Consolidated Financial Results for Fiscal Year Ended March 31, 2018
Prepared in Conformity with Accounting Principles Generally Accepted in Japan (Japanese GAAP)
English Translation of the Original Japanese-Language Report

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1. Summary of the consolidated financial results for fiscal year ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Consolidated operating results (Figures rounded down to the nearest million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2018	435,982	5.5	30,111	5.9	31,913	5.3	19,344	5.5
March 31, 2017	413,343	8.3	28,422	(2.1)	30,309	(1.2)	18,330	2.6

Note 1: Percentage shown in net sales, operating income, ordinary income, and profit attributable to owners of parent above represent the changes from the previous fiscal year.

Note 2: Comprehensive income: Year ended March 31, 2018 ¥25,514 million 11.8%
Year ended March 31, 2017 ¥22,823 million 296.9%

	Net income per share	Diluted net income per share	ROE (Net income to equity)	Ordinary income to total assets	Operating income to sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2018	191.93	—	9.3	8.2	6.9
March 31, 2017	182.37	—	9.7	8.2	6.9

Reference: Equity in earnings of affiliates: Year ended March 31, 2018 ¥1,292 million
Year ended March 31, 2017 ¥1,420 million

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2018	397,164	241,382	54.9	2,155.74
March 31, 2017	385,877	222,230	51.0	1,956.25

Reference: Equity capital: Year ended March 31, 2018 ¥218,237 million
Year ended March 31, 2017 ¥196,622 million

(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 the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2018	25,496	(19,125)	(13,429)	40,484
March 31, 2017	54,561	(22,055)	(20,582)	47,549

2. Dividend

	Dividends per share					Total dividends (Annual)	Consolidated payout ratio	Consolidated dividends to net assets
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended								
March 31, 2017	—	27.50	—	27.50	55.00	5,529	30.2	2.9
March 31, 2018	—	30.00	—	30.00	60.00	6,053	31.3	2.9
Fiscal year ending March 31, 2019 (Forecast)	—	31.00	—	31.00	62.00		28.5	

3. Forecasts for the consolidated financial results for the fiscal year ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Figures rounded down to the nearest million)

	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
Interim	217,500	3.5	14,100	9.1	14,900	7.9	9,000	11.7	88.90
Annual	450,000	3.2	33,100	9.9	35,000	9.7	22,000	13.7	217.32

Note: Percentages shown in net sales, operating income, ordinary income, profit attributable to owners of parent, and net income per share above represent the prospected changes from the previous year.

Notes:

(1) Changes in consolidated subsidiaries (Changes in scope of consolidation): No

Added: - Removed: -

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

① Changes arising from revision of accounting standards : No

② Changes arising from other factors : No

③ Changes arising from accounting estimate : No

④ Restatement : No

(3) Number of shares outstanding (Ordinary shares)

① Number of shares issued (including treasury stock)	Fiscal year ended March 31, 2018	102,040,042 shares	Fiscal year ended March 31, 2017	102,040,042 shares
② Number of shares of treasury stock	Fiscal year ended March 31, 2018	804,593 shares	Fiscal year ended March 31, 2017	1,529,900 shares
③ Average number of shares throughout the fiscal year	Fiscal year ended March 31, 2018	100,792,300 shares	Fiscal year ended March 31, 2017	100,511,630 shares

(Reference) Non-consolidated Financial Results for Fiscal Year Ended March 31, 2018

Summary of the non-consolidated financial results for fiscal year ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Non-consolidated operating results (Figures rounded down to the nearest million)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2018	232,697	1.4	16,258	4.9	23,720	7.3	17,971	8.1
March 31, 2017	229,504	3.9	15,502	(5.5)	22,112	(3.9)	16,632	(0.3)

Note: Percentage shown in net sales, operating income, ordinary income, and net income above represent the changes from the previous fiscal year.

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended		
March 31, 2018	178.26	—
March 31, 2017	165.44	—

(2) Non-consolidated financial conditions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2018	270,418	180,363	66.7	1,781.22
March 31, 2017	268,269	164,024	61.1	1,631.55

Reference: Equity capital: Year ended March 31, 2018 ¥180,363 million
Year ended March 31, 2017 ¥164,024 million

* This summary of financial results falls outside the scope of review of certified public accountants and accounting auditors.

* Explanation of Appropriate Use of Forecasts and Other Notes

The forward-looking statements such as operational forecasts contained in this summary of financial results are based on the information currently available to the Company and certain assumptions which are regarded as legitimate, and the Company does not promise the achievement of these results. Actual results may differ significantly from these forecasts due to various factors.

Please refer to page 6 "(4) Future Outlook" under "1. Overview of Operating Results and Financial Position" for more information regarding the presumptions for forecasts and cautionary statements regarding the use of forecasts.

Contents

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

A. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

During the year under review, overall the Japanese economy sustained a modest recovery. Although a shrinking labor force prompted labor shortages, the employment and labor situation continued to improve, causing personal consumption and exports to rebound and capital investment to rise gradually. The global economy was likewise characterized by a gentle rebound even though a sense of future uncertainty remains due to such factors as geopolitical risk, trade issues, and growing volatility in financial and capital markets.

With regard to public safety in Japan, the number of reported crimes fell below 1 million in 2016 for the first time since World War II. This number decreased further in 2017, declining to approximately 910,000. That being said, people's everyday lives continue to be affected by crimes, including malicious crimes and special-case scams targeting senior citizens and differently abled individuals, stalking, and crimes aimed at women and children. At the same time, society faces increasingly diverse risks, such as natural disasters, international terrorism, cryptocurrency outflows and other forms of cybercrime, and information leaks. As a company responsible for an important piece of the social infrastructure supporting the safety and security of society, ALSOK thus realizes the need to provide a wide range of services that respond to social needs.

In this environment, based on its policy of "responding accurately to customers' various risks and outsourcing needs," the ALSOK Group continued working to strengthen and expand its Security Services business. We also endeavored to grow businesses in peripheral fields that are highly compatible with Security Services, such as Long-Term Care Services and Facility Management Services, which are included in the General Property Management and Fire Protection Services segment. We also strove to curtail costs by encouraging personnel to multitask and consolidating Guard Centers, and undertook business reforms throughout the Group in the aim of bolstering efficiency. To achieve further growth, we took on the challenge of developing new services employing state-of-the-art technologies, such as artificial intelligence (AI), the internet of things (IoT) and 5G.

As a result, consolidated net sales rose 5.5% year on year, to ¥435,982 million; operating income grew 5.9%, to ¥30,111 million; ordinary income rose 5.3%, to ¥31,913 million; and profit attributable to owners of parent expanded 5.5%, to ¥19,344 million.

Sales by Business Segment

Business Segment	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		YoY	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Increase/ Decrease (%)
Security Services						
Electronic Security Services	170,585	41.3	173,849	39.9	3,264	1.9
Stationed Security Services	100,465	24.3	110,243	25.3	9,777	9.7
Transportation Security Services	56,119	13.6	60,209	13.8	4,090	7.3
Total	327,169	79.2	344,302	79.0	17,132	5.2
General Property Management and Fire Protection Services	57,819	14.0	61,993	14.2	4,174	7.2
Long-term Care Services	24,921	6.0	25,631	5.9	709	2.8
Total for reportable segments	409,910	99.2	431,927	99.1	22,016	5.4
Other Services	3,433	0.8	4,055	0.9	622	18.1
Total	413,343	100.0	435,982	100.0	22,638	5.5

During this fiscal year, the Company reorganized its reportable segments and revised its method of allocating certain earnings and expenses. For purposes of year-on-year comparison, operating performance for the preceding fiscal year has been restated to match the revised categories and allocation methods.

Within the Security Services segment, the Electronic Security Services business promoted sales of various services for corporate clients. These services included ALSOK-ST (read "ALSOK-Standard"), a standard security system that is equipped with monitoring and management services related to intrusions, fires, and equipment issues. Meanwhile, recent labor shortages have highlighted the issue of long working hours. Given this situation and the backdrop of work style reforms, the need for appropriate facility management and attendance management have increased. Accordingly, we recorded favorable sales for ALSOK-GV (read "ALSOK G-five"), a service that combines image monitoring with ALSOK Information Service. This service allows for information regarding when employees arrive at or leave premises to be viewed online, while also providing Internet-based remote control functionality for equipment. Robust sales of security camera systems, such as ALSOK Image Cloud Service, as well as access management systems, contributed to sales.

In services for individual customers, sales were positive for Home Security Basic, which offers a sophisticated security system as a standard function, and for HOME ALSOK Premium, which offers even more fine-tuned functionality to meet the diverse needs of household customers and various household environments. Additionally, we recorded increased sales of HOME ALSOK MIMAMORI SUPPORT, a service that contributes to a society characterized by falling childbirths and an aging population, and MIMAMORI Tags, which support the construction of regional watch networks.

In the Stationed Security Services business, the operating environment was characterized by a rising need for high-quality security and security augmentation services in response to various risks associated with labor shortages, the outsourcing of security operations in manufacturing and other sectors, and security needs related to redevelopment in the Tokyo metropolitan area. The Transportation Security Services business benefited from firm orders in the solutions business, such as orders from financial institutions for the Total ATM Management System. Against the backdrop of ongoing work style reforms and labor shortages, the business also experienced strong orders for cash deposit and dispenser machines from retail and food and beverage establishments.

In addition, the effect of mergers and acquisitions, sales in the Security Services segment expanded 5.2%, to ¥344,302 million, and operating income grew 2.0%, to ¥33,292 million.

In the General Property Management and Fire Protection Services segment, we focus on comprehensive management services that encompass maintenance, management, and operation services for various facilities provided through enhanced intra-Group coordination, and orders for general property management, cleaning services, and repair work contributed to sales accordingly. In line with growing demand for disaster prevention and mitigation, disaster preparedness items and residential fire alarms and other fire-fighting equipment also contributed to sales. Amid rising demand for construction, the facility installation department also enjoyed solid orders. As a result of these factors, sales in the General Property Management and Fire Protection Services segment rose 7.2%, to ¥61,993 million, and operating income increased 10.8%, to ¥5,075 million.

In the Long-Term Care Services segment, increased use of care facilities (such as fee-based, long-term care facilities and group homes) contributed to sales, which grew 2.8%, to ¥25,631 million. To improve management in this segment, we optimized personnel allocations and undertook initiatives to raise operating efficiency. These efforts enabled the segment to move into the black, generating operating income of ¥105 million, compared with an operating loss of ¥354 million in the preceding fiscal year.

B. Comparative Analysis of the Consolidated Statements of Income

The following table is a year-on-year comparison of the ALSOK Group's Consolidated Statements of Income.

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2018		YoY	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Increase/ Decrease (%)
Net sales	413,343	100.0	435,982	100.0	22,638	5.5
Cost of sales	310,704	75.2	330,493	75.8	19,788	6.4
Gross profit	102,639	24.8	105,489	24.2	2,849	2.8
Selling, general and administrative expenses	74,217	18.0	75,378	17.3	1,161	1.6
Operating income	28,422	6.9	30,111	6.9	1,688	5.9
Non-operating income	3,798	0.9	3,810	0.9	12	0.3
Non-operating expenses	1,911	0.5	2,008	0.5	96	5.1
Ordinary income	30,309	7.3	31,913	7.3	1,604	5.3
Extraordinary income	59	0.0	1	0.0	(57)	(96.8)
Extraordinary loss	153	0.0	74	0.0	(79)	(51.8)
Income taxes	10,281	2.5	10,893	2.5	612	6.0
Profit attributable to non-controlling interests	1,603	0.4	1,603	0.4	(0)	(0.0)
Profit attributable to owners of parent	18,330	4.4	19,344	4.4	1,014	5.5

In the year under review, net sales increased ¥22,638 million, or 5.5%, year on year, to ¥435,982 million.

Cost of sales was ¥330,493 million, primarily due to a ¥9,870 million increase in labor costs, a ¥6,157 million rise in miscellaneous expenses, and a ¥3,761 million rise in the cost of products sold and installation.

Selling, general and administrative expenses amounted to ¥75,378 million due to a ¥550 million amortization of goodwill and a ¥453 million rise in salaries and allowances.

Ordinary income was up ¥1,604 million, or 5.3%, to ¥31,913 million, in line with the rise in operating income.

Extraordinary income fell due to a decline in the gain on sales of investment securities.

The extraordinary loss decreased due to comparison with the previous year's recording of a ¥95 million provision for loss on dissolution of the employees' pension fund.

In line with the growth in ordinary income profit attributable to owners of parent increased ¥1,014 million, or 5.5%, to ¥19,344 million.

Comprehensive income increased ¥2,691 million, or 11.8%, to ¥25,514 million. The rise was attributable mainly to a ¥2,370 million rise in remeasurements of defined benefit plans, net of tax, stemming from the increased valuation of assets under management.

(2) Overview of Financial Position

The following table shows a year-on-year comparison of the ALSOK Group's Consolidated Balance Sheets.

		As of March 31, 2017		As of March 31, 2018		YoY	
		Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Increase/ Decrease (%)
Assets	Current assets	199,627	51.7	196,845	49.6	(2,781)	(1.4)
	Noncurrent assets	186,250	48.3	200,319	50.4	14,068	7.6
	Total assets	385,877	100.0	397,164	100.0	11,287	2.9
Liabilities	Current liabilities	98,104	25.4	92,495	23.3	(5,609)	(5.7)
	Noncurrent liabilities	65,542	17.0	63,287	15.9	(2,255)	(3.4)
	Total liabilities	163,647	42.4	155,782	39.2	(7,864)	(4.8)
Total net assets		222,230	57.6	241,382	60.8	19,151	8.6

Total assets at the end of the year under review increased ¥11,287 million, or 2.9%, from the previous fiscal year-end, to ¥397,164 million. Total current assets fell ¥2,781 million, or 1.4%, to ¥196,845 million, while total noncurrent assets rose ¥14,068 million, or 7.6%, to ¥200,319 million.

The decrease in current assets was primarily the result of a ¥8,013 million decline in cash and deposits, despite increases of ¥2,167 million in notes and accounts receivable–trade and ¥1,970 million in cash for Transportation Security Services.

The growth in noncurrent assets was due mainly to a ¥3,716 million increase in net defined benefit assets stemming from a rise in the valuation of assets under management, a ¥3,022 million rise in other intangible assets (stemming from such items as software in progress, an investment in a backbone system slated for completion in an upcoming fiscal year), and ¥2,493 million higher goodwill associated with the conversion of ALSOK KANTO DELIVERY CO., LTD. to a consolidated subsidiary. Other increases in noncurrent assets included ¥2,884 million in lease assets, ¥2,727 million in machinery, equipment and vehicles, and ¥2,297 million in investment securities.

Total liabilities at the end of the year under review decreased ¥7,864 million, or 4.8%, from the previous fiscal year-end, to ¥155,782 million. Total current liabilities fell ¥5,609 million, or 5.7%, to ¥92,495 million, and total noncurrent liabilities decreased ¥2,255 million, or 3.4%, to ¥63,287 million.

The decline in current liabilities stemmed from a ¥13,002 million decrease in short-term loans payable, while accounts payable–other rose ¥5,701 million and notes and accounts payable–trade grew ¥1,994 million.

The fall in noncurrent liabilities was due to decreases of ¥2,667 million in long-term loans payable and ¥2,244 million in the net defined benefit liability, whereas lease obligations increased ¥2,564 million.

Total net assets on March 31, 2018, were up ¥19,151 million, or 8.6%, from the previous fiscal year-end, to ¥241,382 million.

(3) Overview of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	YoY (%)
Net cash provided by (used in) operating activities	54,561	25,496	(53.3)
Net cash provided by (used in) investing activities	(22,055)	(19,125)	(13.3)
Net cash provided by (used in) financing activities	(20,582)	(13,429)	(34.8)
Effect of exchange rate change on cash and cash equivalents	(4)	(7)	78.2
Net increase (decrease) in cash and cash equivalents	11,919	(7,064)	—
Cash and cash equivalents at beginning of period	35,630	47,549	33.5
Cash and cash equivalents at end of period	47,549	40,484	(14.9)

Cash and cash equivalents at end of period were ¥40,484 million, down 14.9% year on year.

a. Cash flows from operating activities

During the year under review, net cash provided by operating activities amounted to ¥25,496 million, 53.3% less than in the preceding fiscal year. Principal sources of cash were ¥31,841 million in income before income taxes (up 5.4% year on year), ¥14,133 million in depreciation and amortization (up 2.6%), and ¥5,033 million from an increase in notes and accounts payable–trade (compared with a decrease of ¥2,300 million in the previous year). Major uses of cash were a ¥13,630 million decrease in assets and liabilities for Transportation Security Services (compared with a ¥18,157 million increase in the previous year) and income taxes paid of ¥11,591 million (up 9.2%).

Increase (decrease) in assets and liabilities for Transportation Security Services includes the increases and decreases in funds procured for transportation security services that are included in cash for Transportation Security Services and short-term loans payable.

b. Cash flows from investing activities

Net cash used in investing activities totaled ¥19,125 million (down 13.3% from the preceding fiscal year). Major uses of cash were ¥11,776 million for the purchase of property, plant and equipment (up 7.0%), ¥5,973 million for the purchase of shares of subsidiaries resulting in change in scope of consolidation (down 7.0%), and ¥1,987 million for the purchase of investment securities (down 31.5%).

c. Cash flows from financing activities

Net cash used in financing activities was ¥13,429 million (down 34.8% year on year). Major uses of cash were ¥5,780 million in cash dividends paid (down 0.0%), ¥4,420 million in repayments of lease obligations (up 3.6%), and ¥3,456 million in repayment of long-term loans payable (down 9.7%).

d. Trends in Cash Flow Indicators for the ALSOK Group

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Equity ratio	51.9%	51.0%	54.9%
Equity ratio on a market value basis	175.4%	108.2%	134.1%
Interest-bearing liabilities to cash flow ratio	181.8%	77.1%	102.6%
Interest coverage ratio	30.1 times	54.2 times	25.8 times

Equity ratio is shareholders' equity divided by total assets.

Equity ratio on a market value basis is market capitalization divided by total assets.

Interest-bearing liabilities to cash flow ratio is interest-bearing liabilities divided by cash flow.

Interest coverage ratio is cash flow divided by interest expense.

Note 1: All indicators are calculated based on the consolidated financial statements.

Note 2: Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the total number of shares issued and outstanding at the end of the fiscal year (excluding treasury stock).

Note 3: Cash flow is net cash provided by (used in) operating activities.

Note 4: Interest-bearing liabilities are all liabilities on which interest is paid on the Consolidated Balance Sheets.

(4) Future Outlook

In the fiscal year ending March 31, 2019, we expect the Japanese economy to benefit from various government measures. However, we will need to monitor overseas markets for growing geopolitical risk and other uncertainties, as well as developments in the financial and exchange markets and trends in corporate business confidence.

In addition to conventional security needs, we expect the security industry to see growing needs for safety and security in response to changes in internal and external environments. We also anticipate expanding business opportunities due to increased needs arising from the accelerated development of both tangible and intangible social infrastructure as part of preparations for large-scale events. However, increasingly severe labor shortages and decreases in earnings among financial institutions resulting from Japan's negative interest rate policy are forecast to create a harsh operating environment in the security services market during the fiscal year ending March 31, 2019. Success under these difficult conditions will require that we promote the further differentiation of our products and services.

ALSOK has always been a company that protects the bodies, lives, and assets of its customers, and it has continued to build upon its security services track record since its establishment. In addition to growing its security services operations, the entire Group will actively develop businesses in peripheral fields going forward. At the same time, we will strive to provide new products and services that utilize cutting-edge technologies, endeavor to bolster productivity, and achieve sustainable growth for the Group.

Consequently, the ALSOK Group forecasts net sales of ¥450,000 million for the fiscal year ending March 31, 2019, up 3.2% year on year. We expect operating income to grow 9.9%, to ¥33,100 million, ordinary income to rise 9.7%, to ¥35,000 million, and profit attributable to owners of parent to expand 13.7%, to ¥22,000 million.

2. Management Policies

(1) Basic Corporate Management Policy

Our management philosophy is "Based on two core principles exemplified by "arigato no kokoro" (a feeling of gratefulness and gratitude) and "bushi no seishin" (a samurai spirit), we devote ourselves to protecting the safety and security of our customers and of society as a whole." Based on this management philosophy, we have established a management policy that encourages us to act in accordance with a fundamental spirit driving us to ensure that ALSOK is a principled company and stating that our top priority is to provide services and products of the first rank. This policy calls on us to make ALSOK a company that offers employees fulfillment in their work while growing earnings, providing services and products in an ever-expanding range of new fields based around our core security services business, and developing services and products that contribute to the advancement of society.

(2) Stance on Target Management Indicators

The ALSOK Group believes that expanding its security services and other operations as well as improving the rationality and efficiency of all of its business activities are essentials tasks for increasing profitability. Accordingly, it is focusing on the ordinary income ratio as an important management indicator. We will also emphasize the ratio of net income to equity, otherwise known as return on equity (ROE), as an indicator of how optimally shareholders' equity is being utilized. Accordingly, we have set the medium-term target of achieving ROE of 10%.

(3) Medium- and Long-term Corporate Strategy

The ALSOK Group will continue to strengthen its mainstay security services operations as well as its general property management and fire protection service and long-term care service operations while also providing ideal products and services based on the policy of "responding accurately to customers' various risks and outsourcing needs." At the same time, we will drastically reform cost structures in response to the declining birthrate and aging population to reinforce earnings foundations.

(4) Pressing Issues for the Company

The ALSOK Group is one of Japan's leading security services conglomerates. Recognizing the responsibility this represents, we are actively working to help protect the safety and security of society while practicing stringent compliance and acting as a principled company to improve corporate value. Moreover, as a provider of an important form of social infrastructure related to safety and security, the Group is developing cutting-edge products and services in order to take advantage of a wider range of business opportunities in various fields that lie outside of the framework of its traditional security services operations.

A. Responding to Diversifying Needs of Customers

Customers' needs for safety and security are diversifying, and it is therefore important that the ALSOK Group continue to provide top-quality products and services that accurately respond to these needs.

For large-scale events and facilities, we are developing services that will enable us to provide swifter, wider ranging, and more competent security at optimal costs with an eye to the upcoming Tokyo 2020 Olympic and Paralympic Games. Specifically, we offer leading-edge security that can respond to incidents or signs of incidents by utilizing the security services expertise we have developed to date, together with state-of-the-art ICT, and ensure smooth collaboration by equipping security personnel with IoT devices.

Furthermore, we provide a range of other products and services that offer security and convenience for all areas of both the public sector and the private sector. These offerings include our various outsourcing services for financial institutions, the entrustment of various operations—including facility management linked with work style reforms and the management of sales proceeds—as well as comprehensive services aimed at optimizing buildings and facilities.

B. Expanding Business Scope

The ALSOK Group looks to address the various safety and security needs of individual users while providing multifaceted support for corporate clients' business activities. To this end, the Group has continued to actively develop new businesses and services that have the potential for synergies with its security services operations, such as its long-term care and property management businesses. Efforts to expand the Company's business scope from this perspective will be accelerated going forward.

C. Developing Overseas Operations

With Japanese companies growing more active overseas, the ALSOK Group is responding to mounting needs for safety and security overseas, as well. Based on the expertise we have cultivated in Japan, we will offer products and services optimized for individual countries as we proactively expand our operations to support the overseas businesses of our customers.

D. Improving Profitability and Productivity

To achieve stable and ongoing growth, the ALSOK Group will work to reinforce and diversify its earnings foundations, and will seek to create new value by improving productivity through business process reforms and implementing proactive initiatives to achieve work style reforms.

(5) Other Important Items in Management of the Company

A. On April 1, 2017, ALSOK-TW East Japan Co., Ltd., which operates in the Security Services segment (Stationed Securities Services), took over the security service operations of NTT Group company TelWel East Japan Corporation through a corporate split (absorption-type split). ALSOK-TW East Japan is included in the Company's scope of consolidation.

B. On July 3, 2017, the Company acquired all shares of a new company established to take over the transportation security services of TOBU DELIVERY CO., LTD., a wholly owned subsidiary of TOBU RAILWAY CO., LTD., spun off through a corporate split (absorption-type split). We also changed the company's name to ALSOK KANTO DELIVERY CO., LTD. ALSOK KANTO DELIVERY is included in the Company's scope of consolidation.

C. On October 3, 2017, the Company entered into a share exchange agreement with Gunma Sohgo Guard System Co., Ltd., a consolidated subsidiary. We conducted the share exchange on November 10, 2017, converting the company to a wholly owned subsidiary.

3. Basic Policy Regarding Selection of Accounting Standards

For the foreseeable future, the Company intends to prepare its consolidated financial statements in accordance with accounting principles that are generally accepted in Japan (Japanese GAAP) out of consideration for the ability to make comparisons with performance from different fiscal years and of different companies.

The Company is examining the possibility of adopting International Financial Reporting Standards (IFRS) in the future, and it is currently in the process of developing internal manuals and guidances and determining the potential timing for adoption.

4. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	55,587	47,573
Cash for Transportation Security Services	66,745	68,715
Notes and accounts receivable—trade	50,118	52,286
Lease receivables and investment assets	4,336	4,535
Short-term investment securities	803	338
Raw materials and supplies	5,375	5,708
Costs on uncompleted construction contracts	451	456
Advances paid	6,340	6,526
Deferred tax assets	2,183	2,311
Other	7,881	8,620
Allowance for doubtful accounts	(197)	(226)
Total current assets	199,627	196,845
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	48,336	48,096
Accumulated depreciation	(25,480)	(26,191)
Buildings and structures, net	22,856	21,905
Machinery, equipment and vehicles	130,824	136,429
Accumulated depreciation	(111,367)	(114,244)
Machinery, equipment and vehicles, net	19,457	22,185
Land	23,018	22,740
Lease assets	29,444	33,291
Accumulated depreciation	(13,513)	(14,475)
Lease assets, net	15,931	18,815
Construction in progress	992	662
Other	16,227	17,049
Accumulated depreciation	(11,509)	(12,111)
Other, net	4,717	4,937
Total property, plant and equipment	86,974	91,246
Intangible assets		
Software	3,411	3,207
Goodwill	18,615	21,108
Other	2,973	5,996
Total intangible assets	25,000	30,313
Investments and other assets		
Investment securities	40,300	42,597
Long-term loans receivable	359	337
Lease and guarantee deposits	8,935	8,447
Insurance funds	2,167	1,679
Net defined benefit asset	533	4,250
Deferred tax assets	10,394	8,912
Other	11,975	12,913
Allowance for doubtful accounts	(392)	(380)
Total investments and other assets	74,275	78,759
Total noncurrent assets	186,250	200,319
Total assets	385,877	397,164

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,426	23,420
Short-term loans payable	27,438	14,435
Current portion of long-term loans payable	3,378	3,176
Current portion of bonds	54	24
Accounts payable—other	17,060	22,762
Lease obligations	4,090	4,511
Income taxes payable	6,214	5,769
Accrued consumption taxes	3,849	3,762
Provision for bonuses	1,958	2,189
Provision for directors' bonuses	100	118
Deferred tax liabilities	0	0
Other	12,534	12,324
Total current liabilities	98,104	92,495
Noncurrent liabilities		
Bonds payable	47	23
Long-term loans payable	11,161	8,493
Lease obligations	19,429	21,993
Deferred tax liabilities	621	808
Deferred tax liabilities for land revaluation	314	314
Net defined benefit liability	29,572	27,327
Provision for directors' retirement benefits	1,778	1,806
Asset retirement obligations	77	101
Other	2,539	2,417
Total noncurrent liabilities	65,542	63,287
Total liabilities	163,647	155,782
Net Assets		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	31,485	34,243
Retained earnings	157,596	171,161
Treasury stock	(2,019)	(1,069)
Total shareholders' equity	205,737	223,010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,306	7,358
Revaluation reserve for land	(5,286)	(5,286)
Foreign currency translation adjustment	69	4
Remeasurements of defined benefit plans	(11,204)	(6,850)
Total valuation and translation adjustments	(9,114)	(4,773)
Non-controlling interests	25,607	23,144
Total net assets	222,230	241,382
Total liabilities and net assets	385,877	397,164

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	413,343	435,982
Cost of sales	310,704	330,493
Gross profit	102,639	105,489
Selling, general and administrative expenses	74,217	75,378
Operating income	28,422	30,111
Non-operating income		
Interest income	176	176
Dividends income	587	613
Gain on sales of investment securities	6	86
Rent income	277	311
Gain from insurance claim	57	87
Equity in earnings of affiliates	1,420	1,292
Penalty income	274	300
Other	999	942
Total non-operating income	3,798	3,810
Non-operating expenses		
Interest expenses	1,005	987
Loss on sales of investment securities	3	1
Loss on retirement of noncurrent assets	162	198
Financing expenses	296	295
Other	443	525
Total non-operating expenses	1,911	2,008
Ordinary income	30,309	31,913
Extraordinary income		
Gain on sales of investment securities	59	1
Total extraordinary income	59	1
Extraordinary loss		
Loss on valuation of investment securities	12	1
Impairment loss	45	73
Provision for loss on dissolution of the employees' pension fund	95	—
Total extraordinary loss	153	74
Income before income taxes	30,215	31,841
Income taxes-current	10,940	11,366
Income taxes-deferred	(659)	(473)
Total income taxes	10,281	10,893
Net income	19,934	20,948
Profit attributable to non-controlling interests	1,603	1,603
Profit attributable to owners of parent	18,330	19,344

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net income	19,934	20,948
Other comprehensive income		
Valuation difference on available-for-sale securities	755	56
Foreign currency translation adjustment	48	(61)
Remeasurements of defined benefit plans, net of tax	2,091	4,462
Share of other comprehensive income (loss) of associates accounted for using equity method	(6)	108
Total other comprehensive income (loss)	2,888	4,566
Comprehensive income	22,823	25,514
(Contents)		
Comprehensive income attributable to owners of the parent	21,128	23,761
Comprehensive income attributable to non-controlling interests	1,694	1,752

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	18,675	32,117	144,551	(1,991)	193,352
Cumulative effects of changes in accounting policies			495		495
Balance at the beginning of current period reflected changes in accounting policies	18,675	32,117	145,046	(1,991)	193,848
Changes of items during the period					
Dividends from surplus			(5,780)		(5,780)
Profit attributable to owners of parent			18,330		18,330
Purchase of treasury stock				(28)	(28)
Disposal of treasury stock					—
Change in treasury stock of parent arising from transactions with non-controlling interest shareholders		(632)			(632)
Purchase of shares of consolidated subsidiaries					—
Capital increase of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(632)	12,550	(28)	11,889
Balance at the end of current period	18,675	31,485	157,596	(2,019)	205,737

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total valuation and translation adjustments		
Balance at the beginning of current period	6,570	(5,286)	113	(13,309)	(11,912)	24,182	205,622
Cumulative effects of changes in accounting policies							495
Balance at the beginning of current period reflected changes in accounting policies	6,570	(5,286)	113	(13,309)	(11,912)	24,182	206,118
Changes of items during the period							
Dividends from surplus							(5,780)
Profit attributable to owners of parent							18,330
Purchase of treasury stock							(28)
Disposal of treasury stock							—
Change in treasury stock of parent arising from transactions with non-controlling interest shareholders							(632)
Purchase of shares of consolidated subsidiaries							—
Capital increase of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	735	—	(43)	2,105	2,797	1,425	4,222
Total changes of items during the period	735	—	(43)	2,105	2,797	1,425	16,112
Balance at the end of current period	7,306	(5,286)	69	(11,204)	(9,114)	25,607	222,230

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	18,675	31,485	157,596	(2,019)	205,737
Cumulative effects of changes in accounting policies					—
Balance at the beginning of current period reflected changes in accounting policies	18,675	31,485	157,596	(2,019)	205,737
Changes of items during the period					
Dividends from surplus			(5,780)		(5,780)
Profit attributable to owners of parent			19,344		19,344
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		3,422		952	4,374
Change in treasury stock of parent arising from transactions with non-controlling interest shareholders					—
Purchase of shares of consolidated subsidiaries		(668)			(668)
Capital increase of consolidated subsidiaries		4			4
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	2,758	13,564	950	17,273
Balance at the end of current period	18,675	34,243	171,161	(1,069)	223,010

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total valuation and translation adjustments		
Balance at the beginning of current period	7,306	(5,286)	69	(11,204)	(9,114)	25,607	222,230
Cumulative effects of changes in accounting policies							—
Balance at the beginning of current period reflected changes in accounting policies	7,306	(5,286)	69	(11,204)	(9,114)	25,607	222,230
Changes of items during the period							
Dividends from surplus							(5,780)
Profit attributable to owners of parent							19,344
Purchase of treasury stock							(1)
Disposal of treasury stock							4,374
Change in treasury stock of parent arising from transactions with non-controlling interest shareholders							—
Purchase of shares of consolidated subsidiaries							(668)
Capital increase of consolidated subsidiaries							4
Net changes of items other than shareholders' equity	51	—	(64)	4,354	4,341	(2,462)	1,878
Total changes of items during the period	51	—	(64)	4,354	4,341	(2,462)	19,151
Balance at the end of current period	7,358	(5,286)	4	(6,850)	(4,773)	23,144	241,382

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net cash provided by (used in) operating activities		
Income before income taxes	30,215	31,841
Depreciation and amortization	13,773	14,133
Impairment loss	45	73
Amortization of goodwill	1,076	1,627
Increase (decrease) in allowance for doubtful accounts	(20)	17
Increase (decrease) in net defined benefit liability	658	(329)
Increase (decrease) in provision for bonuses	184	210
Increase (decrease) in provision for directors' bonuses	(36)	17
Interest and dividends income	(763)	(790)
Interest expenses	1,005	987
Equity in (earnings) losses of affiliates	(1,420)	(1,292)
Loss (gain) on sales of noncurrent assets	(22)	9
Loss on retirement of noncurrent assets	162	198
Loss (gain) on sales of investment securities	(62)	(87)
Loss (gain) on valuation of investment securities	12	1
Loss (gain) on valuation of derivatives	9	20
Decrease (increase) in notes and accounts receivable—trade	(878)	(2,175)
Decrease (increase) in inventories	844	(323)
Increase (decrease) in notes and accounts payable—trade	(2,300)	5,033
Decrease (increase) in net defined benefit asset	402	438
Decrease (increase) in assets and liabilities for Transportation Security Services	18,157	(13,630)
Other	4,135	1,014
Subtotal	65,181	36,996
Interest and dividends income received	984	1,056
Interest expenses paid	(1,005)	(989)
Income taxes paid	(10,617)	(11,591)
Income taxes refund	19	23
Net cash provided by (used in) operating activities	54,561	25,496

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	(741)	947
Purchase of property, plant and equipment	(11,006)	(11,776)
Proceeds from sales of property, plant and equipment	165	22
Purchase of investment securities	(2,899)	(1,987)
Proceeds from sales of investment securities	2,106	1,544
Payments for transfer of business	—	(43)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,424)	(5,973)
Purchase of shares of subsidiaries and associates	—	(108)
Decrease (increase) in short-term loans receivable	183	25
Payments of long-term loans receivable	(90)	(45)
Collection of long-term loans receivable	110	76
Other	(3,459)	(1,807)
Net cash provided by (used in) investing activities	(22,055)	(19,125)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(5,989)	196
Proceeds from long-term loans payable	491	586
Repayment of long-term loans payable	(3,826)	(3,456)
Redemption of bonds	(104)	(54)
Purchase of treasury stock	(1)	(1)
Repayments of lease obligations	(4,265)	(4,420)
Cash dividends paid	(5,780)	(5,780)
Cash dividends paid to attributable to non-controlling interests	(474)	(500)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(632)	—
Net cash provided by (used in) financing activities	(20,582)	(13,429)
Effect of exchange rate change on cash and cash equivalents	(4)	(7)
Net increase (decrease) in cash and cash equivalents	11,919	(7,064)
Cash and cash equivalents at beginning of period	35,630	47,549
Cash and cash equivalents at end of period	47,549	40,484

(5) Notes on the Preparation of the Consolidated Financial Results

Events or Situations Giving Cause for Serious Doubt Regarding the Premise of a Going Concern

Not applicable

Segment Information and Other Related Information

1. Segment Information

(1) Outline of Reportable Segments

A. Method for deciding reportable segments

The reportable segments the Company reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors, etc., to evaluate regularly in determining how to allocate resources and assess their business performance.

The Group has three reportable segments. The Security Services segment conducts electronic security services, stationed security services, and transportation security services. The General Property Management and Fire Protection Services segment conducts activities including plumbing installation, electrical installation, and other facility installation; facility operation and management services; environmental hygiene management; cleaning services; fire extinguishing equipment inspection and installation; and sales of various disaster prevention equipment. The Long-term Care Services segment provides in-home care support services, visitation-based care services, and day care services and also operates care facilities.

The Other Services category incorporates operations not included in reportable segments. This segment includes operations such as the provision of MMK multi-function ATMs, ALSOK Safety Confirmation Services, and MAMOLOOK multi-function mobile security terminals as well as security solutions operations and information security services.

B. Change to reportable segments

To facilitate a better understanding of the performance of each segment, in the year ended March 31, 2018, the Group revised its management structure to include in the General Property Management and Fire Protection Services segment some of the earnings and expenses previously included in the Security Services segment.

Figures for the fiscal year ended March 31, 2017, have been restated to reflect the changes in reportable segments, as well as earnings and expense allocation methods in the fiscal year ended March 31, 2018.

(2) Method of Calculating Sales and Income (Loss) and Other Items by Reportable Segments

The accounting methods used for reportable segments are the same as those used to prepare the consolidated financial statements.

Income by reportable segment is calculated based on operating income.

Intersegment sales are calculated based on market prices.

(3) Information on Sales and Income (Loss) and Other Items by Reportable Segments

A. For the year ended March 31, 2017

(Millions of yen)

	Reportable segments				Other Services (Note 1)	Total	Elimination and corporate (Note 2)	Consolidation (Note 3)
	Security Services	General Property Management and Fire Protection Services	Long-term Care Services	Total				
Net sales								
Outside sales	327,169	57,819	24,921	409,910	3,433	413,343	—	413,343
Intersegment sales	817	101	10	929	468	1,398	(1,398)	—
Total	327,987	57,920	24,932	410,840	3,901	414,742	(1,398)	413,343
Income (loss) by reportable segment	32,626	4,582	(354)	36,853	875	37,729	(9,306)	28,422
Depreciation	11,618	895	828	13,343	404	13,747	26	13,773
Amortization of goodwill	267	86	722	1,076	0	1,076	—	1,076

Note 1: The Other Services category incorporates operations not included in reportable segments. This segment includes operations such as the provision of MMK multi-function ATMs, ALSOK Safety Confirmation Services, and MAMOLOOK multi-function mobile security terminals as well as security solutions operations and information security services.

Note 2: The ¥9,306 million deduction to income (loss) by reportable segment under eliminations and corporate represents Companywide expenses that cannot be attributed to any specific reportable segment. These expenses are primarily administrative costs not associated with specific reportable segments.

Note 3: Income (loss) by reportable segment has been adjusted for the operating income figure on the Consolidated Statements of Income.

Note 4: Assets are not allocated to specific reportable segments.

B. For the year ended March 31, 2018

(Millions of yen)

	Reportable segments				Other Services (Note 1)	Total	Elimination and corporate (Note 2)	Consolidation (Note 3)
	Security Services	General Property Management and Fire Protection Services	Long-term Care Services	Total				
Net sales								
Outside sales	344,302	61,993	25,631	431,927	4,055	435,982	—	435,982
Intersegment sales	992	752	13	1,758	461	2,220	(2,220)	—
Total	345,295	62,746	25,644	433,685	4,517	438,203	(2,220)	435,982
Income (loss) by reportable segment	33,292	5,075	105	38,473	938	39,411	(9,300)	30,111
Depreciation	11,884	934	862	13,681	426	14,107	25	14,133
Amortization of goodwill	815	88	723	1,627	0	1,627	—	1,627

Note 1: The Other Services category incorporates operations not included in reportable segments. This segment includes operations such as the provision of MMK multi-function ATMs, ALSOK Safety Confirmation Services, and MAMOLOOK multi-function mobile security terminals as well as security solutions operations and information security services.

Note 2: The ¥9,300 million deduction to income by reportable segment under eliminations and corporate represents Companywide expenses that cannot be attributed to any specific reportable segment. These expenses are primarily administrative costs not associated with specific reportable segments.

Note 3: Income by reportable segment has been adjusted for the operating income figure on the Consolidated Statements of Income.

Note 4: Assets are not allocated to specific reportable segments.

2. Relative Information

(1) For the Fiscal Year Ended March 31, 2017

A. Product and services information

Product and services information is omitted as it is the same as segment information.

B. Regional information

a. Net sales

Information regarding regional sales is omitted as sales to customers in Japan account for over 90% of the total sales recorded on the Consolidated Statements of Income.

b. Property, plant and equipment

Information regarding property, plant and equipment in specific is omitted as the value of property, plant and equipment in Japan accounts for over 90% of the total value recorded on the Consolidated Balance Sheets.

C. Major customer information

Information regarding major customers is omitted as there are no customers to which over 10% of the total sales recorded on the Consolidated Statements of Income can be attributed.

(2) For the Fiscal Year Ended March 31, 2018

A. Product and services information

Product and services information is omitted as it is the same as segment information.

B. Regional information

a. Net sales

Information regarding regional sales is omitted as sales to customers in Japan account for over 90% of the total sales recorded on the Consolidated Statements of Income.

b. Property, plant and equipment

Information regarding property, plant and equipment in specific is omitted as the value of property, plant and equipment in Japan accounts for over 90% of the total value recorded on the Consolidated Balance Sheets.

C. Major customer information

Information regarding major customers is omitted as there are no customers to which over 10% of the total sales recorded on the Consolidated Statements of Income can be attributed.

3. Information on Impairment Loss in Noncurrent Assets by Reportable Segment

(1) For the Fiscal Year Ended March 31, 2017

There were no impairment losses attributed to reportable segments. An impairment loss of ¥45 million not attributed to reportable segments was recorded of which ¥8 million was on the value of buildings and ¥37 million was on the value of land.

(2) For the Fiscal Year Ended March 31, 2018

There were no impairment losses attributed to reportable segments. The Company generated an impairment loss of ¥73 million not attributed to reportable segments. Of this amount, ¥6 million was on the value of buildings, ¥15 million was on the value of land, ¥49 million was on the value of lease assets, and ¥1 million was on the value of other property, plant and equipment, including tools, furniture and fixtures.

4. Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment

(1) For the Fiscal Year Ended March 31, 2017

Amortization of goodwill and unamortized balance

Information regarding amortization of goodwill is omitted as it is the same as the information disclosed in segment information.

On March 31, 2017, the balance of unamortized goodwill was ¥18,615 million. As assets are not allocated to specific reportable segments, the balance of unamortized goodwill at the end of the fiscal year is not included in reportable segments.

(2) For the Fiscal Year Ended March 31, 2018

Amortization of goodwill and unamortized balance

Information regarding amortization of goodwill is omitted as it is the same as the information disclosed in segment information.

On March 31, 2018, the balance of unamortized goodwill was ¥21,108 million. As assets are not allocated to specific reportable segments, the balance of unamortized goodwill at the end of the fiscal year is not included in reportable segments.

5. Information on Negative Goodwill by Reportable Segment

(1) For the Fiscal Year Ended March 31, 2017

In the fiscal year ended March 31, 2017, ¥135 million was included in equity in earnings of affiliates on the Consolidated Statements of Income to reflect negative goodwill incurred as a result of Nippon Dry-Chemical Co., Ltd., being introduced into the scope of equity method application. This negative goodwill is not allocated to reportable segments.

(2) For the Fiscal Year Ended March 31, 2018

Not applicable

Per Share Information

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net assets per share (Yen)	1,956.25	2,155.74
Net income per share (Yen)	182.37	191.93

Note 1: Fully diluted net income per share is not shown because no applicable shares existed.

Note 2: The following is the basis for calculating net income per share (basic and diluted).

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net income per share		
Profit attributable to owners of parent (Millions of yen)	18,330	19,344
Amount not belonging to ordinary shareholders (Millions of yen)	—	—
Net income attributable to common stock owners of the parent (Millions of yen)	18,330	19,344
Weighted-average numbers of ordinary shares (Thousands of shares)	100,511	100,792

Note 3: The basis for calculating net assets per share is as follows.

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Total net assets (Millions of yen)	222,230	241,382
Amount deducted from total net assets (Millions of yen)	25,607	23,144
(Non-controlling interests) (Millions of yen)	(25,607)	(23,144)
Net assets at end of year relating to common stock (Millions of yen)	196,622	218,237
Amount of common stock at end of year used for calculating net assets per share (Thousands of shares)	100,510	101,235