

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results

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

	Six months ended September 30, 2017		Six months ended September 30, 2016	
		%		%
Net sales	24,920	3.4	24,102	(2.3)
Operating income	3,967	16.9	3,393	(9.4)
Ordinary income	4,225	17.9	3,585	(9.6)
Net income attributable to owners of the Parent	2,876	19.3	2,411	(6.3)
Basic earnings per share (Yen)	49.23		41.27	
Diluted earnings per share (Yen)	-		-	
Note: Comprehensive income	4,158 million yen	101.6%	2,062 million yen	[(16.5%)]

2) Consolidated financial position

(Millions of yen)

	September 30, 2017	March 31, 2017
Total assets	86,974	83,432
Total equity	65,101	61,503
Ratio of equity attributable to owners of the Parent	74.0%	72.9%
Reference: Equity attributable to owners of the Parent	64,387 million yen	60,834 million yen

2 . Dividends

	Year ending March 31, 2018 (Forecast)	Year ending March 31, 2018	Year ended March 31, 2017
Annual cash dividends per share (Yen)			
1st quarter end		-	-
2nd quarter end		11.00	8.50
3rd quarter end	-		-
Fiscal year end	11.00		10.00
Total	22.00		18.50

Note: Revisions to the cash dividends forecasts most recently announced: Yes

3 . Forecast of consolidated operating results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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

	Year ending March 31, 2018	
		%
Net sales	50,000	1.1
Operating income	7,500	(4.5)
Ordinary income	7,800	(6.0)
Net income attributable to owners of the Parent	5,500	(5.8)
Basic earnings per share (Yen)	94.14	

Note: Revisions to the consolidated operating results forecasts most recently announced: Yes

4 . Others

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

	September 30, 2017	March 31, 2017
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	526,907 shares	523,062 shares

	Six months ended September 30, 2017	Six months ended September 30, 2016
Average number of shares outstanding during the period	58,423,436 shares	58,430,598 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, 2017	September 30, 2017
Assets		
Current assets		
Cash and deposits	22,817	25,178
Notes and accounts receivable - trade	13,558	13,076
Electronically recorded monetary claims - operating	1,299	1,303
Merchandise and finished goods	5,183	4,816
Work in process	34	51
Raw materials and supplies	2,420	2,422
Deferred tax assets	698	674
Other	238	175
Allowance for doubtful accounts	△1	△0
Total current assets	46,249	47,697
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,749	5,612
Machinery, equipment and vehicles, net	4,997	4,893
Land	8,794	8,843
Construction in progress	74	166
Other, net	657	548
Total property, plant and equipment	20,273	20,064
Intangible assets	323	256
Investments and other assets		
Investment securities	15,728	18,117
Deferred tax assets	97	97
Other	763	743
Allowance for doubtful accounts	△3	△3
Total investments and other assets	16,586	18,955
Total non-current assets	37,183	39,276
Total assets	83,432	86,974
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,118	6,580
Electronically recorded obligations - operating	371	566
Short-term loans payable	1,930	1,930
Current portion of long-term loans payable	134	150
Income taxes payable	946	1,302
Provision for directors' bonuses	78	37
Other	4,535	3,863
Total current liabilities	15,114	14,429
Non-current liabilities		
Long-term loans payable	1,562	1,578
Deferred tax liabilities	717	1,277
Deferred tax liabilities for land revaluation	1,344	1,344
Provision for directors' retirement benefits	84	102
Net defined benefit liability	2,169	2,200
Asset retirement obligations	344	378
Other	592	562
Total non-current liabilities	6,814	7,443
Total liabilities	21,929	21,873

Consolidated Financial Statements
 Consolidated Balance Sheets

(Millions of yen)

	March 31, 2017	September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,741
Retained earnings	42,302	44,594
Treasury shares	△315	△320
Total shareholders' equity	54,596	56,882
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,163	5,422
Deferred gains or losses on hedges	2	△10
Revaluation reserve for land	2,301	2,301
Foreign currency translation adjustment	△84	△80
Remeasurements of defined benefit plans	△144	△127
Total accumulated other comprehensive income	6,237	7,504
Non-controlling interests	668	713
Total net assets	61,503	65,101
Total liabilities and net assets	83,432	86,974

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	24,102	24,920
Cost of sales	14,565	14,731
Gross profit	9,536	10,188
Selling, general and administrative expenses		
Transportation and warehousing expenses	1,979	1,973
Advertising expenses	348	335
Salaries	1,073	1,095
Provision for directors' bonuses	39	31
Retirement benefit expenses	99	94
Provision for directors' retirement benefits	9	9
Research and development expenses	581	605
Other	2,011	2,076
Total selling, general and administrative expenses	6,143	6,221
Operating profit	3,393	3,967
Non-operating income		
Interest income	6	5
Dividend income	409	267
Foreign exchange gains	—	52
Miscellaneous income	37	10
Total non-operating income	454	335
Non-operating expenses		
Interest expenses	9	9
Sales discounts	58	59
Foreign exchange losses	192	—
Miscellaneous loss	1	8
Total non-operating expenses	262	77
Ordinary profit	3,585	4,225
Extraordinary income		
Gain on sales of non-current assets	—	0
Gain on sales of investment securities	0	—
Subsidy income	14	9
Total extraordinary income	14	9
Extraordinary losses		
Loss on sales of non-current assets	9	—
Loss on retirement of non-current assets	11	8
Total extraordinary losses	21	8
Profit before income taxes	3,578	4,226
Income taxes	1,146	1,344
Profit	2,431	2,881
Profit attributable to non-controlling interests	19	5
Profit attributable to owners of parent	2,411	2,876

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	2,431	2,881
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ295	1,268
Deferred gains or losses on hedges	Δ17	Δ13
Foreign currency translation adjustment	Δ74	4
Remeasurements of defined benefit plans, net of tax	18	16
Total other comprehensive income	Δ368	1,276
Comprehensive income	2,062	4,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,049	4,142
Comprehensive income attributable to non-controlling interests	12	15

Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	3,578	4,226
Depreciation	749	1,090
Increase (decrease) in provision for directors' retirement benefits	7	8
Increase (decrease) in net defined benefit liability	3	42
Decrease (increase) in net defined benefit asset	29	27
Interest and dividend income	△416	△272
Interest expenses	9	9
Subsidy income	△14	△9
Loss on retirement of property, plant and equipment	11	8
Decrease (increase) in notes and accounts receivable - trade	1,562	513
Decrease (increase) in inventories	708	397
Increase (decrease) in notes and accounts payable - trade	△1,473	△367
Other, net	△293	204
Subtotal	4,462	5,878
Interest and dividend income received	416	272
Interest expenses paid	△9	△9
Proceeds from subsidy income	14	9
Income taxes (paid) refund	△1,786	△914
Net cash provided by (used in) operating activities	3,096	5,236
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,773	△1,661
Payments for retirement of property, plant and equipment	△43	△2
Purchase of intangible assets	△32	△3
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	13
Purchase of investment securities	△17	△589
Proceeds from sales and redemption of investment securities	400	22
Decrease (increase) in time deposits	—	△1,000
Other, net	5	12
Net cash provided by (used in) investing activities	△1,460	△3,208
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	△19
Proceeds from long-term loans payable	100	100
Repayments of long-term loans payable	△81	△135
Purchase of treasury shares	△2	△5
Cash dividends paid	△496	△584
Dividends paid to non-controlling interests	△3	△3
Other, net	△62	△44
Net cash provided by (used in) financing activities	△546	△691
Effect of exchange rate change on cash and cash equivalents	△192	23
Net increase (decrease) in cash and cash equivalents	897	1,360
Cash and cash equivalents at beginning of period	20,075	22,817
Cash and cash equivalents at end of period	20,973	24,178