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Consolidated Financial Results for the Year Ended March 31, 2019 [Japanese GAAP]

May 14, 2019

Company name: IWATANI CORPORATION

Stock exchange listing: Tokyo, Nagoya

Code number: 8088

URL: <http://www.iwatani.co.jp/>

Representative: Mitsuhiro Tanimoto

President

Contact: Tetsuo Matsuo

General Manager Accounting Dept.

Phone: 06-7637-3325

Scheduled date of Annual General Meeting of Shareholders: June 19, 2019

Scheduled date of commencing dividend payments: June 20, 2019

Scheduled date of filing annual securities report: June 20, 2019

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

(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, 2019	715,085	6.6	26,456	(2.7)	29,952	1.9	19,221	9.4
March 31, 2018	670,792	14.1	27,193	8.6	29,407	9.6	17,577	6.2

(Note) Comprehensive income: Fiscal year ended March 31, 2019: ¥ 15,955 million [(30.9)%]
Fiscal year ended March 31, 2018: ¥ 23,102 million [2.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2019	Yen 390.62	Yen 334.88	% 12.0	% 6.6	% 3.7
March 31, 2018	357.20	306.31	12.2	6.6	4.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2019: ¥ 590 million
Fiscal year ended March 31, 2018: ¥ 241 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2019	Million yen 457,603	Million yen 173,986	% 36.1	Yen 3,361.91
March 31, 2018	453,518	165,901	34.0	3,138.11

(Reference) Equity: As of March 31, 2019: ¥ 165,409 million
As of March 31, 2018: ¥ 154,409 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2019	Million yen 39,117	Million yen (23,693)	Million yen (13,614)	Million yen 19,510
March 31, 2018	28,510	(26,427)	(6,332)	17,769

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, 2018	-	-	-	55.00	55.00	2,708	15.4	1.9
March 31, 2019	-	-	-	65.00	65.00	3,201	16.6	2.0
Fiscal year ending March 31, 2020 (Forecast)	-	-	-	65.00	65.00		15.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2019 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 01, 2019 to March 31, 2020)

(% 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
Six months ended September 30, 2019	340,500	1.9	10,200	(1.4)	11,500	(2.1)	7,100	(4.6)	144.31
Full year	747,300	4.5	30,500	15.3	33,000	10.2	20,500	6.7	416.66

* 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, 2019:	50,273,005 shares
March 31, 2018:	50,273,005 shares

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

March 31, 2019:	1,071,902 shares
March 31, 2018:	1,068,451 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2019:	49,208,311 shares
Fiscal Year ended March 31, 2018:	49,209,132 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 01, 2018 to March 31, 2019)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	508,773	5.8	7,812	(32.0)	13,813	(19.3)	10,626	(13.7)
March 31, 2018	480,940	17.9	11,492	9.5	17,108	11.6	12,310	8.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2019	215.75	184.83
March 31, 2018	249.93	214.24

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2019	323,079	110,013	34.1	2,233.77
March 31, 2018	319,361	104,464	32.7	2,120.98

(Reference) Equity: As of March 31, 2019: ¥ 110,013 million
As of March 31, 2018: ¥ 104,464 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of March 31,2019
Assets		
Current assets		
Cash and deposits	18,233	19,947
Notes and accounts receivable - trade	121,698	122,179
Merchandise and finished goods	32,167	33,222
Work in process	3,176	3,376
Raw materials and supplies	4,023	4,421
Other	12,230	14,957
Allowance for doubtful accounts	(328)	(269)
Total current assets	191,202	197,835
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,768	38,240
Storage tanks and cylinders, net	7,369	7,475
Machinery, equipment and vehicles, net	36,713	37,130
Tools, furniture and fixtures, net	11,152	12,884
Land	61,104	62,251
Leased assets, net	4,601	3,798
Construction in progress	1,540	2,661
Total property, plant and equipment	160,249	164,441
Intangible assets		
Goodwill	14,313	14,135
Other	3,339	3,596
Total intangible assets	17,653	17,732
Investments and other assets		
Investment securities	69,741	63,544
Long-term loans receivable	115	183
Retirement benefit asset	1,265	1,424
Deferred tax assets	3,589	3,263
Other	10,286	9,766
Allowance for doubtful accounts	(585)	(588)
Total investments and other assets	84,413	77,593
Total non-current assets	262,315	259,768
Total assets	453,518	457,603

(Million yen)

	As of March 31,2018	As of March 31,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	71,782	72,512
Electronically recorded obligations - operating	23,076	25,873
Short-term loans payable	26,667	23,064
Current portion of long-term loans payable	13,719	11,661
Current portion of bonds	3,000	-
Lease obligations	907	759
Income taxes payable	6,369	5,436
Provision for bonuses	4,909	5,039
Other	28,086	28,374
Total current liabilities	178,519	172,722
Non-current liabilities		
Bonds payable	35,076	35,046
Long-term loans payable	48,761	52,632
Lease obligations	3,923	3,196
Deferred tax liabilities	6,918	5,806
Provision for retirement benefits for directors (and other officers)	1,538	1,639
Provision for loss on litigation	-	157
Retirement benefit liability	5,843	5,770
Other	7,034	6,645
Total non-current liabilities	109,097	110,894
Total liabilities	287,617	283,617
Net assets		
Shareholders' equity		
Capital stock	20,096	20,096
Capital surplus	18,077	16,680
Retained earnings	96,455	112,968
Treasury shares	(1,508)	(1,521)
Total shareholders' equity	133,121	148,223
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,593	16,283
Deferred gains or losses on hedges	(58)	661
Foreign currency translation adjustment	1,548	(22)
Remeasurements of defined benefit plans	203	263
Total accumulated other comprehensive income	21,287	17,186
Non-controlling interests	11,491	8,577
Total net assets	165,901	173,986
Total liabilities and net assets	453,518	457,603

Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Net sales	670,792	715,085
Cost of sales	502,764	544,471
Gross profit	168,027	170,613
Selling, general and administrative expenses		
Haulage expenses	23,862	25,313
Provision of allowance for doubtful accounts	98	22
Salaries, allowances and bonuses	37,234	38,265
Provision for bonuses	4,299	4,422
Retirement benefit expenses	1,617	1,709
Provision for retirement benefits for directors (and other officers)	248	262
Depreciation	11,410	11,551
Rent expenses	9,774	9,970
Commission expenses	8,913	8,959
Amortization of goodwill	2,841	2,852
Other	40,532	40,827
Total selling, general and administrative expenses	140,834	144,157
Operating profit	27,193	26,456
Non-operating income		
Interest income	229	278
Dividend income	976	1,194
Foreign exchange gains	275	409
Share of profit of entities accounted for using equity method	241	590
Subsidy income	469	725
Other	2,239	2,539
Total non-operating income	4,431	5,738
Non-operating expenses		
Interest expenses	1,076	962
Sales discounts	475	501
Other	665	777
Total non-operating expenses	2,217	2,242
Ordinary profit	29,407	29,952

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Extraordinary income		
Gain on sales of non-current assets	374	146
Gain on sales of investment securities	1	152
Insurance income	-	115
Subsidy income	840	84
Total extraordinary income	1,217	497
Extraordinary losses		
Loss on sales of non-current assets	405	40
Loss on retirement of non-current assets	284	452
Impairment loss	45	135
Loss on sales of investment securities	1	-
Loss on valuation of investment securities	1	31
Loss on valuation of investments in capital	-	0
Loss on liquidation of subsidiaries and associates	36	-
Retirement benefits for directors (and other officers)	15	-
Provision for loss on litigation	-	157
Loss on reduction of non-current assets	795	194
Total extraordinary losses	1,583	1,012
Profit before income taxes	29,040	29,438
Income taxes - current	9,710	9,209
Income taxes - deferred	758	59
Total income taxes	10,469	9,268
Profit	18,571	20,169
Profit attributable to non-controlling interests	993	948
Profit attributable to owners of parent	17,577	19,221

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Profit	18,571	20,169
Other comprehensive income		
Valuation difference on available-for-sale securities	3,179	(3,306)
Deferred gains or losses on hedges	(26)	717
Foreign currency translation adjustment	1,204	(1,586)
Remeasurements of defined benefit plans, net of tax	49	67
Share of other comprehensive income of entities accounted for using equity method	124	(106)
Total other comprehensive income	4,531	(4,214)
Comprehensive income	23,102	15,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	22,023	15,120
Comprehensive income attributable to non-controlling interests	1,079	834

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,096	18,107	80,849	(1,478)	117,574
Changes of items during period					
Dividends of surplus			(1,970)		(1,970)
Profit attributable to owners of parent			17,577		17,577
Purchase of treasury shares				(33)	(33)
Disposal of treasury shares		0		0	1
Purchase of shares of consolidated subsidiaries		28			28
Decrease by merger		(58)			(58)
Change in treasury shares arising from change in equity in entities accounted for using equity method				3	3
Change of scope of equity method			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(29)	15,606	(29)	15,547
Balance at end of current period	20,096	18,077	96,455	(1,508)	133,121

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
Balance at beginning of current period	16,364	(31)	355	153	16,841	10,464	144,879
Changes of items during period							
Dividends of surplus							(1,970)
Profit attributable to owners of parent							17,577
Purchase of treasury shares							(33)
Disposal of treasury shares							1
Purchase of shares of consolidated subsidiaries							28
Decrease by merger							(58)
Change in treasury shares arising from change in equity in entities accounted for using equity method							3
Change of scope of equity method							(0)

Net changes of items other than shareholders' equity	3,228	(26)	1,193	50	4,445	1,027	5,473
Total changes of items during period	3,228	(26)	1,193	50	4,445	1,027	21,021
Balance at end of current period	19,593	(58)	1,548	203	21,287	11,491	165,901

For the fiscal year ended March 31,2019

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,096	18,077	96,455	(1,508)	133,121
Changes of items during period					
Dividends of surplus			(2,708)		(2,708)
Profit attributable to owners of parent			19,221		19,221
Purchase of treasury shares				(13)	(13)
Disposal of treasury shares		0		0	0
Purchase of shares of consolidated subsidiaries		(1,397)			(1,397)
Decrease by merger					-
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Change of scope of equity method					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1,397)	16,512	(13)	15,101
Balance at end of current period	20,096	16,680	112,968	(1,521)	148,223

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
Balance at beginning of current period	19,593	(58)	1,548	203	21,287	11,491	165,901
Changes of items during period							
Dividends of surplus							(2,708)
Profit attributable to owners of parent							19,221
Purchase of treasury shares							(13)
Disposal of treasury shares							0
Purchase of shares of consolidated subsidiaries							(1,397)
Decrease by merger							-
Change in treasury shares arising from change in equity in entities accounted for using equity method							0
Change of scope of equity method							-

Net changes of items other than shareholders' equity	(3,309)	719	(1,571)	59	(4,101)	(2,914)	(7,016)
Total changes of items during period	(3,309)	719	(1,571)	59	(4,101)	(2,914)	8,085
Balance at end of current period	16,283	661	(22)	263	17,186	8,577	173,986

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Cash flows from operating activities		
Profit before income taxes	29,040	29,438
Depreciation	17,021	17,917
Impairment loss	45	135
Amortization of goodwill	2,843	2,855
Insurance income	-	(115)
Subsidy income	(840)	(84)
Loss on reduction of non-current assets	795	194
Increase (decrease) in allowance for doubtful accounts	(172)	(63)
Increase (decrease) in provision for bonuses	146	113
Increase (decrease) in retirement benefit liability	211	(73)
Decrease (increase) in retirement benefit asset	343	(158)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	146	100
Increase (decrease) in provision for loss on litigation	-	157
Interest and dividend income	(1,205)	(1,473)
Interest expenses	1,076	962
Foreign exchange losses (gains)	221	33
Share of loss (profit) of entities accounted for using equity method	(241)	(590)
Loss (gain) on sales and retirement of non-current assets	315	347
Loss (gain) on sales of investment securities	(0)	(152)
Loss (gain) on valuation of investment securities	1	31
Loss (gain) on valuation of investments in capital	-	0
Loss (gain) on liquidation of subsidiaries and associates	36	-
Decrease (increase) in notes and accounts receivable - trade	(8,441)	(1,042)
Decrease (increase) in inventories	(1,431)	(2,040)
Increase (decrease) in notes and accounts payable - trade	830	3,853
Increase (decrease) in advances received	(4,600)	204
Other, net	2,253	(1,776)
Subtotal	38,397	48,772
Interest and dividend income received	1,134	1,388
Proceeds from dividend income from entities accounted for using equity method	145	147
Interest expenses paid	(1,010)	(853)
Income taxes (paid) refund	(10,156)	(10,337)
Net cash provided by (used in) operating activities	28,510	39,117

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Cash flows from investing activities		
Purchase of property, plant and equipment	(21,338)	(20,863)
Proceeds from sales of property, plant and equipment	993	1,115
Purchase of intangible assets	(3,404)	(3,557)
Proceeds from sales of intangible assets	2	15
Purchase of investment securities	(2,742)	(548)
Proceeds from sales and redemption of investment securities	201	182
Proceeds from sales of investments in capital	8	1
Payments of loans receivable	(2,700)	(3,092)
Collection of loans receivable	2,836	3,187
Other, net	(285)	(134)
Net cash provided by (used in) investing activities	(26,427)	(23,693)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,203	(3,416)
Proceeds from long-term loans payable	17,943	17,128
Repayments of long-term loans payable	(23,777)	(15,246)
Redemption of bonds	-	(3,000)
Net decrease (increase) in treasury shares	(29)	(10)
Repayments of lease obligations	(1,234)	(1,243)
Cash dividends paid	(1,972)	(2,703)
Dividends paid to non-controlling interests	(365)	(304)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(98)	(4,817)
Net cash provided by (used in) financing activities	(6,332)	(13,614)
Effect of exchange rate change on cash and cash equivalents	358	(502)
Net increase (decrease) in cash and cash equivalents	(3,890)	1,306
Cash and cash equivalents at beginning of period	21,200	17,769
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	271	297
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	187	138
Cash and cash equivalents at end of period	17,769	19,510

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of March 31,2019
Assets		
Current assets		
Cash and deposits	5,321	5,084
Notes receivable - trade	17,222	16,456
Accounts receivable - trade	68,915	68,862
Lease receivables	11	7
Merchandise	20,157	21,611
Advance payments - trade	2,793	3,892
Prepaid expenses	576	567
Accounts receivable - other	2,778	2,909
Other	5,255	5,533
Allowance for doubtful accounts	(139)	(124)
Total current assets	122,893	124,800
Non-current assets		
Property, plant and equipment		
Buildings	16,599	16,371
Structures	3,003	3,149
Storage tanks and cylinders	4,352	4,593
Machinery and equipment	9,989	10,040
Vehicles	232	217
Tools, furniture and fixtures	1,223	1,129
Land	41,925	42,164
Leased assets	317	251
Construction in progress	281	705
Total property, plant and equipment	77,925	78,622
Intangible assets		
Goodwill	19	12
Industrial property	5	10
Leasehold right	48	48
Software	706	953
Leased assets	0	-
Other	287	123
Total intangible assets	1,067	1,147

(Million yen)

	As of March 31,2018	As of March 31,2019
Investments and other assets		
Investment securities	47,134	42,575
Shares of subsidiaries and associates	43,367	49,371
Investments in capital	21	21
Investments in capital of subsidiaries and associates	8,684	8,684
Long-term loans receivable	1	1
Long-term loans receivable from subsidiaries and associates	14,289	13,725
Claims provable in bankruptcy, claims provable in rehabilitation and other	412	413
Long-term prepaid expenses	275	177
Prepaid pension cost	404	648
Other	3,389	3,393
Allowance for doubtful accounts	(506)	(505)
Total investments and other assets	117,475	118,507
Total non-current assets	196,468	198,278
Total assets	319,361	323,079
Liabilities		
Current liabilities		
Notes payable - trade	3,058	3,031
Electronically recorded obligations - operating	23,076	25,855
Accounts payable - trade	52,997	53,907
Short-term loans payable	12,139	9,751
Current portion of long-term loans payable	10,700	9,500
Current portion of bonds	3,000	-
Lease obligations	59	48
Accounts payable - other	10,842	11,334
Accrued expenses	397	406
Income taxes payable	3,720	1,885
Advances received	2,231	2,138
Deposits received	150	154
Unearned revenue	13	12
Provision for bonuses	2,003	2,038
Other	1,688	1,762
Total current liabilities	126,078	121,826
Non-current liabilities		
Bonds payable	35,076	35,046
Long-term loans payable	43,700	47,153
Lease obligations	261	203
Deferred tax liabilities	6,642	5,498
Provision for retirement benefits	1,451	1,525
Asset retirement obligations	476	555
Other	1,210	1,257
Total non-current liabilities	88,818	91,239
Total liabilities	214,897	213,065

(Million yen)

	As of March 31,2018	As of March 31,2019
Net assets		
Shareholders' equity		
Capital stock	20,096	20,096
Capital surplus		
Legal capital surplus	5,100	5,100
Other capital surplus	12,912	12,912
Total capital surpluses	18,012	18,012
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of non-current assets	299	290
Retained earnings brought forward	48,905	56,832
Total retained earnings	49,205	57,123
Treasury shares	(1,429)	(1,440)
Total shareholders' equity	85,884	93,791
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	18,675	15,492
Deferred gains or losses on hedges	(95)	728
Total valuation and translation adjustments	18,579	16,221
Total net assets	104,464	110,013
Total liabilities and net assets	319,361	323,079

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2018	For the fiscal year ended March 31,2019
Net sales	480,940	508,773
Cost of sales	409,198	439,899
Gross profit	71,742	68,873
Selling, general and administrative expenses	60,249	61,061
Operating profit	11,492	7,812
Non-operating income		
Interest income	319	313
Dividend income	4,796	5,055
Foreign exchange gains	354	379
Other	1,545	1,621
Total non-operating income	7,016	7,370
Non-operating expenses		
Interest expenses	354	303
Interest on bonds	52	43
Sales discounts	459	490
Other	533	532
Total non-operating expenses	1,400	1,369
Ordinary profit	17,108	13,813
Extraordinary income		
Gain on sales of non-current assets	6	44
Gain on sales of shares of subsidiaries and associates	17	147
Gain on liquidation of subsidiaries and associates	53	22
Subsidy income	838	46
Total extraordinary income	915	260
Extraordinary losses		
Loss on sales of non-current assets	0	9
Loss on retirement of non-current assets	121	115
Impairment loss	30	106
Loss on valuation of investment securities	-	29
Loss on reduction of non-current assets	793	42
Total extraordinary losses	946	302
Profit before income taxes	17,077	13,771
Income taxes - current	4,428	3,254
Income taxes - deferred	338	(109)
Total income taxes	4,767	3,145
Profit	12,310	10,626

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for advanced depreciation of non-current assets	Retained earnings brought forward		
Balance at beginning of current period	20,096	5,100	12,911	18,011	310	38,554	38,865
Changes of items during period							
Dividends of surplus						(1,970)	(1,970)
Profit						12,310	12,310
Reversal of reserve for advanced depreciation of non-current assets					(10)	10	-
Purchase of treasury shares							
Disposal of treasury shares			0	0			
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	0	0	(10)	10,350	10,340
Balance at end of current period	20,096	5,100	12,912	18,012	299	48,905	49,205

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(1,399)	75,574	15,595	(18)	15,577	91,152
Changes of items during period						
Dividends of surplus		(1,970)				(1,970)
Profit		12,310				12,310
Reversal of reserve for advanced depreciation of non-current assets		-				-
Purchase of treasury shares	(31)	(31)				(31)
Disposal of treasury shares	0	1				1
Net changes of items other than shareholders' equity			3,079	(77)	3,001	3,001
Total changes of items during period	(30)	10,310	3,079	(77)	3,001	13,312
Balance at end of current period	(1,429)	85,884	18,675	(95)	18,579	104,464

For the fiscal year ended March 31,2019

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Reserve for advanced depreciation of non-current assets	
Balance at beginning of current period	20,096	5,100	12,912	18,012	299	48,905	49,205
Changes of items during period							
Dividends of surplus						(2,708)	(2,708)
Profit						10,626	10,626
Reversal of reserve for advanced depreciation of non-current assets					(9)	9	-
Purchase of treasury shares							
Disposal of treasury shares			0	0			
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	0	0	(9)	7,926	7,917
Balance at end of current period	20,096	5,100	12,912	18,012	290	56,832	57,123

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(1,429)	85,884	18,675	(95)	18,579	104,464
Changes of items during period						
Dividends of surplus		(2,708)				(2,708)
Profit		10,626				10,626
Reversal of reserve for advanced depreciation of non-current assets		-				-
Purchase of treasury shares	(10)	(10)				(10)
Disposal of treasury shares	0	0				0
Net changes of items other than shareholders' equity			(3,182)	824	(2,357)	(2,357)
Total changes of items during period	(10)	7,906	(3,182)	824	(2,357)	5,549
Balance at end of current period	(1,440)	93,791	15,492	728	16,221	110,013

(1) Consolidated Statements of Income

(Unit: 100 million yen)

	FY2017	FY2018	Change	Rate	FY2018 (Forecast)	Change	Rate	PLAN20
Net sales	6,707	7,150	442	6.6%	7,350	(199)	△ 2.7%	8,080
Gross profit	1,680	1,706	25	1.5%	—	—	—	—
Operating profit	271	264	(7)	(2.7%)	284	(19)	△ 6.8%	315
Ordinary profit	294	299	5	1.9%	300	(0)	△ 0.2%	330
Profit attributable to owners of parent	175	192	16	9.4%	180	12	6.8%	200

* Figures for fiscal year ending March 31, 2018 (forecast) were announced on May 11, 2018.

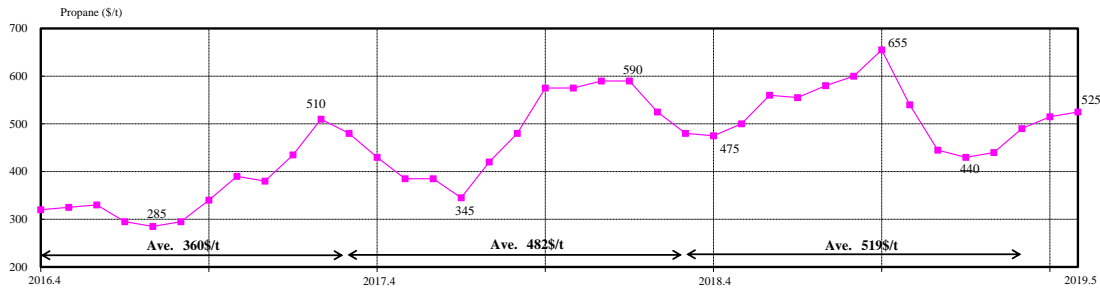
(2) Ordinary Profit Except for Impact of LPG Import Price Fluctuation

(Unit: 100 million yen)

	FY2017	FY2018	Change	Rate	FY2018 (Forecast)	Change	Rate	PLAN20
Ordinary profit	294	299	5	1.9%	300	(0)	(0.2%)	330
Impact of LPG import price fluctuation	5	(28)	(33)	—	—	—	—	—
Ordinary profit except for impact of LPG import price fluctuation	288	327	38	13.5%	300	27	9.3%	330

* Please see a slide of "Impact of LPG Import Price Fluctuations" in Financial Results Briefing Materials. (<http://www.iwatani.co.jp/eng/investor/data/presentation.html>)

(3) LPG Import Price (CP)



(4) Segment Information

(Unit: 100 million yen)

		FY2017	FY2018	Change	Rate
Energy	Net sales (Sales to outside customers)	3,209	3,359	150	4.7%
	Operating profit	138	108	(29)	(21.3%)
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,746	1,860	114	6.5%
	Operating profit	98	111	13	13.5%
Materials	Net sales (Sales to outside customers)	1,391	1,591	199	14.3%
	Operating profit	44	57	12	28.4%
Agri-Bio & Foods	Net sales (Sales to outside customers)	310	287	(23)	(7.5%)
	Operating profit	13	11	(2)	(16.3%)
Others, Adjustments	Net sales (Sales to outside customers)	50	52	2	4.7%
	Operating profit	(22)	(24)	(1)	—

(5) LPG and Industrial Gases Net Sales · Sales Volume

	Sales volume (thousand tons)				Net sales (100 million yen)			
	FY2017	FY2018	Change	Rate	FY2017	FY2018	Change	Rate
Domestic residential use	1,497	1,453	(44)	(2.9%)	1,494	1,492	(1)	(0.1%)
Domestic industrial use	313	343	29	9.5%	241	274	33	13.9%
LPG sub total (except for overseas)	1,810	1,796	(14)	(0.8%)	1,735	1,766	31	1.8%
LPG total	2,573	2,559	(13)	(0.5%)	2,149	2,210	60	2.8%
Various Industrial gases	—	—	—	—	952	1,002	50	5.3%

(6) Financial Position

(Unit: 100 million yen)

	FY2017 end	FY2018 end	Change	PLAN20
Total assets	4,535	4,576	40	—
Equity capital	1,544	1,654	110	—
Interest-bearing debt, gross	1,320	1,263	(56)	—
Interest-bearing debt, net	1,138	1,064	(74)	—
Equity capital ratio	34.0%	36.1%	2.1pt	—
Ratio of ordinary income to total assets	6.6%	6.6%	(0.1pt)	—
Rate of return on equity	12.2%	12.0%	(0.2pt)	10.0% or higher
Ratio of interest-bearing debt to total assets	29.1%	27.6%	(1.5pt)	—
Debt-to-equity ratio, gross	0.85pt	0.76pt	(0.09pt)	—
Debt-to-equity ratio, net	0.73pt	0.64pt	(0.09pt)	0.7pt

* Interest-bearing debt include lease liabilities in the amount of ¥3.9 billion.

(7) Capital Expenditure

(Unit: 100 million yen)

	FY2017	FY2018	FY2019 (Forecast)
Energy	109	150	120
Industrial Gases & Machinery	101	139	200
Materials	26	16	82
Agri-Bio & Foods	3	1	2
Others, Adjustments	20	23	26
Capital expenditure	262	332	430
Depreciation expense	163	170	190

* Figures for capital expenditure totalize fixed assets, intangible assets (goodwill excluded), and investments in securities.

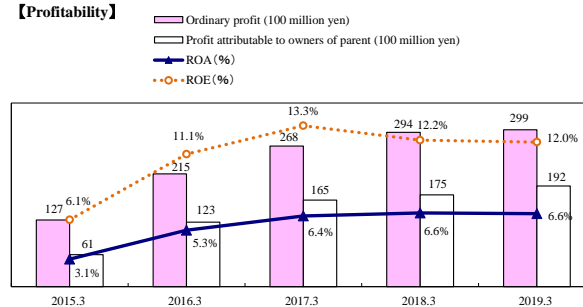
(8) Cash Flows

(Unit: 100 million yen)

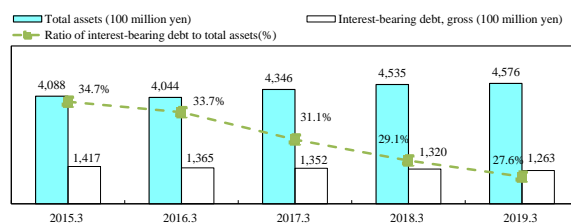
	FY2017	FY2018	Change
Cash and cash equivalents at beginning of year	212	177	(34)
Cash flows from operating activities	285	391	106
Cash flows from investing activities	(264)	(236)	27
Free cash flow	20	154	133
Cash flows from financing activities	(63)	(136)	(72)
Effect of exchange rate changes	3	(5)	(8)
Net increase (decrease) in cash and cash equivalents	(38)	13	51
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	2	2	0
Increase in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries	1	1	(0)
Cash and cash equivalents at end of period	177	195	17

(9) Changes in the main management indicators (five-year)

【Profitability】



【Financial condition】



(10) Results Forecast for FY2019

(Unit: 100 million yen)

	FY2018	FY2019 (Forecast)	Change	Rate	PLAN20
Net sales	7,150	7,473	322	4.5%	8,080
Operating profit	264	305	40	15.3%	315
Ordinary profit	299	330	30	10.2%	330
Profit attributable to owners of parent	192	205	12	6.7%	200

(11) Results Forecast for FY2019 (Segment Information)

(Unit: 100 million yen)

	FY2018	FY2019 (Forecast)	Change	Rate	PLAN20	
Energy	Net sales (Sales to outside customers)	3,361	3,442	80	2.4%	3,730
	Operating profit	110	151	40	36.5%	159
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,881	1,970	88	4.7%	2,100
	Operating profit	112	113	0	0.3%	107
Materials	Net sales (Sales to outside customers)	1,591	1,685	93	5.9%	1,790
	Operating profit	57	58	0	1.0%	52
Agri-Bio & Foods	Net sales (Sales to outside customers)	264	324	59	22.5%	380
	Operating profit	7	11	3	38.5%	16
Others, Adjustments	Net sales (Sales to outside customers)	52	52	(0)	(1.0%)	80
	Operating profit	(24)	(28)	(3)	—	(19)

* From the fiscal year ending March 31, 2020, segments are changed. Accordingly, the segment information of the fiscal year ending March 31, 2019 is calculated based on the changed segments.

(12) Key Business Indications for PLAN20

	FY2017	FY2018	PLAN20	
Energy	LPG direct sales customers (10 thousand households)	90	99	100
	Portable gas cooking stove sales volume (thousand units)	3,333	3,869	4,400
	Cassette gas canister sales volume (million units)	103	121	137
Industrial Gases & Machinery	Air separation gas sales volume (billion m3)	1.5	1.6	1.7
	LH2 sales volume (million m3)	59	70	90