

Consolidated Financial Results

for the Third Quarter of the Fiscal Year ending March 31, 2021

(IFRS)

February 1, 2021

Listed Company Name: ITOCHU Techno-Solutions Corporation

Listing Exchanges: Tokyo Stock Exchange

Securities Code: 4739

URL: <https://www.ctc-g.co.jp/en/index.html>

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Scheduled date to submit the annual securities report (*Shihanki Hokokusho*): February 10, 2021

Scheduled date of dividend payment: -

Supplementary documents for financial results: Yes

Financial results briefing: Yes (for institutional investors and analysts)

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the nine months ended December 31, 2020

(April 1, 2020 – December 31, 2020)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Revenue		Operating income		Profit before tax		Net Profit		Net profit attributable to CTC's shareholders		Total comprehensive income attributable to CTC's shareholders	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended 12/20	330,883	1.1	22,952	(5.0)	23,047	(4.3)	16,073	(2.5)	15,868	(1.8)	17,777	(0.4)
Nine months ended 12/19	327,364	9.1	24,170	35.3	24,070	31.9	16,481	32.4	16,166	31.1	17,845	39.6
	Basic earnings per share attributable to CTC's shareholders		Diluted earnings per share attributable to CTC's shareholders									
	Yen		Yen									
Nine months ended 12/20	68.68		68.68									
Nine months ended 12/19	69.97		69.97									

(2) Consolidated financial position

	Total assets	Total equity	Total shareholders' equity	Ratio of shareholders' equity to total assets
	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2020	427,465	241,421	234,139	54.8
March 31, 2020	438,816	238,564	231,672	52.8

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/20	—	27.50	—	30.50	58.00
Year ending 3/21	—	31.50			
Year ending 3/21 (forecast)			—	31.50	63.00

(Note) Revision of the dividend forecast in the latest announcement: None

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(Percentages represent changes from the same period of previous fiscal year)

	Revenue		Operating income		Profit before tax		Net Profit		Net profit attributable to CTC's shareholders		Basic earnings per share attributable to CTC's shareholders
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	500,000	2.7	44,600	7.0	44,600	7.4	30,600	7.5	30,000	5.4	129.84

(Notes) Revision of earnings forecast in the latest announcement: None

* Notes

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting policies and changes of accounting estimates

- | | |
|--|----------------|
| (i) Changes in accounting principles required by IFRS: | Not applicable |
| (ii) Changes in accounting principles other than (i): | Not applicable |
| (iii) Changes in accounting estimates: | Not applicable |

(3) Number of outstanding shares (common shares)

- | | | | |
|--|--------------------|--------------------------|--------------------|
| (i) Number of shares outstanding at the end of period (including treasury shares): | | | |
| Nine months ended 12/20: | 240,000,000 shares | Year ended 3/20: | 240,000,000 shares |
| (ii) Number of treasury shares at the end of period: | | | |
| Nine months ended 12/20: | 8,950,122 shares | Year ended 3/20: | 8,966,282 shares |
| (iii) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period): | | | |
| Nine months ended 12/20: | 231,043,114 shares | Nine months ended 12/19: | 231,031,855 shares |

* This document is an English translation of a statement written initially in Japanese as a guide for non-Japanese investors. The Japanese original document should be considered as the primary version.

* Disclosure regarding audit procedures

- This quarterly financial results report is not subject to quarterly review procedures by independent auditors under the Financial Institutions and Exchange Act. At the time of disclosure of this report, review procedures for quarterly financial statements had not been completed.

* Cautionary statement with respect to forward-looking statements

- These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to the Company as of the announcement date of the summary. These statements are not promises by the Company regarding future performance. Actual results may differ materially from forecasts due to a variety of factors.

* "CTC" is the abbreviation for ITOCHU Techno-Solutions Corporation.

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1. Qualitative Information Regarding the Results for the Third Quarter

(1) Qualitative information on consolidated operating results

In the first nine months of the fiscal year ending March 31, 2021, the Japanese economy still faced a severe situation, with downward pressure from the impact of COVID-19, but signs of recovery could also be seen, partly due to the effects of a variety of government policies and improvement of overseas economies.

In the information service industry, the expansion of demand for working from home amid the effects of the COVID-19 pandemic and investment based on a look at how things would be in response to the launch of commercial 5G services by telecom carriers acted as tailwinds. Meanwhile, movements to limit certain business activities, to curb or to postpone the investment were observed among corporate customers centered on those whose results were affected significantly.

In this environment, ITOCHU Techno-Solutions Corporation (“CTC”) and its consolidated subsidiaries (collectively, the “CTC Group”), with a motto of playing a leading role to contribute to the evolution of the IT industry, continued to focus on the following four “Horizons”: “Go upwards: Challenge business transformation,” “Go forwards: Sharpening our advantages,” “Go outwards: New coverage, new region in globe” and “Consolidate footholds: Stabilize management infrastructure” to achieve the Medium-Term Management Plan subtitled “Opening New Horizons” that covers the period of three years from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021. In addition, amid changes in work-styles and lifestyles prompted by the COVID-19 pandemic, the CTC Group is pursuing new initiatives in line with the Medium-Term Management Plan in order to support efforts to deal with those changes. Details of these initiatives are as follows.

< Initiatives related to “Go upwards: Challenge business transformation” >

- CTC started to promote the Celonis Intelligent Business Cloud, a process mining solution that Germany-based Celonis SE is offering. The solution enables a user to analyze data and logs produced in daily corporate operations using AI and to identify bottlenecks and matters that should be improved in operation processes. The user can execute the OODA loop*¹, which is necessary for improving processes, within the framework of a tool in real time. In addition to providing solutions, CTC will offer services such as data design, consulting, setting, alignment with existing systems, operation and training as a total package, thereby helping customers implement digital transformation (DX). In addition, CTC participated in the Association of Process Mining Japan (APMJ) established in June as a special member. CTC will also focus on raising awareness about process mining technology and developing human resources in this field.

*¹ The OODA loop: A method for solving problems by repeating observation, orientation, decision and action

- CTC started offering SpreadJS for OutSystems, a software product developed by GrapeCity Inc., to add spreadsheet functions on the OutSystems low-code development platform*¹. The product is a software module that realizes external appearances and operability on par with ordinary spreadsheet software. The module links with OutSystems seamlessly. CTC started providing OutSystems in 2015. CTC is actively working on agile development and DevOps*². Moving forward, CTC will continue working to enhance agile development services and options, helping customers improve the efficiency of their business operations and implement digital transformation (DX).

*¹ Low-code development: A software development platform under which almost no programming languages are required Low-code development can shorten the time needed for developing software.

*² DevOps: A software development method whose name was coined by combining abbreviations for Development and Operations DevOps enables flexible and speedy software development by making engineers in charge of development and operations work in close cooperation.

- Keio University Information Technology Center and the Blockchain Laboratory of the Keio Research Institute at SFC commenced a demonstration experiment for a next-generation digital identification platform issuing certificates, such as certificates of student status and certificates of expected graduation, to Keio University students via smartphone applications in October 2020. The experiment is being conducted with five companies; CTC, Japan Digital Design, Inc., JCB Co., Ltd., Nippon Telegraph and Telephone West Corporation and BlockBase, Inc. The purpose of this demonstration experiment is to verify the functionality and standardization of the digital identity platform, which will enable students to obtain a variety of certificates online without having to present their IDs or complete written procedures at the university's academic affairs office. This platform uses Verifiable Credentials, a generalized digital certificate technology, and Decentralized Identifiers (DIDs), a new, digital and persistent decentralized identifier model independent of any particular company or organization, to ensure the online verification of graduation certificates and other types of certifying data, in addition to attributes, such as names, addresses, and ages.

- CTC provided Asahi Group Holdings, Ltd (“Asahi GH”) with VividPlatform , a cloud 3D visualization platform developed by VividWorks Ltd. (“VividWorks”), an IT service company in Finland equipped with high technological capabilities in the fields of 3D simulation, virtual reality (VR) and augmented reality (AR). Asahi GH’s VR product package development support system adopts this visualization platform for virtual 3D store shelves. The platform enable users to reproduce stores and their shelves virtually and change product designs, the layout of store shelves, the composition and arrangement with simple operations. CTC and VividWorks will continue contributing to DX in product development, sales and marketing by customers using VR and AR technologies.

<Initiatives related to “Go forwards: Sharpening our advantages”>

- CTC provided Government Pension Investment Fund (“GPIF”) with a cloud platform that gathers and analyzes index information, which is a benchmark for asset management. GPIF launched the Index Posting System, an initiative for gathering a variety of index information including Smart Beta indices and ESG indices proposed by companies that provide indices. The provision of this cloud platform by CTC made it possible for GPIF to accept proposals from companies that provide indices at any time, free from previous time constraints. The platform enabled GPIF to collect and accumulate a wide range of index information more efficiently. Thanks to the high-level data analysis function embedded in the cloud platform, GPIF can analyze corporate financial information reflected in indices and non-financial information including ESG information, resulting in the implementation of more advanced management.
- CTC started to provide a quantitative assessment service to commercial, transport and public facilities, respectively, in response to social distancing requests. The service is based on the knowledge of the digital simulations CTC has accumulated for more than 60 years. The service supports facility operation by identifying issues based on forecasts on the formation of queues and a rise in the level of group density with social distancing for preventing the spread of COVID-19 and assessing the effectiveness of countermeasures. Going forward, CTC will work to enhance the simulation technology and expand related services, thereby ensuring that people can use varieties of facilities in secure and safe conditions.
- To help customers use cloud computing, CTC formed capital and business alliances with Megazone Corporation, a U.S. subsidiary of Megazone Corporation Group, a leading South Korean IT company, and began offering solutions for using multi-cloud services more efficiently. CTC plans to continue collaborating with Megazone Corporation Group over the use of new technologies and the development of new services and to help customers all over the world, especially in Japan and Asia, use cloud computing to optimize costs and reduce operation load, among other benefits.
- CTC began collaborating with Hitachi Systems, Ltd. to enhance its service lineup and expand business in the security field. The two companies will help customers solve their security-related issues by jointly using a Security Operation Center (SOC), sharing technologies, knowhow and services, training security-related personnel through those initiatives, and providing services in which their respective strengths are combined.
- CTC continuously received orders for projects to build networks for 5G services from telecom carriers. In addition, CTC was able to acquire certain projects in new fields by applying cloud native technologies expected to realize Open-RAN*1 and operational automation in the RAN*2 field it had positioned as an area for making challenges, in addition to fronthauls*3 it had worked on. From early on, CTC has trained personnel for network virtualization technologies and has conducted joint verification with customers and vendors. Those initiatives have led to continuous project acquisition and field expansion. CTC will continue supporting telecom carriers in their efforts to develop 5G services.

*1 Open-RAN: A standard for interfaces for base station nodes Radio access networks

*2 RAN: An abbreviation for radio access network

*3 Fronthauls: Networks connecting base station nodes

<Initiatives related to “Go outwards: New coverage, new region in globe” >

- CTC, NEC Corporation, OBAYASHI CORPORATION, Japan Industrial Partners, Inc., Japan Investment Adviser Co., Ltd. and IPC Fund 1 operated by UTokyo Innovation Platform Co., Ltd., established BIRD INITIATIVE, Inc. (“BIRD”) for developing new businesses. BIRD expands a new research and development framework called "Co-creative R&D," in which issues and technologies are brought together from industry, government and academia, and will focus on creating new businesses through research and development, contract research, consulting, and investment in startups.
- CTC established TriValue Co., Ltd. (“TriValue”), a logistics joint venture that delivers large interior goods, with TAKADA Transport Service Co., Ltd. TriValue will provide furniture manufacturers and retailing customers with logistics services, including delivery and warehousing services as an original contractor for large furniture delivery. Using an integrated logistics platform for shippers, consumers and delivery firms, TriValue will visualize available delivery dates and delivery status in real time and optimize delivery routes and loads to improve the efficiency of customer operations and improve consumer convenience. CTC has been providing the Mobile Asset Management Service, a cloud service for optimizing transportation and delivery, since 2011. Using the service, TriValue will practice DX for achieving efficient joint delivery.
- CTC contributed capital to Idein Inc. (“Idein”), a company with high technological capabilities in the acceleration of deep learning, and formed a business alliance with Idein in the fields of developing and providing AI/IoT systems. Through the alliance, CTC and Idein will co-develop AI/IoT solutions that support the DX of companies in fields centered on distribution, retailing, manufacturing, social infrastructure and healthcare, combining Idein’s Actcast edge computing platform using technologies for accelerating deep learning with CTC’s technologies for collecting and analyzing data.
- CTC and ITOCHU Techno-Solutions America, Inc. (“CTC America”) built a large-scale AI/big data platform for a data center to operate at Actapio, Inc., a U.S. subsidiary of Yahoo Japan Corporation (“Yahoo”), based on Open Compute Project*¹ (“OCP”) specifications high in energy consumption and operational efficiency. Yahoo has enhanced the platform’s efficiency since 2015 when it adopted OCP specifications for it. For the most recent platform expansion, CTC America supplied about 3,000 servers, including those equipped with the U.S. NVIDIA V100 GPU, for accelerating AI. The CTC Group will continue contributing to improving service quality and adding service value using its collective strength to address a variety of issues as a partner for the two companies.
*¹ Open Compute Project: A project for designing optimal data center hardware by incorporating requirements from a user perspective, where companies making practical use of IT on a large scale, such as Facebook, form the core CTC concluded a certified solution provider agreement with the Open Compute Project Foundation, the project operating body, in 2013 as the first provider in Japan.
- CTC provided the Bank of Okinawa, Ltd. (“Bank of Okinawa”) and Okigin SPO Co., Ltd. with SmartRobot, an AI chatbot developed by Intumit Inc. in Taiwan. The Bank of Okinawa introduced an automatic answering system using SmartRobot to address customer inquiries in the Okigin e-partner Internet banking service. The partial automation of counter-service operations improved the level of customer satisfaction and service quality, in addition to reducing operator burdens. CTC increased capital contributions to Intumit Inc. in December 2020, following investment in the company in April 2019. CTC will continue contributing to customer service enhancement by advancing collaborations with Intumit Inc.

<Initiatives related to “Consolidate footholds: Stabilize management infrastructure”>

- To create an environment and corporate culture that enable diverse employees to provide remarkable service, CTC has been working on initiatives including work-style reforms, health management, aid for promoting successful female, senior and disabled employees, and support for balancing work with childcare and nursing care. Taking an additional step, CTC formulated the Basic Policy on Diversity to include LGBT*¹ individuals and SOGI*² in its diversity. CTC established a desk for consultations related to LGBT and SOGI, and offered internal training to facilitate employees’ understanding based on this policy. CTC received the top Gold rank in the PRIDE Index 2020, an index for evaluating LGBT initiatives from a private organization called Work with Pride, for its initiatives. CTC believes it is a working environment where employees with diverse personalities can take on challenges and be fulfilled by working enthusiastically to produce new solutions and good services. CTC will promote diversity by respecting all employees, irrespective of age, sex, gender identity, sexual orientation, nationality, and the presence or absence of disabilities.

*1 LGBT stands for lesbian, gay, bisexual and transgender. It is a collective term for sexual minorities.

*2 SOGI stands for sexual orientation and gender identity.

- Under the state of emergency that the Japanese government declared in response to the spread of COVID-19, all CTC Group managers and staff members are working from home, in principle. CTC has developed systems for maintaining and improving productivity with the transition to working from home by preparing an environment for working remotely, introducing a chat tool and paperless tasks. CTC employees have been able to work flexibly by making the most of those systems. CTC will seek better ways to work amid the pandemic based on the implementation of measures for preventing the spread of COVID-19 infection, recognizing the effectiveness of offices as places for communication to produce innovative ideas, activities for fostering a sense of unity and for exercising moderate control.
- The Ministry of Internal Affairs and Communications selected CTC as one of the top 100 telework pioneers, a program for announcing companies with a competent track record in introducing and utilizing remote work aimed at promoting the adoption of this working style. CTC has expanded choices over working hours and locations, accelerating work-style reforms for greater employee job satisfaction. CTC will continue this expansion. At the same time, it will work to prepare the conditions and systems needed to allow creative individuals able to enjoy changes and to transform diversity into values to continue their growth and challenges.

In its sales activities, the CTC Group focused on 5G related projects for the telecommunication sector, and infrastructure and development for government and municipal offices and railways.

During the third quarter of the fiscal year under review, revenue amounted to 330,883 million yen (up 1.1% year on year) thanks to higher sales in the Products business and the Services business. Operating income came to 22,952 million yen (down 5.0% year on year) due to an increase in other income and expenses. Profit before tax came to 23,047 million yen (down 4.3% year on year) due to lower operating income. Net profit was 16,073 million yen (down 2.5% year on year), and net profit attributable to CTC’s shareholders totaled 15,868 million yen (down 1.8% year on year).

(2) Qualitative information on consolidated financial position

Total assets amounted to 427,465 million yen as of December 31, 2020, a decrease of 11,351 million yen from the end of the previous consolidated fiscal year. This was attributable largely to a decrease of 35,448 million yen in trade and other receivables, which offset increases of 16,286 million yen in inventories and 8,677 million yen in other current assets.

Total liabilities stood at 186,044 million yen, a decrease of 14,207 million yen from the end of the previous consolidated fiscal year. The principal contributing factors included decreases of 16,532 million yen in trade and other payables, and 10,218 million yen in income taxes payable, which offset an increase of 14,497 million yen in other current liabilities.

Total equity was 241,421 million yen, a rise of 2,856 million yen from the end of the previous consolidated fiscal year. This was mainly attributable to increases of 16,073 million yen in net profit and 1,703 million yen in other comprehensive income, which offset a decrease of 14,451 million yen due to the payment of dividends of surplus.

(3) Qualitative information on consolidated earnings forecasts

At present, the CTC Group will not revise its financial forecasts announced on April 30, 2020.

2. Summary of Quarterly Consolidated Financial Statements and Notes

(1) Summary of quarterly consolidated statement of financial position

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year under review (As of December 31, 2020)
Items	Amount (millions of yen)	Amount (millions of yen)
(Assets)		
Current assets		
Cash and cash equivalents	74,615	75,492
Trade and other receivables	137,736	102,288
Inventories	29,044	45,330
Current tax assets	76	909
Other current financial assets	20,301	20,269
Other current assets	62,963	71,641
Total current assets	324,736	315,930
Non-current assets		
Property, plant and equipment	55,382	54,031
Goodwill	10,406	11,123
Intangible assets	8,477	7,648
Investments accounted for using the equity method	5,035	6,215
Other non-current financial assets	18,721	19,211
Deferred tax assets	13,910	11,163
Other non-current assets	2,145	2,140
Total non-current assets	114,080	111,534
Total assets	438,816	427,465

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year under review (As of December 31, 2020)
Items	Amount (millions of yen)	Amount (millions of yen)
(Liabilities and Equity)		
Current liabilities		
Trade and other payables	56,788	40,255
Other current financial liabilities	14,818	18,112
Income taxes payable	11,696	1,477
Liabilities for employee benefits	21,761	15,946
Provisions	995	2,050
Other current liabilities	56,545	71,043
Total current liabilities	162,604	148,885
Non-current liabilities		
Non-current financial liabilities	31,222	31,003
Liabilities for employee benefits	3,839	3,837
Provisions	2,198	1,957
Deferred tax liabilities	387	361
Total non-current liabilities	37,647	37,159
Total liabilities	200,252	186,044
Equity		
Common stock	21,763	21,763
Capital surplus	30,526	30,024
Treasury stock	(9,613)	(9,582)
Retained earnings	188,149	189,686
Other components of equity	846	2,246
Total shareholders' equity	231,672	234,139
Non-controlling interests	6,892	7,281
Total equity	238,564	241,421
Total liabilities and equity	438,816	427,465

(2) Summary of quarterly consolidated income statement and summary quarterly consolidated comprehensive income statement

Summary quarterly consolidated income statement

	Previous consolidated fiscal year (From April 1, 2019 to December 31, 2019)	Consolidated fiscal year under review (From April 1, 2020 to December 31, 2020)
Items	Amount (millions of yen)	Amount (millions of yen)
Revenue	327,364	330,883
Cost of sales	(248,688)	(250,056)
Gross profit	78,676	80,827
Other income and expenses		
Selling, general and administrative expenses	(54,867)	(58,308)
Other income	499	673
Other expenses	(136)	(238)
Total other income and expenses	(54,505)	(57,874)
Operating income	24,170	22,952
Financial income	276	272
Financial costs	(465)	(492)
Share of profit of associates accounted for using the equity method	89	273
Gains on disposal and remeasurement of investments in subsidiaries and associates	—	41
Profit before tax	24,070	23,047
Income tax expense	(7,589)	(6,973)
Net profit	16,481	16,073
Profit attributable to:		
CTC's shareholders	16,166	15,868
Non-controlling interests	314	205

Earnings per share (Attribution to CTC's shareholders):	(Yen)	(Yen)
Basic earnings per share	69.97	68.68
Diluted earnings per share	69.97	68.68

Summary quarterly consolidated comprehensive income statement

	Previous consolidated fiscal year (From April 1, 2019 to December 31, 2019)	Consolidated fiscal year under review (From April 1, 2020 to December 31, 2020)
Items	Amount (millions of yen)	Amount (millions of yen)
Profit	16,481	16,073
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss:		
Changes in net fair value of financial assets measured through other comprehensive income	939	765
Share of other comprehensive income of associates accounted for using the equity method	(0)	9
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	389	975
Cash flow hedges	41	(21)
Share of other comprehensive income of associates accounted for using the equity method	(6)	(25)
Total other comprehensive income, net of tax effect	1,364	1,703
Total comprehensive income	17,845	17,777
Total comprehensive income attributable to:		
Owners of the Company	17,427	17,272
Non-controlling interests	418	504

(3) Summary of quarterly consolidated statement of changes in equity

Previous consolidated fiscal year (From April 1, 2019 to December 31, 2019)

(Millions of yen)

Items	Attributable to the owners of the Company						
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity		
					Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2019 (as previously reported)	21,763	33,193	(9,622)	174,460	(256)	1,160	1
Effect of accounting change	—	—	—	(2,151)	—	—	—
April 1, 2019 (as restated)	21,763	33,193	(9,622)	172,309	(256)	1,160	1
Profit	—	—	—	16,166	—	—	—
Other comprehensive income	—	—	—	—	280	939	41
Total comprehensive income	—	—	—	16,166	280	939	41
Payment of dividends	—	—	—	(12,370)	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—
Disposal of treasury stock	—	—	8	—	—	—	—
Share-based payment transactions	—	40	—	—	—	—	—
Changes in purchase of shares of subsidiaries	—	—	—	—	—	—	—
Put options held by non-controlling shareholders	—	—	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	—	—	—	—
Total transactions with owners	—	40	8	(12,370)	—	—	—
December 31, 2019	21,763	33,234	(9,613)	176,105	24	2,100	43

Items	Shareholders' equity	Non-controlling interests	Total equity
	Total shareholders' equity		
April 1, 2019 (as previously reported)	220,701	4,404	225,105
Effect of accounting change	(2,151)	(4)	(2,155)
April 1, 2019 (as restated)	218,550	4,399	222,949
Profit	16,166	314	16,481
Other comprehensive income	1,261	103	1,364
Total comprehensive income	17,427	418	17,845
Payment of dividends	(12,370)	(82)	(12,453)
Purchase of treasury stock	(0)	—	(0)
Disposal of treasury stock	8	—	8
Share-based payment transactions	40	—	40
Changes in purchase of shares of subsidiaries	—	3,154	3,154
Put options held by non-controlling shareholders	—	—	—
Transfer to retained earnings from other components of equity	—	—	—
Total transactions with owners	(12,321)	3,071	(9,249)
December 31, 2019	223,656	7,889	231,546

Consolidated fiscal year under review (From April 1, 2020 to December 31, 2020)

(Millions of yen)

Items	Attributable to the owners of the Company						
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity		
					Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2020	21,763	30,526	(9,613)	188,149	(1,655)	2,532	(31)
Profit	—	—	—	15,868	—	—	—
Other comprehensive income	—	—	—	—	650	775	(21)
Total comprehensive income	—	—	—	15,868	650	775	(21)
Payment of dividends	—	—	—	(14,336)	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—
Disposal of treasury stock	—	0	31	—	—	—	—
Share-based payment transactions	—	32	—	—	—	—	—
Changes in purchase of shares of subsidiaries	—	—	—	—	—	—	—
Put options held by non-controlling shareholders	—	(533)	—	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	4	—	(4)	—
Total transactions with owners	—	(501)	31	(14,331)	—	(4)	—
December 31, 2020	21,763	30,024	(9,582)	189,686	(1,004)	3,304	(52)

Items	Shareholders' equity	Non-controlling interests	Total equity
	Total shareholders' equity		
April 1, 2020	231,672	6,892	238,564
Profit	15,868	205	16,073
Other comprehensive income	1,404	299	1,703
Total comprehensive income	17,272	504	17,777
Payment of dividends	(14,336)	(115)	(14,451)
Purchase of treasury stock	(0)	—	(0)
Disposal of treasury stock	31	—	31
Share-based payment transactions	32	—	32
Changes in purchase of shares of subsidiaries	—	—	—
Put options held by non-controlling shareholders	(533)	—	(533)
Transfer to retained earnings from other components of equity	—	—	—
Total transactions with owners	(14,805)	(115)	(14,921)
December 31, 2020	234,139	7,281	241,421

- (4) Notes to the summary of quarterly consolidated financial statement
(Notes on going concern assumptions)
None