



METAWATER Co., Ltd.

For Immediate Release

April 27, 2020

CONSOLIDATED RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2020 (Unaudited)

[JP GAAP]

Company name	METAWATER Co., Ltd.
Stock exchanges on which the shares are listed	First Section of Tokyo Stock Exchange
Securities code	9551
URL	https://www.metawater.co.jp
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Contact person	Masayuki Nakagawa Executive Officer Executive General Manager of Financial Planning Office (TEL.:+81-3-6853-7317)
Scheduled date of annual meeting of shareholders	June 23, 2020
Filing date of annual securities report	June 23, 2020
Payment date of cash dividends	June 5, 2020
Supplementary information materials on annual results	Available
Annual results briefing	Held for institutional investors and analysts

(Amounts are rounded down to the nearest million yen)

1. Highlight of consolidated results for the fiscal year ended March 31, 2020

(1) Consolidated operating results

(Percentages are year-to-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	128,723	9.7	8,223	8.1	8,132	6.7	5,677	9.8
Fiscal year ended March 31, 2019	117,342	5.8	7,607	12.8	7,624	17.9	5,170	31.5

Note: Comprehensive income Fiscal year ended March 31, 2020 6,458 million yen 16.5 %
Fiscal year ended March 31, 2019 5,545 million yen 29.4 %

	Net income per share - Basic -	Net income per share - Diluted -	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2020	231.52	—	10.5	6.5	6.4
Fiscal year ended March 31, 2019	199.46	—	9.1	6.0	6.5

Note: Share of profit (loss) of entities accounted for by the equity method

Fiscal year ended March 31, 2020 Nil
Fiscal year ended March 31, 2019 Nil

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	119,469	49,592	41.4	2,276.07
As of March 31, 2019	132,620	59,031	44.4	2,271.67

Note: Shareholders' equity As of March 31, 2020 49,443 million yen

As of March 31, 2019 58,889 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2020	3,521	(1,380)	(17,072)	12,876
Fiscal year ended March 31, 2019	6,236	(805)	(2,617)	27,796

2. Dividends

Period	Dividends per share				
	1Q	2Q	3Q	4Q	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	31.00	—	31.00	62.00
Fiscal year ended March 31, 2020	—	31.00	—	40.00	71.00
Fiscal year ending March 31, 2021 (Forecast)	—	40.00	—	40.00	80.00

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Dividend to net assets (Consolidated)
	Million yen	%	%
Fiscal year ended March 31, 2019	1,607	31.1	2.8
Fiscal year ended March 31, 2020	1,672	30.7	3.1
Fiscal year ending March 31, 2021 (Forecast)		28.0	

3. Forecast for consolidated operating results for the fiscal year ending March 31, 2021

(Percentages are year-to-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share - Basic -
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2021	130,000	1.0	9,000	9.4	9,000	10.7	6,200	9.2	285.41

Note: The effect of COVID-19 is not incorporated in the forecast above due to the uncertainty of the future trends.

Notes:

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2020 (Changes in specified subsidiaries that caused a change in the scope of consolidation) : No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - (a) Changes by a newly issued or amended accounting pronouncement: No
 - (b) Changes other than (2)-(a) above: No
 - (c) Changes in accounting estimates: No
 - (d) Retrospective restatement: No
- (3) Number of shares issued and outstanding (common stock)
 - (a) Number of shares issued and outstanding (including treasury stock): 25,923,500 shares as of March 31, 2019 and 25,923,500 shares as of March 31, 2020.
 - (b) Number of treasury stock: 150 shares as of March 31, 2019 and 4,200,186 shares as of March 31, 2020.
 - (c) Average number of shares issued and outstanding for fiscal year: 25,923, 379 shares for the fiscal year ended March 31, 2019 and 24,523,326 shares for the fiscal year ended March 31, 2020.

[For Reference]

Financial Highlights (Non-consolidated)

Highlight of non-consolidated results for the fiscal year ended March 31, 2020

(1) Non-consolidated operating results

(Percentages are year-to-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	103,317	11.8	5,754	12.4	6,121	10.5	4,368	13.8
Fiscal year ended March 31, 2019	92,383	5.7	5,117	10.5	5,538	18.2	3,840	25.4

	Net income per share - Basic -	Net income per share - Diluted -
	Yen	Yen
Fiscal year ended March 31, 2020	178.14	—
Fiscal year ended March 31, 2019	148.13	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	100,318	44,724	44.6	2,058.83
As of March 31, 2019	113,515	56,247	49.6	2,169.75

Note: Shareholders' equity As of March 31, 2020 44,724 million yen
 As of March 31, 2019 56,247 million yen

* This report is not subject to audit performed by certified public accountants or accounting firm.

* Appropriate Use of Forecasts and Other Matters

Descriptions and statements in relation to estimates and other forward-looking projections disclosed in this document are based on judgments and assumptions using information currently available to the Company. Actual results may differ significantly from such projections due to risks of uncertainty inherent in such judgments and assumptions as well as changes in business operations and the internal and external environment of the Company. As such, the Company does not guarantee the accuracy of any forward-looking projections disclosed.

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1. Operating Results Review

(1) Operating Results Review for the Current Fiscal Year

During the fiscal year ended March 31, 2020, business conditions of the Japanese economy have recovered moderately, although some weakness remained. This is due in part to the effects of various government policies amid the improving labor market and increasing salary levels. The global economy continued to recover moderately as a whole, despite the risks of uncertainty related to developments in trade issues, the outlook for the Chinese economy and the government policies. Meanwhile, the global outbreak of COVID-19 has been constraining the economic activity since January 2020, and the economy has slowed rapidly.

Under such circumstances, in order to achieve the Midterm Business Plan 2020 (through the fiscal year ending March 31, 2021), the Group has been trying its best to implement the priority measures: i) strategic development investment, ii) business strategy (enhancement of foundation field and expansion of growth field) and iii) efforts of sustainable ESG.

In the domestic business, amid advances in public-private partnerships and private-sector utilization in response to the financial difficulties and human resource shortages of the local governments, the Group worked to improve its revenue through strategic alliances with partner companies, development and sales promotions of technologies and products differentiated from competitors, company-wide rationalization and cost reductions.

In the overseas businesses, the Group sought to accelerate business developments centered around Europe and the United States., where stable market growth is expected. As part of it, the Group has sought to achieve further business expansion especially through Aqua-Aerobic Systems, Inc., the subsidiary located in the United States, as our business base.

The operating results of the Group for the fiscal year ended March 31, 2020 are as the table below:

	Fiscal year ended March 31, 2019 (Million yen)	Fiscal year ended March 31, 2020 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	117,342	128,723	11,381	9.7
Operating income	7,607	8,223	615	8.1
Ordinary income	7,624	8,132	508	6.7
Profit attributable to owners of parent	5,170	5,677	506	9.8
Sales orders	123,807	125,011	1,204	1.0
Outstanding orders	142,351	138,639	(3,711)	(2.6)

The Group's business consists of two segments: Plant Engineering Business Segment including EPC (note 1) as foundation field and foreign business as growth field and Service Solutions Business Segment including O&M (note 2) as foundation field and PPP (note 3) as growth field.

Operating results by segment are as follows:

Notes:

1. EPC: Engineering, Procurement and Construction
2. O&M: Operation and Maintenance
3. PPP (Public-Private Partnership): the means for the private sector to participate in providing services to the public

(Plant Engineering Business)

The operating results of the Plant Engineering Business are as the table below.

In the EPC business, the net sales showed a steady growth, while the operating income remained at the same level year on year due to the differences in the composition of projects. Both net sales and operating income in the international business remained approximately at the same level year on year.

	Fiscal year ended March 31, 2019 (Million yen)	Fiscal year ended March 31, 2020 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	65,517	72,366	6,848	10.5
Operating income	3,191	3,188	(3)	(0.1)
Sales orders	73,915	67,861	(6,053)	(8.2)
Outstanding orders	83,047	78,542	(4,505)	(5.4)

(Service Solutions Business)

The operating results of the Service Solutions Business are as the table below.

Both net sales and operating income in the O&M business showed a steady growth. Both net sales and operating income in the PPP business also showed a steady growth.

	Fiscal year ended March 31, 2019 (Million yen)	Fiscal year ended March 31, 2020 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	51,824	56,356	4,532	8.7
Operating income	4,416	5,035	619	14.0
Sales orders	49,892	57,150	7,258	14.5
Outstanding orders	59,303	60,097	793	1.3

(2) Financial Position Review for the Current Fiscal Year

Total assets as of March 31, 2020 decreased by ¥13,151 million compared to March 31, 2019 to ¥119,469 million.

Current assets decreased by ¥13,596 million compared to March 31, 2019 to ¥101,941 million due to a decrease in work in process as well as cash and deposits, offsetting with an increase in accounts receivable - trade.

Non-current assets increased by ¥444 million compared to March 31, 2019 to ¥17,527 million due to an increase in assets for retirement benefits.

Current liabilities decreased by ¥1,992 million compared to March 31, 2019 to ¥54,333 million due to a decrease in advances received, offsetting with an increase in accounts payable - trade.

Non-current liabilities decreased by ¥1,720 million compared to March 31, 2019 to ¥15,542 million due to a decrease in PFI and other project finance loans.

Total net assets decreased by ¥9,438 million compared to March 31, 2019 to ¥49,592 million due to the acquisition of treasury stock.

(3) Cash Flow Review for the Current Fiscal Year

The balance of cash and cash equivalents (hereinafter the “funds”) as of March 31, 2020 decreased by ¥14,920 million compared to March 31, 2019 to ¥12,876 million. An analysis of the cash flows for the fiscal year ended March 31, 2020 and related commentary thereon is presented below:

(Cash flows from operating activities)

The funds generated by operating activities was 3,521 million (¥2,715 million decrease year to year): ¥8,132 million of income before income taxes, ¥1,098 million of depreciation, offsetting with ¥1,859 million increase in notes and accounts receivable - trade and ¥2,537 million used for payment of income taxes.

(Cash flows from investing activities)

The funds used for investing activities was ¥1,380 million (¥575 million increase year to year): ¥600 million used for purchase of property, plant and equipment and ¥179 million used for purchase of intangible assets.

(Cash flows from financing activities)

The funds used for financing activities was ¥17,072 million (¥14,455 million increase year to year): ¥1,607 million used for payment of dividends, ¥844 million used for repayments of PFI and other project finance loans and ¥14,288 million used for purchase of treasury stock.

(Reference) Index related to cash flows over the years

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Shareholders' equity to total assets (%)	43.1	44.6	44.4	41.4
Shareholders' equity to total assets based on market value (%)	62.1	70.1	61.0	70.3
Interest-bearing debt to cash flows (%)	205.0	284.1	220.2	355.6
Interest coverage ratio	35.5	23.7	28.5	18.5

Shareholders' equity to total assets: Shareholders' equity / Total assets

Shareholders' equity to total assets based on market value: Total market value of equity / Total assets

Interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payment

Note:

1. These indexes are calculated based on the consolidated financial data.
2. Cash flows represent cash flows from operating activities.
3. Interest-bearing debt includes all liabilities recorded in the consolidated balance sheet that pay interest.

(4) Future Forecast

Japanese economy for the fiscal year ending March 31, 2021 is expected to face continued severe conditions due to the impact of COVID-19, and there is a risk that the economy will be further downgraded. The global economy also faces the risk of further economic downturns as the impact of COVID-19 is expected to continue for the time being. The future trend of our business environment is currently uncertain due to the impact COVID-19, but is expected to be still challenging, due to a downward trend in public investments in Japan and a sharp increase in labor costs. Meanwhile, business environment is expected to improve through the enactment of amended the Water Supply Act, which promotes private-sector participation to resolve the aging water facilities and shortages of engineers, as well as the following local governments' trend.

Under such conditions, the Group's outstanding orders as of March 31, 2020 grew steadily mainly

for large-scale and long-term projects of PPP business, which is expected to contribute to sales in the following years. Moreover, we will continue to make efforts for streamlining of operations and cost saving initiatives in order to enhance profitability, and will make strategic development investments. Consequently, the consolidated results for the fiscal year ending March 31, 2021 is forecasted as follows. The impact of the outbreak of COVID-19 is not incorporated in these results. We will cooperate with national and local governments in response to the future trend of COVID-19, and the information related to the effect on our business, if any, will be appropriately disclosed.

Due to the nature of the business, sales of the Group to Japanese government agencies and local governments tend to be concentrated in the fourth quarter. We assume that this trend will continue in the next fiscal year.

	Fiscal year ended March 31, 2020 (Million yen)	Fiscal year ending March 31, 2021 (Million yen)	Increase/ (decrease) (Million yen)	Increase/ (decrease) (%)
Net sales	128,723	130,000	1,276	1.0
Operating income	8,223	9,000	776	9.4
Ordinary income	8,132	9,000	867	10.7
Profit attributable to owners of parent	5,677	6,200	522	9.2

2. Basic Approach to the Selection of Accounting Standards

The Group currently operates in Japan and hence, continues to apply Japanese Accounting Standards. However, we will consider adopting IFRS (International Financial Reporting Standards) based on the proportion of foreign shareholders, and the adoption trend of other domestic companies.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	28,589	13,645
Notes and accounts receivable - trade	76,282	78,109
Work in process	4,670	3,357
Supplies	3,932	4,711
Other current assets	2,062	2,118
Total current assets	115,538	101,941
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,300	1,222
Machinery and equipment, net	970	1,172
Tools, furniture and fixtures, net	462	391
Construction in progress	153	117
Other property, plant and equipment, net	301	280
Total property, plant and equipment	3,188	3,184
Intangible assets		
Software	517	445
Software in progress	29	144
Goodwill	1,670	1,671
Customer-related assets	2,539	2,506
Other intangible assets	1,314	1,240
Total intangible assets	6,072	6,008
Investments and other assets		
Investment securities	1,342	1,568
Long-term loans receivable	196	173
Guarantee deposits	1,604	1,561
Assets for retirement benefits	1,374	2,172
Deferred tax assets - non-current	3,268	2,783
Other non-current assets	35	74
Total investments and other assets	7,822	8,333
Total non-current assets	17,082	17,527
Total assets	132,620	119,469

(1) Consolidated Balance Sheets (continued)

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	18,278	19,801
Electronically recorded obligations	8,380	11,603
Short-term loans payable	337	276
Current portion of PFI and other project finance loans	844	855
Income taxes payable	2,419	2,206
Advances received	16,075	9,011
Provision for warranties for completed construction	1,361	1,340
Provision for loss on construction contracts	517	579
Other current liabilities	8,111	8,658
Total current liabilities	56,326	54,333
Non-current liabilities		
Long-term loans payable	1,847	1,539
PFI and other project finance loans	10,705	9,849
Liability for retirement benefit	4,603	4,025
Other non-current liabilities	107	128
Total non-current liabilities	17,262	15,542
Total liabilities	73,589	69,876
Net assets		
Shareholders' equity		
Capital stock	11,946	11,946
Capital surplus	15,080	15,080
Retained earnings	33,830	37,900
Treasury stock	(0)	(14,289)
Total shareholders' equity	60,856	50,638
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	49	54
Foreign currency translation adjustment	(371)	(366)
Remeasurements of defined benefit plans	(1,645)	(882)
Total accumulated other comprehensive income	(1,967)	(1,194)
Non-controlling interests	142	148
Total net assets	59,031	49,592
Total liabilities and net assets	132,620	119,469

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

Consolidated Statement of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	117,342	128,723
Cost of sales	91,442	101,846
Gross profit	25,899	26,877
Selling, general and administrative expenses	18,291	18,653
Operating income	7,607	8,223
Non-operating income		
Interest income	194	175
Dividends income	56	52
Foreign exchange gain	152	—
Miscellaneous income	7	25
Total non-operating income	410	253
Non-operating expenses		
Interest expenses	218	190
Loss on valuation of investment securities	87	—
Loss on disposal of non-current assets	84	68
Foreign exchange loss	—	59
Miscellaneous loss	3	25
Total non-operating expenses	394	344
Ordinary income	7,624	8,132
Income before income taxes	7,624	8,132
Income taxes - current	2,526	2,355
Income taxes - deferred	(80)	91
Total income taxes	2,446	2,446
Net income	5,178	5,686
Profit attributable to non-controlling interests	7	8
Profit attributable to owners of parent	5,170	5,677

(2) Consolidated Statement of Income and Statement of Comprehensive Income (continued)

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income	5,178	5,686
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	4
Foreign currency translation adjustment	(455)	4
Remeasurements of defined benefit plans	828	763
Total other comprehensive income	367	772
Comprehensive income	5,545	6,458
(Details)		
Comprehensive income attributable to owners of the parent	5,538	6,450
Comprehensive income attributable to non-controlling interests	7	8

(3) Consolidated Statement of Changes in Shareholders' Equity

(Millions of yen)

	Fiscal year ended March 31, 2019				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2018	11,946	15,080	30,214	(0)	57,241
Changes during the year					
Dividends from surplus			(1,555)		(1,555)
Profit attributable to owners of parent			5,170		5,170
Purchase of treasury stock				(0)	(0)
Changes in other equity, net					
Total changes during the year	—	—	3,615	(0)	3,614
Balance at March 31, 2019	11,946	15,080	33,830	(0)	60,856

(Millions of yen)

	Fiscal year ended March 31, 2019					
	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2018	54	84	(2,474)	(2,335)	136	55,042
Changes during the year						
Dividends from surplus						(1,555)
Profit attributable to owners of parent						5,170
Purchase of treasury stock						(0)
Changes in other equity, net	(4)	(455)	828	367	5	373
Total changes during the year	(4)	(455)	828	367	5	3,988
Balance at March 31, 2019	49	(371)	(1,645)	(1,967)	142	59,031

(Millions of yen)

	Fiscal year ended March 31, 2020				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2019	11,946	15,080	33,830	(0)	60,856
Changes during the year					
Dividends from surplus			(1,607)		(1,607)
Profit attributable to owners of parent			5,677		5,677
Purchase of treasury stock				(14,288)	(14,288)
Changes in other equity, net					
Total changes during the year	—	—	4,070	(14,288)	(10,218)
Balance at March 31, 2020	11,946	15,080	37,900	(14,289)	50,638

(Millions of yen)

	Fiscal year ended March 31, 2020					
	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2019	49	(371)	(1,645)	(1,967)	142	59,031
Changes during the year						
Dividends from surplus						(1,607)
Profit attributable to owners of parent						5,677
Purchase of treasury stock						(14,288)
Changes in other equity, net	4	4	763	772	6	779
Total changes during the year	4	4	763	772	6	(9,438)
Balance at March 31, 2020	54	(366)	(882)	(1,194)	148	49,592

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Income before income taxes	7,624	8,132
Depreciation	1,348	1,098
Amortization of goodwill	138	148
Increase/(decrease) in liabilities for retirement benefits	(156)	(196)
(Increase)/decrease in assets for retirement benefits	(550)	(631)
Increase/(decrease) in provision for warranties for completed construction	510	(19)
Increase/(decrease) in provision for loss on construction contracts	313	61
Interest income and dividends income	(250)	(228)
Interest expenses	218	190
Foreign exchange loss/(gain)	(174)	59
Loss on disposal of property, plant and equipment	84	68
Loss/(gain) on valuation of investment securities	87	—
(Increase)/decrease in accounts receivable	(4,165)	(1,859)
(Increase)/decrease in inventory	(2,707)	605
Increase/(decrease) in notes and accounts payable-trade	248	5,169
Increase/(decrease) in advances received	5,361	(7,073)
Other cash flows from operating activities	441	501
Subtotal	8,372	6,027
Interest and dividends income received	250	228
Interest expenses paid	(220)	(196)
Income taxes paid	(2,165)	(2,537)
Cash flows from operating activities	6,236	3,521

(4) Consolidated Statement of Cash Flows (continued)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from investing activities		
Net (increase)/decrease in time deposits	34	23
Purchase of property, plant and equipment	(555)	(600)
Purchase of intangible assets	(114)	(179)
Purchase of investment securities	(95)	(223)
Acquisition of newly consolidated subsidiaries	—	(426)
Payments of loans receivable	—	(2)
Collection of loans receivable	27	27
Other cash flows from investing activities	(103)	0
Cash flows from investing activities	(805)	(1,380)
Cash flows from financing activities		
Proceeds from short-term loan payable	55	—
Repayments of short-term loans payable	(282)	(330)
Repayments of PFI and other project finance loans	(833)	(844)
Purchase of treasury stock	(0)	(14,288)
Cash dividends paid	(1,555)	(1,607)
Cash dividends paid to non-controlling interests	(1)	(1)
Cash flows from financing activities	(2,617)	(17,072)
Effect of exchange rate change on cash and cash equivalents	4	11
Increase/(decrease) in cash and cash equivalents	2,819	(14,920)
Cash and cash equivalents at April 1	24,977	27,796
Cash and cash equivalents at March 31	27,796	12,876

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

No items to report.

(Segment Information)

1. Outline of reportable segment

The Company's segments represent components of the Company for which separate financial information is available and that are subject to periodical review by the board of directors in determining how to allocate operating resources and evaluating performance.

The Company has established business headquarters by its products and services at the corporate office, each of which operates under comprehensive domestic and overseas strategies developed for its products and services.

Therefore, the Group basically consists of two reportable segments: "Plant Engineering" and "Service Solutions", which are based on the Company's business divisions in consideration of similarities of types and natures of products and services. "Plant Engineering" segment is primarily involved in design and construction of water and sewage treatment plants. "Service Solutions" segment is primarily involved in operation, control and repair of water and sewage treatment plant facilities.

2. Determination of sales, income or loss, assets, liabilities and other items for each reportable segment

Accounting treatment applied to the business segment reported is generally consistent with accounting treatment applied to prepare consolidated financial statements.

In addition, segment income is determined based on operating income, which is consistent with operating income for the consolidated statement of income.

3. Sales, income or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments			Adjustments	Consolidated
	Plant Engineering Business	Service Solutions Business	Total		
Net Sales					
Sales to third parties	65,517	51,824	117,342	—	117,342
Inter-segment transactions and transfers	—	—	—	—	—
Net sales	65,517	51,824	117,342	—	117,342
Segment income	3,191	4,416	7,607	—	7,607

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments			Adjustments	Consolidated
	Plant Engineering Business	Service Solutions Business	Total		
Net Sales					
Sales to third parties	72,366	56,356	128,723	—	128,723
Inter-segment transactions and transfers	—	—	—	—	—
Net sales	72,366	56,356	128,723	—	128,723
Segment income	3,188	5,035	8,223	—	8,223

(Per Share Information)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
	Yen	Yen
Net assets per share	2,271.67	2,276.07
Net income per share	199.46	231.52

Note: 1. Diluted net income per share is not presented as there are no diluted shares.
2. Net income per share is calculated on the following basis.

Net income per share	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
	Millions of yen	Millions of yen
Profit attributable to owners of parent	5,170	5,677
Profit not attributable to common shareholders	—	—
Profit attributable to owners of parent related to common stock	5,170	5,677
Average number of shares outstanding during the period (number of shares)	25,923,379	24,523,326

(Significant subsequent events)

No items to report.

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