

Summary of Financial Statements for the Fiscal Year Ended March 31, 2017
[Japan GAAP]

May 11, 2017

Name of Listed Company: SENKO Group Holdings Co., Ltd. Stock Listed on: The First Section of the Tokyo Stock Exchange
Code Number: 9069 URL <http://www.senkogrouphd.co.jp/>
Representative: Title: President Name: Yasuhisa Fukuda
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Scheduled Date of Annual Meeting of Shareholders: June 28, 2017 Scheduled Date of Dividend Paid: June 29, 2017
Scheduled Date of Issue of Financial Report: June 28, 2017
Supplemental Information Materials: Yes
Information Meeting for Financial Results: Yes

1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results

Note: Amounts less than ¥1 million have been rounded down.

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	455,435	4.9	17,081	(2.4)	17,301	0.7	8,950	4.8
Fiscal year ended March 31, 2016	434,000	8.9	17,497	28.2	17,178	29.8	8,542	20.8

(Note) Comprehensive income

Fiscal year ended March 31, 2017: ¥12,249 million (42.0%)

Fiscal year ended March 31, 2016: ¥8,630 million (-12.0%)

	Profit per share	Diluted profit per share	Return on shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	61.67	58.74	9.5	6.2	3.8
Fiscal year ended March 31, 2016	60.43	56.32	10.1	6.2	4.0

(Reference) Equity in earnings (losses) of affiliates:

Fiscal year ended March 31, 2017: ¥272 million

Fiscal year ended March 31, 2016: ¥109 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	285,958	114,090	35.1	661.61
As of March 31, 2016	269,461	100,009	32.6	613.71

(Reference) Shareholders' equity:

Fiscal year ended March 31, 2017: ¥100,287 million

Fiscal year ended March 31, 2016: ¥87,715 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2017	20,848	(3,678)	(8,626)	26,197
Fiscal year ended March 31, 2016	16,149	(2,288)	(21,492)	17,765

2. Dividends

	Annual dividend					Aggregate amount (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	June 30	September 30	December 31	March 31	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2016	-	9.00	-	11.00	20.00	2,887	33.1	3.3
Fiscal year ended March 31, 2017	-	11.00	-	11.00	22.00	3,265	35.7	3.3
Fiscal year ending March 31, 2018 (Forecast)	-	11.00	-	11.00	22.00		33.7	

Breakdown of the year-end dividend per share for the year ended March 31, 2016: ¥9 per share ordinary dividend, ¥2 per share commemorative dividend for the 70th anniversary of the foundation and 100th anniversary in business

3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half ending September 30, 2017	237,000	5.6	7,700	(13.2)	7,900	(9.6)	3,900	(12.8)	25.73
Fiscal year ending March 31, 2018	500,000	9.8	18,000	5.4	18,300	5.8	9,900	10.6	65.31

Notes

(1) Changes in significant subsidiaries during the fiscal year (Changes in specified subsidiaries associated with change in scope of consolidation): None

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than in (a): None

(c) Changes in accounting estimates: Yes

(d) Retrospective restatement: None

(3) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury shares)

As of March 31, 2017: 152,861,921 shares As of March 31, 2016: 144,834,771 shares

(b) Treasury shares

As of March 31, 2017: 1,279,937 shares As of March 31, 2016: 1,907,546 shares

(c) Average number of shares

Fiscal year ended March 31, 2017: 145,138,720 shares Fiscal year ended March 31, 2016: 141,352,936 shares

(Note) Starting with the first quarter of the consolidated fiscal year ended March 31, 2015 (the three months ended June 30, 2014), the number of treasury shares at term-end includes Senko shares owned by the employee stock ownership plan (ESOP) trust, following revisions to accounting principles due to the amendment of accounting standards. (As of March 31, 2017: 873,200 shares; as of March 31, 2016: 1,449,000 shares.)

[Reference] Overview of Non-Consolidated Operating Results

Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(1) Non-Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	205,469	0.5	5,437	(14.1)	6,077	(11.8)	3,678	(2.5)
Fiscal year ended March 31, 2016	204,374	2.4	6,331	1.4	6,889	(4.9)	3,774	(12.7)

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended March 31, 2017	25.35	24.13
Fiscal year ended March 31, 2016	26.71	24.87

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	210,504	79,169	37.4	519.67
As of March 31, 2016	203,379	73,505	36.0	511.77

(Reference) Shareholders' equity:

Fiscal year ended March 31, 2017: ¥78,772 million Fiscal year ended March 31, 2016: ¥73,145 million

This financial report is not required to be audited.

Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the assumptions used for forecasts and precautions concerning the use of forecasts, please see "Forecast for the fiscal year ending March 31, 2018" on page 3.

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1. Overview of operating results and others

(1) Results of operations

(a) Results of operations in the fiscal year ended March 31, 2017

In the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017), the Japanese economy emerged from a stagnant phase having shown signs of recovery amid modest recovery of global economy, combined with the improvement in the income and employment environment. However, business conditions remained uncertain due to factors such as the weak consumer spending.

In the logistics industry, the business environment remained challenging partially due to shortages of drivers and workers persisting amid an ongoing scenario of slowing freight volume.

In this environment, the Senko Group sought to enhance its competitiveness, expand its business areas, and upgrade its operating system.

The following provides an outline of our main activities in the fiscal year ended March 31, 2017.

In Japan, we welcomed ACROSS TRANSPORT CO., LTD., a department store delivery agent involved in the fashion logistics business, into the Senko Group in April to boost cooperation with each of the Senko Group companies in charge of the fashion logistics businesses. In addition, we commenced operations of our large-scale distribution facilities, namely, the Narita Fashion Logistics Center II (Tomisato City, Chiba Prefecture) which provides logistics services for imported brands, the Nishikanto LC (Logistics Center) (Aikawa Town, Kanagawa Prefecture) which engages in operations for major general merchandise store outlets located in the western Kanto region, the Kazo PD Center (Kazo City, Saitama Prefecture) which engages in operations for the Tokyo metropolitan area, and the Hino Distribution Center (Hino City, Tokyo) which engages in operations for major drug stores in May, August and November 2016, and January 2017, respectively.

Outside Japan, we expanded freezer warehouse and other equipment at the Kentucky Logistics Center (Kentucky, the United States) in August 2016. We also started operation at our first Three-Temperature Zone Logistics Center in Myanmar in October 2016.

In the trading & commerce business segment, we moved forward in developing new products and expanding sales channels for existing products, while also working to provide greater depth of integrated trading and logistics services through efforts including internal sourcing of operations within the Group with respect to logistics operations involving our products.

Meanwhile, regarding initiatives in the new business domain, we established a subsidiary in August 2016, advancing into the real estate business. We also launched a nursing care business and lifestyle support services business by making KEIHANNA helper station Co., Ltd., which operates a nursing care business, and Ienonaka Company, Ltd., which provides a housekeeping services, into the Senko Group in October 2016 and January 2017, respectively.

To upgrade our operating system, we promoted a modal shift to reduce the environmental impact and resolve the shortage of drivers, while boosting the use of our own trucks. In October 2016, we opened our driving school grounds for large vehicles at the Company's traffic safety training facility Crefeel Koto, and set about enhancing our framework for securing and training drivers.

To ensure financial soundness, in September we transferred seven distribution centers to a real estate investment company (a private REIT) managed by Senko Asset Management Co., Ltd., and the raised funds were utilized for the construction of new distribution centers and other purposes.

Furthermore, in October 2016, we established SENKO UNIVERSITY, an in-house university for raising the sophistication and specialization of training content for human resources and developing strategic human resources.

The full-year performance was as follows.

(Unit: Millions of yen)

	FY ended March 31, 2016	FY ended March 31, 2017	Change	%
Operating revenue	434,000	455,435	21,434	4.9
Operating profit	17,497	17,081	(415)	(2.4)
Ordinary profit	17,178	17,301	122	0.7
Profit attributable to owners of parent	8,542	8,950	408	4.8

Consolidated operating revenue for the fiscal year ended March 31, 2017 increased 4.9% year on year to ¥455,435 million. This result mainly reflected the aggressive expansion of sales and the contribution of ACROSS TRANSPORT CO., LTD., which was made a consolidated subsidiary of the Company.

On the profit front, consolidated operating profit decreased to ¥17,081 million, down 2.4% year on year due to a decline in freight volumes from existing customers, and despite factors buoying profits such as sales expansion, revision of freight charges, and improvements in productivity. On the other hand, consolidated ordinary profit rose to ¥17,301 million, up 0.7% year on year, due primarily to the increase in non-operating income, while profit attributable to owners of parent also rose to ¥8,950 million, up 4.8% year on year.

The business segment performance was as follows.

Distribution

Operating revenue grew 5.8% year on year to ¥317,984 million in this segment. This was mainly attributable to a rise in operating revenue resulting from the consolidation of ACROSS TRANSPORT CO., LTD. and expansion of sales to new and existing customers, including a major drugstore.

Trading & commerce

Operating revenue grew 2.6% year on year to ¥132,868 million in this segment. This reflected the result of an increase in sales volume of existing products and sales expansion to new customers.

Others

Operating revenue rose 11.5% year on year to ¥4,582 million in this segment. This was attributable to the growth of sales in the data processing services and expansion of the sales of electricity produced by solar power generation.

(b) Forecast for the fiscal year ending March 31, 2018

The Japanese economy is expected to achieve moderate recovery combined with expansion against a backdrop of rebounding domestic demand primarily in terms of consumer spending, as well as expanding overseas demand brought about by upturns in the U.S. and Chinese economies.

In the logistics industry on the other hand, the challenging business environment is expected to continue given a situation where it has become difficult to secure drivers and other human resources needed to handle increasing volumes of small-lot cargo as shipment volumes of freight overall stagnate.

In this environment, the Company was renamed as "SENKO Group Holdings Co., Ltd." on April 1, 2017, and transitioned to a holding company structure. This involved categorizing each of the Group operating companies into one of the five business domains of distribution, trading, lifestyle support, agriculture, and business support. Accordingly, operating companies within the Senko Group were designated as core companies that will handle oversight and management. This includes SENKO Co., Ltd. and Runtec Corporation in the distribution business, and SENKO SHOJI CO., LTD., SMILE CORP., and AST CORPORATION in the trading business.

Going forward, we aim to strengthen Group alliances more than ever before and further enhance corporate value, by strengthening our corporate governance framework, clarifying each operating company's responsibilities and authority, and expediting decision-making.

In addition, the Senko Group has established a new five-year medium-term business plan with fiscal 2017 being its initial fiscal year. Acting as a group of companies that provides support for people's daily lives and industry, we have established a corporate vision with respect to becoming "Corporate Group Creating Future Trends," and accordingly we will work to achieve further expansion of our overseas businesses and development of new businesses in conjunction with our core businesses of distribution and trading.

As a result of pursuing such corporate activity, the Group's consolidated forecasts for the next fiscal year are for operating revenue of ¥500.0 billion, operating profit of ¥18.0 billion, ordinary profit of ¥18.3 billion, and profit attributable to owners of parent of ¥9.9 billion.

(2) Financial condition

1) Assets, liabilities and net assets

Total assets

Total assets as of March 31, 2017 were ¥285,958 million, ¥16,497 million higher than at the end of the previous fiscal year.

Current assets amounted to ¥108,699 million, up ¥15,318 million from the end of the previous fiscal year. This mainly reflected an increase of ¥8,685 million in cash and deposits and increases of ¥3,868 million in notes and operating accounts receivable.

Non-current assets totaled ¥177,175 million, up ¥1,204 million from the end of the previous fiscal year. This was due to a decrease in property, plant and equipment of ¥6,609 million as a result of transfers of seven distribution centers to the private REIT, despite increases in intangible assets of ¥1,759 million, and an increase in investments and other assets of ¥6,054 million.

Liabilities

Liabilities as of March 31, 2017 increased ¥2,416 million from the end of the previous fiscal year to ¥171,868 million.

Current liabilities totaled ¥93,914 million, up ¥8,267 million from the end of the previous fiscal year. This was mainly due to increases in electronically recorded obligations—operating of ¥5,171 million, short-term loans payable of ¥7,243 million, and lease obligations of ¥857 million, despite decreases in notes and operating accounts payable—trade of ¥3,394 million and current portion of bonds of ¥5,000 million.

Non-current liabilities totaled ¥77,953 million, down ¥5,850 million from the end of the previous fiscal year. This was due to increases in convertible bond-type bonds with subscription rights to shares of ¥5,012 million and lease obligations of ¥2,774 million, even though long-term loans payable decreased by ¥13,459 million.

Net assets

Net assets as of March 31, 2017 rose ¥14,080 million from the end of the previous year to ¥114,090 million. This was due to factors such as increases of ¥2,516 million in capital stock as a result of the conversion to shares of convertible bond-type bonds with subscription rights to shares, ¥2,573 million in capital surplus, ¥5,809 million in retained earnings, ¥1,527 million in remeasurements of defined benefit plans, and ¥1,472 million in non-controlling interests. The equity ratio increased by 2.5 percentage points to 35.1% from the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents at end of period increased by ¥8,431 million year on year to ¥26,197 million.

Net cash provided by operating activities amounted to ¥20,848 million. This was mainly due to profit before income taxes of ¥16,572 million and depreciation of ¥10,216 million, despite interest expenses paid of ¥953 million and income taxes paid of ¥5,360 million.

Net cash used in investing activities totaled ¥3,678 million. This was mainly due to the purchase of property, plant and equipment of ¥16,253 million and purchase of shares of subsidiaries and associates of ¥5,282 million, despite proceeds from the sales of property, plant and equipment of ¥17,883 million.

Net cash used in financing activities totaled ¥8,626 million. This was mainly due to a repayment of long-term loans payable of ¥10,871 million, repayments of finance lease obligations of ¥2,801 million, redemption of bonds of ¥5,000 million, and cash dividends paid of ¥3,173 million, despite proceeds from long-term loans payable of ¥3,150 million and proceeds from issuance of bonds with subscription rights to shares of ¥10,050 million.

3) Performance indicators associated with cash flows

Fiscal years ended March 31	2013	2014	2015	2016	2017
Equity ratio (%)	31.3	27.8	28.4	32.6	35.1
Market capitalization equity ratio (%)	29.7	23.6	38.1	36.4	38.0
Interest-bearing debt to cash flow ratio	6.6	9.2	5.7	5.7	4.1
Interest coverage ratio	9.6	8.6	15.5	14.7	21.9

Notes:

Equity ratio: Shareholders' equity / Total assets

Market capitalization equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest expenses

- All figures are based on the consolidated financial statements.
- Market capitalization is calculated by multiplying the fiscal year-end stock price and the number of shares issued at the end of the fiscal year (after deducting treasury shares).
- Operating cash flows are the figure shown in the consolidated statement of cash flows. Interest-bearing debt is the sum of all liabilities on the consolidated balance sheet on which interest is paid. Interest expenses are the figure shown in the consolidated statement of cash flows.

(3) Fundamental policy for distribution of earnings and dividend for the current and the next fiscal years

While securing internal reserves necessary for future business development and management structure reinforcement, the basic policy is to return profits to shareholders by implementing stable dividends and dividends that are linked to business results.

In accordance with this policy, the year-end dividend for the fiscal year ended March 31, 2017 is set at ¥11.00 per share as previously forecasted. Combined with the already declared interim dividend of ¥11.00, the total annual dividend is expected to be ¥22.00.

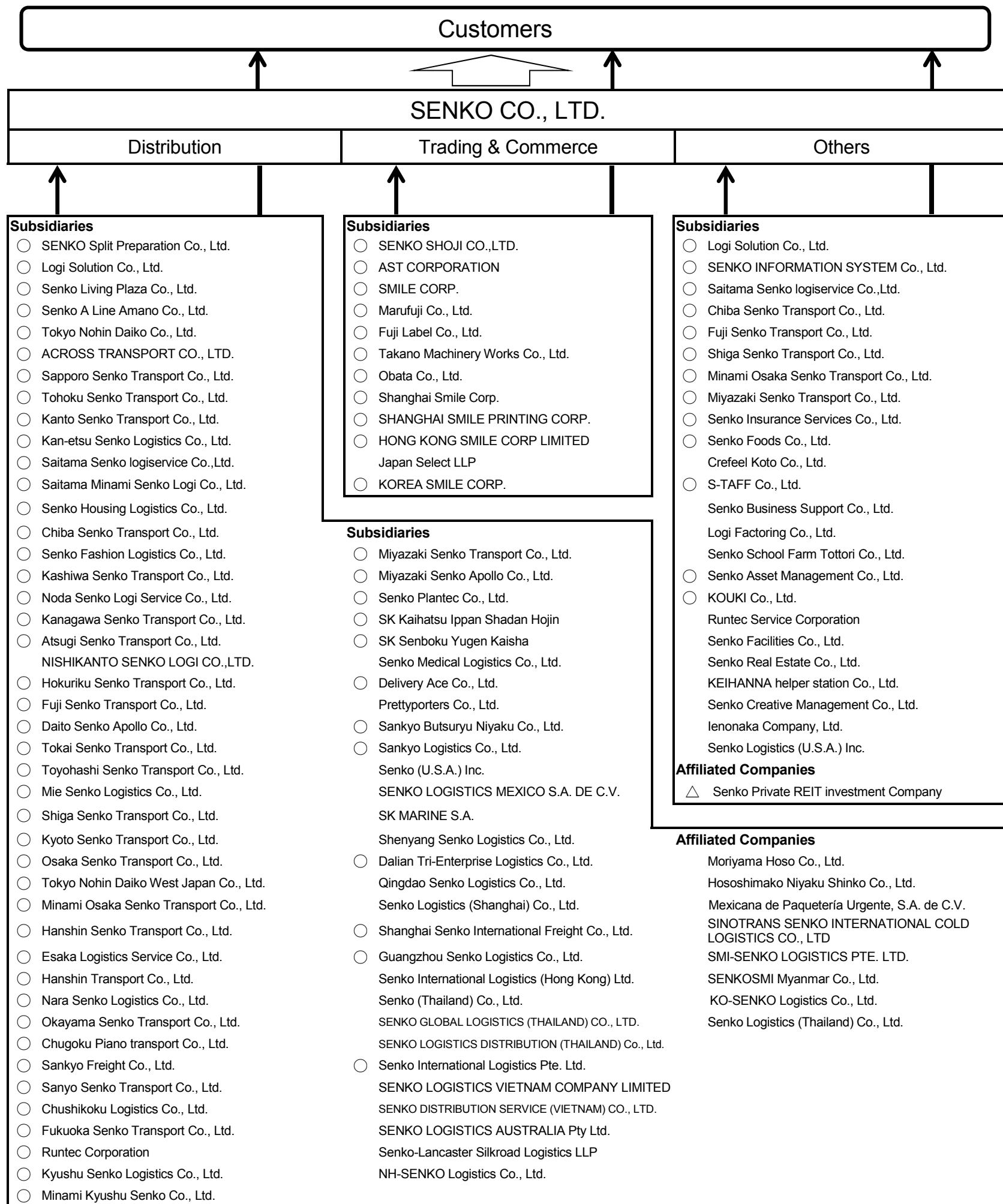
For the next fiscal year's dividend, we expect an annual dividend of ¥22.00 per share (interim dividend of ¥11.00, year-end dividend of ¥11.00), based on business results forecasts.

(4) Business risk

No discussion of business and other risks is presented here because there have been no significant changes involving these risks since the most recent Securities Report (dated June 28, 2016), which includes a section about business and other risks.

2. Corporate Group

The Senko Group includes the Company, 102 subsidiaries and nine affiliated companies. To meet the increasingly diverse and exacting needs of customers, Group companies conduct a full line of logistics operations extending from the development of strategic logistics systems to the operation of these systems. There are three business segments: Distribution, which includes cargo transport by truck, cargo transport by rail, warehouse operations, the operation of distribution centers, and other activities; Trading & Commerce, which includes sales of petroleum products, trading sales and international trade; and Others, which includes outsourced data processing services, motor vehicle maintenance, insurance agency services and other activities. A diagram of these business operations is presented below.



(Note)

○: Consolidated subsidiaries

△: Equity-method affiliate

3. Basic Concept Regarding the Selection of Accounting Standards

To facilitate comparisons of its consolidated financial statements across time periods and with other companies, the Senko Group intends to prepare its consolidated financial statements based on Japanese generally accepted accounting principles (JGAAP) for the time being.

With regard to the adoption of international financial reporting standards (IFRS), the Company intends to monitor developments in Japan and overseas, and to respond appropriately to these developments.

4. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheets

(Unit: Millions of Yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	18,477	27,162
Notes and operating accounts receivable	58,107	61,975
Merchandise and finished goods	6,967	7,006
Real estate for sale	3	-
Work in process	200	305
Raw materials and supplies	335	292
Deferred tax assets	2,583	2,826
Other	6,734	9,151
Allowance for doubtful accounts	(29)	(21)
Total current assets	93,380	108,699
Non-current assets		
Property, plant and equipment		
Buildings and structures	134,201	124,739
Accumulated depreciation	(71,788)	(71,319)
Buildings and structures, net	62,412	53,420
Machinery, equipment and vehicles	35,670	37,669
Accumulated depreciation	(27,470)	(28,650)
Machinery, equipment and vehicles, net	8,200	9,018
Tools, furniture and fixtures	6,493	6,954
Accumulated depreciation	(5,108)	(5,517)
Tools, furniture and fixtures, net	1,385	1,436
Land	60,486	56,700
Leased Assets	6,848	11,534
Accumulated depreciation	(4,113)	(5,634)
Leased Assets, net	2,734	5,900
Construction in progress	1,504	3,637
Total property, plant and equipment	136,723	130,114
Intangible assets		
Goodwill	4,038	5,617
Other	3,906	4,086
Total intangible assets	7,945	9,704
Investments and other assets		
Investment securities	11,696	16,452
Long-term loans receivable	3,755	3,131
Net defined benefit asset	-	2,359
Guarantee deposits	10,572	11,197
Deferred tax assets	2,553	2,050
Other	3,751	3,191
Allowance for doubtful accounts	(1,026)	(1,025)
Total investments and other assets	31,302	37,357
Total non-current assets	175,971	177,175
Deferred assets		
Business commencement expenses	108	83
Total deferred assets	108	83
Total assets	269,461	285,958

(Unit: Millions of Yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and operating accounts payable–trade	37,125	33,731
Electronically recorded obligations–operating	1,601	6,773
Current portion of bonds	5,000	-
Short-term loans payable	18,388	25,631
Lease obligations	1,935	2,793
Income taxes payable	3,219	3,916
Provision for bonuses	3,959	4,228
Provision for directors' bonuses	220	210
Provision for loss on disaster	-	96
Other	14,196	16,534
Total current liabilities	85,647	93,914
Non-current liabilities		
Bonds payable	7,000	7,000
Convertible bond-type bonds with subscription rights to shares	5,037	10,049
Long-term loans payable	55,943	42,483
Lease obligations	3,591	6,365
Provision for directors' retirement benefits	363	276
Provision for special repairs	39	37
Net defined benefit liability	7,621	7,087
Asset retirement obligations	518	817
Other	3,688	3,834
Total non-current liabilities	83,804	77,953
Total liabilities	169,451	171,868
Net assets		
Shareholders' equity		
Capital stock	24,011	26,528
Capital surplus	22,838	25,411
Retained earnings	42,845	48,654
Treasury shares	(942)	(657)
Total shareholders' equity	88,752	99,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,448	1,391
Deferred gains or losses on hedges	(91)	1
Foreign currency translation adjustment	427	250
Remeasurements of defined benefit plans	(2,820)	(1,293)
Total accumulated other comprehensive income	(1,036)	350
Subscription rights to shares	359	396
Non-controlling interests	11,933	13,406
Total net assets	100,009	114,090
Total liabilities and net assets	269,461	285,958

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2016 (April 1, 2015–March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)
Operating revenue	434,000	455,435
Operating cost	386,321	405,757
Operating gross profit	47,679	49,677
Selling, general and administrative expenses	30,181	32,595
Operating profit	17,497	17,081
Non-operating income		
Interest income	172	101
Dividend income	120	130
Share of profit of entities accounted for using equity method	109	272
Other	943	1,237
Total non-operating income	1,345	1,742
Non-operating expenses		
Interest expenses	1,101	927
Other	562	595
Total non-operating expenses	1,663	1,522
Ordinary profit	17,178	17,301
Extraordinary income		
State subsidy	-	1,252
Gain on sales of investment securities	-	536
Gain on sales of non-current assets	301	283
Compensation income for expropriation	99	-
Total extraordinary income	400	2,072
Extraordinary losses		
Loss on reduction of non-current assets	-	1,225
Loss on valuation of shares of subsidiaries and associates	104	574
Expenses related to commemorative works for centennial anniversary	76	448
Loss on disaster	-	252
Loss on retirement of non-current assets	181	130
Litigation expenses	-	76
Provision of allowance for doubtful accounts for subsidiaries and associates	400	62
Loss on sales of non-current assets	53	31
Loss on cancellation of leases	142	-
Compensation for damage	97	-
Special retirement expenses	38	-
Cancel penalty	35	-
Loss on sales of shares of subsidiaries and associates	32	-
Total extraordinary losses	1,162	2,801
Profit before income taxes	16,416	16,572
Income taxes–current	5,527	5,930
Income taxes–deferred	638	(148)
Total income taxes	6,166	5,781
Profit	10,250	10,790
Profit attributable to non-controlling interests	1,707	1,839
Profit attributable to owners of parent	8,542	8,950

(Consolidated statements of comprehensive income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2016 (April 1, 2015–March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)
Profit	10,250	10,790
Other comprehensive income		
Valuation difference on available-for-sale securities	(353)	52
Deferred gains or losses on hedges	(94)	97
Foreign currency translation adjustment	(152)	(235)
Remeasurements of defined benefit plans, net of tax	(1,019)	1,544
Total other comprehensive income	(1,620)	1,458
Comprehensive income	8,630	12,249
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,087	10,337
Comprehensive income attributable to non-controlling interests	1,542	1,912

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	23,098	21,914	36,676	(1,183)	80,506
Changes of items during period					
Issuance of new shares	913	913			1,826
Dividends of surplus			(2,571)		(2,571)
Profit attributable to owners of parent			8,542		8,542
Purchases of treasury shares				(9)	(9)
Disposal of treasury shares				250	250
Change of scope of consolidation			197		197
Change in ownership interest of parent due to transactions with non-controlling interests		10			10
Net changes of items other than shareholders' equity					-
Total changes of items during period	913	923	6,168	240	8,245
Balance at end of current period	24,011	22,838	42,845	(942)	88,752

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation differences on available-for-securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,819	(4)	543	(1,839)	519	288	11,428	92,743
Changes of items during period								
Issuance of new shares								1,826
Dividends of surplus								(2,571)
Profit attributable to owners of parent								8,542
Purchases of treasury shares								(9)
Disposal of treasury shares								250
Change of scope of consolidation								197
Change in ownership interest of parent due to transactions with non-controlling interests								10
Net changes of items other than shareholders' equity	(371)	(87)	(116)	(980)	(1,555)	71	504	(979)
Total changes of items during period	(371)	(87)	(116)	(980)	(1,555)	71	504	7,265
Balance at end of current period	1,448	(91)	427	(2,820)	(1,036)	359	11,933	100,009

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	24,011	22,838	42,845	(942)	88,752
Cumulative effects of changes in accounting policies			18		18
Restated balance	24,011	22,838	42,863	(942)	88,770
Changes of items during period					
Issuance of new shares	2,516	2,516			5,033
Dividends of surplus			(3,176)		(3,176)
Profit attributable to owners of parent			8,950		8,950
Purchases of treasury shares				(0)	(0)
Disposal of treasury shares				285	285
Change of scope of consolidation			16		16
Change in ownership interest of parent due to transactions with non-controlling interests		56			56
Net changes of items other than shareholders' equity					-
Total changes of items during period	2,516	2,573	5,790	285	11,166
Balance at end of current period	26,528	25,411	48,654	(657)	99,937

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation differences on available-for-securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,448	(91)	427	(2,820)	(1,036)	359	11,933	100,009
Cumulative effects of changes in accounting policies							20	39
Restated balance	1,448	(91)	427	(2,820)	(1,036)	359	11,953	100,048
Changes of items during period								
Issuance of new shares								5,033
Dividends of surplus								(3,176)
Profit attributable to owners of parent								8,950
Purchases of treasury shares								(0)
Disposal of treasury shares								285
Change of scope of consolidation								16
Change in ownership interest of parent due to transactions with non-controlling interests								56
Net changes of items other than shareholders' equity	(57)	93	(176)	1,527	1,386	36	1,452	2,875
Total changes of items during period	(57)	93	(176)	1,527	1,386	36	1,452	14,041
Balance at end of current period	1,391	1	250	(1,293)	350	396	13,406	114,090

(4) Consolidated statements of cash flows

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)	Fiscal year ended March 31, 2017 (April 1, 2016 – March 31, 2017)
Cash flows from operating activities		
Profit before income taxes	16,416	16,572
Depreciation	9,925	10,216
Loss (gain) on sales of investment securities	-	(536)
Loss on valuation of shares of subsidiaries and associates	104	574
Loss (gain) on sales of shares of subsidiaries and associates	32	-
Loss (gain) on sales of non-current assets	(247)	(251)
Loss on retirement of non-current assets	181	130
Loss on reduction of non-current assets	-	1,225
State subsidy	-	(1,252)
Decrease (increase) in net defined benefit asset	-	(419)
Increase (decrease) in net defined benefit liability	(1,760)	(243)
Increase (decrease) in provision for bonuses	58	143
Interest and dividend income	(292)	(232)
Interest expenses	1,101	927
Decrease (increase) in notes and accounts receivable-trade	(1,748)	(1,695)
Decrease (increase) in inventories	(405)	(66)
Increase (decrease) in notes and accounts payable-trade	1,694	1,071
Increase (decrease) in accrued consumption taxes	(1,779)	366
Other	(497)	242
Subtotal	22,782	26,772
Interest and dividend income received	225	389
Interest expenses paid	(1,095)	(953)
Income taxes paid	(5,762)	(5,360)
Net cash provided by (used in) operating activities	16,149	20,848
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,994)	(16,253)
Proceeds from sales of property, plant and equipment	21,728	17,883
Purchase of investment securities	(119)	(60)
Proceeds from sales of investment securities	524	637
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(325)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(96)	-
Purchase of shares of subsidiaries and associates	(4,578)	(5,282)
Other	(1,751)	(278)
Net cash provided by (used in) investing activities	(2,288)	(3,678)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(12,800)	252
Proceeds from long-term loans payable	5,780	3,150
Repayment of long-term loans payable	(9,644)	(10,871)
Repayments of finance lease obligations	(2,116)	(2,801)
Redemption of bonds	(20)	(5,000)
Proceeds from issuance of bonds with subscription rights to shares	-	10,050
Purchase of treasury shares	(9)	(0)
Proceeds from sales of treasury shares	250	406
Cash dividends paid	(2,571)	(3,173)
Other	(360)	(638)
Net cash provided by (used in) financing activities	(21,492)	(8,626)
Effect of exchange rate change on cash and cash equivalents	(79)	(116)
Net increase (decrease) in cash and cash equivalents	(7,710)	8,425
Cash and cash equivalents at beginning of period	25,476	17,765
Increase in cash and cash equivalents from newly consolidated subsidiary	-	5
Cash and cash equivalents at end of period	17,765	26,197