

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

(Millions of yen, except per share amounts; Percentages indicate year-on-year changes)

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2015	
		%		%
Net sales	50,246	2.2	49,153	4.5
Operating income	7,973	30.6	6,106	(0.1)
Ordinary income	8,197	25.5	6,531	1.4
Net income attributable to owners of the Parent	4,854	11.3	4,361	11.1
Basic earnings per share (Yen)	83.08		74.62	
Diluted earnings per share (Yen)	-		-	
Return on equity (%)	9.2		9.0	
Ratio of ordinary income to total assets (%)	10.8		9.3	
Ratio of operating income to net sales (%)	15.9		12.4	

Note: Comprehensive income 3,720 million yen [(47.5%)] 7,083 million yen [53.1%]

Reference: Share of profit of entities accounted for using equity method — million yen (9) million yen

2) Consolidated financial position

(Millions of yen)

	March 31, 2016	March 31, 2015
Total assets	77,510	74,262
Total equity	54,855	52,021
Ratio of equity attributable to owners of the Parent	70.0%	69.3%
Equity per share attributable to owners of the Parent (Yen)	928.28	881.06

Reference: Equity attributable to owners of the Parent 54,240 million yen 51,487 million yen

3) Consolidated Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015
Operating activities	7,532	7,486
Investing activities	(2,286)	(1,536)
Financing activities	(967)	(971)
Cash and cash equivalents at the end of period	20,075	15,943

2 . Dividends

	Year ending March 31, 2017 (Forecast)	Year ending March 31, 2016	Year ended March 31, 2015
Annual cash dividends per share (Yen)			
1st quarter end	-	-	-
2nd quarter end	8.50	7.50	6.00
3rd quarter end	-	-	-
Fiscal year end	8.50	8.50	7.50
Total	17.00	16.00	13.50
Total amount of annual cash dividends (Millions of yen)		934	788
Consolidated dividend payout ratio (%)	22.1	19.3	18.1
Consolidated dividend on equity attributable to owners of the Parent (%)		1.8	1.6

3 . Forecast of consolidated operating results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of yen, except per share amounts; Percentages indicate year-on-year changes)

	Six months ending September 30, 2016	Year ending March 31, 2017
	%	%
Net sales	23,500 (4.7)	49,000 (2.5)
Operating income	2,900 (22.6)	6,400 (19.7)
Ordinary income	3,000 (24.4)	6,600 (19.5)
Net income attributable to owners of the Parent	2,100 (18.4)	4,500 (7.3)
Basic earnings per share (Yen)	35.94	77.01

4 . Others

Number of issued shares outstanding at the end of the periods (ordinary shares)

	March 31, 2016	March 31, 2015
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	516,801 shares	509,380 shares

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015
Average number of shares outstanding during the period	58,434,927 shares	58,442,183 shares

Explanation 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 report are based on information currently available and certain assumptions judged by management to be reasonable, and do not constitute guarantees of future performance. Actual results may differ materially from expectations due to various factors.

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2015	March 31, 2016
Assets		
Current assets		
Cash and deposits	15,943	20,075
Notes and accounts receivable - trade	13,667	13,780
Electronically recorded monetary claims - operating	1,034	1,086
Merchandise and finished goods	5,829	5,805
Work in process	76	68
Raw materials and supplies	2,560	2,542
Deferred tax assets	621	712
Other	169	185
Allowance for doubtful accounts	△0	△6
Total current assets	39,901	44,251
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,704	5,226
Machinery, equipment and vehicles, net	3,357	2,661
Land	8,790	8,843
Construction in progress	413	950
Other, net	496	526
Total property, plant and equipment	17,762	18,209
Intangible assets		
Software	281	284
Other	53	41
Total intangible assets	335	326
Investments and other assets		
Investment securities	15,346	13,706
Long-term loans receivable	6	5
Deferred tax assets	110	270
Net defined benefit asset	374	300
Other	440	444
Allowance for doubtful accounts	△15	△3
Total investments and other assets	16,263	14,723
Total non-current assets	34,360	33,258
Total assets	74,262	77,510
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,015	7,772
Short-term loans payable	1,990	1,930
Current portion of long-term loans payable	1,198	139
Accrued expenses	1,285	1,333
Income taxes payable	1,222	1,729
Accrued consumption taxes	348	195
Provision for directors' bonuses	79	82
Notes payable - facilities	88	332
Other	2,288	2,901
Total current liabilities	16,516	16,415
Non-current liabilities		
Long-term loans payable	517	1,622
Deferred tax liabilities	719	91
Deferred tax liabilities for land revaluation	1,404	1,349
Provision for directors' retirement benefits	86	98
Net defined benefit liability	2,139	2,204
Asset retirement obligations	348	343
Other	508	529
Total non-current liabilities	5,724	6,239
Total liabilities	22,240	22,655

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2015	March 31, 2016
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,741
Retained earnings	33,501	37,479
Treasury shares	△301	△308
Total shareholders' equity	45,809	49,779
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,707	2,445
Deferred gains or losses on hedges	△2	38
Revaluation reserve for land	2,225	2,280
Foreign currency translation adjustment	△35	△83
Remeasurements of defined benefit plans	△216	△220
Total accumulated other comprehensive income	5,678	4,460
Non-controlling interests	533	614
Total net assets	52,021	54,855
Total liabilities and net assets	74,262	77,510

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	49,153	50,246
Cost of sales	31,296	29,902
Gross profit	17,856	20,344
Selling, general and administrative expenses		
Transportation and warehousing expenses	3,477	4,013
Advertising expenses	541	589
Salaries	2,015	2,118
Provision for directors' bonuses	79	80
Retirement benefit expenses	227	191
Provision for directors' retirement benefits	16	19
Research and development expenses	1,379	1,358
Other	4,012	3,999
Total selling, general and administrative expenses	11,750	12,371
Operating income	6,106	7,973
Non-operating income		
Interest income	12	10
Dividend income	365	451
Foreign exchange gains	184	—
Miscellaneous income	25	38
Total non-operating income	588	500
Non-operating expenses		
Interest expenses	21	19
Loss on sales of notes receivable - trade	1	1
Sales discounts	126	122
Foreign exchange losses	—	131
Miscellaneous loss	14	1
Total non-operating expenses	163	276
Ordinary income	6,531	8,197
Extraordinary income		
Subsidy income	—	17
Insurance income	167	—
Gain on step acquisitions	50	—
Total extraordinary income	217	17
Extraordinary losses		
Loss on retirement of non-current assets	67	146
Impairment loss	—	682
Loss on valuation of investment securities	7	—
Total extraordinary losses	75	829
Profit before income taxes	6,673	7,385
Income taxes - current	2,118	2,767
Income taxes - deferred	172	△317
Total income taxes	2,291	2,449
Profit	4,382	4,936
Profit attributable to non-controlling interests	21	81
Profit attributable to owners of parent	4,361	4,854

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	4,382	4,936
Other comprehensive income		
Valuation difference on available-for-sale securities	2,278	Δ1,259
Deferred gains or losses on hedges	19	40
Revaluation reserve for land	144	55
Foreign currency translation adjustment	101	Δ48
Remeasurements of defined benefit plans, net of tax	157	Δ3
Total other comprehensive income	2,701	Δ1,215
Comprehensive income	7,083	3,720
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,051	3,636
Comprehensive income attributable to non-controlling interests	31	83

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	6,673	7,385
Depreciation	1,743	1,747
Impairment loss	—	682
Increase (decrease) in provision for directors' retirement benefits	Δ5	12
Increase (decrease) in net defined benefit liability	27	95
Interest and dividend income	Δ378	Δ462
Interest expenses	21	19
Loss (gain) on valuation of investment securities	7	—
Insurance income	Δ167	—
Subsidy income	—	Δ17
Loss (gain) on step acquisitions	Δ50	—
Loss on retirement of property, plant and equipment	67	146
Decrease (increase) in notes and accounts receivable - trade	816	Δ281
Decrease (increase) in inventories	103	16
Increase (decrease) in notes and accounts payable - trade	Δ543	Δ67
Increase (decrease) in accrued consumption taxes	248	Δ140
Other, net	Δ62	240
Subtotal	8,502	9,378
Interest and dividend income received	378	462
Interest expenses paid	Δ21	Δ19
Proceeds from insurance income	167	—
Proceeds from subsidy income	—	17
Settlement package received	183	—
Income taxes paid	Δ1,724	Δ2,306
Net cash provided by (used in) operating activities	7,486	7,532
Cash flows from investing activities		
Purchase of property, plant and equipment	Δ953	Δ1,886
Payments for retirement of property, plant and equipment	Δ43	Δ43
Purchase of shares of subsidiaries resulting in change in scope of consolidation	Δ221	—
Purchase of investment securities	Δ192	Δ207
Payments of loans receivable	—	Δ0
Collection of loans receivable	1	1
Decrease (increase) in time deposits	112	—
Other, net	Δ239	Δ150
Net cash provided by (used in) investing activities	Δ1,536	Δ2,286
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	Δ40	Δ60
Proceeds from long-term loans payable	200	1,700
Repayments of long-term loans payable	Δ371	Δ1,653
Purchase of treasury shares	Δ4	Δ7
Cash dividends paid	Δ701	Δ876
Dividends paid to non-controlling interests	Δ3	Δ3
Other, net	Δ51	Δ67
Net cash provided by (used in) financing activities	Δ971	Δ967
Effect of exchange rate change on cash and cash equivalents	338	Δ146
Net increase (decrease) in cash and cash equivalents	5,316	4,131
Cash and cash equivalents at beginning of period	10,627	15,943
Cash and cash equivalents at end of period	15,943	20,075