

Summary of Financial Statements for the Fiscal Year Ended March 31, 2014



May 13, 2014

Listed company name SEIKOH GIKEN Co., Ltd. Listed market JASDAQ
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 Date of general shareholders' meeting June 24, 2014 Date of dividend payment June 25, 2014
 Date of securities report submission June 24, 2014

(All amounts rounded down to the nearest million yen.)

1. Consolidated business results for the fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Consolidated business performance

(Percentage figures show the changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2014	10,381	108.2	226	–	263	–	(27)	–
Year ended March 31, 2013	4,986	4.3	(190)	–	(30)	–	(126)	–

	Net profit per share	Fully diluted net profit per share	Net profit ratio per shareholders' equity	Ordinary profit ratio to total assets	Operating profit ratio to sales amount
	Yen	Yen	%	%	%
Year ended March 31, 2014	(3.02)	–	(0.1)	1.1	2.2
Year ended March 31, 2013	(13.80)	–	(0.6)	(0.1)	(3.8)

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2014	23,483	20,353	86.6	2,218.55
Year ended March 31, 2013	20,826	19,576	93.9	2,140.34

(Reference) Shareholders' equity Year ended March 31, 2014 20,341 million yen Year ended March 31, 2013 19,562million yen

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2014	827	(557)	(58)	2,601
Year ended March 31, 2013	285	366	(0)	2,199

2. Dividend status

(Base date)	Dividend per share					Gross dividend amount (annual)	Dividend propensity (consolidated)	Dividend ratio to net assets (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the year	Full year			
Year ended March 31, 2013	Yen –	Yen 0.00	Yen –	Yen 5.00	Yen 5.00	Million yen 45	% –	% 0.2
Year ended March 31, 2014	–	0.00	–	5.00	5.00	45	–	0.2
Year ending March 31, 2015 (Forecast)	–	0.00	–	5.00	5.00		–	

3. Forecast of consolidated business performance for the year ending March 31, 2015(April 1, 2014 to March 31, 2015)

(Percentage figures for "Full year" show the changes from the previous year, and percentage figures for "Half year" show the changes from the previous interim period.)

	Sales amount		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	5,400	20.9	280	205.6	280	167.6	90	–	9.84
Full year	11,600	11.7	640	182.6	650	147.1	260	–	28.43

* Disclosures concerning the implementation of audit procedures

This summary of financial statements is subject to the audit provisions provided in the Financial Instruments and Exchange Act. As of the time of the release of this summary of financial statements, the implementation of the audit of the consolidated financial statements is in progress.

* Information concerning the appropriate use of the results projections and other special matters

Statements on future results projections, etc., contained in these materials are based on information currently available to the Company as well as certain premises judged reasonable at that time. The Company offers no warranty that the results projections will be attained. Actual results are subject to change due to various factors. The premises underlying results projections and matters to be considered in using the results projections are stated in the attachment, page 4, "1. Analysis of Operating Results and Financial Position; (1) Operating Results Analysis."

1. Analysis of Operating Results and Financial Position

(1) Operating Results Analysis

(Operating results for the period under review) The global economy in the period under review saw the U.S. economy in an ongoing robust recovery centered mainly on the residential housing market and the automobile market. In the European economy, which continued to be affected by fiscal instability, economic activity took a favorable turn driven by external demand. On the other hand, signs of economic deceleration have been strengthening in China, leading to slower growth in Asia's emerging economies as a consequence.

The Japanese economy has been seeing a distinct recovery powered by the government's economic stimulus and monetary policy measures. In addition to a correction of the protracted yen strength, tailwinds are coming from the rebounding European economy, with rising corporate earnings centered on the exporting industries. Meanwhile, consumer sentiment has taken a favorable turn under the positive impression of rebounding share prices and improvements in employment. Moreover, with the trend of continuous price declines put into reverse, the exit from deflation has been taking hold and is widening its base.

In the electronics market relevant to the Group, mobile terminals such as smartphones and tablets continued to proliferate. In the mobile terminals market, the advance of the previously market-driving high functionality models has been slowing, contrasted by clear signs of a rise in comparatively low-priced models with a limited range of functions for end users in emerging economies, specifically in Asia. The increase in the various types of mobile terminals has connected to rapid growth in data volumes in circulation on the Internet, spurring technology development for ultra-fast, high-volume optical telecommunications in the telecommunications markets. Products incorporating new technologies with optical fiber based data transmission speeds of 100 gigabits per second have already reached the product stage and first releases to market. Likewise, the market for automotive electronics continues to expand at a solid pace. With environment related and safety related technologies (e.g. fuel cell vehicles and collision prevention systems) reaching the stage of practical application, manufacturers are working to reduce cost in order to increase market diffusion. Another focus of technology development is wearable computers, termed smart glasses or smart watch, as the next-generation terminal type after smartphones.

In this environment, the Group has been working on the continued implementation of its long-term management plan "Master Plan 2010" launched in fiscal year 2010. The "Master Plan 2010," which has duration of five years, sets the three goals of (i) business restructuring in order to achieve leaner corporate structures, (ii) business growth through the strengthening of sales capabilities and product development capabilities, and (iii) organizational reform with a view to achieving fast and accurate decision making. In the first fiscal year of the plan, the focus was on business restructuring, involving the discontinuation of loss-making operations and products as well as cost reductions in areas such as personnel and R&D. Starting in the second year, the emphasis shifted from business restructuring to business expansion, specifically the strengthening of sales capabilities and price competitiveness along with measures for creating new businesses, new products, and new business fields, with the aim of establishing corporate structures capable of constant income generation.

The current fiscal year marks the fourth year of the long-term management plan. As part of specific business expansion implementation, Seikoh Giken acquired the entire share capital of Fuji Electronics Industries Co., Ltd., which subsequently was added to consolidated subsidiaries. Based on over 50 years of experience in highly complex insert molding and press molding technologies accumulated since the founding of its operations, Fuji Electronics Industries has been manufacturing parts for automotive sensors and precision molded parts for mobile terminals, etc. The Group has through the acquisition of Fuji Electronics Industries been able to expand its product line-up and newly establish a stable customer base in the automotive industry.

Moreover, in order to strengthen sales capabilities and price competitiveness, the Group has continued to promote measures surrounding business expansion and input cost reductions. In precision machinery related products, using the Group's mold technology and precision polishing and precision processing technologies, the Company has been working to develop operations for the supply of precision molded items, centered on growth markets such as bio-science and medical applications. In optical related products, the Group proactively participated with product exhibits in trade fairs in Japan as well as in Europe and China, where optical telecommunications infrastructure installations are proliferating, and worked to expand the Group's customer base. At the Company's manufacturing subsidiaries in Hangzhou and Dalian in China, measures were specified to identify and resolve

issues surrounding input cost reductions. The progress status is periodically discussed with the head office along with steps to strengthen competitiveness at the manufacturing floor level.

As a result of these various measures, consolidated sales revenues for the period under review posted 10,381,910 thousand yen (+108.2% compared with the year-earlier period), marking a two-fold increase, thus attaining the 10-billion yen target of the long-term management plan "Master Plan 2010" one year ahead of schedule. As a result of the increase in sales revenues, operating income rose to 226,500 thousand yen (compared with an operating loss of 190,335 thousand yen in the year-earlier period), achieving the exit from the consolidated operating losses reported for previous fiscal years. Ordinary income marked 263,045 thousand yen (compared with an ordinary loss of 30,866 thousand yen in the year-earlier period) including non-operating income from foreign exchange gains, etc., and non-operating losses such as equity-method investment losses, etc. The net result for the period marked a net loss of 27,631 thousand yen (compared with a net loss of 126,087 thousand yen for the year-earlier period) due to deductions such as taxes relating to Fuji Electronics Industries (the main source of earnings for the fiscal year) and overseas subsidiaries.

Although a net profit for the period could not be reported, for the period under review it is planned to pay a year-end dividend of 5 yen per share of common stock, unchanged from previous fiscal year, in accordance with the dividend policy of the Company which calls for stable distributions of retained earnings to shareholders.

Segment results developed as follows.

(i) Precision machinery related products

Since the founding of Seikoh Giken, the precision machinery operations of the Group have been providing customers with a diverse range of molds based on manufacture using precision machining technologies and nano-level polishing technologies. In particular, the Company created the global top brand in molds for optical disk production, e.g. DVD and Blu-ray, appreciated by customers for valuable attributes such as short molding cycles, low reject ratios, excellent volume production properties, and sustained high-quality reproduction properties of molds even after the replacement of mold components. However, optical disks have since passed their peak as a storage media, and market growth cannot be expected. In light of this situation, precision machinery operations have been working to exit from the dependence on optical disk molds as a business model. Using the molds manufactured and developed by the Company, in recent years efforts have been continuing outside sales operations for molds to create an alternative molded-products business engaged in the mass production of precision molded items and sales to customers.

As part of these efforts, in May 2013 the Group acquired and integrated Fuji Electronics Industries Co., Ltd., which has been supplying molded products of great originality to the automotive and electronics industries. With the addition of Fuji Electronics Industries Co., Ltd., sales at the molded products business of the Group have been experiencing rapid growth. Likewise, into the period under review, proactive efforts have been made to step up the exchange of information and create mutual synergies, including the manufacture of molds by the Group required by Fuji Electronics Industries Co., Ltd. for its operations.

In high-heat resistant lenses, a section of the molded products business, the lenses supplied by the Company have been mainly lenses for cameras integrated into smartphones and mobile phones. In the period under review, new order receipts declined due to specification reviews at customers caused by model changes. As a countermeasure, at the Group's production subsidiary in China, Seikoh Giken has put into place volume production arrangements for high-resolution lenses developed for cameras of smartphones, etc. Moreover, an R&D facility was established in Osaka prefecture to accelerate the development of resin materials for lens production jointly with manufacturers, marking the successful creation of a basis for future business growth.

As a result, sales revenues at the precision machinery division in the period under review posted 5,515,297 thousand yen (compared with 1,233,281 thousand yen in the year-earlier period, +347.2% compared with the year-earlier period).

(ii) Optical related products

In the market for optical telecommunications, growth in Internet-based video dissemination and expansion as factors of smartphone dissemination continue unchanged. Optical telecommunications users have been increasing in Asia, specifically China, as well as Europe, Latin America, and elsewhere, with FTTx interlinking optical fibers and end users continuing at a brisk pace. In the North America, optical telecommunications is becoming widespread at data centers in step with the growth in cloud computing.

At the same time, the explosive pace of mobile terminals diffusion has been accelerating the installation of LTE base stations around the world. Due to this demand increase, strong sales continued in the period under review centered on optical connector components and optical components manufacturing machinery.

On the other hand, the optical telecommunications market has been seeing continuous declines in market prices for general-application components used in large quantities, with a strengthening trend towards concentrating the manufacture of the affected components in Asia, particularly China. Major customers of the Group have been following suit and set up factories in those regions, so that in the period under review part of products previously manufactured at the Japan-based head office of the Group had to be transferred to Seikoh Giken Hangzhou Co., Ltd. in China. Moreover, the Company has been working to reduce manufacturing costs by promoting internal measures such material procurement at production locations in China, improvements to production yields, and reviews of manufacturing processes.

In product development, the Company has been developing multicore fiber connectors, etc., that permit accommodating large numbers of fibers within a confined space. Examples of relevant applications are data centers and high-speed, high-volume optical telecommunications devices with transmission speeds of 100 gigabits per second. Moreover, as a new addition to its product line-up the Company is handling x-ray CT scanners, which enable the contact-less scanning of the inner parts of the human body and analysis based on three-dimensional imaging by using x-ray technology. Marketing and promotion for the device have been targeting R&D institutions.

As a result of these developments, the optical products division reported sales revenues of 4,866,612 thousand yen (+29.7% compared with the year-earlier period).

(Outlook for the next fiscal year)

The domestic market environment in the fiscal year ending March 2015 (from April 1, 2014 to March 31, 2015) has been overshadowed by concerns of a temporary stagnation in personal consumption induced by the consumption tax rate increase, but the outlook for corporate earnings remains favorable overall. Prospects are positive also for the U.S. economy, and moderate growth is regarded sustainable in Europe centered on the principal economies. On the other hand, the slower economic growth in the emerging economies, specifically China, is expected to continue.

In the industries relevant to the Group, the outlook is for progressing telecommunications infrastructure upgrades intended to enable high-speed, high-volume data transmission, with sustained demand growth for optical telecommunications components, while in the emerging economies the diffusion of smartphones, etc., centered on the low-price band should further accelerate. To be sure, however, the concern is that entrants to the industry will increase as the market keeps growing, and that selling prices will decline amid the ensuing severe competition. At the same time, corporate profitability may come under further pressure from the development costs for new products and technologies and other expenses. For the automotive market, expectations are for sustained stable conditions with further advances in the technology development for automotive electronic components.

In this operating environment, the Group will continue to implement business expansion measures based on the long-term management plan "Master Plan 2010." As to the consolidated operating results for the next fiscal year, projections call for sales revenue of 11,600 million yen, operating income of 640 million yen, ordinary income of 650 million yen, and net income of 260 million yen.

Note: The results projections stated above reflect judgments based on currently available information. Due to changes in a diversity of varying factors, actual results may differ from the stated results projections.

(2) Financial Position Analysis

(i) Assets, liabilities, and net assets

(Assets) Consolidated assets at the end of the period under review totaled 23,483,918 thousand yen, which was 2,657,352 thousand yen higher than at the end of the previous fiscal year.

Current assets were 13,255,790 thousand yen, which was 1,611,644 thousand yen lower than at the end of the previous fiscal year.

Main factors were declines in cash and deposits due to the acquisition of the share capital of Fuji Electronics Industries Co., Ltd.

Non-current assets were 10,228,128 thousand yen, which was 4,268,996 thousand yen higher than at the end of the previous fiscal year. Main factors were increases in property, plant, and equipment, and goodwill, etc., due to the inclusion of Fuji Electronics Industries Co., Ltd. in consolidated accounts.

(Liabilities) Consolidated liabilities at the end of the period under review totaled 3,130,206 thousand yen, which was 1,880,326 thousand yen higher than at the end of the previous fiscal year. Main factors were increases in accounts payable - trade, accounts payable - other, pension liabilities, and accrued income taxes, etc., due to the inclusion of Fuji Electronics Industries Co., Ltd. in consolidated accounts.

(Net assets) Consolidate net assets at the end of the period under review totaled 20,353,712 thousand yen, which was 777,025 thousand yen higher than at the end of the previous fiscal year. The main factor was an increase in the currency translation adjustment account.

(ii) Cash flows

Consolidated cash and cash equivalents at the end of the period under review totaled 2,601,378 thousand yen, reflecting an increase of 401,973 thousand yen since the end of the previous fiscal year. Individual cash flows and main factors influencing the changes therein were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 827,613 thousand yen (285,800 thousand yen more than in the year-earlier period). Main factors providing cash were 267,347 thousand yen in income before income taxes, 673,330 thousand yen in depreciation charges, and 209,633 thousand yen in goodwill. Main factors using cash were a 137,495 thousand yen increase in accounts receivable - trade and a 124,560 thousand yen decrease in accounts payable - trade.

(Cash flows from investing activities)

Net cash used in investing activities was 557,525 thousand yen (366,660 thousand yen more than in the year-earlier period). Main factors providing cash were 12,881,878 thousand yen in proceeds from the withdrawal of time deposits. Main factors using cash were 8,883,475 thousand yen in expenditure for payments into time deposits, 4,160,898 thousand yen in expenditure for the acquisition of the share capital of Fuji Electronics Industries Co., Ltd., and 508,347 thousand yen in expenditure for the acquisition of property, plant, and equipment.

(Cash flows from financing activities)

Net cash used in financing activities totaled 58,898 thousand yen (compared with 28 thousand yen used in financing activities in the year earlier). Main factors using cash were 45,307 thousand yen paid in dividends and 29,717 thousand yen in expenditure for the settlement of lease obligations.

(Reference) Changes in indicators related to cash flow

	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014
Equity ratio (%)	92.7	93.8	93.4	93.9	86.6
Equity ratio on market value basis (%)	32.4	26.2	30.9	26.9	53.9
Cash flow versus ratio of interest-bearing liabilities (%)	–	(0.0)	–	–	–
Interest coverage ratio	171.6	(18,450.8)	(632,843.7)	55,874.9	610.0

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Debt-to-cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest paid

All indicators have been calculated based on consolidated financial data.

* Market capitalization has been calculated by multiplying the share price at the end of the fiscal year by the number of shares issued and outstanding at the end of the fiscal year (excluding treasury shares).

* Cash flow used in the calculation refers to operating cash flow.

* Interest-bearing debt refers to all interest accruing debt stated among liabilities on the consolidated balance sheet.

(3) Basic Dividend Policy and Dividend for the Next Fiscal Year

With regard to the distribution of earnings to shareholders, it has been the basic policy of the Company to consistently pay shareholders stable dividends with consideration of internal retention in preparation for future investments.

Although a net profit for the period could not be reported, for the period under review it is planned to pay a year-end dividend of 5 yen per share of common stock in accordance with the dividend policy of the Company.

A dividend of 5 yen per share is planned also for the next fiscal year based on the Company's policy to provide shareholders with stable dividends.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (As of March 31, 2013)	Current Consolidated Accounting Year (As of March 31, 2014)
Assets		
Current assets		
Cash and deposits	12,580,693	9,051,494
Notes and accounts receivable-trade	1,121,795	2,175,368
Merchandise and finished goods	253,344	436,899
Work in process	255,659	426,752
Raw materials and supplies	456,952	629,919
Accounts receivable-other	95,919	317,594
Income taxes receivable	11,071	29,903
Other	97,084	193,239
Allowance for doubtful accounts	(5,085)	(5,382)
Total current assets	14,867,434	13,255,790
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,017,659	5,235,638
Accumulated depreciation	(2,369,171)	(3,350,560)
Buildings and structures, net	1,648,488	1,885,077
Machinery, equipment and vehicles	2,109,670	4,513,864
Accumulated depreciation	(1,875,514)	(3,772,816)
Machinery, equipment and vehicles, net	234,156	741,047
Land	2,035,325	2,246,539
Construction in progress	206,824	377,429
Other	1,685,348	4,463,850
Accumulated depreciation	(1,459,702)	(4,009,734)
Other, net	225,645	454,115
Total property, plant and equipment	4,350,440	5,704,209
Intangible assets		
Goodwill	—	2,311,018
Customer related assets	—	616,264
Other	56,605	77,935
Total intangible assets	56,605	3,005,217
Investments and other assets		
Investment securities	550,480	532,942
Real estate for investment, net	932,756	950,747
Other	68,848	35,010
Total investments and other assets	1,552,085	1,518,701
Total noncurrent assets	5,959,131	10,228,128
Total assets	20,826,566	23,483,918

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (As of March 31, 2013)	Current Consolidated Accounting Year (As of March 31, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	189,650	1,025,896
Income taxes payable	24,109	254,051
Reserve for bonuses	—	74,221
Other	380,582	714,647
Total current liabilities	594,341	2,068,816
Noncurrent liabilities		
Provision for retirement benefits	411,133	—
Pension liabilities	—	649,689
Long-term accounts payable-other	145,370	145,370
Long-term guarantee deposited	77,098	59,965
Long-term lease deposited	19,037	19,037
Deferred tax liability	2,899	144,907
Other	—	42,419
Total noncurrent liabilities	655,538	1,061,389
Total liabilities	1,249,880	3,130,206
Net assets		
Shareholders' equity		
Capital stock	6,791,682	6,791,682
Capital surplus	10,571,419	10,571,419
Retained earnings	2,795,903	2,678,309
Treasury stock	(427,246)	(363,131)
Total Shareholders' equity	19,731,759	19,678,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	927	1,707
Foreign currency translation adjustment	(170,079)	649,422
Cumulative pension adjustment amount	—	12,398
Total accumulated other comprehensive income	(169,151)	663,527
Subscription rights to shares	14,078	11,904
Total net assets	19,576,686	20,353,712
Total liabilities and net assets	20,826,566	23,483,918

(2) Consolidated Income Statement

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)	Current Consolidated Accounting Year (from April 1, 2013 to March 31, 2014)
Sales amount	4,986,398	10,381,910
Cost of sales	3,331,121	7,560,456
Gross profit	1,655,277	2,821,453
Selling, general and administrative expenses	1,845,613	2,594,953
Operating income (or loss)	(190,335)	226,500
Non-operating income		
Interest income	30,604	19,131
Dividends income	347	393
Rent of real estate for investment	41,194	49,978
The charge of operating trust	21,564	—
Royalties received	2,901	2,708
Foreign exchange gains	80,875	78,902
Equity in earnings of affiliates	7,069	—
Other	7,712	24,374
Total non-operating income	192,270	175,488
Non-operating expenses		
Del credere commission	15,844	—
Cost of real estate rent	14,864	16,911
Equity in losses of affiliates	—	114,612
Other	2,092	7,418
Total non-operating expenses	32,800	138,943
Ordinary income (loss)	(30,866)	263,045
Extraordinary income		
Gain on sales of noncurrent assets	2,083	4,442
Extraordinary loss	2,083	4,442
Loss on retirement of noncurrent assets		
Loss due to disaster	—	141
Loss on retirement of noncurrent assets	7,862	—
Total extraordinary losses	7,862	141
Income (loss) before income taxes and minority interest	(36,645)	267,347
Income taxes-current	83,124	322,445
Income taxes-deferred	6,317	(28,117)
Total income taxes	89,442	294,328
Net loss for the period before minority interest	(126,087)	(26,980)
Minority interests in income	—	650
Net loss for the period	(126,087)	(27,631)

(Statement of Consolidated Comprehensive Income)

(Unit: Thousands of yen)

	Current Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)	Current Consolidated Accounting Year (from April 1, 2013 to March 31, 2014)
Net loss for the period before minority interest	(126,087)	(26,980)
Other comprehensive income		
Net unrealized holding gains on securities	3,305	785
Foreign currency translation adjustments	324,240	715,009
Equity in equity-method affiliates	48,241	104,491
Total other comprehensive income	375,788	820,286
Comprehensive income	249,700	793,305
(Items)		
Comprehensive income attributable to owners of the parent	249,700	792,649
Minority interests in comprehensive income for the period	—	655

3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)

(Unit: Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,571,419	10,571,419	(427,218)	19,857,875
Changes of items during the period					
Net loss for the period			(126,087)		(126,087)
Purchase of treasury stock				(28)	(28)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	(126,087)	(28)	(126,115)
Balance at the end of current period	6,791,682	10,571,419	2,795,903	(427,246)	19,731,759

	Accumulated other comprehensive income			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the end of previous period	(2,378)	(542,561)	(544,939)	6,175	19,319,111
Changes of items during the period					
Net loss for the period					(126,087)
Purchase of treasury stock					(28)
Net changes of items other than shareholders' equity	3,305	372,482	375,788	7,902	383,690
Total changes of items during the period	3,305	372,482	375,788	7,902	257,575
Balance at the end of current period	927	(170,079)	(169,151)	14,078	19,576,686

Current Consolidated Accounting Year (April 1, 2013 to March 31, 2014)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,791,682	10,571,419	2,795,903	(427,246)	19,731,759
Changes of items during the period					
Dividends from surplus			(45,699)		(45,699)
Net loss for the period			(27,631)		(27,631)
Purchase of treasury stock				(52)	(52)
Disposal of treasury stock		(44,263)		64,167	19,904
Transfer to capital surplus from retained earnings		44,263	(44,263)		-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	(117,593)	64,115	(53,478)
Balance at the end of current period	6,791,682	10,571,419	2,678,309	(363,131)	19,678,280

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the end of previous period	927	(170,079)	-	(169,151)	14,078	-	19,576,686
Changes of items during the period							
Dividends from surplus							(45,699)
Net loss for the period							(27,631)
Purchase of treasury stock							(52)
Disposal of treasury stock							19,904
Transfer to capital surplus from retained earnings							-
Net changes of items other than shareholders' equity	779	819,501	12,398	832,679	(2,174)	-	830,504
Total changes of items during the period	779	819,501	12,398	832,679	(2,174)	-	777,025
Balance at the end of current period	1,707	649,422	12,398	663,527	11,904	-	20,353,712

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)	Current Consolidated Accounting Year (from April 1, 2013 to March 31, 2014)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interest	(36,645)	267,347
Depreciation and amortization	262,077	673,330
Amortization of goodwill	—	209,633
Interest and dividends income	(30,951)	(19,524)
Investment loss (gain) on equity method	(7,069)	114,612
Property rents received	(41,194)	(49,978)
Loss (gain) on sales of noncurrent assets	(2,083)	(4,301)
Loss on retirement of noncurrent assets	7,862	—
Increase (decrease) in allowance for doubtful accounts	2,330	(1,711)
Increase (decrease) in provisioning for bonuses	—	(15,175)
Increase (decrease) in provision for retirement benefits	44,142	—
Increase (decrease) in pension liabilities	—	5,242
Foreign exchange losses (gains)	(55,257)	(67,231)
Decrease (increase) in notes and accounts receivable-trade	393,882	(137,495)
Decrease (increase) in inventories	63,923	(22,714)
Decrease (increase) in other current assets	27,195	169,757
Increase (decrease) in notes and accounts payable-trade	(210,400)	(124,560)
Increase (decrease) in accounts payable	(10,154)	(6,681)
Increase (decrease) in other current liabilities	(34,222)	(15,550)
Subtotal	373,435	974,999
Interest and dividends income received	28,222	37,380
Income taxes refund	6,641	10,666
Income taxes paid	(122,498)	(195,433)
Net cash provided by (used in) operating activities	285,800	827,613
Net cash provided by (used in) investing activities		
Payments into time deposits	(14,504,382)	(8,883,475)
Proceeds from withdrawal of time deposits	15,554,181	12,881,878
Purchase of property, plant and equipment	(240,316)	(508,347)
Proceeds from sales of property, plant and equipment	3,175	4,956
Purchase of intangible assets	(8,332)	(5,848)
Purchase of investment securities	(487,705)	(832)
Expenditure for the acquisition of shares in subsidiaries associated with a change in the scope of consolidation	—	(4,160,898)
Income from repayment of insurance funds	—	62,949
Proceeds from rental of real estate for investment	41,194	49,978
Proceeds from transfer of business	11,946	4,192
Other payments	(3,161)	(2,080)
Other proceeds	60	—
Net cash provided by (used in) investing activities	366,660	(557,525)

(Unit: Thousands of yen)

	Previous Consolidated Accounting Year (from April 1, 2012 to March 31, 2013)	Current Consolidated Accounting Year (from April 1, 2013 to March 31, 2014)
Net cash provided by (used in) financing activities		
Purchase of treasury stock	(28)	(52)
Dividend payment amount	—	(45,307)
Expenditure for the settlement of lease obligations	—	(29,717)
Income from the exercise of stock options	—	16,179
Net cash provided by (used in) financing activities	(28)	(58,898)
Effect of exchange rate change on cash and cash equivalents	87,593	190,784
Net increase (decrease) in cash and cash equivalents	740,026	401,973
Cash and cash equivalents at beginning of period	1,459,378	2,199,404
Cash and cash equivalents at end of period	2,199,404	2,601,378