

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(1) Consolidated operating results

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

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2016	
		%		%
Net sales	49,467	(1.6)	50,246	2.2
Operating income	7,855	(1.5)	7,973	30.6
Ordinary income	8,294	1.2	8,197	25.5
Net income attributable to owners of the Parent	5,837	20.2	4,854	11.3
Basic earnings per share (Yen)	99.91		83.08	
Diluted earnings per share (Yen)	-		-	
Return on equity (%)	10.1		9.2	
Ratio of ordinary income to total assets (%)	10.3		10.8	
Ratio of operating income to net sales (%)	15.9		15.9	

Note: Comprehensive income 7,650 million yen [105.6%] 3,720 million yen [(47.5%)]

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

(2) Consolidated financial position

(Millions of yen)

	March 31, 2017	March 31, 2016
Total assets	83,432	77,510
Total equity	61,503	54,855
Ratio of equity attributable to owners of the Parent	72.9%	70.0%
Equity per share attributable to owners of the Parent (Yen)	1,041.24	928.28
Reference: Equity attributable to owners of the Parent	60,834 million yen	54,240 million yen

(3) Consolidated Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Operating activities	7,100	7,532
Investing activities	(3,438)	(2,286)
Financing activities	(976)	(967)
Cash and cash equivalents at the end of period	22,817	20,075

2 . Dividends

	Year ending March 31, 2018 (Forecast)	Year ending March 31, 2017	Year ended March 31, 2016
Annual cash dividends per share (Yen)			
1st quarter end	-	-	-
2nd quarter end	10.00	8.50	7.50
3rd quarter end	-	-	-
Fiscal year end	10.00	10.00	8.50
Total	20.00	18.50	16.00
Total amount of annual cash dividends (Millions of yen)		1,080	934
Consolidated dividend payout ratio (%)	22.0	18.5	19.3
Consolidated dividend on equity attributable to owners of the Parent (%)		1.9	1.8

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)

	Six months ending September 30, 2017	Year ending March 31, 2018
	%	%
Net sales	23,800 (1.3)	49,500 0.1
Operating income	3,100 (8.7)	7,000 (10.9)
Ordinary income	3,400 (5.2)	7,400 (10.8)
Net income attributable to owners of the Parent	2,300 (4.6)	5,300 (9.2)
Basic earnings per share (Yen)	39.36	90.71

4 . Others

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

	March 31, 2017	March 31, 2016
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	523,062 shares	516,801 shares

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Average number of shares outstanding during the period	58,428,977 shares	58,434,927 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	2017
Assets		
Current assets		
Cash and deposits	20,075	22,817
Notes and accounts receivable - trade	13,780	13,558
Electronically recorded monetary claims - operating	1,086	1,299
Merchandise and finished goods	5,805	5,183
Work in process	68	34
Raw materials and supplies	2,542	2,420
Deferred tax assets	712	698
Other	185	238
Allowance for doubtful accounts	△6	△1
Total current assets	44,251	46,249
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,226	5,749
Machinery, equipment and vehicles, net	2,661	4,997
Land	8,843	8,794
Construction in progress	950	74
Other, net	526	657
Total property, plant and equipment	18,209	20,273
Intangible assets		
Software	284	293
Other	41	29
Total intangible assets	326	323
Investments and other assets		
Investment securities	13,706	15,728
Long-term loans receivable	5	4
Deferred tax assets	270	97
Net defined benefit asset	300	333
Other	444	426
Allowance for doubtful accounts	△3	△3
Total investments and other assets	14,723	16,586
Total non-current assets	33,258	37,183
Total assets	77,510	83,432

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	March 31	
	2016	2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,772	7,118
Electronically recorded obligations - operating	—	371
Short-term loans payable	1,930	1,930
Current portion of long-term loans payable	139	134
Accrued expenses	1,333	1,342
Income taxes payable	1,729	946
Accrued consumption taxes	195	104
Provision for directors' bonuses	82	78
Notes payable - facilities	332	117
Electronically recorded obligations-facilities	—	436
Other	2,901	2,534
Total current liabilities	16,415	15,114
Non-current liabilities		
Long-term loans payable	1,622	1,562
Deferred tax liabilities	91	717
Deferred tax liabilities for land revaluation	1,349	1,344
Provision for directors' retirement benefits	98	84
Net defined benefit liability	2,204	2,169
Asset retirement obligations	343	344
Other	529	592
Total non-current liabilities	6,239	6,814
Total liabilities	22,655	21,929
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,741
Retained earnings	37,479	42,302
Treasury shares	△308	△315
Total shareholders' equity	49,779	54,596
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,445	4,163
Deferred gains or losses on hedges	38	2
Revaluation reserve for land	2,280	2,301
Foreign currency translation adjustment	△83	△84
Remeasurements of defined benefit plans	△220	△144
Total accumulated other comprehensive income	4,460	6,237
Non-controlling interests	614	668
Total net assets	54,855	61,503
Total liabilities and net assets	77,510	83,432

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31	
	2016	2017
Net sales	50,246	49,467
Cost of sales	29,902	29,236
Gross profit	20,344	20,231
Selling, general and administrative expenses		
Transportation and warehousing expenses	4,013	4,005
Advertising expenses	589	617
Salaries	2,118	2,138
Provision for directors' bonuses	80	79
Retirement benefit expenses	191	191
Provision for directors' retirement benefits	19	21
Research and development expenses	1,358	1,235
Other	3,999	4,087
Total selling, general and administrative expenses	12,371	12,375
Operating profit	7,973	7,855
Non-operating income		
Interest income	10	9
Dividend income	451	575
Miscellaneous income	38	63
Total non-operating income	500	649
Non-operating expenses		
Interest expenses	19	17
Loss on sales of notes receivable - trade	1	1
Sales discounts	122	121
Foreign exchange losses	131	49
Miscellaneous loss	1	20
Total non-operating expenses	276	210
Ordinary profit	8,197	8,294
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	146	38
Impairment loss	682	—
Total extraordinary losses	829	51
Profit before income taxes	7,385	8,271
Income taxes - current	2,767	2,267
Income taxes - deferred	△317	105
Total income taxes	2,449	2,373
Profit	4,936	5,897
Profit attributable to non-controlling interests	81	60
Profit attributable to owners of parent	4,854	5,837

Consolidated Statements of Comprehensive Income

(Millions of yen)

Fiscal year ended March 31

	2016	2017
Profit	4,936	5,897
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ1,259	1,715
Deferred gains or losses on hedges	40	Δ36
Revaluation reserve for land	55	—
Foreign currency translation adjustment	Δ48	Δ1
Remeasurements of defined benefit plans, net of tax	Δ3	75
Total other comprehensive income	Δ1,215	1,753
Comprehensive income	3,720	7,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,636	7,593
Comprehensive income attributable to non-controlling interests	83	57

Consolidated Statements of Cash Flows

(Millions of yen)

Fiscal year ended March 31

	2016	2017
Cash flows from operating activities		
Profit before income taxes	7,385	8,271
Depreciation	1,747	1,645
Impairment loss	682	—
Increase (decrease) in provision for directors' retirement benefits	12	△14
Increase (decrease) in net defined benefit liability	95	40
Interest and dividend income	△462	△585
Interest expenses	19	18
Loss (gain) on sales of investment securities	—	△0
Subsidy income	△17	△14
Loss on retirement of property, plant and equipment	146	38
Loss (gain) on sales of property, plant and equipment	—	△0
Decrease (increase) in notes and accounts receivable - trade	△281	△3
Decrease (increase) in inventories	16	777
Increase (decrease) in notes and accounts payable - trade	△67	△265
Increase (decrease) in accrued consumption taxes	△140	△94
Other, net	240	△185
Subtotal	9,378	9,628
Interest and dividend income received	462	585
Interest expenses paid	△19	△18
Proceeds from subsidy income	17	14
Income taxes paid	△2,306	△3,109
Net cash provided by (used in) operating activities	7,532	7,100
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,886	△3,683
Proceeds from sales of property, plant and equipment	—	54
Payments for retirement of property, plant and equipment	△43	△58
Purchase of investment securities	△207	△20
Proceeds from sales and redemption of investment securities	—	400
Payments of loans receivable	△0	—
Collection of loans receivable	1	0
Other, net	△150	△132
Net cash provided by (used in) investing activities	△2,286	△3,438
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	△1,653	△165
Purchase of treasury shares	△7	△6
Cash dividends paid	△876	△993
Dividends paid to non-controlling interests	△3	△3
Other, net	△67	91
Net cash provided by (used in) financing activities	△967	△976
Effect of exchange rate change on cash and cash equivalents	△146	56
Net increase (decrease) in cash and cash equivalents	4,131	2,741
Cash and cash equivalents at beginning of period	15,943	20,075
Cash and cash equivalents at end of period	20,075	22,817