



SANIX INCORPORATED

Summary of Consolidated Financial Statements

For the Fiscal Year Ended March 31, 2019

[Japanese Standards]

The financial figures in this document are based on Japanese Accounting Standards and accompanying laws. Amounts are rounded off to 1 decimal place. This document is an English translation of the Japanese-language original.

Consolidated Financial Statements for the Fiscal Year ended March 31, 2019

SANIX INCORPORATED

Stock Listed: Tokyo Stock Exchange First Section, Fukuoka Stock Exchange
 Code No: 4651
 URL: <https://sanix.jp>
 President and CEO: Hiroshi Munemasa
 Contact: Kozo Inoue, Management Corporate Officer,
 General Manager of Corporate Planning Division, Administration Division and
 Management & Planning Division

1. Business Results – Operating results for the Fiscal Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results

(In Millions of Yen)

	Fiscal Year			
	From April 1 to March 31			
	FY2018	%change	FY2017	%change
Net Sales.....	50,719	1.5%	49,993	(1.9%)
Operating Income	1,224	(1.7%)	1,246	20.2%
Ordinary Income	1,182	16.0%	1,019	12.4%
Net Income	240	(79.6%)	1,180	183.6%
Net Income per Share (¥).....	¥5.02	—	¥24.68	—
Net Income per Share, Diluted(¥).....	—	—	—	—
Return on Equity	5.9	—	34.4	—
Ratio of Recurring Profit to Net Assets	3.9	—	3.3	—
Ratio of Operating Income to Net Sales	2.4	—	2.5	—
(Note) Comprehensive Income	117	(90.4%)	1,230	467.9%

(2) Consolidated Financial Position

(In Millions of Yen)

	Fiscal Year	
	As of March 31	
	FY2018	FY2017
Total Assets.....	31,009	29,938
Net Assets	4,193	4,076
Shareholders' Equity Ratio (%)	13.4%	13.5%
Net assets per share(¥).....	¥87.08	¥84.54
(Reference) Equity Capital.....	4,162	4,041

(3) Consolidated Financial Cash Flows

(In Millions of Yen)

	Fiscal Year	
	From April 1 to March 31	
	FY2018	FY2017
Cash Flows from Operating Activities.....	(25)	2,184
Cash Flows from Investing Activities.....	(947)	171
Cash Flows from Financing Activities	392	(2,156)
Cash and Equivalents ,End of Period	4,497	5,083

2. Dividends

	Quarterly Period				Annual	Total Dividend paid	Payout ratio (consolidated)	Dividends to Net Assets (consolidated)
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter				
(Dividends per Share)								
FY2017 ended March 31, 2018	0.00	0.00	0.00	0.00	0.00	—	—	—
FY2018 ended March 31, 2019	0.00	0.00	0.00	0.00	0.00	—	—	—
FY2019 ended March 31, 2020(Forecast)	0.00	0.00	0.00	0.00	0.00		—	

3. Forecasts for Consolidated Business Results (April 1, 2019 to March 31, 2020)

(In Millions of Yen)

	Fiscal Year			
	From April 1 to March 31			
	First Half	%change	Full Year	%change
Net Sales.....	24,464	0.1%	50,900	0.4%
Operating Income	988	43.5%	1,910	55.9%
Ordinary Income	935	35.7%	1,810	53.0%
Net Income	745	283.7%	1,370	470.5%
Net Income per Share (¥)	¥15.58		¥28.66	

* Notes

(1) Changes in significant subsidiaries during the period

(Changes in scope of consolidations resulting from change in subsidiaries): None

Number of subsidiaries newly consolidated	—
Name of subsidiaries newly consolidated	—
Number of subsidiaries excluded from consolidation	—
Name of subsidiaries excluded from consolidation	—

- (2) Changes in accounting policies and accounting estimates retrospective restatement
- i) Changes in accounting policies based on revisions of accounting standard: None
 - ii) Changes in accounting policies other than ones based on revisions of accounting standard: None
 - iii) Changes in accounting estimates: None
 - iv) Retrospective restatement: None

(3) Number of issued and outstanding shares (common stock)

	(Shares)	
	End of term	
	FY 2018	FY 2017
Number of issued and outstanding shares ,end of period (including treasury stock)	48,919,396	48,919,396
Number of treasury stock at the end of period	1,114,173	1,113,923
Average number of shares during the period	47,805,411	47,805,604

(Reference) Business Result-Overview of non-consolidated Operating Results
1. Business Results – Operating results for the Fiscal Year ended March 31, 2019
(April 1, 2018 to March 31, 2019)

(1) Non-Consolidated Operating Results

	(In Millions of Yen)			
	Fiscal Year			
	From April 1 to March 31			
	FY2018	%change	FY2017	%change
Net Sales.....	47,825	6.5%	44,888	(1.6%)
Operating Income	513	413.3%	100	(83.9%)
Ordinary Income	729	71.4%	425	(48.8%)
Net Income	(62)	—	738	36.6%
Net Income per Share (¥)	(¥1.30)	—	¥15.45	—
Net Income per Share, Diluted(¥).....	—	—	—	—

(2) Non-Consolidated Financial Position

	(In Millions of Yen)	
	Fiscal Year	
	As of March 31	
	FY2018	FY2017
Total Assets.....	25,649	25,026
Net Assets	2,035	2,112
Shareholders' Equity Ratio (%)	7.9%	8.4%
Net assets per share(¥).....	¥42.59	¥44.19
(Reference) Equity Capital.....	2,035	2,112

* This summary of financial statements is exempt from audit procedure required by Financial instruments and Exchange Act.

* Note to ensure appropriate use of forecasts:

on assumptions, prospects and plans as of the date of this document. Actual results may differ significantly from these forecasts, due to various factors affecting the Company's business performance, such as change in economical conditions. For details of these assumptions, prospects and plans, and for notes appropriate use of forecasts for the business results, please see page 6 of the Attachment.

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1. Information on Business Results & Financial Position for the fiscal year ended March 31, 2019

(1) Information on Consolidated Business Results

In the fiscal year ended March 31, 2019 (April 1, 2018 to March 31, 2019), the Japanese economy continued to follow a modest recovery path with consumer spending showing signs of picking up, backed by improved corporate earnings and employment conditions, despite future uncertainty remaining due to the contingency of overseas economies and unstable political situations in Japan and overseas.

Under such circumstances, the Group has been establishing a structure to sustain growth and has been facilitating sustainable, stable management in the final year of the “Medium-Term Management Plan (FY2016-FY2018).”

Meanwhile, the damages suffered at the Tomakomai Power Plant (Tomakomai, Hokkaido) due to the effects of the Hokkaido Eastern Iburi earthquake that occurred in September last year were large and we were forced to proceed with recovery work for approx. six months, which adversely impacted on the results of the Group.

As for net sales for the fiscal year under review, sales increased in the HS Division and the ES Division as a result of strengthening the sales system due to increase in personnel and store opening. Despite factors that contributed to the decrease in sales due to the suspension of the Tomakomai Power Plant, other businesses remained strong and sales of the Environmental Resources Development Business Division increased. However, sales declined significantly in the SE Division due to the impact of the contraction of the solar electric power market. As a result, net sales of the entire Group stood at ¥50,719 million (up 1.5% year on year).

Profit increased in the HS Division and the ES Division despite factors contributing to the decrease in sales due to the damages suffered at the Tomakomai Power Plant. Profit decreased in terms of operating income and profit increased in terms of ordinary income. As a result, for the entire Group, operating income came to ¥1,224 million (down 1.7% year on year) and ordinary income was ¥1,182 million (up 16.0% year on year). Net income attributable to the owners of the parent company stood at ¥240 million (down 79.6% year on year) as a result of posting ¥472 million, the expected amount of expenses for restoring the facilities at the Tomakomai Power Plant stricken by the Hokkaido Eastern Iburi earthquake, as a loss caused by the disaster under extraordinary losses. The rate of decrease in profit was large compared to the previous consolidated fiscal year when the deferred tax asset was posted.

Consolidated results of individual divisions for this fiscal year were as follows:

a. Solar Engineering (SE) Division

In addition to the conventional contract construction of solar electric power systems,

although maintenance work related to incidental facilities was marketed and sales of solar power systems with land were promoted, the construction of solar electric power systems decreased 17.9% year on year, impacted by lower systems prices. As a result, net sales declined to ¥14,427 million (down 19.3% year on year).

Although the Division proceeded with cost reduction by promoting rationalization, a reduction in materials costs, the segment posted operating income of ¥1,204 million (down 27.8% year on year) due to a sharp decrease in net sales. It should be noted that the Company recorded an inventory valuation loss of ¥152 million associated with the decrease in profitability for power conditioners that had been manufactured in house.

b. Home Sanitation (HS) Division

HS Division strengthened the sales, customer management and construction systems so that the Division would be able to make carefully crafted proposals for the maintenance of ordinary houses by increasing personnel through transfers and recruitment for the purpose of expanding its business size. As a result, termite extermination increased 30.9% year on year, and underfloor/ceiling ventilation systems rose 43.4% year on year. As a result, the division's sales rose to ¥10,752 million (up 20.5% year on year).

Operating income stood at ¥2,231 million (up 51.7% year on year) mainly thanks to the significant increase in sales, an improvement in construction efficiency and a fall in subcontract expenses, despite a rise in costs such as personnel expenses.

c. Establishment Sanitation (ES) Division

Sales of anti-rust equipment installation (brand name: Daelman Shock), our main product, increased 77.4% year on year as a result of increasing personnel through transfers and recruitment for the purpose of expanding the business size of the Division, strengthening sales activities to the owners of buildings and condominiums and enhancing relationships with partner companies, including management companies. As a consequence, the division's net sales rose to ¥1,926 million (up 33.4% year on year).

Operating income rose to ¥287 million (up 59.6% year on year), as with HS Division, mainly due to the significant increase in sales, an improvement in construction efficiency and a fall in subcontract expenses, despite a rise in costs such as personnel expenses.

d. Environmental Resources Development (ERD) Division

Plastic fuel sales increased 14.0% year on year because the Division proceeded with careful examinations of accepted articles to enhance the quality of plastic fuels, and the acceptance volume also remained stable. Although the suspension of the Tomakomai Power Plant was the factor for a decrease in net sales, electricity sales rose 4.6% year on year due to higher volume in the Power Producer and Supplier (PPS) business. As a

result, net sales amounted to ¥23,612 million (up 8.5% year on year).

Profitability improvement of plastic fuels advanced and profitability was enhanced because of measures to stabilize power procurement costs in the PPS business, although a decrease in profit was substantial, associated with the Tomakomai Power Plant. As a result, operating income of ¥836 million was secured (down 14.0% year on year).

(2) Information on Consolidated Financial Position

Information on the status of Assets, of Liabilities, and of Net Assets

Total assets as of the end of the fiscal year under review amounted to ¥31,009 million, an increase of ¥1,071 million from the end of the previous consolidated fiscal year. Total liabilities stood at ¥26,815 million, a rise of ¥953 million from the end of the previous consolidated fiscal year. Net assets totaled ¥4,193 million, an increase of ¥117 million from the end of the previous consolidated fiscal year. As a consequence, the shareholders' equity ratio stood at 13.4% as of March 31, 2019.

(The status of Assets)

Current assets increased 5.4% year on year and stood at ¥16,613 million, which was caused chiefly by an increase in notes and accounts receivable-trade of ¥525 million, in merchandise and finished goods of ¥746 million despite a decrease in raw materials and supplies of ¥489 million.

Fixed assets increased 1.5% year on year and came to ¥14,395 million yen, which was caused chiefly by increases in machinery, equipment and vehicles of ¥166 million.

(The status of Liabilities)

Current liabilities rose 2.3% year on year and reached ¥23,529 million, which was attributable largely to increases in short-term loans payable of ¥612 million and accounts payable of ¥861 million, while notes and accounts payable-trade decreased by ¥891 million.

Non-current liabilities increased 15.0% year on year and arrived at ¥3,285 million, which was attributable chiefly to increases in lease obligations of ¥179 million and Liability related to retirement benefits of ¥176 million.

(The status of Net Assets)

Net assets rose 2.9% year on year and came to ¥4,193 million, which was caused mainly by the posting of profit attributable to owners of parent of ¥240 million.

(3) Information on Consolidated Cash Flows

The cash and cash equivalents (hereinafter called “funds”) as of the end of the fiscal year under review was ¥4,497 million, a decrease of ¥585 million from the end of the previous year.

Cash flows and reasons for changes in cash flows during the period are described below.

(Net Cash Provided by Operating Activities)

Net cash used in operating activities was ¥25 million (proceeds of ¥2,184 million in the previous year), which was mainly caused by a decrease in notes and accounts payable-trade of ¥877 million, an increase in accounts receivable-trade of ¥525 million and an increase in inventories of ¥173 million, although the Group booked net income before tax of ¥710 million, depreciation expenses of ¥808 million as non-cash expenditures.

(Net Cash Provided by Investment Activities)

Net cash used in investing activities was ¥947 million (proceeds of ¥171 million in the previous year), which was largely caused by a net increase in term deposit of ¥351 million and expenditure of ¥577 million due to the acquisition of tangible fixed assets.

(Net Cash Provided by Financing Activities)

Net cash provided by financing activities amounted to ¥392 million (expenditure of ¥2,156 million in the previous year), which was chiefly caused by a net increase in short-term loans payable of ¥612 million, despite the expenditure of ¥131 million due to repayment of long-term loans payable.

(Reference: The Cash Flow Indicators)

	Fiscal Year				
	FY2014	FY2015	FY2016	FY2017	FY2018
Shareholders' equity ratio	14.9%	8.3%	8.9%	13.5%	13.4%
Shareholders' equity ratio on a market price basis	37.6%	32.9%	28.9%	43.8%	37.5%
Interest-bearing liabilities ratio to cash flow	-	-	8.77	5.85	-
Interest coverage ratio	-	-	6.76	10.81	-

(Note) Shareholder's equity ratio: Shareholder's equity/Total assets

Share ratio on a market price basis: Total market value of stock/Total assets

Interest-bearing liabilities ratio to cash flow: Operating cash flow/Interest payment

Interest coverage ratio: Operating cash flow/Interest payment

1. The basis of the calculation for all values is consolidated financial data.
2. Market capitalization is calculated by multiplying the closing price of SANIX shares at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year.
3. Operating cash flow refers to Cash Flows from Operating Activities according to the consolidated statement of cash flows. Interest-bearing liabilities are comprised of all liabilities on the consolidated

balance sheet on which interest is payable. Interest expenditure refers to interest expenses paid according to the consolidated statement of cash flows.

(4) Outlook for the next fiscal year

The Group specified reinforcement of the business bases of the four Business Divisions and the transition to sustainable, stable management in the “Medium-Term Management Plan (FY2016-FY2018)” and has been steadily implementing it. Moreover, the new “Medium-Term Management Plan (FY2019-FY2021)” was formulated and the Group strives for sustainable growth by further strengthening and expanding the existing bases and put a new initiative on the track while maintaining sustainable and stable management.

Regarding the outlook for the future, the Group will maintain growth by appropriately allocating management resources in SE/HS/ES businesses, based on the markets of individual businesses. Although net sales are expected to fall against the backdrop of changes in the market environment, such as lower FIT prices (¥14/kWh for FY2019) in the SE Division, the Group will focus on maintenance work associated with incidental facilities and sales of solar power systems with land. In the HS business division, the Group will reinforce the business base by further developing new customers and expanding the after-sales system for existing customers. After that, it will make efforts to increase new customers and the number of customers by increasing personnel through hiring and opening stores. In the ES Division, the Company will gain partner companies, including management companies, introduce the existing partner companies through close follow-ups, increase opportunities for referral through close follow-ups on partner companies, direct negotiations with property owners and expand sales channels of anti-rust equipment installation (brand name: Daelman Shock), our main product.

In the Environmental Resources Development Business Division, the Division will proceed with careful examinations of accepted articles to enhance the quality of plastic fuels and improve profit margins and efficiency. Because the appropriate disposal of waste plastic, which causes marine pollution, is required on a global scale, the Division will implement stable operation of the Tomakomai Power Plant to allow the resource cyclic-type business of the Group to play a part.

An energy business division was set up in the Energy Business. The Group will strive to expand the PPS business through business alliances, focusing on the development of other energy-related business and reinforcing the structure.

For the consolidated fiscal year ending March 31, 2019, the SANIX Group aims to achieve sales of ¥50,900 million (up 0.4% year on year) with operating income of ¥1,910 million (up 55.9%), ordinary income of ¥1,810 million (up 53.0%) and net income attributable to owners of the parent of ¥1,370 million (up 470.5%).

2. Basic Position regarding the Choice of Accounting Standards

The Group will use the Japanese standards for the time being. In addition, our policy is to take proper steps toward the adoption of the International Financial Reporting Standards while giving due consideration to the circumstances in Japan and other countries.

3. Consolidated Financial Statements and Main Notes to the Statements

(1) Consolidated Balance Sheets

	(In Millions of Yen)	
	As of March 31	
	FY2017	FY2018
Assets :		
Current Assets :		
Cash and deposits	5,482	5,238
Notes and accounts receivable-trade	5,485	6,010
Merchandise and finished goods	273	1,019
Work in process-construction	209	122
Raw materials and supplies	4,035	3,546
Other	797	975
Allowance for doubtful accounts	(525)	(299)
Total current assets	<u>15,759</u>	<u>16,613</u>
Fixed Assets:		
Tangible fixed assets :		
Buildings and structures, net	9,328	9,439
Less: Accumulated depreciation	(7,247)	(7,537)
Buildings and structures (net of depreciation)	<u>2,080</u>	<u>1,901</u>
Machinery, Equipment and vehicles, net	11,715	11,955
Less: Accumulated depreciation	(10,526)	(10,600)
Machinery, Equipment and vehicles (net of depreciation)	<u>1,189</u>	<u>1,355</u>
Land	7,811	7,811
Lease assets, net	1,294	1,143
Less: Accumulated depreciation	(700)	(513)
Lease Assets, net	<u>594</u>	<u>630</u>
Construction in progress	77	159
Other, net	957	1,013
Less: Accumulated depreciation	(784)	(814)
Other, net	<u>173</u>	<u>199</u>
Total Tangible fixed assets	<u>11,926</u>	<u>12,057</u>
Intangible fixed assets :		
Goodwill	65	-
Other	148	262
Total Intangible fixed assets	<u>214</u>	<u>262</u>
Investments and other assets :		
Investment securities	151	129
Deferred tax assets	582	612
Lease and guarantee deposits	629	609
Other	1,310	1,301
Allowance for doubtful accounts	(636)	(578)
Total investments and other assets	<u>2,037</u>	<u>2,074</u>
Total fixed assets	<u>14,178</u>	<u>14,395</u>
Total Assets	<u>29,938</u>	<u>31,009</u>

(In Millions of Yen)

	As of March 31	
	FY2017	FY2018
Liabilities :		
Current Liabilities :		
Notes and accounts payable-trade	5,079	4,188
Short-term loans payable	11,685	12,297
Current portion of long-term loans payable	140	143
Accounts payable	3,069	3,930
Accrued expenses	1,049	1,098
Lease obligations	232	246
Accrued income taxes	409	462
Accrued consumption taxes	409	368
Allowance for resource-recycling expenses	27	12
Other	900	780
Total current liabilities	23,003	23,529
Non-Current Liabilities :		
Long-term loans payable	325	210
Lease obligations	396	575
Long-term lease deposited	45	45
Provision for directors' retirement benefits	9	9
Provision for disposal site closing expenses	573	603
Liability related to retirement benefits	1,465	1,642
Other	41	198
Total non-current liabilities	2,857	3,285
Total Liabilities	25,861	26,815
Net Assets :		
Shareholders' Equity :		
Capital stock	14,041	14,041
Capital surplus	1	1
Retained earnings	(8,597)	(8,357)
Treasury stock	(1,481)	(1,481)
Total shareholders' equity	3,964	4,204
Valuation and translation adjustments :		
Valuation difference on available-for-sale securities	76	60
Deferred gains or losses on hedges	(0)	-
Foreign currency translation adjustment	3	(17)
Adjustment for retirement benefits (cumulative)	(2)	(85)
Total valuation and translation adjustments	76	(42)
Non-controlling Interests	35	31
Total Net Assets	4,076	4,193
Total Liabilities and Assets	29,938	31,009

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

(In Millions of Yen)

	From April 1 to March 31	
	FY2017	FY2018
Net sales	49,993	50,719
Cost of Sales	35,948	35,889
Gross Profit	14,044	14,830
Selling, General and Administrative expenses		
Sales commission	309	509
Advertising expenses	285	369
Provision of allowance for doubtful accounts	33	(38)
Salaries and bonuses	6,663	7,093
Retirement benefit expenses	168	172
Legal welfare expenses	804	869
Rent expenses	942	931
Depreciation	156	150
Others	3,434	3,547
Total selling, general and administrative expenses	12,798	13,605
Operating Income (Loss)	1,246	1,224
Non-Operating Income :		
Interest income	13	11
Dividends income	2	2
Land and house rent revenue	63	64
Subsidy income	65	10
Compensation received	-	70
Other	61	49
Total non-operating income	205	209
Non-Operating Expenses :		
Interest expenses	210	216
Rent expenses	2	2
Foreign exchange losses	4	-
Loss on retirement of non current assets	53	5
Other	161	27
Total non-operating expenses	432	251
Ordinary Income (Loss)	1,019	1,182
Extra Ordinary Loss :		
Loss on disaster	-	472
Total extra ordinary loss	-	472
Income (Loss) Before Income Taxes and Minority Interests	1,019	710
Income Taxes-Current	386	498
Income Taxes-Deferred	(549)	(24)
Total Income Taxes	(163)	473
Net Income	1,182	236
Net Income (Loss) Belonging to the Non-Controlling Shareholders	2	(3)
Net income (Loss) Belonging to the Shareholders of the Parent Company	1,180	240

(Consolidated Statements of Comprehensive Income)

	(In Millions of Yen)	
	From April 1 to March 31	
	FY2017	FY2018
Income Before Minority Interests	1,182	236
Other Comprehensive Income :		
Valuation difference on available-for-sale securities	4	(15)
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	32	(20)
Retirement benefit adjustment	11	(83)
Total other comprehensive income	47	(118)
Comprehensive Net Income	1,230	117
Comprehensive Income Attributable to		
Comprehensive income (loss) belonging to the shareholders of the parent company	1,227	121
Comprehensive income (loss) belonging to non-controlling shareholders	2	(3)

(3) Consolidated Statements of Changes in Net Assets**The previous consolidated fiscal year (April 1, 2017 to March 31, 2018)**

(In Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	14,041	1	(9,777)	(1,481)	2,784
Changes of items during the period					
Net income belonging to the shareholders of the parent company			1,180		1,180
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	1,180	(0)	1,179
Balance at the end of current period	14,041	1	(8,597)	(1,481)	3,964

(In Millions of Yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Retirement benefits adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	71	-	(28)	(14)	28	32	2,845
Changes of items during the period							
Net income belonging to the shareholders of the parent company							1,180
Purchase of treasury stock							(0)
Net changes of items other than shareholders' equity	4	(0)	32	11	47	2	50
Total changes of items during the period	4	(0)	32	11	47	2	1,230
Balance at the end of current period	76	(0)	3	(2)	76	35	4,076

The consolidated fiscal year (April 1, 2018 to March 31, 2019)

(In Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	14,041	1	(8,597)	(1,481)	3,964
Changes of items during the period					
Net income belonging to the shareholders of the parent company			240		240
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	240	(0)	240
Balance at the end of current period	14,041	1	(8,357)	(1,481)	4,204

(In Millions of Yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Retirement benefits adjustment	Total accumulated other comprehensive income		
Balance at the beginning of current period	76	(0)	3	(2)	76	35	4,076
Changes of items during the period							
Net income belonging to the shareholders of the parent company							240
Purchase of treasury stock							(0)
Net changes of items other than shareholders' equity	(15)	0	(20)	(83)	(118)	(4)	(122)
Total changes of items during the period	(15)	0	(20)	(83)	(118)	(4)	117
Balance at the end of current period	60	-	(17)	(85)	(42)	31	4,193

(4) Consolidated Statements of Cash Flows

(In Millions of Yen)

	April 1 to March 31	
	FY2017	FY2018
Net Cash Provided by (used in) Operating Activities :		
Income before income taxes and minority interests	1,019	710
Depreciation and amortization	709	808
Amortization of goodwill	112	65
Increase (Decrease) in reserve for directors' retirement benefits	(154)	-
Increase (Decrease) in provision for bonuses	(0)	0
Increase (Decrease) in allowance for disposal site closing expenses	34	30
Increase (Decrease) in allowance for resource-recycling expenses	(0)	(15)
Increase (Decrease) in liabilities in retirement	71	94
Increase (Decrease) in allowance for doubtful accounts	(24)	(284)
Interest and dividends income	(15)	(13)
Interest expenses	210	216
Increase (Decrease) in notes and accounts receivable-trade	532	(525)
Increase (Decrease) in inventories	947	(173)
Increase (Decrease) in other current assets	188	(72)
Increase (Decrease) in notes and accounts payable-trade	(1,308)	(877)
Increase (Decrease) in consumption tax refund receivable	134	(41)
Increase (Decrease) in other current liabilities	145	770
Other	158	(78)
Subtotal	2,763	615
Interest and dividends income received	16	13
Interest expenses paid	(202)	(233)
Income taxes paid	(396)	(457)
Income taxes refund	3	35
Net cash provided by operating activities	2,184	(25)
Net Cash Provided by (used in) Investment Activities :		
Payments into time deposits	(330)	(676)
Proceeds from withdrawal of time deposits	654	324
Purchase of tangible fixed assets	(314)	(577)
Proceeds from sales of tangible fixed assets	202	3
Purchase of intangible assets	(37)	-
Other	(3)	(21)
Net cash provided by investing activities	171	(974)
Net Cash Provided by (used in) Financing Activities :		
Increase (Decrease) in short-term loans payable	(1,284)	612
Proceeds from long-term loans payable	-	20
Repayments of long-term loans payable	(553)	(131)
Repayments of finance lease obligations	(262)	(187)
Other	(55)	79
Net cash provided by financing activities	(2,156)	392
Effect of Exchange Rate Changes on Cash and Cash Equivalents	8	(5)
Net Increase (Decrease) in Cash and Cash Equivalents	207	(585)
Balance of Cash and Equivalents at beginning of period	4,875	5,083
Balance of Cash and Equivalents at end of period	5,083	4,497

**(5) Notes to the Consolidated Financial Statements
(Notes to Assumption of Going Concern)**

: None

4. Supplemental Information

Consolidated Net Sales by Division

By item	By period	(In Millions of Yen)		Changes
		From April 1 to March 31		
		FY2017	FY2018	
Commercial PV System		16,647	13,661	(2,985)
Wholesales of PV Components		1,026	578	(448)
Others		196	188	(8)
Solar Engineering Total		17,870	14,427	(3,442)
Termite Eradication Service		2,628	3,441	812
Under-Roof / Roof Ventilation System		1,254	1,779	544
Foundation Repairing/Home Reinforcement System		1,957	2,126	169
Others		3,081	3,384	303
Home Sanitation Division Total		8,922	10,752	1,829
Anti-rust Equipment Installation		522	927	404
Repair of Building Water-woks		415	447	32
Water Proofing of Building		123	188	64
Others		383	362	(20)
Establishment Sanitation Division Total		1,444	1,926	482
Plastic Fuel		7,556	8,615	1,058
Generation of Electricity		11,095	11,603	508
Industrial Waste (Organic Waste Water Recycle)		1,748	1,958	209
Final Disposal		654	788	134
Others		701	646	(54)
Environmental Resources Development Division Total :		21,755	23,612	1,857
Total Net Sales		49,993	50,719	726

(note) We have omitted description on the information that is too multifarious to see the exact volume of item.