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Consolidated Financial Results for Fiscal Year Ended December 31, 2018 (FY2018) [Japanese GAAP]

February 13, 2019

Listed Company Name: OYO Corporation
 Stock Exchange Listings: Tokyo Stock Exchange (First Section)
 Stock Code Number: 9755 URL: <https://www.oyo.co.jp/>
 Representative: Masaru Narita, President & Chief Executive Officer
 Inquiries: Yuichi Hirashima, Director & Senior Executive Officer, Head of Administration Headquarters
 TEL: +81-3-5577-4501
 Scheduled date for general meeting of shareholders: March 27, 2019
 Scheduled date for dividend payment: March 28, 2019
 Scheduled date for submission of securities report: March 27, 2019
 Supplementary materials for financial summaries: Yes
 Holding of financial results briefing: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Highlights

(1) Consolidated Results of Operation (% indicates changes from the previous corresponding period)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2018	45,232	(1.6)	1,481	73.2	1,913	56.8	804	7.6
FY2017	45,957	(10.5)	855	(45.8)	1,220	(39.4)	747	(45.9)

(NOTE) Comprehensive Income (loss): FY2018 (581) million yen [- %] FY2017 1,019 million yen [36.1%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income /total assets	Operating income /net sales
	yen	yen	%	%	%
FY2018	30.73	—	1.2	2.3	3.3
FY2017	27.62	—	1.1	1.4	1.9

(Reference) Equity in earnings of affiliates: FY2018 78 million yen FY2017 32 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2018	80,704	66,013	81.6	2,522.95
FY2017	84,731	68,830	80.9	2,531.39

(Reference) Shareholders' equity: FY2018 65,881 million yen FY2017 68,552 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
	million yen	million yen	million yen	million yen
FY2018	2,152	(677)	(2,381)	19,399
FY2017	3,927	(440)	(1,163)	20,477

2. Dividends

	Dividends per share					Total dividends paid	Dividend payout ratio (consolidated)	Ratio of dividends to equity (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY2017	—	24.00	—	14.00	38.00	1,036	137.6	1.5
FY2018	—	14.00	—	14.00	28.00	740	91.1	1.1
FY2019 (Forecast)	—	14.00	—	14.00	28.00		56.4	

(Note) Breakdown of interim dividends for FY2017: Ordinary dividend 14.00 yen Commemorative dividend for the 60th anniversary 10.00 yen

3. Consolidated financial results forecasts for the fiscal year ending December 31, 2019 (FY2019)

(% indicates changes from the previous corresponding period)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	49,500	9.4	1,900	28.3	2,300	20.2	1,300	61.6	49.65

※ Notes

(1) Changes in important subsidiaries during the period

(Changes in specified subsidiaries accompanying changes in scope of consolidation): None

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

- ① Changes in accounting policies due to revisions of accounting standards, etc.: None
 ② Changes due to accounting policies other than ①: None
 ③ Change in accounting estimates: None
 ④ Restatements: None

(3) Number of shares outstanding (common stock)

① Number of shares outstanding at the end of the period (including treasury stock)

As of December 31, 2018 27,582,573 shares
 As of December 31, 2017 28,882,573 shares

② Number of treasury stock at the end of the period

As of December 31, 2018 1,469,573 shares
 As of December 31, 2017 1,801,594 shares

③ Average number of shares during the period

FY2018 (Full year-end) 26,182,903 shares
 FY2017 (Full year-end) 27,080,255 shares

(Reference) Summary of Non-consolidated Financial Statements

1. Non-consolidated Financial Highlights (From January 1, 2018 to December 31, 2018)

(1) Non-Consolidated Results of Operations

(% indicates year-on-year changes)

	Net income		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2018	24,718	(7.8)	326	(5.5)	1,189	46.9	932	31.9
FY2017	26,803	(12.6)	345	(81.6)	809	(66.2)	707	(54.7)
	Net income per share		Diluted net income per share					
	yen		yen					
FY2018	35.62		—					
FY2017	26.12		—					

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2018	62,879	54,502	86.7	2,087.19
FY2017	65,515	56,374	86.0	2,081.71

(Reference) Shareholders' equity: As of December 31, 2018 54,502 million yen As of December 31, 2017 56,374 million yen

※ This financial results report is exempt from review by certified public accountant or auditing firm.

※ Explanations regarding the appropriate use of forecast of operating results and other special items

Forward-looking statements such as earnings forecasts and other projections contained in this document are based on information available at the time of disclosure and assumptions that management believes to be reasonable. Actual results may differ materially from expectations due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: million yen)

	FY2017 (as of December 31, 2017)	FY2018 (as of December 31, 2018)
Assets		
Current assets		
Cash and deposit	26,221	25,536
Notes and account receivable – trade	1,820	1,791
Accounts receivable from completed businesses	19,441	19,518
Lease receivables and lease investment assets	2,546	2,440
Marketable securities	1,480	899
Payments for uncompleted businesses	2,649	2,395
Merchandise and finished goods	911	755
Work in process	672	651
Raw materials and supplies	1,813	1,859
Deferred tax assets	437	302
Other	1,785	1,757
Allowance for doubtful accounts	(12)	(19)
Total current assets	59,767	57,888
Non-currents assets		
Property, plant, and equipment		
Buildings and structures	14,527	14,589
Accumulated depreciation	(9,528)	(9,750)
Buildings and structures - net	4,999	4,838
Machinery, equipment and vehicles	6,387	6,516
Accumulated depreciation	(5,437)	(5,476)
Machinery, equipment and vehicles - net	949	1,040
Tools, furniture and fixtures	1,635	1,648
Accumulated depreciation	(1,513)	(1,504)
Tools, furniture, and fixtures - net	121	143
Land	6,255	6,251
Leased assets	564	517
Accumulated depreciation	(314)	(277)
Lease assets - net	250	239
Construction in progress	22	55
Total property, plant and equipment	12,598	12,568
Intangible assets		
Software	1,079	1,014
Software in progress	33	80
Goodwill	270	142
Other	192	127
Total intangible assets	1,576	1,364

(Unit: million yen)

	FY2017 (as of December 31, 2017)	FY2018 (as of December 31, 2018)
Investments and other assets		
Investment securities	7,446	6,017
Long-term loans receivable	72	72
Net defined benefit asset	1,525	1,306
Deferred tax assets	298	29
Investment properties	534	534
Accumulated depreciation	(201)	(212)
Investment properties - net	332	321
Other	1,695	1,658
Allowance for doubtful accounts	(581)	(523)
Total investments and other assets	10,788	8,882
Total non-current assets	24,963	22,816
Total assets	84,731	80,704

(Unit: million yen)

	FY2017 (as of December 31, 2017)	FY2018 (as of December 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	552	720
Accounts payable for business	1,658	1,433
Lease obligations	1,037	1,041
Warranty reserve	124	136
Reserve for stock benefits	62	–
Income taxes payable	333	421
Advances received on uncompleted businesses	1,473	1,671
Provision for bonuses	143	137
Provision for losses on order received	160	161
Other	4,950	4,026
Total current liabilities	10,497	9,750
Non-current liabilities		
Lease obligations	1,734	1,614
Provision for retirement benefits	1,965	1,940
Provision for stock benefits	–	57
Deferred tax liabilities	1,117	736
Deferred tax liabilities on revaluation surplus of land	416	416
Other	169	175
Total non-current liabilities	5,404	4,941
Total liabilities	15,901	14,691
Net assets		
Shareholders' equity		
Capital stock	16,174	16,174
Capital surplus	16,519	15,077
Retained earnings	37,406	37,458
Treasury stock	(1,903)	(1,828)
Total shareholders' equity	68,196	66,881
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,942	1,248
Revaluation surplus of land	(2,594)	(2,594)
Foreign currency translation adjustments	680	305
Defined retirement benefit plans	328	41
Total accumulated other comprehensive income	356	(1,000)
Non-controlling interests	277	131
Total net assets	68,830	66,013
Total liabilities and net assets	84,731	80,704

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Profit and Loss Statement

(Unit: million yen)

	FY2017 (From January 31, 2017 to December 31, 2017)	FY2018 (From January 1, 2018 to December 31, 2018)
Net Sales	45,957	45,232
Cost of sales	32,743	31,079
Gross profit	13,213	14,152
Selling and general administrative expenses		
Executive compensation	698	692
Salaries and allowances	4,652	4,960
Provision for bonuses	53	52
Reserve for stock benefits	7	51
Legal welfare expenses	741	768
Retirement benefit expenses	56	124
Travel and transportation expenses	439	472
Rental expenses	379	384
Depreciation	328	309
Research and development expenses	1,654	1,675
Amortization of goodwill	238	77
Other	3,108	3,104
Total selling, general and administrative expenses	12,357	12,671
Operating income	855	1,481
Non-operating income		
Interest income	121	166
Dividends income	84	83
Equity in earnings of affiliates	32	78
Foreign exchange gain	—	7
Insurance income and dividend income	212	102
Real estate rent	53	53
Reversal of doubtful accounts	58	56
Other	46	47
Total non-operating income	609	597
Non-operating expenses		
Interest expense	5	4
Foreign exchange loss	12	—
Provision for doubtful accounts	85	13
Property rental costs	20	15
Loss on sales of non-current assets	119	129
Other	0	1
Total non-operating expenses	244	164
Ordinary income	1,220	1,913

(Unit: million yen)

	FY2017 (From January 31, 2017 to December 31, 2017)	FY2018 (From January 1, 2018 to December 31, 2018)
Extraordinary income		
Gain on sales of non-current assets	167	—
Gain on sales of investment securities	16	9
Total extraordinary income	184	9
Extraordinary losses		
Loss on sales on non-current assets	88	—
Impairment loss	73	44
Total extraordinary losses	162	44
Income before income taxes and minority interests	1,242	1,878
Income taxes – current	555	668
Income taxes – deferred	(25)	434
Total income taxes	529	1,103
Net income	713	774
Net income attributable to non-controlling interests	(34)	(29)
Net income attributable to owners of parent	747	804

Consolidated statements of comprehensive income

(Unit: million yen)

	FY2017 (From January 1, 2017 to December 31, 2017)	FY2018 (From January 1, 2018 to December 31, 2018)
Net income	713	774
Other comprehensive income		
Valuation difference on available-for-sale securities	519	(694)
Foreign currency translation adjustments	(363)	(375)
Remeasurements of defined benefit plans	150	(286)
Total other comprehensive income	306	(1,356)
Comprehensive income (loss)	1,019	(581)
Comprehensive income (loss) attributable to:		
Owners of parent	1,055	(551)
Non-controlling interests	(35)	(30)

(3) Consolidated Statement of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2017

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the period	16,174	16,520	37,497	(1,905)	68,286
Changes during the period					
Cash dividends			(1,036)		(1,036)
Net income attributable to owners of parent			747		747
Purchase of treasury stock				(0)	(0)
Disposition of treasury stock		0		2	2
Retirement of treasury stock					—
Transfer from revaluation reserve for land			197		197
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(0)	(91)	2	(89)
Balance as of the end of the period	16,174	16,519	37,406	(1,903)	68,196

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefits plans	Total accumulated other comprehensive income		
Balance as of the beginning of the period	1,422	(2,397)	1,043	177	246	333	68,865
Changes during the year							
Cash dividends							(1,036)
Net income attributable to owners of parent							747
Purchase of treasury stock							(0)
Disposition of treasury stock							2
Retirement of treasury stock							—
Transfer from revaluation reserve for land							197
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(0)
Net changes in items other than shareholders' equity	519	(197)	(363)	150	109	(55)	54
Total changes during the period	519	(197)	(363)	150	109	(55)	(35)
Balance as of the end of the period	1,942	(2,594)	680	328	356	277	68,830

For the fiscal year ended December 31, 2018

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the period	16,174	16,519	37,406	(1,903)	68,196
Changes during the period					
Cash dividends			(752)		(752)
Net income attributable to owners of parent			804		804
Purchase of treasury stock				(1,703)	(1,703)
Disposition of treasury stock		75		263	338
Retirement of treasury stock		(1,515)		1,515	—
Transfer from revaluation reserve for land					—
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(1)			(1)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(1,441)	52	75	(1,314)
Balance as of the end of the period	16,174	15,077	37,458	(1,828)	66,881

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefits plans	Total accumulated other comprehensive income		
Balance as of the beginning of the period	1,942	(2,594)	680	328	356	277	68,830
Changes during the year							
Cash dividends							(752)
Net income attributable to owners of parent							804
Purchase of treasury stock							(1,703)
Disposition of treasury stock							338
Retirement of treasury stock							—
Transfer from revaluation reserve for land							—
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(1)
Net changes in items other than shareholders' equity	(693)	—	(375)	(286)	(1,356)	(146)	(1,502)
Total changes during the period	(693)	—	(375)	(286)	(1,356)	(146)	(2,816)
Balance as of the end of the period	1,248	(2,594)	305	41	(1,000)	131	66,013

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

	FY2017 (From January 1, 2017 to December 31, 2017)	FY2018 (From January 1, 2018 to December 31, 2018)
Cash flows from operating activities		
Income before income taxes	1,242	1,878
Depreciation	1,236	1,107
Impairment loss	73	44
Amortization of goodwill	238	77
Increase (decrease) in provision for bonuses	(72)	(6)
Interest and dividend income received	(206)	(250)
Interest expense paid	5	4
Equity in losses (earnings) of affiliates	(32)	(78)
Loss (gain) on sale of investment securities	(16)	(9)
Decrease (increase) in receivables	3,612	(112)
Decrease (increase) in inventories	(350)	56
Decrease (increase) in payment for uncompleted businesses	(465)	253
Increase (decrease) in payables	(1,230)	(47)
Increase (decrease) in advances received on uncompleted businesses	378	197
Other	350	(960)
Subtotal	4,765	2,155
Interest and dividends income received	223	274
Interest expense paid	(5)	(4)
Income taxes paid	(1,055)	(272)
Cash flows from operating activities	3,927	2,152
Cash flows from investing activities		
Increase in time deposits	(5,609)	(5,521)
Decrease in time deposits	4,632	5,330
Payment for purchases of marketable securities	—	(600)
Proceeds from sales of marketable securities	1,199	1,200
Payment for purchases of property, plant and equipment and intangible assets	(1,071)	(1,057)
Proceeds from sale of property, plant and equipment and intangible assets	694	12
Payment for purchases of investment securities	(702)	(113)
Proceeds from sales of investment securities	30	25
Payments for short-term loans	(5)	(65)
Payments for long-term loans	(33)	—
Proceeds from collection of loans	6	72
Other	416	38
Cash Flows from investing activities	(440)	(677)
Cash flows from financing activities		
Repayment of lease obligations	(105)	(101)
Proceeds from sales of treasury stock	0	—
Payment for purchase of treasury stock	(0)	(1,410)
Cash dividends paid	(1,036)	(752)
Cash dividends paid to non-controlling interests	(6)	(76)
Other	(13)	(41)
Cash Flows from financing activities	(1,163)	(2,381)
Effect of exchange rate change on cash and cash equivalents	(151)	(172)
Net increase (decrease) in cash and cash equivalents	2,173	(1,078)
Cash and cash equivalents at beginning of period	18,304	20,477
Cash and cash equivalents at end of period	20,477	19,399

Segment Information

Information on net sales, income or loss, assets, liabilities and other items by segment

1. FY2017 (From January 1, 2017 to December 31, 2017)

(Unit: million yen)

	Reportable segments					Adjustment amount	Consolidated
	Infrastructure Maintenance, Management and Renovation	Natural Disaster Prevention and Mitigation	Environment	Natural Resources and Energy	Total		
Sales							
Sales to external customers	19,634	7,993	9,605	8,723	45,957	—	45,957
Intersegment sales or transfers	87	8	3	—	99	(99)	—
Total	19,722	8,002	9,608	8,723	46,056	(99)	45,957
Segment income (loss)	896	126	663	(799)	886	(31)	855
Other items							
Depreciation	439	143	257	395	1,236	—	1,236
Amortization of goodwill	—	—	—	238	238	—	238
Equity in earnings (losses) of affiliates	10	(24)	—	46	32	—	32

2. FY2018 (From January 1, 2018 to December 31, 2018)

(Unit: million yen)

	Reportable segments					Adjustment amount	Consolidated
	Infrastructure Maintenance, Management and Renovation	Natural Disaster Prevention and Mitigation	Environment	Natural Resources and Energy	Total		
Sales							
Sales to external customers	19,216	9,217	8,512	8,287	45,232	—	45,232
Intersegment sales or transfers	53	85	8	—	147	(147)	—
Total	19,269	9,302	8,521	8,287	45,380	(147)	45,232
Segment income (loss)	1,104	391	528	(543)	1,480	1	1,481
Other items							
Depreciation	373	200	242	290	1,107	—	1,107
Amortization of goodwill	—	—	—	77	77	—	77
Equity in earnings (losses) of affiliates	3	12	—	62	78	—	78

Non-consolidated Financial Statements

(1) Balance Sheet

(Unit: million yen)

	FY2017 (as of December 31, 2017)	FY2018 (as of December 31, 2018)
Assets		
Current assets		
Cash and deposits	12,759	11,807
Notes receivable - trade	143	136
Accounts receivable from completed businesses	15,595	15,823
Accounts receivable -trade	149	312
Marketable securities	1,480	899
Payments for uncompleted businesses	2,248	2,081
Merchandise and finished goods	241	239
Work in process	76	92
Raw materials and supplies	190	258
Prepaid expenses	115	114
Deferred tax assets	242	256
Other	1,314	1,116
Total current assets	34,558	33,140
Non-current asset		
Property, plant, and equipment		
Buildings	3,584	3,458
Structures	48	49
Machinery and equipment	348	377
Vehicles	16	10
Tools, furniture and fixtures	23	27
Land	4,584	4,584
Leased assets	63	60
Construction in progress	22	—
Total property, plant, and equipment	8,691	8,567
Intangible assets		
Software	927	959
Software in progress	14	46
Other	8	8
Total intangible assets	950	1,014
Investments and other assets		
Investment securities	6,624	5,211
Shares of subsidiaries and affiliates	12,430	12,515
Long-term loans receivable	323	215
Other	2,065	2,324
Allowance for doubtful accounts	(127)	(109)
Total investments and other assets	21,316	20,157
Total non-current assets	30,957	29,739
Total assets	65,515	62,879

(Unit: million yen)

	FY2017 (as of December 31, 2017)	FY2018 (as of December 31, 2018)
Liabilities		
Current liabilities		
Accounts payable for businesses	1,331	1,097
Accounts payable – trade	36	149
Accounts payable – other	2,516	1,781
Income taxes payable	99	163
Accrued expenses	291	294
Advances received on uncompleted businesses	1,267	1,506
Deposits received	274	272
Provision for bonuses	109	101
Provision for losses on order received	160	161
Warranty reserve	11	13
Reserve for stock benefits	62	—
Other	50	45
Total current liabilities	6,210	5,585
Non-current liabilities		
Provision for retirement benefits	1,817	1,848
Provision for stock benefits	—	57
Deferred tax liabilities	650	416
Deferred tax liabilities on revaluation surplus of land	416	416
Other	46	52
Total non-current liabilities	2,930	2,791
Total liabilities	9,141	8,376
Net assets		
Shareholders' equity		
Capital stock	16,174	16,174
Capital surplus		
Legal capital surplus	4,043	4,043
Other capital surplus	11,862	10,422
Total capital surplus	15,905	14,465
Retained earnings		
Legal reserve	488	488
Other retained earnings		
General reserve	23,307	23,307
Retained earnings brought forward	3,066	3,247
Total retained earnings	26,861	27,042
Treasury stock	(1,903)	(1,828)
Total shareholders' equity	57,038	55,854
Valuation and translation adjustments		
Unrealized gain on available-for-sale securities	1,931	1,243
Revaluation surplus of land	(2,594)	(2,594)
Total valuation and translation adjustments	(663)	(1,351)
Total net assets	56,374	54,502
Total liabilities and net assets	65,515	62,879

(2) Statement of Income

(Unit: million yen)

	FY2017 (From January 1, 2017 to December 31, 2017)	FY2018 (From January 1, 2018 to December 31, 2018)
Net Sales	26,803	24,718
Cost of sales	20,459	18,182
Gross profit	6,344	6,536
Selling and general administrative expenses	5,998	6,209
Operating income	345	326
Non-operating income		
Interest and dividend income received	310	662
Insurance income and insurance dividend	92	94
Rent on real estate	101	101
Other	47	43
Total non-operating income	551	902
Non-operating expenses		
Interest expenses	1	0
Provision for doubtful accounts	33	—
Property rental costs	48	33
Other	3	5
Total non-operating expenses	87	39
Ordinary income	809	1,189
Extraordinary income		
Gain on sales of non-current assets	167	—
Gain on sales of investment securities	16	9
Total extraordinary income	184	9
Extraordinary Losses		
Loss on sale of non-current assets	88	—
Total extraordinary losses	88	—
Income before income taxes	904	1,198
Income taxes – current	198	216
Income taxes – deferred	(0)	49
Total income taxes	197	265
Net income	707	932

(3) Statement of Changes in Shareholders' Equity

For the fiscal year ended December 31, 2017

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal reserve	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance as of the beginning of the period	16,174	15,905	—	15,905	488	23,307	3,198	26,993
Change during the period								
Cash dividends							(1,036)	(1,036)
Net income							707	707
Purchase of treasury stock								
Disposal of treasury stock			0	0				
Retirement of treasury stock								
Transfer from revaluation Reserve for land							197	197
Transfer from legal capital surplus		(11,862)	11,862					
Net changes in items other than shareholders' equity								
Total changes during the period	—	(11,862)	11,862	0	—	—	(131)	(131)
Balance as of the end of the period	16,174	4,043	11,862	15,905	488	23,307	3,066	26,861

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain (loss) on available-for-sale securities	Revaluation surplus of land	Total valuation and translation adjustments	
Balance as of the beginning of the period	(1,905)	57,168	1,418	(2,397)	(978)	56,189
Change during the period						
Cash dividends		(1,036)				(1,036)
Net income		707				707
Purchase of treasury stock	(0)	(0)				(0)
Disposal of treasury stock	2	2				2
Retirement of treasury stock		—				—
Transfer from revaluation Reserve for land		197				197
Transfer from legal capital surplus		—				—
Net changes in items other than shareholders' equity			512	(197)	314	314
Total changes during the period	2	(129)	512	(197)	314	185
Balance as of the end of the period	(1,903)	57,038	1,931	(2,594)	(663)	56,374

For the fiscal year ended December 31, 2018

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance as of the beginning of the period	16,174	4,043	11,862	15,905	488	23,307	3,066	26,861
Change during the period								
Cash dividends							(752)	(752)
Net income							932	932
Purchase of treasury stock								
Disposal of treasury stock			75	75				
Retirement of treasury stock			(1,515)	(1,515)				
Transfer from revaluation Reserve for land								
Transfer from legal capital surplus								
Net changes in items other than shareholders' equity								
Total changes during the period	—	—	(1,440)	(1,440)	—	—	180	180
Balance as of the end of the period	16,174	4,043	10,422	14,465	488	23,307	3,247	27,042

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain (loss) on available-for-sale securities	Revaluation surplus of land	Total valuation and translation adjustments	
Balance as of the beginning of the period	(1,903)	57,038	1,931	(2,594)	(663)	56,374
Change during the period						
Cash dividends		(752)				(752)
Net income		932				932
Purchase of treasury stock	(1,703)	(1,703)				(1,703)
Disposal of treasury stock	263	338				338
Retirement of treasury stock	1,515	—				—
Transfer from revaluation Reserve for land		—				—
Transfer from legal capital surplus		—				—
Net changes in items other than shareholders' equity			(687)	—	(687)	(687)
Total changes during the period	75	(1,184)	(687)	—	(687)	(1,872)
Balance as of the end of the period	(1,828)	55,854	1,243	(2,594)	(1,351)	54,502