

Summary of Financial Statements for the Fiscal Year Ended March 31, 2016 (Japan GAAP)

May 11, 2016

GEO HOLDINGS CORPORATION

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Scheduled date of the Annual General Shareholders Meeting: June 28, 2016

Scheduled date to submit annual securities report: June 29, 2016

Scheduled date to start dividend payment: June 29, 2016

Supplementary material on financial results: Yes

Briefing on this annual financial results : Yes (to analysts and institutional investors)

(Amounts less than million yen are discarded.)

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

(1) Consolidated operating results

(The percentages indicate the rates of increase or decrease from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal Year ended:	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
March 31, 2016	267,910	(0.9)	16,552	73.2	17,824	77.7	10,563	44.0
March 31, 2015	270,308	3.0	9,558	3.9	10,030	7.3	7,337	92.6

(Note) Comprehensive income: 10,431 million yen (increase of 42.5%) for fiscal year ended March 31, 2016

7,322 million yen (increase of 91.6%) for fiscal year ended March 31, 2015

	Earnings per share (yen)	Fully diluted earnings per share (yen)	Return on equity (%)	Ratio of ordinary income to total assets (%)	Ratio of operating income to net sales (%)
Fiscal Year ended:					
March 31, 2016	205.78	204.62	16.5	13.8	6.2
March 31, 2015	137.99	137.68	12.0	8.2	3.5

(Reference) Equity in net 12 million yen for fiscal year ended March 31, 2016

income of affiliates: 19 million yen for fiscal year ended March 31, 2015

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Book value per share
	(Millions of yen)	(Millions of yen)	%	(yen)
As of March 31, 2016	130,207	64,961	49.8	1,344.16
As of March 31, 2015	127,612	63,214	49.4	1,204.85

(Reference) Shareholders' equity: As of March 31, 2016: 64,848 million yen
As of March 31, 2015: 63,007 million yen

(3) Consolidated statement of cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal Year ended:				
March 31, 2016	19,807	(4,209)	(10,125)	39,386
March 31, 2015	17,424	(7,416)	2,107	33,914

2. Dividends

	Dividend per share (yen)					Total dividend paid	Dividend payout ratio (consolidated)	Ratio of dividends to shareholders' equity
(Record dates)	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual	(Millions of yen)	%	%
Fiscal Year ended March 31, 2015	-	16	-	16	32	1,692	23.2	2.7
Fiscal Year ended March 31, 2016	-	16	-	17	33	1,660	16.0	2.6
Fiscal Year ending March 31, 2017 (Forecast)	-	17	-	17	34		29.1	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(The percentages indicate the rates of increase or decrease from the previous year for full year, and from the same period of the previous year for quarter.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	yen
2nd quarter (cumulative)	129,000	3.6	4,500	(44.5)	5,100	(41.8)	2,460	(54.6)	47.92
Full year	277,000	3.4	11,000	(33.5)	12,000	(32.7)	6,000	(43.2)	116.89

Notes

- (1) Changes in important subsidiaries during the fiscal year ended March 31, 2016 (changes in Specified Subsidiaries accompanying a change in the scope of consolidation): None
- (2) Changes in accounting principles or changes in accounting estimates or retrospective restatements.
 - 1) Changes in accounting principles due to amendments to accounting standards, etc.: Yes
 - 2) Changes in accounting principles other than 1): None
 - 3) Changes in estimates used for accounting: None
 - 4) Retrospective restatements: None
- (3) Number of shares outstanding (common stock)
 - 1) Number of shares outstanding (including treasury stock):

As of March 31, 2016	48,244,200 shares
As of March 31, 2015	54,401,200 shares
 - 2) Number of treasury shares:

As of March 31, 2016	0
As of March 31, 2015	2,106,500 shares
 - 3) Average number of outstanding shares:

During the fiscal year ended March 31, 2016	51,331,465 shares
During the fiscal year ended March 31, 2015	53,169,362 shares

(Reference) Unconsolidated Results for the Fiscal Year Ended March 31, 2016
(from April 1, 2015 to March 31, 2016)

(1) Unconsolidated operating results

(The percentages indicate the rate of increase or decrease from the previous year.)

	Net sales		Operating income		Ordinary income		Profit	
Fiscal Year Ended:	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
March 31, 2016	6,403	(6.4)	1,135	(29.3)	1,602	(12.5)	1,476	(33.9)
March 31, 2015	6,842	36.4	1,606	260.7	1,831	228.8	2,233	-

	Earnings per share (yen)	Fully diluted earnings per share (yen)
Fiscal Year Ended:		
March 31, 2016	28.76	28.59
March 31, 2015	42.01	41.92

(2) Unconsolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(yen)
As of March 31, 2016	82,892	37,206	44.7	768.87
As of March 31, 2015	90,435	44,546	49.0	847.88

(Reference) Shareholders' equity: As of March 31, 2016 37,093 million yen
As of March 31, 2015 44,339 million yen

*Statement regarding audit procedures

This summary is not subject to the audit procedures pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this summary, the audit procedures pursuant to the Financial Instruments and Exchange Act were not completed.

*Explanation regarding appropriate use of financial forecasts and other special remarks

The forward-looking statements included in this summary such as financial forecasts are based on currently available information and certain assumptions which we deem to be reasonable as of the date of this summary. There is no guarantee that the Company will achieve those targets. Actual results may differ significantly from these forecasts due to various factors. Please see "3. Management Policy" on page 7 of the Attachments on the basis of forecasts and a note on reliance on forecasts.

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1. Results of Operations

(1) Analysis of Operating Results

(Results for the current fiscal year)

As an overview of the operating environment of the group for the current period, in the media shop, the moving picture distribution system which is already active in the overseas market is anticipated to become active in Japan. In addition, and the emergence of smart phones is expected to accelerate diversification of choices of how consumers opt to spend their time, and the market trends are evolving from packaged software industry to network industry.

In reuse shop, the market exceeded 1.5 trillion yen due to active internet auction between individuals and internet sales. The further growth of this market would increase recognition of and accelerate the growth of “reuse.”

We are also doing business in mobile goods as merchandise common to both the media and reuse businesses. Following the Ministry of Internal Affairs and Communications’ promotion of fair smart phone cost, “low cost smart phones” are drawing attention and there is solid movement towards handling low cost smart phones which is nurturing businesses professionalizing in low cost smart phones.

In such an environment, our group focused on expanding our sales network and market share through attempts to adapting to the changing environment with our policy to “offer joy to everyday life.”

As a result of our efforts, the group’s stores and facilities for the current consolidated fiscal year are as follows.

	Directly managed stores		Distributors		Franchise stores		Total	
		Increase (decrease)		Increase (decrease)		Increase (decrease)		Increase (decrease)
Total number of GEO group stores and facilities	1,417	47	94	2	126	(2)	1,637	47
Media	943	(40)	94	2	82	(6)	1,119	(44)
GEO Mobile	7	4					7	4
Integrated	121	23					121	23
Reuse	343	64			44	4	387	68
Warehouse	10	0					10	0

Notes:

- Media stores include stores that rent DVDs and sell and purchase home game related items.
- GEO Mobile means mobile shops that do not operate within a GEO shop.
- A store that operates under multiple store names at one facility is counted as a single store and such store is included among integrated stores.
- Reuse stores include stores that sell and purchase clothing, home electronics and other items.

(i) Net sales

Net sales decreased from the previous fiscal year by 2,397 million yen and resulted in 267,910 million yen (0.9% decrease from the previous fiscal year).

The results for major businesses are as follows.

		Fiscal Year ended March 31, 2016 (Millions of yen)	Increase from the previous fiscal year (%)
Rental		78,481	94.2%
Reuse goods	Media	48,632	100.2%
	Non-media	36,614	113.2%
New goods		77,156	97.0%

(ii) Cost of sales, selling, general and administrative expenses, and operating income

Operating income increased by 6,994 million yen compared to the previous fiscal year and resulted in 16,552 million yen (73.2% increase from the previous fiscal year) from higher gross income ratio and from lower selling, general and administrative expenses achieved through power saving measures and efficient store operations.

(iii) Ordinary income, profit attributable to owners of parent

Ordinary income for the current fiscal year increased by 7,793 million yen from the previous fiscal year and resulted in 17,824 million yen (77.7% increase from the previous fiscal year). Profit attributable to owners of parent also increased by 3,225 million yen from the previous fiscal year and resulted in 10,563 million yen (44.0% increase from the previous fiscal year).

(2) Analysis of consolidated financial position

[Cash Flows]

Cash and cash equivalents ("cash") at the end of the current fiscal year increased by 5,472 million yen from the end of the previous fiscal year and resulted in 39,386 million yen.

The situations of each cash flow and their major factors for the current fiscal year are as follows.

(Cash flows from operating activities)

As a result of operating activities, cash increased 19,807 million yen (where this increased 17,424 million yen in the previous fiscal year).

The major factors for this increase are an expenditure of 9,320 million yen for acquiring rental assets, income before income taxes and minority interests of 16,491 million yen, depreciation and amortization of 5,051 million yen, and depreciation and amortization of rental assets of 10,377 million yen.

(Cash flows from investing activities)

As a result of investing activities, cash decreased 4,209 million yen (where this decreased 7,416 million yen in the previous fiscal year).

The major factor for this decrease is an expenditure of 5,819 million yen from purchasing property, plant and equipment.

(Cash flows from financing activities)

As a result of financing activities, cash decreased 10,125 million yen (where this increased 2,107 million yen in the previous fiscal year).

The major factors for this decrease are repayment of long-term loans payable of 7,097 million yen, purchase of treasury shares of 7,425 million yen, and payment of cash dividends of 1,678 million yen while there were proceeds from long-term loans payable of 6,000 million yen.

(Reference: Trends in cash flow indices)

	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Shareholders' equity ratio (%)	51.1	49.4	49.8
Shareholders' equity ratio at market value (%)	42.8	54.1	69.3
Years of debt redemption (years)	2.8	1.7	1.4
Interest coverage ratio (ratio)	23.96	75.39	86.12

- * Shareholders' equity ratio = Shareholders' equity/ Total assets
Shareholders' equity ratio at market value = Market capitalization/Total assets
Years of debt redemption=Interest-bearing liabilities/Operating cash flows
Interest coverage ratio=Operating cash flows/Interest expenses

- 1) All indices are based on figures in the consolidated financial statements.
- 2) Market capitalization is calculated by multiplying the stock price at the end of the fiscal year by the number of shares issued at the end of the fiscal year.
- 3) The amount of the operating cash flows used in the above calculations is the figure for the operating cash flows in the consolidated statement of cash flows. The amount of the interest-bearing liabilities is the sum of all liabilities on which interest is paid among the liabilities accounted in the consolidated balance sheet. The amount of interest expenses is the amount of interest expenses paid in the consolidated statement of cash flows.

(3) Basic policy in distributing profits and dividends for the current and next fiscal year

One of the Company's top management priorities is to return profit to shareholders. For this purpose, the Company will continue to endeavor to establish a sound managerial base and improve profitability. The Company's policy is to pay dividends that reflect the performance and the Company currently pays dividends twice a year at interim and year-end as dividend of surplus.

The dividend of surplus is decided by the shareholders meeting for the year-end dividend and by the board of directors for the interim dividend.

Pursuant to the above basic policy, an interim dividend of 16 yen per share was paid and an year-end dividend of 17 yen is scheduled to be paid.

The Company paid dividends as follows over the recent five (5) years.

(per share in yen)

	Fiscal Year ended				
	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016
I n t e r i m	1,500	1,500	1,600	16	16
Y e a r - e n d	1,500	1,600	16	16	17
T o t a l	3,000	3,100	—	32	33

In accordance with the above policy, the Company is scheduled to pay an interim dividend of 17 yen per share

and an year-end dividend of 17 yen per share which results in an annual dividend of 34 yen per share for the fiscal year ending March 31, 2017.

2. The GEO Group Companies

The GEO group is comprised of the GEO HOLDINGS CORPORATION, 14 subsidiaries, and one affiliate. The group mainly operates stores that rent, purchase and sell used goods, and sell new goods of mainly packaged software to the general public (the “media shop”), stores that sell and purchase used clothes, variety goods and home electronics and others (the “reuse shop”), and amusement facilities.

In addition, the group is also advancing into the wholesale business of these merchandise, and operation of on-line services and internet shop.

The group companies and their businesses

(As of March 31, 2016)

Type of company	Business	Operating Company
Holding company	Planning and administration of group management	GEO HOLDINGS CORPORATION
Operating companies	Operation of media shop, reuse shop, and amusement facilities	GEO CORPORATION
	Others	Assist Co., Ltd. Entertainment Network Frontier Inc. EISYS, inc. GEO NETWORKS CORPORATION GEO BUSINESS SUPPORT Co., Ltd. GEO payment service corporation Family Book co., Ltd. RETAIL COMM INC.

A company accounted for by the equity-method:

T&G Inc.

A subsidiary excluded from the scope of consolidation (not accounted for by the equity method):

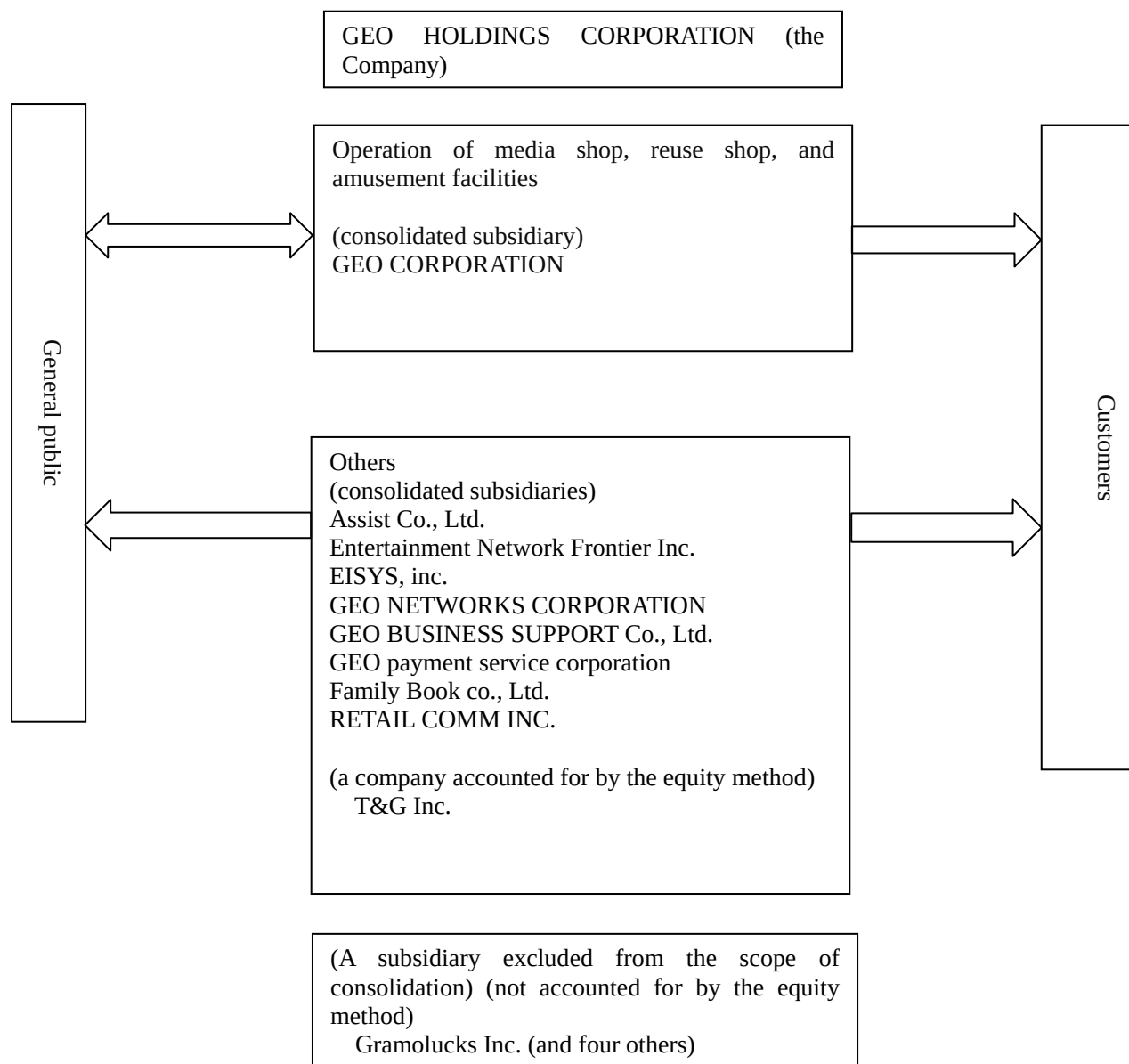
Gramolucks Inc. (and four others)

(Note)

The shares of former subsidiary, AMS CORPORATION, were sold and this company was excluded from the scope of consolidation on November 5, 2015.

The group's flow chart of business is as follows.

As of March 31, 2016



3. Management Policy

(1) Basic management policy

The basic policy of the group's corporate activities is to "provide a joyful and fun life." We will continue to provide various services based on this policy.

(2) Target management indices

Because the group is engaged in business through directly managed stores established nationwide Japan, our target management indices were set to focus on the ratio of operating income to net sales which clearly shows the profitability of the operating activities of the stores. For the fiscal year ended March 31, 2016, the ratio of operating income to net sales was 6.2% (which is a 2.7 point increase from the previous fiscal year).

We will also focus on return on equity which is becoming a more important index in monitoring return on capital.

The below are the trends in consolidated management indices for the recent five years.

Management indices	Fiscal Year ended				
	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016
Ratio of operating income to net sales	7.1%	6.2%	3.5%	3.5%	6.2%
Return on equity	14.3%	15.6%	6.6%	12.0%	16.5%

(3) Issues to overcome and middle to long term strategies

The environment surrounding the group is continuously and drastically changing and we anticipate the competition to become fierce in the future.

With respect to the media shops, although the market scale is shrinking, we are enjoying the so-called "benefit of the remaining players" by increasing our share and maintaining our scale in the oligopolistic market. However, we consider that it is import to further increase our share and enhance the value of our stores because we must address competition with how the consumers spend time on HDD recorder and smart phones and the evolution of the market from packaged software industry to the network industry as seen in the active video distribution service through the internet whether for a charge or no charge due to the participation of large players of VOD from overseas, and full-scale development of distribution of missed programs by commercial broadcasting stations.

On the other hand, with respect to the reuse shops, the environment is becoming easier to trade in reuse goods due to increase in the number of reuse shops and the growth of internet sales and individual transaction support sites, and we could expect a high growth in this market. However, competition is becoming severe because of other businesses opening their stores and the participation of different industries, and we therefore need to expedite the opening of new stores and establish ourselves as an overwhelming leading company surpassing others.

We are also doing business in mobile goods as merchandise common to both the media and reuse businesses. Following the Ministry of Internal Affairs and Communications' promotion of fair smart phone cost and other conditions for providing them, "low cost smart phones" are drawing attention, and used mobile market, which is compatible with low cost smart phones, is becoming active. In this situation, there is solid movement towards handling low cost smart phones which is nurturing businesses professionalizing in low cost smart phones, and we increased our market share. However, because other companies are also joining this market and competition is becoming fierce, we need to further expand our scale, improve quality, enhance customer support, dispel concerns over reuse goods, and acquire stock in order to firmly establish ourselves in the continuously growing market.

With the above issues to overcome in mind, we will address the following.

(i) Convert our business portfolio (from media to reuse)

In reuse, the number of our stores reached 400 in December 2014 including franchise stores and we were able to attain 500 stores as of March 31, 2016 by opening 100 stores over approximately 15 months. We will continue to pursue opening 100 stores each year by shifting our management resources to reuse business which market is anticipated to grow. We will aim to attain 700 stores by March 31, 2018 and we will continue to further expand the scale of and enhance recognition of our business.

We also plan to develop concept stores that are different from current stores, expand private brand, advance overseas, and other foundation of growth.

(ii) Develop new business and merchandise by exploiting media shop's ability to attract customers and maximize profitability for the media business

In media, we will develop new business and merchandise based on consumers' preferences by exploiting the media shops' ability to attract customers which there is nearly 1,000 stores nationwide mainly through directly operated stores. We will reconsider the value of the real stores and we will enhance attractiveness of the stores by providing a value that could be experienced only at real stores. We will also aim to expand mobile merchandise which market is growing and we will aim to improve services.

We will not be constrained to the idea of centralized management of individual stores by the headquarters but we will allow each individual store to reach the general public to meet their precise needs in each area to maximize profits.

(iii) Realize omni-channel retailing

As a foothold in realizing omni-channel retailing, we released the official application for GEO and 2nd Street, introduced selling at both the stores and through EC, our video distribution service "GEO Channel," our unique payment service "Lueca," and review SNS application "kuchiko."

We will utilize these platforms and integrate real stores and internet business to further enhance our services to realize the group's unique omni-channel retailing.

(iv) Create growth opportunities by diversifying business

We will actively search and advance into business fields that are new to us where we could become a major player. We will seek new fields of business that are not only at the extension of our current business but also through M&A.

(v) Acquire human resources and invest in training

In order to realize the strategies discussed in each section, we will continue to utilize our human resources by recruiting and training our personnel at an appropriate cost.

Also, in order to attain sustainable growth and development of our company, it is necessary to respect the individuality and values of each employee to enable each to fully perform his/her potential and for this purpose, we will create an environment to support diverse working hands.

4. Basic idea in selection of the accounting standards

Because we currently do not operate overseas, we decided to prepare our financial statements on a consolidated basis based on Japanese accounting standards for the time being because there is no inconvenience in management and that it would be possible to compare the results of performance year by year.

We will, however, consider adopting international accounting standards as appropriate in consideration of various circumstances.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	32,052	37,683
Notes and accounts receivable - trade	4,077	4,100
Merchandise	23,834	24,894
Deferred tax assets	1,806	2,156
Other	7,181	5,462
Allowance for doubtful accounts	(292)	(281)
Total current assets	68,659	74,015
Non-current assets		
Property, plant and equipment		
Rental assets	104,514	100,974
Accumulated depreciation	(97,475)	(95,154)
Rental assets, net	7,038	5,820
Buildings and structures	39,984	40,872
Accumulated depreciation	(26,362)	(27,470)
Buildings and structures, net	13,622	13,402
Land	6,356	5,844
Leased assets	3,519	2,176
Accumulated depreciation	(1,764)	(681)
Leased assets, net	1,754	1,495
Other	20,562	24,838
Accumulated depreciation	(15,292)	(18,391)
Other, net	5,270	6,447
Total property, plant and equipment	34,043	33,010
Intangible assets	1,277	1,865
Investments and other assets		
Investment securities	1,002	926
Long-term loans receivable	6,682	2,250
Lease and guarantee deposits	14,735	14,905
Deferred tax assets	3,774	3,342
Other	1,188	1,222
Allowance for doubtful accounts	(3,751)	(1,332)
Total investments and other assets	23,632	21,315
Total non-current assets	58,952	56,192
Total assets	127,612	130,207

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	13,540	12,631
Current portion of long-term loans payable	7,097	8,333
Current portion of bonds	149	149
Income taxes payable	265	4,815
Provision for bonuses	1,420	1,665
Other	12,595	10,135
Total current liabilities	35,068	37,731
Non-current liabilities		
Bonds payable	254	105
Long-term loans payable	21,843	19,509
Lease obligations	1,660	1,612
Deferred tax liabilities	22	23
Asset retirement obligations	3,994	4,406
Other	1,554	1,857
Total non-current liabilities	29,329	27,514
Total liabilities	64,398	65,246
Net assets		
Shareholders' equity		
Capital stock	8,615	8,871
Capital surplus	6,090	3,283
Retained earnings	49,998	52,542
Treasury shares	(1,979)	-
Total shareholders' equity	62,724	64,697
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	282	166
Deferred gains or losses on hedges	-	(15)
Total accumulated other comprehensive income	282	150
Subscription rights to shares	206	113
Total net assets	63,214	64,961
Total liabilities and net assets	127,612	130,207

(2) Consolidated Income Statement and Statement of Comprehensive Income

Consolidated Income Statement

(Millions of yen)

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Net sales	270,308	267,910
Cost of sales	157,825	151,798
Gross profit	112,483	116,112
Selling, general and administrative expenses	102,925	99,559
Operating income	9,558	16,552
Non-operating income		
Interest and dividend income	114	49
Real estate rent	1,167	1,268
Other	1,062	1,043
Total non-operating income	2,343	2,361
Non-operating expenses		
Interest expenses	231	230
Rent expenses on real estates	609	759
Provision of allowance for doubtful accounts	227	-
Other	803	100
Total non-operating expenses	1,871	1,089
Ordinary income	10,030	17,824
Extraordinary losses		
Impairment loss	1,543	1,319
Other	-	13
Total extraordinary losses	1,543	1,333
Profit before income taxes	8,486	16,491
Income taxes - current	2,074	5,779
Income taxes - deferred	(925)	147
Total income taxes	1,149	5,927
Profit	7,337	10,563
Profit attributable to owners of parent	7,337	10,563

Statement of Comprehensive Income

(Millions of yen)

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Profit	7,337	10,563
Other comprehensive income		
Valuation difference on available-for-sale securities	(15)	(116)
Deferred gains or losses on hedges	-	(15)
Total other comprehensive income	(15)	(131)
Comprehensive income	7,322	10,431
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,322	10,431

(3) Consolidated Statements of Change in Net Assets

(For the fiscal year ended March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,603	6,078	44,381	(334)	58,729
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	11	11			23
Dividends of surplus			(1,720)		(1,720)
Profit attributable to owners of parent			7,337		7,337
Purchase of treasury shares				(1,645)	(1,645)
Retirement of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes of items during period	11	11	5,617	(1,645)	3,995
Balance at end of current period	8,615	6,090	49,998	(1,979)	62,724

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income			
Balance at beginning of current period	297	—	297	172	—	59,199
Changes of items during period						
Issuance of new shares - exercise of subscription rights to shares						23
Dividends of surplus						(1,720)
Profit attributable to owners of parent						7,337
Purchase of treasury shares						(1,645)
Retirement of treasury shares						—
Net changes of items other than shareholders' equity	(15)		(15)	33	—	18
Total changes of items during period	(15)	—	(15)	33	—	4,014
Balance at end of current period	282	—	282	206	—	63,214

(For the fiscal year ended March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,615	6,090	49,998	(1,979)	62,724
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	255	255			511
Dividends of surplus			(1,677)		(1,677)
Profit attributable to owners of parent			10,563		10,563
Purchase of treasury shares				(7,425)	(7,425)
Retirement of treasury shares		(3,062)	(6,341)	9,404	-
Net changes of items other than shareholders' equity					
Total changes of items during period	255	(2,806)	2,544	1,979	1,972
Balance at end of current period	8,871	3,283	52,542	-	64,697

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income			
Balance at beginning of current period	282	-	282	206	-	63,214
Changes of items during period						
Issuance of new shares - exercise of subscription rights to shares						511
Dividends of surplus						(1,677)
Profit attributable to owners of parent						10,563
Purchase of treasury shares						(7,425)
Retirement of treasury shares						-
Net changes of items other than shareholders' equity	(116)	(15)	(131)	(93)	-	(225)
Total changes of items during period	(116)	(15)	(131)	(93)	-	1,747
Balance at end of current period	166	(15)	150	113	-	64,961

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	8,486	16,491
Depreciation	5,105	5,051
Rental assets depreciation	13,554	10,377
Impairment loss	1,543	1,319
Amortization of goodwill	884	37
Interest and dividend income	(114)	(49)
Interest expenses	231	230
Decrease (increase) in notes and accounts receivable - trade	(108)	(108)
Decrease (increase) in inventories	(117)	(899)
Purchase of Rental assets	(12,267)	(9,320)
Increase (decrease) in notes and accounts payable - trade	430	(874)
Increase (decrease) in accounts payable - other and accrued expenses	705	1,119
Increase (decrease) in accrued consumption taxes	2,655	(1,607)
Other, net	(291)	(660)
Subtotal	20,698	21,105
Interest and dividend income received	101	39
Interest expenses paid	(231)	(229)
Income taxes paid	(3,144)	(1,107)
Net cash provided by (used in) operating activities	17,424	19,807
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,374)	(5,819)
Purchase of intangible assets	(514)	(1,054)
Collection of loans receivable	469	2,801
Other, net	3	(137)
Net cash provided by (used in) investing activities	(7,416)	(4,209)
Cash flows from financing activities		
Increase in short-term loans payable	12,310	9,000
Decrease in short-term loans payable	(12,310)	(9,000)
Proceeds from long-term loans payable	15,400	6,000
Repayments of long-term loans payable	(9,124)	(7,097)
Purchase of treasury shares	(1,645)	(7,425)
Cash dividends paid	(1,719)	(1,678)
Other, net	(804)	75
Net cash provided by (used in) financing activities	2,107	(10,125)
Net increase (decrease) in cash and cash equivalents	12,114	5,472
Cash and cash equivalents at beginning of period	21,799	33,914
Cash and cash equivalents at end of period	33,914	39,386

(5) Notes to consolidated financial statements

(Going concern assumptions)

None

(Segment information)

Segment information

For the previous fiscal year (from April 1, 2014 to March 31, 2015) and the current fiscal year

(April 1, 2015 to March 31, 2016):

Description is omitted because the Group reports only through one segment, i.e., retail services.

(Per share information (in yen))

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Shareholders' equity per share	1,204.85	1,344.16
Earnings per share	137.99	205.78
Fully diluted earnings per share	137.68	204.62

(Notes)

1. The basis for calculating the shareholders' equity per share is as follows.

(Millions of yen except share information)

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Total net assets	63,214	64,961
Amount to be deducted from total net assets	206	113
(Subscription rights to shares in the above)	(206)	(113)
(Non-controlling interests in the above)	(—)	(—)
Net assets at the end of the fiscal year attributable to common shares	63,007	64,848
Number of common shares at the end of the fiscal year used for calculating the shareholders' equity per share	52,294,700	48,244,200

2. The basis for calculating the earnings per share and fully diluted earnings per share is as follows.

(Millions of yen except share information)

	Fiscal Year ended March 31, 2015	Fiscal Year ended March 31, 2016
Earnings per share		
Profit attributable to owners of parent	7,337	10,563
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent for common shares	7,337	10,563
Average number of shares outstanding during the fiscal year	53,169,362	51,331,465
Fully diluted earnings per share		
Adjustments to profit attributable to owners of	—	—

parent		
Increase in the number of common shares	120,521	291,797
(subscription rights to shares included in the above as number of shares)	(120,521)	(291,797)
Description of potential shares that were not included in calculating the fully diluted earnings per share due to them having no dilutive effect	15,000 shares subject to the Company's stock option (for the 8th stock option)	306,500 shares subject to the Company's stock option (for the 10th stock option)

(Subsequent events after the current period)

Not applicable.