



# Consolidated Financial Results Bulletin for the Fiscal Year Ended, March 31, 2017(J-GAAP) Hokkaido Gas Co., Ltd

April 28, 2017

Code No.: 9534  
(URL <http://www.hokkaido-gas.co.jp>)  
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**Stock listing:**  
Tokyo Stock Exchange  
Sapporo Stock Exchange  
Location of head office: Hokkaido

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Date of the ordinary general shareholders' meeting: June 27, 2017  
Date of submission of financial report: June 28, 2017  
Commencement of dividend payments: June 6, 2017

(Amounts are rounded down to the nearest million yen)

## 1. Consolidated results for FY2016 (April, 2016-March31, 2017)

### (1) Consolidated business results

(% of change from previous year)

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	87,040	-6.5	1,505	-25.2	1,824	2.1	1,297	12.7
FY2015	93,131	-7.6	2,013	-22.8	1,785	6.8	1,151	-36.9

Note: Comprehensive income  
FY2016 ended March 2016: 1,473 million yen (30.1%)  
FY2015 ended March 2015: 1,132 million yen (-53.2%)

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2016	16.19	14.71	3.3	1.4	1.7
FY2015	14.77	13.07	3.0	1.4	2.2

Note: Income or loss on investment accounted for by equity method  
FY2016 ended March, 2017: -8 million yen  
FY2015 ended March, 2016: 18 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2016	136,058	42,048	29.5	488.12
FY2015	130,357	40,625	29.7	485.06

Note: Shareholder's equity  
FY2016 ended March, 2017: 40,072 million yen  
FY2015 ended March, 2016: 38,696 million 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 end of year
	Million yen	Million yen	Million yen	Million yen
FY2016	11,415	-14,867	555	1,066
FY2015	14,333	-12,134	620	3,963

## 2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend rate for net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2015	-	4.00	-	4.00	8.00	631	54.2	1.6
FY2016	-	4.00	-	4.00	8.00	648	49.4	1.6
FY2017 (forecast)	-	4.00	-	4.00	8.00		54.7	

## 3. Consolidated Results Forecast for FY2017 ending March 31, 2018 (April 1, 2017-March 31, 2018)

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	100,000	14.9	2,200	46.1	1,900	4.2	1,200	-7.5	14.62

Note: (Full-year) Percentage figures indicate the percentage change on the results for the previous year

### Notes

(1) Change in significant subsidiaries and affiliates: No

- I. Newly added: No
- II. Excluded: No

(2) Changes in accounting policies or estimates and retrospective restatements

- I. Changes in accounting policies in accordance with revision of accounting standards: Yes
- II. Changes in accounting policies other than I. above: No
- III. Changes in accounting estimates: Yes
- IV. Retrospective restatements: No

(3) Number of issued shares (common stock)

- I. Number of shares issued and outstanding at the end of each fiscal year end:  
FY2016: 82,703,137 shares  
FY2015: 80,363,464 shares
- II. Number of shares of treasury stock at the end of each fiscal year:  
FY2016: 607,047 shares  
FY2015: 587,429 shares
- III. Average number of shares during period:  
FY2016: 80,120,274 shares  
FY2015: 77,945,636 shares

## Non-Consolidated Financial Results for the Fiscal Year Ended, March 31, 2017

### 1. Results for FY2016 (April 1, 2016-March 31, 2017)

#### (1) Business results

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	71,895	-8.3	907	-37.0	1,246	12.2	1,084	40.6
FY2015	78,370	-8.0	1,440	-41.7	1,111	-24.1	771	-53.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY2016	13.54	12.30
FY2015	9.90	8.77

#### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2016	121,140	33,666	27.8	409.93
FY2015	116,345	32,438	27.9	406.57

Note: Shareholder's equity  
 FY2016 ended March, 2017: 33,653 million yen  
 FY2015 ended March, 2016: 32,434 million yen

### 2. Results Forecast for FY2017 ending March 31, 2018 (April 1, 2017-March 31, 2018)

(% of change from previous year)

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	89,000	23.8	1,800	98.4	1,500	20.3	1,050	-3.2	12.79

Note: (Full-year) Percentage figures indicate the percentage change on the results for the previous year

Note: Explanation related to appropriate use of results forecasts and other items warranting special mention  
 The above forecasts are based on the information available at the time this report was prepared, and Hokkaido Gas makes no guarantee that these figures will be achieved. Actual results may differ from these forecasts for a variety of reasons.

## 1 【Consolidated Statements】

## ① 【Consolidated balance sheet】

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	20,223,083	31,151,318
Distribution facilities	40,022,995	39,450,111
Service and maintenance facilities	9,890,871	8,598,610
Other facilities	16,902,298	17,609,840
Construction in progress	13,609,196	7,180,181
Total property, plant and equipment	100,648,445	103,990,062
Intangible assets		
Other	3,088,804	2,808,996
Total intangible assets	3,088,804	2,808,996
Investments and other assets		
Investment securities	4,780,628	5,401,701
Net defined benefit asset	1,174,498	1,132,961
Deferred tax assets	631,938	611,129
Other	1,889,869	1,835,706
Allowance for doubtful accounts	(56,883)	(26,570)
Total investments and other assets	8,420,050	8,954,928
Total non-current assets	112,157,300	115,753,987
Current assets		
Cash and deposits	4,051,444	1,151,688
Notes and accounts receivable - trade	9,120,526	10,138,174
Merchandise and finished goods	292,773	256,310
Raw materials and supplies	2,481,751	5,423,163
Deferred tax assets	511,314	511,873
Other	2,093,421	3,188,047
Allowance for doubtful accounts	(351,140)	(365,198)
Total current assets	18,200,091	20,304,060
Total assets	130,357,392	136,058,047

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Liabilities		
Non-current liabilities		
Bonds payable	28,000,000	33,000,000
Convertible bonds	2,229,000	-
Long-term loans payable	26,941,514	30,322,308
Deferred tax liabilities for land revaluation	948,952	725,719
Net defined benefit liability	3,940,075	3,948,349
Provision for gas holder repairs	231,189	271,401
Provision for safety measures	304,594	221,938
Reserve for repairs of heat supply facilities	308,897	155,395
Lease obligations	630,867	1,435,003
Other	684,271	875,801
Total non-current liabilities	64,219,361	70,955,917
Current liabilities		
Current portion of non-current liabilities	10,457,738	5,861,523
Notes and accounts payable - trade	3,245,976	5,961,008
Short-term loans payable	—	426,481
Commercial papers	3,000,000	2,000,000
Other	8,808,453	8,804,587
Total current liabilities	25,512,169	23,053,601
Total liabilities	89,731,530	94,009,518
Net assets		
Shareholders' equity		
Capital stock	6,424,830	6,731,330
Capital surplus	4,184,659	4,491,170
Retained earnings	25,278,358	26,423,278
Treasury stock	(155,686)	(161,128)
Total shareholders' equity	35,732,162	37,484,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,813,527	1,955,423
Revaluation reserve for land	1,162,266	672,062
Remeasurements of defined benefit plans	(11,902)	(39,731)
Total accumulated other comprehensive income	2,963,892	2,587,755
Subscription rights to shares	4,382	13,136
Non-controlling interests	1,925,424	1,962,985
Total net assets	40,625,861	42,048,528
Total liabilities and net assets	130,357,392	136,058,047

② 【Consolidated statements of income】

(Unit : thousand yen)

	FY2015 (Apr.2015-Mar.2016)	FY2016 (Apr.2016-Mar.2017)
Net sales	93,131,570	87,040,839
Cost of sales	64,559,058	58,845,021
Gross profit	28,572,512	28,195,818
Selling, general and administrative expenses		
Supply and sales expenses	23,026,059	23,191,640
General and administrative expenses	3,533,405	3,498,713
Total selling, general and administrative expenses	26,559,465	26,690,354
Operating income	2,013,046	1,505,464
Non-operating income		
Interest income	950	219
Dividends income	132,508	515,530
Rent income	109,141	117,518
Other	418,196	482,830
Total non-operating income	660,797	1,116,099
Non-operating expenses		
Interest expenses	570,741	530,464
Personnel transfer expenses	201,338	177,792
Other	116,012	89,169
Total non-operating expenses	888,092	797,427
Ordinary income	1,785,751	1,824,136
Extraordinary losses		
Impairment loss	—	112,354
Total extraordinary losses	—	112,354
Net income before income taxes	1,785,751	1,711,781
Income taxes-current	521,083	584,800
Income taxes-deferred	34,489	(207,935)
Total income taxes	555,572	376,865
Net income	1,230,179	1,334,915
Net income attributable to non-controlling interests	78,913	37,560
Net income attributable to owners of parent	1,151,265	1,297,355

② 【Consolidated statements of comprehensive income】

(Unit : thousand yen)

	FY2015 (Apr.2015-Mar.2016)	FY2016 (Apr.2016-Mar.2017)
Net Income	1,230,179	1,334,915
Other comprehensive income		
Valuation difference on available-for-sales securities	(194,336)	141,902
Revaluation reserve for land	28,560	24,319
Remeasurements of defined benefit plans, net of tax	67,816	(27,828)
Share of other comprehensive income of entities accounted for using equity method	(104)	(5)
Total other comprehensive income	(98,064)	138,387
Comprehensive income	1,132,114	1,473,303
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,053,200	1,435,742
Comprehensive income attributable to non-controlling interests	78,913	37,560

③ 【Consolidated statements of changes in net assets】

FY2015 ( Apr.2015-Mar.2016 )

(Unit : thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
<b>Balance at the beginning of current period</b>	5,792,330	3,552,133	24,739,772	(149,802)	33,934,434
<b>Change of items during the period</b>					
Issuance of new shares-exercise of subscription rights to shares	632,500	632,500			1,265,000
Dividends from surplus			(612,679)		(612,679)
Net income attributable to owners of parent			1,151,265		1,151,265
Purchase of treasury stock				(6,396)	(6,396)
Disposal of treasury stock		25		512	537
Change of scope of equity method					—
Reversal of revaluation reserve for land					—
Net changes of items other than shareholders' equity					—
<b>Total changes of items during the period</b>	<b>632,500</b>	<b>632,525</b>	<b>538,585</b>	<b>(5,884)</b>	<b>1,797,727</b>
<b>Balance at the end of current period</b>	<b>6,424,830</b>	<b>4,184,659</b>	<b>25,278,358</b>	<b>(155,686)</b>	<b>35,732,162</b>

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net asset
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total			
<b>Balance at the beginning of current period</b>	2,007,968	1,133,706	(79,718)	3,061,956	—	1,846,511	38,842,902
<b>Change of items during the period</b>							
Issuance of new shares-exercise of subscription rights to shares							1,265,000
Dividends from surplus							(612,679)
Net income attributable to owners of parent							1,151,265
Purchase of treasury stock							(6,396)
Disposal of treasury stock							537
Change of scope of equity method							—
Reversal of revaluation reserve for land							—
Net changes of items other than shareholders' equity	(194,441)	28,560	67,816	(98,064)	4,382	78,913	(14,768)
<b>Total changes of items during the period</b>	<b>(194,441)</b>	<b>28,560</b>	<b>67,816</b>	<b>(98,064)</b>	<b>4,382</b>	<b>78,913</b>	<b>1,782,959</b>
<b>Balance at the end of current period</b>	<b>1,813,527</b>	<b>1,162,266</b>	<b>(11,902)</b>	<b>2,963,892</b>	<b>4,382</b>	<b>1,925,424</b>	<b>40,625,861</b>

FY2016 ( Apr.2016-Mar.2017 )

(Unit : thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
<b>Balance at the beginning of current period</b>	<b>6,424,830</b>	<b>4,184,659</b>	<b>25,278,358</b>	<b>(155,686)</b>	<b>35,732,162</b>
<b>Change of items during the period</b>					
Issuance of new shares-exercise of subscription rights to shares	306,500	306,500			613,000
Dividends from surplus			(639,074)		(639,074)
Net income attributable to owners of parent			1,297,355		1,297,355
Purchase of treasury stock				(5,728)	(5,728)
Disposal of treasury stock		11		286	297
Change of scope of equity method			(27,884)		(27,884)
Reversal of revaluation reserve for land			514,524		514,524
Net changes of items other than shareholders' equity					—
<b>Total changes of items during the period</b>	<b>306,500</b>	<b>306,511</b>	<b>1,144,920</b>	<b>(5,442)</b>	<b>1,752,489</b>
<b>Balance at the end of current period</b>	<b>6,731,330</b>	<b>4,491,170</b>	<b>26,423,278</b>	<b>(161,128)</b>	<b>37,484,651</b>

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net asset
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total			
<b>Balance at the beginning of current period</b>	<b>1,813,527</b>	<b>1,162,266</b>	<b>(11,902)</b>	<b>2,963,892</b>	<b>4,382</b>	<b>1,925,424</b>	<b>40,625,861</b>
<b>Change of items during the period</b>							
Issuance of new shares-exercise of subscription rights to shares							613,000
Dividends from surplus							(639,074)
Net income attributable to owners of parent							1,297,355
Purchase of treasury stock							(5,728)
Disposal of treasury stock							297
Change of scope of equity method							(27,884)
Reversal of revaluation reserve for land							514,524
Net changes of items other than shareholders' equity	141,896	(490,204)	(27,828)	(376,136)	8,753	37,560	(329,822)
<b>Total changes of items during the period</b>	<b>141,896</b>	<b>(490,204)</b>	<b>(27,828)</b>	<b>(376,136)</b>	<b>8,753</b>	<b>37,560</b>	<b>1,422,667</b>
<b>Balance at the end of current period</b>	<b>1,955,423</b>	<b>672,062</b>	<b>(39,731)</b>	<b>2,587,755</b>	<b>13,136</b>	<b>1,962,985</b>	<b>42,048,528</b>

## ④ 【Consolidated statement of cash flows】

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Cash flows from operating activities		
Net income before income taxes	1,785,751	1,711,781
Depreciation and amortization	10,032,343	11,264,436
Impairment loss	-	112,354
Loss (gain) on sales of property, plant and equipment	(43,376)	(104,187)
Increase (decrease) in provision for safety measures	(27,180)	(82,655)
Increase (decrease) in net defined benefit liability	67,454	21,970
Increase (decrease) in net defined benefit asset	28,309	(10,707)
Increase (decrease) in allowance for doubtful accounts	5,728	(16,255)
Interest and dividends income	(133,459)	(515,750)
Interest expenses	570,741	530,464
Decrease (increase) in notes and accounts receivable - trade	1,038,208	(1,073,905)
Decrease (increase) in inventories	3,857,562	(3,230,747)
Increase (decrease) in notes and accounts payable - trade	(1,192,352)	3,759,888
Increase (decrease) in accrued consumption taxes	301,999	(1,157,392)
Other, net	(172,322)	612,541
Subtotal	16,119,408	11,821,834
Interest and dividends income received	133,459	515,750
Interest expenses paid	(568,421)	(549,002)
Income taxes paid	(1,365,944)	(492,909)
Income taxes refund	15,202	119,833
Net cash provided by (used in) operating activities	14,333,704	11,415,507
Cash flows from investing activities		
Net decrease (increase) in time deposits	108,005	2,999
Purchase of property, plant and equipment	(10,678,958)	(14,299,150)
Proceeds from sales of property, plant and equipment	149,232	781,172
Purchase of intangible assets	(1,577,027)	(621,816)
Purchase of investment securities	-	(500,000)
Purchase of investments in subsidiaries	(193,517)	(290,326)
Net decrease (increase) in short-term loans receivable	(9,875)	4,764
Other, net	67,703	54,849
Net cash provided by (used in) investing activities	(12,134,436)	(14,867,507)

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	(2,400,000)	426,482
Net increase (decrease) in commercial papers	(4,000,000)	(1,000,000)
Proceeds from long-term loans payable	5,500,000	7,600,000
Repayment of long-term loans payable	(5,725,922)	(4,511,394)
Proceeds from issuance of bonds	7,959,422	4,974,847
Redemption of bonds	—	(6,000,000)
Cash dividends paid	(617,375)	(641,864)
Other, net	(95,392)	(292,827)
Net cash provided by (used in) financing activities	620,733	555,243
Net increase (decrease) in cash and cash equivalents	2,820,001	(2,896,756)
Cash and cash equivalents at beginning of period	1,143,411	3,963,413
Cash and cash equivalents at end of period	3,963,413	1,066,656

## 2 【Non-Consolidated Statements】

## ① 【Non-Consolidated balance sheet】

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	11,962,068	23,787,627
Distribution facilities	41,450,956	41,053,545
Service and maintenance facilities	9,486,847	8,176,986
Facilities for incidental businesses	899,577	844,533
Construction in progress	12,962,154	6,005,623
Total property, plant and equipment	76,761,605	79,868,316
Intangible assets	2,944,675	2,675,900
Investments and other assets		
Investment securities	4,347,863	5,004,789
Investments in subsidiaries and affiliates	5,438,322	5,438,322
Long-term loans receivable from subsidiaries and affiliates	7,620,000	6,160,000
Investment securities	1,156,732	1,137,731
Deferred tax assets	60,388	51,601
Prepaid pension cost	1,144,688	1,155,396
Other investments and other assets	428,606	388,851
Allowance for doubtful accounts	(41,021)	(18,527)
Total investments and other assets	20,155,579	19,318,164
Total non-current assets	99,861,861	101,862,380
Current assets		
Cash and deposits	3,211,842	87,495
Notes receivable - trade	168,216	240,234
Accounts receivable - trade	5,178,532	6,392,486
Accounts receivable from subsidiaries and affiliates-trade	2,078,723	1,459,194
Accounts receivable-other	752,477	1,342,244
Finished goods	38,972	28,531
Raw materials	2,145,689	5,036,974
Supplies	238,518	283,058
Prepaid expenses	194,449	149,017
Short-term receivables from subsidiaries and affiliates	1,685,778	3,162,818
Deferred tax assets	271,901	270,984
Other current assets	565,533	873,804
Allowance for doubtful accounts	(46,880)	(49,009)
Total current assets	16,483,755	19,277,834
Total assets	116,345,616	121,140,215

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Liabilities		
Non-current liabilities		
Bonds payable	28,000,000	33,000,000
Long-term loans payable	25,126,362	28,854,814
Deferred tax liabilities for land revaluation	948,952	725,719
Provision for retirement benefits	2,446,180	2,515,373
Provision for gas holder repairs	231,189	271,401
Provision for safety measures	304,594	221,938
Asset retirement obligations	232,006	250,636
Other noncurrent liabilities	2,443,314	214,178
Total non-current liabilities	59,732,599	66,054,062
Current liabilities		
Current portion of non-current liabilities	9,873,036	5,343,596
Accounts payable - trade	2,422,303	4,819,677
Short-term loans payable	-	426,481
Accounts payable - other	4,086,686	3,273,723
Accrued expenses	1,730,989	1,949,883
Income taxes payable	299,541	472,035
Advances received	377,215	604,368
Deposits received	74,845	69,762
Short-term debt to subsidiaries and affiliates	2,286,340	2,432,253
Total non-current assets	9,579	8,634
Commercial papers	3,000,000	2,000,000
Other current liabilities	13,682	19,235
Total current liabilities	24,174,221	21,419,653
Total liabilities	83,906,820	87,473,715

(Unit : thousand yen)

	FY2015 (Mar.31,2016)	FY2016 (Mar.31,2017)
Net assets		
Shareholders' equity		
Capital stock	6,424,830	6,731,330
Capital surplus		
Legal capital surplus	4,184,595	4,491,095
Other capital surplus	64	75
Total capital surpluses	4,184,659	4,491,170
Retained earnings		
Legal retained earnings	775,775	775,775
Other retained earnings		
General reserve	13,600,000	13,600,000
Retained earnings brought forward	4,631,647	5,591,667
Total retained earnings	19,007,422	19,967,442
Treasury stock	(155,686)	(161,128)
Total shareholders' equity	29,461,226	31,028,815
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,810,919	1,952,485
Revaluation reserve for land	1,162,266	672,062
Total valuation and translation adjustments	2,973,186	2,624,547
Subscription rights to shares	4,382	13,136
Total net assets	32,438,795	33,666,499
Total liabilities and net assets	116,345,616	121,140,215

## ② 【Non-consolidated statement of income】

(Unit : thousand yen)

	FY2015 (Apr.2015-Mar.2016)	FY2016 (Apr.2015-Mar.2017)
Product sales		
Gas sales	54,346,904	46,766,073
Total product sales	54,346,904	46,766,073
Cost of sales		
Beginning inventories	55,269	38,972
Cost of products manufactured	34,340,816	27,119,264
Costs of gas for own use	902,732	688,648
Ending inventories	38,972	28,531
Total cost of sales	33,454,380	26,441,057
Gross profit	20,892,523	20,325,016
Supply and sales expenses	18,702,847	18,887,799
General and administrative expenses	2,407,120	2,381,421
Loss on core business	(217,444)	(944,204)
Miscellaneous operating revenue		
Revenue from installation work	3,008,268	2,970,330
Revenue from gas appliance sales	7,186,843	7,530,063
Other miscellaneous operating revenue	59,201	48,710
Total miscellaneous operating revenue	10,254,313	10,549,104
Miscellaneous operating expenses		
Expenses of installation work	2,794,066	2,802,708
Expenses of gas appliance sales	6,608,338	7,059,315
Total operating miscellaneous expenses	9,402,404	9,862,024
Revenue for incidental businesses	13,769,181	14,580,565
Expenses for incidental businesses	12,963,194	13,416,080
Operating income	1,440,452	907,361
Non-operating income		
Interest income	85,669	72,569
Dividends income	163,055	524,451
Rent income	126,877	139,726
Miscellaneous income	278,790	447,507
Total non-operating income	654,392	1,184,255
Non-operating expenses		
Interest expenses	313,581	276,686
Interest on bonds	222,037	226,530
Amortization of bond issuance cost	40,577	25,152
Personnel transfer expenses	357,286	283,581
Miscellaneous expenses	50,109	32,876
Total non-operating expenses	983,593	844,827
Ordinary income	1,111,251	1,246,789
Income before income taxes	1,111,251	1,246,789
Income taxes-current	249,696	367,028
Income taxes-deferred	90,041	(204,808)
Total income taxes	339,738	162,219
Net income	771,512	1,084,570

③ 【Non-consolidated statements of changes in net assets】

FY2015 ( Apr.2015-Mar.2016 )

(Unit : thousand yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		Total
		Legal capital surplus	Other capital surplus	Total		Other retained earnings		
						General reserve	Retained earnings brought forward	
<b>Balance at the beginning of current period</b>	5,792,330	3,552,095	38	3,552,133	775,775	13,600,000	4,472,814	18,848,589
<b>Changes of items during the period</b>								
Issuance of new shares-exercise of subscription rights to shares	632,500	632,500		632,500				
Dividends from surplus							(612,679)	(612,679)
Net income							771,512	771,512
Purchase of treasury stock								
Disposal of treasury stock			25	25				
Reversal of revaluation reserve for land								
Net changes of items other than shareholders' equity								
<b>Total changes of items during the period</b>	632,500	632,500	25	632,525	—	—	158,833	158,833
<b>Balance at the end of current period</b>	6,424,830	4,184,595	64	4,184,659	775,775	13,600,000	4,631,647	19,007,422

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total		
<b>Balance at the beginning of current period</b>	(149,802)	28,043,252	2,003,638	1,133,706	3,137,344	—	31,180,597
<b>Changes of items during the period</b>							
Issuance of new shares-exercise of subscription rights to shares		1,265,000					1,265,000
Dividends from surplus		(612,679)					(612,679)
Net income		771,512					771,512
Purchase of treasury stock	(6,396)	(6,396)					(6,396)
Disposal of treasury stock	512	537					537
Reversal of revaluation reserve for land						—	—
Net changes of items other than shareholders' equity			(192,719)	28,560	(164,158)	4,382	(159,776)
<b>Total changes of items during the period</b>	(5,884)	1,417,974	(192,719)	28,560	(164,158)	4,382	1,258,198
<b>Balance at the end of current period</b>	(155,686)	29,461,226	1,810,919	1,162,266	2,973,186	4,382	32,438,795

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		Total
		Legal capital surplus	Other capital surplus	Total		Other retained earnings		
						General reserve	Retained earnings brought forward	
<b>Balance at the beginning of current period</b>	<b>6,424,830</b>	<b>4,184,595</b>	<b>64</b>	<b>4,184,659</b>	<b>775,775</b>	<b>13,600,000</b>	<b>4,631,647</b>	<b>19,007,422</b>
<b>Changes of items during the period</b>								
Issuance of new shares-exercise of subscription rights to shares	306,500	306,500		306,500				
Dividends from surplus							(639,074)	(639,074)
Net income							1,084,570	1,084,570
Purchase of treasury stock								
Disposal of treasury stock			11	11				
Reversal of revaluation reserve for land							514,524	514,524
Net changes of items other than shareholders' equity								
<b>Total changes of items during the period</b>	<b>306,500</b>	<b>306,500</b>	<b>11</b>	<b>306,511</b>	<b>—</b>	<b>—</b>	<b>960,019</b>	<b>960,019</b>
<b>Balance at the end of current period</b>	<b>6,731,330</b>	<b>4,491,095</b>	<b>75</b>	<b>4,491,170</b>	<b>775,775</b>	<b>13,600,000</b>	<b>5,591,667</b>	<b>19,967,442</b>

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total		
<b>Balance at the beginning of current period</b>	<b>(155,686)</b>	<b>29,461,226</b>	<b>1,810,919</b>	<b>1,162,266</b>	<b>2,973,186</b>	<b>4,382</b>	<b>32,438,795</b>
<b>Changes of items during the period</b>							
Issuance of new shares-exercise of subscription rights to shares		613,000					613,000
Dividends from surplus		(639,074)					(639,074)
Net income		1,084,570					1,084,570
Purchase of treasury stock	(5,728)	(5,728)					(5,728)
Disposal of treasury stock	286	297					297
Reversal of revaluation reserve for land		514,524					514,524
Net changes of items other than shareholders' equity		—	141,566	(490,204)	(348,638)	8,753	(339,884)
<b>Total changes of items during the period</b>	<b>(5,442)</b>	<b>1,567,589</b>	<b>141,566</b>	<b>(490,204)</b>	<b>(348,638)</b>	<b>8,753</b>	<b>1,227,704</b>
<b>Balance at the end of current period</b>	<b>(161,128)</b>	<b>31,028,815</b>	<b>1,952,485</b>	<b>672,062</b>	<b>2,624,547</b>	<b>13,136</b>	<b>33,666,499</b>