

# COMSYS Holdings Corporation

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 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 28, 2012  
 Scheduled Commencement of Dividend Payment: June 29, 2012  
 Scheduled Filing of Securities Report: June 28, 2012  
 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, 2012)

#### (1) Consolidated Operating Results

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

	Net Sales		Operating Income		Recurring Profit		Net Income	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Year ended March 31, 2012	¥295,851	(6.2)%	¥12,592	6.9%	¥12,969	6.8%	¥7,173	(24.8)%
Year ended March 31, 2011	315,480	7.6	11,785	(6.0)	12,140	(7.4)	9,543	34.5

Notes: 1. Comprehensive income: Year ended March 31, 2012: ¥7,946 million [(18.1)%] Year ended March 31, 2011: ¥9,703 million [29.3%]  
 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, 2012	¥55.50	¥55.38	4.4%	5.6%	4.3%
Year ended March 31, 2011	73.92	73.80	6.1	5.4	3.7

(Reference) Equity in earnings of affiliates: Year ended March 31, 2012: ¥— million Year ended March 31, 2011: ¥— 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, 2012	¥228,135	¥164,574	71.7%	¥1,289.57
As of March 31, 2011	237,436	161,768	67.7	1,238.66

(Reference) Shareholders' equity: As of March 31, 2012: ¥163,506 million As of March 31, 2011: ¥160,843 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, 2012	¥31,734	¥(4,015)	¥(11,901)	¥33,454
Year ended March 31, 2011	(1,585)	(3,418)	(364)	17,635

### 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, 2011	¥ —	¥10.00	¥ —	¥10.00	¥20.00	¥2,563	27.1%	1.6%
Year ended March 31, 2012	—	10.00	—	10.00	20.00	2,576	36.0	1.6
Year ending March 31, 2013 (Forecast)	—	10.00	—	10.00	20.00		29.8	

### 3. Earnings Forecast (for the fiscal year ending March 31, 2013)

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

	Net Sales		Operating Income		Recurring Profit		Net Income		Net Income per Share
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount
Six months ending September 30, 2012	¥126,000	0.7%	¥ 2,800	35.9%	¥ 3,000	28.1%	¥1,400	74.5%	¥11.04
Year ending March 31, 2013	300,000	1.4	14,000	11.2	14,400	11.0	8,500	18.5	67.04

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.

**\*Notes:**

(1) Changes in significant subsidiaries during the period under review (changes to subsidiaries that would alter the scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements due to error correction

- a) Changes in accounting policies due to revisions of accounting standards: Yes
- b) Changes in accounting policies due to other reasons: No
- c) Changes in accounting estimates: No
- d) Restatements of prior period financial statements due to error correction: No

(3) Number of shares issued (common stock)

	As of March 31, 2012	As of March 31, 2011
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	19,186,339 shares	16,124,888 shares
	Year ended March 31, 2012	Year ended March 31, 2011
c) Average number of shares issued in the period	129,250,956 shares	129,113,357 shares

**(Reference) Summary of Non-Consolidated Financial Results**

**Non-Consolidated Financial Results (for the fiscal year ended March 31, 2012)**

**(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, 2012	¥3,477	5.0%	¥2,662	3.9%	¥2,715	6.5%	¥2,695	12.0%
Year ended March 31, 2011	3,311	(5.4)	2,563	(2.7)	2,550	(4.9)	2,406	(6.0)

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, 2012	¥20.75	¥20.70
Year ended March 31, 2011	18.58	18.55

**(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, 2012	¥135,330	¥91,423	67.2%	¥716.08
As of March 31, 2011	135,357	94,252	69.4	719.19

(Reference) Shareholders' equity:

As of March 31, 2012: ¥90,993 million

As of March 31, 2011: ¥93,888 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**

1. 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.
2. COMSYS Holdings Corporation plans to hold an IR presentation on its financial results for institutional investors and analysts on Thursday, May 17, 2012. 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, 2012

In the fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012), the Japanese economy remained shrouded in uncertainty. Despite signs of a moderate recovery, backed by government stimulus measures, the Japanese economy continued to face difficult conditions due to the ongoing effects of the Great East Japan Earthquake. Uncertainty also persisted because of an economic downswing overseas caused by the European sovereign debt crisis and rising crude oil prices.

In the information and communications field, the COMSYS Group's principal area of activity, investment in the installation of high-speed and higher traffic volume-ready networks, such as the Long-Term Evolution (LTE) next-generation mobile phone communication standard, was advanced to address the sharp growth in telecommunications volume accompanying the rise in the number of smartphone users and to improve telecommunications quality. In addition, steps were taken to promote the repair and restoration of communications infrastructure in regions devastated by the Great East Japan Earthquake. Looking ahead, the use of information and communications technology is expected to contribute to sustained economic growth, in addition to establishing a disaster-proof telecommunications network.

The COMSYS Group, together with its core operating companies, including Nippon COMSYS Corporation, sought to meet the expectations of all stakeholders while maintaining and deepening the structural reforms it has implemented so far. While it worked to maintain and upgrade its technological construction capabilities, strengthen market competitiveness, and enhance operational infrastructure, the Group also worked together on new projects in order to create a new growth strategy. Moreover, the COMSYS Group was united in its involvement with rehabilitation and reconstruction work for communications infrastructure following the earthquake, at the request of telecommunications carriers.

Under these circumstances, despite the benefits of the management integration with TSUKEN Corporation, orders received rose 1.2% compared with the previous fiscal year to ¥297,769 million, while net sales declined 6.2% to ¥295,851 million. These results primarily reflected a drop in private-sector capital investment and the completion of the round of IRU construction work and terrestrial digital broadcasting-related activities. From a profit perspective, the COMSYS Group worked diligently to increase productivity and reduce operating expenses as a part of its structural reform measures. Results were further bolstered by the positive effects of initiatives implemented during the fiscal year ended March 31, 2011 aimed at strengthening the Group's operating platform. As a result, the Group posted operating income of ¥12,592 million, up 6.9% compared with the previous fiscal year, and net income of ¥7,173 million, down 24.8%. The decline in net income was mainly due to the impact from the gain on negative goodwill accompanying the management integration, which was recorded as extraordinary income during the fiscal year ended March 2011.

##### 2) Earnings Forecast for the Fiscal Year Ending March 31, 2013

While there are expectations that the COMSYS Group will benefit in the short term from the rapid uptake of smartphones and tablets, the net growth in the number of optical access services is tending to slow. Moreover, the investment structure is shifting to server-related equipment and services, including content, and it is expected that capital expenditure on primary telecommunications infrastructure will experience an even tougher environment. The COMSYS Group intends to maintain and deepen structural reforms with the aim of transforming itself into a business structure that can consistently generate profit in an environment of declining revenues. The earnings forecast for the fiscal year ending March 2013 presented below projects a slight decrease in orders received and a slight increase in net sales, while profit is expected to rise.

	Year ended March 31, 2012	Year ending March 31, 2013	Change
Orders received	¥297,769	¥295,000	(0.9)%
Net sales	295,851	300,000	1.4
Gross profits	31,117	32,500	4.4
Operating income	12,592	14,000	11.2
Recurring profit	12,969	14,400	11.0
Net income	7,173	8,500	18.5

## **(2) Analysis of Financial Position**

### ***1) Analysis of Assets, Liabilities and Net Assets***

#### *(a) Assets*

Current assets as of March 31, 2012 stood at ¥141,646 million, ¥8,212 million lower than at the end of the previous fiscal year. This was mainly attributable to the decrease in notes and accounts receivable – trade of ¥21,140 million. Fixed assets as of the end of the fiscal year under review stood at ¥86,488 million, down ¥1,088 million compared with March 31, 2011. This was mainly attributable to a decrease in deferred income taxes of ¥1,299 million.

As a result, total assets amounted to ¥228,135 million as of March 31, 2012, a decrease of ¥9,300 million compared with the end of the previous fiscal year.

#### *(b) Liabilities*

Current liabilities decreased ¥10,438 million compared with the previous fiscal year-end to ¥55,482 million. This was largely attributable to a decrease in accounts payable – trade of ¥6,825 million and a decline in short-term bank loans of ¥6,603 million. As of March 31, 2012, long-term liabilities stood at ¥8,078 million, ¥1,668 million lower compared with the end of the previous fiscal year. This was mainly attributable to a decline of ¥871 million in deferred income taxes.

As a result, total liabilities amounted to ¥63,560 million, a decrease of ¥12,107 million compared with the end of the previous fiscal year.

#### *(c) Net assets*

Net assets including minority interests stood at ¥164,574 million as of March 31, 2012. This was largely attributable to an increase in retained earnings of ¥4,417 million compared with the previous fiscal year-end, after accounting for that fiscal period's net income of ¥7,173 million.

As of the end of the fiscal year under review, the equity ratio stood at 71.7%, up from 67.7% as of March 31, 2011.

### ***2) Analysis of Cash Flow***

Cash and cash equivalents stood at ¥33,454 million as of March 31, 2012, an increase of ¥15,818 million, or 89.7%, 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, 2012 are presented as follows.

#### *(a) Cash flows from operating activities*

Net cash used in operating activities amounted to ¥31,734 million compared with net cash used in operating activities of ¥1,585 million for the previous fiscal year. The major cash inflows were a decrease in receivables – trade of ¥21,250 million, income before income taxes and other adjustments to net income of ¥12,267 million, and depreciation and amortization of ¥4,640 million. Major cash outflows for the fiscal year ended March 31, 2012 were a decrease in payables – trade of ¥6,831 million and a decrease in cash and cash equivalents paid for income taxes of ¥3,945 million.

#### *(b) Cash flows from investing activities*

Net cash used in investing activities totaled ¥4,015 million for the fiscal year under review compared with net cash of ¥3,418 million used in investing activities in the previous fiscal year. The major components were acquisitions of property and equipment of ¥4,076 million and acquisitions of other intangible fixed assets of ¥1,960 million.

#### *(c) Cash flows from financing activities*

Net cash used in financing activities was ¥11,901 million for the fiscal year ended March 31, 2012, compared with net cash of ¥364 million used in financing activities in the previous fiscal year. In the fiscal year under review, the Group experienced a net decrease in short-term borrowing of ¥6,260 million. Acquisition of treasury stock amounted to ¥3,000 million, while cash dividends paid totaled 2,597 million.

**(Reference) Changes in Cash Flow-Related Indicators**

	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Equity ratio (%)	66.5	68.4	71.2	67.7	71.7
Equity ratio based on market value (%)	52.7	48.9	53.7	46.0	49.8
Ratio of interest-bearing liabilities to cash flows (%)	6.9	0.9	0.5	—	4.9
Interest coverage ratio (times)	95.0	3,577.8	3,175.2	—	2,571.4

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, 2012. 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 3,526,600 shares (¥2,999 million) of treasury stock in the fiscal year under review.

In the fiscal year ending March 31, 2013, 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.

Moreover, the Group has decided to acquire a maximum of ¥3,000 million in treasury stock during the fiscal year ending March 31, 2013 in order to facilitate an even greater return of profits to shareholders and achieve a flexible capitalization strategy that responds to changes in the business environment.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2011	As of March 31, 2012
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	18,265	33,489
Notes and accounts receivable—trade	102,993	81,853
Lease investment assets	2,287	2,542
Marketable securities	159	59
Accumulated cost of construction in progress	14,539	15,087
Real estate for sale	3,257	18
Merchandise	986	1,352
Materials and supplies	691	651
Deferred income taxes	3,053	3,495
Other current assets	3,820	3,233
Less: Allowance for doubtful receivables	(194)	(137)
<b>Total current assets</b>	<b>149,858</b>	<b>141,646</b>
<b>Fixed assets:</b>		
<b>Property and equipment:</b>		
Buildings and structures	45,798	45,620
Less: Accumulated depreciation	(21,288)	(22,535)
<b>Buildings and structures, net</b>	<b>24,510</b>	<b>23,085</b>
Machinery, vehicles and equipment	22,252	20,074
Less: Accumulated depreciation	(16,164)	(14,956)
<b>Machinery, vehicles and equipment, net</b>	<b>6,088</b>	<b>5,118</b>
Land	33,126	34,391
Lease assets	70	92
Less: Accumulated depreciation	(28)	(48)
<b>Lease assets, net</b>	<b>42</b>	<b>43</b>
Construction in progress	1	936
<b>Total property and equipment</b>	<b>63,769</b>	<b>63,575</b>
Intangible assets	2,677	3,802
<b>Investments and other assets:</b>		
Investment securities	7,128	7,228
Long-term loans receivable	1,980	1,759
Prepaid pension cost	4,407	4,077
Deferred income taxes	3,709	2,410
Other assets	6,039	5,689
Less: Allowance for doubtful receivables	(2,136)	(2,055)
<b>Total investments and other assets</b>	<b>21,129</b>	<b>19,110</b>
<b>Total fixed assets</b>	<b>87,577</b>	<b>86,488</b>
<b>Total assets</b>	<b>237,436</b>	<b>228,135</b>

	Millions of yen	
	As of March 31, 2011	As of March 31, 2012
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable—trade	46,716	39,891
Short-term bank loans	8,124	1,520
Income taxes payable	2,261	3,795
Advances received on construction in progress	1,228	1,448
Allowance for warranty work on construction projects	134	131
Allowance for losses on construction contracts	24	1,057
Other current liabilities	7,431	7,637
<b>Total current liabilities</b>	<b>65,921</b>	<b>55,482</b>
<b>Long-term liabilities:</b>		
Long-term debt	49	—
Deferred income taxes	1,205	333
Deferred tax liabilities for unrealized gains on land revaluation	1,865	1,662
Accrued severance indemnities	5,796	5,426
Allowance for directors' retirement benefits	302	266
Other long-term liabilities	526	388
<b>Total long-term liabilities</b>	<b>9,746</b>	<b>8,078</b>
<b>Total liabilities</b>	<b>75,667</b>	<b>63,560</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Common stock	10,000	10,000
Additional paid-in capital	55,346	55,374
Retained earnings	119,194	123,611
Treasury stock, at cost	(14,870)	(17,504)
<b>Total shareholders' equity</b>	<b>169,671</b>	<b>171,481</b>
<b>Accumulated other comprehensive income:</b>		
Unrealized gain (loss) on other securities	(374)	115
Unrealized gain (loss) on land revaluation	(8,453)	(8,090)
<b>Total accumulated other comprehensive income</b>	<b>(8,827)</b>	<b>(7,974)</b>
<b>Subscription rights to shares</b>	<b>364</b>	<b>430</b>
<b>Minority interests</b>	<b>560</b>	<b>637</b>
<b>Total net assets</b>	<b>161,768</b>	<b>164,574</b>
<b>Total liabilities and net assets</b>	<b>237,436</b>	<b>228,135</b>

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

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2012
Net sales	315,480	295,851
Cost of sales	284,427	264,733
Gross profits	31,052	31,117
Selling, general and administrative expenses	19,266	18,525
Operating income	11,785	12,592
<b>Other income:</b>		
Interest income	68	52
Dividend income	136	142
Rent income on noncurrent assets	131	127
Other	188	214
Total other income	525	536
<b>Other expenses:</b>		
Interest expenses	22	14
Foreign exchange losses	40	31
Rent expenses	14	46
Provision for allowance for doubtful receivables	48	—
Other	44	67
Total other expenses	170	159
<b>Recurring profit</b>	<b>12,140</b>	<b>12,969</b>
<b>Extraordinary income:</b>		
Gain on sales of fixed assets	108	54
Gain on sales of investment securities	67	35
Reversal of allowance for doubtful receivables	116	—
Gain on payback of insurance payments	232	156
Gain on negative goodwill	7,543	—
Other	24	4
Total extraordinary income	8,091	251
<b>Extraordinary loss:</b>		
Write-down on investments in securities	675	479
Loss on sales of fixed assets	108	145
Loss on disposal of fixed assets	182	73
Loss on impairment of fixed assets	1,841	4
Special payments on employees' retirement benefits	1,246	61
Write-down on software	3,827	—
Other	1,156	189
Total extraordinary loss	9,038	953
<b>Income before income taxes and other adjustments to net income</b>	<b>11,193</b>	<b>12,267</b>
<b>Income taxes:</b>		
Current	3,636	5,362
Deferred	(2,077)	(348)
Total income taxes	1,558	5,013
<b>Income before minority interests</b>	<b>9,634</b>	<b>7,253</b>
<b>Minority interests</b>	<b>90</b>	<b>79</b>
<b>Net income</b>	<b>9,543</b>	<b>7,173</b>



**(Consolidated Statements of Comprehensive Income)**

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2012
<b>Income before minority interests</b>	9,634	7,253
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on other securities	69	489
Unrealized gain (loss) on land revaluation	—	203
<b>Total other comprehensive income</b>	69	693
<b>Comprehensive income</b>	9,703	7,946
(Breakdown)		
Comprehensive income attributable to owners of the parent	9,613	7,867
Comprehensive income attributable to minority interests	90	79

### (3) Consolidated Statements of Changes in Net Assets

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2012
<b>Shareholders' equity:</b>		
<b>Common stock:</b>		
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
<b>Additional paid-in capital:</b>		
Balance at the end of the previous period	57,016	55,346
Changes during the period		
Disposal of treasury stock	(1,670)	27
Total changes during the period	(1,670)	27
Balance at the end of the period	55,346	55,374
<b>Retained earnings:</b>		
Balance at the end of the previous period	111,605	119,194
Changes during the period		
Cash dividends	(2,511)	(2,597)
Net income	9,543	7,173
Reversal of unrealized gain (loss) on land revaluation	556	(159)
Total changes during the period	7,588	4,417
Balance at the end of the period	119,194	123,611
<b>Treasury stock, at cost:</b>		
Balance at the end of the previous period	(19,522)	(14,870)
Changes during the period		
Repurchase of treasury stock	(3,002)	(3,000)
Disposal of treasury stock	8,060	366
Changes of scope of consolidation	(406)	—
Total changes during the period	4,652	(2,634)
Balance at the end of the period	(14,870)	(17,504)
<b>Total shareholders' equity:</b>		
Balance at the end of the previous period	159,100	169,671
Changes during the period		
Cash dividends	(2,511)	(2,597)
Net income	9,543	7,173
Repurchase of treasury stock	(3,002)	(3,000)
Disposal of treasury stock	6,390	393
Changes of scope of consolidation	(406)	—
Reversal of unrealized gain (loss) on land revaluation	556	(159)
Total changes during the period	10,570	1,810
Balance at the end of the period	169,671	171,481

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2012
<b>Accumulated other comprehensive income:</b>		
<b>Unrealized gain (loss) on other securities:</b>		
Balance at the end of the previous period	(443)	(374)
Changes during the period		
Net changes during the period except for shareholders' equity	69	490
Total changes during the period	69	490
Balance at the end of the period	(374)	115
<b>Unrealized gain (loss) on land revaluation:</b>		
Balance at the end of the previous period	(7,896)	(8,453)
Changes during the period		
Net changes during the period except for shareholders' equity	(556)	362
Total changes during the period	(556)	362
Balance at the end of the period	(8,453)	(8,090)
<b>Total accumulated other comprehensive income:</b>		
Balance at the end of the previous period	(8,340)	(8,827)
Changes during the period		
Net changes during the period except for shareholders' equity	(486)	852
Total changes during the period	(486)	852
Balance at the end of the period	(8,827)	(7,974)
<b>Subscription rights to shares:</b>		
Balance at the end of the previous period	249	364
Changes during the period		
Net changes during the period except for shareholders' equity	114	66
Total changes during the period	114	66
Balance at the end of the period	364	430
<b>Minority interests:</b>		
Balance at the end of the previous period	759	560
Changes during the period		
Net changes during the period except for shareholders' equity	(198)	76
Total changes during the period	(198)	76
Balance at the end of the period	560	637
<b>Total net assets:</b>		
Balance at the end of the previous period	151,768	161,768
Changes during the period		
Cash dividends	(2,511)	(2,597)
Net income	9,543	7,173
Repurchase of treasury stock	(3,002)	(3,000)
Disposal of treasury stock	6,390	393
Changes of scope of consolidation	(406)	—
Reversal of unrealized gain (loss) on land revaluation	556	(159)
Net changes during the period except for shareholders' equity	(571)	995
Total changes during the period	9,999	2,806
Balance at the end of the period	161,768	164,574

#### (4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2012
<b>Cash flows from operating activities:</b>		
Income before income taxes and other adjustments to net income	11,193	12,267
Depreciation and amortization	5,043	4,640
Loss on impairment of fixed assets	1,841	4
Write-down of investments in securities	675	479
Decrease in allowance for doubtful receivables	(263)	(126)
Decrease in accrued severance indemnities	(235)	(369)
Interest and dividends received	(205)	(194)
Interest expenses	22	14
(Increase) decrease in receivables—trade	(15,297)	21,250
Decrease in inventories	3,346	2,255
(Decrease) increase in payables—trade	2,425	(6,831)
Decrease (increase) in other assets	(1,078)	718
Increase (decrease) in other liabilities	(2,687)	1,279
Gain on negative goodwill	(7,543)	—
Write-down on software	3,827	—
Other, net	171	108
	1,237	35,496
Cash and cash equivalents received on interest and dividends income	205	195
Cash and cash equivalents paid for interest expenses	(22)	(12)
Cash and cash equivalents paid for income taxes	(3,006)	(3,945)
Net cash provided by operating activities	(1,585)	31,734
<b>Cash flows from investing activities:</b>		
Decrease in time deposits, net	60	603
Payment for purchases of investment securities	(162)	(22)
Proceeds from sale of investment securities	239	132
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	—
Proceeds from sale of stocks of subsidiaries	62	—
Acquisitions of property and equipment	(6,162)	(4,076)
Acquisitions of other assets	(822)	(1,960)
Proceeds from sale of property	1,783	482
Increase in long-term loans	(192)	(3)
Collection of long-term loans	633	497
Other, net	55	331
Net cash used in investing activities	(3,418)	(4,015)

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2012
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term borrowings, net	5,887	(6,260)
Proceeds from long-term loans payable	30	—
Repayment of long-term debt	(742)	(393)
Acquisitions of treasury stock	(3,002)	(3,000)
Proceeds from sale of treasury stock	0	378
Cash dividends paid	(2,511)	(2,597)
Cash dividends paid to minority shareholders	(4)	(2)
Repayment of financial lease	(21)	(26)
Net cash used in financing activities	(364)	(11,901)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(0)	1
<b>Net increase (decrease) in cash and cash equivalents</b>	(5,369)	15,818
<b>Cash and cash equivalents at beginning of year</b>	23,005	17,635
<b>Cash and cash equivalents at end of year</b>	17,635	33,454