

COMSYS Holdings Corporation

Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 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 (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 26, 2015
 Scheduled Commencement of Dividend Payment: June 29, 2015
 Scheduled Filing of Securities Report: June 26, 2015
 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, 2015)

(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, 2015	¥328,631	(0.8)%	¥27,674	0.4%	¥28,121	0.2%	¥16,767	2.3%
Year ended March 31, 2014	331,341	4.8	27,570	22.3	28,078	22.5	16,389	23.4

Notes: 1. Comprehensive income: Year ended March 31, 2015: ¥20,249 million [19.8%] Year ended March 31, 2014: ¥16,896 million [15.6%]
 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, 2015	¥142.72	¥141.90	9.0%	10.9%	8.4%
Year ended March 31, 2014	136.08	135.34	9.4	11.4	8.3

(Reference) Equity in earnings of affiliates: Year ended March 31, 2015: ¥— million Year ended March 31, 2014: ¥— 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, 2015	¥264,019	¥194,038	73.0%	¥1,682.70
As of March 31, 2014	250,561	179,414	71.1	1,514.73

(Reference) Shareholders' equity: As of March 31, 2015: ¥192,774 million As of March 31, 2014: ¥178,234 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, 2015	¥26,575	¥(11,882)	¥(12,199)	¥33,435
Year ended March 31, 2014	24,185	(6,228)	(10,511)	30,915

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, 2014	¥ —	¥10.00	¥ —	¥15.00	¥25.00	¥2,965	18.4%	1.7%
Year ended March 31, 2015	—	15.00	—	15.00	30.00	3,504	21.0	1.9
Year ending March 31, 2016 (Forecast)	—	15.00	—	20.00	35.00		23.6	

3. Consolidated Earnings Forecast (for the fiscal year ending March 31, 2016)

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

	Net Sales		Operating Income		Recurring Profit		Net income attributable to owners of parent		Net Income per Share
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount
Six months ending September 30, 2015	¥131,000	(9.2)%	¥ 8,000	(28.2)%	¥ 8,300	(26.6)%	¥ 5,000	(27.2)%	¥ 43.64
Year ending March 31, 2016	331,000	0.7	28,000	1.2	28,500	1.3	17,000	1.4	148.39

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, 2015	As of March 31, 2014
a) Number of shares issued (including treasury stock)	145,977,886 shares	145,977,886 shares
b) Number of treasury stock	31,414,907 shares	28,310,548 shares
	Year ended March 31, 2015	Year ended March 31, 2014
c) Average number of shares issued in the period	117,489,316 shares	120,442,262 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results (for the fiscal year ended March 31, 2015)

(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, 2015	¥5,495	62.5%	¥4,610	82.9%	¥4,626	80.2%	¥4,658	86.8%
Year ended March 31, 2014	3,382	0.8	2,520	0.0	2,567	(0.9)	2,493	(1.4)

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, 2015	¥39.58	¥39.35
Year ended March 31, 2014	20.66	20.55

(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, 2015	¥135,959	¥76,263	55.7%	¥660.80
As of March 31, 2014	142,808	80,562	56.1	679.06

(Reference) Shareholders' equity:

As of March 31, 2015: ¥75,763 million

As of March 31, 2014: ¥80,084 million

<Reason for Disparities in the Non-Consolidated Earnings from the Previous Fiscal Year>

During the current fiscal year, dividend income from consolidated subsidiaries increased, causing significant disparities with the figures for the previous fiscal year across the board for operating revenues, operating income, recurring profit, net income, net income per share and net income per share (diluted).

***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 Friday, May 15, 2015. 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, 2015

During the fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015), the Japanese economy maintained a moderate recovery as solid corporate earnings and an increase in capital investment were observed due to the economic and fiscal policies being promoted by the Japanese government and the Bank of Japan.

In the information and communications field, the COMSYS Group's principal area of activity, there were considerable changes in service content and market conditions, which included expansion of new demand due to the start of wholesale operations for optical access services, expansion in the service area for high-speed wireless broadband, such as LTE, and technical innovations aimed at further diversifying and advancing wearable devices.

Moreover, in the public and private sectors, expansion in social infrastructure investment was anticipated due to full-scale reconstruction efforts for the Great East Japan Earthquake, policies for building national resilience, the renewable energy business and the Tokyo Olympic and Paralympic Games.

The COMSYS Group took active initiatives to expand its top-line activities, which included entering the green innovation field, primarily the mega-solar related business, and obtaining orders in the public sector and ICT areas as well as carrying out M&A activities. Moreover, the Group worked to enhance efficiency through such means as utilizing a construction IT platform that provides comprehensive management from order receipt through to project management.

Under these circumstances, orders received in the current fiscal year increased 2.7% year on year to ¥336,973 million as the IT solutions business and social infrastructure business, including solar construction projects, remained robust, despite the decrease in capital expenditure by telecommunications carriers. Meanwhile, net sales fell 0.8% year on year to ¥328,631 million as a result of the decline in capital expenditure by telecommunications carriers and pending grid connections by power companies.

From a profit perspective, the COMSYS Group experienced the benefits and cost reductions from the COMSYS WAY^a structural reforms that it has implemented to date. As a result, operating income rose by 0.4% year on year to ¥27,674 million, and net income increased 2.3% to ¥16,767 million.

2) Earnings Forecast for the Fiscal Year Ending March 31, 2016

In the consolidated earnings forecasts for the COMSYS Group for the year ending March 31, 2016, despite such factors as the increase in public- and private-sector works from continued policies for building national resilience and the renewable energy business, orders received are expected to remain flat due to the decrease in capital expenditure at telecommunications carriers. Sales are forecast to rise slightly as work in progress carried over from the current period will remain at a high level, and sales of newly consolidated subsidiaries will increase.

From a profit perspective, due to the promotion of structural reforms initiated to date, as well as efforts to increase efficiency and cut costs, profit is expected to rise.

Consolidated Earnings Forecast

(Millions of yen, except percentages)

	Year ended March 31, 2015	Year ending March 31, 2016	Change
Orders received	¥336,973	¥332,000	(1.5)%
Net sales	328,631	331,000	0.7
Gross profits	47,938	48,000	0.1
Operating income	27,674	28,000	1.2
Recurring profit	28,121	28,500	1.3
Net income attributable to owners of parent	16,767	17,000	1.4

(2) Analysis of Financial Position

1) Analysis of Assets, Liabilities and Net Assets

(a) Assets

Current assets as of March 31, 2015 stood at ¥151,878 million, ¥4,616 million lower than at the end of the previous fiscal year. This was mainly attributable to a ¥4,154 million decrease in notes and accounts receivable – trade. Fixed assets as of March 31, 2015 stood at ¥112,140 million, ¥18,074 million higher than at the end of the previous fiscal year. This was mainly attributable to an increase in investments and other assets of ¥12,083 million.

As a result, total assets amounted to ¥264,019 million as of March 31, 2015, an increase of ¥13,457 million compared with the end of the previous fiscal year.

(b) Liabilities

Current liabilities as of March 31, 2015 stood at ¥60,791 million, down ¥2,928 million compared with the previous fiscal year-end. This was mainly attributable to a decrease in income taxes payable of ¥2,994 million. As of March 31, 2015, long-term liabilities amounted to ¥9,189 million, ¥1,762 million higher compared with the end of the previous fiscal year. This was mainly attributable to a ¥2,553 million increase in deferred income taxes.

As a result, total liabilities amounted to ¥69,980 million, a decrease of ¥1,166 million compared with the end of the previous fiscal year.

(c) Net assets

Net assets stood at ¥194,038 million as of March 31, 2015, an increase of ¥14,623 compared with the end of the previous fiscal year. This was largely attributable to an increase in retained earnings of ¥16,122 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 ¥6,194 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 73.0%, up from 71.1% as of March 31, 2014.

2) Analysis of Cash Flow

Cash and cash equivalents stood at ¥33,435 million at the end of the fiscal year, an increase of ¥2,519 million, or 8.2%, 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, 2015 are presented as follows.

(a) Cash flows from operating activities

Net cash provided by operating activities stood at ¥26,575 million compared with net cash provided by operating activities of ¥24,185 million for the previous fiscal year. The major cash inflows were income before income taxes and other adjustments to net income of ¥27,283 million and depreciation and amortization of ¥4,672 million. Major cash outflows for the fiscal year ended March 31, 2015 was income taxes paid of ¥12,771 million.

(b) Cash flows from investing activities

Net cash used in investing activities totaled ¥ 11,882 million for the fiscal year under review compared with net cash of ¥6,228 million used in investing activities in the previous fiscal year. The major components were acquisitions of property and equipment of ¥7,349 million and investments of ¥2,575 million in a subsidiary to be consolidated.

(c) Cash flows from financing activities

Net cash used in financing activities was ¥12,199 million for the fiscal year ended March 31, 2015, compared with ¥10,511 million used in financing activities in the previous fiscal year. Acquisition of treasury stock amounted to ¥7,958 million, while cash dividends totaled ¥3,545 million.

(Reference) Changes in Cash Flow-Related Indicators

	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Equity ratio (%)	67.7	71.7	71.6	71.1	73.0
Equity ratio based on market value (%)	46.0	49.8	58.4	76.0	64.4
Ratio of interest-bearing liabilities to cash flows (%)	—	4.9	47.6	6.8	1.6
Interest coverage ratio (times)	—	2,571.4	173.7	2,460.5	3,788.7

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 planned to increase the dividend per share by ¥5 to make an annual cash dividend per share of ¥30 with an interim dividend of ¥15 and a period-end dividend of ¥15 for the fiscal year ended March 31, 2015. Moreover, to further enhance shareholder returns and implement a flexible capital policy that is responsive to changes in the corporate environment, COMSYS Holdings acquired 4,700 thousand shares (¥7,594 million) of treasury stock in the fiscal year under review.

In the fiscal year ending March 31, 2016, taking into consideration such factors as earnings performance and the dividend payout ratio, COMSYS Holdings plans to increase the dividend per share by ¥5 and pay an annual cash dividend of ¥35 per share. The intention is to pay an interim cash dividend of ¥15 per share and a period-end cash dividend of ¥20 per share. Moreover, COMSYS Holdings intends to acquire treasury stock up to a total upper limit of ¥5,000 million.

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 and Medium- and Long-Term Corporate Management Strategy

From a medium- to long-term perspective, the COMSYS Group aims to pursue the COMSYS WAY^a structural reforms focused on “top-line expansion” and the “promotion of structural reforms” to overcome the challenging management environment and prosper in today’s competitive environment by improving productivity and strengthening cost competitiveness.

(3) Challenges to be Addressed

In the information and communications field, the COMSYS Group’s principal area of activity, expansion of new demand is expected due to the start of wholesale operations for optical access services while growth in the use of cloud computing advances. In these circumstances, the content of services and market conditions are changing significantly to include greater ease of connection and speed of communications and technical innovation aimed at diversifying and upgrading the functions of next-generation wearable devices.

Moreover, in the public and private sectors, innovations paving the way for ICT-based goods and services in sectors such as agriculture, health care, disaster prevention and e-government are expected, along with the removal of utility poles by laying cable underground and the construction of expressways for the 2020 Tokyo Olympic and Paralympic Games.

Nevertheless, the immediate business environment is expected to be increasingly challenging as the investment structure at telecommunications carriers undergoes a significant shift from the construction of infrastructure to investment in services, including content, and also as the investment in equipment declines as the scale of projects shrinks.

In this market environment, the COMSYS Group will endeavor to further promote COMSYS WAY^a, which is the medium- to long-term management strategy, and the Group recognizes the issues below as particular challenges to be addressed.

Expand the top-line

- i) Actively increase orders received in response to higher public investment and investment in ICT
- ii) Actively enter and expand the green innovation business, including the solar power business
(Expand business areas taking advantage of the liberalization of electric power)
- iii) Pioneer new business areas with a focus on the Smart Community
- iv) Seek out M&A opportunities and enhance business alliances

Promote structural reforms

- i) Mobilize personnel for growth businesses
- ii) Maximize the use of human resources by fostering multi-skilled employees
- iii) Strengthen integrated sales and project construction systems at Group companies
- iv) Utilize construction IT platform that provides comprehensive management from order receipt through to project management

3. Basic Approach to Selection of Accounting Standard

The COMSYS Group’s policy for the time being is to use Japanese GAAP for the preparation of its consolidated financial statements because its business operations are primarily carried out in Japan, and comparison with other Japanese companies is thus facilitated.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2014	As of March 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	31,036	33,496
Notes and accounts receivable—trade	97,667	93,513
Lease investment assets	2,999	2,900
Accumulated cost of construction in progress	17,816	15,215
Merchandise	453	218
Materials and supplies	343	468
Deferred income taxes	4,092	3,480
Other current assets	2,152	2,640
Less: Allowance for doubtful receivables	(65)	(55)
Total current assets	156,495	151,878
Fixed assets:		
Property and equipment:		
Buildings and structures	50,530	51,012
Less: Accumulated depreciation	(24,499)	(24,878)
Buildings and structures, net	26,030	26,133
Machinery, vehicles and equipment	17,850	18,271
Less: Accumulated depreciation	(13,086)	(13,418)
Machinery, vehicles and equipment, net	4,763	4,852
Land	38,969	39,770
Lease assets	445	450
Less: Accumulated depreciation	(77)	(139)
Lease assets, net	368	311
Construction in progress	222	1,227
Total property and equipment	70,353	72,295
Intangible assets		
Goodwill	—	3,394
Other intangible assets	3,594	4,249
Total intangible assets	3,594	7,643
Investments and other assets:		
Investment securities	9,684	12,700
Long-term loans receivable	3,908	4,833
Deferred income taxes	1,245	367
Net defined benefit asset	2,422	11,392
Other assets	4,956	5,156
Less: Allowance for doubtful receivables	(2,098)	(2,250)
Total investments and other assets	20,117	32,201
Total fixed assets	94,066	112,140
Total assets	250,561	264,019

	Millions of yen	
	As of March 31, 2014	As of March 31, 2015
LIABILITIES		
Current liabilities:		
Accounts payable—trade	45,039	44,675
Short-term bank loans	1,270	100
Income taxes payable	6,847	3,852
Advances received on construction in progress	1,018	1,540
Allowance for warranty work on construction projects	184	257
Allowance for losses on construction contracts	379	15
Other current liabilities	8,981	10,349
Total current liabilities	63,720	60,791
Long-term liabilities:		
Deferred income taxes	428	2,982
Deferred tax liabilities for unrealized gains on land revaluation	1,662	1,508
Net defined benefit liability	4,384	3,784
Allowance for directors' retirement benefits	193	222
Other long-term liabilities	756	691
Total long-term liabilities	7,426	9,189
Total liabilities	71,147	69,980
NET ASSETS		
Shareholders' equity:		
Common stock	10,000	10,000
Additional paid-in capital	55,494	56,615
Retained earnings	148,713	164,836
Treasury stock, at cost	(28,658)	(34,852)
Total shareholders' equity	185,549	196,599
Accumulated other comprehensive income:		
Unrealized gain (loss) on other securities	1,803	2,638
Unrealized gain (loss) on land revaluation	(8,090)	(7,936)
Remeasurements of defined benefit plans	(1,028)	1,473
Total accumulated other comprehensive income	(7,315)	(3,824)
Subscription rights to shares	478	500
Minority interests	701	762
Total net assets	179,414	194,038
Total liabilities and net assets	250,561	264,019

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

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	331,341	328,631
Cost of sales	285,571	280,693
Gross profits	45,770	47,938
Selling, general and administrative expenses	18,200	20,264
Operating income	27,570	27,674
Other income:		
Interest income	48	58
Dividend income	164	216
Reversal of allowance for doubtful receivables	130	—
Rent income on noncurrent assets	107	101
Foreign exchange gains	—	150
Other	160	176
Total other income	611	702
Other expenses:		
Interest expenses	9	7
Commission for purchase of treasury stock	22	19
Rent expenses	30	40
Provision for allowance for doubtful receivables	21	168
Other	19	19
Total other expenses	103	254
Recurring profit	28,078	28,121
Extraordinary income:		
Gain on sales of fixed assets	35	46
Gain on sale of investment securities	22	46
Gain on redemption of investment securities	—	44
Gain on payback of insurance payments	198	55
Gain on reversal of subscription rights to shares	1	24
Gain from reimbursement on investment	1,052	—
Other	115	8
Total extraordinary income	1,426	225
Extraordinary loss:		
Loss on sales of fixed assets	64	149
Loss on disposal of fixed assets	70	128
Loss on impairment of fixed assets	323	432
Special payments on employees' retirement benefits	67	196
Business structure improvement expenses	1,718	—
Other	181	158
Total extraordinary loss	2,427	1,064
Income before income taxes and other adjustments to net income	27,076	27,283
Income taxes:		
Current	10,401	9,438
Deferred	215	1,093
Total income taxes	10,617	10,531
Income before minority interests	16,459	16,751
Minority interests in income (loss)	70	(16)
Net income	16,389	16,767

(Consolidated Statements of Comprehensive Income)

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	16,459	16,751
Other comprehensive income:		
Unrealized gain (loss) on other securities	436	843
Unrealized gain (loss) on land revaluation	—	153
Remeasurements of defined benefit plans	—	2,501
Total other comprehensive income	436	3,498
Comprehensive income	16,896	20,249
(Breakdown)		
Comprehensive income attributable to owners of the parent	16,826	20,258
Comprehensive income attributable to minority interests	70	(8)

(3) Consolidated Statements of Changes in Net Assets

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
Cumulative effect of changes in accounting policies			—		—
Restated balance	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
Cumulative effect of changes in accounting policies							—
Restated balance	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

Year ended March 31, 2015	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	55,494	148,713	(28,658)	185,549
Cumulative effect of changes in accounting policies			2,787		2,787
Restated balance	10,000	55,494	151,500	(28,658)	188,337
Changes during the period					
Cash dividends			(3,545)		(3,545)
Net income			16,767		16,767
Repurchase of treasury stock				(7,938)	(7,938)
Disposal of treasury stock		1,121		1,744	2,865
Changes of scope of consolidation			112		112
Net changes during the period except for shareholders' equity					
Total changes during the period	—	1,121	13,335	(6,194)	8,262
Balance at the end of the period	10,000	56,615	164,836	(34,852)	196,599

Year ended March 31, 2015	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	1,803	(8,090)	(1,028)	(7,315)	478	701	179,414
Cumulative effect of changes in accounting policies							2,787
Restated balance	1,803	(8,090)	(1,028)	(7,315)	478	701	182,202
Changes during the period							
Cash dividends							(3,545)
Net income							16,767
Repurchase of treasury stock							(7,938)
Disposal of treasury stock							2,865
Changes of scope of consolidation							112
Net changes during the period except for shareholders' equity	835	153	2,501	3,490	22	60	3,573
Total changes during the period	835	153	2,501	3,490	22	60	11,836
Balance at the end of the period	2,638	(7,936)	1,473	(3,824)	500	762	194,038

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities:		
Income before income taxes and other adjustments to net income	27,076	27,283
Depreciation and amortization	4,426	4,672
Loss on impairment of fixed assets	323	432
Amortization of goodwill	—	527
Increase (decrease) in allowance for doubtful receivables	(247)	140
Decrease in accrued severance indemnities	(5,077)	—
Increase (decrease) in net defined benefit liability	4,398	(241)
Interest and dividends received	(212)	(274)
Interest expenses	9	7
Decrease (Increase) in receivables—trade	(1,440)	6,206
Decrease in inventories	1,793	3,028
Increase (decrease) in payables—trade	601	(1,825)
Increase in other assets	(99)	(1,553)
Increase (decrease) in other liabilities	(881)	590
Other, net	(139)	90
	30,532	39,085
Cash and cash equivalents received on interest and dividends income	209	268
Cash and cash equivalents paid for interest expenses	(9)	(7)
Cash and cash equivalents paid for income taxes	(6,546)	(12,771)
Net cash provided by operating activities	24,185	26,575
Cash flows from investing activities:		
Decrease in time deposits, net	120	60
Payment for purchases of investment securities	(7)	(172)
Proceeds from sale of investment securities	41	111
Proceeds from redemption of investment securities	—	100
Collection of investments in capital	1,220	50
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(2,575)
Purchase of investments in subsidiaries	—	(47)
Acquisitions of property and equipment	(5,244)	(7,349)
Acquisitions of intangible fixed assets	(1,251)	(1,452)
Proceeds from sale of property and equipment	358	270
Payments of loans receivable	(2,502)	(1,766)
Collection of loans receivable	557	804
Purchase of insurance funds	(670)	(17)
Proceeds from cancellation of insurance funds	1,247	163
Other, net	(99)	(61)
Net cash used in investing activities	(6,228)	(11,882)

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from financing activities:		
Decrease in short-term borrowings, net	(390)	(1,170)
Acquisitions of treasury stock	(8,025)	(7,958)
Proceeds from sale of treasury stock	378	546
Cash dividends paid	(2,423)	(3,545)
Cash dividends paid to minority shareholders	(3)	(4)
Repayments of finance lease obligations	(48)	(68)
Net cash used in financing activities	(10,511)	(12,199)
Effect of exchange rate changes on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	7,445	2,495
Cash and cash equivalents at beginning of year	23,469	30,915
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	24
Cash and cash equivalents at end of year	30,915	33,435