



April 7, 2015

Consolidated Financial Results for the Fiscal Year Ended February 28, 2015 <under Japanese GAAP>

Company name: **PARCO CO., LTD.**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 8251
 URL: <http://www.parco.co.jp/>
 Representative: Kouzou Makiyama, Member of the Board, President, Representative Executive Officer
 Inquiries: Hideki Noguchi, Executive Officer for the Finance Group, Accounting Group and Accounting Coordination Group
 TEL: +81-3-3477-5791 (from overseas)

Scheduled date of annual general shareholders' meeting: May 23, 2015
 Scheduled date of dividend distribution: May 7, 2015
 Scheduled date to file Annual Securities Report: May 25, 2015
 Preparation of supplementary material on earnings: Yes
 Holding of earnings performance review: Yes (for institutional investors and analysts)

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

1. Consolidated performance for the fiscal year ended February 28, 2015 (from March 1, 2014 to February 28, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2015	269,889	2.1	12,508	2.6	12,499	4.0	6,294	(7.1)
February 28, 2014	264,384	(0.1)	12,196	12.7	12,013	16.3	6,778	33.3

Note: Comprehensive income

For the fiscal year ended February 28, 2015: 6,343 million yen [(10.2)%]

For the fiscal year ended February 28, 2014: 7,066 million yen [32.1%]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2015	62.04	—	5.7	5.6	4.6
February 28, 2014	66.81	—	6.4	5.6	4.6

Reference: Equity in earnings (losses) of affiliates

For the fiscal year ended February 28, 2015: (0) million yen

For the fiscal year ended February 28, 2014: (0) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2015	226,830	113,211	49.9	1,115.83
February 28, 2014	220,757	108,823	49.3	1,072.57

Reference: Equity

As of February 28, 2015: 113,211 million yen

As of February 28, 2014: 108,823 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2015	15,281	(7,612)	(7,206)	4,059
February 28, 2014	9,864	(27,886)	11,049	3,529

2. Cash dividends

	Annual dividends					Total cash dividends (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	First quarter-end Yen	Second quarter-end Yen	Third quarter-end Yen	Fiscal year-end Yen	Total Yen			
Fiscal year ended February 28, 2014	–	9.00	–	9.00	18.00	1,826	26.9	1.7
Fiscal year ended February 28, 2015	–	9.00	–	9.00	18.00	1,826	29.0	1.6
Fiscal year ending February 29, 2016 (Forecast)	–	10.00	–	10.00	20.00		29.4	

3. Consolidated earnings forecasts for the fiscal year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending August 31, 2015	138,500	5.6	6,500	2.9	6,400	1.1	3,700	2.2	36.47
Fiscal year ending February 29, 2016	285,600	5.8	12,800	2.3	12,500	0.0	6,900	9.6	68.01

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

- (3) Number of issued shares (common shares)
- a. Total number of issued shares at the end of the period (including treasury shares)
- | | |
|-------------------------|--------------------|
| As of February 28, 2015 | 101,462,977 shares |
| As of February 28, 2014 | 101,462,977 shares |
- b. Number of treasury shares at the end of the period
- | | |
|-------------------------|--------------|
| As of February 28, 2015 | 3,242 shares |
| As of February 28, 2014 | 2,587 shares |
- c. Average number of shares during the period
- | | |
|---|--------------------|
| For the fiscal year ended February 28, 2015 | 101,460,086 shares |
| For the fiscal year ended February 28, 2014 | 101,458,633 shares |

(Reference) Overview of non-consolidated performance

1. Non-consolidated performance for the fiscal year ended February 28, 2015 (from March 1, 2014 to February 28, 2015)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended February 28, 2015	245,646	1.2	11,747	(0.6)	11,718	(0.1)	5,994	(11.5)
February 28, 2014	242,653	(0.0)	11,823	16.3	11,725	14.1	6,772	24.4

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
February 28, 2015	59.09	–
February 28, 2014	66.75	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2015	222,876	113,696	51.0	1,120.60
February 28, 2014	218,915	109,554	50.0	1,079.78

Reference: Equity

As of February 28, 2015: 113,696 million yen

As of February 28, 2014: 109,554 million yen

2. Non-consolidated earnings forecasts for the fiscal year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending August 31, 2015	125,700	5.0	6,100	0.3	6,000	(1.4)	3,600	0.3	35.48
Fiscal year ending February 29, 2016	259,700	5.7	11,800	0.4	11,600	(1.0)	6,600	10.1	65.05

*** Indication regarding execution of audit procedures**

The audit procedures pursuant to the Financial Instruments and Exchange Act do not apply to this earnings report. At the time of disclosure of this earnings report, the audit procedures for financial statements are in progress.

*** Proper use of earnings forecasts, and other special matters**

Caution concerning forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the time of the filing and certain assumptions deemed reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

Method of accessing supplementary material on earnings

On Tuesday, April 7, 2015, the Company plans to hold an earnings performance review for institutional investors and analysts. The Company plans to post a video of this earnings performance review on its website promptly after the review is held.

Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	3,529	4,333
Notes and operating accounts receivable	7,581	11,655
Merchandise and finished goods	2,984	3,069
Work in process	278	670
Raw materials and supplies	40	37
Advance payments - trade	332	316
Prepaid expenses	785	878
Deferred tax assets	934	1,102
Short-term loans receivable	12	31
Other	5,921	5,321
Allowance for doubtful accounts	(5)	(4)
Total current assets	22,396	27,410
Non-current assets		
Property, plant and equipment		
Buildings and structures	121,524	124,240
Accumulated depreciation	(77,395)	(79,979)
Accumulated impairment loss	(1,131)	(1,224)
Buildings and structures, net	42,997	43,036
Buildings and structures in trust	17,667	21,872
Accumulated depreciation	(3,339)	(4,290)
Buildings and structures in trust, net	14,327	17,582
Machinery, equipment and vehicles	845	867
Accumulated depreciation	(645)	(681)
Accumulated impairment loss	–	(0)
Machinery, equipment and vehicles, net	200	185
Machinery, equipment and vehicles in trust	16	171
Accumulated depreciation	(9)	(15)
Machinery, equipment and vehicles in trust, net	7	155
Tools, furniture and fixtures	5,084	5,445
Accumulated depreciation	(4,073)	(4,236)
Accumulated impairment loss	(137)	(70)
Tools, furniture and fixtures, net	873	1,139
Tools, furniture and fixtures in trust	138	192
Accumulated depreciation	(84)	(102)
Tools, furniture and fixtures in trust, net	53	90
Land	43,803	43,024
Land in trust	46,992	47,069
Leased assets	780	973
Accumulated depreciation	(395)	(484)
Leased assets, net	384	489
Construction in progress	4,950	5,864
Total property, plant and equipment	154,590	158,636
Intangible assets		
Leasehold right	10,949	10,969
Other	898	1,042
Total intangible assets	11,847	12,011

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Investments and other assets		
Investment securities	2,886	2,371
Long-term loans receivable	155	153
Long-term prepaid expenses	575	531
Lease and guarantee deposits	27,299	24,075
Deferred tax assets	745	1,308
Long-term accounts receivable - other	101	84
Other	367	440
Allowance for doubtful accounts	(209)	(193)
Total investments and other assets	31,921	28,771
Total non-current assets	198,360	199,419
Total assets	220,757	226,830
Liabilities		
Current liabilities		
Notes and operating accounts payable - trade	15,564	17,850
Short-term loans payable	14,719	8,569
Commercial papers	–	4,499
Lease obligations	147	172
Accounts payable - other	3,834	6,815
Accrued expenses	1,614	1,822
Income taxes payable	1,216	3,556
Provision for bonuses	1,040	1,094
Provision for sales returns	26	21
Provision for books unsold	129	113
Provision for sales promotion expenses	334	349
Provision for loss on store closing	94	–
Other	2,307	2,605
Total current liabilities	41,030	47,472
Non-current liabilities		
Long-term loans payable	35,705	32,161
Lease obligations	255	346
Long-term accounts payable - other	16	8
Provision for retirement benefits	1,788	–
Net defined benefit liability	–	1,964
Guarantee deposits received	32,740	31,206
Asset retirement obligations	376	447
Other	19	12
Total non-current liabilities	70,902	66,146
Total liabilities	111,933	113,618
Net assets		
Shareholders' equity		
Capital stock	34,367	34,367
Capital surplus	35,129	35,129
Retained earnings	38,781	43,249
Treasury shares	(2)	(2)
Total shareholders' equity	108,276	112,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	671	656
Foreign currency translation adjustment	(124)	(59)
Remeasurements of defined benefit plans	–	(129)
Total accumulated other comprehensive income	547	467
Minority interests	–	–
Total net assets	108,823	113,211
Total liabilities and net assets	220,757	226,830

(2) Consolidated statements of (comprehensive) income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Net sales	264,384	269,889
Cost of sales	224,503	228,948
Gross profit	39,881	40,941
Provision for sales returns	12	–
Reversal of provision for sales returns	–	4
Gross profit - net	39,868	40,946
Operating revenue	3,908	4,322
Operating gross profit	43,776	45,269
Selling, general and administrative expenses	31,580	32,760
Operating income	12,196	12,508
Non-operating income		
Interest income	54	43
Dividend income	41	37
Miscellaneous income	343	408
Total non-operating income	439	489
Non-operating expenses		
Interest expenses	499	422
Interest on bonds	14	7
Share of loss of entities accounted for using equity method	0	0
Miscellaneous expenses	108	68
Total non-operating expenses	622	498
Ordinary income	12,013	12,499
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	12	211
Compensation income	201	–
Gain on reversal of foreign currency translation adjustment	26	–
Total extraordinary income	240	212
Extraordinary losses		
Loss on retirement of non-current assets	621	649
Impairment loss	70	1,463
Loss on sales of investment securities	87	0
Special retirement expenses	22	–
Loss on closing of stores	94	–
Other	73	16
Total extraordinary losses	971	2,129
Income before income taxes and minority interests	11,283	10,582
Income taxes - current	3,320	4,939
Income taxes - deferred	1,184	(650)
Total income taxes	4,505	4,288
Income before minority interests	6,778	6,294
Net income	6,778	6,294

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Income before minority interests	6,778	6,294
Other comprehensive income		
Valuation difference on available-for-sale securities	274	(15)
Foreign currency translation adjustment	5	58
Share of other comprehensive income of entities accounted for using equity method	9	6
Total other comprehensive income	288	49
Comprehensive income	7,066	6,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,066	6,343
Comprehensive income attributable to minority interests	—	—

(3) Consolidated statements of changes in equity
Fiscal year ended February 28, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,367	35,124	33,830	(7)	103,314
Changes of items during period					
Dividends of surplus			(1,826)		(1,826)
Net income			6,778		6,778
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		6	10
Net changes of items other than shareholders' equity					
Total changes of items during period	-	4	4,951	5	4,961
Balance at end of current period	34,367	35,129	38,781	(2)	108,276

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	397	(138)	-	258	-	103,573
Changes of items during period						
Dividends of surplus						(1,826)
Net income						6,778
Purchase of treasury shares						(0)
Disposal of treasury shares						10
Net changes of items other than shareholders' equity	274	14	-	288	-	288
Total changes of items during period	274	14	-	288	-	5,250
Balance at end of current period	671	(124)	-	547	-	108,823

Fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	34,367	35,129	38,781	(2)	108,276
Changes of items during period					
Dividends of surplus			(1,826)		(1,826)
Net income			6,294		6,294
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,468	(0)	4,467
Balance at end of current period	34,367	35,129	43,249	(2)	112,743

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	671	(124)	-	547	-	108,823
Changes of items during period						
Dividends of surplus						(1,826)
Net income						6,294
Purchase of treasury shares						(0)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity	(15)	64	(129)	(79)	-	(79)
Total changes of items during period	(15)	64	(129)	(79)	-	4,387
Balance at end of current period	656	(59)	(129)	467	-	113,211

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	11,283	10,582
Depreciation	5,877	5,921
Impairment loss	70	1,463
Increase in provision for bonuses	7	53
Increase in provision for retirement benefits	50	—
Decrease in net defined benefit liability	—	(23)
Loss on store closings	94	—
Interest and dividend income	(96)	(80)
Interest expenses	513	430
Compensation income	(201)	—
Loss on sales and retirement of non-current assets	209	213
Loss (gain) on sales of investment securities	75	(211)
Decrease (increase) in notes and accounts receivable - trade	98	(4,071)
Increase in inventories	(278)	(472)
Increase (decrease) in notes and accounts payable - trade	(713)	2,286
Increase/decrease in other assets/liabilities	(558)	2,317
Other, net	79	(5)
Subtotal	16,512	18,403
Interest and dividend income received	96	80
Interest expenses paid	(498)	(456)
Proceeds from compensation	204	—
Payment resulting from store closing	—	(114)
Payments for cancellation of rental contracts	(999)	—
Income taxes paid	(5,451)	(2,632)
Net cash provided by operating activities	9,864	15,281
Cash flows from investing activities		
Payments into time deposits	—	(273)
Purchase of property, plant and equipment	(35,450)	(9,218)
Proceeds from sales of property, plant and equipment	8	20
Purchase of investment securities	(56)	(2)
Proceeds from sales of investment securities	454	711
Payments for lease and guarantee deposits	(612)	(856)
Proceeds from collection of lease and guarantee deposits	8,973	4,020
Decrease in guarantee deposits received	(927)	(1,527)
Other, net	(275)	(485)
Net cash used in investing activities	(27,886)	(7,612)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	6,000	(5,000)
Net increase in commercial papers	—	4,499
Proceeds from long-term loans payable	15,500	4,000
Repayments of long-term loans payable	(7,459)	(8,700)
Redemption of bonds	(1,000)	—
Net decrease (increase) in treasury shares	9	(0)
Cash dividends paid	(1,826)	(1,826)
Other, net	(174)	(179)
Net cash provided by (used in) financing activities	11,049	(7,206)
Effect of exchange rate change on cash and cash equivalents	38	68
Net increase (decrease) in cash and cash equivalents	(6,933)	530
Cash and cash equivalents at beginning of period	10,463	3,529
Cash and cash equivalents at end of period	3,529	4,059

Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	2,998	3,909
Operating accounts receivable	6,054	9,329
Merchandise and finished goods	323	296
Work in process	124	219
Raw materials and supplies	2	3
Advance payments - trade	332	316
Prepaid expenses	662	745
Deferred tax assets	548	704
Short-term loans receivable	1,131	812
Current portion of guarantee deposits	3,910	3,970
Other	1,733	1,156
Allowance for doubtful accounts	(5)	(2)
Total current assets	17,817	21,461
Non-current assets		
Property, plant and equipment		
Buildings	118,752	121,893
Accumulated depreciation	(76,022)	(78,669)
Accumulated impairment loss	(425)	(1,039)
Buildings, net	42,304	42,184
Buildings in trust	17,406	21,594
Accumulated depreciation	(3,288)	(4,225)
Buildings in trust, net	14,118	17,368
Structures	1,653	1,757
Accumulated depreciation	(1,273)	(1,309)
Accumulated impairment loss	(6)	(9)
Structures, net	373	438
Structures in trust	269	286
Accumulated depreciation	(51)	(65)
Structures in trust, net	217	221
Machinery and equipment	839	860
Accumulated depreciation	(638)	(674)
Machinery and equipment, net	201	186
Machinery and equipment in trust	16	171
Accumulated depreciation	(9)	(15)
Machinery and equipment in trust, net	7	155
Vehicles	16	16
Accumulated depreciation	(15)	(15)
Accumulated impairment loss	-	(0)
Vehicles, net	0	0
Tools, furniture and fixtures	3,665	3,985
Accumulated depreciation	(3,122)	(3,242)
Accumulated impairment loss	(8)	(14)
Tools, furniture and fixtures, net	534	728
Tools, furniture and fixtures in trust	138	192
Accumulated depreciation	(84)	(102)
Tools, furniture and fixtures in trust, net	53	90

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Land	44,601	43,822
Land in trust	46,992	47,069
Leased assets	256	334
Accumulated depreciation	(137)	(110)
Leased assets, net	118	223
Construction in progress	4,930	5,785
Total property, plant and equipment	154,453	158,274
Intangible assets		
Leasehold right	10,949	10,969
Software	417	474
Other	190	283
Total intangible assets	11,557	11,727
Investments and other assets		
Investment securities	2,760	2,219
Shares of subsidiaries and associates	4,929	4,929
Investments in capital	55	7
Long-term loans receivable	155	143
Long-term prepaid expenses	574	529
Lease and guarantee deposits	26,407	23,141
Deferred tax assets	–	117
Long-term accounts receivable - other	89	83
Other	311	432
Allowance for doubtful accounts	(198)	(192)
Total investments and other assets	35,086	31,412
Total non-current assets	201,098	201,415
Total assets	218,915	222,876
Liabilities		
Current liabilities		
Operating accounts payable	12,353	13,605
Short-term loans payable	8,925	4,645
Current portion of long-term loans payable	8,700	7,550
Commercial papers	–	4,499
Lease obligations	50	71
Accounts payable - other	4,579	6,857
Accrued expenses	1,070	1,196
Income taxes payable	1,089	3,249
Advances received	396	483
Deposits received	165	281
Provision for bonuses	617	639
Provision for sales returns	26	21
Provision for books unsold	129	113
Current portion of guarantee deposits	1,128	1,211
Other	312	312
Total current liabilities	39,548	44,739

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Non-current liabilities		
Long-term loans payable	35,650	32,100
Lease obligations	74	167
Long-term accounts payable - other	16	8
Deferred tax liabilities	386	–
Provision for retirement benefits	617	584
Guarantee deposits received	32,863	31,329
Asset retirement obligations	184	237
Other	19	12
Total non-current liabilities	69,813	64,440
Total liabilities	109,361	109,180
Net assets		
Shareholders' equity		
Capital stock	34,367	34,367
Capital surplus		
Legal capital surplus	13,600	13,600
Other capital surplus	21,529	21,529
Total capital surpluses	35,129	35,129
Retained earnings		
Legal retained earnings	681	681
Other retained earnings		
General reserve	12,811	12,811
Retained earnings brought forward	25,906	30,075
Total retained earnings	39,399	43,567
Treasury shares	(2)	(2)
Total shareholders' equity	108,893	113,061
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	661	634
Total valuation and translation adjustments	661	634
Total net assets	109,554	113,696
Total liabilities and net assets	218,915	222,876

(2) Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Net sales		
Tenants sales	237,389	239,157
Other sales	5,264	6,489
Total net sales	242,653	245,646
Cost of sales		
Cost of tenants sales	207,988	209,897
Other cost of sales	3,599	4,424
Total cost of sales	211,587	214,321
Gross profit	31,065	31,324
Provision for sales returns	12	–
Reversal of provision for sales returns	–	4
Gross profit - net	31,052	31,329
Operating revenue	3,588	4,270
Operating gross profit	34,641	35,600
Selling, general and administrative expenses	22,818	23,852
Operating income	11,823	11,747
Non-operating income		
Interest income	59	47
Dividend income	144	71
Miscellaneous income	325	359
Total non-operating income	529	479
Non-operating expenses		
Interest expenses	510	434
Interest on bonds	14	7
Miscellaneous expenses	101	64
Total non-operating expenses	626	507
Ordinary income	11,725	11,718
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	12	211
Compensation income	201	–
Total extraordinary income	214	212
Extraordinary losses		
Loss on retirement of non-current assets	597	649
Impairment loss	–	1,406
Special retirement expenses	12	–
Loss on business of subsidiaries and associates	434	–
Other	63	0
Total extraordinary losses	1,107	2,056
Income before income taxes	10,832	9,875
Income taxes - current	3,008	4,526
Income taxes - deferred	1,051	(645)
Total income taxes	4,059	3,880
Net income	6,772	5,994

(3) Non-consolidated statements of changes in equity
Fiscal year ended February 28, 2014

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	34,367	13,600	21,524	35,124	681	12,811	20,960	34,452	(7)	103,937
Changes of items during period										
Dividends of surplus							(1,826)	(1,826)		(1,826)
Net income							6,772	6,772		6,772
Purchase of treasury shares									(0)	(0)
Disposal of treasury shares			4	4					6	10
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	4	4	-	-	4,946	4,946	5	4,956
Balance at end of current period	34,367	13,600	21,529	35,129	681	12,811	25,906	39,399	(2)	108,893

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of current period	476	104,413
Changes of items during period		
Dividends of surplus		(1,826)
Net income		6,772
Purchase of treasury shares		(0)
Disposal of treasury shares		10
Net changes of items other than shareholders' equity	184	184
Total changes of items during period	184	5,140
Balance at end of current period	661	109,554

Fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	34,367	13,600	21,529	35,129	681	12,811	25,906	39,399	(2)	108,893
Changes of items during period										
Dividends of surplus							(1,826)	(1,826)		(1,826)
Net income							5,994	5,994		5,994
Purchase of treasury shares									(0)	(0)
Disposal of treasury shares										-
Net changes of items other than shareholders' equity										
Total changes of items during period	-	-	-	-	-	-	4,168	4,168	(0)	4,168
Balance at end of current period	34,367	13,600	21,529	35,129	681	12,811	30,075	43,567	(2)	113,061

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of current period	661	109,554
Changes of items during period		
Dividends of surplus		(1,826)
Net income		5,994
Purchase of treasury shares		(0)
Disposal of treasury shares		-
Net changes of items other than shareholders' equity	(26)	(26)
Total changes of items during period	(26)	4,141
Balance at end of current period	634	113,696