

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	98,140	168,186
Notes and accounts receivable - trade	184,237	188,886
Securities	55,294	5,000
Merchandise and finished goods	11,365	8,475
Work in process	12,201	6,083
Raw materials and supplies	29,239	30,275
Deferred tax assets	5,628	6,239
Other	37,932	40,558
Allowance for doubtful accounts	(564)	(663)
Total current assets	433,475	453,041
Non-current assets		
Property, plant and equipment		
Buildings and structures	183,230	187,600
Accumulated depreciation	(98,000)	(103,603)
Buildings and structures, net	85,230	83,997
Machinery, equipment and vehicles	320,268	322,265
Accumulated depreciation	(232,458)	(239,958)
Machinery, equipment and vehicles, net	87,810	82,307
Tools, furniture and fixtures	113,145	113,925
Accumulated depreciation	(99,707)	(101,900)
Tools, furniture and fixtures, net	13,437	12,024
Land	27,845	27,117
Leased assets	3,094	2,762
Accumulated depreciation	(2,948)	(2,657)
Leased assets, net	146	104
Construction in progress	26,728	8,315
Total property, plant and equipment	241,197	213,867
Intangible assets		
Goodwill	556	6,403
Other	1,816	1,400
Total intangible assets	2,372	7,804
Investments and other assets		
Investment securities	16,114	15,955
Deferred tax assets	19,036	27,685
Net defined benefit asset	96	–
Other	7,558	7,711
Allowance for doubtful accounts	(171)	(169)
Total investments and other assets	42,634	51,182
Total non-current assets	286,204	272,853
Total assets	719,680	725,895

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	177,163	178,714
Short-term loans payable	39,361	48,538
Current portion of long-term loans payable	39,841	23,881
Accrued expenses	45,326	41,427
Income taxes payable	9,706	7,168
Provision for product warranties	2,030	7,238
Provision for directors' bonuses	279	248
Provision for loss on business liquidation	–	23,019
Asset retirement obligations	–	78
Other	22,016	18,892
Total current liabilities	335,725	349,208
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	47,577	52,505
Net defined benefit liability	44,506	54,471
Provision for directors' retirement benefits	464	311
Asset retirement obligations	288	250
Other	7,079	6,001
Total non-current liabilities	119,916	133,539
Total liabilities	455,642	482,748
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	9,096	8,691
Retained earnings	200,026	199,475
Treasury shares	(4,618)	(4,050)
Total shareholders' equity	212,904	212,515
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,119	1,507
Foreign currency translation adjustment	7,910	(3,125)
Remeasurements of defined benefit plans	(7,142)	(13,080)
Total accumulated other comprehensive income	2,888	(14,699)
Subscription rights to shares	332	72
Non-controlling interests	47,912	45,257
Total net assets	264,038	243,146
Total liabilities and net assets	719,680	725,895

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	1,305,502	1,415,772
Cost of sales	1,189,652	1,269,676
Gross profit	115,850	146,095
Selling, general and administrative expenses		
Transportation and warehousing expenses	8,106	7,383
Salaries and bonuses	31,860	32,814
Welfare expenses	5,199	5,422
Retirement benefit expenses	934	896
Provision for directors' bonuses	272	212
Provision for directors' retirement benefits	69	80
Taxes and dues	2,367	2,841
Depreciation	3,434	3,732
Research and development expenses	1,628	1,159
Amortization of goodwill	744	753
Other	28,840	31,305
Total selling, general and administrative expenses	83,456	86,603
Operating income	32,393	59,492
Non-operating income		
Interest income	1,397	1,323
Dividend income	102	121
Rent income on non-current assets	712	735
Share of profit of entities accounted for using equity method	1,117	554
Foreign exchange gains	4,363	–
Other	5,542	3,987
Total non-operating income	13,236	6,722
Non-operating expenses		
Interest expenses	1,808	2,445
Loss on retirement of non-current assets	412	477
Depreciation	566	492
Foreign exchange losses	–	2,477
Other	1,750	4,198
Total non-operating expenses	4,538	10,092
Ordinary income	41,091	56,123
Extraordinary losses		
Impairment loss	13,875	6,997
Loss on liquidation of business	2,380	892
Provision for loss on business liquidation	–	23,019
Provision for product warranties	–	1,268
Total extraordinary losses	16,256	32,177
Profit before income taxes	24,834	23,945
Income taxes - current	15,472	16,537
Income taxes - deferred	(1,084)	(3,823)
Total income taxes	14,387	12,713
Profit	10,447	11,231
Profit attributable to non-controlling interests	5,242	7,331
Profit attributable to owners of parent	5,204	3,900

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	10,447	11,231
Other comprehensive income		
Valuation difference on available-for-sale securities	677	(613)
Deferred gains or losses on hedges	1	–
Foreign currency translation adjustment	14,911	(14,009)
Remeasurements of defined benefit plans, net of tax	(4,840)	(5,962)
Share of other comprehensive income of entities accounted for using equity method	388	(308)
Total other comprehensive income	11,137	(20,893)
Comprehensive income	21,585	(9,661)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,545	(13,687)
Comprehensive income attributable to non-controlling interests	9,039	4,025

Consolidated statements of changes in equity

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	8,400	9,098	198,363	(4,659)	211,202
Cumulative effects of changes in accounting policies			(206)		(206)
Restated balance	8,400	9,098	198,157	(4,659)	210,996
Changes of items during period					
Dividends of surplus			(3,335)		(3,335)
Profit attributable to owners of parent			5,204		5,204
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)		41	39
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1)	1,868	40	1,907
Balance at end of current period	8,400	9,096	200,026	(4,618)	212,904

	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	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,464	(2)	(3,645)	(2,269)	(4,452)	515	41,816	249,082
Cumulative effects of changes in accounting policies							(8)	(214)
Restated balance	1,464	(2)	(3,645)	(2,269)	(4,452)	515	41,808	248,867
Changes of items during period								
Dividends of surplus								(3,335)
Profit attributable to owners of parent								5,204
Purchase of treasury shares								(0)
Disposal of treasury shares								39
Net changes of items other than shareholders' equity	655	2	11,555	(4,872)	7,341	(182)	6,104	13,262
Total changes of items during period	655	2	11,555	(4,872)	7,341	(182)	6,104	15,170
Balance at end of current period	2,119	-	7,910	(7,142)	2,888	332	47,912	264,038

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	8,400	9,096	200,026	(4,618)	212,904
Changes of items during period					
Dividends of surplus			(4,451)		(4,451)
Profit attributable to owners of parent			3,900		3,900
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		42		568	611
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(447)			(447)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(405)	(550)	567	(388)
Balance at end of current period	8,400	8,691	199,475	(4,050)	212,515

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling 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	2,119	7,910	(7,142)	2,888	332	47,912	264,038
Changes of items during period							
Dividends of surplus							(4,451)
Profit attributable to owners of parent							3,900
Purchase of treasury shares							(1)
Disposal of treasury shares							611
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(447)
Net changes of items other than shareholders' equity	(612)	(11,036)	(5,938)	(17,587)	(259)	(2,655)	(20,502)
Total changes of items during period	(612)	(11,036)	(5,938)	(17,587)	(259)	(2,655)	(20,891)
Balance at end of current period	1,507	(3,125)	(13,080)	(14,699)	72	45,257	243,146

Consolidated statements of cash flows

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	24,834	23,945
Depreciation	40,121	41,012
Impairment loss	13,875	6,997
Loss on liquidation of business	2,380	583
Amortization of goodwill	744	753
Increase (decrease) in net defined benefit liability	1,828	2,048
Interest and dividend income	(1,499)	(1,444)
Interest expenses	1,808	2,445
Increase (decrease) in provision for loss on business liquidation	–	23,019
Foreign exchange losses (gains)	(1,628)	814
Share of (profit) loss of entities accounted for using equity method	(1,117)	(554)
Loss (gain) on sales of property, plant and equipment	(238)	(60)
Decrease (increase) in notes and accounts receivable - trade	2,026	(19,430)
Decrease (increase) in inventories	(290)	4,045
Decrease (increase) in accounts receivable - other	(2,413)	(5,589)
Increase (decrease) in notes and accounts payable - trade	(3,926)	16,061
Increase (decrease) in accounts payable - other	1,170	(1,783)
Increase (decrease) in accrued expenses	3,274	(2,218)
Other, net	(4,693)	7,240
Subtotal	76,258	97,886
Interest and dividend income received	2,816	2,222
Interest expenses paid	(1,859)	(2,389)
Income taxes paid	(11,678)	(18,808)
Net cash provided by (used in) operating activities	65,536	78,912
Cash flows from investing activities		
Purchase of property, plant and equipment	(54,962)	(36,392)
Proceeds from sales of property, plant and equipment	2,849	2,249
Purchase of investment securities	(82)	(684)
Payments of loans receivable	(150)	(58)
Collection of loans receivable	97	138
Payments into time deposits	(1,228)	(3,860)
Proceeds from withdrawal of time deposits	1,306	1,073
Proceeds from sales of shares of subsidiaries	1,118	–
Payments for transfer of business	–	(9,700)
Other, net	(563)	(852)
Net cash provided by (used in) investing activities	(51,615)	(48,086)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	9,036	12,350
Proceeds from long-term loans payable	6,361	29,611
Repayments of long-term loans payable	(6,677)	(39,468)
Cash dividends paid	(3,335)	(4,452)
Dividends paid to non-controlling interests	(4,476)	(6,279)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(519)
Other, net	(391)	18
Net cash provided by (used in) financing activities	516	(8,739)
Effect of exchange rate change on cash and cash equivalents	2,407	(4,675)
Net increase (decrease) in cash and cash equivalents	16,845	17,410
Cash and cash equivalents at beginning of period	126,648	143,493
Cash and cash equivalents at end of period	143,493	160,904