

COMSYS Holdings Corporation

Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 Under Japanese GAAP

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 Stock Exchange Listings: First Section of Tokyo Stock Exchange (Securities code: 1721)
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 Scheduled Annual General Meeting of Shareholders: June 27, 2014
 Scheduled Commencement of Dividend Payment: June 30, 2014
 Scheduled Filing of Securities Report: June 27, 2014
 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, 2014)

(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, 2014	¥331,341	4.8%	¥27,570	22.3%	¥28,078	22.5%	¥16,389	23.4%
Year ended March 31, 2013	316,092	6.8	22,547	79.1	22,914	76.7	13,284	85.2

Notes: 1. Comprehensive income: Year ended March 31, 2014: ¥16,896 million [15.6%] Year ended March 31, 2013: ¥14,619 million [84.0%]
 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, 2014	¥136.08	¥135.34	9.4%	11.4%	8.3%
Year ended March 31, 2013	106.82	106.40	7.9	9.8	7.1

(Reference) Equity in earnings of affiliates: Year ended March 31, 2014: ¥— million Year ended March 31, 2013: ¥— 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, 2014	¥250,561	¥179,414	71.1%	¥1,514.73
As of March 31, 2013	240,602	173,411	71.6	1,401.05

(Reference) Shareholders' equity: As of March 31, 2014: ¥178,234 million As of March 31, 2013: ¥172,282 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, 2014	¥24,185	¥(6,228)	¥(10,511)	¥30,915
Year ended March 31, 2013	3,963	(7,554)	(6,489)	23,469

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, 2013	¥ —	¥10.00	¥ —	¥10.00	¥20.00	¥2,471	18.7%	1.5%
Year ended March 31, 2014	—	10.00	—	15.00	25.00	2,965	18.4	1.7
Year ending March 31, 2015 (Forecast)	—	15.00	—	15.00	30.00		19.6	

Breakdown of year-end dividend for the fiscal year ended March 31, 2014: Ordinary dividends: ¥10 Commemorative dividends: ¥5

3. Earnings Forecast (for the fiscal year ending March 31, 2015)

(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, 2014	¥149,000	6.0%	¥11,000	3.5%	¥11,200	2.1%	¥ 6,800	10.3%	¥ 57.79
Year ending March 31, 2015	345,000	4.1	29,000	5.2	29,500	5.1	18,000	9.8	152.97

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, 2014	As of March 31, 2013
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	28,310,548 shares	23,011,312 shares
	Year ended March 31, 2014	Year ended March 31, 2013
c) Average number of shares issued in the period	120,442,262 shares	124,369,863 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results (for the fiscal year ended March 31, 2014)

(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, 2014	¥3,382	0.8%	¥2,520	0.0%	¥2,567	(0.9)%	¥2,493	(1.4)%
Year ended March 31, 2013	3,356	(3.5)	2,520	(5.4)	2,590	(4.6)	2,530	(6.1)

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, 2014	¥20.66	¥20.55
Year ended March 31, 2013	20.30	20.22

(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, 2014	¥142,808	¥80,562	56.1%	¥679.06
As of March 31, 2013	143,237	87,919	61.0	709.40

(Reference) Shareholders' equity:

As of March 31, 2014: ¥80,084 million

As of March 31, 2013: ¥87,421 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" under "1. Analysis of Operating Results and Financial Position" of this Consolidated Financial Results report in the Accompanying Materials section 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 15, 2014. 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, 2014

During the fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014), the Japanese economy showed signs of a moderate recovery as the depreciation in the value of the yen and the increase in share prices continued due to such factors as government economic policies and the Bank of Japan's monetary easing policy.

In the information and communications field, the COMSYS Group's principal area of activity, there was rapid progress in construction and installation of networks aimed at ease of connection and increasing the speed of communications as well as diversifying and increasing the sophistication of terminals. This is attributable to expansion in the penetration of broadband such as FTTH and Long-Term Evolution (LTE) and the next-generation mobile phone communication standard, along with the added functionality of devices such as smartphones and tablets and growth in the use of cloud computing.

Moreover, in the public and private sectors, the creation of new value-added industries based on the progress of Smart Information and Communications Technology (ICT) being promoted by the Japanese government, along with the provision of new solutions for social issues through such means as electronic government, health care and nursing care enabled by the use of big data, open data and cloud technologies. In addition, public sector investment and private sector capital investment were expected to be made in areas such as the strengthening of urban functions with a focus on disaster prevention and construction of telecommunications infrastructure.

In such a market environment, the COMSYS Group took initiatives to expand its top-line activities, which include entering next-generation businesses such as the green energy field, primarily the mega-solar related business, and proactively obtaining orders in response to the increase in public-sector investment and investment in computerization in order to advance the Group's COMSYS WAY^α structural reforms. Moreover, the Group worked to enhance efficiency through such means as building a new construction IT platform that provides comprehensive management from order receipt through to project management and undertaking a radical review of backyard operations.

Under these circumstances, orders received in the current fiscal year fell 2.3% year on year to ¥327,981 million as the IT solutions business and the social infrastructure business remained robust, despite the impact of bulk orders for mobile-related construction in the previous year. Meanwhile, net sales grew 4.8% year on year to ¥331,341 million due to such factors as the progressive completion of mobile-related construction and solar construction projects.

From a profit perspective, the COMSYS Group experienced growth in net sales as well as the benefits and cost reductions from the COMSYS WAY^α structural reforms that it has implemented to date. As a result, operating income rose substantially by 22.3% year on year to ¥27,570 million, and net income climbed 23.4% to ¥16,389 million.

2) Earnings Forecast for the Fiscal Year Ending March 31, 2015

In the consolidated earnings forecasts for the COMSYS Group for the year ending March 31, 2015, due to such factors as the continued advance of the mobile communications market and the growth in public works, primarily, but not limited to, policies for building national resilience, orders received are expected to rise as a result of an increase in orders from the private-sector market. Sales are forecast to rise as work in progress carried over from the previous period will remain at a high level. 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.

	Year ended March 31, 2014	Year ending March 31, 2015	Change
Orders received	¥327,981	¥349,000	6.4%
Net sales	331,341	345,000	4.1
Gross profits	45,770	51,500	12.5
Operating income	27,570	29,000	5.2
Recurring profit	28,078	29,500	5.1
Net income	16,389	18,000	9.8

(2) Analysis of Financial Position

1) Analysis of Assets, Liabilities and Net Assets

(a) Assets

Current assets as of March 31, 2014 stood at ¥156,495 million, ¥6,902 million higher than at the end of the previous fiscal year. This was mainly attributable to a ¥7,384 million increase in cash and cash equivalents. Fixed assets as of March 31, 2014 stood at ¥94,066 million, up ¥3,057 million compared with March 31, 2013. This was mainly attributable to an increase in property and equipment of ¥2,908 million.

As a result, total assets amounted to ¥250,561 million as of March 31, 2014, an increase of ¥99,59 million compared with the end of the previous fiscal year.

(b) Liabilities

Current liabilities as of March 31, 2014 stood at ¥63,720 million, up ¥4,482 million compared with the previous fiscal year-end. This was mainly attributable to an increase in income taxes payable of ¥3,868 million. As of March 31, 2014, long-term liabilities amounted to ¥7,426 million, ¥525 million lower compared with the end of the previous fiscal year. This was mainly attributable to a decline of ¥5,077 million in provision for accrued severance indemnities and an increase of ¥4,384 million in net defined benefit liability due to the application of accounting standards relating to retirement benefits and other factors.

As a result, total liabilities amounted to ¥71,147 million, an increase of ¥3,956 million compared with the end of the previous fiscal year.

(c) Net assets

Net assets including minority interests stood at ¥179,414 million as of March 31, 2014. This was largely attributable to an increase in retained earnings of ¥13,966 million compared with the previous fiscal year-end, after accounting for the current fiscal year's net income, and a decrease in net assets due to an increase of ¥7,477 million in treasury stock resulting from acquisition of treasury stock.

As of the end of the fiscal year under review, the equity ratio stood at 71.1%, down from 71.6% as of March 31, 2013.

2) Analysis of Cash Flow

Cash and cash equivalents stood at ¥30,915 million as of March 31, 2014, an increase of ¥7,445 million, or 31.7%, 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, 2014 are presented as follows.

(a) Cash flows from operating activities

Net cash provided by operating activities stood at ¥24,185 million compared with net cash provided by operating activities of ¥3,963 million for the previous fiscal year. The major cash inflows were income before income taxes and other adjustments to net income of ¥27,076 million and depreciation and amortization of ¥4,426 million. Major cash outflows for the fiscal year ended March 31, 2014 was income taxes paid of ¥6,546 million.

(b) Cash flows from investing activities

Net cash used in investing activities totaled ¥6,228 million for the fiscal year under review compared with net cash of ¥7,554 million used in investing activities in the previous fiscal year. The major components were acquisitions of property and equipment of ¥5,244 million and payments of loans receivable of ¥2,502 million.

(c) Cash flows from financing activities

Net cash used in financing activities was ¥10,511 million for the fiscal year ended March 31, 2014, compared with ¥6,489 million used in financing activities in the previous fiscal year. Acquisition of treasury stock amounted to ¥8,025 million, while cash dividends totaled ¥2,423 million.

(Reference) Changes in Cash Flow-Related Indicators

	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014
Equity ratio (%)	71.2	67.7	71.7	71.6	71.1
Equity ratio based on market value (%)	53.7	46.0	49.8	58.4	76.0
Ratio of interest-bearing liabilities to cash flows (%)	0.5	—	4.9	47.6	6.8
Interest coverage ratio (times)	3,175.2	—	2,571.4	173.7	2,460.5

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, 2014. The Company also intends to pay a period-end cash dividend of ¥15 per share (ordinary dividends of ¥10 per share and commemorative dividends of ¥5 per share), for an annual cash dividend of ¥25 per share. Moreover, and in an effort to further enhance shareholder returns, COMSYS Holdings acquired 5,839 thousand shares (¥7,999 million) of treasury stock in the fiscal year under review.

In the fiscal year ending March 31, 2015, COMSYS Holdings plans to pay an annual cash dividend of ¥30 per share. The intention is to pay an interim cash dividend of ¥15 per share and a period-end cash dividend of ¥15 per share.

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, additional functionality of devices such as smartphones and tablets and growth in the use of cloud computing will advance. The construction and installation of networks is expected to continue, including updating of technology (from LTE to LTE-Advanced) aimed at ease of connection and increasing the speed of communications as well as diversifying and increasing the sophistication of terminals.

Moreover, in the public and private sectors, there will be requirements for creation of new value added industries including the ICT growth strategy and Smart Community being promoted by the Japanese government, full-scale reconstruction from the Great East Japan Earthquake, strengthening of urban functions with a focus on disaster prevention including policies for building national resilience and removal of utility poles by laying cable underground and construction of expressways for the 2020 Tokyo Olympic and Paralympic Games. Moreover, expansion is also expected in the social infrastructure and IT businesses, including growing market needs in the environment and energy sector.

In this market environment, the COMSYS Group will endeavor to further expand the top-line, improve profitability and streamline operations by continuing to promote the COMSYS WAY[®] structural reforms as it pushes forward with the switch to a leaner operational infrastructure. In addition, the Group recognizes the issues below as particular challenges to be addressed in the expansion of its business.

1) Expand business territory

- Actively increase orders received in response to higher public investment and investment in ICT
- Actively enter and expand the green innovation business, including the solar power business
(Promote an extensive solar power business with medium and small-scale industrial and residential projects in addition to mega solar projects)
- Create a structure for Group cooperation through the establishment of a new Group Business Promotion Office and obtain extensive orders through Group collaboration
- Rise to the challenge of new business territories with a focus on the Smart Community that the Japanese government is promoting
- Strengthen M&As and alliances targeting expansion in business territory

2) *Promote maximum utilization of resources and structural reform*

- Concentrate investment of human and management resources on mobile and NCC-related businesses and encourage intra-Group mobility of qualified personnel in order to promote expansion of social infrastructure business
- Make maximum utilization of resources through skill-switching and multi-skilling for employees
- Utilize the new construction IT platform to deliver comprehensive management from order receipt through to project management in order to respond to the increase in small-scale projects and repeat projects
- Strengthen sales and project operation management systems together with operating companies and consolidated subsidiaries

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, 2013	As of March 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	23,651	31,036
Notes and accounts receivable—trade	96,579	97,667
Lease investment assets	2,752	2,999
Marketable securities	59	0
Accumulated cost of construction in progress	18,805	17,816
Merchandise	1,087	453
Materials and supplies	512	343
Deferred income taxes	3,842	4,092
Other current assets	2,405	2,152
Less: Allowance for doubtful receivables	(103)	(65)
Total current assets	149,593	156,495
Fixed assets:		
Property and equipment:		
Buildings and structures	47,345	50,530
Less: Accumulated depreciation	(23,259)	(24,499)
Buildings and structures, net	24,085	26,030
Machinery, vehicles and equipment	18,000	17,850
Less: Accumulated depreciation	(13,186)	(13,086)
Machinery, vehicles and equipment, net	4,813	4,763
Land	38,324	38,969
Lease assets	252	445
Less: Accumulated depreciation	(34)	(77)
Lease assets, net	217	368
Construction in progress	4	222
Total property and equipment	67,444	70,353
Intangible assets	4,324	3,594
Investments and other assets:		
Investment securities	9,037	9,684
Long-term loans receivable	1,745	3,908
Prepaid pension cost	3,855	—
Net defined benefit asset	—	2,422
Deferred income taxes	1,387	1,245
Other assets	5,521	4,956
Less: Allowance for doubtful receivables	(2,308)	(2,098)
Total investments and other assets	19,239	20,117
Total fixed assets	91,008	94,066
Total assets	240,602	250,561

	Millions of yen	
	As of March 31, 2013	As of March 31, 2014
LIABILITIES		
Current liabilities:		
Accounts payable—trade	44,456	45,039
Short-term bank loans	1,660	1,270
Income taxes payable	2,978	6,847
Advances received on construction in progress	1,526	1,018
Allowance for warranty work on construction projects	155	184
Allowance for losses on construction contracts	52	379
Other current liabilities	8,409	8,981
Total current liabilities	59,238	63,720
Long-term liabilities:		
Deferred income taxes	457	428
Deferred tax liabilities for unrealized gains on land revaluation	1,662	1,662
Accrued severance indemnities	5,077	—
Net defined benefit liability	—	4,384
Allowance for directors' retirement benefits	222	193
Other long-term liabilities	532	756
Total long-term liabilities	7,951	7,426
Total liabilities	67,190	71,147
NET ASSETS		
Shareholders' equity:		
Common stock	10,000	10,000
Additional paid-in capital	55,440	55,494
Retained earnings	134,747	148,713
Treasury stock, at cost	(21,180)	(28,658)
Total shareholders' equity	179,006	185,549
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities	1,366	1,803
Unrealized gain (loss) on land revaluation	(8,090)	(8,090)
Remeasurements of defined benefit plans	—	(1,028)
Total accumulated other comprehensive income	(6,724)	(7,315)
Subscription rights to shares	497	478
Minority interests	631	701
Total net assets	173,411	179,414
Total liabilities and net assets	240,602	250,561

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

	Millions of yen	
	Year ended March 31, 2013	Year ended March 31, 2014
Net sales	316,092	331,341
Cost of sales	274,865	285,571
Gross profits	41,226	45,770
Selling, general and administrative expenses	18,679	18,200
Operating income	22,547	27,570
Other income:		
Interest income	42	48
Dividend income	173	164
Reversal of allowance for doubtful receivables	30	130
Rent income on noncurrent assets	120	107
Foreign exchange gains	152	—
Other	209	160
Total other income	729	611
Other expenses:		
Interest expenses	23	9
Commission for purchase of treasury stock	11	22
Rent expenses	33	30
Provision for allowance for doubtful receivables	260	21
Other	33	19
Total other expenses	362	103
Recurring profit	22,914	28,078
Extraordinary income:		
Gain on sales of fixed assets	4	35
Gain on negative goodwill	752	—
Gain from reimbursement on investment	—	1,052
Gain on payback of insurance payments	74	198
Other	10	139
Total extraordinary income	841	1,426
Extraordinary loss:		
Loss on sales of fixed assets	34	64
Loss on disposal of fixed assets	162	70
Write-down on investments in securities	58	—
Loss on impairment of fixed assets	54	323
Business structure improvement expenses	—	1,718
Special payments on employees' retirement benefits	1,736	67
Other	617	181
Total extraordinary loss	2,662	2,427
Income before income taxes and other adjustments to net income	21,093	27,076
Income taxes:		
Current	7,566	10,401
Deferred	163	215
Total income taxes	7,729	10,617
Income before minority interests	13,363	16,459
Minority interests	79	70
Net income	13,284	16,389

(Consolidated Statements of Comprehensive Income)

	Millions of yen	
	Year ended March 31, 2013	Year ended March 31, 2014
Income before minority interests	13,363	16,459
Other comprehensive income:		
Unrealized gain (loss) on other securities	1,255	436
Total other comprehensive income	1,255	436
Comprehensive income	14,619	16,896
(Breakdown)		
Comprehensive income attributable to owners of the parent	14,535	16,826
Comprehensive income attributable to minority interests	84	70

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2013	Millions of yen				
	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Balance at the end of the previous period	10,000	55,374	123,611	(17,504)	171,481
Changes during the period					
Cash dividends			(2,504)		(2,504)
Net income			13,284		13,284
Repurchase of treasury stock				(4,001)	(4,001)
Disposal of treasury stock		65		325	390
Changes of scope of consolidation			355		355
Net changes during the period except for shareholders' equity					
Total changes during the period	—	65	11,135	(3,676)	7,525
Balance at the end of the period	10,000	55,440	134,747	(21,180)	179,006

Year ended March 31, 2013	Millions of yen						
	Accumulated other comprehensive income						
	Unrealized gain (loss) on other securities	Unrealized gain (loss) on land revaluation	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests	Total net assets
Balance at the end of the previous period	115	(8,090)	—	(7,974)	430	637	164,574
Changes during the period							
Cash dividends							(2,504)
Net income							13,284
Repurchase of treasury stock							(4,001)
Disposal of treasury stock							390
Changes of scope of consolidation							355
Net changes during the period except for shareholders' equity	1,250	—	—	1,250	67	(5)	1,312
Total changes during the period	1,250	—	—	1,250	67	(5)	8,837
Balance at the end of the period	1,366	(8,090)	—	(6,724)	497	631	173,411

Year ended March 31, 2014	Millions of yen				
	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total Shareholders' equity
Balance at the end of the previous period	10,000	55,440	134,747	(21,180)	179,006
Changes during the period					
Cash dividends			(2,423)		(2,423)
Net income			16,389		16,389
Repurchase of treasury stock				(8,002)	(8,002)
Disposal of treasury stock		54		525	579
Changes of scope of consolidation			—		—
Net changes during the period except for shareholders' equity					
Total changes during the period	—	54	13,966	(7,477)	6,542
Balance at the end of the period	10,000	55,494	148,713	(28,658)	185,549

Year ended March 31, 2014	Millions of yen						
	Accumulated other comprehensive income						
	Unrealized gain (loss) on other securities	Unrealized gain (loss) on land revaluation	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Minority interests	Total net assets
Balance at the end of the previous period	1,366	(8,090)	—	(6,724)	497	631	173,411
Changes during the period							
Cash dividends							(2,423)
Net income							16,389
Repurchase of treasury stock							(8,002)
Disposal of treasury stock							579
Changes of scope of consolidation							—
Net changes during the period except for shareholders' equity	436		(1,028)	(591)	(19)	70	(540)
Total changes during the period	436	—	(1,028)	(591)	(19)	70	6,002
Balance at the end of the period	1,803	(8,090)	(1,028)	(7,315)	478	701	179,414

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from operating activities:		
Income before income taxes and other adjustments to net income	21,093	27,076
Depreciation and amortization	4,486	4,426
Loss on impairment of fixed assets	54	323
Write-down of investments in securities	58	—
Increase (decrease) in allowance for doubtful receivables	218	(247)
Decrease in accrued severance indemnities	(563)	(5,077)
Increase in net defined benefit liability	—	4,398
Interest and dividends received	(216)	(212)
Interest expenses	23	9
Increase in receivables—trade	(14,388)	(1,440)
(Increase) decrease in inventories	(2,592)	1,793
Increase in payables—trade	4,163	601
Decrease (Increase) in other assets	939	(99)
Decrease in other liabilities	(777)	(881)
Gain on negative goodwill	(752)	—
Other, net	404	(139)
	12,150	30,532
Cash and cash equivalents received on interest and dividends income	219	209
Cash and cash equivalents paid for interest expenses	(22)	(9)
Cash and cash equivalents paid for income taxes	(8,383)	(6,546)
Net cash provided by operating activities	3,963	24,185
Cash flows from investing activities:		
Decrease in time deposits, net	253	120
Payment for purchases of investment securities	(46)	(7)
Proceeds from sale of investment securities	73	41
Collection of investments in capital	—	1,220
Proceeds from acquisition of stocks of subsidiaries resulting in changes in scope of consolidation	337	—
Acquisitions of property and equipment	(6,527)	(5,244)
Acquisitions of intangible fixed assets	(1,561)	(1,251)
Proceeds from sale of property and equipment	44	358
Payments of loans receivable	(379)	(2,502)
Collection of loans receivable	247	557
Purchase of insurance funds	(74)	(670)
Proceeds from cancellation of insurance funds	109	1,247
Other, net	(32)	(99)
Net cash used in investing activities	(7,554)	(6,228)

	Millions of yen	
	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from financing activities:		
Decrease in short-term borrowings, net	(195)	(390)
Repayment of long-term debt	(34)	—
Acquisitions of treasury stock	(4,013)	(8,025)
Proceeds from sale of treasury stock	294	378
Cash dividends paid	(2,504)	(2,423)
Cash dividends paid to minority shareholders	(5)	(3)
Repayments of finance lease obligations	(31)	(48)
Net cash used in financing activities	(6,489)	(10,511)
Effect of exchange rate changes on cash and cash equivalents	5	0
Net increase (decrease) in cash and cash equivalents	(10,073)	7,445
Cash and cash equivalents at beginning of year	33,454	23,469
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	88	—
Cash and cash equivalents at end of year	23,469	30,915