

Summary of Consolidated Financial Results

For the fiscal year ended March 31, 2019(Japanese Accounting Standards)

April 26, 2019

Company name: Fuji Nihon Seito Corporation Listing: The 2nd Section of Tokyo Stock Exchange
 Stock code: 2114 <http://www.fnsugar.co.jp>
 Company Representative: Seiji Sakurada, President and Chief Executive Officer
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Scheduled date for annual general meeting of shareholders: June 18, 2019

Scheduled date of delivery of dividends: June 4, 2019

Scheduled filing date of quarterly financial report: June 18, 2019

Preparation of supplementary material for quarterly financial statements: None

Briefing session for quarterly financial statements: None

(Rounded down to millions of Japanese yen)

1. Consolidated Financial Results for the year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(1) Consolidated Results of Operations (Percentages are shown as year-on-year changes)

	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the year ended								
March 31, 2019	19,634	(1.1)	1,349	45.2	1,573	28.4	344	(56.7)
March 31, 2018	19,846	2.6	929	49.8	1,225	43.1	793	11.2

Note: Comprehensive income

Year ended March 31, 2019: (288) million yen (-%)

Year ended March 31, 2018: 1,146 million yen (51.8%)

	Net Profit per Share	Diluted Net Profit per Share	Return on Equity	Ordinary Profit Ratio to Total Assets	Operating Profit Ratio to Net Sales
	Yen	Yen	%	%	%
For the year ended					
March 31, 2019	12.81	-	2.1	6.9	6.9
March 31, 2018	29.56	-	4.8	5.4	4.7

(Reference) Equity in net income of affiliates: For the year ended March 31, 2019: 108 million yen

For the year ended March 31, 2018: 146 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
For the year ended				
March 31, 2019	22,162	16,209	73.6	607.19
March 31, 2018	23,290	16,857	72.6	629.34

(Reference) Shareholders' Equity: As of March 31, 2019: 16,304 million yen As of March 31, 2018: 16,899 million yen

(3) Consolidated Statements of Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents as of the year-end
	Million yen	Million yen	Million yen	Million yen
For the year ended				
March 31, 2019	1,219	565	(807)	3,673
March 31, 2018	1,676	(728)	(393)	2,643

2. Cash Dividends

	Cash Dividend per Share					Total Cash Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
	1Q	2Q	3Q	4Q	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
For the year ended								
March 31, 2018	-	0.00	-	11.00	11.00	295	37.2	1.8
March 31, 2019	-	0.00	-	11.00	11.00	295	85.9	1.8
Year ended March 31, 2020 (forecast)	-	0.00	-	11.00	11.00		31.1	

3. Consolidated Business Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(Percentages are shown as year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owner of parent		Net Profit per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2019	10,500	4.5	700	(10.2)	750	(20.0)	500	-	18.62
Year ending March 31, 2020	20,500	4.4	1,300	(3.6)	1,400	(11.0)	950	176.1	35.38

※ Notes

(1) Significant changes in subsidiaries during the period

(Change in specified subsidiaries resulting in change of scope of consolidation): None

(2) Changes in accounting policy and accounting estimates and restatement

- (i) Changes in accounting policy due to any revision of accounting standards: None
- (ii) Changes in accounting policy other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of outstanding shares (Common Shares)

- (i) Number of outstanding shares at the end of period (including Treasury Shares)
- (ii) Number of Treasury Shares at the end of period
- (iii) Average number of shares during the period

As of March 31, 2019	29,748,200	As of March 31, 2018	29,748,200
As of March 31, 2019	2,895,956	As of March 31, 2018	2,895,808
As of March 31, 2019	26,852,323	As of March 31, 2018	26,852,408

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1. The Results for the Fiscal Year 2018

(1) Operating Results (consolidated)

In fiscal year 2018, the Japanese economy continued slow recovery momentum, due to improvement of employment and income supported by upside corporate earnings. On the other hand, it has been continued uncertain economic situation due to ominous black clouds on the world economy by the trade policy issue and so on.

The sugar refining industry has been facing tough situation due to changing off by degrees with sweetened preparations, isomerized sugar, and other sweeteners under the down trend of sugar consumption.

Under these economic circumstances, our group made effort to continue quality management process, with increase of customer satisfaction and also keep the stable and constant supply of sugar. Also, we keep promoting about sales activities with high-value added proposals on the functional materials.

As a result, our consolidated net sales decreased 1.1% year on year to 19,634 million yen. Operating profit increased 45.2% year on year to 1,349 million yen. Ordinary profit increased 28.4% year on year to 1,573 million yen. Net profit attributable to owners of parent decreased 56.7% year on year to 344 million yen.

Operating results of each segment is as follows:

① Sugar Business

Regarding the Sugar Business, the net sales decreased 6.4 % year on year to 11,171 million yen. Operating profit increased 25.2 % year on year to 1,545 million yen.

The overseas raw sugar market opened with 12.33 cents (per pound) at the New York Futures Market at the beginning of the current term, and it dip into below the 10 cents for the first time over 10 years in September due to a global oversupply continuing from last year. After that, it recovered to 14 cents level because of the forecast that it would turn to the globally supply shortages of 2019/2020 crops. Then it begun to drop again due to a slump in crude oil price and trade conflict between the United States and China, and it ended with 12.53 cents.

On the other hand, the Tokyo Spot Market price at 189 to 190 yen per kilogram (published in Nihon Keizai Newspaper) at the beginning of the current term, after decrease 2 yen of product shipment price due to decrease of raw sugar market in July and it ended with 187 to 188 yen at the end of term.

Sales volume was less than the same period of last year due to stagnant sales, particularly in beverage, under over-heated of summer and a warm winter, even good sales of confectionery caused by fine weather during the so-called golden week holidays.

However, operating profit increased due to improve production efficiency with centralized production of liquid sugar.

② Functional Materials Business

Net sales increased 6.7 % year on year to 7,619 million yen. Operating profit increased 305.2 % year on year to 213 million yen. As for the functional dietary fiber Inulin increased sales volume with new orders from our big user through getting rooted low-glucide material by degree, and granted our application for presenting the potency effect on label of products as regulate intestinal orders, control sugar level in the blood and reduce blood after meal fat by Consumer Affairs Agency June and November, 2018.

We made an extended sales expanding to Thailand and near Asian countries as had a booth at " Fi-Asia2018" was food materials exhibition in September in Indonesia.

In the floral preservatives so-called "Keep Flower", decreased revenue and profit due to a slump in cut flowers consumption despite effort into new sales channels such as TV commercial and TV-online shopping market.

Regarding UNITEC FOODS Co. Ltd., a consolidated subsidiary, increased revenue by recovering sales of pectin and gelatin as leading products. However, the profit decreased caused by intensification of sales competition.

③ Real Estate Business

In the Real Estate Business, the sales revenue increased 0.2% year on year to 614 million yen and operating profit decreased 1.0% to 544 million yen.

④ Other Food Business

In the Other Food Business such as bakery business in Thailand, operation result is sales revenue increased 43.8% to 228 million yen and operating losses of 91 million yen (operating losses on the same period last year was 127 million yen).

(2) Overview of financial position for the fiscal year 2018

Total assets as of March 31, 2019 decreased 4.8% compared to the end of the previous fiscal year to 22,162 million yen.

The changes of financial position of fiscal year 2018 are as follows:

① Assets

Total assets increased by 11.6% compared to the end of previous fiscal year to 10,576 million yen. This was mainly due to an increase of cash, cash equivalent and so on.

Fixed assets decreased 16.1% compared to the end of the previous fiscal year to 11,585 million yen. This was mainly due to decrease of machinery, equipment and vehicles, investment securities, and so on.

② Liabilities

Current liabilities decreased 3.6% compared to the end of the previous fiscal year to 4,267 million yen. This was mainly reflected an increase of short-term loans payable and so on.

Non-current liabilities decreased by 15.9% compared to the end of the previous fiscal year to 1,685 million yen.

This was mainly due to a decrease of deferred tax liabilities and so on.

③ Net assets

Net assets decreased by 3.8% compared to the end of the previous fiscal year to 16,209 million yen. This was mainly reflected a decrease of valuation difference on available-for-sales securities and so on.

(3) Overview of cash flows for the fiscal year 2018

Cash and cash equivalents (hereinafter called "Funds") as of March 31, 2019 increased by 1,030 million yen from the end of the previous fiscal year to 3,673 million yen.

Changes in cash flow for fiscal year 2018 and the reasons are as follows.

① Cash flow from operating activities

The funds used in from operating activities amounted to 1,219 million yen (comparing with the fiscal year 2017: decreased by 27.3%). This mainly reflected increase of inventories and so on.

② Cash flow from financing activities

Financing activities caused funds used in the amount of 565 million yen (the fiscal year 2017: used in by 728 million yen). This mainly reflected income from the sales and redemption of investment securities and so on.

③ Cash flow from financing activities

Financing activities caused funds used in the amount of 807 million yen (comparing with the fiscal year 2017: increased by 105.1%). This mainly reflected cash used of repayment of long-term loans payable, dividends paid by parent company and so on.

(Reference) Change in cash-flow-related indices

	Fiscal year 2014	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018
Equity ratio (%)	68.5	69.7	72.2	72.6	73.6
Market-Price-based equity ratio (%)	43.2	53.7	67.4	77.6	69.8
Cash flow / interest bearing liabilities ratio (years)	23.6	1.8	—	1.4	1.6
Interest coverage ratio (times)	3.3	44.1	—	55.2	46.7

(Notes) Equity ratio: Shareholder's equity ÷ Total assets

Market-price-based equity ratio : Value of shares ÷ Total assets

Cash flow / interest bearing liabilities ratio : Interest-bearing debt ÷ Cash flow from operating activities

Interest coverage ratio : Cash flow from operating activities ÷ Interest payment

- ※ 1. Data on a consolidated basis is used for computations.
2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury stock) as of that date.
3. Cash flow used is operating cash flow. Interest payments equal the amount of interest paid on the consolidated cash flow statements.
4. Ratio of cash flows to interest-bearing debt and interest coverage ratio in the fiscal year ending March 31, 2017 are not stated because, Fiscal year 2016's cash flow from operating activities are negative.

(4) Outlook for the next fiscal year 2019

In the next fiscal year the Japanese economy is anticipated to further recovery, as employment and income continue to be improved. The Group will make efforts to maintain the stable and constant supply of our products as priority challenge, and also will focus to promote overseas business especially with consolidated subsidiaries in Thailand.

In the sugar business, we focus to make continuous sales efforts by customer-focused and viable-respect sales. Even though it continues tough business environment of irresistible decreasing trends in sugar consumption, we expect it would increase the sales income by prospective of good sales volume caused by the so-called golden week holidays and inbound effects. However, we prospect it would decrease the profit pressured by rising of sales costs such as transportation charges.

In the functional material business-Inulin on domestic sales, we stretch much effort to expand sales for wide range of market as food dietary fiber with function claims. And regarding global sales, we expect to increase income to expand sales mainly in Thailand and the surrounding Asian countries by enhanced sales effort. Also in the each of functional materials business segments, we expect to increase the profit by rationalizing operating costs and selling expenses as well. Regarding UNITEC FOODS Co. Ltd., a consolidated subsidiary, we extend to increase revenue by development of new customers for natural materials as leading products and enhancing proposal strength.

In the real estate business, we focus ensuring stable profit by continuous maintenance and operation for the company properties. However, we prospect it would decrease the profit due to increase in costs for leasing floors of the head office building.

Overall, the full-year consolidated sales forecasts for the fiscal year ending March 31, 2020 are follows:

Net sales of 20,500 million yen (up 4.4% year on year), operating income of 1,300 million yen (down 3.6% year on year), ordinary income of 1,400 million yen (down 11.0% year on year), and Net income of 950 million yen (up 176.1% year on year).

2. Basic Policy regarding selection of Accounting Standards

The Company Group chose to adopt the Japanese Accounting Standards for the consolidated financial statements taking into consideration that of ensuring comparability with the prior fiscal years and among corporations successively. Depending on circumstance changes, the Group would continue to response to revision of the Japanese Accounting Standards and study arbitrary application of the IFRS both in Japan and overseas.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousand yen)

	Yearend FY 2017 (As of March 31, 2018)	Yearend FY 2018 (As of March 31, 2019)
Assets		
Current assets		
Cash, cash equivalent and deposits	2,343,407	3,373,473
Notes and accounts receivable-trade	2,806,196	2,702,826
Marketable securities	300,000	300,000
Merchandise and finished goods	2,055,612	2,118,084
Work in process	131,970	139,172
Raw materials and supplies	700,988	909,946
Other current assets	1,143,077	1,035,346
Allowance for doubtful debts	(4,708)	(1,964)
Total current assets	9,476,545	10,576,885
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	809,036	466,637
Machinery, equipment and vehicles(net)	898,690	116,644
Land	2,527,435	2,527,435
Construction in progress	90,750	-
Other non-current assets (net)	92,129	89,643
Total property, plant and equipment	4,418,042	3,200,360
Intangible assets		
Goodwill	253,842	145,853
Other intangible assets	112,890	128,231
Total intangible assets	366,732	274,084
Investment and other assets		
Investment securities	7,000,310	6,163,389
Long-term loans receivable	1,768	1,814
Long-term loans receivable from subsidiaries	1,773,240	1,689,800
Others	268,653	279,092
Allowance for doubtful debts	(15,278)	(22,594)
Total investments and other assets	9,028,694	8,11,502
Total non-current assets	13,813,469	11,585,948
Total assets	23,290,014	22,162,833

(Thousand yen)

	Yearend FY 2017 (As of March 31, 2018)	Yearend FY 2018 (As of March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,460,091	1,461,566
Short-term loans payable	1,809,568	1,426,020
Income taxes payable	195,792	500,264
Accrued consumption taxes	175,531	92,007
Provision for bonuses	118,123	114,408
Other current liabilities	669,051	673,113
Total current liabilities	4,428,159	4,267,380
Non-current liabilities		
Long-term loans payable	548,097	466,082
Deferred tax liabilities	902,585	626,590
Retirement benefits liabilities	18,251	22,670
Liabilities on assets disposal	65,987	66,652
Other non-current liabilities	532,475	503,778
Total non-current liabilities	2,004,298	1,685,773
Total liabilities	6,432,458	5,953,153
Net Equity		
Shareholders' equity		
Share capital	1,524,460	1,524,460
Capital surplus	2,049,343	2,049,343
Retained earnings	11,743,913	11,724,125
Treasury stock	(717,035)	(717,126)
Total shareholders' equity	14,600,682	14,580,802
Cumulative other comprehensive income		
Valuation difference on available-for-sales securities	2,255,650	1,727,271
Foreign currency translation adjustment	73,507	41,938
Re-measurements of defined benefit plans	(30,555)	(45,575)
Total cumulative other comprehensive income	2,298,602	1,723,634
Non-controlling interests	(41,727)	(94,757)
Total Equity	16,857,556	16,209,679
Total Liabilities and Equity	23,290,014	22,162,833

(2) Consolidated Statements of Profit or Loss
and Consolidated Statement of Comprehensive Profit or Loss
Consolidated Statements of Profit or Loss

(Thousand yen)

	Fiscal year 2017 (From April 1, 2017 to March 31, 2018)	Fiscal year 2018 (From April 1, 2018 to March 31, 2019)
Net sales	19,846,515	19,634,486
Cost of sales	15,390,097	14,549,306
Gross profit	4,456,417	5,085,179
Selling, general and administrative expenses	3,527,203	3,736,164
Operating profit	929,214	1,349,015
Non-operating income		
Interest income	30,376	27,303
Dividends received	76,504	76,005
Foreign exchange gains	17,242	28,864
Share of Equity in earnings of affiliates	146,745	108,917
Other non-operating income	55,973	35,311
Total non-operating income	326,841	276,403
Non-operating expenses		
Interest expenses	29,855	31,456
Provision of allowance for doubtful accounts	-	6,368
Other non-operating expense	556	13,702
Total non-operating expense	30,411	51,527
Ordinary profit or loss	1,225,644	1,573,892
Extraordinary income		
Gain on sales investment securities	20,000	589,638
Total extraordinary income	20,000	589,638
Extraordinary loss		
Loss on disposal of fixed assets	3,854	1,937
Loss on sales of non-current assets	317	-
Impairment loss	52,722	1,151,835
Loss on sales of investment securities	-	3,267
Loss on redemption of securities	2,559	-
Loss on valuation of investment securities	-	21,175
Total extraordinary losses	59,453	1,178,216
Profit before income taxes	1,186,190	985,314
Income taxes-current	405,780	672,158
Income taxes-deferred	19,399	21,858
Total income taxes	425,180	694,017
Profit for the year	761,010	291,297
Loss attributable to non-controlling interests	(32,852)	(52,721)
Profit for the year attributable to owners of parent	793,862	344,019

Consolidated Statements of Comprehensive Profit or Loss

(Thousand yen)

	Fiscal year 2017 (From April 1, 2017 to March 31, 2018)	Fiscal year 2018 (From April 1, 2018 to March 31, 2019)
Profit for the year	761,010	291,297
Other comprehensive income		
Evaluation at fair value on marketable securities	386,366	(528,378)
Foreign currencies translation adjustment	(12,120)	(35,943)
Re-measurements of defined benefit plans, (net of tax)	10,763	(15,020)
Total other comprehensive income for the year	385,009	(579,341)
Comprehensive income for the year	1,146,019	(288,044)
Comprehensive income attributable to:		
Owners of parent	1,182,455	(233,208)
Non-controlling interests	(36,436)	(54,835)

(3) Consolidated Statements of Changes in Equity

Fiscal Year 2017 (April 1, 2017 to March 31, 2018)

(Thousand Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	The Total Shareholders' Equity
Balance at beginning of current period	1,524,460	2,077,791	11,245,427	(717,003)	14,130,675
Changes					
Dividends			(295,376)		(295,376)
Profit for the year			793,862		793,862
Change in scope of consolidation		(28,447)			(28,447)
Purchase of Treasury Shares				(31)	(31)
Net changes of items other than Shareholders' Equity					
Total changes of items during the period	—	(28,447)	498,485	(31)	470,006
Balance at the end of the period	1,524,460	2,049,343	11,743,913	(717,035)	14,600,682

	Cumulative Other Comprehensive Income				Non-controlling Interests	The Total Net Assets
	Valuation at fair value on Marketable Securities	Foreign Currency Translation Adjustment	Re-measurements of Defined Benefits Plans	Total Cumulative Other Comprehensive Income		
Balance at beginning of current period	1,869,283	83,422	(41,319)	1,911,387	(35,117)	16,006,946
Changes						
Dividends						(295,376)
Profit for the year						793,862
Change in scope of Consolidation						(28,447)
Purchase of Treasury Shares						(31)
Net changes of items other than Shareholders' Equity	386,366	(9,914)	10,763	387,215	(6,610)	380,604
Total changes of items during period	386,366	(9,914)	10,763	387,215	(6,610)	850,610
Balance at the end of current period	2,255,650	73,507	(30,555)	2,298,602	(41,727)	16,857,556

Fiscal Year 2018 (April 1, 2018 to March 31, 2019)

(Thousand Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	The Total Shareholders' Equity
Balance at beginning of current period	1,524,460	2,049,343	11,743,913	(717,035)	14,600,682
Changes					
Dividends			(295,376)		(295,376)
Profit for the year			344,019		344,019
Change in scope of consolidation			(68,431)		(68,431)
Purchase of Treasury Shares				(90)	(90)
Net changes of items other than Shareholders' Equity					
Total changes of items during the period	—	—	(19,788)	(90)	(19,879)
Balance at the end of the period	1,524,460	2,049,343	11,724,125	(717,126)	14,580,802

	Cumulative Other Comprehensive Income				Non-controlling Interests	The Total Net Assets
	Valuation at fair value on Marketable Securities	Foreign Currency Translation Adjustment	Re-measurements of Defined Benefits Plans	Total Cumulative Other Comprehensive Income		
Balance at beginning of current period	2,255,650	73,507	(30,555)	2,298,602	(41,727)	16,857,556
Changes						
Dividends						(295,376)
Profit for the year						344,019
Change in scope of Consolidation						(68,431)
Purchase of Treasury Shares						(90)
Net changes of items other than Shareholders' Equity	(528,378)	(31,569)	(15,020)	(574,967)	(53,029)	(627,997)
Total changes of items during period	(528,378)	(31,569)	(15,020)	(574,967)	(53,029)	(647,876)
Balance at the end of current period	1,727,271	41,938	(45,575)	1,723,634	(94,757)	16,209,679

(4) Consolidated Statements of Cash Flows

(Thousand Yen)

	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)	Fiscal Year 2018 (April 1, 2018 to March 31, 2019)
Cash Flows from Operating Activities		
Profit before income taxes	1,186,190	985,314
Depreciation and amortization	268,198	205,123
Amortization of goodwill	118,694	107,989
Impairment loss	52,722	1,151,835
Increase (decrease) in provision for bonuses	11,090	(3,714)
Increase (decrease) in allowance for doubtful debts	(8,833)	4,572
Increase (decrease) in retirement benefits liability	(15,230)	(17,205)
Interest earned and dividend income	(106,881)	(103,309)
Interest expenses	29,855	31,456
Foreign exchange losses (gains)	(17,242)	(28,864)
Share of Equity in (earning) losses of affiliates	(146,745)	(108,917)
Loss (gain) on sales of investment securities	(20,000)	(586,371)
Loss (gain) on redemption of investment securities	2,559	-
Loss (gain) on valuation of investment securities	-	21,175
Loss on disposal of fixed assets	3,854	1,937
Loss (gain) on sales of non-current assets	317	-
Decrease (increase) in notes and account receivable-trade	(247,873)	141,543
Decrease (increase) in inventories	556,917	(272,753)
Decrease (increase) in accrued receivable-other	(8,639)	34,189
Decrease (increase) in other current assets	154,501	5,408
Increase (decrease) in notes and accounts payable-trade	(41,077)	24,850
Increase (decrease) in accrued consumption taxes	175,461	(83,524)
Increase (decrease) in other current liabilities	30,528	48,832
Increase (decrease) in other non-current liabilities	(27,377)	(28,258)
Others (net amount)	(25,779)	(10,265)
Subtotal	1,935,210	1,521,042
Interest and dividends received	137,930	122,610
Interest expenses paid	(30,388)	(26,123)
Corporate income taxes paid	(366,146)	(398,453)
Net cash provided by (used in) operating activities	1,676,606	1,219,075

(Thousand Yen)

	Fiscal Year 2017 (April 1, 2017 to March 31, 2018)	Fiscal Year 2018 (April 1, 2018 to March 31, 2019)
Net Cash provided by (used in) Investing Activities		
Proceeds from sales and redemption of securities	65,299	737,173
Purchase of investment securities	(1,355)	(38,579)
Purchase of property, plant and equipment	(674,249)	(148,769)
Proceeds from sales of property, plant and equipment	1,017	128
Purchase of intangible assets	(47,611)	(42,931)
Collection of long-term loans receivable	744,340	898,550
Payments of long-term loans receivable	(795,081)	(840,000)
Payment for acquisition of subsidiaries' interests	(21,083)	-
Net cash provided by (used in) investing activities	(728,724)	565,570
Net Cash provided by (used in) Financing Activities		
Net increase (decrease) in short-term loans payable	(53,015)	(18,937)
Borrowing against long-term loans payable	151,005	210,000
Repayment of long-term loans payable	(196,392)	(703,164)
Purchase of treasury stock	(31)	(90)
Dividends paid	(295,376)	(295,376)
Net cash provided by (used in) financing activities	(393,811)	(807,569)
Effect of exchange rate change on Cash and Cash Equivalents	5,704	3,371
Net increase (decrease) in Cash and Cash Equivalents	559,774	980,447
Cash and Cash Equivalents at the beginning of period	2,083,633	2,643,407
Net increase (decrease) in Cash and Cash Equivalents by new consolidation	-	49,617
Cash and Cash Equivalents at the end of period	2,643,407	3,673,473

(5) Notes to Consolidated Financial Statements

(Notes on assumption of a going concern)

None

(Segment information)

(1) Outline on Segments

The company's reporting segments are the compositional units of the Company for which separate financial information is available. They are periodically reviewed by the Board of Directors for the purpose of deciding on allocation of management resource and evaluating business performance.

The major products and services are classified as follows, at its each basis of each operation and services formulating own comprehensive strategies against four reporting segments: "Sugar Business", "Functional Materials Business", "Real Estate Business" and "Other Food Business".

Reporting Segments	Major Products and Services
Sugar Business	Sugar, Liquid sugar, Sugar related products, etc.
Functional Materials Business	Food materials, Food additives, Flower freshness preservation agent, Processed fruit materials, etc.
Real Estate Business	Real estate lease, etc.
Other Food Business	Baking, etc.

(2) Information on amounts of net sales, income/loss, liabilities and other items by each reporting segment

Previous fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Thousand Yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in consolidated financial statement (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Net sales to third-party customers	11,932,716	7,140,866	613,724	159,207	19,846,515	—	19,846,515
Intersegment net sales and transfer	4,828	648	3,778	—	9,255	(9,255)	—
Total	11,937,544	7,141,514	617,502	159,207	19,855,770	(9,255)	19,846,515
Segment profit (loss)	1,235,163	52,742	549,958	(127,690)	1,710,174	(780,959)	929,214
Segment assets	10,328,662	5,553,850	1,886,779	252,920	18,022,213	5,330,898	23,353,112
Other items							
Depreciation and amortization	50,668	188,369	13,048	16,112	268,198	—	268,198
Impairment loss	6,704	8,580	—	37,437	52,722	—	52,722
Amortization of goodwill	—	107,989	—	10,704	118,694	—	118,694
Increase in property, plant and equipment, and intangible assets	63,362	125,023	481,125	59,573	729,084	—	729,084

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment loss of (780,959) thousand yen is unallocated expenses to each segment.
Unallocated expenses are mainly general and administrative expenses of administrative department and research and development department.
 - (2) Adjustment for segment assets of 5,330,898 thousand yen is unallocated assets to each segment.
The major components assets are the property, using surplus fund (Cash and deposit, Securities-trading) and investment fund (investment securities).
2. Segment profit is adjusted against the operating profit recorded in the consolidated statement.

Fiscal year ended March 31, 2019(April 1, 2018 to March 31, 2019)

(Thousand Yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in consolidated financial statement (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Net sales to third-party customers	11,171,506	7,619,228	614,796	228,955	19,634,486	—	19,634,486
Intersegment net sales and transfer	6,706	2,736	5,104	21,260	35,808	(35,808)	—
Total	11,178,212	7,621,964	619,901	250,216	19,670,294	(35,808)	19,634,486
Segment profit (loss)	1,545,876	213,698	544,509	(91,107)	2,212,977	(863,961)	1,349,015
Segment assets	9,861,183	4,571,768	1,881,375	137,362	16,451,689	5,711,144	22,162,833
Other items							
Depreciation and amortization	51,894	130,327	12,799	10,101	205,123	—	205,123
Impairment loss	—	991,515	—	160,320	1,151,835	—	1,151,835
Amortization of goodwill	—	107,989	—	—	107,989	—	107,989
Increase in property, plant and equipment, and intangible assets	30,298	105,689	7,497	3,055	146,541	—	146,541

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment loss of (863,961) thousand yen is unallocated expenses to each segment. Unallocated expenses are mainly general and administrative expenses of administrative department and research and development department.
 - (2) Adjustment for segment assets of 5,711,144 thousand yen is unallocated assets to each segment. The major components assets are the property, using surplus fund (Cash and deposit, Securities-trading) and investment fund (investment securities).
2. Segment profit is adjusted against the operating profit recorded in the consolidated statement.