

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results

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

	Six months ended September 30, 2016		Six months ended September 30, 2015	
		%		%
Net sales	24,102	(2.3)	24,668	4.4
Operating income	3,393	(9.4)	3,746	35.5
Ordinary income	3,585	(9.6)	3,966	30.8
Net income attributable to owners of the Parent	2,411	(6.3)	2,574	24.7
Basic earnings per share (Yen)	41.27		44.05	
Diluted earnings per share (Yen)	-		-	
Note: Comprehensive income	2,062 million yen [(16.5%)]		2,470 million yen [(8.6%)]	

2) Consolidated financial position

(Millions of yen)

	September 30, 2016	March 31, 2016
Total assets	75,772	77,510
Total equity	56,415	54,855
Ratio of equity attributable to owners of the Parent	73.6%	70.0%
Reference: Equity attributable to owners of the Parent	55,791 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)

	September 30, 2016	March 31, 2016
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	519,473 shares	516,801 shares

	Six months ended September 30, 2016	Six months ended September 30, 2015
Average number of shares outstanding during the period	58,430,598 shares	58,436,282 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	September 30, 2016
Assets		
Current assets		
Cash and deposits	20,075	20,973
Notes and accounts receivable - trade	13,780	12,049
Electronically recorded monetary claims - operating	1,086	1,099
Merchandise and finished goods	5,805	5,310
Work in process	68	34
Raw materials and supplies	2,542	2,319
Deferred tax assets	712	700
Other	185	169
Allowance for doubtful accounts	△6	△3
Total current assets	44,251	42,652
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,226	5,074
Machinery, equipment and vehicles, net	2,661	2,500
Land	8,843	8,824
Construction in progress	950	1,955
Other, net	526	500
Total property, plant and equipment	18,209	18,855
Intangible assets	326	293
Investments and other assets		
Investment securities	13,706	12,897
Deferred tax assets	270	355
Other	749	720
Allowance for doubtful accounts	△3	△3
Total investments and other assets	14,723	13,970
Total non-current assets	33,258	33,119
Total assets	77,510	75,772
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,772	6,054
Short-term loans payable	1,930	1,930
Current portion of long-term loans payable	139	151
Income taxes payable	1,729	1,095
Provision for directors' bonuses	82	38
Other	4,762	3,894
Total current liabilities	16,415	13,164
Non-current liabilities		
Long-term loans payable	1,622	1,628
Deferred tax liabilities	91	54
Deferred tax liabilities for land revaluation	1,349	1,349
Provision for directors' retirement benefits	98	106
Net defined benefit liability	2,204	2,196
Asset retirement obligations	343	344
Other	529	512
Total non-current liabilities	6,239	6,192
Total liabilities	22,655	19,356

Consolidated Financial Statements
 Consolidated Balance Sheets

(Millions of yen)

	March 31, 2016	September 30, 2016
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,741
Retained earnings	37,479	39,373
Treasury shares	△308	△311
Total shareholders' equity	49,779	51,671
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,445	2,156
Deferred gains or losses on hedges	38	21
Revaluation reserve for land	2,280	2,301
Foreign currency translation adjustment	△83	△158
Remeasurements of defined benefit plans	△220	△201
Total accumulated other comprehensive income	4,460	4,119
Non-controlling interests	614	623
Total net assets	54,855	56,415
Total liabilities and net assets	77,510	75,772

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	24,668	24,102
Cost of sales	14,824	14,565
Gross profit	9,844	9,536
Selling, general and administrative expenses		
Transportation and warehousing expenses	1,948	1,979
Advertising expenses	328	348
Salaries	1,066	1,073
Provision for directors' bonuses	36	39
Retirement benefit expenses	95	99
Provision for directors' retirement benefits	9	9
Research and development expenses	650	581
Other	1,962	2,011
Total selling, general and administrative expenses	6,097	6,143
Operating income	3,746	3,393
Non-operating income		
Interest income	5	6
Dividend income	287	409
Miscellaneous income	20	37
Total non-operating income	313	454
Non-operating expenses		
Interest expenses	11	9
Sales discounts	59	58
Foreign exchange losses	19	192
Miscellaneous loss	3	1
Total non-operating expenses	93	262
Ordinary income	3,966	3,585
Extraordinary income		
Gain on sales of investment securities	—	0
Subsidy income	17	14
Total extraordinary income	17	14
Extraordinary losses		
Loss on sales of non-current assets	—	9
Loss on retirement of non-current assets	22	11
Total extraordinary losses	22	21
Profit before income taxes	3,961	3,578
Income taxes	1,361	1,146
Profit	2,599	2,431
Profit attributable to non-controlling interests	25	19
Profit attributable to owners of parent	2,574	2,411

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	2,599	2,431
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ157	Δ295
Deferred gains or losses on hedges	14	Δ17
Foreign currency translation adjustment	Δ2	Δ74
Remeasurements of defined benefit plans, net of tax	17	18
Total other comprehensive income	Δ128	Δ368
Comprehensive income	2,470	2,062
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,439	2,049
Comprehensive income attributable to non-controlling interests	31	12

Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	3,961	3,578
Depreciation	829	749
Increase (decrease) in provision for directors' retirement benefits	3	7
Increase (decrease) in net defined benefit liability	61	3
Interest and dividend income	△293	△416
Interest expenses	11	9
Subsidy income	△17	△14
Loss on retirement of property, plant and equipment	22	11
Decrease (increase) in notes and accounts receivable - trade	1,706	1,562
Decrease (increase) in inventories	247	708
Increase (decrease) in notes and accounts payable - trade	△1,980	△1,473
Other, net	△532	△264
Subtotal	4,019	4,462
Interest and dividend income received	293	416
Interest expenses paid	△10	△9
Proceeds from subsidy income	17	14
Income taxes (paid) refund	△1,324	△1,786
Net cash provided by (used in) operating activities	2,994	3,096
Cash flows from investing activities		
Purchase of property, plant and equipment	△866	△1,773
Proceeds from sales of property, plant and equipment	—	0
Payments for retirement of property, plant and equipment	△6	△43
Purchase of intangible assets	△69	△32
Purchase of investment securities	△203	△17
Proceeds from sales and redemption of investment securities	—	400
Other, net	△26	4
Net cash provided by (used in) investing activities	△1,171	△1,460
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△60	—
Proceeds from long-term loans payable	1,700	100
Repayments of long-term loans payable	△1,570	△81
Purchase of treasury shares	△4	△2
Cash dividends paid	△438	△496
Dividends paid to non-controlling interests	△3	△3
Other, net	△58	△62
Net cash provided by (used in) financing activities	△434	△546
Effect of exchange rate change on cash and cash equivalents	△7	△192
Net increase (decrease) in cash and cash equivalents	1,380	897
Cash and cash equivalents at beginning of period	15,943	20,075
Cash and cash equivalents at end of period	17,324	20,973