

Summary of Financial Statements for the Fiscal Year Ended March 31, 2020 (Japan GAAP)

May 11, 2020

GEO HOLDINGS CORPORATION

Securities Code: 2681

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Scheduled date of the Annual General Shareholders Meeting: June 25, 2020

Scheduled date to submit annual securities report: June 26, 2020

Scheduled date to start dividend payment: June 26, 2020

Supplementary material on financial results: Yes

Briefing on this annual financial results : No

(Amounts less than million yen are discarded.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

(The percentages indicate the rates of increase or decrease from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal Year ended:	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
March 31, 2020	305,057	4.3	10,022	(36.0)	10,765	(38.9)	3,844	(62.7)
March 31, 2019	292,560	(2.2)	15,668	6.8	17,632	15.6	10,301	55.7

(Note) Comprehensive income: 3,809 million yen (decrease of 62.6%) for fiscal year ended March 31, 2020
10,191 million yen (increase of 53.6%) for fiscal year ended March 31, 2019

	Earnings per share (yen)	Fully diluted earnings per share (yen)	Return on equity (%)	Ratio of ordinary profit to total assets (%)	Ratio of operating profit to net sales (%)
Fiscal Year ended:					
March 31, 2020	89.18	89.03	5.2	7.7	3.3
March 31, 2019	229.62	228.62	13.9	12.9	5.4

(Reference) Equity in net income of affiliates: 10 million yen for fiscal year ended March 31, 2020
13 million yen for fiscal year ended March 31, 2019

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Book value per share
	(Millions of yen)	(Millions of yen)	%	(yen)
As of March 31, 2020	144,702	75,016	51.6	1,761.32
As of March 31, 2019	136,590	74,609	54.4	1,693.99

(Reference) Shareholders' equity: As of March 31, 2020: 74,678 million yen
As of March 31, 2019: 74,336 million yen

(3) Consolidated statement of cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal Year ended:				
March 31, 2020	5,108	(11,342)	3,037	35,666
March 31, 2019	7,903	(6,318)	(8,052)	38,774

2. Dividends

	Dividend per share (yen)					Total dividend paid	Dividend payout ratio (consolidated)	Ratio of dividends to shareholders' equity
(Record dates)	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual	(Millions of yen)	%	%
Fiscal Year ended March 31, 2019	-	17	-	17	34	1,491	14.8	2.1
Fiscal Year ended March 31, 2020	-	17	-	17	34	1,449	38.1	2.0
Fiscal Year ending March 31, 2021 (Forecast)	-	17	-	17	34		45.1	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(The percentages indicate the rates of increase or decrease from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	yen
Full year	300,000	(1.7)	6,000	(40.1)	6,400	(40.5)	3,200	(16.8)	75.47

Notes

- (1) Changes in important subsidiaries during the fiscal year ended March 31, 2020 (changes in Specified Subsidiaries accompanying a change in the scope of consolidation): None
- (2) Changes in accounting principles or changes in accounting estimates or retrospective restatements.
 - 1) Changes in accounting principles due to amendments to accounting standards, etc.: None
 - 2) Changes in accounting principles other than 1): None
 - 3) Changes in estimates used for accounting: None
 - 4) Retrospective restatements: None
- (3) Number of shares outstanding (common stock)
 - 1) Number of shares outstanding (including treasury stock):

As of March 31, 2020	43,929,488 shares
As of March 31, 2019	43,882,588 shares
 - 2) Number of treasury shares:

As of March 31, 2020	1,530,536 shares
As of March 31, 2019	36 shares
 - 3) Average number of outstanding shares:

During the fiscal year ended March 31, 2020	43,107,452 shares
During the fiscal year ended March 31, 2019	44,862,703 shares

(Reference) Unconsolidated Results for the Fiscal Year Ended March 31, 2020
(from April 1, 2019 to March 31, 2020)

(1) Unconsolidated operating results

(The percentages indicate the rate of increase or decrease from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal Year ended:	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
March 31, 2020	8,981	11.1	1,189	(2.3)	413	(79.1)	(1,282)	-
March 31, 2019	8,086	(0.1)	1,217	5.9	1,984	125.1	1,298	-

	Earnings per share (yen)	Fully diluted earnings per share (yen)
Fiscal Year Ended:		
March 31, 2020	(29.74)	-
March 31, 2019	28.94	28.81

(2) Unconsolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(yen)
As of March 31, 2020	73,831	22,743	30.3	528.43
As of March 31, 2019	69,001	27,415	39.3	618.53

(Reference) Shareholders' equity: As of March 31, 2020 22,404 million yen
As of March 31, 2019 27,142 million yen

<Reason for the difference in unconsolidated results between the current and previous fiscal year>

For the current fiscal year, the Company's unconsolidated net sales increased from the previous fiscal year due to increase in dividends from subsidiaries received by the Company. On the other hand, the Company's unconsolidated ordinary profit decreased from the previous fiscal year due to decrease in compensation income that arose in the previous fiscal year and provision for allowance for doubtful accounts to subsidiaries. Furthermore, there was also accounting extraordinary losses (losses on valuation of shares of subsidiaries and associates), therefore, profit significantly decreased from the previous fiscal year.

*This summary is not subject to the audit procedures by a certified public accountant or audit corporation.

*Explanation regarding appropriate use of financial forecasts and other special remarks

The forward-looking statements included in this summary such as financial forecasts are based on currently available information and certain assumptions, which we deem to be reasonable as of the date of this summary. There is no guarantee that the Company will achieve those targets. Actual results may differ significantly from these forecasts due to various factors. Please see "1. Overview of Results of Operations, etc.," "(1) Overview of Operating Results" on page 2 of the Attachments for the basis of forecasts and notes on reliance on forecasts.

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1. Overview of Results of Operations, etc.

(1) Overview of Operating Results

(i) Results for the current fiscal year

For the Company's current fiscal year, the Japanese economy showed signs of gradual recovery, however, the outlook on personal consumption remained uncertain due to raise in consumption tax rate in October 2019 and request made to stay home to prevent the spread of the COVID-19 during the current fourth quarter.

In such an environment, our group focused on expanding our sales network and market share through brick-and-mortar stores, and developing infrastructure for providing seamless services such as concurrent selling with EC, through attempts to adapting to the changing environment with our policy to "offer joy to everyday life."

As a result, sales for the current fiscal year resulted in 305,057 million yen (4.3% increase from the previous fiscal year), operating profit resulted in 10,022 million yen (36.0% decrease from the previous fiscal year), ordinary profit resulted in 10,765 million yen (38.9% decrease from the previous fiscal year), and profit attributable to owners of parent resulted in 3,844 million yen (62.7% decrease from the previous fiscal year).

For media store operating in the name of GEO Shop, the downtrend is continuing in the rental market in which its main merchandise is rental videos such as DVD. While there arose a demand in the rental market from the public staying home due to voluntary restraint on going out to prevent the spread of the COVID-19 during the current fourth quarter, the falling rate in sales for rental for the full year was nearly the same level as the previous fiscal year. In new (media) merchandise whose main merchandise are game device and game software, sales still fell regardless of emergence in the third quarter of hit titles such as the Pocket Monster series and the Animal Crossing series.

In reuse stores mainly led by 2nd STREET, sales for existing stores continued growing solidly reflecting the continuous growth of the reuse market. Also, the increase in the number of stores from opening new stores and the effect of consolidation of Okura, a reuse wholesaler of luxury watches and luxury brand bags, etc., which was acquired during the current fiscal year, contributed to increase in sales. As a result, sales for reuse (non-media) grew to a level to exceed the sales for reuse (media).

The results for major merchandise are as follows.

		Fiscal Year ended March 31, 2020 (Millions of yen)	Increase from the previous fiscal year (%)
Rental		57,962	93.1%
Reuse goods	Media	56,048	103.5%
	Non-media	66,269	126.2%
New goods (media)		84,129	94.3%

The group's stores and facilities as at the end of the current fiscal year are as follows.
() show increase or decrease from the end of the previous fiscal year.

	Directly-managed stores		Distributors		FC stores		Total	
	Increase (decrease)		Increase (decrease)		Increase (decrease)		Increase (decrease)	
Total number of GEO group stores and facilities	1,728	79	97	(8)	113	(11)	1,938	60
Media	1,053	10	97	(8)	60	(12)	1,210	(10)
GEO mobile (mobile dedicated stores)	25	8					25	8
Reuse	618	40			53	1	671	41
Warehouse	13	1					13	1
Others	44	28					44	28

Notes:

1. The numbers of stores are counted based on each store name.
2. The stores that rent DVDs and sell and purchase home game related items are counted as media stores (store names: GEO, GEO mobile, GEO SPEED).
3. GEO mobile means mobile store that does not operate within a media store.
4. The stores that sell and purchase clothing and accessories, etc. are counted as reuse stores (store names: 2nd STREET, Super 2nd STREET, 2nd Outdoor, Jumble Store, etc.).
5. From the current fiscal year, 2nd STREET USA, Inc. is counted as others.

(ii) Future forecast

As business environment for the group, the downtrend for rental merchandise is expected to continue. In the business of packaged copyrighted works including game software, sales through downloading without involving retail stores is expected to increase, and it is necessary to take measures to respond to this change.

As forecast for fiscal year ending March 31, 2021, it is anticipated that outlook on personal consumption would remain uncertain from the effect of COVID-19 that is globally spreading, among other factors.

In reuse stores, we will aim to secure sales and achieve growth in the long term by continuously opening new 2nd STREET stores in Japan and abroad, and by exploring new retail format by opening new stores for off price stores and stationery discount stores. As we will be proactively engaged in activities to enhance recognition of 2nd STREET and our EC business, we anticipate reduced profit.

From the above, as forecast for consolidated results for fiscal year ending March 31, 2021, we project sales of 300,000 million yen (1.7% decrease from the previous fiscal year), operating profit of 6,000 million yen (40.1% decrease from the previous fiscal year), ordinary profit of 6,400 million yen (40.5% decrease from the previous fiscal year), and profit attributable to owners of parent of 3,200 million yen (16.8% decrease from the previous fiscal year).

(2) Overview of consolidated financial position

(i) Current assets

Current assets as of the end of the current fiscal year was 89,658 million yen, which increased 5,252 million yen from 84,406 million yen as of the end of the previous fiscal year. The main factors for this increase were an increase of 3,829 million yen in notes and accounts receivable and an increase of 3,114 million yen in merchandise while cash and deposits decreased by 3,190 million yen.

(ii) Non-current assets

Non-current assets as of the end of the current fiscal year was 55,044 million yen, which increased 2,860 million yen from 52,183 million yen as of the end of the previous fiscal year. The main factors for this increase were an increase of 1,304 million yen in other (net) in property, plant and equipment and an increase of 914 million yen in leasehold and guarantee deposits.

(iii) Current liabilities

Current liabilities as of the end of the current fiscal year was 34,233 million yen, which increased 2,852 million yen from 31,380 million yen as of the end of the previous fiscal year. The main factor for this increase was an increase of 5,000 million yen in short-term borrowing while other decreased 1,265 million yen and current portion of long-term loans payable decreased 466 million yen.

(iv) Non-current liabilities

Non-current liabilities as of the end of the current fiscal year was 35,453 million yen, which increased 4,853 million yen from 30,599 million yen as of the end of the previous fiscal year. The main factor for this increase was an increase of 4,762 million yen in long-term borrowings.

(v) Net assets

Net assets as of the end of the current fiscal year was 75,016 million yen, which increased 406 million yen from 74,609 million yen as of the end of the previous fiscal year. The main factors for this increase was an increase in retained earnings due to 3,844 million yen in profit attributable to owners of parent while retained earnings decreased due to payment of 1,474 million as dividend of surplus, and due to share repurchase of 1,999 million yen.

(3) Cash Flows

Cash and cash equivalents ("cash") at the end of the current fiscal year decreased by 3,108 million yen from the end of the previous fiscal year and resulted in 35,666 million yen.

The situations of each cash flow and their main factors for the current fiscal year are as follows.

(Cash flows from operating activities)

As a result of operating activities, cash increased 5,108 million yen (where this increased 7,903 million yen in the previous fiscal year).

The main factors for this increase were profit before income taxes of 7,983 million yen, depreciation of 4,992 million yen, and rental assets depreciation of 5,544 million yen while there were expenditures of 5,099 million yen due to purchase of rental assets, and income taxes paid of 6,026 million yen .

(Cash flows from investing activities)

As a result of investing activities, cash decreased 11,342 million yen (where this decreased 6,318 million yen in the previous fiscal year).

The main factor for this decrease was expenditures of 7,014 million yen from purchasing property, plant and

equipment.

(Cash flows from financing activities)

As a result of financing activities, cash increased 3,037 million yen (where this decreased 8,052 million yen in the previous fiscal year).

The main factors for this increase was expenditures of 4,610 million yen from repaying on long-term borrowings while income from long-term borrowings of 8,500 million yen.

(4) Basic policy in distributing profits and dividends for the current and next fiscal year

One of the Company's top management priorities is to return profit to shareholders. For this purpose, the Company will continue to endeavor to establish a sound managerial base and improve profitability. The Company's policy is to pay dividends that reflect the performance and the Company currently pays dividends twice a year at interim and year-end as dividend of surplus.

The shareholders meeting decides the dividend of surplus for the year-end dividend, and the board of directors decides this for the interim dividend.

Pursuant to the above basic policy, an interim dividend of 17 yen per share was paid and an year-end dividend of 17 yen is scheduled to be paid.

The Company paid dividends as follows over the recent five (5) years.

(per share in yen)

	Fiscal Year ended				
	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Interim	16	17	17	17	17
Year-end	17	17	17	17	17
Total	33	34	34	34	34

In accordance with the above policy, the Company is scheduled to pay an interim dividend of 17 yen per share and a year-end dividend of 17 yen per share, which results in an annual dividend of 34 yen per share for the fiscal year ending March 31, 2021.

2. The GEO Group Companies

The GEO group is comprised of GEO HOLDINGS CORPORATION, 34 subsidiaries, and two affiliates. The group mainly operates stores that rent, purchase and sell used goods, and sell new goods of mainly packaged software to the general public (the “media shop”), stores that sell and purchase used clothes, variety goods and home electronics and others (the “reuse shop”), and amusement facilities.

In addition, the group is also advancing into the wholesale business of these merchandise, and operation of on-line services and internet shop.

The group companies and their businesses

(As of March 31, 2020)

Type of company	Business	Operating Company
Holding company	Planning and administration of group management	GEO HOLDINGS CORPORATION (the Company)
Operating companies	Operation of media shop, reuse shop, and amusement facilities	GEO CORPORATION
	Others	Okura Gramolux Inc. Chelsea International Co., Ltd. World mobile corporation EISYS, inc. GEO NETWORKS CORPORATION GEO INTERACTIVE CORPORATION GEO payment service corporation GEO CONSULTING CORPORATION BUNZO CORPORATION GEO CLEAR CORPORATION GEO BUSINESS SUPPORT Co., Ltd. Family Book co., Ltd. 2nd STREET USA, Inc. 2nd STREET TRADING MALAYSIA SDN. BHD. 2nd STREET TAIWAN CO., LTD. 12 others

A company accounted for by the equity-method:

T&G Inc.

A subsidiary excluded from the scope of consolidation (not accounted for by the equity method):

Voga inc. (and four others)

An affiliate not accounted for by the equity method:

Kabushiki Kaisha Nihon Auction Kyokai

3. Basic idea in selection of the accounting standards

With respect to accounting standards, we apply the Japanese accounting standards to enable comparison with competitors in the same industry in Japan.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	35,789	32,598
Notes and accounts receivable - trade	6,251	10,080
Merchandise	35,071	38,186
Other	7,362	8,901
Allowance for doubtful accounts	(68)	(108)
Total current assets	84,406	89,658
Non-current assets		
Property, plant and equipment		
Rental assets	86,502	79,673
Accumulated depreciation	(82,676)	(76,370)
Rental assets, net	3,825	3,303
Buildings and structures	44,080	44,856
Accumulated depreciation	(31,208)	(31,208)
Buildings and structures, net	12,872	13,647
Land	5,187	5,183
Other	29,928	32,025
Accumulated depreciation	(23,835)	(24,627)
Other, net	6,092	7,397
Total property, plant and equipment	27,978	29,532
Intangible assets	1,517	1,885
Investments and other assets		
Long-term loans receivable	1,838	1,678
Leasehold and guarantee deposits	15,576	16,490
Deferred tax assets	3,897	3,869
Other	2,255	2,543
Allowance for doubtful accounts	(879)	(955)
Total investments and other assets	22,688	23,626
Total non-current assets	52,183	55,044
Total assets	136,590	144,702

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	11,484	11,039
Short-term borrowings	-	5,000
Current portion of long-term borrowings	4,203	3,737
Provision for bonuses	2,126	2,155
Other	13,566	12,300
Total current liabilities	31,380	34,233
Non-current liabilities		
Long-term borrowings	21,193	25,956
Lease obligations	1,304	1,250
Deferred tax liabilities	19	44
Asset retirement obligations	6,216	6,505
Other	1,865	1,695
Total non-current liabilities	30,599	35,453
Total liabilities	61,980	69,686
Net assets		
Shareholders' equity		
Share capital	8,944	8,969
Capital surplus	3,357	3,382
Retained earnings	61,891	64,218
Treasury shares	(0)	(1,999)
Total shareholders' equity	74,193	74,569
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	147	113
Deferred gains or losses on hedges	(7)	(3)
Foreign currency translation adjustment	2	(0)
Total accumulated other comprehensive income	142	108
Share acquisition rights	272	338
Total net assets	74,609	75,016
Total liabilities and net assets	136,590	144,702

(2) Consolidated Income Statement and Statement of Comprehensive Income

Consolidated Income Statement

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	292,560	305,057
Cost of sales	170,787	181,257
Gross profit	121,772	123,800
Selling, general and administrative expenses	106,104	113,778
Operating profit	15,668	10,022
Non-operating income		
Interest and dividend income	34	35
Compensation income	654	-
Rental income from real estate	718	685
Other	1,456	877
Total non-operating income	2,863	1,598
Non-operating expenses		
Interest expenses	154	153
Rental expenses on real estate	418	385
Provision of allowance for doubtful accounts	65	96
Loss on shop close	38	94
Other	222	125
Total non-operating expenses	899	855
Ordinary profit	17,632	10,765
Extraordinary losses		
Impairment loss	744	2,770
Loss on valuation of shares of subsidiaries and associates	199	-
Other	8	10
Total extraordinary losses	952	2,781
Profit before income taxes	16,680	7,983
Income taxes - current	5,810	4,079
Income taxes - deferred	567	59
Total income taxes	6,378	4,139
Profit	10,301	3,844
Profit attributable to owners of parent	10,301	3,844

Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	10,301	3,844
Other comprehensive income		
Valuation difference on available-for-sale securities	(114)	(34)
Deferred gains or losses on hedges	1	3
Foreign currency translation adjustment	2	(3)
Total other comprehensive income	(110)	(34)
Comprehensive income	10,191	3,809
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,191	3,809

(3) Consolidated Statements of Change in Net Assets

(For the fiscal year ended March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,933	3,345	59,984	(525)	71,738
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	11	11			23
Dividends of surplus			(1,560)		(1,560)
Profit attributable to owners of parent			10,301		10,301
Acquisition of treasury shares				(6,308)	(6,308)
Cancellation of treasury shares			(6,834)	6,834	0
Change in the scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during period	11	11	1,907	525	2,455
Balance at end of current period	8,944	3,357	61,891	(0)	74,193

	Valuation difference on available-for-sale securities	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
		Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	262	(8)	—	253	200	72,191
Changes of items during period						
Issuance of new shares - exercise of subscription rights to shares						23
Dividends of surplus						(1,560)
Profit attributable to owners of parent						10,301
Acquisition of treasury shares						(6,308)
Cancellation of treasury shares						0
Change in the scope of consolidation						
Net changes of items other than shareholders' equity	(114)	1	2	(110)	72	(37)
Total changes of items during period	(114)	1	2	(110)	72	2,418
Balance at end of current period	147	(7)	2	142	272	74,609

(For the fiscal year ended March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,944	3,357	61,891	(0)	74,193
Changes during period					
Issuance of new shares - exercise of share acquisition rights	24	24			49
Dividends of surplus			(1,474)		(1,474)
Profit attributable to owners of parent			3,844		3,844
Purchase of treasury shares				(1,999)	(1,999)
Cancellation of treasury shares					
Change in scope of consolidation			(43)		(43)
Net changes in items other than shareholders' equity					
Total changes during period	24	24	2,326	(1,999)	376
Balance at end of period	8,969	3,382	64,218	(1,999)	74,569

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	147	(7)	2	142	272	74,609
Changes during period						
Issuance of new shares - exercise of share acquisition rights						49
Dividends of surplus						(1,474)
Profit attributable to owners of parent						3,844
Purchase of treasury shares						(1,999)
Cancellation of treasury shares						-
Change in scope of consolidation						(43)
Net changes in items other than shareholders' equity	(34)	3	(3)	(34)	65	30
Total changes during period	(34)	3	(3)	(34)	65	406
Balance at end of period	113	(3)	(0)	108	338	75,016

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	16,680	7,983
Depreciation	4,334	4,992
Rental assets depreciation	6,152	5,544
Impairment loss	744	2,770
Amortization of goodwill	-	286
Interest and dividend income	(34)	(35)
Interest expenses	154	153
Compensation income	(654)	-
Decrease (increase) in trade receivables	(647)	(1,685)
Decrease (increase) in inventories	(4,916)	(438)
Purchase of Rental assets	(5,881)	(5,099)
Increase (decrease) in trade payables	(866)	(1,712)
Increase (decrease) in accounts payable - other, and accrued expenses	(191)	(741)
Other, net	66	(746)
Subtotal	14,941	11,271
Interest and dividends received	15	18
Interest paid	(154)	(153)
Income taxes (paid) refund	(7,555)	(6,026)
Proceeds from compensation	654	-
Dividends received from entities accounted for using equity method	2	-
Net cash provided by (used in) operating activities	7,903	5,108
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,184)	(7,014)
Purchase of intangible assets	(655)	(770)
Loan advances	(662)	(686)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(2,040)
Other, net	(815)	(829)
Net cash provided by (used in) investing activities	(6,318)	(11,342)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	2,850
Proceeds from long-term borrowings	5,500	8,500
Repayments of long-term borrowings	(5,539)	(4,610)
Dividends paid	(1,565)	(1,470)
Purchase of treasury shares	(6,308)	(1,999)
Other, net	(138)	(231)
Net cash provided by (used in) financing activities	(8,052)	3,037
Effect of exchange rate change on cash and cash equivalents	0	5
Net increase (decrease) in cash and cash equivalents	(6,468)	(3,189)
Cash and cash equivalents at beginning of period	45,175	38,774
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	67	81
Cash and cash equivalents at end of period	38,774	35,666

(5) Notes to consolidated financial statements

(Going concern assumptions)

None

(Segment information)

[Segment information]

For the previous fiscal year (from April 1, 2018 to March 31, 2019) and the current fiscal year (from April 1, 2019 to March 31, 2020):

Description is omitted because the group reports only through one segment, i.e., retail services.

[Related information]

For the previous fiscal year (from April 1, 2018 to March 31, 2019) and the current fiscal year (from April 1, 2019 to March 31, 2020):

1. Information based on products and services:
Description is omitted because the group reports only through one segment, i.e., retail services.
2. Information based on region:
 - (1) Net sales:
Description is omitted because net sales towards outside customers in Japan exceed 90% of the net sales indicated in the consolidated income statement.
 - (2) Property, plant and equipment:
Description is omitted because the amount of property, plant and equipment in Japan exceed 90% of the amount of property plant and equipment indicated in the consolidated balance sheet.

[Information on impairment loss on fixed assets for each reporting segment]

For the previous fiscal year (from April 1, 2018 to March 31, 2019) and the current fiscal year (from April 1, 2019 to March 31, 2020):

Description is omitted because the group reports only through one segment, i.e., retail services.

[Information on amortization and unamortized balance of goodwill for each reporting segment]

For the previous fiscal year (from April 1, 2018 to March 31, 2019) and the current fiscal year (from April 1, 2019 to March 31, 2020):

Description is omitted because the group reports only through one segment, i.e., retail services.

[Information on gain on negative goodwill for each reporting segment]

For the previous fiscal year (from April 1, 2018 to March 31, 2019) and the current fiscal year (from April 1, 2019 to March 31, 2020):

Description is omitted because the group reports only through one segment, i.e., retail services.

(Per share information (in yen))

	Fiscal Year ended March 31, 2019	Fiscal Year ended March 31, 2020
Shareholders' equity per share	1,693.99	1,761.32
Earnings per share	229.62	89.18
Fully diluted earnings per share	228.62	89.03

(Notes)

1. The basis for calculating the shareholders' equity per share is as follows.

(Millions of yen except share information)

	Fiscal Year ended March 31, 2019	Fiscal Year ended March 31, 2020
Total net assets	74,609	75,016
Amount to be deducted from total net assets	272	338
(Stock acquisition rights in the above)	(272)	(338)
Net assets at the end of the fiscal year attributable to common shares	74,336	74,678
Number of common shares at the end of the fiscal year used for calculating the shareholders' equity per share	43,882,552	42,398,952

2. The basis for calculating the earnings per share and fully diluted earnings per share is as follows.

(Millions of yen except share information)

	Fiscal Year ended March 31, 2019	Fiscal Year ended March 31, 2020
Earnings per share		
Profit attributable to owners of parent	10,301	3,844
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent for common shares	10,301	3,844
Average number of shares outstanding during the fiscal year	44,862,703	43,107,452
Fully diluted earnings per share		
Adjustments to profit attributable to owners of parent	—	—
Increase in the number of common shares	196,960	73,699
(Subscription rights to shares included in the above as number of shares)	(196,960)	(73,699)
Description of potential shares that were not included in calculating the fully diluted earnings per share due to them having no dilutive effect	285,000 shares subject to the Company's stock options (for the 10th stock acquisition rights)	1,681,000 shares subject to the Company's stock options (for the 10th, 11th, 12th, 13th and 14th stock acquisition rights)

(Subsequent events after the current period)

None