

Summary of Consolidated Financial and Business Results for the Year Ended March 2019 (Japanese GAAP)

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)
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 General meeting of stockholders to be held: June 27, 2019 Start of dividend payout: June 5, 2019
 Statutory annual report to be presented: June 27, 2019

(All yen figures are rounded down to the nearest one million yen)

1. Results for the Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(Unaudited)

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2018	1,550,991	4.4	110,212	55.7	118,370	79.5	51,977	43.5
FY2017	1,485,895	3.2	70,781	0.8	65,958	24.6	36,222	(10.1)

Note: Comprehensive income FY2018 32,499 million yen FY2017 60,576 million yen

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2018	52.52	52.49	7.7	6.0	7.1
FY2017	36.64	36.62	5.6	3.4	4.8

Note: Equity in earning of affiliates FY2018 12,593 million yen FY2017 521 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2018	1,951,369	815,406	34.7	684.50
FY2017	1,960,753	810,011	34.4	681.52

Note: Shareholders' equity FY2018 677,393 million yen FY2017 673,642 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2018	140,571	(66,636)	(45,539)	82,794
FY2017	123,178	(74,025)	(41,793)	58,343

2. Dividend Conditions

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2017	-	5.00	-	5.00	10.00	9,910	27.3	1.5
FY2018	-	6.00	-	6.00	12.00	11,891	22.8	1.8
FY2019 (Forecast)	-	7.00	-	7.00	14.00		23.1	

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

(Figures shown in percentage for the full year are ratios compared to the previous year,
 Figures shown in percentage for the first half are ratios compared to the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	780,000	2.4	50,000	(8.5)	50,000	(6.4)	26,000	(2.8)	26.27
Full year	1,600,000	3.2	110,000	(0.2)	110,000	(7.1)	60,000	15.4	60.63

4. In Addition

- (1) Changes in important subsidiaries
(changes regarding specified subsidiaries accompanying changes in the scope of consolidation) : None
- (2) Changes in accounting methods compared with recent consolidated accounting periods
- (i) Changes due to accounting standard changes : Yes
 - (ii) Changes besides (i) : None
 - (iii) Accounting estimate change : None
 - (iv) Restatement : None
- (3) Outstanding balance of issued shares (common stock)
- (i) Outstanding balance of issued shares at the end of fiscal year (Including treasury shares)

FY2018	1,014,381,817	FY2017	1,014,381,817
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 - (ii) Outstanding balance of treasury shares at the end of fiscal year

FY2018	24,762,066	FY2017	25,937,293
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 - (iii) Weighted average number of shares during fiscal year

FY2018	989,601,732	FY2017	988,480,102
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(Reference)

1. Results for the Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(1) Non-consolidated Business Results

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2018	30,991	10.8	14,898	49.8	14,154	25.6	10,678	(15.1)
FY2017	27,961	0.8	9,943	3.5	11,272	43.6	12,584	32.0

	Profit per share	Diluted profit per share
	Yen	Yen
FY2018	10.79	10.78
FY2017	12.71	12.70

(2) Non-consolidated Financial Condition

	Net sales	Operating income	Ordinary income	Profit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2018	1,053,109	369,718	35.1	373.29
FY2017	1,139,233	373,731	32.8	377.32

Note: Shareholders' equity FY2018 369,496 million yen FY2017 373,484 million yen

NOTICE

- This document is exempt from audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement haven't been finished as of the date of publication.
- Forecasts released are based on expectations of future economic conditions as of the date of publication. The actual results may differ drastically from these forecasts due to various factors that may arise in the future.
- This document is an excerpt translation of the Japanese original and is only for reference purposes. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

1. Qualitative Information Concerning Business Performance and Financial Situation

(1) Qualitative Information Concerning Business Performance

Business Performance for the Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019, "FY2018")

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Profit Per Share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
FY2018	1,551.0	110.2	118.4	52.0	52.52
FY2017	1,485.9	70.8	66.0	36.2	36.44
Increase (Decrease)	65.1	39.4	52.4	15.8	
Increase (Decrease)	4.4%	55.7%	79.5%	43.5%	

Overview of FY2018 Business Performance

Oji Group has set "Expansion of Overseas Businesses", "Concentration / Advancement of Domestic Businesses", and "Enhancement of Financial Foundation" as the Fundamental Policies of its 2016-2018 Medium-term Management Plan. In the domestic business, we have worked to consolidate and improve the efficiency of existing business, and to accelerate the development of new promising business by leveraging our accumulated technologies and expertise. In the overseas business, we have worked to further expand the regions as well as the fields of business operations by implementing capacity enhancement at existing sites and acquiring new sites through M&A.

Under such initiatives, consolidated net sales for FY2018 increased by ¥65.1 billion year-on-year (+4.4%) to ¥1,551.0 billion, mainly due to business scale expansion and an increase in pulp sales prices in the overseas business, as well as the price adjustment effects in the domestic business. "Expansion of Overseas Businesses" steadily progressed and overseas sales ratio of the Oji Group rose by 1.0% to 32.0%.

Consolidated operating profit increased by ¥39.4 billion year-on-year (+55.7%) to ¥110.2 billion, with both domestic and overseas businesses experienced the increase. With the result, we achieved our management target of the 2016-2018 Medium-term Management Plan which was the consolidated operating profit of ¥100.0 billion. In the domestic business, product price adjustment effects and cost reduction effects contributed to the profit increase, despite the higher raw material and fuel prices as a negative factor. In the overseas business, operating profit of overseas located companies increased by ¥30.0 billion year-on-year (+64.4%) to ¥76.5 billion, mainly due to the business scale expansion and the increase in pulp sales prices.

Non-operating profit and loss increased by ¥13.0 billion year-on-year mainly due to recording of ¥10.9 billion of negative goodwill associated with the acquisition of Mitsubishi Paper Mills Limited. as an equity-method affiliate in equity method investment gain. As a result, ordinary profit increased by ¥52.4 billion year-on-year (+79.5%) to ¥118.4 billion.

As for extraordinary profit and loss, an impairment loss of ¥29.6 billion was recorded as an extraordinary loss on fixed assets in the paper business of Oji Paper Co., Ltd., an subsidiary. The demand for printing paper in Japan has continued to decline structurally due to ICT developments. Under the circumstance, Oji Paper Co., Ltd. has revised the prices of printing paper since January 2019 while working to reduce costs in every field on a daily basis in order to secure reproducible profits. However, as a result of careful consideration of future recoverability based on the current business environment, we decided that it was appropriate to conduct the impairment in the current fiscal year. Other extraordinary profit and loss included ¥11.2 billion gain on the repayment of a retirement benefit trust as extraordinary profit which was partially offset by a ¥3.7 billion loss on disaster caused by the Heavy Rain Event of July 2018, typhoons, and the 2018 Hokkaido Eastern Iburi Earthquake. In total, extraordinary profit and loss decreased by ¥26.6 billion year-on-year. As a result, profit before taxes increased by ¥25.8 billion year-on-year (+39.7%) to ¥90.8 billion, and profit attributable to owners of parent increased by ¥15.8 billion year-on-year (+43.5%) to ¥50.2 billion.

Overview of Business Performance for the First Nine Months of FY2018 by Segment

(i) Business Performance by Segment

(Unit: Billions of yen)

		Net Sales			Operating Profit		
		FY2017	FY2018	Increase (Decrease)	FY2017	FY2018	Increase (Decrease)
Reporting Segment	Household & Industrial Materials	651.3	681.2	4.6%	5.4	22.4	312.2%
	Functional Materials	220.8	224.1	1.5%	18.6	18.4	(1.1%)
	Forest Resources & Environment Marketing	298.5	326.5	9.4%	39.0	64.6	65.9%
	Printing & Communications Media	305.4	302.9	(0.8%)	(1.2)	(4.8)	-
	Total	1,476.0	1,534.7	4.0%	61.8	100.6	62.8%
Others		277.0	294.2	6.2%	8.8	9.8	12.4%
Total		1,753.0	1,828.8	4.3%	70.6	110.4	56.5%
Adjustment (*)		(267.2)	(277.9)		0.2	(0.2)	
Consolidated total		1,485.9	1,551.0	4.4%	70.8	110.2	55.7%

*Adjustment amount is mainly the adjustment concerning internal transactions.

(ii) Overview of Business Performance by Segment

Oji Group's four reporting segments are: "Household and Industrial Materials", "Functional Materials", "Forest Resources and Environment Marketing" and "Printing and Communications Media". Each of the reporting segment consists of those that are recognized to be similar in terms of economic characteristics, manufacturing methods or processes of products, markets in which products are sold, and types of customers, among the constituent units of the Oji Group.

Business segments that are not included in the reporting segments are classified as "Others".

For your information, the classification of reporting segments has been changed for some businesses since the first quarter of FY2018, as a result of reviewing the internal management classification. For the comparison with the previous fiscal year, the figures for FY2017 have been reclassified to the segment classification after the change.

Major business lineup for the segments are as follows.

- Household and Industrial Materials:
Containerboard/corrugated containers, boxboard/folding cartons, packing paper/paper bags, household paper, disposable diapers, etc.
- Functional Materials:
Specialty paper, thermal paper, adhesive materials, film, etc.
- Forest Resources and Environment Marketing:
Pulp, energy, forest plantation/lumber processing, etc.
- Printing and Communications Media:
Newsprint, printing/publication/communication paper, etc.
- Others:
Real estate, engineering, trading business, logistics, etc.

○Household and Industrial Materials

In FY2018, net sales were ¥681.2 billion (year-on-year increase of 4.6%); and operating profit was ¥22.4 billion (year-on-year increase of 312.2%) as a result of the effect of products price adjustments.

Regarding domestic business, sales volume of containerboard and corrugated containers increased from the previous year due to steady sales for food industry customers and e-commerce, despite sluggish sales for fruit and vegetable industry customers caused by typhoons, etc.

As for boxboard, domestic sales volume remained almost at the same level as the previous year while export sales volume, mainly those to Southeast Asia, increased from the previous year. As for packing paper, influenced by the production suspension at a mill after the Heavy Rain Event of July 2018, domestic sales volume decreased from the previous year while export sales volume remained almost at the same level as the previous year due to increased sales to Southeast Asia.

As for disposable diapers, sales volume of both baby and adult disposable diapers increased from the previous year. Household paper business which comprises tissue paper and toilet rolls steadily performed and its sales volume increased.

Regarding overseas business, sales amount of containerboard increased in Southeast Asia and Oceania regions due to the effect of higher sales prices. As for corrugated containers, sales steadily performed in Southeast Asia mainly for customers of beverage and processed food industries. Sales volume increased in Oceania mainly due to operation commencement at a new plant in Australia and increased demand among agricultural product customers in New Zealand. Sales volume of disposable diapers increased from the previous year due to the penetration of proprietary brand products in Malaysia, the expansion of selling stores in Indonesia, and the expansion of exports from Japan leveraging on a reputation of Nepia brand in China, against the backdrop of demand growth in emerging countries.

○Functional Materials

In FY2018, net sales were ¥224.1 billion (year-on-year increase of 1.5%); and operating profit was ¥18.4 billion (year-on-year decrease of 1.1%) although sales increase from efforts for sales expansion made up for the impacts of higher raw material and fuel prices.

Regarding domestic business, for domestic market, sales volume of specialty paper decreased from the previous year mainly due to the impact of production suspension at a mill after the 2018 Hokkaido Eastern Iburi Earthquake, despite efforts for developing new product and acquiring new customers. Sales volume of thermal paper remained almost at the same level as the previous year due to steady sales. Sales volume of adhesive products, mainly thermal adhesive paper, increased from the previous year. As for export sales, sales amount of specialty paper increased from the previous year mainly due to price adjustment effects.

Regarding overseas business, Tele-Paper (M) Sdn. Bhd., a newly consolidated subsidiary in Malaysia, played a part in enhancing the result. Sales of thermal paper was strong in all regions. In particular, sales volume significantly increased from the previous year in emerging countries in Southeast Asia and South America.

○Forest Resources and Environment Marketing

In FY2018, net sales were ¥326.5 billion (year-on-year increase of 9.4%); and operating profit was ¥64.6 billion (year-on-year increase of 65.9%). As a result of the effect of rise in pulp sales prices, both net sales and operating profit increased significantly.

Regarding domestic business, sales volume of pulp business remained almost at the same level as the previous year due to steady sales. Sales volume of lumber business increased from the previous year due to strong sales. Sales volume of energy business remained almost at the same level as the previous year due to steady sales.

Regarding overseas business, sales volume of pulp business remained almost at the same level as the previous year due to steady sales. Sales volume of lumber business increased from the previous year due to strong sales mainly in China.

○Printing and Communications Media

In FY2018, net sales were ¥302.9 billion (year-on-year increase of 0.8%); and operating loss was ¥4.8 billion (year on-year decrease of ¥3.7 billion) mainly due to the impacts of higher raw material and fuel prices.

Regarding domestic business, sales volume of newsprint decreased from the previous year due to reduced circulation and total number of pages.

As for printing and communication paper, sales volume was almost at the same level as the previous year. Sales amount remained almost at the same level as the previous year due to effects of price adjustments implemented from the 4th quarter, though there had been effects from the fall in market during the first nine months of FY2018.

Regarding overseas business, sales in China increased from the previous year due to the effect of higher sales prices of printing paper.

Forecast for the Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020, "FY2019")

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
First Half of FY2019	780.0	50.0	50.0	26.0	26.27
First Half of FY2018	761.9	54.7	53.4	26.8	27.04
Increase (Decrease)	18.1	(4.7)	(3.4)	(0.8)	
Increase (Decrease)	2.4%	(8.5%)	(6.4%)	(2.8%)	
FY2019	1,600.0	110.0	110.0	60.0	60.63
FY2018	1,551.0	110.2	118.4	52.0	52.52
Increase (Decrease)	49.0	(0.2)	(8.4)	8.0	
Increase (Decrease)	3.2%	(0.2%)	(7.1%)	15.4%	

<FY2019 Forecast and Future Outlook >

Looking to FY2019, Oji Group expects consolidated net sales of ¥1,600.0 billion, consolidated operating profit of ¥110.0 billion, consolidated ordinary profit of ¥110.0 billion, and consolidated profit attributable to owners of parent of ¥60.0 billion.

In FY2019, we will launch a new Medium-term Management Plan ending in FY2021. We will continue to focus on initiatives centered on raising profitability of our domestic businesses, expanding our overseas businesses, promoting innovation, and aim to be a global corporate group that consistently achieves consolidated operating profit of more than ¥100.0 billion.

The assumed exchange rates for FY2019 forecast are as follows:

	Exchange rates	(Reference) Sensitivity for operating income
JPY/USD	110.00	Approx. ¥410 million with a fluctuation of USD by 1% (strong USD: -)
BRL/USD	3.60	Approx. ¥330 million with a fluctuation of USD by 1% (strong USD: +)
NZD/USD	1.45	Approx. ¥930 million with a fluctuation of USD by 1% (strong USD: +)

2. Outline of Business Performance and Financial Situation

Business Performance

Billions of yen

		FY2018		Forecasts for FY2019	
			Increase(Decrease)		Increase(Decrease)
Net Sales		1,551.0	65.1	1,600.0	49.0
	Domestic	1,054.9	30.0		
	Overseas	496.1	35.1		
	ratio	32.0%	1.0%		
Operating Profit		110.2	39.4	110.0	(0.2)
Ordinary Profit		118.4	52.4	110.0	(8.4)
Profit attributable to owners of parent		52.0	15.8	60.0	8.0

Billions of yen

Depreciation	69.5	(2.4)	62.9	(6.6)
Capital expenditure	55.8	(4.3)	104.0	48.2

Average foreign exchange rate

	FY2018		Forecasts for FY2019	
		Increase(Decrease)		Increase(Decrease)
JPY / USD April to March	110.9	0.0	110.0	(0.9)
BRL / USD January to December	3.65	0.46	3.60	(0.05)
NZD / USD January to December	1.45	0.04	1.45	0.00
CNY / USD January to December	6.61	(1.14)	6.90	0.29

Financial situation

Billions of yen

	31-Mar-19	
		Increase(Decrease)from Mar31,2018
Total assets	1,951.4	(9.4)
Net assets	815.4	5.4
Interest bearing debts	620.6	(26.8)
Net debts	535.0	(52.7)

Consolidated Statements of Cash Flows

Billions of yen

	31-Mar-19	
		Increase(Decrease)from Mar31,2018
Cash flows from operating activities	140.6	17.4
Cash flows from investing activities	(66.6)	7.4
Cash flows from financing activities	(45.5)	(3.7)

Number of employees

person

	31-Mar-19	
		Increase(Decrease)from Mar31,2018
Number of employees	36,309	165
Domestic	17,140	58
Overseas	19,169	107

Consolidated balance sheets

(Unit : Millions of yen)

	FY2017 Mar 31,2018	FY2018 Mar 31,2019
Assets		
Current assets		
Cash and deposits	50,357	78,756
Notes and accounts receivable - trade	325,373	334,852
Securities	12,406	9,471
Merchandise and finished goods	96,658	101,940
Work in process	19,502	20,094
Raw materials and supplies	86,994	94,758
Short-term loans receivable	3,504	6,294
Accounts receivable - other	19,877	14,531
Other	11,894	14,603
Allowance for doubtful accounts	(1,511)	(1,838)
Total current assets	625,056	673,465
Non-current assets		
Property, plant and equipment		
Buildings and structures	661,640	662,001
Accumulated depreciation	(456,863)	(473,139)
Buildings and structures, net	204,777	188,861
Machinery, equipment and vehicles	2,369,615	2,369,868
Accumulated depreciation	(2,002,914)	(2,051,165)
Machinery, equipment and vehicles, net	366,700	318,702
Tools, furniture and fixtures	60,141	59,894
Accumulated depreciation	(54,827)	(54,979)
Tools, furniture and fixtures, net	5,313	4,914
Land	235,846	235,975
Forests	112,590	110,882
Standing Timber	93,238	89,719
Leased assets	9,077	9,012
Accumulated depreciation	(6,288)	(6,715)
Leased assets, net	2,788	2,296
Construction in progress	35,389	33,404
Total property, plant and equipment	1,056,644	984,759
Intangible assets		
Goodwill	9,664	6,682
Other	11,626	9,903
Total intangible assets	21,290	16,586
Investments and other assets		
Investment securities	162,336	186,287
Long-term loans receivable	7,855	7,398
Long-term prepaid expenses	21,333	21,336
Retirement benefit asset	51,614	37,115
Deferred tax assets	2,820	10,732
Other	13,261	14,806
Allowance for doubtful accounts	(1,460)	(1,119)
Total investments and other assets	257,762	276,558
Total non-current assets	1,335,696	1,277,904
Total assets	1,960,753	1,951,369

(Unit : Millions of yen)

	FY2017 Mar 31,2018	FY2018 Mar 31,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	248,490	253,929
Short-term loans payable	153,911	193,175
Commercial papers	1,000	3,000
Current portion of bonds	40,000	20,000
Accounts payable - other	16,062	16,705
Accrued expenses	49,560	48,912
Income taxes payable	9,320	17,941
Other	18,887	22,705
Total current liabilities	<u>537,231</u>	<u>576,369</u>
Non-current liabilities		
Bonds payable	60,000	70,000
Long-term loans payable	392,511	334,402
Deferred tax liabilities	67,182	62,486
Deferred tax liabilities for land revaluation	7,828	7,806
Retirement benefit liability	51,422	52,874
Long-term deposits received	7,929	7,728
Other	26,635	24,295
Total non-current liabilities	<u>613,509</u>	<u>559,593</u>
Total liabilities	<u>1,150,741</u>	<u>1,135,963</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,086	110,474
Retained earnings	377,801	413,023
Treasury shares	(14,465)	(13,753)
Total shareholders' equity	<u>579,303</u>	<u>613,625</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,287	32,981
Deferred gains or losses on hedges	(170)	317
Revaluation reserve for land	5,835	5,816
Foreign currency translation adjustment	31,973	13,223
Remeasurements of defined benefit plans	17,412	11,428
Total accumulated other comprehensive income	<u>94,338</u>	<u>63,767</u>
Share acquisition rights	246	222
Non-controlling interests	136,122	137,790
Total net assets	<u>810,011</u>	<u>815,406</u>
Total liabilities and net assets	<u>1,960,753</u>	<u>1,951,369</u>

Consolidated statements of income

(Unit : Millions of yen)

	FY2017 Apr '17 - Mar '18	FY2018 Apr '18 - Mar '19
Net sales	1,485,895	1,550,991
Cost of sales	1,144,157	1,175,093
Gross profit	341,737	375,897
Selling, general and administrative expenses		
Freightage related expenses	147,357	149,421
Warehousing expenses	7,281	6,652
Employees' salaries	54,060	52,886
Retirement benefit expenses	4,927	883
Depreciation	5,932	5,151
Other	51,396	50,689
Total selling, general and administrative expenses	270,955	265,685
Operating profit	70,781	110,212
Non-operating income		
Interest income	1,516	2,081
Dividend income	2,735	3,386
Share of profit of entities accounted for using equity method	521	12,593
Other	6,123	9,535
Total non-operating income	10,896	27,596
Non-operating expenses		
Interest expenses	6,924	6,419
Foreign exchange losses	607	4,046
Other	8,187	8,973
Total non-operating expenses	15,719	19,439
Ordinary profit	65,958	118,370
Extraordinary income		
Gain on return of assets from retirement benefits trust	—	11,224
Gain on sales of investment securities	912	2,091
Gain on revision of retirement benefit plan	1,305	—
Other	5,439	2,175
Total extraordinary income	7,657	15,492
Extraordinary losses		
Impairment loss	2,364	34,141
Other	6,251	8,923
Total extraordinary losses	8,616	43,065
Profit before income taxes	64,999	90,797
Income taxes - current	17,794	31,227
Income taxes - deferred	3,836	(6,560)
Total income taxes	21,631	24,667
Profit	43,368	66,130
Profit attributable to non-controlling interests	7,145	14,152
Profit attributable to owners of parent	36,222	51,977

Consolidated statements of comprehensive income

	(Unit : Millions of yen)	
	FY2017	FY2018
	Apr '17 - Mar '18	Apr '18 - Mar '19
Profit	43,368	66,130
Other comprehensive income		
Valuation difference on available-for-sale securities	4,775	(5,054)
Deferred gains or losses on hedges	544	501
Foreign currency translation adjustment	(2,344)	(21,945)
Remeasurements of defined benefit plans, net of tax	12,754	(6,089)
Share of other comprehensive income of entities accounted for using equity method	1,478	1,042
Total other comprehensive income	17,208	(33,630)
Comprehensive income	60,576	32,499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	54,971	22,603
Comprehensive income attributable to non-controlling interests	5,604	9,896

Consolidated Statements of Cash Flows

(Unit : Millions of yen)

FY2017 **FY20178**
Apr '17 - Mar '18 **Apr '18 - Mar '19**

Cash flows from operating activities		
Profit before income taxes	64,999	90,797
Depreciation	71,880	69,527
Impairment loss	2,364	34,141
Amortization of goodwill	2,119	1,685
Depletion of standing timber	7,999	8,457
Increase (decrease) in allowance for doubtful accounts	(338)	74
Decrease (increase) in retirement benefit asset	3,579	(3,490)
Increase (decrease) in retirement benefit liability	328	2,192
Interest and dividend income	(4,251)	(5,468)
Interest expenses	6,924	6,419
Foreign exchange losses (gains)	(1,584)	3,825
Share of loss (profit) of entities accounted for using equity method	(521)	(12,593)
Loss (gain) on sales of investment securities	(903)	(1,521)
Loss (gain) on return of assets from retirement benefits trust	—	11,224
Loss on retirement of non-current assets	2,329	1,933
Loss (gain) on sales of non-current assets	(5,252)	(132)
Business structure improvement expenses	283	1,348
Decrease (increase) in notes and accounts receivable - trade	(32,142)	(14,005)
Decrease (increase) in inventories	(12,837)	(16,365)
Increase (decrease) in notes and accounts payable - trade	40,379	6,381
Other, net	(5,288)	(6,078)
Subtotal	140,067	155,905
Interest and dividend income received	5,002	6,372
Interest expenses paid	(6,812)	(6,366)
Income taxes paid	(15,079)	(15,339)
Net cash provided by (used in) operating activities	123,178	140,571
Cash flows from investing activities		
Purchase of securities	(1,130)	—
Proceeds from sales and redemption of securities	—	70
Purchase of property, plant and equipment and intangible assets	(64,739)	(59,197)
Proceeds from sales of property, plant and equipment and intangible assets	3,133	530
Purchase of investment securities	(4,949)	(11,246)
Proceeds from sales and redemption of investment securities	1,724	6,295
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,340)	—
Payments of loans receivable	(4,123)	(1,858)
Collection of loans receivable	2,384	1,038
Other, net	(1,984)	(2,268)
Net cash provided by (used in) investing activities	(74,025)	(66,636)

(Unit : Millions of yen)

	FY2017	FY2018
	Apr '17 - Mar '18	Apr '18 - Mar '19
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	14,046	(21,047)
Net increase (decrease) in commercial papers	(1,000)	2,000
Proceeds from long-term loans payable	34,202	26,897
Repayments of long-term loans payable	(57,036)	(21,004)
Proceeds from issuance of bonds	19,963	29,795
Redemption of bonds	(40,000)	(40,000)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(440)	(10,424)
Purchase of treasury shares	(119)	(50)
Cash dividends paid	(9,910)	(10,900)
Other, net	1,498	(805)
Net cash provided by (used in) financing activities	(41,793)	(45,539)
Effect of exchange rate change on cash and cash equivalents	(310)	(2,241)
Net increase (decrease) in cash and cash equivalents	7,049	26,152
Cash and cash equivalents at beginning of period	51,352	58,343
Increase in cash and cash equivalents resulting from merger	25	20
Increase in cash and cash equivalents from newly consolidated subsidiary	51	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(134)	(1,722)
Cash and cash equivalents at end of period	58,343	82,794

(Change in accounting policies)

IFRS 15 “Revenue from Contracts with Customers” have been applied to subsidiaries that adopt IFRS from the first quarter of the year ending March 2019. As a result, the effect on the consolidated financial statements is immaterial.

(Additional information)

"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No.28, February 16, 2018) and other standards have been adopted from the beginning of the current first quarter, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under Non-current liabilities.