

Summary of Business Results for the Year Ended December 31, 2020 [Japan GAAP] (Consolidated)

February 12, 2021

Company	SBS Holdings, Inc.	Listed on the TSE
Stock Code	2384	URL: http://www.sbs-group.co.jp/
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Expected date of annual shareholders' meeting	: March 25, 2021	
Expected starting date of dividend payment	: March 8, 2021	
Expected date of filing of annual securities report	: March 25, 2021	
Preparation of supplementary financial document	: Yes	
Results briefing	: Yes (for institutional investors and analysts)	

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended December 2020 (January 1, 2020 through December 31, 2020)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2020	257,192	0.6	10,960	7.7	10,883	7.0	6,826	12.3
Year ended Dec. 2019	255,548	25.6	10,176	23.5	10,172	33.7	6,079	37.9

(Note) Comprehensive income:

Year ended December 2020:	7,181 million yen (3.7%)
Year ended December 2019:	6,923 million yen (54.1%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 2020	171.88	-	14.2	5.0	4.3
Year ended Dec. 2019	153.06	-	14.3	5.8	4.0

(Reference) Investment earnings/loss on equity-method:

Year ended December 2020:	543 million yen
Year ended December 2019:	496 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2020	254,550	68,146	19.9	1,277.92
As of Dec. 2019	180,047	54,077	25.1	1,136.22

(Reference) Shareholders' equity:

As of December 2020:	50,755 million yen
As of December 2019:	45,128 million yen

(3) Consolidated results of 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
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2020	17,262	-30,480	22,726	27,537
Year ended Dec. 2019	16,872	-12,579	-2,084	18,495

2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2019	-	0.00	-	30.00	30.00	1,191	19.6	2.8
Year ended Dec. 2020	-	0.00	-	35.00	35.00	1,390	20.4	2.9
Year ending Dec. 2021 (forecast)	-	0.00	-	43.00	43.00		20.3	

3. Forecast of consolidated business results for the fiscal year ending December 2021

(January 1, 2021 through December 31, 2021)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Jun. 2021	190,000	47.1	9,000	44.2	8,900	41.8	5,400	30.7	135.96
Year ending Dec. 2021	380,000	47.7	15,000	36.8	14,800	36.0	8,400	23.0	211.49

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation) : Yes

Newly included : 1

Name of the company : SBS TOSHIBA LOGISTICS CORPORATION

(2) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies associated with revision of accounting standards : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of December 2020 39,718,200 shares

As of December 2019 39,718,200 shares

② Treasury stock at the end of period:

As of December 2020 575 shares

As of December 2019 575 shares

③ Average number of stock during period (cumulative period)

Year ended December 2020 39,717,625 shares

Year ended December 2019 39,717,665 shares

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended December 2020

(January 1, 2020 through December 31, 2020)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2020	8,176	39.1	4,493	68.2	4,130	83.3	4,069	81.6
Year ended Dec. 2019	5,877	-9.1	2,672	-27.8	2,252	-29.3	2,241	-32.4

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 2020	102.46	-
Year ended Dec. 2019	56.43	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2020	126,695	16,246	12.8	409.04
As of Dec. 2019	98,828	13,364	13.5	336.48

(Reference) Shareholders' equity:

As of December 2020: 16,246 million yen

As of December 2019: 13,364 million yen

***Financial summary is not subject to the review procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

1. Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.
2. The company plans to hold results briefing for institutional investors and analysts on February 19, 2021 (Friday). After the results briefing, the company will promptly post the presentation materials on the company website.

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1. Summary of Operating Results

(1) Summary of Operating Results for the Current Fiscal Year

In the fiscal year under review (January 1, 2020 to December 31, 2020), the logistics industry faced a difficult business environment due to a decrease in demand for BtoB logistics, as the spread of COVID-19 continued to curtail global economic activities and reduce imports and exports. On the other hand, demand for daily necessities such as food and daily-use items, as well as e-commerce sales, continues to grow against the backdrop of "stay-at-home demand" accompanying self-restraint on going out. The Group has been aggressively responding to this demand while giving top priority to preventing infections and ensuring safety among customers, business partners, and employees.

On November 2, 2020, we acquired 66.6% shares of TOSHIBA LOGISTICS CORPORATION (current SBS Toshiba Logistics Corporation) and made it to a consolidated subsidiary of our company. Profit and loss of TOSHIBA LOGISTICS CORPORATION will be consolidated from the fiscal year ending December 2021. Our Group has further expanded its service lineup and strengthened our overseas network, and has established a system to further strengthen our logistics supply chain.

For the fiscal year under review, net sales increased by 1,644 million yen (up 0.6%) YoY to 257,192 million yen, since revenues in the Property Management business were almost unchanged, while revenues in the Logistics business increased. Operating income rose by 784 million yen (up 7.7%) to 10,960 million yen. Both consolidated net sales and operating income reached record highs for the third consecutive fiscal year. Ordinary income increased by 711 million yen (up 7.0%) to 10,883 million yen, and net income attributable to owners of parent increased by 747 million yen (up 12.3%) to 6,826 million yen.

Segment Overview

(Logistics business)

In the Logistics business, in addition to expanding transactions with existing customers, we focused on acquiring new customers seeking high logistics functions. BtoB logistics, such as office equipment, department stores, restaurants, and overseas operations were significantly impacted by the expansion of COVID-19. However, the performance was supported by efforts to capture the growing demand for same-day delivery business from e-commerce services, a remarkably growing market, and increased demand for consumer cooperative delivery and online supermarkets, etc.

As a result, in the Logistics business, net sales increased by 45 million yen (up 0.0%) YoY to 240,818 million yen, and operating income decreased by 287 million yen (down 4.6%) to 5,990 million yen.

(Property Management business)

The Property Management business consists of the development business and the leasing business. In the development business, to promote the Group's 3PL businesses, we are comprehensively developing large-scale warehouses that meet customers' logistics requirement, from land acquisitions to construction. In the leasing business, the Group earns rental revenues from warehouses, office buildings, residences, and other properties owned by us. We have liquidated our real estate properties and recovered funds for future investments. The revenues recorded as a result of the liquidation are included in the Property Management Business.

With regard to the liquidation of real estate, we transferred 40% of the trust beneficiary rights of Nagatsuta Logistics Center (Yokohama City, Kanagawa Prefecture), which increased earnings compared to the 30% of the trust beneficiary rights of the same logistics center that we transferred in the previous fiscal year. As a result, sales in the Property Management business increased by 1,546 million yen (up 19.8%) YoY to 9,349 million yen, and operating income increased by 771 million yen (up 20.4%) to 4,558 million yen.

(Other business)

Other business includes Temporary staffing, Marketing, Solar Power Generation, and Environmental Businesses. While the Temporary staffing business faced a difficult situation, the solar power generation business and the environmental business increased their profits. As a result, net sales of the Other business increased by 52 million yen (up 0.7%) YoY to 7,024 million yen, and operating income increased by 68 million yen (up 36.7%) to 254 million yen.

(2) Summary of financial condition in the current fiscal year

(Assets)

Total assets at the end of the fiscal year under review were 254,550 million yen, an increase of 74,502 billion yen from the end of the previous fiscal year. This was mainly due to an increase in trade receivables, such as accounts receivable, and fixed assets following the consolidation of TOSHIBA LOGISTICS CORPORATION.

(Liabilities)

Liabilities for the fiscal year under review were 186,404 billion yen, an increase of 60,433 million yen from the end of the previous fiscal year. This was mainly due to an increase in notes and accounts payable-trade following the consolidation of TOSHIBA LOGISTICS CORPORATION, and an increase in short-term loans payable.

(Net assets)

Net assets at the end of the fiscal year under review were 68,146 million yen, an increase of 14,069 million yen from the end of the previous fiscal year. This was due to an increase in retained earnings resulting from the recording of net income attributable to owners

of parent and an increase in non-controlling interests.

(3) Summary of cash flow in the current fiscal year

Cash and cash equivalents ("cash") at the end of the current fiscal year increased by 9,041 million yen to 27,537 million yen. Major factors contributing to changes in each cash flow are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 17,262 million yen. Despite an increase in notes and accounts receivable of 2,484 million yen due to growth in sales, income before income taxes and minority interests was 11,266 million yen, depreciation was 7,017 million yen, and inventories decreased by 2,087 million yen due to the sale of the stake in Nagatsuta Distribution Center. Net cash provided by operating activities increased by 389 million yen from the previous fiscal year mainly due to the rise in profitability.

(Cash flows from investing activities)

Funds used in investment activities increased by 17.9 billion yen YoY to 30,480 million yen, mainly due to expenses for acquisition of 66.6% of the stock of TOSHIBA LOGISTICS CORPORATION.

(Cash flows from financing activities)

In financing activities, funds increased by 22,726 million yen, mainly due to the above funds associated with the acquisition of shares being financed by bank borrowings. The fund increased by 24,810 million yen compared to the previous fiscal year.

(4) Future outlook

Although the worldwide spread of COVID-19 shows no sign of containment and the continued restraint on economic activities may affect our business performance, we will further strengthen our sales activities in the Logistics business and continue to aggressively respond to capture the strong demand for daily necessities and e-commerce.

In addition, with the contribution of newly consolidated TOSHIBA LOGISTICS CORPORATION to the full-year results and the liquidation of logistics real estate taken into account, the forecasts for the fiscal year ending December 2021 are as described in the Summary Information in "Consolidated business forecasts for the fiscal year ending December 2021."

In order to achieve this business forecasts, our group will work together to carry out business activities and growth strategies.

<Reference> Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year

We regard the return of profits to shareholders as one of the Company's most important management policies, and the basic policy on the distribution of profits is to enhance internal reserves to build a more robust management foundation, and to maintain continuous dividend payments and to raise the level of dividends in line with business performance.

In the current fiscal year, given the solid financial status and performance, we will pay a year-end dividend of 35 yen per share, an increase of 3 yen from the planned year-end dividend of 32 yen per share. For details, please refer to the "Notice Concerning Dividend Payment from Retained Earnings for FY12/20 (Increase in Dividend)" announced on February 12, 2021.

2. Basic Policies regarding the Selection of Accounting Standards

Our Group produces the consolidated financial statements based on the Japanese standard, while taking into consideration the comparabilities of various financial statement terms as well as those of various companies.

Incidentally, the application of international accounting standards will be appropriately enforced, in consideration of various situations inside and outside Japan.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Million yen)

	Previous fiscal year (As of Dec. 31, 2019)	Current fiscal year (As of Dec. 31, 2020)
Assets		
Current assets		
Cash and deposits	18,503	27,543
Notes and accounts receivable-trade	33,128	55,189
Lease receivables and investment assets	1,107	980
Inventories	6,330	13,236
Other	5,345	7,615
Allowance for doubtful accounts	-39	-35
Total current assets	64,376	104,530
Fixed assets		
Property, plant and equipment		
Buildings and structures	55,615	62,253
Accumulated depreciation and impairment loss	-27,389	-40,564
Buildings and structures, net	28,226	21,689
Machinery, equipment and vehicles	26,623	31,632
Accumulated depreciation and impairment loss	-14,703	-18,556
Machinery, equipment and vehicles, net	11,919	13,076
Land	43,093	49,424
Leased asset	6,342	7,234
Accumulated depreciation and impairment loss	-3,784	-4,519
Leased assets, net	2,558	2,715
Construction in progress	2,106	7,231
Other	5,966	8,268
Accumulated depreciation and impairment loss	-4,270	-6,225
Other, net	1,696	2,042
Total property, plant and equipment	89,599	96,179
Intangible fixed assets		
Goodwill	5,411	8,895
Custom-related assets	2,159	21,108
Other	2,865	3,491
Total intangible fixed assets	10,436	33,495
Investments and other assets		
Investment securities	8,975	10,728
Guarantee deposits	4,602	7,522
Other	2,427	2,169
Allowance for doubtful accounts	-369	-76
Total investments and other assets	15,635	20,345
Total fixed assets	115,671	150,020
Total assets	180,047	254,550

(Million yen)

	Previous fiscal year (As of Dec. 31, 2019)	Current fiscal year (As of Dec. 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,751	30,828
Electronically recorded obligations	4,928	4,574
Short-term borrowings	17,500	42,790
Current portion of long-term loans payable	9,809	9,765
Accounts payable	3,099	4,995
Accrued expenses	4,851	6,021
Lease obligation	751	875
Income taxes payable	1,565	2,498
Accrued consumption taxes	1,813	3,382
Provision for bonuses	1,436	2,403
Other	2,388	2,966
Total current liabilities	62,896	111,102
Long-term liabilities		
Long-term loan payable	45,181	45,047
Long-term guarantee deposits	1,953	1,980
Lease obligation	2,257	2,352
Obligations for retirement plan	5,955	11,579
Deferred tax liabilities	5,426	10,770
Asset retirement obligations	1,391	2,551
Other	908	1,020
Total long-term liabilities	63,074	75,301
Total liabilities	125,970	186,404
Net assets		
Shareholders' equity		
Capital stock	3,920	3,920
Capital surplus	2,651	2,651
Retained earnings	37,956	43,722
Treasury stock	-0	-0
Total shareholders' equity	44,527	50,293
Other accumulated comprehensive income		
Valuation difference on securities	825	455
Foreign currency translation adjustment	-132	-89
Remeasurements of defined benefit plans	-93	95
Total other accumulated comprehensive income	600	462
Non-controlling shareholders' equity	8,948	17,390
Total net assets	54,077	68,146
Total liabilities and net assets	180,047	254,550

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

Consolidated Statement of Income

(Million yen)

	Previous fiscal year (January 1, 2019 - December 31, 2019)	Current fiscal year (January 1, 2020 - December 31, 2020)
Net sales	255,548	257,192
Cost of sales	229,519	230,389
Gross profit	26,028	26,802
Selling, general and administrative expenses	15,851	15,841
Operating income	10,176	10,960
Non-operating income		
Interest income	41	19
Dividends income	61	52
Equity in income of affiliates	496	543
Other	402	168
Total non-operating income	1,001	783
Non-operating expenses		
Interest expenses	677	713
Other	328	147
Total non-operating expenses	1,005	860
Ordinary income	10,172	10,883
Extraordinary income		
Gain on sales of fixed assets	117	89
Gain on sales of investment securities	-	409
Gain on sales of stock of affiliates	20	-
Total extraordinary income	137	499
Extraordinary loss		
Loss on sales of fixed assets	25	40
Loss on retirement of fixed assets	256	53
Loss on valuation of investment securities	60	20
Other	65	2
Total extraordinary loss	409	117
Income before income taxes	9,900	11,266
Income taxes-current	3,428	4,265
Income taxes-deferred	-185	-268
Total income tax	3,242	3,997
Net income	6,658	7,268
Net income attributable to non-controlling interests	578	442
Net income attributable to owners of parent	6,079	6,826

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous fiscal year (January 1, 2019 - December 31, 2019)	Current fiscal year (January 1, 2020 - December 31, 2020)
Net income	6,658	7,268
Other comprehensive income		
Valuation difference on securities	157	-309
Foreign currency translation adjustment	-21	20
Adjustments for retirement benefits	193	173
Share of other comprehensive income of companies accounted for by the equity-method	-63	27
Total other comprehensive income	265	-87
Comprehensive income	6,923	7,181
Breakdown		
Comprehensive income attributable to owners of the parent	6,242	6,688
Comprehensive income attributable to non-controlling interests	680	493

(3) Consolidated Statements of Changes in Shareholders' Equity

Previous Fiscal Year (January 1, 2019-December 31, 2019)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,920	2,651	32,750	-0	39,322
Changes of items during the period					
Dividends from surplus			-873		-873
Net income attributable to owners of parent			6,079		6,079
Purchase of treasury stock				-0	-0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	5,205	-0	5,205
Balance at the end of current period	3,920	2,651	37,956	-0	44,527

	Other accumulated comprehensive income				Non-controlling shareholders' equity	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance at the beginning of current period	744	-114	-193	436	8,414	48,173
Changes of items during the period						
Dividends from surplus						-873
Net income attributable to owners of parent						6,079
Purchase of treasury stock						-0
Net changes of items other than shareholders' equity	80	-17	100	163	534	698
Total changes of items during the period	80	-17	100	163	534	5,903
Balance at the end of current period	825	-132	-93	600	8,948	54,077

Current fiscal year (January 1, 2020-December 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,920	2,651	37,956	-0	44,527
Changes of items during the period					
Dividends from surplus			-1,191		-1,191
Net income attributable to owners of parent			6,826		6,826
Change in scope of consolidation and application of the equity method			130		130
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	5,765	-	5,765
Balance at the end of current period	3,920	2,651	43,722	-0	50,293

	Other accumulated comprehensive income				Non-controlling shareholders' equity	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other comprehensive income		
Balance at the beginning of current period	825	-132	-93	600	8,948	54,077
Changes of items during the period						
Dividends from surplus						-1,191
Net income attributable to owners of parent						6,826
Change in scope of consolidation and application of the equity method						130
Net changes of items other than shareholders' equity	-370	43	189	-138	8,441	8,303
Total changes of items during the period	-370	43	189	-138	8,441	14,069
Balance at the end of current period	455	-89	95	462	17,390	68,146

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (January 1, 2019 - December 31, 2019)	Current fiscal year (January 1, 2020 - December 31, 2020)
Cash flows from operating activities		
Income before income taxes	9,900	11,266
Depreciation and amortization	7,007	7,017
Amortization of goodwill	327	324
Increase (decrease) in allowance for doubtful accounts	-185	9
Increase (decrease) in provision for bonuses	46	87
Increase (decrease) in liabilities relating to retirement benefits	164	262
Interest and dividends income	-102	-72
Interest expenses	677	713
Equity in losses (gains) of affiliates	-496	-543
Loss (gain) on sales of current and fixed assets	-91	-48
Loss on retirement of current and fixed assets	256	53
Loss (gain) on sale of investment securities	-	-408
Loss (gain) on valuation of investment securities	60	20
Loss (gain) on sales of stock of affiliates	-18	-
Decrease (increase) in notes and accounts receivable-trade	-1,387	-2,484
Decrease (increase) in inventories	1,769	2,087
Decrease (increase) in notes and accounts payable-trade	6,150	-368
Increase (decrease) in accrued consumption taxes	750	1,340
Other	-3,458	1,862
Sub-total	21,373	21,119
Interest and dividend received	193	199
Interest expenses paid	-678	-687
Income taxes paid	-4,014	-3,368
Cash flows from operating activities	16,872	17,262
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	-10,504	-11,886
Proceeds from sales of property, plant and equipment and intangible assets	145	140
Payments for retirement of property, plant and equipment	-251	-
Purchase of investment securities	-128	-29
Proceeds from sales of investment securities	-	833
Purchase of shares of subsidiaries and associates	-1,271	-463
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-17,576
Payments for guarantee deposits	-486	-1,073
Proceeds from collection of guarantee deposits	137	91
Other	-218	-517
Cash flow from investing activities	-12,579	-30,480

(Million yen)

	Previous fiscal year (January 1, 2019 - December 31, 2019)	Current fiscal year (January 1, 2020 - December 31, 2020)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	2,000	24,980
Repayments of lease obligations	-716	-720
Proceeds from long-term debt	8,000	10,000
Repayment of long-term loans payable	-10,267	-10,178
Redemption of bonds	-80	-
Cash dividends paid	-873	-1,191
Dividends paid to non-controlling shareholders	-145	-163
Other	-0	-
Cash flow from financing activities	-2,084	22,726
Effect of exchange rate change on cash and cash equivalents	-16	-94
Net increase (decrease) in cash and cash equivalents	2,192	9,414
Balance of cash and cash equivalents at beginning of period	16,303	18,495
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	-372
Balance of cash and cash equivalents at year-end	18,495	27,537

(5) Notes on the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in significant subsidiaries in the current consolidated fiscal year)

From the current consolidated fiscal year, TOSHIBA LOGISTICS CORPORATION (specified subsidiary) and its nine subsidiaries, whose shares have been newly acquired, are included in the scope of consolidation.

(Additional information)

(Accounting estimate for the impact of the spread of COVID-19)

As a result of the spread of COVID-19, a decrease in operating revenues and other factors has occurred in some of our Group's businesses. However, our Group makes accounting estimates, such as accounting for impairment of fixed assets and recoverability of deferred tax assets, based on the assumption that the impact will continue over a certain period of the following fiscal year.

However, the impact of the spread of the infectious is highly uncertain, and if the impact is prolonged, the Group's financial condition and results of operations may be affected.

(Segment Information)

[Segment information]

1. 1 Outline of Reportable Segment

The reportable segments of the Group are components of the Group for which separate financial information is available, and which the Board of Directors regularly reviews to determine the allocation of management resources and assess performance.

Under the umbrella of the Company, which is the holding company of the Group, each operating company formulates strategies and develops business activities as an independent management unit, but the Company comprehensively and cross-sectionally controls and manages the core businesses of the Group.

For this reason, our group has three reportable segments: Logistics, Property Management, and Other.

The Logistics segment consists of businesses such as trucking, rail-based transportation, low-temperature logistics, international logistics, logistics center operations, distribution processing, immediate delivery to companies, personal delivery, and other businesses, as well as 3PL business, logistics consulting business, and ancillary businesses that collectively outsource these businesses.

The Property Management segment consists of the leasing of owned facilities for use as offices, residences, warehouses, etc., and the development and sales of logistics facilities.

The main operation of the Other business segment are the Temporary Staffing business, the Marketing business, and the Solar Power Generation business.

2. Calculation method for net sales, income (loss), assets, liabilities and other items by reportable segment

The method of accounting for reportable segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Profits of reportable segments are figures based on operating income. Inter-segment sales and transfers are based on prevailing market prices.

3. Information on net sales, income (loss), assets, and other items by reportable segment

Previous Fiscal Year (January 1, 2019-December 31, 2019)

(Million yen)

	Reportable Segments				Adjusted amount (Note1)	Amount recorded in the consolidated financial statements (Note2)
	Logistics business	Property management business	Other businesses	Total		
Net sales						
Sales to unaffiliated customers	240,772	7,802	6,972	255,548	-	255,548
Intersegment sales or transfers between segments	420	96	406	922	-922	-
Total	241,192	7,898	7,378	256,470	-922	255,548
Segment income	6,278	3,787	186	10,251	-75	10,176
Segment assets	136,476	32,700	4,455	173,633	6,414	180,047
Other						
Depreciation and amortization	6,236	347	318	6,901	105	7,007
Amortization of goodwill	327	-	-	327	-	327
Impairment loss	58	-	-	58	-	58
Increase in property, plant and equipment and intangible assets	12,025	153	319	12,497	-786	11,710

(NOTE)1. Adjustments are as follows.

- (1) Adjustments to segment income include elimination of inter-segment transactions of 57 million yen and income (loss) related to the Company of -132 million yen that is not allocated to each reportable segment.
- (2) Adjustments to segment assets include elimination of intersegment transactions of -51,859 million yen and corporate assets of 58,273 million yen that are not allocated to each reportable segment. The main components of the company-wide assets are our surplus operating funding (i.e., deposits and money), and assets related to intra-group financing and management divisions.
- (3) Adjustments to depreciation and amortization include elimination of inter-segment transactions of 0 million yen and depreciation and amortization of the Company of 105 million yen that does not belong to any reportable segment.
- (4) Adjustment of increase in property, plant and equipment and intangible assets consists of elimination of inter-segment transactions of -1,125 million yen and corporate assets of 338 million yen that are not allocated to each reportable segment.

2. Segment income is adjusted with operating income in the consolidated financial statements.

Current fiscal year (January 1, 2020-December 31, 2020)

(Million yen)

	Reportable Segments				Adjusted amount (Note1)	Amount recorded in the consolidated financial statements (Note2)
	Logistics business	Property management business	Other businesses	Total		
Net sales						
Sales to unaffiliated customers	240,818	9,349	7,024	257,192	-	257,192
Intersegment sales or transfers between segments	445	96	431	972	-972	-
Total	241,263	9,445	7,456	258,164	-972	257,192
Segment income	5,990	4,558	254	10,803	157	10,960
Segment assets	195,693	37,520	4,541	237,755	16,794	254,550
Other						
Depreciation and amortization	6,339	268	301	6,909	107	7,017
Amortization of goodwill	324	-	-	324	-	324
Impairment loss	0	-	-	0	-	0
Increase in property, plant and equipment and intangible assets	10,971	75	107	11,154	353	11,507

(NOTE)1. Adjustments are as follows.

- (1) Adjustments to segment income include 64 million yen in eliminations of inter-segment transactions and 93 million yen in income (loss) related to the Company that is not allocated to each reportable segment.
 - (2) Adjustments to segment assets include -50,619 million yen in eliminations of inter-segment transactions and 67,414 million yen in corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of the Company's surplus operating funds (cash and deposits) and assets related to the Group's internal finance and administrative divisions.
 - (3) Adjustments to depreciation and amortization include elimination of intersegment transactions of -0 million yen and depreciation and amortization of the Company of 107 million yen that does not belong to any reportable segment.
 - (4) Adjustment of increase in property, plant and equipment and intangible assets is 353 million yen of corporate assets that are not allocated to each reportable segment.
2. Segment income is adjusted with operating income in the consolidated financial statements.

(Per-stock Information)

	Previous fiscal year (January 1, 2019 - December 31, 2019)	Current fiscal year (January 1, 2020 - December 31, 2020)
Net assets per share	1,136.22 yen	1,277.92 yen
Net income per share	153.06 yen	171.88 yen

(Note1) Diluted net income per share is omitted as there are no dilutive shares.

(Note 2) The basis for calculating net income per share is as follows:

	Previous fiscal year (January 1, 2019 - December 31, 2019)	Current fiscal year (January 1, 2020 - December 31, 2020)
Net income attributable to owners of parent (million yen)	6,079	6,826
Amount not attributable to common shareholders (million yen)	-	-
Net income attributable to owners of parent related to common stock (million yen)	6,079	6,826
Average number of shares of common stock outstanding during the period (shares)	39,717,665	39,717,625

(Significant subsequent events)

(Acquisition of shares of TOYO WAREHOUSE & TRANSPORTATION CO., LTD.)

Based on a resolution approved at a meeting of the Board of Directors held on December 24, 2020, we acquired the common stock of TOYO WAREHOUSE & TRANSPORTATION CO., LTD., a subsidiary of SMC Corporation, from SMC Corporation on January 29, 2021, and made it into our consolidated subsidiary.

1. Outline of the Business Combination

(1) Name and business of the acquired company

Name of acquired company: TOYO WAREHOUSE & TRANSPORTATION CO., LTD.

Outline of the business: Warehousing, customs clearance, freight forwarding, etc.

(2) Main reasons for the business combination

With the growing concentration of the domestic population and the advancement of electronic commerce, demand for warehouses near the Tokyo metropolitan area is expected to expand, and the need for sophisticated logistics warehouses, such as mechanization and automation, is expected to further develop. Accordingly, the Group is actively investing in cutting-edge warehouses in the Tokyo coastal region.

TOYO WAREHOUSE & TRANSPORTATION CO., LTD. owns large warehouses in Higashi Ogijima (Kawasaki City, Kanagawa Prefecture) and Wakasu (Koto-ku, Tokyo) in the Tokyo bay coast. By merging these warehouses with existing warehouses operating in the region, we believe that we will be able to develop warehouses from a long-term perspective and maximize the potential of the Group's logistics infrastructure in the region to approach a new customer base.

Through this share acquisition, we will work with TOYO WAREHOUSE & TRANSPORTATION CO., LTD. to establish a system to increase corporate value by sharing the various infrastructure and know-how possessed by the Group, and pursuing collaboration and synergies in logistics operations. After the acquisition of these shares, we plan to dispatch officers from our group, but we will respect the continuity of TOYO WAREHOUSE & TRANSPORTATION CO., LTD.'s management and will work to integrate the group.

(3) Date of business combination

March 31, 2021 (scheduled)

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Name following business combination

TOYO WAREHOUSE & TRANSPORTATION CO., LTD.

(6) Percentage of voting rights acquired

100.0%

(7) Main reasons for deciding the acquiring company

This is because we acquired the shares of TOYO WAREHOUSE & TRANSPORTATION CO., LTD. in exchange for cash.

2. Acquisition cost of the acquired company and its breakdown

Acquisition price	Cash	7,200 million yen
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Acquisition cost		7,200 million yen

3. Details and amount of major acquisition-related expenses

Advisory expenses, etc. (estimated): 7 million yen

4. Goodwill, reason for recognizing goodwill, amortization method and amortization term

We have not yet determined.

5. The amount of assets accepted and liabilities assumed on the date of the business combination, and major breakdown thereof

We have not yet determined.