

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



May 14, 2021

Company name: KYODO PRINTING CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7914

URL: <https://www.kyodoprinting.co.jp/>

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Scheduled date of annual shareholders' meeting: June 29, 2021

Scheduled date of commencing dividend payments: June 30, 2021

Scheduled date of filing annual securities report: June 29, 2021

Availability of supplementary briefing material on financial results: Available

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

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	91,031	(9.7)	648	(58.7)	1,345	(37.8)	825	(45.4)
March 31, 2020	100,858	3.1	1,569	52.8	2,163	23.7	1,509	36.6

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥5,136 million [-%]

Fiscal year ended March 31, 2020: ¥(2,415) million [- %]

	Basic net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	97.00	—	1.3	1.1	0.7
March 31, 2020	175.22	—	2.5	1.7	1.6

(Reference) Share of (profit) loss of entities accounted for using equity method:

Fiscal year ended March 31, 2021: ¥(19) million

Fiscal year ended March 31, 2020: ¥(67) million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio	Total equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	129,077	62,944	48.7	7,586.38
As of March 31, 2020	124,634	59,764	47.9	6,949.53

(Reference) Equity: As of March 31, 2021: ¥62,820 million

As of March 31, 2020: ¥59,661 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 end of the year
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	5,639	(7,402)	1,529	12,760
March 31, 2020	10,346	(9,008)	1,197	13,070

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Dividends to total equity (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	–	50.00	–	50.00	100.00	864	57.1	1.4
Fiscal year ended March 31, 2021	–	50.00	–	50.00	100.00	849	103.1	1.4
Fiscal year ending March 31, 2022 (Forecast)	–	50.00	–	50.00	100.00		97.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	93,000	–	900	–	1,400	–	850	–	102.65

(Note) As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. since April 1, 2021, the amounts in the consolidated financial results forecast above are the amounts after the application of the said accounting standard, etc. and changes from the previous corresponding period are not presented.

*** Notes:**

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

Newly added: – (Name of subsidiary): –, Excluded: – (Name of subsidiary): –

(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 stock)

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

March 31, 2021: 9,020,000 shares

March 31, 2020: 9,020,000 shares

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

March 31, 2021: 739,277 shares

March 31, 2020: 434,985 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2021: 8,505,882 shares

Fiscal year ended March 31, 2020: 8,616,642 shares

(Reference) Overview of Non-consolidated Financial Results

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

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	80,736	(10.1)	(149)	–	1,639	(51.5)	1,088	(60.2)
March 31, 2020	89,843	1.8	1,737	187.6	3,381	39.7	2,732	46.8

	Basic net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2021	127.91	–
March 31, 2020	316.92	–

(2) Non-consolidated Financial Position

	Total assets	Total equity	Equity ratio	Total equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	122,930	55,100	44.8	6,650.49
As of March 31, 2020	121,029	53,948	44.6	6,280.81

(Reference) Equity: As of March 31, 2021: ¥55,100 million

As of March 31, 2020: ¥53,948 million

* These financial results are outside the scope of audits by certified public accountants or audit firms.

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

The financial results forecast and certain other statements regarding the future in this document are based on the information currently available to the Company and certain assumptions considered to be rational by the Company and they do not constitute a guarantee that the Company will achieve the forecast or other forward-looking statements. The actual results may differ substantially from the forecast for various reasons.

1. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	13,134	12,808
Trade notes and accounts receivable	27,301	25,666
Merchandise and finished products	4,412	4,388
Work in process	2,884	2,190
Raw materials and supplies	1,029	744
Other	634	709
Allowance for doubtful accounts	(59)	(55)
Total current assets	49,339	46,453
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,947	19,032
Machinery and vehicles, net	14,769	14,345
Furniture and fixtures, net	1,183	1,061
Land	14,832	14,800
Lease assets, net	1,798	1,563
Construction in progress	3,162	6,777
Total property, plant and equipment	*1 55,693	*1 57,580
Intangible assets		
Goodwill	2,003	1,369
Software	1,301	1,260
Other	128	151
Total intangible assets	3,432	2,780
Investments and other assets		
Investment securities	*2 13,741	*2 18,759
Long-term loans receivable	26	–
Asset for retirement benefits	808	2,192
Deferred tax assets	482	266
Other	1,158	1,096
Allowance for doubtful accounts	(48)	(51)
Total investments and other assets	16,168	22,263
Total non-current assets	75,295	82,624
Total assets	124,634	129,077

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Trade notes and accounts payable	18,049	15,415
Current portion of bonds payable	–	5,000
Current portion of long-term debt	–	*3 2,404
Lease obligations	506	501
Income taxes payable	722	337
Accrued bonuses	1,258	1,206
Accrued bonuses for directors	53	50
Other	9,787	8,586
Total current liabilities	30,378	33,501
Long-term liabilities		
Bonds	8,000	3,000
Long-term debt	*3 15,012	*3 16,604
Lease obligations	1,115	858
Deferred tax liabilities	553	2,502
Provision for environmental measures	595	407
Provision for dismantling of non-current assets	545	545
Provision for share-based remuneration for directors	9	9
Liability for retirement benefits	6,573	6,616
Asset retirement obligations	50	50
Other	2,034	2,037
Total long-term liabilities	34,491	32,631
Total liabilities	64,869	66,133
Equity		
Shareholders' equity		
Common stock	4,510	4,510
Capital surplus	1,766	1,674
Retained earnings	49,477	49,438
Treasury stock	(1,088)	(2,088)
Total shareholders' equity	54,665	53,533
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	5,729	9,398
Foreign currency translation adjustments	(7)	(283)
Remeasurement of defined benefit plans	(725)	172
Total accumulated other comprehensive income	4,996	9,287
Non-controlling interests	103	123
Total equity	59,764	62,944
Total liabilities and equity	124,634	129,077

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

(Million yen)

	Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021	
Net sales		100,858		91,031
Cost of sales	*1	83,215	*1	75,112
Gross profit		17,642		15,918
Selling, general and administrative expenses				
Delivery expenses		4,511		3,608
Travel and communication expenses		381		228
Provision of allowance for doubtful accounts		(0)		(3)
Salaries and allowances		5,631		5,849
Provision for employees' bonuses		420		470
Provision for directors' bonuses		53		51
Provision for share-based remuneration for directors		9		—
Retirement benefit expenses		425		378
Employee benefits		1,348		1,412
Depreciation		416		366
Other		2,874		2,908
Total selling, general and administrative expenses	*1	16,073	*1	15,270
Operating income		1,569		648
Non-operating income				
Interest income		27		7
Dividend income		316		270
Gain on sales of goods		246		211
Rent income on facilities		84		92
Dividend income of insurance		165		154
Foreign exchange gains		—		50
Other		206		319
Total non-operating income		1,047		1,106
Non-operating expenses				
Interest expenses		159		189
Rent expenses on facilities		41		42
Share of loss of entities accounted for using equity method		67		19
Foreign exchange losses		88		—
Other		95		156
Total non-operating expenses		453		408
Ordinary income		2,163		1,345
Extraordinary income				
Gain on sales of non-current assets	*2	19	*2	5
Gain on sales of investment securities		1,564		713
Reversal of provision for dismantling of non-current assets		614		—
Reversal of provision for environmental measures		—		2
Other		1		—
Total extraordinary income		2,200		720
Extraordinary losses				
Loss on sales and retirement of non-current assets	*3	502	*3	285
Loss on valuation of investment securities		74		—
Provision for environmental measures		628		32
Other		113		12
Total extraordinary losses		1,318		331
Income before income taxes		3,045		1,735
Income taxes-current		952		651
Income taxes-deferred		506		237
Total income taxes		1,459		889

Net income	1,585	846
Net income attributable to non-controlling interests	76	21
Net income attributable to owners of parent	1,509	825

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income	1,585	846
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(3,630)	3,658
Foreign currency translation adjustments	149	(278)
Remeasurement of defined benefit plans	(514)	899
Share of other comprehensive income in associate accounted for using the equity method	(5)	10
Total other comprehensive income (loss)	* (4,001)	* 4,290
Comprehensive income	(2,415)	5,136
Total comprehensive income (loss) attributable to:		
Owners of parent	(2,491)	5,115
Non-controlling interests	75	20

(3) Consolidated Statements of Changes in Equity
Fiscal Year Ended March 31, 2020

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2019	4,510	1,765	48,832	(726)	54,381
Changes during period					
Dividends of surplus			(871)		(871)
Net income attributable to owners of parent			1,509		1,509
Purchase of treasury stock				(361)	(361)
Change in scope of equity method			6		6
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Net change in the item other than those in shareholders' equity					
Total changes during period	–	1	644	(361)	284
BALANCE, MARCH 31, 2020	4,510	1,766	49,477	(1,088)	54,665

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
BALANCE, APRIL 1, 2019	9,365	(155)	(213)	8,997	6	63,384
Changes during period						
Dividends of surplus						(871)
Net income attributable to owners of parent						1,509
Purchase of treasury stock						(361)
Change in scope of equity method						6
Change in ownership interest of parent due to transactions with non-controlling interests						1
Net change in the item other than those in shareholders' equity	(3,636)	147	(512)	(4,001)	96	(3,904)
Total changes during period	(3,636)	147	(512)	(4,001)	96	(3,619)
BALANCE, MARCH 31, 2020	5,729	(7)	(725)	4,996	103	59,764

Fiscal Year Ended March 31, 2021

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2020	4,510	1,766	49,477	(1,088)	54,665
Changes during period					
Dividends of surplus			(864)		(864)
Net income attributable to owners of parent			825		825
Purchase of treasury stock				(1,000)	(1,000)
Change in scope of equity method			–		–
Change in ownership interest of parent due to transactions with non-controlling interests		(92)			(92)
Net change in the item other than those in shareholders' equity					
Total changes during period	–	(92)	(39)	(1,000)	(1,132)
BALANCE, MARCH 31, 2021	4,510	1,674	49,438	(2,088)	53,533

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
BALANCE, APRIL 1, 2020	5,729	(7)	(725)	4,996	103	59,764
Changes during period						
Dividends of surplus						(864)
Net income attributable to owners of parent						825
Purchase of treasury stock						(1,000)
Change in scope of equity method						–
Change in ownership interest of parent due to transactions with non-controlling interests						(92)
Net change in the item other than those in shareholders' equity	3,669	(276)	898	4,290	20	4,311
Total changes during period	3,669	(276)	898	4,290	20	3,179
BALANCE, MARCH 31, 2021	9,398	(283)	172	9,287	123	62,944

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating activities:		
Income before income taxes	3,045	1,735
Depreciation and amortization	5,388	5,450
Amortization of goodwill	473	609
Increase (decrease) in liability for retirement benefits	(243)	(56)
Increase (decrease) in allowance for doubtful accounts	(6)	(1)
Increase (decrease) in provision for bonuses	89	(52)
Increase (decrease) in provision for bonuses for directors	21	(3)
Increase (decrease) in provision for dismantling of non-current assets	(1,424)	(0)
Increase (decrease) in provision for environmental measures	579	(188)
Interest and dividend income	(342)	(278)
Interest expenses	159	189
Share of (profit) loss of entities accounted for using equity method	67	19
(Gain) loss on valuation of investment securities	74	—
(Gain) loss on sales of investment securities	(1,564)	(713)
(Gain) loss on sales and retirement of non-current assets	482	279
(Increase) decrease in trade receivables	1,109	1,616
(Increase) decrease in inventories	(771)	990
Increase (decrease) in trade payables	106	(2,620)
Increase (decrease) in accrued consumption tax	1,093	(293)
(Increase) decrease in claims provable in bankruptcy, claims provable in rehabilitation	0	(0)
Other	1,919	(76)
Subtotal	10,259	6,607
Interest and dividends received	343	278
Interest paid	(159)	(189)
Income taxes—paid	(97)	(1,056)
Net cash provided by operating activities	10,346	5,639
Investing activities:		
Purchases of property, plant and equipment and intangible assets	(9,178)	(8,378)
Proceeds from sales of property, plant and equipment and intangible assets	118	5
Purchases of investment securities	(35)	(45)
Proceeds from sales of investment securities	1,565	920
Loan advances	(0)	(0)
Collection of loans receivable	18	26
Payments for acquisition of businesses	(1,677)	—
Other	181	69
Net cash used in investing activities	(9,008)	(7,402)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Financing activities:		
Proceeds from long-term debt	8,000	4,000
Repayments of long-term debt	(4)	(4)
Redemption of bonds	(5,000)	–
Dividends paid	(871)	(864)
Dividends paid to non-controlling interests	–	(1)
Purchase of treasury stock	(361)	(1,000)
Other	(564)	(599)
Net cash provided by (used in) financing activities	1,197	1,529
Foreign currency translation adjustments on cash and cash equivalents	95	(76)
Net increase (decrease) in cash and cash equivalents	2,630	(310)
Cash and cash equivalents, beginning of period	10,432	13,070
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	7	–
Cash and cash equivalents, end of period	* 13,070	* 12,760

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Significant matters forming the basis for presenting consolidated financial statements)

1. Scope of consolidation

Number of consolidated subsidiaries: 19

Names of major subsidiaries:

KYODO PRINTING (VIETNAM) CO. LTD.

Kyodo Logistics Co., Ltd.

Kyodo Printing Nishinohon Co., Ltd.

COSMO GRAPHIC Co., Ltd.

2. Application of equity method

(1) Number of associated companies accounted for by the equity method: 1

Name of major company: Kyodo seihon Co., Ltd.

(2) COSMO SCANNER Co., Ltd., an associated company which is not accounted for by the equity method has been excluded from the scope of the equity method because its impact on the consolidated financial statements has been immaterial in terms of net income or loss (amounts corresponding to equity) and retained earnings (amounts corresponding to equity) in the year ended March 31, 2021 and due to its overall lack of significance.

3. Fiscal year-end of consolidated subsidiaries

Of consolidated subsidiaries, the fiscal closing date of KYODOPRINTING (SHANGHAI) CO. LTD., KYODO PRINTING (VIETNAM) CO. LTD., and PT. Arisu Graphic Prima is December 31.

The financial statements of the subsidiaries as of December 31 are used in preparing the consolidated financial statements, with adjustments made as necessary to account for significant transactions occurring during the period from their fiscal year-end to the consolidated closing date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a. Securities

Available-for-sale securities

- Those with market value:

Stated at market value based on market prices on the balance sheet date (unrealized gains or losses on valuation are booked directly in total equity, and the cost of securities sold is determined by the moving-average method)

- Those without market value:

Stated at cost, determined by the moving-average method

b. Inventories

Finished products and work in process are stated at cost, principally determined by the specific identification method, for companies filing the consolidated financial statements (the balance sheet value is calculated using the inventory write-down method based on decreased profitability)

Raw materials and supplies are stated at cost, principally determined by the first-in, first-out method (the balance sheet value is calculated using the inventory write-down method based on decreased profitability)

(2) Depreciation and amortization methods for significant depreciable assets

a. Property, plant and equipment (except for lease assets)

Computed by the straight-line method. The ranges of useful lives are as follows:

Buildings and structures: 31 to 50 years

Machinery and vehicles: 4 to 10 years

b. Intangible assets (except for lease assets)

Amortized by the straight-line method. Software for internal use is amortized over its internal useful life (5 years).

c. Lease assets

- Leased assets under finance lease transactions in which ownership is transferred

Depreciated in the same method as the depreciation of non-current assets owned by the Group

- Leased assets under finance lease transactions that do not transfer ownership

Depreciated over the lease term on a straight-line method assuming the residual value is zero (guaranteed residual value if there is such an agreement)

(3) Recording standards for significant provisions

a. Allowance for doubtful accounts

Recorded at estimated uncollectible amounts based on the Group's past credit loss experience for normal

receivables and based on an individual evaluation of collectability for doubtful receivables and claims provable in bankruptcy/claims provable in rehabilitation, in order to provide for losses due to uncollectible accounts

- b. Provision for bonuses
Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to employees
 - c. Provision for bonuses for directors
Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to directors
 - d. Provision for share-based remuneration for directors
Recorded at the estimated amount of obligations for share-based remuneration at the consolidated year-end to provide for the payment of the Company's stock to directors, etc. based on the Rules for Payment of Share-based Remuneration for Directors
 - e. Provision for environmental measures
Recorded at the estimated amount required for implementing environmental measures in the future
 - f. Provision for dismantling of non-current assets
Recorded at the estimated amount to provide for dismantling of non-current assets in the future in line with the reconstruction of the head office building
- (4) Accounting method for retirement benefits
- a. Attribution method of expected retirement benefits
In calculation of the retirement benefit obligations, expected benefit is attributed to periods up to the end of the fiscal year under review on a benefit formula basis.
 - b. Amortization of actuarial gains and losses
Actuarial gains and losses are amortized on a straight-line basis over a specified number of years (8 years) within the average remaining service period of employees from the consolidated fiscal year following the respective consolidated fiscal year in which the gains or losses are recognized.
 - c. Adoption of a simplified method at small-sized subsidiaries
Certain subsidiaries adopt a simplified method for the calculation of liability and expenses for retirement benefits, using the method that regards payable amount assuming voluntary retirement of all employees at the end of fiscal year and the most recent actuarial obligation of pension plan finance calculation as projected benefit obligations.
- (5) Method of significant hedge accounting
- a. Method of hedge accounting
Deferred hedge accounting is used. The allocation method is used to hedge foreign exchange fluctuation risks when the requirements for the allocation method are met. Foreign currency forward contracts used for intercompany transactions as hedged items are measured at fair value and valuation differences are recognized as gains or losses for the fiscal year under review.
 - b. Hedging instruments and hedged items
Hedging instruments: foreign currency forward contracts
Hedged items: monetary receivables and payables denominated in foreign currencies
 - c. Hedging policies
Foreign currency forward contracts are used to hedge fluctuation risks in foreign currency exchange rates of transactions denominated in foreign currencies pursuant to the Group's internal policies, etc. Hedged items are identified on an individual basis.
 - d. Method of assessing hedge effectiveness
In principle, for foreign currency forward contracts used by the Company, the value and maturity of the hedged items are matched with the contracted amount denominated in foreign currencies and the corresponding maturity, pursuant to internal policies. Accordingly, an assessment of hedge effectiveness at the end of the year is omitted since there is a complete correlation with subsequent fluctuations in foreign currency exchange rates.
- (6) Amortization of goodwill
Goodwill is amortized over a five year period during which the influence of the goodwill shall apply on a straight-line basis.
- (7) Scope of cash and cash equivalents in the consolidated statements of cash flows
Cash and cash equivalents include cash on hand, demand deposits and short-term investments which are liquid and easily convertible into cash, and are exposed to insignificant risk of changes in value and mature within three months of the date of acquisition.
- (8) Other significant matters for presenting consolidated financial statements
Accounting for consumption taxes, etc.

A tax exclusion method is used for accounting for consumption taxes and local consumption taxes.

(Additional information)

(Accounting estimates regarding impact of the spread of the novel coronavirus (COVID-19) infection)

Based on the assumption that although the domestic economic activities will return to the level before the spread of the novel coronavirus infection in or after the second half of the next fiscal year, changes in the social and economic environment occurring by that time will stay to a certain extent, the Group makes accounting estimates for impairment loss on non-current assets, determination of collectability of deferred tax assets, etc. However, there is a high degree of uncertainty about the said assumption, and if the impact of the novel coronavirus infection lasts longer or becomes severe than expected, the Group's financial position and operating results may be affected in the future.

(Notes to Consolidated Balance Sheets)

*1 Accumulated depreciation of property, plant and equipment is as follows.

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Accumulated depreciation of property, plant and equipment	73,322	75,121

*2 Investments in non-consolidated subsidiaries and associated companies are as follows.

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Investment securities (shares)	83	74

*3 Financial covenants

Of long-term debts, the following balances are subject to certain financial covenants.

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Current portion of long-term debt	–	2,400
Long-term debt	8,000	9,600
Total	8,000	12,000

4 Loan commitment agreement

The Company has entered into loan commitment agreements with two banks for the efficient procurement of working capital. Balance of unexecuted loans based on the said agreements are as follows. The said agreements are subject to certain financial covenants.

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Total loan commitments	–	5,000
Balance of executed loans	–	–
Difference	–	5,000

(Notes to consolidated statements of income)

*1 Research and development costs included in general and administrative expenses and manufacturing costs are as follows.

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Research and development costs	977	900

*2 Components of gain on sales of non-current assets are as follows.

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Machinery and vehicles	19	5

*3 Components of loss on sales and retirement of non-current assets are as follows.

Loss on sales of non-current assets

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Machinery and vehicles	129	27
Software	0	–
Total	129	27

Loss on retirement of non-current assets

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Buildings and structures	165	59
Machinery and vehicles	176	188
Other facilities	15	7
Software	15	3
Total	372	258

(Notes to Consolidated Statements of Comprehensive Income)

* Reclassification adjustments to profit or loss and tax effect related to other comprehensive income

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Unrealized gain (loss) on available-for-sale securities		
Gain (loss) arising during the year	(3,599)	5,917
Reclassification adjustments to profit or loss	(1,531)	(713)
Amount before income tax effect	(5,131)	5,204
Income tax effect	1,500	(1,545)
Unrealized gain (loss) on available-for-sale securities	(3,630)	3,658
Foreign currency translation adjustments		
Gain (loss) arising during the year	149	(278)
Remeasurement of defined benefit plans		
Gain (loss) arising during the year	(762)	1,181
Reclassification adjustments to profit or loss	28	100
Amount before income tax effect	(733)	1,282
Income tax effect	219	(383)
Remeasurement of defined benefit plans	(514)	899
Share of other comprehensive income in associate accounted for using the equity method		
Gain (loss) arising during the year	(5)	10
Total other comprehensive income (loss)	(4,001)	4,290

(Notes to Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2020

1. Class and total number of issued shares and class and total number of treasury stock

(Shares)

	Number of shares as of April 1, 2019	Increase during period	Decrease during period	Number of shares as of March 31, 2020
Issued shares				
Common stock	9,020,000	–	–	9,020,000
Total	9,020,000	–	–	9,020,000
Treasury stock				
Common stock (Notes 1 and 2)	298,748	136,237	–	434,985
Total	298,748	136,237	–	434,985

(Notes)

1. The Company's shares held by Board Benefit Trust ("BBT") were included in the number of treasury stock of common stock (57,000 shares as of April 1, 2019, 57,000 shares as of March 31, 2020).
2. Increase in treasury stock of 136,237 shares resulted from purchase of less than one trading unit of 37 shares and purchase of treasury stock (market purchase on the Tokyo Stock Exchange) based on a resolution of the Board of Directors held on February 7, 2019 (increase of 136,200 shares).

2. Subscription rights to shares and treasury subscription rights to shares

There is no relevant information.

3. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
June 27, 2019 Annual Shareholders' Meeting	Common stock	439	50	March 31, 2019	June 28, 2019
November 8, 2019 Board of Directors	Common stock	432	50	September 30, 2019	December 9, 2019

(Notes)

1. The total amount of cash dividends approved at the Company's shareholders' meeting held on June 27, 2019 includes dividends of ¥2 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT.
2. The total amount of cash dividends approved at the Board of Directors held on November 8, 2019 includes dividends of ¥2 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT.

(2) Dividends for which the record date falls in the consolidated fiscal year under review, but the effective date falls in the following consolidated fiscal year.

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 26, 2020 Annual Shareholders' Meeting	Common stock	432	Retained earnings	50	March 31, 2020	June 29, 2020

(Note)

1. The total amount of cash dividends approved at the Company's shareholders' meeting held on June 26, 2020 includes dividends of ¥2 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT.

Fiscal year ended March 31, 2021

1. Class and total number of issued shares and class and total number of treasury stock

(Shares)

	Number of shares as of April 1, 2020	Increase during period	Decrease during period	Number of shares as of March 31, 2021
Issued shares				
Common stock	9,020,000	–	–	9,020,000
Total	9,020,000	–	–	9,020,000
Treasury stock				
Common stock (Notes 1 and 2)	434,985	304,292	–	739,277
Total	434,985	304,292	–	739,277

(Notes)

1. The Company's shares held by Board Benefit Trust ("BBT") was included in the number of treasury stock of common stock (57,000 shares as of April 1, 2020, 57,000 shares as of March 31, 2021).
2. Increase in treasury stock of 304,292 shares resulted from purchase of less than one trading unit of 192 shares and purchase of treasury stock (market purchase on the Tokyo Stock Exchange) based on a resolution of the Board of Directors held on November 9, 2020 (increase of 304,100 shares).

2. Subscription rights to shares and treasury subscription rights to shares

There is no relevant information.

3. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
June 26, 2020 Annual Shareholders' Meeting	Common stock	432	50	March 31, 2020	June 29, 2020
November 9, 2020 Board of Directors	Common stock	432	50	September 30, 2020	December 8, 2020

(Notes)

1. The total amount of cash dividends approved at the Company's shareholders' meeting held on June 26, 2020 includes dividends of ¥2 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT.
2. The total amount of cash dividends approved at the Board of Directors held on November 9, 2020 includes dividends of ¥2 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT.

(2) Dividends for which the record date falls in the consolidated fiscal year under review, but the effective date falls in the following consolidated fiscal year.

Resolution is scheduled as follows.

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 29, 2021 Annual Shareholders' Meeting	Common stock	417	Retained earnings	50	March 31, 2021	June 30, 2021

(Note)

The total amount of cash dividends to be approved at the Company's shareholders' meeting to be held on June 29, 2021 includes dividends of ¥2 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT.

(Notes to Consolidated Statements of Cash Flows)

1* Relationship between cash and cash equivalents as of March 31, 2020 and 2021 and account items listed in the Consolidated Balance Sheets is as follows.

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash and time deposits	13,134	12,808
Time deposits exceeding three months to maturity	(63)	(48)
Cash and cash equivalents	13,070	12,760

2. Significant noncash transactions

Assets and liabilities under finance leases newly recognized for the years ended March 31, 2020 and 2021 are as follows.

(Million yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Lease assets	280	217
Lease obligations	304	239

(Segment information)

[Segment information]

1. Description of reportable segments

The Group consists of various divisions classified by products and services. Each division designs its comprehensive strategy for the products and services and operates business. For those divisions, separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how to allocate resources and to assess performance.

As reportable segments, those divisions which cover similar products and services are integrated into three reportable segments; that is “Information communication,” “Information security” and “Living and industrial materials.”

“Information communication” mainly covers periodicals, books, general commercial printing and related services. “Information security” mainly covers business forms, securities printing, cards and related services. “Living and industrial materials” mainly covers paper containers, flexible packaging, tubes, blow bottle, metal printing, and construction materials.

2. Methods of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting methods of each reportable segment are generally consistent with those disclosed in “Significant matters forming the basis for presenting consolidated financial statements,” except for the valuation standards for inventories.

Inventories are valued at the value before inventory write-down based on decreased profitability.

Segment profits correspond to operating income.

Intersegment revenues and transfers are based on prices which are set taking into account market prices and manufacturing costs.

3. Information about sales, profit (loss), assets, liabilities and other items for each reportable segment
Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segment				Other (Note) 1	Total	Reconciliations (Note) 2	Consolidated Financial Statements (Note) 3
	Information Communication	Information Security	Living and Industrial Materials	Total				
Sales:								
Sales to external customers	39,815	31,965	26,338	98,119	2,739	100,858	–	100,858
Intersegment sales or transfers	2,235	1,093	457	3,785	8,256	12,042	(12,042)	–
Total	42,050	33,058	26,795	101,904	10,995	112,900	(12,042)	100,858
Segment profit (loss)	97	1,475	(373)	1,199	324	1,523	45	1,569
Segment assets	23,616	21,511	35,182	80,310	5,868	86,179	38,455	124,634
Other (Note) 4:								
Depreciation and amortization	865	1,392	2,203	4,460	273	4,734	654	5,388
Amortization of goodwill	175	52	245	473	–	473	–	473
Increase in property, plant and equipment and intangible assets	714	983	4,383	6,082	218	6,300	2,172	8,473

(Notes)

1. “Other” refers to business segments not included in the reportable segment, which mainly includes logistics business, insurance business and real estate management business.
2. “Reconciliations” for “Segment profit (loss)” refer to corporate expenses and primarily consist of general and administrative expenses and research and development costs that are not attributable to any reportable segments. “Reconciliations” for “Segment assets” refer to corporate assets and primarily consist of financial assets (cash and deposit and investment securities) and assets for control functions. “Reconciliations” for “Depreciation and amortization” as well as “Increase in property, plant and equipment and intangible assets” are those for corporate assets.
3. “Segment profit (loss)” is adjusted to the operating income stated in the consolidated statements of income.
4. “Increase in property, plant and equipment and intangible assets” includes long-term prepaid expenses and “Depreciation and amortization” includes amortization of long-term prepaid expenses.

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segment				Other (Note) 1	Total	Reconciliations (Note) 2	Consolidated Financial Statements (Note) 3
	Information Communication	Information Security	Living and Industrial Materials	Total				
Sales:								
Sales to external customers	35,484	26,032	27,076	88,593	2,437	91,031	–	91,031
Intersegment sales or transfers	1,453	611	222	2,287	6,955	9,242	(9,242)	–
Total	36,938	26,644	27,299	90,881	9,392	100,274	(9,242)	91,031
Segment profit (loss)	92	612	(117)	588	189	777	(129)	648
Segment assets	26,967	20,185	38,093	85,247	9,175	94,422	34,655	129,077
Other (Note) 4:								
Depreciation and amortization	826	1,410	2,337	4,573	302	4,875	574	5,450
Amortization of goodwill	179	52	376	609	–	609	–	609
Increase in property, plant and equipment and intangible assets	814	722	1,173	2,709	112	2,822	4,916	7,738

(Notes)

1. “Other” refers to business segments not included in the reportable segment, which mainly includes logistics business, insurance business and real estate management business.
2. “Reconciliations” for “Segment profit (loss)” refer to corporate expenses and primarily consist of general and administrative expenses and research and development costs that are not attributable to any reportable segments. “Reconciliations” for “Segment assets” refer to corporate assets and primarily consist of financial assets (cash and deposit and investment securities) and assets for control functions. “Reconciliations” for “Depreciation and amortization” as well as “Increase in property, plant and equipment and intangible assets” are those for corporate assets.
3. “Segment profit (loss)” is adjusted to the operating income stated in the consolidated statements of income.
4. “Increase in property, plant and equipment and intangible assets” includes long-term prepaid expenses and “Depreciation and amortization” includes amortization of long-term prepaid expenses.

[Related information]

Fiscal year ended March, 31, 2020 (from April 1, 2019 to March 31, 2020)

1. Information by product and service
Information by product and service has been omitted because it is identical to segment classification.
2. Information by geographical area
 - (1) Sales
Sales information by geographical area has been omitted because sales in Japan accounted for more than 90% of consolidated net sales of the Group.
 - (2) Property, plant and equipment
Information about property, plant and equipment by geographical area has been omitted because property, plant and equipment in Japan accounted for more than 90% of consolidated property, plant and equipment of the Group.

3. Information by major customer

Information by major customer has been omitted because no single customer accounts for more than 10% of consolidated net sales of the Group.

Fiscal year ended March, 31, 2021 (from April 1, 2020 to March 31, 2021)

1. Information by product and service

Information by product and service has been omitted because it is identical to segment classification

2. Information by geographical area

(1) Sales

Sales information by geographical area has been omitted because sales in Japan accounted for more than 90% of consolidated net sales of the Group.

(2) Property, plant and equipment

Information about property, plant and equipment by geographical area has been omitted because property, plant and equipment in Japan accounted for more than 90% of consolidated property, plant and equipment of the Group.

3. Information by major customer

Information by major customer has been omitted because no single customer accounts for more than 10% of consolidated net sales of the Group.

[Information about impairment loss on non-current assets for each reportable segment]

Fiscal year ended March, 31, 2020 (from April 1, 2019 to March 31, 2020)

There is no relevant information.

Fiscal year ended March, 31, 2021 (from April 1, 2020 to March 31, 2021)

There is no relevant information.

[Information about amortization and unamortized balance of goodwill for each reportable segment]

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Amortization of goodwill	175	52	245	–	–	473
Unamortized balance of goodwill	478	92	1,432	–	–	2,003

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Amortization of goodwill	179	52	376	–	–	609
Unamortized balance of goodwill	298	39	1,030	–	–	1,369

[Information about gain on bargain purchase for each reportable segment]
There is no relevant information.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Total equity per share	6,949.53	7,586.38
Basic net income per share	175.22	97.00

(Notes)

1. The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust ("BBT") are included in treasury stock which is deducted from the total number of issued shares at the end of the period to calculate total equity per share (57,000 shares for years ended March 31, 2020 and 2021).

The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust ("BBT") are included in treasury stock which is deducted in calculating the average number of shares during the period to calculate basic net income per share (57,000 shares for years ended March 31, 2020 and 2021).

2. Diluted net income per share for the year ended March 31, 2021 is not presented since potentially dilutive shares did not exist as of March 31, 2021.
3. The basis for the calculation of basic net income per share is as follows.

	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Basic net income per share		
Net income attributable to owners of parent (Million yen)	1,509	825
Amount not attributable to common shareholders (Million yen)	—	—
Net income attributable to owners of parent related to common stock (Million yen)	1,509	825
Average number of shares during the period (Thousand shares)	8,616	8,505

(Significant subsequent events)

There is no relevant information.

2. Other

(Changes in officers)

Refer to “Notice Regarding Changes in Officers” announced on February 24, 2021.

(On-site inspection by the Japan Fair Trade Commission)

On October 8, 2019, the Company received an on-site inspection from the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act with regard to the bidding of the Japan Pension Service’s form creation business. The Company will fully cooperate with the Japan Fair Trade Commission’s investigation.