

Consolidated Balance Sheets

Millions of yen		
As of March 31, 2015 and 2014	2014	2015
Assets		
Current assets		
Cash and deposits	43,161	46,113
Cash for Transportation Security Services	98,579	96,760
Notes and accounts receivable–trade	36,055	44,020
Lease receivables and investment assets	1,986	3,108
Short-term investment securities	415	861
Raw materials and supplies	4,380	4,759
Costs on uncompleted construction contracts	343	393
Advances paid	6,370	6,301
Deferred tax assets	1,842	1,868
Other	6,534	6,502
Allowance for doubtful accounts	(211)	(243)
Total current assets	199,458	210,445
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	42,165	42,599
Accumulated depreciation	(22,982)	(23,758)
Buildings and structures, net	19,183	18,840
Machinery, equipment and vehicles	119,885	124,784
Accumulated depreciation	(104,169)	(106,286)
Machinery, equipment and vehicles, net	15,716	18,498
Land	22,933	23,219
Lease assets	11,092	11,063
Accumulated depreciation	(5,529)	(6,126)
Lease assets, net	5,562	4,937
Construction in progress	1,410	2,712
Other	12,882	13,310
Accumulated depreciation	(9,462)	(9,814)
Other, net	3,419	3,495
Total property, plant and equipment	68,225	71,704
Intangible assets		
Software	3,681	4,192
Goodwill	769	11,172
Other	1,699	1,489
Total intangible assets	6,151	16,853
Investments and other assets		
Investment securities	34,466	38,629
Long-term loans receivable	456	395
Lease and guarantee deposits	7,798	8,039
Insurance funds	2,004	2,053
Net defined benefit asset	50	9,514
Deferred tax assets	12,638	5,587
Other	12,097	11,192
Allowance for doubtful accounts	(853)	(552)
Total investments and other assets	68,659	74,859
Total noncurrent assets	143,036	163,418
Total assets	342,495	373,863

Millions of yen		
As of March 31, 2015 and 2014	2014	2015
Liabilities		
Current liabilities		
Notes and accounts payable–trade	21,069	23,946
Short-term loans payable	56,472	59,538
Current portion of long-term loans payable	3,165	3,459
Current portion of bonds	10	64
Accounts payable–other	13,672	15,680
Lease obligations	2,506	2,775
Income taxes payable	4,203	4,232
Accrued consumption taxes	1,680	8,544
Provision for bonuses	1,072	1,460
Provision for directors' bonuses	238	186
Deferred tax liabilities	0	0
Other	10,230	10,576
Total current liabilities	114,322	130,464
Noncurrent liabilities		
Bonds payable	20	115
Long-term loans payable	3,983	1,915
Lease obligations	5,510	5,832
Deferred tax liabilities	33	615
Deferred tax liabilities for land revaluation	366	332
Net defined benefit liability	33,554	25,484
Provision for directors' retirement benefits	1,696	1,725
Asset retirement obligations	67	68
Negative goodwill	60	—
Other	2,674	2,946
Total noncurrent liabilities	47,968	39,035
Total liabilities	162,290	169,500

Net Assets		
Shareholders' equity		
Capital stock	18,675	18,675
Capital surplus	32,117	32,117
Retained earnings	114,961	130,753
Treasury stock	(1,988)	(1,989)
Total shareholders' equity	163,766	179,557
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,969	8,235
Revaluation reserve for land	(5,343)	(5,293)
Foreign currency translation adjustment	46	173
Remeasurements of defined benefit plans	(6,148)	(1,725)
Total valuation and translation adjustments	(5,475)	1,389
Minority interests	21,914	23,415
Total net assets	180,205	204,363
Total liabilities and net assets	342,495	373,863

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income			Millions of yen	
Fiscal years ended March 31, 2015 and 2014			2014	2015
Net sales	328,209	365,749		
Cost of sales	248,900	276,116		
Gross profit	79,308	89,632		
Selling, general and administrative expenses	60,375	66,660		
Operating income	18,932	22,971		
Non-operating income				
Interest income	250	249		
Dividends income	512	548		
Gain on sales of investment securities	123	159		
Rent income	243	247		
Gain from insurance claim	114	89		
Equity in earnings of affiliates	517	641		
Amortization of negative goodwill	80	60		
Penalty income	336	268		
Other	945	952		
Total non-operating income	3,124	3,217		
Non-operating expenses				
Interest expenses	578	689		
Loss on sales of investment securities	7	0		
Loss on retirement of noncurrent assets	151	228		
Financing expenses	258	290		
Other	314	279		
Total non-operating expenses	1,311	1,488		
Ordinary income	20,745	24,700		
Extraordinary income				
Gain on sales of investment securities	108	2		
Compensation income	124	13		
Gain on reversal of asset retirement obligations	25	—		
Total extraordinary income	258	16		
Extraordinary loss				
Loss on valuation of investment securities	23	49		
Loss on retirement of noncurrent assets	66	—		
Impairment loss	2	0		
Loss on extinguishment of tie-in shares	—	13		
Total extraordinary loss	92	63		
Income before income taxes	20,911	24,653		
Income taxes—current	8,372	8,653		
Income taxes—deferred	481	1,127		
Total income taxes	8,853	9,780		
Income before minority interests	12,057	14,872		
Minority interests in income	1,102	1,337		
Net income	10,955	13,534		

Consolidated Statements of Comprehensive Income			Millions of yen	
Fiscal years ended March 31, 2015 and 2014			2014	2015
Income before minority interests	12,057	14,872		
Other comprehensive income				
Valuation difference on available-for-sale securities	1,761	2,413		
Revaluation reserve for land	—	33		
Foreign currency translation adjustment	7	29		
Remeasurements of defined benefit plans, net of tax	—	4,416		
Share of other comprehensive income of associates accounted for using equity method	81	335		
Total other comprehensive income	1,850	7,228		
Comprehensive income	13,908	22,100		
(Contents)				
Comprehensive income attributable to owners of the parent	12,736	20,400		
Comprehensive income attributable to minority interests	1,171	1,700		

Consolidated Statements of Changes in Net Assets

	Millions of yen				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
Balance as of March 31, 2013	18,675	32,117	106,731	(1,987)	155,536
Cumulative effects of changes in accounting policies					
Balance at the beginning of current period reflecting changes in accounting policies	18,675	32,117	106,731	(1,987)	155,536
Changes of items during the period					
Dividends from surplus			(2,664)		(2,664)
Net income			10,955		10,955
Purchase of treasury stock				(0)	(0)
Change of scope of consolidation			(60)		(60)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	8,230	(0)	8,229
Balance as of March 31, 2014	18,675	32,117	114,961	(1,988)	163,766

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total valuation and translation adjustments	Minority interests	
Balance as of March 31, 2013	4,245	(5,343)	(10)	—	(1,109)	21,135	175,563
Cumulative effects of changes in accounting policies							
Balance at the beginning of current period reflecting changes in accounting policies	4,245	(5,343)	(10)	—	(1,109)	21,135	175,563
Changes of items during the period							
Dividends from surplus							(2,664)
Net income							10,955
Purchase of treasury stock							(0)
Change of scope of consolidation							(60)
Net changes of items other than shareholders' equity	1,724	0	56	(6,148)	(4,366)	778	(3,587)
Total changes of items during the period	1,724	0	56	(6,148)	(4,366)	778	4,641
Balance as of March 31, 2014	5,969	(5,343)	46	(6,148)	(5,475)	21,914	180,205

	Millions of yen				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
Balance as of March 31, 2014	18,675	32,117	114,961	(1,988)	163,766
Cumulative effects of changes in accounting policies			5,776		5,776
Balance at the beginning of current period reflecting changes in accounting policies	18,675	32,117	120,738	(1,988)	169,542
Changes of items during the period					
Dividends from surplus			(3,518)		(3,518)
Net income			13,534		13,534
Purchase of treasury stock				(0)	(0)
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	10,015	(0)	10,015
Balance as of March 31, 2015	18,675	32,117	130,753	(1,989)	179,557

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans, net of tax	Total valuation and translation adjustments	Minority interests	
Balance as of March 31, 2014	5,969	(5,343)	46	(6,148)	(5,475)	21,914	180,205
Cumulative effects of changes in accounting policies						190	5,966
Balance at the beginning of current period reflecting changes in accounting policies	5,969	(5,343)	46	(6,148)	(5,475)	22,104	186,171
Changes of items during the period							
Dividends from surplus							(3,518)
Net income							13,534
Purchase of treasury stock							(0)
Change of scope of consolidation							
Net changes of items other than shareholders' equity	2,266	49	126	4,423	6,865	1,311	8,176
Total changes of items during the period	2,266	49	126	4,423	6,865	1,311	18,192
Balance as of March 31, 2015	8,235	(5,293)	173	(1,725)	1,389	23,415	204,363

Consolidated Statements of Cash Flows

	Millions of yen	
Fiscal years ended March 31, 2015 and 2014	2014	2015
Net cash provided by (used in) operating activities		
Income before income taxes	20,911	24,653
Depreciation and amortization	9,198	11,331
Impairment loss	2	0
Amortization of goodwill	370	768
Amortization of negative goodwill	(80)	(60)
Increase (decrease) in allowance for doubtful accounts	11	(281)
Increase (decrease) in net defined benefit liability	(310)	213
Increase (decrease) in provision for bonuses	24	(246)
Increase (decrease) in provision for directors' bonuses	36	(54)
Interest and dividends income	(762)	(797)
Interest expenses	578	689
Equity in (earnings) losses of affiliates	(517)	(641)
Loss (gain) on sales of noncurrent assets	1	1
Loss (gain) on retirement of noncurrent assets	218	228
Loss (gain) on reversal of asset retirement obligations	(25)	—
Loss (gain) on sales of investment securities	(222)	(161)
Loss (gain) on valuation of investment securities	23	49
Loss (gain) on valuation of derivatives	(180)	(105)
Decrease (increase) in notes and accounts receivable—trade	(4,744)	(5,391)
Decrease (increase) in inventories	956	(348)
Increase (decrease) in notes and accounts payable—trade	1,801	2,676
Decrease (increase) in net defined benefit asset	(1,279)	(1,970)
Decrease (increase) in assets and liabilities for Transportation Security Services	2,329	(11,624)
Other	257	8,953
Subtotal	28,597	27,884
Interest and dividends income received	900	953
Interest expenses paid	(574)	(698)
Income taxes paid	(7,900)	(8,573)
Income taxes refund	32	100
Net cash provided by (used in) operating activities	21,056	19,666
Net cash provided by (used in) investing activities		
Decrease (increase) in time deposits	63	(498)
Purchase of property, plant and equipment	(15,224)	(12,153)
Proceeds from sales of property, plant and equipment	10	2
Purchase of investment securities	(878)	(919)
Proceeds from sales of investment securities	1,627	1,357
Purchase of investments in subsidiaries	(30)	(498)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(11,435)
Decrease (increase) in short-term loans receivable	3	(12)
Payments of long-term loans receivable	(74)	(102)
Collection of long-term loans receivable	158	133
Other	(2,356)	(168)
Net cash provided by (used in) investing activities	(16,701)	(24,295)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(439)	15,802
Proceeds from long-term loans payable	459	920
Repayment of long-term loans payable	(3,388)	(3,447)
Redemption of bonds	(10)	(57)
Purchase of treasury stock	(0)	(0)
Repayments of lease obligations	(2,793)	(2,700)
Cash dividends paid	(2,664)	(3,518)
Cash dividends paid to minority shareholders	(304)	(401)
Net cash provided by (used in) financing activities	(9,142)	6,596
Effect of exchange rate change on cash and cash equivalents	2	40
Net increase (decrease) in cash and cash equivalents	(4,785)	2,007
Cash and cash equivalents at beginning of period	40,541	35,791
Increase in cash and cash equivalents from newly consolidated subsidiary	36	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	177
Cash and cash equivalents at end of period	35,791	37,976