

Summary of Financial Statements for the Fiscal Year Ended March 31, 2014 [Japan GAAP]

May 7, 2014

Name of Listed Company:	SENKO Co., Ltd.	Stock Listed on:	The First Section of the Tokyo Stock Exchange
Code Number:	9069	URL	http://www.senko.co.jp/en/
Representative:	Title: President	Name:	Yasuhisa Fukuda
Inquiries:	Title: Executive Officer, Public Relations	Name:	Noburoh Sasaki
Scheduled Date of Annual Shareholders Meeting:	June 27, 2014	Tel.	(06) 6440-5155
Scheduled Date of Issue of Financial Report:	June 27, 2014	Scheduled Date of Dividend Paid:	June 30, 2014
Supplemental Information Materials:	Yes		
Information Meeting for Financial Results:	Yes (for institutional investors)		

1. Consolidated Operating Results for the Fiscal Year Ended March 2014 (From April 1, 2013 to March 31, 2014)

(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, 2014	333,883	13.7	12,122	22.3	11,305	11.9	6,503	25.0
Fiscal year ended March 31, 2013	293,534	8.6	9,908	19.8	10,100	21.2	5,202	49.6

(Note) Comprehensive income:

Fiscal year ended March 31, 2014: 7,045 million yen (20.7 %) Fiscal year ended March 31, 2013: 5,838 million yen (49.8 %)

	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, 2014	50.83	44.37	9.8	5.0	3.6
Fiscal year ended March 31, 2013	41.45	37.46	8.2	4.9	3.4

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

Fiscal year ended March 31, 2014: —

Fiscal year ended March 31, 2013: 2 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, 2014	243,594	72,302	27.8	528.25
Fiscal year ended March 31, 2013	208,095	67,327	31.3	521.48

(Reference) Shareholders' equity:

Fiscal year ended March 31, 2014: 67,819 million yen

Fiscal year ended March 31, 2013: 65,139 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, 2014	10,689	(24,956)	14,551	17,667
Fiscal year ended March 31, 2013	11,037	(6,236)	(2,551)	15,690

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, 2013	—	7.00	—	7.00	14.00	1,755	33.8	2.8
Fiscal year ended March 31, 2014	—	8.00	—	8.00	16.00	2,054	31.5	3.0
Fiscal year ending March 31, 2015 (Forecast)	—	8.00	—	8.00	16.00		27.8	

3. Forecast of Consolidated Operating Results for the Year Ending March 2015 (From April 1, 2014 to March 31, 2015)

(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 2014	184,000	21.7	6,000	9.8	5,500	8.6	3,100	-8.1	24.15
Fiscal year ending March 2015	380,000	13.8	14,000	15.5	13,000	15.0	7,400	13.8	57.64

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: None
 - (d) Retrospective restatements: None

(3) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury stocks)

As of March 31, 2014: 128,989,476 shares As of March 31, 2013: 128,989,476 shares

(b) Treasury stock

As of March 31, 2014: 604,287 shares As of March 31, 2013: 4,077,506 shares

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

Fiscal year ended March 31, 2014: 127,942,662 shares Fiscal year ended March 31, 2013: 125,516,847 shares

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for the Fiscal Year Ended March 2014 (From April 1, 2013 to March 31, 2014)

(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, 2014	195,322	5.0	6,621	6.9	7,318	14.7	4,551	42.9
Fiscal year ended March 31, 2013	186,086	1.9	6,192	10.6	6,377	11.4	3,184	46.6

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2014	35.57	31.05
Fiscal year ended March 31, 2013	25.37	22.93

(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, 2014	199,717	61,300	30.6	475.64
Fiscal year ended March 31, 2013	176,639	58,220	32.8	464.53

(Reference) Shareholders' equity:

Fiscal year ended March 31, 2014: 61,064 million yen Fiscal year ended March 31, 2013: 58,024 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 2015" on page 4.

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1. Results of Operations and Financial Condition

(1) Results of Operations

1) Fiscal year performance

In the fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014), consumer spending and housing investments in Japan grew robustly against a backdrop of improved employment and income conditions as well as last-minute demand before the consumption tax hike. In addition, corporate earnings improved, supported by the expansion of domestic demand, mainly in consumer spending and public projects.

In the logistics industry, growth was seen in the cargo volume of consumer spending-related goods and construction-related materials, reflecting steady consumer spending and a spike in demand ahead of the consumption tax hike. The cargo volume of manufacturing-related goods also increased due to a recovery in industrial production. The industry environment remained severe in terms of cost, with fuel prices kept at a high level due to the weaker yen and an increase in outsourcing cost due to a shortage of drivers and trucks.

In this environment, the Senko Group established a four-year medium-term business plan that began in the fiscal year under review and is based on the slogan "Moving Global." The plan has three goals: "go beyond logistics," "make the world go round," and "revolutionize business." The Group has been working to achieve growth in the distribution business and commerce and trade business as well as to foster an even greater degree of trust among its customers by building a structure for services with high quality and outstanding performance in relation to cost.

The following provides an outline of our main activities in the fiscal year ended March 31, 2014.

In retail product logistics, we opened the Tokyo Bay Fashion Arena (Ichikawa City, Chiba Prefecture), which specializes in distribution for the fashion sector in the Tokyo metropolitan area, and the Kita-Osaka PD Center (Ibaraki City, Osaka Prefecture), which focuses on distribution for the medical and pharmaceutical industries. To strengthen our business base in the Hokkaido and Chubu regions, we started operation of the Sapporo PD Center No. 2 Warehouse (Sapporo City, Hokkaido Prefecture) and the Komaki No. 2 PD Center (Komaki City, Aichi Prefecture).

In the housing logistics domain, we opened the Chubu Housing Distribution Center (Nagoya City, Aichi Prefecture), which functions as a hub for distributing housing materials in the Chubu region. In addition, we improved our distribution services by developing our own transportation management system using smartphones and GPS (a system for which we obtained a patent). Furthermore, we completed a nationwide network for the transport of heavy goods and developed a new business that includes the commencement of home-use rechargeable battery distribution and installation services.

In the chemicals logistics area, we expanded the Daimon Distribution Center (Moriyama City, Shiga Prefecture) by constructing two new warehouses including one for dangerous goods. In partnership with a shipping firm, we also constructed two asphalt tankers to serve routes between South Korea and Japan. In addition, we worked to expand our bulk transportation business (transportation of resin materials in a liquid, powder, and particle state) for which we have original expertise, and obtained new contracts.

Overseas, we started component procurement and transportation services for Japanese automobile plants and distribution services within a Japanese chemical manufacturer's plant in Thailand. In China, we opened a distribution center for Japanese retailers in Qingdao and began operating in full the housing logistics businesses in Suzhou. In addition, we constructed the KO-SENKO Logistics Center at Busan New Port in South Korea, which handles import/export goods between South Korea, Japan, and third countries.

In the commerce and trade business segment, AST CORPORATION, one of the largest wholesalers of household paper products, such as toilet rolls and tissues, joined the Senko Group as a consolidated subsidiary in October 2013. AST engages in every phase of its business from product development, marketing and wholesaling to distribution. Furthermore, it has established a direct delivery system using its own nationwide distribution centers featuring a total floor space of more than 20,000 *tsubo* (approximately 66,000 m²). We will develop a business featuring the integration of the flow of trading activities and the physical flow of goods from manufacturing to marketing by combining Senko's expertise in logistics for distribution operations and AST's abilities to both develop and sell products.

In addition, we were the first in the logistics industry to develop and start marketing an invoice search system that makes the management of invoices issued in large quantities and related inquiries more efficient.

We also started the photovoltaic power generation business by making efficient use of the roofs of seven distribution centers nationwide.

The full-year performance was as follows:

(Unit: Millions of Yen)

	FY ended March 2013	FY ended March 2014	Change	%
Operating revenues	293,534	333,883	40,349	13.7
Operating income	9,908	12,122	2,213	22.3
Ordinary income	10,100	11,305	1,205	11.9
Net income	5,202	6,503	1,300	25.0

Consolidated operating revenues for the fiscal year ended March 31, 2014 increased 13.7% year on year to 333,883 million yen due to efforts to aggressively expand sales, last-minute demand before the consumption tax hike, and the merger of AST CORPORATION as a consolidated subsidiary. Earnings benefited from the growth in sales, cost-cutting measures, and activities to raise productivity, although fuel prices rose and outsourcing cost soared due to a shortage of drivers and trucks. The consolidation of special-purpose companies associated with a revision to an accounting standard also affected earnings. As a result, operating income rose 22.3% to 12,122 million yen, ordinary income increased 11.9% to 11,305 million yen, and net income advanced 25.0% to 6,503 million yen.

The business segment performance was as follows:

Distribution

In retail product logistics, an increase in the volume of cargo for general merchandise stores, discount stores, and apparel volume retailers contributed to growth in operating revenues. Our efforts to develop relationships with new customers in the electrical machinery and other machinery sectors also led to a rise in operating revenues. In the housing logistics business, the cargo volume was higher along with the increase in housing starts in Japan. In the chemicals logistics business, the Senko Group conducted aggressive sales promotion activities. This resulted in operating revenues of 239,737 million yen, a 5.0% increase year on year.

Commerce and Trade

In the commerce business, progress was supported by activities that boosted sales in the petroleum marketing business and a contribution to revenues from the merger effect of AST CORPORATION and Obata Co., Ltd., a wholesaler of household products that joined the Senko Group in September 2012. In the trade business, there was a rise in exports of electronic components to China. As a result, operating revenues increased 46.0% year on year to 90,703 million yen.

Others

In this segment, operating revenues rose 8.8% year on year to 3,442 million yen, partly due to the launch of the solar electricity sales business.

2) Forecast for Fiscal Year Ending March 2015

Although the Japanese economy is forecast to temporarily slow down from the high base of strong sales induced by last-minute demand before the consumption tax hike, we expect the economy to gradually recover, supported by government stimulation measures designed to mitigate the slowdown and a recovery in consumer spending. However, since the distribution industry has been facing a structural problem -- a shortage of drivers and trucks -- we are required to address a serious business challenge: securing transportation capacity and human resources.

In this environment, the Senko Group will tackle the following tasks during the second year of its four-year medium-term business plan: enhancing its competitiveness, improving its profitability, and upgrading its operation system.

To enhance our competitiveness, we will open new distribution centers in the Kanto, Chubu, and Kansai regions and strengthen our sales forces to explore new business opportunities in the fashion logistics business. In addition, we plan to establish a delivery network for small-lot cargos, mainly in the urban areas of the Kanto, Chubu, Kansai, and Kyushu regions. Overseas, we give priority to the four areas of East Asia, ASEAN, Central Asia, and North America for the intensive expansion of our business operations and will create a distribution network in ASEAN, centered mainly on Thailand.

To improve our profitability, we plan to revise our charges, including by passing on rising costs to customers, and to further cut costs in response to a rise in such items as fuel prices and outsourcing cost.

As measures to upgrade our operation system, we plan to launch a project to secure and foster human resources to resolve the driver shortage and expand market share. In addition, we will improve the quality of our logistic services.

As a result of pursuing such corporate activity, the Group's consolidated forecasts for the next fiscal year are for operating revenues of 380.0 billion yen, operating income of 14.0 billion yen, ordinary income of 13.0 billion yen, and net income of 7.4 billion yen.

(2) Financial Condition

1) Assets, liabilities and net assets

Total assets

Total assets were 243,594 million yen at the end of the fiscal year under review, 35,499 million yen higher than at the end of the previous fiscal year. This was mainly because there were increases of 15,314 million yen in current assets and 32,852 million yen in property, plant and equipment, while there was a decrease of 12,356 million yen in investments and other assets. The consolidation of special-purpose companies caused increases of 1,679 million yen in current assets and 13,351 million yen in property, plant and equipment, and a decrease of 11,219 million yen in investments and other assets.

Liabilities

Liabilities were 171,291 million yen at the end of the fiscal year under review, 30,524 million yen higher than at the end of the previous fiscal year. This was mainly because there were increases of 5,225 million yen in trade notes and operating accounts payable, 7,040 million yen in the current portion of bonds, 1,869 million yen in short-term loans payable, 7,031 million yen in convertible bond-type bonds with subscription rights, 15,848 million yen in long-term loans payable, and 6,804 million yen in net defined benefit liability, while there were decreases of 6,980 million yen in bonds payable and 9,269 million yen in provision for retirement benefits. The consolidation of special-purpose companies caused increases of 1,568 million yen in current liabilities and 2,250 million yen in noncurrent liabilities.

Net assets

Net assets were 72,302 million yen at the end of the fiscal year under review, 4,974 million yen higher than at the end of the previous fiscal year. This was mainly because there were increases of 4,596 million yen in retained earnings and 2,254 million yen in minority interests, while there was a decrease of 2,530 million yen in remeasurements of defined benefit plans. The equity ratio decreased 3.5 percentage points to 27.8%.

2) Cash flows

Cash and equivalents at the end of the term increased by 1,976 million yen year on year to 17,667 million yen.

Net cash provided by operating activities was 10,689 million yen. This was mainly due to income before income taxes of 11,343 million yen, depreciation and amortization of 7,606 million yen, and increases in net defined benefit liability of 6,804 million yen and notes and accounts payable of 1,923 million yen, despite a decrease in provision for retirement benefits of 9,300 million yen, an increase in notes and accounts receivable of 2,661 million yen, interest expenses paid of 1,245 million yen, and income taxes paid of 4,014 million yen.

Net cash used in investing activities was 24,956 million yen. This was mainly due to the purchase of property, plant and equipment of 23,608 million yen.

Net cash provided by financing activities was 14,551 million yen. This was mainly due to proceeds from long-term loans payable of 20,520 million yen, and proceeds from issuance of bonds with subscription rights to shares of 7,035 million yen, despite repayment of long-term loans payable of 9,549 million yen, repayments of finance lease obligations of 2,439 million yen, and cash dividends paid of 1,898 million yen.

3) Performance indicators associated with cash flows

Fiscal years ended March 31	2010	2011	2012	2013	2014
Equity ratio (%)	32.0	33.3	30.3	31.3	27.8
Market capitalization equity ratio (%)	22.4	19.1	20.6	29.7	23.6
Interest-bearing debt to cash flow ratio	9.6	8.2	7.6	6.6	9.2
Interest coverage ratio	5.3	6.2	7.9	9.6	8.6

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, 2014 is set at 8.00 yen per share, as per the initial forecast. Combined with the already declared interim dividend of 8.00 yen, the total annual dividend is expected to be 16.00 yen.

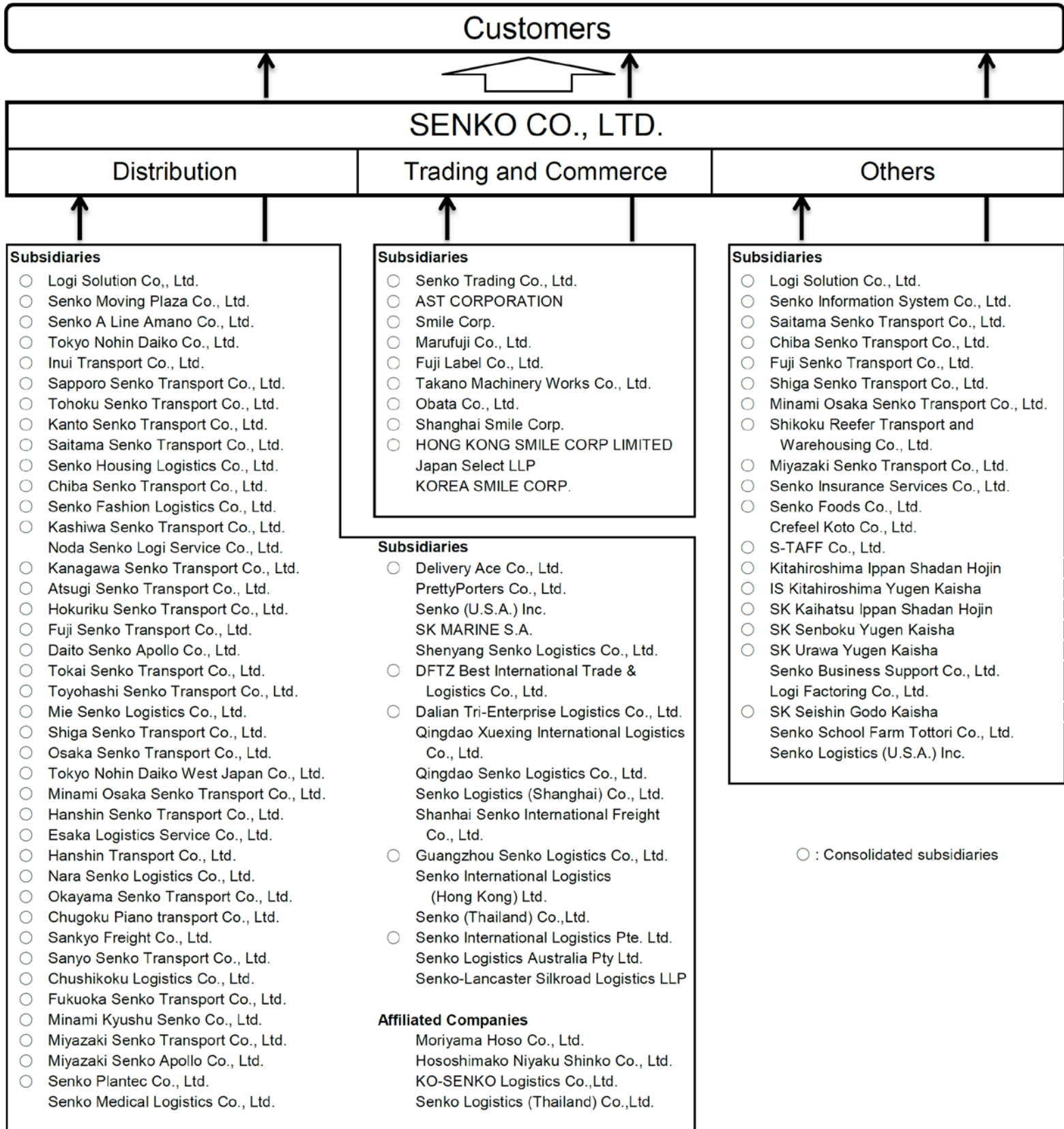
For the next fiscal year's annual dividend, the same amount of 16.00 yen per share is expected.

(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 27, 2013), which includes a section about business and other risks.

2. Corporate Group

The Senko Group includes Senko, 85 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.

(Unit: Billions of yen)

Fiscal years ended March 31	2013 (Actual)	2017 (Target)
Operating revenues	293.5	400.0
Operating income	9.9	15.0
Operating margin (%)	3.4	3.8

(3) Medium and Long-term Strategies

The company celebrates its 100th anniversary in 2016. Because the Company is celebrating the 100th 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 2017)
<p>1. The shape that the Senko Group aims to achieve “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>2. Corporate slogan: “Moving Global” 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>3. Medium-term management policies (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 prioritizing the maintenance of financial soundness.</p> <p>4. Medium-term business policies (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 prioritizes earnings (4) Taking on the challenge of “making things.” (5) Promoting “business partnerships and M&A.”</p>

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	15,690	17,767
Notes and accounts receivable	42,387	51,764
Merchandise	4,399	6,076
Real estate for sale	3	3
Work in process	190	214
Supplies	186	209
Deferred tax assets	2,030	2,397
Other	4,041	5,793
Allowance for doubtful accounts	(66)	(50)
Total current assets	68,863	84,177
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	95,602	118,145
Accumulated depreciation	(51,484)	(58,006)
Buildings and structures (net)	44,117	60,139
Machinery, equipment and vehicles	21,459	22,382
Accumulated depreciation	(15,879)	(16,103)
Machinery, equipment and vehicles (net)	5,580	6,278
Tools, furniture and fixtures	4,894	5,363
Accumulated depreciation	(4,144)	(4,346)
Tools, furniture and fixtures (net)	749	1,017
Land	40,098	56,092
Lease assets	7,735	8,508
Accumulated depreciation	(4,479)	(5,225)
Lease assets (net)	3,256	3,283
Construction in progress	1,803	1,646
Total property, plant and equipment	95,605	128,457
Intangible assets		
Goodwill	3,452	3,178
Other	3,477	3,440
Total intangible assets	6,930	6,619
Investments and other assets		
Investment securities	5,550	5,775
Long-term loans receivable	4,027	3,957
Guarantee deposits	9,252	9,559
Deferred tax assets	3,435	4,234
Other	14,829	1,370
Allowance for doubtful accounts	(399)	(557)
Total investments and other assets	36,696	24,339
Total noncurrent assets	139,232	159,416
Total assets	208,095	243,594

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	31,377	36,603
Current portion of bonds	-	7,040
Short-term loans payable	14,475	16,345
Lease obligations	2,146	1,986
Income taxes payable	2,540	2,766
Provision for bonuses	3,118	3,342
Provision for directors' bonuses	181	163
Other	9,995	11,117
Total current liabilities	63,835	79,364
Noncurrent liabilities		
Bonds payable	12,000	5,020
Convertible bond-type bonds with subscription rights	5,000	12,031
Long-term loans payable	41,749	57,598
Lease obligations	3,583	3,656
Provision for retirement benefits	9,269	-
Provision for directors' retirement benefits	65	187
Net defined benefit liability	-	6,804
Provision for special repairs	61	42
Asset retirement obligations	324	440
Other	4,878	6,146
Total noncurrent liabilities	76,931	91,927
Total liabilities	140,767	171,291
Net assets		
Shareholders' equity		
Capital stock	20,521	20,521
Capital surplus	18,782	18,896
Retained earnings	26,468	31,064
Treasury stock	(1,353)	(1,092)
Total shareholders' equity	64,418	69,390
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	673	738
Deferred gains or losses on hedges	(4)	(9)
Foreign currency translation adjustment	52	230
Remeasurements of defined benefit plans	-	(2,530)
Total accumulated other comprehensive income	720	(1,570)
Subscription rights to shares	195	235
Minority interests	1,992	4,247
Total net assets	67,327	72,302
Liabilities and net assets	208,095	243,594

(2) Consolidated Statements of (Comprehensive) Income

(Consolidated Statements of Income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Operating revenues	293,534	333,883
Cost of sales	263,898	299,039
Gross profit	29,635	34,844
Selling, general and administrative expenses	19,727	22,722
Operating income	9,908	12,122
Non-operating income		
Interest income	162	163
Dividend income	965	98
Other	591	629
Total non-operating income	1,720	891
Non-operating expenses		
Interest expenses	1,155	1,242
Other	373	465
Total non-operating expenses	1,529	1,707
Ordinary income	10,100	11,305
Extraordinary income		
Gain on sales of investment securities	-	549
Gain on revision of retirement benefit plan	-	239
Gain on sales of noncurrent assets	-	187
Insurance income	-	32
Total extraordinary income	-	1,009
Extraordinary loss		
Office transfer expenses	-	243
Loss on retirement of noncurrent assets	201	212
Provision of allowance for doubtful accounts for subsidiaries and affiliates	106	162
Loss on valuation of investments in capital of subsidiaries and affiliates	-	104
Loss on cancellation of lease contracts	43	77
Soil improvement expenses	-	61
Impairment loss	-	42
Special retirement expenses	53	38
Loss on disaster	-	30
Loss on valuation of investment securities	77	-
Total extraordinary loss	481	971
Income before income taxes	9,618	11,343
Income taxes—current	3,932	4,314
Income taxes—deferred	397	335
Total income taxes	4,329	4,649
Income before minority interests	5,288	6,693
Minority interest	85	189
Net income	5,202	6,503

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Income before minority interests	5,288	6,693
Other comprehensive income		
Valuation difference on available-for-sale securities	563	69
Deferred gains or losses on hedges	(166)	(4)
Foreign currency translation adjustment	153	286
Share of other comprehensive income of associates accounted for using the equity method	(0)	-
Total other comprehensive income	549	351
Comprehensive income	5,838	7,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,654	6,742
Comprehensive income attributable to minority interests	184	302

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	20,521	18,782	22,901	(1,049)	61,155
Changes of items during the period					
Dividends from surplus			(1,635)		(1,635)
Net income			5,202		5,202
Purchases of treasury stock				(310)	(310)
Disposal of treasury stock		(0)		6	6
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(0)	3,567	(303)	3,263
Balance at fiscal year end	20,521	18,782	26,468	(1,353)	64,418

	Accumulated other comprehensive income					Subscription rights to shares	Minority 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	157	156	(44)	-	269	149	1,700	63,274
Changes of items during the period								
Dividends from surplus								(1,635)
Net income								5,202
Purchases of treasury stock								(310)
Disposal of treasury stock								6
Change of scope of consolidation								
Net changes of items other than shareholders' equity	516	(161)	96	-	451	46	291	790
Total changes of items during the period	516	(161)	96	-	451	46	291	4,053
Balance at fiscal year end	673	(4)	52	-	720	195	1,992	67,327

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	20,521	18,782	26,468	(1,353)	64,418
Changes of items during the period					
Dividends from surplus			(1,901)		(1,901)
Net income			6,503		6,503
Purchases of treasury stock				(6)	(6)
Disposal of treasury stock		114		267	381
Change of scope of consolidation			(6)		(6)
Net changes of items other than shareholders' equity					
Total changes of items during the period		114	4,596	260	4,971
Balance at fiscal year end	20,521	18,896	31,064	(1,092)	69,390

	Accumulated other comprehensive income					Subscription rights to shares	Minority 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	673	(4)	52	-	720	195	1,992	67,327
Changes of items during the period								
Dividends from surplus								(1,901)
Net income								6,503
Purchases of treasury stock								(6)
Disposal of treasury stock								381
Change of scope of consolidation								(6)
Net changes of items other than shareholders' equity	65	(4)	178	(2,530)	(2,291)	40	2,254	3
Total changes of items during the period	65	(4)	178	(2,530)	(2,291)	40	2,254	4,974
Balance at fiscal year end	738	(9)	230	(2,530)	(1,570)	235	4,247	72,302

(4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Cash flows from operating activities		
Income before income taxes	9,618	11,343
Depreciation and amortization	6,737	7,606
Loss (gain) on revaluation of investment securities	77	–
Loss (gain) on sales of investment securities	–	(549)
Loss (gain) on sales of noncurrent assets	(26)	(187)
Loss on retirement of noncurrent assets	201	212
Increase (decrease) in provision for retirement benefits	(199)	(9,300)
Increase (decrease) in net defined benefit liability	–	6,804
Increase (decrease) in provision for bonuses	(7)	84
Increase (decrease) in provision for loss on disaster	(43)	–
Interest and dividends income	(1,128)	(261)
Interest expenses	1,155	1,242
Decrease (increase) in notes and accounts receivable-trade	(1,559)	(2,661)
Decrease (increase) in inventories	(337)	(295)
Increase (decrease) in notes and accounts payable-trade	525	1,923
Other	729	(185)
Sub-total	15,742	15,774
Interest and dividends income received	215	174
Interest expenses paid	(1,147)	(1,245)
Income taxes paid	(3,772)	(4,014)
Net cash provided by (used in) operating activities	11,037	10,689
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,014)	(23,608)
Proceeds from sales of property, plant and equipment	191	564
Purchase of investment securities	(41)	(42)
Proceeds from sales of investment securities	110	1,025
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(2,364)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	23	–
Purchase of stocks of subsidiaries and affiliates	(76)	(159)
Proceeds from sales of stocks of subsidiaries and affiliates	25	12
Payments for investments in capital of subsidiaries and affiliates	(177)	–
Other	(277)	(382)
Net cash provided by (used in) investing activities	(6,236)	(24,956)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,626)	850
Proceeds from long-term loans payable	8,869	20,520
Repayment of long-term loans payable	(4,378)	(9,549)
Repayments of finance lease obligations	(2,282)	(2,439)
Redemption of bonds	–	(20)
Payments for redemption bonds with subscription rights	(4,900)	–
Proceeds from issuance of bonds with subscription rights to shares	5,000	7,035
Purchase of treasury stock	(310)	(6)
Proceeds from sales of treasury stock	0	360
Cash dividends paid	(1,634)	(1,898)
Other	(289)	(300)
Net cash provided by (used in) financing activities	(2,551)	14,551
Effect of exchange rate change on cash and cash equivalents	54	100
Net increase (decrease) in cash and cash equivalents	2,303	384
Cash and cash equivalents at beginning of year	13,354	15,690
Increase in cash and cash equivalents from newly consolidated subsidiary	32	1,591
Cash and cash equivalents at end of year	15,690	17,667