

## Summary of Financial Statements for the Fiscal Year Ended March 31, 2013 [Japan GAAP]

April 25, 2013

Name of Listed Company : SENKO Co., Ltd.  
Code Number : 9069

Stock Listed on : the First Section of the Tokyo Stock Exchange  
and Osaka Securities Exchange

URL <http://www.senko.co.jp/en/>

Representative : Title : President  
Inquiries : Title : Executive Officer, Public Relations  
Scheduled Date of Annual Shareholders Meeting : June 27, 2013  
Scheduled Date of Issue of Financial Report : June 27, 2013  
Supplemental Information Materials : Yes  
Information Meeting for Financial Results : Yes (for institutional investors)

Name : Yasuhisa Fukuda  
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Scheduled Date of Dividend Paid : June 28, 2013

### 1. Consolidated Operating Results for the Fiscal Year Ended March 2013 (From April 1, 2012 to March 31, 2013)

#### (1) Consolidated Operating Results

Note : Amounts less than one million yen have been rounded down.

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2013	293,534	8.6	9,908	19.8	10,100	21.2	5,202	49.6
Fiscal year ended March 31, 2012	270,361	12.2	8,274	35.6	8,333	30.7	3,478	53.8

(Note) Comprehensive income :

Fiscal year ended March 31, 2013 : 5,838 million yen (49.8 %) Fiscal year ended March 31, 2012 : 3,897 million yen (87.1 %)

	Net income per share	Diluted net income per share	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenues
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2013	41.45	37.46	8.2	4.9	3.4
Fiscal year ended March 31, 2012	27.65	25.07	5.8	4.4	3.1

(Reference) Equity in earnings (losses) of affiliates

Fiscal year ended March 31, 2013 : 2 million yen

Fiscal year ended March 31, 2012 : -3 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2013	208,095	67,327	31.3	521.48
Fiscal year ended March 31, 2012	202,847	63,274	30.3	488.25

(Reference) Shareholders' equity :

Fiscal year ended March 31, 2013 : 65,139 million yen

Fiscal year ended March 31, 2012 : 61,424 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at fiscal year-end
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2013	11,037	(6,236)	(2,551)	15,690
Fiscal year ended March 31, 2012	9,341	(16,466)	6,094	13,354

### 2. Dividends

	Annual dividend					Aggregate amount (Annual)	Payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2012	-	6.00	-	6.00	12.00	1,509	43.4	2.5
Fiscal year ended March 31, 2013	-	7.00	-	7.00	14.00	1,755	33.8	2.8
Fiscal year ending March 31, 2014 (Forecast)	-	7.00	-	7.00	14.00		29.1	

(Note) Dividends include ¥1.00 of commemorative dividend for the end of 2Q and year end of FY3/12.

3. Forecast of Consolidated Operating Results for the Year Ending March 2014 (From April 1, 2013 to March 31, 2014)

(Percentage figures represent year on year changes)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half ending September 2013	149,000	3.2	5,000	7.3	4,900	4.0	2,800	4.7	22.42
Fiscal year ending March 2014	310,000	5.6	11,000	11.0	11,000	8.9	6,000	15.3	48.03

\*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 restatements

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

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

(c) Changes in accounting estimates : Yes

(d) Retrospective restatements : None

(3) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury stocks)

As of March 31, 2013 : 128,989,476 shares As of March 31, 2012 : 128,989,476 shares

(b) Treasury stock

As of March 31, 2013 : 4,077,506 shares As of March 31, 2012 : 3,183,467 shares

(c) Average number of shares (quarterly consolidated cumulative period)

Fiscal year ended March 31, 2013 : 125,516,847 shares Fiscal year ended March 31, 2012 : 125,812,093 shares

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for the Fiscal Year Ended March 2013 (From April 1, 2012 to March 31, 2013)

(1) Non-Consolidated Operating Results

(Percentage figures represent year on year changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2013	186,086	1.9	6,192	10.6	6,377	11.4	3,184	46.6
Fiscal year ended March 31, 2012	182,586	4.8	5,598	16.8	5,724	16.0	2,172	128.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2013	25.37	22.93
Fiscal year ended March 31, 2012	17.27	15.66

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2013	176,639	58,220	32.8	464.53
Fiscal year ended March 31, 2012	173,572	56,500	32.5	447.93

(Reference) Shareholders' equity :

Fiscal year ended March 31, 2013 : 58,024 million yen Fiscal year ended March 31, 2012 : 56,351 million yen

\*Status of implementation of auditing procedure

The auditing procedure for the consolidated financial statements that is prescribed by the Financial Instruments and Exchange Act had not been completed when this financial report was released.

\*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 Fiscal Year Ending March 2014" on page 3.

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## 1. Results of Operations and Financial Condition

### (1) Results of Operations

#### 1) Fiscal year performance

Some slight degree of recovery in the Japanese economy was initially seen in areas including manufacturing activity and consumer expenditure in response investment in public works for the recovery-related demand from the earthquake and government measures such as the eco-car subsidy program. Subsequently the economic environment continued to be challenging because of the persistence of the strong yen and a decline in exports caused by the slowdown in overseas economies combined with the deterioration of the impact of government policies to stimulate consumer spending. The economy bottomed towards the end of the year, however, and a gently recovering trend continued to become evident. Moreover, since the change of government in December, there has been a sustained tendency towards yen weakness and rising equity prices in response.

In the logistics industry too, an initial limited improvement in manufacturing activity and consumer spending resulted in a rising trend in cargo volumes but this was followed by further declines in both exports and consumer expenditure and so the operating environment remains difficult.

In this environment, the Senko Group is had been conducted aggressive activities in Japan and overseas because this is the final year of the three-year medium-term business plan based on the slogan "Moving Global" that it started in April 2010.

In Japan, as the companies that ship cargo made moves to spread out the locations of manufacturing and inventory storage locations regionally as a hedge against the risk of natural disasters and strove to secure multiple sources for raw materials and supplies and concentrated regional warehousing facilities so as to improve logistical efficiency on a regional basis, the Senko Group took positive steps to satisfy these regional needs and to serve new customers won by aggressive marketing programs by establishing new logistical facilities in the Kanto, Chubu and Kansai regions.

Overseas, a joint venture company was established in Thailand to provide distribution services to the Toyota Tsusho Corporation, Ltd., and the automobile assembly plants of Japanese corporations. In Kazakhstan, the Company set up distribution operations to serve the convenience store business of Ministop Co. Thus, the Company aggressively expanded its business globally.

In September, as part of the drive to strengthen our commerce and trade business, we welcomed Obata Co., Ltd. into the group as a subsidiary. Obata Co., Ltd. conducts wholesale activities in health foods and beverages, daily-use items, cosmetics and other goods in the Hokkaido and Tohoku regions.

In the fiscal year ended March 2013, revenues increased 8.6% to 293,534 million yen as a result of aggressive sales activities to attract new customers, the contribution deriving from the investments made to establish large new facilities in Noda City in Chiba prefecture, Kitahiroshima City in Hokkaido, and Hyuga City in Miyazaki Prefecture, and the acquisitions of Smile Corp. and Chugoku Piano Transport Co., Ltd. in the previous fiscal year.

Earnings benefited from growth in sales, the contribution from the newly acquired subsidiaries, cost-cutting measures and steps taken to increase productivity with the result that operating income increased 19.8% to 9,908 million yen, ordinary income increased 21.2% to 10,100 million yen, and net income increased 49.6% to 5,202 million yen.

The business segment performance as follows.

#### **Distribution**

There was an increase in cargo volume for general merchandise stores (GMS) in the distribution logistics business because of the start of operations at large logistics facilities in the previous fiscal year. In the housing distribution business, there was an increase in cargo volume for housing materials. Chugoku Piano Transport Co., Ltd., which became a subsidiary in the previous fiscal year, also contributed to the performance in the period. As a result, segment operating revenues increased 2.6% to 228,251 million yen.

#### **Commerce and Trade**

Operating revenues increased 38.6% to 62,118 million yen due to the addition of Smile Corp. to the group in the previous fiscal year and higher revenues in the trade business and petroleum marketing business.

#### **Others**

Operating revenues increased 3.6 % to 3,164 million yen.

2) Forecast for Fiscal Year Ending March 2014

Going forward, the Japanese economy is seen recovering gradually, due to higher exports due to the weaker yen and the impact of government economic stimulatory measures and anticipatory demand ahead of the hike in the consumption tax rate.

In this environment, and based on its new four-year medium-term business plan starting from fiscal 2013 year, the Senko Group seeks to realize, in addition to its "Moving Global" corporate slogan, the following concepts : "go beyond logistics" "make the world go round" and "revolutionize business."

In specific terms, this means striving to reinforce earnings power, developing new businesses, strengthening its operations in Asia and in other regions, expanding its distribution centers operations, and developing and providing higher value-added services. As a result of aggressively pursuing such corporate activity, the Group's consolidated forecasts for the next fiscal year are for operating revenues of 310.0 billion yen, operating income of 11.0 billion yen, ordinary income of 11.0 billion yen and net income of 6.0 billion yen.

(2) Financial Condition

1) Assets, liabilities and net assets

**Total assets**

Total assets were 208,095 million yen at the end of the year, 5,247 million yen higher than at the end of the previous fiscal year. This was mainly due to an increase of 2,336 million yen in cash and deposits, 1,699 million yen in notes and accounts receivable and 1,573 million yen in construction in progress.

**Liabilities**

Total liabilities were 140,767 million yen at the end of the year, 1,194 million yen higher than at the end of the previous fiscal year. There were increases of 539 million yen in short-term loans payable, 5,000 million yen in convertible bond-type bonds with subscription rights and 1,326 million yen in long-term loans payable but there were decreases in notes and operating accounts payable- trade of 919 million yen and in current portion of bonds with subscription rights of 4,900 million yen.

**Net assets**

Net assets increased 4,053 million yen to 67,327 million yen mainly because of a 3,567 million yen increase in retained earnings and a 516 million yen increase in valuation differences on available-for-sale securities. The equity ratio increased 1.0 percentage points to 31.3%.

2) Cash flows

Cash and equivalents at the end of the term increased by 2,336 million yen year-on-year to 15,690 million yen.

Operating cash flow was a positive 11,037 million yen (income). Although income before income taxes was 9,618 million yen and depreciation and amortization were 6,737 million yen, notes and accounts receivable rose by 1,559 million yen, and income taxes were 3,772 million yen.

Investing cash flow was 6,236 million yen in outgoings. This derived from expenditures of 6,014 million yen for purchase of property plant and equipment.

Financial cash flow was a negative 2,551 million yen (expenditure). Although proceeds from long-term loans payable was 8,869 million yen and income from issuance of bonds with subscription rights was 5,000 million yen, outgoings were 2,626 million yen or net decrease in short-term loans payable, 4,378 million yen for repayment of long-term loans payable, 2,282 million yen for repayments of finance lease obligations, 4,900 million yen for redemptions of bonds with subscription rights and 1,634 million yen for dividend payments.

3) Performance indicators associated with cash flows

Years ended March 31	2009	2010	2011	2012	2013
Equity ratio (%)	33.5	32.0	33.3	30.3	31.3
Market capitalization equity ratio (%)	22.1	22.4	19.1	20.6	29.7
Interest-bearing debt to cash flow ratio	9.9	9.6	8.2	7.6	6.6
Interest coverage ratio	6.1	5.3	6.2	7.9	9.6

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 stock).

\*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, 2013 was set at 6.00 yen per share, but with the year-end dividend of 7.00 yen in view of the strong business performance throughout the year, combined with the already declared interim dividend of 7.00 yen, the total annual dividend is expected to be 14.00 yen.

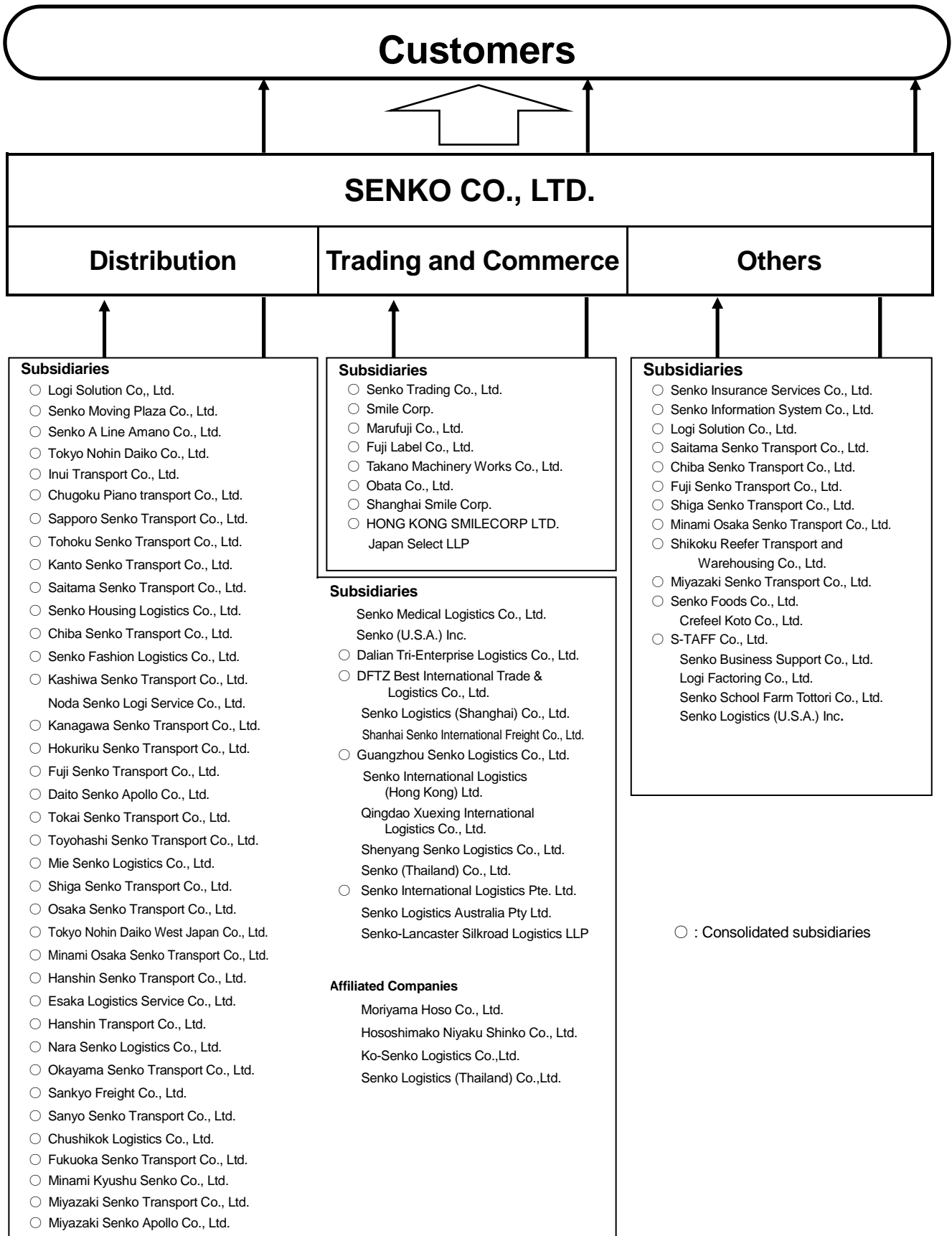
For the next fiscal year's annual dividend, the same amount of 14.00 yen per share is expected.

(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, 2012), which includes a section about business and other risks.

## 2 Corporate Group

The Senko Group includes Senko, 71 subsidiaries and four 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 and 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.



### 3 Management Policies

(1) Fundamental Management Policy

The Senko Group is dedicated to becoming a company that earn the trust of shareholders, customers, employees and society and provide benefits to these stakeholders by using highly advanced logistics and information technologies to create and provide services of the highest quality.

To accomplish this goal, group companies seek to maximize corporate value by supplying customers with high-quality, low-cost value-added logistics services. From the standpoint of coexisting with society, the Senko Group also places priority on safety and environmental protection along with helping maintain social order. The aim is to create an energetic organization that is dedicated to growth and trust and able to fulfill its obligations as a leading member of the logistics industry.

(2) Targeted Performance Indicators

The new four-year medium-term business plan, which began in the fiscal year ending in March 2014, includes the following goals

	FY2012 (Actual)	FY2016 (Target)
Operating revenues	293.5 billion yen	400.0 billion yen
Operating income	9.9 billion yen	15.0 billion yen
Operating margin	3.4%	3.8%

(3) Medium and Long-term Strategies

The company celebrates its 100<sup>th</sup> anniversary in 2016. Because the Company is celebrating the 100<sup>th</sup> anniversary of its foundation, it has established a vision of what is needed for “Becoming a logistics information company that can be trusted upon both in Japan and overseas” and has accordingly created a medium-term business plan that covers the four-year period commencing with the fiscal year that starts in 2013.

Summary of the Senko Group Medium-term Business Plan (April 2013 to March 2016)
<p><b>1. The shape that the Senko Group aims to achieve</b> “Becoming a logistics information company that can be trusted upon both in Japan and overseas” *A logistics information company means : A company that has a good command of information, including logistics and trade distribution, and provides the appropriate distribution and logistical services on a global scale.</p> <p><b>2. Corporate slogan : “Moving Global”</b> Go beyond logistics : Provide customers with high-quality services beyond the framework of an existing logistics company. Make the world go round : Conduct a “global” business with social consciousness. Revolutionize business : Offer customers new value by cultivating an awareness of self-development in employees.</p> <p><b>3. Medium-term management policies</b> (1) Aiming at the provision of comprehensive and integrated services, challenging the creation of products together with expanding the range of our businesses in distribution and in trade logistics operations. (2) Fostering a greater degree of trust among our customers, forming a high-quality and high-service structure. (3) Reinforcing our staff training and employment activities to foster and retain group human resources (including global human resources, and in-house entrepreneurs within the group). (4) Placing emphasis on compliance, and aiming to become a company that is in the vanguard of environmental, safety, and health issues. (5) Promoting financial policies that are based upon prioritising the maintenance of financial soundness.</p> <p><b>4. Medium-term business policies</b> (1) Expanding the operational scope of our “physical distribution business”. (2) Expanding the operational scope of our “commerce and trading business”. (3) Developing an “international distribution business” that prioritises earnings”. (4) Taking on the challenge of “making things”. (5) Promoting “business partnerships and M&amp;A”.</p>



#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Unit : Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	13,354	15,690
Notes and accounts receivable	40,688	42,387
Merchandise	4,087	4,399
Real estate for sale	3	3
Work in process	150	190
Supplies	188	186
Deferred tax assets	2,051	2,030
Other	3,782	4,041
Allowance for doubtful accounts	(53)	(66)
Total current assets	64,254	68,863
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	95,267	95,602
Accumulated depreciation	(49,460)	(51,484)
Buildings and structures (net)	45,806	44,117
Machinery, equipment and vehicles	20,868	21,459
Accumulated depreciation	(15,054)	(15,879)
Machinery, equipment and vehicles (net)	5,814	5,580
Tools, furniture and fixtures	4,778	4,894
Accumulated depreciation	(3,918)	(4,144)
Tools, furniture and fixtures (net)	859	749
Land	39,837	40,098
Lease assets	6,858	7,735
Accumulated depreciation	(3,266)	(4,479)
Lease assets (net)	3,591	3,256
Construction in progress	229	1,803
Total property, plant and equipment	96,139	95,605
Intangible assets		
Goodwill	3,730	3,452
Other	3,505	3,477
Total intangible assets	7,235	6,930
Investments and other assets		
Investment securities	4,754	5,550
Long-term loans receivable	4,223	4,027
Guarantee deposits	8,810	9,252
Deferred tax assets	4,000	3,435
Other	13,709	14,829
Allowance for doubtful accounts	(280)	(399)
Total investments and other assets	35,217	36,696
Total noncurrent assets	138,592	139,232
<b>Total assets</b>	<b>202,847</b>	<b>208,095</b>

(Unit : Millions of Yen)

	As of March 31, 2012	As of March 31, 2013
<b>Liabilities</b>		
Current liabilities		
Notes and operating accounts payable- trade	32,297	31,377
Current portion of bonds with subscription rights	4,900	—
Short-term loans payable	13,936	14,475
Lease obligations	2,066	2,146
Income taxes payable	2,281	2,540
Provision for bonuses	3,125	3,118
Provision for directors' bonuses	172	181
Reserve for loss on disaster	43	—
Other	9,260	9,995
Total current liabilities	68,084	63,835
Noncurrent liabilities		
Bonds payable	12,000	12,000
Convertible bond-type bonds with subscription rights	—	5,000
Long-term loans payable	40,422	41,749
Lease obligations	4,075	3,583
Provision for retirement benefits	9,468	9,269
Provision for directors' retirement benefits	66	65
Provision for special repairs	52	61
Asset retirement obligations	316	324
Other	5,087	4,878
Total noncurrent liabilities	71,489	76,931
Total liabilities	139,573	140,767
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,521	20,521
Capital surplus	18,782	18,782
Retained earnings	22,901	26,468
Treasury stock	(1,049)	(1,353)
Total shareholders' equity	61,155	64,418
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	157	673
Deferred gains or losses on hedges	156	(4)
Foreign currency translation adjustment	(44)	52
Total accumulated other comprehensive income	269	720
Subscription rights to shares	149	195
Minority interests	1,700	1,992
Total net assets	63,274	67,327
Liabilities and net assets	202,847	208,095

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

(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 <small>(April 1, 2011 – March 31, 2012)</small>	Fiscal year ended March 31, 2013 <small>(April 1, 2012 – March 31, 2013)</small>
Operating revenues	270,361	293,534
Cost of sales	245,426	263,898
Gross profit	24,935	29,635
Selling, general and administrative expenses	16,661	19,727
Operating income	8,274	9,908
Non-operating income		
Interest income	181	162
Dividends income	912	965
Other	788	591
Total non-operating income	1,882	1,720
Non-operating expenses		
Interest expenses	1,200	1,155
Other	622	373
Total non-operating expenses	1,823	1,529
Ordinary income	8,333	10,100
Extraordinary income		
Gain on sales of noncurrent assets	174	—
Total extraordinary income	174	—
Extraordinary loss		
Loss on retirement of noncurrent assets	190	201
Provision of allowance for doubtful accounts for subsidiaries and affiliates	—	106
Loss on revaluation of investment securities	—	77
Special retirement expenses	179	53
Loss on cancellation of lease contracts	50	43
Loss on sales of noncurrent assets	302	—
Total extraordinary loss	723	481
Income before income taxes	7,783	9,618
Income taxes- current	2,705	3,932
Income taxes- deferred	1,525	397
Total income taxes	4,230	4,329
Income before minority interests	3,553	5,288
Minority interest	74	85
Net income	3,478	5,202

## (Consolidated Statements of Comprehensive Income)

(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 <small>(April 1, 2011 – March 31, 2012)</small>	Fiscal year ended March 31, 2013 <small>(April 1, 2012 – March 31, 2013)</small>
Income before minority interests	3,553	5,288
Other comprehensive income		
Valuation difference on available-for-sale securities	180	563
Deferred gains or losses on hedges	181	(166)
Foreign currency translation adjustment	(16)	153
Share of other comprehensive income of associates accounted for using equity method	(1)	(0)
Total other comprehensive income	343	549
Comprehensive income	3,897	5,838
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,786	5,654
Comprehensive income attributable to minority interests	110	184

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

(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 <small>(April 1, 2011 – March 31, 2012)</small>	Fiscal year ended March 31, 2013 <small>(April 1, 2012 – March 31, 2013)</small>
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the beginning of current period	20,521	20,521
Changes of items during the period		
Total changes of items during the period	—	—
Balance at fiscal year end	20,521	20,521
<b>Capital surplus</b>		
Balance at the beginning of current period	18,782	18,782
Changes of items during the period		
Disposal of treasury stock	—	(0)
Total changes of items during the period	—	(0)
Balance at fiscal year end	18,782	18,782
<b>Retained earnings</b>		
Balance at the beginning of current period	20,806	22,901
Changes of items during the period		
Dividends from surplus	(1,383)	(1,635)
Net income	3,478	5,202
Total changes of items during the period	2,094	3,567
Balance at fiscal year end	22,901	26,468
<b>Treasury stock</b>		
Balance at the beginning of current period	(1,046)	(1,049)
Changes of items during the period		
Purchases of treasury stock	(2)	(310)
Disposal of treasury stock	—	6
Total changes of items during the period	(2)	(303)
Balance at fiscal year end	(1,049)	(1,353)
<b>Total shareholders' equity</b>		
Balance at the beginning of current period	59,063	61,155
Changes of items during the period		
Dividends from surplus	(1,383)	(1,635)
Net income	3,478	5,202
Purchases of treasury stock	(2)	(310)
Disposal of treasury stock	—	6
Total changes of items during the period	2,092	3,263
Balance at fiscal year end	61,155	64,418

(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 <small>(April 1, 2011 – March 31, 2012)</small>	Fiscal year ended March 31, 2013 <small>(April 1, 2012 – March 31, 2013)</small>
<b>Accumulated other comprehensive income</b>		
Valuation differences on available-for-securities		
Balance at the beginning of current period	2	157
Changes of items during the period		
Net changes of items other than shareholders' equity	154	516
Total changes of items during the period	154	516
Balance at fiscal year end	157	673
Deferred gains or losses on hedges		
Balance at the beginning of current period	(9)	156
Changes of items during the period		
Net changes of items other than shareholders' equity	166	(161)
Total changes of items during the period	166	(161)
Balance at fiscal year end	156	(4)
Foreign currency translation adjustment		
Balance at the beginning of current period	(31)	(44)
Changes of items during the period		
Net changes of items other than shareholders' equity	(13)	96
Total changes of items during the period	(13)	96
Balance at fiscal year end	(44)	52
Total accumulated other comprehensive income		
Balance at the beginning of current period	(38)	269
Changes of items during the period		
Net changes of items other than shareholders' equity	307	451
Total changes of items during the period	307	451
Balance at fiscal year end	269	720
Subscription rights to shares		
Balance at the beginning of current period	107	149
Changes of items during the period		
Net changes of items other than shareholders' equity	41	46
Total changes of items during the period	41	46
Balance at fiscal year end	149	195
Minority interests		
Balance at the beginning of current period	1,472	1,700
Changes of items during the period		
Net changes of items other than shareholders' equity	228	291
Total changes of items during the period	228	291
Balance at fiscal year end	1,700	1,992

(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 (April 1, 2011 – March 31, 2012)	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)
<b>Total net assets</b>		
Balance at the beginning of current period	60,604	63,274
<b>Changes of items during the period</b>		
Dividends from surplus	(1,383)	(1,635)
Net income	3,478	5,202
Purchases of treasury stock	(2)	(310)
Disposal of treasury stock	—	6
Net changes of items other than shareholders' equity	577	790
<b>Total changes of items during the period</b>	<b>2,669</b>	<b>4,053</b>
Balance at fiscal year end	63,274	67,327

## (4) Consolidated Statements of Cash Flows

(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 <small>(April 1, 2011 – March 31, 2012)</small>	Fiscal year ended March 31, 2013 <small>(April 1, 2012 – March 31, 2013)</small>
<b>Cash flows from operating activities</b>		
Income before income taxes	7,783	9,618
Depreciation and amortization	6,159	6,737
Loss (gain) on revaluation of investment securities	—	77
Loss (gain) on sales of noncurrent assets	302	(26)
Loss on retirement of noncurrent assets	190	201
Increase (decrease) in provision for retirement benefits	(470)	(199)
Increase (decrease) in provision for bonuses	193	(7)
Increase (decrease) in provision for loss on disaster	(793)	(43)
Interest and dividends income	(1,094)	(1,128)
Interest expenses	1,200	1,155
Decrease (increase) in notes and accounts receivable- trade	(4,483)	(1,559)
Decrease (increase) in inventories	(802)	(337)
Increase (decrease) in notes and accounts payable- trade	3,968	525
Other	487	729
Sub-total	12,643	15,742
Interest and dividends income received	253	215
Interest expenses paid	(1,186)	(1,147)
Income taxes paid	(2,368)	(3,772)
Net cash provided by (used in) operating activities	9,341	11,037
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(11,949)	(6,014)
Proceeds from sales of property, plant and equipment	1,362	191
Purchase of investment securities	(1,396)	(41)
Proceeds from sales of investment securities	53	110
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(4,599)	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	23
Purchase of stocks of subsidiaries and affiliates	(11)	(76)
Proceeds from sales of stocks of subsidiaries and affiliates	—	25
Payments for investments in capital of subsidiaries and affiliates	(10)	(177)
Payments of long-term loans receivable	(118)	(297)
Other	203	19
Net cash provided by (used in) investing activities	(16,466)	(6,236)



(Unit : Millions of Yen)

	Fiscal year ended March 31, 2012 <small>(April 1, 2011 – March 31, 2012)</small>	Fiscal year ended March 31, 2013 <small>(April 1, 2012 – March 31, 2013)</small>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	152	(2,626)
Proceeds from long-term loans payable	12,650	8,869
Repayment of long-term loans payable	(8,202)	(4,378)
Repayments of finance lease obligations	(1,911)	(2,282)
Proceeds from issuance of bonds	5,000	—
Payments for redemption bonds with subscription rights	—	(4,900)
Proceeds from issuance of subscription rights to shares	—	5,000
Purchase of treasury stock	(2)	(310)
Proceeds from sales of treasury stock	—	0
Cash dividends paid	(1,383)	(1,634)
Other	(207)	(289)
Net cash provided by (used in) financing activities	6,094	(2,551)
Effect of exchange rate change on cash and cash equivalents	(9)	54
Net increase (decrease) in cash and cash equivalents	(1,040)	2,303
Cash and cash equivalents at beginning of year	14,394	13,354
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	32
Cash and cash equivalents at end of year	13,354	15,690