

COMSYS Holdings Corporation

Consolidated Financial Results for the Fiscal Year Ended March 31, 2011 Under Japanese GAAP

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange and Osaka Securities Exchange (Securities code: 1721)
 URL: <http://www.comsys-hd.co.jp>
 Representative: Hajime Takashima, President and Representative Director
 For Inquiry: Yoshihiro Mimata, Director and General Manager of Finance & Accounting Department (Telephone:81-3-3448-7000)
 Scheduled Annual General Meeting of Shareholders: June 29, 2011
 Scheduled Commencement of Dividend Payment: June 30, 2011
 Scheduled Filing of Securities Report: June 29, 2011
 Supplementary Materials on Financial Results: Attached
 IR Presentation on Financial Results: Scheduled (For Institutional Investors and Analysts)

Amounts less than one million yen have been omitted.

1. Consolidated Financial Results (for the fiscal year ended March 31, 2011)

(1) Consolidated Operating Results

(Millions of yen, except per share data and percentages)

	Net Sales		Operating Income		Recurring Profit		Net Income	
Year ended March 31, 2011	¥315,480	7.6%	¥11,785	(6.0)%	¥12,140	(7.4)%	¥9,543	34.5%
Year ended March 31, 2010	293,086	(8.7)	12,540	(19.7)	13,113	(23.5)	7,097	(29.5)

Notes: 1. Comprehensive income: Year ended March 31, 2011: ¥9,703 million [29.3%] Year ended March 31, 2010: ¥7,504 million [—%]
 2. Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Recurring Profit / Total Assets	Operating Margin
Year ended March 31, 2011	¥73.92	¥73.78	6.1%	5.4%	3.7%
Year ended March 31, 2010	55.18	55.15	4.7	6.1	4.3

(Reference) Equity in earnings of affiliates: Year ended March 31, 2011: ¥— million Year ended March 31, 2010: ¥— million

(2) Consolidated Financial Position

(Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2011	¥237,436	¥161,768	67.7%	¥1,238.66
As of March 31, 2010	211,809	151,768	71.2	1,199.29

(Reference) Shareholders' equity: As of March 31, 2011: ¥160,843 million As of March 31, 2010: ¥150,759 million

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year ended March 31, 2011	¥ (1,585)	¥(3,418)	¥ (364)	¥17,635
Year ended March 31, 2010	10,055	(9,257)	(7,669)	23,005

2. Cash Dividends for Shareholders of Common Stock

(Millions of yen, except per share data and percentages)

	Cash Dividends per Share					Total Dividends (Annual)	Consolidated Basis	
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	Year-End	Annual		Dividend Payout Ratio	Ratio of Dividends to Net Assets
Year ended March 31, 2010	¥ —	¥10.00	¥ —	¥10.00	¥20.00	¥2,539	36.2%	1.7%
Year ended March 31, 2011	—	10.00	—	10.00	20.00	2,563	27.1	1.6
Year ending March 31, 2012 (Forecast)	—	10.00	—	10.00	20.00		35.6	

3. Earnings Forecast (for the fiscal year ending March 31, 2012)

(Millions of yen, except per share data and percentages)

	Net Sales		Operating Income		Recurring Profit		Net Income		Net Income per Share
Six months ending September 30, 2011	¥127,000	5.8%	¥ 1,900	13.7%	¥ 2,100	14.3%	¥ 900	—%	¥6.93
Year ending March 31, 2012	308,000	(2.4)	12,300	4.4	12,800	5.4	7,300	(23.5)	56.22

Note. For fiscal-year figures, percentages indicate the percentage change from the previous fiscal year. For first-half figures, percentages indicate the percentage change from the corresponding half of the previous fiscal year.

4. Other

(1) Changes in Significant Subsidiaries during the Period under Review (Changes to subsidiaries that would alter the scope of consolidation): Yes

Newly consolidated: 1 (TSUKEN Corporation) Excluded: —

(2) Changes in Significant Accounting Principles, Procedures and Presentation:

- a) Changes accompanying revision to accounting standards: Yes
b) Other changes aside from a) above: No

(4) Number of Shares Issued (common stock)

	As of March 31, 2011	As of March 31, 2010
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	16,124,888 shares	20,270,254 shares
	Year ended March 31, 2011	Year ended March 31, 2010
c) Average number of shares issued in the period	129,113,357 shares	128,625,870 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results (for the fiscal year ended March 31, 2011)

(1) Non-Consolidated Operating Results

(Millions of yen, except per share data and percentages)

	Operating Revenues		Operating Income		Recurring Profit		Net Income	
Year ended March 31, 2011	¥3,311	(5.4)%	¥2,563	(2.7)%	¥2,550	(4.9)%	¥2,406	(6.0)%
Year ended March 31, 2010	3,500	(2.9)	2,635	0.3	2,681	(1.8)	2,560	(2.7)

Note: Percentages indicate the percentage change from the corresponding period of the previous fiscal year.

	Net Income per Share	Net Income per Share (Diluted)
Year ended March 31, 2011	¥18.58	¥18.55
Year ended March 31, 2010	19.89	19.88

(2) Non-Consolidated Financial Position

(Millions of yen, except per share data and percentages)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of March 31, 2011	¥135,357	¥94,252	69.4%	¥719.19
As of March 31, 2010	128,691	90,803	70.4	719.83

(Reference) Shareholders' equity: As of March 31, 2011: ¥93,888 million As of March 31, 2010: ¥90,553 million

*Statement Regarding Implementation of Audit Procedures

This Consolidated Financial Results Report is not subject to the audit procedures prescribed under the Financial Instruments and Exchange Act of Japan. As of the date this Consolidated Financial Results Report was disclosed, however, audit procedures applicable to financial statements prescribed under the aforementioned Financial Instruments and Exchange Act had not been completed.

*Disclaimer Concerning the Proper Use of Business Results Forecasts and Other Relevant Specific Items

- Forward-looking statements including earnings forecasts contained in this document are based on certain reasonable assumptions and beliefs in light of information currently available to management. Readers are advised that actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to "1. Operating and Financial Review (1) Analysis of Operating Results" on page 3.
- COMSYS Holdings Corporation plans to hold an IR presentation on its financial results for institutional investors and analysts on Wednesday, May 18, 2011. Other materials distributed during the IR presentation will be posted on the Company's website in a timely manner after the presentation.

Accompanying Materials

1. Operating and Financial Review

(1) Analysis of Operating Results

1) Operating Results for the Fiscal Year Ended March 31, 2011

In the fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011), the Japanese economy remained shrouded in uncertainty. Despite signs of a recovery in corporate-sector earnings and personal consumption due mainly to improvements in overseas economies and positive contributions from economic stimulus measures implemented by the Japanese government, this uncertainty was largely attributable to such factors as the harsh employment environment and the extensive damage across wide-ranging areas caused by the Great East Japan Earthquake that occurred near the end of the fiscal year.

In the information and telecommunications field, the COMSYS Group's principal area of activity, significant growth and development was evident in the fixed telecommunication domain toward the fiscal year-end. This was particularly true for next-generation network (NGN) services as well as IRU construction work and terrestrial digital broadcasting-related activities undertaken by local governments to help resolve the digital divide (information disparity between regions). In the mobile telecommunications domain, market activity intensified. This largely reflected the introduction of new services that cater to the wide variety of devices, most notably smart phones and tablet-type terminals, as well as the commercial launch of the Long Term Evolution (LTE) next-generation mobile phone communication standard in December 2010. Looking ahead, the rapid transition to an Internet protocol (IP) broadband era is expected to further accelerate integration between fixed and mobile as well as communication and broadcasting services. At the same time, the widespread use of information and communication technology is projected to contribute significantly to sustainable economic growth while addressing such issues as the declining birthrate and aging population together with the shift to a low-carbon society.

Reflecting on the immediate business environment, however, telecommunication carriers, the COMSYS Group's mainstay customer base, are anticipated to confront intense competition in attracting customers. In addition to the marked shift in investment activity away from infrastructure development to high value-added services including contents, operating conditions are forecast to increase in their severity owing to such factors as the drop in capital expenditure largely reflecting the decline in the scale of construction work.

Under these circumstances, the COMSYS Group, together with its core operating companies including Nippon COMSYS Corporation, sought to meet the expectations of all stakeholders while actively implementing structural reforms under its Group Innovation 2010 initiative. In this manner, the Group worked diligently to achieve the three core objectives of increasing sales and earnings, enhancing business efficiency and promoting unified operations. In addition, COMSYS Holdings completed management integration with TSUKEN Corporation, a Hokkaido-based provider of services to the NTT group, in October 2010. Every effort is now being made to maximize synergies through business development over a wide-ranging area and the coordination of management resources. Complementing the ongoing pursuit of existing structural reform measures, the COMSYS Group is adhering strictly to a policy of asset rationalization as a part of efforts to further bolster its operating platform. At the same time, the Group is taking steps to optimize human resource allocation as well as its personnel cost structure.

Buoyed by the benefits of the aforementioned synergies resulting from management integration with TSUKEN Corporation as well as the steady progress in IRU construction work ordered by local government and other authorities, orders received climbed 3.4% compared with the previous fiscal year to ¥294,365 million, while net sales increased 7.6% year on year to ¥315,480 million. From a profit perspective, the COMSYS Group experienced an increase in productivity and reduction in operating expenses on the back of the implementation of structural reform measures. In addition to the review of contract unit prices and continuing contraction in small-scale construction work, the Group's operations and expenses were temporarily impacted by disaster relief and recovery measures. As a result, operating income declined 6.0% year on year to ¥11,785 million. Consistent with the implementation of measures aimed at strengthening its operating platform, the COMSYS Group also incurred certain extraordinary losses including a write-down on software, impairment losses applicable to land and buildings with respect to real estate for sale, and special payments on employees' retirement benefits in the fiscal year under review. This was more than offset by extraordinary income including the negative goodwill that arose from management integration. Accounting for each of the aforementioned, net income for the period jumped 34.5% to ¥9,543 million.

Turning to the damages incurred as a result of the recent earthquake, the COMSYS Group was fortunate to avoid any personal injury or damage to its employees. While certain of the Group's offices suffered building and facility damage, there was no major impediment to operations, which continued uninterrupted.

2) Earnings Forecast for the Fiscal Year Ending March 31, 2012

While there are expectations that the COMSYS Group will benefit from the positive flow-on effects of structural reforms, measures to strengthen the Group's operating platform and management integration, its business environment is projected to become increasingly difficult due mainly to the drop in capital expenditure by telecommunications carriers and completion of a round of IRU construction work as well as investments related to digital terrestrial broadcasting. Under these circumstances, orders are forecast to increase only slightly in the fiscal year ending March 31, 2012. Net sales are estimated to decline while gross profit, operating income and recurring profit are all anticipated to rise. After taking into consideration the absence of extraordinary income including the gain on negative goodwill recorded in the fiscal year ended March 31, 2011 and extraordinary losses relating to measure aimed at strengthening the Group's operating platform, net income is projected to substantially decline.

There are expectations that construction work will increase as a part of efforts to repair and restore communication infrastructure damaged by the recent Great East Japan Earthquake. The impact of any future upswing in construction work has not been factored into the Group's earnings forecasts for the fiscal year ending March 31, 2012 as of the date of this report.

	Year ended March 31, 2011	Year ending March 31, 2012	Change
Orders received	¥294,365	¥296,000	0.6%
Net sales	315,480	308,000	(2.4)
Gross profits	31,052	32,800	5.6
Operating income	11,785	12,300	4.4
Recurring profit	12,140	12,800	5.4
Net income	9,543	7,300	(23.5)

(2) Analysis of Financial Position

1) Analysis of Assets, Liabilities and Net Assets

(a) Assets

Current assets as of March 31, 2011 stood at ¥149,858 million, ¥20,823 million higher than at the end of the previous fiscal year. This was mainly attributable to the increase in notes and accounts receivable – trade of ¥23,169 million. Fixed assets as of the end of the fiscal year under review stood at ¥87,577 million, up ¥4,803 million compared with March 31, 2010. During the fiscal year under review, property and equipment climbed ¥6,455 million year on year.

As a result, total assets amounted to ¥237,436 million as of March 31, 2011, an increase of ¥25,627 million compared with the end of the previous fiscal year.

(b) Liabilities

Current liabilities increased ¥12,339 million compared with the previous fiscal year-end to ¥65,921 million. This was largely attributable to a year-on-year increase in accounts payable – trade of ¥5,692 million. As of March 31, 2011, long-term liabilities stood at ¥9,746 million compared with the end of the previous fiscal year. This was ¥3,288 million higher than March 31, 2010. In the fiscal year under review, accrued severance indemnities climbed ¥3,508 million.

As a result, total liabilities amounted to ¥75,667 million as of March 31, 2011, an increase of ¥15,627 million compared with the end of the previous fiscal year.

(c) Net assets

Net assets including minority interests stood at ¥161,768 million as of March 31, 2011. This was largely attributable to the increase in retained earnings of ¥7,588 million compared with the previous fiscal year-end after accounting for the period's net income of ¥9,543 million.

As of the end of the fiscal year under review, the equity ratio stood at 67.7%, down from 71.2% as of March 31, 2010.

2) Analysis of Cash Flow

Cash and cash equivalents stood at ¥17,635 million as of March 31, 2011, a decrease of ¥5,369 million, or 23.3%, compared with the end of the previous fiscal year.

The principal factors underpinning movements in each of the Group's major cash flows for the fiscal year ended March 31, 2011 are presented as follows.

(a) Cash flows from operating activities

Net cash used in operating activities amounted to ¥1,585 million compared with net cash provided by operating activities of ¥10,055 million for the previous fiscal year. The major cash inflows were income before income taxes and other adjustments to net income of ¥11,193 million, depreciation and amortization of ¥5,043 million and decrease in inventories of ¥3,346 million. Major cash outflows for the fiscal year ended March 31, 2011 were increase in receivables – trade of ¥15,297 million and gain on negative goodwill of ¥7,543 million.

(b) Cash flows from investing activities

Net cash used in investing activities totaled ¥3,418 million for the fiscal year under review, down 63.1% year on year. The major components were proceeds from sales of property amounting to ¥1,783 million and acquisitions of property and equipment of ¥6,162 million.

(c) Cash flows from financing activities

Net cash used in financing activities was ¥364 million for the fiscal year ended March 31, 2011, a year-on-year decrease of 95.2%. In the fiscal year under review, the Group experienced an increase in short-term borrowing in a net amount of ¥5,887 million. Acquisition of treasury stock amounted to ¥3,002 million, while cash dividends paid totaled ¥2,511 million.

(Reference) Changes in Cash Flow-Related Indicators

	Year ended March 31, 2007	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011
Equity ratio (%)	63.4	66.5	68.4	71.2	67.7
Equity ratio based on market value (%)	77.6	52.7	48.9	53.7	46.0
Ratio of interest-bearing liabilities to cash flows (%)	2.4	6.9	0.9	0.5	—
Interest coverage ratio (times)	358.1	95.0	3,577.8	3,175.2	—

Equity ratio: equity capital / total assets

Equity ratio based on market value: gross market capitalization / total assets

Ratio of interest-bearing liabilities to cash flows: interest-bearing liabilities / cash flows

Interest coverage ratio: cash flows / interest payment

- Notes:
1. All indicators are calculated on the basis of consolidated financial figures.
 2. Gross market capitalization is based on the total number of shares issued and outstanding excluding treasury stock.
 3. Cash flows is net cash provided by operating activities.
 4. Interest-bearing liabilities include all liabilities stated on the Group's consolidated balance sheets on which interest is paid.
 5. Interest paid is the amount of interest paid stated on the Group's consolidated statements of cash flows.

(3) Basic Policy for Distribution of Profits and Dividends for the Current and Next Fiscal Years

COMSYS Holdings has positioned the return of profits to shareholders as a key management priority. The Company adopts the basic policy of ensuring the stable and continuous payment of cash dividends while taking into consideration its operating performance.

Guided by the aforementioned policy, COMSYS Holdings paid an interim dividend of ¥10 per share for the fiscal year ended March 31, 2011. The Company also intends to pay a period-end cash dividend of ¥10 per share, for an annual cash dividend of ¥20 per share. Moreover, and in an effort to further enhance shareholder returns, COMSYS Holdings acquired 3,612,700 shares (¥2,999 million) of treasury stock in the fiscal year under review.

In the fiscal year ending March 31, 2012, COMSYS Holdings plans to again pay an annual cash dividend of ¥20 per share. The intention is to pay an interim cash dividend of ¥10 per share and a period-end cash dividend of ¥10 per share.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2010	As of March 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	23,609	18,265
Notes and accounts receivable—trade	79,823	102,993
Marketable securities	104	159
Accumulated cost of construction in progress	18,313	14,539
Real estate for sale	102	3,257
Merchandise	470	986
Materials and supplies	476	691
Deferred income taxes	2,734	3,053
Other current assets	3,520	6,107
Less: Allowance for doubtful receivables	(121)	(194)
Total current assets	129,035	149,858
Fixed assets:		
Property and equipment:		
Buildings and structures	35,097	45,798
Less: Accumulated depreciation	(16,176)	(21,288)
Buildings and structures, net	18,920	24,510
Machinery, vehicles and equipment	18,351	22,252
Less: Accumulated depreciation	(13,685)	(16,164)
Machinery, vehicles and equipment, net	4,665	6,088
Land	32,279	33,126
Lease assets	38	70
Less: Accumulated depreciation	(11)	(28)
Lease assets, net	27	42
Construction in progress	1,420	1
Total property and equipment	57,313	63,769
Intangible assets	6,395	2,677
Investments and other assets:		
Investment securities	7,119	7,128
Long-term loans receivable	2,519	1,980
Prepaid pension cost	4,264	4,407
Deferred income taxes	1,836	3,709
Other assets	5,643	6,039
Less: Allowance for doubtful receivables	(2,317)	(2,136)
Total investments and other assets	19,065	21,129
Total fixed assets	82,773	87,577
Total assets	211,809	237,436

	Millions of yen	
	As of March 31, 2010	As of March 31, 2011
LIABILITIES		
Current liabilities:		
Accounts payable—trade	41,023	46,716
Short-term bank loans	11	8,124
Income taxes payable	1,710	2,261
Advances received on construction in progress	3,706	1,228
Allowance for warranty work on construction projects	110	134
Allowance for losses on construction contracts	140	24
Other current liabilities	6,878	7,431
Total current liabilities	53,581	65,921
Long-term liabilities:		
Long-term debt	—	49
Deferred income taxes	1,090	1,205
Deferred tax liabilities for unrealized gains on land revaluation	2,365	1,865
Accrued severance indemnities	2,287	5,796
Allowance for directors' retirement benefits	175	302
Other long-term liabilities	538	526
Total long-term liabilities	6,458	9,746
Total liabilities	60,040	75,667
NET ASSETS		
Shareholders' equity:		
Common stock	10,000	10,000
Additional paid-in capital	57,016	55,346
Retained earnings	111,605	119,194
Treasury stock, at cost	(19,522)	(14,870)
Total shareholders' equity	159,100	169,671
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities	(443)	(374)
Unrealized loss on land revaluation	(7,896)	(8,453)
Total accumulated other comprehensive income	(8,340)	(8,827)
Subscription rights to shares	249	364
Minority interests	759	560
Total net assets	151,768	161,768
Total liabilities and net assets	211,809	237,436

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

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2011
Net sales	293,086	315,480
Cost of sales	260,294	284,427
Gross profits	32,791	31,052
Selling, general and administrative expenses	20,250	19,266
Operating income	12,540	11,785
Other income:		
Interest income	86	68
Dividend income	122	136
Amortization of negative goodwill	87	—
Rent income on noncurrent assets	149	131
Other	144	188
Total other income	591	525
Other expenses:		
Interest expenses	3	22
Foreign exchange losses	—	40
Commission for purchase of treasury stock	7	6
Provision for allowance for doubtful receivables	—	48
Other	8	52
Total other expenses	19	170
Recurring profit	13,113	12,140
Extraordinary income:		
Gain on sales of fixed assets	—	108
Gain on sales of investment securities	79	—
Reversal of allowance for doubtful receivables	—	116
Gain on payback of insurance payments	77	232
Gain on negative goodwill	—	7,543
Other	32	91
Total extraordinary income	189	8,091
Extraordinary loss:		
Write-down on investments in securities	—	675
Loss on sales of fixed assets	—	108
Loss on disposal of fixed assets	137	182
Provision for allowance for doubtful receivables	80	—
Loss on impairment of fixed assets	122	1,841
Special payments on employees' retirement benefits	135	1,246
Write-down on software	—	3,827
Other	180	1,156
Total extraordinary loss	655	9,038
Income before income taxes and other adjustments to net income	12,647	11,193
Income taxes:		
Current	4,300	3,636
Deferred	1,228	(2,077)
Total income taxes	5,529	1,558
Income before minority interests	—	9,634
Minority interests	20	90
Net income	7,097	9,543

(Consolidated Statements of Comprehensive Income)

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2011
Income before minority interests	—	9,634
Other comprehensive income:		
Unrealized gain (loss) on other securities	—	69
Total other comprehensive income	—	69
Comprehensive income	—	9,703
(Breakdown)		
Comprehensive income attributable to owners of the parent	—	9,613
Comprehensive income attributable to minority interests	—	90

(Additional Information)

Effective from the fiscal year ended March 31, 2011, COMSYS Holdings applied the “Accounting Standard for Presentation of Comprehensive Income” (Accounting Standard Board of Japan [ASBJ] Statement No. 25, issued on June 30, 2010). The amount of Accumulated Other Comprehensive Income and Total Accumulated Other Comprehensive Income for the fiscal year ended March 31, 2010 represents the amounts of Valuation and Translation Adjustments and Total Valuation and Translation Adjustments, respectively.

Notes to Consolidated Statements of Comprehensive Income

1) Comprehensive income for the fiscal year ended March 31, 2010	(Millions of yen)
Comprehensive income attributable to owners of the parent	7,511
Comprehensive income attributable to minority interests	(6)
Total comprehensive income	7,504
2) Other comprehensive income for the fiscal year ended March 31, 2010	(Millions of yen)
Unrealized gain (loss) on other securities	386
Total other comprehensive income	386

(3) Consolidated Statements of Changes in Net Assets

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2011
Shareholders' equity:		
Common stock:		
Balance at the end of the previous period	10,000	10,000
Changes during the period		
Total changes during the period	—	—
Balance at the end of the period	10,000	10,000
Additional paid-in capital:		
Balance at the end of the previous period	57,015	57,016
Changes during the period		
Disposal of treasury stock	1	(1,670)
Total changes during the period	1	(1,670)
Balance at the end of the period	57,016	55,346
Retained earnings:		
Balance at the end of the previous period	107,097	111,605
Changes during the period		
Cash dividends	(2,589)	(2,511)
Net income	7,097	9,543
Reversal of unrealized loss on land revaluation	—	556
Total changes during the period	4,507	7,588
Balance at the end of the period	111,605	119,194
Treasury stock, at cost:		
Balance at the end of the previous period	(14,529)	(19,522)
Changes during the period		
Repurchase of treasury stock	(5,006)	(3,002)
Disposal of treasury stock	14	8,060
Changes of scope of consolidation	—	(406)
Total changes during the period	(4,992)	4,652
Balance at the end of the period	(19,522)	(14,870)
Total shareholders' equity:		
Balance at the end of the previous period	159,583	159,100
Changes during the period		
Cash dividends	(2,589)	(2,511)
Net income	7,097	9,543
Repurchase of treasury stock	(5,006)	(3,002)
Disposal of treasury stock	15	6,390
Changes of scope of consolidation	—	(406)
Reversal of unrealized loss on land revaluation	—	556
Total changes during the period	(482)	10,570
Balance at the end of the period	159,100	169,671

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2011
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities:		
Balance at the end of the previous period	(857)	(443)
Changes during the period		
Net changes during the period except for shareholders' equity	413	69
Total changes during the period	413	69
Balance at the end of the period	(443)	(374)
Unrealized loss on land revaluation:		
Balance at the end of the previous period	(7,896)	(7,896)
Changes during the period		
Net changes during the period except for shareholders' equity	—	(556)
Total changes during the period	—	(556)
Balance at the end of the period	(7,896)	(8,453)
Total accumulated other comprehensive income:		
Balance at the end of the previous period	(8,753)	(8,340)
Changes during the period		
Net changes during the period except for shareholders' equity	413	(486)
Total changes during the period	413	(486)
Balance at the end of the period	(8,340)	(8,827)
Subscription rights to shares:		
Balance at the end of the previous period	69	249
Changes during the period		
Net changes during the period except for shareholders' equity	179	114
Total changes during the period	179	114
Balance at the end of the period	249	364
Minority interests:		
Balance at the end of the previous period	876	759
Changes during the period		
Net changes during the period except for shareholders' equity	(117)	(198)
Total changes during the period	(117)	(198)
Balance at the end of the period	759	560
Total net assets:		
Balance at the end of the previous period	151,775	151,768
Changes during the period		
Cash dividends	(2,589)	(2,511)
Net income	7,097	9,543
Repurchase of treasury stock	(5,006)	(3,002)
Disposal of treasury stock	15	6,390
Changes of scope of consolidation	—	(406)
Reversal of unrealized loss on land revaluation	—	556
Net changes during the period except for shareholders' equity	475	(571)
Total changes during the period	(7)	9,999
Balance at the end of the period	151,768	161,768

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash flows from operating activities:		
Income before income taxes and other adjustments to net income	12,647	11,193
Depreciation and amortization	4,951	5,043
Loss on impairment of fixed assets	—	1,841
Write-down of investments in securities	55	675
(Decrease) increase in allowance for doubtful receivables	12	(263)
Decrease in accrued severance indemnities	(547)	(235)
Interest and dividends received	(209)	(205)
Interest expenses	3	22
(Increase) decrease in receivables—trade	3,755	(15,297)
Decrease in inventories	2,191	3,346
Increase (decrease) in payables—trade	(5,716)	2,425
(Increase) decrease in other assets	310	(1,078)
Decrease in other liabilities	(908)	(2,687)
Amortization of negative goodwill	(87)	—
Gain on negative goodwill	—	(7,543)
Write-down on software	—	3,827
Other, net	350	171
	16,807	1,237
Cash and cash equivalents received on interest and dividends income	209	205
Cash and cash equivalents paid for interest expenses	(3)	(22)
Cash and cash equivalents paid for income taxes	(6,959)	(3,006)
Net cash provided by operating activities	10,055	(1,585)
Cash flows from investing activities:		
Decrease in time deposits, net	1,874	60
Payment for purchases of investment securities	(535)	(162)
Proceeds from sale of investment securities	113	239
Proceeds from acquisition of stocks of subsidiaries resulting in changes in scope of consolidation	—	1,079
Proceeds from sale of stocks of subsidiaries resulting in changes in scope of consolidation	—	6
Payments for sale of stocks of subsidiaries resulting in changes in scope of consolidation	(209)	—
Proceeds from sale of stocks of subsidiaries	—	62
Acquisitions of property and equipment	(9,267)	(6,162)
Acquisitions of other assets	(1,616)	(822)
Proceeds from sale of property	88	1,783
Increase in long-term loans	(1,889)	(2,267)
Collection of long-term loans	2,093	2,708
Other, net	91	55
Net cash used in investing activities	(9,257)	(3,418)

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(30)	5,887
Proceeds from long-term loans payable	—	30
Repayment of long-term debt	(31)	(742)
Proceeds from long-term debt	(10)	—
Acquisitions of treasury stock	(5,006)	(3,002)
Proceeds from sale of treasury stock	15	0
Cash dividends paid	(2,589)	(2,511)
Cash dividends paid to minority shareholders	(3)	(4)
Repayment of financial lease	—	(21)
Other	(11)	—
Net cash used in financing activities	(7,669)	(364)
Effect of exchange rate changes on cash and cash equivalents	—	(0)
Net increase (decrease) in cash and cash equivalents	(6,871)	(5,369)
Cash and cash equivalents at beginning of year	29,876	23,005
Cash and cash equivalents at end of year	23,005	17,635