

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016

(from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results

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

	Nine months ended December 31, 2016		Nine months ended December 31, 2015	
		%		%
Net sales	36,074	(2.6)	37,045	4.2
Operating income	5,310	(11.1)	5,974	39.3
Ordinary income	5,940	(6.3)	6,338	31.6
Net income attributable to owners of the Parent	4,048	(2.2)	4,139	26.1
Basic earnings per share (Yen)	69.28		70.83	
Diluted earnings per share (Yen)	-		-	
Note: Comprehensive income	5,678 million yen	[20.5%]	4,711 million yen	[(12.9%)]

2) Consolidated financial position

(Millions of yen)

	December 31, 2016	March 31, 2016
Total assets	79,834	77,510
Total equity	59,533	54,855
Ratio of equity attributable to owners of the Parent	73.8%	70.0%
Reference: Equity attributable to owners of the Parent	58,884 million yen	54,240 million yen

2 . Dividends

	Year ending March 31, 2017 (Forecast)	Year ending March 31, 2017	Year ended March 31, 2016
Annual cash dividends per share (Yen)			
1st quarter end		-	-
2nd quarter end		8.50	7.50
3rd quarter end		-	-
Fiscal year end	8.50		8.50
Total	17.00		16.00

Note: Revisions to the cash dividends forecasts most recently announced: None

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)

	Year ending March 31, 2017	
		%
Net sales	49,000	(2.5)
Operating income	6,400	(19.7)
Ordinary income	6,600	(19.5)
Net income attributable to owners of the Parent	4,500	(7.3)
Basic earnings per share (Yen)	77.01	

Note: Revisions to the consolidated operating results forecasts most recently announced: None

4 . Others

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

	December 31, 2016	March 31, 2016
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	520,403 shares	516,801 shares

	Nine months ended December 31, 2016	Nine months ended December 31, 2015
Average number of shares outstanding during the period	58,429,870 shares	58,435,617 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, 2016	December 31, 2016
Assets		
Current assets		
Cash and deposits	20,075	20,972
Notes and accounts receivable - trade	13,780	12,990
Electronically recorded monetary claims - operating	1,086	1,094
Merchandise and finished goods	5,805	5,525
Work in process	68	46
Raw materials and supplies	2,542	2,322
Deferred tax assets	712	772
Other	185	164
Allowance for doubtful accounts	△6	△1
Total current assets	44,251	43,887
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,226	5,301
Machinery, equipment and vehicles, net	2,661	2,563
Land	8,843	8,804
Construction in progress	950	2,047
Other, net	526	518
Total property, plant and equipment	18,209	19,235
Intangible assets	326	264
Investments and other assets		
Investment securities	13,706	15,620
Deferred tax assets	270	113
Other	749	718
Allowance for doubtful accounts	△3	△3
Total investments and other assets	14,723	16,448
Total non-current assets	33,258	35,947
Total assets	77,510	79,834
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,772	7,060
Short-term loans payable	1,930	1,930
Current portion of long-term loans payable	139	148
Income taxes payable	1,729	502
Provision for directors' bonuses	82	60
Other	4,762	3,883
Total current liabilities	16,415	13,584
Non-current liabilities		
Long-term loans payable	1,622	1,595
Deferred tax liabilities	91	595
Deferred tax liabilities for land revaluation	1,349	1,349
Provision for directors' retirement benefits	98	110
Net defined benefit liability	2,204	2,213
Asset retirement obligations	343	344
Other	529	507
Total non-current liabilities	6,239	6,716
Total liabilities	22,655	20,301

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2016	December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,741
Retained earnings	37,479	40,513
Treasury shares	Δ308	Δ312
Total shareholders' equity	49,779	52,810
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,445	4,092
Deferred gains or losses on hedges	38	Δ72
Revaluation reserve for land	2,280	2,301
Foreign currency translation adjustment	Δ83	Δ55
Remeasurements of defined benefit plans	Δ220	Δ192
Total accumulated other comprehensive income	4,460	6,073
Non-controlling interests	614	649
Total net assets	54,855	59,533
Total liabilities and net assets	77,510	79,834

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	37,045	36,074
Cost of sales	21,979	21,612
Gross profit	15,066	14,462
Selling, general and administrative expenses		
Transportation and warehousing expenses	2,938	2,935
Advertising expenses	433	472
Salaries	1,590	1,601
Provision for directors' bonuses	55	61
Retirement benefit expenses	147	148
Provision for directors' retirement benefits	14	14
Research and development expenses	984	898
Other	2,926	3,020
Total selling, general and administrative expenses	9,091	9,152
Operating income	5,974	5,310
Non-operating income		
Interest income	8	7
Dividend income	443	567
Foreign exchange gains	—	118
Miscellaneous income	23	40
Total non-operating income	476	734
Non-operating expenses		
Interest expenses	15	13
Sales discounts	89	88
Foreign exchange losses	5	—
Miscellaneous loss	2	2
Total non-operating expenses	112	103
Ordinary income	6,338	5,940
Extraordinary income		
Gain on sales of non-current assets	—	13
Gain on sales of investment securities	—	0
Subsidy income	17	14
Total extraordinary income	17	28
Extraordinary losses		
Loss on sales of non-current assets	—	12
Loss on retirement of non-current assets	63	34
Total extraordinary losses	63	46
Profit before income taxes	6,291	5,922
Income taxes	2,097	1,833
Profit	4,194	4,088
Profit attributable to non-controlling interests	55	40
Profit attributable to owners of parent	4,139	4,048

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	4,194	4,088
Other comprehensive income		
Valuation difference on available-for-sale securities	480	1,645
Deferred gains or losses on hedges	9	△111
Foreign currency translation adjustment	1	27
Remeasurements of defined benefit plans, net of tax	25	27
Total other comprehensive income	516	1,590
Comprehensive income	4,711	5,678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,651	5,640
Comprehensive income attributable to non-controlling interests	59	38