



## Consolidated Financial Report For the Six Months Ended September 30, 2015

November 5, 2015

Company Name: Meitec Corporation  
Representative: Hideyo Kokubun  
President, Group CEO  
Code No.: 9744 TSE 1<sup>ST</sup> Section

[Fractions of one million yen are rounded down]

### 1. Consolidated Results for the 2nd Quarter (April 1, 2015 to September 30, 2015)

#### (1) Consolidated operating results

(% is comparison to the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six months ended September 30, 2015	42,143	7.2	4,744	18.8	4,723	17.7	3,798	—
Six months ended September 30, 2014	39,300	9.9	3,992	37.3	4,012	36.9	194	(88.6)

(Note) Comprehensive Income; Six months ended September 30, 2015: 3,911 million yen [—%]  
Six months ended September 30, 2014: 284 million yen [(83.5%)]

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
Six months ended September 30, 2015	125.43		—	
Six months ended September 30, 2014	6.35		—	

#### (2) Consolidated financial position

	Total Assets		Net Assets		Equity Ratio	
	Millions of Yen		Millions of Yen		%	
As of September 30, 2015	64,343		39,445		61.2	
As of March 31, 2015	65,098		37,565		57.6	

Reference: Shareholders' Equity; as of September 30, 2015: 39,395 million yen  
as of March 31, 2015: 37,516 million yen

### 2. Dividends

	Annual Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
FY ended March 31, 2015	—	44.00	—	67.00	111.00
FY ending March 31, 2016	—	63.00	—	—	—
FY ending March 31, 2016 (Forecast)	—	—	—	63.00	126.00

(Note) Revision of dividends forecast from recent forecast: Yes

Regarding the revision of the dividends, please see "Notice Regarding Dividend of Retained Earnings (Interim Dividend) and Revision of the Year-end Dividend Forecast" which was announced today, November 5, 2015.

(Note) Details of year-end dividends for the year ended Mar. 31, 2015:

Regular dividends 91.00 yen, Commemorative dividends 20.00 yen (40th anniversary commemorative dividends)

### 3. Consolidated Forecasts for Fiscal Year ending March 31, 2016

(% is comparison to the same period of previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Net Income per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	
FY ending March 31, 2016	86,400	5.2	10,000	4.8	10,000	3.7	7,600	107.7	250.95

(Note) Revision of performance forecast from recent forecast: Yes

**Notes to Financial Statements**

- (1) Significant changes involving subsidiaries during the term: None  
(Changes in specific subsidiaries that affected the scope of consolidation)
- (2) Adoption of special accounting treatment for preparing quarterly consolidated financial Statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
- |  |      |
|--|------|
| i. Change in accounting policies :     | Yes  |
| ii. Changes not relating to i. :       | None |
| iii. Changes in accounting estimates : | None |
| iv. Restatements :                     | None |
- (4) Number of shares issued (common stock)
- |   |            |
|---|------------|
| i. Number of shares issued at the fiscal year end (including treasury shares) |            |
| 2nd Quarter ended September 30, 2015:   | 32,200,000 |
| FY ended March 31, 2015:  | 32,200,000 |
| ii. Number of treasury shares at the fiscal year end                          |            |
| 2nd Quarter ended September 30, 2015:   | 1,915,120  |
| FY ended March 31, 2015:  | 1,914,685  |
| iii. Average number of shares outstanding during the period                   |            |
| 2nd Quarter ended September 30, 2015:   | 30,285,065 |
| 2nd Quarter ended September 30, 2014:   | 30,555,245 |

**\* Indication of quarterly review procedure implementation status**

At the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act, have not been completed.

**\* Advice relating to appropriate use of financial forecasts and other relevant information**

Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable, and it is not intended to promise its achievement. Actual results may therefore differ materially from these statements for various reasons. For cautionary notes concerning assumptions for earnings forecasts and use of earning forecasts, please refer to “(3)-1. Earnings Forecasts” under “1. Qualitative Information on the Consolidated Results for the 2nd Quarter,” “(3) Explanation of Forecast Information Such as Consolidated Earnings Forecast, etc.”

## 1. Qualitative Information on the Consolidated Results for the 2nd Quarter

### (1) Qualitative Information on the Consolidated Operating Results

Figure 1: Summary ; Consolidated Operating Results

(Millions of yen, rounded down)	2nd Q FY ended September 30, 2014	2nd Q FY ended September 30, 2015	YoY Amount	Change (%)
Net Sales	39,300	42,143	+2,842	+7.2%
Cost of Sales	29,366	31,321	+1,954	+6.7%
SG&A Expenses	5,941	6,077	+135	+2.3%
Operating Income	3,992	4,744	+752	+18.8%
Ordinary Income	4,012	4,723	+710	+17.7%
Income before income taxes	555	5,777	+5,221	+939.7%
Profit Attributable to Owners of Parent	194	3,798	+3,604	—

#### (1)-1. Consolidated Operating Results

During the six months from April 1, 2015 to September 30, 2015, the Japanese economy recovered at a moderate pace supported by the government's economic and fiscal policies, among other factors. However, the outlook grew even more uncertain due to concerns of a slowdown in emerging markets, such as China, and debt issues in Europe.

Under these circumstances, many leading manufacturers, which are the major clients of the Company, continued steady investment in technological development looking to the next generation regardless of the business conditions. Thanks to a strong order environment, the number of engineers assigned to clients steadily increased. This was mainly due to assignment of new graduate engineers who joined us on April 1 (Meitec: 299, Meitec Fielders: 175; total: 474) to clients proceeding as planned.

As a result, consolidated net sales for the period under review increased ¥2,842 million, or 7.2%, from a year earlier to ¥42,143 million. Consolidated cost of sales rose ¥1,954 million, or 6.7%, from a year earlier to ¥31,321 million, chiefly because of higher labor costs due to an increase in the number of engineers. Consolidated selling, general and administrative expenses rose ¥135 million, or 2.3%, from a year earlier to ¥6,077 million. Consolidated operating income increased ¥752 million, or 18.8%, from a year earlier to ¥4,744 million, and consolidated ordinary income rose ¥710 million, or 17.7%, from a year earlier to ¥4,723 million.

Furthermore, the Company recorded extraordinary losses of approximately ¥3,500 million for the first six months of the previous fiscal year, arising from the suspension of use of training facilities and other facility; however, in the period under review, the sale of some of these facilities was completed, yielding extraordinary income of approximately ¥1,000 million.

As a result of the above, profit attributable to owners of parent increased ¥3,604 million from a year earlier to ¥3,798 million.

Effective from the first quarter of the fiscal year under review, the Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and other accounting standards. As a result, former “net income” is now shown as “profit attributable to owners of parent.”

#### (1)-2. Operating Results of Business Segments

Effective October 1, 2014, the Company merged with its consolidated subsidiary Meitec CAE. As a result, the operating results of Meitec CAE, which had been included in the Engineering Solutions Business segment, have been presented within the Temporary Staffing Business segment since the third quarter of the previous fiscal year.

Therefore for this item, to facilitate comparison with the same period of the previous fiscal year, figures for the same period of the previous fiscal year have been reclassified according to the segment after the said change.

Figure 2: Summary ; Results of Three Business Segments

(Millions of yen, rounded down)	Meitec Group (Consolidated)				
		Temporary Staffing Business	Recruiting & Placement Business	Engineering Solutions Business	Eliminations / Corporate
Net Sales	42,143	40,696	720	846	(120)
Component Ratio	100.0%	96.6%	1.7%	2.0%	(0.3%)
YoY Amount	+2,842	+2,672	+87	+109	(26)
%Change	+7.2%	+7.0%	+13.8%	+14.8%	—
Operating Income	4,744	4,518	217	10	(1)
Component Ratio	100.0%	95.2%	4.6%	0.2%	(0.0%)
YoY Amount	+752	+665	+65	+25	(3)
%Change	+18.8%	+17.3%	+42.9%	—	—

Figure 3: Meitec Group Temporary Engineer Staffing Business

		2nd Q FY ended September 30, 2014	2nd Q FY ended September 30, 2015
MT <sup>*1</sup> +MF <sup>*2</sup> +CAE <sup>*3</sup>	Period-End Engineering Staff <sup>1</sup>	7,909	8,333
MT <sup>*1</sup> +MF <sup>*2</sup>	Period-End Engineering Staff <sup>1</sup>	7,815	8,333
	Utilization ratio (Company-wide)	93.8%	95.6%
	Utilization ratio (Excluding new hires)	97.2%	98.2%
MT <sup>*1</sup>	Period-End Engineering Staff <sup>1</sup>	6,209	6,563
	Of which assigned to internal engineering projects <sup>1</sup>	59	38
	Utilization ratio (Company-wide)	93.9%	96.0%
	Utilization ratio (Excluding new hires)	96.9%	98.1%
	Working Hours	8.90h/day	8.77h/day
MF <sup>*2</sup>	Period-End Engineering Staff	1,606	1,770
	Utilization ratio (Company-wide)	93.4%	94.2%
	Utilization ratio (Excluding new hires)	98.3%	98.6%
	Working Hours	8.99h/day	8.90h/day
CAE <sup>*3</sup>	Period-End Engineering Staff <sup>2</sup>	94	—

\*1 : Meitec Corporation    \*2 : Meitec Fielders, Inc.    \*3 : Meitec CAE Corporation

Note 1: Number of engineers for Meitec does not include engineers who are assigned to our internal engineering projects and lecturer for internal training.

Note 2: On October 1, 2014, CAE engineers were integrated into Meitec.

See the Meitec website for monthly and quarterly utilization ratio figures:

[http://www.meitec.co.jp/e/ir/financial\\_performance.html](http://www.meitec.co.jp/e/ir/financial_performance.html)

## (1)-2. Operating Results of Business Segments

### (1)-2.i Temporary Staffing Business

Net sales in the Temporary Staffing Business segment for the period under review increased ¥2,672 million, or 7.0%, from a year earlier to ¥40,696 million. The main reason for the increase was an increase in the number of engineers assigned to clients in the Temporary Staffing Business, which accounts for more than 90% of consolidated net sales, particularly in the professional staffing business for engineers, the core business of this segment. Operating income increased ¥665 million, or 17.3%, from a year earlier to ¥4,518 million.

The Company's non-consolidated utilization ratio (overall) remained high at 96.0%, compared with 93.9% in the same period of the previous fiscal year, as assignment to clients of 299 newly graduated engineers who joined the Company in April of this year proceeded steadily. Moreover, while the order environment was brisk, working hours declined to 8.77 hours/day (8.90 hours/day for the same period of the previous fiscal year), because of a decline in overtime hours work at some clients and an increase in use of paid leave, etc.

(1)-2.ii Recruiting & Placement Business

The Recruiting & Placement Business segment operates job placement and information portal site businesses for engineers.

Net sales in the Recruiting & Placement Business increased ¥87 million, or 13.8%, from a year earlier to ¥720 million, and operating income increased ¥65 million, or 42.9%, to ¥217 million.

Meitec Next achieved sales and profit growth due to an increase in the number of job placements.

(1)-2.iii Engineering Solutions Business

The Engineering Solutions Business segment provides technology support services for printed-circuit boards.

Net sales in the Engineering Solutions Business for the period under review rose ¥109 million, or 14.8%, from a year earlier to ¥846 million, and operating income of ¥10 million was posted, compared with an operating loss of ¥14 million a year earlier.

Apollo Giken Group saw an increase in sales, and returned to operating profitability after recording an operating loss a year earlier.

Figure 4: Summary ; Meitec Group Results

(Millions of Yen, rounded down)	Temporary Staffing Business				Recruiting & Placement Business			Engineering Solutions Business
	Meitec	Meitec Fielders	Meitec Cast	Meitec EX	Meitec NEXT	all engineer. jp	Meitec Shanghai HR, etc.	Apollo Giken Gr.
Net Sales	33,131	6,386	1,299	29	639	68	25	846
YoY Amount	+ 2,448	+ 632	+ 63	+ 3	+ 103	+ 14	(18)	+ 109
YoY %	+ 8.0%	+ 11.0%	+ 5.1%	+ 15.2%	+ 19.3%	+ 26.5%	(42.5%)	+ 14.9%
Operating Income	3,927	547	46	(14)	204	29	(24)	10
YoY Amount	+ 662	+ 61	+ 2	+ 1	+ 23	+ 21	+ 21	+ 25
YoY %	+ 20.3%	+ 12.6%	+ 4.8%	—	+ 13.2%	+ 292.7%	—	—
Ordinary Income	4,395	548	46	(14)	204	29	(24)	11
YoY Amount	+ 698	+ 61	+ 1	+ 1	+ 23	+ 21	+ 19	+ 24
YoY %	+ 18.9%	+ 12.6%	+ 3.4%	—	+ 13.3%	+ 256.2%	—	—
Net Income	3,749	349	29	(14)	136	25	(24)	5
YoY Amount	+ 3,577	+ 52	+ 2	+ 1	+ 20	+ 18	+ 19	+ 39
YoY %	—	+ 17.5%	+ 8.3%	—	+ 17.7%	+ 241.7%	—	—

Note: On October 1, 2014, Meitec CAE, a consolidated subsidiary, was merged into Meitec. Consequently, for calculating YoY changes, Meitec's results for the first six months of the previous fiscal year do not include Meitec CAE's results.

## (2) Qualitative Information on the Consolidated Financial Position

Figure 5: Overview of the Consolidated Financial Position

(millions of yen, rounded down)	FY ended March 31, 2015	2nd Q FY ended September 30, 2015	YoY	
			Amount	Change (%)
Total current assets	51,639	52,071	+431	+0.8%
Total noncurrent assets	13,458	12,271	(1,187)	(8.8%)
Total assets	65,098	64,343	(755)	(1.2%)
Total current liabilities	15,797	12,850	(2,946)	(18.7%)
Total noncurrent liabilities	11,735	12,046	+311	+2.7%
Total liabilities	27,532	24,897	(2,635)	(9.6%)
Total shareholders' equity	39,619	41,387	+1,767	+4.5%
Total accumulated other comprehensive income	(2,103)	(1,991)	+111	—
Non-controlling interests	48	50	+1	+2.6%
Total net assets	37,565	39,445	+1,880	+5.0%
Total liabilities and net assets	65,098	64,343	(755)	(1.2%)

### (2)-1. Assets

Total consolidated assets at the end of the second quarter (September 30, 2015) decreased ¥755 million from March 31, 2015 to ¥64,343 million. This reflected an increase of ¥431 million in current assets from the previous fiscal year-end, and a decrease of ¥1,187 million in noncurrent assets from the previous fiscal year-end.

The increase in current assets was mainly due to an increase in deposits, while the decline in noncurrent assets was mainly due to the sale of disused training facilities.

### (2)-2. Liabilities

Total consolidated liabilities as of September 30, 2015 decreased ¥2,635 million from March 31, 2015 to ¥24,897 million. This reflected a decrease of ¥2,946 million in current liabilities from the previous fiscal year-end.

The decrease in current liabilities was mainly due to a payment of accrued consumption taxes.

### (2)-3. Net Assets

Total consolidated net assets as of September 30, 2015 increased ¥1,880 million from March 31, 2015 to ¥39,445 million. This mainly reflected an increase in retained earnings due to business performance in the period under review, offset by decline in retained earnings for the payment of dividends and other factors.

### (3) Explanation of Forecast Information Such as Consolidated Earnings Forecast, etc.

#### (3)-1. Earnings Forecasts

Assuming continued strength in the environment for orders, the main performance indicators for the professional staffing business for engineers have been revised based on recent trends, and the full-year earnings forecasts announced on May 12, 2015 have been revised as follows.

Figure 6: Consolidated Forecast (April 1, 2015 to March 31, 2016)

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of owners of parent
Previous Forecast (A)	86,000	9,800	9,800	7,000
Revised Forecast (B)	86,400	10,000	10,000	7,600
Comparison to the Previous Forecast (B-A)	+400	+200	+200	+600
Change (%)	+0.5%	+2.0%	+2.0%	+8.6%

Figure 7: Non-consolidated Forecast (April 1, 2015 to March 31, 2016)

(Millions of Yen)	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	67,800	8,200	8,700	6,500
Revised Forecast (B)	67,900	8,400	8,900	7,000
Comparison to the Previous Forecast (B-A)	+100	+200	+200	+500
Change (%)	+0.1%	+2.4%	+2.3%	+7.7%

Figure 8: Prerequisites for the Forecast (April 1, 2015 to March 31, 2016)

	Meitec		Meitec Fielders	
	Revised forecast	Previous forecast	Revised forecast	Previous forecast
Utilization Ratio(Company-wide)	96.8%	96.2%	95.7%	94.9%
First Half	96.0%	95.2%	94.2%	92.6%
Second Half	97.7%	97.1%	97.2%	97.1%
Working Hours	8.77h/day	8.92h/day	8.93h/day	9.04h/day
New Graduated Hires*	299	299	175	175
Mid-career Hire	190	190	105	105
Turnover Ratio	4.4%	5.0%	8.1%	8.5%

\*Number of engineers hired as of April 1, 2015, who were recent graduates

#### (3)-2. Dividend Forecasts

In line with the revision of the full-year forecast of profit attributable to owners of parent, in the second half of the year profit attributable to owners of parent is expected to exceed the initial forecast. As a result, forecast year-end dividend has been revised to ¥63 per share (up ¥1.50) in accordance with the basic policy regarding profit distribution (dividend payout ratio of 50%).

For details of our basic policy regarding profit distribution, please refer to the Consolidated Financial Report for the Fiscal Year ended March 31, 2015, released on May 12, 2015, and the IR presentation materials on the Company's website.

#### (3)-3. Acquisition of Treasury Shares

Since the full-year forecast for profit attributable to owners of parent has been revised upward (up ¥600 million from the initial forecast), giving consideration to the total return ratio, the planned amount for acquisition of treasury shares has been revised upward by ¥300 million from the figure of ¥3,500 million announced on May 12, 2015 to ¥3,800 million.

\* Total Return Ratio 100% = (total amount of expected dividend: nearly ¥3,800 million + total amount to be used for the acquisition of treasury shares: ¥3,800 million) / profit attributable to owners of parent: ¥7,600 million.



Note: Earnings forecasts and other forward-looking statements in this release are based on data currently available to management and certain assumptions that management believes are reasonable. Actual results may therefore differ materially from these statements for various reasons, and it is not intended to promise the realization.

Some important factors that might have an effect on business performance pertain to Business Risks stated in the Company's annual securities report and other information already released, but factors influencing business performance are not limited to those released.

## 2. Summary information (Notes)

### (1) Application of special accounting for preparing quarterly consolidated financial statements

#### Tax expenses

Tax expenses are calculated by multiplying the income before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the income before income taxes for the fiscal year including the second quarter ended September 30, 2015.

### (2) Changes in accounting policies, changes in accounting estimates, and restatements

#### Changes in accounting policies

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter under review, the Company adopted the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013) and the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013). As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the start of the first quarter under review, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period in which the business combination occurs. In addition, the presentation method for "net income" and other related items has been changed, and "minority interests" are now presented as "non-controlling interests." To reflect these changes, the Company has restated its quarterly and full-year consolidated financial statements for the first three months of the previous fiscal year and the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. Application of the standard commenced at the start of the first quarter under review and will continue going forward.

This change has no impact on profit and loss.



3. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2015	The 2nd Quarter ended Sep. 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	34,773,112	35,716,878
Notes and accounts receivable - trade	12,858,068	12,048,136
Work in process	292,824	563,355
Other	3,718,562	3,745,723
Allowance for doubtful accounts	(2,950)	(2,652)
Total current assets	51,639,617	52,071,442
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,069,807	3,992,711
Other, net	3,138,039	1,987,674
Total property, plant and equipment	7,207,847	5,980,386
Intangible assets		
Other	701,060	736,418
Total intangible assets	701,060	736,418
Investments and other assets		
Other	5,576,671	5,582,110
Allowance for doubtful accounts	(26,875)	(27,231)
Total investments and other assets	5,549,796	5,554,879
Total non-current assets	13,458,703	12,271,684
Total assets	65,098,321	64,343,126
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	145,185	87,414
Income taxes payable	2,189,512	2,000,514
Provision for directors' bonuses	80,509	76,292
Provision for bonuses	5,955,984	5,725,439
Provision for loss on liquidation of subsidiaries and associates	5,859	—
Other	7,420,394	4,961,057
Total current liabilities	15,797,445	12,850,718
Non-current liabilities		
Net defined benefit liability	11,709,194	12,026,707
Other	26,023	19,810
Total non-current liabilities	11,735,218	12,046,517
Total liabilities	27,532,663	24,897,236
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus	7,275,447	7,275,447
Retained earnings	20,488,993	22,258,554
Treasury shares	(4,970,365)	(4,972,276)
Total shareholders' equity	39,619,957	41,387,607
Accumulated other comprehensive income		
Revaluation reserve for land	(646,046)	(646,046)
Foreign currency translation adjustment	(579)	(612)
Remeasurements of defined benefit plans	(1,456,612)	(1,345,248)
Total accumulated other comprehensive income	(2,103,238)	(1,991,907)
Non-controlling interests	48,938	50,189
Total net assets	37,565,657	39,445,890
Total liabilities and net assets	65,098,321	64,343,126

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

	(Thousands of Yen)	
	The 2nd Quarter ended Sep. 30, 2014	The 2nd Quarter ended Sep. 30, 2015
Net sales	39,300,843	42,143,215
Cost of sales	29,366,583	31,321,537
Gross profit	9,934,260	10,821,678
Selling, general and administrative expenses	5,941,781	6,077,178
Operating income	3,992,478	4,744,500
Non-operating income		
Interest income	3,202	4,990
Dividend income	795	—
Other	20,024	9,566
Total non-operating income	24,021	14,556
Non-operating expenses		
Commitment fee	2,293	1,881
Taxes and dues	—	20,620
Other	1,562	13,392
Total non-operating expenses	3,856	35,894
Ordinary income	4,012,644	4,723,162
Extraordinary income		
Gain on sales of golf memberships	7,550	—
Gain on sales of non-current assets	—	1,084,557
Total extraordinary income	7,550	1,084,557
Extraordinary losses		
Impairment loss	3,463,539	25,655
Loss on retirement of non-current assets	871	644
Other	79	3,734
Total extraordinary losses	3,464,490	30,034
Income before income taxes and minority interests	555,704	5,777,685
Income taxes	362,926	1,977,729
Profit	192,777	3,799,956
Profit (loss) attributable to non-controlling interests	(1,345)	1,279
Profit attributable to owners of parent	194,123	3,798,677

(Consolidated Statements of Comprehensive Income)

	(Thousands of Yen)	
	The 2nd Quarter ended Sep. 30, 2014	The 2nd Quarter ended Sep. 30, 2015
Profit	192,777	3,799,956
Other comprehensive income		
Valuation difference on available-for-sale securities	3,690	—
Foreign currency translation adjustment	(4,406)	(60)
Remeasurements of defined benefit plans, net of tax	91,958	111,364
Total other comprehensive income	91,242	111,303
Comprehensive income	284,019	3,911,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	285,591	3,910,008
Comprehensive income attributable to non-controlling interests	(1,571)	1,251

(3) Notes to Quaterly Financial Statements

(3)-1 Notes to Financial Statements Regarding Going Concern: None

(3)-2 Significant changes in shareholders' equity: None

## 4. Non-Consolidated Financial Statements

## (1)Supplemental Non-Consolidated Balance Sheets

(Thousands of Yen)

	Fiscal year ended March 31, 2015	The 2nd Quarter ended Sep. 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	30,432,418	31,806,992
Notes and accounts receivable-trade	10,451,920	9,577,373
Work in process	197,497	450,659
Other	3,174,884	3,165,689
Allowance for doubtful accounts	(2,116)	(1,931)
Total current assets	44,254,604	44,998,783
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,060,311	3,983,606
Other	3,120,593	1,970,166
Total property, plant and equipment	7,180,904	5,953,772
Intangible assets		
Other	654,702	687,383
Total intangible assets	654,702	687,383
Investments and other assets		
Other	6,402,871	6,631,199
Allowance for doubtful accounts	(10,023)	(10,056)
Total investments and other assets	6,392,847	6,621,142
Total non-current assets	14,228,455	13,262,298
Total assets	58,483,060	58,261,082
<b>Liabilities</b>		
Current liabilities		
Income taxes payable	1,829,947	1,694,787
Provision for directors' bonuses	74,000	73,000
Provision for bonuses	4,673,596	4,461,593
Other	6,070,964	3,985,121
Total current liabilities	12,648,507	10,214,502
Non-current liabilities		
Provision for retirement benefits	9,537,548	10,017,089
Allowance for investment loss	72,943	89,640
Other	3,057	0
Total non-current liabilities	9,613,549	10,106,729
Total liabilities	22,262,057	20,321,232
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,825,881	16,825,881
Capital surplus	7,275,447	7,275,447
Retained earnings	17,736,085	19,456,843
Treasury stock	(4,970,365)	(4,972,276)
Total shareholders' equity	36,867,048	38,585,896
Valuation and translation adjustments		
Revaluation reserve for land	(646,046)	(646,046)
Total valuation and translation adjustments	(646,046)	(646,046)
Total net assets	36,221,002	37,939,850
Total liabilities and net assets	58,483,060	58,261,082

## (2) Supplemental Non-Consolidated Statements of Operations

(Thousands of Yen)

	The 2nd Quarter ended Sep. 30, 2014	The 2nd Quarter ended Sep. 30, 2015
Net sales	30,682,374	33,131,269
Cost of sales	23,091,553	24,758,602
Gross profit	7,590,820	8,372,667
Selling, general and administrative expenses	4,325,030	4,444,809
Operating income	3,265,790	3,927,857
Non-operating income		
Interest income	3,794	5,483
Dividends income	408,620	475,241
Other	22,667	17,144
Total non-operating income	435,081	497,868
Non-operating expenses		
Interest expenses	326	—
Commitment fee	2,293	1,881
Taxes and dues	—	20,620
Other	927	7,577
Total non-operating expenses	3,548	30,079
Ordinary income	3,697,324	4,395,646
Extraordinary income		
Gain on sales of non-current assets	—	1,084,557
Other	8,258	—
Total extraordinary income	8,258	1,084,557
Extraordinary losses		
Impairment losses	3,462,771	25,655
Provision of allowance for investment loss	—	16,696
Other	718	648
Total extraordinary losses	3,463,490	43,000
Income before income taxes	242,092	5,437,202
Income taxes	69,549	1,687,328
Net income	172,542	3,749,874