

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]



May 14, 2018

Company name: FUKUSHIMA INDUSTRIES CORP.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6420

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Scheduled date of Annual General Meeting of Shareholders: June 28, 2018

Scheduled date of commencing dividend payments: June 29, 2018

Scheduled date of filing annual securities report: June 28, 2018

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2018	86,223	7.4	8,654	3.1	8,971	2.8	5,683	(5.5)
March 31, 2017	80,297	9.0	8,395	10.7	8,730	13.7	6,013	20.7

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥7,415 million [10.3%]

Fiscal year ended March 31, 2017: ¥6,720 million [54.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	283.64	-	12.5	11.3	10.0
March 31, 2017	300.12	-	15.4	12.3	10.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: ¥- million

Fiscal year ended March 31, 2017: ¥- million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	84,876	48,901	57.6	2,438.94
As of March 31, 2017	74,218	42,160	56.8	2,103.63

(Reference) Equity: As of March 31, 2018: ¥48,868 million

As of March 31, 2017: ¥42,150 million

## (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	8,320	(668)	(1,006)	31,481
March 31, 2017	6,419	(720)	(1,087)	24,910

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	-	0.00	-	35.00	35.00	701	11.7	1.8
March 31, 2018	-	0.00	-	40.00	40.00	801	14.1	1.8
Fiscal year ending March 31, 2019 (Forecast)	-		-	40.00	40.00		-	

(Notes) The year-end dividends for the fiscal year ended March 31, 2017 consist of ordinary dividend of ¥33.00 and commemorative dividend of ¥2.00.

The year-end dividends for the fiscal year ended March 31, 2018 consist of ordinary dividend of ¥40.00.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	41,261	(0.5)	4,353	2.1	4,285	(5.0)	2,847	10.3	142.09
Full year	85,746	(0.6)	9,243	6.8	9,233	2.9	6,155	8.3	307.20

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: - (Company name: -)

Exclusion: - (Company name: -)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2018: 22,066,160 shares

March 31, 2017: 22,066,160 shares

2) Total number of treasury shares at the end of the period:

March 31, 2018: 2,029,421 shares

March 31, 2017: 2,029,173 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2018: 20,036,895 shares

Fiscal Year ended March 31, 2017: 20,037,075 shares

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2018	66,283	5.6	6,012	(10.4)	6,583	(9.8)	4,208	(12.0)
March 31, 2017	62,784	9.7	6,710	0.3	7,299	3.1	4,784	1.6

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2018	210.03		-	
March 31, 2017	238.77		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	67,352	42,253	62.7	2,108.81
As of March 31, 2017	59,129	37,150	62.8	1,854.10

(Reference) Equity: As of March 31, 2018: ¥42,253 million  
As of March 31, 2017: ¥37,150 million

\* These financial results are outside the scope of audit conducted by certified public accountants and an audit corporation.

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

Financial results forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review (April 1, 2017 to March 31, 2018), the Japanese economy remained on a moderate recovery path as the government's economic and financial policies helped improve corporate revenue and the employment environment. Meanwhile, there are concerns about uncertainty over sustained economic expansion due to such factors as rising material prices associated with demand growth amid global economic recovery.

In the business environment in which our Group operates, overall sales in the restaurant industry scored year-on-year growth for the 19th consecutive month through the final month of the fiscal year despite harsh conditions such as a serious personnel shortage and rises in labor costs and food prices. In the distribution industry, harsh conditions continued as food supermarkets reined in new openings due to higher construction costs and deepening difficulty in hiring part-time personnel. Also, strong low-price consciousness among consumers stoked demand for discount shops and led to an increase in openings of drug stores that strengthened sales of low-price food products through low-cost operations. In the convenience store industry, sales rose year on year on an all-store basis, but same-store sales fell recently, with competition heating up further among businesses.

Net sales of commercial refrigerators and freezers increased by 7.1% year on year. Sales of general purpose commercial refrigerators and freezers rose thanks to growing sales to restaurants supported by demand from inbound tourists. In addition, sales of ice machines increased as the product lineup expanded with the launch of half-cube ice machines, and sales of large-scale blast chillers that quickly cool foods intended for high-volume preparation increased for clients in the areas of catering centers, central kitchens and food factories. Also, after a full model changeover, the Company launched a new small ice machine in November 2017 that realizes excellent water-saving function and further energy savings with the use of a newly developed aluminum cooler.

Net sales of refrigerated and freezer showcases increased by 4.6% year on year. This was due to increased investment in remodeling to integrate convenience stores and new openings of drug stores that strengthened sales of food products, though convenience store and supermarket operators have been reluctant to open new stores. In addition, the Company launched "Send-You Fresh," a new-model high-freshness keeping showcase that provides further energy savings and controls rising temperatures during store operation, owing to newly developed twin coolers and a new type of proprietary cooling control system, and undertook more projects in ESCO proposals for food supermarkets.

Net sales of large-scale food processing equipment increased by 36.8 % year on year. This was due to increased demand for tunnel freezers used in the cooling process for frozen and chilled food, resulting from greater investments, mainly by food manufacturers, in cooling process automation. Also, tunnel freezers' application was expanded to precooking processing of foodstuffs for the restaurant industry.

Net sales of large-scale panel refrigerators decreased by 3.7% year on year as there were only a few deliveries during the fourth quarter of the fiscal year under review despite an increase in large-scale orders from supermarket processing centers, food factories and low-temperature distribution centers. In addition, in an order won by a joint venture joined by the Company, construction work undertaken by another member of the joint venture incurred a loss due mainly to necessitated additional work. The Company assumed collective responsibility, carried out the additional work and booked that expense in the cost of sales in the consolidated statement of income. The Company also booked estimated amount of a possible additional loss in the future as provision for loss on construction contracts in current liabilities in the consolidated balance sheets.

Net sales of small-scale panel refrigerators increased by 2.7% year on year due to an increase in sales of small-scale prefabricated refrigerators for convenience stores and commercial kitchens.

Net sales from services increased by 13.7% year on year due to an increase in maintenance contracts with convenience stores.

At the manufacturing department, the Company refurbished the truck berths at its Okayama factory to increase distribution efficiency and undertook initiatives to improve productivity by renovating the production lines at its Shiga and Okayama factories. In addition, the Company undertook initiatives to reduce fixed costs

and purchasing costs in order to offset higher costs, such as a sharp increase in the prices of raw materials and import products. The company is making investment toward the next fiscal year to boost production of large-scale panel refrigerators in response to robust demand for panel refrigerators.

As a result, for the fiscal year under review, net sales increased by 7.4% year on year to ¥86,223 million. Operating profit increased by 3.1% year on year to ¥8,654 million, ordinary profit increased by 2.8% year on year to ¥8,971 million, and profit attributable to owners of parent decreased by 5.5% year on year to ¥5,683 million.

## (2) Overview of Financial Position for the Fiscal Year under Review

### (Current assets)

Current assets as of the end of the fiscal year under review increased by ¥7,747 million to ¥61,277 million (¥53,529 million in the previous fiscal year). This is mainly attributable to an increase in cash and deposits.

### (Non-current assets)

Non-current assets as of the end of the fiscal year under review increased by ¥2,910 million to ¥23,599 million (¥20,689 million in the previous fiscal year). This is mainly attributable to an increase in investment securities.

### (Current liabilities)

Current liabilities as of the end of the fiscal year under review increased by ¥3,291 million to ¥32,701 million (¥29,409 million in the previous fiscal year). This is mainly attributable to an increase in notes and accounts payable-trade.

### (Non-current liabilities)

Non-current liabilities as of the end of the fiscal year under review increased by ¥625 million to ¥3,273 million (¥2,647 million in the previous fiscal year). This is mainly attributable to an increase in deferred tax liabilities.

### (Net assets)

Net assets as of the end of the fiscal year under review increased by ¥6,740 million to ¥48,901 million (¥42,160 million in the previous fiscal year). This is mainly attributable to an increase in retained earnings due to the recording of profit attributable to owners of parent.

## (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “capital”) as of the end of the fiscal year under review increased by ¥6,570 million from the end of the previous fiscal year to ¥31,481 million as a result of the recording of profit before income taxes of ¥8,555 million, and ¥1,675 million used in investing activities and financing activities.

The conditions of each cash flow and factors thereof are as follows.

### (Net cash provided by (used in) operating activities)

Capital provided by operating activities increased by ¥1,901 million from the corresponding period of the previous year to ¥8,320 million. This is mainly attributable to the recording of profit before income taxes.

### (Net cash provided by (used in) investing activities)

Capital used in investing activities decreased by ¥51 million from the corresponding period of the previous year to ¥668 million. This is mainly attributable to the acquisition of property, plant and equipment such as production facilities at various factories.

### (Net cash provided by (used in) financing activities)

Capital used in financing activities decreased by ¥80 million from the corresponding period of the previous year to ¥1,006 million. This is mainly attributable to cash dividends paid.

#### (4) Future Outlook

Economic recovery is expected to continue in Japan as growth in demand for infrastructure construction will be in full swing in the run-up to the 2020 Tokyo Olympic and Paralympic Games and an increase in redevelopment projects in the Tokyo area will help prop up the economy. Also, growth is expected in investments to increase operational efficiency, improve information systems and cope with personnel shortages as well as investments in research and development to use and promote AI and IoT. Looking abroad, concerns are mounting that the U.S. protectionist trade policy will affect China and other Asian countries.

Competition beyond industry boundaries is expected to intensify although serious personnel shortages will accelerate capital spending on energy- and labor-saving measures in the restaurant and distribution markets in Japan. In addition, the Company hopes that growing moves to secure food safety and protect the earth's environment, such as mandating the foods sanitation management process and strengthening regulations on chlorofluorocarbons, will serve as a tailwind for sales of refrigerators and freezers as well as refrigerated and freezer showcases. Such facilities as distribution warehouses and food factories are expected to continue investments to integrate and rationalize operations, leading to steady large-scale orders for products like refrigerated warehouses and tunnel freezers. The recent rise of online supermarkets with no outlets is also expected to stoke demand for refrigerated and freezing warehouses. Against this backdrop, our Group will aim to expand sales by further drawing on its strength in making comprehensive proposals through joint efforts by development and marketing personnel.

The business forecast for the next fiscal year is ¥85,746 million in net sales (down 0.6% year on year), ¥9,243 million in operating profit (up 6.8% year on year), ¥9,233 million in ordinary profit (up 2.9% year on year), and ¥6,155 million in profit attributable to owners of parent (up 8.3% year on year).

## 2. Basic Stance Concerning Choice of Accounting Standards

As the Corporate Group has a low proportion of overseas net sales and conducts activities primarily within Japan, it will utilize Japanese accounting standards for the foreseeable future. As a policy, while monitoring its proportion of overseas net sales, shareholder ratio of foreign entities, and use of International Financial Reporting Standards (IFRS) by other domestic companies, the Corporate Group will consider the application of IFRS.



3. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	25,686,519	31,870,525
Notes and accounts receivable - trade	21,693,902	22,040,842
Merchandise and finished goods	2,148,030	2,172,702
Work in process	2,095,071	2,248,959
Raw materials and supplies	1,639,859	1,909,033
Deferred tax assets	797,878	1,304,171
Other	525,152	1,026,115
Allowance for doubtful accounts	(1,057,134)	(1,295,261)
Total current assets	53,529,280	61,277,089
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,929,605	3,802,974
Machinery, equipment and vehicles, net	1,021,242	1,119,640
Land	5,136,219	5,008,260
Construction in progress	1,086,689	1,713,483
Other, net	308,054	321,406
Total property, plant and equipment	11,481,811	11,965,765
Intangible assets	220,170	273,105
Investments and other assets		
Investment securities	6,795,112	9,059,098
Other	2,211,810	2,313,097
Allowance for doubtful accounts	(19,675)	(11,765)
Total investments and other assets	8,987,248	11,360,430
Total non-current assets	20,689,230	23,599,301
Total assets	74,218,510	84,876,391

(Thousand yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,268,999	21,476,888
Short-term loans payable	780,451	711,215
Income taxes payable	1,597,144	2,082,013
Provision for bonuses	1,757,386	1,436,049
Provision for product warranties	233,897	369,167
Provision for loss on construction contracts	-	534,234
Other	4,771,930	6,092,170
Total current liabilities	29,409,810	32,701,738
Non-current liabilities		
Long-term loans payable	244,725	-
Deferred tax liabilities	1,295,066	2,035,259
Provision for directors' retirement benefits	732,171	820,766
Provision for contingent loss	-	288,383
Net defined benefit liability	263,607	16,808
Asset retirement obligations	100,473	101,516
Other	11,750	10,809
Total non-current liabilities	2,647,794	3,273,544
Total liabilities	32,057,605	35,975,283
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,760,192	2,760,192
Capital surplus	3,168,379	3,168,379
Retained earnings	36,260,825	41,242,790
Treasury shares	(3,212,194)	(3,213,394)
Total shareholders' equity	38,977,203	43,957,968
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,259,400	4,870,266
Foreign currency translation adjustment	68,104	65,057
Remeasurements of defined benefit plans	(154,306)	(24,814)
Total accumulated other comprehensive income	3,173,198	4,910,509
Non-controlling interests	10,503	32,630
Total net assets	42,160,905	48,901,107
Total liabilities and net assets	74,218,510	84,876,391

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

## Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	80,297,278	86,223,671
Cost of sales	59,565,828	64,630,055
Gross profit	20,731,449	21,593,615
Selling, general and administrative expenses	12,335,754	12,939,149
Operating profit	8,395,694	8,654,466
Non-operating income		
Interest income	6,698	9,131
Dividend income	82,555	94,109
House rent income	94,934	95,147
Insurance and dividend income	48,053	99,013
Purchase discounts	51,458	53,967
Compensation income	5,494	23,443
Other	148,455	129,648
Total non-operating income	437,650	504,461
Non-operating expenses		
Interest expenses	24,867	21,074
Compensation expenses	18,514	14,604
Foreign exchange losses	28,144	112,502
Other	30,998	38,802
Total non-operating expenses	102,524	186,984
Ordinary profit	8,730,820	8,971,943
Extraordinary income		
Gain on sales of investment securities	5,524	26,250
Total extraordinary income	5,524	26,250
Extraordinary losses		
Provision for contingent loss	-	288,383
Contingent loss expense	-	154,764
Total extraordinary losses	-	443,148
Profit before income taxes	8,736,344	8,555,044
Income taxes - current	2,812,563	3,394,300
Income taxes - deferred	(95,968)	(521,421)
Total income taxes	2,716,595	2,872,879
Profit	6,019,749	5,682,165
Profit (loss) attributable to non-controlling interests	6,169	(1,093)
Profit attributable to owners of parent	6,013,580	5,683,259

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	6,019,749	5,682,165
Other comprehensive income		
Valuation difference on available-for-sale securities	429,146	1,610,865
Foreign currency translation adjustment	(52,529)	(6,972)
Remeasurements of defined benefit plans, net of tax	324,109	129,492
Total other comprehensive income	700,726	1,733,384
Comprehensive income	6,720,475	7,415,550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,713,555	7,420,570
Comprehensive income attributable to non-controlling interests	6,920	(5,019)

(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,760,192	3,168,379	30,848,359	(3,211,617)	33,565,315
Changes of items during period					
Dividends of surplus			(601,114)		(601,114)
Profit attributable to owners of parent			6,013,580		6,013,580
Purchase of treasury shares				(577)	(577)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,412,465	(577)	5,411,888
Balance at end of current period	2,760,192	3,168,379	36,260,825	(3,212,194)	38,977,203

	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 beginning of current period	2,830,254	121,385	(478,416)	2,473,224	3,582	36,042,121
Changes of items during period						
Dividends of surplus						(601,114)
Profit attributable to owners of parent						6,013,580
Purchase of treasury shares						(577)
Net changes of items other than shareholders' equity	429,146	(53,280)	324,109	699,974	6,920	706,895
Total changes of items during period	429,146	(53,280)	324,109	699,974	6,920	6,118,783
Balance at end of current period	3,259,400	68,104	(154,306)	3,173,198	10,503	42,160,905

For the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,760,192	3,168,379	36,260,825	(3,212,194)	38,977,203
Changes of items during period					
Dividends of surplus			(701,294)		(701,294)
Profit attributable to owners of parent			5,683,259		5,683,259
Purchase of treasury shares				(1,199)	(1,199)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,981,964	(1,199)	4,980,764
Balance at end of current period	2,760,192	3,168,379	41,242,790	(3,213,394)	43,957,968

	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 beginning of current period	3,259,400	68,104	(154,306)	3,173,198	10,503	42,160,905
Changes of items during period						
Dividends of surplus						(701,294)
Profit attributable to owners of parent						5,683,259
Purchase of treasury shares						(1,199)
Net changes of items other than shareholders' equity	1,610,865	(3,047)	129,492	1,737,310	22,126	1,759,437
Total changes of items during period	1,610,865	(3,047)	129,492	1,737,310	22,126	6,740,202
Balance at end of current period	4,870,266	65,057	(24,814)	4,910,509	32,630	48,901,107

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,736,344	8,555,044
Depreciation	841,543	899,150
Increase (decrease) in allowance for doubtful accounts	266,432	197,849
Increase (decrease) in provision for bonuses	130,357	(321,379)
Increase (decrease) in provision for product warranties	(12,119)	135,269
Increase (decrease) in provision for loss on construction contracts	-	534,234
Increase (decrease) in provision of reserve for loss on dissolution of employee's pension fund	(119,617)	-
Increase (decrease) in provision for loss on litigation	(60,462)	-
Increase (decrease) in net defined benefit liability	258,609	(59,129)
Increase (decrease) in provision for directors' retirement benefits	35,212	88,595
Increase (decrease) in provision for contingent loss	-	288,383
Interest and dividend income	(89,254)	(103,240)
Foreign exchange losses (gains)	40,901	37,580
Loss (gain) on valuation of investment securities	(5,524)	624
Loss (gain) on sales of investment securities	-	(26,250)
Interest expenses	24,867	21,074
Loss (gain) on sales of property, plant and equipment	(2,434)	2,290
Loss on retirement of property, plant and equipment	(139)	2,991
Decrease (increase) in notes and accounts receivable - trade	(286,441)	425,559
Decrease (increase) in inventories	(831,901)	(428,689)
Decrease (increase) in other current assets	(192,682)	(263,158)
Decrease (increase) in other non-current assets	(211,239)	(234,300)
Increase (decrease) in notes and accounts payable - trade	738,090	842,957
Increase (decrease) in other current liabilities	(164,737)	543,325
Other, net	862	1,841
<b>Subtotal</b>	<b>9,096,667</b>	<b>11,140,627</b>
Interest and dividend income received	89,592	103,324
Interest expenses paid	(25,880)	(21,125)
Income taxes paid	(2,740,650)	(2,901,883)
<b>Net cash provided by (used in) operating activities</b>	<b>6,419,729</b>	<b>8,320,943</b>

(Thousand yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
<b>Cash flows from investing activities</b>		
Payments into time deposits	(733,614)	(844,718)
Proceeds from withdrawal of time deposits	1,569,129	1,343,263
Purchase of property, plant and equipment	(1,443,629)	(1,286,011)
Proceeds from sales of property, plant and equipment	38,117	140,720
Purchase of intangible assets	(70,353)	(102,359)
Purchase of investment securities	(92,616)	(50,543)
Proceeds from sales of investment securities	10,084	120,207
Purchase of memberships	(8,000)	-
Proceeds from share of profits on investments in capital	10,680	10,680
Net cash provided by (used in) investing activities	(720,200)	(668,760)
<b>Cash flows from financing activities</b>		
Repayments of long-term loans payable	(483,380)	(328,783)
Proceeds from share issuance to non-controlling shareholders	-	27,146
Purchase of treasury shares	(577)	(1,199)
Repayments of finance lease obligations	(2,639)	(2,221)
Cash dividends paid	(600,579)	(701,276)
Net cash provided by (used in) financing activities	(1,087,175)	(1,006,334)
Effect of exchange rate change on cash and cash equivalents	(83,109)	(75,176)
Net increase (decrease) in cash and cash equivalents	4,529,243	6,570,671
Cash and cash equivalents at beginning of period	20,381,498	24,910,742
Cash and cash equivalents at end of period	24,910,742	31,481,413



#### 4. Others

Significant litigation matters, etc.

As of the reporting date, the following lawsuits, etc. against the Company or a joint venture comprised of four companies including the Company are pending in the Osaka District Court or the Tokyo District Court.

Lawsuit Filing Date	Plaintiff	Claimed Amount	Lawsuit Overview
August 10, 2017	Daiichi-tec Co., Ltd.	¥740 million	A lawsuit filed against the Company, with the plaintiff seeking payment for contracts regarding specific construction work of a joint venture comprised of four companies including the Company. The Company asserts that there is no basis for any such claim, and the case is currently pending in the Osaka District Court.
August 15, 2017	Newwell Co., Ltd.	¥243 million	A lawsuit filed against a joint venture comprised of four companies including the Company, with the plaintiff seeking payment for sales charges. The Company asserts that the goods covered under the sales charges are not within the scope of those managed by the Company, and the case is currently pending in the Tokyo District Court.
November 1, 2017	Nakariki Co., Ltd.	¥171 million	A lawsuit filed against the Company, with the plaintiff seeking payment for specific construction work. The Company asserts that there is no basis for any such claim, and the case is currently pending in the Tokyo District Court.