

# **DATA BOOK 2016**

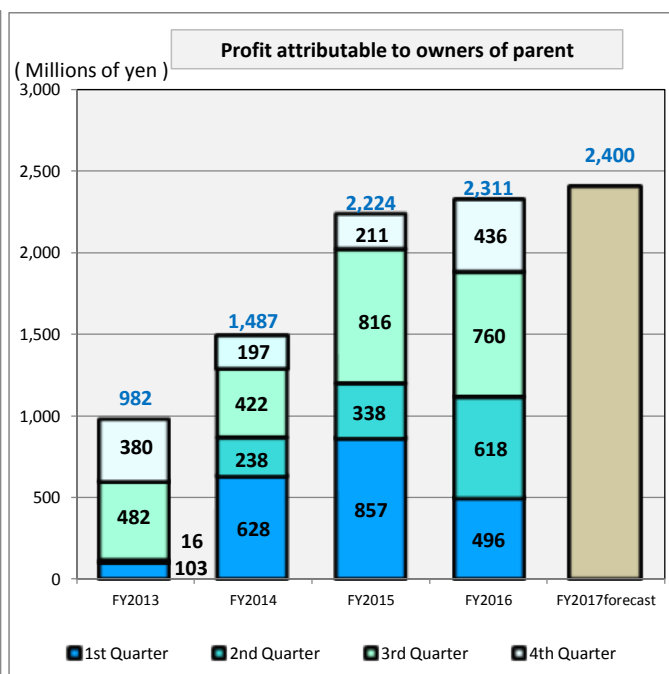
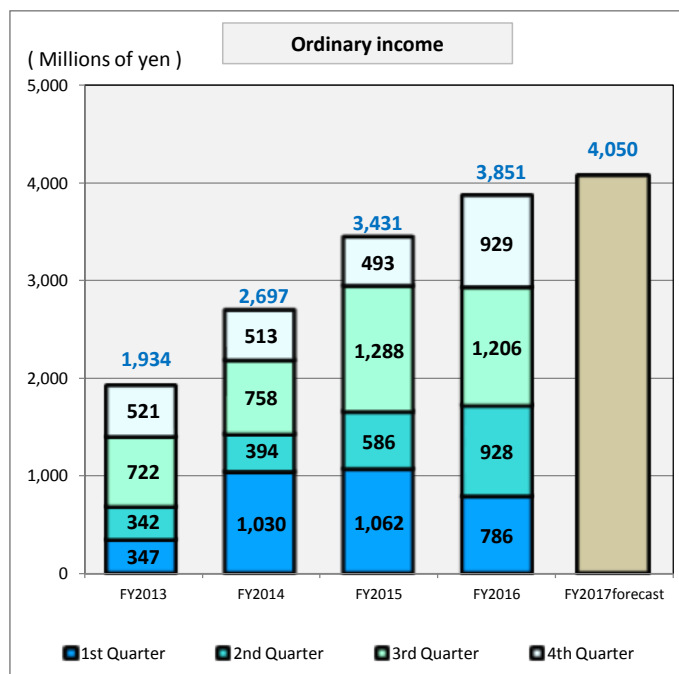
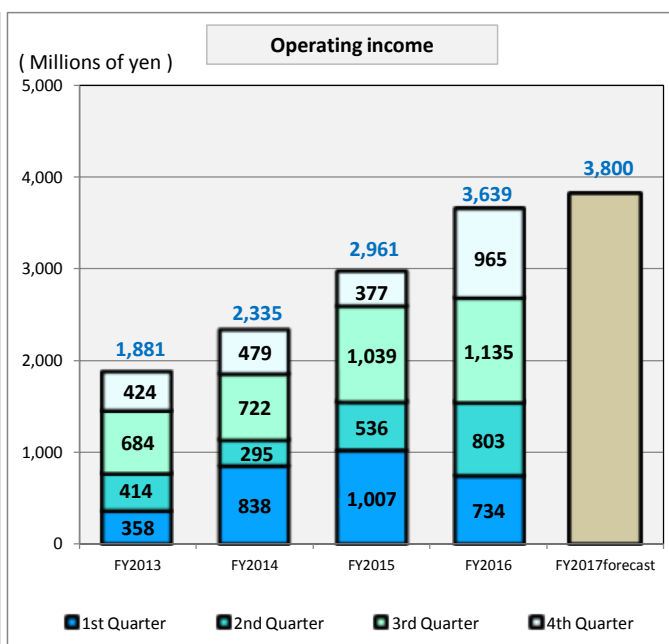
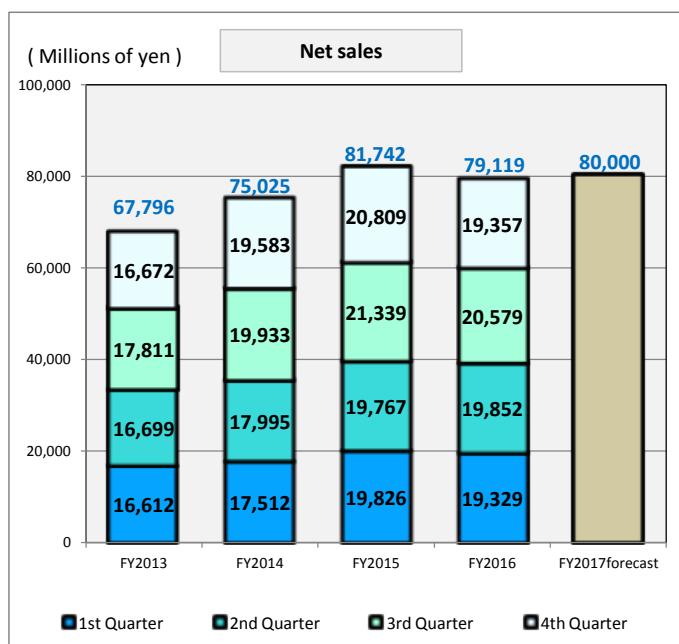
May 9th,2016

Year ended March 31, 2016



**ARAKAWA CHEMICAL INDUSTRIES, LTD.**

### \* Achievement Transition ( Consolidated )

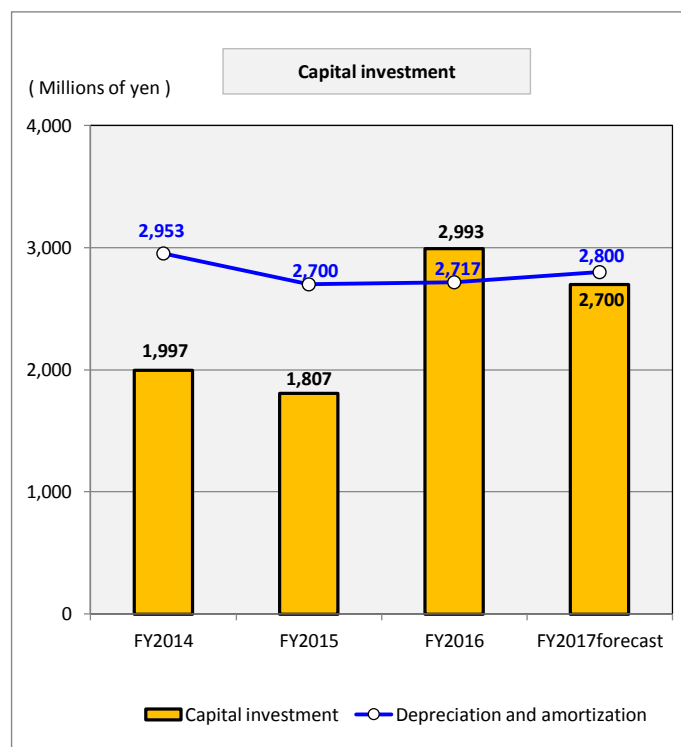
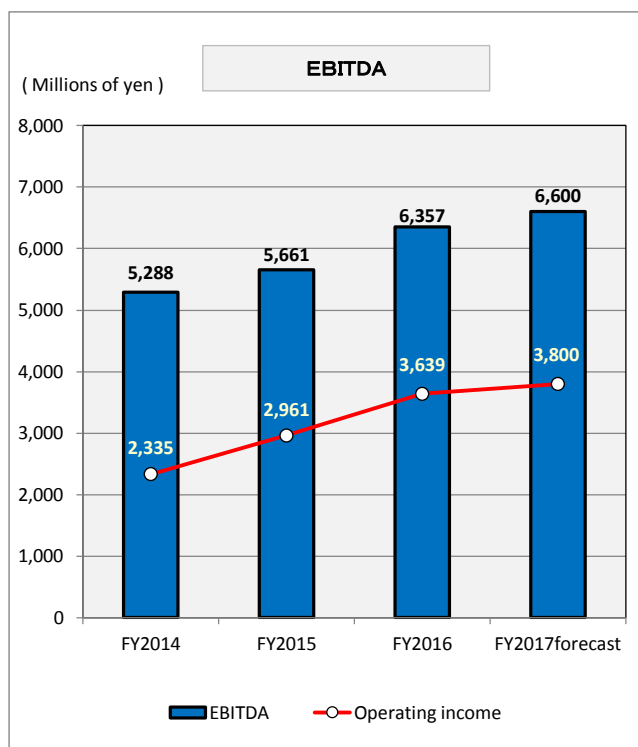


Consolidated	FY2013 ( '12/4-'13/3 )		FY2014 ( '13/4-'14/3 )		FY2015 ( '14/4-'15/3 )		FY2016 ( '15/4-'16/3 )		FY2017forecast ( '16/4-'17/3 )	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Net sales	67,796	△ 4.2	75,025	10.7	81,742	9.0	79,119	△ 3.2	80,000	1.1
Operating income	1,881	5.6	2,335	24.1	2,961	26.8	3,639	22.9	3,800	4.4
Ordinary income	1,934	4.1	2,697	39.4	3,431	27.2	3,851	12.2	4,050	5.2
Profit attributable to owners of parent	982	△ 28.2	1,487	51.3	2,224	49.5	2,311	3.9	2,400	3.8

### \* Achievement Transition ( Non-consolidated )

Non-consolidated	FY2013 ( '12/4-'13/3 )		FY2014 ( '13/4-'14/3 )		FY2015 ( '14/4-'15/3 )		FY2016 ( '15/4-'16/3 )	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Net sales	49,338	△ 5.2	52,509	6.4	55,521	5.7	52,448	△ 5.5
Operating income	533	26.7	106	△ 80.0	392	267.9	1,254	220.0
Ordinary income	1,269	△ 4.8	1,745	37.5	1,783	2.2	2,535	42.1
Net income	759	△ 9.6	1,320	73.9	1,271	△ 3.8	1,917	50.8

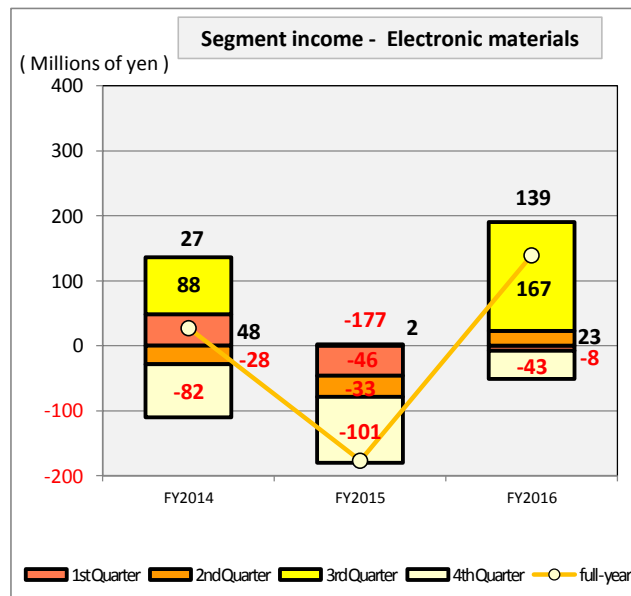
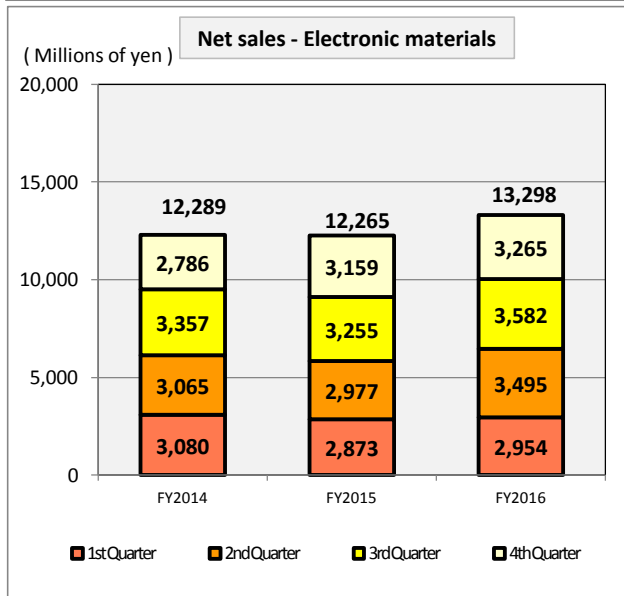
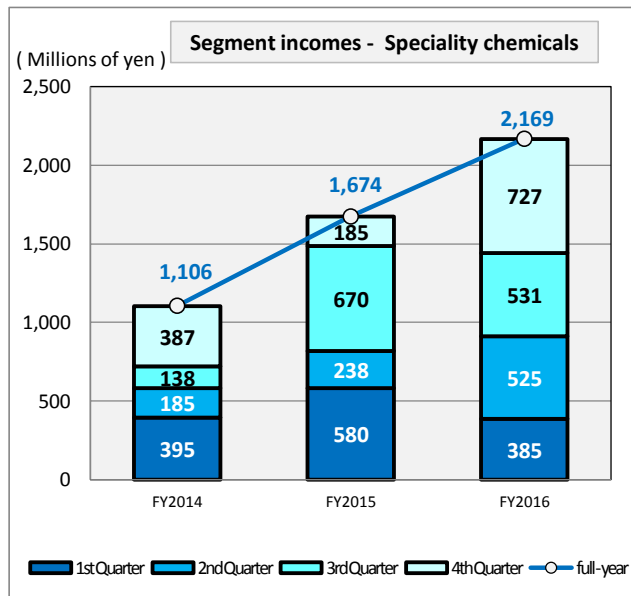
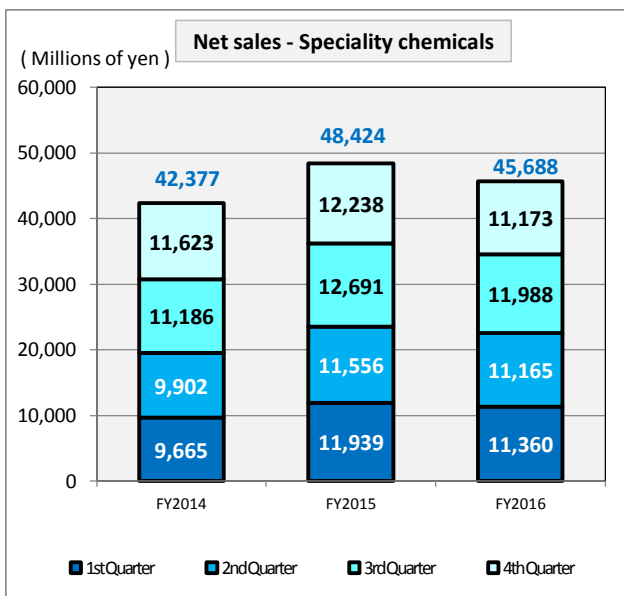
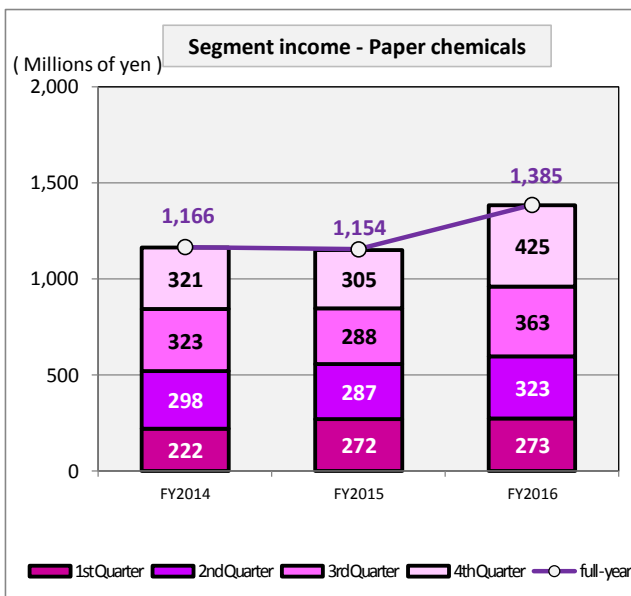
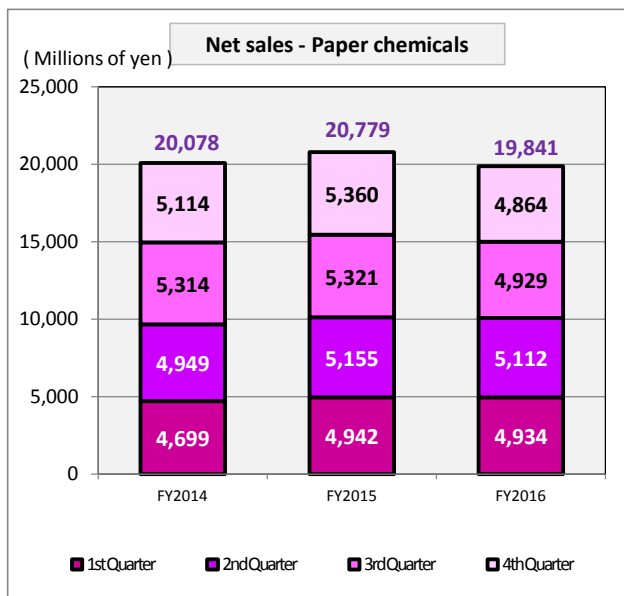
### \* Management index Transition



Consolidated	FY2014 ( <sup>13</sup> /4- <sup>14</sup> /3)		FY2015 ( <sup>14</sup> /4- <sup>15</sup> /3)		FY2016 ( <sup>15</sup> /4- <sup>16</sup> /3)		FY2017forecast ( <sup>16</sup> /4- <sup>17</sup> /3)	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	1,997	906	1,807	△ 189	2,993	1,185	2,700	△ 293
Depreciation and amortization	2,953	△ 405	2,700	△ 252	2,717	17	2,800	82
R&D expenses	2,790	44	2,703	△ 87	2,819	116	3,100	280
Interest-bearing debt	18,605	197	17,275	△ 1,329	17,426	151	16,200	△ 1,226
EBITDA	5,288	267	5,661	373	6,357	695	6,600	242

\* EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization

**\* Segment Information ( Consolidated )**



**\* Segment Information ( Consolidated )**

Consolidated		FY2014 ( '13/4-'14/3 )		FY2015 ( '14/4-'15/3 )		FY2016 ( '15/4-'16/3 )	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Paper chemicals	Net sales	20,078	12.5	20,779	3.5	19,841	△ 4.5
	Segment income	1,166	27.8	1,154	△ 1.1	1,385	20.1
	Segment income/sales	5.8%		5.6%		7.0%	
Speciality chemicals	Net sales	42,377	11.9	48,424	14.3	45,688	△ 5.7
	Segment income	1,106	34.5	1,674	51.3	2,169	29.6
	Segment income/sales	2.6%		3.5%		4.7%	
Electronic materials	Net sales	12,289	3.9	12,265	△ 0.2	13,298	8.4
	Segment income	27	—	△ 177	—	139	—
	Segment income/sales	0.2%		△ 1.4%		1.1%	
Others	Net sales	279	4.3	272	△ 2.5	291	6.9
	Segment income	9	—	12	23.3	13	11.0
	Segment income/sales	3.5%		4.4%		4.6%	
Consolidated total	Net sales	75,025	10.7	81,742	9.0	79,119	△ 3.2
	Segment income	2,310	48.2	2,663	15.3	3,708	39.3
	Segment income/sales	3.1%		3.3%		4.7%	

\* The sales of business segmentation do not include intersegment sales.

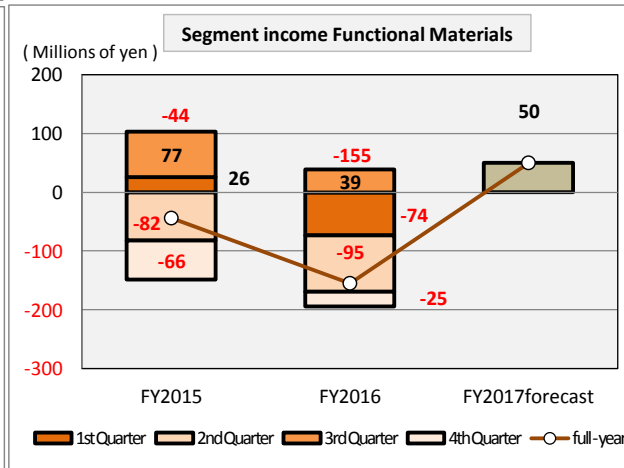
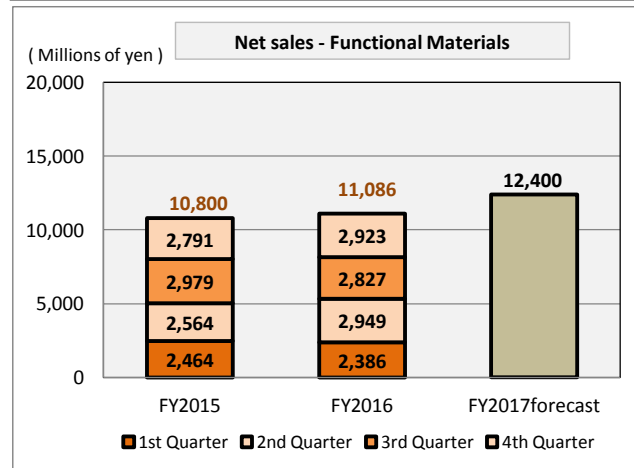
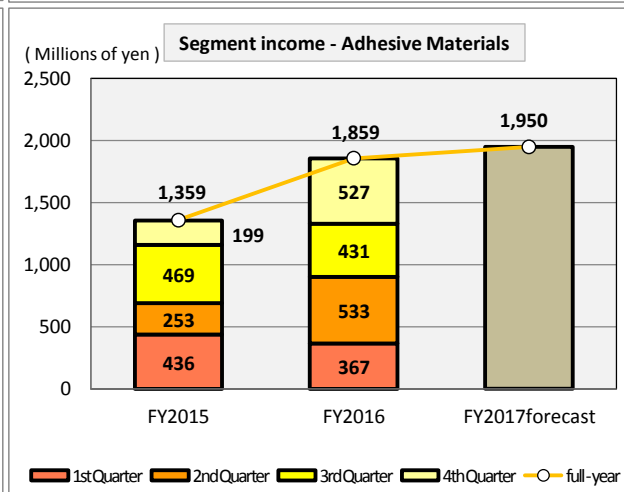
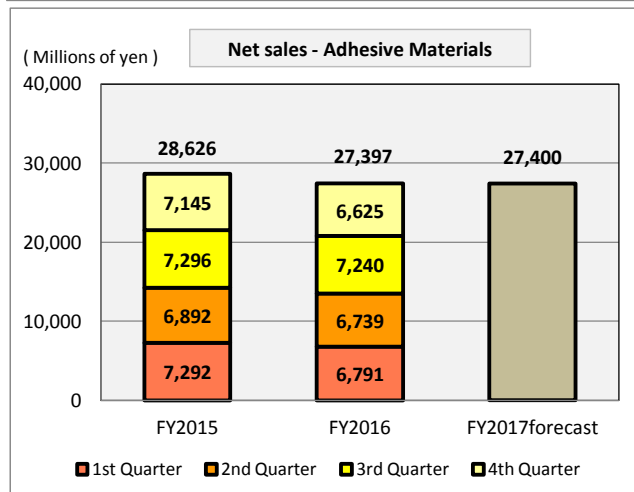
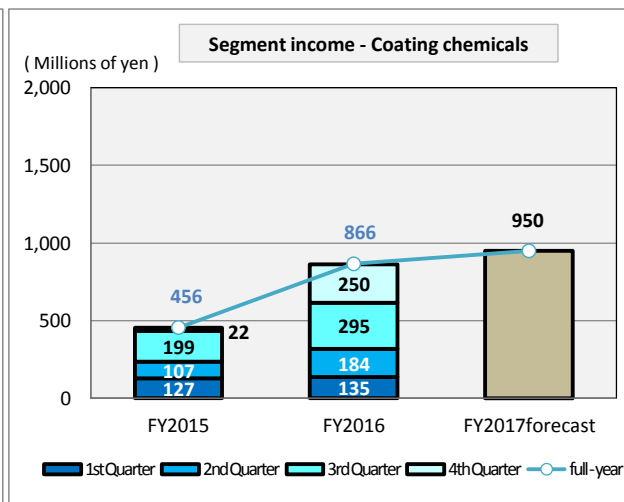
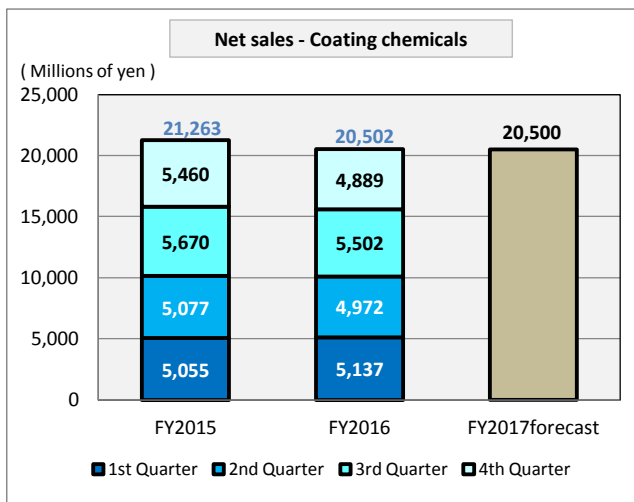
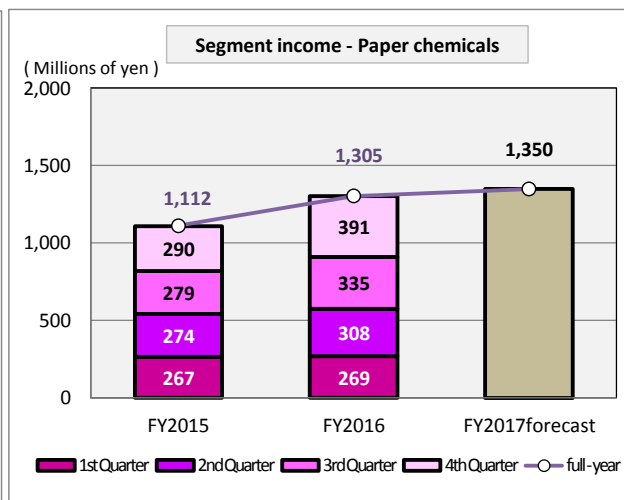
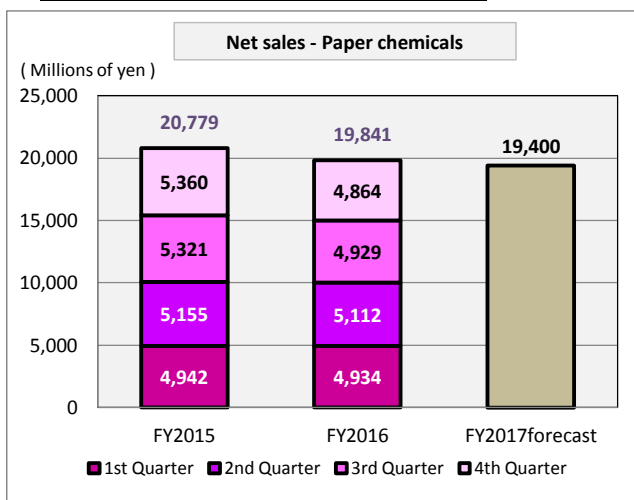
\* Paper chemicals.....Size agent, Paper strengthening agent, Latex, etc.

\* Speciality chemicals.....Printing ink resin, Paint resin, Adhesive resin, Polymerization emulsifier, Colorless rosin derivatives, Functional fine chemical materials, etc.

\* Electronic materials.....UV/EB curable resin, Compound materials for electronics, Polishing agent for hard disk substrates, Flux cleaning solvent, Flux cleaning system, etc.

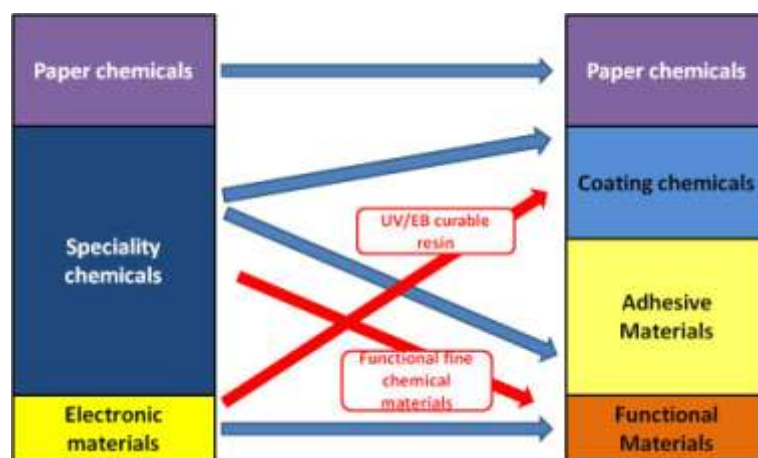
\* Others .....Insurance business, Real estate agent, etc.

**\* Segment Information ( Consolidated )**



### \* Segment Information ( Consolidated )

Consolidated		FY2015 ( '14/4-'15/3 )		FY2016 ( '15/4-'16/3 )		FY2017forecast ( '16/4-'17/3 )	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Paper chemicals	Net sales	20,779	—	19,841	△ 4.5	19,400	△ 2.2
	Segment income	1,112	—	1,305	17.3	1,350	3.4
	Segment income/sales	5.4%		6.6%		7.0%	
Coating chemicals	Net sales	21,263	—	20,502	△ 3.6	20,500	△ 0.0
	Segment income	456	—	866	89.7	950	9.7
	Segment income/sales	2.1%		4.2%		4.6%	
Adhesive Materials	Net sales	28,626	—	27,397	△ 4.3	27,400	0.0
	Segment income	1,359	—	1,859	36.8	1,950	4.8
	Segment income/sales	4.7%		6.8%		7.1%	
Functional Materials	Net sales	10,800	—	11,086	2.6	12,400	11.8
	Segment income	△ 44	—	△ 155	—	50	—
	Segment income/sales	△ 0.4%		△ 1.4%		0.4%	
Others	Net sales	272	—	291	6.9	300	3.0
	Segment income	12	—	13	8.3	10	△ 23.1
	Segment income/sales	4.4%		4.6%		3.3%	
Development Investment		△ 319	—	△ 302	—	△ 400	—
Consolidated total	Net sales	81,742	—	79,119	△ 3.2	80,000	1.1
	Segment income	2,896	—	3,889	34.3	4,310	10.8
	Segment income/sales	3.5%		4.9%		5.4%	



\* The sales of business segmentation do not include intersegment sales.

\* Paper chemicals.....Size agent, Paper strengthening agent, Latex, etc.

\* Coating chemicals.....Printing ink resin, Paint resin, Polymerization emulsifier,  
UV/EB curable resin, etc.

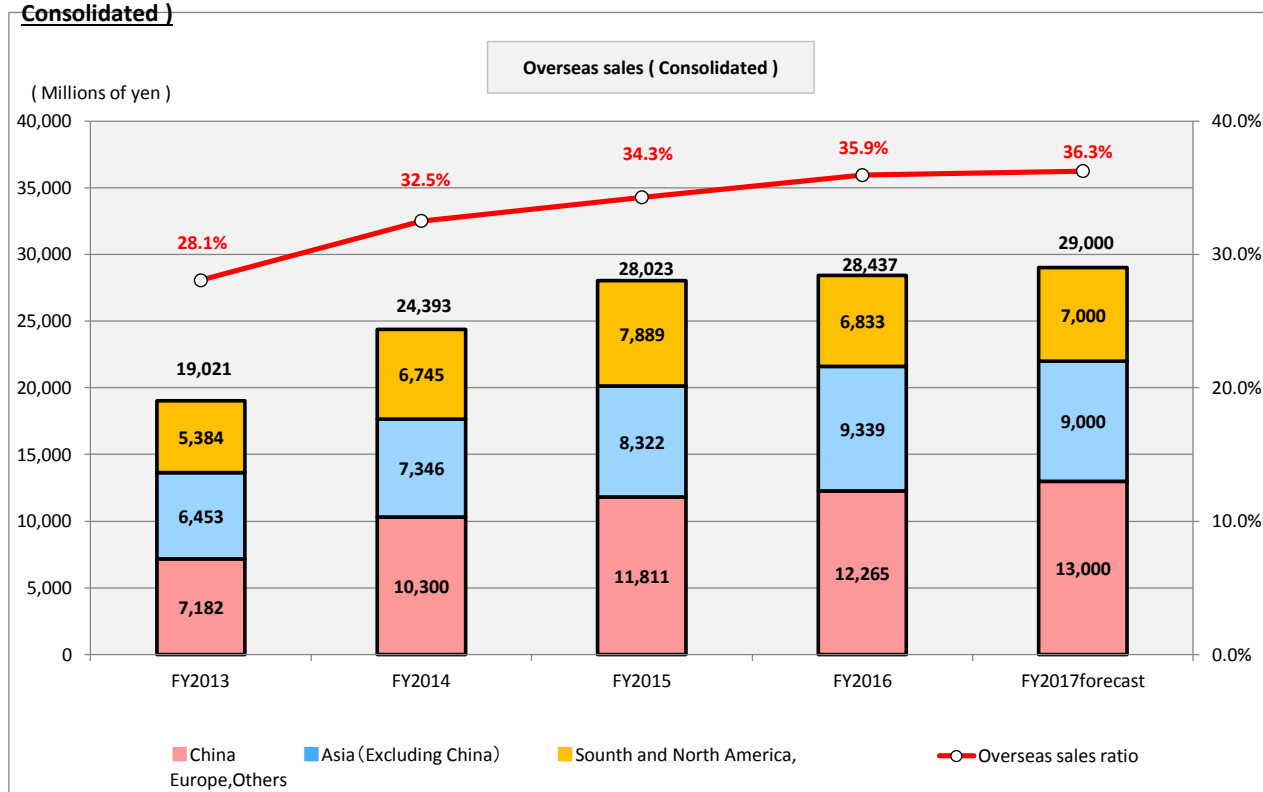
\* Adhesive Materials ..... Adhesive resin, Colorless rosin derivatives, etc.

\* Functional Materials.....Compound materials for electronics, Functional fine chemical materials,

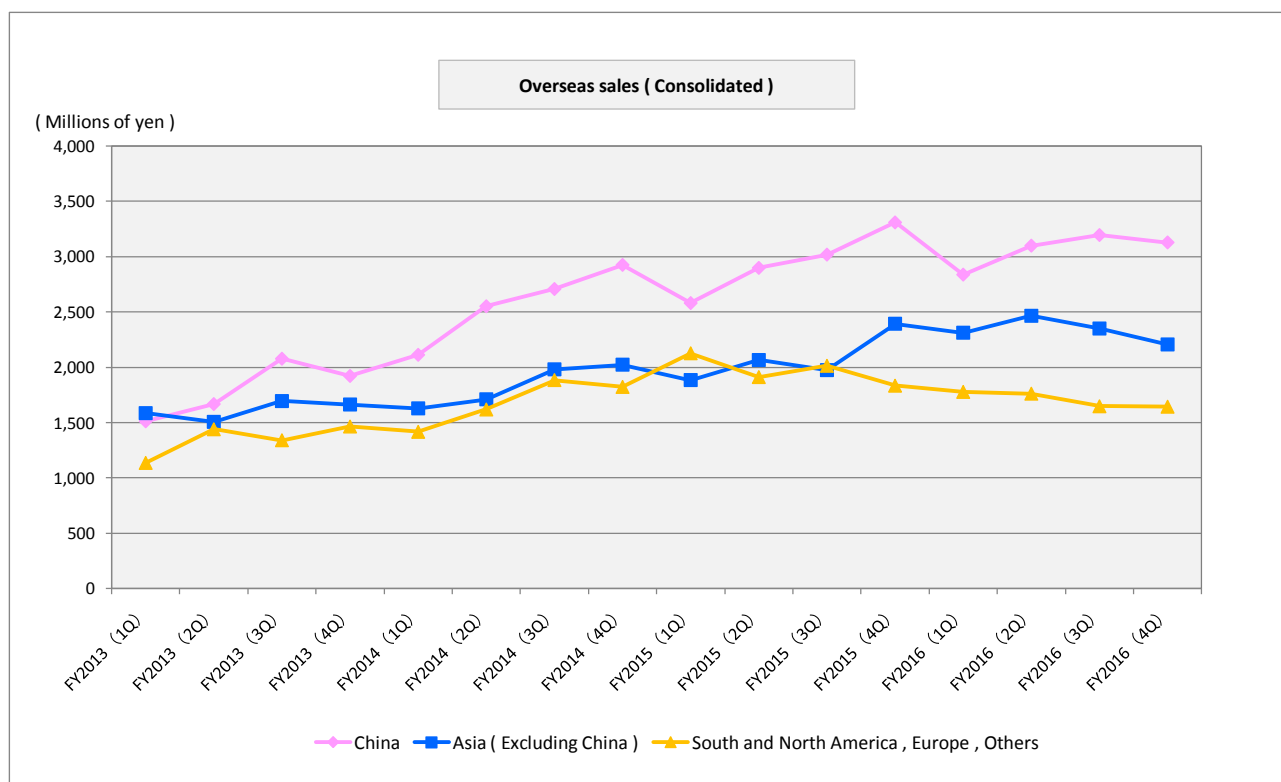
Polishing agent for hard disk substrates, Flux cleaning solvent, Flux cleaning system, etc.

\* Others .....Insurance business, Real estate agent, etc.

**\* Overseas Sales ( Consolidated )**



Consolidated	FY2013 ('12/4-'13/3)		FY2014 ('13/4-'14/3)		FY2015 ('14/4-'15/3)		FY2016 ('15/4-'16/3)		FY2017forecast ('16/4-'17/3)	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Overseas sales	19,021	△ 0.9	24,393	28.2	28,023	14.9	28,437	1.5	29,000	2.0
Overseas sales in Asia	13,636	0.2	17,647	29.4	20,133	14.1	21,604	7.3	22,000	1.8
Overseas sales in China	7,182	△ 2.2	10,300	43.4	11,811	14.7	12,265	3.8	13,000	6.0
Overseas sales ratio	28.1%		32.5%		34.3%		35.9%		36.3%	





## Management Index

		FY2012 (‘11/4-‘12/3)	FY2013 (‘12/4-‘13/3)	FY2014 (‘13/4-‘14/3)	FY2015 (‘14/4-‘15/3)	FY2016 (‘15/4-‘16/3)	FY2017 forecast (‘16/4-‘17/3)
Capital investment (Completion basis) (Millions of yen)	Consolidated	6,651	1,090	1,997	1,807	2,993	2,700
	Non-consolidated	5,547	732	1,033	1,109	1,192	—
Capital investment (Cash flows basis) (Millions of yen)	Consolidated	3,612	2,308	1,913	1,781	2,992	2,500
	Non-consolidated	2,818	1,783	1,060	914	1,391	—
Depreciation and amortization (Millions of yen)	Consolidated	3,167	3,358	2,953	2,700	2,717	2,800
	Non-consolidated	2,163	2,413	1,889	1,612	1,474	—
R & D expenses (Millions of yen)	Consolidated	2,887	2,746	2,790	2,703	2,819	3,100
	Non-consolidated	2,485	2,235	2,384	2,308	2,359	—
Interest-bearing debt (Millions of yen)	Consolidated	20,211	18,407	18,605	17,275	17,426	16,200
	Non-consolidated	17,272	15,314	14,285	13,176	12,233	—
Debt equity ratio (Times)	Consolidated	0.55	0.47	0.44	0.37	0.38	0.34
	Non-consolidated	0.50	0.42	0.39	0.34	0.31	—
Total assets (Millions of yen)	Consolidated	77,108	78,372	82,342	85,245	83,380	84,000
	Non-consolidated	67,365	65,832	64,533	66,527	64,532	—
Shareholders' equity (Millions of yen)	Consolidated	36,829	38,888	42,408	46,252	46,129	48,000
	Non-consolidated	34,892	35,699	36,821	38,874	39,449	—
Shareholders' equity to total assets (%)	Consolidated	47.8	49.6	51.5	54.3	55.3	57.1
	Non-consolidated	51.8	54.2	57.1	58.4	61.1	—
Return on equity (%)	Consolidated	3.7	2.6	3.7	5.0	5.0	5.1
	Non-consolidated	2.4	2.2	3.6	3.4	4.9	—
Net profit to sales(%)	Consolidated	1.9	1.4	2.0	2.7	2.9	3.0
Total asset turnover	Consolidated	0.9	0.9	0.9	1.0	0.9	1.0
Financial Leverage	Consolidated	2.1	2.0	1.9	1.8	1.8	1.8
Operating income to net sales (%)	Consolidated	2.5	2.8	3.1	3.5	4.6	4.8
	Non-consolidated	0.5	1.1	0.2	0.7	2.4	—
Ordinary income to net sales (%)	Consolidated	2.6	2.9	3.6	4.0	4.9	5.1
	Non-consolidated	2.6	2.6	3.3	3.2	4.8	—
Earnings per share (Yen)	Consolidated	67.96	48.81	73.86	109.94	113.10	116.93
	Non-consolidated	41.73	37.71	65.60	62.84	93.82	—
Book-value per share (Yen)	Consolidated	1,828.79	1,931.05	2,105.85	2,279.68	2,247.53	2,340.00
	Non-consolidated	1,732.64	1,772.71	1,828.43	1,916.07	1,922.10	—
Price to earnings ratio (Times)	Consolidated	10.7	16.7	12.4	11.5	8.6	—
	Non-consolidated	17.4	21.6	14.0	20.1	10.3	—
Annual dividends per share (Yen)		23.00	23.00	25.00	28.00	30.00	32.00
Payout ratio (%)	Consolidated	33.8	47.1	33.8	25.5	26.5	27.4
	Non-consolidated	55.1	61.0	38.1	44.6	32.0	—
Number of employees	Consolidated	1,319	1,334	1,330	1,349	1,422	1,450
	Non-consolidated	713	717	732	739	741	—

## Balance Sheets ( Consolidated )

	(Unit : Millions of yen)				
	FY2012 ( '11/4-'12/3 )	FY2013 ( '12/4-'13/3 )	FY2014 ( '13/4-'14/3 )	FY2015 ( '14/4-'15/3 )	FY2016 ( '15/4-'16/3 )
<b>Assets</b>					
◇ Current assets	48,321	50,636	54,406	56,018	54,541
Cash and deposits	5,678	6,993	6,668	8,228	9,620
Notes and accounts receivable-trade	27,482	27,122	28,167	29,142	26,529
Electronically recorded monetary claims - operating	—	—	—	507	935
Securities	—	—	—	—	232
Inventories	13,327	14,986	17,478	16,987	16,166
Deferred tax assets	508	778	579	549	532
Other	1,439	886	1,670	745	655
Allowance for doubtful accounts	△ 115	△ 131	△ 157	△ 142	△ 131
◇ Noncurrent assets	28,786	27,735	27,936	29,227	28,839
• Property, plant and equipment	23,010	21,381	21,072	20,827	21,553
Buildings and structures	8,700	8,123	7,933	7,793	8,105
Machinery, equipment and vehicles	9,151	7,907	7,828	7,352	7,032
Land	4,700	4,710	4,724	4,797	5,204
Construction in progress	50	286	266	553	739
Other	408	353	318	331	471
• Intangible assets	795	777	674	571	983
• Investments and other assets	4,981	5,577	6,189	7,828	6,301
Investment securities	4,074	4,783	5,480	7,125	5,549
Deferred tax assets	563	217	193	187	204
Other	350	580	523	530	635
Allowance for doubtful accounts	△ 7	△ 4	△ 8	△ 14	△ 87
Total assets	77,108	78,372	82,342	85,245	83,380
<b>Liabilities</b>					
◇ Current liabilities	28,822	33,825	29,047	26,926	30,996
Notes and accounts payable-trade	11,782	12,478	12,867	11,807	10,286
Short-term loans payable	12,131	11,581	11,525	9,592	9,993
Current portion of bonds	—	5,000	—	—	5,000
Income taxes payable	197	288	272	451	650
Accrued consumption taxes	36	329	36	243	219
Provision for bonuses	810	870	989	1,035	1,086
Notes payable-facilities	90	43	212	134	54
Other	3,773	3,232	3,143	3,661	3,706
◇ Noncurrent liabilities	10,375	4,437	9,660	10,474	4,639
Bonds payable	5,000	—	5,000	5,000	—
Long-term loans payable	3,080	1,825	2,079	2,683	2,433
Deferred tax liabilities	64	470	968	1,393	895
Provision for retirement benefits/Net defined benefit liability	1,920	1,783	1,015	813	764
Other	309	357	597	583	546
Total liabilities	39,197	38,262	38,708	37,400	35,636
<b>Net assets</b>					
◇ Shareholders' equity	37,532	38,052	39,066	40,893	42,819
Capital stock	3,128	3,128	3,128	3,192	3,293
Capital surplus	3,350	3,350	3,350	3,414	3,514
Retained earnings	31,065	31,585	32,599	34,298	36,022
Treasury stock	△ 11	△ 11	△ 11	△ 11	△ 12
◇ Accumulated other comprehensive income	△ 703	836	3,342	5,358	3,310
Valuation difference on available-for-sale securities	578	1,089	1,370	2,572	1,619
Foreign currency translation adjustment	△ 1,281	△ 253	1,714	2,620	1,746
Remeasurements of defined benefit plans	—	—	256	165	△ 56
◇ Subscription rights to shares	—	—	27	23	16
◇ Minority interests	1,081	1,220	1,199	1,570	1,598
Total net assets	37,910	40,109	43,634	47,845	47,744
Total liabilities and net assets	77,108	78,372	82,342	85,245	83,380

## Statements of Income (Consolidated)

(Unit : Millions of yen)

	FY2012 ('11/4-'12/3)	FY2013 ('12/4-'13/3)	FY2014 ('13/4-'14/3)	FY2015 ('14/4-'15/3)	FY2016 ('15/4-'16/3)
◇ Net sales	70,781	67,796	75,025	81,742	79,119
◇ Cost of sales	58,203	54,879	61,028	66,777	62,757
Gross profit	12,577	12,917	13,997	14,965	16,361
Selling, general and administrative expenses	10,798	11,036	11,662	12,004	12,722
Operating income	1,779	1,881	2,335	2,961	3,639
◇ Non-operating income	436	640	747	849	674
Interest income	6	8	11	33	30
Dividends income	116	113	119	126	156
Technical support fee	2	—	—	—	—
Real estate rent	115	116	116	119	121
Foreign exchange gains	—	144	291	246	28
Other	194	257	208	324	338
◇ Non-operating expenses	357	587	386	379	463
Interest expenses	298	272	262	261	239
Equity in losses of affiliates	—	1	20	49	26
Foreign exchange losses	4	—	—	—	—
Expenses for suspension of operation	—	251	—	—	—
Commission fee	—	—	—	—	89
Other	53	60	103	69	106
Ordinary income	1,858	1,934	2,697	3,431	3,851
◇ Extraordinary income	322	17	91	511	188
Gain on sales of noncurrent assets	102	1	75	21	45
Gain on sales of investment securities	0	—	—	—	126
Reversal of provision for loss on disaster	140	—	—	—	—
Other	78	15	15	490	15
◇ Extraordinary loss	221	136	113	58	177
Loss on sales and retirement of	50	27	113	54	25
Loss on disaster	93	—	—	—	—
Loss on valuation of noncurrent assets	3	—	—	4	—
Loss on sales of investment securities	0	—	—	—	—
Loss on valuation of investment securities	22	108	—	—	—
Other	50	—	—	—	152
Income before income taxes	1,959	1,815	2,674	3,884	3,862
Income taxes—current	439	547	678	1,164	1,166
Income taxes—deferred	17	191	348	139	133
Profit attributable to non-controlling interests	133	93	160	356	251
Profit attributable to owners of parent	1,368	982	1,487	2,224	2,311

## Statements of Cash Flows (Consolidated)

	(Unit : Millions of yen)				
	FY2012	FY2013	FY2014	FY2015	FY2016
	('11/4-'12/3)	('12/4-'13/3)	('13/4-'14/3)	('14/4-'15/3)	('15/4-'16/3)
<b>I . Net cash provided by (used in) operating</b>					
Income before income taxes	1,959	1,815	2,674	3,884	3,862
Depreciation and amortization	3,167	3,358	2,953	2,700	2,717
Amortization of goodwill	44	46	58	61	155
Increase (decrease) in allowance for doubtful accounts	△ 8	7	17	△ 15	67
Increase (decrease) in provision for bonuses	△ 53	57	112	41	48
Increase (decrease) in provision for retirement benefits	△ 155	△ 146	△ 780	△ 205	△ 53
Increase (decrease) in provision for loss on disaster	△ 270	—	—	—	—
Loss on disaster	93	—	—	—	—
Loss (gain) on valuation of investment securities	22	108	—	—	—
Loss (gain) on sales of investment securities	0	—	—	—	△ 126
Interest and dividends income	△ 123	△ 121	△ 131	△ 160	△ 186
Interest expenses	298	272	262	261	239
Decrease (increase) in notes and accounts receivable-trade	△ 2,100	1,028	405	△ 767	1,853
Increase (decrease) in notes and accounts payable-trade	△ 65	327	△ 379	△ 1,305	△ 1,622
Other, net	19	62	△ 1,738	1,682	53
Sub-total	2,829	6,816	3,453	6,177	7,008
Interest and dividends income received	129	122	133	165	188
Interest expenses paid	△ 291	△ 284	△ 235	△ 286	△ 247
Income taxes (paid) refund	△ 414	△ 183	△ 679	△ 961	△ 1,008
Other, net	△ 138	—	—	—	—
Net cash provided by (used in) operating activities	2,115	6,471	2,671	5,094	5,941
<b>II . Net cash provided by (used in) investment activities</b>					
Purchase of noncurrent assets	△ 3,612	△ 2,308	△ 1,913	△ 1,781	△ 2,992
Purchase of investment securities	△ 225	△ 24	△ 24	△ 25	△ 27
Proceeds from sales of investment securities	5	—	—	—	244
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	—	—	△ 1,498
Purchase of investments in (capital of) subsidiaries	△ 124	△ 247	△ 139	—	—
Other, net	691	95	151	△ 2	110
Net cash provided by (used in) investment activities	△ 3,265	△ 2,484	△ 1,926	△ 1,810	△ 4,163
<b>III . Net cash provided by (used in) financing activities</b>					
Net increase (decrease) in short-term loans payable	1,167	△ 976	△ 1,121	△ 2,145	569
Proceeds from long-term loans payable	2,000	100	2,000	2,660	2,200
Repayment of long-term loans payable	△ 2,137	△ 1,458	△ 1,500	△ 1,995	△ 2,264
Proceeds from issuance of bonds	—	—	4,971	—	—
Redemption of bonds	—	—	△ 5,000	—	—
Cash dividends paid	△ 483	△ 463	△ 473	△ 525	△ 611
Dividends paid to non-controlling interests	△ 82	△ 120	△ 441	△ 136	△ 159
Other, net	△ 0	△ 0	26	124	190
Net cash provided by (used in) financing activities	464	△ 2,919	△ 1,538	△ 2,017	△ 75
IV . Effect of exchange rate change on cash and cash equivalents	△ 69	255	468	293	△ 217
V . Net increase (decrease) in cash and cash equivalents	△ 755	1,323	△ 325	1,560	1,485
VI . Cash and cash equivalents, beginning of term	6,333	5,577	6,901	6,576	8,136
VII . Cash and cash equivalents, end of term	5,577	6,901	6,576	8,136	9,622

## Balance Sheets (Non-Consolidated)

(Unit : Millions of yen)

Assets	FY2012 (‘11/4-‘12/3)	FY2013 (‘12/4-‘13/3)	FY2014 (‘13/4-‘14/3)	FY2015 (‘14/4-‘15/3)	FY2016 (‘15/4-‘16/3)
◇ Current assets	37,087	36,846	36,285	37,931	35,314
Cash and deposits	3,037	3,796	3,523	4,511	4,345
Notes and accounts receivable-trade	22,134	20,762	19,415	20,229	18,629
Electronically recorded monetary claims – operati	—	—	—	450	790
Inventories	8,942	9,174	10,194	10,542	10,000
Other	3,062	3,203	3,242	2,278	1,619
Allowance for doubtful accounts	△ 90	△ 90	△ 90	△ 80	△ 70
◇ Noncurrent assets	30,278	28,985	28,248	28,595	29,217
• Property, plant and equipment	15,170	13,512	12,634	12,255	12,127
Buildings and structures	5,903	5,433	5,135	5,010	4,901
Machinery, equipment and vehicles	4,972	3,846	3,094	2,669	2,348
Land	3,983	3,983	3,987	4,047	4,098
Other	310	248	415	528	778
• Intangible assets	261	206	155	119	107
• Investments and other assets	14,846	15,267	15,458	16,219	16,982
Investment securities	3,978	4,690	5,142	6,786	5,424
Stocks of subsidiaries and affiliates	3,850	3,850	4,192	4,192	6,279
Investments in capital of subsidiaries and affiliates	4,149	4,523	4,429	4,429	4,429
Other	2,875	2,204	1,697	811	848
Allowance for doubtful accounts	△ 7	△ 0	△ 2	—	—
Total assets	67,365	65,832	64,533	66,527	64,532
<b>Liabilities</b>					
◇ Current liabilities	22,818	26,512	18,469	18,542	21,911
Notes and accounts payable-trade	9,405	9,190	8,157	8,137	7,289
Short-term loans payable	8,153	7,253	5,400	4,500	3,700
Current portion of long-term loans payable	1,286	1,374	1,805	1,957	2,001
Current portion of bonds	—	5,000	—	—	5,000
Accounts payable-other	2,840	2,125	1,823	2,322	2,154
Accrued expenses	210	217	187	188	228
Income taxes payable	68	77	31	92	291
Accrued consumption taxes	—	313	—	208	206
Deposits received	73	74	34	35	40
Provision for bonuses	660	696	791	820	849
Notes payable-facilities	55	30	174	104	49
Other	65	158	63	175	101
◇ Noncurrent liabilities	9,654	3,620	9,215	9,086	3,154
Bonds payable	5,000	—	5,000	5,000	—
Long-term loans payable	2,833	1,687	2,079	1,718	1,532
Deferred tax liabilities	—	394	703	1,304	911
Provision for retirement benefits	1,549	1,344	1,027	675	331
Other	271	193	404	387	379
Total liabilities	32,472	30,132	27,684	27,629	25,065
<b>Net assets</b>					
◇ Shareholders' equity	34,296	34,592	35,440	36,314	37,821
Capital stock	3,128	3,128	3,128	3,192	3,293
Capital surplus	3,350	3,350	3,350	3,414	3,514
Retained earnings	27,829	28,125	28,973	29,719	31,024
Treasury stock	△ 11	△ 11	△ 11	△ 11	△ 12
◇ Valuation and translation adjustments	596	1,107	1,381	2,560	1,628
Valuation difference on available-for-sale securitie	596	1,107	1,381	2,560	1,628
◇ Subscription rights to shares	—	—	27	23	16
Total net assets	34,892	35,699	36,848	38,897	39,466
Total liabilities and net assets	67,365	65,832	64,533	66,527	64,532

## Statements of Income (Non-Consolidated)

(Unit : Millions of yen)

	FY2012 (‘11/4-‘12/3)	FY2013 (‘12/4-‘13/3)	FY2014 (‘13/4-‘14/3)	FY2015 (‘14/4-‘15/3)	FY2016 (‘15/4-‘16/3)
◇ Net sales	51,899	49,338	52,509	55,521	52,448
◇ Cost of sales	43,644	40,933	44,290	47,078	43,026
Gross profit	8,255	8,404	8,219	8,443	9,421
Selling, general and administrative expenses	7,995	7,871	8,112	8,051	8,167
Operating income	260	533	106	392	1,254
◇ Non-operating income	1,286	1,180	1,837	1,521	1,430
Interest income	96	80	75	51	28
Dividends income	609	619	1,299	965	1,055
Technical support fee	160	—	—	—	—
Real estate rent	170	170	170	173	175
Foreign exchange gains	105	132	152	181	30
Other	144	176	140	148	140
◇ Non-operating expenses	213	444	198	129	150
Interest expenses	170	144	120	84	64
Bond issuance cost	—	—	28	—	—
Expenses for suspension of operation	—	251	—	—	—
Other	43	48	49	45	85
Ordinary income	1,333	1,269	1,745	1,783	2,535
◇ Extraordinary income	212	0	73	20	145
Gain on sales of noncurrent assets	71	0	73	20	45
Gain on sales of investment securities	—	—	—	—	100
Reversal of provision for loss on disaster	140	—	—	—	—
◇ Extraordinary loss	210	125	88	38	162
Loss on sales and retirement of noncurrent assets	32	16	88	34	19
Loss on disaster	93	—	—	—	—
Loss on valuation of noncurrent assets	3	—	—	4	—
Loss on valuation of investment securities	22	108	—	—	—
Loss on sales of investment securities	—	—	—	—	47
Loss on valuation of shares of subsidiaries and associates	—	—	—	—	14
Other	58	—	—	—	81
Income before income taxes	1,335	1,143	1,730	1,765	2,518
Income taxes—current	90	170	100	292	490
Income taxes—deferred	404	214	309	202	110
Net income	840	759	1,320	1,271	1,917

※The statements concerning future performance that are presented in this document are based on information available to issuing date of this report, and therefore the actual results may differ from these forecasted figures due to various unknown factors.

# Balance Sheets (Consolidated)

(Unit : Millions of yen)

Item	FY2015 (As of March 31, 2015)		FY2016 (As of March 31, 2016)		Increase /Decrease
	Amount	Com- position ratio	Amount	Com- position ratio	
(Assets)		%		%	
<b>I Current assets</b>					
1. Cash and deposits	8,228		9,620		1,391
2. Notes and accounts receivable-trade	29,142		26,529		△ 2,612
3. Electronically recorded monetary claims - operating	507		935		428
4. Securities	-		232		232
5. Merchandise and finished goods	8,440		7,911		△ 529
6. Work in process	1,070		1,122		52
7. Raw materials and supplies	7,476		7,133		△ 343
8. Deferred tax assets	549		532		△ 17
9. Other	745		655		△ 89
10. Allowance for doubtful accounts	△ 142		△ 131		11
Total current assets	56,018	65.7	54,541	65.4	△ 1,477
<b>II Noncurrent assets</b>					
1. Property, plant and equipment					
(1) Buildings and structures	7,793		8,105		311
(2) Machinery, equipment and vehicles	7,352		7,032		△ 320
(3) Land	4,797		5,204		407
(4) Construction in progress	553		739		186
(5) Other	331		471		140
Total property, plant and equipment	20,827	24.4	21,553	25.8	726
2. Intangible assets					
(1) Goodwill	71		550		479
(2) Other	500		432		△ 67
Total intangible assets	571	0.7	983	1.2	411
3. Investments and other assets					
(1) Investment securities	7,125		5,549		△ 1,575
(2) Deferred tax assets	187		204		16
(3) Other	530		635		105
Allowance for doubtful accounts	△ 14		△ 87		△ 72
Total investments and other assets	7,828	9.2	6,301	7.6	△ 1,526
Total noncurrent assets	29,227	34.3	28,839	34.6	△ 387
Total assets	85,245	100.0	83,380	100.0	△ 1,865

(Unit : Millions of yen)

Item	FY2015 (As of March 31, 2015)		FY2016 (As of March 31, 2016)		Increase /Decrease
	Amount	Com- position ratio	Amount	Com- position ratio	
(Liabilities)		%		%	
<b>I Current liabilities</b>					
1. Notes and accounts payable-trade	11,807		10,286		△ 1,521
2. Short-term loans payable	9,592		9,993		400
3. Electronically recorded monetary claims-operating	-		5,000		5,000
4. Income taxes payable	451		650		198
5. Accrued consumption taxes	243		219		△ 23
6. Deferred tax liabilities	70		60		△ 9
7. Provision for bonuses	1,035		1,086		50
8. Provision for directors' bonuses	46		57		11
9. Provision for repairs	94		-		△ 94
10. Notes payable-facilities	134		54		△ 79
11. Other	3,451		3,588		137
Total current liabilities	26,926	31.7	30,996	37.2	4,070
<b>II Noncurrent liabilities</b>					
1. Bonds payable	5,000		-		△ 5,000
2. Long-term loans payable	2,683		2,433		△ 249
3. Deferred tax liabilities	1,393		895		△ 498
4. Provision for repairs	-		37		37
5. Net defined benefit liability	813		764		△ 49
6. Asset retirement obligations	90		92		1
7. Other	493		416		△ 76
Total noncurrent liabilities	10,474	12.3	4,639	5.5	△ 5,834
Total liabilities	37,400	44.0	35,636	42.7	△ 1,763
(Net assets)					
<b>I Shareholders' equity</b>					
1. Capital stock	3,192		3,293		100
2. Capital surplus	3,414		3,514		100
3. Retained earnings	34,298		36,022		1,724
4. Treasury stock	△ 11		△ 12		△ 0
Total shareholders' equity	40,893	47.9	42,819	51.4	1,925
<b>II Accumulated other comprehensive income</b>					
1. Valuation difference on available-for-sale securities	2,572		1,619		△ 952
2. Foreign currency translation adjustment	2,620		1,746		△ 874
3. Remeasurements of defined benefit plans	165		△ 56		△ 221
Total accumulated other comprehensive income	5,358	6.3	3,310	4.0	△ 2,048
<b>III Subscription rights to shares</b>	23	0.0	16	0.0	△ 6
<b>IV Minority interests</b>	1,570	1.8	1,598	1.9	28
Total net assets	47,845	56.0	47,744	57.3	△ 101
Total liabilities and net assets	85,245	100.0	83,380	100.0	△ 1,865



## Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2015		FY2016		Increase /Decrease	
	'14/4-'15/3		'15/4-'16/3		Amount	Rate of change
	Amount	Ratio	Amount	Ratio		
I Net sales	81,742	100.0	79,119	100.0	△ 2,622	△ 3.2
II Cost of sales	66,777	81.7	62,757	79.3	△ 4,019	△ 6.0
Electronically recorded monetary claims—operating	14,965	18.3	16,361	20.7	1,396	9.3
III Selling, general and administrative expenses	12,004	14.8	12,722	16.1	718	6.0
Operating income	2,961	3.5	3,639	4.6	678	22.9
IV Non-operating income						
Interest income	33		30		△ 2	
Dividends income	126		156		29	
Real estate rent	119		121		2	
Foreign exchange gains	246		28		△ 217	
Other	324		338		14	
Total non-operating income	849	1.0	674	0.9	△ 175	△ 20.6
V Non-operating expenses						
Interest expenses	261		239		△ 21	
Equity in losses of affiliates	49		26		△ 22	
Commission fee	—		89		89	
Other	69		106		37	
Total non-operating expenses	379	0.5	463	0.6	83	21.9
Ordinary income	3,431	4.0	3,851	4.9	419	12.2
VI Extraordinary income						
Gain on sales of noncurrent assets	21		45		24	
Gain on sales of investment securities	—		126		126	
Compensation income	474		—		△ 474	
State subsidy	15		15		—	
Total extraordinary income	511	0.6	188	0.2	△ 322	△ 63.1
VII Extraordinary loss						
Loss on sales and retirement of noncurrent assets	54		25		△ 29	
Loss on valuation of non-current assets	4		—		△ 4	
Provision of allowance for doubtful accounts	—		70		70	
Expenses for production base intensification	—		81		81	
Total extraordinary loss	58	0.0	177	0.2	119	204.3
Income before income taxes	3,884	4.6	3,862	4.9	△ 21	△ 0.6
Income taxes—current	1,164	1.4	1,166	1.5	1	0.1
Income taxes—deferred	139	0.2	133	0.2	△ 6	△ 4.3
Income before minority interests	2,580	3.0	2,562	3.2	△ 17	△ 0.7
Profit attributable to non-controlling interests	356	0.4	251	0.3	△ 104	△ 29.5
Profit attributable to owners of parent	2,224	2.6	2,311	2.9	87	3.9

### <Reference> Statements of Comprehensive Income (Consolidated)

(Unit: Millions of yen)

Income before minority interests	2,580	2,562	△ 17	△ 0.7
Other comprehensive income				
Valuation difference on available-for-sale	1,201	△ 952	△ 2,153	
Foreign currency translation adjustment	1,043	△ 900	△ 1,943	
Remeasurements of defined benefit plans	△ 91	△ 221	△ 130	
Share of other comprehensive income of associates accounted for using equity method	14	△ 25	△ 40	
Total other comprehensive income	2,167	△ 2,100	△ 4,268	
Comprehensive income	4,747	462	△ 4,285	△ 90.3

## Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2015	FY2016	Increase /Decrease
	'14/4-'15/3	'15/4-'16/3	
	Amount	Amount	
<b>I Net cash provided by (used in) operating</b>			
Income before income taxes	3,884	3,862	△ 21
Depreciation and amortization	2,700	2,717	17
Amortization of goodwill	61	155	93
Increase (decrease) in allowance for doubtful accounts	△ 15	67	82
Increase (decrease) in provision for bonuses	41	48	7
Increase (decrease) in provision for directors' bonuses	6	11	5
Increase (decrease) in net defined benefit liability	△ 205	△ 53	152
Loss (gain) on sales of investment securities	-	△ 126	△ 126
Loss (gain) on valuation of investment securities	4	-	△ 4
Loss (gain) on sales and retirement of noncurrent assets	33	△ 20	△ 53
Interest and dividends income	△ 160	△ 186	△ 26
Interest expenses	261	239	△ 21
Equity in (earnings) losses of affiliates	49	26	△ 22
Decrease (increase) in notes and accounts receivable-trade	△ 767	1,853	2,621
Decrease (increase) in inventories	839	575	△ 263
Increase (decrease) in notes and accounts payable-trade	△ 1,305	△ 1,622	△ 317
Increase (decrease) in accrued consumption taxes	206	△ 23	△ 230
Other, net	543	△ 515	△ 1,059
Subtotal	6,177	7,008	831
Interest and dividends income received	165	188	22
Interest expenses paid	△ 286	△ 247	39
Income taxes (paid) refund	△ 961	△ 1,008	△ 46
<b>Net cash provided by (used in) operating activities</b>	<b>5,094</b>	<b>5,941</b>	<b>846</b>
<b>II Net cash provided by (used in) investing activities</b>			
Decrease (increase) in time deposits	-	5	5
Purchase of property, plant and equipment	△ 1,737	△ 2,937	△ 1,200
Proceeds from sales of property, plant and equipment	6	109	103
Purchase of investment securities	△ 25	△ 27	△ 1
Proceeds from sales of investment securities	-	244	244
Purchase of intangible assets	△ 44	△ 55	△ 10
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	△ 1,498	△ 1,498
Decrease (increase) in short-term loans receivable	-	20	20
Decrease (increase) in other investments	△ 1	△ 10	△ 8
Other, net	△ 7	△ 14	△ 6
<b>Net cash provided by (used in) investing activities</b>	<b>△ 1,810</b>	<b>△ 4,163</b>	<b>△ 2,353</b>
<b>III Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	△ 2,145	569	2,715
Proceeds from long-term loans payable	2,660	2,200	△ 460
Repayment of long-term loans payable	△ 1,995	△ 2,264	△ 268
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	124	195	70
Purchase of treasury stock	△ 0	△ 0	△ 0
Cash dividends paid	△ 525	△ 611	△ 86
Cash dividends paid to minority shareholders	△ 136	△ 159	△ 23
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	△ 4	△ 4
<b>Net cash provided by (used in) financing activities</b>	<b>△ 2,017</b>	<b>△ 75</b>	<b>1,941</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>293</b>	<b>△ 217</b>	<b>△ 510</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>1,560</b>	<b>1,485</b>	<b>△ 74</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>6,576</b>	<b>8,136</b>	<b>1,560</b>
<b>VII Cash and cash equivalents at end of period</b>	<b>8,136</b>	<b>9,622</b>	<b>1,485</b>