Calbee
Harvest the Power of Nature.

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2019

April 1, 2018 to March 31, 2019

Calbee, Inc.

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (consolidated)

Full Year Results for the Fiscal Year Ended March 31, 2019

Calbee, Inc. **May 14, 2019**

Stock exchange listings: Tokyo 1st section, code number 2229
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Representative: Shuji Ito, President & CEO, Representative Director
Scheduled date for the General Meeting of Shareholders: June 19, 2019
Scheduled date for distribution of dividends: June 20, 2019
Scheduled date for submission of the full year financial report: June 20, 2019
Availability of supplementary explanatory material: Available
Results presentation meeting: Yes (for institutional investors and analysts)

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

(1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2019		FY ended March 31, 2018	
		% change		% change
Net sales	248,655	-1.2	251,575	-0.3
Operating profit	26,964	0.5	26,828	-7.0
Ordinary profit	27,432	4.8	26,179	-8.5
Profit attributable to owners of parent	19,429	12.1	17,330	-6.8
Earnings per share (¥)	145.39		129.72	
Earnings per share (diluted) (¥)	145.34		129.61	
Return on equity (%)	13.2		13.0	
Ordinary profit to total assets ratio (%)	13.9		14.0	
Operating profit to sales ratio (%)	10.8		10.7	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Comprehensive income: FY ended March 31, 2019: ¥20,066 million (18.4%)
FY ended March 31, 2018: ¥16,942 million (-9.8%)
3. Share of profit (loss) of entities accounted for using equity method: FY ended March 31, 2019: -¥8 million
FY ended March 31, 2018: --

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2019	As of March 31, 2018
Total assets	202,750	192,034
Net assets	160,490	146,667
Shareholders' equity/total assets (%)	75.9	72.6
Net assets per share (¥)	1,151.71	1,043.37

Shareholders' equity: As of March 31, 2019: ¥153,931 million
As of March 31, 2018: ¥139,375 million

(3) Consolidated Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2019	FY ended March 31, 2018
Cash flows from operating activities	27,620	9,358
Cash flows from investing activities	(28,347)	(6,258)
Cash flows from financing activities	(6,227)	(5,450)
Cash and cash equivalents at end of period	35,425	42,195

2) Dividends

Yen

	FY ended March 31, 2018	FY ended March 31, 2019	FY ending March 31, 2020 (forecast)
Interim period per share	0.00	0.00	0.00
Year-end dividend per share	42.0	48.0	50.0
Annual dividend per share	42.0	48.0	50.0
Total dividend amount (millions of yen)	5,622	6,428	–
Dividend payout ratio (consolidated) (%)	32.4	33.0	38.2
Net assets to dividends ratio (consolidated) (%)	4.2	4.4	–

Note: Total dividend amounts for FYs ended March 31, 2018 and March 31, 2019 include dividends of ¥12 million and ¥12 million, respectively, for Calbee shares held in trust.

3) Consolidated forecasts for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

Millions of yen

		% change
Net sales	258,000	3.8
Operating profit	27,000	0.1
Ordinary profit	26,500	-3.4
Profit attributable to owners of parent	17,500	-9.9
Earnings per share (¥)	130.94	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.

Notes

(1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): Yes
New companies: None Excluded companies: 1 (Calbee-URC, Inc.)

(2) Changes in accounting policy, changes in accounting estimates, and restatements:
1. Changes in accounting policies following revisions of accounting standards: None
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(3) Number of outstanding shares (common stock)

	March 31, 2019:	March 31, 2018:
1. Number of outstanding shares (including treasury shares)	133,921,800 shares	133,875,800 shares
2. Number of treasury shares	267,747 shares	292,997 shares
	Fiscal year to March 31, 2019:	Fiscal year to March 31, 2018:
3. Average number of shares during the period	133,637,330 shares	133,603,017 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 266,915 of these shares as of March 31, 2019 and 292,165 of these shares as of March 31, 2018, and the average number of shares excludes 275,221 treasury shares during the year to March 31, 2019, and 244,120 treasury shares during the year to March 31, 2018.

(Reference) Non-consolidated results for the fiscal year ended March 31, 2019

(1) Non-consolidated operating results

Millions of yen, rounded down

	FY ended March 31, 2019		FY ended March 31, 2018	
		% change		% change
Net sales	194,096	3.7	187,126	-2.0
Operating profit	24,708	-3.4	25,567	-0.2
Ordinary profit	25,831	-0.5	25,973	1.3
Net profit	15,825	-10.8	17,751	5.0
Earnings per share (¥)	118.42		132.86	
Earnings per share (diluted) (¥)	118.38		132.75	

(2) Non-consolidated financial position

Millions of yen, rounded down

	As of March 31, 2019	As of March 31, 2018
Total assets	186,460	175,158
Net assets	145,692	135,589
Shareholders' equity/total assets (%)	78.1	77.4
Net assets per share (¥)	1,090.05	1,014.97

Shareholders' equity: As of March 31, 2019: ¥145,689 million, As of March 31, 2018: ¥135,582 million

Financial Statements are not subject to audit by a certified public accountant or audit firm

Appropriate use of financial forecasts and other items

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For further information on assumptions used in forecasts please see Page 9, 1. Overview of Operating Results (4) Consolidated forecasts.
2. The earnings per share forecast for the fiscal year ending March 31, 2020 is calculated using 133,654,053 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a conference for institutional investors and analysts for May 15, 2019. A video of the conference will be made available on our Japanese website after the conference.

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1. Overview of operating results

(1) Overview of business performance

(All comparisons are with the same period of the previous fiscal year, unless stated otherwise.)

During the fiscal year ended March 2019, the Japanese economy continued a mild recovery amid continued improvement in the employment and income environments backgrounded by strong domestic demand and moves toward a recovery in personal consumption, despite persistent future risks in the global economy such as US-China trade friction and a deceleration in the Chinese economy. However, factors such as increasingly serious labor shortages and the rising price of oil have negatively affected domestic business conditions. Additionally, looking at aspirations towards foods, which affects Calbee Group's (hereafter "Calbee") business, their needs are becoming increasingly diversified as their aspirations for health and convenience remain high due to factors including lengthening lifespans, an increasing proportion of women working, and reduction in the size of households.

In this environment, Calbee continued to advance its business activities with management based on the key policies of innovation (growth strategy) and cost reduction.

For the domestic business, although last year's potato shortage had a significant effect on the production and sale of potato-based snacks, this year we secured sufficient supplies of potatoes and conducted proactive sales promotional activities such as a *Potato Chips* increased volume campaign. In addition, we conducted advertising campaigns and expanded sales of individual portion new snack products such as *Tomorico* and *Edamarico* nation-wide, as initiatives to capture new customer segments. In cereal product *Frugra* we made an effort to cultivate new customers through measures such as expanding the size line-up of existing products. However, with the aim of focusing our business selection, we also transferred a portion of our shares in Garden Bakery, Inc. (engaged in manufacturing and sale of bread and confectioneries) in April 2018 and all shares in CalNeCo, Inc. (engaged in production and sale of sales promotional tools) in September 2018.

In overseas business, we focused on expanding our business in areas including North America, Greater China, Indonesia and the UK. In North America, we conducted sales promotional activities for existing snack products and developed new products while simultaneously reducing costs and controlling sales promotional costs in an effort to improve earnings. For expanding *Frugra* sales to China, we launched production lines in our Kyoto factory from August 2018 and aimed to expand sales channels. In Indonesia, in light of strong demand we strengthened our *Potato Chips* production capacity. In the UK, in October 2018 we acquired confectionary company Seabrook Crisps Limited, which owns a potato chips brand, to further expand our business and strengthen our brand. Elsewhere, as the result of having scrutinized the profitability of our overseas businesses, we decided to liquidate our Philippine joint venture business engaged in manufacturing and selling snacks, transferring all shares of Calbee-URC, Inc. in September 2018, and changing to licensed production and sale under our brand.

Consolidated net sales for the fiscal year ended March 2019 decreased 1.2% to ¥248,655 million. Operating income increased 0.5% to ¥26,964 million, and the operating profit ratio was 10.8%, an increase of 0.1 percentage points. In domestic business, we were affected by higher costs for raw materials, utilities, distribution, etc., although increased sales of *Potato Chips* and other products contributed to profit. In overseas business, improvements to costs such as reducing losses from disposal and labor cost reductions in North America, as well as expanded sales of *Frugra* in China, contributed to profit. Ordinary income increased 4.8% to ¥27,432 million due to factors including foreign exchange gains of ¥406 million. Profit attributable to owners of parent increased 12.1% to ¥19,429 million, due in part to having transferred all shares of consolidated subsidiary CalNeCo, Inc. in September 2018, recording a ¥2,378 million gain on sales of shares of subsidiaries and associates under extraordinary income.

Millions of yen, rounded down

	FY ended March 31, 2019		FY ended March 31, 2018		Growth in yen	Growth on local currency basis
	Amount	%	Amount	%		
Domestic sales	208,193	83.7	217,774	86.6	-4.4%	-4.4%
Overseas sales	40,461	16.3	33,801	13.4	+19.7%	+20.8%
Total	248,655	100.0	251,575	100.0	-1.2%	-1.0%

Results by business are as follows.

Millions of yen, rounded down

Sales		FY ended March 31, 2019		FY ended March 31, 2018
		Amount	Growth (%)	Amount
1) Production and sale of snack and other foods business		246,064	-0.6	247,577
Domestic production and sale of snack and other foods business		205,602	-3.8	213,775
	Domestic snack foods	180,499	+2.8	175,575
	Domestic cereals	23,817	-0.1	23,836
	Other domestic foods	1,285	-91.0	14,363
Overseas production and sale of snack and other foods business		40,461	+19.7	33,801
	Overseas snack foods	35,178	+12.5	31,266
	Overseas cereals	5,283	+108.5	2,534
2) Other businesses		2,590	-35.2	3,998
Total		248,655	-1.2	251,575

1) Production and sale of snacks and other foods business

Domestic production and sale of snack and other foods business

・Domestic snack foods:

Sales of domestic snack foods rose year on year, with higher demand for *Potato Chips* driving sales growth and increased sales of new products using new ingredients contributing. However, sales of *Jagabee*, flour-based snacks and corn-based snacks, and bean-based snacks decreased due to a weak recovery from the negative effect of increased demand for *Potato Chips*.

Sales of domestic snack foods by product are as follows.

Millions of yen, rounded down

Sales	FY ended March 31, 2019		FY ended March 31, 2018
	Amount	Growth	Amount
Potato-based snacks	133,068	+5.4%	126,305
Potato Chips	84,129	+9.2%	77,007
Jagarico	37,402	+4.8%	35,695
Jagabee/ Jaga Pokkuru	11,537	-15.2%	13,602
Flour-based snacks	20,775	-7.3%	22,405
Kappa Ebisen	9,705	-9.4%	10,707
Sapporo Potato, etc.	11,069	-5.4%	11,697
Corn- and bean-based snacks	15,882	-5.4%	16,785
Other snacks	10,773	+6.9%	10,078
Domestic snack foods total	180,499	+2.8%	175,575

- Sales of potato-based snacks increased year on year. Sales of *Potato Chips* increased on the effect of having made adjustments to sales items in the first quarter of the previous fiscal year due to a potato shortage, and the implementation of an increased volume promotional campaign in the first quarter, which succeeded in expanding sales of products including regular items led by *Usu-Shio-Aji* and strong sales of *Kata-Age Potato.* Sales also increased for *Jagarico*, due to sales of *Tomorico* and *Edamarico*, individual portion snacks, which were launched nationwide with a TV commercial. *Jagabee/ Jaga Pokkuru* sales decreased, due to a slump in sales of *Jagabee* regular items, although sales of *Jaga Pokkuru* were firm.
- Sales of flour-based snacks decreased year on year due to demand not reaching the high level of the previous year, despite investment in *Kappa Ebisen* limited time products.
- Sales of corn- and bean-based snacks decreased year on year as products such as *Cheetos* made a weak recovery from the negative effect of increased demand for *Potato Chips*, despite contributions to sales of *Dragon Potato*, launched this fiscal year as a Japan Frito-Lay product.
- Sales of other snacks increased year on year due to expanded sales of new individual portion snacks *miino* and *Kiwajaga*, despite decreased sales of *Potato Chips Crisp*, a product range experiencing slow sales despite the launch of new flavors.

・Domestic cereals:

Sales of domestic cereals were flat year on year. Although demand from Chinese retail stores increased steadily, domestic demand did not increase despite enhancement of the *Frugra* product line-up, including S size and individual portion size—whose purpose is to generate new domestic customers—the renewal of *Frugra Less Carbohydrates*, and continuous investment in limited time products.

・Other domestic foods:

Sales of other domestic foods decreased significantly year on year due to the transfer of the bakery business in April 2018.

Overseas production and sale of snack and other foods business

・Overseas snack foods:

Sales of overseas snack foods increased year on year. In Europe, sales increased significantly on the acquisition of UK confectionery company Seabrook Crisps Limited in October 2018. In Australia, sales of bean-based snack *Harvest Snaps* have continued to grow firmly since market launch. In Indonesia, sales increased driven by the contributions of *Potabee* potato chips and *Krisbee Krunchy*, a corn-based snack launched in March 2018. Sales in North America were sluggish despite the launch of *Harvest Snaps* made using organic beans due to delays in its introduction by a large customer. However, in South Korea sales declined due to continued weak sales.

・Overseas cereals:

Sales of overseas cereals increased significantly year on year. *Frugra* sales to China expanded via cross-border e-commerce following its launch in the previous fiscal year, as well as Chinese domestic e-commerce launched this year with the expansion of production facilities in Japan.

Regional breakdown of sales performance by overseas businesses engaged in production and sale of snack and other foods.

Millions of yen, rounded down

Sales		FY ended March 31, 2019		FY ended March 31, 2018
		Amount	Growth	Amount
North America		9,941	+1.0%	9,843
Asia	Greater China*	11,339	+30.1%	8,718
	South Korea	4,636	-12.2%	5,283
	Other Asian regions and Australia**	10,350	+21.0%	8,551
Europe		4,193	+198.6%	1,404
Overseas production and sale of snack and other foods business total		40,461	+19.7%	33,801

*Greater China: China, Taiwan and Hong Kong.

**Other Asian regions and Australia: Thailand, Philippines, Singapore, Indonesia and Australia.

2) Other businesses

Other businesses include logistics and promotional tool sales.

Sales of other businesses decreased significantly year on year due to the transfer of all shares of consolidated subsidiary CalNeCo, which is engaged in the sale and production of sales promotional tools, in September 2018.

(2) Overview of financial position

(All comparisons are with the end of the previous fiscal year, unless stated otherwise.)

The partial amendment to the “Accounting Standard on Tax Effect Accounting” (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) has been applied from the first day of the first quarter of the consolidated accounting period, and figures for the previous year have been restated accordingly to enable year-on-year comparison.

Total assets as of March 31, 2019 were ¥202,750 million, an increase of ¥10,715 million. The primary factor contributing to this outcome was the acquisition of securities for investment purposes.

Liabilities decreased ¥3,106 million to ¥42,260 million, primarily due to a decrease in net defined benefit liabilities.

Net assets increased ¥13,822 million to ¥160,490 million due to an increase in retained earnings.

The shareholders’ equity ratio increased 3.3 percentage points from the end of the previous fiscal year to 75.9%.

(3) Overview of cash flows

Cash and cash equivalents as of March 31, 2019 were ¥35,425 million, ¥6,769 million lower than at the end of the previous fiscal year.

Cash flows from operating activities

Operating activities during the period ended March 2019 resulted in a net cash inflow of ¥27,620 million, an increase in cash inflow of ¥18,262 million compared with the previous fiscal year, primarily due to a decrease in notes and accounts receivable - trade.

Cash flows from investing activities

Investing activities during the period ended March 2019 resulted in a net cash outflow of ¥28,347 million, an increase in cash outflow of ¥22,089 million compared with the previous fiscal year, due to factors including an increase in outflows from the purchase of securities, a decrease in inflows from proceeds from redemption of securities, and an increase in outflows from the purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities

Financing activities during the period ended March 2019 resulted in a net cash outflow of ¥6,227 million, an increase in cash outflow of ¥776 million compared with the previous fiscal year, primarily due to the absence of capital increases from non-controlling interests that were included in the previous fiscal year.

(4) Consolidated forecasts

Calbee has formulated its Medium-term Plan (the fiscal year ending March 2020 to fiscal year ending March 2024), “Transformation and challenge toward achieving next generation growth” as a management policy. By undertaking transformations and challenges, we will achieve sustainable growth through building a foundation in response to changes in the business environment. As the first year of the Medium-term Plan, in the fiscal year ending March 2020 we will strengthen existing domestic business and expand overseas business.

In domestic business, we expect the business environment to become more difficult, with continued rises in distribution costs and raw material prices. There is also concern that the future consumption tax increase will impact consumer sentiment. In this environment, Calbee will continue to aim for sales growth by strengthening our product line-up in response to diverse needs while advancing price rises and revising content standards. In cereals, in addition to *Frugra* we plan to expand products that support diverse lifestyles to expand a customer base. In addition, we will promote automation and labor saving, the use of AI, and other measures to improve productivity and efficiency, aiming to increase the profitability of existing domestic business.

In overseas business, we will promote new product launches and brand penetration while aiming to strengthen sales and expand our business, positioning North America, Greater China, the UK and Indonesia as key regions.

Based on the above, for the fiscal year ending March 2020 we forecast consolidated net sales increasing 3.8% to ¥258,000 million, operating profit increasing 0.1% to ¥27,000 million, ordinary profit decreasing 3.4% to ¥26,500 million, and profit attributable to owners of parent decreasing 9.9% to ¥17,500 million.

2. Basic policy for profit distribution and dividends for fiscal year to March 2019 and 2020

Calbee recognizes that the distribution of profits to shareholders is an important management matter. Our policy is to consistently and actively distribute profits with a medium-term target consolidated payout ratio of over 40%, while striving to improve our profitability. We will leverage our internal reserves for capital investment and other measures aimed at raising our corporate value.

On the basis of our basic policy and in consideration of our consolidated results and financial position, we plan to pay an annual dividend of ¥48 per share, an increase of ¥6 per share, for the fiscal year ended March 2019 (to be presented at the 70th Annual General Meeting of Shareholders, June 19, 2019). The consolidated payout ratio will be 33.0%.

For the fiscal year ending March 2020, we plan to increase the annual dividend by ¥2 to ¥50 per share, for an effective consolidated payout ratio of 38.2%.

As prescribed by Article 454 Clause 5 of the Companies Act, the Articles of Incorporation stipulate that the Company is able to pay interim dividends. However, a dividend will be paid once annually upon review of certain factors including the annual results.

3. Basic approach to selection of accounting standards

With the aims of enhancing management of the business and enabling international comparison of financial information in capital markets through the unification of accounting standards, Calbee is considering the adoption of International Financial Reporting Standards (IFRS).

4. Consolidated financial statements and key notes

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of March 31, 2019	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	12,992	23,559
Notes and accounts receivable - trade	39,736	41,749
Securities	42,760	22,998
Inventories	11,309	10,748
Other	5,067	5,323
Allowance for doubtful accounts	(8)	(23)
Total current assets	111,858	104,356
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,497	67,961
Accumulated depreciation	(38,613)	(40,538)
Buildings and structures, net	28,883	27,423
Machinery, equipment and vehicles	102,261	99,524
Accumulated depreciation	(72,450)	(71,353)
Machinery, equipment and vehicles, net	29,811	28,171
Land	11,391	11,556
Leased assets	538	581
Accumulated depreciation	(310)	(225)
Leased assets, net	228	355
Construction in progress	1,224	4,523
Other	4,463	4,444
Accumulated depreciation	(3,451)	(3,378)
Other, net	1,012	1,066
Total property, plant and equipment	72,552	73,096
Intangible assets		
Goodwill	5,688	922
Other	2,016	2,468
Total intangible assets	7,704	3,391
Investments and other assets		
Investment securities	2,222	2,315
Long-term loans receivable	240	61
Deferred tax assets	4,421	4,469
Retirement benefit asset	2,111	2,175
Other	1,697	2,295
Allowance for doubtful accounts	(59)	(126)
Total investments and other assets	10,634	11,190
Total non-current assets	90,891	87,678
Total assets	202,750	192,034

	As of March 31, 2019	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,987	9,728
Short-term loans payable	1,027	1,129
Lease obligations	104	119
Accounts payable - other	5,878	6,273
Income taxes payable	5,478	5,252
Provision for bonuses	4,004	3,863
Provision for bonuses for directors (and other officers)	67	117
Provision for stocks payment	35	53
Other	8,459	8,867
Total current liabilities	34,043	35,405
Non-current liabilities		
Lease obligations	111	214
Deferred tax liabilities	622	651
Provisions for retirement benefits for directors (and other officers)	286	491
Provision for management board incentive plan trust	92	90
Retirement benefit liability	6,531	7,674
Asset retirement obligations	522	659
Other	49	178
Total non-current liabilities	8,216	9,961
Total liabilities	42,260	45,366
Net assets		
Shareholders' equity		
Capital stock	12,044	12,033
Capital surplus	4,786	4,775
Retained earnings	137,453	123,647
Treasury shares	(981)	(1,073)
Total shareholders' equity	153,303	139,383
Accumulated other comprehensive income		
Valuation difference on available-for-sales securities	467	680
Foreign currency translation adjustment	278	57
Remeasurements of defined benefit plans	(119)	(745)
Total accumulated other comprehensive income	627	(7)
Share acquisition rights	3	7
Non-controlling interests	6,555	7,284
Total net assets	160,490	146,667
Total liabilities and net assets	202,750	192,034

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

Millions of yen, rounded down

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Net sales	248,655	251,575
Cost of sales	137,534	142,671
Gross profit	111,120	108,904
Selling, general and administrative expenses	84,156	82,075
Operating profit	26,964	26,828
Non-operating income		
Interest income	117	84
Dividend income	44	42
Share of profit of entities accounted for using equity method	1	—
Foreign exchange gains	406	—
Real estate income	26	77
Other	255	223
Total non-operating income	852	428
Non-operating expenses		
Interest expenses	71	78
Share of loss of entities accounted for using equity method	10	—
Depreciation	92	41
Loss on valuation of inventories	64	—
Cost of real estate	18	35
Foreign exchange losses	—	562
Other	127	360
Total non-operating expenses	384	1,078
Ordinary profit	27,432	26,179
Extraordinary income		
Gain on sales of non-current assets	36	6
Gain on sales of shares of subsidiaries and associates	2,378	—
Gain on sales of investment securities	52	—
Gain on liquidation of business	477	—
Subsidy income	106	185
Other	2	0
Total extraordinary income	3,053	193
Extraordinary losses		
Loss on sales of non-current assets	16	2
Loss on retirement of non-current assets	263	160
Impairment loss	839	97
Loss on sales of shares of subsidiaries and associates	24	—
Retirement benefits for directors	350	—
Loss on sale of businesses	222	—
Loss on cancellation of outsourcing agreement	211	—
Other	87	13
Total extraordinary losses	2,016	273
Profit before income taxes	28,469	26,099
Income taxes - current	9,481	8,756
Income taxes - deferred	(387)	270
Total income taxes	9,093	9,026
Profit	19,375	17,072
Loss attributable to non-controlling interests	(53)	(258)
Profit attributable to owners of parent	19,429	17,330

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Profit	19,375	17,072
Other comprehensive income		
Valuation difference on available-for-sale securities	(212)	76
Foreign currency translation adjustment	276	(633)
Remeasurements of defined benefit plans, net of tax	626	428
Total other comprehensive income	690	(129)
Comprehensive income	20,066	16,942
Comprehensive income attributable to:		
Owners of parent	20,064	17,400
Non-controlling interests	1	(457)

(3) Consolidated statements of changes in shareholders' equity

April 1, 2018 to March 31, 2019

Millions of yen, rounded down

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,033	4,775	123,647	(1,073)	139,383
Changes of items during period					
Issuance of new shares – exercise of subscription rights to shares	10	10			21
Dividends of surplus			(5,622)		(5,622)
Profit attributable to owners of parent			19,429		19,429
Purchase of treasury shares					–
Disposal of treasury shares				91	91
Purchase of shares of consolidated subsidiaries					–
Net change of items other than shareholders' equity					
Total changes of items during period	10	10	13,806	91	13,920
Balance at end of current period	12,044	4,786	137,453	(981)	153,303

	Accumulated other comprehensive income				Subscription rights to shares	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	680	57	(745)	(7)	7	7,284	146,667
Changes of items during period							
Issuance of new shares – exercise of subscription rights to shares					(3)		18
Dividends of surplus							(5,622)
Profit attributable to owners of parent							19,429
Purchase of treasury shares							–
Disposal of treasury shares							91
Purchase of shares of consolidated subsidiaries							–
Net change of items other than shareholders' equity	(212)	220	626	634		(729)	(94)
Total changes of items during period	(212)	220	626	634	(3)	(729)	13,822
Balance at end of current period	467	278	(119)	627	3	6,555	160,490

April 1, 2017 to March 31, 2018

Millions of yen, rounded down

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,020	4,781	111,936	(539)	128,198
Changes of items during period					
Issuance of new shares – exercise of subscription rights to shares	12	12			25
Dividends of surplus			(5,620)		(5,620)
Profit attributable to owners of parent			17,330		17,330
Purchase of treasury shares				(599)	(599)
Disposal of treasury shares				66	66
Purchase of shares of consolidated subsidiaries		(18)			(18)
Net change of items other than shareholders' equity					
Total changes of items during period	12	(5)	11,710	(533)	11,184
Balance at end of current period	12,033	4,775	123,647	(1,073)	139,383

	Accumulated other comprehensive income				Subscription rights to shares	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	604	492	(1,173)	(77)	11	6,924	135,056
Changes of items during period							
Issuance of new shares – exercise of subscription rights to shares					(4)		21
Dividends of surplus							(5,620)
Profit attributable to owners of parent							17,330
Purchase of treasury shares							(599)
Disposal of treasury shares							66
Purchase of shares of consolidated subsidiaries							(18)
Net change of items other than shareholders' equity	76	(434)	428	69		360	430
Total changes of items during period	76	(434)	428	69	(4)	360	11,611
Balance at end of current period	680	57	(745)	(7)	7	7,284	146,667

(4) Consolidated statements of cash flows

Millions of yen, rounded down

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Cash flows from operating activities		
Profit before income taxes	28,469	26,099
Depreciation	8,023	7,845
Impairment loss	839	97
Amortization of goodwill	758	600
Increase (decrease) in allowance for doubtful accounts	(14)	45
Increase (decrease) in provision for bonuses	285	(384)
Increase (decrease) in provision for directors' bonuses	(32)	(21)
Increase (decrease) in provision for stocks payment	33	48
Increase (decrease) in net defined benefit liability	49	396
Decrease (increase) in net defined benefit asset	5	35
Increase (decrease) in provision for directors' retirement benefits	(146)	(16)
Interest and dividend income	(162)	(127)
Interest expenses	71	78
Foreign exchange losses (gains)	(223)	382
Gain on liquidation of business	(477)	—
Subsidy income	(106)	(185)
Share of loss (profit) of entities accounted for using equity method	8	—
Loss (gain) on sales of investment securities	(2,405)	—
Loss (gain) on sales of non-current assets	(20)	(4)
Loss on retirement of non-current assets	263	160
Decrease (increase) in notes and accounts receivable - trade	914	(13,256)
Decrease (increase) in inventories	(504)	(938)
Increase (decrease) in notes and accounts payable - trade	(528)	117
Increase (decrease) in accounts payable - other	177	3
Other, net	1,484	(2,161)
Subtotal	36,760	18,813
Interest and dividend income received	149	131
Interest expenses paid	(71)	(73)
Income taxes paid	(9,218)	(9,512)
Net cash provided by (used in) operating activities	27,620	9,358

Millions of yen, rounded down

	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,390)	(10,583)
Proceeds from sales of property, plant and equipment	235	25
Purchase of intangible assets	(555)	(425)
Proceeds from sales of intangible assets	0	—
Purchase of securities	(39,425)	(27,997)
Proceeds from redemption of securities	23,826	32,000
Purchase of investment securities	(45)	(116)
Proceeds from sales of investment securities	93	—
Payments of loans receivable	(980)	(60)
Collection of loans receivable	2,378	60
Payments into time deposits	(730)	(1,686)
Proceeds from withdrawal of time deposits	355	1,669
Payments for guarantee deposits	(89)	(170)
Proceeds from collection of guarantee deposits	128	152
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,351)	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(460)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	3,169	—
Proceeds from subsidy income	106	185
Other, net	387	689
Net cash provided by (used in) investing activities	(28,347)	(6,258)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(509)	82
Purchase of treasury shares	—	(599)
Proceeds from exercise of share options	18	21
Proceeds from share issuance to non-controlling shareholders	—	816
Cash dividends paid	(5,621)	(5,617)
Dividends paid to non-controlling interests	(10)	(16)
Repayments of lease obligations	(104)	(136)
Net cash provided by (used in) financing activities	(6,227)	(5,450)
Effect of exchange rate change on cash and cash equivalents	184	(82)
Net increase (decrease) in cash and cash equivalents	(6,769)	(2,432)
Cash and cash equivalents at beginning of period	42,195	44,627
Cash and cash equivalents at end of period	35,425	42,195

(5) Notes to consolidated financial statements

Notes related to going concern assumption

No applicable items

Changes in the presentation method

Changes accompanying the application of the partial amendment to the “Accounting Standard on Tax Effect Accounting”

The partial amendment to the “Accounting Standard on Tax Effect Accounting” (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) has been applied from the first day of the first quarter of the consolidated accounting period, and deferred tax assets are presented in the other assets category and deferred tax liabilities in the fixed liabilities category.

To maintain year-on-year consistency, we have changed our method of presentation, with the ¥2,576 million total presented under “deferred tax assets” under current assets within our consolidated balance sheets for the previous fiscal year (FY2018) included with the ¥4,469 million total under “deferred tax assets” under investments and other assets within our consolidated balance sheets for the current fiscal year (FY2019), and the ¥1 million total presented under “deferred tax liabilities” under current liabilities within our consolidated balance sheets for FY2018 included with the ¥651 million total under “deferred tax liabilities” under fixed liabilities within our consolidated balance sheets for FY2019.

Segment information and other

The Company has only one segment, “Production and sale of snacks and other foods”, and consequently does not disclose information for operating segments.

Per Share Information

	FY ended March 31, 2019	FY ended March 31, 2018
Net assets per share (¥)	1,043.37	1,043.37
Earnings per share (¥)	129.72	129.72
Earnings per share (diluted) (¥)	129.61	129.61

Notes: 1) Net assets per share were calculated based on the following:

	FY ended March 31, 2019	FY ended March 31, 2018
Total net assets on consolidated balance sheet (¥ million)	146,667	146,667
Amount attributable to common stock (¥ million)	139,375	139,375
Main differences (¥ million)		
Subscription rights to shares	7	7
Non-controlling interests	7,284	7,284
Number of shares of common stock outstanding (shares)	133,875,800	133,875,800
Number of shares of common stock as treasury stock (shares)	292,997	292,997
Number of common shares used for calculating net assets per share (shares)	133,582,803	133,582,803

2) Earnings per share and earnings per share (diluted) were calculated based on the following:

	FY ended March 31, 2019	FY ended March 31, 2018
Earnings per share		
Profit attributable to owners of parent (consolidated) (¥ million)	19,429	17,330
Profit attributable to owners of parent attributable to common stock (¥ million)	19,429	17,330
Amount not belonging to common shareholders (¥ million)	—	—
Average number of shares during the period (shares)	133,637,330	133,603,017
Earnings per share (diluted)		
Profit adjustments attributable to owners of parent (¥ million)	—	—
Breakdown of additional common shares used for calculating earnings per share (diluted) (shares)		
Subscription rights to shares	50,210	109,671
Number of additional common shares	50,210	109,671
Residual securities not included in the calculation of profit after adjustment for residual securities due to the fact that these securities had no dilutive effect.	—	

3) The Company's own stock in the trust recorded as treasury shares under shareholders' equity includes treasury shares excluded from the average number of shares during the period used for calculating earnings per share and treasury shares excluded from the number of shares outstanding at the end of the fiscal year used for calculating net assets per share.
During the previous consolidated fiscal year, 174,935 treasury shares, and during the current consolidated fiscal year 244,120 treasury shares, were excluded from the average number of shares during the period used for calculating earnings per share and 166,165 treasury shares at the end of the previous fiscal year and 292,165 treasury shares at the end of the current fiscal year were excluded from the number of shares outstanding used for calculating net assets per share.

Subsequent events

No applicable items