



# Consolidated Financial Results for the Fiscal Year Ended February 29, 2020 [Japanese GAAP]

April 10, 2020

Company Name: MARUZEN CO.,LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 5982  
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 Scheduled date of Annual General Meeting of Shareholders: May 26, 2020  
 Scheduled date of commencing dividend payments: May 27, 2020  
 Scheduled date of filing annual securities report: May 28, 2020  
 Availability of supplementary briefing material on annual financial results: Available  
 Schedule of annual financial results briefing session: No

(Figures are rounded down to the nearest million yen.)

## 1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2020 (March 1, 2019 to February 29, 2020)

### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to shareholders of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 29, 2020	53,580	4.0	4,813	6.5	5,197	5.1	3,593	6.2
February 28, 2019	51,518	3.3	4,519	5.4	4,944	6.4	3,383	5.7

(Note) Comprehensive income: Fiscal year ended February 29, 2020: ¥2,960 million (10.1%)  
 Fiscal year ended February 28, 2019: ¥2,689 million (-39.1%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended February 29, 2020	222.23	—	10.0	9.5	9.0
February 28, 2019	209.21	—	10.1	9.4	8.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended February 29, 2020: ¥\_\_ million  
 Fiscal year ended February 28, 2019: ¥\_\_ million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended February 29, 2020	55,968	37,027	66.2	2,289.79
February 28, 2019	53,749	34,535	64.3	2,135.72

(Reference) Equity: As of February 29, 2020: ¥37,027 million  
 As of February 28, 2019: ¥34,535 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended February 29, 2020	4,983	-1,625	-569	23,106
February 28, 2019	4,351	-1,248	-620	20,317

## 2. Dividends

	Annual dividends					Total dividends (Total)	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 28, 2019	—	13.00	—	15.00	28.00	452	13.4	1.4
February 29, 2020	—	14.00	—	16.00	30.00	485	13.5	1.4
Fiscal year ending February 28, 2021 (Forecast)	—	15.00	—	15.00	30.00		14.2	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2021 (March 1, 2020 to February 28, 2021)

As for the fiscal year ending February 28, 2021, with the possibility of a prolonged impact of COVID-19 it is difficult to make a reasonable forecast at this point. We will promptly disclose the forecast when it becomes possible to do so.

#### \* 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):

February 29, 2020	19,780,000 shares
February 28, 2019	19,780,000 shares

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

February 29, 2020	3,609,500 shares
February 28, 2019	3,609,440 shares

3) Average number of shares during the period:

February 29, 2020	16,170,532 shares
February 28, 2019	16,170,561 shares

#### (Reference) Summary of Non-consolidated Financial Results

##### Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2020 (March 1, 2019 to February 29, 2020)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 29, 2020	51,293	5.2	4,006	18.0	4,946	5.3	3,439	6.6
February 28, 2019	48,758	3.2	3,394	10.5	4,696	8.2	3,227	7.6

	Basic earnings per share		Diluted earnings per share	
Fiscal year ended	Yen		Yen	
February 29, 2020	212.69		—	
February 28, 2019	199.58		—	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio	Net assets per share
Fiscal year ended	Million yen		Million yen		%	Yen
February 29, 2020	50,123		34,470		68.8	2,131.67
February 28, 2019	48,197		32,105		66.6	1,985.44

(Reference) Equity: As of February 29, 2020: ¥34,470 million As of February 29, 2019: ¥32,105 million

\* These financial results are outside the scope of audit.

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

Financial results forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. As for the conditions of business performance forecasts and notes for using the financial results forecasts, please refer to “1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Fiscal Year under Review 2) Outlook for the Next Fiscal Year” on Page 3 of the attached document.

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## 1. Overview of Operating Results, etc.

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

#### 1) Overview of the Consolidated Fiscal Year under Review

During the fiscal year under review (March 1, 2019 to February 29, 2020), the country's economy continued to see a gradual recovery partly as a result of various effective policies. However, the economic downturn intensified, as shown in declined personal consumption, due to a series of natural disasters and an increase in the consumption tax. Moreover, partly due to concerns over the trade conflict between the U.S. and China as well as the situation in the Middle East, the economy continued to head into an uncertain future.

Our Group's major customers in the restaurant/home-meal industries are still being affected by the persistent consumer trend towards money saving. Additionally, they continue to face an increasingly difficult business environment from rising labor costs associated with a lack of manpower and escalating costs of materials. Despite these difficulties, a further growth in the home-meal market due to the rising number of dual-income households and active growth in the hospitality and restaurant industries due to increased inbound effects, etc. have helped the overall market make a slight recovery.

In this economic environment, our company's consolidated net sales were 53,580 million yen (4.0% increase from the previous term), operating profit was 4,813 million (6.5% increase from the previous term), ordinary profit was 5,197 million yen (5.1% increase from the previous term) and net profit attributable to shareholders of the parent company was 3,593 million yen (6.2% increase from the previous term), resulting in our highest sales and profit level to date.

The business results for each segment are shown as follows.

#### (Commercial Kitchen Department)

Based on our unique top-of-the-industry products, the Company's main business operation, the Commercial Kitchen Department, promoted solutions in areas that our customers were experiencing difficulties, such as a lack of manpower and energy savings in the work environment. With regard to events such as sales/exhibitions and cooking classes, we not only improved what we offered at an event but also increased the number of events. We mainly focused on hub Sales Offices where test kitchens are permanently installed. Also, the Company continued to implement promotional campaigns for its direct/route sales channels. As for the maintenance and service aspect, a prompt response to repairs is offered daily. We also promoted service contracts and implemented vigorous sales promotions for products such as detergents and demineralizer water cartridges. Our focus has been on our customers' safety and improving the level of customer satisfaction.

In product development, we actively promoted the development of new products that reflect a good understanding of customers' needs, as well as reviewing the Company's existing products. In addition, targeting chain restaurants and convenience stores, we focused on the development of customized products appropriate for their unique cooking operations.

During this fiscal year, the Company released "Multi Lifter," which can be attached to the Company's fryers currently used. Use of this product enables one to simultaneously cook food that require different frying times. Therefore, it not only is suitable for cooking a variety of food in small quantities but also deals with a lack of manpower, allowing operations in a small team. Meanwhile, we reviewed the Company's main product, "Steam Convection" and fully remodeled it for the first time in 17 years. The product is further improved with the newly-installed 7" color LCD touch panel, multiple cooking functions that enable multiple dishes to be cooked, and the self-cleaning function that includes washing and drying.

As a result, net sales were 50,701 million yen (5.3% increase from the previous term) and operating profit was 5,210 million yen (6.7% increase from the previous term).

#### (Bakery Department)

In our Bakery Department, the Company continued to expand sales to bread manufacturers in Japan, as well as develop business with overseas bread manufacturers and manufacturers in various food industries, mostly in South East Asia. As a result, net sales were 2,320 million yen (16.8% decrease from the previous term) and operating profit was 29 million yen (68.4% decrease from the previous term).

#### (Rental Building Department)

Our Rental Building Department owns a total of 5 rental properties; 3 business chain hotels, 1 assisted-living nursing home, and 1 distribution warehouse, in order to make efficient use of the Company's properties and funds. Business operations were carried out as planned, resulting in net sales of 592 million yen (0.0% decrease from the previous term) and an operating profit of 407 million yen (1.5% increase from the previous term).

## 2) Outlook for the Next Fiscal Year

For the next fiscal year, with economic downturn intensifying due to a series of natural disasters and the consumption tax increase last year, there are concerns that the global economy will slow because of the spread of coronavirus.

As for the Company's main business operation, the Commercial Kitchen Department, although the spread of COVID-19 and other factors have caused a drop in sales in the restaurant and hospitality industries, sales increased in the supermarket and delivery industries. While situations vary depending on the industry, we are facing a more challenging environment overall.

In this economic situation, making the most of our top-of-the-industry product diversification, which is the Company's strength, as well as our high mobility supported by the nationwide sales establishment structure, we will expand the scope of our business in various industries, meet the demands from a variety of customers and strive to increase sales based on our existing products.

In the Bakery Department, we will continue with the development and sale of new products and reviewed products to strengthen the Company's product power. Our aim is to enhance sales to domestic/overseas bread manufacturers. At the same time, we will continue to develop new business relationships with various food manufacturers in different industries, as well as bread manufacturers in South East Asia, in order to secure stable sales results.

The Rental Building Department is expected to achieve results as planned with the existing properties.

Regarding the business forecast for the next fiscal year, with the possibility of a prolonged impact of COVID-19 it is difficult to make a reasonable forecast at this point. We will promptly disclose the forecast when it becomes possible to do so.

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

### 1) Overview of Assets, Liabilities and Net Assets

The Company's financial position for this consolidated fiscal year resulted in total assets of 55,968 million, an increase of 2,218 million yen from the end of the previous consolidated fiscal year.

Assets recorded an increase of 2,218 million yen from the previous consolidated fiscal year due to the increase in cash and deposits.

In liabilities, there was a decrease of 272 million yen from the previous consolidated fiscal year due to the settlement of notes payable-equipment resulting from equipment investment in the previous consolidated fiscal year. As a result, the liabilities amounted to a total of 18,941 million yen.

The Company's net assets were 37,027 million yen, an increase of 2,491 million yen from the end of the previous consolidated year, owing to an increase in retained earnings due to the recording of net profit attributable to shareholders of the parent company.

### 2) Status of Cash Flow

Cash and cash equivalents (hereafter referred to as "capital") as of this fiscal year had an increase of 2,789 million yen to 23,106 million yen (13.7% increase from the same period last year). Also, the conditions of each cash flow and major factors are as follows:

#### (Cash flow provided by operating activities)

The sales activities resulted in capital of 4,983 million yen (14.5% increase from the same period last year).

This is mainly attributable to the recording of profit before income taxes of 5,301 million yen.

#### (Cash flow provided by investment activities)

Capital used in investment activities was 1,625 million yen (30.1% increase from the same period last year).

This is mainly attributable to the acquisition of tangible fixed assets valued at 1,786 million yen.

#### (Cash flow provided by financing activities)

Capital used for financing activities was 569 million yen (8.3% decrease from the same period last year). This is attributable to the 100 million yen repayment of short-term loans and the 469 million yen payment for dividends.

(3) Basic Policy related to Profit Allocation and Dividends for the Current and Next Fiscal Years

The Company considers returning profits to our shareholders as one of the most important tasks as a corporation and made it a standard corporate policy to provide stable dividends continuously. Also, the retained earnings will be used to invest in research and development, equipment and expansion of the Company's market share to secure a steady increase in our business scale and to improve our company's corporate value.

The Company's profits continued to improve steadily from the previous term, exceeding the original profit projection. Per our announcement on March 16, 2020, the cash dividend per share at the end of this fiscal year was 16 yen, and the annual dividend per share was 30 yen (in addition to 14 yen at the interim period).

The Company's annual cash dividend per share is planned at 30 (15 yen at the end of the second quarter, 15 yen at the end of the fiscal year) from the viewpoint of providing steady and continuous allocation.

The Company is also offering a special benefit plan for shareholders to express our gratitude for their support of our business. At the end of February and August of the current fiscal year, those who own more than 300 shares will receive a QUO Card, and those who own more than 1,000 shares will receive a JF Gourmet Card (gift certificate that can be used at restaurants throughout Japan).

## **2. Basic Stance Concerning Choice of Accounting Standards**

By taking comparability of consolidated financial statements with other terms and with other companies into consideration, our Corporate Group plans to continue using Japanese accounting standards for our consolidated financial statements for the foreseeable future.

Also, use of International Financial Reporting Standards (IFRS) will be considered for application based on the domestic and overseas business situations.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Thousand yen)

	For the fiscal year ended (February 28, 2019)	For the fiscal year ended (Feb. 29, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	20,317,397	23,106,470
Notes and accounts receivable - trade	8,524,131	8,914,026
Merchandise and finished goods	3,427,661	3,067,582
Work in process	611,349	587,848
Raw materials and supplies	1,122,887	1,140,510
Other	132,579	145,435
Allowance for doubtful accounts	-10,651	-6,758
Total current assets	34,125,354	36,955,114
Non-current assets		
Tangible assets		
Buildings and structures	17,125,807	17,423,236
Cumulative depreciation	-10,154,882	-10,519,167
Buildings and structures, net	6,970,924	6,904,068
Machinery, equipment and vehicles	7,390,785	7,642,140
Cumulative depreciation	-5,573,429	-5,894,499
Machinery and delivery equipment, net	1,817,356	1,747,641
Land	7,372,180	7,578,403
Leased assets	33,522	41,406
Cumulative depreciation	-24,662	-30,243
Leased assets, net	8,859	11,162
Construction in progress	—	29,687
Other	1,302,859	1,334,913
Cumulative depreciation	-1,214,416	-1,256,873
Other, net	88,442	78,039
Total tangible assets	16,257,763	16,349,004
Intangible assets		
Software	24,268	17,801
Leased assets	9,707	4,762
Total intangible assets	33,975	22,564
Investments and other assets		
Investment securities	2,830,826	1,945,942
Long-term loans	52,523	41,222
Deferred tax assets	257,962	474,139
Other	206,579	194,657
Allowance for doubtful accounts	-15,536	-14,210
Total investments and other assets	3,332,357	2,641,752
Total non-current assets	19,624,096	19,013,321
Total assets	53,749,451	55,968,436

(Thousand yen)

	For the fiscal year ended (February 28, 2019)	For the fiscal year ended (February 29, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,271,460	11,497,941
Short-term loans payable	500,000	400,000
Lease obligations	10,776	5,795
Income taxes payable	995,116	937,903
Provision for bonuses	679,000	691,000
Reserve for directors' bonuses	49,366	52,742
Notes payable-equipment	1,135,290	439,772
Other	1,454,113	1,930,553
Total current liabilities	16,095,123	15,955,707
Non-current liabilities		
Lease obligations	9,276	11,550
Deferred tax liabilities	56,474	—
Deferred tax liability on reappraisals	172,264	172,264
Provision for directors' retirement benefits	317,300	282,700
Debt related to retirement benefits	1,723,609	1,772,796
Notes payable-long-term installations	754,080	660,051
Other	85,531	86,332
Total non-current liabilities	3,118,536	2,985,695
Total liabilities	19,213,660	18,941,403
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,164,950	3,164,950
Capital surplus	2,494,610	2,494,610
Retained earnings	34,975,191	38,099,786
Treasury shares	-3,311,036	-3,311,174
Total shareholders' equity	37,323,714	40,448,172
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	1,717,157	1,111,385
Difference in revaluation of land	-4,556,285	-4,556,285
Re-measurements of defined benefit plans	51,203	23,760
Total other accumulated comprehensive income	-2,787,924	-3,421,139
Total net assets	34,535,790	37,027,032
Total liabilities and net assets	53,749,451	55,968,436



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

(Thousand yen)

	For the fiscal year ended February 28, 2019 (March 1, 2018 to February 28, 2019)	For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)
Net sales	51,518,144	53,580,768
Cost of sales	36,235,944	37,975,406
Gross profits	15,282,199	15,605,362
Sales, general and administrative expenses		
Shipping and packing expenses	1,639,711	1,812,418
Advertising expenses	246,601	241,014
Provision for allowance for doubtful accounts	19,825	6,866
Directors' compensation and salary payments	4,797,110	4,775,622
Benefit expenses	884,822	909,757
Provision for accrued bonuses	566,522	575,303
Transfer to reserves for directors' bonuses	49,366	52,742
Retirement benefit expenses	146,678	114,605
Transfer to reserves for directors in recognition of service	29,200	28,900
Depreciation	141,887	135,314
Rental charges	231,531	230,807
R&D costs	409,286	398,116
Other	1,600,326	1,510,817
Total sales, general and administrative expenses	10,762,870	10,792,286
Operating profit	4,519,329	4,813,075
Non-operating revenue		
Interest earned	771	875
Dividends earned	73,770	76,970
Rents for fixed assets	26,499	27,291
Purchase discounts	151,794	143,427
Revenue on sale of work scrap	140,591	110,450
Other	40,753	33,530
Total non-operating revenue	434,180	392,545
Non-operating expenses		
Interest expenses	2,030	1,511
Sales discounts	6,458	5,959
Other	352	372
Total non-operating expenses	8,841	7,843
Ordinary profit	4,944,668	5,197,778
Extraordinary income		
Gain from sale of fixed assets	7,019	7,276
Gain on sales of investment securities	80,944	97,689
Total extraordinary income	87,964	104,965
Extraordinary losses		
Loss on sale of fixed assets	600	—
Loss on retirement of non-current assets	6,611	1,075
Loss on valuation of investment securities	721	—
Total extraordinary losses	7,932	1,075
Profit before income taxes	5,024,700	5,301,667
Income taxes - deferred	1,669,342	1,704,125
Income taxes - deferred	-27,735	4,000
Total income taxes	1,641,607	1,708,126
Profit	3,383,092	3,593,541
Net profit attributable to shareholders of parent company	3,383,092	3,593,541

## (Consolidated Statement of Comprehensive Income)

(Thousand yen)

	For the fiscal year ended February 28, 2019 (March 1, 2018 to February 28, 2019)	For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)
Profit	3,383,092	3,593,541
Other comprehensive income		
Valuation difference on available-for-sale securities	-738,962	-605,772
Re-measurements of defined benefit plans, net of taxes	45,696	-27,443
Total other comprehensive income	-693,266	-633,215
Comprehensive income	2,689,826	2,960,325
(Breakdown)		
Comprehensive income attributable to parent company shareholders	2,689,826	2,960,325
Comprehensive income attributable to non- controlling interests	—	—

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended February 28, 2019 (March 1, 2018 to February 28, 2019)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,164,950	2,494,610	32,012,533	-3,311,034	34,361,058
Change during period					
Surplus dividends			-420,434		-420,434
Net profit attributable to shareholders of parent company			3,383,092		3,383,092
Purchase of treasury shares				-2	-2
Net changes of items other than shareholders' equity					
Total change during period	—	—	2,962,658	-2	2,962,656
Balance at end of current period	3,164,950	2,494,610	34,975,191	-3,311,036	37,323,714

	Other accumulated comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Difference in revaluation of land	Re-measurements of defined benefit plans	Total other accumulated comprehensive income	
Balance at beginning of current period	2,456,120	-4,556,285	5,507	-2,094,657	32,266,400
Change during period					
Surplus dividends					-420,434
Net profit attributable to shareholders of parent company					3,383,092
Purchase of treasury shares					-2
Net changes of items other than shareholders' equity	-738,962	—	45,696	-693,266	-693,266
Total change during period	-738,962	—	45,696	-693,266	2,269,389
Balance at end of current period	1,717,157	-4,556,285	51,203	-2,787,924	34,535,790

For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,164,950	2,494,610	34,975,191	-3,311,036	37,323,714
Change during period					
Surplus dividends			-468,945		-468,945
Net profit attributable to shareholders of parent company			3,593,541		3,593,541
Purchase of treasury shares				-137	-137
Net changes of items other than shareholders' equity					
Total change during period	—	—	3,124,595	-137	3,124,457
Balance at end of current period	3,164,950	2,494,610	38,099,786	-3,311,174	40,448,172

	Other accumulated comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Difference in revaluation of land	Re-measurements of defined benefit plans	Total other accumulated comprehensive income	
Balance at beginning of current period	1,717,157	-4,556,285	51,203	-2,787,924	34,535,790
Change during period					
Surplus dividends					-468,945
Net profit attributable to shareholders of parent company					3,593,541
Purchase of treasury shares					-137
Net changes of items other than shareholders' equity	-605,772	—	-27,443	-633,215	-633,215
Total change during period	-605,772	—	-27,443	-633,215	2,491,242
Balance at end of current period	1,111,385	-4,556,285	23,760	-3,421,139	37,027,032

## (4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended February 28, 2019 (March 1, 2018 to February 28, 2019)	For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)
Net cash provided by (used in) operating activities		
Profit before income taxes	5,024,700	5,301,667
Depreciation	863,099	926,266
Increase (decrease) in allowance for bonuses	22,000	12,000
Increase (decrease) in allowance for directors' bonuses	572	3,376
Increase (decrease) in liabilities related to retirement benefits	58,661	9,632
Increase (decrease) in reserves for directors' retirement benefits	29,200	28,900
Increase (decrease) in allowance for doubtful accounts	(8,555)	(5,218)
Interest income and dividends received	-74,541	-77,846
Interest expenses	2,030	1,511
Loss (gain) on sale of investment securities	(80,944)	(97,689)
Loss (gain) on valuation of investment securities	721	—
Loss (gain) on sale of tangible assets	(6,419)	(7,276)
Loss on retirement of tangible assets	6,611	1,075
Decrease (increase) in notes and accounts receivable – trade	118,054	(389,739)
Decrease (increase) in inventories	(309,093)	365,957
Decrease (increase) in other current assets	19,311	(12,749)
Decrease (increase) in other non-current assets	(57)	—
Increase (decrease) in notes and accounts payable – trade	226,041	226,480
Increase (decrease) in accrued consumption tax, etc.	(160,337)	347,409
Increase (decrease) in other current liabilities	18,020	120,384
Increase (decrease) in other non-current liabilities	(107)	800
Other	-29,099	-90,791
Subtotal	5,719,866	6,664,150
Interest and dividend income received	74,803	77,839
Interest expenses paid	-2,112	-1,460
Income taxes paid	-1,440,942	-1,756,925
Net cash provided by (used in) operating activities	4,351,615	4,983,604
Net cash provided by (used in) investing activities		
Purchase of tangible fixed assets	-1,405,631	-1,786,605
Proceeds from sales of tangible fixed assets	10,268	9,582
Purchase of intangible fixed assets	-23,755	-7,672
Purchase of other fixed assets	-6,955	-6,622
Proceeds from decrease in other fixed assets	10,732	15,336
Purchase of investment securities	-565	-2,303
Proceeds from sale and redemption of investment securities	130,164	114,564
Revenue from collection of loans	15,945	11,460
Other	20,823	26,981
Net cash provided by (used in) investing activities	-1,248,973	-1,625,280
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(200,000)	(100,000)
Purchase of treasury shares	-2	-137
Cash dividends paid	-420,692	-469,112
Net cash provided by (used in) financing activities	-620,694	-569,250
Net increase (decrease) in cash and cash equivalents	2,481,947	2,789,072
Cash and cash equivalents at beginning of period	17,835,449	20,317,397
Cash and cash equivalents at end of period	20,317,397	23,106,470

(5) Notes on Consolidated Financial Statements  
(Notes concerning assumptions regarding ongoing concerns)  
Not applicable.

(Changes in indication method)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" etc.)

We have applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the fiscal year under review. Deferred tax assets are indicated in the classification of investments and other assets, and deferred tax liabilities are shown in the classification of non-current liabilities.

(Segment information, etc.)

[Segment information]

1. Overview of reporting segments

Isolated financial information of the Group's constituent units is available from the Group's reporting segments; this information is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group classifies sales management into manufactured goods (heating equipment, work equipment, bakery equipment and so on) and merchandise (cooling equipment, cooking equipment, bakery-related equipment and so on). Responding to the needs of each customer, it is developing comprehensive domestic and overseas sales strategies and expanding its business activities. Moreover, the Group also treats three business classifications based on the makeup of sales –the commercial kitchen equipment manufacturing and sales business, the bakery equipment manufacturing and sales business and the building rental business - as reporting segments.

The commercial kitchen equipment manufacturing and sales business consists of manufacturing, purchasing and selling commercial kitchen equipment. The bakery equipment manufacturing and sales business consists of the manufacture, sales and maintenance of bakery equipment such as bread plants. The building rental business rents out buildings (business hotels, for-profit nursing home etc.)

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for reported business segments is the same as that described in "Important matters as the basis for preparing consolidated financial statements."

Reported segment earnings are based on operating income.

Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets, liabilities and other items per reported segment  
For the fiscal year ended Feb. 28, 2019 (March 1, 2018 to February 28, 2019)

(Thousand yen)

	Reporting segment				Adjusted amount See Note 1 See Note 2 See Note 3	Amount recorded on consolidated financial statements See Note 4
	Commercial kitchen equipment manufacturing and sales business	Bakery equipment manufacturing and sales business	Building rental business	Total		
Net sales						
Sales to external customers	48,165,946	2,759,453	592,744	51,518,144	—	51,518,144
Internal sales or transfers between segments	—	30,338	—	30,338	-30,338	—
Total	48,165,946	2,789,791	592,744	51,548,482	-30,338	51,518,144
Segment profits	4,885,312	94,742	401,165	5,381,220	-861,891	4,519,329
Segment assets	28,086,046	1,356,793	3,759,312	33,202,152	20,547,298	53,749,451
Other items						
Depreciation	719,976	24,104	105,650	849,732	13,367	863,099
Increase in tangible and intangible fixed assets	2,136,106	962	—	2,137,068	4,405	2,141,474

- (Notes) 1. The ¥861.89 million adjustment for segment profits includes elimination of intersegment transactions of ¥120 million and company-wide expenses of ¥981.89 million not allocated to each reporting segment. Company-wide expenses are mainly made up of general administrative expenses not attributable to reporting segments.
2. The ¥20,547 million adjustment for segment assets are company-wide assets not allocated to each reporting segment, with major items consisting of management funds (cash and deposits) and assets related to the management (headquarters) division.
3. The ¥13.36 million adjustment for depreciation expenses consists of amortization expenses for all corporate assets.
4. Segment profits are coordinated with the operating income of consolidated financial statements.

For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)

(Thousand yen)

	Reporting segment				Adjusted amount See Note 1 See Note 2 See Note 3	Amount recorded on consolidated financial statements See Note 4
	Commercial kitchen equipment manufacturing and sales business	Bakery equipment manufacturing and sales business	Building rental business	Total		
Net sales						
Sales to external customers	50,701,426	2,286,787	592,554	53,580,768	—	53,580,768
Internal sales or transfers between segments	—	33,704	—	33,704	-33,704	—
Total	50,701,426	2,320,491	592,554	53,614,472	-33,704	53,580,768
Segment profits	5,210,351	29,958	407,076	5,647,386	-834,311	4,813,075
Segment assets	27,807,608	1,054,326	3,673,187	32,535,122	23,433,313	55,968,436
Other items						
Depreciation	790,393	21,135	102,219	913,749	12,516	926,266
Increase in tangible and intangible fixed assets	981,616	827	15,948	998,391	8,033	1,006,424

- (Notes) 1. The ¥834.31 million adjustment for segment profits includes elimination of intersegment transactions of ¥120 million and company-wide expenses of ¥954.31 million not allocated to each reporting segment. Company-wide expenses are mainly made up of general administrative expenses not attributable to reporting segments.
2. The ¥23,433 million adjustment for segment assets are company-wide assets not allocated to each reporting segment, with major items consisting of management funds (cash and deposits) and assets related to the management (headquarters) division.
3. The ¥12.51 million adjustment for depreciation expenses consists of amortization expenses for all corporate assets.
4. Segment profits are coordinated with the operating income of consolidated financial statements.

[Related information]

For the fiscal year ended February 28, 2019 (March 1, 2018 to February 28, 2019)

1. Information for each product and service

	Commercial kitchen equipment manufacturing and sales business						Bakery equipment manufacturing and sales business		Building rental business	Total
	Company products				Products purchased from other companies		Company products	Products purchased from other companies		
	Heating equipment	Work equipment		Parts, etc.	Cooling equipment	Cooking service equipment	Bakery equipment	Bakery-related equipment		
		Standard	Orders							
Sales to external customers (Thousand yen)	13,285,162	2,685,182	3,934,742	4,386,766	9,242,971	14,631,121	2,652,061	107,392	592,744	51,518,144

2. Information by region

(1) Sales

Since sales to customers outside of Japan exceed 90% of sales on the consolidated income statement, the description is omitted.

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated income statement, the description is omitted.

3. Major customer-specific information

Since no customer makes up 10% or more of sales to outside customers on the consolidated income statement, the description is omitted.

For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)

1. Information for each product and service

	Commercial kitchen equipment manufacturing and sales business						Bakery equipment manufacturing and sales business		Building rental business	Total
	Company products				Products purchased from other companies		Company products	Products purchased from other companies		
	Heating equipment	Cooling equipment		Cooking service equipment	Cooling equipment	Cooking service equipment	Bakery equipment	Bakery-related equipment		
		Standard	Orders							
Sales to external customers (Thousand yen)	15,022,797	3,216,965	4,043,061	4,487,162	9,010,263	14,921,174	2,005,057	281,730	592,554	53,580,768

2. Information by region

(1) Sales

Since sales to customers outside of Japan exceed 90% of sales on the consolidated income statement, the description is omitted.

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated income statement, the description is omitted.

3. Major customer-specific information

Since no customer makes up 10% or more of sales to outside customers on the consolidated income statement, the description is omitted.

[Information on impairment loss of fixed assets by reporting segment]

Not applicable.

[Information on negative goodwill amortization and unamortized balance by reporting segment]

Not applicable.

[Information on negative goodwill amortization by reporting segment]

Not applicable.



(Per share information)

Item	For the fiscal year ended Feb. 28, 2019 (March 1, 2018 to February 28, 2019)	For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)
Net assets per share	¥2,135.72	¥2,289.79
Net income per share	¥209.21	¥222.23

(Notes) 1. No net income per share adjusted for potential diluted shares is stated because there are no potential shares.

2. The basis for calculating net income per share is as follows.

Item	For the fiscal year ended Feb. 28, 2019 (March 1, 2018 to February 28, 2019)	For the fiscal year ended February 29, 2020 (March 1, 2019 to February 29, 2020)
Net income per share		
Net income attributable to shareholders of parent company (Thousand yen)	3,383,092	3,593,541
Amount not attributable to common shareholders (Thousand yen)	—	—
Net income attributable to shareholders of parent company related to common stock (Thousand yen)	3,383,092	3,593,541
Average number of shares during the period (Thousand shares)	16,170	16,170

(Important subsequent events)

Not applicable.

#### 4. Other

(1) Changes in Officers

Not applicable.

(2) Other

Not applicable.