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Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 14, 2021

Company name: IWATANI CORPORATION

Stock exchange listing: Tokyo

Code number: 8088

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

Representative: Hiroshi Majima

Contact: Tetsuo Matsuo

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President

General Manager Accounting Dept.

Scheduled date of Annual General Meeting of Shareholders: June 23, 2021

Scheduled date of commencing dividend payments: June 24, 2021

Scheduled date of filing annual securities report: June 24, 2021

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, 2021 (April 01, 2020 to March 31, 2021)

(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, 2021	635,590	(7.5)	29,986	4.4	34,406	6.6	23,207	10.5
March 31, 2020	686,771	(4.0)	28,728	8.6	32,270	7.7	20,994	9.2

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 35,627 million [71.4%]
Fiscal year ended March 31, 2020: ¥ 20,780 million [30.2%]

	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	Yen	Yen	%	%	%
March 31, 2021	431.65	-	10.9	7.0	4.7
March 31, 2020	426.63	365.50	12.1	7.0	4.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ 463 million
Fiscal year ended March 31, 2020: ¥ 471 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	509,518	251,851	47.6	4,215.16
March 31, 2020	469,715	191,152	38.8	3,703.65

(Reference) Equity: As of March 31, 2021: ¥ 242,425 million
As of March 31, 2020: ¥ 182,266 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	Million yen	Million yen	Million yen	Million yen
March 31, 2021	48,779	(28,831)	(7,052)	38,445
March 31, 2020	40,264	(30,885)	(3,587)	25,121

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, 2020	-	-	-	95.00	95.00	4,680	22.3	2.7
March 31, 2021	-	-	-	75.00	75.00	4,317	17.4	1.9
Fiscal year ending March 31, 2022 (Forecast)	-	-	-	75.00	75.00		17.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2021 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% 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
Full year	626,100	-	32,000	6.7	36,500	6.1	24,300	4.7	422.52

(Note) Due to adoption of the Accounting Standard for Revenue Recognition from the fiscal year ending March 31, 2022, the change of Net sales from the previous corresponding period is not listed.

* 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, 2021: 58,561,649 shares

March 31, 2020: 50,273,005 shares

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

March 31, 2021: 1,048,943 shares

March 31, 2020: 1,060,379 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 53,764,179 shares

Fiscal Year ended March 31, 2020: 49,211,123 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(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, 2021	441,006	(6.8)	12,256	32.5	21,514	32.5	17,637	41.3
March 31, 2020	472,954	(7.0)	9,250	18.4	16,241	17.6	12,478	17.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	327.74	-
March 31, 2020	253.30	216.89

(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, 2021	363,071	172,892	47.6	3,003.43
March 31, 2020	331,220	118,272	35.7	2,400.81

(Reference) Equity: As of March 31, 2021: ¥ 172,892 million
As of March 31, 2020: ¥ 118,272 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	25,525	38,782
Notes and accounts receivable - trade	107,041	108,425
Electronically recorded monetary claims - operating	13,467	15,680
Merchandise and finished goods	33,695	33,017
Work in process	3,737	3,239
Raw materials and supplies	4,800	4,784
Other	15,705	15,828
Allowance for doubtful accounts	(200)	(145)
Total current assets	203,772	219,613
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,528	40,356
Storage tanks and cylinders, net	7,126	6,724
Machinery, equipment and vehicles, net	38,479	40,162
Tools, furniture and fixtures, net	14,857	16,503
Land	65,331	66,869
Leased assets, net	3,673	2,753
Construction in progress	3,797	4,653
Total property, plant and equipment	171,793	178,023
Intangible assets		
Goodwill	12,904	13,791
Other	3,863	3,704
Total intangible assets	16,767	17,495
Investments and other assets		
Investment securities	63,769	78,913
Long-term loans receivable	141	116
Retirement benefit asset	1,145	2,051
Deferred tax assets	3,233	3,487
Other	9,666	10,409
Allowance for doubtful accounts	(575)	(591)
Total investments and other assets	77,381	94,385
Total non-current assets	265,942	289,905
Total assets	469,715	509,518

(Million yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	67,844	65,541
Electronically recorded obligations - operating	25,068	27,992
Short-term borrowings	19,434	24,208
Current portion of long-term borrowings	3,671	9,760
Current portion of bonds payable	35,016	-
Lease obligations	834	663
Income taxes payable	6,650	8,168
Provision for bonuses	5,152	5,268
Provision for product compensation	-	482
Other	27,459	28,895
Total current liabilities	191,131	170,981
Non-current liabilities		
Long-term borrowings	64,743	59,447
Lease obligations	2,877	2,081
Deferred tax liabilities	5,207	10,904
Provision for retirement benefits for directors (and other officers)	1,493	1,373
Retirement benefit liability	5,615	5,470
Other	7,495	7,408
Total non-current liabilities	87,432	86,686
Total liabilities	278,563	257,667
Net assets		
Shareholders' equity		
Share capital	20,096	35,096
Capital surplus	16,728	31,766
Retained earnings	130,762	149,289
Treasury shares	(1,515)	(1,514)
Total shareholders' equity	166,071	214,638
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,119	25,501
Deferred gains or losses on hedges	1,608	2,373
Foreign currency translation adjustment	558	(683)
Remeasurements of defined benefit plans	(91)	595
Total accumulated other comprehensive income	16,194	27,786
Non-controlling interests	8,885	9,426
Total net assets	191,152	251,851
Total liabilities and net assets	469,715	509,518

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	686,771	635,590
Cost of sales	510,512	458,711
Gross profit	176,259	176,878
Selling, general and administrative expenses		
Transportation costs	25,244	25,471
Provision of allowance for doubtful accounts	14	(32)
Salaries, allowances and bonuses	39,251	39,928
Provision for bonuses	4,492	4,654
Retirement benefit expenses	1,804	1,895
Provision for retirement benefits for directors (and other officers)	227	209
Depreciation	12,308	13,069
Rent expenses	9,747	9,857
Commission expenses	9,548	10,291
Amortization of goodwill	2,912	3,080
Other	41,981	38,466
Total selling, general and administrative expenses	147,531	146,892
Operating profit	28,728	29,986
Non-operating income		
Interest income	289	329
Dividend income	1,223	1,037
Foreign exchange gains	378	136
Share of profit of entities accounted for using equity method	471	463
Subsidy income	877	1,138
Other	2,533	3,321
Total non-operating income	5,774	6,427
Non-operating expenses		
Interest expenses	874	911
Sales discounts	415	379
Cancellation penalty	260	-
Other	681	716
Total non-operating expenses	2,231	2,007
Ordinary profit	32,270	34,406

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Extraordinary income		
Gain on sale of non-current assets	517	212
Gain on sale of investment securities	58	1,359
Gain on bargain purchase	303	-
Subsidy income	213	771
Total extraordinary income	1,092	2,343
Extraordinary losses		
Loss on sale of non-current assets	229	18
Loss on retirement of non-current assets	431	308
Impairment losses	85	49
Loss on sale of investment securities	-	6
Loss on valuation of investment securities	111	1
Loss on liquidation of subsidiaries and associates	76	-
Loss on tax purpose reduction entry of non-current assets	229	771
Product compensation expenses	-	585
Total extraordinary losses	1,164	1,740
Profit before income taxes	32,197	35,009
Income taxes - current	10,306	11,355
Income taxes - deferred	66	(303)
Total income taxes	10,373	11,051
Profit	21,824	23,957
Profit attributable to non-controlling interests	829	750
Profit attributable to owners of parent	20,994	23,207

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit	21,824	23,957
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,193)	11,322
Deferred gains or losses on hedges	949	765
Foreign currency translation adjustment	584	(1,259)
Remeasurements of defined benefit plans, net of tax	(343)	685
Share of other comprehensive income of entities accounted for using equity method	(39)	155
Total other comprehensive income	(1,043)	11,670
Comprehensive income	20,780	35,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,003	34,799
Comprehensive income attributable to non-controlling interests	777	828

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,096	16,680	112,968	(1,521)	148,223
Changes during period					
Issuance of new shares - exercise of share acquisition rights					-
Dividends of surplus			(3,201)		(3,201)
Profit attributable to owners of parent			20,994		20,994
Purchase of treasury shares				(16)	(16)
Disposal of treasury shares		37		23	60
Purchase of shares of consolidated subsidiaries		10			10
Net changes in items other than shareholders' equity					
Total changes during period	-	48	17,793	6	17,848
Balance at end of period	20,096	16,728	130,762	(1,515)	166,071

	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 period	16,283	661	(22)	263	17,186	8,577	173,986
Changes during period							
Issuance of new shares - exercise of share acquisition rights							-
Dividends of surplus							(3,201)
Profit attributable to owners of parent							20,994
Purchase of treasury shares							(16)
Disposal of treasury shares							60
Purchase of shares of consolidated subsidiaries							10
Net changes in items other than shareholders' equity	(2,164)	946	580	(354)	(991)	308	(682)
Total changes during period	(2,164)	946	580	(354)	(991)	308	17,165
Balance at end of period	14,119	1,608	558	(91)	16,194	8,885	191,152

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,096	16,728	130,762	(1,515)	166,071
Changes during period					
Issuance of new shares - exercise of share acquisition rights	15,000	15,000			30,000
Dividends of surplus			(4,680)		(4,680)
Profit attributable to owners of parent			23,207		23,207
Purchase of treasury shares				(20)	(20)
Disposal of treasury shares		38		21	59
Purchase of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	15,000	15,038	18,527	1	48,566
Balance at end of period	35,096	31,766	149,289	(1,514)	214,638

	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 period	14,119	1,608	558	(91)	16,194	8,885	191,152
Changes during period							
Issuance of new shares - exercise of share acquisition rights							30,000
Dividends of surplus							(4,680)
Profit attributable to owners of parent							23,207
Purchase of treasury shares							(20)
Disposal of treasury shares							59
Purchase of shares of consolidated subsidiaries							-
Net changes in items other than shareholders' equity	11,381	765	(1,241)	687	11,592	540	12,132
Total changes during period	11,381	765	(1,241)	687	11,592	540	60,699
Balance at end of period	25,501	2,373	(683)	595	27,786	9,426	251,851

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Profit before income taxes	32,197	35,009
Depreciation	19,197	20,128
Impairment losses	85	49
Amortization of goodwill	2,914	3,082
Gain on bargain purchase	(303)	-
Loss on tax purpose reduction entry of non-current assets	229	771
Increase (decrease) in allowance for doubtful accounts	(79)	(40)
Increase (decrease) in provision for bonuses	123	109
Increase (decrease) in retirement benefit liability	(155)	(157)
Decrease (increase) in retirement benefit asset	278	(905)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	(119)
Increase (decrease) in provision for product compensation	-	482
Interest and dividend income	(1,512)	(1,366)
Interest expenses	874	911
Foreign exchange losses (gains)	385	0
Share of loss (profit) of entities accounted for using equity method	(471)	(463)
Loss (gain) on sale and retirement of non-current assets	144	114
Loss (gain) on sale of investment securities	(58)	(1,353)
Loss (gain) on valuation of investment securities	111	1
Loss (gain) on liquidation of subsidiaries and associates	76	-
Decrease (increase) in trade receivables	1,532	(3,548)
Decrease (increase) in inventories	(633)	1,352
Increase (decrease) in trade payables	(5,611)	680
Increase (decrease) in advances received	(279)	1,201
Other, net	(632)	2,010
Subtotal	48,424	57,948
Interest and dividends received	1,437	1,340
Dividends received from entities accounted for using equity method	157	199
Interest paid	(753)	(903)
Income taxes refund (paid)	(9,002)	(9,806)
Net cash provided by (used in) operating activities	40,264	48,779

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(22,169)	(25,881)
Proceeds from sale of property, plant and equipment	1,211	867
Purchase of intangible assets	(3,636)	(4,384)
Proceeds from sale of intangible assets	10	8
Purchase of investment securities	(3,328)	(1,503)
Proceeds from sale and redemption of investment securities	139	3,224
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,159)	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(120)	-
Proceeds from sale of investments in capital	74	6
Loan advances	(4,587)	(1,942)
Proceeds from collection of loans receivable	4,562	2,096
Other, net	(881)	(1,324)
Net cash provided by (used in) investing activities	(30,885)	(28,831)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,881)	4,189
Proceeds from long-term borrowings	16,623	3,849
Repayments of long-term borrowings	(11,726)	(4,046)
Redemption of bonds	-	(5,000)
Net decrease (increase) in treasury shares	88	(15)
Repayments of lease obligations	(1,158)	(1,140)
Dividends paid	(3,196)	(4,671)
Dividends paid to non-controlling interests	(227)	(218)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(108)	-
Net cash provided by (used in) financing activities	(3,587)	(7,052)
Effect of exchange rate change on cash and cash equivalents	(208)	260
Net increase (decrease) in cash and cash equivalents	5,582	13,155
Cash and cash equivalents at beginning of period	19,510	25,121
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	168
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	27	-
Cash and cash equivalents at end of period	25,121	38,445

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	6,847	15,119
Notes receivable - trade	12,064	7,817
Electronically recorded monetary claims - operating	11,022	13,190
Accounts receivable - trade	62,011	70,282
Lease receivables	2	-
Merchandise	21,171	20,441
Advance payments to suppliers	2,368	1,897
Prepaid expenses	577	681
Accounts receivable - other	5,258	5,379
Other	13,628	9,459
Allowance for doubtful accounts	(67)	(9)
Total current assets	134,885	144,260
Non-current assets		
Property, plant and equipment		
Buildings	16,733	17,375
Structures	3,576	4,275
Storage tanks and cylinders	4,156	3,809
Machinery and equipment	8,917	8,381
Vehicles	161	128
Tools, furniture and fixtures	1,107	1,480
Land	42,906	43,493
Leased assets	177	161
Construction in progress	765	441
Total property, plant and equipment	78,502	79,546
Intangible assets		
Goodwill	5	-
Industrial property	26	22
Leasehold interests in land	48	45
Software	794	1,112
Other	702	83
Total intangible assets	1,577	1,263

(Million yen)

	As of March 31,2020	As of March 31,2021
Investments and other assets		
Investment securities	39,949	54,477
Shares of subsidiaries and associates	51,425	59,723
Investments in capital	21	21
Investments in capital of subsidiaries and associates	8,921	10,285
Long-term loans receivable	0	0
Long-term loans receivable from subsidiaries and associates	11,542	8,429
Distressed receivables	391	428
Long-term prepaid expenses	152	496
Prepaid pension costs	890	1,043
Other	3,442	3,616
Allowance for doubtful accounts	(483)	(520)
Total investments and other assets	116,253	138,001
Total non-current assets	196,334	218,811
Total assets	331,220	363,071
Liabilities		
Current liabilities		
Notes payable - trade	1,195	1,146
Electronically recorded obligations - operating	24,401	27,136
Accounts payable - trade	52,111	40,254
Short-term borrowings	8,660	25,243
Current portion of long-term borrowings	2,003	7,959
Current portion of bonds payable	35,016	-
Lease obligations	33	36
Accounts payable - other	9,963	8,502
Accrued expenses	439	440
Income taxes payable	3,059	4,493
Advances received	1,966	2,163
Deposits received	177	171
Unearned revenue	12	32
Provision for bonuses	2,042	2,055
Other	2,202	2,274
Total current liabilities	143,288	121,911
Non-current liabilities		
Long-term borrowings	60,947	54,207
Lease obligations	143	125
Deferred tax liabilities	4,957	9,902
Provision for retirement benefits	1,480	1,696
Asset retirement obligations	813	999
Other	1,316	1,336
Total non-current liabilities	69,659	68,267
Total liabilities	212,947	190,179

(Million yen)

	As of March 31,2020	As of March 31,2021
Net assets		
Shareholders' equity		
Share capital	20,096	35,096
Capital surplus		
Legal capital surplus	5,100	20,100
Other capital surplus	12,950	12,988
Total capital surplus	18,050	33,088
Retained earnings		
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	282	275
Retained earnings brought forward	66,117	79,082
Total retained earnings	66,399	79,357
Treasury shares	(1,427)	(1,421)
Total shareholders' equity	103,118	146,120
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,570	24,471
Deferred gains or losses on hedges	1,583	2,300
Total valuation and translation adjustments	15,153	26,771
Total net assets	118,272	172,892
Total liabilities and net assets	331,220	363,071

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	472,954	441,006
Cost of sales	400,482	360,415
Gross profit	72,471	80,590
Selling, general and administrative expenses	63,221	68,334
Operating profit	9,250	12,256
Non-operating income		
Interest income	327	278
Dividend income	5,756	7,088
Foreign exchange gains	364	327
Subsidy income	877	1,116
Other	1,083	1,601
Total non-operating income	8,409	10,412
Non-operating expenses		
Interest expenses	299	343
Interest on bonds	34	32
Sales discounts	413	371
Cancellation penalty	260	-
Other	410	407
Total non-operating expenses	1,418	1,154
Ordinary profit	16,241	21,514
Extraordinary income		
Gain on sale of non-current assets	219	20
Gain on sale of investment securities	33	1,357
Gain on sale of shares of subsidiaries and associates	0	-
Gain on extinguishment of tie-in shares	-	2,757
Subsidy income	192	485
Total extraordinary income	445	4,621
Extraordinary losses		
Loss on sale of non-current assets	4	0
Loss on retirement of non-current assets	166	106
Impairment losses	5	48
Loss on sale of investment securities	-	6
Loss on valuation of investment securities	65	-
Loss on valuation of shares of subsidiaries and associates	19	-
Loss on merger of unrealized gain correction	-	2,733
Loss on tax purpose reduction entry of non-current assets	192	485
Total extraordinary losses	454	3,380
Profit before income taxes	16,233	22,754
Income taxes - current	3,854	5,243
Income taxes - deferred	(99)	(125)
Total income taxes	3,755	5,117
Profit	12,478	17,637

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2020

(Million yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	20,096	5,100	12,912	18,012	290	56,832	57,123
Changes during period							
Issuance of new shares - exercise of share acquisition rights							
Dividends of surplus						(3,201)	(3,201)
Profit						12,478	12,478
Reversal of reserve for tax purpose reduction entry of non-current assets					(8)	8	-
Purchase of treasury shares							
Disposal of treasury shares			37	37			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	37	37	(8)	9,284	9,276
Balance at end of period	20,096	5,100	12,950	18,050	282	66,117	66,399

	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 period	(1,440)	93,791	15,492	728	16,221	110,013
Changes during period						
Issuance of new shares - exercise of share acquisition rights		-				-
Dividends of surplus		(3,201)				(3,201)
Profit		12,478				12,478
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(10)	(10)				(10)
Disposal of treasury shares	23	60				60
Net changes in items other than shareholders' equity			(1,922)	854	(1,068)	(1,068)
Total changes during period	13	9,327	(1,922)	854	(1,068)	8,259
Balance at end of period	(1,427)	103,118	13,570	1,583	15,153	118,272

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward		
Balance at beginning of period	20,096	5,100	12,950	18,050	282	66,117	66,399
Changes during period							
Issuance of new shares - exercise of share acquisition rights	15,000	15,000		15,000			
Dividends of surplus						(4,680)	(4,680)
Profit						17,637	17,637
Reversal of reserve for tax purpose reduction entry of non-current assets					(7)	7	-
Purchase of treasury shares							
Disposal of treasury shares			38	38			
Net changes in items other than shareholders' equity							
Total changes during period	15,000	15,000	38	15,038	(7)	12,964	12,957
Balance at end of period	35,096	20,100	12,988	33,088	275	79,082	79,357

	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 period	(1,427)	103,118	13,570	1,583	15,153	118,272
Changes during period						
Issuance of new shares - exercise of share acquisition rights		30,000				30,000
Dividends of surplus		(4,680)				(4,680)
Profit		17,637				17,637
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(15)	(15)				(15)
Disposal of treasury shares	21	59				59
Net changes in items other than shareholders' equity			10,901	717	11,618	11,618
Total changes during period	6	43,002	10,901	717	11,618	54,620
Balance at end of period	(1,421)	146,120	24,471	2,300	26,771	172,892

(1) Consolidated Statements of Income

(Unit: 100 million yen)

	FY2019	FY2020	Change	Rate	FY2020 (Forecast)	Change	Rate	PLAN20
Net sales	6,867	6,355	(511)	(7.5%)	6,775	(419)	(6.2%)	8,080
Gross profit	1,762	1,768	6	0.4%	—	—	—	—
Operating profit	287	299	12	4.4%	247	52	21.4%	315
Ordinary profit	322	344	21	6.6%	276	68	24.7%	330
Profit attributable to owners of parent	209	232	22	10.5%	173	59	34.1%	200

* Figures for fiscal year ending March 31, 2021 (forecast) were announced on May 14, 2020.

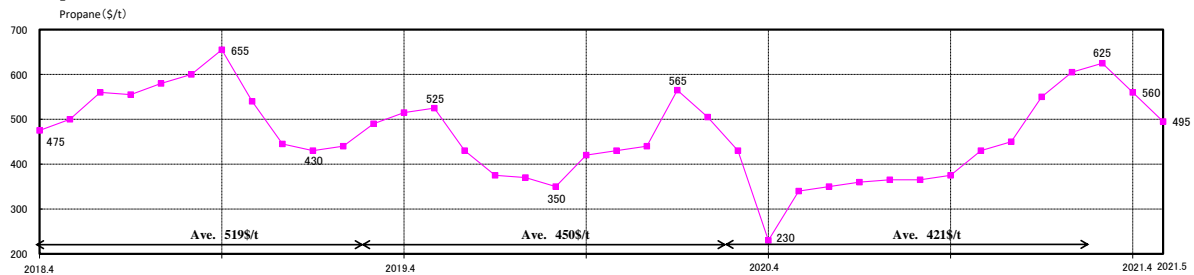
(2) Ordinary Profit Except for Impact of LPG Import Price Fluctuation

(Unit: 100 million yen)

	FY2019	FY2020	Change	Rate	FY2020 (Forecast)	Change	Rate	PLAN20
Ordinary profit	322	344	21	6.6%	276	68	24.7%	330
Impact of LPG import price fluctuation	(2)	17	20	—	—	—	—	—
Ordinary profit except for impact of LPG import price fluctuation	325	326	0	0.2%	276	50	18.2%	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)

		FY2019	FY2020	Change	Rate
Energy	Net sales (Sales to outside customers)	3,135	2,961	(173)	(5.5%)
	Operating profit	139	173	33	23.8%
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,905	1,746	(158)	(8.3%)
	Operating profit	119	99	(20)	(16.9%)
Materials	Net sales (Sales to outside customers)	1,495	1,364	(130)	(8.8%)
	Operating profit	45	47	2	6.3%
Agri-Bio & Foods	Net sales (Sales to outside customers)	273	239	(33)	(12.2%)
	Operating profit	11	8	(3)	(29.8%)
Others, Adjustments	Net sales (Sales to outside customers)	58	43	(15)	(25.9%)
	Operating profit	(29)	(29)	0	—

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

	Sales volume (thousand tons)				Net sales (100 million yen)			
	FY2019	FY2020	Change	Rate	FY2019	FY2020	Change	Rate
Domestic residential use	1,430	1,400	(30)	(2.2%)	1,390	1,335	(55)	(4.0%)
Domestic industrial use	319	330	10	3.3%	226	223	(3)	(1.5%)
LPG sub total (except for overseas)	1,750	1,730	(20)	(1.2%)	1,616	1,558	(58)	(3.6%)
LPG total	2,456	2,256	(200)	(8.2%)	1,938	1,779	(158)	(8.2%)
Various Industrial gases	—	—	—	—	1,017	983	(33)	(3.3%)

(6) Financial Position

(Unit: 100 million yen)

	FY2019 end	FY2020 end	Change	PLAN20
Total assets	4,697	5,095	398	—
Share capital	1,822	2,424	601	—
Interest-bearing debt, gross	1,265	961	(304)	—
Interest-bearing debt, net	1,010	573	(436)	—
Equity capital ratio	38.8%	47.6%	8.8pt	—
Ratio of ordinary income to total assets	7.0%	7.0%	—	—
Rate of return on equity	12.1%	10.9%	(1.2pt)	10.0% or higher
Ratio of interest-bearing debt to total assets	26.9%	18.9%	(8.0pt)	—
Debt-to-equity ratio, gross	0.69pt	0.39pt	(0.30pt)	—
Debt-to-equity ratio, net	0.55pt	0.23pt	(0.32pt)	0.7pt

* Interest-bearing debt include lease liabilities in the amount of ¥2.7 billion.

(7) Capital Expenditure

(Unit: 100 million yen)

	FY2019	FY2020	FY2021 (Forecast)
Energy	111	118	90
Industrial Gases & Machinery	158	161	218
Materials	51	27	63
Agri-Bio & Foods	0	8	39
Others, Adjustments	24	21	30
Capital expenditure	346	337	440
Depreciation	183	192	205

* Figures for capital expenditure totalize property, plant and equipment, intangible assets (goodwill excluded), and investment securities.

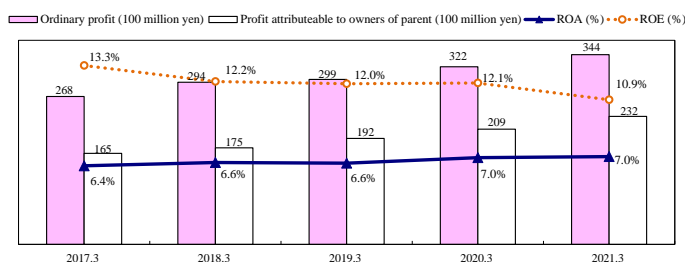
(8) Cash Flows

(Unit: 100 million yen)

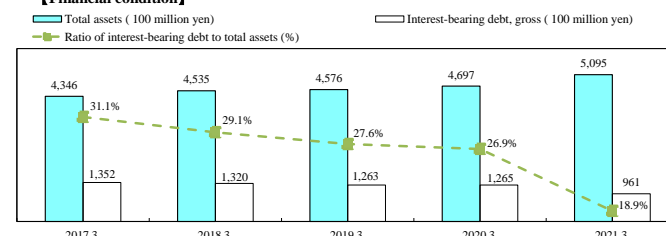
	FY2019	FY2020	Change
Cash and cash equivalents at beginning of period	195	251	56
Cash flows from operating activities	402	487	85
Cash flows from investing activities	(308)	(288)	20
Free cash flow	93	199	105
Cash flows from financing activities	(35)	(70)	(34)
Effect of exchange rate change on cash and cash equivalents	(2)	2	4
Net increase (decrease) in cash and cash equivalents	55	131	75
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	1	1
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	0	—	(0)
Cash and cash equivalents at end of period	251	384	133

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

【Profitability】



【Financial condition】



(10) Results Forecast for FY2021

(Unit: 100 million yen)

	FY2020	FY2021 (Forecast)	Change	Rate
Net sales	5,626	6,261	634	11.3%
Operating profit	299	320	20	6.7%
Ordinary profit	344	365	20	6.1%
Profit attributable to owners of parent	232	243	10	4.7%

* Net sales of FY2020 is calculated based on the assumption that the Accounting Standard for Revenue Recognition was adopted.

(11) Results Forecast for FY2021 (Segment Information)

(Unit: 100 million yen)

	FY2020	FY2021 (Forecast)	Change	Rate	
Energy	Net sales (Sales to outside customers)	2,539	2,668	128	5.1%
	Operating profit	173	170	(3)	(1.9%)
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,721	1,923	201	11.7%
	Operating profit	99	110	10	10.5%
Materials	Net sales (Sales to outside customers)	1,118	1,342	223	20.0%
	Operating profit	47	53	5	10.7%
Agri-Bio & Foods	Net sales (Sales to outside customers)	203	284	80	39.8%
	Operating profit	8	12	3	44.3%
Others, Adjustments	Net sales (Sales to outside customers)	43	44	0	1.3%
	Operating profit	(29)	(25)	4	—

* Net sales of FY2020 is calculated based on the assumption that the Accounting Standard for Revenue Recognition was adopted.

(12) Key Business Indications for PLAN20

	FY2019	FY2020	PLAN20
Energy	LPG direct sales customers (10 thousand households)	100	101
	Portable gas cooking stove sales volume (thousand units)	3,796	4,471
	Cassette gas canister sales volume (million units)	132	134
Industrial Gases & Machinery	Air separation gas sales volume (billion m3)	1.5	1.5
	LH2 sales volume (million m3)	59	67