between 10 and 10.5 USD per bushel at the start of the period, but subsequently moved to the range of 8 to 10 USD per bushel due to continued good production conditions in producing regions in the US and forecasts for a good harvest, together with trade friction between the US and China. Canola seed prices on the Winnipeg Grain Market were trending around 520 to 540 CAD per ton at the start of the period, but subsequently moved to the range of 450 to 510 CAD per ton, as production conditions were generally good in producing regions in Canada and since a looser supply-demand balance was expected from falling export demand caused by worsening relations between China and Canada. Concerning foreign currency exchange markets, although the interest rate differential between Japan and the US and favorable economic conditions in the US led to a trend of yen depreciation, the yen also appreciated for a time as low share prices globally caused investors to become more risk averse, meaning that for the period as a whole, the yen appreciated and the dollar weakened year on year.

In the oils and fats segment, sales increased as the Company strengthened the marketing of high-value-added products and enhanced the profit structure. Sales volume of household-use oils and fats fell year on year as the Company endeavored to maintain selling prices of canola oil and other products, but net sales increased year on year, partly owing to a contribution from increased sales of olive oil and new products. Net sales of B to B oils and fats increased slightly year on year, as demand shifted from commodity products and selling prices were maintained, as a result of the Company's efforts to promote Cho Cho Toku Toku[®], J-OILPRO[®], and other products as solutions to improve customers' operations and resolve social issues, such as improving labor conditions and reducing delivery costs.

In the oilseed meals segment, domestic production volumes of compound and mixed feed by our customers was on par with the same period in the previous fiscal year. Selling prices of soybean meal increased year on year as Chicago market prices of soybean meal trended at high levels on significant reductions in production in Argentina, but sales volume declined year on year. Selling prices of canola meal increased year on year against a backdrop of rising soybean meal prices and increasing domestic demand for canola meal, but sales volume declined year on year. Net sales in the oilseed meals segment increased year on year.

Net sales for the Oils and Fats Business were ¥158,456 million (up 2.3% year on year) and Segment profit was ¥4,919 million (up 102.3% year on year), partly owing to better market conditions and the success of the Company's sales strategy of prioritizing prices.

(Oil and Fat Processed Products Business)

In the margarines segment, net sales of products for household use increased year on year owing to the Company's efforts to increase sales volume by changing the packaging of Rama[®] Butter-Flavored Margarine, a core product, and special offers with increased volume. Net sales of B to B products declined somewhat year on year, despite efforts to increase sales of high-value-added products, including proposing Gran Master[®] Primeran Pallets and Maple Pallets to retail bakeries.

In the powdered oils and fats segment, net sales declined significantly year on year.

Net sales for the Oil and Fat Processed Products Business were ¥12,781 million (down 5.1% year on year), but segment profit was ¥148 million (down 68.8% year on year), owing partly to rising ingredient prices.

(Foodstuffs and Fine Material Business)

In the starches segment, net sales increased somewhat year on year, owing to efforts to increase sales of corn starch for food product use and B to B use.

In the fine materials segment, net sales were steady on strong exports of fine materials. Net sales of SOY sheets increased significantly year on year as the sales area in the US expanded, and demand increased from the Company's promotion of its gluten-free qualities.

In the chemicals segment, there was firm demand from the Company's main customers in the timber market. Net sales increased year on year due to price revisions to timber adhesives implemented in response to rising raw materials prices caused by higher oil prices, and efforts to maintain sales volume.

Net sales for the Foodstuffs and Fine Material Business were ¥14,095 million (up 5.5% year on year), but delays to price revisions for certain products resulted in segment profit of ¥458 million (down 47.7% year on year).

(Other Business)

As for other business, net sales were ¥1,445 million (down 15.2% year on year) and segment profit was ¥137 million (down 38.3% year on year).

(2) Overview of Financial Position for the Period Under Review

(Current assets)

Current assets as of the end of the fiscal year under review decreased by ¥3,769 million to ¥70,883 million. The major increase was notes and accounts receivable – trade of ¥2,971 million. The major decreases were cash and deposits of ¥431 million, inventories of ¥5,687 million, and other current assets of ¥624 million.

(Fixed assets)

Fixed assets as of the end of the fiscal year under review decreased by ¥2,177 million to ¥76,745 million. The major decrease was property, plant and equipment of ¥2,053 million, including sales of idle land.

(Deferred assets)

Deferred assets as of the end of the fiscal year under review were ¥59 million, decreasing by ¥7 million due to the amortization of bond issuance cost.

(Current liabilities)

Current liabilities as of the end of the fiscal year under review decreased by ¥8,543 million to ¥31,854 million. The major increase was other current liabilities of ¥2,224 million, including accounts payable – other, etc. The major decreases were notes and accounts payable – trade of ¥2,142 million and borrowings of ¥9,150 million.

(Non-current liabilities)

Non-current liabilities as of the end of the fiscal year under review decreased by ¥203 million to ¥28,924 million. The major decrease was long-term borrowings of ¥200 million.

(Net assets)

Net assets as of the end of the fiscal year under review increased by ¥2,793 million to ¥86,908 million. The major increase was retained earnings of ¥3,390 million. The major decrease was valuation difference on available-for-sale securities of ¥672 million.

(3) Overview of Cash Flows for the Period Under Review

Cash and cash equivalents for the fiscal year under review decreased by ¥431 million from the previous fiscal year to ¥2,407 million.

Cash flows provided by operating activities were ¥13,075 million. This is mainly attributable to the recording of ¥6,215 million of profit before income taxes, ¥4,976 million of depreciation, and ¥1,784 million increase in accounts payable - other, and accrued expenses.

Cash flows used in investing activities were ¥2,623 million. This is mainly attributable to ¥3,988 million of purchase of property, plant and equipment and ¥2,027 million of proceeds from sales of property, plant and equipment.

Cash flows used in financing activities were ¥11,066 million, mainly due to repayments of borrowings.

(4) Future Outlook

In regard to the future outlook, the Company shall continue focusing its efforts on priority issues set forth in the basic policies of the Fifth Medium-Term Business Plan. First, for the growth strategy of “expansion of high-value-added products and acceleration of expansion of our solutions business,” sales and profits have both grown steadily, and we shall take steps to further strengthen our efforts in these areas. In addition, in regard to “acceleration of expansion into Asia,” we shall focus management resources as we take steps to strengthen our efforts. For the “profitability improvement of commodity oil products,” we aim to improve profitability by revising the prices of oil and fat products, against a backdrop of rising distribution costs, energy costs, etc. from June 2019 onward. Furthermore, in terms of structural reforms, we shall make all our value chains more efficient and sophisticated, while also promoting measures to reduce costs by optimizing our production sites. We shall also strengthen our management base and develop human resources to support these initiatives, and accelerate our efforts as we look to achieve our targets in fiscal 2020.

Based on the above, our outlook for consolidated business results in the next fiscal year is as follows: net sales of ¥190.0 billion, operating profit of ¥6.5 billion, ordinary profit of ¥6.9 billion, and profit attributable to owners of parent of ¥5.4 billion.

(5) Dividend Policy and Payments for the Fiscal Year Under Review and Next Fiscal Year

The Company's basic policy is to endeavor to maintain a stable return of profits to shareholders, while also allocating profits in a stable, appropriate manner from a long-term perspective, including securing the necessary internal reserves for strengthening the Company's position and actively developing the Company's businesses. Under the Fifth Medium-Term Business Plan launched in fiscal 2017, the Company aims to maintain a consolidated dividend payout ratio of more than 30%.

The Company's basic policy for the distribution of surplus is to return profits to shareholders twice a year, as an interim dividend and a year-end dividend. The bodies responsible for making decisions about these distributions of surplus are the Board of Directors for the interim dividend and the General Shareholders' Meeting for the year-end dividend. Furthermore, pursuant to Article 454, Paragraph 5 of the Companies Act, the Company sets forth in its Articles of Incorporation that it may pay an interim dividend with a record date of September 30 each year, by resolution of the Board of Directors.

For the distribution of surplus in the fiscal year under review (the fiscal year ended March 31, 2019), the Company intends to pay an annual dividend of 90 yen per share (including an interim dividend of 45 yen), in accordance with these policies. In addition, for the distribution of surplus in the next fiscal year (the fiscal year ending March 31, 2020), the Company intends to pay an annual dividend of 100 yen per share (including an interim dividend of 50 yen), an increase of 10 yen.

In regard to the uses of internal reserves, the Company shall utilize these funds effectively for investment to contribute to enhancing corporate value, as we aim to strengthen our profit structure and management foundations.

2. Basic Stance Concerning Choice of Accounting Standards

In consideration of the comparability of consolidated financial statements across periods and among companies, the Group's policy is to prepare consolidated financial statements using Japanese GAAP for the time being.

With regard to IFRS, our policy is to examine the possibility of its application, while considering the situation in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	2,856	2,425
Notes and accounts receivable - trade	33,981	36,953
Merchandise and finished goods	14,543	13,156
Raw materials and supplies	19,915	15,614
Other	3,361	2,737
Allowance for doubtful accounts	(4)	(3)
Total current assets	74,652	70,883
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,529	14,237
Machinery, equipment and vehicles, net	21,570	20,716
Land	21,173	19,599
Leased assets, net	1,913	1,800
Construction in progress	1,641	2,308
Other, net	443	556
Total property, plant and equipment	61,271	59,217
Intangible assets	976	1,529
Investments and other assets		
Investment securities	15,435	14,544
Long-term loans receivable	2	0
Retirement benefit asset	652	627
Deferred tax assets	35	213
Other	683	736
Allowance for doubtful accounts	(134)	(125)
Total investments and other assets	16,674	15,998
Total non-current assets	78,922	76,745
Deferred assets		
Bond issuance cost	67	59
Total deferred assets	67	59
Total assets	153,642	147,688

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,796	12,654
Short-term borrowings	10,950	2,600
Current portion of long-term borrowings	1,000	200
Income taxes payable	1,429	392
Accrued consumption taxes	34	1,436
Provision for bonuses	888	1,012
Provision for bonuses for directors and other officers	–	34
Other	11,299	13,524
Total current liabilities	40,398	31,854
Non-current liabilities		
Bonds payable	12,000	12,000
Long-term borrowings	6,940	6,740
Lease obligations	1,706	1,597
Deferred tax liabilities	2,034	1,968
Provision for retirement benefits for directors and other officers	17	17
Provision for share-based remuneration for directors and other officers	60	131
Provision for environmental measures	98	78
Retirement benefit liability	3,091	3,328
Long-term leasehold and guarantee deposits received	2,319	2,344
Other	861	717
Total non-current liabilities	29,128	28,924
Total liabilities	69,527	60,779
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	31,633	31,633
Retained earnings	38,324	41,714
Treasury shares	(1,079)	(1,081)
Total shareholders' equity	78,878	82,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,456	4,784
Deferred gains or losses on hedges	(120)	19
Foreign currency translation adjustment	108	69
Remeasurements of defined benefit plans	(262)	(299)
Total accumulated other comprehensive income	5,182	4,574
Non-controlling interests	54	67
Total net assets	84,115	86,908
Total liabilities and net assets	153,642	147,688

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

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net sales	183,361	186,778
Cost of sales	153,098	151,959
Gross profit	30,262	34,819
Selling, general and administrative expenses	26,257	29,155
Operating profit	4,005	5,663
Non-operating income		
Interest income	0	0
Dividend income	974	441
Share of profit of entities accounted for using equity method	203	262
Miscellaneous income	138	123
Total non-operating income	1,317	829
Non-operating expenses		
Interest expenses	123	102
Commission expenses	24	23
Miscellaneous expenses	37	40
Total non-operating expenses	185	166
Ordinary profit	5,137	6,326
Extraordinary income		
Gain on sales of non-current assets	6	477
Gain on sales of investment securities	3,251	91
Gain on sales of shares of subsidiaries and associates	16	–
Gain on sales of memberships	–	0
Subsidy income	–	129
Total extraordinary income	3,274	698
Extraordinary losses		
Loss on sales of non-current assets	3	–
Loss on retirement of non-current assets	288	458
Impairment loss	1,686	4
Loss on valuation of membership	5	0
Factory restructuring cost	328	32
Loss on disaster	–	312
Provision for environmental measures	9	–
Loss on cancellation of leases	4	1
Total extraordinary losses	2,325	808
Profit before income taxes	6,086	6,215
Income taxes - current	2,295	1,361
Income taxes - deferred	(353)	93
Total income taxes	1,942	1,455
Profit	4,144	4,760
Profit attributable to non-controlling interests	16	11
Profit attributable to owners of parent	4,127	4,749

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Profit	4,144	4,760
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,382)	(649)
Deferred gains or losses on hedges	(157)	140
Foreign currency translation adjustment	3	3
Remeasurements of defined benefit plans, net of tax	145	(36)
Share of other comprehensive income of entities accounted for using equity method	33	(62)
Total other comprehensive income	(1,357)	(605)
Comprehensive income	2,786	4,154
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,768	4,141
Comprehensive income attributable to non-controlling interests	18	13

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	31,633	35,698	(376)	76,955
Changes of items during period					
Dividends of surplus			(1,500)		(1,500)
Profit attributable to owners of parent			4,127		4,127
Change in scope of consolidation					–
Purchase of treasury shares				(703)	(703)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes in items during period	–	0	2,626	(702)	1,923
Balance at end of current period	10,000	31,633	38,324	(1,079)	78,878

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,819	37	93	(408)	6,541	35	83,531
Changes of items during period							
Dividends of surplus							(1,500)
Profit attributable to owners of parent							4,127
Change in scope of consolidation							–
Purchase of treasury shares							(703)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(1,362)	(157)	15	145	(1,359)	18	(1,340)
Total changes in items during period	(1,362)	(157)	15	145	(1,359)	18	583
Balance at end of current period	5,456	(120)	108	(262)	5,182	54	84,115

For the fiscal year ended March 31, 2019

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,000	31,633	38,324	(1,079)	78,878
Changes of items during period					
Dividends of surplus			(1,500)		(1,500)
Profit attributable to owners of parent			4,749		4,749
Change in scope of consolidation			141		141
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes in items during period	—	0	3,390	(2)	3,387
Balance at end of current period	10,000	31,633	41,714	(1,081)	82,266

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,456	(120)	108	(262)	5,182	54	84,115
Changes of items during period							
Dividends of surplus							(1,500)
Profit attributable to owners of parent							4,749
Change in scope of consolidation							141
Purchase of treasury shares							(3)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(672)	140	(38)	(36)	(607)	13	(594)
Total changes in items during period	(672)	140	(38)	(36)	(607)	13	2,793
Balance at end of current period	4,784	19	69	(299)	4,574	67	86,908

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	6,086	6,215
Depreciation	4,917	4,976
Impairment loss	1,686	4
Increase (decrease) in allowance for doubtful accounts	(2)	(10)
Increase (decrease) in retirement benefit liability	263	52
Decrease (increase) in retirement benefit asset	(71)	24
Increase (decrease) in provision for retirement benefits for directors and other officers	(382)	–
Increase (decrease) in provision for share-based remuneration for directors and other officers	60	71
Increase (decrease) in provision for bonuses	93	55
Increase (decrease) in provision for bonuses for directors and other officers	(32)	34
Increase (decrease) in provision for environmental measures	8	(19)
Interest and dividend income	(974)	(442)
Interest expenses	123	102
Share of loss (profit) of entities accounted for using equity method	(203)	(262)
Loss (gain) on sales of non-current assets	(2)	(477)
Loss (gain) on sales of investment securities	(3,268)	(91)
Subsidy income	–	(129)
Loss on retirement of non-current assets	288	458
Factory restructuring cost	328	32
Bond issuance cost	8	7
Loss on disaster	–	312
Decrease (increase) in trade receivables	1,559	(2,959)
Decrease (increase) in inventories	1,792	5,696
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	(1)	–
Increase (decrease) in trade payables	(1,343)	(2,145)
Increase (decrease) in accounts payable - other, and accrued expenses	(2,050)	1,784
Increase (decrease) in accrued consumption taxes	(1,074)	2,072
Other, net	400	(395)
Subtotal	8,208	14,968
Interest and dividends received	1,003	469
Subsidies received	–	74
Interest paid	(130)	(102)
Payments for factory restructuring	(262)	(29)
Payments associated with disaster loss	–	(123)
Income taxes (paid) refund	(2,246)	(2,181)
Net cash provided by (used in) operating activities	6,572	13,075

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,980)	(3,988)
Proceeds from sales of property, plant and equipment	91	2,027
Payments for retirement of property, plant and equipment	(452)	(241)
Purchase of intangible assets	(627)	(598)
Purchase of investment securities	(20)	(71)
Proceeds from sales of investment securities	4,240	115
Proceeds from capital reduction of subsidiaries and associates with consideration	–	135
Proceeds from sales of membership	–	0
Decrease (increase) in short-term loans receivable	(0)	(4)
Long-term loan advances	(3)	(0)
Collection of long-term loans receivable	3	3
Decrease (increase) in time deposits	(16)	–
Net cash provided by (used in) investing activities	(3,766)	(2,623)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,100)	(8,350)
Repayments of long-term borrowings	(1,000)	(1,000)
Proceeds from issuance of bonds	11,926	–
Redemption of bonds	(12,000)	–
Repayments of lease obligations	(223)	(213)
Net decrease (increase) in treasury shares	(702)	(2)
Dividends paid	(1,501)	(1,500)
Net cash provided by (used in) financing activities	(5,600)	(11,066)
Effect of exchange rate change on cash and cash equivalents	2	2
Net increase (decrease) in cash and cash equivalents	(2,791)	(611)
Cash and cash equivalents at beginning of period	5,631	2,839
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	179
Cash and cash equivalents at end of period	2,839	2,407

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information)

1. Overview of reportable segments

(1) Method of determining segments

The Company's reportable segments are components for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors and the Management Meeting in order to determine allocation of management resources and assess business performance.

(2) Type of products and services belonging to each reportable segment

The Company operates multiple businesses in areas such as starches and chemicals, centered on the Oils and Fats Business, and operates its business by formulating strategies for products and services in each business and collaborating with related areas. Comprehensively taking into consideration the ingredients of each product, manufacturing methods, selling markets, importance on consolidated financial statements, and other factors, the Company's reportable segments are classified as follows: "Oils and Fats Business" composed mainly of household-use oils and fats, B to B oils and fats, and meal; "Oil and Fat Processed Products Business" composed mainly of margarine and powdered oils and fats; and "Foodstuffs and Fine Material Business" composed mainly of starch, fine materials, and chemicals.

(3) Matters concerning changes in reportable segments

In line with changes to the corporate structure of the Company aimed at strengthening administrative systems, from the fiscal year under review, the previous reportable segments of "Oilseed Processing Business" and "Other Business" were changed to "Oils and Fats Business," "Oil and Fat Processed Products Business," "Foodstuffs and Fine Material Business," and "Other Business." The Company has also changed the method of allocating company-wide expenses.

Segment information for the previous fiscal year has been prepared based on the amended segment classifications and method of allocation, and is presented under the previous fiscal year section in "3. Information on net sales, income (loss), assets, liabilities, and other items by reportable segment."

2. Method of measurement for the amounts of net sales, income (loss), assets, liabilities, and other items for each reportable segment

Accounting methods used for reportable segments are generally the same as those stated in "Important Matters That Form the Basis for Preparing Consolidated Financial Statements." Segment profit figures are based on operating profit. Inter-segment sales and transfers are mainly based on cost of manufacturing.

3. Information on net sales, income (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended March 31, 2018

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Oils and Fats Business	Oil and Fat Processed Products Business	Foodstuffs and Fine Material Business	Total				
Net sales								
Net sales to outside customers	154,831	13,466	13,359	181,657	1,704	183,361	–	183,361
Inter-segment net sales or transfers	1,743	390	87	2,221	–	2,221	(2,221)	–
Total	156,575	13,856	13,447	183,878	1,704	185,583	(2,221)	183,361
Segment profit	2,432	474	876	3,783	222	4,005	–	4,005
Segment assets	121,055	10,711	12,575	144,341	2,508	146,850	6,792	153,642
Other items								
Depreciation	3,772	478	222	4,473	67	4,541	376	4,917
Increase in property, plant and equipment and intangible assets	3,905	85	562	4,554	83	4,638	806	5,444

(Notes) 1. "Others" is a business segment not included in the reportable segments, and include real estate leasing and various other services, etc.

2. Adjustment to segment assets includes corporate assets of ¥6,792 million, which consists mainly of surplus operating funds (cash and deposits), long-term investment funds (certain investment securities), assets related to the administration division, etc.

3. Segment profit is reconciled with operating profit in the consolidated financial statements.

For the fiscal year ended March 31, 2019

(Million yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Oils and Fats Business	Oil and Fat Processed Products Business	Foodstuffs and Fine Material Business	Total				
Net sales								
Net sales to outside customers	158,456	12,781	14,095	185,332	1,445	186,778	–	186,778
Inter-segment net sales or transfers	1,513	372	97	1,983	–	1,983	(1,983)	–
Total	159,969	13,153	14,192	187,316	1,445	188,762	(1,983)	186,778
Segment profit	4,919	148	458	5,526	137	5,663	–	5,663
Segment assets	113,526	10,766	12,043	136,335	2,518	138,854	8,833	147,688
Other items								
Depreciation	3,747	484	228	4,460	73	4,533	442	4,976
Increase in property, plant and equipment and intangible assets	2,718	593	577	3,889	8	3,897	1,261	5,159

(Notes) 1. "Others" is a business segment not included in the reportable segments, and include real estate leasing and various other services, etc.

2. Adjustment to segment assets includes corporate assets of ¥8,833 million, which consists mainly of surplus operating funds (cash and deposits), long-term investment funds (certain investment securities), and assets related to the administration division, etc.

3. Segment profit is reconciled with operating income in the consolidated financial statements.

(Per share information)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Net assets per share	¥5,107.63	¥5,276.75
Basic earnings per share	¥249.52	¥288.57

(Notes) 1. Diluted earnings per share are not shown because no potential shares exist.

2. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Profit attributable to owners of parent (Million yen)	4,127	4,749
Amount not attributable to common shareholders (Million yen)	–	–
Profit attributable to owners of parent relating to common shares (Million)	4,127	4,749
Average number of common shares outstanding during the period (Shares)	16,541,011	16,457,597

3. For the purpose of calculating net assets per share and basic earnings per share, shares of the Company remaining in the Share Benefit Trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares excluded from the calculation of the total number of shares at the end of the period and the average number of shares during the period. The number of shares of the Company held by the trust at the end of the period was 174,900 shares in the previous fiscal year and the fiscal year under review, respectively, and the average number of shares of the Company held by the trust during the period was 92,292 shares in the previous fiscal year, and 174,900 shares in the fiscal year under review.

(Significant subsequent events)

Not applicable.