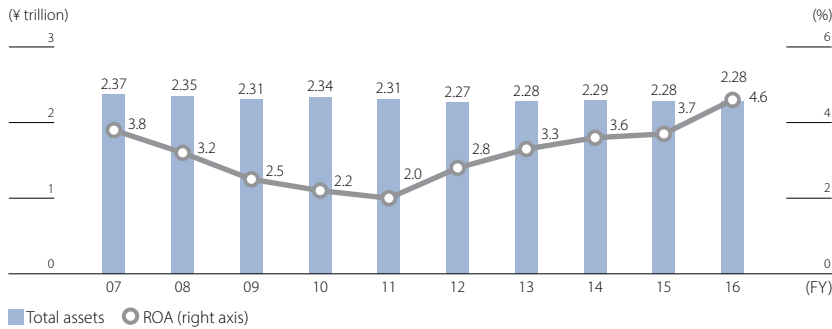
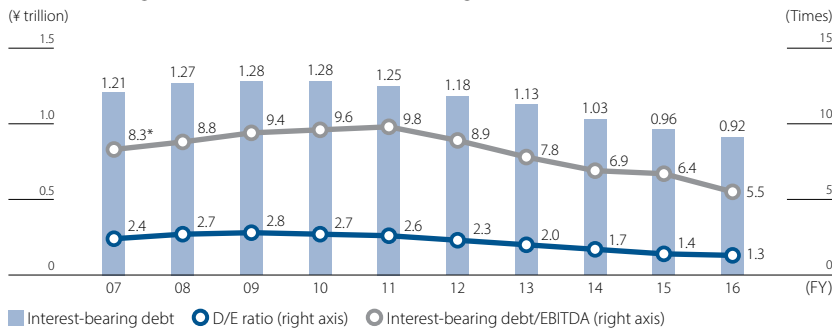


Total assets and ROA



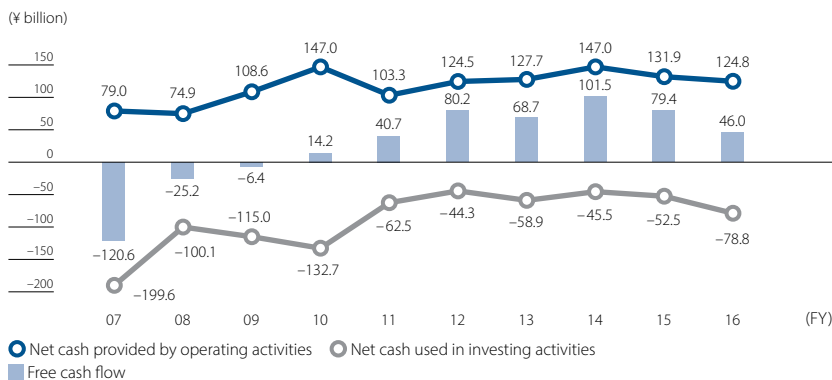
Total assets rose ¥2.5 billion, from the previous fiscal year-end, to ¥2,282.1 billion, due to an increase in land and buildings. ROA edged up 0.9 percentage point, to 4.6%, reflecting our fourth consecutive year of record-breaking ordinary income.

Interest-bearing debt, D/E ratio, and interest-bearing debt/EBITDA



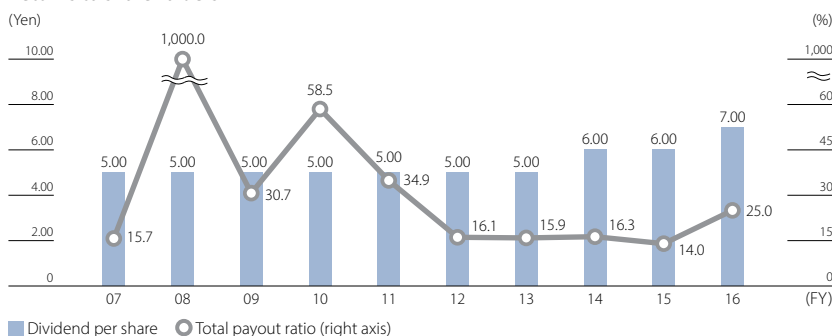
The outstanding balance of interest-bearing debt was down 4.1%, or ¥39.3 billion, from the previous fiscal year-end, to ¥916.6 billion. Consequently, the D/E ratio decreased to 1.3 times. Also, the interest-bearing debt/EBITDA ratio declined to 5.5 times, falling below 6 times for the first time since the Company's founding. We will continue to improve our financial position in order to hedge risks of future interest increases and secure funding capacity over the medium-to-long term.

Cash flows



Net cash provided by operating activities was ¥124.8 billion, reflecting income before income taxes, depreciation and amortisation, and income taxes paid. Net cash used in investing activities was ¥78.8 billion due to purchases of noncurrent assets. Net cash used in financing activities was ¥47.3 billion as a result of a net decrease in short-term borrowings.

Returns to shareholders



Based on the move to a new management stage in pursuit of medium-to-long-term growth and the progress of financial position improvements, dividend payments from profits in fiscal 2016 were raised ¥1 per share, to ¥7 per share. In addition, the Company conducted treasury stock purchases in fiscal 2016 after setting a target of 25% for the total payout ratio, which represents the combined total of purchases of treasury stock and the total annual dividend as a percentage of net income attributable to owners of the parent.

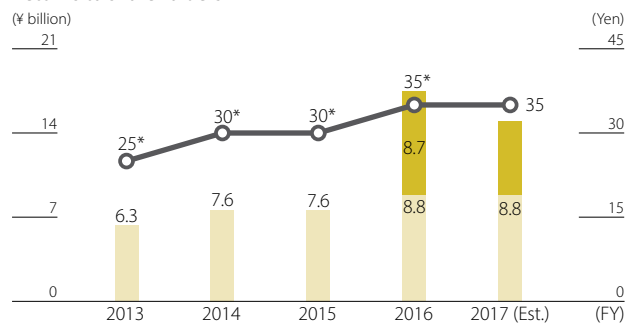
Notes: The total payout ratio for fiscal 2016 includes purchase of treasury stock (amounting to ¥8.7 billion). The Company conducted a 1-for-5 reverse stock split with an effective date of 1st August 2016. The figures for dividend per share above are prior to the reverse stock split.

Returns to Shareholders

Taking into account improvement in our financial standing, we increased the dividend by ¥1 per share, to ¥6 per share in fiscal 2014. In fiscal 2016, we made another ¥1 per share increase, giving a dividend of ¥7 per share. We have established continued payment of stable annual dividends as a policy. Moreover, we have set a total payout ratio of 25% as an indicator. With this benchmark in mind, we acquired ¥8.7 billion of treasury stock to provide further returns to shareholders in fiscal 2016.

In the near term, we will pay stable annual dividends and acquire treasury stock in accordance with the abovementioned policy and indicator. However, I believe that we should continue examining how we provide returns to shareholders in light of our management situation and the need to achieve a balance with growth investment.

Returns to shareholders



■ Total dividend ■ Acquisition of treasury stock ● Dividend per share (right axis)

* Shares were consolidated at the ratio of 5 shares to 1 share with 1st August 2016 as the effective date.

Annual dividends for fiscal 2016 and earlier are converted based on this share consolidation.