Translation

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Summary of Consolidated Financial Results for the Year Ended February 29, 2020 (Based on Japanese GAAP)

April 13, 2020

Company name: KOHNAN SHOJI CO., LTD.

Stock exchange listing: Tokyo

Stock code: 7516 URL https://www.hc-kohnan.com/

Representative: PRESIDENT NAOTARO HIKIDA

Inquiries: MANAGING DIRECTOR SHUNICHIRO MIYANAGA TEL 072(274)1621

Scheduled date of ordinary general meeting of shareholders: May 28, 2020
Scheduled date to file Securities Report: May 29, 2020
Scheduled date to commence dividend payments: May 29, 2020

Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 29, 2020 (from March 1, 2019 to February 29, 2020)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 29, 2020	374,644	12.3	20,060	0.9	18,919	0.8	11,830	9.0
Year ended February 28, 2019	333,496	5.5	19,891	14.5	18,772	16.1	10,854	8.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 29, 2020	343.21	343.11	9.9	5.4	5.6
Year ended February 28, 2019	314.79	314.70	9.9	6.1	6.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2020	378,263	124,080	32.8	3,599.56
As of February 28, 2019	319,963	114,299	35.7	3,315.83

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 29, 2020	26,690	(42,450)	19,309	11,959
Year ended February 28, 2019	20,794	(23,798)	4,299	7,840

2. Cash dividends

	Annual dividends per share					Total cash	Dividend payout	Ratio of dividends
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total	dividends (Total)	ratio (Consolidated)	to net assets (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2019	-	26.00	-	26.00	52.00	1,793	16.5	1.7
Year ended February 29, 2020	=	27.00	-	27.00	54.00	1,862	15.7	1.6
Year ending February 28, 2021 (Forecast)	_	27.00	-	27.00	54.00		15.5	

3. Forecast of consolidated financial results for the year ending February 28, 2021 (from March 1, 2020 to February 28, 2021)

Percentages indicate year-on-year changes

	Operating rev	enue	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2020	204,780	11.0	12,200	4.2	11,500	2.3	6,900	7.5	200.16
Full year	403,400	7.7	20,500	2.2	19,200	1.5	12,000	1.4	348.12

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation):

No

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

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

No
Changes in accounting policies due to other reasons:

No
Changes in accounting estimates:

No
Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

34,682,113 share
211,448 share
34,480,851 share

Consolidated financial statements Consolidated balance sheets

(Millions of yen)
ruary 29, 2020

		(Millions of yell)
	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	7,858	11,978
Accounts receivable - trade	4,903	7,958
Merchandise and finished goods	68,394	78,519
Raw materials and supplies	809	884
Advance payments - trade	34	13
Prepaid expenses	3,844	4,358
Other	1,970	3,167
Allowance for doubtful accounts	(1)	(6
Total current assets	87,813	106,873
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	97,713	106,803
Machinery, equipment and vehicles, net	768	1,475
Tools, furniture and fixtures, net	4,104	4,032
Land	48,131	48,304
Leased assets, net	22,423	21,311
Construction in progress	1,892	3,082
Total property, plant and equipment	175,033	185,009
Intangible assets		·
Trademark right	_	4,076
Customer-related Assets	_	2,987
Goodwill	791	17,561
Leasehold right	4,490	4,557
Software	1,018	1,103
Other	72	494
Total intangible assets	6,373	30,781
Investments and other assets		
Investment securities	4,052	3,340
Long-term loans receivable	70	63
Long-term prepaid expenses	1,568	1,568
Guarantee deposits	41,525	45,782
Retirement benefit asset	_	6
Deferred tax assets	3,552	4,857
Other	295	356
Allowance for doubtful accounts	(322)	(378
Total investments and other assets	50,743	55,598
Total non-current assets		
	232,150	271,389
Total assets	319,963	378,263

(Millions of yen)

		(Millions of yen)
	As of February 28, 2019	As of February 29, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	24,207	34,397
Electronically recorded obligations - operating	1,815	3,020
Short-term loans payable	950	14,987
Current portion of long-term loans payable	29,374	26,846
Lease obligations	2,619	2,168
Accounts payable - other	5,794	5,971
Accrued expenses	1,825	3,010
Income taxes payable	4,871	3,241
Accrued consumption taxes	1,369	2,889
Unearned revenue	1,177	1,168
Provision for bonuses	1,549	1,906
Provision for point card certificates	_	610
Provision for bonuses for directors (and other officers)	189	211
Other	882	1,615
Total current liabilities	76,626	102,045
Non-current liabilities		
Long-term loans payable	68,672	81,634
Lease obligations	25,387	24,998
Guarantee deposits received	11,538	11,231
Long-term accounts payable - other	15,295	14,880
Provision for loss on voluntary recall of goods	1,066	847
Asset retirement obligations	6,586	15,639
Deferred tax liabilities	_	2,505
Other	491	398
Total non-current liabilities	129,038	152,136
Total liabilities	205,664	254,182
Net assets	,	,
Shareholders' equity		
Capital stock	17,658	17,658
Capital surplus	17,921	17,922
Retained earnings	79,031	88,755
Treasury shares	(445)	(443)
Total shareholders' equity	114,167	123,893
Accumulated other comprehensive income	111,107	123,055
Valuation difference on available-for-sale securities	174	111
Deferred gains or losses on hedges	(42)	(44)
Foreign currency translation adjustment	(42)	93
Remeasurements of defined benefit plans	_	26
Total accumulated other comprehensive income	132	187
Total net assets	114,299	124,080
Total liabilities and net assets	319,963	378,263

Consolidated statements of income and consolidated statements of comprehensive income Consolidated statements of income

Cost of sales 200,354 227,702 Gross profit 119,240 132,310 Operating revenue 13,901 14,630 Operating gross profit 133,141 146,941 Selling, general and administrative expenses 113,250 126,881 Operating profit 19,891 20,000 Non-operating income 97 93 Insurance income 97 93 Insurance income 97 93 Gain on investments in silent partnership 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Extraordinary income 354 <th></th> <th></th> <th>(Millions of yen)</th>			(Millions of yen)
Net sales 319,595 360,013 Cost of sales 200,354 227,702 Gross profit 119,240 132,310 Operating revenue 13,901 14,630 Operating gross profit 133,141 146,941 Selling, general and administrative expenses 113,250 126,881 Operating profit 97 93 Non-operating income 97 93 Insurance income 97 93 Insurance income 97 93 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating expenses 2,333 2,328 Interest expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary profit 30 3		Fiscal year ended	Fiscal year ended
Cost of sales 200,354 227,702 Gross profit 119,240 132,310 Operating revenue 13,901 14,630 Operating gross profit 133,141 146,941 Selling, general and administrative expenses 113,250 126,881 Operating profit 19,891 20,000 Non-operating income 97 93 Insurance income 97 93 Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,881 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Extraordinary income 354 10		February 28, 2019	February 29, 2020
Gross profit 119,240 132,310 Operating revenue 13,901 14,630 Operating gross profit 133,141 146,941 Selling, general and administrative expenses 113,250 126,881 Operating profit 19,891 20,060 Non-operating income 97 93 Instrance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 314 10 Other 314 10 Extraordinary income 314 10 Extraordinary income 314 10 Extraordinary income 35 2,892 <td< td=""><td>Net sales</td><td>319,595</td><td>360,013</td></td<>	Net sales	319,595	360,013
Operating revenue 13,901 14,630 Operating gross profit 133,141 146,941 Selling, general and administrative expenses 113,250 126,881 Operating profit 19,891 20,060 Non-operating income 97 93 Interest and dividend income 97 93 Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 30 33 Total extraordinary income 354 10 Extraordinary losses 2,892	Cost of sales	200,354	227,702
Operating gross profit 133,141 146,941 Selling, general and administrative expenses 113,250 126,881 Operating profit 19,891 20,000 Non-operating income 97 93 Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 40 0 Total extraordinary income 314 10 Extraordinary income 2,892 2,057 Extraordinary losses 2,892 2,057 Impairment loss 2,892 2,057 <td>Gross profit</td> <td>119,240</td> <td>132,310</td>	Gross profit	119,240	132,310
Selling, general and administrative expenses 113,250 126,881 Operating profit 19,891 20,060 Non-operating income 97 93 Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,892 <t< td=""><td>Operating revenue</td><td>13,901</td><td>14,630</td></t<>	Operating revenue	13,901	14,630
Operating profit 19,891 20,060 Non-operating income 97 93 Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 <td>Operating gross profit</td> <td>133,141</td> <td>146,941</td>	Operating gross profit	133,141	146,941
Non-operating income 97 93 Interest and dividend income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - deferred (1,386) <td< td=""><td>Selling, general and administrative expenses</td><td>113,250</td><td>126,881</td></td<>	Selling, general and administrative expenses	113,250	126,881
Interest and dividend income 97 93 Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - deferred (1,386) (98	Operating profit	19,891	20,060
Insurance income 507 549 Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 - Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Non-operating income		
Foreign exchange gains 263 260 Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 — Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,338 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	* -	97	93
Gain on investments in silent partnership 277 277 Reversal for loss on voluntary recall of goods 259 — Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830 </td <td>Insurance income</td> <td>507</td> <td>549</td>	Insurance income	507	549
Reversal for loss on voluntary recall of goods 259 — Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Foreign exchange gains	263	260
Other 126 258 Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Gain on investments in silent partnership	277	277
Total non-operating income 1,531 1,439 Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 34 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Reversal for loss on voluntary recall of goods	259	_
Non-operating expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Other	126	258
Interest expenses 2,333 2,328 Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Total non-operating income	1,531	1,439
Other 317 253 Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Non-operating expenses		
Total non-operating expenses 2,650 2,581 Ordinary profit 18,772 18,919 Extraordinary income 314 10 Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Interest expenses	2,333	2,328
Ordinary profit 18,772 18,919 Extraordinary income 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Other	317	253
Extraordinary income 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Total non-operating expenses	2,650	2,581
Gain on cancelation of guaranteed deposits received 314 10 Other 40 0 Total extraordinary income 354 10 Extraordinary losses Impairment loss 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Ordinary profit	18,772	18,919
Other 40 0 Total extraordinary income 354 10 Extraordinary losses Impairment loss 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Extraordinary income		
Total extraordinary income 354 10 Extraordinary losses Impairment loss 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Gain on cancelation of guaranteed deposits received	314	10
Extraordinary losses 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Other	40	0
Impairment loss 2,892 2,057 Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Total extraordinary income	354	10
Other 30 33 Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Extraordinary losses		
Total extraordinary losses 2,923 2,090 Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Impairment loss	2,892	2,057
Profit before income taxes 16,203 16,838 Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Other	30	33
Income taxes - current 6,735 5,989 Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Total extraordinary losses	2,923	2,090
Income taxes - deferred (1,386) (981) Total income taxes 5,348 5,008 Profit 10,854 11,830	Profit before income taxes	16,203	16,838
Total income taxes 5,348 5,008 Profit 10,854 11,830	Income taxes - current	6,735	5,989
Profit 10,854 11,830	Income taxes - deferred	(1,386)	(981)
	Total income taxes	5,348	5,008
Profit attributable to owners of parent 10,854 11,830	Profit	10,854	11,830
	Profit attributable to owners of parent	10,854	11,830

Consolidated statements of comprehensive income

		(Millions of yen)
	Fiscal year ended	Fiscal year ended
	February 28, 2019	February 29, 2020
Profit	10,854	11,830
Other comprehensive income		
Valuation difference on available-for-sale securities	(137)	(63)
Deferred gains or losses on hedges	(6)	(1)
Foreign currency translation adjustment	_	93
Remeasurements of defined benefit plans, net of tax		26
Total other comprehensive income	(144)	55
Comprehensive income	10,710	11,886
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,710	11,886
Comprehensive income attributable to non-controlling		
interests	_	-

Consolidated statements of changes in equity

Fiscal year ended February 28, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,658	17,921	69,935	(415)	105,099
Changes of items during period					
Dividends of surplus			(1,758)		(1,758)
Profit attributable to owners of parent			10,854		10,854
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		2	3
Purchase of treasury shares through board benefit trust				(31)	(31)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	9,095	(29)	9,067
Balance at end of current period	17,658	17,921	79,031	(445)	114,167

	Accumu			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	Total net assets
Balance at beginning of current period	311	(35)	276	105,375
Changes of items during period				
Dividends of surplus				(1,758)
Profit attributable to owners of parent				10,854
Purchase of treasury shares				(0)
Disposal of treasury shares				3
Purchase of treasury shares through board benefit trust				(31)
Net changes of items other than shareholders' equity	(137)	(6)	(144)	(144)
Total changes of items during period	(137)	(6)	(144)	8,923
Balance at end of current period	174	(42)	132	114,299

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	17,658	17,921	79,031	(445)	114,167
Changes of items during period					
Dividends of surplus			(1,827)		(1,827)
Change of scope of consolidation			(279)		(279)
Profit attributable to owners of parent			11,830		11,830
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		1	2
Net changes of items other than shareholders' equity					
Total changes of items during period		0	9,724	1	9,726
Balance at end of current period	17,658	17,922	88,755	(443)	123,893

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Total net assets
Balance at beginning of current period	174	(42)	-	_	132	114,299
Changes of items during period						
Dividends of surplus						(1,827)
Change of scope of consolidation						(279)
Profit attributable to owners of parent						11,830
Purchase of treasury shares						(0)
Disposal of treasury shares						2
Net changes of items other than shareholders' equity	(63)	(1)	93	26	55	55
Total changes of items during period	(63)	(1)	93	26	55	9,781
Balance at end of current period	111	(44)	93	26	187	124,080

Consolidated statements of cash flows

Depreciation			(Millions of yen)
Profit before income taxes		Fiscal year ended	Fiscal year ended
Profit before income taxes 16,203 16,831 Depreciation 10,364 11,184 Amortization of goodwill 109 74. Increase (decrease) in provision for bonuses for directors (and other officers) 10 22 Increase (decrease) in Provision for loss on voluntary recall of goods (403) (218 Gain on Cancellation of Guaranteed Deposits Received (314) (118 Impairment loss 2,892 2,055 Interest and dividend income (977) (97 Interest expenses 2,333 2,323 Decrease (increase) in notes and accounts receivable - trade (522) (2,318 Decrease (increase) in inventories (5,901) (22 Increase (decrease) in inventories (5,901) (22 Increase (decrease) in accrued consumption taxes 1,096 1,428 Other, net 362 2,06 Subtotal 28,274 36,555 Interest expenses paid (2,290) (2,299 Income laxes (paid) refund (5,217) (7,600 Net eash provided by (used in) operating activities 20,794 26,699 Cash flows from investing activities 20,794 26,699 Purchase of property, plant and equipment 1,960		February 28, 2019	February 29, 2020
Depreciation	Cash flows from operating activities		
Amortization of goodwill 109 74 Increase (decrease) in provision for bonuses for directors (and other officers) 10 22 Increase (decrease) in Provision for loss on voluntary recall of goods (403) (218 Gain on Cancellation of Guaranteed Deposits Received (314) (11 Impairment loss 2,892 2,05 Interest and dividend income (97) (97 Interest expenses 2,333 2,321 Decrease (increase) in notes and accounts receivable - trade (522) (2,311 Decrease (increase) in inventories (5,901) (220 Increase (decrease) in in otes and accounts payable - trade (5,901) (220 Increase (decrease) in accrued consumption taxes 1,096 1,422 Increase (decrease) in accrued consumption taxes 1,096 1,422 Other, net 362 2,066 Subtotal 28,274 36,555 Interest and dividend income received 28 3; Interest expenses paid (2,290) (2,290 Income taxes (paid) refund (5,217) (7,600 Net cash provided by (used in) operating activities 20,794 26,690 Cash flows from investing activities (24,506) (10,600 Purchase of property, plant and equipment (24,506) (10,600 Purchase of intengible assets (3,28) (466 Purchase of investment securities (1,034) Purchase of investment acquisition of new consolidated subsidiary company (23,28) Payments for investments in capital of subsidiaries and associates (507) associates (507) (7,700 Payments for guarantee deposits (2,782) (2,900 Proceeds from guarantee deposits received 899 17,200 Repayments of guarantee deposits received 899 17,200 Repayments of guarantee deposits received 899 17,200 Repayments of guarantee deposits received (1,361) (55 Other, net (6,611 1,000 1,000 Cash flows from guarantee deposits received (1,361) (55 Other, net (6,63) (1,000 1,000 1,000 Cash flows from guarantee deposits received (1,361) (55 Other, net (6,611 1,000 1,000 1,000 1,	Profit before income taxes	16,203	16,838
Increase (decrease) in provision for bonuses for directors (and other officers) Increase(decrease) in Provision for loss on voluntary recall of goods Gain on Cancellation of Guaranteed Deposits Received	Depreciation	10,364	11,185
other officers) 10 2.5 Increase(decrease) in Provision for loss on voluntary recall of goods (403) (218 Gain on Cancellation of Guaranteed Deposits Received (314) (11 Impairment loss 2,892 2,05 Interest and dividend income (97) (9 Interest expenses 2,333 2,321 Decrease (increase) in notes and accounts receivable - trade (522) (2,318 Decrease (increase) in inventories (5,901) (22 Increase (decrease) in inventories (5,901) (22 Increase (decrease) in accrued consumption taxes 1,096 1,42 Other, net 362 2,06 Subtotal 28,274 36,55 Interest and dividend income received 28 33 Interest expenses paid (2,290) (2,29 Income taxes (paid) refund (5,217) (7,60 Net cash provided by (used in) operating activities 20,794 26,69 Cash flows from investing activities (24,506) (10,60 Purchase of property, plant and equipment (24	Amortization of goodwill	109	741
Increase(decrease) in Provision for loss on voluntary recall of goods		10	22
Gain on Cancellation of Guaranteed Deposits Received (314) (10 Impairment loss 2,892 2,05° Interest and dividend income (97) (9° Interest expenses 2,333 2,332° Decrease (increase) in notes and accounts receivable - trade (522) (2,31¹ Decrease (increase) in inventories (5,901) (22° Increase (decrease) in accrued consumption taxes 1,096 1,42° Other, net 362 2,06° Subtotal 28,274 36,55¹ Interest expenses paid (2,290) (2,29° Income taxes (paid) refund (5,217) (7,60° Net cash provided by (used in) operating activities 20,794 26,69° Cash flows from investing activities 20,794 26,69° Purchase of property, plant and equipment 1,960 - Purchase of investing activities (24,506) (10,60 Purchase of investment in acquisition of new consolidated - (23,28° subsidiary company - (23,28° Payments of absorption-type split -<	Increase(decrease) in Provision for loss on voluntary recall of	(403)	(218)
Impairment loss 2,892 2,05 Interest and dividend income (97) (95) Interest expenses 2,333 2,321 Decrease (increase) in notes and accounts receivable - trade (522) (2,319 Decrease (increase) in inventories (5,901) (226) Increase (decrease) in notes and accounts payable - trade 2,141 2,76 Increase (decrease) in accrued consumption taxes 1,096 1,429 Other, net 362 2,96 Subtotal 28,274 36,555 Interest and dividend income received 28 3 Interest expenses paid (2,290) (2,290) Income taxes (paid) refund (5,217) (7,600 Net cash provided by (used in) operating activities 20,794 26,690 Cash flows from investing activities 20,794 26,690 Cash flows from investing activities (24,506) (10,60 Purchase of property, plant and equipment (24,506) (10,60 Proceeds from sales of property, plant and equipment 1,960 - Purchase of investment secur		(314)	(10)
Interest expenses 2,333 2,321 Decrease (increase) in notes and accounts receivable - trade (522) (2,311 Decrease (increase) in inventories (5,901) (226 Increase (decrease) in notes and accounts payable - trade 2,141 2,766 Increase (decrease) in accrued consumption taxes 1,096 1,422 Other, net 362 2,06 Subtotal 28,274 36,555 Interest and dividend income received 28 35 Interest expenses paid (2,290) (2,297 Income taxes (paid) refund (5,217) (7,600 Net cash provided by (used in) operating activities 20,794 26,699 Cash flows from investing activities 20,794 26,699 Proceeds from sales of property, plant and equipment 1,960 -1,960 Proceeds from sales of investment securities (1,034) -1,900 Purchase of investment securities (1,034) -1,900 Purchase of investment securities (1,034) -1,900 Purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates (507) -1,200 Payments for investments in capital of subsidiaries and associates (2,782) (2,090 Proceeds from guarantee deposits (2,782) (2,090 Proceeds from guarantee deposits (2,782) (2,090 Proceeds from guarantee deposits received (1,361) (55 Other, net (863) (1,000 Other, net (863) (2,892	2,057
Decrease (increase) in notes and accounts receivable - trade (5,22) (2,319)	Interest and dividend income	(97)	(93)
Decrease (increase) in inventories (5,901) (220)	Interest expenses	2,333	2,328
Increase (decrease) in notes and accounts payable - trade 1,096 1,429	Decrease (increase) in notes and accounts receivable - trade	(522)	(2,319)
Increase (decrease) in accrued consumption taxes	Decrease (increase) in inventories	(5,901)	(226)
Other, net 362 2,06 Subtotal 28,274 36,551 Interest and dividend income received 28 33 Interest expenses paid (2,290) (2,291 Income taxes (paid) refund (5,217) (7,600 Net cash provided by (used in) operating activities 20,794 26,690 Cash flows from investing activities 0 (24,506) (10,60) Proceeds from sales of property, plant and equipment 1,960 - - Purchase of investment securities (1,034) - - Purchase of investment in acquisition of new consolidated subsidiary company - (23,28) (46) Payments for investments in capital of subsidiaries and associates (507) - - (6,115) Payments for guarantee deposits (2,782) (2,090) - - (6,115) - - (2,090) - - - - - - - - - - - - - - - - - - -	Increase (decrease) in notes and accounts payable - trade	2,141	2,763
Subtotal 28,274 36,55t Interest and dividend income received 28 35 Interest expenses paid (2,290) (2,29) Income taxes (paid) refund (5,217) (7,600 Net cash provided by (used in) operating activities 20,794 26,690 Cash flows from investing activities (24,506) (10,60 Proceeds from sales of property, plant and equipment 1,960 - Purchase of intangible assets (328) (460 Purchase of investment securities (1,034) - purchase of investment in acquisition of new consolidated subsidiary company - (23,28) Payments for investments in capital of subsidiaries and associates (507) - Payments for guarantee deposits (2,782) (2,090 Proceeds from collection of guarantee deposits 4,727 1,490 Proceeds from guarantee deposits received 899 17 Repayments of guarantee deposits received (1,361) (55 Other, net (863) (1,000	Increase (decrease) in accrued consumption taxes	1,096	1,429
Interest and dividend income received Interest expenses paid Interest expenses paid Interest expenses paid Income taxes (paid) refund Net cash provided by (used in) operating activities Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Repayments of guarantee deposits received Repayments of guarantee deposits received Other, net 28 3: (2,290) (2,290) (2,290) (2,290) (2,4506) (10,60	Other, net	362	2,061
Interest expenses paid	Subtotal	28,274	36,558
Income taxes (paid) refund (5,217) (7,600) Net cash provided by (used in) operating activities 20,794 26,690 Cash flows from investing activities Purchase of property, plant and equipment (24,506) (10,600) Proceeds from sales of property, plant and equipment 1,960 (10,600) Purchase of intangible assets (328) (460) Purchase of investment securities (1,034) (10,040) purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split (507) Payments for guarantee deposits (2,782) (2,090) Proceeds from collection of guarantee deposits 4,727 (1,494) Proceeds from guarantee deposits received (899) (17,200) Repayments of guarantee deposits received (1,361) (55) Other, net	Interest and dividend income received	28	35
Net cash provided by (used in) operating activities Cash flows from investing activities Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net 20,794 26,696 (10,60) (10,60	Interest expenses paid	(2,290)	(2,297)
Cash flows from investing activities Purchase of property, plant and equipment (24,506) (10,600) Proceeds from sales of property, plant and equipment 1,960 (328) (460) Purchase of intangible assets (328) (460) Purchase of investment securities (1,034) (1,034) purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split (507) (507) Proceeds from guarantee deposits (2,782) (2,090) Proceeds from collection of guarantee deposits 4,727 (1,494) Proceeds from guarantee deposits received (1,361) (555) Other, net (863) (1,004)	Income taxes (paid) refund	(5,217)	(7,606)
Purchase of property, plant and equipment Proceeds from sales of property, plant and equipment Purchase of intangible assets Purchase of investment securities Purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (24,506) (10,60) (24,506) (10,60) (10,60) (24,506) (10,60) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (24,506) (10,60) (10,	Net cash provided by (used in) operating activities	20,794	26,690
Proceeds from sales of property, plant and equipment Purchase of intangible assets (328) Purchase of investment securities (1,034) purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits (2,782) Proceeds from collection of guarantee deposits 4,727 Proceeds from guarantee deposits received Repayments of guarantee deposits received (1,361) Other, net (863) (1,004)	Cash flows from investing activities		
Purchase of intangible assets Purchase of investment securities Purchase of investment securities purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (328) (1,034)	Purchase of property, plant and equipment	(24,506)	(10,601)
Purchase of investment securities purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (1,034) - (23,28) (507) - (6,118) (2,782) (2,090) (2,782) (2,090) (2,782) (2,090) (3,61) (55) (1,361) (55) (1,004)	Proceeds from sales of property, plant and equipment	1,960	=
purchase of investment in acquisition of new consolidated subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (23,28) (507) (6,118) (2,782) (2,782) (2,090) (2,090) (2,782) (2,090) (2,090) (3,00) (4,727) (1,361) (55) (1,361) (55) Other, net	Purchase of intangible assets	(328)	(465)
subsidiary company Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (23,28. (507) (6,118 (2,782) (2,782) (2,090 (2,782) (1,494 (1,361) (55) (1,361) (55) (1,004)	Purchase of investment securities	(1,034)	_
Payments for investments in capital of subsidiaries and associates Payments of absorption-type split Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (507) (6,118) (2,782) (2,090) (2,090) (2,782) (1,494) (1,361) (55) (1,361) (55)	purchase of investment in acquisition of new consolidated		(22.202)
associates Payments of absorption-type split Payments for guarantee deposits Proceeds from collection of guarantee deposits Proceeds from guarantee deposits received Repayments of guarantee deposits received Other, net (507) (6,118) (2,782) (2,090) (2,782) (1,494) (1,361) (55) Other, net (863) (1,004)	subsidiary company	=	(23,283)
Payments of absorption-type split — (6,118) Payments for guarantee deposits (2,782) (2,090) Proceeds from collection of guarantee deposits 4,727 1,494 Proceeds from guarantee deposits received 899 177 Repayments of guarantee deposits received (1,361) (55) Other, net (863) (1,004)	•	(507)	-
Payments for guarantee deposits (2,782) (2,090) Proceeds from collection of guarantee deposits 4,727 1,494 Proceeds from guarantee deposits received 899 177 Repayments of guarantee deposits received (1,361) (55) Other, net (863) (1,004)		_	(6,118)
Proceeds from collection of guarantee deposits 4,727 Proceeds from guarantee deposits received Repayments of guarantee deposits received (1,361) (55) Other, net (863) (1,004)		(2,782)	(2,090)
Proceeds from guarantee deposits received 899 177 Repayments of guarantee deposits received (1,361) (55) Other, net (863) (1,004)		· · ·	1,494
Repayments of guarantee deposits received (1,361) (55) Other, net (863) (1,004)			172
Other, net (863) (1,004			(551)
		· · ·	(1,004)
	Net cash provided by (used in) investing activities	(23,798)	(42,450)

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		(Millions of Jon)
	Fiscal year ended	Fiscal year ended
	February 28, 2019	February 29, 2020
Cash flows from financing activities		
Increase in short-term loans payable	950	93,150
Decrease in short-term loans payable	(2,500)	(79,412)
Proceeds from long-term loans payable	35,500	39,500
Repayments of long-term loans payable	(30,339)	(29,067)
Repayments of lease obligations	(1,761)	(2,213)
Collection of Accounts Receivable Installment and others on	6,703	1,222
Sales of Assets Repayments of installment payables	(2,461)	(2,044)
Cash dividends paid	(1,760)	(1,827)
Other, net	(31)	1
Net cash provided by (used in) financing activities	4,299	19,309
Effect of exchange rate change on cash and cash equivalents	_	57
Net increase (decrease) in cash and cash equivalents	1,295	3,606
Cash and cash equivalents at beginning of period	6,544	7,840
Increase in cash and cash equivalents from newly consolidated subsidiary	_	513
Cash and cash equivalents at end of period	7,840	11,959