

COMSYS Holdings Corporation

Consolidated Financial Results for the Fiscal Year Ended March 31, 2013 Under Japanese GAAP

Head Office: 17-1, Higashigotanda 2-chome, Shinagawa-ku, Tokyo 141-8647, Japan
 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 27, 2013
 Scheduled Commencement of Dividend Payment: June 28, 2013
 Scheduled Filing of Securities Report: June 27, 2013
 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, 2013)

(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, 2013	¥316,092	6.8%	¥22,547	79.1%	¥22,914	79.7%	¥13,284	85.2%
Year ended March 31, 2012	295,851	(6.2)	12,592	6.9	12,969	6.8	7,173	(24.8)

Notes: 1. Comprehensive income: Year ended March 31, 2013: ¥14,619 million [84.0%] Year ended March 31, 2012: ¥7,946 million [(18.1)%]
 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, 2013	¥106.82	¥106.40	7.9%	9.8%	7.1%
Year ended March 31, 2012	55.50	55.38	4.4	5.6	4.3

(Reference) Equity in earnings of affiliates: Year ended March 31, 2013: ¥— million Year ended March 31, 2012: ¥— 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, 2013	¥240,602	¥173,411	71.6%	¥1,401.05
As of March 31, 2012	228,135	164,574	71.7	1,289.57

(Reference) Shareholders' equity: As of March 31, 2013: ¥172,282 million As of March 31, 2012: ¥163,506 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, 2013	¥ 3,963	¥(7,554)	¥ (6,489)	¥23,469
Year ended March 31, 2012	31,734	(4,015)	(11,901)	33,454

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, 2012	¥ —	¥10.00	¥ —	¥10.00	¥20.00	¥2,576	36.0%	1.6%
Year ended March 31, 2013	—	10.00	—	10.00	20.00	2,471	18.7	1.5
Year ending March 31, 2014 (Forecast)	—	10.00	—	10.00	20.00		16.4	

3. Earnings Forecast (for the fiscal year ending March 31, 2014)

(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, 2013	¥138,000	4.4%	¥ 8,500	25.5%	¥ 8,700	22.7%	¥ 5,100	33.6%	¥ 41.47
Year ending March 31, 2014	325,000	2.8	24,000	6.4	24,500	6.9	15,000	12.9	121.98

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: Yes
- d) Restatements of prior period financial statements due to error correction: No

(3) Number of shares issued (common stock)

	As of March 31, 2013	As of March 31, 2012
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	23,011,312 shares	19,186,339 shares
	Year ended March 31, 2013	Year ended March 31, 2012
c) Average number of shares issued in the period	124,369,863 shares	129,250,956 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results (for the fiscal year ended March 31, 2013)

(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, 2013	¥3,356	(3.5)%	¥2,520	(5.4)%	¥2,590	(4.6)%	¥2,530	(6.1)%
Year ended March 31, 2012	3,477	5.0	2,662	3.9	2,715	6.5	2,695	12.0

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, 2013	¥20.30	¥20.22
Year ended March 31, 2012	20.75	20.70

(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, 2013	¥143,237	¥87,919	61.0%	¥709.40
As of March 31, 2012	135,330	91,423	67.2	716.08

(Reference) Shareholders' equity:

As of March 31, 2013: ¥87,421 million

As of March 31, 2012: ¥90,993 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) 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 Wednesday, May 15, 2013. 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. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

1) Operating Results for the Fiscal Year Ended March 31, 2013

In the fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013), the Japanese economy remained shrouded in uncertainty due to the European sovereign debt crisis, the economic slowdown in China and the impact from the prolonged appreciation of the yen. However, some positive signs of economic recovery were visible from the end of last year, including the depreciation of the yen and a rise in share prices resulting from anticipation of aggressive government economic and monetary policy.

In the information and communications field, the COMSYS Group's principal area of activity, expansion of Long-Term Evolution (LTE) and Wi-Fi service areas and installation of diversified and advanced service-ready networks made rapid progress accompanying the spread of smartphones and tablets. In addition, information and communications technology (ICT) is expected to contribute significantly to achieving an affluent society, which includes more efficient economic activity and greater convenience in daily life for the public through the ICT Growth Strategy that the government is promoting.

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 COMSYS WAY structural reforms it has implemented so far, striving to strengthen its operational infrastructure in order to create value for society. Moreover, the COMSYS Group took initiatives in new fields such as renewable energy, which includes the mega-solar power business, with the aim of developing and expanding new businesses.

Under these circumstances, orders received rose 12.7% year-on-year to ¥335,632 million, attributable to favorable mobile and NCC-related projects, while net sales rose 6.8% to ¥316,092 million. From a profit perspective, the COMSYS Group experienced greater efficiency in conjunction with growth in the volume of projects as well as the benefits of the structural reforms that it has implemented to date. As a result, operating income rose substantially by 79.1% year-on-year to ¥22,547 million, and net income climbed by 85.2% to ¥13,284 million.

2) Earnings Forecast for the Fiscal Year Ending March 31, 2014

In the consolidated earnings forecasts for the COMSYS Group for the year ending March 31, 2014, given that the information and communications market will continue to advance, orders received are expected to fall slightly due to orders received brought forward in the fiscal year under review, while sales are forecast to rise due to a substantial increase in contract backlog at the beginning of the year. From a profit perspective, due to an increase in efficiency accompanying the growth in the volume of projects and the sustained effects of structural reforms, profit is expected to rise.

Earnings Forecast

(Millions of yen, except percentages)

	Year ended March 31, 2013	Year ending March 31, 2014	Change
Orders received	¥335,632	¥320,000	(4.7)%
Net sales	316,092	325,000	2.8
Gross profits	41,226	42,500	3.1
Operating income	22,547	24,000	6.4
Recurring profit	22,914	24,500	6.9
Net income	13,284	15,000	12.9

(2) Analysis of Financial Position

1) Analysis of Assets, Liabilities and Net Assets

(a) Assets

Current assets as of March 31, 2013 stood at ¥149,593 million, ¥7,947 higher than at the end of the previous fiscal year. This was mainly attributable to a ¥14,726 increase in notes and accounts receivable – trade. Fixed assets as of March 31, 2013 stood at ¥91,008 million, up ¥4,519 million compared with March 31, 2012. This was mainly attributable to an increase in property (land) of ¥3,933 million.

As a result, total assets amounted to ¥240,602 million as of March 31, 2013, an increase of ¥12,466 million compared with the end of the previous fiscal year.

(b) Liabilities

Current liabilities as of March 31, 2013 stood at ¥59,238 million, up ¥3,755 million compared with the previous fiscal year-end. This was mainly attributable to an increase in accounts payable – trade of ¥4,564 million. As of March 31, 2013, long-term liabilities amounted to ¥7,951 million, ¥126 million lower compared with the end of the previous fiscal year. This was mainly attributable to a decline of ¥349 million in accrued severance indemnities.

As a result, total liabilities amounted to ¥67,190 million, an increase of ¥3,629 million compared with the end of the previous fiscal year.

(c) Net assets

Net assets including minority interests stood at ¥173,411 million as of March 31, 2013. This was largely attributable to an increase in retained earnings of ¥11,135 million compared with the previous fiscal year-end, after accounting for that fiscal period's net income of ¥13,284 million.

As of the end of the fiscal year under review, the equity ratio stood at 71.6%, down from 71.7% as of March 31, 2012.

2) Analysis of Cash Flow

Cash and cash equivalents stood at ¥23,469 million as of March 31, 2013, a decrease of ¥9,985 million, or 29.8%, 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, 2013 are presented as follows.

(a) Cash flows from operating activities

Net cash provided by operating activities stood at ¥3,963 million compared with net cash provided by operating activities of ¥31,734 million for the previous fiscal year. The major cash inflows were income before income taxes and other adjustments to net income of ¥21,093 million and depreciation and amortization of ¥4,486 million. Major cash outflows for the fiscal year ended March 31, 2013 were an increase in receivables of ¥14,388 million and income taxes paid of ¥8,383 million.

(b) Cash flows from investing activities

Net cash used in investing activities totaled ¥7,554 million for the fiscal year under review compared with net cash of ¥4,015 million used in investing activities in the previous fiscal year. The major components were acquisitions of property and equipment of ¥6,527 million and acquisitions of intangible assets of ¥1,561 million.

(c) Cash flows from financing activities

Net cash used in financing activities was ¥6,489 million for the fiscal year ended March 31, 2013, compared with ¥11,901 million used in financing activities in the previous fiscal year. Acquisition of treasury stock amounted to ¥4,013 million, while cash dividends totaled ¥2,504 million.

(Reference) Changes in Cash Flow-Related Indicators

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013
Equity ratio (%)	68.4	71.2	67.7	71.7	71.6
Equity ratio based on market value (%)	48.9	53.7	46.0	49.8	58.4
Ratio of interest-bearing liabilities to cash flows (%)	0.9	0.5	—	4.9	47.6
Interest coverage ratio (times)	3,577.8	3,175.2	—	2,571.4	173.7

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, 2013. 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 4,168 thousand shares (¥3,999 million) of treasury stock in the fiscal year under review.

In the fiscal year ending March 31, 2014, 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 ¥5,000 million in treasury stock during the fiscal year ending March 31, 2014 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. Management Policy

(1) Basic Policy on Corporate Management

The COMSYS Group has set three pillars—“growth in revenues and income,” “streamlined operations,” and “promotion of integrated operations”—as the foundations of its management policy. The COMSYS Group aims to be a truly accomplished company that is trusted and well respected by all of its stakeholders, as it carries out ongoing efforts improve corporate value.

Moreover, the COMSYS Group seeks to ensure occupational safety and health, enhance corporate governance, guarantee rigorous compliance, strengthen risk management, and ensure adherence to the COMSYS Group’s Code of Conduct, while further consolidating internal control based on Japan’s Companies Act and the Financial Instruments and Exchange Act.

(2) Target Management Indicators

From a medium- to long-term perspective, the COMSYS Group aims to develop an effective structure that overcomes the challenging management environment by initiating structural reforms in order to survive in today’s competitive environment by improving productivity and strengthening cost competitiveness.

(3) Medium- to Long-Term Corporate Management Strategy

The COMSYS Group is working toward the achievement of the three management strategies below.

- 1) **Further consolidate our position as the No. 1 company in communications infrastructure construction**
- 2) **Leverage the synergies of the COMSYS Group**
- 3) **Aim to be a knowledge-intensive company by harnessing the IT of the COMSYS Group**

(4) Challenges to be Addressed

In the information and communications field, the COMSYS Group’s principal area of activity, while the growth in the number of broadband optical access services is tending to slow slightly, the installation and construction of a communications network infrastructure for the delivery of high-quality services is expected to continue. Such infrastructure projects include the creation of high functionality in wireless broadband, the expansion of LTE and Wi-Fi service areas and the integration of services through the use of diverse mobile devices.

Moreover, growth is expected to continue in social infrastructure-related business and IT-related business, including positive initiatives in response to rising public investment due to the ICT Growth Strategy that the government is promoting and private sector capital expenditure and IT investment, as well as growing market needs in the promising environment and energy sectors.

In this market environment, the COMSYS Group will not only make profit a priority, but it will also endeavor to expand its top line (revenues) as it switches to a leaner operational infrastructure, including higher productivity and streamlined operations through the COMSYS WAY structural reforms implemented to date. In addition, the Group recognizes the issues below as new challenges to be addressed.

1) Increase top line (revenues) by strengthening social infrastructure-related business and IT-related business

- Actively increase orders received in response to higher public investment and investment in ICT
- Actively expand the mega-solar power business and water recycling business
- Actively take initiatives in next-generation businesses, such as green innovation
- Train and utilize young employees with the aim of developing new businesses
- Enhance research and development with the establishment of a new Technology Development Office

2) *Maintain and deepen COMSYS WAY structural reforms*

- Create a new IT platform for total management from order receipt through to project management in response to an increase in small projects and repeat projects
- Radically review backyard operations
- Effectively utilize and reallocate internal management resources in response to expansion of revenues from social infrastructure-related business
- Promote greater efficiency through reorganization of Group subsidiaries and Technostations (TS), etc.

3) *CSR Contribution*

- Strengthen corporate governance and ensure rigorous compliance
- CSR activities that contribute to creating an affluent society
- Implement and consolidate business continuity plan (BCP)

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2012	As of March 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	33,489	23,651
Notes and accounts receivable—trade	81,853	96,579
Lease investment assets	2,542	2,752
Marketable securities	59	59
Accumulated cost of construction in progress	15,087	18,805
Real estate for sale	18	—
Merchandise	1,352	1,087
Materials and supplies	651	512
Deferred income taxes	3,495	3,842
Other current assets	3,233	2,405
Less: Allowance for doubtful receivables	(137)	(103)
Total current assets	141,646	149,593
Fixed assets:		
Property and equipment:		
Buildings and structures	45,620	47,345
Less: Accumulated depreciation	(22,535)	(23,259)
Buildings and structures, net	23,085	24,085
Machinery, vehicles and equipment	20,074	18,000
Less: Accumulated depreciation	(14,956)	(13,186)
Machinery, vehicles and equipment, net	5,118	4,813
Land	34,391	38,324
Lease assets	92	252
Less: Accumulated depreciation	(48)	(34)
Lease assets, net	43	217
Construction in progress	936	4
Total property and equipment	63,575	67,444
Intangible assets	3,802	4,324
Investments and other assets:		
Investment securities	7,228	9,037
Long-term loans receivable	1,759	1,745
Prepaid pension cost	4,077	3,855
Deferred income taxes	2,410	1,387
Other assets	5,689	5,521
Less: Allowance for doubtful receivables	(2,055)	(2,308)
Total investments and other assets	19,110	19,239
Total fixed assets	86,488	91,008
Total assets	228,135	240,602

	Millions of yen	
	As of March 31, 2012	As of March 31, 2013
LIABILITIES		
Current liabilities:		
Accounts payable—trade	39,891	44,456
Short-term bank loans	1,520	1,660
Income taxes payable	3,795	2,978
Advances received on construction in progress	1,448	1,526
Allowance for warranty work on construction projects	131	155
Allowance for losses on construction contracts	1,057	52
Other current liabilities	7,637	8,409
Total current liabilities	55,482	59,238
Long-term liabilities:		
Deferred income taxes	333	457
Deferred tax liabilities for unrealized gains on land revaluation	1,662	1,662
Accrued severance indemnities	5,426	5,077
Allowance for directors' retirement benefits	266	222
Other long-term liabilities	388	532
Total long-term liabilities	8,078	7,951
Total liabilities	63,560	67,190
NET ASSETS		
Shareholders' equity:		
Common stock	10,000	10,000
Additional paid-in capital	55,374	55,440
Retained earnings	123,611	134,747
Treasury stock, at cost	(17,504)	(21,180)
Total shareholders' equity	171,481	179,006
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities	115	1,366
Unrealized gain (loss) on land revaluation	(8,090)	(8,090)
Total accumulated other comprehensive income	(7,974)	(6,724)
Subscription rights to shares	430	497
Minority interests	637	631
Total net assets	164,574	173,411
Total liabilities and net assets	228,135	240,602

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

	Millions of yen	
	Year ended March 31, 2012	Year ended March 31, 2013
Net sales	295,851	316,092
Cost of sales	264,733	274,865
Gross profits	31,117	41,226
Selling, general and administrative expenses	18,525	18,679
Operating income	12,592	22,547
Other income:		
Interest income	52	42
Dividend income	142	173
Rent income on noncurrent assets	127	120
Foreign exchange gains	—	152
Other	214	239
Total other income	536	729
Other expenses:		
Interest expenses	14	23
Foreign exchange losses	31	—
Rent expenses	46	33
Provision for allowance for doubtful receivables	44	260
Other	23	44
Total other expenses	159	362
Recurring profit	12,969	22,914
Extraordinary income:		
Gain on sales of fixed assets	54	4
Gain on sales of investment securities	35	3
Gain on payback of insurance payments	156	74
Gain on negative goodwill	—	752
Other	4	7
Total extraordinary income	251	841
Extraordinary loss:		
Write-down on investments in securities	479	58
Loss on sales of fixed assets	145	34
Loss on disposal of fixed assets	73	162
Loss on impairment of fixed assets	4	54
Special payments on employees' retirement benefits	61	1,736
Other	189	617
Total extraordinary loss	953	2,662
Income before income taxes and other adjustments to net income	12,267	21,093
Income taxes:		
Current	5,362	7,566
Deferred	(348)	163
Total income taxes	5,013	7,729
Income before minority interests	7,253	13,363
Minority interests	79	79
Net income	7,173	13,284

(Consolidated Statements of Comprehensive Income)

	Millions of yen	
	Year ended March 31, 2012	Year ended March 31, 2013
Income before minority interests	7,253	13,363
Other comprehensive income:		
Unrealized gain (loss) on other securities	489	1,255
Unrealized gain (loss) on land revaluation	203	—
Total other comprehensive income	693	1,255
Comprehensive income	7,946	14,619
(Breakdown)		
Comprehensive income attributable to owners of the parent	7,867	14,535
Comprehensive income attributable to minority interests	79	84

(3) Consolidated Statements of Changes in Net Assets

	Millions of yen	
	Year ended March 31, 2012	Year ended March 31, 2013
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	55,346	55,374
Changes during the period		
Disposal of treasury stock	27	65
Total changes during the period	27	65
Balance at the end of the period	55,374	55,440
Retained earnings:		
Balance at the end of the previous period	119,194	123,611
Changes during the period		
Cash dividends	(2,597)	(2,504)
Net income	7,173	13,284
Changes of scope of consolidation	—	355
Reversal of unrealized gain (loss) on land revaluation	(159)	—
Total changes during the period	4,417	11,135
Balance at the end of the period	123,611	134,747
Treasury stock, at cost:		
Balance at the end of the previous period	(14,870)	(17,504)
Changes during the period		
Repurchase of treasury stock	(3,000)	(4,001)
Disposal of treasury stock	366	325
Total changes during the period	(2,634)	(3,676)
Balance at the end of the period	(17,504)	(21,180)
Total shareholders' equity:		
Balance at the end of the previous period	169,671	171,481
Changes during the period		
Cash dividends	(2,597)	(2,504)
Net income	7,173	13,284
Repurchase of treasury stock	(3,000)	(4,001)
Disposal of treasury stock	393	390
Changes of scope of consolidation	—	355
Reversal of unrealized gain (loss) on land revaluation	(159)	—
Total changes during the period	1,810	7,525
Balance at the end of the period	171,481	179,006

	Millions of yen	
	Year ended March 31, 2012	Year ended March 31, 2013
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities:		
Balance at the end of the previous period	(374)	115
Changes during the period		
Net changes during the period except for shareholders' equity	490	1,250
Total changes during the period	490	1,250
Balance at the end of the period	115	1,366
Unrealized gain (loss) on land revaluation:		
Balance at the end of the previous period	(8,453)	(8,090)
Changes during the period		
Net changes during the period except for shareholders' equity	362	—
Total changes during the period	362	—
Balance at the end of the period	(8,090)	(8,090)
Total accumulated other comprehensive income:		
Balance at the end of the previous period	(8,827)	(7,974)
Changes during the period		
Net changes during the period except for shareholders' equity	852	1,250
Total changes during the period	852	1,250
Balance at the end of the period	(7,974)	(6,724)
Subscription rights to shares:		
Balance at the end of the previous period	364	430
Changes during the period		
Net changes during the period except for shareholders' equity	66	67
Total changes during the period	66	67
Balance at the end of the period	430	497
Minority interests:		
Balance at the end of the previous period	560	637
Changes during the period		
Net changes during the period except for shareholders' equity	76	(5)
Total changes during the period	76	(5)
Balance at the end of the period	637	631
Total net assets:		
Balance at the end of the previous period	161,768	164,574
Changes during the period		
Cash dividends	(2,597)	(2,504)
Net income	7,173	13,284
Repurchase of treasury stock	(3,000)	(4,001)
Disposal of treasury stock	393	390
Changes of scope of consolidation	—	355
Reversal of unrealized gain (loss) on land revaluation	(159)	—
Net changes during the period except for shareholders' equity	995	1,312
Total changes during the period	2,806	8,837
Balance at the end of the period	164,574	173,411

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2012	Year ended March 31, 2013
Cash flows from operating activities:		
Income before income taxes and other adjustments to net income	12,267	21,093
Depreciation and amortization	4,640	4,486
Loss on impairment of fixed assets	4	54
Write-down of investments in securities	479	58
Increase (decrease) in allowance for doubtful receivables	(126)	218
Decrease in accrued severance indemnities	(369)	(563)
Interest and dividends received	(194)	(216)
Interest expenses	14	23
(Increase) decrease in receivables—trade	21,250	(14,388)
(Increase) decrease in inventories	2,255	(2,592)
Increase (decrease) in payables—trade	(6,831)	4,163
Decrease in other assets	718	939
(Decrease) increase in other liabilities	1,279	(777)
Gain on negative goodwill	—	(752)
Other, net	108	404
	35,496	12,150
Cash and cash equivalents received on interest and dividends income	195	219
Cash and cash equivalents paid for interest expenses	(12)	(22)
Cash and cash equivalents paid for income taxes	(3,945)	(8,383)
Net cash provided by operating activities	31,734	3,963
Cash flows from investing activities:		
Decrease in time deposits, net	603	253
Payment for purchases of investment securities	(22)	(46)
Proceeds from sale of investment securities	132	73
Proceeds from acquisition of stocks of subsidiaries resulting in changes in scope of consolidation	—	337
Acquisitions of property and equipment	(4,076)	(6,527)
Acquisitions of other assets	(1,960)	(1,561)
Proceeds from sale of property	482	44
Increase in long-term loans	(3)	(2,449)
Collection of long-term loans	497	2,317
Other, net	331	3
Net cash used in investing activities	(4,015)	(7,554)

	Millions of yen	
	Year ended March 31, 2012	Year ended March 31, 2013
Cash flows from financing activities:		
Decrease in short-term borrowings, net	(6,260)	(195)
Repayment of long-term debt	(393)	(34)
Acquisitions of treasury stock	(3,000)	(4,013)
Proceeds from sale of treasury stock	378	294
Cash dividends paid	(2,597)	(2,504)
Cash dividends paid to minority shareholders	(2)	(5)
Repayment of financial lease	(26)	(31)
Net cash used in financing activities	(11,901)	(6,489)
Effect of exchange rate changes on cash and cash equivalents	1	5
Net increase (decrease) in cash and cash equivalents	15,818	(10,073)
Cash and cash equivalents at beginning of year	17,635	33,454
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	88
Cash and cash equivalents at end of year	33,454	23,469