

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2019 (Based on Japanese GAAP)

May 10, 2019

Company name: NIKKON Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9072 URL <http://www.nikon-hd.co.jp>
 Representative: President & Representative Director Masakatsu Kuroiwa
 Director, Executive Officer, and General
 Inquiries: Yasunori Matsuda TEL 03-3541-5330
 Manager of Accounting Department
 Scheduled date of ordinary general meeting of shareholders: June 27, 2019
 Scheduled date to file Securities Report: June 28, 2019
 Scheduled date to commence dividend payments: June 6, 2019
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2019	197,693	5.3	20,028	5.4	22,019	6.3	14,768	1.5
Year ended March 31, 2018	187,819	4.7	19,009	4.9	20,715	5.8	14,545	8.0

Note: Comprehensive income Year ended March 31, 2019 ¥11,806 million [(26.1)%]
 Year ended March 31, 2018 ¥15,966 million [2.2%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	221.03	220.22	8.0	7.6	10.1
Year ended March 31, 2018	215.30	214.58	8.2	7.3	10.1

Reference: Investment profit (loss) on equity method Year ended March 31, 2019 ¥647 million
 Year ended March 31, 2018 ¥540 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	294,213	186,900	63.3	2,810.70
As of March 31, 2018	286,013	182,627	63.7	2,702.46

Reference: Equity As of March 31, 2019 ¥186,338 million
 As of March 31, 2018 ¥182,101 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	25,331	(16,886)	(11,659)	25,231
Year ended March 31, 2018	24,309	(22,884)	(8,330)	28,302

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	—	30.00	—	35.00	65.00	4,385	30.2	2.5
Year ended March 31, 2019	—	32.00	—	35.00	67.00	4,467	30.3	2.4
Year ending March 31, 2020 (Forecast)	—	35.00	—	35.00	70.00		30.1	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019	103,000	8.0	10,000	13.0	10,800	10.6	7,900	20.3	119.16
Full year	208,000	5.2	20,500	2.4	22,100	0.4	15,400	4.3	232.29

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2019	68,239,892 shares	As of March 31, 2018	68,239,892 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	1,943,839 shares	As of March 31, 2018	856,202 shares
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Average number of shares during the period

Year ended March 31, 2019	66,816,498 shares	Year ended March 31, 2018	67,559,016 shares
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Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2019	10,413	(22.1)	9,030	(3.2)	9,444	(1.1)	9,075	(5.1)
Year ended March 31, 2018	13,360	15.6	9,329	34.0	9,547	34.0	9,561	40.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2019	135.83	135.33
Year ended March 31, 2018	141.53	141.06

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	185,870	110,838	59.4	1,666.52
As of March 31, 2018	191,554	112,342	58.5	1,662.43

Reference: Equity As of March 31, 2019 ¥110,483 million

As of March 31, 2018 ¥112,020 million

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

* Proper use of forecasts of financial results, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including financial results forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Actual financial and other results may differ substantially from the statements herein due to various factors.

(How to obtain material on financial results meeting)

The Company plans to hold a financial results meeting for analysts on May 23, 2019. The presentation materials distributed at the meeting will be available on our website immediately.

Index of attached documents

1.	Overview of operating results and others	5
	(1) Overview of operating results for the period	5
	(2) Overview of financial position for the period	5
	(3) Overview of cash flows for the period	5
	(4) Future outlook	6
	(5) Basic policy on distribution of profits, and dividends in period under review and subsequent period	6
2.	Basic philosophy for selecting accounting standards	6
3.	Consolidated financial statements and significant notes thereto	7
	(1) Consolidated balance sheets	7
	(2) Consolidated statements of income and consolidated statements of comprehensive income	9
	(Consolidated statements of income)	9
	(Consolidated statements of comprehensive income)	11
	(3) Consolidated statements of changes in equity	12
	(4) Consolidated statements of cash flows	14
	(5) Notes on consolidated financial statements	16
	(Notes on going concern assumption)	16
	(Additional Information)	16
	(Segment information)	16
	(Per share information)	19
	(Subsequent events)	19

1. Overview of operating results and others

(1) Overview of operating results for the period

In the fiscal year under review, the Japanese economy remained on a path of mild recovery as corporate earnings and the employment environment improved. However, the outlook remained uncertain due to U.S.-China trade conflicts and rising geopolitical risks.

In the logistics industry, the severe business situation continued due to chronic labor shortage and intensified competition.

Under these circumstances, the Group established or increased warehouses and workshops in Japan: Kikuyo Town, Kumamoto Prefecture, Yorii Town, Saitama Prefecture, Utsunomiya City, Tochigi Prefecture, Ichinomiya City, Aichi Prefecture, and Sayama City, Saitama Prefecture, as well as establishing a R&D center for Testing business in Hamamatsu City, Shizuoka Prefecture. As for overseas, the Group promoted proactive capital investments and sales activities toward expansion of its business size by establishing or increasing warehouses in Thailand and China.

The Group made Matsuhisa Unyu Co., Ltd. and Matsuhisa Sogo Co., Ltd. consolidated subsidiaries from the fiscal year under review by acquiring all the shares outstanding.

As a result, consolidated sales were 197,693 million yen, up 5.3% from the previous fiscal year.

Operating profit was 20,028 million yen, up 5.4%, due to sales increase and improved efficiency of operations.

Ordinary profit was 22,019 million yen, up 6.3%, due to increases in operating profit and share of profit of entities accounted for using equity method.

Profit attributable to owners of parent was 14,768 million yen, up 1.5% because gain on sales of non-current assets decreased and so on.

Business results by segment are as follows.

Transportation business

Sales were 93,294 million yen, up 5.1% from the same period of the previous fiscal year, due to an increase in the volume of cargo handled. Operating profit was 5,467 million yen, up 14.3%, due to higher efficiency of transportation and a fall in depreciation, despite a rise in fuel expenses.

Warehousing business

Sales were 28,710 million yen, up 3.6% from the same period of the previous fiscal year, due to an increase in the volume of cargo stored. Operating profit was 6,404 million yen, up 7.1%, due to the rise in sales.

Packaging business

Sales were 47,148 million yen, up 6.9% from the same period of the previous fiscal year, due to an increase in business volume. Operating profit was 4,001 million yen, up 2.0%, due to the effects of increased sales and improved operational efficiency, despite a rise in subcontract expenses.

Testing business

Sales were 22,213 million yen, up 2.7% from the same period of the previous fiscal year, due to an increase in business volume. Operating profit was 3,902 million yen, up 2.0%, due to the rise in sales.

(2) Overview of financial position for the period

(Assets)

Current assets at the end of the fiscal year under review totaled 69,401 million yen, a decrease of 3,205 million yen from the end of the previous fiscal year. The decrease mainly came as securities and cash and deposits fell 3,829 million yen and 815 million yen, respectively, and electronically recorded monetary claims - operating and notes and accounts receivable - trade rose 461 million yen and 356 million yen, respectively. Non-current assets totaled 224,811 million yen, an increase of 11,405 million yen from the end of the previous fiscal year. The increase mainly came as property, plant and equipment rose 14,583 million yen, while investment securities fell 4,218 million yen.

As a result, total assets were 294,213 million yen, an increase of 8,200 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 51,458 million yen, a decrease of 1,355 million yen from the end of the previous fiscal year. This mainly came as current portion of bonds fell 10,000 million yen, while electronically recorded obligations - non-operating and Notes payable - facilities rose 7,402 million yen and 1,202 million yen, respectively. Non-current liabilities totaled 55,853 million yen, an increase of 5,281 million yen from the end of the previous fiscal year. This mainly came as bonds payable rose 10,000 million yen, while long-term loans payable and deferred tax liabilities fell 3,583 million yen and 1,301 million yen, respectively.

As a result, total liabilities were 107,312 million yen, an increase of 3,926 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review were 186,900 million yen, an increase of 4,273 million yen from the end of the previous fiscal year. This mainly came as retained earnings and treasury shares rose 10,260 million yen and 3,051 million yen, respectively, while valuation difference on available-for-sale securities fell 3,145 million yen.

As a result, the equity ratio at the end of the period under review was 63.3% (63.7% at the end of the previous fiscal year).

(3) Overview of cash flows for the period

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review were 25,231 million yen, a

decrease of 3,071 million yen from the end of the previous fiscal year.

The following is the status and factors of each of the cash flow categories during the fiscal year under review.

(Cash flows from operating activities)

Net cash provided by operating activities was 25,331 million yen, an increase of 1,021 million yen from the previous fiscal year. As a main factor of increase, cash flow from increase and decrease in retirement benefit liability rose 1,004 million yen.

(Cash flows from investing activities)

Cash flows from investing activities totaled 16,886 million yen, a decrease of 5,998 million yen from the previous fiscal year. The decrease mainly came as proceeds from withdrawal of time deposits rose 8,933 million yen, purchase of property and plant and equipment fell 1,265 million yen. This is partially offset by an increase in payments into time deposits by 3,038 million yen.

(Cash flows from financing activities)

The decrease in cash from financing activities totaled 11,659 million yen, an increase of 3,328 million yen from the previous fiscal year. This mainly came as purchase of treasury stock and repayments of long-term loans payable rose 2,536 million yen and 322 million yen, respectively.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Equity ratio (%)	62.6	61.0	63.7	63.3
Market value equity ratio (%)	54.2	57.3	65.6	59.0
Interest-bearing debt to cash flow ratio (%)	227.6	239.9	210.5	188.0
Interest coverage ratio (times)	102.3	125.5	124.3	149.6

* Equity ratio: Equity / Total assets

Market value equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

1. All indicators are based on consolidated financial statements.
2. Market capitalization is calculated by multiplying the closing stock price at fiscal year-end by the number of shares issued at fiscal year-end (minus treasury shares).
3. Cash flow from operating activities is used for cash flow.
4. Interest-bearing debts include all those on the consolidated balance sheet on which interest is being paid. Interest payments are taken from the consolidated statements of cash flows.

(4) Future outlook

Regarding future outlook, the Japanese economy is expected to stay on a path of mild recovery as corporate earnings and the employment environment improves further. However, the outlook is likely to remain uncertain due to concerns about trade conflicts and geopolitical risks. In the logistics industry, the severe business situation is likely to continue due to labor shortage and intensified competition.

Amid these circumstances, the Group started a medium-term management plan (Challenge 11) for the three years from April 1, 2018, and worked toward achieving the targets.

However, since various business environments around the Group had changed, the Company revisited the original consolidated earnings forecasts for the fiscal year ending Mar, 2020, the last year of the plan, and revised the targets as follows: consolidated sales at 208,000 million yen, operating profit at 20,500 million yen, ordinary profit at 22,100 million yen and profit attributable to owners of parent at 15,400 million yen.

(5) Basic policy on distribution of profits, and dividends in period under review and subsequent period

The Company has a basic policy for dividend payments of aiming for a consolidated payout ratio of 30%.

For the fiscal year ended March 31, 2019, the Company plans to pay term-end dividends of 35 yen per share and annual dividends of 67 yen per share, including interim dividend.

For the fiscal year ending March 2020, the Company plans to pay annual dividends of 70 yen per share (35 yen in interim dividends and 35 yen in term-end dividends).

2. Basic philosophy for selecting accounting standards

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against previous fiscal year and against other companies.

With regard to future adoption of IFRS, the Group will give due consideration to domestic and international circumstances and take actions accordingly.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	17,755	16,940
Notes and accounts receivable - trade	33,032	33,389
Electronically recorded monetary claims - operating	3,249	3,711
Securities	14,105	10,276
Merchandise and finished goods	4	5
Raw materials and supplies	366	429
Other	4,102	4,663
Allowance for doubtful accounts	(10)	(15)
Total current assets	72,606	69,401
Non-current assets		
Property, plant and equipment		
Buildings and structures	163,829	180,094
Accumulated depreciation	(90,135)	(95,157)
Buildings and structures, net	73,694	84,936
Machinery, equipment and vehicles	45,185	46,923
Accumulated depreciation	(36,535)	(38,382)
Machinery, equipment and vehicles, net	8,649	8,540
Tools, furniture and fixtures	7,163	7,778
Accumulated depreciation	(5,870)	(6,355)
Tools, furniture and fixtures, net	1,293	1,422
Land	88,717	91,226
Leased assets	713	672
Accumulated depreciation	(345)	(410)
Leased assets, net	368	262
Construction in progress	3,005	3,921
Total property, plant and equipment	175,727	190,310
Intangible assets	1,918	1,937
Investments and other assets		
Investment securities	27,760	23,542
Long-term loans receivable	129	533
Deferred tax assets	3,090	3,646
Other	4,864	4,942
Allowance for doubtful accounts	(84)	(100)
Total investments and other assets	35,760	32,563
Total non-current assets	213,406	224,811
Total assets	286,013	294,213

	(Millions of yen)	
	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,573	11,330
Electronically recorded obligations - operating	3,962	4,401
Short-term loans payable	3,800	3,905
Current portion of bonds	10,000	–
Lease obligations	118	115
Income taxes payable	3,379	3,927
Provision for bonuses	3,627	3,860
Provision for bonuses for directors (and other officers)	186	196
Notes payable - facilities	383	1,585
Electronically recorded obligations - non-operating	863	8,266
Other	14,918	13,868
Total current liabilities	52,813	51,458
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	26,200	22,616
Lease obligations	284	172
Deferred tax liabilities	6,633	5,332
Retirement benefit liability	5,113	5,699
Provision for retirement benefits for directors (and other officers)	276	303
Other	2,063	1,728
Total non-current liabilities	50,572	55,853
Total liabilities	103,385	107,312
Net assets		
Shareholders' equity		
Capital stock	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	148,112	158,372
Treasury shares	(1,716)	(4,767)
Total shareholders' equity	170,044	177,253
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,437	10,291
Foreign currency translation adjustment	(777)	(375)
Remeasurements of defined benefit plans	(603)	(831)
Total accumulated other comprehensive income	12,056	9,084
Share acquisition rights	321	354
Non-controlling interests	204	208
Total net assets	182,627	186,900
Total liabilities and net assets	286,013	294,213

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

(Consolidated statements of income)

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales		
Transportation income	88,771	93,294
Warehouse income	27,721	28,710
Packaging income	44,089	47,148
Other revenue	27,236	28,538
Total net sales	187,819	197,693
Cost of sales		
Transportation cost	79,630	83,212
Warehouse cost	20,711	21,255
Packaging cost	37,870	40,641
Other cost	21,565	22,830
Total cost of sales	159,778	167,939
Gross profit	28,041	29,753
Selling, general and administrative expenses		
Personnel expenses	5,613	5,803
Provision for bonuses	323	354
Provision for bonuses for directors (and other officers)	174	196
Retirement benefit expenses	146	126
Provision for retirement benefits for directors (and other officers)	52	64
Depreciation	482	484
Taxes and dues	815	1,227
Traveling and transportation expenses	351	337
Provision of allowance for doubtful accounts	(5)	3
Other	1,774	1,867
Total selling, general and administrative expenses	9,031	9,724
Operating profit	19,009	20,028
Non-operating income		
Interest income	87	104
Dividend income	560	658
Rent income	104	86
Share of profit of entities accounted for using equity method	540	647
Subsidy income	418	148
Compensation income	5	389
Miscellaneous income	358	398
Total non-operating income	2,075	2,433
Non-operating expenses		
Interest expenses	197	168
Foreign exchange losses	61	32
Bond issuance cost	–	52
Non-deductible consumption taxes	41	21
Miscellaneous expenses	69	167
Total non-operating expenses	370	443
Ordinary profit	20,715	22,019

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Extraordinary income		
Gain on sales of non-current assets	457	98
Gain on revision of retirement benefit plan	189	–
Total extraordinary income	647	98
Extraordinary losses		
Loss on sales of non-current assets	3	75
Loss on retirement of non-current assets	100	310
Loss on valuation of investment securities	–	0
Loss on sales of investment securities	0	–
Impairment loss	0	1
Total extraordinary losses	103	387
Profit before income taxes	21,259	21,730
Income taxes - current	6,092	7,301
Income taxes - deferred	608	(348)
Total income taxes	6,700	6,953
Profit	14,558	14,777
Profit attributable to non-controlling interests	12	9
Profit attributable to owners of parent	14,545	14,768

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	14,558	14,777
Other comprehensive income		
Valuation difference on available-for-sale securities	1,603	(3,145)
Foreign currency translation adjustment	(419)	449
Remeasurements of defined benefit plans, net of tax	207	(228)
Share of other comprehensive income of entities accounted for using equity method	16	(45)
Total other comprehensive income	1,407	(2,970)
Comprehensive income	15,966	11,806
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,972	11,795
Comprehensive income attributable to non-controlling interests	(6)	11

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	137,823	(1,193)	160,279
Changes of items during period					
Dividends of surplus			(4,257)		(4,257)
Profit attributable to owners of parent			14,545		14,545
Purchase of treasury shares				(529)	(529)
Disposal of treasury shares			(0)	6	6
Change of scope of consolidation					–
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	–	10,288	(523)	9,765
Balance at end of current period	11,316	12,332	148,112	(1,716)	170,044

	Accumulated other comprehensive income				Share acquisition rights	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 current period	11,834	(393)	(810)	10,630	277	95	171,282
Changes of items during period							
Dividends of surplus							(4,257)
Profit attributable to owners of parent							14,545
Purchase of treasury shares							(529)
Disposal of treasury shares							6
Change of scope of consolidation						107	107
Net changes of items other than shareholders' equity	1,603	(384)	207	1,426	44	1	1,472
Total changes of items during period	1,603	(384)	207	1,426	44	108	11,344
Balance at end of current period	13,437	(777)	(603)	12,056	321	204	182,627

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	148,112	(1,716)	170,044
Changes of items during period					
Dividends of surplus			(4,506)		(4,506)
Profit attributable to owners of parent			14,768		14,768
Purchase of treasury shares				(3,066)	(3,066)
Disposal of treasury shares			(2)	15	13
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	—	10,260	(3,051)	7,208
Balance at end of current period	11,316	12,332	158,372	(4,767)	177,253

	Accumulated other comprehensive income				Share acquisition rights	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 current period	13,437	(777)	(603)	12,056	321	204	182,627
Changes of items during period							
Dividends of surplus							(4,506)
Profit attributable to owners of parent							14,768
Purchase of treasury shares							(3,066)
Disposal of treasury shares							13
Net changes of items other than shareholders' equity	(3,145)	401	(228)	(2,972)	32	4	(2,935)
Total changes of items during period	(3,145)	401	(228)	(2,972)	32	4	4,273
Balance at end of current period	10,291	(375)	(831)	9,084	354	208	186,900

(4) Consolidated statements of cash flows

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	21,259	21,730
Depreciation	9,461	9,707
Increase (decrease) in provision for bonuses	228	224
Increase (decrease) in provision for bonuses for directors (and other officers)	(2)	10
Increase (decrease) in allowance for doubtful accounts	(0)	19
Increase (decrease) in retirement benefit liability	(753)	251
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	20
Interest and dividend income	(647)	(763)
Interest expenses	197	168
Share of loss (profit) of entities accounted for using equity method	(540)	(650)
Loss (gain) on sales of non-current assets	(454)	(22)
Gain on revision of retirement benefit plan	(189)	–
Loss (gain) on sales of investment securities	0	–
Decrease (increase) in notes and accounts receivable - trade	(996)	(492)
Decrease (increase) in other assets	(600)	244
Increase (decrease) in notes and accounts payable - trade	1,133	200
Increase (decrease) in other liabilities	2,298	571
Other, net	(328)	201
Subtotal	30,066	31,421
Interest and dividend income received	1,081	1,229
Interest expenses paid	(195)	(169)
Income taxes paid	(6,643)	(7,150)
Net cash provided by (used in) operating activities	24,309	25,331
Cash flows from investing activities		
Payments into time deposits	(3,414)	(6,453)
Proceeds from withdrawal of time deposits	517	9,451
Purchase of securities	(999)	(1,054)
Proceeds from sales and redemption of securities	1,000	220
Purchase of property, plant and equipment	(19,273)	(18,008)
Proceeds from sales of property, plant and equipment	845	782
Purchase of intangible assets	(94)	(189)
Payments for investments in capital of subsidiaries and associates	(159)	–
Purchase of investment securities	(486)	(32)
Proceeds from sales of investment securities	50	–
Payments of loans receivable	(112)	(501)
Collection of loans receivable	180	94
Purchase of shares of subsidiaries and associates	(20)	(539)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(934)	(671)
Other, net	17	14
Net cash provided by (used in) investing activities	(22,884)	(16,886)

	(Millions of yen)	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Repayments of long-term loans payable	(3,554)	(3,876)
Purchase and Proceeds from sales of treasury stock	(529)	(3,066)
Proceeds from issuance of bonds	–	10,000
Redemption of bonds	–	(10,000)
Cash dividends paid	(4,257)	(4,506)
Dividends paid to non-controlling interests	(7)	(8)
Other, net	17	(200)
Net cash provided by (used in) financing activities	(8,330)	(11,659)
Effect of exchange rate change on cash and cash equivalents	(31)	143
Net increase (decrease) in cash and cash equivalents	(6,936)	(3,071)
Cash and cash equivalents at beginning of period	35,027	28,302
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	211	–
Cash and cash equivalents at end of period	28,302	25,231

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

No such events occurred.

(Additional Information)

(Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting” and relevant Guidances)

The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets were presented under “Investments and other assets” and deferred tax liabilities were presented under “Non-current liabilities.”

(Segment information)

1. Overview of reportable segments

The Company’s reportable segments are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

Depending on the type of service to provide, the Company has four reporting segments, Transportation, Warehousing, Packaging and Testing.

The Transportation segment engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Warehousing segment engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Packaging segment engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations. The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others.

2. Methods of calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for the reportable segments are generally identical to those adopted for the consolidated financial statements. Profits in the reportable segments are operating profits. Transactions between the reportable segments are based on market prices.

3. Information regarding net sales, profit or loss, liabilities, assets and other items by reportable segment

Fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	88,771	27,721	44,089	21,620	182,202	5,616	187,819	–	187,819
Intersegment sales or transfers	330	350	406	10	1,098	1,602	2,701	(2,701)	–
Total	89,102	28,072	44,495	21,631	183,301	7,219	190,520	(2,701)	187,819
Segment profit	4,782	5,980	3,921	3,824	18,509	249	18,758	251	19,009
Segment assets	97,876	83,470	46,482	13,196	241,026	26,790	267,816	18,196	286,013
Others									
Depreciation (Note 3)	3,157	4,066	972	687	8,884	576	9,461	–	9,461
Investment in equity method affiliates	1,846	–	209	–	2,055	976	3,031	–	3,031
Increase in property, plant and equipment and intangible assets (Note 3)	4,523	6,328	1,570	959	13,382	1,831	15,213	–	15,213

- (Notes)
1. The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
 2. Adjustment of segment profit of ¥251 million is the difference resulting from the elimination of operating and non-operating transactions.
Adjustment of segment assets of ¥18,196 million primarily includes surplus operating assets (deposits and securities, etc.) and long-term investment assets (investment securities) in the parent company.
 3. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	93,294	28,710	47,148	22,213	191,367	6,325	197,693	–	197,693
Intersegment sales or transfers	306	357	370	1	1,035	2,137	3,172	(3,172)	–
Total	93,601	29,068	47,518	22,214	192,402	8,463	200,865	(3,172)	197,693
Segment profit	5,467	6,404	4,001	3,902	19,775	323	20,098	(69)	20,028
Segment assets	91,990	90,880	50,182	15,355	248,409	35,973	284,383	9,829	294,213
Others									
Depreciation (Note 3)	2,988	4,289	1,120	732	9,130	582	9,712	–	9,712
Investment in equity method affiliates	1,942	–	242	–	2,185	979	3,165	–	3,165
Increase in property, plant and equipment and intangible assets (Note 3)	5,811	11,027	4,044	2,916	23,800	2,113	25,914	–	25,914

- (Notes)
1. The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
 2. Adjustment of segment profit of ¥(69) million is the difference resulting from the elimination of operating and non-operating transactions.
Adjustment of segment assets of ¥9,829 million primarily includes surplus operating assets (deposits and securities, etc.) and long-term investment assets (investment securities) in the parent company.
 3. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

(Per share information)

Previous fiscal year (April 1, 2017 to March 31, 2018)		Current fiscal year (April 1, 2018 to March 31, 2019)	
Net assets per share	2,702.46 yen	Net assets per share	2,810.70 yen
Earnings per share	215.30 yen	Earnings per share	221.03 yen
Earnings per share after adjustment for the effects of dilutive potential shares	214.58 yen	Earnings per share after adjustment for the effects of dilutive potential shares	220.22 yen

(Note) The basis for calculating earnings per share and earnings per share after adjustment for the effects of dilutive potential shares during the period is as follows.

Items	Previous fiscal year (April 1, 2017 to March 31, 2018)	Current fiscal year (April 1, 2018 to March 31, 2019)
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	14,545	14,768
Amount not belonging to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent on common stock (millions of yen)	14,545	14,768
Average common shares during the period (thousand shares)	67,559	66,816
(2) Earnings per share after adjustment for the effects of dilutive potential shares		
Adjustment of profit attributable to owners of parent (million yen)	–	–
Increase in the number of common shares (thousand shares)	227	245
(Subscription rights to shares (thousand shares))	(227)	(245)
Overview of potential shares not included in the calculation of Earnings per share after adjustment for the effects of dilutive potential shares because of having no dilutive effect	–	–

(Subsequent events)

No such events occurred.