

Summary of Financial Statements for the Fiscal Year Ended March 31, 2016 [Japan GAAP]

May 13, 2016

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 Tel. (06) 6440-5155
Scheduled Date of Annual Shareholders Meeting: June 28, 2016	Scheduled Date of Dividend Paid: June 29, 2016
Scheduled Date of Issue of Financial Report: June 28, 2016	
Supplemental Information Materials: Yes	
Information Meeting for Financial Results: Yes (for institutional investors)	

1. Consolidated Operating Results for the Fiscal Year Ended March 2016 (From April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results

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

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2016	434,000	8.9	17,497	28.2	17,178	29.8	8,542	20.8
Fiscal year ended March 31, 2015	398,447	19.3	13,649	12.6	13,234	17.1	7,073	8.8

(Note) Comprehensive income

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

Fiscal year ended March 31, 2015: ¥9,804 million (39.2%)

	Profit per share	Diluted profit per share	Return on shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2016	60.43	56.32	10.1	6.2	4.0
Fiscal year ended March 31, 2015	55.06	50.41	9.5	5.0	3.4

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

Fiscal year ended March 31, 2016: ¥109 million

Fiscal year ended March 31, 2015: —

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2016	269,461	100,009	32.6	613.71
Fiscal year ended March 31, 2015	285,309	92,743	28.4	581.46

(Reference) Shareholders' equity:

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

Fiscal year ended March 31, 2015: ¥81,026 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, 2016	16,149	(2,288)	(21,492)	17,765
Fiscal year ended March 31, 2015	19,228	(17,978)	6,209	25,476

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, 2015	-	8.00	-	9.00	17.00	2,308	30.9	2.9
Fiscal year ended March 31, 2016	-	9.00	-	11.00	20.00	2,887	33.1	3.3
Fiscal year ending March 31, 2017 (Forecast)	-	11.00	-	11.00	22.00		33.4	

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, 2017 (From April 1, 2016 to March 31, 2017)

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half ending September 2016	225,000	4.5	8,400	1.6	8,100	2.4	4,100	(5.2)	28.69
Fiscal year ending March 2017	460,000	6.0	18,100	3.4	17,700	3.0	9,400	10.0	65.77

(Note) Change in the forecast made in this period: None

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: None

(d) Retrospective restatement: None

(3) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury shares)

As of March 31, 2016: 144,834,771 shares As of March 31, 2015: 141,927,426 shares

(b) Treasury shares

As of March 31, 2016: 1,907,546 shares As of March 31, 2015: 2,577,118 shares

(c) Average number of shares

Fiscal year ended March 31, 2016: 141,352,936 shares Fiscal year ended March 31, 2015: 128,467,414 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, 2016: 1,449,000 shares; as of March 31, 2015: 1,954,000 shares.)

[Reference] Overview of Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for the Fiscal Year Ended March 2016 (From April 1, 2015 to March 31, 2016)

(1) Non-Consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2016	204,374	2.4	6,331	1.4	6,889	(4.9)	3,774	(12.7)
Fiscal year ended March 31, 2015	199,624	2.2	6,246	(5.7)	7,242	(1.0)	4,324	(5.0)

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended March 31, 2016	26.71	24.87
Fiscal year ended March 31, 2015	33.66	30.82

(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, 2016	203,379	73,505	36.0	511.77
Fiscal year ended March 31, 2015	215,941	70,328	32.4	502.62

(Reference) Shareholders' equity:

Fiscal year ended March 31, 2016: ¥73,145 million Fiscal year ended March 31, 2015: ¥70,040 million

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 the fiscal year ending March 31, 2017" on page 3.

Index to accompanying materials

1. Results of Operations and Financial Condition	2
(1) Results of operations	2
(2) Financial condition	4
(3) Fundamental policy for distribution of earnings and dividend for the current and the next fiscal years	5
(4) Business risk	5
2. Corporate Group	6
3. Management Policies	7
(1) Fundamental management policy	7
(2) Medium and long-term strategies	7
4. Basic Concept Regarding the Selection of Accounting Standards	8
5. Consolidated Financial Statements	9
(1) Consolidated balance sheets.....	9
(2) Consolidated statements of (comprehensive) income.....	11
Consolidated statements of income.....	11
Consolidated statements of comprehensive income.....	12
(3) Consolidated statements of changes in equity.....	13
(4) Consolidated statements of cash flows	15

1. Results of Operations and Financial Condition

(1) Results of operations

(a) Results of operations in the fiscal year ended March 31, 2016

In the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016), the Japanese economy continued to recover gradually, including improvements in corporate performance and the employment environment. However, the outlook for the future remained uncertain as overseas economies, including China, slowed from the fall and a slump was seen in consumption, in addition to such factors as the increased risk of a downturn in corporate earnings due to the appreciation in the yen since early 2016.

In the logistics industry, despite declining fuel prices, the business environment remained challenging with factors such as slowing freight volume due to the slump in consumption and postponement of capital expenditure, shortages of drivers, and intensifying competition.

In this environment, the Senko Group sought to enhance its competitiveness, boost its profitability, and upgrade its operating system as the priority policies for the fiscal year ended March 31, 2016 and worked on a number of measures.

The following provides an outline of our main activities in the fiscal year ended March 31, 2016.

In retail product logistics, we promoted the opening of large-scale distribution centers to strengthen our business competitiveness. April saw our opening of the Sayama PD Center (Sayama City, Saitama Prefecture) that connects the Tokyo metropolitan area with the Tohoku, Chubu, and Kansai regions. In May, we opened the Narita Fashion Logistics Center I (Tomisato City, Chiba Prefecture) near Narita Airport, to handle imported brands, and in October we began operating the Port of Sendai PD Center (Sendai City, Miyagi Prefecture) as a central hub for the Tohoku region.

In the housing logistics domain, we worked to expand our business areas, identifying new needs including precutting housing components, metal fittings and assembly, in addition to storage and delivery. We also pursued acquisition of logistics operations for components related to solar power generation and household storage batteries that have increased in recent years.

In the area of chemical logistics, we opened the Dangerous Goods No. 2 Warehouse, Daimon Distribution Center (Moriyama City, Shiga Prefecture) to respond to the need for dangerous goods storage in September and the Mihara Asphalt Center (Mihara City, Hiroshima Prefecture), which conducts cargo handling, shipping and inventory management for asphalt in November. In January 2016, we commenced operation of the Sodegaura Bulk Container Center (Sodegaura City, Chiba Prefecture), to expand bulk container logistics, which is our strength.

As for overseas operations, we promoted expansion of our business base in the ASEAN region. We began full-scale operations at the Laem Chabang Distribution Center (Choburi Province) near Thailand's largest trade port in September. In June, we opened a representative office in Hanoi, Vietnam. In December, we concluded a three-way basic agreement with Sinotrans Air Transportation Development Co., Ltd. (Sinotrans Air), a major Chinese air cargo operator, and Runtec Corporation, a member of the Senko Group, to set up a joint venture. The new company is scheduled for establishment in June 2016 and will establish cold and freezer distribution centers in leading Chinese cities, as part of efforts to develop a cold and freezer logistics network in China.

In the trading & commerce business segment, trade company subsidiaries sought to develop their own private brands and expand businesses that provide integrated trading and logistics services leveraging the Senko Group's logistics functions. In addition, the Group worked to bring logistics operations for goods handled in-house to streamline business.

To boost profitability, we raised productivity through such means as increasing truck operation efficiency and storage efficiency in distribution centers. We also persuaded our customers to accept revised freight charges to receive appropriate rates.

To upgrade our operation system, we actively recruited drivers with the aim of expanding our fleet. We also opened our in-house training facility for obtaining driver's licenses for large vehicles to promote training of our own drivers.

Furthermore, to ensure financial soundness, in September we transferred four distribution centers to a real estate investment company (a private REIT) managed by Senko Asset Management Co., Ltd. Funds raised have been applied to the construction of new distribution centers and other projects. In addition, we improved the equity ratio by controlling the increase in interest-bearing debt.

The full-year performance was as follows.

(Unit: Millions of yen)

	FY ended March 2015	FY ended March 2016	Change	%
Operating revenue	398,447	434,000	35,552	8.9
Operating income	13,649	17,497	3,847	28.2
Ordinary income	13,234	17,178	3,943	29.8
Profit attributable to owners of parent	7,073	8,542	1,468	20.8

Consolidated operating revenue for the fiscal year ended March 31, 2016 increased 8.9% year on year to ¥434,000 million due to aggressive expansion of sales in addition to rising sales volume in the trading & commerce business, and the effect of Runtec Corporation becoming a consolidated subsidiary of the Company in October 2014 on increasing revenue.

On the profit front, consolidated operating income grew to ¥17,497 million, up 28.2% year on year, while consolidated ordinary income rose to ¥17,178 million, up 29.8% year on year. Profits increased due to a jump in revenue in addition to the effect from a drop in fuel prices and the revision of freight charges despite a rise in costs, including rising outsourcing costs in the distribution business and purchase prices in the trading & commerce business. Profit attributable to owners of parent increased to ¥8,542 million, up 20.8% year on year.

The business segment performance was as follows.

Distribution

Operating revenue for the fiscal year under review grew 9.8% year on year to ¥300,420 million in this segment. This was the result of higher revenues in the retail product logistics business, due to the effect from making Runtec Corporation a subsidiary, and the receipt of new orders for distribution operations, including those from a major drug store. In the housing logistics business and the chemicals logistics business, revenues were flat due to a decline in existing volumes despite aggressive sales expansion.

Trading & commerce

Operating revenue increased 7.3% year on year to ¥129,469 million. This was mainly the result of a recovery in sales following the slump caused by the consumption tax hike in the previous fiscal year, the acquisition of new customers, and the development and sale of new products.

Others

In this segment, operating revenue increased 0.3% year on year to ¥4,110 million.

(b) Forecast for the fiscal year ending March 31, 2017

The Japanese economy is expected to see an improvement in the employment environment and a recovery in personal consumption. However, the economic outlook should remain unpredictable due to the postponement of capital expenditure because of deterioration in earnings at exporters from the appreciation in the yen and concerns about a slowdown in overseas economies.

In the distribution industry, the challenging environment is expected to continue, including intensifying competition within the industry amid a forecast decline in freight volume and labor shortages in human resources, including drivers.

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

To boost our competitiveness, we will open new distribution centers, strengthen distribution center functions, and leverage IT to raise productivity.

To expand our business areas, we will work to strengthen three-temperature zone logistics (cold, freezer, and normal temperature storage) to enhance food logistics. Moreover, to expand fashion logistics, we acquired all the shares in ACROSS TRANSPORT CO., LTD. (Minato-ku, Tokyo), a leading department store delivery agent, welcoming it into the Senko Group in April 2016.

In overseas operations, we will promote new business expansion in countries such as Vietnam, Myanmar, and Mexico. We will also establish a new Life Support Service Development Division to create new businesses.

To upgrade our operation system, we will continue to increase our own fleet in addition to promoting further modal shift as an initiative to reduce the environmental impact and resolve the shortage of drivers.

As a result of pursuing such corporate activity, the Group's consolidated forecasts for the next fiscal year are for operating revenue of ¥460.0 billion, operating income of ¥18.1 billion, ordinary income of ¥17.7 billion, and profit attributable to owners of parent of ¥9.4 billion.

(2) Financial condition

1) Assets, liabilities and net assets

Total assets

Total assets as of March 31, 2016 were ¥269,461 million, ¥15,848 million lower than at the end of the previous fiscal year.

Current assets amounted to ¥93,380 million, down ¥4,867 million from the end of the previous fiscal year. This mainly reflected a decrease of ¥7,207 million in cash and deposits despite increases of ¥1,505 million in notes and operating accounts receivable and ¥487 million in merchandise and finished goods.

Non-current assets totaled ¥175,971 million, down ¥11,089 million from the end of the previous fiscal year. This was due to a decrease in property, plant and equipment of ¥13,087 million as a result of transfers of four distribution centers to the private REIT, despite an increase in investments and other assets of ¥1,759 million.

Liabilities

Liabilities as of March 31, 2016 decreased ¥23,114 million from the end of the previous fiscal year to ¥169,451 million.

Current liabilities totaled ¥85,647 million, down ¥6,906 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥10,847 million in short-term loans payable, even though current portion of bonds increased by ¥4,980 million.

Non-current liabilities totaled ¥83,804 million, down ¥16,207 million from the end of the previous fiscal year. This was due to decreases in bonds payable of ¥5,000 million, convertible bond-type bonds with subscription rights to shares of ¥1,831 million, long-term loans payable of ¥6,027 million, and net defined benefit liability of ¥1,760 million.

Net assets

Net assets as of March 31, 2016 rose ¥7,265 million from the end of the previous year to ¥100,009 million. This mainly reflected increases of ¥913 million in capital stock as a result of the conversion to shares of convertible bond-type bonds with subscription rights to shares, ¥923 million in capital surplus, ¥6,168 million in retained earnings, and ¥504 million in non-controlling interests, despite a decrease of ¥980 million in remeasurements of defined benefit plans. The equity ratio increased by 4.2 percentage points to 32.6% from the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents at end of period decreased by ¥7,710 million year on year to ¥17,765 million.

Net cash provided by operating activities amounted to ¥16,149 million. This was mainly due to profit before income taxes of ¥16,416 million and depreciation and amortization of ¥9,925 million, despite decreases of ¥1,760 million in the net defined benefit liability and ¥1,779 million in accrued consumption taxes, and interest expenses paid of ¥1,095 million and income taxes paid of ¥5,762 million.

Net cash used in investing activities totaled ¥2,288 million. This was mainly due to the purchase of property, plant and equipment of ¥17,994 million and purchase of shares of subsidiaries and associates of ¥4,578 million, despite proceeds from the sales of property, plant and equipment of ¥21,728 million.

Net cash used in financing activities totaled ¥21,492 million. This was mainly due to a decrease in short-term loans payable of ¥12,800 million, repayment of long-term loans payable of ¥9,644 million, repayments of finance lease obligations of ¥2,116 million, and cash dividends paid of ¥2,571 million, despite proceeds from long-term loans payable of ¥5,780 million.

3) Performance indicators associated with cash flows

Fiscal years ended March 31	2012	2013	2014	2015	2016
Equity ratio (%)	30.3	31.3	27.8	28.4	32.6
Market capitalization equity ratio (%)	20.6	29.7	23.6	38.1	36.4
Interest-bearing debt to cash flow ratio	7.6	6.6	9.2	5.7	5.7
Interest coverage ratio	7.9	9.6	8.6	15.5	14.7

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, 2016 is set at ¥11.00 per share as previously forecasted (includes an ordinary dividend of ¥9.00 and a ¥2.00 per share commemorative dividend for the 70th anniversary of the foundation and 100th anniversary in business). Combined with the already declared interim dividend of ¥9.00, the total annual dividend is expected to be ¥20.00.

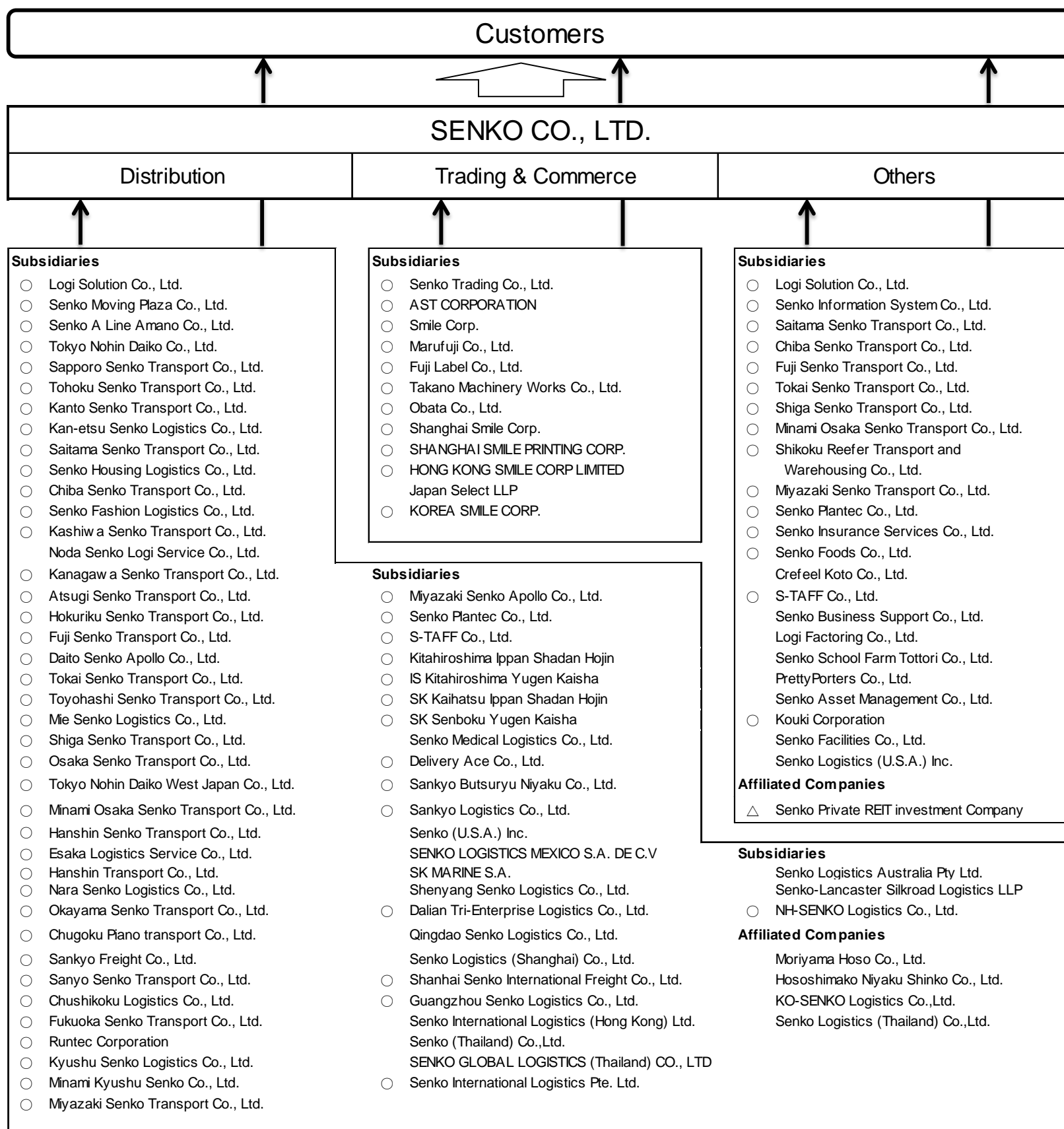
For the next fiscal year's dividend, we expect an annual dividend of ¥22.00 per share (interim dividend of ¥11.00, year-end dividend of ¥11.00), based on business results forecasts.

(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 26, 2015), which includes a section about business and other risks.

2. Corporate Group

The Senko Group includes Senko, 94 subsidiaries and five 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.



○: Consolidated subsidiaries

△: Equity-method affiliate

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) Medium and long-term strategies

The Company celebrates its 100th anniversary in September 2016. To celebrate the 100th anniversary of its foundation, the Company 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 fiscal year started in 2013 through the fiscal year ending in 2017.

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. 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), Senko intends to monitor developments in Japan and overseas, and to respond appropriately to these developments.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Unit: Millions of Yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	25,685	18,477
Notes and operating accounts receivable	56,602	58,107
Merchandise and finished goods	6,480	6,967
Real estate for sale	3	3
Work in process	191	200
Raw materials and supplies	437	335
Deferred tax assets	2,515	2,583
Other	6,374	6,734
Allowance for doubtful accounts	(42)	(29)
Total current assets	98,248	93,380
Non-current assets		
Property, plant and equipment		
Buildings and structures	141,085	134,201
Accumulated depreciation	(72,650)	(71,788)
Buildings and structures, net	68,435	62,412
Machinery, equipment and vehicles	34,048	35,670
Accumulated depreciation	(26,073)	(27,470)
Machinery, equipment and vehicles, net	7,975	8,200
Tools, furniture and fixtures	6,055	6,493
Accumulated depreciation	(4,960)	(5,108)
Tools, furniture and fixtures, net	1,094	1,385
Land	66,229	60,486
Leased Assets	7,405	6,848
Accumulated depreciation	(4,356)	(4,113)
Leased Assets, net	3,049	2,734
Construction in progress	3,027	1,504
Total property, plant and equipment	149,811	136,723
Intangible assets		
Goodwill	4,311	4,038
Other	3,395	3,906
Total intangible assets	7,706	7,945
Investments and other assets		
Investment securities	8,366	11,696
Long-term loans receivable	4,967	3,755
Net defined benefit asset	2,009	-
Guarantee deposits	10,390	10,572
Deferred tax assets	2,734	2,553
Other	1,815	3,751
Allowance for doubtful accounts	(741)	(1,026)
Total investments and other assets	29,543	31,302
Total non-current assets	187,061	175,971
Deferred assets		
Business commencement expenses	-	108
Total deferred assets	-	108
Total assets	285,309	269,461

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and operating accounts payable–trade	37,989	38,727
Current portion of bonds	20	5,000
Short-term loans payable	29,235	18,388
Lease obligations	1,837	1,935
Income taxes payable	3,415	3,219
Provision for bonuses	3,905	3,959
Provision for directors' bonuses	189	220
Other	15,960	14,196
Total current liabilities	92,554	85,647
Non-current liabilities		
Bonds payable	12,000	7,000
Convertible bond-type bonds with subscription rights to shares	6,868	5,037
Long-term loans payable	61,971	55,943
Lease obligations	3,419	3,591
Provision for directors' retirement benefits	369	363
Net defined benefit liability	9,381	7,621
Provision for special repairs	33	39
Asset retirement obligations	575	518
Other	5,391	3,688
Total non-current liabilities	100,011	83,804
Total liabilities	192,565	169,451
Net assets		
Shareholders' equity		
Capital stock	23,098	24,011
Capital surplus	21,914	22,838
Retained earnings	36,676	42,845
Treasury shares	(1,183)	(942)
Total shareholders' equity	80,506	88,752
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,819	1,448
Deferred gains or losses on hedges	(4)	(91)
Foreign currency translation adjustment	543	427
Remeasurements of defined benefit plans	(1,839)	(2,820)
Total accumulated other comprehensive income	519	(1,036)
Subscription rights to shares	288	359
Non-controlling interests	11,428	11,933
Total net assets	92,743	100,009
Liabilities and net assets	285,309	269,461

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2015 (April 1, 2014–March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015–March 31, 2016)
Operating revenue	398,447	434,000
Operating cost	357,431	386,321
Operating gross profit	41,016	47,679
Selling, general and administrative expenses	27,366	30,181
Operating income	13,649	17,497
Non-operating income		
Interest income	187	172
Dividend income	115	120
Other	890	1,052
Total non-operating income	1,193	1,345
Non-operating expenses		
Interest expenses	1,213	1,101
Other	395	562
Total non-operating expenses	1,608	1,663
Ordinary income	13,234	17,178
Extraordinary income		
Gain on sales of non-current assets	59	301
Compensation income for expropriation	-	99
Gain on sales of investment securities	306	-
Total extraordinary income	366	400
Extraordinary losses		
Provision of allowance for doubtful accounts for subsidiaries and associates	82	400
Loss on retirement of non-current assets	192	181
Loss on cancellation of leases	-	142
Loss on valuation of shares of subsidiaries and associates	-	104
Compensation for damage	99	97
Expenses related to commemorative works for centennial anniversary	-	76
Loss on sales of non-current assets	33	53
Special retirement expenses	-	38
Cancel penalty	-	35
Loss on sales of shares of subsidiaries and associates	-	32
Litigation settlement	98	-
Loss on business withdrawal	41	-
Total extraordinary losses	547	1,162
Profit before income taxes	13,053	16,416
Income taxes–current	4,465	5,527
Income taxes–deferred	958	638
Total income taxes	5,424	6,166
Profit	7,629	10,250
Profit attributable to non-controlling interests	555	1,707
Profit attributable to owners of parent	7,073	8,542

(Consolidated statements of comprehensive income)

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2015 (April 1, 2014–March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015–March 31, 2016)
Profit	7,629	10,250
Other comprehensive income		
Valuation difference on available-for-sale securities	1,257	(353)
Deferred gains or losses on hedges	7	(94)
Foreign currency translation adjustment	257	(152)
Remeasurements of defined benefit plans, net of tax	652	(1,019)
Total other comprehensive income	2,175	(1,620)
Comprehensive income	9,804	8,630
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,059	7,087
Comprehensive income attributable to non-controlling interests	745	1,542

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2015 (April 1, 2014–March 31, 2015)

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	20,521	19,337	31,064	(1,532)	69,390
Cumulative effects of changes in accounting policies			530		530
Restated balance	20,521	19,337	31,595	(1,532)	69,920
Changes of items during period					
Issuance of new shares	2,577	2,577			5,155
Dividends of surplus			(2,064)		(2,064)
Profit attributable to owners of parent			7,073		7,073
Purchases of treasury shares				(10)	(10)
Disposal of treasury shares				360	360
Change of scope of consolidation			72		72
Net changes of items other than shareholders' equity					-
Total changes of items during period	2,577	2,577	5,081	349	10,586
Balance at end of current period	23,098	21,914	36,676	(1,183)	80,506

	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	738	(9)	230	(2,530)	(1,570)	235	4,247	72,302
Cumulative effects of changes in accounting policies								530
Restated balance	738	(9)	230	(2,530)	(1,570)	235	4,247	72,832
Changes of items during period								
Issuance of new shares								5,155
Dividends of surplus								(2,064)
Profit attributable to owners of parent								7,073
Purchases of treasury shares								(10)
Disposal of treasury shares								360
Change of scope of consolidation								72
Net changes of items other than shareholders' equity	1,081	5	313	690	2,090	52	7,181	9,324
Total changes of items during period	1,081	5	313	690	2,090	52	7,181	19,910
Balance at end of current period	1,819	(4)	543	(1,839)	519	288	11,428	92,743

	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 treasury shares of parent arising from transactions with non-controlling shareholders		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 treasury shares of parent arising from transactions with non-controlling shareholders								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

(4) Consolidated statements of cash flows

(Unit: Millions of Yen)

	Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)	Fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	13,053	16,416
Depreciation and amortization	8,856	9,925
Loss (gain) on sales of investment securities	(301)	-
Loss on valuation of shares of subsidiaries and associates	-	104
Loss (gain) on sales of shares of subsidiaries and associates	-	32
Loss (gain) on sales of non-current assets	(26)	(247)
Loss on retirement of non-current assets	192	181
Increase (decrease) in net defined benefit liability	(638)	(1,760)
Increase (decrease) in provision for bonuses	(14)	58
Interest and dividends income	(303)	(292)
Interest expenses	1,213	1,101
Decrease (increase) in notes and accounts receivable-trade	772	(1,748)
Decrease (increase) in inventories	(533)	(405)
Increase (decrease) in notes and accounts payable-trade	(1,365)	1,694
Increase (decrease) in accrued consumption taxes	2,998	(1,779)
Other	579	(497)
Sub-total	24,483	22,782
Interest and dividends income received	214	225
Interest expenses paid	(1,238)	(1,095)
Income taxes paid	(4,230)	(5,762)
Net cash provided by (used in) operating activities	19,228	16,149
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,030)	(17,994)
Proceeds from sales of property, plant and equipment	431	21,728
Purchase of investment securities	(77)	(119)
Proceeds from sales of investment securities	126	524
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,609)	-
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(96)
Purchase of shares of subsidiaries and associates	(510)	(4,578)
Proceeds from sales of shares of subsidiaries and associates	9	-
Other	(1,318)	(1,751)
Net cash provided by (used in) investing activities	(17,978)	(2,288)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	13,032	(12,800)
Proceeds from long-term loans payable	6,800	5,780
Repayment of long-term loans payable	(9,402)	(9,644)
Repayments of finance lease obligations	(2,135)	(2,116)
Redemption of bonds	(7,040)	(20)
Proceeds from issuance of bonds	7,000	-
Purchase of treasury shares	(10)	(9)
Proceeds from sales of treasury shares	360	250
Cash dividends paid	(2,075)	(2,571)
Other	(319)	(360)
Net cash provided by (used in) financing activities	6,209	(21,492)
Effect of exchange rate change on cash and cash equivalents	123	(79)
Net increase (decrease) in cash and cash equivalents	7,583	(7,710)
Cash and cash equivalents at beginning of period	17,667	25,476
Increase in cash and cash equivalents from newly consolidated subsidiary	225	-
Cash and cash equivalents at end of period	25,476	17,765